

ANNUAL REPORT
2026

SURAJ
سورج



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Company Information

Board of Directors

Mr. Khalid Bashir (Chairman)
Mr. Adil Bashir
Mr. Ahsan Bashir
Mr. Asif Bashir
Ms. Maheen Hisham Adamjee
Mr. Mohammad Iqbal
Mr. Shams Rafi

Chief Executive Officer

Mr. Nadeem Maqbool

Chief Financial Officer

Mr. Naeem Sheikh

Audit Committee

Mr. Shams Rafi (Chairman)
Mr. Asif Bashir
Mr. Mohammad Iqbal

HR, Nomination & Remuneration Committee

Ms. Maheen Hisham Adamjee (Chairperson)
Mr. Khalid Bashir
Mr. Nadeem Maqbool

Risk Management Committee

Ms. Maheen Hisham Adamjee (Chairperson)
Mr. Adil Bashir
Mr. Ahsan Bashir
Mr. Shams Rafi

Share Registrar

Corptec Associates (Pvt.) Ltd.
503-E, Johar Town, Lahore

Auditors

Riaz Ahmad & Co.
Chartered Accountants

Company Secretary

Ms. Maria Atif

Bankers

Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
MCB Islamic Bank Limited
United Bank Limited
Habib Metropolitan Bank Limited
Samba Bank Limited
ABHI Microfinance Bank Limited
Meezan Bank Limited
Bank Alfalah Limited

Registered Office

Tricon Corporate Center, 8th Floor, 73-E, Main Jail
Road, Gulberg II, Lahore
Ph: +92-423-5760379, 35760382
Fax: +92-423-5760376
Email: corp.info@suraj.com
Web: www.suraj.com

Project Locations

Nooriabad, District Dadu, Sindh.
Kotla Kahloon, District Nankana Sahib, Punjab.
Bhaikot, Rawind, District Lahore, Punjab.

VISION & MISSION STATEMENT

VISION

To be a globally competitive textile manufacturer, driving long-term value through quality, innovation, operational excellence, resource efficiency, and responsible growth.

MISSION

We manufacture premium-quality yarn and woven fabrics for customers in Pakistan and international markets. Through continuous improvement, technological advancement, and people development, we deliver reliable performance, pursue value-added growth, and operate responsibly to create lasting value for our stakeholders.

CORE VALUES

At Suraj, we believe sustainable success is built on integrity, accountability, respect, and responsible business practices. We are committed to delivering quality products, creating sustainable value for our stakeholders, developing our people, supporting the communities in which we operate, and using natural resources responsibly. Our reputation and long-term success are grounded in the principles that guide how we conduct our business.

Our reputation is founded on our adherence to the following principles:

Integrity	We do what is right, honor our commitments, and act with honesty, fairness, and transparency.
Customer Commitment	We understand our customers' needs and earn their trust through quality, reliability, and responsive service.
Excellence	We take ownership, uphold high standards, and continuously improve our performance.
Innovation	We challenge conventional thinking and use ideas, data, and technology to develop better products, processes, and solutions.
Respect and Safety	We safeguard the health, safety, and dignity of our people while supporting their growth and development.
Teamwork	We collaborate openly across functions and work together to achieve shared goals.
Accountability	We take ownership of our decisions, actions, and results, and hold ourselves accountable for delivering on our commitments.
Sustainability	We use energy, water, materials, and natural resources responsibly, reducing waste and environmental impact for future generations.

About Us

PROFILE

Suraj Cotton Mills Limited ("the Company") was incorporated in Pakistan as a public limited company on December 18, 1984 and is listed on the Pakistan Stock Exchange Limited. Since its inception, the Company has established itself as one of the country's leading manufacturers and exporters of premium-quality yarn and woven fabrics.

OPERATIONS & FACILITIES

The Company operates modern spinning and weaving facilities, managed by a highly skilled workforce and equipped with advanced technology. Its yarn division specializes in 100% cotton yarn, produced from a diverse range of fibers, including Pakistani, Australian, USA, Brazilian, PIMA, and Egyptian cottons, with counts ranging from 16/s to 120/s combed compact yarn. The weaving division, comprising 286 Toyota Air Jet Looms, produces approximately 48 million meters of grey fabric annually. Its output is widely recognized for quality, consistency, and competitiveness in both domestic and international markets.

COMMITMENT TO QUALITY & INNOVATION

Over the decades, Suraj Cotton Mills has built a strong reputation for quality, reliability, and innovation. The Company follows a kaizen-based approach to continuous improvement, regularly modernizing facilities and adopting global best practices. This ensures that it consistently meets the evolving demands of customers worldwide. Exports contribute significantly to revenues, with Suraj Cotton Mills maintaining trusted partnerships across Asia, Europe, and other regions, strengthening its global footprint.

COMPETITIVE STRENGTHS

The Company's edge lies in its ability to combine innovation with operational efficiency. Continuous investment in modern machinery, technology upgrades, and workforce training drives cost competitiveness and superior product quality. Equally, Suraj Cotton Mills is committed to environmental sustainability and social responsibility, ensuring that growth delivers long-term value not only for stakeholders but also for the wider community.

GOVERNANCE & COMPLIANCE

Corporate governance, transparency, and ethical practices form the cornerstone of operations. Suraj Cotton Mills fully complies with the Code of Corporate Governance, ensuring strong oversight by the Board of Directors and effective implementation by management. This framework enables sustainable growth and long-term shareholder value creation.

Business Philosophy

A commitment to quality, innovation, operational excellence, and responsible growth guides our approach to strengthening our core business, pursuing value-added opportunities, and creating sustainable long-term value.

Our Business

Suraj is an integrated textile manufacturer with spinning and weaving facilities, serving customers across domestic and international markets.

Our Strengths

The Company's competitive position is supported by product development expertise, experienced management, operational discipline, established customer relationships, and a strong commitment to quality and innovation. These capabilities strengthen our competitiveness, support operational resilience, and provide a solid foundation for sustainable growth.

Strategic Priorities

Our strategic priorities translate our vision and mission into clear areas of focus for investment, capability development, and management attention.

- **Customer Quality and Reliability**
Consistently deliver products and services that meet customer requirements and strengthen long-term relationships.
- **Operational Excellence and Cost Competitiveness**
Improve productivity, quality, efficiency, and responsiveness across our operations.
- **Technology and Continuous Improvement**
Modernize our facilities, systems, and processes through disciplined investment, data, and innovation.
- **Value-Added Growth and Market Development**
Develop higher-value products, strengthen our market position, and pursue attractive domestic and international opportunities.
- **People Development, Safety and Collaboration**
Build a capable, engaged, and accountable organization where people work safely, develop their capabilities, and succeed together.
- **Resource Efficiency and Responsible Operations**
We Use energy, water, and materials efficiently, reduce waste, and manage environmental and social impacts responsibly.
- **Governance, Risk and Financial Discipline**
Maintain high standards of ethical conduct, effective oversight, prudent risk management, and disciplined financial and capital management.

Chairman's Review

I am pleased to present the Chairman's Review on the overall performance of the Board and its effectiveness in providing strategic direction, strengthening governance, and advancing the Company's long-term objectives.

The Economy

In a year marked by a challenging domestic and global economic environment, Suraj Cotton Mills Limited demonstrated resilience and maintained its focus on sustainable business growth. During Financial Year 2025–2026, Pakistan's textile industry navigated a complex operating environment, characterized by elevated energy and input costs, limited domestic cotton availability, fiscal pressures, and subdued international demand. Geopolitical tensions and ongoing armed conflicts in various regions further contributed to global economic uncertainty, affecting trade flows, energy and commodity prices, freight costs, and business sentiment.

Against this backdrop, the Company delivered a strong financial performance, with profit after taxation increasing by 61% to Rs. 1.801 billion, while earnings per share rose to Rs. 36.90 (2025: Rs. 22.92). In Pakistan, macroeconomic conditions showed gradual stabilization, supported by the IMF programme, moderated inflation, easing interest rates, and improved foreign exchange reserves. Nevertheless, evolving global trade and tariff policies and disruptions in international supply chains continued to influence textile markets.

The Board remains committed to enhancing operational efficiency through modernization, technological advancement, financial discipline, and strategic initiatives. These measures are aimed at strengthening the Company's competitive position, supporting sustainable growth, and creating long-term value for shareholders and stakeholders.

Corporate Governance

Suraj Cotton Mills Limited adheres to all material provisions of the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019, in relation to the composition, procedures, and meetings of the Board of Directors and its Committees.

The eight-member Board comprises two Independent Directors, including an Independent Female Director, three Non-Executive Directors, and three Executive Directors, including the Chief Executive Officer. The Board members bring diverse educational backgrounds and professional experience, contributing to the Company's governance framework and strategic direction.

In accordance with the Code, the Board conducted its annual performance evaluation through a structured questionnaire covering strategic planning, financial oversight, risk management, and governance, along with separate questionnaires for the Chief Executive Officer and Chief Financial Officer. For the financial year ended June 30, 2026, the Board's overall performance was assessed as Highly Satisfactory, with continued focus on enhancing effectiveness and governance practices.

The evaluation highlighted the constructive participation of executive, non-executive, and independent directors in Board deliberations. The Board maintained a forward-looking approach by setting annual objectives and performance targets for management and reviewing the Company's strategies, budgets, financial statements, and reports. Comprehensive agendas and timely information supported informed decision-making, while transparency, accountability, best practices, and ethical conduct remained key priorities.

The Board meetings were held with appropriate frequency to facilitate timely consideration of key matters. The Board Committees, operating under clearly defined Terms of Reference, continued to provide focused oversight and guidance in their respective areas. Their performance was also assessed annually through a self-evaluation process, supporting continuous improvement in the Company's governance framework.

Environmental, Social and Governance (ESG)

The Company continued to strengthen its ESG priorities during the year, with emphasis on energy and resource efficiency, environmental management, employee well-being, workplace safety, ethical business practices and responsible governance, reinforcing its commitment to long-term, sustainable value creation for all stakeholders.

Future Prospects

With the economy showing early signs of stabilization after a prolonged period of volatility, the outlook for the textile sector appears cautiously optimistic. Improvements in monetary policy, declining inflationary pressures, and targeted government initiatives have created a relatively more enabling environment for businesses.

Strategic investments in technology, process optimization, and market diversification are expected to strengthen competitiveness in both domestic and export markets. Furthermore, potential improvements in cotton production and enhanced access to regional and global trade opportunities provide an encouraging basis for future expansion.

Acknowledgment

I would like to extend my appreciation to my fellow Board members for their continued guidance and dedication. I also convey my gratitude to our valued stakeholders for their trust and confidence, and to our management team and employees for their commitment and loyalty.



Khalid Bashir

Chairman

Date: September 28, 2026

چیئر مین کا جائزہ

مجھے بورڈ کی مجموعی کارکردگی اور اسٹریٹجک سمت کی فراہمی، گورننس کے استحکام اور کمپنی کے طویل مدتی مقاصد کے حصول میں اس کی موثریت پر چیئر مین کا جائزہ پیش کرتے ہوئے مسرت ہو رہی ہے۔

معاشی جائزہ

ملکی اور عالمی سطح پر مشکل معاشی ماحول کے حامل سال میں، سورج کاٹن ملز لمیٹڈ نے استقامت کا مظاہرہ کیا اور پائیدار کاروباری ترقی پر اپنی توجہ برقرار رکھی۔ مالی سال 2025-2026ء کے دوران، پاکستان کی ٹیکسٹائل صنعت کو ایک پیچیدہ کاروباری ماحول کا سامنا رہا، جس کی نمایاں خصوصیات توانائی اور خام مال کی بلند لاگت، ملکی کپاس کی محدود دستیابی، مالیاتی دباؤ اور بین الاقوامی طلب میں کمی تھیں۔ مختلف خطوں میں جغرافیائی و سیاسی کشیدگی اور جاری مسلح تنازعات نے عالمی معاشی غیر یقینی صورتحال میں مزید اضافہ کیا، جس سے تجارتی بہاؤ، توانائی و اجناس کی قیمتیں، مال برداری کے اخراجات اور کاروباری اعتماد متاثر ہوئے۔

اس پس منظر میں، کمپنی نے مضبوط مالیاتی کارکردگی کا مظاہرہ کیا، جس میں بعد از ٹیکس منافع 61 فیصد اضافے کے ساتھ 1,801.801 ارب روپے رہا، جبکہ فی حصص آمدن بڑھ کر 36.90 روپے ہو گئی (2025ء: 22.92 روپے)۔ پاکستان میں آئی ایم ایف پروگرام، افراط زر میں اعتدال، شرح سود میں کمی اور زرمبادلہ کے ذخائر میں بہتری کے باعث معاشی حالات میں بتدریج استحکام دیکھا گیا۔ تاہم، بدلتی ہوئی عالمی تجارتی و ٹیرف پالیسیاں اور بین الاقوامی سپلائی چینز میں رکاوٹیں ٹیکسٹائل منڈیوں کے بدستور اثر انداز ہوتی رہیں۔

بورڈ جدید ترقی، تکنیکی ترقی، مالیاتی نظم و ضبط اور اسٹریٹجک اقدامات کے ذریعے آپریشنل کارکردگی میں اضافے کے لیے پُر عزم ہے۔ ان اقدامات کا مقصد کمپنی کی مسابقتی پوزیشن کو مستحکم کرنا، پائیدار ترقی میں معاونت کرنا اور حصص یافتگان و دیگر اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرنا ہے۔

کارپوریٹ گورننس

سورج کاٹن ملز لمیٹڈ بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی تشکیل، طریقہ کار اور اجلاسوں کے حوالے سے کمپنیز ایکٹ، 2017ء اور لمیٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019ء کی تمام اہم دفعات کی پاسداری کرتی ہے۔

آج کل کی بورڈ دو آزاد ڈائریکٹرز، بشمول ایک آزاد خاتون ڈائریکٹر، تین نان ایگزیکٹو ڈائریکٹرز اور تین ایگزیکٹو ڈائریکٹرز، بشمول چیف ایگزیکٹو آفیسر، پر مشتمل ہے۔ بورڈ کے اراکین متنوع تعلیمی پس منظر اور پیشہ ورانہ تجربے کے حامل ہیں، جو کمپنی کے گورننس فریم ورک اور اسٹریٹجک سمت میں اپنا کردار ادا کرتے ہیں۔

کوڈ کے مطابق، بورڈ نے اسٹریٹجک مضامین، بنیادی مالیاتی نگرانی، رسک مینجمنٹ اور گورننس پر مشتمل ایک منظم سوانحہ کے ذریعے اپنی سالانہ کارکردگی کا جائزہ لیا، تیز چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر کے لیے علیحدہ سوانحے بھی استعمال کیے گئے۔ 30 جون 2026ء کو ختم ہونے والے مالی سال کے لیے بورڈ کی مجموعی کارکردگی کو "انتہائی تسلی بخش" قرار دیا گیا، اور گورننس کے طریقہ کار میں مزید بہتری پر توجہ جاری رکھی گئی۔

جائزے میں بورڈ کے مباحثوں میں ایگزیکٹو، نان ایگزیکٹو اور آزاد ڈائریکٹرز کی تعمیری شرکت کو نمایاں کیا گیا۔ بورڈ نے انتظامیہ کے لیے سالانہ اہداف اور کارکردگی کے معیارات مقرر کر کے اور کمپنی کی حکمت عملیوں، بجٹ، مالیاتی گواہیوں اور رپورٹس کا جائزہ لے کر مستقبل میں طرز عمل پر کارکردگی کا جامع ایجنڈا اور بروقت معلومات نے باخبر فیصلہ سازی میں معاونت کی، جبکہ شفافیت، جوابدہی، بہترین طریقہ کار اور اخلاقی طرز عمل کلیدی ترجیحات رہیں۔

اہم معاملات پر بروقت غور کے لیے بورڈ کے اجلاس مناسب توازن کے ساتھ منعقد کیے گئے۔ واضح طور پر متعین ضوابط کار (Terms of Reference) کے تحت کام کرنے والی بورڈ کمیٹیوں نے اپنے اپنے شعبوں میں مرکوز نگرانی اور رہنمائی فراہم کرنے کا سلسلہ جاری رکھا۔ ان کی کارکردگی کا بھی خود تنقیدی عمل کے ذریعے سالانہ جائزہ لیا گیا، جو کمپنی کے گورننس فریم ورک میں مسلسل بہتری میں معاون ہے۔

ماحولیاتی، سماجی اور گورننس (ESG)

کمپنی نے سال کے دوران اپنی ESG ترجیحات کو مزید مستحکم کیا، جس میں توانائی اور وسائل کے موثر استعمال، ماحولیاتی انتظام، ملازمین کی فلاح و بہبود، کام کی جگہ پر حفاظت، اخلاقی کاروباری طریقوں اور ذمہ دارانہ گورننس پر زور دیا گیا، جو تمام اسٹیک ہولڈرز کے لیے طویل مدتی اور پائیدار قدر کی تخلیق کے لیے کمپنی کے عزم کو تقویت دیتا ہے۔

مستقبل کے امکانات

طویل عرصے کے عدم استحکام کے بعد معیشت میں استحکام کے ابتدائی آثار نظر آنے کے ساتھ، ٹیکسٹائل شعبے کا منظر نامہ جتنا طور پر پُر امید دکھائی دیتا ہے۔ مانیٹرنگ پالیسی میں بہتری، افراط زر کے دباؤ میں کمی اور حکومت کے ہدف شدہ اقدامات نے کاروبار کے لیے نسبتاً زیادہ سازگار ماحول پیدا کیا ہے۔

ٹیکنالوجی، عمل کی بہتری اور منڈیوں کے تنوع میں اسٹریٹجک سرمایہ کاری سے ملکی اور برآمدی دونوں منڈیوں میں مسابقت مضبوط ہونے کی توقع ہے۔ مزید برآں، کپاس کی پیداوار میں ممکنہ بہتری اور علاقائی و عالمی تجارتی مواقع تک بہتر رسائی مستقبل میں توسیع کے لیے حوصلہ افزائی فراہم کرتی ہے۔

اظہار تشکر

میں بورڈ کے اپنے ساتھی اراکین کان کی مسلسل رہنمائی اور گن پر شکر یہ ادا کرنا چاہتا ہوں۔ میں اپنے معزز اسٹیک ہولڈرز کان کے اعتماد اور بھروسے پر، اور اپنی انتظامی ٹیم اور ملازمین کان کے عزم اور وفاداری پر بھی شکر گزار ہوں۔



خالد شیخ

چیئر مین

28 ستمبر 2026

لاہور

Director's Profile

Mr. Khalid Bashir

Chairman

Director (Non-Executive)

Joined Board:

1998

Chief Executive:

Shams Textile Mills Limited

Director:

Crescent Powertec Limited
The Crescent Textile Mills Limited
Premier Insurance Limited

Mr. Nadeem Maqbool

Chief Executive Officer

Joined Board:

1984

Director:

Premier Insurance Limited
Premier Financial Services (Pvt) Limited
Crescent Steel and Allied Products Limited

Mr. Adil Bashir

Director (Executive)

Joined Board:

2015

Director:

Shams Textile Mills Limited
Crescent Powertec Limited
Equity Textiles Limited

Mr. Ahsan Bashir

Director (Executive)

Joined Board:

1994

Chief Executive & Director:

Crescent Powertec Limited

Director:

Premier Insurance Limited
Service Industries Limited
Equity Textiles Limited

Mr. Asif Bashir

Director (Non-Executive)

Joined Board:

2024

Director:

Shams Textile Mills Limited
Crescent Powertec Limited

Ms. Maheen Hisham Adamjee

Independent Director

Joined Board:

2022

Mr. Mohammad Iqbal

Director (Non-Executive)

Joined Board:

2010

Chairman & Director:

Acme Mills (Pvt.) Limited

Director:

ICon Global (Pvt) Limited

Mr. Shams Rafi

Independent Director

Joined Board:

2022

Director:

Jubilee Spinning & Weaving Mills Limited

Director's Report

The Board of Directors of Suraj Cotton Mills Limited is pleased to present their Report, together with the audited financial statements of the Company for the year ended June 30, 2026.

OVERVIEW

The year under review saw gradual stabilization in Pakistan's macroeconomic environment, supported by the continuation of the IMF programme, moderating inflation, easing policy rates, and improved foreign exchange reserves. The textile sector, particularly spinning and weaving, nonetheless continued to face a challenging operating environment on account of elevated energy costs, competition from imported yarn and greige fabric, and cautious domestic demand. The Company delivered a strong financial performance, with profit after taxation of Rs. 1.801 billion and earnings per share of Rs. 36.90 (2025: Rs. 22.92), supported by margin improvement, lower finance cost and continued deleveraging of the balance sheet.

BUSINESS PERFORMANCE

During the fiscal year ended June 30, 2026, the company achieved net revenue of Rs. 28.650 billion, an increase of 4.52% over the corresponding period.

Financial Performance at a glance

The financial performance of your company for the fiscal year ended June 30, 2026 as compared to the previous year, is presented below:

Brief Income Statement	2026	2025	% Change
	(PKR in Million)		
Sales	28,650	27,411	4.52%
Gross profit	2,812	2,287	22.96%
Operating profit	2,542	2,200	15.52%
Financial cost	126	190	-33.55%
Profit before levy and taxation	2,416	2,011	20.16%
Taxation (incl. levy)	(614)	(891)	-31.05%
Profit After Taxation	1,801	1,119	61.00%
Earnings per Share (EPS)	36.90	22.92	61.00%

Gross Profit

The Company achieved a gross profit margin of 9.82% for the fiscal year under review, as compared to 8.34% last year. This improvement was mainly attributable to cost of sales increasing at a slower pace (2.8%) than revenue (4.5%), supported by better management of raw material procurement and lowering energy costs through alternative sources

Operating Expenses

For the year under review, distribution cost declined marginally by 2.6%, while administrative expenses increased by 20.5% Due to higher employee and benefit costs as well continuation of CSR expenses

Director's Report

Finance Cost

Finance cost declined significantly during the year under review, decreasing by 33.55% to Rs. 126 million from Rs. 190 million in the previous year. The reduction was supported by lower financing costs following the easing of interest rates during the year, together with lower average borrowings resulting from the Company's continued focus on reducing its borrowing costs through prudent financial management.

Earning Per Share

Earnings per share (EPS) of the Company amounted to Rs. 36.90 for the fiscal year ended June 30, 2026, as compared to Rs. 22.92 in the previous year, an increase of 61.00%, reflecting the Company's improved profitability.

Dividend & Appropriation

Considering current capital and equity investment plans; the Board has proposed a final cash dividend of PKR Rs. 10 per share subject to approval of shareholders in upcoming Annual General Meeting scheduled to be held on October 22, 2026.

PRINCIPAL ACTIVITIES

Suraj Cotton Mills Limited is a Public Limited Company incorporated in Pakistan on December 18, 1984, under the Companies Act, 1913 (now repealed and replaced by the Companies Act, 2017), and is listed on the Pakistan Stock Exchange Limited. The Company is principally engaged in the manufacturing and sale of yarn and greige fabric and operates as an integrated textile manufacturer serving both domestic and export markets.

BUSINESS SEGMENTS

Management has identified the Company's operating segments based on the nature of its business activities and the products manufactured and sold. The Company's operations comprise two principal segments, namely Spinning and Weaving. The performance of these segments is reviewed by management based on relevant financial and operational information to support resource allocation and business decisions.

Spinning

Suraj Cotton Mills Limited operates spinning facilities engaged in the production of high-quality cotton yarn for local and international markets. The Company utilizes quality cotton and other suitable fibers to manufacture a range of yarn counts in accordance with customer requirements and market demand. The spinning operations are supported by modern machinery, skilled technical personnel and quality control systems to maintain consistent product quality and production efficiency. The yarn produced is supplied to customers within the textile and apparel value chain.

Weaving

The Weaving segment is engaged in the manufacture and sale of greige fabric using yarn produced through the Company's spinning operations as well as other suitable yarn sourced according to production requirements. The Company manufactures a variety of fabric constructions and specifications to meet the requirements of domestic and international customers. The greige fabric produced by the Company is supplied to both local customers and export markets, with a focus on product quality, efficient production and compliance with customer specifications.

Director's Report

Integrated Operations

The Company's spinning and weaving operations are integrated to facilitate efficient production planning and coordination across the manufacturing process. This integration supports consistent quality, effective utilization of production resources and timely fulfilment of customer requirements.

RISK MANAGEMENT FRAMEWORK

The Company recognizes that effective risk management is essential to achieving its strategic and operational objectives. The Company has established processes to identify, assess, monitor and manage risks arising from its business activities and external environment. The key risks and the measures adopted to mitigate their potential impact are summarized below.

Strategic Risks

The company is confronted by various strategic risks during the course of its operations. Some of these risks include utility prices and energy mix, financial charges, and the demand in both domestic and international markets. These are being continuously monitored by the management as well as the Risk Committee so that timely interventions can be made to mitigate the same and to minimize any adverse impact. This monitoring helps us make decisions about growth targets and expansion plans.

Operational Risks

Business continuity and disaster recovery plans are in place to ensure continuity in production and sales operations; in case of major failures and outages, to ensure continuity, sustainability, and avoid any disruption to the business. Raw material sourcing, adequate segregation of duties, self-sufficiency in power generation at our plants, efficient supply chain, and logistics operations have enabled us to mitigate operational risk to an acceptable level.

Financial Risks

The management endeavors to minimize financial risks for the company, which may arise due to exchange rate movements, through various tools available and strict financial discipline

Compliance Risks

Due to effective compliance with laws and regulations and a transparent financial reporting framework, compliance risk posed to the Company remains low. The Board promotes risk management and compliance culture in the Company. Litigation risks involving significant cases against the Company are handled through reputable law firms with specialized expertise wherever required.

DIRECTORS' STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors of the Company are aware of their responsibilities under the Listed Companies (Code of Corporate Governance) Regulations 2019 and the Rule Book of Pakistan Stock Exchange. The Company has undertaken all necessary steps to ensure Good Corporate Governance and compliance with the Code, and confirms the following:

- The financial statements, prepared by the management of the Company, present a true and fair view of the Company's state of affairs, results of operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

Director's Report

- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- The System of Internal Control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts about the company's ability to continue as a going concern.
- Statement of the pattern of Shareholding has been included as part of this Annual Report.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Company strictly adheres to the principles of Corporate Governance mandated by the Securities and Exchange Commission of Pakistan and has implemented all the prescribed stipulations. The same has been summarized in the statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, duly reviewed by the auditors and annexed with this Annual Report.

COMPOSITION OF THE BOARD

Suraj Cotton Mills Limited has a Board of Directors comprising eight (8) members, representing diverse backgrounds, essential skills, insights, and expertise relevant to the Company's operations. The composition of the Board as of June 30, 2026, is as follows;

Total Number of Directors		
a)	Male	07
b)	Female	01

Sr. No.	Category	Name
1.	Independent Directors	Mr. Shams Rafi Ms. Maheen Hisham Adamjee (Female Director)
2.	Non-Executive Directors	Mr. Khalid Bashir (Chairman) Mr. Asif Bashir Mr. Mohammad Iqbal
3.	Executive Directors	Mr. Nadeem Maqbool (Chief Executive Officer) Mr. Ahsan Bashir Mr. Adil Bashir

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals in accordance with the applicable provisions of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The roles and responsibilities of the Chairman and Chief Executive Officer are clearly defined and appropriately segregated.

BOARD COMMITTEES

The Board of Directors has constituted the following three (3) Committees to assist in the discharge of its fiduciary duties. During the year, the Risk Management & Sustainability Committee was reconstituted and its composition and responsibilities were revised. The composition of the Committees and details of meetings held during the financial year 2026 are set out below:

Director's Report

Committees	Meetings Held During the FY 2026
Audit Committee (AC)	04
Human Resource & Remuneration Committee (HR&RC)	01
Risk Management Committee (RMC)	-

COMPOSITION	AC	HRN&RC	RM&SC
Chairperson	Mr. Shams Rafi	Ms. Maheen Hisham Adamjee	Ms. Maheen Hisham Adamjee
Member	Mr. Mohammad Iqbal	Mr. Khalid Bashir	Mr. Shams Rafi
Member	Mr. Asif Bashir	Mr. Nadeem Maqbool	Mr. Ahsan Bashir
Member	-	-	Mr. Adil Bashir

MEETINGS OF THE BOARD & COMMITTEES

During FY2026, four (04) meetings of the Board of Directors were held. The attendance of Directors at meetings of the Board and its Committees during the year is set out below:

Name(s) of the Directors(s)		BOD	AC	HRN&R
Khalid Bashir	Chairperson/Non-Executive Director	4/4	-	1/1
Nadeem Maqbool	CEO/Executive Director	4/4	-	1/1
Adil Bashir	Executive Director	3/4	-	-
Ahsan Bashir	Executive Director	4/4	-	-
Asif Bashir	Non-Executive Director	4/4	3/4	-
Muhammad Iqbal	Non-Executive Director	4/4	4/4	-
Maheen Hisham Adamjee	Independent Director	4/4	-	1/1
Shams Rafi	Independent Director	4/4	4/4	-

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

The Company has established formal mechanisms for evaluating the performance and effectiveness of the Board of Directors and its Committees in accordance with the applicable requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The evaluation process considers the Board's effectiveness in providing strategic direction, leadership and oversight, as well as the performance of its committees in discharging their respective responsibilities. Separate evaluation mechanisms are also maintained for assessing the performance and effectiveness of the Chief Executive Officer and Chief Financial Officer. For the financial year ended June 30, 2026, the overall performance of the Board of Directors was assessed as Highly Satisfactory.

DIRECTORS' REMUNERATION

The Board has established a formal policy and transparent procedures for determining Directors' remuneration. In accordance with the Code of Corporate Governance, no Director participates in the determination of his or her own remuneration. The Company does not pay any remuneration to Independent or Non-Executive Directors, other than fees for attending Board and Committee meetings, as permitted under the Companies Act, 2017. The Company's remuneration framework seeks to maintain an appropriate balance between competitiveness and prudence, with compensation structures aligned with prevailing industry practices, market trends, and the long-term interests of shareholders.

Director's Report

CODE OF CONDUCT

The Board of Directors has approved and implemented a Code of Conduct to establish standards of professional and ethical conduct across the Company. The Code sets out the principles and standards expected of the Board of Directors, senior management and employees, providing guidance on integrity, professional responsibility, compliance with applicable laws and regulations, and responsible business practices.

The Code of Conduct applies to all directors, management and employees of the Company and promotes a culture of transparency, accountability and ethical decision-making. The Company expects its business partners, suppliers, contractors and other relevant stakeholders to uphold appropriate standards of ethical conduct and integrity in their dealings with the Company.

RELATED PARTY TRANSACTION

All related party transactions are conducted on an arm's length basis, in the ordinary course of business, and in compliance with applicable laws and regulations. During the financial year 2026, all related party transactions were presented to the Audit Committee for review and recommendation and subsequently submitted to the Board for consideration and approval. Detailed disclosures relating to related party transactions for the financial year 2026 are provided in the notes to the Financial Statements.

PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company, as required by section 227 (2) (f) of the Companies Act, 2017 as at June 30, 2026 is annexed with this report.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes or commitments affecting the financial position of the Company between June 30, 2026 and the date of this report, except for matters, if any, disclosed elsewhere in this Annual Report.

INVESTOR GRIEVANCE

The Company maintains appropriate mechanisms for addressing shareholders' and investors' queries and grievances. Shareholder-related matters, including queries concerning shareholding, dividends and other investor services, are handled through the Company's Share Registrar in accordance with applicable laws, regulations and established procedures.

RISK GOVERNANCE AND INTERNAL CONTROLS

The Board of Directors oversees the Company's risk management and sustainability framework, including through the Risk Management and Sustainability Committee (RM&SC), which was constituted during the financial year. To ensure effective governance, the Board has established a robust system of internal controls designed to safeguard the Company's assets, reputation, financial integrity, and long-term sustainability. The framework supports operational efficiency, compliance with applicable laws and regulations, reliable financial reporting, and the identification and management of sustainability-related risks and opportunities. The RM&SC, reporting directly to the Board, provides oversight and guidance to Management in identifying, assessing, monitoring, and mitigating key risks, including sustainability-related risks, and in strengthening the Company's sustainability practices and reporting.

Director's Report

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors is responsible for ensuring the adequacy and effectiveness of the Company's internal financial control system. The framework is designed to safeguard the Company's assets, promote compliance with applicable laws and regulations, and ensure the accuracy, integrity, and reliability of financial reporting. The Board regularly reviews the Company's financial performance, operating and capital budgets, forecasts, business plans, capital expenditure proposals, and other key performance indicators to monitor the effectiveness of financial controls and overall performance. The Company's independent Internal Audit function provides objective assurance on the adequacy and effectiveness of internal controls and reports its findings to the Audit Committee. The Audit Committee oversees the internal control framework and reviews the Company's financial statements and significant financial matters. In addition, the Company has established a comprehensive policy and approval framework for the evaluation and authorization of investment expenditures and the disposal of assets.

COMMITMENT TO ANTI-CORRUPTION AND ETHICAL CONDUCT

Suraj Cotton Mills Limited is committed to conducting its business with integrity, transparency and accountability and maintains a zero-tolerance approach towards bribery, corruption and unethical business practices. All directors, management and employees are expected to comply with applicable laws and the Company's Code of Conduct. The Company prohibits facilitation payments, unofficial payments and other improper benefits intended to influence business or governmental decisions. Any violation may result in appropriate disciplinary and/or legal action.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company remains committed to responsible corporate citizenship and to supporting the well-being of its employees and the communities in which it operates. During the year, the Company continued its social and community-related initiatives in areas including healthcare, education and environmental conservation, in line with its broader commitment to sustainable development and stakeholder well-being.

SUSTAINABILITY REPORTING

During the year, the Company continued to strengthen its focus on environmental, social and governance (ESG) matters and their integration into its business strategy and operations. The Company has initiated sustainability reporting in accordance with the applicable requirements of the Securities and Exchange Commission of Pakistan and the relevant IFRS Sustainability Disclosure Standards, including IFRS S1 and IFRS S2.

The Company has also continued to develop its processes for identifying and assessing material sustainability-related risks and opportunities and for strengthening the governance, data collection and reporting processes supporting its sustainability disclosures.

DIVERSITY, EQUITY & INCLUSION VISION STATEMENT

The Company is committed to fostering an inclusive workplace that promotes diversity, equal opportunity and respect for all employees. The Company values diverse perspectives and strives to provide a fair and supportive working environment based on merit, professionalism and mutual respect. Through inclusive practices, the Company aims to strengthen its organizational culture and support the development and well-being of its people.

HEALTH, SAFETY & ENVIRONMENT

The Company is committed to maintaining high standards of health, safety and environmental protection across its operations. The Company promotes a safe and healthy working environment through compliance with applicable laws,

Director's Report

established safety procedures and regular monitoring of workplace conditions. Emphasis is placed on occupational health and safety, environmental responsibility, emergency preparedness, housekeeping and continual improvement of operational practices.

AUDITORS

The financial statements of the company for the current financial year were audited by M/s Riaz Ahmad & Co., Chartered Accountants. The Auditors will retire at the end of the Annual General Meeting of the Company.

Being eligible, M/s Riaz Ahmad & Co., Chartered Accountants, have offered themselves for re-appointment. The Board has recommended the appointment of M/s Riaz Ahmad & Co., Chartered Accountants as auditors for the ensuing financial year, as recommended by the Audit Committee, subject to approval of the members in the forthcoming Annual General Meeting of the Company.

FUTURE OUTLOOK

Financial year 2025-26 remained a challenging period for Pakistan's textile industry, marked by high energy and financing costs, competition from imported yarn and greige fabric, and subdued demand. Despite these challenges, the Company maintained operational efficiency and delivered improved financial performance.

