

BIBOJEE GROUP



66th ANNUAL REPORT 2026

**JANANA
DE MALUCHO**
TEXTILE MILLS LIMITED



يَا رَبُّ الْعِزَّةِ
بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
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COMPANY'S PROFILE

BOARD OF DIRECTORS	MR. AHMAD KULI KHAN KHATTAK	Chairman
	LT. GEN. (RETD.) ALI KULI KHAN KHATTAK	Chief Executive
	MRS. SHAHNAZ SAJJAD AHMAD	
	DR. SHAHIN KULI KHAN KHATTAK	
	MAJ. GEN. (RETD) SAEED AHMED WAHLA	
	BRIG. (RETD) ABDUL SAMAD KHAN	
	SYED HASSAN ALI RAZA	
AUDIT COMMITTEE	MAJ. GEN. (RETD) SAEED AHMED WAHLA	Chairman
	MR. AHMAD KULI KHAN KHATTAK	Member
	SYED HASSAN ALI RAZA	Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	BRIG. (RETD) ABDUL SAMAD KHAN	Chairman
	LT. GEN. (RETD.) ALI KULI KHAN KHATTAK	Chief Executive /
		Member
	MR. AHMAD KULI KHAN KHATTAK	Member
	MRS. SHAHNAZ SAJJAD AHMAD	Member
	DR. SHAHIN KULI KHAN KHATTAK	Member
CHIEF FINANCIAL OFFICER	MR. SALMAN KHAN, FCA	
COMPANY SECRETARY	MR. MUHAMMAD SOHAIL KARIM, ACCA	
HEAD OF INTERNAL AUDIT	MR. SAJID NAWAZ KHAN	
AUDITORS	SHINEWING HAMEED CHAUDHRI & CO., Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN	
	THE BANK OF KHYBER	
	BANK ALFALAH LIMITED	
	MEEZAN BANK LIMITED	
	HABIB METROPOLITAN BANK LTD.	
LEGAL ADVISOR	HASSAN & HASSAN (ADVOCATES)	
	PAAF BUILDING, 7 D, KASHMIR ROAD, LAHORE	
TAX CONSULTANTS	M. NAWAZ KHAN & CO.	
	GROUND FLOOR, FARRAH CENTRE, 2-MOZZANG ROAD,	
	LAHORE	
REGISTRARS & SHARES REGISTRATION OFFICE	VISION CONSULTING LIMITED	
	5-C, LDA FLATS, 1ST FLOOR, LAWRENCE	
	ROAD, LAHORE	
	TEL. 042-36283096-97, FAX. 042-36312550	
	EMAIL: info@vcl.com.pk	
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (KPK)	
	TEL. 0922 - 862161 - 512930 - 510494	
	FAX. 0922 - 510474	
	E-MAIL: janana@brain.net.pk, janana.textile@gmail.com	
	WEB SITE: www.jdm.com.pk	

VISION

“TO BE MARKET LEADERS IN YARN, BUILDING COMPANY IMAGE THROUGH INNOVATION AND COMPETITIVENESS, ENSURING SATISFACTION TO CUSTOMERS' AND STAKEHOLDERS AND TO FULFILL SOCIAL OBLIGATIONS.”

MISSION STATEMENT

“LEAD PRODUCER OF QUALITY YARN WE SHALL BUILD ON OUR CORE COMPETENCIES AND ACHIEVE EXCELLENCE IN PERFORMANCE. WE AIM AT EXCEEDING EXPECTATIONS OF ALL STAKEHOLDERS. WE TARGET TO ACHIEVE TECHNOLOGICAL ADVANCEMENTS TO INCULCATE THE MOST EFFICIENT, ETHICAL AND TIME TESTED BUSINESS PRACTICES IN OUR MANAGEMENT.

WE SHALL STRIVE TO INNOVATE AND INTRODUCE ALTERNATE USES OF PRODUCT TO BROADEN OUR CUSTOMER BASE TO HELP STRENGTHEN THE PHYSICAL INFRASTRUCTURE OF THE COUNTRY.”

OVER ALL CORPORATE STRATEGY

1. TO ACHIEVE GROWTH BY MONITORING OUR MARKET NICHE IN SUPER FINE & FINE COUNTS, AND AT THE SAME TIME DIVERSIFYING OUR PRODUCTS RANGE TO ENTER NEW PROFITABLE MARKETS.
2. TO CONSTANTLY IMPROVE PRODUCTIVITY, QUALITY AND SERVICES WHICH WILL NOT ONLY SERVE THE MARKET CONSUMERS BUT WILL ALSO RESULT IN ENHANCED PAYMENT OF SALES TAX, INCOME TAX AND OTHER GOVERNMENT LEVIES.
3. TO PROVIDE CLEAN AND POLLUTION FREE ENVIRONMENT TO OUR EMPLOYEES FOR IMPROVING THEIR PERFORMANCE & CREATING A CORPORATE CULTURE THAT FOSTERS INITIATIVE IN ITS WORK FORCE.
4. TO CONSTANTLY STRIVE FOR INCREASING INVESTOR'S SHARE VALUE BY ACHIEVING COMMENDABLE RESULTS EVEN IN VERY DIFFICULT AND HIGHLY COMPETITIVE INTERNATIONAL & LOCAL MARKETS.

NOTICE OF 66TH ANNUAL GENERAL MEETING

Notice is hereby given that 66th Annual General Meeting (AGM) of the Company will be held on **Friday, the 23rd October 2026 at 10:30 A.M.** at the registered office of the Company, Habibabad, Kohat, to transact the following business.

ORDINARY BUSINESS:

1. To confirm the minutes of an Extra Ordinary General Meeting held on 20th May 2026.
2. To receive, consider and adopt the share annual audited Financial Statements of the Company together with the Chairman's Review Report, the Directors' and Auditors' reports there on for the year ended 30th June 2026.

As required under section 223(6) of the Companies Act, 2017 ("the Act"), Financial Statements of the Company has been uploaded on the website of the Company, which can be downloaded from the following link / QR code

Weblink	QR enabled Code
https://www.jdm.com.pk/investor-relation.php?mSecId=105	

3. To appoint statutory Auditors for the financial year 2026-27 and to fix their remuneration.
In view of the recommendation of the Board's Audit Committee, and acknowledging that the retiring auditors, M/s. Shinewing Hameed Chaudhri & Co., Chartered Accountants, have been engaged with the company for more than fifty years, and in the interest of good corporate governance, the Borad of Directors has recommended the appointment of M/s Rafaqat Babar & Co., Chartered Accountants, Peshawar, as statutory auditors of the company for the year ending June 30, 2027. The proposed auditors have furnished their consent to act as auditors of the Company.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolutions as special resolutions with or without modification(s):

A. To ratify and approve transactions entered into by the Company and the related parties in its ordinary course of business by passing the following Special Resolution:

“RESOLVED THAT the transactions carried out in normal course of business with associated companies/ related parties during the year ended June 30, 2026 (as disclosed in Note-42 of Financial Statements for the year ended June 30, 2026) be and are hereby ratified, confirmed and approved.”

A statement of material facts under Section 134 (3) of the Companies Act, 2017 pertaining to the Special Business as stated above is annexed to this notice of meeting being sent to the members.

- B. To approve all transactions to be carried out by the company and the related parties in its ordinary course of business for the year ending June 30, 2027 by passing the following special resolution:**

“RESOLVED THAT the Chief Executive and Chief Financial Officer of the Company be and are hereby authorized jointly to approve all the transactions to be carried out in normal course of business with associated companies / related parties during the year ending June 30, 2027 and in this connection, the Chief Executive and Chief Financial Officer of the Company be and are

hereby also authorized jointly to take any and all necessary actions and sign/ execute any and all such documents/ indentures as may be required in this regard on behalf of the Company.”

ANY OTHER BUSINESS:

5. To transact any other business with the permission of the Chair.

By order of the Board



Muhammad Sohail Karim
Company Secretary

Kohat

Dated: **01st October 2026**

NOTES:

1. The register of members of the Company will remain closed from October 16, 2026, to October 23, 2026 (both days inclusive). Transfers received in order by the Company's Shares Registrar, M/s. Vision Consulting Limited, 5-C LDA Flats, 1st Floor, Lawrence Road, Lahore by the close of business hours (till 5:00 pm) on October 15, 2026, will be considered in time for registration in the name of the transferees, and be eligible for the purpose of attending and voting at the AGM.
2. A member entitled to attend and vote at the meeting may appoint another member of the Company as a proxy to attend and vote instead of him/her. Proxy Form duly completed must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. Attested copies of the CNIC or the Passport of beneficial owners and the proxy shall be furnished along with the proxy form. In case of a corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished along with the proxy form.
3. Any individual beneficial owner having an account or sub-account with the Central Depository Company ("CDC"), is entitled to attend and vote at this meeting, must provide his/her "CNIC" or Passport to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC. Representatives of the corporate entities should provide attested copies of the board of directors' resolution/power of attorney with specimen signatures required for the purpose and all such documents as are required under Circular No.1 dated 26th January 2000 issued by the Securities and Exchange Commission of Pakistan for the purpose.
4. Pursuant to provisions of section 132 of the Act, if the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least Seven (7) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.
5. The Securities and Exchange Commission of Pakistan ("SECP") vide Circular No. 4 of 2021 dated February 15, 2021, has advised to provide participation of the members through electronic means. Members interested to participate in the AGM are requested to email their name, Folio Number, Number of shares held in their name, Cell Number, CNIC Number (along with valid copy of both sides of CNIC) with subject "Registration for Participation in AGM" at "janana.textile@gmail.com". Video link and login credentials shall be shared with only those members whose emails, containing all the required particulars, are received by the

close of business hours (till 5:00 pm) on October 21, 2026.

6. ELECTRONIC VOTING AND POSTAL BALLOT

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business (es) in the meeting, in accordance with the conditions mentioned in the aforesaid regulations. The Company shall provide its members with the following options for voting:

i. E-VOTING PROCEDURE

- a. 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 15, 2026.
- b. 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 Vision Consulting Ltd. (being the e-voting service provider).
- c. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d. Members shall cast vote online at any time from October 20, 2026, 9:00 a.m. (PST) to October 22, 2026 till 5:00 p.m. (PST). Voting shall close on October 22, 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.

ii. POSTAL BALLOT VOTING PROCEDURE

- a. Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper will be available on the Company's website www.jdm.com.pk within stipulated time to download.
 - b. The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, Habibabad, Kohat, or email at janana.textile@gmail.com one day before the AGM, i.e., on October 22, 2026 before 05:00 pm. A postal ballot received after this time/date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.
7. Members are requested to notify immediately any change in their address to the Company's Share Registrar.
 8. To comply with requirement of section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provision and Forms) Regulations, 2018, all CDC and physical shareholders are requested to provide their email address and cell phone number incorporated/updated in their physical folio or CDC account
 9. Members are informed that, in accordance with the SECP's S.R.O. 389(i)/2023 dated March 21, 2023, and the Companies Act, 2017, the company will distribute its annual audited financial statements via email to members who have provided their email addresses to the Company. The audited financial statements can also be downloaded from the QR enable Code. However, if a request has been made by a member, the Company shall send hard copy of complete financial statements, at his registered address, within one week of request.
 10. The audited financial statements of the Company for the year ended June 30, 2026 and the notice of Annual General Meeting have also been posted and are made available on the Company's website www.jdm.com.pk and can be downloaded from the website.

11. Members are requested to replace their physical shares in Book-entry form and get their Names registered with the CDC, as early as possible, in compliance with the provisions of Section 72 (2) of the Companies Act, 2017.
12. In compliance with Section 185 of the Companies Act, 2017 and SRO 452(I)/2025 dated March 17, 2025 issued by SECP, it is hereby notified that no gifts in any form or manner, shall be distributed to shareholders at the Annual General Meeting.

**STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017
REGARDING THE SPECIAL BUSINESS**

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on 23rd October 2026.

Item No. 4 of the Agenda:

A. Material facts regarding the approval of Transactions with Related parties for the year ended June 30, 2026:

Transactions carried out with associated companies during the year ended June 30, 2026 to be passed as a Special Resolution. The transactions carried out in normal course of business with associated companies (Related parties) were being approved by the Board as recommended by the Audit Committee on quarterly basis.

Since the majority of Directors were interested in this/these transactions(s) due to their common directorship and holding of shares in the associated companies, therefore these transactions which have to be approved by the members in the General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2026 with associated companies and related parties as shown in relevant notes of the Audited Financial Statements are being posted before the members for their consideration, confirmation and approval.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

The following Directors are interested in the resolution to the extent of their relation, common directorships and their shareholding in the Associated Companies:

1. Lt. Gen (Retd.) Ali Kuli Khan Khattak
2. Mr. Ahmad Kuli Khan Khattak
3. Mrs. Shahnaz Sajjad Ahmad
4. Dr. Shahin Kuli Khan Khattak

Approval of the members is, therefore sought in order to comply with the requirements of Section 208 of the Companies Act, 2017.

B- Material facts regarding the approval of Transactions with Related parties for the year ended June 30, 2027

Authorization of Chief Executive & Chief Financial Officer jointly for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2027 to be passed as a special resolution.

The Company would be conducting transactions with associated companies in ordinary course of business. The directors are interested in these transactions due to their common

directorship and shareholding in the associated companies. Therefore, such transactions with associated companies have to be approved by the shareholders.

The shareholders may authorize the Chief Executive and Chief Financial Officer jointly to approve transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2027.

The directors are interested in this resolution to the extent of their common directorships and their shareholding in the associated companies.

The following Directors are interested in the resolution to the extent of their relation, common directorships and their shareholding in the Associated Companies:

1. Lt. Gen (Retd.) Ali Kuli Khan Khattak
2. Mr. Ahmad Kuli Khan Khattak
3. Mrs. Shahnaz Sajjad Ahmad
4. Dr. Shahin Kuli Khan Khattak

اطلاع برائے 66 واں سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنی کا 66 واں سالانہ اجلاس عام (AGM)، کمپنی کے رجسٹرڈ دفتر، حبیب آباد، کوہاٹ پر درج ذیل امور کی انجام دہی کیلئے بروز جمعہ 23 اکتوبر، 2026 کو صبح 10:30 بجے منعقد ہوگا۔

عام امور:

- 1- 20 مئی، 2026 کو منعقدہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- 30 جون، 2026 کو ختم ہونے والے سال کے لئے کمپنی کے سالانہ آڈٹ شدہ مالیاتی حسابات مع ان پر چیئرمین کا جائزہ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس پر غور و خوض اور منظوری دینا۔
- جیسا کہ کمپنیز ایکٹ، 2017 کے سیکشن (6) 223 کے تحت کمپنی کے سالانہ مالیاتی حسابات کمپنی کی ویب سائٹ پر پوسٹ کیے گئے ہیں، جنہیں درج ذیل لنک اور QR فعال کوڈ کا استعمال کرتے ہوئے ملاحظہ/ڈاؤن لوڈ کیا جاسکتا ہے:



<https://www.idm.com.pk/investor-relation.php?mSecId=105>

- 3- مالی سال 2026-27 کے لئے قانونی آڈیٹرز کا تقرر اور ان کے معاوضہ کا تعین کرنا۔
- بورڈ کی آڈٹ کمیٹی کی سفارش کے پیش نظر اور یہ تسلیم کرتے ہوئے کہ ریٹائر ہونے والے آڈیٹرز، میسرز شان ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، پچاس سال سے زائد عرصے سے کمپنی کے ساتھ منسلک ہیں اور اچھی کارپوریٹ گورننس کے مفاد میں، بورڈ آف ڈائریکٹرز نے 30 جون، 2027 کو ختم ہونے والے سال کے لئے کمپنی کے قانونی آڈیٹرز میسرز رفاقت بابر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، پشاور، کی تقرری کی سفارش کی ہے۔ مجوزہ آڈیٹرز نے کمپنی کے آڈیٹر کے طور پر کام کرنے کے لیے اپنی رضامندی پیش کی ہے۔

خصوصی کاروبار:

- 4- غور کرنا اور اگر مناسب سمجھا جائے تو، مندرجہ ذیل قراردادوں کو ترمیم کے ساتھ یا اس کے بغیر خصوصی قراردادوں کے طور پر پاس کرنا۔
- A- کمپنی اور متعلقہ فریقوں کی طرف سے کاروبار کے اپنے عام کورس میں درج ذیل خصوصی قرارداد کو پاس کر کے لین دین کی توثیق اور منظوری دینا:

"قرار پایا کہ 30 جون 2026 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں/متعلقہ فریقین کے ساتھ کاروبار کے معمول کے مطابق کیے گئے لین دین (جیسا کہ 30 جون 2026 کو ختم ہونے والے سال کے مالیاتی حسابات کے نوٹ 42 میں ظاہر کیا گیا ہے) اس کی توثیق، تصدیق اور منظور کیا جاتا ہے" کمپنیز ایکٹ، 2017 کے سیکشن (3) 134 کے تحت مادی حقائق کا بیان جو خصوصی امور سے متعلق اوپر بیان کیا گیا ہے اس نوٹس اجلاس کے ساتھ منسلک ممبران کو ارسال کیا جا رہا ہے۔
- B- 30 جون 2027 کو ختم ہونے والے سال کے لیے، درج ذیل خصوصی قرارداد پاس کر کے کمپنی اور متعلقہ فریقین کے کاروبار میں کیے جانے والے تمام

لین دین کو منظور کرنا:

"مزید قرار پایا کہ، کمپنی کے چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر مشترکہ طور پر 30 جون 2027 ختم ہونے والے سال کے دوران متعلقہ کمپنیوں/متعلقہ فریقین کے ساتھ کئے گئے تمام لین دین کو منظور کرنے اور کاروبار کے معمول کے مطابق کرنے کے مجاز ہیں اور اس سلسلے میں چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر مشترکہ طور پر کوئی بھی اور تمام ضروری کارروائی کرنے اور اس سلسلے میں درکار کسی بھی ایسے تمام دستاویزات یا کمپنی کی جانب سے دستخط/عمل درآمد کرنے کے مجاز ہیں۔

کوئی دیگر امور:

5- صاحب صدر کی اجازت سے کسی دیگر عام امور پر کارروائی کرنا۔

بحکم بورڈ



محمد سہیل کریم

کمپنی سیکرٹری

کوہاٹ

01 اکتوبر، 2026ء

نوٹ:

1- کمپنی کے ممبران کارجرٹ 16 اکتوبر، 2026ء تا 23 اکتوبر، 2026ء (بشمول دونوں ایام) بند رہے گا۔ منتقلیاں کمپنی کے شیئرز رجسٹرار کے دفتر، میسرز وژن کنسلٹنگ لمیٹڈ، C-15 میل ڈی اے فلیٹس، پہلی منزل، لارنس روڈ، لاہور میں 15 اکتوبر، 2026ء کو (5:00pm بجے تک) کاروبار کے اختتام تک وصول ہونے والی ٹرانسفرز کے نام میں رجسٹریشن اور AGM میں شرکت اور ووٹنگ کے مقصد کے لئے بروقت تصور ہوگی۔

2- اجلاس میں شرکت اور ووٹ دینے کا مستحق کوئی ممبر اپنی بجائے شرکت اور ووٹ دینے کیلئے کسی دیگر ممبر کو اپنا اپنی پر کسی مقرر کر سکتا رہ سکتی ہے۔ باقاعدہ مکمل شدہ پر کسی فارم اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں لازماً وصول ہو جانی چاہئیں۔ بینیفشل اوزر اور پر کسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پر کسی فارم کے ہمراہ جمع کرانا ہوگی۔ کارپوریٹ ادارہ کی صورت میں، بورڈ کی قرارداد/مختار نامہ مع پر کسی ہولڈر کے دستخط شدہ پر کسی فارم مع نمونہ دستخط کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

3- سنٹرل ڈیپازٹری کمپنی (سی ڈی سی) کا کوئی انفرادی بینیفشل مالک جو اجلاس ہذا میں شرکت اور ووٹ دینے کا اہل ہو کو اپنی شناخت ثابت کرنے کے لئے اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ لازماً ہمراہ لانا چاہئے، اور پر کسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی لازماً لف کرنی چاہئے۔ کارپوریٹ اداروں کے نمائندہ کو اس مقصد کے لئے نمونہ دستخط کے ساتھ بورڈ کی قرارداد / مختار نامہ اور سیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے جاری شدہ سرکل نمبر 1 مورخہ 26 جنوری، 2000 کے تحت درکار تمام ایسے دستاویزات کی مصدقہ نقول فراہم کرنی چاہئیں۔

4- ایکٹ کے سیکشن 132 کی پرویزن کے مطابق، اگر کمپنی 10 فیصد یا اس سے زیادہ شیئرز ہولڈنگ رکھنے والے ارکان جو جغرافیائی محل وقوع میں رہائش پذیر ہوں سے ووڈیو کانفرنس کے ذریعے اجلاس میں شرکت کی رضامندی اجلاس کی تاریخ سے کم از کم سات (7) دن پہلے وصول کرتی ہے تو، کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت کا بندوبست کرے گی جو اس شہر میں ایسی سہولت کی دستیابی سے مشروط ہے۔

5- SECP نے 15 فروری، 2021 کے سرکل نمبر 4 آف 2021 کے ذریعے اراکین کو الیکٹرانک ذرائع سے شرکت فراہم کرنے کی ہدایت کی ہے۔ AGM میں شرکت کے خواہشمند ممبران سے درخواست کی جاتی ہے کہ وہ اپنا نام، فوئیو نمبر، اپنے نام پر رکھے گئے حصص کی تعداد، سیل نمبر، CNIC نمبر (CNIC کے دونوں اطراف کی مؤثر کاپی کے ساتھ) موضوع "AGM" میں شرکت کے لیے رجسٹریشن کے ساتھ "janana.textile@gmail.com" پر ای میل کریں۔ ویڈیولنک اور لاگ ان کی اسناد صرف ان ممبران کے ساتھ شیئر کی جائیں گی جن کی ای میلز، تمام مطلوبہ تفصیلات پر مشتمل، 21 اکتوبر، 2026 کو کاروباری اوقات کے اختتام پر (شام 5 بجے تک) موصول ہوں گی۔

6۔ الیکٹرانک ووٹنگ اور پوسٹل بیلٹ:

بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 اور SRO 2192(1)/2022 مورخہ 5 دسمبر، 2022 کی رو سے ہونے والی ترامیم کے تحت، اراکین کو اجلاس میں، مذکورہ ضوابط میں بیان کردہ شرائط کے مطابق خصوصی امور کے لیے اپنے ووٹ کا حق استعمال کرنے کی اجازت ہوگی۔ کمپنی اپنے اراکین کو ووٹنگ کے لیے درج ذیل آپشنز فراہم کرے گی:

i۔ ای ووٹنگ کا طریقہ کار

a۔ ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے ان ممبران کے ساتھ ای میل کے ذریعے شیئر کی جائیں گی جن کے 15 اکتوبر، 2026 کو کاروبار کے اختتام تک کمپنی کے ممبران کے رجسٹر میں کارآمد CNIC نمبر، سیل نمبر، اور ای میل ایڈریس دستیاب ہوں گے۔

b۔ ویب ایڈریس، لاگ ان کی تفصیلات، اور پاس ورڈ، ای میل کے ذریعے اراکین کو مطلع کیا جائے گا۔ سیکورٹی کوڈز ممبران کو ویزن کنسلٹنگ لمیٹڈ کے ویب پورٹل (ای ووٹنگ سروس فراہم کنندہ ہونے کے ناطے) سے ایس ایم ایس کے ذریعے بتائے جائیں گے۔

c۔ ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرانک دستخط یا لاگ ان کے لیے تصدیق کے ذریعے کی جائے گی۔

d۔ اراکین 20 اکتوبر، 2026 صبح 9:00 بجے (PST) سے 22 اکتوبر، 2026 شام 5:00 بجے (PST) تک کسی بھی وقت آن لائن ووٹ ڈالیں گے۔ ووٹنگ 22 اکتوبر، 2026 کو شام 5:00 بجے بند ہوگی۔ ایک بار جب کسی رکن کی طرف سے قرارداد پر ووٹ ڈال دیا گیا، تو اسے بعد میں تبدیل کرنے کی اجازت نہیں ہوگی۔

ii۔ پوسٹل بیلٹ ووٹنگ کا طریقہ کار

a۔ اراکین متبادل طور پر پوسٹل بیلٹ کے ذریعے ووٹ ڈالنے کا انتخاب کر سکتے ہیں۔ اراکین کی سہولت کے لیے بیلٹ پیپر کمپنی کی ویب سائٹ www.jdm.com.pk پر ڈاؤن لوڈ کرنے کے لیے مقررہ وقت کے اندر دستیاب ہوں گے۔

b۔ اراکین کو یقینی بنانا چاہیے کہ صحیح طریقے سے پُر شدہ اور دستخط شدہ بیلٹ پیپر، کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی کے ہمراہ کمپنی کے رجسٹرڈ ایڈریس، حبیب آباد، کوہاٹ، یا janana.textile@gmail.com پر ای میل کے ذریعے AGM سے ایک دن پہلے، یعنی 22 اکتوبر، 2026 کو شام 05:00 بجے سے پہلے پہنچ جانا چاہئے۔ اس وقت/ تاریخ کے بعد موصول ہونے والا پوسٹل بیلٹ ووٹنگ کے لیے زیر غور نہیں لایا جائے گا۔ بیلٹ پیپر پر دستخط CNIC پر دستخط سے مماثل ہوں گے۔

7- ارکان سے درخواست ہے کہ اپنے پتوں میں کسی تبدیلی، اگر کوئی ہو، فوری طور پر شیئرز رجسٹر اراکو مطلع کریں۔

8- کمپنیز ایکٹ، 2017 کے سیکشن 119 اوپنیز (جنرل پروویڈنڈ فارمز) ریگولیشنز، 2018 کے ضابطے 19 کی ضرورت کی تعمیل کرنے کے لئے، تمام سی ڈی سی اور فزیکل شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنا ای میل ایڈریس، سیل فون نمبر، فزیکل فوئیو یا سی ڈی سی اکاؤنٹ نمبر فراہم کریں۔

9- ممبران، جو اپنا ای میل کمپنی کو مہیا کر چکے ہیں، کو بذریعہ ہذا مطلع کیا جاتا ہے کہ ایس ای سی پی کے S.R.O NO. 389(i)/2023 مورخہ 21 مارچ، 2023 اوپنیز ایکٹ، 2017 کے مطابق، کمپنیوں کو اجازت دی گئی ہے کہ وہ سالانہ رپورٹیں اراکین کو ای میل کے ذریعے ترسیل کریں۔ آڈٹ شدہ مالیاتی حسابات کو QR Enable Code سے ڈاؤن لوڈ کیا جاسکتا ہے تاہم، اگر کسی رکن کی طرف سے درخواست کی گئی ہے تو، کمپنی درخواست کے ایک ہفتے کے اندر اس کے رجسٹرڈ پتے پر مکمل مالیاتی حسابات کی ہارڈ کاپ بھیجے گی۔

10- 30 جون، 2026 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالیاتی حسابات اور سالانہ اجلاس عام کانٹس بھی کمپنی کی ویب سائٹ www.jdm.com.pk پر پوسٹ کر دیا گیا ہے۔

11- ارکان سے درخواست ہے کہ کمپنیز ایکٹ، 2017 کی دفعہ (2) 72 کی دفعات کی تعمیل میں، اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کریں اور جتنا جلدی ممکن ہو سکے، اپنے ناموں کو سی ڈی سی (CDC) کے ساتھ رجسٹر کروائیں۔

12- کمپنیز ایکٹ، 2017 کے سیکشن 185 اور SRO 452(I) 2025، مورخہ، 17 مارچ، 2025 کو ایس ای سی پی کی طرف سے جاری کئے گئے بیان میں اراکین کو مطلع کیا جاتا ہے کہ، سالانہ جنرل میٹنگ میں شیئرز ہولڈرز کو کسی بھی شکل یا انداز میں کوئی تحفہ تقسیم نہیں کیا جائے گا۔

خصوصی کاروبار کے حوالے سے کمپنیز ایکٹ، 2017 کے سیکشن (3) 134 کے تحت بیان

یہ بیان 23 اکتوبر، 2026 کو ہونے والے کمپنی کے سالانہ اجلاس عام میں لین دین کے نوٹس کے خصوصی کاروبار سے متعلق مادی حقائق کا تعین کرتا ہے۔

ایجنڈا کا آئٹم نمبر 04:

A- 30 جون، 2026 کو ختم ہونے والے سال کے لیے متعلقہ فریقوں کے ساتھ لین دین کی منظوری سے متعلق مادی حقائق:

30 جون، 2026 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں کے ساتھ کیے گئے لین دین کو خصوصی قرارداد کے طور پر منظور کیا جائے گا۔ متعلقہ کمپنیوں (متعلقہ فریقین) کے ساتھ معمول کے کاروبار میں کیے گئے لین دین کو سہ ماہی بنیادوں پر آڈٹ کمپنی کی سفارش کے مطابق بورڈ نے منظور کیا تھا۔

چونکہ ڈائریکٹرز کی اکثریت اپنی مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں شیئرز رکھنے کی وجہ سے اس/ان لین دین میں دلچسپی رکھتی تھی، اس لیے اس لین دین کو عام اجلاس میں ممبران سے منظور کرانا ضروری ہے۔

مذکورہ بالا کو مد نظر رکھتے ہوئے، متعلقہ کمپنیوں اور متعلقہ فریقین کے ساتھ 30 جون 2026 کو ختم ہونے والے مالی سال کے دوران کیے گئے لین دین جیسا کہ آڈٹ شدہ مالیاتی حسابات کے متعلقہ نوٹس میں ظاہر کیا گیا ہے، اراکین کے سامنے ان کے غور و خوض، تصدیق اور منظوری کے لیے رکھا جا رہا ہے۔

ڈائریکٹرز اس قرارداد میں اپنی مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں اپنے شیئرز ہولڈنگ کی حد تک دلچسپی رکھتے ہیں۔

درج ذیل ڈائریکٹرز اس قرارداد میں اپنے تعلق، مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں اپنے شیئرز ہولڈنگ کی حد تک دلچسپی رکھتے ہیں:

1۔ لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک

2۔ جناب احمد قلی خان خٹک

3۔ محترمہ شہناز سجاد احمد

4۔ ڈاکٹر شاہین قلی خان خٹک

لہذا کمپنیز ایکٹ، 2017 کے سیکشن 208 کے تقاضوں کی تعمیل کرنے کے لیے اراکین کی منظوری طلب کی جاتی ہے۔

B-30 جون، 2027 کو ختم ہونے والے سال کے لیے متعلقہ فریقوں کے ساتھ لین دین کی منظوری سے متعلق مادی حقائق:

30 جون، 2027 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں کے ساتھ کیے گئے لین دین کو خصوصی قرارداد کے طور پر منظور کیا جائے گا۔ متعلقہ کمپنیوں (متعلقہ فریقین) کے ساتھ معمول کے کاروبار میں کیے گئے لین دین کو سہ ماہی بنیادوں پر آڈٹ کمیٹی کی سفارش کے مطابق بورڈ نے منظور کیا تھا۔

کمپنی عام کاروبار میں متعلقہ کمپنیوں کے ساتھ لین دین کرے گی، چونکہ ڈائریکٹرز کی اکثریت اپنی مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں شیئرز رکھنے کی وجہ سے اس/ان لین دین میں دلچسپی رکھتی تھی، اس لیے اس لین دین کو عام اجلاس میں ممبران سے منظور کرانا ضروری ہے۔

شیئرز ہولڈرز مشترکہ طور پر چیف ایگزیکٹو اور چیف فنانشل آفیسر کو 30 جون، 2027 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں کے ساتھ لین دین کی منظوری دینے اور کاروبار کے معمول کے مطابق کرنے کا اختیار دے سکتے ہیں۔

ڈائریکٹرز اس قرارداد میں اپنی مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں اپنے شیئرز ہولڈنگ کی حد تک دلچسپی رکھتے ہیں۔

درج ذیل ڈائریکٹرز اس قرارداد میں اپنے تعلق، مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں اپنے شیئرز ہولڈنگ کی حد تک دلچسپی رکھتے ہیں:

1۔ لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک

2۔ جناب احمد قلی خان خٹک

3۔ محترمہ شہناز سجاد احمد

4۔ ڈاکٹر شاہین قلی خان خٹک

CHAIRMAN'S REVIEW

I am pleased to present the Chairman's Review for the year ended June 30, 2026, outlining the Company's performance and governance practices.

BOARD'S PERFORMANCE AND GOVERNANCE

The Board of Directors remains committed to maintaining robust governance practices, strategic oversight, and strong risk management frameworks. By aligning daily business operations with long-term strategic objectives, the Board ensures full regulatory compliance, operational transparency, and accountability across all levels. Adhering to the highest standards of corporate governance remains central to upholding our core values of professionalism and business integrity.

MACRO ECONOMIC AND INDUSTRY REVIEW

The textile sector, particularly the spinning sector, continued to operate in a difficult environment during FY 2025-26. Average inflation rose compared to the preceding year, and the State Bank held its benchmark policy rate steady at 11.5%, while the currency remained broadly stable. Demand in the domestic and export markets remained subdued, and energy costs stayed elevated, continuing to weigh on the sector's profitability. The anticipated recovery has therefore been gradual rather than broad-based, and the Company's results for the year reflect these sector-specific and company-specific factors.

COMPANY'S BUSINESS PERFORMANCE

The Company recorded a net turnover of Rs. 645.4 million for the year (2025: Rs. 1,523.7 million), a decline of Rs. 878.3 million (58%) compared to the previous year. The decline in turnover was primarily attributable to the Company's production operations, which spanned only three months during FY 2025-26, significantly constrained output and sales volumes.

Notwithstanding the lower turnover, the Company significantly narrowed its losses during the year through disciplined cost management and reduced finance costs. The loss before tax was reduced to Rs. 274.2 million (2025: Rs. 766.6 million), an improvement of 64%, while the loss after tax was reduced to Rs. 344.3 million (2025: Rs. 754.8 million), an improvement of 54%. Finance costs decreased to Rs. 136.0 million from Rs. 262.0 million in the prior year. We continue to focus on cost optimization, energy efficiency, and exploring new markets to improve resilience.

FUTURE OUTLOOK

Pakistan's textile spinning sector continues to operate under a difficult macroeconomic backdrop. Average inflation rose in FY 2025-26 compared to the preceding year, and the State Bank held its benchmark policy rate steady at 11.5% through the year. Industrial energy tariffs also remain among the highest in the region and continue to erode the cost competitiveness of local spinning units against regional peers. The sector also remains exposed to currency movements given its continued reliance on imported cotton and fiber to supplement domestic production, while consistency in government policy on taxation, energy pricing, and export incentives will remain a key determinant of the pace and durability of any sector-wide recovery.

Within this environment, our strategic priorities remain focused on operational optimization, cost management, product diversification, and sustainability, while exploring renewable and alternative energy sources to reduce our exposure to elevated and volatile energy tariffs. To increase our market share and revenue, we plan to increase production by operationalizing additional unused machinery.

These initiatives are designed to stabilize earnings, strengthen liquidity, and position the Company for sustainable growth despite the prevailing macroeconomic difficulties facing the sector.

SUSTAINABILITY, GENDER DIVERSITY AND SOCIAL RESPONSIBILITY

The Company remains committed to gender diversity and its social and environmental responsibilities. Our goal is to integrate gender diversity and sustainability into operations and decision-making to create long-term value for shareholders and society.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I extend my sincere gratitude to our shareholders, bankers, customers, suppliers, and business partners for their unwavering trust and support. I also wish to acknowledge the Board members for their invaluable guidance, the management team for its strategic leadership, and our dedicated workforce for their efforts and commitment.