The changing regulatory and trade environment, increasing competition from imported yarn and greige fabrics continue to influence the landscape for the domestic textile industry. Energy costs, including the cost of gas used for captive power generation, will also remain an important factor affecting the Company's cost structure since grid electricity is very costly and also not available to completely meet the Company's requirements.

The availability and price of cotton will remain subject to domestic crop conditions and international market trends. The Company is managing its raw material requirements through appropriate sourcing from local and international markets, while responding to changes in customer demand and market conditions. Going forward, the Company will remain focused on operational efficiency, cost optimization, prudent financial management, product quality and technological advancement to strengthen its competitiveness and support sustainable business growth. We also intend to move downstream for increased value addition to prevent fluctuations in yarn and fabric demand and supply. We will inform the stakeholders as and when we are ready to implement this.

ACKNOWLEDGMENTS

On behalf of the Board of Directors, I would like to thank all our partners and employees for their continued support. I would also take this opportunity to express my gratitude to the Board for their valuable insights and guidance.



Chief Executive Officer


Director

September 28, 2026
Lahore

اہل ہونے کی بنا پر، میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی کی سفارش پر، بورڈ نے آئندہ مالی سال کے لیے میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو بطور آڈیٹر تقرری کی سفارش کی ہے، جو کمپنی کے آئندہ سالانہ اجلاس عام میں اراکین کی منظوری سے مشروط ہے۔

مستقبل کا منظر نامہ

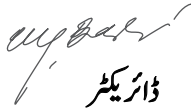
مالی سال 2025-26 پاکستان کی ٹیکسٹائل صنعت کے لیے ایک مشکل دور رہا، جس کی نمایاں خصوصیات توانائی اور فنانسنگ کی بلند لاگت، درآمدی دھماگے اور گرے پڑنے کی مسابقت، اور کمزور طلب تھیں۔ ان چیلنجز کے باوجود، کمپنی نے آپریشنل کارکردگی پر توجہ مرکوز رکھی اور بہتر مالیاتی کارکردگی کا مظاہرہ کیا۔

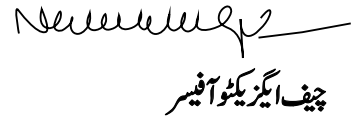
بدلتا ہوا ریگولیٹری اور تجارتی ماحول، درآمدی دھماگے اور گرے پڑنے کی بڑھتی ہوئی مسابقت ملکی ٹیکسٹائل صنعت کے منظر نامے پر بدستور اثر انداز ہو رہے ہیں۔ توانائی کی لاگت، بشمول کمیٹیو پاور جنریشن کے لیے استعمال ہونے والی گیس کی لاگت، بھی کمپنی کے لاگت کے ڈھانچے کو متاثر کرنے والا ایک اہم عنصر رہے گی، کیونکہ گرڈ کی بجلی، بہت مہنگی ہے اور کمپنی کی ضروریات کو مکمل طور پر پورا کرنے کے لیے دستیاب بھی نہیں ہے۔

کپاس کی دستیابی اور قیمت ملکی فصل کی صورت حال اور بین الاقوامی مارکیٹ کے رجحانات سے مشروط رہے گی۔ کمپنی صارفین کی طلب اور مارکیٹ کے حالات میں تبدیلیوں کے مطابق رد عمل دیتے ہوئے مقامی اور بین الاقوامی منڈیوں سے مناسب خریداری کے ذریعے اپنی خام مال کی ضروریات کا انتظام کر رہی ہے۔ آئندہ، کمپنی اپنی مسابقت کو مضبوط بنانے اور پائیدار کاروباری رتی میں معاہدات کے لیے آپریشنل کارکردگی، لاگت میں کمی، دانشمندانہ مالیاتی انتظام، مصنوعات کے معیار اور تکنیکی رتی پر توجہ مرکوز رکھے گی۔ ہم دھماگے اور گرے پڑنے کی طلب ورسد میں اتار چڑھاؤ سے بچاؤ کے لیے مرید و پلیو ایڈیشن کی خاطر ڈاؤن اسٹریم شعبے میں قدم رکھنے کا بھی ارادہ رکھتے ہیں۔ جب ہم اس پر عمل درآمد کے لیے تجارہوں کے قواعد بنائے ہوئے ہو تو ان کو آگاہ کریں گے۔

اظہارِ تشکر

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے تمام شراکت داروں اور ملازمین کا ان کے مسلسل تعاون پر شکریہ ادا کرنا چاہتا ہوں۔ میں اس موقع پر بورڈ کا بھی ان کی قیمتی بصیرت اور رہنمائی پر شکریہ ادا کرتا ہوں۔


ڈائریکٹر


چیف ایگزیکٹو آفیسر

28 ستمبر 2026ء

لاہور

داخلی مالیاتی کنٹرولز کی موزونیت

بورڈ آف ڈائریکٹرز کمپنی کے داخلی مالیاتی کنٹرولز کے نظام کی موزونیت اور موثریت کو یقینی بنانے کا ذمہ دار ہے۔ یہ فریم ورک کمپنی کے اثاثوں کے تحفظ، قابل اطلاق قوانین و ضوابط کی تعمیل کے فروغ، اور مالیاتی رپورٹنگ کی درستگی، دیانت اور اعتبار کو یقینی بنانے کے لیے وضع کیا گیا ہے۔ بورڈ مالیاتی کنٹرولز کی موثریت اور مجموعی کارکردگی کی نگرانی کے لیے کمپنی کی مالیاتی کارکردگی، آپریٹنگ اور سرمایہ جاتی بجٹ، پیش گوئیوں، کاروباری منصوبوں، سرمایہ جاتی اخراجات کی تجاویز اور دیگر کلیدی کارکردگی کے اشاریوں کا جائزہ لیتا ہے۔ کمپنی کا آزاد داخلی آڈٹ کا شعبہ داخلی کنٹرولز کی موزونیت اور موثریت کے بارے میں معروضی یقین دہانی فراہم کرتا ہے اور اپنے نتائج آڈٹ کمپنی کو رپورٹ کرتا ہے۔ آڈٹ کمپنی داخلی کنٹرولز کے فریم ورک کی نگرانی کرتی ہے اور کمپنی کے مالیاتی گوشواروں اور اہم مالیاتی معاملات کا جائزہ لیتی ہے۔ اس کے علاوہ، کمپنی نے سرمایہ کاری کے اخراجات کی جانچ اور منظوری اور اثاثوں کی فروخت کے لیے ایک جامع پالیسی اور منظوری کا فریم ورک وضع کیا ہے۔

انسداد بدعنوانی اور اخلاقی طرز عمل کا عزم

سورج کاٹن ملر لیٹڈ دیانت داری، شفافیت اور جوابدہی کے ساتھ اپنا کاروبار چلانے کے لیے پُر عزم ہے اور رشوت، بدعنوانی اور غیر اخلاقی کاروباری طریقوں کے خلاف زبردستی کی پالیسی پر کاربند ہے۔ تمام ڈائریکٹرز، انتظامیہ اور ملازمین سے قابل اطلاق قوانین اور کمپنی کے ضابطہ اخلاق کی پابندی کی توقع کی جاتی ہے۔

کمپنی سہولت کاری کی ادائیگیوں، غیر سرکاری ادائیگیوں اور کاروباری یا سرکاری فیصلوں پر اثر انداز ہونے کے لیے دیے جانے والے دیگر ناجائز فوائد کی ممانعت کرتی ہے۔ کسی بھی خلاف ورزی کی صورت میں مناسب تادیبی اور/یا قانونی کارروائی کی جاسکتی ہے۔

کارپوریٹ سماجی ذمہ داری (CSR)

کمپنی ذمہ دار کارپوریٹ شہریت اور اپنے ملازمین اور ان برادر یوں کی فلاح و بہبود کے لیے پُر عزم ہے جن میں وہ کام کرتی ہے۔ سال کے دوران، کمپنی نے پائیدار ترقی اور اسٹیک ہولڈرز کی فلاح و بہبود کے اپنے وسیع تر عزم کے مطابق صحت، تعلیم اور ماحولیاتی تحفظ سمیت مختلف شعبوں میں اپنے سماجی اور فلاحی اقدامات جاری رکھے۔

پائیداری کی رپورٹنگ

سال کے دوران، کمپنی نے ماحولیاتی، سماجی اور گورننس (ESG) امور اور اپنی کاروباری حکمت عملی اور آپریشنز میں ان کے انضمام پر اپنی توجہ کو مزید منظم کیا۔ کمپنی نے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے قابل اطلاق تقاضوں اور متعلقہ IFRS Sustainability Disclosure Standards، IFRS S1، IFRS S2، کے مطابق پائیداری کی رپورٹنگ کا آغاز کر دیا ہے۔

کمپنی نے پائیداری سے متعلق اہم خطرات اور مواقع کی نشاندہی اور تجزیے کے اپنے طریقہ کار، نیز اپنے پائیداری کے انکشافات میں معاون گورننس، ڈیٹا کی جمع آوری اور رپورٹنگ کے عمل کو منظم کرنے کا سلسلہ بھی جاری رکھا ہے۔

تنوع، مساوات اور شمولیت کا ورژن بیان

کمپنی ایک ایسے جامع کام کے ماحول کو فروغ دینے کے لیے پُر عزم ہے جو تنوع، مساوی مواقع اور تمام ملازمین کے احترام کو فروغ دے۔ کمپنی متنوع نقطہ ہائے نظر کی قدر کرتی ہے اور میرٹ، پیشہ ورانہ مہارت اور باہمی احترام پر مبنی منصوبہ اور معاون کام کا ماحول فراہم کرنے کی کوشش کرتی ہے۔ جامع طریقہ کار کے ذریعے، کمپنی اپنے ادارہ جاتی کلچر کو مضبوط بنانے اور اپنے افراد کی رقی اور فلاح و بہبود میں معاونت کا ارادہ رکھتی ہے۔

صحت، حفاظت اور ماحولیات

کمپنی اپنے تمام آپریشنز میں صحت، حفاظت اور ماحولیاتی تحفظ کے اعلیٰ معیارات برقرار رکھنے کے لیے پُر عزم ہے۔ کمپنی قابل اطلاق قوانین کی تعمیل، حفاظت کے مقررہ طریقہ کار اور کام کی جگہ کے حالات کی باقاعدہ نگرانی کے ذریعے محفوظ اور صحت مند کام کے ماحول کو فروغ دیتی ہے۔ پیشہ ورانہ صحت و حفاظت، ماحولیاتی ذمہ داری، ہنگامی حالات کے لیے تیاری، صفائی ستھرائی اور آپریشنز طریقہ کار میں مسلسل بہتری پر زور دیا جاتا ہے۔

آڈیٹرز

رواں مالی سال کے لیے کمپنی کے مالیاتی گوشواروں کا آڈٹ میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے کیا۔ آڈیٹرز کمپنی کے سالانہ اجلاس عام کے اختتام پر سبکدوش ہو جائیں گے۔

ڈائریکٹرز کا معاوضہ

بورڈ نے ڈائریکٹرز کے معاوضے کے تعین کے لیے ایک باقاعدہ پالیسی اور شفاف طریقہ کار وضع کیا ہے۔ کوڈ آف کارپوریٹ گورننس کے مطابق، کوئی بھی ڈائریکٹر اپنے معاوضے کے تعین میں حصہ نہیں لیتا۔ کمپنی آزاد پائمان ایگزیکٹو ڈائریکٹرز کو کمپنیز ایکٹ، 2017ء کے تحت اجازت کے مطابق بورڈ اور کمیٹی کے اجلاسوں میں شرکت کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کرتی۔ کمپنی کا معاوضے کا فریم ورک مسابقت اور احتیاط کے درمیان مناسب توازن برقرار رکھنے کی کوشش کرتا ہے، اور معاوضے کے ڈھانچے صنعت کے رائج طریقوں، مارکیٹ کے رجحانات اور حصص یافتگان کے طویل مدتی مفادات سے ہم آہنگ ہیں۔

ضابطہ اخلاق

بورڈ آف ڈائریکٹرز نے پوری کمپنی میں پیشہ ورانہ اور اخلاقی طرز عمل کے معیارات قائم کرنے کے لیے ایک ضابطہ اخلاق کی منظوری دی ہے اور اسے نافذ کیا ہے۔ یہ ضابطہ بورڈ آف ڈائریکٹرز، سینئر انتظامیہ اور ملازمین سے متوقع اصول و معیارات متعین کرتا ہے، اور دیانت داری، پیشہ ورانہ ذمہ داری، قابل اطلاق قوانین و ضوابط کی تعمیل اور ذمہ دارانہ کاروباری طریقوں کے بارے میں رہنمائی فراہم کرتا ہے۔ ضابطہ اخلاق کمپنی کے تمام ڈائریکٹرز، انتظامیہ اور ملازمین پر لاگو ہوتا ہے اور شفافیت، جوابدہی اور اخلاقی فیصلہ سازی کے کلچر کو فروغ دیتا ہے۔ کمپنی توقع رکھتی ہے کہ اس کے کاروباری شراکت دار، سپلائرز، ٹھیکیدار اور دیگر متعلقہ اسٹیک ہولڈرز کمپنی کے ساتھ اپنے معاملات میں اخلاقی طرز عمل اور دیانت داری کے مناسب معیارات برقرار رکھیں گے۔

متعلقہ فریقوں کے ساتھ لین دین

متعلقہ فریقوں کے ساتھ تمام لین دین معمول کے کاروبار کے دوران مساوی بنیاد (arm's length) پر اور قابل اطلاق قوانین و ضوابط کی تعمیل میں کیے جاتے ہیں۔ مالی سال 2026ء کے دوران متعلقہ فریقوں کے ساتھ تمام لین دین جائزے اور سفارش کے لیے آڈٹ کمیٹی کے سامنے پیش کیے گئے اور بعد ازاں غور اور منظوری کے لیے بورڈ کو بھیجے گئے۔ مالی سال 2026ء کے لیے متعلقہ فریقوں کے ساتھ لین دین کی تفصیلی معلومات مالیاتی گوشواروں کے نوٹس میں فراہم کی گئی ہیں۔

حصص داری کا نمونہ (پیٹرن آف شیئر ہولڈنگ)

کمپنیز ایکٹ، 2017ء کی دفعہ 227(2)(f) کے تحت مطلوبہ، 30 جون 2026ء تک کمپنی کی حصص داری کا نمونہ اس رپورٹ کے ساتھ منسلک ہے۔

اہم تبدیلیاں اور وعدے

30 جون 2026ء اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی اہم تبدیلی یا وعدہ و نمائش ہوا، ماسوائے ان معاملات کے، اگر کوئی ہوں، جو اس سالانہ رپورٹ میں کسی اور جگہ ظاہر کیے گئے ہیں۔

سرمایہ کاروں کی شکایات

کمپنی حصص یافتگان اور سرمایہ کاروں کے سوالات اور شکایات کے ازالے کے لیے مناسب طریقہ کار رکھتی ہے۔ حصص یافتگان سے متعلق معاملات، بشمول حصص داری، منافع منقسم اور سرمایہ کاروں کی دیگر خدمات سے متعلق سوالات، قابل اطلاق قوانین، ضوابط اور مقررہ طریقہ کار کے مطابق کمپنی کے شیئر رجسٹر کے ذریعے نمٹائے جاتے ہیں۔

رہسگ گورننس اور داخلی کنٹرولز

بورڈ آف ڈائریکٹرز کمپنی کے ریسک مینجمنٹ اور پائیداری کے فریم ورک کی نگرانی کرتا ہے، جس میں مالی سال کے دوران تشکیل دی گئی ریسک مینجمنٹ و پائیداری کمیٹی (RM&SC) کے ذریعے نگرانی بھی شامل ہے۔ مؤثر گورننس کو یقینی بنانے کے لیے، بورڈ نے داخلی کنٹرولز کا ایک مضبوط نظام قائم کیا ہے جو کمپنی کے اثاثوں، ساکھ، مالیاتی دیانت اور طویل مدتی پائیداری کے تحفظ کے لیے وضع کیا گیا ہے۔ یہ فریم ورک آپریشنل کارکردگی، قابل اطلاق قوانین و ضوابط کی تعمیل، قابل اعتماد مالیاتی رپورٹنگ، اور پائیداری سے متعلق خطرات و مواقع کی نشاندہی اور انتظام میں معاونت کرتا ہے۔ RM&SC براہ راست بورڈ کو رپورٹ کرتی ہے اور پائیداری سے متعلق خطرات سمیت اہم خطرات کی نشاندہی، تجزیے، نگرانی اور تخفیف، نیز کمپنی کے پائیداری کے طریقہ کار اور رپورٹنگ کو مستحکم کرنے میں انتظامیہ کو نگرانی اور رہنمائی فراہم کرتی ہے۔

بورڈ کمیٹیاں

بورڈ آف ڈائریکٹرز نے اپنے ماتحت فرائض کی انجام دہی میں معاونت کے لیے درج ذیل تین (3) کمیٹیاں تشکیل دی ہیں۔ سال کے دوران رسک مینجمنٹ و پائیداری کمیٹی کی از سر نو تشکیل کی گئی اور اس کی تشکیل اور ذمہ داریوں پر نظر ثانی کی گئی۔ کمیٹیوں کی تشکیل اور مالی سال 2026ء کے دوران متعقد اجلاسوں کی تفصیلات درج ذیل ہیں:

کمیٹیاں	مالی سال 2026ء کے دوران متعقد اجلاس
آڈٹ کمیٹی (AC)	04
ہیومن ریسورس، نامزدگی و معاوضہ کمیٹی (HRN&RC)	01
رسک مینجمنٹ و پائیداری کمیٹی (RM&SC)	-

تشکیل	AC	HRN&RC	RM&SC
چیئر پرسن	جناب شمس رفیع	محترمہ مایین ہشام آدم جی	محترمہ مایین ہشام آدم جی
رکن	جناب محمد اقبال	جناب خالد بشیر	جناب شمس رفیع
رکن	جناب آصف بشیر	جناب ندیم مقبول	جناب احسن بشیر
رکن	-	-	جناب عادل بشیر

بورڈ اور کمیٹیوں کے اجلاس

مالی سال 2026ء کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے۔ سال کے دوران بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں ڈائریکٹرز کی حاضری درج ذیل ہے:

ڈائریکٹر کے نام		BOD	AC	HRN&R
خالد بشیر	چیئر پرسن / نان ایگزیکٹو ڈائریکٹر	4/4	-	1/1
ندیم مقبول	چیف ایگزیکٹو آفیسر / ایگزیکٹو ڈائریکٹر	4/4	-	1/1
عادل بشیر	ایگزیکٹو ڈائریکٹر	3/4	-	-
احسن بشیر	ایگزیکٹو ڈائریکٹر	4/4	-	-
آصف بشیر	نان ایگزیکٹو ڈائریکٹر	4/4	3/4	-
محمد اقبال	نان ایگزیکٹو ڈائریکٹر	4/4	4/4	-
مایین ہشام آدم جی	آزاد ڈائریکٹر	4/4	-	1/1
شمس رفیع	آزاد ڈائریکٹر	4/4	4/4	-

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی کارکردگی کا جائزہ

کمیٹی نے سلسلہ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019ء کے قابل اطلاق تقاضوں کے مطابق بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی اور موثریت کے جائزے کے لیے باقاعدہ طریقہ کار وضع کیا ہے۔ جائزے کے عمل میں اسٹریٹجک سمت، قیادت اور نگرانی فراہم کرنے میں بورڈ کی موثریت کے ساتھ ساتھ لپٹی متعلقہ ذمہ داریوں کی انجام دہی میں اس کی کمیٹیوں کی کارکردگی کو بھی مد نظر رکھا جاتا ہے۔ چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر کی کارکردگی اور موثریت کے جائزے کے لیے بھی علیحدہ طریقہ کار موجود ہے۔ 30 جون 2026ء کو ختم ہونے والے مالی سال کے لیے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی کو "انتہائی تسلی بخش" قرار دیا گیا۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان

کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے لازم قرار دیے گئے کارپوریٹ گورننس کے اصولوں کی سختی سے پاسداری کرتی ہے اور اس نے تمام مقررہ شرائط پر عمل درآمد کیا ہے۔ اس کا خلاصہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019ء کی تعمیل کے بیان میں پیش کیا گیا ہے، جس کا آڈیٹر نے باقاعدہ جائزہ لیا ہے اور جو اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

بورڈ کی تشکیل

سورج کاٹن ملز لمیٹڈ کا بورڈ آف ڈائریکٹرز آٹھ (8) اراکین پر مشتمل ہے، جو متنوع پس منظر اور کمپنی کے آپریشنز سے متعلق ضروری مہارتوں، بصیرت اور تجربے کے حامل ہیں۔ 30 جون 2026ء تک بورڈ کی تشکیل درج ذیل ہے:

ڈائریکٹرز کی کل تعداد		
الف	مرد	07
ب	خواتین	01

نمبر شمار	زمرہ	نام
1	آزاد ڈائریکٹرز	جناب شمس رفیع محترمہ مایین ہشام آدم جی (خاتون ڈائریکٹر)
2	نان ایگزیکٹو ڈائریکٹرز	جناب خالد بشیر (چیئر مین) جناب آصف بشیر جناب محمد اقبال
3	ایگزیکٹو ڈائریکٹرز	جناب ندیم مقبول (چیف ایگزیکٹو آفیسر) جناب احسن بشیر جناب عادل بشیر

چیئر مین اور چیف ایگزیکٹو آفیسر

کمپنیز ایکٹ، 2017ء اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019ء کی قابل اطلاق دفعات کے مطابق چیئر مین بورڈ اور چیف ایگزیکٹو آفیسر کے عہدوں پر الگ الگ افراد فائز ہیں۔ چیئر مین اور چیف ایگزیکٹو آفیسر کے کردار اور ذمہ داریاں واضح طور پر متعین اور مناسب طور پر علیحدہ ہیں۔

■ مربوط آپریشنز

کمپنی کے اسپننگ اور یونگ آپریشنز باہم مربوط ہیں تاکہ پورے پیداواری عمل میں موثر پیداواری منصوبہ بندی اور ہم آہنگی ممکن ہو سکے۔ یہ انضمام معیار میں یکسانیت، پیداواری وسائل کے موثر استعمال اور صارفین کی ضروریات کی بروقت تکمیل میں معاون ہے۔

■ رسک مینجمنٹ فریم ورک

کمپنی تسلیم کرتی ہے کہ اپنے اسٹریٹجک اور آپریشنل مقاصد کے حصول کے لیے موثر رسک مینجمنٹ ناگزیر ہے۔ کمپنی نے اپنی کاروباری سرگرمیوں اور بیرونی ماحول سے پیدا ہونے والے خطرات کی نشاندہی، تجزیے، نگرانی اور انتظام کے لیے طریقہ کار وضع کیے ہیں۔ اہم خطرات اور ان کے ممکنہ اثرات کو کم کرنے کے لیے اختیار کیے گئے اقدامات کا خلاصہ درج ذیل ہے۔

■ اسٹریٹجک خطرات

کمپنی کو اپنے آپریشنز کے دوران مختلف اسٹریٹجک خطرات کا سامنا کرنا پڑتا ہے۔ ان میں یوٹیلیٹی کی قیمتیں اور توانائی کا استخراج، مالیاتی اخراجات، اور ملکی و بین الاقوامی منڈیوں میں طلب شامل ہیں۔ انتظامیہ اور رسک کمیٹی ان کی مسلسل نگرانی کرتی ہیں تاکہ انہیں کم کرنے اور کسی بھی منفی اثر کو کم سے کم کرنے کے لیے بروقت اقدامات کیے جاسکیں۔ یہ نگرانی ترقی کے اہداف اور توسیعی منصوبوں کے بارے میں فیصلے کرنے میں ہماری مدد کرتی ہے۔

■ آپریشنل خطرات

بڑی خرابیوں اور تھقل کی صورت میں پیداوار اور فروخت کے آپریشنز کے تسلسل، پائیداری اور کاروبار میں کسی بھی رکاوٹ سے بچاؤ کو یقینی بنانے کے لیے کاروباری تسلسل اور آفات سے بحالی کے منصوبے موجود ہیں۔ خام مال کی فراہمی، فراہمی کی مناسب تقسیم، ہمارے پلانٹس پر بجلی کی پیداوار میں خود کفالت، موثر سپلائی چین اور لاجسٹکس آپریشنز نے ہمیں آپریشنل خطرات کو قابل قبول سطح تک کم کرنے کے قابل بنایا ہے۔

■ مالیاتی خطرات

انتظامیہ دستیاب مختلف ذرائع اور سخت مالیاتی نظم و ضبط کے ذریعے کمپنی کے لیے ان مالیاتی خطرات کو کم سے کم کرنے کی کوشش کرتی ہے جو شرح مبادلہ میں اتار چڑھاؤ کے باعث پیدا ہو سکتے ہیں۔

■ تعمیلی خطرات

قوانین و ضوابط کی موثر تعمیل اور شفاف مالیاتی رپورٹنگ فریم ورک کی بدولت کمپنی کو درپیش تعمیلی خطرہ کم ہے۔ بوڈ کمپنی میں رسک مینجمنٹ اور تعمیل کے کلچر کو فروغ دیتا ہے۔ کمپنی کے خلاف اہم مقدمات سے متعلق قانونی خطرات کو، جہاں ضرورت ہو، خصوصی مہارت رکھنے والی معروف قانونی فرموں کے ذریعے نمٹایا جاتا ہے۔

■ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر ڈائریکٹرز کا بیان

کمپنی کے ڈائریکٹرز لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء اور پاکستان اسٹاک ایکسچینج کی رول بک کے تحت اپنی ذمہ داریوں سے آگاہ ہیں۔ کمپنی نے اچھی کارپوریٹ گورننس اور کوڈ کی تعمیل کو یقینی بنانے کے لیے تمام ضروری اقدامات کیے ہیں، اور درج ذیل کی تصدیق کرتی ہے:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، آپریشنز کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کی درست اور منصفانہ تصویر پیش کرتے ہیں۔
- کمپنی کے کھاتوں کی باقاعدہ کتابیں رکھی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا تسلسل کے ساتھ اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے اور ان سے کسی بھی انحراف کو مناسب طور پر ظاہر اور واضح کیا گیا ہے۔
- داخلی کنٹرول کا نظام اپنے ڈیڑھ ائیں کے اعتبار سے مستحکم ہے اور اسے موثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی جاتی ہے۔
- کمپنی کے کاروبار جاری رکھنے (going concern) کی صلاحیت کے بارے میں کوئی نمایاں شبہات نہیں ہیں۔
- حصص داری کے نمونے کا بیان اس سالانہ رپورٹ کے حصے کے طور پر شامل کیا گیا ہے۔

مالیاتی لاگت

زیر جائزہ سال کے دوران مالیاتی لاگت میں نمایاں کمی ہوئی، جو 33.55 فیصد کی کے ساتھ گزشتہ سال کے 190 ملین روپے سے کم ہو کر 126 ملین روپے رہ گئی۔ اس کمی میں سال کے دوران شرح سود میں نرمی کے بعد فنانسنگ کی کم لاگت، نیز دانشندانہ مالیاتی انتظام کے ذریعے قرضوں کی لاگت کم کرنے پر کمپنی کی مسلسل توجہ کے نتیجے میں اوسط قرضوں میں کمی نے معاونت کی۔

فی حصص آمدن

30 جون 2026ء کو ختم ہونے والے مالی سال کے لیے کمپنی کی فی حصص آمدن (EPS) 36.90 روپے رہی، جبکہ گزشتہ سال یہ 22.92 روپے تھی، جو 61.00 فیصد اضافہ ہے اور کمپنی کے منافع میں بہتری کی عکاسی کرتا ہے۔

■ منافع منقسمہ اور تخصیص

موجودہ سرمایہ اور ایکویٹی سرمایہ کاری کے منصوبوں کو مد نظر رکھتے ہوئے، بورڈ نے 10 روپے فی حصص حتمی نقد منافع منقسمہ کی تجویز دی ہے، جو 22 اکتوبر 2026ء کو منعقد ہونے والے آئندہ سالانہ اجلاس عام میں حصص یافتگان کی منظوری سے مشروط ہے۔

بنیادی سرگرمیاں

سورج کاٹن ملز لمیٹڈ ایک پبلک لمیٹڈ کمپنی ہے جو 18 دسمبر 1984ء کو کمپنیز ایکٹ، 1913ء (جو اب منسوخ ہو کر کمپنیز ایکٹ، 2017ء سے تبدیل ہو چکا ہے) کے تحت پاکستان میں قائم کی گئی، اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ کمپنی بنیادی طور پر دھاگے اور گرے کپڑے کی تیاری اور فروخت میں مصروف ہے اور ایک مربوط ٹیکسٹائل مینوفیکچرر کے طور پر ملکی اور برآمدی دونوں منڈیوں کو خدمات فراہم کرتی ہے۔

کاروباری شعبہ جات

انتظامیہ نے کمپنی کے آپریٹنگ شعبہ جات کی نشاندہی اس کی کاروباری سرگرمیوں کی نوعیت اور تیار و فروخت کی جانے والی مصنوعات کی بنیاد پر کی ہے۔ کمپنی کے آپریٹنگ شعبوں یعنی اسپننگ اور ویونگ پر مشتمل ہیں۔ وسائل کی تقسیم اور کاروباری فیصلوں میں معاونت کے لیے انتظامیہ متعلقہ مالیاتی اور آپریٹنگ معلومات کی بنیاد پر ان شعبوں کی کارکردگی کا جائزہ لیتی ہے۔

■ اسپننگ

سورج کاٹن ملز لمیٹڈ اسپننگ کی ایسی تخصیصات چلاتی ہے جو مقامی اور بین الاقوامی منڈیوں کے لیے اعلیٰ معیار کا سوتی دھاگہ تیار کرتی ہیں۔ کمپنی صارفین کی ضروریات اور مارکیٹ کی طلب کے مطابق مختلف کاؤنٹس کا دھاگہ تیار کرنے کے لیے معیاری کپاس اور دیگر موزوں رییشے استعمال کرتی ہے۔ اسپننگ آپریٹنگز کو جدید مشینری، ہنرمند تکنیکی عملے اور کوالٹی کنٹرول کے نظام کی معاونت حاصل ہے تاکہ مصنوعات کے معیار اور پیداواری کارکردگی میں کیسیات برقرار رہے۔ تیار کردہ دھاگہ ٹیکسٹائل اور ملبوسات کی ویلیو چین کے صارفین کو فراہم کیا جاتا ہے۔

■ ویونگ

ویونگ کا شعبہ کمپنی کے اسپننگ آپریٹنگز سے تیار کردہ دھاگے، نیز پیداواری ضروریات کے مطابق حاصل کردہ دیگر موزوں دھاگے کے ذریعے گرے کپڑے کی تیاری اور فروخت میں مصروف ہے۔ کمپنی ملکی اور بین الاقوامی صارفین کی ضروریات پوری کرنے کے لیے مختلف ساحت اور خصوصیات کے کپڑے تیار کرتی ہے۔ کمپنی کا تیار کردہ گرے کپڑا مصنوعات کے معیار، موثر پیداواری اور صارفین کی خصوصیات کی تعمیل پر توجہ کے ساتھ مقامی صارفین اور برآمدی منڈیوں دونوں کو فراہم کیا جاتا ہے۔

ڈائریکٹر رپورٹ

سورج کاٹن ملز لمیٹڈ کا بورڈ آف ڈائریکٹر 30 جون 2026ء کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے مسرت محسوس کرتا ہے۔

جائزہ

زیر جائزہ سال کے دوران آئی ایم ایف پروگرام کے تسلسل، افراط زر میں اعتدال، پالیسی ریٹ میں کمی اور زیر مبادلہ کے ذخائر میں بہتری کے باعث پاکستان کے معاشی ماحول میں بتدریج استحکام دیکھا گیا۔ تاہم، ٹیکسٹائل شعبے، بالخصوص اسپننگ اور ویونگ، کو توانائی کی بلند لاگت، درآمدی دھماکے اور گرے پیڑے کی مسابقت، اور محتاط ملکی طلب کے باعث بدستور مشکل کاروباری ماحول کا سامنا رہا۔ کمپنی نے مضبوط مالیاتی کارکردگی کا مظاہرہ کیا، جس میں بعد از ٹیکس منافع 1.801 ارب روپے اور فی حصص آمدن 36.90 روپے (2025ء: 22.92 روپے) رہی، جس میں مارجن میں بہتری، مالیاتی لاگت میں کمی اور ٹیلنس شیٹ پر قرضوں کے بوجھ میں مسلسل کمی نے معاونت کی۔

کاروباری کارکردگی

30 جون 2026ء کو ختم ہونے والے مالی سال کے دوران، کمپنی نے 28.650 ارب روپے کی خالص آمدن حاصل کی، جو گزشتہ سال کی اسی مدت کے مقابلے میں 4.52 فیصد زیادہ ہے۔

مالیاتی کارکردگی ایک نظر میں

30 جون 2026ء کو ختم ہونے والے مالی سال کے لیے کمپنی کی مالیاتی کارکردگی، گزشتہ سال کے مقابلے میں، درج ذیل ہے:

تبدیلی %	2025	2026	مختصر گوشوارہ آمدن
	(ملین روپے میں)		
4.52%	27,411	28,650	فروخت
22.96%	2,287	2,812	مجموعی منافع
15.52%	2,200	2,542	آپریٹنگ منافع
-33.55%	190	126	مالیاتی لاگت
20.16%	2,011	2,416	لیوی اور ٹیکس سے قبل منافع
-31.05%	(891)	(614)	ٹیکس (بٹھول لیوی)
61.00%	1,119	1,801	بعد از ٹیکس منافع
61.00%	22.92	36.90	فی حصص آمدن (EPS)

■ مجموعی منافع

زیر جائزہ مالی سال کے لیے کمپنی کا مجموعی منافع کارکن 9.82 فیصد رہا، جبکہ گزشتہ سال یہ 8.34 فیصد تھا۔ یہ بہتری بنیادی طور پر اس وجہ سے ہوئی کہ فروخت کی لاگت میں اضافہ (2.8 فیصد) آمدن میں اضافے (4.5 فیصد) کے مقابلے میں سست رفتار رہا، جس میں خام مال کی خریداری کے بہتر انتظام اور متبادل ذرائع کے ذریعے توانائی کی لاگت میں کمی نے معاونت کی۔

آپریٹنگ اخراجات

زیر جائزہ سال کے دوران تقسیم کے اخراجات میں 2.6 فیصد کمی معمولی کمی ہوئی، جبکہ ملازمین اور ان کے مراعات کے اخراجات میں اضافے نیز CSR اخراجات کے تسلسل کے باعث انتظامی اخراجات میں 20.5 فیصد اضافہ ہوا۔

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations)

Name of Company: Suraj Cotton Mills Limited
Year ended: June 30, 2026

1. The total number of Directors is eight (8) as per the following: The total number of Directors are eight (8) as per the following:

a Male:	7
b Female:	1

2. The composition of the Board is as follows:

Category	Names
1 Independent Directors	Mr. Shams Rafi Ms. Maheen Hisham Adamjee (Female Director)
2 Non-Executive Directors	Mr. Khalid Bashir (Chairman) Mr. Asif Bashir Mr. Mohammad Iqbal
3 Executive Directors	Mr. Nadeem Maqbool (Chief Executive Officer) Mr. Ahsan Bashir Mr. Adil Bashir

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company; The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures; All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating, is maintained by the Company. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;

9. Following Director has attained the directors training

1- Ms. Maheen Hisham Adamjee

The following Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program:

Names of Directors

Mr. Khalid Bashir
 Mr. Asif Bashir
 Mr. Mohammad Iqbal
 Mr. Nadeem Maqbool
 Mr. Ahsan Bashir
 Mr. Adil Bashir
 Mr. Shams Rafi

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations)

12. The Board has formed committees comprising of members given below:

a) Audit Committee

Names	Designation held
Mr. Shams Rafi	Chairman
Mr. Mohammad Iqbal	Member
Mr. Asif Bashir	Member

b) Human Resource, Nomination & Remuneration Committee

Names	Designation held
Ms. Maheen Hisham Adamjee	Chairperson
Mr. Khalid Bashir	Member
Mr. Nadeem Maqbool	Member

c) Risk Management and Sustainability Committee

Names	Designation held
Ms. Maheen Hisham Adamjee	Chairperson
Mr. Shams Rafi	Member
Mr. Ahsan Bashir	Member
Mr. Adil Bashir	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a) Audit Committee

Four meetings were held during the financial year ended 30 June 2026.

b) HR Nomination and Remuneration Committee

One meeting of Human Resource, Nomination & Remuneration Committee was held during the financial year ended 30 June 2026.

c) Risk Management and Sustainability Committee

No meeting of the Risk Management and Sustainability Committee was held during the financial year ended 30 June 2026.

15. The board has set up an effective internal audit function and has outsourced the internal audit function to BDO Ebrahim & Co. Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33, and 36 are below:

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations)

S. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	Responsibilities of the Board and its members The Board is responsible for adoption of corporate governance practices by the Company.	Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of the Regulations.	10(1)
2	Directors' Training Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from July 2020.	The Company plans to arrange a Directors' Training Program certification for female executive in the next few years.	19(3)
3	Directors' Training Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company plans to arrange a Directors' Training Program certification for heads of department in the next few years	19(3)
4	Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35
5	Role of the Board and its members to address Sustainability Risks and Opportunities The board is responsible for governance and oversight of sustainability risks and opportunities within the Company by setting the Company's sustainability strategies, priorities, and targets to create long-term corporate value.	The Securities and Exchange Commission of Pakistan (SECP) introduced a new Regulation 10A in the Regulations on 12 June 2024. The implications of this amendment are currently under review by management. Compliance, where applicable, will be ensured in due course.	10(A)
6	Significant Policies The Board is required to approve an anti-harassment policy to safeguard the rights and well-being of employees.	The Securities and Exchange Commission of Pakistan (SECP) amended Regulation 10 of the Regulations on 12 June 2024. In response, the Human Resource, Nomination and Remuneration Committee has approved the relevant policy and recommended it to the Board for final approval. Compliance, as applicable, will be ensured in due course.	10(4)(xvi)
7	Composition of internal audit function The Company shall appoint or designate a fulltime employee other than chief financial officer, as head of internal audit holding equivalent qualification prescribed under the Regulations, to act as coordinator between firm providing internal audit services and the Board.	This position is vacant since the resignation of previous head of internal audit during the year. The Board considers this post as redundant as the professional services firm has direct access to the Board.	31(6)

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations)

S. No.	Requirement	Explanation of Non-Compliance	Regulation Number
8	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate Nomination Committee, as its constitution is not mandatory under the Regulations. The relevant functions are being performed by the Human Resource, Nomination and Remuneration Committee. The Board may consider constituting a separate Nomination Committee in the future, as deemed appropriate.	29

20. Executive directors, including the chief executive officer on the Board, are three out of the total eight directors. One-third of the Board, i.e., 2.67, has been rounded up to 3 directors as the manufacturing units of the Company are geographically spread and the Company needs executive directors for effective management of operations.
21. The two elected independent directors have requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, the appointment of a third independent director is not warranted.

(KHALID BASHIR)

Chairman

28 September 2026

Lahore

The Companies ACT, 2017

Pattern of Shareholding

Pursuant to Section 227(2)(f) of the Companies Act, 2017, read with Regulation 30 of the Companies Regulations, 2024

PART-1

1.1 Name of The Company **Suraj Cotton Mills Limited**

Part-2

2.1 Pattern of Holding of the Shares held by the Shareholders as at: June 30, 2026

2.2

No. of Shareholders	Shareholding		Total Shares held
	From	To	
294	1	100	8,911
271	101	500	75,431
149	501	1,000	114,883
197	1,001	5,000	464,260
48	5,001	10,000	357,370
25	10,001	15,000	298,264
10	15,001	20,000	179,775
6	20,001	25,000	132,390
7	25,001	30,000	194,075
6	30,001	35,000	190,116
5	35,001	40,000	194,397
4	40,001	45,000	170,963
3	45,001	50,000	139,053
1	50,001	55,000	52,200
2	55,001	60,000	113,964
1	60,001	65,000	60,451
1	65,001	70,000	68,794
1	70,001	75,000	75,000
1	80,001	85,000	82,000
1	85,001	90,000	88,044
1	95,001	100,000	96,567
1	105,001	110,000	109,918
1	125,001	130,000	127,696
1	200,001	205,000	203,914
1	210,001	215,000	212,132
1	240,001	245,000	244,420
1	285,001	290,000	289,111
1	320,001	325,000	324,034
1	395,001	400,000	396,707
1	400,001	405,000	404,031
1	430,001	435,000	433,000
1	485,001	490,000	486,186
1	975,001	980,000	978,821
1	1,045,001	1,050,000	1,048,439
1	1,240,001	1,245,000	1,240,953
1	1,470,001	1,475,000	1,474,562
1	1,545,001	1,550,000	1,545,887
1	1,625,001	1,630,000	1,626,707
1	1,850,001	1,855,000	1,851,962
1	2,320,001	2,325,000	2,320,393
1	2,975,001	2,980,000	2,978,865
1	3,625,001	3,630,000	3,629,413
1	3,695,001	3,700,000	3,700,000
1	20,025,001	20,030,000	20,025,456
1,057			48,809,515

Information Required as per Code of Corporate Governance

As At June 30, 2026

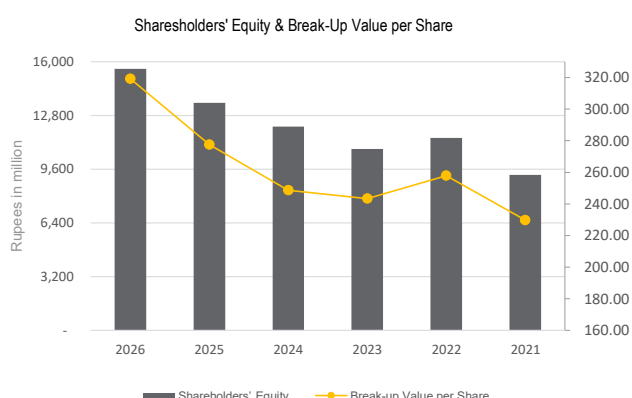
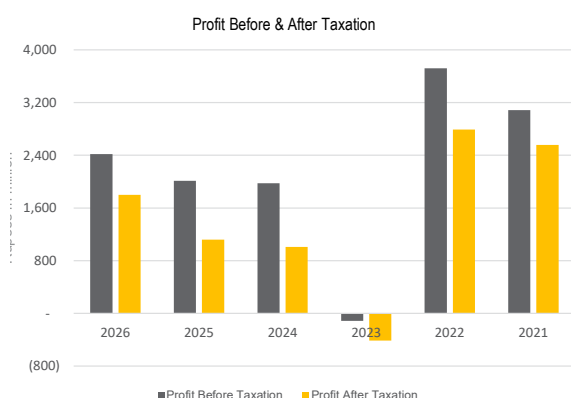
Categories of Shareholders	Total	Percentage
Directors, Chief Executive Officer, Their Spouses and Minor Children		
Nadeem Maqbool	212,132	0.43%
Directors		
Mr. Khalid Bashir	2,395,393	4.90%
Mr. Ahsan Bashir	2,978,865	6.10%
Mr. Adil Bashir	3,700,000	7.58%
Mr. Muhammad Iqbal	244,420	0.50%
Mr. Asif Bashir	289,111	0.59%
Mr. Shams Rafi	56,938	0.12%
Ms. Maheen Hisham Adamjee	120	0.00%
Director's Spouses and Their Minor Children		
Begum Tanveer Khalid Bashir	1,474,562	3.02%
Mrs. Humera Iqbal	3,629,413	7.43%
Mrs. Nazia Maqbool	36,982	0.07%
Mrs. Sana Adil Bashir	25,402	0.05%
Mrs. Amna Asif Bashir	52,200	0.11%
	15,095,538	30.93 %
Associated Companies, Undertakings & Related Parties		
Crescent Powertec Limited	21,571,343	44.19%
Premier Insurance Limited	1,626,707	3.33%
Icon Global (Pvt) Ltd.	39,583	0.08%
	23,237,633	47.61%
NIT & ICP (Name Wise Detail)		
National Bank of Pakistan - Trustee Department	668	0.00%
CDC - Trustee National Investment (Unit) Trust	3,952	0.01%
CDC - Trustee National Investment (Unit) Trust	1,048,439	2.15%
	1,053,059	2.16%
Banks, NBFCs, DFIs, Takaful, Pension Funds	326,759	0.67%
Modarabas	265	0.00%
Insurance Companies	17	0.00%
Other Companies, Corporate Bodies, Trusts, etc.	3,424,605	7.02%
General Public	5,671,639	11.62%
Total	48,809,515	100.00%

Name	No. of Shares	Nature of Transaction
Details of Purchase/Sale of Shares by Directors/CEO/Company Secretary/CFO and their Spouses/Minor Children during FY 2026		
Mr. Khalid Bashir (Chairman/Non-Executive Director)	75,000	Buy
Mr. Adil Bashir (Executive Director)	194,814	Buy
Mr. Shams Rafi (Independent Director)	16,268	Inheritance
Mr. Muhammad Naeem Sheikh (Chief Financial Officer)	1,600	Buy
Mr. Muhammad Naeem Sheikh (Chief Financial Officer)	1,600	Sell
Mrs. Sana Adil (Spouse of Adil Bashir Executive Director)	10,402	Buy
Mrs. Maheen Hisham Adamjee (Independent Director)	100	Buy
Mrs. Nazia Maqbool (Spouse of Nadeem Maqbool Executive Director)	8,134	Inheritance

Performance Indicators

For the current and past five financial years

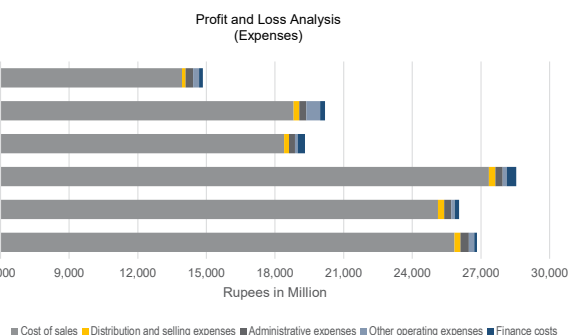
		2026	2025	2024	2023	2022	2021
A Profitability Ratios							
Gross profit ratio	(%)	9.8	8.3	8.1	2.4	19.9	19.8
Operating profit margin to sales	(%)	8.9	8.0	8.0	1.1	16.7	18.7
Net profit margin to sales (net)	(%)	6.3	4.1	3.4	(2.2)	11.9	14.7
Return on average equity	(%)	12.4	8.7	8.8	(3.7)	26.9	36.2
Return on capital employed	(%)	14.6	13.7	15.7	1.4	26.4	27.4
Return on average assets	(%)	7.2	4.7	4.6	(2.0)	15.3	22.9
B Liquidity Ratios							
Current ratio	(times)	2.2	2.1	2	1.8	2.3	2.5
Quick ratio	(times)	1.4	1	1.1	0.9	1.1	1.6
C Activity / Turnover Ratios							
Debtors turnover ratio	(times)	8.8	9.2	10.3	6.7	11.6	18.6
No. of days in receivables / Average collection period	(days)	41.7	39.8	35.6	54.7	31.4	19.7
Inventory turnover ratio	(times)	4.1	3.8	4.6	3.1	4.0	6.6
No. of days in inventory	(days)	88.7	97.0	78.6	118.8	90.9	54.9
Creditors turnover ratio	(times)	3.9	5.0	5.3	4.0	5.5	3.8
No. of days in creditors / Average payment period	(days)	93.0	72.7	68.2	91.6	65.8	96.0
Total assets turnover	(times)	1.2	1.2	1.4	0.9	1.3	1.6
D Investment / Market Ratios							
Earnings per share	(Rs.)	36.9	22.9	20.6	(9.3)	62.9	63.4
Price earnings ratio	(times)	3.6	5.1	6.5	(11.8)	3.4	3.8
Cash dividend per share	(Rs.)	10.00	5.0	5.0	1.0	4.0	10.0
Stock dividend / Bonus shares	(%)	-	-	-	10.0	-	10.0
Break-up value per share	(Rs.)	319.2	277.5	248.6	243.3	257.9	229.8
E Market value per share							
Closing	(Rs.)	131.7	117.9	133.2	110.1	215.0	239.9
High	(Rs.)	161.3	150.0	157.3	215.0	268.0	254.0
Low	(Rs.)	88.0	106.0	88.0	84.8	201.2	143.0
F Capital Structure Ratios							
Debt equity ratio		16:84	21:79	25:75	23:77	22:78	27:73
Total liabilities to total assets	(%)	38.91	44.24	46.89	49.01	44.54	41.08



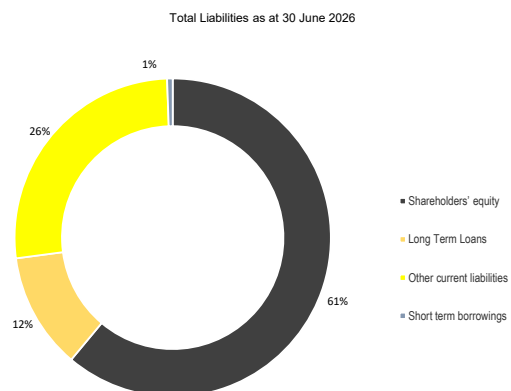
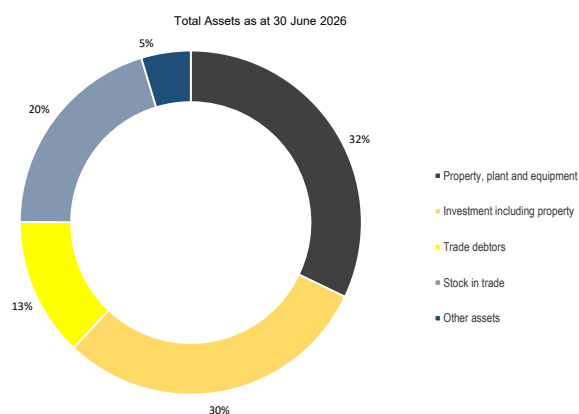
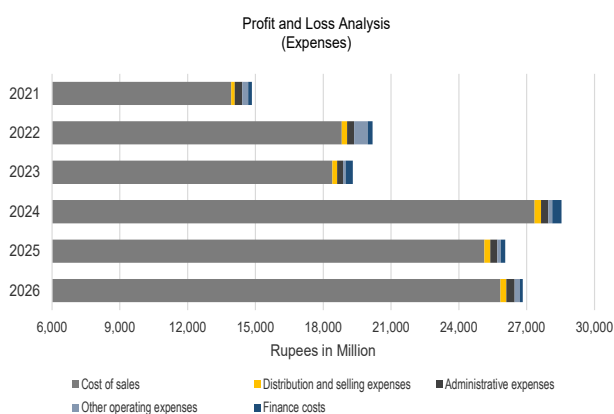
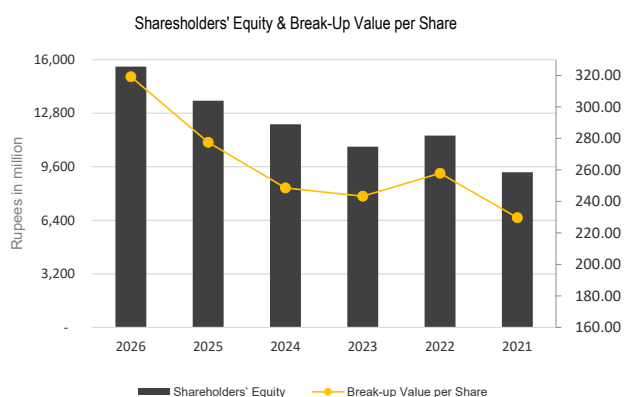
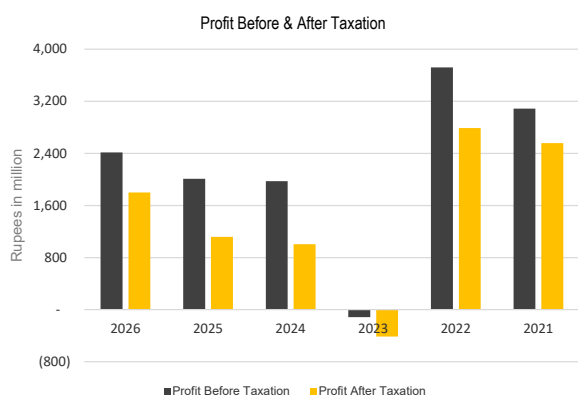
Key Operating and Financial Data

For the current and past five financial years

SUMMARIZED FINANCIAL DATA	2026	2025	2024	2023	2022	2021
-----PKR in '000'-----						
A Summary of Profit and Loss Account						
Sales - net	28,650,080	27,411,458	29,744,290	18,860,335	23,500,659	17,374,800
Cost of sales	25,838,065	25,124,439	27,348,126	18,402,367	18,816,100	13,927,861
Gross profit	2,812,015	2,287,019	2,396,164	457,968	4,684,559	3,446,939
Distribution and selling expenses	261,102	268,136	286,940	209,728	240,476	155,936
Administrative expenses	366,434	303,983	317,828	260,627	311,233	331,791
Other operating expenses	237,038	159,789	179,684	115,083	601,664	261,179
Other operating income	594,577	645,324	769,127	332,030	401,703	553,232
Operating profit before finance costs	2,542,018	2,200,435	2,380,839	204,560	3,932,889	3,251,265
Finance costs	126,193	189,894	407,343	319,866	213,906	165,182
Profit / (loss) before levy and taxation	2,415,825	2,010,541	1,973,496	(115,306)	3,718,983	3,086,083
Levy	23,280	131,612	229,069	-	-	-
Profit / (loss) before taxation	2,392,545	1,878,929	1,744,427	(115,306)	3,718,983	3,086,083
Taxation	591,578	760,246	738,009	296,972	928,452	527,562
Net income	1,800,967	1,118,683	1,006,418	(412,278)	2,790,531	2,558,521
B Summary of Balance Sheet						
Property, plant and equipment	8,186,583	8,546,997	8,462,115	9,119,661	7,832,040	5,572,818
Stock-in-trade	5,170,261	7,389,621	5,964,697	5,819,052	6,164,550	3,203,682
Trade debts	3,324,841	3,220,558	2,756,220	3,046,691	2,604,817	1,439,847
Trade and other payables	4,675,801	3,836,359	3,788,364	3,279,900	3,013,743	2,206,833
Current assets	14,503,954	13,773,544	12,841,778	10,911,939	11,535,417	8,662,469
Total assets	25,506,589	24,294,152	22,846,953	21,177,055	20,665,526	15,730,546
Reserves	15,094,079	13,057,701	11,646,918	10,353,692	10,999,558	8,864,618
Shareholders' equity	15,582,173	13,545,795	12,135,012	10,797,414	11,460,433	9,268,002
Long term financing	1,866,470	2,470,692	3,061,792	3,545,300	3,455,552	2,596,566
Deferred liabilities	1,545,745	1,586,297	1,253,030	918,687	710,377	396,510
Short term financing	145,444	1,164,739	977,007	1,226,258	726,496	429,454
Current liabilities	6,512,201	5,036,929	4,992,347	4,447,557	3,972,681	3,040,014
C Summary of Cash Flow Statement						
Cash and cash equivalents at the beginning of the year	163,444	378,804	142,567	420,735	282,975	207,139
Net cash (used in) /generated from operating activities	5,911,491	(324,276)	1,917,421	(439,637)	28,925	3,419,448
Net cash used in investing activities	(3,972,982)	881,853	(789,673)	(678,966)	(1,052,560)	(2,883,184)
Net cash (used in) / generated from financing activities	(1,992,780)	(772,937)	(891,511)	840,435	1,161,395	(460,428)
Net increase / (decrease) in cash and cash equivalents	(54,271)	(215,360)	236,237	(278,168)	137,760	75,836
Cash and cash equivalents at the end of the year	109,173	163,444	378,804	142,567	420,735	282,975
D Other Data						
Depreciation and amortization	758,331	781,609	804,504	667,282	587,082	464,109
Capital expenditure	585,409	894,942	150,279	1,986,020	2,889,142	1,044,886
No. of ordinary shares (no. of shares in millions)	48.81	48.81	48.81	44.37	44.37	40.34



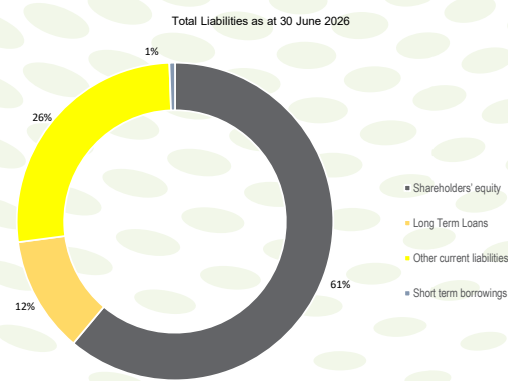
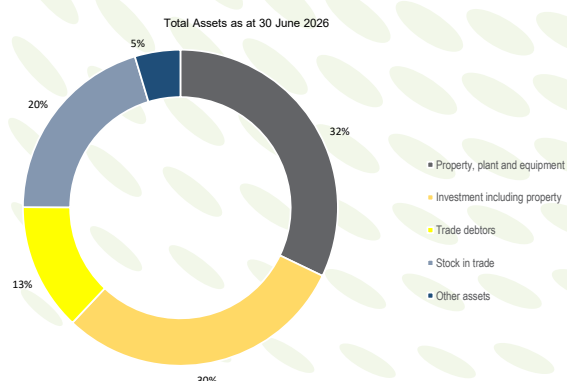
Graphical Representation



Vertical Analysis

For the current and past five financial years

	2026	%	2025	%	2024	%	2023	%	2022	%	2021	%
PKR in '000												
Statement of Financial Position												
Property, plant and equipment	8,186,583	32.1	8,546,997	35.2	8,462,115	37.0	9,119,661	43.1	7,832,040	37.9	5,572,818	35.4
Investment property	472,690	1.9	472,690	1.9	472,690	2.1	477,690	2.3	477,690	2.3	477,690	3.0
Long term deposits	129,284	0.5	129,284	0.5	19,067	0.1	19,737	0.1	22,076	0.1	22,076	0.1
Long term investments	2,091,870	8.2	1,364,971	5.6	1,028,838	4.5	625,563	3.0	772,151	3.7	971,627	6.2
Stores, spares and loose tools	466,778	1.8	567,742	2.3	653,026	2.9	469,843	2.2	257,298	1.2	218,925	1.4
Stock-in-trade	5,170,261	20.3	7,389,621	30.4	5,964,697	26.1	5,819,052	27.5	6,164,550	29.8	3,203,682	20.4
Trade debts	3,324,841	13.0	3,220,558	13.3	2,756,220	12.1	3,046,691	14.4	2,604,817	12.6	1,439,847	9.2
Loan and advances	57,767	0.2	144,171	0.6	169,288	0.7	108,240	0.5	76,638	0.4	39,972	0.3
Short term deposits and prepayments	213,665	0.8	81,194	0.3	78,283	0.3	238,478	1.1	171,760	0.8	105,614	0.7
Other receivables	92,935	0.4	968,188	4.0	746,615	3.3	485,557	2.3	216,571	1.0	160,185	1.0
Short term investments	5,068,534	19.9	1,238,626	5.1	2,094,845	9.2	601,511	2.8	1,623,048	7.9	3,211,269	20.4
Cash and bank balances	109,173	0.4	163,444	0.7	378,804	1.7	142,567	0.7	420,735	2.0	282,975	1.8
Assets held for sale	122,208	0.5	6,666	0.0	22,465	0.1	22,465	0.1	26,152	0.1	23,866	0.2
Total Assets	25,506,589	100.0	24,294,152	100.0	22,846,953	100.0	21,177,055	100.0	20,665,526	100.0	15,730,546	100.0
Issued, subscribed and paid up share capital	488,094	1.9	488,094	2.0	488,094	2.1	443,722	2.1	443,722	2.1	403,384	2.6
reserves	15,094,079	59.2	13,057,701	53.7	11,646,918	51.0	10,353,692	48.9	11,016,711	53.3	8,864,618	56.4
Shareholders' Equity	15,582,173	61.1	13,545,795	55.8	12,135,012	53.1	10,797,414	51.0	11,460,433	55.5	9,268,002	58.9
Long term loan	1,866,470	7.3	2,470,692	10.2	3,061,792	13.4	3,545,300	16.7	3,455,003	16.7	2,595,380	16.5
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	549	0.0	1,186	0.0
Deferred liabilities	1,545,745	6.1	1,586,297	6.5	1,253,030	5.5	918,687	4.3	710,377	3.4	396,510	2.5
Trade and other payables	4,675,801	18.3	3,836,359	15.8	3,788,364	16.6	3,279,900	15.5	3,013,743	14.6	2,206,833	14.0
Mark-up accrued	6,642	0.0	38,841	0.2	58,277	0.3	71,949	0.3	31,378	0.2	26,293	0.2
Unclaimed dividends	8,577	0.0	8,577	0.0	7,313	0.0	7,313	0.0	7,313	0.0	6,387	0.0
Short term borrowings	145,444	0.6	1,164,739	4.8	977,007	4.3	1,226,258	5.8	726,496	3.5	429,454	2.7
Current portion of long term liabilities	1,149,741	4.5	1,153,152	4.7	1,138,393	5.0	1,088,395	5.1	920,247	4.5	800,501	5.1
Provision for taxation - net	525,996	2.1	489,700	2.0	427,765	1.9	241,839	1.1	339,987	1.6	-	-
Total Equity and Liabilities	25,506,589	100.0	24,294,152	100.0	22,846,953	100.0	21,177,055	100.0	20,665,526	100.0	15,730,546	100.0
Statement of Profit or Loss												
Sales - net	28,650,080	100.0	27,411,458	100.0	29,744,290	100.0	18,860,335	100.0	23,500,659	100.0	17,374,800	100.0
Cost of sales	25,838,065	90.2	25,124,439	91.7	27,348,126	91.9	18,402,367	97.6	18,816,100	80.1	13,927,861	80.2
Gross profit	2,812,015	9.8	2,287,019	8.3	2,396,164	8.1	457,968	2.4	4,684,559	19.9	3,446,939	19.8
Distribution and selling expenses	261,102	0.9	268,136	1.0	286,940	1.0	209,728	1.1	240,476	1.0	155,936	0.9
Administrative expenses	366,434	1.3	303,983	1.1	317,828	1.1	260,627	1.4	311,233	1.3	331,791	1.9
Other operating expenses	237,038	0.8	159,789	0.6	179,684	0.6	115,083	0.6	601,664	2.6	261,179	1.5
Other operating income	594,577	2.1	645,324	2.4	769,127	2.6	332,030	1.8	401,703	1.7	553,232	3.2
Operating profit / (loss) before finance costs	2,542,018	8.9	2,200,435	8.0	2,380,839	8.0	204,560	1.1	3,932,889	16.7	3,251,265	18.7
Finance costs	126,193	0.4	189,894	0.7	407,343	1.4	319,866	1.7	213,906	0.9	165,182	1.0
Profit / (loss) before levy and taxation	2,415,825	8.4	2,010,541	7.3	1,973,496	6.6	(115,306)	-0.6	3,718,983	15.8	3,086,083	17.8
Levy	23,280	0.1	131,612	0.5	229,069	0.8	-	-	-	-	-	-
Profit / (loss) before taxation	2,392,545	8.4	1,878,929	6.9	1,744,427	5.9	(115,306)	-0.6	3,718,983	15.8	3,086,083	17.8
Taxation	591,578	2.1	760,246	2.8	738,009	2.5	296,972	1.6	928,452	4.0	527,562	3.0
Profit / (loss) after taxation	1,800,967	6.3	1,118,683	4.1	1,006,418	3.4	(412,278)	-2.2	2,790,531	11.9	2,558,521	14.7

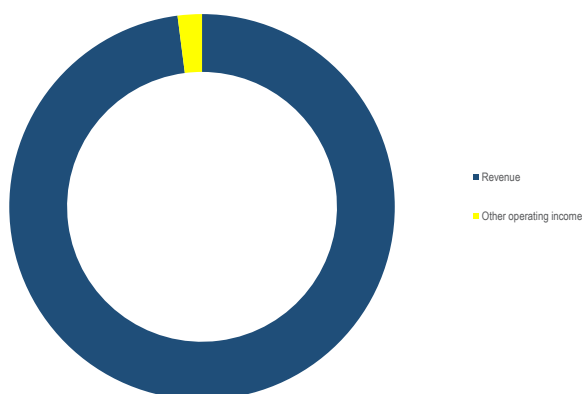


Statement of Wealth Generation & Distribution

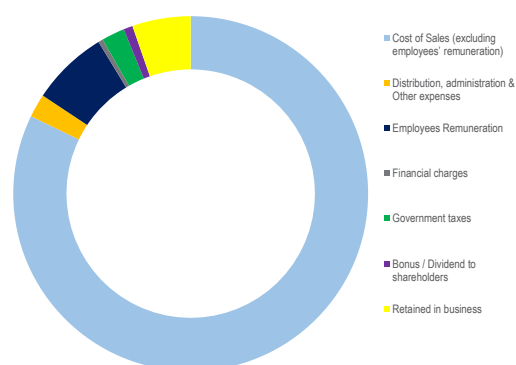
For the year ended 30 June, 2026

Wealth Generation & Distribution	2026		2025		2024		2023		2022		2021	
	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%
Wealth Generated												
Revenue	28,650,080	98.0	27,411,458	97.7	29,744,290	97.5	18,860,335	98.3	23,500,659	98.3	17,374,800	96.9
Other operating income	594,577	2.0	645,324	2.3	769,127	2.5	332,030	1.7	401,703	1.7	553,232	3.1
Total Wealth Generated	29,244,657	100.00	28,056,785	100.00	30,513,417	100.00	19,192,365	100.00	23,902,362	100.00	17,928,032	100.00
Distribution of wealth												
Cost of Sales (excluding employees' remuneration)	24,033,121	82.2	23,460,089	83.6	25,867,178	84.8	17,399,281	90.7	17,626,406	73.7	12,962,980	72.3
Distribution, administration & Other expenses	625,281	2.1	511,989	1.8	604,462	2.0	427,376	2.2	1,006,669	4.2	622,427	3.5
Employees Remuneration	2,044,237	7.0	1,884,269	6.7	1,660,938	5.4	1,161,148	6.1	1,336,398	5.6	1,091,360	6.1
Financial charges	126,193	0.4	189,894	0.7	407,343	1.3	319,866	1.7	213,906	0.9	165,182	0.9
Government taxes	614,858	2.1	891,858	3.2	967,078	3.2	296,972	1.5	928,452	3.9	527,562	2.9
Bonus / Dividend to shareholders	244,084	0.8	244,084	0.9	88,744	0.3	177,489	0.9	443,722	1.9	183,356	1.0
Retained in business	1,556,833	5.3	874,635	3.1	917,674	3.0	(589,767)	(3.1)	2,346,809	9.8	2,375,165	13.2
Total Wealth Distributed	29,244,657	100.00	28,056,782	100.00	30,513,417	100.00	19,192,365	100.00	23,902,362	100.00	17,928,032	100.00

Modes of Wealth Generation in FY 2026



Modes of Wealth Distribution in FY 2026



Six Years at a Glance

As at 30 June 2026

Vertical Analysis	2026		2025		2024		2023		2022		2021	
	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%
Property, plant and equipment	8,186,583	32.1	8,546,997	35.2	8,462,115	37.0	9,119,661	43.1	7,832,040	37.9	5,572,818	35.4
Investments including investment property	2,564,560	10.1	1,837,661	7.6	1,501,528	6.6	1,103,253	5.2	1,249,841	6.0	1,449,317	9.2
Other non current assets	251,492	1.0	135,950	0.6	41,532	0.2	42,202	0.2	44,541	0.2	45,942	0.3
Current assets	14,503,954	56.9	13,773,544	56.7	12,841,778	56.3	10,911,939	51.5	11,539,104	55.8	8,662,469	55.1
Total Assets	25,506,589	100.00	24,294,152	100.00	22,846,953	100.00	21,177,055	100.00	20,665,526	100.00	15,730,546	100.00
Shareholders' equity	15,582,173	61.1	13,545,795	55.8	12,135,012	53.1	10,797,414	51.0	11,460,433	55.5	9,268,002	58.9
Long-term debt (excluding current maturity)	1,866,470	7.3	2,470,692	10.2	3,061,792	13.4	3,545,300	16.7	3,455,552	16.7	2,596,566	16.5
Deferred taxation and income	1,545,745	6.1	1,586,297	6.5	1,253,030	5.5	918,687	4.3	710,377	3.4	396,510	2.5
Short-term debt (including current maturity of long-term debt)	1,295,185	5.1	2,317,891	9.5	2,115,400	9.3	2,314,653	10.9	1,646,743	8.0	1,229,955	7.8
Other current liabilities	5,217,016	20.5	4,373,477	18.0	4,281,719	18.7	3,601,001	17.0	3,392,421	16.4	2,239,513	14.2
Total Equity and Liabilities	25,506,589	100.00	24,294,152	100.00	22,846,953	100.00	21,177,055	100.00	20,665,526	100.00	15,730,546	100.00

Horizontal Analysis	2026		2025		2024		2023		2022		2021	
	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%
Property, plant and equipment	8,186,583	(4.2)	8,546,997	1.0	8,462,115	(7.2)	9,119,661	16.4	7,832,040	40.5	5,572,818	11.2
Investments including investment property	2,564,560	39.6	1,837,661	22.4	1,501,528	36.1	1,103,253	(11.7)	1,249,841	(13.8)	1,449,317	71.3
Other non current assets	129,284	-	129,284	578.1	19,067	(3.4)	19,737	(10.6)	22,076	-	22,076	0.9
Current assets	14,626,162	6.1	13,780,210	7.1	12,864,243	17.6	10,934,404	(5.4)	11,561,569	33.1	8,686,335	21.8
Total Assets	25,506,589	4.99	24,294,152	6.33	22,846,953	7.89	21,177,055	2.48	20,665,526	31.37	15,730,546	20.90
Shareholders' equity	15,582,173	15.0	13,545,795	11.6	12,135,012	12.4	10,797,414	(5.8)	11,460,433	23.7	9,268,002	40.1
Long-term debt (excluding current maturity)	1,866,470	(24.4)	2,470,692	(19.3)	3,061,792	(13.6)	3,545,300	2.6	3,455,552	33.1	2,596,566	2.5
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Short-term debt (including current maturity of long-term debt)	1,295,185	(44.1)	2,317,891	9.6	2,115,400	(8.6)	2,314,653	40.6	1,646,743	33.9	1,229,955	(7.9)
Other current liabilities	5,217,016	19.3	4,373,477	2.1	4,281,719	18.9	3,601,001	6.1	3,392,421	51.5	2,239,513	(3.3)
Total Equity and Liabilities	25,506,859	4.99	24,294,152	6.33	22,846,953	7.89	21,177,055	2.48	20,665,526	31.37	15,730,546	20.90

Key Points:

Increase in shareholder's equity is due to profit for the year, and decrease in non-current liabilities fell due to repayment of short term borrowing. Decrease in Property, plant and equipment is due to charge of depreciation for the year and transfer of assets as held for sale.

Increase in Investments is mainly due to fair market value adjustment in equity investment.

Increase in current assets is due to increase in short term investments.