Dated: September 22, 2026



Mr. Ahmad Kuli Khan Khattak
Chairman

چیمبرمین کا جائزہ

مجھے 30 جون، 2026 کو ختم ہونے والے سال کی جائزہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے، جس میں آپ کی (کمپنی) جانانہ دی مالوچو ٹیکسٹائل ملز لمیٹڈ کی کارکردگی اور گورننس کے طریقوں کا خاکہ پیش کیا گیا ہے۔

بورڈ کی کارکردگی اور گورننس:

بورڈ آف ڈائریکٹرز مضبوط گورننس کے طریقوں، اسٹریٹجک نگرانی اور مضبوط رسک مینجمنٹ فریم ورک کو برقرار رکھنے کے لیے پرعزم ہے۔ روزانہ کاروباری کارروائیوں کو طویل مدتی اسٹریٹجک مقاصد کے ساتھ ہم آہنگ کر کے، بورڈ تمام سطحوں پر مکمل ریگولیٹری تعمیل، آپریشنل شفافیت، اور جوابدہی کو یقینی بناتا ہے۔ کارپوریٹ گورننس کے اعلیٰ ترین معیارات پر عمل کرنا، پیشہ ورانہ مہارت اور کاروباری سلیبت کی ہماری بنیادی اقدار کو برقرار رکھنے کے لیے مرکزی حیثیت رکھتا ہے۔

میکرو اکنامک اینڈ اسٹری کا جائزہ:

ٹیکسٹائل کا شعبہ، خاص طور پر اسپننگ سیکٹر، مالی سال 2025-26 کے دوران مشکل ماحول میں کام کرتا رہا۔ اوسط افراط زر پچھلے سال کے مقابلے میں بڑھ گیا، اور اسٹیٹ بینک نے اپنی پیچ مارک پالیسی کی شرح کو 11.5% پر مستحکم رکھا، جبکہ کرنی وسیع پیمانے پر مستحکم رہی۔ ملکی اور برآمدی منڈیوں میں مانگ کم رہی اور توانائی کی لاگت بلند رہی، جو کہ اس شعبے کے منافع پر بوجھ رہا۔ اس لیے متوقع بحالی وسیع البنیاد کے بجائے بتدریج رہی ہے اور سال کے لیے کمپنی کے نتائج ان شعبے کے لیے مخصوص اور کمپنی کے مخصوص عوامل کی عکاسی کرتے ہیں۔

کمپنی کی کاروباری کارکردگی:

کمپنی نے رواں سال کے لیے 645.4 ملین روپے (2025: 1,523.7 ملین روپے) کا خالص کاروبار بیکارڈ کیا جبکہ گزشتہ سال کے مقابلے میں کمی کے ساتھ 878.3 ملین روپے یعنی (58%) تھا۔ کاروبار میں کمی بنیادی طور پر کمپنی کے پروڈکشن آپریشنز سے منسوب تھی، جو مالی سال 2025-26 کے دوران صرف تین ماہ پر محیط تھی، جس نے پیداوار اور فروخت کے حجم کو نمایاں طور پر محدود کر دیا۔

کم کاروبار کے باوجود، کمپنی نے سال کے دوران نظم و ضبط لاگت کے انتظام اور مالیاتی اخراجات میں کمی کے ذریعے اپنے نقصانات کو نمایاں طور پر کم کیا۔ جس کی بدولت ٹیکس سے پہلے ہونے والا نقصان 64 فیصد کی بہتری کے ساتھ، 274.2 ملین روپے (2025: 766.6 ملین روپے) ہوا۔

جبکہ ٹیکس کے بعد ہونے والا نقصان، 54 فیصد کی بہتری کے ساتھ کم ہو کر 344.3 ملین روپے (2025: 754.8 ملین روپے) رہ گیا۔ مالیاتی اخراجات کم ہو کر 136.0 ملین روپے رہ گئے جو کہ پچھلے سال 262.0 ملین روپے تھے۔ ہم لاگت کی اصلاح، توانائی کی کارکردگی، اور چلک کو بہتر بنانے کے لیے نئی منڈیوں کی تلاش پر توجہ مرکوز کرتے رہتے ہیں۔

مستقبل کا نقطہ نظر:

پاکستان کا ٹیکسٹائل اسپننگ سیکٹر ایک مشکل معاشی پس منظر میں کام کر رہا ہے۔ مالی سال 2025-26 میں پچھلے سال کے مقابلے میں اوسط افراط زر میں اضافہ ہوا اور اسٹیٹ بینک نے سال بھر میں اپنی پیچ مارک پالیسی کی شرح کو 11.5 فیصد پر مستحکم رکھا۔ صنعتی توانائی کے محصولات بھی خطے میں سب سے زیادہ ہیں اور علاقائی ساتھیوں کے خلاف مقامی اسپننگ یونٹس کی لاگت کی مسابقت کو ختم کرتے رہتے ہیں۔ یہ شعبہ کرنی کی نقل و حرکت سے بھی روشناس ہے کیونکہ ملکی پیداوار کو بڑھانے

کے لیے درآمد شدہ کپاس اور فابریکس کا مسلسل انحصار ہے، جبکہ ٹیکس، توانائی کی قیمتوں کا تعین، اور برآمدی مراعات سے متعلق حکومتی پالیسی میں مستقل مزاجی کسی بھی شعبے کی وسیع بحالی، رفتار اور پائیداری کا کلیدی عامل رہے گی۔

اس ماحول کے اندر، ہماری اسٹریٹجک ترجیحات آپریشنل اصلاح، لاگت کے انتظام، مصنوعات کے تنوع، اور پائیداری پر مرکوز رہتی ہیں، جبکہ قابل تجدید اور متبادل توانائی کے ذرائع کو تلاش کرتے ہوئے توانائی کے بلند اور غیر مستحکم ٹیرف کے لیے ہماری نمائش کو کم کرتی ہے۔ اپنے مارکیٹ شیئر اور آمدنی میں اضافہ کرنے کے لئے، ہم اضافی غیر استعمال شدہ مشینری کو فعال کر کے پیداوار بڑھانے کا ارادہ رکھتے ہیں۔

یہ اقدامات آمدنی کو مستحکم کرنے، لیکویڈٹی کو مضبوط بنانے اور اس شعبے کو درپیش موجودہ معاشی مشکلات کے باوجود کمپنی کو پائیدار ترقی کے لیے پوزیشن دینے کے لیے بنائے گئے ہیں۔

پائیداری، صنفی تنوع اور سماجی ذمہ داری:

کمپنی صنفی تنوع اور اپنی سماجی اور ماحولیاتی ذمہ داریوں کے لیے پرعزم ہے۔ ہمارا مقصد صنفی تنوع اور پائیداری کو آپریشنز اور فیصلہ سازی میں ضم کرنا ہے تاکہ شیئر ہولڈرز اور معاشرے کے لیے طویل مدتی قدر پیدا کی جاسکے۔

اعتراف:

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے شیئر ہولڈرز، بینکرز، صارفین، سپلائرز، اور کاروباری شراکت داروں کا ان کے غیر متزلزل اعتماد اور تعاون کے لیے تہہ دل سے شکریہ ادا کرتا ہوں۔ میں بورڈ کے اراکین کو ان کی انمول رہنمائی، انتظامی ٹیم کو اس کی اسٹریٹجک قیادت کے لیے اور ان کی کوششوں اور عزم کے لیے ہماری سرشار افرادی قوت کو تسلیم کرنا چاہتا ہوں۔



احمد علی خان خٹک

چیئر مین

تاریخ: 22 ستمبر، 2026

DIRECTORS REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, we present the Directors' Report along with the audited financial statements of the Company for the year ended June 30, 2026.

Business Performance and Financial Results for the year ended June 30, 2026

	2026	2025
	Rupees in (000)	
Sales – net	645,397	1,523,661
Gross (loss) / profit	(148,473)	(485,835)
(Loss) / profit from operations	(147,982)	(512,974)
Loss before taxes	(274,202)	(766,573)
Loss after taxes	(344,264)	(754,804)
	Rupees	
Loss per share	(49.78)	(109.14)

In the FY 2024-25, manufacturing was suspended to minimize operational losses caused by severe market conditions, including high power and fuel tariffs, yarn imports from China, depressed yarn prices, sluggish demand. During Financial Year 2025–26, the Company production operations remained suspended till January 2026. Following a thorough feasibility evaluation, the Board approved the resumption of production operations in the month of February 2026.

The loss for the FY 2025-26 was mainly driven by the temporary shutdown of manufacturing operations from July 2025 to January 2026, which restricted production and sales. Despite the operational pause, fixed overheads such as depreciation, finance costs, and administrative expenses continued to accrue for the entire year.

As a result, sales for the year declined to Rs. 645.40 million (2025: Rs. 1,523.66 million). Nevertheless, the Company's loss from operations narrowed to Rs. 147.98 million (2025: Rs. 512.97 million), and loss after tax reduced to Rs. 344.26 million (2025: Rs. 754.80 million), reflecting the resumption of production from February 2026 onwards, continued cost containment measures, and relatively lower finance costs following the reduction in policy rates during the year.

Industry Overview

Pakistan's textile sector, long regarded as one of the economy's foundational industries, continued to operate under considerable strain during the year. Local cotton output has remained on a declining trajectory, deepening the sector's reliance on imported raw material at a time when margins are already under pressure. Compounding this, the continued inflow of yarn imports from China has kept local yarn prices suppressed, leaving domestic spinning mills unable to price their output at levels that cover production costs. The resulting squeeze has forced a considerable number of spinning units out of operation altogether, and those still running continue to operate well below capacity.

Energy remains the other major constraint on the sector's competitiveness. Gas and electricity tariffs remain high relative to regional peers, and this cost burden falls disproportionately on the spinning segment, where

energy is one of the largest single input costs. Until this imbalance is addressed, spinning mills will continue to struggle to compete with regional exporters.

Future Outlook

On a positive note, relative stability in the exchange rate and moderating inflation provides a more predictable operating environment. Furthermore, lower policy rates are anticipated to lower financing charges, easing working capital pressures across the industry.

Despite ongoing structural difficulties, the Board remains committed to navigating these challenges through cautious cost management and strategic resilience. However, long-term operational viability across the spinning sector will require proactive policy support from the government. Key interventions needed include energy tariff rationalization, protective measures against uncompetitive yarn imports, reduction of indirect taxes, and targeted export facilitation mechanisms.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Listed Companies (Code of Corporate Governance) Regulations, 2019 (the CCG Regulations) for the following matters:

1. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows, and changes in equity.
2. Appropriate accounting policies have been consistently applied in the preparation of these financial statements, and accounting estimates are based on reasonable and prudent judgments.
3. The Company has maintained proper books of account.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of these Financial Statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as an ongoing process with the objective to strengthen the controls and bring improvements in the system.
6. There are no doubts about the Company's ability to continue as a going concern.
7. There has been no material departure from the best practices contained in the CCG Regulations.
8. There are no statutory payments on account of taxes, duties, levies, and charges which are outstanding as at June 30, 2026, except for those disclosed in the Financial Statements.
9. No trades in the shares of the Company were carried out by the Directors, CEO, CFO, Company Secretary, or their spouses and minor children during the year ended 30 June 2026.

COMPOSITION OF THE BOARD

The Directors of the Company were re-elected in an Extraordinary General Meeting of the Company held on May 20, 2026. The Composition of the Board is in compliance with the requirements of the CCG Regulations. The Company encourages representation of independent and non-executive directors, as well as gender diversity on its Board.

The current composition of the Board is as follows:

Total number of directors	7
Male	5
Female	2
Independent Directors	3
Non-executive Directors	3
Executive Director	1

Apart from their mandatory job requirements, the performance of the Board of our Company, Board Committees, and Individual Directors is evaluated annually along the following parameters, both individually and collectively.

- i. Effectiveness in bringing in a mix of gender, talents, skills, and diversified perspectives.
- ii. Integrity, credibility, trustworthiness, and active participation of members.
- iii. Follow-up and review of annual targets set by the management.
- iv. Ability to provide guidance and direction to the Company.
- v. Ability to identify aspects of the organization's performance requiring action.
- vi. Review of succession planning of management.
- vii. Ability to assess and understand the risk exposures of the Company.
- viii. Contribution and interest with regard to improving health, safety, and environment, employment, and other policies and practices in the Company.
- ix. Safeguarding the Company against unnecessary litigation and reputational risk.

The overall performance of the Board, measured on the basis of the above-mentioned parameters, for the year was satisfactory. The Board members effectively bring diversity to the Board and constitute a mix of independent and non-executive directors. The Board is also effective in formulating the corporate goals for the company.

BOARD AUDIT COMMITTEE

The Board Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control and risk management and the audit process. It has the autonomy to call for information from management and to consult directly with the external auditors or advisors as considered appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board. The Committee met four (04) times during 2025-26.

The names of Committee members are as follows:

1.	Maj. Gen. (Retd.) Saeed Ahmed Wahla	Chairman	Independent Director
2.	Mr. Ahmad Kuli Khan Khattak	Member	Non-Executive Director
3.	Syed Hassan Ali Raza	Member	Independent Director

The Audit Committee reviewed the quarterly, half-yearly, and annual Financial Statements, besides the internal audit plan, material audit findings, and recommendations of the internal audit department.

In addition to the above meetings, the Audit Committee met with the external auditors without the Chief Financial Officer (CFO) and the Head of Internal Audit (HIA). Audit Committee also met the head of internal audit and other Members of the internal audit function without the CFO and the external auditors being present.

HR AND REMUNERATION COMMITTEE

The Committee meets to review and recommend all elements of the compensation, organization, and employee development policies relating to the senior executives' remuneration and to approve all matters relating to the remuneration of the executive and directors. The CEO of the Company attended the Human Resource and Remuneration Committee meetings held during the year as a member of the committee. The Committee met twice (02) during 2025-26.

The names of committee members are as follows:

1.	Brig. (Retd.) Abdul Samad Khan	Chairman	Independent Director
2.	Lt. Gen. (Retd.) Ali Kuli Khan Khattak	Member	Chief Executive/Member
3.	Mr. Ahmad Kuli Khan Khattak	Member	Non-Executive Director
4.	Mrs. Shahnaz Sajjad Ahmad	Member	Non-Executive Director
5.	Dr. Shahin Kuli Khan Khattak	Member	Non-Executive Director

MEETINGS OF THE BOARD AND ITS COMMITTEES IN 2025-26

During the year 2025-26, five (05) board meetings (BOD), four (04) board audit committee (BAC), and two (02) HR & Remuneration committee (HRC) meetings were held. The number of meetings attended by each director during the year is given hereunder:

SR. NO.	DIRECTOR	STATUS	COMMITTEE MEMBERS		ATTENDANCE		
			BAC	HRC	BOD	BAC	HRC
1	Mr. Ahmad Kuli Khan Khattak	Re-elected on May 21, 2026	✓	✓	3/5	3/4	1/2
2	Lt. Gen. (Retd.) Ali Kuli Khan Khattak	-do-	-	✓	5/5	-	2/2
3	Mrs. Shahnaz Sajjad Ahmad	-do-	-	✓	4/5	-	1/2
4	Dr. Shahin Kuli Khan Khattak	-do-	-	✓	5/5	-	0/0
5	Mrs. Zenab Adnan Aurangzeb	Tenure expired on 20th May 2026	-	-	3/4	-	-
6	Maj. Gen. (Retd.) Saeed Ahmed Wahla	Re-elected on May 21, 2026	✓	-	3/5	4/4	-
7	Col. (Retd.) Syed Yunus Ali Raza	Tenure expired on 20th May 2026	✓	✓	1/4	2/4	1/2
8	Brig. (Retd.) Abdul Samad Khan	Elected on May 21, 2026	-	✓	1/1	-	0/0
9	Syed Hassan Ali Raza	Elected on May 21, 2026	✓	-	1/1	0/0	-

* Brig. (Retd.) Abdul Samad Khan and Syed Hassan Ali Raza were elected as Directors on 21st May 2026.

** The directorship tenure of Mrs. Zenab Adnan Aurangzeb and Col. (Retd.) Syed Yunus Ali Raza expired on 20th May 2026.

Leave of absence was granted to directors who could not attend the board meetings due to their busy schedule and other commitments.

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

Pursuant to the CCG Regulations, the Board recognizes that it continually needs to monitor and improve its performance. This is achieved through the annual performance evaluation and ongoing Board development activities. During the year, the Board appraised its own performance as a whole, as well as that of individual directors and its committees. The overall conclusion of this year's review, based on available feedback, has been found satisfactory.

DIRECTORS' REMUNERATION

Directors' Fee is paid in line with Board approval, and the Company has a formal policy in this regard in accordance with the Companies Act, 2017, and the CCG Regulations. The Company does not pay remuneration to non-executive directors except fee for attending the meetings. For information on remuneration of Directors and CEO in the year 2025-26, please refer to the notes to the Financial Statements.

KEY OPERATING AND FINANCIAL DATA (SIX-YEAR SUMMARY)

Key operating and financial data of the six years is annexed to the report.

PATTERN OF SHAREHOLDING

The statement of the pattern of shareholding as at June 30, 2026, and additional information thereabout is annexed to the report.

DIVIDENDS

The Board of Directors recommended that no dividend shall be declared for the year ended June 30, 2026, as the Company has incurred a loss during the year, and needs available financial resources to resume its operations at an appropriate time and ensure steady cash flows.

CORPORATE SOCIAL RESPONSIBILITY

The Company takes into account social, environmental, and ethical concerns within the broader business landscape. We are dedicated to actively striving to take into account and harmonize the needs of all stakeholders, with a special focus on the local community and our essential workforce. We firmly believe that education is a crucial driver of economic growth and poverty reduction. Pakistan urgently requires top-notch educational resources to empower and equip young individuals to reach their fullest potential. To support this cause, we contribute significant amounts annually to the “Waqf-e-Kuli Khan” Trust for educational scholarships, with our most recent contributions made in the year 2022.

We are deeply committed to upholding the utmost standards in health, safety, and environmental practices to safeguard the welfare of our employees and the well-being of the communities where we operate.

GENDER DIVERSITY

The Company is committed to fostering an inclusive workplace despite its location. As of now, women constitute 1% of the total workforce, while female representation on the Board stands at 29%.

We are committed to building a workplace that embraces diversity, promotes equity, and fosters inclusion. We believe diversity, equity and inclusion is fundamental to ethical leadership and sustainable business success. We are actively working to create an environment where everyone feels valued and respected.