FINANCIAL STATEMENTS

For the year ended 30 June 2026



Independent Auditor's Modified Review Report

To the members of Suraj Cotton Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Suraj Cotton Mills Limited (the Company) for the year ended 30 June 2026 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instance of non-compliance with the requirement of the Regulations was observed which is not stated in the Statement of Compliance:

(i) Composition of the audit committee is not as per the requirements of the regulation 27(1) of the Regulations as members of the audit committee do not fall under the definition of "financially literate". Regulation 27(2)(iii) of the Regulations requires the head of internal audit to attend meetings of the audit committee at which issues, if any, relating to accounts and audit are discussed. Head of internal audit only attended the first two meetings of the audit committee during the year.

Based on our review, except for the above instance of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2026.



RIAZ AHMAD & COMPANY
Chartered Accountants

28 September 2026

Lahore

UDIN: AR202610158rFopYZuEs

Independent Auditors' Report

To the members of Suraj Cotton Mills Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Suraj Cotton Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2026 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Inventory existence and valuation	
As at 30 June 2026, inventory is stated at Rupees 5,637.039 million, breakup of which is as follows: - Stores, spare parts and loose tools Rupees 466.778 million; - Stock-in-trade Rupees 5,170.261 million. Inventory is measured at the lower of cost and net realizable value.	Our procedures over existence and valuation of inventory included, but were not limited to: - To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. - For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.

Independent Auditors' Report

Key audit matters	How the matter was addressed in our audit
We identified existence and valuation of inventory as a key audit matter due to its size, representing 22.10% of total assets of the Company as at 30 June 2026, and the judgment involved in valuation. For further information on inventory, refer to the following: - Material accounting policy information, Inventories note 2.16 to the financial statements. - Stores, spare parts and loose tools note 18 and Stock-in-trade note 19 to the financial statements.	• We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice. • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory. • In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs. • We also made inquiries of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.
2. Revenue recognition The Company recognized net revenue of Rupees 28,650.080 million for the year ended 30 June 2026. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Material accounting policy information, Revenue recognition note 2.20 to the financial statements. - Revenue from contracts with customers note 27 to the financial statements.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year- end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.

Independent Auditors' Report

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

28 September 2026

Lahore

UDIN: AR202610158rFopYZuEs

Statement of Financial Position

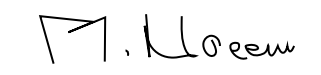
as at 30 June 2026

	Note	2026 (Rupees in thousand)	2025
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
100,000,000 (2025: 100,000,000)			
ordinary shares of Rupees 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up share capital	4	488,094	488,094
Reserves	5	15,094,079	13,057,701
Total equity		15,582,173	13,545,795
LIABILITIES			
Non-current liabilities			
Long term financing - secured	6	1,866,470	2,470,692
Deferred liabilities	7	1,545,745	1,586,297
		3,412,215	4,056,989
Current liabilities			
Trade and other payables	8	4,579,435	3,723,063
Contract liabilities - un-secured		96,366	113,296
Accrued mark-up	9	6,642	38,841
Short term borrowings	10	145,444	1,164,739
Current portion of non-current liabilities	11	1,149,741	1,153,152
Taxation and levy - net	12	525,996	489,700
Unclaimed dividend		8,577	8,577
		6,512,201	6,691,368
TOTAL LIABILITIES		9,924,416	10,748,357
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		25,506,589	24,294,152

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Statement of Financial Position

as at 30 June 2026

	Note	2026 (Rupees in thousand)	2025
ASSETS			
Non-current assets			
Property, plant and equipment	14	8,186,583	8,546,997
Investment properties	15	472,690	472,690
Long term investments	16	2,091,870	1,364,971
Long term deposits	17	129,284	129,284
		10,880,427	10,513,942
Current assets			
Stores, spare parts and loose tools	18	466,778	567,742
Stock-in-trade	19	5,170,261	7,389,621
Trade debts	20	3,324,841	3,220,558
Loans and advances	21	57,767	144,171
Short term deposits and prepayments	22	213,665	81,194
Other receivables	23	92,935	968,188
Short term investments	24	5,068,534	1,238,626
Cash and bank balances	25	109,173	163,444
		14,503,954	13,773,544
Non-current assets classified as held for sale	26	122,208	6,666
		14,626,162	13,780,210
TOTAL ASSETS		25,506,589	24,294,152


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Statement of Profit or Loss

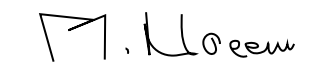
For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
Revenue from Contracts with Customers	27	28,650,080	27,411,458
Cost of Sales	28	(25,838,065)	(25,124,439)
Gross Profit		2,812,015	2,287,019
Distribution Cost	29	(261,102)	(268,136)
Administrative Expenses	30	(366,434)	(303,983)
Other Expenses	31	(237,038)	(159,789)
		(864,574)	(731,908)
		1,947,441	1,555,111
Other Income	32	594,577	645,324
Profit from Operations		2,542,018	2,200,435
Finance Cost	33	(126,193)	(189,894)
PROFIT BEFORE LEVY AND TAXATION		2,415,825	2,010,541
Levy	34	(23,280)	(131,612)
PROFIT BEFORE TAXATION		2,392,545	1,878,929
Taxation	35	(591,578)	(760,246)
PROFIT AFTER TAXATION		1,800,967	1,118,683
Earnings per share - basic and diluted (Rupees)	36	36.90	22.92

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Statement of Comprehensive Income

For the year ended 30 June 2026

	2026	2025
	(Rupees in thousand)	
PROFIT AFTER TAXATION	1,800,967	1,118,683
OTHER COMPREHENSIVE INCOME		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value adjustment arising on remeasurement of investments at fair value through other comprehensive income - net of tax	479,459	536,148
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year - net of tax	479,459	536,148
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,280,426	1,654,831

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Statement of Changes in Equity

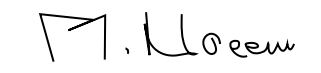
For the year ended 30 June 2026

	Reserves								Total	Total Equity
	Share Capital	Capital reserves			Revenue Reserves					
		Share premium reserve	Fair value reserve on FVTOCI investments	Sub Total	General Reserve	Un-appropriated Profit	Sub Total			
------(Rupees in thousand)-----										
Balance as at 30 June 2024	488,094	29,000	78,007	107,007	3,714,000	7,825,911	11,539,911	11,646,918	12,135,012	
Transactions with owners:										
Final dividend for the year ended 30 June 2024 @ Rupees 5 per share	-	-	-	-	-	(244,048)	(244,048)	(244,048)	(244,048)	
Transfer of gain on disposal of FVTOCI investment to retained earnings	-	-	(190,524)	(190,524)	-	190,524	190,524	-	-	
Profit for the year	-	-	-	-	-	1,118,683	1,118,683	1,118,683	1,118,683	
Other comprehensive income for the year	-	-	536,148	536,148	-	-	-	536,148	536,148	
Total comprehensive income for the year	-	-	536,148	536,148	-	1,118,683	1,118,683	1,654,831	1,654,831	
Balance as at 30 June 2025	488,094	29,000	423,631	452,631	3,714,000	8,891,070	12,605,070	13,057,701	13,545,795	
Transactions with owners:										
Final dividend for the year ended 30 June 2025 @ Rupee 5 per share	-	-	-	-	-	(244,048)	(244,048)	(244,048)	(244,048)	
Transfer of gain on disposal of FVTOCI investments to retained earnings	-	-	(134,445)	(134,445)	-	134,445	134,445	-	-	
Profit for the year	-	-	-	-	-	1,800,967	1,800,967	1,800,967	1,800,967	
Other comprehensive income for the year	-	-	479,459	479,459	-	-	-	479,459	479,459	
Total comprehensive income for the year	-	-	479,459	479,459	-	1,800,967	1,800,967	2,280,426	2,280,426	
Balance as at 30 June 2026	488,094	29,000	768,645	797,645	3,714,000	10,582,434	14,296,434	15,094,079	15,582,173	

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	6,722,629	550,943
Finance cost paid		(158,392)	(209,330)
Workers' profit participation fund paid	8.4	(107,978)	(105,988)
Income tax and levy paid		(559,506)	(468,462)
Profit on bank deposits received		14,738	18,778
Increase in long term deposits		-	(110,217)
Net cash generated from / (used in) operating activities		5,911,491	(324,276)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(585,409)	(894,942)
Proceeds from disposal of property, plant and equipment	14.1.1	31,140	104,400
Investments made		(8,742,680)	(3,907,848)
Investments disposed of		5,028,505	5,426,533
Dividends received		190,274	105,474
Interest received		28,078	24,198
Proceeds from disposal of non-current assets classified as held for sale	26.5	77,110	24,038
Net cash (used in) / from investing activities		(3,972,982)	881,853
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing	37.2	(729,437)	(717,885)
Short term borrowings - net	37.2	(1,019,295)	187,732
Dividend paid	37.2	(244,048)	(242,784)
Net cash used in financing activities		(1,992,780)	(772,937)
Net decrease in cash and cash equivalents		(54,271)	(215,360)
Cash and cash equivalents at the beginning of the year	25	163,444	378,804
Cash and cash equivalents at the end of the year	25	109,173	163,444

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Notes to the Financial Statements

For the year ended 30 June 2026

1. THE COMPANY AND ITS OPERATIONS

1.1 Suraj Cotton Mills Limited (the Company) is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at Office No. 802, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg-II, Lahore. The Company is engaged in manufacturing, sale, trading and dealing in yarn and cloth.

1.2 Geographical location and addresses of all business units are as follows:

Sr. No.	Manufacturing units and offices	Address
1	Spinning unit and weaving units – Shahkot	Kotla Kahloon, Shahkot, District Nankana Sahib, Punjab.
2	Spinning unit – Raiwind	4 K.M. Raiwind Manga Road, Raiwind, Punjab and Mouza Nehla, Raiwind, Punjab.
3	Industrial site - Karachi	Karachi - Hyderabad Motorway, Noori Abad, Jams-horo, Sindh.
4	Registered office and head office	Office No. 802 and 804, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg II, Lahore, Punjab.
5	Branch office	3rd floor, Cotton Exchange Building, I. I. Chundrigar Road, Karachi, Sindh.
6	Site for office	30-Q, Gulberg-II, Lahore.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

Notes to the Financial Statements

For the year ended 30 June 2026

b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and investment properties with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

Income tax and levy

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECL) assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Notes to the Financial Statements

For the year ended 30 June 2026

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognised at the statement of financial position date.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Impairment of investments in joint ventures

In making the estimates of recoverable amount of the Company's investments in joint ventures, the management considers future cash flows.

Classification of investments

The management of the Company determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies its investments in accordance with IFRS 9 "Financial Instruments".

d) **Standards and amendments to published approved standards that are effective in current year and are relevant to the Company**

Following standards and amendments to published approved standard are mandatory for the Company's accounting periods beginning on or after 01 July 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability.
- IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures'.
- The Company will issue its sustainability-related financial disclosures separately, within nine months of the year ended 30 June 2026 (i.e., by 31 March 2027), instead of together with these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2026

The above-mentioned standards and amendments to approved accounting standard did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2026 or later periods:

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

Notes to the Financial Statements

For the year ended 30 June 2026

Amendment to IFRS 7 — 'Financial Instruments: Disclosures' and IFRS 9 — 'Financial Instruments – Classification and Measurement of Financial Instruments' (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

Amendment to IFRS 7 — 'Financial Instruments: Disclosures' and IFRS 9 — 'Financial Instruments – Contracts Referencing Nature-dependent Electricity' (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

Disclosures about Uncertainties in the Financial Statements (Illustrative Examples). Illustrative examples are not an integral part of standards and, therefore, do not have an effective date

On 13 November 2025, the International Accounting Standards Board (IASB) issued Translation to a Hyperinflationary Presentation Currency (effective for annual reporting periods beginning on or after 1 January 2027), which amended IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments specify the translation procedures to be applied by an entity whose presentation currency is the currency of a hyperinflationary economy. The amendments also introduce additional disclosure requirements to enable users of financial statements to understand the effects of translating financial information into a hyperinflationary presentation currency.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

The above standards, amendments and improvements are likely to have no significant impact on the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2026

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2026 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employee benefit

The Company operates an employee's funded provident fund scheme covering all its permanent employees. Equal monthly contributions are made both by the Company and employees to the fund. The Company's contributions to the fund are charged to statement of profit or loss.

2.3 Taxation and levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Notes to the Financial Statements

For the year ended 30 June 2026

2.4 Borrowing

Financing and borrowings are recognised initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.5 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

2.6 Property, plant, equipment and depreciation

Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition. Freehold land is stated at cost less any recognised impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

Depreciation

Depreciation on operating fixed assets is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives except for leasehold land, which is depreciated over the lease period using straight-line method, at the rates given in note 14.1. Depreciations on additions is charged from the month in which the assets are available for use up to the month prior to disposal. The residual values and useful lives are reviewed by the management, at each financial period-end and adjusted if impact on depreciation is significant.

Notes to the Financial Statements

For the year ended 30 June 2026

De-recognition

An item of operating fixed assets is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognised.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.7 Investment properties

Land and building held for capital appreciation or to earn rental income are classified as investment properties. Investment properties except land, are stated at cost less accumulated depreciation and any recognised impairment loss. Land is stated at cost less any recognised impairment loss.

2.8 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures are rounded off to the nearest thousand of Pak Rupees.

2.9 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.10 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Notes to the Financial Statements

For the year ended 30 June 2026

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2026

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2) or fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

2.11 Financial liabilities – classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.12 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

Notes to the Financial Statements

For the year ended 30 June 2026

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Notes to the Financial Statements

For the year ended 30 June 2026

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.13 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

b) Financial liabilities

The Company shall derecognises a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.14 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2026

2.15 Investments in associates and joint ventures

An associate is an entity over which the Company has significant influence. A joint venture is a joint arrangement whereby the joint venturers that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from investee companies are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

At each statement of financial position date, the Company reviews the carrying amounts of these investments to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognised as expense in the statement of profit or loss.

2.16 Inventories

Inventories, except for stock-in-transit and waste stock, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spares and loose tools

Usable stores, spares and loose tools are valued principally at cost using moving average cost formula less provision for slow moving, while items considered obsolete are carried at nil value. Items-in-transit are valued at cost comprising invoice value plus other charges paid thereon.

Notes to the Financial Statements

For the year ended 30 June 2026

Stock-in-trade

Cost of raw material, work-in-process and finished goods is determined as follows:

- (i) For raw materials: Weighted average cost
- (ii) For work-in-process and finished goods: At average manufacturing cost including proportion of production overheads

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stocks are valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.17 Trade and other payables

Liabilities for trade and other amounts payable are initially recognised at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.18 Trade and other receivables

Trade debts are initially recognised at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortized cost, less any allowance for expected credit losses.

2.19 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.20 Revenue recognition

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Notes to the Financial Statements

For the year ended 30 June 2026

(b) Processing services

The Company provides processing services to local customers. These services are sold separately and the Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Company's contracts with its customers.

(c) Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(d) Dividend

Dividend on investments is recognised when right to receive the dividend is established.

2.21 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its performance obligations under the contract.

2.22 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.23 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

Notes to the Financial Statements

For the year ended 30 June 2026

2.24 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until their realization becomes certain.

2.25 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognised, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognised in the financial statements.

2.26 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has following reportable business segments:

Spinning: Production of different quality of yarn using natural and artificial fibers.

Weaving: Production of different quality of greige fabric using yarn.

Transactions among the business segments are recorded on arm's length basis in a manner similar to transactions with third parties. Inter segment sales and purchases are eliminated from the total.

2.27 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Notes to the Financial Statements

For the year ended 30 June 2026

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.28 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognised in the period in which these are approved by the Board of Directors.

3 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.2 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

3.3 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

Notes to the Financial Statements

For the year ended 30 June 2026

3.4 Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

3.5 Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

3.6 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

Notes to the Financial Statements

For the year ended 30 June 2026

3.7 Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortized on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

3.8 Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortized on a straight-line basis over the term of the contract.

3.9 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

3.10 Refund liabilities

Refund liabilities are recognised where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

3.11 Derivative financial instruments

Derivatives are initially recognised at fair value. Any directly attributable transaction costs are recognised in the statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognised in the statement of profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2026

4. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2026 (No. of Shares)	2025		2026 (Rupees in thousand)	2025
17,400,000	17,400,000	Ordinary shares of Rupees 10 each fully paid up in cash	174,000	174,000
31,409,515	31,409,515	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	314,094	314,094
48,809,515	48,809,515		488,094	488,094

4.1 Ordinary shares of the Company held by the associated companies:

	2026 (No. of Shares)	2025
Crescent Powertec Limited	21,571,343	21,571,343
Premier Insurance Limited	1,626,708	1,626,708
	23,198,051	23,198,051

4.2 The share capital of the Company consists only of fully paid ordinary shares with a nominal (par) value of Rupees 10 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

	Note	2026 (Rupees in thousand)	2025
5. RESERVES			
Composition of reserves is as follows:			
Capital reserves			
Share premium reserve	5.1	29,000	29,000
Fair value reserve on FVTOCI investments - net of deferred income tax	5.2	768,645	423,631
		797,645	452,631
Revenue reserves			
General reserve		3,714,000	3,714,000
Un-appropriated profit		10,582,434	8,891,070
		14,296,434	12,605,070
		15,094,079	13,057,701

5.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

Notes to the Financial Statements

For the year ended 30 June 2026

- 5.2 This represents unrealized gain on re-measurement of investments at fair value through other comprehensive income and is not available for distribution. Reconciliation of fair value reserve - net of deferred income tax is as under:

	2026 (Rupees in thousand)	2025
Balance as on 01 July	549,791	90,817
Add: Fair value adjustment made during the year	541,655	649,498
Less: Transfer of gain on disposal of FVTOCI investments to retained earnings	(134,445)	(190,524)
	957,001	549,791
Deferred income tax on equity investments	(188,356)	(126,160)
Balance as on 30 June	768,645	423,631

	Note	2026 (Rupees in thousand)	2025
6. LONG TERM FINANCING - SECURED			
From banking companies			
Long term loans	6.1	2,473,108	3,063,146
Less: Current portion shown under current liabilities	11	(606,638)	(592,454)
		1,866,470	2,470,692

Notes to the Financial Statements

For the year ended 30 June 2026

LENDER	2026	2025	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
(Rupees in Thousand)							
6.1 Long term loans							
MCB Bank Limited (Note 6.2)	10,654	14,427	3 months KIBOR + 0.5%	Thirty four un-equal quarterly instalments commenced on 27 November 2019 and ending on 24 April 2029.	Quarterly	Quarterly	Joint pari passu charge of Rupees 3,434 million over all present and future fixed assets of the Company inclusive of 34% margin.
MCB Bank Limited	82,978	106,687	SBP rate for LTFF + 0.60%	Seventeen equal semi annual instalments commenced on 11 December 2021 and ending on 11 December 2029.	-	Quarterly	
MCB Bank Limited (Note 6.2)	232,279	330,624	SBP rate for LTFF + 0.50%	One hundred and twenty two un-equal instalments commenced on 12 April 2019 and ending on 06 March 2029.	-	Quarterly	
MCB Bank Limited (Note 6.3)	540,378	615,144	SBP rate for TERF + 1%	One hundred and sixty un-equal instalments commenced on 23 September 2023 and ending on 21 October 2032.	-	Quarterly	
Allied Bank Limited (Note 6.2)	380,270	567,770	SBP rate for LTFF + 0.5%	One hundred and twenty eight un-equal instalments commenced on 11 July 2019 and ending on 08 August 2028.	-	Quarterly	Joint pari passu charge over fixed assets of the Company aggregating to Rupees 3,534 million inclusive of 25% margin.
Allied Bank Limited (Note 6.3)	532,319	615,079	SBP rate for TERF + 1%	One hundred and thirty six un-equal instalments commenced on 03 May 2023 and ending on 15 September 2032.	-	Quarterly	
United Bank Limited (Note 6.2)	86,223	112,753	SBP rate for LTFF + 1%	Thirty six quarterly instalments commenced on 31 October 2019 and ending on 31 July 2029.	-	Quarterly	Joint pari passu charge of Rupees 854 million over fixed assets of the Company inclusive of 25% margin.
Bank Alfalah Limited (Note 6.3)	550,966	631,297	SBP rate for TERF + 1%	Three hundred and ninety seven un-equal instalments commenced on 27 July 2023 and ending on 24 August 2032.	-	Quarterly	Joint pari passu charge over fixed assets of the Company aggregating to Rupees 1,334 million inclusive of 25% margin.
Samba Bank Limited (Note 6.3)	57,041	69,365	SBP rate for TERF + 2%	Twenty equal quarterly instalments commenced on 03 February 2025 and ending on 03 November 2029.	-	Quarterly	Joint pari passu charge of Rupees 134 million over fixed assets of the Company inclusive of 25% margin.
	2,473,108	3,063,146					

6.2 Repayment period includes deferment of repayment of principal loan amount by one year in accordance with State Bank of Pakistan BPRD Circular Letter No. 13 of 2020 dated 26 March 2020.

6.3 These loans are obtained by the Company under SBP Temporary Economic Refinance Facility (TERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 7.88% to 17.77% per annum (2025: 7.88% to 17.77% per annum).

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
7. DEFERRED LIABILITIES			
Deferred income - Government grant	7.1	283,173	404,977
Gas Infrastructure Development Cess (GIDC) payable	7.2	-	-
Deferred income tax liability - net	7.3	1,262,572	1,181,320
		1,545,745	1,586,297
7.1 Deferred income - Government grant			
Balance as on 01 July		545,426	702,003
Less: Amortized during the year		(139,399)	(156,577)
		406,027	545,426
Less: Current portion shown under current liabilities	11	(122,854)	(140,449)
		283,173	404,977

7.1.1 'The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated 17 March 2020 introduced a Temporary Economic Refinance Facility (TERF) for setting of new industrial units. One of the key feature of the refinance facility was that borrowers could obtain loans at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government Grant. The Company obtained these loans as disclosed in note 6 to the financial statements. In accordance with IFRS 9 'Financial Instruments', loans obtained under the refinance facilities have been initially recognized at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instruments. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There are no unfulfilled conditions or contingencies attached to this grant.

7.2 Gas Infrastructure Development Cess (GIDC) Payable			
Balance as on 30 June		420,249	420,249
Less: Current portion shown under current liabilities	11	(420,249)	(420,249)
		-	-

7.2.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. Honourable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. With respect to GIDC payable to Sui Southern Gas Pipeline Limited, the Company has filed a review petition in Honourable Sindh High Court, Karachi which is pending for adjudication. GIDC payable is recognized at amortized cost in accordance with IFRS 9.

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
7.3 Deferred income tax liability - net			
The deferred income tax liability / (asset) originated due to timing differences relating to:			
Deferred income tax liabilities			
Accelerated tax depreciation		1,078,619	1,078,710
Un-realized gain on FVTPL investments		56,087	24,440
Un-realized gain on FVTOCI investments		188,356	126,160
		1,323,062	1,229,310
Deferred income tax assets			
Allowance for expected credit losses		(21,716)	(18,396)
Provision for slow moving, obsolete and damaged store items		(38,774)	(29,594)
Minimum tax carry forward		-	-
		(60,490)	(47,990)
		1,262,572	1,181,320

7.3.1 Movement in deferred tax balances during the year is as follows:

	2026			
	Balance as on 01 July	Recognized in statement of profit or loss	Recognized in other compre- hensive income	Balance as on 30 June
	-----Rupees in thousand-----			
Accelerated tax depreciation	1,078,710	(91)	-	1,078,619
Un-realized gain on FVTOCI investments	126,160	-	62,196	188,356
Un-realized (loss) / gain on FVTPL investments	24,440	31,647	-	56,087
Allowance for expected credit loss	(18,396)	(3,320)	-	(21,716)
Provision for slow moving, obsolete and damaged store items	(29,594)	(9,180)	-	(38,774)
Minimum tax carry forward:				
Available	(443,961)	230,484	-	(213,477)
Movement in deferred income tax not recognized	443,961	(230,484)	-	213,477
Deferred income tax recognized	-	-	-	-
	1,181,320	19,056	62,196	1,262,572

Notes to the Financial Statements

For the year ended 30 June 2026

	2025			
	Balance as on 01 July	Recognized in statement of profit or loss	Recognized in other comprehensive income	Balance as on 30 June
	-----Rupees in thousand-----			
Accelerated tax depreciation	913,910	164,800	-	1,078,710
Un-realized (loss) / gain on FVTOCI investments	12,810	-	113,350	126,160
Un-realized loss on FVTPL investments	(19,362)	43,802	-	24,440
Allowance for expected credit loss	(33,313)	14,917	-	(18,396)
Provision for slow moving, obsolete and damaged store items	(30,518)	924	-	(29,594)
Available unused tax loss - unabsorbed tax depreciation	(78,891)	78,891	-	-
Minimum tax carry forward:				
Available	(346,738)	(97,223)	-	(443,961)
Movement in deferred income tax not recognized	288,611	155,350	-	443,961
Deferred income tax recognized	(58,127)	58,127	-	-
	706,509	361,461	113,350	1,181,320

- 7.3.2** Deferred income tax asset has been recognised to the extent that the realization of related tax benefits is probable from future taxable profits. It is probable that sufficient taxable profits will be available for utilization of recognized deferred income tax asset. Detail of minimum tax carried forward carried forward is given as follows:

	Accounting year to which minimum tax carry forward relates	Amount	Accounting year in which minimum tax carry forward will expire
		Rupees in thousand	
Minimum tax carry forward	2025	97,223	2028
	2024	116,254	2027
		<u>213,477</u>	

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
8. TRADE AND OTHER PAYABLES			
Creditors	8.1	1,579,890	1,196,629
Accrued liabilities	8.2	1,950,721	1,670,867
Infrastructure cess payable	8.3	635,320	521,110
Income tax deducted at source		18,462	10,538
Workers' profit participation fund	8.4	129,744	107,978
Workers' welfare fund	8.5	265,244	215,941
		4,579,435	3,723,063
8.1	These include amounts due to following related parties:		
The Crescent Textile Mills Limited - associated company		4	4
Premier Insurance Limited - associated company		-	8,602
Mohammad Amin Mohammad Bashir Limited - associated company		462	462
Crescent Powertec Limited - associated company		4,301	1,491
		4,767	10,559

8.2 These include salaries payable to directors and Chief Executive Officer of Rupees 18.981 million (2025: Rupees 18.223 million).

8.3 This represents the provision for infrastructure cess imposed by the Province of Sindh under the Sindh Finance Act, 1994 and its subsequent amendments, including the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Company filed a writ petition before the Sindh High Court (the Court), which granted a stay order subject to the furnishing of bank guarantees in favour of the Director Excise and Taxation, Karachi. Subsequently, the Court through its order dated 04 June 2021, directed encashment of the bank guarantees. Being aggrieved, the Company, along with others, filed petition for leave to appeal before the Supreme Court of Pakistan. By its order dated 01 September 2021, the Supreme Court of Pakistan granted leave to appeal, restrained the Sindh Government from encashing the bank guarantees furnished pursuant to the interim orders of the Court and directed the release of future consignments against submission of bank guarantees for the disputed amounts.

Following the establishment of the Federal Constitutional Court of Pakistan under the Twenty-Seventh Constitutional Amendment, all pending appeals, including the Company's appeal, were transferred to Federal Constitutional Court of Pakistan. By order dated 23 February 2026, the Federal Constitutional Court of Pakistan granted interim injunctive relief by directing that fresh consignments be released upon furnishing undertakings and post-dated cheques. The matter is currently pending adjudication. The detail of provision is as follows:

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
Balance as on 01 July		521,110	330,706
Add: Provision made during the year		114,210	190,404
Balance as on 30 June		635,320	521,110
8.4 Workers' profit participation fund			
Balance as on 01 July		107,978	105,988
Add: Provision for the year	31	129,744	107,978
Less: Payments made during the year		(107,978)	(105,988)
Balance as on 30 June		129,744	107,978
8.5 Workers' welfare fund			
Balance as on 01 July		215,941	174,909
Add: Provision for the year	31	49,303	41,032
Balance as on 30 June		265,244	215,941
9. ACCRUED MARKUP			
Long term financing		6,343	9,367
Short term borrowings		299	29,474
		6,642	38,841
10. SHORT TERM BORROWINGS			
From banking companies - secured			
Running finance	10.1 & 10.2	145,444	1,164,739

10.1 These finances are obtained from banking companies under mark-up arrangements and are secured by **hypothecation** of present and future current assets of the Company. These form part of total credit facility of Rupees 6,955 million (2025: Rupees 4,115 million).

10.2 The rates of mark-up range from 5.95% to 14.53% (2025: 11.58% to 22.18%) per annum during the year on the balance outstanding.

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
11. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long term financing	6	606,638	592,454
Current portion of deferred income - Government grant	7.1	122,854	140,449
Current portion of GIDC	7.2	420,249	420,249
		1,149,741	1,153,152
12. TAXATION AND LEVY - NET			
Provision for taxation		1,410,607	1,156,007
Levy payable		72,681	117,433
		1,483,288	1,273,440
Advance tax and prepaid levy		(957,292)	(783,740)
		525,996	489,700

13. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) The Company filed a complaint dated 20 April 2022 against Chief Commissioner Inland Revenue in terms of section 10(1) of the Federal Tax Ombudsman (FTO) Ordinance, 2000 for delay in processing / sanctioning of sales tax refund of Rupees 69.657 million for the tax periods from December 2013 to October 2017. As per the tax department, the Company used to fall under zero-rated regime. Two electricity connections of the Company were included in Sales Tax General Order dated 13 September 2007 for the purpose of zero-rating. No zero-rated facility was however available on another electricity connection till 21 November 2017. On 21 November 2017, this electricity connection was included in Sales Tax General Order for zero-rating. The Company filed writ petition before Honourable Lahore High Court, Lahore (LHC) against recovery notices issued by Lahore Electric Supply Company Limited for recovery of sales tax for above-mentioned periods. Petition was disposed by LHC on 21 September 2017 with direction that only tax department or competent authority, under law, shall be entitled to recover arrears of sales tax. LESCO vide letter dated 21 May 2021 directed the Company to deposit sales tax in its account since tax department has already recovered sales tax of Rupees 69.657 million which was deposited by the Company. Later, the Company requested for issuance of refund under section 66 of the Sales Tax Act, 1990. FTO vide order dated 01 June 2022 recommended the tax department to direct Commissioner Inland Revenue to process / sanction Company's refund claims for the tax periods from December 2013 to October 2017 on provision of requisite documents by the Company. During the period, the Company has received amount of Rupees 63.629 million. Further, an amount of Rupees 2.116 million has already been claimed in the sales tax return for the month of November 2017. The Company is confident of favourable outcome of the matter, hence no provision thereagainst has been made in these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2026

ii) The Company consumed natural gas purchased from Universal Gas Distribution Company (Private) Limited ("UGDCL") for operation of its captive power generation facilities. The Off the Grid (Captive Power Plants) Levy Act, 2025 ("the Act") required for a levy on the consumption of natural gas or RLNG by captive power plants and further required that the agent responsible for supplying gas shall bill and collect the levy from captive power plants and remit the same to the Federal Government.

The management is of the view that, based on the terms of its gas supply arrangement and agreement with UGDCL, any amount arising in respect of the levy is the responsibility of UGDCL and that the Company has no present obligation to settle such amount. As per agreement with UGDCL, in the event such a levy is imposed in the future, it shall be applied only on a prospective basis from the date of official notification. As on 13 July 2026, the Islamabad High Court ("IHC") issued a judgement in respect of UGDCL, whereby the IHC set aside, to the extent applicable to UGDCL, the notification appointing UGDCL as a collection agent under the Act, the Off the Grid (Captive Power Plants) Removal of Difficulties Order, 2026 and the related directions issued by the Ministry of Energy. The IHC held, inter alia, that the levy mechanism under the Act was linked to gas prices notified by OGRA and that the executive authorities could not, through subordinate legislation or executive notifications, expand the scope of a fiscal statute to privately negotiated gas prices applicable to UGDCL.

The Federation of Pakistan has challenged the IHC judgment before the Federal Constitutional Court ("FCC"). On 5 August 2026, the FCC, after hearing the Attorney General for Pakistan, issued notices to the respondents and suspended the operation of the impugned IHC judgment during the pendency of the appeal. The suspension was made subject and respondent(s) have been required to deposit the requisite disputed levy amount before the FCC. Therefore, the effect of the IHC judgment is presently held in suspension and the legal dispute concerning the applicability and enforceability of the levy remains subjudice before the FCC.

Notwithstanding management's view that the Company is not liable for the levy and that any obligation, if applicable, rests with UGDCL, the ultimate liability of the Company remains uncertain.

Currently, no provision has been recognized by the Company in respect of the levy. In view of the ongoing proceedings before the FCC and the uncertainty regarding the applicability, ultimate liability and amount of the levy. The ultimate financial impact, if any, cannot presently be determined.

iii) Guarantees of Rupees 976.350 million (2025: Rupees 810.980 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Lahore Electricity Supply Company Limited against electricity connections and Director Excise and Taxation, Karachi against infrastructure cess and others.

Notes to the Financial Statements

For the year ended 30 June 2026

b) Commitments

i) Contracts for capital expenditure are approximately of Rupees 2,014,945 **million** (2025: Rupees Nil).

ii) Letters of credit other than for capital expenditure are of Rupees 2,499.454 million (2025: Rupees 6,657.684 million).

iii) Following represent commitments arising from short-term and low value leases recognized on a straight-line basis as expense under the practical expedients applied by the Company. The amount of future payments under these leases and the period in which these payments will become due are as follows:

		2026 (Rupees in thousand)	2025
Not later than 1 year		3,638	3,270
	Note	2026 (Rupees in thousand)	2025
14. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	14.1	8,175,463	8,410,684
Capital work-in-progress	14.2	11,120	136,313
		8,186,583	8,546,997

Notes to the Financial Statements

For the year ended 30 June 2026

14.1 OPERATING FIXED ASSETS

	Leasehold land	Buildings on leasehold land	Freehold land	Buildings on freehold land	Office premises	Plant and machinery	Electric installations	Furniture and fixtures	Office equipment	Vehicles	Total
At 30 June 2024											
Cost	2,108	49,580	1,175,930	1,386,288	121,912	10,970,462	344,265	3,549	125,299	233,911	14,413,284
Accumulated depreciation	(826)	(44,868)	-	(686,625)	(50,545)	(4,956,260)	(142,235)	(3,189)	(60,954)	(122,054)	(6,067,556)
Net book value	1,282	4,712	1,175,930	699,663	71,367	6,014,202	202,030	360	64,345	111,857	8,345,728
Year ended 30 June 2025											
Opening net book value	1,282	4,712	1,175,930	699,643	71,367	6,014,202	202,030	360	64,345	111,857	8,345,728
Additions	-	-	-	8,731	52,892	649,184	39,713	-	114,841	9,655	875,016
Disposals:											
Cost	-	-	-	-	-	(217,588)	-	-	-	(12,718)	(230,306)
Accumulated depreciation	-	-	-	-	-	193,872	-	-	-	7,983	201,855
Depreciation charge	(13)	(471)	-	(70,619)	(10,222)	(644,369)	(22,537)	(36)	(10,284)	(4,735)	(28,451)
Closing net book value	1,269	4,241	1,175,930	637,755	114,037	5,995,301	219,206	324	168,902	99,719	8,410,684
At 30 June 2025											
Cost	2,108	49,580	1,175,930	1,394,999	174,804	11,402,058	383,978	3,549	240,140	230,848	15,057,994
Accumulated depreciation	(839)	(45,339)	-	(757,244)	(60,767)	(5,406,757)	(164,772)	(3,225)	(71,238)	(137,129)	(6,647,310)
Net book value	1,269	4,241	1,175,930	637,755	114,037	5,995,301	219,206	324	168,902	99,719	8,410,684
Year ended 30 June 2026											
Opening net book value	1,269	4,241	1,175,930	637,755	114,037	5,995,301	219,206	324	168,902	99,719	8,410,684
Additions	-	-	-	-	-	654,349	29,536	-	-	26,717	710,602
Disposals:											
Cost	-	-	-	-	-	(115,587)	-	-	(4,644)	(8,575)	(128,806)
Accumulated depreciation	-	-	-	-	-	102,985	-	-	4,120	5,741	112,846
Assets transferred to held for sale:	-	-	-	-	-	(12,602)	-	-	(524)	(2,834)	(15,960)
Cost	-	-	-	-	(1,073)	(833,469)	(6,318)	(3,001)	(9,437)	(2,156)	(855,454)
Accumulated depreciation	-	-	-	-	925	663,656	5,704	2,765	9,082	1,790	683,922
Depreciation charge	(13)	(424)	-	(63,776)	(148)	(169,813)	(614)	(236)	(355)	(366)	(171,532)
Closing net book value	1,256	3,817	1,175,930	573,979	102,485	5,845,613	225,050	56	151,167	96,110	8,175,463
At 30 June 2026											
Cost	2,108	49,580	1,175,930	1,394,999	173,731	11,107,351	407,196	548	226,059	246,834	14,784,336
Accumulated depreciation	(852)	(45,763)	-	(821,020)	(71,246)	(5,261,739)	(182,146)	(492)	(74,892)	(150,724)	(6,608,873)
Net book value	1,256	3,817	1,175,930	573,979	102,485	5,845,613	225,050	56	151,167	96,110	8,175,463
Annual rate of depreciation (%)	1	10	-	10	10	10	10	10	10	20	

Notes to the Financial Statements

For the year ended 30 June 2026

14.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Quantity	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
------(Rupees thousand)-----								
Plant and machinery								
Cone Winding Schlafhorst	2	21,099	19,337	1,762	2,750	988	Negotiation	Mr. Muhammad Akram, Faisalabad
Comber E62	5	30,944	27,457	3,487	8,332	4,845	Negotiation	Shams Textile Mills Limited - associated company, Lahore
Uni Lap E 32	1	6,189	5,528	661	1,667	1,006	Negotiation	Shams Textile Mills Limited - associated company, Lahore
Air Conditioning Unit	5	38,649	34,485	4,164	2,930	(1,234)	Negotiation	National Trading, Faisalabad
Carding Dk-903	2	7,800	6,301	1,499	2,600	1,101	Negotiation	Mr. Khalid Rasheed, Faisalabad
Cone Winding Schlafhorst	1	10,906	9,877	1,029	1,200	171	Negotiation	Agriculture Foundation, Faisalabad
Factory equipment								
44114 HVI 900	1	4,644	4,120	524	600	76	Negotiation	Shams Textile Mills Limited, Lahore
Vehicles								
MG HS - AFN 245	1	5,603	3,238	2,365	6,100	3,735	Negotiation	Mr. Muhammad Fiaz, Faisalabad
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000								
		2,972	2,503	469	4,961	4,492		
		128,806	112,846	15,960	31,140	15,180		

14.1.2 Depreciation charge for the year has been allocated as follows:

	Note	2026 (Rupees in thousand)	2025 (Rupees in thousand)
Cost of sales	28	724,928	747,575
Administrative expenses	30	33,403	34,034
		758,331	781,609

14.1.3 Particulars of immovable properties (i.e. lands and buildings) are as follows:

Manufacturing units and office	Address	Area of land
Office	Office No. 802 and 804, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg II, Lahore.	11,040 square feet
Site for office	30-Q, Gulberg-II, Lahore.	4.7 Kanals
Manufacturing units		
Spinning unit and weaving units	Kotla Kahloon, Shahkot, District Nankana Sahib, Punjab.	347.5 Kanals
Spinning unit	4 K.M. Raiwind Manga Road, Raiwind, Punjab and Mouza Nehla, Raiwind, Punjab	627 Kanals
Industrial site	Karachi - Hyderabad Motorway, Nooriabad, Jamshoro, Sindh.	120 Kanals

Notes to the Financial Statements

For the year ended 30 June 2026

	2026 (Rupees in thousand)	2025
14.2 Capital Work in Progress		
Plant and machinery	11,120	136,313

14.2.1 Movement in capital work-in-progress

	Buildings on freehold land	Factory equipment	Office premises	Plant and machinery	Electric installations
	------(Rupees in thousand)-----				
At 30 June 2024	2,474	-	37,232	76,681	-
Add: Additions during the year	6,257	114,841	15,660	720,807	39,713
Less: Charged to profit or loss during the year	-	-	-	(11,991)	-
Less: Capitalized during the year	(8,731)	(114,841)	(52,892)	(649,184)	(39,713)
At 30 June 2025	-	-	-	136,313	-
Add: Additions during the year	-	-	-	533,114	29,536
Less: Charged to profit or loss during the year	-	-	-	(3,958)	-
Less: Capitalized during the year	-	-	-	(654,349)	(29,536)
At 30 June 2026	-	-	-	11,120	-

	Note	2026 (Rupees in thousand)	2025
15. INVESTMENT PROPERTIES			
Balance as on 01 July		472,690	472,690
Less: Disposed of during the year		-	-
Balance as on 30 June		472,690	472,690

15.1 These represent plots stated at cost. Market value of plots is estimated at Rupees 829.200 million (2025: Rupees 842.728 million). Forced sale value of investment properties as on the reporting date is Rupees 699.650 million (2025: Rupees 713.577 million). The valuation has been carried out by an independent valuer.

Notes to the Financial Statements

For the year ended 30 June 2026

15.2 Particulars of investment properties are as follows:

Description	Address	Area of land (Kanals)
Residential Plots	Lake City, 13 K.M. Raiwind Road, Lahore.	38
Residential Plots	Central Park Housing Scheme, Ferozepur Road, Lahore.	4.50
Commercial plots	Central Park Housing Scheme, Ferozepur Road, Lahore.	0.4

	Note	2026 (Rupees in thousand)	2025
16. LONG TERM INVESTMENTS			
Investments in joint ventures - under equity method	16.1	-	-
Equity instruments - at FVTOCI	16.2	2,086,685	1,359,786
Knightbridge Residential Real Estate Partners (Partnership Firm)	16.3	5,185	5,185
		2,091,870	1,364,971

16.1 Investments in joint ventures - under equity method

S2 Hydro Limited 24,000 (2025: 24,000) fully paid ordinary shares of Rupees 10 each. Equity held 48% (2025: 48%)	16.1.1	-	-
S2 Power Limited 24,000 (2025: 24,000) fully paid ordinary shares of Rupees 10 each. Equity held 48% (2025: 48%)	16.1.1	-	-
S2 Solar Limited 25,000 (2025: 25,000) fully paid ordinary shares of Rupees 10 each. Equity held 50% (2025: 50%)	16.1.1	-	-
		-	-

Notes to the Financial Statements

For the year ended 30 June 2026

16.1.1 Reconciliation of investments in joint ventures under equity method:

	S2 Hydro Limited		S2 Power Limited		S2 Solar Limited	
	2026	2025	2026	2025	2026	2025
	(RUPEES IN THOUSANDS)					
Cost	240	240	240	240	250	250
Add: Advance for purchase of shares	18,232	18,232	533	533	2,747	2,747
Share of post acquisition reserves:						
As at 01 July	(354)	(354)	(773)	(773)	(52)	(52)
Share of profit / (loss)	-	-	-	-	-	-
As at 30 June	(354)	(354)	(773)	(773)	(52)	(52)
Less: Impairment loss	(18,118)	(18,118)	-	-	(2,945)	(2,945)
	-	-	-	-	-	-

16.1.2 Interests in associates

Name of associated company	Note	Country of incorporation	% of ownership interest	Measurement method
S2 Hydro Limited	16.1.3	Pakistan	48.00%	Equity method
S2 Power Limited	16.1.4	Pakistan	48.00%	Equity method
S2 Solar Limited	16.1.5	Pakistan	50.00%	Equity method

16.1.3 S2 Hydro Limited was incorporated for setting up hydel power generation facilities. Its registered office is situated at 7 - B - III, Marina Homes, Aziz Avenue, Gulberg V, Lahore.

16.1.4 S2 Power Limited was incorporated to set up undertakings for electricity / power generation plants and to generate, accumulate, distribute and sell electricity. Its registered office is situated at 7 - B - III, Marina Homes, Aziz Avenue, Gulberg V, Lahore.

16.1.5 S2 Solar Limited was incorporated to set up undertakings for electricity / power generation plants and to generate, accumulate, distribute and sell electricity. Its registered office is situated at 7 - B - III, Marina Homes, Aziz Avenue, Gulberg V, Lahore.

16.1.6 S2 Hydro Limited, S2 Power Limited and S2 Solar Limited are defunct companies since long. Moreover, on 03 June 2025, the members of S2 Power Limited have filed application with the concerned Registrar, Company Registration Office, Securities and Exchange Commission of Pakistan for striking off name of S2 Power Limited from the Register of Companies under the Companies Regulations, 2024 and section 426 of the Companies Act, 2017.

Notes to the Financial Statements

For the year ended 30 June 2026

	2026			2025		
	Cost	Fair value adjustment	Fair value	Cost	Fair value adjustment	Fair value
(Rupees in thousand)						
16.2 Equity instruments - at FVTOCI						
Quoted - Investments in related parties						
Premier Insurance Limited - associated company 1,298,971 (2025: 1,298,971) fully paid ordinary shares of Rupees 10 each.	9,167	3,550	12,717	9,167	(451)	8,716
The Crescent Textile Mills Limited - associated company 2,060,625 (2025: 2,060,625) fully paid ordinary shares of Rupees 10 each.	45,855	93,052	138,907	45,855	3,518	49,373
Crescent Steel and Allied Products Limited - associated company 827,394 (2025: 500,129) fully paid ordinary shares of Rupees 10 each.	69,843	24,563	94,406	34,661	23,169	57,830
	124,865	121,165	246,030	89,683	26,236	115,919
Quoted - Others						
Kot Adu Power Company Limited 525,000 (2025: 525,000) fully paid ordinary shares of Rupees 10 each.	17,143	(2,275)	14,868	17,143	172	17,315
Nishat Mills Limited 925,000 (2025: 925,000) fully paid ordinary shares of Rupees 10 each.	107,708	38,313	146,021	107,708	8,731	116,439
Pakistan State Oil Company Limited 172,000 (2025: 100,000) fully paid ordinary shares of Rupees 10 each.	63,170	(4,286)	58,884	20,348	17,405	37,753
Oil & Gas Development Company Limited 675,000 (2025: 700,000) fully paid ordinary shares of Rupees 10 each.	145,229	80,808	226,037	99,798	54,594	154,392
The Searle Company Limited 366,644 (2025: 323,034) fully paid ordinary shares of Rupees 10 each.	29,507	5,155	34,662	29,507	(1,177)	28,330
DG Khan Cement Company Limited 1,037,400 (2025: 962,400) fully paid ordinary shares of Rupees 10 each.	138,631	92,989	231,620	110,287	49,048	159,335
Fauji Fertilizer Company Limited 525,000 (2025: 350,000) fully paid ordinary shares of Rupees 10 each.	172,896	128,181	301,077	79,993	57,351	137,344
Fatima Fertilizer Company Limited 449,760 (2025: 459,760) fully paid ordinary shares of Rupees 10 each.	16,032	58,313	74,345	16,388	29,317	45,705
	690,316	397,198	1,087,514	481,172	215,441	696,613

Notes to the Financial Statements

For the year ended 30 June 2026

	2026			2025		
	Cost	Fair value adjustment	Fair value	Cost	Fair value adjustment	Fair value
----- (Rupees in thousand) -----						
Engro Holdings Limited (Formerly Dawood Hercules Corporation Limited)						
Nil (2025: 10,547) fully paid ordinary shares of Rupees 10 each.	-	-	-	1,400	525	1,925
Engro Fertilizers Limited						
1,165,548 (2025: 1,150,548) fully paid ordinary shares of Rupees 10 each.	75,497	156,389	231,886	72,319	141,211	213,530
United Bank Limited						
401,400 (2025: 401,400) fully paid ordinary shares of Rupees 10 each.	58,092	121,603	179,695	58,092	52,674	110,766
Kohinoor Textile Mills Limited						
993,927 (2025: 1,252,260) fully paid ordinary shares of Rupees 2 each.	40,311	14,564	54,875	12,258	36,896	49,154
Attock Refinery Limited						
125,000 (2025: 115,000) fully paid ordinary shares of Rupees 10 each.	26,370	79,964	106,334	19,809	58,324	78,133
MCB Bank Limited						
300,140 (2025: 200,140) fully paid ordinary shares of Rupees 10 each.	80,683	41,026	121,709	41,712	15,996	57,708
Habib Bank Limited						
200,000 (2025: 200,000) fully paid ordinary shares of Rupees 10 each.	33,350	25,092	58,442	33,350	2,488	35,838
	314,303	438,638	752,941	238,940	308,114	547,054
Unquoted - Others						
TCC Management Services (Private) Limited (Note 16.2.3)						
20,000 (2025: 20,000) fully paid ordinary shares of Rupees 10 each.	200	-	200	200	-	200
	1,129,684	957,001	2,086,685	809,995	549,791	1,359,786

- 16.2.1** During the current year, the shareholders of The Searle Company Limited approved the issue of bonus shares in the ratio of 15 shares for every 100 shares held i.e. 15% as recommended by the board of directors of The Searle Company Limited on 30 October 2025.
- 16.2.2** Pursuant to the special resolutions passed by the shareholders of Kohinoor Textile Mills Limited (KTML) in their extraordinary general meeting held on 15 August 2025, the issued, subscribed and paid-up share capital of KTML has been subdivided from ordinary shares of Rupees 10 each to ordinary shares of Rupees 2 each.
- 16.2.3** Investment in ordinary shares of TCC Management Services (Private) Limited has not been measured at fair value as required by IFRS 9 'Financial Instruments' as it will have immaterial impact and thus carried at cost.
- 16.3** Investment in Knightbridge Residential Real Estate Partners (Partnership Firm) is carried at cost being immaterial.

Notes to the Financial Statements

For the year ended 30 June 2026

17. LONG TERM DEPOSITS

These mainly includes interest free deposits made to utility companies for the provision of utility connections. These are not being carried at amortized cost, as required by IFRS 9 as it will have immaterial impact and thus carried at historical cost.

	Note	2026 (Rupees in thousand)	2025
18. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		542,993	611,441
Spare parts		28,007	31,538
Loose tools		572	644
		571,572	643,623
Less: Provision for slow moving, obsolete and damaged store items	18.2	(104,794)	(75,881)
		466,778	567,742

18.1 Stores, spares and loose tools include stock-in-transit of Rupees 14.233 million (2025: Rupees 0.567 million).

18.2 Provision for slow moving, obsolete and damaged store items:

Balance as on 01 July		75,881	78,250
Provision / (reversal of provision) made during the year	32 and 31	28,913	(2,369)
Balance as on 30 June		104,794	75,881

19. STOCK-IN-TRADE

Raw materials	19.1	2,106,356	3,779,270
Work-in-process		380,457	342,632
Finished goods		2,661,848	3,250,591
Waste		21,600	17,128
		5,170,261	7,389,621

19.1 Raw materials include stock-in-transit of Rupees 1,002.448 million (2025: Rupees 954.134 million).

19.2 Stock-in-trade of Rupees 50.251 million (2025: Rupees 259.053 million) is being carried at net realizable value.

19.3 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 1.985 million (2025: Rupees 5.195 million).

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
20. TRADE DEBTS			
Considered good:			
Secured:			
Against irrevocable letter of credit		-	63,481
Unsecured:			
- Related parties	20.1, 20.2 & 20.3	33,476	10,487
- Others		3,350,058	3,193,758
		3,383,534	3,267,726
Less: Allowance for expected credit loss	20.4	(58,693)	(47,168)
		3,324,841	3,220,558

20.1 This represents amount due from following related party:

The Crescent Textile Mills Limited - associated company	-	2
ICON Global (Private) Limited - associated company	8	8
ACME Mills (Private) Limited - associated company	33,382	10,391
Equity Textiles Limited - associated company	86	86
	33,476	10,487

20.2 The maximum aggregate amount receivables from related parties at the end of any month during the year was as follows:

The Crescent Textile Mills Limited - associated company	2	332
Crescent Powertec Limited - associated company	64	37
ICON Global (Private) Limited - associated company	8	8
ACME Mills (Private) Limited - associated company	33,382	36,511
Shams Textile Mills Limited - associated company	34,286	6,208
Equity Textiles Limited - associated company	86	1,030

20.3 As at 30 June 2026, trade debts due from related parties amounting to Rupees 33.476 million (2025: Rupees 10.487 million) were past due but not impaired. The ageing analysis of these trade debts is as follows:

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
Up to 30 days		33,382	10,391
31 to 60 days		-	86
Above 90 days		94	10
		33,476	10,487
20.4 Allowance for expected credit loss			
Balance as on 01 July		47,168	85,417
Add: Provision / (reversal of provision) during the year	31 and 32	11,525	(38,249)
Balance as on 30 June		58,693	47,168
20.5 Jurisdictions of trade debts			
Europe		52,846	97,582
Pakistan		3,330,688	3,170,144
		3,383,534	3,267,726
20.6 Types of counterparties			
Export			
Corporate		52,846	97,582
		52,846	97,582
Local			
Corporate		3,327,916	3,045,495
Others		2,772	124,649
		3,330,688	3,170,144
		3,383,534	3,267,726

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
21. LOANS AND ADVANCES			
Considered good:			
Employees	21.1	2,355	2,031
Advances to suppliers		41,225	117,508
Letters of credit		6,399	16,844
Due from related parties	21.2 & 21.3	7,788	7,788
		57,767	144,171

21.1 These represent interest free short term loans and advances given to employees as per Company's policy for general purposes. These are secured against balance to the credit of employees in the provident fund trust and are recoverable in equal monthly instalments.

21.2 This represents amount due from following related party.

Shams Textile Mills Limited - associated company	7,788	7,788
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21.3 As at 30 June 2026, due from related party amounting to Rupees 7.788 million (2025: Rupees 7.788 million) were past due but not impaired. The ageing analysis of due from related party is as follows:

Above 90 days	7,788	7,788
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21.4 The maximum aggregate amount receivable from related parties at the end of any month during the year was as follows:

Shams Textile Mills Limited - associated company	7,788	7,788
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Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
22. SHORT TERM DEPOSITS AND PREPAYMENTS			
Security deposits		194,298	69,065
Prepayments		19,367	12,129
		213,665	81,194
23. OTHER RECEIVABLES			
Claims receivable		11	44,188
Sales tax refundable		79,933	911,009
Other		12,991	12,991
		92,935	968,188
24. SHORT TERM INVESTMENTS			
At fair value through profit or loss:			
Equity instruments	24.1	1,191,168	725,280
Mutual funds	24.2	3,366,481	111,191
Debt instruments - term deposit receipts	24.3	510,885	402,155
		5,068,534	1,238,626

Notes to the Financial Statements

For the year ended 30 June 2026

Note	2026			2025		
	Carrying value	Unrealised gain / (loss)	Fair value	Carrying value	Unrealised gain / (loss)	Fair value
----- (Rupees in thousand) -----						
24.1 Equity instruments						
Unquoted - Investments in related parties						
Premier Financial Services (Private) Limited - associated company						
2,200 (2025: 2,200) fully paid ordinary shares of Rupees 10 each.	-	-	-	-	-	-
Crescent Spinning Mills Limited						
208,800 (2025: 208,800) fully paid ordinary shares of Rupees 10 each.	-	-	-	-	-	-
	-	-	-	-	-	-
Quoted - Investment in related party						
First Equity Modaraba - associated undertaking						
3,227,899 (2025: 3,227,899) fully paid ordinary shares of Rupees 10 each.	15,688	19,883	35,571	9,165	6,523	15,688
Quoted - Others						
Samba Bank Limited						
1,652,306 (2025: 1,652,306) fully paid ordinary shares of Rupees 10 each.	15,780	132	15,912	19,266	(3,486)	15,780
Fauji Cement Company Limited						
2,000,000 (2025: 1,800,000) fully paid ordinary shares of Rupees 10 each.	90,406	24,694	115,100	43,959	36,447	80,406
GlaxoSmithKline Pakistan Limited						
99,700 (2025: 99,700) fully paid ordinary shares of Rupees 10 each.	38,955	(2,041)	36,914	18,293	20,662	38,955
TPL Corp Limited						
160,000 (2025: 160,000) fully paid ordinary shares of Rupees 10 each.	941	1,606	2,547	782	159	941
Nishat Chunian Power Limited						
800,000 (2025: 800,000) fully paid ordinary shares of Rupees 10 each.	19,448	32,160	51,608	20,952	(1,504)	19,448
Aisha Steel Mills Limited						
854,500 (2025: 854,500) fully paid ordinary shares of Rupees 10 each.	11,186	42	11,228	6,289	3,307	9,596
Lucky Core Industries Limited						
50,000 (2025: 50,000) fully paid ordinary shares of Rupees 2 each. Note 24.1.2	15,893	(4,061)	11,832	9,295	6,598	15,893
	192,609	52,532	245,141	118,836	62,183	181,019

Notes to the Financial Statements

For the year ended 30 June 2026

Note	2026			2025		
	Carrying value	Unrealised gain / (loss)	Fair value	Carrying value	Unrealised gain / (loss)	Fair value
(Rupees in thousand)						
Power Cement Limited						
2,000,000 (2025: 2,000,000) fully paid ordinary shares of Rupees 10 each.	27,160	18,900	46,060	11,000	16,160	27,160
Sui Northern Gas Pipelines Limited						
100,000 (2025: 100,000) fully paid ordinary shares of Rupees 10 each.	13,154	(1,061)	12,093	6,347	5,324	11,671
Service Global Footwear Limited						
Nil (2025: 319,321) fully paid ordinary shares of Rupees 10 each.	-	-	-	23,648	1,700	25,348
Hi-Tech Lubricants Limited						
960,000 (2025: 960,000) fully paid ordinary shares of Rupees 10 each.	43,286	(969)	42,317	37,507	5,779	43,286
Azgard Nine Limited						
1,500,000 (2025: 1,500,000) fully paid ordinary shares of Rupees 10 each.	16,545	105	16,650	12,450	4,095	16,545
National Refinery Limited						
Nil (2025: 75,000) fully paid ordinary shares of Rupees 10 each.	-	-	-	14,948	3,304	18,252
Netsol Technologies Limited						
130,000 (2025: 130,000) fully paid ordinary shares of Rupees 10 each.	17,285	84	17,369	16,923	362	17,285
Maple Leaf Cement Factory Limited						
1,329,500 (2025: 1,129,500) fully paid ordinary shares of Rupees 10 each.	118,809	23,328	142,137	61,543	33,651	95,194
The HUB Power Company Limited						
555,367 (2025: 455,367) fully paid ordinary shares of Rupees 10 each.	83,466	46,184	129,650	56,562	6,192	62,754
Bank Alfalah Limited						
2,222,178 (2025: 1,201,392) fully paid ordinary shares of Rupees 5 each.	97,261	28,670	125,931	40,710	7,490	48,200
Fast Cables Limited						
1,818,340 (2025: 1,778,328) fully paid ordinary shares of Rupees 10 each.	44,209	(223)	43,986	42,520	1,689	44,209
Interloop Limited						
Nil (2025: 200,000) fully paid ordinary shares of Rupees 10 each.	-	-	-	12,760	792	13,552
Systems Limited						
455,985 (2025: 380,985) fully paid ordinary shares of Rupees 10 each.	50,166	16,905	67,071	41,587	(769)	40,818
Lucky Cement Limited						
Nil (2025: 35,000) fully paid ordinary shares of Rupees 10 each.	-	-	-	10,151	2,282	12,433
	511,341	131,923	643,264	388,656	88,051	476,707

Notes to the Financial Statements

For the year ended 30 June 2026

Note	2026			2025		
	Carrying value	Unrealised gain / (loss)	Fair value	Carrying value	Unrealised gain / (loss)	Fair value
----- (Rupees in thousand) -----						
The Bank of Punjab 1,000,000 (2025: 1,000,000) fully paid ordinary shares of Rupees 10 each.	10,350	24,740	35,090	9,669	681	10,350
The Organic Meat Company Limited Nil (2025: 500,000) fully paid ordinary shares of Rupees 10 each.	-	-	-	15,525	915	16,440
Mari Energies Limited Nil (2025: 40,000) fully paid ordinary shares of Rupees 10 each.	-	-	-	24,508	568	25,076
Pakistan Refinery Limited 1,250,000 (2025: Nil) fully paid ordinary shares of Rupees 10 each.	45,625	(1,037)	44,588	-	-	-
Big Bird Foods Limited 300,000 (2025: Nil) fully paid ordinary of Rupees 10 each.	15,685	(1,876)	13,809	-	-	-
Descon Oxychem Limited 607,822 (2025: Nil) fully paid ordinary shares of Rupees 10 each.	21,917	(2,777)	19,140	-	-	-
Mughal Iron & Steel Industries Limited 302,640 (2025: Nil) fully paid ordinary of Rupees 10 each.	26,564	(50)	26,514	-	-	-
Pak Elektron Limited 400,000 (2025: Nil) fully paid ordinary shares of Rupees 10 each.	18,896	(716)	18,180	-	-	-
Pakistan Petroleum Limited 350,000 (2025: Nil) fully paid ordinary of Rupees 10 each.	60,409	24,508	84,917	-	-	-
Service Long March Tyres Limited 983,198 (2025: Nil) fully paid ordinary of Rupees 10 each.	19,615	5,339	24,954	-	-	-
	219,061	48,131	267,192	49,702	2,164	51,866
	938,699	252,469	1,191,168	566,359	158,921	725,280

24.1.1 The official liquidator had submitted the statement in Lahore High Court for final liquidation of the company and final decision is still awaited.

24.1.2 The members of Lucky Core Industries Limited in their extraordinary general meeting, passed special resolution to subdivide LCI's shares by reducing the face value from Rupees 10 per share to Rupees 2 per share. Accordingly, existing shares were split into shares having face value of Rupees 2 each.

Notes to the Financial Statements

For the year ended 30 June 2026

- 24.1.3 The members of Bank Alfalah Limited in their Annual general meeting, passed special resolution to subdivide BAFL's shares by reducing the face value from Rupees 10 per share to Rupees 5 per share. Accordingly, existing shares were split into shares having face value of Rupees 5 each.
- 24.1.4 During the current year, the shareholders of Fast Cables Limited approved the issue of bonus shares in the ratio of 25 shares for every 1,000 shares held i.e. 2.5% as recommended by the board of directors of Fast Cables Limited on 29 August 2025.

24.2 Mutual funds

2026	2025	Name of fund	2026			2025		
Number of units			Carrying value	Unrealised gain/(loss)	Fair value	Carrying value	Unrealised gain/(loss)	Fair value
----- (Rupees In Thousand) -----								
174	-	NBP Money Market Fund	2	-	2	-	-	-
699,812	-	Atlas Money Market Fund	361,717	(1,695)	360,022	-	-	-
47,321,288	-	ABL Cash Fund	525,325	(39,714)	485,611	-	-	-
988,945	-	HBL Islamic Money Market Fund	100,000	808	100,808	-	-	-
5,237,494	-	MCB Cash Management Optimizer	525,037	12,308	537,345	-	-	-
12	4,571	Faysal Islamic Cash Fund	1	-	1	457	1	458
-	2,894,931	NBP Islamic Stock Fund	-	-	-	51,546	3,864	55,410
-	1,713,378	NBP Stock Fund	-	-	-	50,842	4,481	55,323
4,354,164	-	Alfalah Financial Sector Opportunity Fund	500,000	-	500,000	-	-	-
451	-	Alfalah GHP Money Market Fund	48	(3)	45	-	-	-
505,478	-	Atlas Liquid Fund	253,683	675	254,358	-	-	-
9	-	MCB Pakistan Sovereign Fund	-	-	-	-	-	-
1,647,338	-	Faysal Islamic Financial Growth Fund II	165,000	48	165,048	-	-	-
6,936	-	NBP Islamic Money market Fund	71	-	71	-	-	-
50,472,270	-	NBP Financial Sector Income Plus Fund	505,041	939	505,980	-	-	-
12	-	UBL Money Market Fund	1	-	1	-	-	-
10	-	JS Cash Fund	1	-	1	-	-	-
3,756,371	-	JS Money Market Fund	459,827	(2,639)	457,188	-	-	-
			3,395,754	(29,273)	3,366,481	102,845	8,346	111,191

	Note	2026 (Rupees in thousand)	2025
24.3 Debt instruments - term deposit receipts			
At amortized cost	24.3.1	502,400	399,500
Add: Accrued interest		8,485	2,655
		510,885	402,155

Notes to the Financial Statements

For the year ended 30 June 2026

24.3.1 These represent deposits under lien with the banks of the Company against bank guarantees of the same amount issued by the bank to Sui Northern Gas Pipelines Limited against gas connections and Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess. Interest on term deposit receipts ranges from 6.32% to 9% (2025: 9.30% to 10.05%) per annum. The maturity period of these term deposit receipts range from 3 to 6 months (2025: 1 to 6 months).

	Note	2026 (Rupees in thousand)	2025
25. CASH AND BANK BALANCES			
With banks:			
On current accounts		19,651	33,565
On PLS saving accounts	25.1	87,091	128,685
		106,742	162,250
Cash in hand		2,431	1,194
		109,173	163,444

25.1 Rate of profit on bank deposits ranges from 6.28% to 10% (2025: 2.78% to 19%) per annum.

26. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE			
Balance as on 01 July		6,666	22,465
Add: Additions during the year		171,532	-
Less: Disposed of during the year		(55,990)	(15,799)
Balance as on 30 June		122,208	6,666

26.1 These represent items of plant and machinery, electric installations, factory equipment, office premises, furniture and fixtures and vehicles.

26.2 The Board of Directors of the Company at its meeting held on 26 September 2025 has approved the disposal of old plant and machinery of spinning unit of the Company located at Nooriabad, Sindh.

26.3 Carrying amounts of these assets will be recovered principally through sale transaction rather than through continuing use. The Company intends to dispose of these fixed assets and anticipates that the disposal will be completed subsequent to the reporting period. The Company is currently in negotiation with some potential buyers.

26.4 Non-recurring fair value measurements

Non-current assets classified as held for sale during the reporting period were measured at the lower of their carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write-down of Rupees Nil as expense in the statement of profit or loss. The fair value of non-current assets classified as held for sale during the reporting period was determined by an independent valuer. This is a level 3 measurement under the fair value hierarchy set out in note 46

26. 5 Detail of assets disposed of during the year is as follows:

Description	Quantity	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
------(Rupees thousand)-----								
Plant and machinery								
Uster Jossi Vision Shield 2 & Magic Eye	1	11,617	6,472	5,145	9,500	4,355	Negotiation	Naseem Export (Private) Limited, Lahore
Hara Frame	3	13,581	11,679	1,902	1,757	(145)	Negotiation	Superior Enterprise, Hyderabad
Simplex Frames	2	11,901	10,550	1,351	1,282	(69)	Negotiation	Superior Enterprise, Hyderabad
Compact Spinning Frame	10	12,290	6,753	5,537	6,535	998	Negotiation	Al-Mushtaq Corporation, Multan
Flyer W/Housing & Capes Complete	1	1,888	1,136	752	770	18	Negotiation	Superior Enterprise, Hyderabad
Compact Spinning Assembly For Ring Frame	1	8,037	5,077	2,960	3,557	597	Negotiation	Al-Mushtaq Corporation, Multan
Compact Spinning Assembly For Ring Spinning	1	13,086	8,052	5,034	6,050	1,016	Negotiation	Al-Mushtaq Corporation, Multan
Auto Coner	4	42,449	37,761	4,688	5,721	1,033	Negotiation	Jamal Agriculture Foundary, Faisalabad
Auto Coner	1	24,768	21,729	3,039	3,873	834	Negotiation	Zafar Brothers Agriculture Foundry, Faisalabad
Jenbacher Natural Gas Generator	1	51,680	29,403	22,257	31,000	8,743	Negotiation	Dairyland (Private) Limited, Karachi
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000								
		88,808	85,483	3,325	7,065	3,740		
		280,085	224,095	55,990	77,110	21,120		

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
27. REVENUE FROM CONTRACTS WITH CUSTOMERS			
Export sales		1,515,086	954,531
Local sales	27.1	26,709,268	26,155,961
Processing income	27.2	425,726	300,966
		28,650,080	27,411,458
27.1 Local sales			
Sales	27.1.1	31,520,821	30,854,535
Less: Sales tax		(4,811,553)	(4,698,574)
		26,709,268	26,155,961
27.1.1	Local sales include waste sales of Rupees 2,275.767 million (2025: Rupees 2,237.199 million).		
27.2 Processing income			
Sales		502,373	355,140
Less: Sales Tax		(76,647)	(54,174)
		425,726	300,966

27.3 The amount of Rupees 77.871 million included in contract liabilities at 30 June 2025 has been recognised as revenue during the year (2025: Rupees 66.728 million).

27.4 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition:

Notes to the Financial Statements

For the year ended 30 June 2026

	Spinning		Weaving		Total - Company	
	2026	2025	2026	2025	2026	2025
----- (Rupees in thousand) -----						
Primary geographical markets						
Pakistan	13,579,624	10,863,861	13,555,370	15,593,066	27,134,994	26,456,927
Italy	-	-	144,420	29,967	144,420	29,967
Portugal	-	-	1,016,435	850,869	1,016,435	850,869
Sri Lanka	-	2,170	-	-	-	2,170
Germany	-	34,896	-	-	-	34,896
China	-	-	6,865	36,629	6,865	36,629
Estonia	-	-	97,533	-	97,533	-
Lithuania	-	-	71,555	-	71,555	-
Spain	-	-	178,278	-	178,278	-
	13,579,624	10,900,927	15,070,456	16,510,531	28,650,080	27,411,458
Major products lines						
Yarn	12,898,843	10,493,341	-	-	12,898,843	10,493,341
Greige fabric	-	-	15,070,456	16,510,531	15,070,456	16,510,531
Cotton	680,781	407,586	-	-	680,781	407,586
	13,579,624	10,900,927	15,070,456	16,510,531	28,650,080	27,411,458
Timing of revenue recognition						
Products transferred at a point in time	13,579,624	10,900,927	15,070,456	16,510,531	28,650,080	27,411,458
Products transferred over time	-	-	-	-	-	-
	13,579,624	10,900,927	15,070,456	16,510,531	28,650,080	27,411,458

27.5 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

	Note	2026	2025
		(Rupees in thousand)	
28. COST OF SALES			
Raw materials consumed	28.1	18,372,195	18,089,955
Sizing expenses		183,274	152,838
Salaries, wages and other benefits	28.2	1,804,944	1,664,350
Stores, spare parts and loose tools consumed		299,271	396,168
Packing materials consumed		200,501	206,672
Repair and maintenance		268,545	274,245
Fuel and power (Note 28.3)		3,352,077	3,879,864
Insurance		45,587	47,610
Other factory overheads		40,297	38,646
Depreciation on property, plant and equipment	14.1.2	724,928	747,575
		25,291,619	25,497,923

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
Work-in-process			
Opening stock		342,632	396,277
Closing stock		(380,457)	(342,632)
		(37,825)	53,645
Cost of goods manufactured		25,253,794	25,551,568
Finished goods			
Opening stock		3,267,719	2,840,590
Closing stock		(2,683,448)	(3,267,719)
		584,271	(427,129)
		25,838,065	25,124,439
28.1 Raw materials consumed			
Opening stock		3,779,270	2,727,830
Add: Purchased during the year		16,699,281	19,141,395
		20,478,551	21,869,225
Less: Closing stock		(2,106,356)	(3,779,270)
		18,372,195	18,089,955

28.2 Salaries, wages and other benefits include provident fund contribution of Rupees 62.567 million (2025: Rupees 58.872 million) by the Company.