The below gender pay gap is based on the full-time employees of the Company:

- i. Mean Gender Pay Gap = 44.03%
- ii. Median Gender Pay Gap = 32.56%
- iii. Any other data/details: N/A

Auditors

The present auditors, M/s. Shine Wing Hameed Chaudhri & Co., Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting. The Board as suggested by the Audit Committee in recognition of the fact that the present auditors have been engaged with the company for more than fifty years, and in the interest of good corporate governance, has recommended the appointment of M/s Rafaqat Babar & Co., Chartered Accountants, Peshawar, as statutory auditors of the company for the year ending June 30, 2027, at a remuneration to be fixed by the members.

The proposed auditors hold a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP), are eligible for appointment under the Companies Act, 2017, and have confirmed their compliance with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by the ICAP. They have consented to act as statutory auditors of the Company.

The Board places on record its sincere appreciation of the retiring auditors for their professional services and diligent association with the Company over more than five decades.

Corporate Briefing Session (CBS)

The Company conducted one Corporate Briefing Session (CBS) during the financial year.

MATERIAL CHANGES

There have been no material changes since June 30, 2026, to date of the report, and the Company has not entered into any commitment during this period, which would hurt the financial position of the Company.

ACKNOWLEDGMENT

The Board expresses its gratitude to all stakeholders, including our bankers, shareholders, customers, and employees, for their continued support of the Company. We would also like to acknowledge the hard work and dedication of the Company's senior management and staff. We look forward to their ongoing commitment and cooperation in the future.

For and on behalf of the Board of Directors,



**BRIG. (RETD.) ABDUL SAMAD KHAN
DIRECTOR**



**LT. GEN. (RETD.) ALI KULI KHAN KHATTAK
CHIEF EXECUTIVE OFFICER**

Dated: September 22, 2026

ڈائریکٹرز رپورٹ برائے حصص یافتگان

بورڈ آف ڈائریکٹرز کی جانب سے، سال 30 جون، 2026 کے ختم ہونے پر کمپنی کے آڈیٹر کی جاری کردہ مالیاتی رپورٹ پیش کرتے ہیں۔

30 جون، 2026 کو ختم ہونے والے سال کے لئے کاروباری کارکردگی اور مالی نتائج:-

2025	2026	
		روپے ملین میں
1,523,661	645,397	فروخت
(485,835)	(148,473)	عبوری نقصان/منافع
(512,974)	(147,982)	آپریشن سے نقصان/منافع
(766,573)	(274,202)	ٹیکس سے پہلے نقصان
(754,804)	(344,264)	سالانہ نقصان
		---روپے---
(109.14)	(49.78)	نقصان فی شیئر

مالی سال 2024-25 میں، مارکیٹ کے شدید حالات، بشمول زیادہ بجلی اور ایندھن کے ٹیرف، چین سے سوت کی درآمدات، سوت کی گرتی ہوئی قیمتیں، سست مانگ کی وجہ سے ہونے والے آپریشنل نقصانات کو کم کرنے کے لیے مینوفیکچرنگ کو معطل کر دیا گیا تھا۔ مالی سال 2025-26 کے دوران، کمپنی کے پروڈکشن آپریشنز جنوری، 2026 تک معطل رہے۔ فزیشنل کی مکمل جانچ کے بعد، بورڈ نے فروری، 2026 کے مہینے میں پروڈکشن آپریشنز کو دوبارہ شروع کرنے کی منظوری دی۔

مالی سال 2025-26 نقصان بنیادی طور پر جولائی 2025 سے جنوری 2026 تک مینوفیکچرنگ آپریشنز کے عارضی بند ہونے کی وجہ سے ہوا، جس نے پیداوار اور فروخت کو محدود کر دیا۔ آپریشنل توقف کے باوجود، مقررہ اوور ہیڈز جیسے فرسودگی، مالیاتی اخراجات، اور انتظامی اخراجات پورے سال تک جمع ہوتے رہے۔

نتیجاً، سال بھر کی فروخت کم ہو کر 645.40 ملین روپے (2025: 1,523.66 ملین روپے) رہ گئی۔ اس کے باوجود، کمپنی کی بہتر کارکردگی سے آپریشنل نقصان 147.98 ملین روپے (2025: 512.97 ملین روپے) کو محدود کر دیا گیا ہے، اور ٹیکس کے بعد کا نقصان کم ہو کر 344.26 ملین روپے (2025: 754.80 ملین روپے) رہ گیا۔ فروری، 2026 کے بعد سے پیداوار کے دوبارہ شروع ہونے کی عکاسی کرتے ہوئے، لاگت پر قابو پانے کے مسلسل اقدامات، اور سال کے دوران پالیسی کی شرحوں میں کمی کے بعد مالیاتی اخراجات نسبتاً کم ہوئے۔

صنعت کا جائزہ:

پاکستان کا ٹیکسٹائل سیکٹر، جو طویل عرصے سے معیشت کی بنیادی صنعتوں میں سے ایک سمجھا جاتا ہے، سال کے دوران کافی دباؤ کے تحت کام کرتا رہا۔ مقامی کپاس کی

پیداوار میں کمی مسلسل قائم ہے، جس سے درآمد شدہ خام مال کے شعبے پر ایسے وقت پر انحصار کیا جا رہا ہے جب مارجن پہلے ہی دباؤ میں ہے۔ اس کو بڑھاتے ہوئے، چین سے سوت کی درآمدات کی مسلسل آمد نے مقامی سوت کی قیمتوں کو دبا رکھا ہے، جس سے گھریلو اسپننگ ملیں اپنی پیداوار کی قیمت اس سطح پر نہیں رکھ سکتیں جو پیداواری لاگت کو پورا کرتی ہیں۔ نتیجتاً، کافی تعداد میں اسپننگ یونٹس کو مکمل طور پر بند کرنے پر مجبور کر دیا گیا ہے اور جواب بھی چل رہے ہیں وہ صلاحیت سے بہت کم کام کر رہے ہیں۔

توانائی، شعبے کی مسابقت پر دوسری بڑی رکاوٹ بنی ہوئی ہے۔ گیس اور بجلی کے ٹیرف علاقائی مینوفیکچررز کے مقابلے میں زیادہ ہیں اور لاگت کا یہ بوجھ غیر متناسب طور پر وہاں پڑتا ہے، جہاں توانائی سب سے بڑی واحد ان پٹ لاگت میں سے ایک ہے۔ جب تک اس عدم توازن کو دور نہیں کیا جاتا، اسپننگ ملز علاقائی درآمد کنندگان کے ساتھ مقابلہ کرنے کے لیے جدوجہد جاری رکھیں گی۔

مستقبل کا نقطہ نظر:

ایک مثبت نوٹ پر، شرح مبادلہ میں نسبتاً استحکام اور اعتماد پسند افراط زر زیادہ متوقع آپرٹنگ ماحول فراہم کرتا ہے۔ مزید برآں، کم پالیسی کی شرحوں سے فنانسنگ چارجز کم ہونے کی توقع ہے، جس سے کمپنیوں کو ان کے ورکنگ کیپیٹل کے اخراجات کو کم کرنے میں مدد ملے گی۔

جاری ساختی مشکلات کے باوجود، بورڈ محتاط لاگت کے انتظام اور اسٹرٹجک پلک کے ذریعے ان چیلنجوں سے نمٹنے کے لیے پرعزم ہے۔ تاہم، اسپننگ سیکٹر میں طویل مدتی آپریشنل عملداری کے لیے حکومت کی جانب سے فعال پالیسی سپورٹ کی ضرورت ہوگی۔ کلیدی مداخلتوں کی ضرورت ہے جن میں توانائی کے ٹیرف کی معقولیت، غیر مسابقتی سوت کی درآمدات کے خلاف حفاظتی اقدامات، بالواسطہ ٹیکسوں میں کمی، اور ٹارگٹڈ ایکسپورٹ سہولت کاری کے طریقہ کار شامل ہیں۔

کارپوریٹ اور مالی رپورٹنگ فریم ورک:

ڈائریکٹرز سکیورٹیز ریٹریبونڈ ایکسچینج کمیشن آف پاکستان اور لسٹڈ کمپنیاں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (سی سی جی ریگولیشنز) کے کارپوریٹ اور مالی رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں۔

- ۱۔ کمپنی کے حسابات جس میں اکاؤنٹ کی کتابیں، نفع اور نقصان کا اکاؤنٹ، بیلنس شیٹ اور دیگر حسابات مروجہ قوانین کے تحت تیار کیے گئے ہیں۔
- ۲۔ مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- ۳۔ کمپنی نے حسابات کی کتابیں موثر طریقے سے رکھی ہیں۔
- ۴۔ مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے۔ کسی انحراف کی اچھی طرح سے وضاحت کی گئی ہے۔
- ۵۔ اندرونی کنٹرول کا نظام درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا اور نگرانی کی گئی ہے۔ اندرونی کنٹرول کی نگرانی کے عمل کو مضبوط بنانے اور نظام میں بہتری لانے کے مقصد کے ساتھ آگے بڑھتے ہوئے عملی طور پر جاری رہے گا۔

- ۶۔ کمپنی کے رواں دواں ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- ۷۔ کارپوریٹ گورننس کے بہترین عملوں سے کوئی مادی انحراف نہیں کیا گیا ہے جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔
- ۸۔ 30 جون، 2026 پر کمپنی کے ذمہ کسی بھی قسم کا قانونی ٹیکس، لیویز یا چارجز نہیں ہیں ماسوائے ان ادائیگیوں کے جو ان حسابات میں بتائی گئی ہیں۔
- ۹۔ 30 جون، 2026 کو ختم ہونے والے سال کے دوران چیف ایگزیکٹو آفیسر، ڈائریکٹرز، چیف فنانشل آفیسر اور کمپنی سیکرٹری یا ان کے شریک حیات اور نابالغ بچوں کے ذریعہ کمپنی کے حصص میں کوئی خرید و فروخت نہیں ہوئی ہے۔

بورڈ کی تشکیل:

کمپنی کے ڈائریکٹرز کو 20 مئی 2026 کو منعقدہ کمپنی کی غیر معمولی جنرل میٹنگ میں دوبارہ منتخب کیا گیا۔ بورڈ کی تشکیل کوڈ آف کارپوریٹ گورننس ضوابط کے تقاضوں کے مطابق ہے۔ کمپنی اپنے بورڈ میں آزاد اور غیر ایگزیکٹو ڈائریکٹرز کی نمائندگی کے ساتھ ساتھ صنعتی تنوع کی حوصلہ افزائی کرتی ہے۔

بورڈ کی حالیہ تشکیل کچھ اس طرح ہے۔

7	ڈائریکٹرز کی کل تعداد
5	مرد
2	خاتون
3	آزاد ڈائریکٹرز
3	غیر ایگزیکٹو ڈائریکٹر
1	ایگزیکٹو ڈائریکٹر

بورڈ کے ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ:

ان کی، لازمی ملازمت کی ضروریات کے علاوہ، ہماری کمپنی کے بورڈ، بورڈ کمیٹیوں، انفرادی ڈائریکٹرز کی کارکردگی کا سالانہ انفرادی اور اجتماعی طور پر درج ذیل پیرامیٹرز کے ساتھ جائزہ لیا جاتا ہے۔

- ۱۔ قابلیت، مہارت اور متنوع نقطہ نظر کے تحت مختلف افراد کا ملنا۔
- ۲۔ سالمیت، سہاک، اعتماد اور ممبروں کی فعال شرکت۔
- ۳۔ انتظامیہ کے ذریعے طے شدہ سالانہ اہداف کی پیروی اور جائزہ۔
- ۴۔ کمپنی کو رہنمائی اور ہدایت فراہم کرنے کی اہلیت۔
- ۵۔ کمپنی کی کارکردگی کے ایسے پہلوؤں کی نشاندہی کرنے کی اہلیت جس میں کارروائی کی ضرورت ہوتی ہے۔
- ۶۔ انتظامیہ کی جانشینی کی منصوبہ بندی کا جائزہ۔
- ۷۔ کمپنی کو درپیش خطرات کی نشاندہی کرنا اور سمجھنے کی قابلیت۔
- ۸۔ کمپنی کے ملازمین کی صحت، کام کرنے کے ماحول اور دیگر پالیسیوں اور طریقوں کو بہتر بنانے کے سلسلے میں شراکت اور دلچسپی۔

۹۔ غیر ضروری قانونی چارہ جوئی وغیرہ سے کمپنی کی حفاظت کرنا۔

مذکورہ بالا عوامل کی بنیاد پر سال کے لیے بورڈ کی مجموعی کارکردگی تسلی بخش تھی۔ بورڈ کے اراکین مؤثر طریقے سے بورڈ میں بہتری لاتے ہیں اور آزاد اور غیر ایگزیکٹو ڈائریکٹرز کا مرکب تشکیل دیتے ہیں۔ بورڈ کمپنی کے لیے کارپوریٹ اہداف وضع کرنے میں بھی موثر ہے۔

بورڈ آڈٹ کمیٹی:

بورڈ کی آڈٹ کمیٹی نے نگرانی کی ذمہ داریوں کو پورا کرنے میں بورڈ کی مدد کی، بنیادی طور پر مالی اور غیر مالیاتی معلومات کا مشترکہ حصول، داخلی کنٹرول کے نظام اور خطرے کے انتظام کے نظام اور آڈٹ کے عمل کے لئے انتظامیہ سے معلومات حاصل کرنے اور بیرونی آڈیٹرز یا مشیروں کے ساتھ براہ راست مشورہ کرنے کے لیے خود مختار ہے جو مناسب سمجھا جاتا ہے۔ چیف فنانس آفیسر باقاعدگی سے اکاؤنٹس پیش کرنے کے لئے دعوت کے ذریعے بورڈ آڈیٹ کمیٹی کے اجلاسوں میں شرکت کرتے ہیں۔ ہر مینٹنگ کے بعد کمیٹی کے چیئرمین بورڈ کو رپورٹ کرتے ہیں۔ کمیٹی نے 2025-26 کے دوران 4 ملاقات کی ہے۔ کمیٹی کے ارکان کے نام مندرجہ ذیل ہیں۔

۱۔	میجر جنرل (ریٹائرڈ) سعید احمد وابلہ	چیئرمین	آزاد ڈائریکٹر
۲۔	جناب احمد قلی خان خٹک	رکن	غیر ایگزیکٹو ڈائریکٹر
۳۔	سید حسن علی رضا	رکن	آزاد ڈائریکٹر

مندرجہ بالا اجلاسوں کے علاوہ، آڈٹ کمیٹی نے چیف فنانشل آفیسر (CFO) اور ہیڈ آف انٹرنل آڈٹ (HIA) کے بغیر بیرونی آڈیٹرز سے ملاقات کی۔ آڈٹ کمیٹی نے بغیر CFO اور بیرونی آڈیٹرز کے، اندرونی آڈٹ کے سربراہ اور اندرونی آڈٹ فنکشن کے دیگر اراکین سے بھی ملاقات کی۔

انسانی وسائل اور معاوضے کی کمیٹی:

کمیٹی نے سینئر ایگزیکٹوز کے معاوضہ سے متعلق معاوضہ، تنظیم اور ملازم کی ترقی کی پالیسیوں کے تمام عناصر کا جائزہ لینے اور سفارش کرنے اور انتظامی کمیٹی کے ممبران اور مینجمنٹ کمیٹی کے ممبروں کے متعلق تمام معاملات کو منظور کرنے کے لئے ملاقات کی۔ کمپنی کے سی ای او نے کمیٹی کے رکن کے طور پر منعقد ہونے والے انسانی وسائل اور معاوضہ کمیٹی کے اجلاس میں شرکت کی۔ کمیٹی نے 2025-26 کے دوران دو بار ملاقات کی۔

کمیٹی کے ارکان کے نام مندرجہ ذیل ہیں۔

۱۔	بریگیڈر (ریٹائرڈ) عبدالصمد خان	چیئرمین	آزاد ڈائریکٹر
۲۔	لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک	رکن	چیف ایگزیکٹو آفیسر
۳۔	جناب احمد قلی خان خٹک	رکن	غیر ایگزیکٹو ڈائریکٹر
۴۔	محترمہ شہناز سجاد احمد	رکن	غیر ایگزیکٹو ڈائریکٹر
۵۔	ڈاکٹر شاہین قلی خان خٹک	رکن	غیر ایگزیکٹو ڈائریکٹر

بورڈ اور اسکی کمیٹیوں کے اجلاس:

سال 2025-26 کے دوران، 5 بورڈ کی میٹنگ، 4 آڈٹ کمیٹی اور دو انسانی وسائل اور معاوضے کی کمیٹی کی میٹنگ منعقد ہوئیں۔ سال کے دوران ہر ڈائریکٹر کی طرف سے شرکت کی میٹنگ کی تعداد یہاں درج کی گئی ہے۔

کمیٹی کے ممبران		حاضری		ڈائریکٹرز کے نام	
آڈٹ کمیٹی	انسانی وسائل اور معاوضے کی کمیٹی	بورڈ	آڈٹ کمیٹی	انسانی وسائل اور معاوضے کی کمیٹی	ڈائریکٹر کے نام
✓	✓	3/5	3/4	1/2	1- جناب احمد قلی خان خٹک
-	✓	5/5	-	2/2	2- لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک
-	✓	4/5	-	1/2	3- مسز شہناز سجاد احمد
-	✓	5/5	-	0/0	4- ڈاکٹر شہین قلی خان خٹک
-	-	3/4	-	-	5- مسز زینب عدنان اورنگزیب
✓	-	3/5	4/4	-	6- میجر جنرل (ریٹائرڈ) سعید احمد والہ
✓	✓	1/4	2/4	1/2	7- کرنل (ریٹائرڈ) سید یونس علی رضا
-	✓	1/1	-	0/0	8- بریگیڈیئر ریٹائرڈ عبدالصمد خان
✓	-	1/1	0/0	-	9- سید حسن علی رضا

* بریگیڈیئر (ریٹائرڈ) عبدالصمد خان اور سید حسن علی رضا 21 مئی، 2026 کو بطور ڈائریکٹر منتخب ہوئے۔