28.3 This included the reversal of the provision for electricity duty amounting to Rupees Nil (2025: Rupees 146.363 million), pursuant to the decision of the Supreme Court of Pakistan dated 08 October 2024, in Civil Appeals Nos. 256 to 472 of 2011 (2024 SCP 348), which held that no electricity duty can be recovered from the entities using generators exceeding 500 KW capacity for self-consumption.

29. DISTRIBUTION COST

Salaries and other benefits	29.1	29,509	25,470
Outward freight and shipment		54,365	45,908
Commission to selling agents		158,110	184,896
Clearing and forwarding		15,330	9,482
Export development surcharge		3,788	2,380
		261,102	268,136

29.1 Salaries and other benefits include provident fund contribution of Rupees 1.34 million (2025: Rupees 1.163 million) by the Company.

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
30. ADMINISTRATIVE EXPENSES			
Salaries and other benefits	30.1	209,784	194,449
Vehicles' running and maintenance		11,731	12,028
Travelling and conveyance		17,814	11,965
Rent, rates and taxes	30.2	3,782	3,529
Insurance		3,480	3,397
Entertainment		3,113	2,726
Advertisement		224	290
Communication		2,471	2,677
Electricity and gas		10,589	13,829
Printing and stationery		5,317	5,011
Repair and maintenance		9,330	9,031
Fee and subscription		6,396	8,813
Depreciation on property, plant and equipment	14.1.2	33,403	34,034
Donations	30.3 & 30.4	49,000	1,020
Miscellaneous		-	1,184
		366,434	303,983

30.1 Salaries and other benefits include provident fund contribution of Rupees 7.472 million (2025: Rupees 7.031 million) by the Company.

30.2 This includes rent expense of Rupees 3.520 million (2025: Rupees 3.162 million) relating to short term leases and leases of low value assets.

30.3 The name of donee to whom donation amount exceeded Rupees 1 million was as follows:

Akhuwat	2,500	-
Chiniot Blood Bank Dialysis Centre	2,500	-
Crescent Educational Trust	5,000	-
Cancer Care Hospital and Research Centre Foundation	2,500	-
Pakistan Children's Heart Foundation	1,500	-
Friends of Mayo Hospital	2,500	-
Saleem Memorial Trust Hospital	2,500	-
Hijaz Hospital	1,500	-
The Lahore Businessmen Association for Rehabilitation of the Disabled	1,000	1,000
Patients' Aid Foundation	5,000	-
Chiniot Educational Society	2,500	-
SIUT Pakistan	2,500	-
Shaukat Khanum Memorial Cancer Hospital and Research Centre	5,000	-
The Citizens Foundation	7,500	-
The Kidney Centre	2,500	-
Layton Rahmatulla Benevolent Trust	2,500	-
	49,000	1,000

30.4 There is no interest of any director or his spouse in donees' fund.

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
31. OTHER EXPENSES			
Legal and professional		7,550	7,191
Auditors' remuneration	31.1	3,207	2,701
Workers' profit participation fund	8.4	129,744	107,978
Workers' welfare fund	8.5	49,303	41,032
Provision for slow moving, obsolete and damaged store items	18.2	28,913	-
Allowance for expected credit losses - trade debts	20.4	11,525	-
Loss on trading in shares future contracts - net		6,107	-
Miscellaneous		689	887
		237,038	159,789
31.1 Auditors' remuneration			
Audit fee		2,561	2,328
Half yearly review and other certifications		385	350
Out of pocket expenses		25	23
Punjab sales tax on auditors' remuneration		236	-
		3,207	2,701
32. OTHER INCOME			
Income from financial assets			
Dividend income		190,274	105,474
Profit on deposits with banks		14,738	18,778
Return on term deposit receipts		33,908	26,853
Gain on disposal of investments at fair value through profit or loss		78,058	179,182
Unrealised gain on re-measurement of investments at fair value through profit or loss		223,196	167,264
Net exchange gain		13,878	10,357
Reversal of allowance for expected credit losses - trade debts	20.4	-	38,249
		554,052	546,157
Income from non-financial assets			
Gain on disposal of property, plant and equipment - net	14.1.1	15,180	75,949
Gain on disposal of non-current assets classified as held for sale	26.5	21,120	8,239
Reversal of provision for slow moving, obsolete and damaged store items	18.2	-	2,369
Gain on sale of stores, spare parts and loose tools		-	5,169
Scrap sales		4,225	7,441
		40,525	99,167
		594,577	645,324

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
33. FINANCE COST			
Mark-up / interest on:			
Long term financing		72,115	89,595
Short term borrowings		35,413	82,978
Bank charges and commission		18,611	17,321
		126,193	189,894
34. LEVY			
Final taxes		54,650	34,389
Minimum tax differential		-	97,223
Prior year adjustment		(31,370)	
		23,280	131,612
34.1	Levy represents final taxes levied under the Income Tax Ordinance, 2001, any excess over the amount designated as provision for current tax and related super tax on income calculated as per section 4C of the Income Tax Ordinance, 2001.		
35. TAXATION			
Current		572,522	398,785
Deferred		19,056	361,461
		591,578	760,246

35.1 Provision for current tax mainly represents the tax based on the taxable income for the year determined in accordance with the prevailing law for taxation of income and related super tax on income calculated as per section 4C of the Income Tax Ordinance, 2001.

2026 2025

Notes to the Financial Statements

For the year ended 30 June 2026

(Rupees in thousand)

35.2 Reconciliation of tax and levy expense and product of accounting profit multiplied by the applicable tax rate is as follows:

Accounting profit before levy and taxation		2,415,825	2,010,541
Applicable tax rate		29%	29%
Tax on accounting profit		700,589	583,057
Effect of capital gain taxed at a lower rate		(6,503)	(28,728)
Effect of dividend income taxed at lower rate		(19,556)	(15,172)
Effect arising as a consequence of deferred income tax expense		19,056	361,461
Effect of super tax		219,007	140,394
Effect of deemed income on investment properties		-	8,427
Effect of minimum tax		-	97,223
Effect of absorption of brought forward minimum tax		(186,687)	-
Effect of unrealised gain on re-measurement of investments at fair value through profit or loss		(64,727)	(48,507)
Effect of prior year adjustment		(31,370)	-
Tax effect of expenses / income that are not considered in determining taxable liability		(14,951)	(206,297)
Current income tax liability and levy as per applicable tax laws		614,858	891,858
Levy	34	(23,280)	(131,612)
Taxation	35	(591,578)	(760,246)
		-	-

36. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

		2026	2025
Profit attributable to ordinary shareholders	(Rupees in thousand)	1,800,967	1,118,683
Weighted average number of ordinary shares	(Numbers)	48,809,515	48,809,515
Earnings per share	(Rupees)	36.90	22.92

Notes to the Financial Statements

For the year ended 30 June 2026

	Note	2026 (Rupees in thousand)	2025
37. CASH GENERATED FROM OPERATIONS			
Profit before levy and taxation		2,415,825	2,010,541
Adjustments for non-cash charges and other items:			
Depreciation on property, plant and equipment	14.1.2	758,331	781,609
Gain on disposal of investments at fair value through profit or loss	32	(78,058)	(179,182)
Gain on disposal of property, plant and equipment - net	32	(15,180)	(75,949)
Gain on disposal of non-current assets classified as held for sale	32	(21,120)	(8,239)
Net exchange gain	32	(13,878)	(10,357)
Dividend income	32	(190,274)	(105,474)
Reversal of provision for electricity duty	28.3	-	(146,363)
Provision / (reversal of allowance) for expected credit losses	20.4	11,525	(38,249)
Provision / (reversal of provision) for slow moving, obsolete and damaged store items	18.2	28,913	(2,369)
Provision for workers' profit participation fund	31	129,744	107,978
Provision for workers' welfare fund	31	49,303	41,032
Unrealised gain on re-measurement of investments at fair value through profit or loss	32	(223,196)	(167,264)
Finance cost	33	126,193	189,894
Profit on bank deposits	32	(14,738)	(18,778)
Return on term deposit receipts	32	(33,908)	(26,853)
Loss on trading in shares future contracts - net	31	6,107	-
Working capital changes	37.1	3,787,040	(1,801,034)
		6,722,629	550,943
37.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		72,051	85,284
- Stock in trade		2,219,360	(1,422,555)
- Trade debts		(101,930)	(415,732)
- Loans and advances		86,404	25,117
- Short term deposits and prepayments		(132,471)	(2,911)
- Other receivables		875,253	(221,573)
		3,018,667	(1,952,370)
Increase in trade and other payables		785,303	128,943
(Decrease) / increase in contract liabilities		(16,930)	22,393
		3,787,040	(1,801,034)

Notes to the Financial Statements

For the year ended 30 June 2026

37.2 Reconciliation of movement of liabilities to cash flows arising from financing activities.

	2026			
	Liabilities from financing activities			Total
	Long term financing	Short term borrowings	Unclaimed dividend	
	----- (Rupees in thousand) -----			
Balance as at 01 July 2025	3,063,146	1,164,739	8,577	4,236,462
Repayment of financing	(729,437)	-	-	(729,437)
Short term borrowings - net	-	(1,019,295)	-	(1,019,295)
Dividend declared	-	-	244,048	244,048
Dividend paid	-	-	(244,048)	(244,048)
Other changes - non-cash movement	139,399	-	-	139,399
Balance as at 30 June 2026	2,473,108	145,444	8,577	2,627,129

	2025			
	Liabilities from financing activities			
	Long term financing	Short term borrowings	Unclaimed dividend	Total
	----- (Rupees in thousand) -----			
Balance as at 01 July 2024	3,624,454	977,007	7,313	4,608,774
Repayment of financing	(717,885)	-	-	(717,885)
Short term borrowings - net	-	187,732	-	187,732
Dividend declared	-	-	244,048	244,048
Dividend paid	-	-	(242,784)	(242,784)
Other changes - non-cash movement	156,577	-	-	156,577
Balance as at 30 June 2025	3,063,146	1,164,739	8,577	4,236,462

	Note	2026 (Rupees in thousand)	2025
Non-cash financing activities			
Other changes - non-cash movement		139,399	156,577

Notes to the Financial Statements

For the year ended 30 June 2026

38. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a cash dividend for the year ended 30 June 2026 of Rupees 10 per share (2025: Rupee 5 per share) along with issuance of bonus shares @ Nil (2025: Nil) at their meeting held on 28 Sep 2026. However, these events have been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and have not been recognized in these financial statements.

39. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive Officer, Directors and Executives of the Company is as follows:

	Chief Executive Officer		Director		Executives	
	2026	2025	2026	2025	2026	2025
	----- (Rupees in thousand) -----					
Managerial remuneration	15,484	15,812	31,753	27,172	90,158	71,651
Allowances						
House rent	6,968	5,534	14,289	9,897	37,271	30,877
Reimbursement of expenses	85	456	3,607	3,423	-	-
Other allowance	1,548	1,582	3,159	2,780	7,623	8,395
Contribution to provident fund trust	1,034	988	2,645	2,130	6,920	5,491
	25,119	24,372	55,453	45,402	141,972	116,414
No. of persons	1	1	2	2	35	29

39.1 Chief Executive Officer, directors and certain executives of the Company are provided with Company maintained vehicles.

39.2 Aggregate amount charged in the financial statements for meeting fee to five directors (2025: seven directors) was Rupees 1.2 million (2025: Rupees 0.975 million).

39.3 Amount charged in these financial statements for travelling, conveyance and other expenses of directors of the Company was Rupees 22.851 million (2025: Rupees 22.257 million).

39.4 No remuneration was paid to non-executive directors of the Company.

Notes to the Financial Statements

For the year ended 30 June 2026

40. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies / undertakings, joint ventures, other related parties, post employment benefit plan and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2026 (Rupees in thousand)	2025
Crescent powertec Limited - associated company		
Purchase of electricity	8,926	27,574
Sale of goods	-	60
Services rendered to the Company	755	-
Dividend paid	107,857	107,857
The Crescent Textile Mills Limited - associated company		
Processing expense	7,664	-
Premier Insurance Limited - associated company		
Insurance expense	65,999	63,730
Insurance claim received	-	6,705
Dividend paid	8,134	8,134
Shams Textile Mills Limited - associated company		
Sale of property, plant and equipment	11,800	14,750
Sale of goods	269,243	175,104
Purchase of goods	1,838	-
ACME Mills (Private) Limited - associated company		
Sale of goods	62,552	138,257
Equity Textiles Limited - associated company		
Purchase of goods	-	208,832
Sale of goods	-	823
First Equity Modaraba - associated undertaking		
Investment made	-	4,189
Crescent Steel and Allied Products Limited - associated company		
Dividend earned	3,723	4,772
Investment made	35,182	-
Directors and their family members		
Dividend paid	77,075	72,718
Other related parties		
Company's contribution to provident fund trust	71,379	67,069

Notes to the Financial Statements

For the year ended 30 June 2026

40.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in note 39.

40.2 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year ended		Percentage of shareholding
		2026	2025	
Crescent Powertec Limited	Common directorship	Yes	Yes	None
Premier Insurance Limited	Common directorship	Yes	Yes	3.33%
S2 Hydro Limited	Joint Venture	No	No	48%
S2 Power Limited	Joint Venture	No	No	48%
S2 Solar Limited	Joint Venture	No	No	50%
The Crescent Textile Mills Limited	Common directorship	Yes	No	2.06%
ACME Mills (Private) Limited	Common directorship	Yes	Yes	None
Premier Financial Services (Private) Limited	Common directorship	No	No	9.77%
First Equity Modaraba	Modaraba managed by associated Company	No	Yes	6.16%
ICON Global (Private) Limited	Common Directorship	Yes	Yes	0.08%
Shams Textile Mills Limited	Common directorship	No	No	None
Service Industries Limited	Common directorship	No	No	None
Bhikki Spinning Mills (Private) Limited	Common directorship	No	No	None
Crescent Steel and Allied Products Limited	Common directorship	Yes	Yes	1.07%
Mohammad Amin Mohammad Bashir Limited	Common directorship	No	No	None
Suraj Brands (Private) Limited	Common directorship	No	No	None
Suraj Fabrics Limited	Common directorship	No	No	None
Equity Textiles Limited	Common directorship	Yes	Yes	None
LSE Ventures Limited	Common directorship	No	No	None
LSE Financial Services Limited	Common directorship	No	No	None
LSE Capital Limited	Common directorship	No	No	None
Jubilee Spinning and Weaving Mills Limited	Common directorship	No	No	None
Crescent Educational Trust	Director is trustee of the Trust	No	No	None
Suraj Cotton Mills Employees Provident Fund Trust	Post-employment benefit plan	Yes	Yes	None
Mr. Nadeem Maqbool	Chief Executive	Yes	Yes	None
Mr. Khalid Bashir	Director	Yes	Yes	None
Mr. Adil Bashir	Director	Yes	Yes	None
Mr. Ahsan Bashir	Director	Yes	Yes	None
Mr. Humayun Maqbool (Note 40.2.1)	Director	No	No	None
Ms. Maheen Hisham	Director	Yes	Yes	None
Mr. Asif Bashir	Director	Yes	Yes	None
Mr. Muhammad Iqbal	Director	Yes	Yes	None
Mr. Shams Rafi	Director	Yes	Yes	None

40.2.1 Ceased to be a related party with effect from 1 July 2024.

Notes to the Financial Statements

For the year ended 30 June 2026

41. PROVIDENT FUND

As at the reporting date, the Suraj Cotton Mills Employees Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

	2026	2025
42. NUMBER OF EMPLOYEES		
Number of employees as on 30 June	2,331	2,290
Average number of employees during the year	2,347	2,306

43. SEGMENT INFORMATION

43.1 The Company has two reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Spinning: Production of different quality of yarn using natural and artificial fibers.

Weaving: Production of different quality of greige fabric using yarn.

Transactions between operating segments are recorded on arm's length basis in a manner similar to transactions with third parties. Inter segment sales and purchases have been eliminated from the total.

Notes to the Financial Statements

For the year ended 30 June 2026

	Spinning		Weaving		Elimination of Inter-segment transactions		Total - Company	
	2026	2025	2026	2025	2026	2025	2026	2025
------(Rupees in thousand)-----								
Revenue								
External	13,579,624	10,900,927	15,070,456	16,510,531	-	-	28,650,080	27,411,458
Inter-segment	6,217,235	8,415,755	-	-	(6,217,235)	(8,415,755)	-	-
	19,796,859	19,316,682	15,070,456	16,510,531	(6,217,235)	(8,415,755)	28,650,080	27,411,458
Cost of sales								
External	(12,330,641)	(17,984,796)	(13,507,424)	(7,139,643)	-	-	(25,838,065)	(25,124,439)
Inter-segment	(6,217,235)	(434,890)	-	(7,980,865)	6,217,235	8,415,755	-	-
	(18,547,876)	(18,419,686)	(13,507,424)	(15,120,508)	6,217,235	8,415,755	(25,838,065)	(25,124,439)
Gross profit	1,248,983	896,996	1,563,032	1,390,023	-	-	2,812,015	2,287,019
Distribution cost	(45,285)	(46,125)	(215,817)	(222,011)	-	-	(261,102)	(268,136)
Administrative expenses	(284,740)	(232,799)	(81,694)	(71,184)	-	-	(366,434)	(303,983)
	(330,025)	(278,924)	(297,511)	(293,195)	-	-	(627,536)	(572,119)
Profit before levy and taxation and unallocated expenses	918,958	618,072	1,265,521	1,096,828	-	-	2,184,479	1,714,900
Unallocated income and expenses:								
Other expenses							(237,038)	(159,789)
Other income							594,577	645,324
Finance cost							(126,193)	(189,894)
Levy							(23,280)	(131,612)
Taxation							(591,578)	(760,246)
Profit after taxation							1,800,967	1,118,683

Notes to the Financial Statements

For the year ended 30 June 2026

	Spinning		Weaving		Total - Company	
	2026	2025	2026	2025	2026	2025
----- (Rupees in thousand) -----						
43.2 Reconciliation of reportable segment assets and liabilities						
Total assets for reportable segments	11,138,601	14,764,377	6,612,686	6,446,822	17,751,287	21,211,199
Unallocated assets:						
Investment properties					472,690	472,690
Long term investments					2,091,870	1,364,971
Short term investments					5,068,534	1,238,626
Non-current assets classified as held for sale					122,208	6,666
Total assets as per statement of financial position					25,506,589	24,294,152
Total liabilities for reportable segments	6,602,668	5,771,118	1,241,430	2,892,665	7,844,098	8,663,783
Unallocated liabilities:						
Deferred liabilities					1,545,745	1,586,297
Taxation and levy - net					525,996	489,700
Unclaimed dividend					8,577	8,577
Total liabilities as per statement of financial position					9,924,416	10,748,357
43.3 Geographical information					2026	2025
The company's revenue from external customers by geographical locations is detailed below:					(Rupees in thousand)	
Pakistan					27,134,994	26,456,927
Italy					144,420	29,967
Portugal					1,016,435	850,869
Sri Lanka					-	2,170
Germany					-	34,896
China					6,865	36,629
Estonia					97,533	-
Lithuania					71,555	-
Spain					178,278	-
					28,650,080	27,411,458

43.4 All non-current assets of the Company as at reporting dates are located and operating in Pakistan.

43.5 Revenue from major customers

The Company's revenue is earned from a large mix of customers.

Notes to the Financial Statements

For the year ended 30 June 2026

		2026	2025
		(Figures in thousand)	
44. PLANT CAPACITY AND ACTUAL PRODUCTION			
Spinning			
100 % plant capacity converted to 20s count based on 3 shifts per day.	Kgs.	48,638	57,984
Actual production converted to 20s count based on 3 shifts per day.	Kgs.	46,419	46,515
Weaving			
100 % plant capacity at 50 picks based on 3 shifts per day.	Sq.Mtr.	156,166	156,166
Actual production converted to 50 picks based on 3 shifts per day.	Sq.Mtr.	143,493	146,713

44.1 Reason for low production

Under utilization of available capacity for spinning and weaving is mainly due to low demand and suspension of operations of spinning unit of Karachi. Low capacity utilization of solar system is due to combination of environmental, technical, structural and maintenance factors.

45. FINANCIAL RISK MANAGEMENT

45.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Notes to the Financial Statements

For the year ended 30 June 2026

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to amounts receivable from foreign entities. The Company's exposure to currency risk was as follows:

	2026	2025
Trade debts - USD	-	223,711
Trade debts - Euro	166,747	102,510
Net Exposure - USD	-	223,711
Net Exposure - Euro	166,747	102,510
The following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	280.64	279.48
Reporting date rate	278.16	283.76
Rupees per Euro		
Average rate	327.27	304.82
Reporting date rate	316.92	332.66

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against USD and Euro with all other variables held constant, the impact on profit before levy and taxation for the year would have been Rupees 2.457 million (2025: Rupees 4.538 million) higher / lower mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

Notes to the Financial Statements

For the year ended 30 June 2026

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's equity investments. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

	Impact on profit before taxation	Impact on statement of other comprehensive income (fair value reserve on FVTOCI investments)
	2026	
	------(Rupees in thousand)-----	
PSX (5% increase)	59,558	104,324
PSX (5% decrease)	(59,558)	(104,324)
	2025	
	------(Rupees in thousand)-----	
PSX (5% increase)	36,264	67,979
PSX (5% decrease)	(36,264)	(67,979)

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long term financing, short term borrowings, term deposit receipts and bank balances in saving accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

Notes to the Financial Statements

For the year ended 30 June 2026

	2026 (Rupees in thousand)	2025
Fixed rate instruments		
Financial liabilities		
Long term financing	2,462,454	3,048,719
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	87,091	128,685
Debt instruments - term deposit receipts	502,400	399,500
Financial liabilities		
Long term financing	10,654	14,427
Short term borrowings	145,444	1,164,739

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before levy and taxation for the year would have been higher / lower by Rupees 4.030 million (2025: lower / higher by Rupees 6.054 million) mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2026 (Rupees in thousand)	2025
Long term investments	2,086,685	1,359,786
Long term deposits	129,284	129,284
Trade debts	3,324,841	3,220,558
Loans and advances	10,143	9,819
Security deposits	194,298	69,065
Other receivables	13,002	57,179
Short term investments	5,068,534	1,238,626
Bank balances	106,742	162,250
	10,933,529	6,246,567

Notes to the Financial Statements

For the year ended 30 June 2026

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2026	2025
	Short Term	Long term	Agency	(Rupees in thousand)	
Banks					
MCB Bank Limited	A1+	AAA	PACRA	11,950	33,668
National Bank of Pakistan	A1+	AAA	PACRA	142	146
United Bank Limited	A1+	AAA	VIS	6	10,073
Allied Bank Limited	A1+	AAA	PACRA	860	314
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	5,559	360
Habib Bank Limited	A1+	AAA	VIS	12,760	16,562
Bank AL Habib Limited	A1+	AAA	PACRA	22,656	414
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	97	97
ABHI Microfinance Bank Limited	A3	BBB+	PACRA	236	3,997
MCB Islamic Bank Limited	A1+	A+	PACRA	460	35,276
Samba Bank Limited	A1	AA	PACRA	212	63
Bank Alfalah Limited	A1+	AAA	PACRA	41,135	60,783
Meezan Bank Limited	A1+	AAA	VIS	10,669	497
				106,742	162,250
Investments					
Premier Insurance Limited	Unknown	A(ifs)	PACRA	12,717	8,716
The Crescent Textile Mills Limited	A-2	A-	VIS	138,907	49,373
Kot Addu Power Company Limited	A1	A+	VIS	14,868	17,315
Nishat Mills Limited	A1+	AA	PACRA	146,021	116,439
Pakistan State Oil Company Limited	A1+	AAA	VIS	58,884	37,753
Oil & Gas Development Company Limited	A1+	AAA	VIS	226,037	154,392
The Searle Company Limited	A1	AA-	VIS	34,662	28,330
D.G. Khan Cement Company Limited	A1+	AA-	PACRA	231,620	159,335
Fauji Fertilizer Company Limited	A1+	AA+	PACRA	301,077	137,344
Fatima Fertilizer Company Limited	A1+	AA+	PACRA	74,345	45,705
Engro Holdings Limited (Formerly Dawood Hercules Corporation Limited)	A1+	AA	PACRA	-	1,925
Engro Fertilizers Limited	A1+	AA	PACRA	231,886	213,530
Crescent Steel and Allied Products Limited	A2	A-	VIS	94,406	57,830
United Bank Limited	A1+	AAA	VIS	179,695	110,766
Kohinoor Textile Mills Limited	A1	AA-	VIS	54,875	49,154
Attock Refinery Limited	A1+	AA	PACRA	106,334	78,133
MCB Bank Limited	A1+	AAA	PACRA	121,709	57,708
Habib Bank Limited	A1+	AAA	VIS	58,442	35,838
TCC Management Services (Private) Limited		Unknown		200	200
Samba Bank Limited	A1+	AA	PACRA	15,912	15,780

Notes to the Financial Statements

For the year ended 30 June 2026

	Rating			2026	2025
	Short Term	Long term	Agency	(Rupees in thousand)	
Fauji Cement Company Limited	A1+	AA-	PACRA	115,100	80,406
GlaxoSmithKline Pakistan Limited		Unknown		36,914	38,955
TPL Corp Limited	A1	A	PACRA	2,547	941
First Equity Modaraba		Unknown		35,571	15,688
Nishat Chunian Power Limited	A2	A+	VIS	51,608	19,448
Aisha Steel Mills Limited	A2	BBB+	VIS	11,228	9,596
Lucky Core Industries Limited	A1	AA-	VIS	11,832	15,893
Power Cement Limited	A2	A-	VIS	46,060	27,160
Sui Northern Gas Pipelines Limited	A1+	AA+	VIS	12,093	11,671
Service Global Footwear Limited	A1	A+	VIS	-	25,348
Hi-Tech Lubricants Limited	A2	A-	VIS	42,317	43,286
Azgard Nine Limited		Unknown		16,650	16,545
National Refinery Limited	A1	AA	PACRA	-	18,252
Netsol Technologies Limited		Unknown		17,369	17,285
Maple Leaf Cement Factory Limited	A1	A+	VIS	142,137	95,194
The Hub Power Company Limited	A1+	AA+	PACRA	129,650	62,754
Bank Alfalah Limited (Note 24.1.3)	A1+	AAA	PACRA	125,931	48,200
Fast Cables Limited (Note 24.1.4)	A2	A	VIS	43,986	44,209
Interloop Limited	A1	AA-	VIS	-	13,552
Systems Limited		Unknown		67,071	40,818
Lucky Cement Limited	A1	A	VIS	-	12,433
The Bank of Punjab	A1+	AA+	VIS	35,090	10,350
The Organic Meat Company Limited	A1+	AAA	PACRA	-	16,440
Mari Energies Limited		Unknown		-	25,076
Pakistan Refinery Limited	A1+	AAA	PACRA	44,588	-
Big Bird Foods Limited	A1	A	PACRA	13,809	-
Descon Oxychem Limited		Unknown		19,140	-
Mughal Iron & Steel Industries Limited	A1	A+	PACRA	26,514	-
Pak Elektron Limited	A1	A+	PACRA	18,180	-
Pakistan Petroleum Limited		Unknown		84,917	-
Service Long March Tyres Limited		Unknown		24,954	-
Alfalah Financial Sector Opportunity Fund		Unknown		500,000	-
Alfalah GHP Money Market Fund		AA+(f)	PACRA	45	-
Atlas Money Market Fund		AA+(f)	PACRA	360,022	-
Atlas Liquid Fund		AA+(f)	VIS	254,358	-

Notes to the Financial Statements

For the year ended 30 June 2026

	Rating		Agency	2026	2025
	Short Term	Long term		(Rupees in thousand)	
ABL Cash Fund		AA+(f)	PACRA	485,611	-
HBL Islamic Money Market Fund		AA+(f)	VIS	100,808	-
MCB Cash Management Optimizer		AA+(f)	PACRA	537,345	-
Faysal Islamic Financial Growth Fund II		AA(f)	VIS	165,048	-
Faysal Islamic Cash Fund		AA(f)	VIS	1	458
NBP Money Market Fund		AA(f)	PACRA	2	-
NBP Islamic Money Market Fund		AA(f)	PACRA	71	-
NBP Financial Sector Income Plus Fund		A+(f)	PACRA	505,980	-
NBP Islamic Stock Fund	4-STAR	3-STAR	PACRA	-	55,410
NBP Stock Fund	3-STAR	4-STAR	PACRA	-	55,323
UBL Money Market Fund		AAA(f)	VIS	1	-
JS Cash Fund		AA+(f)	PACRA	1	-
JS Money Market Fund		AA+(f)	PACRA	457,188	-
				6,644,334	2,196,257
				6,751,076	2,358,507

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 20.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2026 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product, Unemployment, Interest, and the inflation index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Notes to the Financial Statements

For the year ended 30 June 2026

On that basis, the loss allowance as at 30 June 2026 and 30 June 2025 was determined as follows:

At 30 June 2026

	Local Sales			Export Sales		
	Expected loss rate	Trade debts (RUPEES IN THOUSAND)	Loss allowance	Expected loss rate %	Trade debts (RUPEES IN THOUSAND)	Loss allowance
Not past due	0.00%	2,157,277	-	0.00%	-	-
Up to 30 days	0.00%	942,750	-	0.00%	-	-
31 to 60 days	0.02%	29,661	6	0.02%	14,184	3
61 to 90 days	0.45%	87,215	392	0.45%	29,973	135
91 to 180 days	1.52%	56,622	861	1.52%	8,689	133
181 to 360 days	1.81%	-	-	1.81%	-	-
360 days and above	100.00%	57,163	57,163	100.00%	-	-
		3,330,688	58,422		52,846	271
Trade debts which are not subject to risk of default		-	-		-	-
Total		3,330,688	58,422		52,846	271

At 30 June 2025

	Local Sales			Export Sales		
	Expected loss rate	Trade debts (RUPEES IN THOUSAND)	Loss allowance	Expected loss rate %	Trade debts (RUPEES IN THOUSAND)	Loss allowance
Not past due	0.00%	2,005,080	-	0%	-	-
Up to 30 days	0.03%	882,805	229	0.03%	2,225	1
31 to 60 days	0.20%	72,182	143	0.20%	31,876	63
61 to 90 days	1.71%	85,910	1,469	1.71%	-	-
91 to 180 days	6.37%	84,273	5,369	6.37%	-	-
181 to 360 days	9.06%	-	-	9.06%	-	-
360 days and above	100.00%	39,894	39,894	100.00%	-	-
		3,170,144	47,104		34,101	64
Trade debts which are not subject to risk of default		-	-		63,481	-
Total		3,170,144	47,104		97,582	64

Notes to the Financial Statements

For the year ended 30 June 2026

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2026, the Company had Rupees 10,015.237 million (2025: Rupees 5,015.565 million) available borrowing limits from financial institutions and Rupees 109.173 million (2025: Rupees 163.444 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2026

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 year	More than 2 years
----- (Rupees in thousand) -----						
Non-derivative financial liabilities:						
Long term financing	2,473,108	2,617,978	425,722	379,755	757,005	1,055,496
Trade and other payables	3,530,611	3,530,611	3,530,611	-	-	-
Accrued mark-up	6,642	6,642	6,642	-	-	-
Short term borrowings	145,444	145,444	13,078	132,366	-	-
Unclaimed dividend	8,577	8,577	8,577	-	-	-
	6,164,382	6,309,252	3,984,630	512,121	757,005	1,055,496

Contractual maturities of financial liabilities as at 30 June 2025

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 year	More than 2 years
----- (Rupees in thousand) -----						
Non-derivative financial liabilities:						
Long term financing	3,063,146	3,808,224	411,508	388,208	773,888	2,234,620
Trade and other payables	2,867,496	2,867,496	2,867,496	-	-	-
Accrued mark-up	38,841	38,841	38,841	-	-	-
Short term borrowings	1,164,739	1,172,843	897,508	275,335	-	-
Unclaimed dividend	8,577	8,577	8,577	-	-	-
	7,142,799	7,895,981	4,223,930	663,543	773,888	2,234,620

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 6 and note 10 to these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2026

	FVTPL	Amortised cost	FVTOCI
	----- (Rupees in thousand) -----		
45.2 Financial instruments by categories			
As at 30 June 2026			
Assets as per statement of financial position			
Long term investments	-	-	2,086,685
Long term deposits	-	129,284	-
Trade debts	-	3,324,841	-
Loans and advances	-	10,143	-
Security deposits	-	194,298	-
Other receivables	-	13,002	-
Short term investments	4,557,649	510,885	-
Cash and bank balances	-	109,173	-
	4,557,649	4,291,626	2,086,685
As at 30 June 2025			
Assets as per statement of financial position			
Long term investments	-	-	1,359,786
Long term deposits	-	129,284	-
Trade debts	-	3,220,558	-
Loans and advances	-	9,819	-
Security deposits	-	69,065	-
Other receivables	-	57,179	-
Short term investments	836,471	402,155	-
Cash and bank balances	-	163,444	-
	836,471	4,051,504	1,359,786
		Financial liabilities at amortized cost	
		2026	2025
		(Rupees in thousand)	
Liabilities as per statement of financial position			
Long term financing		2,473,108	3,063,146
Trade and other payables		3,530,611	2,867,496
Accrued mark-up		6,642	38,841
Short term borrowings		145,444	1,164,739
Unclaimed dividend		8,577	8,577
		6,164,382	7,142,799

Notes to the Financial Statements

For the year ended 30 June 2026

45.3 Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

	2026		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	(RUPEES IN THOUSAND)		
Assets			
Long term investments	2,086,685	5,185	2,091,870
Long term deposits	129,284	-	129,284
Trade debts	3,324,841	-	3,324,841
Loans and advances	10,143	47,624	57,767
Short term deposits and prepayments	194,298	19,367	213,665
Other receivables	13,002	79,933	92,935
Short term investments	5,068,534	-	5,068,534
Cash and bank balances	109,173	-	109,173
	10,935,960	152,109	11,088,069

	2026		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	(RUPEES IN THOUSAND)		
Liabilities			
Long term financing	2,473,108	-	2,473,108
Trade and other payables	3,530,611	1,048,824	4,579,435
Contract liabilities - un-secured	-	96,366	96,366
Accrued mark-up	6,642	-	6,642
Short term borrowings	145,444	-	145,444
Unclaimed dividend	8,577	-	8,577
	6,164,382	1,145,190	7,309,572

Notes to the Financial Statements

For the year ended 30 June 2026

	2025		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	(RUPEES IN THOUSAND)		
Assets			
Long term investments	1,359,786	5,185	1,364,971
Long term deposits	129,284	-	129,284
Trade debts	3,220,558	-	3,220,558
Loans and advances	9,819	134,352	144,171
Short term deposits and prepayments	69,065	12,129	81,194
Other receivables	57,179	911,009	968,188
Short term investments	1,238,626	-	1,238,626
Cash and bank balances	163,444	-	163,444
	6,247,761	1,062,675	7,310,436

	2025		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	(RUPEES IN THOUSAND)		
Liabilities			
Long term financing	3,063,146	-	3,063,146
Trade and other payables	2,867,496	855,567	3,723,063
Contract liabilities - un-secured		113,296	113,296
Accrued mark-up	38,841	-	38,841
Short term borrowings	1,164,739	-	1,164,739
Unclaimed dividend	8,577	-	8,577
	7,142,799	968,863	8,111,662

45.4 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

Notes to the Financial Statements

For the year ended 30 June 2026

45.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to in note 6 and note 10 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy, remained unchanged from last year.

		2026	2025
		(Rupees in thousand)	
Borrowings	Rupees in thousand	3,024,579	4,773,311
Total equity	Rupees in thousand	15,582,173	13,545,795
Total capital employed	Rupees in thousand	18,606,752	18,319,106
Gearing ratio	Percentage	16.26	26.06

The decrease in the gearing ratio resulted from decrease in borrowings of the Company and increase in equity of the Company

46. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Notes to the Financial Statements

For the year ended 30 June 2026

Recurring fair value measurements At 30 June 2026				
	Level 1	Level 2	Level 3	Total
	----- (Rupees in thousand) -----			
Financial assets				
Fair value through other comprehensive income	2,086,685	-	-	2,086,685
Fair value through profit or loss	4,557,649	-	-	4,557,649
Total financial assets	6,644,334	-	-	6,644,334

Recurring fair value measurements At 30 June 2025				
	Level 1	Level 2	Level 3	Total
	----- (Rupees in thousand) -----			
Financial assets				
Fair value through other comprehensive income	1,359,786	-	-	1,359,786
Fair value through profit or loss	836,471	-	-	836,471
Total financial assets	2,196,257	-	-	2,196,257

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices on Pakistan Stock Exchange and for funds, Net Asset Value (NAV) by respective Asset Management Company.

Notes to the Financial Statements

For the year ended 30 June 2026

47. FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

i) Fair value hierarchy

Judgements and estimates are made for non-financial assets not measured at fair value in these financial statements but for which the fair value is described in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 June 2026	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Investment properties	-	829,200	-	829,200
At 30 June 2025	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Investment properties	-	842,728	-	842,728

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its investment properties at least annually. At the end of each reporting period, the management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's investment properties at the end of every financial year. The fair values of the investment properties have been determined by Jasper & Jasper (an approved valuer).

Changes in fair values are analysed at the end of each year during the valuation discussion between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Notes to the Financial Statements

For the year ended 30 June 2026

		2026 (RUPEES IN THOUSAND)	2025
48.	DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS ACTIVITIES		
	Description		
	Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	-	185,737
	Interest or mark-up accrued on any conventional loan or advance	6,642	20,630
	Long-term and short-term Shariah compliant Investments	6,126,157	1,608,416
	Shariah-compliant bank deposits, bank balances, and TDRs	313,713	345,468
	Revenue earned from a Shariah-compliant business segment 27	28,650,080	27,411,458
	Break-up of late payments or liquidated damages	-	-
	Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates		
	Dividend income	148,169	53,650
	Gain on disposal of investments at fair value through profit or loss	64,060	177,361
	Unrealised gain on re-measurement of investments at fair value through profit or loss	135,890	160,622
	Unrealised gain on re-measurement of investments at fair value through other comprehensive income	407,209	458,975
	Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs		
	Profit on deposits with banks	1,313	2,560
	Return on term deposit receipts	20,627	24,198
	Exchange gain earned from actual currency	13,878	10,357
	Exchange gains earned using conventional derivative financial instruments	-	-
	Profit paid on Islamic mode of financing	15,534	32,113
	Total Interest earned on any conventional loan or advance		
	Profit on deposits with banks	13,425	16,218
	Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and noncompliant income (Note 32)		
	Shariah-compliant		
	Dividend income	148,169	53,650
	Profit on deposits with banks	1,313	2,560
	Return on term deposit receipts	20,627	24,198
	Gain on disposal of investments at fair value through profit or loss	64,060	177,361
	Unrealised gain on re-measurement of investments at fair value through profit or loss	135,890	160,622
	Reversal of provision for slow moving, obsolete and damaged store items	-	2,369
	Reversal of allowance for expected credit loss - trade debts	-	38,249
	Gain on disposal of property, plant and equipment - net	15,180	75,949
	Gain on disposal of non-current assets classified as held for sale	21,120	8,239
	Gain on sale of stores, spare parts and loose tools	-	5,169
	Net exchange gain	13,878	10,357
	Scrap sales	4,225	7,441

Notes to the Financial Statements

For the year ended 30 June 2026

	2026 (RUPEES IN THOUSAND)	2025
<i>Non compliant</i>		
Dividend income	42,105	51,824
Return on term deposit receipts	13,281	2,655
Profit on deposits with banks	13,425	16,218
Gain on disposal of investments at fair value through profit or loss	13,998	1,821
Unrealised gain on re-measurement of investments at fair value through profit or loss	87,306	6,642

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Name	Relationship
Meezan Bank Limited	Bank balance and short term borrowings
MCB Islamic Bank Limited	Bank balance, short term borrowings and term deposit receipts
Dubai Islamic bank Limited	Bank balance
National Bank of Pakistan (Aitemaad Current Account)	Bank balance

49. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2026	2025	2026	2025
	(RUPEES IN THOUSAND)			
Total facilities	8,349,981	5,150,000	13,039,816	9,788,876
Utilized at the end of the year	3,554,464	2,181,133	3,024,579	4,773,311
Unutilized at the end of the year	4,795,517	2,968,867	10,015,237	5,015,565

50. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on **28 Sep 2026** by the Board of Directors of the Company.

51. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements / reclassifications have been made except for presentation of contract liabilities - un-secured amounting to Rupees 113.296 million on the face of statement of financial position instead of grouping under trade and other payables for better presentation.

52. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Gender pay gap statement under Circular No. 10 of 2024

Following is gender pay gap calculated for the year ended 30 June 2026

(i)	Mean Gender pay gap:	-176%
(ii)	Median Gender Pay gap:	-112%
(iii)	Any other data/ details as deemed relevant.	-

The Board is committed to formulate a gender diversity policy for recruitment, promotion, gender pay gap analysis, retention and development of female employees.



Chief Executive Officer on behalf of Board of Directors of the Company

28 September 2026

Notice of Annual General Meeting

Notice is hereby given that the 42nd Annual General Meeting (“AGM”) of the shareholders of Suraj Cotton Mills Limited (the “Company”) will be held on Thursday, October 22, 2026, at 10:00 A.M. at the Registered Office of the Company, i.e., Tricon Corporate Center, 8th Floor, 73-E, Main Jail Road, Gulberg II, Lahore, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Directors' and Auditor's Reports thereon and the Review Report of the Chairman.

In accordance with Section 223(7) of the Companies Act, 2017, and in terms of S.R.O. No. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the Company's website, which can be downloaded from the following Weblink and QR-enabled code.

<https://www.suraj.com/wp-content/uploads/2026/09/AnnualReport2026.pdf>



2. To approve the final cash dividend of Rs. 10/- per share, i.e., @ 100% as recommended by the Board of Directors for the year ended June 30, 2026.
3. To appoint Auditors and fix their remuneration for the next Annual General Meeting. The members are hereby given notice that the Audit Committee and Board of Directors have recommended the name of the retiring auditors, M/s. Riaz Ahmad & Company, Chartered Accountants, for reappointment as auditors of the Company.
4. To transact any other ordinary business of the Company with the permission of the Chairman.

SPECIAL BUSINESS:

1. To consider and, if deemed fit, to pass the following resolutions as a special resolution under Section 199 of the Companies Act, 2017, as recommended by the Board of Directors with or without modification, addition(s) or deletion(s):

Resolved that approval of the members of Suraj Cotton Mills Limited (the “Company”) be and is hereby accorded, and the Company be and is hereby authorized, in terms of Section 199 and other applicable provisions of the Companies Act, 2017, to make further equity investment of up to Rs. 50,000,000 (including 519,588 Ordinary Right Shares at an issue price of Rs. 10/- per share, offered to the Company) by way of subscription to Ordinary Right Shares of Rs. 10/- each, to be issued by Premier Insurance Limited, an associated company of the Company, at an issue price of Rs. 10/- per share. The Company be and is hereby authorized, subject to availability of unsubscribed Right Shares and applicable laws and regulations, to subscribe for and acquire such additional Ordinary Right Shares of Premier Insurance Limited as may remain unsubscribed after the expiry of the period for subscription of the Right Shares, at the issue price of Rs. 10/- per share, within the aforesaid overall investment limit approved by the Members, and on such terms and conditions as may be applicable to the Right Issue.

Resolved further that Mr. Ahsan Bashir, Director, Mr. Adil Bashir, Director and/or Mr. Naeem Sheikh, Chief Financial Officer of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, and take any or all necessary actions to complete all legal formalities as may be necessary or incidental for the purpose of implementing the aforesaid resolution.

By Order of the Board

Maria Atif
Company Secretary

Lahore: October 01, 2026

Notice of Annual General Meeting

NOTES:

Closure of Member Register and Share Transfer Books:

The Share Transfer Books of the Company will remain closed from October 15, 2026 to October 22, 2026 (both days inclusive). Transfers received in order at the company's Share Registrar Office, M/s Corptec Associates Private Limited, 503-E, Johar Town, Lahore, by the close of business hours on or before October 14, 2026, will be considered in time for entitlement to the final cash dividend and to attend and vote at the AGM.

For Attending the Meeting

In case of individuals, the Account Holders or sub-account holders and/or the persons whose securities are in a group account and whose registration details are uploaded as per the Regulations shall authenticate their identity by showing the original CNIC or original passport at the time of attending the meeting. In the case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (if it has not been provided earlier) at the time of attending the meeting.

For Appointing Proxies

A member entitled to attend and vote at this General Meeting may appoint another member as his/her proxy to attend, speak, and vote on his/her behalf. The duly completed Proxy Form, accompanied by a copy of the CNIC of the proxy, must be deposited at the Registered Office of the Company not later than 48 hours before the time of the meeting. The Proxy Form shall be witnessed by two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form. In the case of a corporate entity, a Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee and a copy of the nominee's CNIC, must be submitted at least 48 hours before the time of the meeting. The Proxy Form in English and Urdu is annexed with the Notice of Meeting and is also available on the Company's website.

Participation in the AGM proceedings via the Video Conference Facility:

The members may also participate in the Annual General Meeting (AGM) through the video link facility. To attend the AGM via video link, members and their proxies are requested to register by sending an email to info@corptec.com.pk with the following particulars:

Folio/CDC Account No.	No. of Shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with those shareholders whose emails, containing all the required particulars, are received at the given email address at least 48 hours before the close of business before the AGM. Shareholders may also include their comments and questions relating to the agenda items of the AGM in their email at the time of registration.

E-Voting/Postal Ballot Facility

The Shareholders are requested to notify the Company's Share Registrar without delay in case of any change of address. In the case of corporate entities, any modification in the particulars of the authorized representative, if applicable, should also be promptly reported.

Procedure for E-Voting:

- I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 14, 2026.
- II. The web address, login details, and password will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of Corptec Associates Private Limited (being the e-voting service provider).

Notice of Annual General Meeting

- III. Identity of the Members intending to cast their vote through e-voting shall be authenticated through electronic signature or authentication for login.
- IV. Members shall cast their vote online at any time from October 19, 2026, 9:00 a.m. to October 21, 2026, 5:00 p.m. Voting shall close on October 21, 2026, at 5:00 p.m. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for Voting through Postal Ballot:

The members shall ensure that the duly filled and signed ballot paper, along with a copy of the Computerized National Identity Card (CNIC), reaches the Chairman through post at the Company's registered address, Tricon Corporate Center, 8th Floor, 73-E, Main Jail Road, Gulberg II, Lahore, Pakistan, or by email at chairman@suraj.com on or before October 21, 2026, up to 5:00 p.m., during working hours. The signature on the Ballot Paper shall match the signature on the CNIC.

This postal Ballot Paper is also available for download from the website of the Company at www.suraj.com or use the same as attached to this Notice and published in newspapers.

Please note that in case of any dispute in voting, including the casting of more than one vote, the Chairman shall be the deciding authority.

Scrutinizer:

In accordance with Regulation 11 of the Companies (Postal Ballot) Regulations, 2018, the Board of the Company has appointed M/s Riaz Ahmad & Company, Chartered Accountants, a QCR-rated audit firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

E-voting Service Provider:

M/s. Corptec Associates Private Limited.

Updating of particulars:

The Shareholders are requested to notify the Company's Share Registrar without delay in case of any change of address. In the case of corporate entities, any modification in the particulars of the authorized representative, if applicable, should also be promptly reported.

Submission of copies of valid CNIC not provided earlier:

Individual shareholders are reminded to provide a copy of their valid CNIC to the Company's Share Registrar, if not already submitted. In the absence of a valid CNIC on record, the Company will be constrained to withhold the dividend in accordance with Section 243 of the Companies Act, 2017.

Zakat Declarations:

The members of the Company are required to submit a Declaration for Zakat exemption in terms of the Zakat and Ushr Ordinance, 1980.

Withholding Tax on Dividend:

The deduction of withholding tax on the amount of dividend paid by the companies under section 150 of the Income Tax Ordinance, 2001, is as under:

- (a) For Persons appearing in the Active Tax Payer list (ATL): 15%
- (b) For Persons not appearing in the Active Tax Payer list (ATL): 30%

Shareholders who have filed their Return are advised to make sure that their names are entered into the latest Active Taxpayers List (ATL) provided on the website of FBR at the time of dividend payment; otherwise, they shall be treated as persons not appearing in the ATL and tax will be deducted at the rate of 30%, instead of 15%.

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Further, you are therefore requested to please provide us with the following details:

Name	Folio No. / CDC Account No.	National Tax No.	CNIC No. (for individual only) enclose a copy of valid CNIC, if not already provided

Withholding tax on Dividend in case of Joint Account Holders:

In order to enable the Company to follow the directives of the regulators to determine the shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the Principal shareholder) for deduction of withholding tax on dividend of the Company, shareholders are requested to please furnish the shareholding ratio details of themselves as Principal shareholder and their Joint Holders to the Company's Share Registrar, enabling the Company to compute withholding tax of each shareholder accordingly. The required information must reach the Company's Share Registrar by October 14, 2026; otherwise, each shareholder will be assumed to have an equal proportion of shares and the tax will be deducted accordingly.

Payment of Cash Dividend Electronically (E-mandate)

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar, at the address given hereinabove with an electronic dividend mandate on the E-Dividend Form provided in the annual report and also available on the website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

Replacement of Physical Shares with Book-entry Form

As per Section 72 of the Companies Act, 2017, every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017, i.e., May 31, 2017. The shareholders holding shares in physical form are requested to please convert their shares to the book-entry form. For this purpose, the shareholders may open a CDC Sub-account with any of the brokers or an investor account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways, including safe custody and sale of shares at any time they want, as the trading of physical shares is not permitted as per the existing Regulations of the Pakistan Stock Exchange Limited.

Electronic transmission of Annual Report 2026

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended 30 June 2026, along with Auditors' and Directors' Reports thereon, and Chairman's Review on the website of the Company: www.suraj.com.

Any other Information

For any queries or further information, please contact the Share Registrar, M/s Corptec Associates (Pvt.) Limited, 503 - E, Johar Town, Lahore, at Phone: 042-35170336-7, Email: info@corptec.com.pk and/or the Company at Phone: 042 35760381, Email: corp.info@suraj.com.

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STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the special business to be transacted in the Annual General Meeting of the Company to be held on Thursday, October 22, 2026.

Approval & Authorization for Investment in the Right Shares of the associated company, i.e., Premier Insurance Limited.

Premier Insurance Limited (PIL), an associated company of Suraj Cotton Mills Limited (the "Company"), has decided, in its meeting of the Board of Directors held on September 24, 2026, to issue further share capital by offering 20,226,042 Ordinary Right Shares of Rs. 10/- each, in the proportion of 40 right shares for every 100 Ordinary Shares held, at a price of Rs. 10/- per right share.

As Suraj Cotton Mills Limited legally and beneficially owns 1,298,971 ordinary shares of Premier Insurance Limited, PIL has offered 519,588 Ordinary Right Shares to Suraj Cotton Mills Limited at a price of Rs. 10/- per share. The offered right shares are to be subscribed before the tentative last date of October 23, 2026.

The total subscription amount for the offered Right Shares would be Rs. 5,195,880/- (Rupees Five Million One Hundred Ninety-Five Thousand Eight Hundred Eighty Only). Subject to availability of unsubscribed Right Shares of PIL and applicable laws and regulations, Suraj Cotton Mills Limited intends to subscribe for and acquire such additional Ordinary Right Shares of Premier Insurance Limited as may remain unsubscribed after the expiry of the period for subscription of the Right Shares, at the issue price of Rs. 10/- per share, within the aforesaid overall investment limit approved by the Members, and on such terms and conditions as may be applicable to the Right Issue. Hence, approval of the members of the Company is being sought in terms of Section 199 and other applicable provisions of the Companies Act, 2017 to make further equity investment of up to Rs. 50,000,000 (including 519,588 Ordinary Right Shares at an issue price of Rs. 10/- per share, offered to the Company) by way of subscription to Ordinary Right Shares of Rs. 10/- each, to be issued by Premier Insurance Limited, an associated company of the Company, at an issue price of Rs. 10/- per share.

Due Diligence:

The Directors have carried out necessary due diligence for the proposed investment and duly signed recommendations of the due diligence report/undertaking have been kept at the registered office of the Company for inspection and shall also be available for inspection of members in the annual general meeting along with the latest audited and interim financial statements of the associated company.

The names of Common Directors are:

1. Mr. Khalid Bashir (2,395,393 shares in SCML and 294,467 shares in PIL)
2. Mr. Ahsan Bashir (2,978,865 shares in SCML and 394,411 shares in PIL)
3. Mr. Nadeem Maqbool (212,132 shares in SCML and 478,724 shares in PIL)

Information Under Regulation 3 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

Investment in the Right Shares of Premier Insurance Limited

Sr. No.	Description	Information Required
(a)	Disclosure for all types of investments	
(A)	Disclosure regarding Associated Company	

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(i)	Name of Associated Company or Associated Undertaking	Premier Insurance Limited	
(ii)	Basis of Relationship	Common Directorship	
(iii)	Earnings per share for the last three years	Year	EPS in PKR
		2023	0.16
		2024	1.37
		2025	2.43
(iv)	Break-up value per share, based on the latest Audited Financial Statements	PKR 25.57	
(v)	Financial Position, including main items of the statement of financial position and profit and loss account based on its latest Financial Statements	As per the Un-Audited Financial Statements for the Half Year Ended 30 June 2026	
		Financial Position Details	PKR in 000
		Authorized Capital	1,500,000
		Issued, Subscribed and Paid-up Share Capital	505,650
		Total Equity	1,353,434
		Total Liabilities	1,972,086
		Total Assets	3,325,520
		Profit & Loss Account Details	PKR in 000
		Revenue	131,062
		Underwriting Results	(16,130)
	Profit After Tax	57,431	

(B) General Disclosures			
(i)	Maximum amount of investment to be made		Rs. 50,000,000 (including 519,588 Ordinary Right Shares at an issue price of Rs. 10/- per share, offered to the Company) by way of subscription to Ordinary Right Shares of Rs. 10/- each, to be issued by Premier Insurance Limited, an associated company of the Company, at an issue price of Rs. 10/- per share
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment		To earn Dividends and for capital appreciation
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:		The investment will be made from own sources of the Company.
	(I)	Justification for investment through borrowings	NA
	(II)	Details of Collateral, guarantees provided, and	NA

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	assets pledged for obtaining such funds	
(III)	Cost-benefit analysis	NA
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regard to the proposed investment	NA
(v)	Director or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Investing Company i.e. the Company is an associated company of PIL due to common directorship and three Directors are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.
(vi)	in case any investment in an associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write-offs;	The Company already holds 1,298,971 fully paid ordinary shares of Rupees 10 each of PIL. Cost of these 1,298,971 shares is Rs. 9,167 thousand and fair value of these shares as of 30 June 2026 was Rs. 12,717 thousand.
(vii)	any other important details necessary for the members to understand the transaction;	N/A
(b) Additional Disclosure regarding Equity Investment		
(i)	maximum price at which securities will be acquired;	Rs. 10/- per Right Share.
(ii)	in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Issue price is Rs. 10 per share. In the last 1 year (24 Sep 2025 - 24 Sep 2026), the highest quoted price on PSX was 15.39 per share and the lowest quoted price on PSX was Rs. 5.81 per share. The Company intends to hold the investment for the long term.
(iii)	Maximum number of Securities to be acquired	5,000,000 (including 519,588 offered Right Shares)
(iv)	Number of securities and percentage thereof held before and after the proposed investment;	No. of Shares
		Percentage
	Before	1,298,971
	After (assuming NIL unsubscribed Right Shares offered to the Company)	1,818,559
		2.57%
		2.57%

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(v)	Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities;	Current volume-weighted price as of 24 September 2026 is Rs. 11.19 per share and volume-weighted price for preceding twelve weeks is Rs. 11.89 per share.
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	N/A

Information Under Regulation 4 of The Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

If the associated company or associated undertaking or any of its sponsors or directors is also a member of the investing company, the information about the interest of the associated company or associated undertaking and its sponsors and directors in the investing company.	The individuals mentioned below are common directors and the spouse of directors in the investing and investee company. Names and their holdings in the investing company are provided hereunder: <table> <tr> <th>Name of Director</th><th>Holding in Investing Company</th></tr> <tr> <td>1. Mr. Khalid Bashir</td><td>294,467 Shares</td></tr> <tr> <td>2. Mr. Ahsan Bashir</td><td>394,411 Shares</td></tr> <tr> <td>3. Mr. Nadeem Maqbool</td><td>478,724 Shares</td></tr> <tr> <td>4. Mrs. Tanveer Khalid Bashir (Spouse)</td><td>160,329 Shares</td></tr> <tr> <td>5. Mrs. Nazia Maqbool (Spouse)</td><td>202,251 Shares</td></tr> </table>	Name of Director	Holding in Investing Company	1. Mr. Khalid Bashir	294,467 Shares	2. Mr. Ahsan Bashir	394,411 Shares	3. Mr. Nadeem Maqbool	478,724 Shares	4. Mrs. Tanveer Khalid Bashir (Spouse)	160,329 Shares	5. Mrs. Nazia Maqbool (Spouse)	202,251 Shares
Name of Director	Holding in Investing Company												
1. Mr. Khalid Bashir	294,467 Shares												
2. Mr. Ahsan Bashir	394,411 Shares												
3. Mr. Nadeem Maqbool	478,724 Shares												
4. Mrs. Tanveer Khalid Bashir (Spouse)	160,329 Shares												
5. Mrs. Nazia Maqbool (Spouse)	202,251 Shares												

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SURAJ COTTON MILLS LIMITED Head Office: Tricon Corporate Centre, 8th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore, Pakistan Ph: +92 42 35760381 www.suraj.com.pk Ballot Paper for Voting Through Post For the poll to be held at the Annual General Meeting of Suraj Cotton Mills Limited, on Thursday, October 22, 2026, at 10:00 am, at Tricon Corporate Centre, 8th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore, as well as through Video-Link Facility to transact the following business: Contact / Postal Address The Chairperson, Suraj Cotton Mills Limited, Tricon Corporate Centre, 8th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore, Pakistan Email address: chairman@suraj.com.pk		
Name of Shareholder/Joint Shareholders		
Registered Address of Shareholder(s)		
Number of Shares held (as on October 14, 2026)		
Folio Number / CDC Account		
CNIC No. / Passport No. (in case of foreigner) (Copy to be attached)		
Additional information and enclosures (In case of representative of body corporate, corporation and Federal Government.)		
INSTRUCTIONS FOR POLL		
1. Please indicate your Vote by ticking (✓) the relevant box.		
2. In case both the boxes are marked as (✓), your ballot paper shall be treated as "Rejected".		
I/we hereby exercise my/our vote in respect of the below resolutions through ballot by conveying my/our assent or dissent to the resolution(s) by placing a tick (✓) mark in the appropriate box below.		
Nature and Description of Special Resolution	I/We assent to the Special Resolution (FOR)	I/We dissent to the Special Resolution (AGAINST)
SPECIAL RESOLUTION Agenda Item No. 1: RESOLVED THAT pursuant to Section 199 and other applicable provisions of the Companies Act, 2017, the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, and all other applicable laws, rules and regulations, and subject to such approvals, consents and permissions as may be required, approval of the members of the Company be and is hereby accorded to make an equity investment of up to Rs.50,000,000 in Premier Insurance Limited, an associated company of the Company, by subscribing to its Right Shares offered by it pursuant to its right issue, at a price of Rs. 10/- per share, for up to 519,588 ordinary shares, aggregating to a maximum amount of Rs.5,195,880 in proportion to the Company's existing shareholding/entitlement in the said associated company/associated undertaking.		
NOTES/PROCEDURE FOR SUBMISSION OF BALLOT PAPER:		
1. Duly filled and signed original postal ballot should be sent to the Chairperson at the above-mentioned postal or email address. 2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form. 3. Postal ballot forms should reach the Chairperson of the meeting on or before October 21, 2026 during working hours (i.e., by 5:00 p.m.). Any postal ballot received after this date will not be considered for voting. 4. Signature on postal ballot should match the signature on CNIC/Passport (in case of foreigner). 5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot papers will be rejected. 6. In case of a representative of a Body Corporate and Corporation, postal ballot must be accompanied with copy of the CNIC of the authorized person, along with a duly attested copy of Board Resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act, 2017, as applicable, unless these have already been submitted along with the Proxy Form. In case of foreign body corporate, all documents must be attested from the Counsl General of Pakistan having jurisdiction over the member. 7. Ballot paper has also been placed on the website of the Company: www.suraj.com.pk Members may download the ballot paper from the website or use the original/photocopy as published in newspapers.		
Signatures of Shareholder: _____ Place: _____ Date: _____		

سورج کاٹن ملٹیپل

ہیڈ آفس: ٹرانسپیکشن کارپوریٹ سینٹر، آٹھویں منزل، 73-ای، مین ٹیل روڈ، گلبرگ-II، لاہور، پاکستان

فون: +92 42 35760381

www.suraj.com.pk

بذریعہ ڈاک دوئنگ کے لیے بیلٹ پیپر

سورج کاٹن ملٹیپل کے سالانہ اجلاس عام میں، جو بروز جمعرات، 22 اکتوبر 2026ء کو صبح 10:00 بجے ٹرانسپیکشن کارپوریٹ سینٹر، آٹھویں منزل، 73-ای، مین ٹیل روڈ، گلبرگ-II، لاہور میں، نیروڈیو لنک کی سہولت کے ذریعے، درج ذیل امور کی انجام دہی کے لیے منعقد ہو رہا ہے، ہونے والی رائے شماری (پول) کے لیے:

رابطہ / ڈاک کا پتہ

چیئر پرسن، سورج کاٹن ملٹیپل، ٹرانسپیکشن کارپوریٹ سینٹر، آٹھویں منزل، 73-ای، مین ٹیل روڈ، گلبرگ-II، لاہور، پاکستان

ای میل ایڈریس: chairman@suraj.com.pk

شیئر ہولڈر / مشترکہ شیئر ہولڈرز کا نام	
شیئر ہولڈر (ز) کا رجسٹرڈ پتہ	
حصص کی تعداد (برطانیہ 14 اکتوبر 2026ء)	
فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر	
شناختی کارڈ نمبر / پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (نقل منسلک کی جائے)	
اضافی معلومات اور منسلکات (ہاؤس کارپوریٹ، کارپوریشن اور وفاقی حکومت کے نمائندے کی صورت میں)	

رائے شماری کے لیے ہدایات

1۔ براہ کرم متعلقہ خانے میں (✓) کا نشان لگا کر اپنا ووٹ ظاہر کریں۔

2۔ دونوں خانوں میں (✓) کا نشان لگانے کی صورت میں آپ کا بیلٹ پیپر "مسترد" تصور کیا جائے گا۔

میں / ہم درج ذیل قرارداد (وں) کے سلسلے میں ذیل میں دیے گئے مناسب خانے میں (✓) کا نشان لگا کر قرارداد (وں) پر اپنی رضامندی یا عدم رضامندی ظاہر کرتے ہوئے بذریعہ بیلٹ اپنا ووٹ استعمال کرتا / کرتی کرتے ہیں۔

خصوصی قرارداد کی نوعیت اور تفصیل	میں / ہم خصوصی قرارداد سے متفق ہیں (حق میں)	میں / ہم خصوصی قرارداد سے متفق نہیں ہیں (خالص میں)
خصوصی قرارداد		
ایجنڈا آئٹم نمبر 1: قرارداد یا کہ کنویژن ایکٹ، 2017 کی دفعہ 199 اور دیگر قابل اطلاق دفعات، کنویژن (انویسٹمنٹ ان ایسوسی ایٹڈ کنویژن یا ایسوسی ایٹڈ انڈر ٹیکنالوجی) گیلویشنز، 2017ء اور دیگر تمام قابل اطلاق قوانین، قواعد و ضوابط کے تحت، اور ایسی منظور یوں، رضامندیوں اور اجازتوں سے مشروط طور کار ہوں، کمپنی کے ممبران کی جانب سے منظور دی جاتی ہے کہ یہ کمپنی انفرنس کمپنی لمیٹڈ، جو کمپنی کی ایک ایسوسی ایٹڈ کمپنی ہے، میں 50,000,000 روپے تک کی ایکویٹی سرمایہ کاری کی جائے، جو اس کی جانب سے رائٹ انشوکے تحت پیش کردہ رائٹ شیئرز کو 10 روپے فی حصص کی قیمت پر، زیادہ سے زیادہ 519,588 عام حصص تک، سبسکرائب کر کے کی جائے گی، جس کی مجموعی زیادہ سے زیادہ رقم 5,195,880 روپے ہو گی، اور یہ مذکورہ ایسوسی ایٹڈ کمپنی / ایسوسی ایٹڈ انڈر ٹیکنالوجی میں کمپنی کی موجودہ شیئر ہولڈنگ / استحقاق کے تناسب سے ہو گی۔		

بیلٹ پیپر جمع کرانے کا طریقہ کار / نوٹس:

1۔ باقاعدہ پڑھنا اور دستخط شدہ اصل پول منسل بیلٹ مذکورہ بالا ڈاک یا ای میل سے پہلے ہی جمع کرانے کو بھیجا جائے۔

2۔ شناختی کارڈ / پاسپورٹ (غیر ملکی ہونے کی صورت میں) کی نقل پول منسل بیلٹ فارم کے ساتھ منسلک کی جائے۔

3۔ پول منسل بیلٹ فارم اجلاس کے چیئر پرسن کو 21 اکتوبر 2026ء کو یا اس سے قبل دفتری اوقات کے دوران (یعنی شام 5:00 بجے تک) موصول ہونے چاہئیں۔ اس تاریخ کے بعد موصول ہونے والا کوئی بھی پول منسل بیلٹ دوئنگ کے لیے زیر غور نہیں لایا جائے گا۔

4۔ پول منسل بیلٹ پر دستخط شناختی کارڈ / پاسپورٹ (غیر ملکی ہونے کی صورت میں) پر موجود دستخط کے مطابق ہونے چاہئیں۔

5۔ نامکمل، غیر دستخط شدہ، غلط، خراب، پھٹے ہوئے، مستندہ یا اور رائٹنگ والے بیلٹ پیپر مسترد کر دیے جائیں گے۔

6۔ ہاؤس کارپوریٹ اور کارپوریشن کے نمائندے کی صورت میں، پول منسل بیلٹ کے ساتھ حجاز شخص کے شناختی کارڈ کی نقل اور کمپنی ایکٹ، 2017 کی دفعہ 138 یا 139 (جو بھی قابل اطلاق ہو) کے مطابق پورڈ کی قرارداد، مختار نامہ یا اجازت نامے کی باقاعدہ تصدیق شدہ نقل منسلک ہونی چاہیے، ماسوائے اس کے کہ یہ دستاویزات کسی فارم کے ساتھ پہلے ہی جمع کرانی جا چکی ہوں۔ غیر ملکی ہاؤس کارپوریٹ کی صورت میں تمام دستاویزات متعلقہ ممبر پر دائر اختیار رکھنے والے پاکستانی قونصل جنرل سے تصدیق شدہ ہونی چاہئیں۔

7۔ بیلٹ پیپر کمپنی کی ویب سائٹ www.suraj.com.pk پر بھی دستیاب ہے۔ ممبران ویب سائٹ سے بیلٹ پیپر ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع شدہ اصل / فوٹوکاپی استعمال کر سکتے ہیں۔

شیئر ہولڈر کے دستخط: _____ مقام: _____ تاریخ: _____

2.57%	1,818,559	بعد (یہ فرض کرتے ہوئے کہ کمپنی کو کوئی غیر حیدے گئے راست حصص پیش نہیں کیے گئے)	
24 ستمبر 2026 تک موجودہ مجموعی اوسط وزنی قیمت 11.19 روپے فی حصص اور گزشتہ بارہ ہفتوں کی مجموعی اوسط وزنی قیمت 11.89 روپے فی حصص ہے۔		جہاں لسٹڈ سیکیورٹیز میں سرمایہ کاری کی تجویز ہو، وہاں موجودہ اور گزشتہ بارہ ہفتوں کی اوسط وزنی مارکیٹ قیمت؛	(v)
لاگو نہیں		ان لسٹڈ سیکیورٹیز میں سرمایہ کاری کے لیے ضابطہ 5 کے ذیلی ضابطہ (1) کے تحت متعین کردہ منصفانہ قدر	(vi)

کمپنیز (ایسوسی ایٹڈ کمپنیوں یا ایسوسی ایٹڈ انڈر ٹیکنگ میں سرمایہ کاری) ریگولیسر 2017 کے ضابطہ 4 کے تحت معلومات۔

ذیل میں مذکور افراد سرمایہ کار کمپنی اور سرمایہ وصول کنندہ کمپنی دونوں میں مشترکہ ڈائریکٹرز ہیں۔ ان کے نام اور سرمایہ کار کمپنی میں ان کی حصص داری درج ذیل ہے:		اگر ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ یا اس کے اسپانسرز یا ڈائریکٹرز میں سے کوئی سرمایہ کار کمپنی کارکن بھی ہو، تو سرمایہ کار کمپنی میں ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ اور اس کے اسپانسرز اور ڈائریکٹرز کے مفاد کے بارے میں معلومات۔
ڈائریکٹر کا نام	سرمایہ کار کمپنی میں حصص داری	
1. جناب خالد بشیر	294,467 حصص	
2. جناب احسن بشیر	394,411 حصص	
3. جناب ندیم مقبول	478,724 حصص	
4. محترمہ تنویر خالد بشیر (اہلیہ)	160,329 حصص	
5. محترمہ مازیہ مقبول (اہلیہ)	202,251 حصص	

2.57%	1,818,559	بعد (یہ فرض کرتے ہوئے کہ کمپنی کو کوئی غیر حریڈے گئے راست حصص پیش نہیں کیے گئے)	
24 ستمبر 2026 تک موجودہ حجمی اوسط وزنی قیمت 11.19 روپے فی حصص اور گزشتہ بارہ ہفتوں کی حجمی اوسط وزنی قیمت 11.89 روپے فی حصص ہے۔			(v) جہاں لسٹڈ سیکیورٹیز میں سرمایہ کاری کی تجویز ہو، وہاں موجودہ اور گزشتہ بارہ ہفتوں کی اوسط وزنی مارکیٹ قیمت؛
لاگو نہیں			(vi) ان لسٹڈ سیکیورٹیز میں سرمایہ کاری کے لیے ضابطہ 5 کے ذیلی ضابطہ (1) کے تحت متعین کردہ منصفانہ قدر

کمپنیز (ایسوسی ایٹڈ کمپنیوں یا ایسوسی ایٹڈ انڈر ٹیکنگ میں سرمایہ کاری) ریگولیشنز 2017 کے ضابطہ 4 کے تحت معلومات۔