** مسز زینب عدنان اورنگزیب اور کرنل (ریٹائرڈ) سید یونس علی رضا کی ڈائریکٹر شپ کی مدت، 20 مئی، 2026 کو ختم ہوگئی۔

غیر حاضری کی چھٹی ان ڈائریکٹرز کو دی گئی جو اپنے مصروف شیڈول اور دیگر وعدوں کی وجہ سے بورڈ کے اجلاسوں میں شرکت نہیں کر سکے۔

بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ:

CCG ضوابط کے مطابق، بورڈ تسلیم کرتا ہے کہ اسے اپنی کارکردگی کی مسلسل نگرانی اور بہتری کی ضرورت ہے۔ یہ سالانہ کارکردگی کی تشخیص اور بورڈ کی جاری ترقیاتی سرگرمیوں کے ذریعے حاصل کیا جاتا ہے۔ سال کے دوران، بورڈ نے مجموعی طور پر اپنی کارکردگی کے ساتھ ساتھ انفرادی ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کا بھی جائزہ لیا۔ دستیاب آراء کی بنیاد پر اس سال کے جائزے کا مجموعی نتیجہ تسلی بخش پایا گیا ہے۔

ڈائریکٹرز کا معاوضہ:

ڈائریکٹرز کی فیس بورڈ کی منظوری کے مطابق ادا کی جاتی ہے اور کمپنی کے پاس کمپنیز ایکٹ، 2017 اور سی سی جی ضوابط کے مطابق اس سلسلے میں ایک سی پالیسی ہے۔
صنعتی تنوع:

کمپنی اپنے مقام کے باوجود ایک جامع کام کی جگہ کو فروغ دینے کے لئے پرعزم ہے۔ ابھی تک خواتین کل افرادی قوت کا 1% ہیں۔ جب کہ بورڈ میں خواتین کی نمائندگی 29% ہے۔

ہم ایک کام کی جگہ بنانے کے لئے پرعزم ہیں جو تنوع کو اپنانے، مساوات کو فروغ دے اور شمولیت کو فروغ دے، ہمیں یقین ہے کہ تنوع، مساوات، اور شمولیت ہمارے اخلاقی قیادت اور پائیدار کاروباری کامیابی کے لئے بنیادی حیثیت رکھتی ہے، ہم ایک ایسا ماحول بنانے کے لئے سرگرمی سے کام کر رہے ہیں جہاں ہر کوئی قابل قدر اور احترام محسوس کرے۔

ذیل میں صنعتی تنوع کا فرق کمپنی کے کل وقتی ملازمین پر مبنی ہے۔

(i) درمیانی صنعتی تنوع کا فرق: 44.03%

(ii) درمیانی صنعتی تنوع کا فرق: 32.56%

(iii) کوئی دوسرا ڈیٹا / تفصیلات: N/A

مادی تبدیلیاں:

رپورٹ کی تاریخ میں 30 جون 2026 سے اب تک کوئی مادی تبدیلی نہیں آئی ہے اور کمپنی نے اس مدت کے دوران کوئی معاہدہ نہیں کیا ہے، جس سے کمپنی کی مالی پوزیشن پر منفی اثر پڑے گا۔

آڈیٹرز:

موجودہ آڈیٹرز، میسرز شائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس آئینڈ سالانہ جنرل مینٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ بورڈ نے آڈٹ کمیٹی کی طرف سے اس حقیقت کو تسلیم کرتے ہوئے تجویز کیا کہ موجودہ آڈیٹرز پچاس سال سے زائد عرصے سے کمپنی کے ساتھ منسلک ہیں اور اچھی کارپوریٹ گورننس کے مفاد میں اور اراکین کی طرف سے طے کیے جانے والے معاوضے پر، 30 جون، 2027 کو ختم ہونے والے سال کے لیے کمپنی کے قانونی آڈیٹرز میسرز رفاقت بابر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، پشاور، کی تقرری کی سفارش کی ہے۔

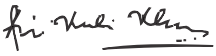
مجوزہ آڈیٹرز انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش درجہ بندی رکھتے ہیں کمپنیز ایکٹ، 2017 کے تحت تقرری کے اہل ہیں اور انہوں نے انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ساتھ اپنی تعمیل کی تصدیق کی ہے۔ ضابطہ اخلاق سے متعلق رہنما خطوط، جیسا کہ ICAP نے اپنایا ہے۔ انہوں نے کمپنی کے قانونی آڈیٹ کے طور پر کام کرنے پر رضامندی ظاہر کی ہے۔

بورڈ ریٹائر ہونے والے آڈیٹرز کی ان کی پیشہ ورانہ خدمات اور پانچ دہائیوں سے زائد عرصے میں کمپنی کے ساتھ مستعد وابستگی کے لیے ان کی مخلصانہ تعریف کا احترام کرتا ہے۔

کارپوریٹ بریفنگ سیشن (CBS):
کمپنی نے مالی سال کے دوران ایک کارپوریٹ بریفنگ سیشن (CBS) کا انعقاد کیا ہے۔

اعتراف:
بورڈ تمام سٹیک ہولڈرز، بشمول ہمارے بینکرز، شیئر ہولڈرز، صارفین اور ملازمین کا کمپنی کی مسلسل حمایت کے لئے شکریہ ادا کرتا ہے۔ ہم کمپنی کی سینئر انتظامیہ اور عملے کی محنت اور لگن کو بھی تسلیم کرنا چاہیں گے۔ ہم مستقبل میں بھی ان کی جاری وابستگی اور تعاون کے منتظر ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے


لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک
چیف ایگزیکٹو آفیسر

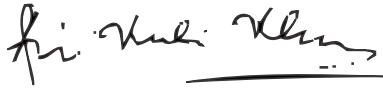

بریگیڈیئر ریٹائرڈ عبدالصمد خان
ڈائریکٹر

تاریخ: 22 ستمبر، 2026

**GENDER PAY GAP STATEMENT UNDER
SECP'S CIRCULAR 10 OF 2024**

This statement is made to comply with Gender Pay Gap statement on the format as suggested under Circular 10 of 2024 ref No. SECP/CS/MC/17 of the Securities and Exchange Commission of Pakistan (SECP). Following is gender pay gap calculated for the year ended June 30, 2026.

i.	Mean Gender Pay Gap	=	44.03 %
ii.	Median Gender Pay Gap	=	32.56 %
iii.	Any other data/details	=	N/A



Lt. Gen. (Retd.) Ali Kuli Khan Khattak

Chief Executive Officer

KEY OPERATING AND FINANCIAL DATA SIX YEARS SUMMARY

PARTICULARS		2026	2025	2024	2023	2022	2021
Spindles installed	Nos.	64,704	64,704	98,224	101,320	101,320	100,200
Rotors installed	Nos.	600	600	600	600	600	600
PRODUCTION	Lbs. in million	1.647	2.458	12.927	14.340	17.636	14.406
Sales - Net	Rs. in million	645.397	1,523.661	5,884.712	6,016.527	7,155.722	5,610.298
Gross (loss) / profit	----- " -----	(148.474)	(485.835)	(24.571)	346.898	598.779	775.052
(Loss) / profit from operations	----- " -----	(147.983)	(512.974)	(190.092)	241.847	402.765	594.674
(Loss) / profit before Taxation	----- " -----	(274.202)	(766.573)	(536.751)	(102.686)	189.742	434.368
Provision for Taxation	----- " -----	70.062	(11.769)	(69.167)	(22.410)	19.906	161.264
(Loss) / profit after Taxation	----- " -----	(344.264)	(754.804)	(467.584)	(80.276)	169.836	273.104
(Loss) / Earning per share	Rupees	(49.78)	(109.14)	(67.61)	(11.61)	30.85	57.08
Breakup Value per share	----- " -----	777.96	763.64	872.79	949.72	957.47	733.60

Total Assets	Rs. in million	7,655.884	7,390.160	8,873.741	9,636.386	10,039.725	5,275.592
Current Liabilities	----- " -----	(1,881.804)	(1,423.659)	(2,355.814)	(2,295.847)	(2,425.686)	(1,385.856)
	----- " -----	5,774.080	5,966.501	6,517.927	7,340.539	7,614.039	3,889.736

REPRESENTED BY:

Share Capital	Rs. in million	69.158	69.158	69.158	69.158	69.158	47.848
Reserves and Un-appropriated Profit	----- " -----	5,311.072	5,212.061	5,966.876	6,498.971	6,552.511	3,462.267
Equity	----- " -----	5,380.230	5,281.219	6,036.034	6,568.129	6,621.669	3,510.115
Lease liabilities	----- " -----	0.000	0.000	0.000	2.034	0.000	1.084
Long term finances	----- " -----	0.000	353.427	0.624	138.691	263.616	3.567
Deferred Liabilities	----- " -----	393.850	331.855	481.269	631.685	728.754	374.970
	----- " -----	5,774.080	5,966.501	6,517.927	7,340.539	7,614.039	3,889.736

FORM 20

THE COMPANIES ACT, 2017
(Section 227(2)(f) and Regulation 30)

PATTERN OF SHAREHOLDING

1.1 Name of the Company

JANANA DE MALUCHO TEXTILE MILLS LIMITED

2.1 Pattern of holding of the shares held by the shareholders as at

3 0

0 6

2 0 2 6

2.2 No of
shareholdersShareholdingsTotal shares held

1737		shareholding from 1 to 100 shares	46,902
631		shareholding from 101 to 500 shares	145,044
147		shareholding from 501 to 1000 shares	108,066
134		shareholding from 1001 to 5000	285,962
19		shareholding from 5001 to 10000	136,105
15		shareholding from 10001 to 15000	188,089
4		shareholding from 15001 to 20000	68,700
3		shareholding from 20001 to 25000	70,027
2		shareholding from 25001 to 30000	55,231
2		shareholding from 35001 to 40000	78,500
3		shareholding from 40001 to 45000	125,995
2		shareholding from 50001 to 55000	108,500
2		shareholding from 55001 to 60000	113,119
1		shareholding from 60001 to 65000	63,700

1		shareholding from 65001 to 70000	67,000
1		shareholding from 800001 to 85000	81,784
2		shareholding from 950001 to 100000	196,750
1		shareholding from 100001 to 105000	100,413
1		shareholding from 130001 to 135000	134,062
1		shareholding from 160001 to 165000	161,408
1		shareholding from 170001 to 175000	170,500
1		shareholding from 295001 to 300000	300,000
1		shareholding from 340001 to 345000	341,000
1		shareholding from 475001 to 480000	478,444
1		shareholding from 840001 to 845000	843,245
1		shareholding from 885001 to 890000	888,046
1		shareholding from 1555001 to 1560000	1,559,230
2716		Total	6,915,822

2.3 Categories of shareholders	share held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children.	69,755	1.01
2.3.2 Associated Companies, undertakings and related parties.	3,731,008	53.95
2.3.3 Treasury Shares	341,000	4.93

2.3.4 NIT & ICP	57,541	0.83
2.3.5 Banks Development Financial Institutions, Non Banking Financial Institutions.	494,214	7.15
2.3.6 Insurance Companies	328	0.00
2.3.7 Modarabas and Mutual Funds	799	0.01
2.3.8 Share holders holding 10% Bibojee Services (Pvt.) Ltd Bannu Woollen Mills Ltd	2,031,291 1,659,643	29.37 24.00
2.3.9 General Public		
a. Local	1,882,755	27.22
b. Foreign	NIL	NIL
2.3.10 Others (to be specified)		
Other Companies	193,385	2.80
Secretary to Govt. of KPK	143,806	2.08
Deputy Administrator (Abandoned Properties)	1201	0.02
Sheriar F. Irani Investment Trust Ltd.	30	0.00

6. Signature of
Secretary



7. Name of Signatory

Muhammad Sohail Karim

8. Designation

Company Secretary

9. NIC Number

3	1	2	0	2	-	4	5	4	4	9	8	5	-	5
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

10. Date

Day		Month		Year			
3	0	0	6	2	0	2	6

DETAILS OF PATTERN OF SHAREHOLDING AS PER
REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE

CATEGORIES OF SHAREHOLDERS		SHARES HELD
1.	ASSOCIATED COMPANIES, UNDERTAKINGS & RELATED PARTIES: M/S.BIBOJEE SERVICES (PVT) LTD. M/S BANNU WOOLLEN MILLS LTD. M/S WAQF-E-KULI KHAN	2,031,291 1,659,643 40,074
2.	TREASURY SHARES:	341,000
3.	NIT & I.C.P: M/S. INVESTMENT CORPORATION OF PAKISTAN CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,517 56,024
4.	DIRECTORS, CEO & THEIR SPOUSE AND MINOR CHILDREN: MR. AHMAD KULI KHAN KHATTAK Chairman LT.GEN. (RETD) ALI KULI KHAN KHATTAK Chief Executive MRS.SHAHNAZ SAJJAD AHMED Director DR. SHAHEEN KULI KHAN KHATTAK Director MAJ. GEN. (RETD) SAEED AHMED WAHLA Director BRIG. (RETD) ABDUL SAMAD KHAN Director SYED HASSAN ALI RAZA Director	21,934 24,819 10,968 10,968 3 961 102
5.	EXECUTIVES	204
6.	OTHER COMPANIES	193,385
7.	BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE, INSTITUTIONS, INSURANCE COMPANIES, MODARBAS & MUTUAL FUNDS	495,341
8.	SHAREHOLDERS HOLDING 10% OR MORE: M/S.BIBOJEE SERVICES (PVT) LTD. M/S BANNU WOOLLEN MILLS LTD.	2,031,291 1,659,643
9.	GENERAL PUBLIC & OTHERS	2,027,588

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

Name of Company: JANANA DE MALUCHO TEXTILE MILLS LIMITED (THE COMPANY)

Year Ended: JUNE 30, 2026

The Company has complied with the requirements of the Statements of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), in the following manner:

1. Total number of directors are Seven as per following:

a. Male: 5

b. Female: 2

2. The composition of the Board of Directors (the Board) is as follows:

CATEGORY	NAMES
Independent Directors	Maj. Gen. (Retd) Saeed Ahmed Wahla Brig. (Retd) Abdul Samad Khan Syed Hassan Ali Raza
Non-executive Directors	Mr. Ahmad Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Dr. Shahin Kuli Khan Khattak
Executive Director	Lt. Gen. (Retd) Ali Kuli Khan Khattak
Female Directors	Mrs. Shahnaz Sajjad Ahmad Dr. Shahin Kuli Khan Khattak

3 None of the Board members hold directorship of more than seven listed companies, including this Company.

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.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained by the company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters taken by the Board/or members of the company as provided under 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 has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.

9. Four of our directors have already acquired the requisite certification under Directors' Training Program (the Program), whereas, three Directors, who were elected Directors on 20th May 2026 have to acquire the Directors training program certification within a period of one year from the date of their appointment as a Director on the Board. Furthermore, all three Directors will be joining the program whenever these are announced by the approved institutions at Lahore & Islamabad.

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

11. CFO and Chief Executive Officer (CEO) have duly endorsed the financial Statements before approval of the Board.

12. The Board has formed the following Committees comprising the members mentioned below:

Audit Committee

- | | | |
|----|------------------------------------|----------|
| a) | Maj. Gen. (Retd) Saeed Ahmed Wahla | Chairman |
| b) | Mr. Ahmad Kuli Khan Khattak | Member |
| c) | Syed Hassan Ali Raza | Member |

Human Resource and Remuneration Committee

- | | | |
|----|---------------------------------------|------------|
| a) | Brig. (Retd) Abdul Samad Khan | Chairman |
| b) | Lt. Gen. (Retd) Ali Kuli Khan Khattak | CEO/Member |
| c) | Mr. Ahmad Kuli Khan Khattak | Member |
| d) | Mrs. Shahnaz Sajjad Ahmad | Member |
| e) | Dr. Shahin Kuli Khan Khattak | Member |

13. The terms of reference of the aforesaid Committees have been determined, documented and passed on to the Committees for ensuring compliance.

14. The frequency of meetings of the Committees was as per following:

- | | |
|----------------------------------|---------------------------------|
| a) Audit Committee | Quarterly |
| b) HR and Remuneration Committee | Twice during the financial year |

15. The Board has set up an effective internal audit function, its officers possess requisite qualification and experience for the responsibilities 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 (ICAP) and are registered with the Audit Oversight Board of Pakistan, that none of the partners of the firm, their spouses and minor children hold shares of the Company and that the Audit Firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by the ICAP.

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

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

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

Regulation No. Regulation 29 – Nomination Committee

Explanation: The Board has not constituted a separate Nomination Committee, as the constitution of this committee is optional under Regulation 29 of the Regulations. The Board as a whole performs the functions of the Nomination Committee.

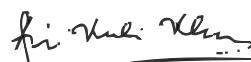
Regulation No. Regulation 30 – Risk Management Committee

Explanation: The Board has not constituted a separate Risk Management Committee, as the constitution of this committee is optional under Regulation 30 of the Regulations. The Board, with the support of the relevant management functions and committees, oversees the Company's risk management matters.

On behalf of the Board of Directors



Brig. (Retd) Abdul Samad Khan
Director



Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Chief Executive Officer

Dated: September 22, 2026

**INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF
JANANA DE MALUCHO TEXTILE MILLS LIMITED**

**Review Report on the statement of compliance contained in
the 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 **JANANA DE MALUCHO TEXTILE MILLS LIMITED** (the Company) for the year ended June 30, 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.

Based on our review, 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 June 30, 2026.

Shinewing Hameed Chaudhri & co.

**SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS**

Audit Engagement Partner: Osman Hameed Chaudhri

**LAHORE; SEPTEMBER 22, 2026
UDIN: CR202610104QcEe7OFHV**

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF JANANA DE MALUCHO TEXTILE MILLS LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **JANANA DE MALUCHO TEXTILE MILLS LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss and other 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 and other 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 June 30, 2026 and of the loss and 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 Auditors' 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 year. 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:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	Inventory existence and valuation The value of stock-in-trade at the reporting date aggregated Rs.174.064 million. Stock-in-trade at the reporting date mainly included raw materials and finished goods (note 9). The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads incurred in bringing the inventories to their present location and conditions. Judgment has also been exercised by the management in determining the net realisable value of finished goods. We identified this as key audit matter in our audit due to the judgment and assumptions applied by the Company in determining the cost and net realisable value of stock-in-trade at the reporting date.	We assessed the appropriateness of management assumptions applied in calculating the value of stock-in-trade and validated the valuation by taking following steps: - assessed whether the Company's accounting policy for inventory valuation is in line with the applicable financial reporting standards; - attended inventory count at the year-end and reconciled physical inventory with inventory lists provided to ensure completeness of data; - assessed historical cost recorded in inventory valuation by checking purchase invoices on sample basis; - tested reasonability of assumptions applied by the management in allocation of labour and other various overhead costs to inventories; - assessed the management's determination of net realisable value of inventories by performing tests on sale prices secured by the Company for similar items; and - performed net realisable value test to assess whether cost of inventories exceeded its net realisable value by detailed review of subsequent sale invoices.
2.	Contingencies As disclosed in notes 26 and 28 to the accompanying financial statements, the Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law. This requires the management to make assessments and judgments with respect to likelihood and impact of such litigations on the financial statements of the Company. The management has engaged independent legal counsels on these matters.	In response to this matter, we performed following audit procedures: - discussed legal cases with the internal legal department of the Company to understand the management's view point, obtained and reviewed the litigation documents to assess the facts and circumstances; - obtained opinions from legal counsels dealing with such cases in the form of confirmations;

S. No.	Key audit matters	How the matter was addressed in our audit
3.	The assessment of provisioning against such litigations is a complex exercise and requires significant judgments to determine the level of certainty on these matters. The details of contingencies along with management's assessments are disclosed in said note to these financial statements. Valuation of Investments Refer notes 7 to the financial statements. The Company's investments in an Associated Company having carrying value of Rs.124.238 million as at the reporting date. Investments in Associated Company are measured under equity method of accounting and at the reporting date the recoverable amount is estimated by an independent Valuer to determine the extent of impairment loss; carrying amount of investments is adjusted accordingly. The estimation of the recoverable amount involves significant judgment, including assumptions around the current and future market conditions, forecast cash flows and discount rates, etc. In view of significant judgment involved in the estimation of value in use, we consider this as a key audit matter.	- evaluated the possible outcome of these legal cases in line with the requirements of IAS 37 (Provisions, contingent liabilities and contingent assets); and - disclosures of legal exposures and provisions were assessed for completeness and accuracy. Our procedures in relation to assessment of carrying values of investments in Associated Company included the following: - assessed the appropriateness of management's accounting for investments in Associated Company. - understood and evaluated the process by which the cash flow forecasts were prepared by the Valuer, including confirming the mathematical accuracy of the underlying calculations; - evaluated the Valuer's competence, capability and objectivity and assessed the appropriateness of methodology adopted by the Valuer engaged by the management; - performed independently, a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions; and - assessed the adequacy of the disclosures made by the Company with regard to applicable accounting and reporting standards.

Information Other than the Financial Statements and Auditors' 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 auditors' 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 is responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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.

- 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 auditors' 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 upto the date of our auditors' 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 year and are therefore the key audit matters. We describe these matters in our auditors' 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 and other 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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.

Shinewing Hameed Chaudhri & co.

LAHORE; SEPTEMBER 22, 2026
UDIN: AR202610104sIfJG0zka

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

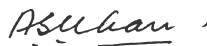
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

		2026	2025
ASSETS	Note	- - - Rupees in '000 - - -	
Non-current assets			
Property, plant and equipment	5	7,053,661	6,859,580
Intangible assets	6	260	520
Investments in Associated Company	7	124,238	89,848
Security deposits		14,598	14,598
		<u>7,192,757</u>	<u>6,964,546</u>
Current assets			
Stores, spares and loose tools	8	67,819	66,731
Stock-in-trade	9	174,064	125,167
Trade debts	10	3,621	83,535
Loans and advances	11	414	513
Advance payments	12	8,590	2,432
Trade deposits and prepayments	13	3,208	4,731
Due from Associated Companies	14	720	5,368
Other receivables	15	-	579
Sales tax refundable		21,556	-
Income tax refundable, advance tax and tax deducted at source		140,655	128,641
Cash and bank balances	16	42,480	7,917
		<u>463,127</u>	<u>425,614</u>
TOTAL ASSETS		<u>7,655,884</u>	<u>7,390,160</u>
EQUITY AND LIABILITIES			
Equity			
Authorised capital	17	<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital	18	69,158	69,158
Treasury shares	18.6	(3,410)	(3,410)
Capital reserves:			
- other capital reserves	19	23,803	23,803
- revaluation surplus on property, plant and equipment	20	5,380,906	5,058,679
Revenue reserves			
- general reserve		371,530	371,530
- Accumulated loss		(461,757)	(238,541)
Shareholders' equity		<u>5,380,230</u>	<u>5,281,219</u>
Liabilities			
Non-current liabilities			
Lease liabilities	21	-	-
Long term finances	22	-	353,427
Deferred taxation	23	393,850	331,855
		<u>393,850</u>	<u>685,282</u>
Current liabilities			
Trade and other payables	24	551,565	305,547
Contract liabilities		50,694	43,469
Unclaimed dividends		2,714	2,715
Accrued mark-up		257,102	121,362
Current portion of non current liabilities	25	1,010,473	930,331
Levies and income tax	26	8,067	19,046
Preference shares redemption account	27	1,189	1,189
		<u>1,881,804</u>	<u>1,423,659</u>
Total liabilities		<u>2,275,654</u>	<u>2,108,941</u>
Contingencies and commitments	28		
TOTAL EQUITY AND LIABILITIES		<u>7,655,884</u>	<u>7,390,160</u>

The annexed notes 1 to 49 form an integral part of these financial statements.



Lt. Gen. (Retd.)
Ali Kuli Khan Khattak
Chief Executive



Brig. (Retd) Abdul Samad Khan
Director

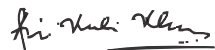


Salman Khan
Chief Financial Officer

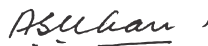
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026**

		2026	2025
	Note	--- Rupees in '000 ---	
Sales	29	645,397	1,523,661
Cost of sales	30	793,871	2,009,496
Gross loss		(148,474)	(485,835)
Distribution cost	31	2,909	26,562
Administrative expenses	32	60,425	60,694
Other expenses	33	-	708
Other income	34	(63,825)	(60,825)
		(491)	27,139
Loss from operations		(147,983)	(512,974)
Finance cost	35	136,004	261,966
		(283,987)	(774,940)
Share of loss from an Associated Company - net	7	(2,401)	(14,974)
Reversal of Impairment loss on investments in Associated Company	7	12,186	23,341
		9,785	8,367
Loss before revenue tax and income tax		(274,202)	(766,573)
Final tax levy	36.1	8,067	19,046
Loss before income tax		(282,269)	(785,619)
Income taxes	36.2	61,995	(30,815)
Loss for the year		(344,264)	(754,804)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:			
- Surplus arisen upon revaluation of freehold land during the year		418,670	-
- Surplus arisen upon revaluation of property, plant and equipment of an Associated Company		35,266	-
- deferred taxation		(10,227)	-
		443,709	-
- share of other comprehensive loss of Associated Companies		(611)	(15)
- impact of tax		177	4
	7	(434)	(11)
		443,275	(11)
Total comprehensive income / (loss)		99,011	(754,815)
		----- Rupees -----	
Loss per share - basis and diluted	37	(49.78)	(109.14)

The annexed notes 1 to 49 form an integral part of these financial statements.



**Lt. Gen. (Retd.)
Ali Kuli Khan Khattak
Chief Executive**



**Brig. (Retd) Abdul Samad Khan
Director**



**Salman Khan
Chief Financial Officer**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2026

	Reserves									
	Capital					Revenue				
	Share capital	Treas-ury shares	Capital rede-mption	Tax holi-day	Share premi-um	Revaluation surplus on property, plant and equipment	Merger reserve	General	Unappr-opriated profit / (Accumulate d loss)	Total
----- Rupees in '000 -----										
Balance as at June 30, 2024	69,158	(3,410)	6,694	350	11,409	5,007,712	5,350	371,530	567,241	6,036,034
Total comprehensive loss for the year ended June 30, 2025:										
- loss for the year	-	-	-	-	-	-	-	-	(754,804)	(754,804)
- other comprehensive (loss) / income	-	-	-	-	-	-	-	-	(11)	(11)
	-	-	-	-	-	-	-	-	(754,815)	(754,815)
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)										
- on account of incremental depreciation for the year	-	-	-	-	-	(35,650)	-	-	35,650	-
- upon sale of revalued assets	-	-	-	-	-	86,617	-	-	(86,617)	-
Balance as at June 30, 2025	69,158	(3,410)	6,694	350	11,409	5,058,679	5,350	371,530	(238,541)	5,281,219
Total comprehensive loss for the year ended June 30, 2026:										
- loss for the year	-	-	-	-	-	-	-	-	(344,264)	(344,264)
- other comprehensive income	-	-	-	-	-	418,670	-	-	(434)	418,236
	-	-	-	-	-	418,670	-	-	(344,698)	73,972
Share of revaluation surplus on property, plant and equipment of Associated Company	-	-	-	-	-	25,039	-	-	-	25,039
Transfer from revaluation surplus / (deficit) on property, plant and equipment (net of deferred taxation)										
- on account of incremental depreciation for the year	-	-	-	-	-	(34,262)	-	-	34,262	-
- upon sale of revalued assets	-	-	-	-	-	(87,220)	-	-	87,220	-
	69,158	(3,410)	6,694	350	11,409	5,380,906	5,350	371,530	(461,757)	5,380,230

The annexed notes 1 to 49 form an integral part of these financial statements.


Lt. Gen. (Retd.)
Ali Kuli Khan Khattak
Chief Executive

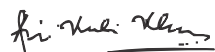

Brig. (Retd) Abdul Samad Khan
Director


Salman Khan
Chief Financial Officer

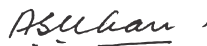
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 --- Rupees in '000 ---	2025
Cash flows from operating activities			
Loss for the year - before taxation and share of loss of Associated Companies		(283,987)	(774,940)
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets	5.6	120,506	132,308
Depreciation on right of use assets	5.9	-	2,332
Amortisation of intangible assets	6	260	260
Provision for impairment of trade debts	33	-	708
Gain on sale of operating fixed assets	5.7	(16,666)	(46,874)
Staff retirement benefits - gratuity (net)		-	(118,599)
Unclaimed payable balances of cotton and store suppliers of prior years - written back	34	-	(4,588)
Finance cost		135,761	259,059
Loss before working capital changes		(44,126)	(550,334)
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(1,088)	8,354
Stock-in-trade		(48,897)	1,168,555
Trade debts		79,914	(79,670)
Loans and advances		99	1,611
Advance payments		(6,159)	8,510
Trade deposits and prepayments		1,523	(1,011)
Other receivables		579	1,344
Due from an Associated Company		4,648	(5,308)
Increase / (decrease) in trade and other payables and contract liabilities		231,687	(516,333)
		262,306	586,052
Cash generated from operations		218,180	35,718
Taxes paid		(31,060)	(15,173)
Net cash generated from operating activities		187,120	20,545
Cash flows from investing activities			
Fixed capital expenditure - net		(1,089)	101
Proceeds from sale of operating fixed assets	5.7	121,838	237,875
Net cash generated from investing activities		120,749	237,976
Cash flows from financing activities			
Lease liabilities		-	229
Long term finances - net		(273,285)	1,122,821
Short term finances - net		-	(1,171,942)
Finance cost paid		(21)	(214,084)
Net cash used in from financing activities		(273,306)	(262,976)
Net increase / (decrease) in cash and cash equivalents		34,563	(4,455)
Cash and cash equivalents - at beginning of the year		7,917	12,372
Cash and cash equivalents - at end of the year		42,480	7,917

The annexed notes 1 to 49 form an integral part of these financial statements.



**Lt. Gen. (Retd.)
Ali Kuli Khan Khattak
Chief Executive**



**Brig. (Retd) Abdul Samad Khan
Director**



**Salman Khan
Chief Financial Officer**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

1. LEGAL STATUS AND OPERATIONS

1.1 Janana De Malucho Textile Mills Ltd. (JDM / the Company) was incorporated in Pakistan as a Public Company in the year 1960 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Ltd. The Company is principally engaged in manufacture and sale of yarn. The Company's mills and its registered office are located at Habibabad, Kohat.

1.2 Following an improvement in market conditions and operational viability, the Company resumed its operations effective February 26, 2026, after a temporary suspension since October 31, 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The 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 and directives issued under the Act.

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.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except where otherwise specifically stated.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional currency. All financial information has been rounded off to the nearest thousand of Rupees unless otherwise stated.

2.4 Critical accounting estimates, assumptions and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Useful lives, residual values and depreciation method of property, plant and equipment. - notes 4.1 and 5.1.
- Useful lives, residual values and amortisation method of intangible assets - notes 4.2 and 6.2
- Provision for impairment of inventories - notes 4.4, 4.5, 8 and 9.
- Allowance for expected credit loss - note 4.7.
- Impairment loss of non-financial assets other than inventories - note 4.9.
- Estimation of provisions - note 4.12.
- Estimation of contingent liabilities - notes 4.13 and 28.
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) - notes 4.14, 23 and 26.

The revisions to accounting estimates, if any, are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. **CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES RESULTING FROM NEW / AMENDMENTS IN STANDARDS AND INTERPRETATION DURING THE YEAR**

3.1 **Standards, amendments to approved accounting standards and interpretations that are effective and have been adopted by the Company**

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except for following amendments to accounting standards which are effective for annual periods beginning on or after July 01, 2025 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

IFRS S1 General Requirement for Disclosure of Sustainability-Related

Effective: July 01, 2025

IFRS S2 Climate Related Disclosures

These standards include the core framework for the disclosure of material information about sustainability-related risk, opportunities across an entities' value chain and set out the requirements for entities to disclose information about climate related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability related risks and opportunities that is useful to primary user of general purpose financial reporting in making decisions relating to providing resources to the entity. The standard provide guidance on identifying sustainability related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate related disclosures. IFRS S2 requires an entity to identify and disclose climate related risks and opportunities that could affect the entities prospects over the short, medium and long term. In addition, IFRS S2 requires and entities to consider other industries based metrics and seven cross-industry metrics

when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage identified material climate related risks and opportunities. The cross-industry metrics include disclosure on green house gas ('GHG') emissions, transition risks, physical risks, climate related opportunities, capital development, internal carbon prices and remuneration.

The Company meets the specified criteria for Phase II applicability under the SECP's order dated December 31, 2024; accordingly, the Company shall comply the Sustainability Disclosure Standards from annual reporting period beginning on or after July 01, 2026.

There are number of other standards, amendments and interpretations to the approved accounting standards that are effective but are not relevant to the Company and therefore, have not been presented here.

3.2 Standards, amendments to approved accounting standards and interpretations that are not effective and have not been adopted by the Company

The following standards, interpretations and amendments as notified under Companies Act, 2017 are effective for accounting periods beginning from the dates specified below and have not been early adopted by the Company:

a) Amendments to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments **Effective: January 01, 2026**

The amendments clarify the timing for recognizing and derecognizing certain financial assets and liabilities, introduce an exception for some financial liabilities settled via electronic cash transfers, provide additional guidance for assessing if a financial asset meets the Solely Payment of Principal and Interest ('SPPI') criterion, require new disclosures for instruments with cash flow changes linked to Environmental, Social and Governance ('ESG') targets, and update disclosures for equity instruments designated at FVOCI.

b) IFRS 18 Presentation and Disclosure in Financial Statements **Effective: January 01, 2027**

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

c) Amendments to IAS 21 - Translation to a Hyperinflationary Presentation **Effective: January 01, 2027**

These amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements of the Company other than in presentation and disclosures.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. They are same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2025.

4.1 Property, plant and equipment and depreciation

a) Owned assets

Measurement

Items of property, plant and equipment other than freehold land, buildings on freehold land, plant & machinery, generators and capital work-in-progress are measured at cost less accumulated depreciation and impairment loss, if any.

Freehold land is stated at revalued amount whereas buildings on freehold land, plant & machinery and generators are stated at revalued amounts less accumulated depreciation and any identified impairment loss. Cost of some items of plant & machinery consists of historical cost and exchange fluctuation effects on foreign currency loans capitalised during prior years. Borrowing costs are also capitalised for the period upto the date of commencement of commercial production of the respective plant & machinery, acquired out of the proceeds of such

Capital work-in-progress is stated at cost less impairment loss, if any.

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. The carrying amount of the replaced part is derecognised.

Revaluation

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation surplus on property, plant and equipment to retained earnings.

Depreciation

Depreciation is charged so as to write-off the cost or revalued amount of assets (other than freehold land and capital work-in-progress) over their remaining useful lives, using the reducing balance method at rates specified in note 5.1 to the financial statements.

Depreciation on additions to property, plant and equipment is charged from the date the asset acquired or capitalised has become available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

Disposal

Gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in other income in the statement of profit or loss. In case of the sale or retirement of a revalued property, plant and equipment, the attributable revaluation surplus remaining in the revaluation surplus on property, plant and equipment is transferred directly to unappropriated profit.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any change in estimates is accounted for on a prospective basis.

b) Right of use assets and related liabilities

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate. Lease payment includes fixed payments with annual increments.

The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

4.2 Intangible assets and amortisation thereon

Expenditure incurred to acquire computer software are capitalised as intangible assets and stated at cost less accumulated amortisation. Amortisation is taken to statement of profit or loss applying straight-line method to amortise the cost of intangible assets over their estimated useful life. Rate of amortisation is stated in note 6.2.

4.3 Investments in Associated Company

Investments in Associated Company are accounted for by using equity basis of accounting, under which the investments in Associated Company are initially recognised at cost and the carrying amounts are increased or decreased to recognise the Company's share of profit or loss of the Associated Company after the date of acquisition. The Company's share of profit or loss of the Associated Company is recognised in the Company's profit or loss. Distributions received from Associated Company reduce the carrying amount of investments. Adjustments to the carrying amounts are also made for changes in the Company's proportionate interest in the Associated Company arising from changes in the Associated Company's equity that have not been recognised in the Associated Company's profit or loss. The Company's share of those changes is recognised directly in equity of the Company.

The carrying amount of investments is tested for impairment, by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognised in profit or loss.

4.4 Stores, spares and loose tools

Stores, spares and loose tools are stated at the lower of cost and net realisable value. The cost of inventory is based on moving average cost. Items in transit are stated at cost accumulated upto the statement of financial position date. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for identified obsolete and slow moving items.

4.5 Stock-in-trade

Basis of valuation are as follows:

<u>Particulars</u>	<u>Mode of valuation</u>
Raw materials	
- at mills	- At lower of annual average cost and net realisable value.

- in transit - At cost accumulated to the reporting date.

Work-in-process - At cost.

Finished goods - At lower of cost and net realisable value.

Waste - At net realisable value.

- Cost in relation to work-in-process and finished goods consists of prime cost and appropriate production overheads. Prime cost is allocated on the basis of moving average cost.
- Provision for obsolete and slow moving stock-in-trade is determined based on the management's assessment regarding their future usability.
- Net realisable value signifies the selling price in the ordinary course of business less cost of completion and cost necessary to be incurred to effect such sale.

4.6 Judgments and estimates

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 periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

4.7 Trade debts

Trade debts are initially recognised at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less allowance for Expected Credit Loss (ECL). Carrying amounts of trade debts and other receivables are assessed at each reporting date and allowance is made for doubtful debts and receivables when collection of the amount is no longer probable. Debts and receivables considered irrecoverable are written-off.

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cash-in-hand and balances with banks.

4.9 Impairment of non-financial assets other than inventories

The assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

4.10 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently measured at amortised cost using the effective interest rate method.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

4.11 Trade and other payables

Trade and other payables are initially measured at cost, which is the fair value of the consideration to be paid in future for goods and services, whether or not billed to the Company.

4.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.13 Contingent liabilities

A contingent liability is disclosed when the Company

- has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or
- has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.14 Taxation

Taxation comprises of current tax and deferred tax.

Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any, in which case the tax amounts are recognised directly in other comprehensive income or equity.

The Company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Other taxes based on revenue and final taxes are then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

Current

Current tax is the expected tax payable on the taxable income for the year; calculated using rates enacted or substantively enacted by the end of the reporting period. The calculation of current tax takes into account tax credits and tax rebates, if any, and is inclusive of any adjustment to income tax payable or recoverable in respect of previous years.

Deferred

The Company accounts for deferred taxation using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is recognised for taxable temporary differences and deferred tax asset is recognised 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 utilised.

Deferred tax is charged or credited to the profit or loss except for deferred tax arising on surplus on revaluation of property, plant and equipment, which is charged to revaluation surplus.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

4.15 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised in the period in which these are approved.

4.16 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

a) Financial assets

Classification

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

- i) amortised cost where the effective interest rate method is applied;
- ii) fair value through profit or loss; and
- iii) fair value through other comprehensive income.

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

For assets measured at fair value, gains and losses are either recorded in statement of profit or loss or other comprehensive income (OCI).

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

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 (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the statement of profit or loss.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 10 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Impairment of financial assets

The Company assesses on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its trade debts. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Bank balances

Simplified approach for trade debts

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Recognition of loss allowance

The Company recognises an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Write-off

The Company writes-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written-off result in impairment gains.

b) Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

- i) fair value through profit or loss; and
- ii) other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

i) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

ii) Other financial liabilities

After initial recognition, other financial liabilities, which are interest bearing, are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss for the year, when the liabilities are derecognised as well as through effective interest rate amortisation process.

Derecognition of financial liabilities

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or expired.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

4.17 Foreign currency transactions

Foreign currency transactions are recorded in Pak Rupees using the exchange rates prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated in Pak Rupees at the rates of exchange prevailing at the reporting date. Exchange gains and losses are taken to statement of profit or loss.

4.18 Revenue recognition

Revenue from contracts with customers is recognised at the point in time when the performance obligation is satisfied i.e. control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods.

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 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.

Others

Return on deposits is accounted for on 'accrual basis'.

Dividend income and entitlement of bonus shares are recognised when right to receive such dividend and bonus shares is established.

4.19 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however, certain information about the Company's products, as required by the approved accounting standards, is presented in note 43 to these financial statements.

5. PROPERTY, PLANT AND EQUIPMENT		2026	2025
	Note	- - - Rupees in '000 - - -	
Operating fixed assets - tangible	5.1	6,997,636	6,803,555
Capital work-in-progress	5.8	56,025	56,025
		<u>7,053,661</u>	<u>6,859,580</u>

5.1 Operating fixed assets - owned

Particulars	Freehold land	Roads, paths and culverts	Buildings on freehold land				Plant & machinery	Generators	Workshop equipment	Furniture and fixtures	Office & other equipment	Computer equipment and accessories	Vehicles	Arms	Security & surveillance	Total
			Factory	Non-factory	Residential											
					Officers	Workers										

----- Rupees in '000 -----

As at June 30, 2024

Cost / revaluation	4,702,000	1,257	569,467	40,331	12,193	43,403	2,078,734	318,486	5,497	20,336	4,529	3,139	96,534	8,039	3,573	7,907,518
Accumulated depreciation	-	283	55,523	3,933	1,189	4,232	552,183	94,839	3,126	9,657	2,452	2,531	43,941	3,478	3,288	780,655
Book value	4,702,000	974	513,944	36,398	11,004	39,171	1,526,551	223,647	2,371	10,679	2,077	608	52,593	4,561	285	7,126,863

Year ended
June 30, 2025:

Disposals

Cost / Revaluation	-	-	-	-	-	-	(256,058)	(15,583)	-	-	-	-	(4,888)	-	-	(276,529)
Depreciation	-	-	-	-	-	-	77,529	3,575	-	-	-	-	4,425	-	-	85,529

Depreciation for the year	-	49	25,697	1,820	550	1,959	69,264	21,275	119	534	104	182	10,444	228	85	132,308
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Book value	4,702,000	925	488,247	34,578	10,454	37,212	1,278,758	190,364	2,252	10,145	1,973	426	41,686	4,333	200	6,803,555
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Year ended
June 30, 2026:

Additions	-	-	-	-	-	-	-	-	-	-	29	87	-	-	973	1,089
Revaluation surplus	418,670	-	-	-	-	-	-	-	-	-	-	-	-	-	-	418,670

Disposals

Cost / revaluation	(69,750)	(2)	-	-	-	(33,668)	-	(9,282)	-	-	-	-	-	-	-	(112,702)
Depreciation	-	2	-	-	-	5,581	-	1,947	-	-	-	-	-	-	-	7,530

Depreciation for the year	-	46	24,412	1,729	523	1,196	63,938	18,969	113	507	99	134	8,337	217	286	120,506
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Book value	5,050,920	879	463,835	32,849	9,931	7,929	1,214,820	164,060	2,139	9,638	1,903	379	33,349	4,116	887	6,997,636
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As at June 30, 2025

Cost / revaluation	4,702,000	1,257	569,467	40,331	12,193	43,403	1,822,676	302,903	5,497	20,336	4,529	3,139	91,646	8,039	3,573	7,630,989
Accumulated depreciation	-	332	81,220	5,753	1,739	6,191	543,918	112,539	3,245	10,191	2,556	2,713	49,960	3,706	3,373	827,434

Book value	4,702,000	925	488,247	34,578	10,454	37,212	1,278,758	190,364	2,252	10,145	1,973	426	41,686	4,333	200	6,803,555
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As at June 30, 2026

Cost / revaluation	5,050,920	1,255	569,467	40,331	12,193	9,735	1,822,676	293,621	5,497	20,336	4,558	3,226	91,646	8,039	4,546	7,938,046
Accumulated depreciation	-	376	105,632	7,482	2,262	1,806	607,856	129,561	3,358	10,698	2,655	2,847	58,297	3,923	3,659	940,410

Book value	5,050,920	879	463,835	32,849	9,931	7,929	1,214,820	164,060	2,139	9,638	1,903	379	33,349	4,116	887	6,997,636
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Depreciation rate (%)		5	5	5	5	5	5	10	5	5	5	30	20	5	30	
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- 5.2** The land previously held in the name of Babri Cotton Mills Ltd. (BCM), having a value of Rs.1,087 million as per revaluation conducted on June 29, 2026, is legally vested in and constitutes the property of the Company pursuant to the merger of BCM into the Company effective February 15, 2022. Accordingly, the Company has the rights, title and beneficial ownership over the said land.
- 5.3** Freehold land represents 304,112 square meters of land situated at Habibabad, Kohat out of which approximately 75,555 square meters represent covered area.
- 5.4** Had the operating fixed assets been recognised under the cost model, the carrying amounts of each revalued class of operating fixed assets would have been as follows:

	2026	2025
	--- Rupees in '000 ---	
Freehold land	487,510	487,580
Buildings on freehold land:		
- factory	141,365	148,805
- non-factory	15,023	15,813
Residential:		
- officers	626	659
- workers	7,050	16,337
Plant & machinery	777,285	935,597
Generators	116,849	131,561
	1,545,708	1,736,352

- 5.5** Based on the latest revaluation reports dated April 1, 2024 for plant & machinery and generators and report dated June 29, 2026 for Freehold land the forced sale values of assets has been assessed as follows:

	Rupees in '000
Freehold land	4,293,282
Buildings on freehold land	532,317
Plant & machinery & Generators	1,543,141

- 5.6 Depreciation for the year has been apportioned as under:**

	2026	2025
	--- Rupees in '000 ---	
Cost of sales	115,598	126,382
Administrative expenses	4,908	5,926
	120,506	132,308

5.7 Disposal of operating fixed assets

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Sold through negotiation / insurance claim to
----- Rupees in '000 -----						
2026						
Assets having net book value exceeding Rs 500,000 each						
Building on free holdland						
Residential colony - workers	19,047	2,921	16,126	2,664	(13,462)	Mr. Zar Lal Khan
Residential colony - workers	14,621	2,660	11,961	828	(11,133)	Mr. Satar Khan
	33,668	5,581	28,087	3,492	(24,595)	
Land						
Habibabad, Kohat	7,500	-	7,500	9,000	1,500	Mr. Zaheer ud Din
Habibabad, Kohat	9,375	-	9,375	11,250	1,875	Mr. M. Shahid Noor
Habibabad, Kohat	2,438	-	2,438	3,900	1,462	Mr. Hamid Shuaib
Habibabad, Kohat	3,750	-	3,750	6,000	2,250	Mr. Fida Muhammad
Habibabad, Kohat	3,750	-	3,750	7,000	3,250	Mrs. Nusrat Begum
Habibabad, Kohat	3,375	-	3,375	5,400	2,025	Mr. Muhammad Sadiq
Habibabad, Kohat	1,875	-	1,875	2,500	625	Mr. Gul Badashkshan
Habibabad, Kohat	1,125	-	1,125	3,600	2,475	Mr. Inayat Ur Rehman
Habibabad, Kohat	2,438	-	2,438	3,900	1,462	Mr. Akram Ullah
Habibabad, Kohat	3,750	-	3,750	6,000	2,250	Mr. Kamran Khan
Habibabad, Kohat	11,250	-	11,250	16,500	5,250	Mr. Syed Umar Hayat
Habibabad, Kohat	3,750	-	3,750	5,500	1,750	Mr. Gulroz Ali Shah
Habibabad, Kohat	1,875	-	1,875	2,750	875	Mr. Farid Khan
Habibabad, Kohat	1,875	-	1,875	2,750	875	Mr. Muhammad Sohaib
Habibabad, Kohat	7,500	-	7,500	11,000	3,500	Mr. Zakir Khan
Habibabad, Kohat	4,124	-	4,124	6,050	1,926	Mr. Amanullah
	69,750	-	69,750	103,100	33,350	
Generators						
Diesel Generator	9,282	1,947	7,335	14,918	7,583	M/s Haseeb Power Karachi
Various assets having net book value upto Rs.500,000 each						
	2	2	-	328	328	Mr. Naeem Ahmed
2026	112,702	7,530	105,172	121,838	16,666	
2025	276,506	85,505	191,001	237,875	46,874	

5.8 Capital work-in-progress	2026	2025
	- - - Rupees in '000 - - -	
Advances paid to Peshawar Electric Supply Company Ltd. as capital cost of new HT line for extension of load of the Company	43,107	43,107
Advances paid to Sui Northern Gas Pipelines Ltd. for laying of line pipe for rectification of low pressure problem	12,918	12,918
	56,025	56,025
5.9 Depreciation on Right of use assets for the year has been apportioned as under:		
Cost of sales	-	391
Administrative expenses	-	1,941
	-	2,332
6. INTANGIBLE ASSETS		
Opening balance	520	780
Less: amortisation charge for the year	260	260
Book value as at June 30 ,	260	520
6.1 The Company, during the year ended June 30, 2023, acquired SARP ERP Software costing Rs.1.300 million.		
6.2 Amortisation is charged to income applying straight-line method at the rate of 20% per annum.		
7. INVESTMENTS IN AN ASSOCIATED COMPANY - Quoted	2026	2025
	- - - Rupees in '000 - - -	
Bannu Woollen Mills Ltd. (BWM)		
731,626 (2025: 731,626) ordinary shares of Rs.10 each - cost	7,697	7,697
Shareholding held: 7.70% (2025: 7.70%)		
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity by BWM	70,717	85,702
Share of revaluation surplus on property, plant and equipment	224,484	199,445
Loss for the year - net of taxation	(2,401)	(14,974)
Share of other comprehensive loss - net of taxation	(434)	(11)
	300,063	277,859
Less: impairment loss		
opening balance	(188,011)	(211,352)
charge for the year	12,186	23,341
closing balance	(175,825)	(188,011)
	124,238	89,848

- 7.1 Although the Company has less than 20% voting rights in BWM as at June 30, 2026 and 2025, BWM has been treated as an Associated Company by virtue of common directorships.
- 7.2 Market value of the Company's investments in BWM as at June 30, 2026 was Rs.48.857 million (2025: Rs.63.980 million).
- 7.3 BWM was incorporated in Pakistan in the year 1960 as a Public Company and its shares are quoted on Pakistan Stock Exchange Ltd. It is principally engaged in manufacture and sale of woollen yarn, cloth and blankets.

The summary of financial information of BWM based on its audited financial statements for the year ended June 30, 2026 is as follows:

	2026	2025
	--- Rupees in '000 ---	
Summarised statement of financial position		
Non-current assets	2,826,825	2,592,972
Current assets	1,336,855	1,258,155
	<u>4,163,680</u>	<u>3,851,127</u>
Non-current liabilities	283,017	225,367
Current liabilities	647,176	591,284
	<u>930,193</u>	<u>816,651</u>
Net assets	<u>3,233,487</u>	<u>3,034,476</u>
Reconciliation to carrying amount		
Opening net assets	3,034,476	3,133,043
(Loss) / profit for the year	(120,700)	(76,454)
Other comprehensive loss for the year	(5,633)	(142)
Other adjustments*	325,344	(21,971)
Closing net assets	<u>3,233,487</u>	<u>3,034,476</u>
* These mainly comprise of effect of share of revaluation surplus on property, plant and equipment.		

	2026	2025
	--- Rupees in '000 ---	
Company's share percentage		
7.70% (2025: 7.70%)		
Company's share	248,978	233,655
Impairment loss and miscellaneous adjustments- net	(124,740)	(143,807)
Carrying amount of investment	<u>124,238</u>	<u>89,848</u>
Summarised statement of profit or loss		
	2026	2025
	--- Rupees in '000 ---	
Sales	1,294,931	968,556
Loss before income taxation	(111,231)	(93,537)
Loss after income taxation	<u>(120,700)</u>	<u>(98,425)</u>

- 7.4** The value of investments in BWM as at June 30, 2026 and June 30, 2025 is based on independent valuation carried-out by M/s.Reanda Haroon Zakaria Aamir Salman Rizwan, Chartered Accountants - a QCR rated firm, having office at 275, Block H1, M.A. Johar Town, Lahore, engaged by the management. The Company, keeping in view the requirements of IAS 36, used a model, known as the Market Value of Net Assets Approach to calculate the VIU. This model provides an accurate reflection of the investments value, especially for capital-intensive entities. These calculations have been made on discounted cash flow based valuation methodology, which assumed gross profit margin of 29% (2025: 28.80%) and capital asset pricing model based discount rate of 18.75% (2025: 26.88%).

8. STORES, SPARES AND LOOSE TOOLS	Note	2026	2025
		--- Rupees in '000 ---	
Stores - at mills		42,654	41,777
Spares		45,899	45,696
Loose tools		335	327
		<u>88,888</u>	<u>87,800</u>
Provision for obsolete stores and spares		(21,069)	(21,069)
		<u>67,819</u>	<u>66,731</u>
9. STOCK-IN-TRADE			
Raw materials:			
- at mills		45,463	112,669
- in transit		15,396	-
		<u>60,859</u>	<u>112,669</u>
Work-in-process		28,783	-
Finished goods		84,422	12,498
		<u>174,064</u>	<u>125,167</u>
10. TRADE DEBTS - Unsecured, considered good			
Balance at the year-end	10.1	4,401	84,315
Less: allowance for expected credit loss	10.2	(780)	(780)
		<u>3,621</u>	<u>83,535</u>
10.1 These include the following amounts due from related parties:			
Rahman Cotton Mills Ltd.		-	80,272
		<u>-</u>	<u>80,272</u>
10.2 Allowance for expected credit loss			
Balance at beginning of the year		780	72
Charge for the year		-	708
Balance at end of the year		<u>780</u>	<u>780</u>

11. LOANS AND ADVANCES	Note	2026	2025
		--- Rupees in '000 ---	
Loan to employees	11.1	145	-
Advances to employees		269	513
		<u>414</u>	<u>513</u>
11.1 These interest free loans to employees have been advanced for various purposes and are recoverable in instalments which vary from case to case. These loans are secured against the gratuity benefits payable to respective employees.			
12. ADVANCE PAYMENTS - Unsecured, considered good	Note	2026	2025
		--- Rupees in '000 ---	
Raw material supplies		2,784	-
Store suppliers		5,017	1,681
Others		789	751
		<u>8,590</u>	<u>2,432</u>
13. TRADE DEPOSITS AND PREPAYMENTS			
Prepayments		508	2,031
Security deposit	13.1	2,700	2,700
		<u>3,208</u>	<u>4,731</u>
13.1 The year end balance represents deposit with Bank Alfalah Ltd. (BAF) against guarantee of similar amount issued by the bank in favor of Sui Northern Gas Pipelines Ltd (SNGPL)			
14. DUE FROM ASSOCIATED COMPANIES	Note	2026	2025
		--- Rupees in '000 ---	
The Universal Insurance Co. Ltd.		420	3,566
Ghandhara Automobiles Ltd.		150	901
Ghandhara Industries Ltd.		150	901
	14.1	<u>720</u>	<u>5,368</u>
14.1 Balance represents due from Associated companies Ltd. on account of sharing of expenses			
15. OTHER RECEIVABLES		2026	2025
		--- Rupees in '000 ---	
Mark-up / bank profit		<u>-</u>	<u>579</u>

16. CASH AND BANK BALANCES

	Note	2026 --- Rupees in '000 ---	2025 --- Rupees in '000 ---
Cash-in-hand		316	284
Pay orders in hand		9,601	-
Cash at banks on:			
- current accounts		30,358	3,888
- PLS security deposit account	16.1	651	595
- PLS accounts	16.1	231	1,937
- PLS account (employees' / staff gratuity fund account)	16.1	1,323	1,213
		32,563	7,633
		42,480	7,917

16.1 PLS accounts carry profit at the rates ranging from 9.00% to 9.50% (2025: 12.25% to 19.50%) per annum.

17. AUTHORISED SHARE CAPITAL

The authorised share capital of the Company comprises of Rs.1 billion divided into 90,500,000 ordinary shares of Rs.10 each and 9,500,000 cumulative redeemable preference shares of Rs.10 each.