ذیل میں مذکور افراد سرمایہ کار کمپنی اور سرمایہ وصول کنندہ کمپنی دونوں میں مشترکہ ڈائریکٹرز ہیں۔ ان کے نام اور سرمایہ کار کمپنی میں ان کی حصص داری درج ذیل ہے:		اگر ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ یا اس کے اسپانسرز یا ڈائریکٹرز میں سے کوئی سرمایہ کار کمپنی کارکن بھی ہو، تو سرمایہ کار کمپنی میں ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ اور اس کے اسپانسرز اور ڈائریکٹرز کے مفاد کے بارے میں معلومات۔
سرمایہ کار کمپنی میں حصص داری	ڈائریکٹر کا نام	
294,467 حصص	1. جناب خالد بشیر	
394,411 حصص	2. جناب احسن بشیر	
478,724 حصص	3. جناب ندیم مقبول	
160,329 حصص	4. محترمہ تنویر خالد بشیر (اہلیہ)	
202,251 حصص	5. محترمہ مازیہ مقبول (اہلیہ)	

(iii)	سرمایہ کاری کے لیے استعمال ہونے والے فنڈز کے ذرائع، اور جہاں سرمایہ کاری قرض لیے گئے فنڈز سے کرنے کا ارادہ ہو:
(I)	قرض کے ذریعے سرمایہ کاری کا جواز
(II)	ایسے فنڈز کے حصول کے لیے فراہم کردہ ضمانت، گارنٹی اور گروئی رکھے گئے اثاثوں کی تفصیلات
(III)	لاگت اور فائدے کا تجزیہ
(iv)	ایسوسی ایٹ کمپنی یا ایسوسی ایٹ انڈر ٹیکنگ کے ساتھ مجوزہ سرمایہ کاری کے حوالے سے معاہدے/معاہدوں کی نمایاں خصوصیات، اگر کوئی ہوں
(v)	ایسوسی ایٹ کمپنی یا ایسوسی ایٹ انڈر ٹیکنگ یا زیر غور لین دین میں ڈائریکٹر، اسپانسرز، اکثریتی حصص یافتگان اور ان کے رشتہ داروں کا براہ راست یا بالواسطہ مفاد، اگر کوئی ہو
(vi)	اگر ایسوسی ایٹ کمپنی یا ایسوسی ایٹ انڈر ٹیکنگ میں کوئی سرمایہ کاری پہلے ہی کی جا چکی ہو، تو اس سرمایہ کاری کی کارکردگی کا جائزہ، بشمول کسی بھی اسپیسرمنٹ یا رائٹ آف کی مکمل معلومات/جواز؛
(vii)	کوئی دیگر اہم تفصیلات جو اراکین کے لیے لین دین کو سمجھنے کے لیے ضروری ہوں؛
(b) ایکویٹی سرمایہ کاری سے متعلق اضافی افشاءات	
(i)	زیادہ سے زیادہ قیمت جس پر سیکیورٹیز حاصل کی جائیں گی؛
(ii)	اگر قیمت خرید لسٹڈ سیکیورٹیز کی صورت میں مارکیٹ ویلیو اور ان لسٹڈ سیکیورٹیز کی صورت میں منصفانہ قدر سے زیادہ ہو، تو اس کا جواز؛
(iii)	حاصل کی جانے والی سیکیورٹیز کی زیادہ سے زیادہ تعداد
(iv)	مجوزہ سرمایہ کاری سے قبل اور بعد میں رکھی گئی سیکیورٹیز کی تعداد اور ان کا فیصد؛
فیصد	حصص کی تعداد
2.57%	1,298,971
	قبل

کمپنیز (ایسوسی ایٹڈ کمپنیوں یا ایسوسی ایٹڈ انڈر ٹیکنگز میں سرمایہ کاری) ریگولیشنز 2017 کے ضابطہ 3 کے تحت معلومات۔

پریمیر انشورنس لمیٹڈ کے رائٹ حصص میں سرمایہ کاری

نمبر شہر	تفصیل	مطلوبہ معلومات
(a) ہر قسم کی سرمایہ کاری کے لیے افشادات		
(A) ایسوسی ایٹڈ کمپنی سے متعلق افشادات		
(i)	ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ کا نام	پریمیئر انشورنس لمیٹڈ
(ii)	تعلق کی بنیاد	مشترکہ ڈائریکٹر شپ
(iii)	گزشتہ تین سال کی فی حصص آمدن	سال
		فی حصص آمدن (روپے)
		2023 0.16
		2024 1.37
		2025 2.43
(iv)	تازہ ترین آڈٹ شدہ مالیاتی گوشواروں کی بنیاد پر فی حصص بریک اپ ویلیو	25.57 روپے
(v)	تازہ ترین مالیاتی گوشواروں کی بنیاد پر مالی حیثیت، بشمول مالی حیثیت کے گوشوارے اور نفع و نقصان کھاتے کی اہم مدات	30 جون 2026 کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ مالیاتی گوشواروں کے مطابق
		مالی حیثیت کی تفصیلات
		روپے ہزاروں میں
		1,500,000 مجاز سرمایہ
		505,650 جاری کردہ، خرید گیا اور ادا شدہ سرمایہ
		1,353,434 کل ایکویٹی
		1,972,086 کل واجبات
		3,325,520 کل اثاثے
		نفع و نقصان کھاتے کی تفصیلات
		روپے ہزاروں میں
131,062 آمدن		
-16,890 مجموعی		
57,431 بعد از ٹیکس منافع		
(B) عمومی افشادات		
(i)	سرمایہ کاری کی زیادہ سے زیادہ رقم	50,000,000 روپے (بشمول کمپنی کو 10 روپے فی حصص کی قیمت اجراء پر پیش کردہ 519,588 عام رائٹ حصص)، جو کمپنی کی ایسوسی ایٹڈ کمپنی، پریمیئر انشورنس لمیٹڈ، کی جانب سے 10 روپے فی حصص کی قیمت اجراء پر جاری کیے جانے والے 10 روپے مالیت کے عام رائٹ حصص کی خریداری کے ذریعے کی جائے گی
(ii)	مقصد، اس سرمایہ کاری سے سرمایہ کار کمپنی اور اس کے اراکین کو متوقع فوائد، اور سرمایہ کاری کی مدت	منافع منقسمہ کے حصول اور سرمائے میں اضافے کے لیے

کمپنیز ایکٹ 2017 کی دفعہ (3) 134 کے تحت اہم حقائق کا بیان

یہ بیان بروز جمعرات، 22 اکتوبر 2026 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں انجام دیے جانے والے خصوصی امور سے متعلق اہم حقائق پر مشتمل ہے۔

ایسوسی ایٹڈ کمپنی، یعنی پریمیر انشورنس لمیٹڈ، کے رائٹ حصص میں سرمایہ کاری کی منظوری اور اختیار۔

سورج کاٹن ملز لمیٹڈ ("کمپنی") کی ایسوسی ایٹڈ کمپنی، پریمیر انشورنس لمیٹڈ (PIL)، نے 24 ستمبر 2026 کو منعقدہ اپنے بورڈ آف ڈائریکٹرز کے اجلاس میں 10 روپے فی حصص کی قیمت پر، ہر 100 عام حصص کے عوض 40 رائٹ حصص کے تناسب سے، 10 روپے مالیت کے 20,226,042 عام رائٹ حصص کی پیشکش کے ذریعے مزید سرمایہ جاری کرنے کا فیصلہ کیا ہے۔

چونکہ سورج کاٹن ملز لمیٹڈ قانونی اور حقیقی طور پر پریمیر انشورنس لمیٹڈ کے 1,298,971 عام حصص کی مالک ہے، اس لیے PIL نے سورج کاٹن ملز لمیٹڈ کو 10 روپے فی حصص کی قیمت پر 519,588 عام رائٹ حصص کی پیشکش کی ہے۔ پیش کردہ رائٹ حصص کی خریداری کی متوقع آخری تاریخ 23 اکتوبر 2026 ہے۔

پیش کردہ رائٹ حصص کی مجموعی رقم 5,195,880 روپے (ایک لاکھ پچانوے ہزار آٹھ سو اسی روپے صرف) ہوگی۔ PIL کے غیر خریدے گئے رائٹ حصص کی دستیابی اور قابل اطلاق قوانین و ضوابط سے مشروط، سورج کاٹن ملز لمیٹڈ کا ارادہ ہے کہ رائٹ حصص کی خریداری کی مدت ختم ہونے کے بعد پریمیر انشورنس لمیٹڈ کے جو اضافی عام رائٹ حصص غیر خریدے رہ جائیں، انہیں 10 روپے فی حصص کی قیمت پر اجراء، اراکین کی منظور کردہ مذکورہ مجموعی حد سرمایہ کاری کے اندر اور رائٹ اجراء پر لاگو شرائط و ضوابط کے مطابق خریدے اور حاصل کرے۔ لہذا کمپنیز ایکٹ 2017 کی دفعہ 199 اور دیگر قابل اطلاق دفعات کے تحت کمپنی کے اراکین سے منظوری طلب کی جارہی ہے تاکہ کمپنی کی ایسوسی ایٹڈ کمپنی، پریمیر انشورنس لمیٹڈ، کی جانب سے 10 روپے فی حصص کی قیمت پر اجراء جاری کیے جانے والے 10 روپے مالیت کے عام رائٹ حصص کی خریداری کے ذریعے 50,000,000 روپے تک مزید ایکویٹی سرمایہ کاری کی جاسکے (بشمول کمپنی کو 10 روپے فی حصص کی قیمت پر اجراء پیش کردہ 519,588 عام رائٹ حصص)۔

ڈیوڈیلیجنس:

ڈائریکٹرز نے مجوزہ سرمایہ کاری کے لیے ضروری ڈیوڈیلیجنس مکمل کر لی ہے، اور ڈیوڈیلیجنس رپورٹ / انڈر ٹیکنگ کی باضابطہ دستخط شدہ سفارشات کمپنی کے رجسٹرڈ آفس میں معائنے کے لیے رکھی گئی ہیں، جو ایسوسی ایٹڈ کمپنی کے تازہ ترین آڈٹ شدہ اور عبوری مالیاتی گوشواروں کے ہمراہ سالانہ اجلاس عام میں بھی اراکین کے معائنے کے لیے دستیاب ہوں گی۔

مشترکہ ڈائریکٹرز کے نام درج ذیل ہیں:

1. جناب (ال د ب سائر) م مسکس۔ م ی	2395396	اور PIL م ی 294,467
2. جناب (اس ب سائر) م مسکس۔ م ی	2978864	اور PIL م ی 394,411
3. جناب (دی م مقبول) م مسکس۔ م ی	212,132	اور PIL م ی 478,724

تفصیلات کمپنی کے شیئر رجسٹرار کو فراہم کریں، تاکہ کمپنی ہر حصص یافتہ کا وہولڈنگ ٹیکس اسی کے مطابق شمار کر سکے۔ مطلوبہ معلومات 14 اکتوبر 2026 تک کمپنی کے شیئر رجسٹرار کو موصول ہو جانی چاہئیں، بصورت دیگر ہر حصص یافتہ کے حصص مساوی تصور کیے جائیں گے اور ٹیکس اسی کے مطابق کاٹا جائے گا۔

نقد منافع منقسمہ کی الیکٹرانک ادائیگی (ای مینڈیٹ)

کمپنیز ایکٹ 2017 کی دفعہ 242 کے تحت لسٹڈ کمپنیوں پر لازم ہے کہ نقد کی صورت میں قابل ادا منافع منقسمہ صرف الیکٹرانک طریقے سے براہ راست حقدار حصص یافتگان کے نامزد کردہ بینک اکاؤنٹ میں ادا کیا جائے۔ اس کے مطابق، فزیکل حصص رکھنے والے حصص یافتگان سے درخواست ہے کہ وہ سالانہ رپورٹ میں فراہم کردہ اور کمپنی کی ویب سائٹ پر بھی دستیاب ای ڈیویڈنڈ فارم پر الیکٹرانک ڈیویڈنڈ مینڈیٹ مذکورہ بالا پتے پر کمپنی کے شیئر رجسٹرار کو فراہم کریں۔ سی ڈی سی میں رکھے گئے حصص کی صورت میں یہی معلومات اپ ڈیٹ کرنے اور کمپنی کو بھجوانے کے لیے متعلقہ سی ڈی ایس پارٹنیشنس کو فراہم کی جائیں۔ معلومات فراہم نہ کرنے کی صورت میں مستقبل میں منافع منقسمہ کی تمام ادائیگیاں روکی جاسکتی ہیں۔

فزیکل حصص کی بک انٹری فارم میں تبدیلی

کمپنیز ایکٹ 2017 کی دفعہ 72 کے مطابق ہر موجودہ کمپنی پر لازم ہے کہ وہ SECP کے مقرر کردہ طریقہ کار کے مطابق اور اس کی مطلع کردہ تاریخ سے، کمپنیز ایکٹ 2017 کے نفاذ، یعنی 31 مئی 2017، سے زیادہ سے زیادہ چار سال کی مدت کے اندر اپنے فزیکل حصص کو بک انٹری فارم میں تبدیل کرے۔ فزیکل صورت میں حصص رکھنے والے حصص یافتگان سے درخواست ہے کہ وہ اپنے حصص کو بک انٹری فارم میں تبدیل کروائیں۔ اس مقصد کے لیے حصص یافتگان کسی بھی بروکر کے پاس سی ڈی سی سب اکاؤنٹ یا براہ راست سی ڈی سی کے ساتھ انویسٹر اکاؤنٹ کھول کر اپنے فزیکل حصص کو اسکرپ لیس فارم میں منتقل کر سکتے ہیں۔ اس سے انہیں کئی طرح سے سہولت ہوگی، بشمول حصص کی محفوظ تحویل اور جب چاہیں حصص کی فروخت، کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ ضوابط کے مطابق فزیکل حصص کی تجارت کی اجازت نہیں ہے۔

سالانہ رپورٹ 2026 کی الیکٹرانک ترسیل

کمپنی نے سالانہ اجلاس عام کانوٹس اور 30 جون 2026 کو ختم ہونے والے سال کے سالانہ مالیاتی گوشوارے، بشمول ان پر آڈیٹرز اور ڈائریکٹرز کی رپورٹس اور چیئرمین کا جائزہ، کمپنی کی ویب سائٹ www.suraj.com پر فراہم کر دیے ہیں۔

دیگر معلومات

کسی بھی سوال یا مزید معلومات کے لیے براہ کرم شیئر رجسٹرار، میسرز کارپنیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 503-E، جوہر ٹاؤن، لاہور، فون: 042-

35170336-7، ای میل: info@corptec.com.pk

اور/یا کمپنی سے فون: 042-35760381، ای میل: corp.info@suraj.com پر رابطہ کریں۔

ای وونگ سروس فراہم کنندہ:

میسرز کارپٹیک ایسوسی ایٹس پرائیویٹ لمیٹڈ۔

کوائف کی تجدید:

حصص یافتگان سے درخواست ہے کہ پتے میں کسی بھی تبدیلی کی صورت میں بلا تاخیر کمپنی کے شیئر رجسٹرار کو مطلع کریں۔ کارپوریٹ اداروں کی صورت میں، مجاز نمائندے کے کوائف میں کسی بھی تبدیلی کی اطلاع بھی، اگر لاگو ہو، فوری طور پر دی جائے۔

پہلے سے فراہم نہ کی گئی درست CNIC کی نقول کی فراہمی:

انفرادی حصص یافتگان کو یاد دہانی کرائی جاتی ہے کہ اگر پہلے جمع نہیں کرائی تو اپنے درست CNIC کی نقل کمپنی کے شیئر رجسٹرار کو فراہم کریں۔ ریکارڈ پر درست CNIC نہ ہونے کی صورت میں کمپنی، کمپنیز ایکٹ 2017 کی دفعہ 243 کے مطابق، منافع منقسمہ روکنے پر مجبور ہوگی۔

زکوٰۃ کے اقرار نامے:

کمپنی کے اراکین کو زکوٰۃ و عشر آرڈیننس 1980 کے تحت زکوٰۃ سے استثنیٰ کے لیے اقرار نامہ جمع کرانا ضروری ہے۔

منافع منقسمہ پر دو ہولڈنگ ٹیکس:

انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت کمپنیوں کی جانب سے ادا کردہ منافع منقسمہ کی رقم پر دو ہولڈنگ ٹیکس کی کٹوتی درج ذیل شرح سے ہوگی:

(الف) ایکٹو ٹیکس پیئرز لسٹ (ATL) میں شامل افراد کے لیے: 15%

(ب) ایکٹو ٹیکس پیئرز لسٹ (ATL) میں شامل نہ ہونے والے افراد کے لیے: 30%

جن حصص یافتگان نے اپنے ٹیکس گوشوارے جمع کرا دیے ہیں، انہیں مشورہ دیا جاتا ہے کہ منافع منقسمہ کی ادائیگی کے وقت یقینی بنائیں کہ ان کے نام FBR کی ویب سائٹ پر فراہم کردہ تازہ ترین ایکٹو ٹیکس پیئرز لسٹ (ATL) میں شامل ہوں؛ بصورت دیگر انہیں ATL میں شامل نہ ہونے والے افراد تصور کیا جائے گا اور ٹیکس 15% کے بجائے 30% کی شرح سے کاٹا جائے گا۔

لہذا آپ سے درخواست ہے کہ براہ کرم ہمیں درج ذیل تفصیلات فراہم کریں:

نام	فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر	میشل ٹیکس نمبر	CNIC نمبر (صرف انفرادی حصص یافتگان کے لیے) اگر پہلے فراہم نہیں کی گئی تو درست CNIC کی نقل منسلک کریں

مشتکہ اکاؤنٹ ہولڈرز کی صورت میں منافع منقسمہ پر دو ہولڈنگ ٹیکس:

منافع منقسمہ پر دو ہولڈنگ ٹیکس کی کٹوتی کے لیے مشترکہ اکاؤنٹ ہولڈر (ز) کے حصص کے تناسب کے تعین (جہاں پر نسل شیئر ہولڈر نے حصص کا تعین نہ کیا ہو) سے متعلق ریگولیٹری ہدایات پر عمل درآمد کے لیے، حصص یافتگان سے درخواست ہے کہ وہ بطور پر نسل شیئر ہولڈر اپنے اور اپنے مشترکہ ہولڈرز کے حصص کے تناسب کی

فیو/سی ڈی سی اکاؤنٹ نمبر	حصص کی تعداد	نام	CNIC نمبر	موبائل نمبر	ای میل ایڈریس

ویڈیو لنک اور لاگ ان کی تفصیلات ان حصص یافتگان کو فراہم کی جائیں گی جن کی تمام مطلوبہ معلومات پر مشتمل ای میلز اجلاس سے قبل کاروباری اوقات کے اختتام سے کم از کم 48 گھنٹے پہلے مذکورہ ای میل ایڈریس پر موصول ہو جائیں گی۔ حصص یافتگان رجسٹریشن کے وقت اپنی ای میل میں سالانہ اجلاس عام کے ایجنڈا سے متعلق اپنی آراء اور سوالات بھی شامل کر سکتے ہیں۔

ای وونگ/پوسٹل بیلٹ کی سہولت

کمپنی کے اراکین کو کمپنیز ایکٹ 2017 ("ایکٹ") کے تحت خصوصی امور کے طور پر درج تمام امور کے لیے، کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 ("ریگولیشنز") میں درج طریقہ کار اور شرائط کے مطابق، الیکٹرانک ووٹنگ کی سہولت اور بذریعہ ڈاک ووٹ دینے کا حق حاصل ہے۔

ای وونگ کا طریقہ کار:

- I. ای وونگ کی سہولت کی تفصیلات کمپنی کے ان اراکین کو ای میل کے ذریعے فراہم کی جائیں گی جن کے درست CNIC نمبر، موبائل نمبر اور ای میل ایڈریس 14 اکتوبر 2026 کو کاروباری اوقات کے اختتام تک کمپنی کے رجسٹر آف ممبرز میں موجود ہوں گے۔
- II. ویب ایڈریس، لاگ ان کی تفصیلات اور پاس ورڈ اراکین کو ای میل کے ذریعے بھیجے جائیں گے۔ سیکورٹی کوڈز اراکین کو کارپوریک ایسوسی ایشن پرائیویٹ لمیٹڈ (ای وونگ سروس فراہم کنندہ) کے ویب پورٹل سے ایس ایم ایس کے ذریعے فراہم کیے جائیں گے۔
- III. ای وونگ کے ذریعے ووٹ دینے کے خواہشمند اراکین کی شناخت کی تصدیق الیکٹرانک دستخط یا لاگ ان کے لیے تصدیقی عمل کے ذریعے کی جائے گی۔
- IV. اراکین 19 اکتوبر 2026، صبح 9:00 بجے سے 21 اکتوبر 2026، شام 5:00 بجے تک کسی بھی وقت آن لائن ووٹ دے سکیں گے۔ ووٹنگ 21 اکتوبر 2026 کو شام 5:00 بجے بند ہو جائے گی۔ کسی رکن کی جانب سے قرارداد پر ایک بار ووٹ دینے کے بعد اسے بعد میں تبدیل کرنے کی اجازت نہیں ہوگی۔

پوسٹل بیلٹ کے ذریعے ووٹنگ کا طریقہ کار:

اراکین اس بات کو یقینی بنائیں کہ مکمل طور پر پُر شدہ اور دستخط شدہ بیلٹ پیپر، کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقل کے ہمراہ، 21 اکتوبر 2026 کو شام 5:00 بجے تک، دفتری اوقات کے دوران، بذریعہ ڈاک کمپنی کے رجسٹرڈ پتے، ٹرانسکون کارپوریٹ سینٹر، آٹھویں منزل، E-73، مین جیل روڈ، گلبرگ II، لاہور، پاکستان پر، یا بذریعہ ای میل chairman@suraj.com پر چیئرمین کو موصول ہو جائے۔ بیلٹ پیپر پر دستخط CNIC پر موجود دستخط کے مطابق ہونے چاہئیں۔

یہ پوسٹل بیلٹ پیپر کمپنی کی ویب سائٹ www.suraj.com سے بھی ڈاؤن لوڈ کیا جاسکتا ہے، یا اس نوٹس کے ساتھ منسلک اور اخبارات میں شائع شدہ بیلٹ پیپر استعمال کیا جاسکتا ہے۔

براہ کرم نوٹ فرمائیں کہ ووٹنگ میں کسی تنازع کی صورت میں، بشمول ایک سے زائد ووٹ ڈالنے کے، فیصلہ کرنے کا اختیار چیئرمین کو حاصل ہوگا۔

اسکروٹینائزر:

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کے ضابطہ 11 کے مطابق، کمپنی کے بورڈ نے میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، جو کہ QCR ریٹڈ آڈٹ فرم ہے، کو اجلاس میں انجام دیے جانے والے خصوصی امور کے لیے کمپنی کا اسکروٹینائزر مقرر کیا ہے، جو ریگولیشنز کے ضابطہ 11A میں بیان کردہ دیگر ذمہ داریاں بھی انجام دے گا۔

مزید قرار پایا کہ کمپنی کے چیف ایگزیکٹو آفیسر اور / یا چیف فنانشل آفیسر اور / یا کمپنی سیکرٹری کو انفرادی طور پر یہ اختیار دیا جاتا ہے کہ وہ مذکورہ بالا قرارداد پر عمل درآمد کے لیے ضروری یا ضمنی تمام افعال، امور، دستاویزات اور اقدامات انجام دیں اور تمام قانونی تقاضے پورے کرنے کے لیے ہر ضروری کارروائی کریں۔

بحکم بورڈ

ماربہ عاطف
کمپنی سیکرٹری

لاہور
یکم اکتوبر 2026

نوٹس:

اراکین کے رجسٹر اور حصص کی منتقلی کے کھاتوں کی بندش:

کمپنی کے حصص کی منتقلی کے کھاتے 15 اکتوبر 2026 سے 22 اکتوبر 2026 تک (بشمول دونوں ایام) بند رہیں گے۔ کمپنی کے شیئر رجسٹرار، میسرز کارپٹیک ایسوسی ایٹس پرائیویٹ لمیٹڈ، E-503، جوہر ٹاؤن، لاہور کے دفتر میں 14 اکتوبر 2026 کو کاروباری اوقات کے اختتام تک یا اس سے قبل موصول ہونے والی درست منتقلیاں حتمی نقد منافع منقسمہ کے استحقاق اور سالانہ اجلاس عام میں شرکت اور ووٹ دینے کے لیے بروقت تصور کی جائیں گی۔

اجلاس میں شرکت کے لیے

انفرادی حیثیت میں، اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز اور / یا وہ افراد جن کے حصص گروپ اکاؤنٹ میں ہیں اور جن کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کریں گے۔ کارپوریٹ ادارے کی صورت میں، نامزد فرد کے نمونہ دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ اجلاس میں شرکت کے وقت پیش کرنا ہوگا (اگر پہلے فراہم نہ کیا گیا ہو)۔

پراکسی کی تقرری کے لیے

اس اجلاس عام میں شرکت اور ووٹ دینے کا حق رکھنے والا رکن کسی دوسرے رکن کو اپنی جانب سے شرکت، اظہار خیال اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا ہے۔ مکمل طور پر پُر شدہ پراکسی فارم، پراکسی کے CNIC کی نقل کے ہمراہ، اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرنا لازم ہے۔ پراکسی فارم پر دو افراد بطور گواہ دستخط کریں گے، جن کے نام، پتے اور CNIC نمبر فارم پر درج کیے جائیں گے۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ، نامزد فرد کے نمونہ دستخط اور اس کے CNIC کی نقل کے ہمراہ، اجلاس کے وقت سے کم از کم 48 گھنٹے قبل جمع کرنا لازم ہے۔ انگریزی اور اردو میں پراکسی فارم اجلاس کے نوٹس کے ساتھ منسلک ہے اور کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

ویڈیو کانفرنس سہولت کے ذریعے سالانہ اجلاس عام کی کارروائی میں شرکت

اراکین ویڈیو لنک سہولت کے ذریعے بھی سالانہ اجلاس عام (AGM) میں شرکت کر سکتے ہیں۔ ویڈیو لنک کے ذریعے اجلاس میں شرکت کے لیے اراکین اور ان کے پراکسیز سے درخواست ہے کہ وہ درج ذیل معلومات کے ساتھ info@corptec.com.pk پر ای میل بھیج کر اپنی رجسٹریشن کروائیں:

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ سورج کاشن ملز لمیٹڈ ("کمپنی") کے حصص یافتگان کا 42 واں سالانہ اجلاس عام ("AGM") بروز جمعرات، 22 اکتوبر 2026 کو صبح 10:00 بجے کمپنی کے رجسٹرڈ آفس، یعنی ٹرانسکون کارپوریٹ سینٹر، آٹھویں منزل، E-73، مین جیل روڈ، گلبرگ II، لاہور میں درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا:

عمومی امور:

1. 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں، بشمول ان پریڈائریز اور آڈیٹرز کی رپورٹس اور چیئرمین کی جائزہ رپورٹ، کی وصولی، ان پر غور اور ان کی منظوری۔

کمپنیز ایکٹ 2017 کی دفعہ (7) 223 اور ایس آر او نمبر 389(I)/2023 مورخہ 21 مارچ 2023 کے تحت کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کر دیے گئے ہیں، جنہیں درج ذیل ویب لنک اور کیو آر کوڈ کے ذریعے ڈاؤن لوڈ کیا جاسکتا ہے۔



<https://www.suraj.com/wp-content/uploads/2026/09/AnnualReport2026.pdf>

2. 30 جون 2026 کو ختم ہونے والے سال کے لیے بورڈ آف ڈائریکٹرز کی سفارش کے مطابق 10 روپے فی حصص، یعنی 100 فیصد، حتمی نقد منافع منقسمہ کی منظوری۔

3. آئندہ سالانہ اجلاس عام تک کے لیے آڈیٹرز کی تقرری اور ان کے مشاہرے کا تعین۔ اراکین کو مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے سبکدوش ہونے والے آڈیٹرز، میسرز یاس احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کو کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کے لیے تجویز کیا ہے۔

4. چیئرمین کی اجازت سے کمپنی کے کسی بھی دیگر عمومی امور کی انجام دہی۔

خصوصی امور:

1. کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت، بورڈ آف ڈائریکٹرز کی سفارش کے مطابق، درج ذیل قراردادوں پر غور کرنا اور مناسب سمجھے جانے پر انہیں ترمیم، اضافے یا حذف کے ساتھ یا اس کے بغیر بطور خصوصی قرارداد منظور کرنا:

قرارداد یا کہ سورج کاشن ملز لمیٹڈ ("کمپنی") کے اراکین کی منظوری دی جاتی ہے اور کمپنی کو کمپنیز ایکٹ 2017 کی دفعہ 199 اور دیگر قابل اطلاق دفعات کے تحت اختیار دیا جاتا ہے کہ وہ کمپنی کی ایسوسی ایٹڈ کمپنی، پریمیر انشورنس لمیٹڈ، کی جانب سے 10 روپے فی حصص کی قیمتِ اجرا پر جاری کیے جانے والے 10 روپے مالیت کے عام رائٹ حصص کی خریداری کے ذریعے 50,000,000 روپے تک مزید ایکویٹی سرمایہ کاری کرے (بشمول کمپنی کو 10 روپے فی حصص کی قیمتِ اجرا پر پیش کردہ 519,588 عام رائٹ حصص)۔ مزید یہ کہ کمپنی کو اختیار دیا جاتا ہے کہ، غیر خریدے گئے رائٹ حصص کی دستیابی اور قابل اطلاق قوانین و ضوابط سے مشروط، رائٹ حصص کی خریداری کی مدت ختم ہونے کے بعد پریمیر انشورنس لمیٹڈ کے جواضافی عام رائٹ حصص غیر خریدے رہ جائیں، انہیں 10 روپے فی حصص کی قیمتِ اجرا پر، اراکین کی منظور کردہ مذکورہ مجموعی حد سرمایہ کاری کے اندر اور رائٹ اجرا پر لاگو شرائط و ضوابط کے مطابق خریدے اور حاصل کرے۔

Suraj Cotton Mills Limited

Mandatory Requirement of Bank Account Details for Electronic Credit of Cash Dividend Payment as Per the Companies Act, 2017

Date: October 01, 2026

Dear Shareholder,

This is to inform you that in accordance with the section 242 of the Companies Act, 2017 any dividend payable in cash shall only be paid through electronic mode directly into the bank account designed by the entitled shareholders. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information to your respective CDC Participant / CDC Investor Account Services (in case your shareholding is in book Entry Form) OR to our Share Registrar M/s. Corptec Associates (Pvt) Ltd. 503-E Johar Town Lahore. (in case your shareholding is in Physical Form):

Details of Shareholders	
Name of Shareholders	
Folio / CDS Account No.	
CNIC No. (Copy attached)	
Cell number of shareholders	
Landline number of shareholders, if any	
Email	
Details of Bank Account	
Title of Bank Account	
International Bank Account Number (IBAN) "Mandatory"	PK_____ (24 digit) (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the Company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's Name	
Branch Name and address	
It is stated that the above mentioned information is correct and in case of any change herein, I / We will immediately intimate Participant / Share Registrar accordingly.	
Signature of Shareholders	

Second Fold

Affix Revenue
Stamp

Corptec Associates (Pvt) Ltd.

Shares Registrar: Suraj Cotton Mills Limited
503-E Johar Town Lahore.

Third Fold and Tuck In

First Fold

Suraj Cotton Mills Limited

Notice to the Shareholders in terms of section 244 of the Companies Act 2017, to files their respective claims in respect of unpaid Dividend that remained unclaimed for a period of three years (or more)

Dear Shareholder,

In terms of section 244 of the Companies Act, 2017 (the Act) promulgated on May 30, 2017, Companies are required to deposit with the Federal Government, all the dividends, which remain unclaimed or unpaid for a period of three years from the date of issue. In view of the forgoing, it is to inform you that if you have any outstanding/unclaimed dividend(s), in respect of your account, you are therefore, advised to contact and lodge your claim to the share Registrar of the Company at following address and arrange to receive your cheque against unclaimed/outstanding dividend after completing necessary formalities.

M/s Corptec Associates (Pvt) Ltd.
503-E Johar Town Lahore
Tel:042-35170335 -7

You are requested to submit your claim along with supporting evidence at your very earliest.

Yours sincerely

Company Secretary

Second Fold

Affix Revenue
Stamp

Corptec Associates (Pvt) Ltd.

Shares Registrar: Suraj Cotton Mills Limited
503-E Johar Town Lahore.

Third Fold and Tuck In

First Fold

Form of Proxy

I/We _____ of _____
being a member of **Suraj Cotton Mills Limited** and holder of _____
shares as per Registered Folio No. _____

For Beneficial Owners as per CDC list

CDC Participant I. D. No. _____

Sub-Account No. _____

NIC No. _____ or Passport No. _____

hereby appoint _____ of _____ Who is also a member of the Company, Folio No. _____ or failing him/her _____ of _____ who is also member of the Company vide Registered Folio No. _____ as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the **42nd Annual General Meeting** of the Company to be held on **Thursday, October 22, 2026 at 10:00 a.m.** at Registered Office, Tricon Corporate Center, 8th Floor, 73-E, Main Jail Road, Gulberg II, Lahore, and at any adjournment thereof.

Dated this _____ day of _____, (Year) _____

Witness 1:

Signature: _____

Name: _____

Address: _____

Affix
Revenue of Stamp
of Rs. 5/-

Witness 2 :

Signature: _____

Name: _____

Address: _____

Signature of Member(s)

Note:

1. Proxies in order to be effective, must be received at the Registered Office of the Company at Tricon Corporate Center, 8th Floor, 73-E, Main Jail Road, Gulberg II, Lahore not later than 48 hours before the meeting.
2. CDC Shareholders and their Proxies are each requested to attach an attested Photocopy of their National Identity Card or Passport with this proxy form before submission to the Company.

پراکسی فارم (مختار نامہ)

میں/ہم

ساکن

بحیثیت رکن سورج کاٹن ملز لمیٹڈ اور مالک

سی ڈی سی فہرست کے مطابق پیفشل ماکان کے لئے

سی ڈی سی پارٹیشن آئی ڈی نمبر

سب اکاؤنٹ نمبر

NIC نمبر

یا پاسپورٹ نمبر

بذریعہ ہذا

محترم/محترمہ

ساکن

فولیو نمبر

یا اسکی غیر موجودگی میں

ساکن

بمطابق رجسٹرڈ فولیو نمبر

جو مذکورہ کمپنی کا حصص دار بھی ہے

کو اپنے/ہمارے ایماء پر: مورخہ 22 اکتوبر 2026ء، بروز جمعرات صبح 10:00 بجے، رجسٹرڈ دفتر، ٹرائی کون کارپوریٹ سنٹر، 8th فلور، E-73، مین جیل روڈ، گلبرگ II، لاہور میں منعقد ہونے والے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

آج بروز..... بتاریخ..... 2026ء کو میرے/ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

گواہان

1-

دستخط:

نام:

پتہ:

2-

دستخط:

نام:

پتہ:

-/5 روپے کارسیدی ٹکٹ
چسپاں کریں

رکن کے دستخط

اہم نوٹ:

1- پراکسیز موثر ہونے کے لئے، کمپنی کے رجسٹرڈ دفتر، ٹرائی کون کارپوریٹ سنٹر، 8th فلور، E-73، مین جیل روڈ، گلبرگ II، لاہور میں اجلاس منعقد ہونے سے کم از کم 48 (اڑتالیس) گھنٹے قبل لازماً وصول ہو جانے چاہئیں۔

2- اس فارم کو استعمال کرنے والے شخص کو اس کی کاپی رجسٹرڈ دفتر، ٹرائی کون کارپوریٹ سنٹر، 8th فلور، E-73، مین جیل روڈ، گلبرگ II، لاہور میں محفوظ رکھنی چاہئے۔



info@suraj.com

سورج

SURAJ COTTON MILLS LIMITED

Address:

Tricon Corporate Center, 8th Floor, 73-E,
Main Jail Road, Gulberg II, Lahore.

PABX: +92 42 35760381

Fax: +92 42 35760376