18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2026 --- Numbers ---	2025		2026 --- Rupees in '000 ---	2025 --- Rupees in '000 ---
1,640,900	1,640,900	Ordinary shares of Rs.10 each fully paid in cash	16,409	16,409
2,130,544	2,130,544	Ordinary shares of Rs.10 each issued to Financial Institutions by conversion of loans and debentures	21,305	21,305
6,832	6,832	Ordinary shares of Rs.10 each issued by conversion of preference shares	68	68
1,006,518	1,006,518	Ordinary shares of Rs.10 each issued as fully paid bonus shares	10,066	10,066
2,131,028	2,131,028	Ordinary shares of Rs.10 each allotted for consideration otherwise than in cash (note 18.1)	21,310	21,310
6,915,822	6,915,822		69,158	69,158

18.1 These shares were allotted to the entitled shareholders of Babri Cotton Mills Ltd. upon its merger with and into JDM.

18.2 Ordinary shares held by the Associated Companies and an Associate at the year-end:

	2026 Number of shares	2025 Number of shares
Bibojee Services (Pvt.) Ltd.	2,031,291	2,031,291
Bannu Woollen Mills Ltd.	1,659,643	1,659,643
Waqf-e-Kuli Khan	40,074	40,074
	3,731,008	3,731,008

- 18.3** The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All the shares rank equally with regard to the Company's residual assets.
- 18.4** The Company has one class of ordinary shares, which carries no right to fixed income.
- 18.5** The Company has no reserved shares for issuance under options and sale contracts.
- 18.6** This represent 341 thousand shares of Rs.10 each which were held by Babri Cotton Mills Ltd. at the time of merger within / into Company.

19. OTHER CAPITAL RESERVES		2026	2025
	Note	--- Rupees in '000 ---	
Capital redemption reserve		6,694	6,694
Tax holiday reserve		350	350
Share premium reserve	19.1	11,409	11,409
Merger reserve	19.2	5,350	5,350
		23,803	23,803

- 19.1** This represents premium at the rate of Rs.10 per share received on 1,140,900 ordinary shares allotted during the financial year ended June 30, 2010.

- 19.2** This represents merger reserve arisen at the time of merger of BCM within / into Company.

20. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - Net

		2026	2025
	Note	--- Rupees in '000 ---	
Revaluation surplus on the Company's property, plant and equipment	20.3	5,156,422	4,859,234
Share of revaluation surplus on property, plant and equipment of an Associated Company	7	224,484	199,445
		5,380,906	5,058,679

- 20.1** The Company's management had revalued its freehold land on September 30, 1998, September 30, 2004, June 30, 2007, March 31, 2010, February 29, 2012, December 31, 2015, October 31, 2019 and June 30, 2022. Buildings on freehold land, plant & machinery and generators were revalued on September 30, 2004, June 30, 2007, March 31, 2010, February 29, 2012, December 31, 2015, October 31, 2019 and June 30, 2022. These fixed assets were revalued by Independent Valuers on the basis of market value / depreciated market values and resulted in revaluation surplus aggregating Rs.5.585 billion.

- 20.2** The Company's management, as at April 1, 2024, has again revalued its plant & machinery and generators. These assets have been revalued on the basis of

depreciated fair market values. The revaluation exercise has been carried-out by independent Valuers - Hamid Mukhtar & Co. (Pvt.) Ltd, Lahore .The appraisal resulted into a loss / deficit arisen on revaluation aggregating Rs.90.524 million which has been debited to this account.

- 20.3** The Company's management, as at June 29, 2026, has again revalued its freehold land. The land has been revalued on the basis of fair market value. The revaluation exercise has been carried-out by independent Valuers - Earth link Surveyors (Pvt.) Ltd, Lahore .The appraisal resulted into surplus arisen on revaluation aggregating Rs.418.670 million which has been credited to this account. The year-end balance has been arrived at as follows:

	Note	2026 --- Rupees in '000 ---	2025
Opening balance		5,122,610	5,050,826
Add: surplus on freehold land arisen during the year		418,670	-
Less: transferred to unappropriated profit on account of:			
- incremental depreciation for the year		(48,256)	(50,212)
- upon sale of revalued assets		(94,385)	121,996
		5,398,639	5,122,610
Less: deferred tax on:			
- opening balance of surplus		263,376	242,559
- incremental depreciation for the year		(13,994)	(14,562)
- sale of revalued assets		(7,165)	35,379
		242,217	263,376
Closing balance		5,156,422	4,859,234
21. LEASE LIABILITIES			
Balance at beginning of the year		2,251	2,022
Impact of reassessment		-	(101)
Interest accrued		-	330
		2,251	2,251
Current portion grouped under current liabilities		(2,251)	(2,251)
Balance at end of the year		-	-
22. LONG TERM FINANCES - Secured			
First Habib Modaraba (FHM)			
- diminishing musharaka (DM I)	22.1	-	612
From an Associated Company - unsecured			
Bibojee Services (Pvt.) Limited	22.2	1,008,222	1,280,895
		1,008,222	1,281,507

Less: current portion grouped under current liabilities

- FHM (DM I)	-	612
- Bibojee Services (Pvt.) Limited	1,008,222	927,468
	1,008,222	928,080
	-	353,427

22.1 This DM of Rs.5.068 million has been utilised for purchase of a vehicle and was repayable in 60 equal monthly instalments of Rs.107 thousand ending November, 2025. The DM carried profit at the rate of 3-months KIBOR + 2.50% per annum; the effective profit rates during the year ranged from 13.55% to 13.60% (2025: 13.60% to 22.69%) per annum. The finance facility was secured against registration of vehicle in FHM's name. The outstanding balance of these finances were repaid during the year.

22.2 The Company has entered into a loan agreement with Bibojee Services (Pvt.) Limited - an Associated Company to obtain an unsecured loan upto an amount of Rs. 1.500 billion for debt servicing and working capital requirements. The loan carries mark-up at the rate of 6 - months KIBOR + 0.5% per annum; the effective profit rates during the year ranged from 11.06% to 12.33% (2025: 12.33% to 19.11%) per annum. The outstanding balance of this finance is repayable in four bi-annual instalments commencing from June, 2025. As at the reporting date the lender has disbursed Rs.1.464 billion to the Company.

		2026	2025
23.	DEFERRED TAXATION - Net	Note	--- Rupees in '000 ---
	This is composed of the following:		
	Taxable temporary differences arising in respect of:		
	- accelerated tax depreciation allowances	258,415	270,340
	- surplus on revaluation of property, plant and equipment	20.2 242,217	263,376
		500,632	533,716
	Deductible temporary differences arising in respect of:		
	- provision for obsolete stores and spares	(6,110)	(6,110)
	- minimum tax recoverable against normal tax charge in future years	(100,672)	(195,751)
		(106,782)	(201,861)
		393,850	331,855
24.	TRADE AND OTHER PAYABLES		
	Creditors	51,310	44,611
	Advance payments	24.1 245,439	39,343
	Accrued expenses	24.2 206,539	154,352
	Tax deducted at source	18,385	14,398
	Sales tax payable	-	23,014

		2026	2025	
		- - - Rupees in '000 - - -		
	Due to Waqf-e-Kuli Khan	24.3	27,412	27,412
	Security deposits repayable on demand - interest free		283	283
	Others		2,197	2,134
			551,565	305,547
24.1	These advances have been received against sale of land.			
24.2	This include amount of Rs.3.117 million payable to The Universal Insurance Company Limited (an Associated Company).			
24.3	Waqf-e-Kuli Khan (a Charitable Institution) is administered by the following directors of the Company:			
	- Lt. General (Retd.) Ali Kuli Khan Khattak	- Mrs. Shahnaz Sajjad Ahmad		
	- Mr. Ahmad Kuli Khan Khattak			
	- Dr. Shahin Kuli Khan Khattak			
25.	CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	2026	2025
			- - - Rupees in '000 - - -	
	Lease liabilities	21	2,251	2,251
	Long term finances	22	1,008,222	928,080
			1,010,473	930,331
26.	LEVIES AND INCOME TAX			
	Opening balance		19,046	73,559
	Add: provision made during the year:			
	current	26.2	8,067	19,046
			27,113	92,605
	Less: payments / adjustments made against completed assessments		19,046	73,559
			8,067	19,046
26.1	Income tax returns of the Company have been filed upto the tax year 2025 i.e. accounting year ended June 30, 2025.			
26.2	No numeric tax rate reconciliation is presented in these financial statements as provision for the current and preceding years represents tax payable under section 113 (Minimum tax on the income of certain persons) of the Income Tax Ordinance, 2001 (the Ordinance).			
26.3	The Department, on October 05, 2015, for tax year 2015 has charged tax under sections 161/236 G&H of the Ordinance amounting Rs.6.995 million; the Commissioner Inland Revenue Appeals - CIR(A) has decided the appeal on April 16, 2018 against the Company. The Company has filed further appeal on May 16, 2018 before the Appellate Tribunal Inland Revenue, Lahore - ATIR, which is pending adjudication.			

- 26.4** Tax charged for the tax year 2014 at Rs.42.883 million on February 08, 2018 has been deleted by the CIR(A) on June 23, 2018 and he has also partially set aside various additions made by the Deputy Commissioner. The Company as well as the Income Tax Department (the Department) have filed further appeals on July 12, 2018 on the point of set aside before the ATIR, which has been decided in favour of the Company; no further notice has been issued by the Department.
- 26.5** The Department, on March 24, 2015, has charged tax under sections 161/236 G&H of the Ordinance for tax years 2014 and 2015 at Rs.12.936 million and Rs.4.809 million respectively; the CIR(A) has decided the appeal on March 15, 2016 against the Company against which the Company has filed further appeal on April 07, 2016 before the ATIR. The DCIR, as per the direction of the ATIR, has reassessed the tax liability under sections 161/236 G&H for the tax years 2014 and 2015 as Rs.2.986 million and Rs.3.288 million respectively, which has been adjusted against the refund available to the Company.
- 26.6** The Department, on October 03, 2016, has charged tax aggregating Rs.3.998 million under sections 161/205 of the Ordinance for the tax year 2012 against which appeal has been filed on October 13, 2016 before the CIR(A). The case has been decided against the Company.
- 26.7** The ATIR has decided the appeal on February 21, 2017 for tax year 2007 and remanded the case back to the Deputy Commissioner Inland Revenue for de novo consideration.
- 26.8** The Department has charged tax on June 26, 2023 under section 122(5A) of the Ordinance for tax year 2021 at Rs.130.185 million against which appeal has been filed with CIR(A) Lahore. CIR(A) has remanded the case back to assessing officer. However, the Company has filed an appeal with ATIR which is pending adjudication.
- 26.9** The Department has charged tax on June 21, 2023 under section 122(5A) of the Ordinance for tax year 2017 at Rs.3.724 million against which appeal has been filed with CIR(A) Lahore. The CIR(A) Lahore has remanded the case back for re-examination. However, the Company has filed further appeal with the Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication.
- 26.10** The Department has charged tax under section 122(5A) of the Ordinance for tax year 2018 of Rs.190.577 million against which appeal has been filed with Appellate Tribunal Inland Revenue (ATIR), Lahore, however the ATIR has decided the appeal and the case has been transferred to CIR Appeal to decide the case on merit. The case with CIR appeal is pending for hearing.
- 26.11** The Department has charged tax under section 122(5A) of the Ordinance for tax year 2020 of Rs.10.986 million against which appeal has been filed with CIR (Appeals) which is pending for hearing.

TAX STATUS OF BABRI COTTON MILLS LTD. (BCM)

26.12 Income tax returns of BCM have been filed upto the tax year 2025 i.e. accounting year ended June 30, 2025.

26.13 As per the rectification order dated February 03, 2017, the Department has charged tax under sections 161 / 205 of the Ordinance raising tax demands of Rs.4.885 million for the tax year 2015 against which BCM has filed an appeal on February 22, 2017 before the CIRA, Peshawar which is pending adjudication.

27. PREFERENCE SHARES REDEMPTION ACCOUNT	2026	2025
Amounts payable on:	Note	--- Rupees in '000 ---
- 7.5% redeemable cumulative preference shares	27.1	133
- 10% redeemable cumulative preference shares	27.2	1,056
	1,189	1,189

27.1 This represents the balance of total issue of 250,000 shares, which became convertible at par into ordinary shares of the Company or redeemable in cash at the option of the shareholders of the said class of shares after August 30, 1976. The Company had redeemed 118,828 shares during the year 1976, which were tendered for redemption in accordance with the terms of the issue.

3,060 shares were converted into ordinary shares of the Company after the year 1976 at the option exercised by the shareholders.

These shares totalling 128,112 could not be redeemed during the preceding years due to non-availability of adequate funds and incurrence of persistent losses. The Company's profitability and availability of funds in the recent past had allowed the management to redeem these shares fully as provided under section 85 of the repealed Companies Ordinance, 1984. The Company, during the current year, had redeemed no further shares and the opening balance of 13,335 shares are outstanding as at June 30, 2026.

27.2 This represents the balance of total issue of 426,250 shares, which were convertible at par into ordinary shares of the Company at the option of the shareholders of the said class of shares during the period from October 01, 1977 to October 01, 1981. As per terms of the issue, the unconverted shares were to be redeemed on October 01, 1982. However, 3,772 shares were converted into ordinary shares of the Company after the year 1984 at the request of the shareholders although the time for conversion as fixed by the Controller of Capital Issues had expired on October 01, 1981. These shares are due for redemption at par since October 01, 1982.

As stated in the preceding note, the Company's profitability and availability of funds in the recent past had allowed the management to redeem these shares also. The Company, upto June 30, 2014, had redeemed 314,483 shares whereas 2,112 further shares were redeemed during the financial year ended June 30, 2017; 52 shares were redeemed during the financial year ended June 30, 2020. The Company, during the year ended June 30, 2021, had further redeemed 162 shares.

The company, during the year ended June 30, 2025, had further redeemed 81 shares. As at June 30, 2026 balance of 105,588 shares are outstanding.

28. CONTINGENCIES AND COMMITMENTS

28.1 Commitments

There are no commitments to be reported as at year ended June 30, 2026 and June 30, 2025.

28.2 The Sales Tax Department (the Department), vide its judgment dated March 06, 2018, has created sales tax demands of Rs.5.978 million on account of discrepancies pointed out by CREST for which appeal has been decided by the Commissioner Inland Revenue [Appeals-CIR(A)] and remanded-back the issue to the Deputy Commissioner Inland Revenue. The Company, however, has filed an appeal with the Appellate Tribunal Inland Revenue (ATIR), Lahore against the orders of CIR (A), which is pending adjudication.

28.3 The Department, vide order dated January 24, 2018 under section 11(3) of the Sales Tax Act, 1990 (the Act) has created demand of Rs.182.690 million for the period July, 2011 to June, 2013 against which the Company has filed writ petition before the Lahore High Court (LHC) on January 30, 2018, which has declared the order passed by the Department illegal and void ab-initio on February 09, 2018. The Department against order of the LHC has filed an appeal on March 27, 2018 before the Supreme Court of Pakistan (SCP), which is pending adjudication.

28.4 The Department, vide order dated May 31, 2022, under section 11(3) of the Act has created demand of Rs.1,360.689 million, which included further tax and penalties for the period July, 2016 to June, 2019 against post refund audit. The Company has filed appeal against the impugned assessment order with the Commissioner (Appeals), who decided the appeal in favour of the Company and deleted the whole demand vide order dated December 30, 2022. The Company as well as the Department have filed further appeals with ATIR, Lahore, which are pending adjudication.

28.5 The Supreme Court of Pakistan (SCP) vide its judgment dated August 13, 2020 has declared the Gas Infrastructure Development Cess (GIDC) Act, 2015 as valid and constitutional. The SCP in its said judgment stated that the Cess under GIDC Act, 2015 is applicable only to those consumers of natural gas, which on account of their industrial or commercial dealings had passed on the GIDC burden to their end customers/clients.

The Company and Babri Cotton Mills Ltd (BCM - merged with the Company on February 04, 2022) have filed review petitions against the said judgment of SCP for waiver of the full amount of GIDC cess on the ground that, being spinning Units and producing raw materials for weaving sector, have not passed on the GIDC burden to their customers. The SCP has dismissed the said review petitions vide its judgment dated November 02, 2020; however, the SCP, in its said judgment, has mentioned that the companies claiming any relief under the GIDC Act, 2015 may approach the right forum.

In case of the Company, Sui Northern Gas Pipelines Ltd. (SNGPL), along with gas bill for the month of August, 2020, has raised GIDC demands aggregating Rs.380.957 million. The management, during the financial year ended June 30,

2017, has made GIDC provision amounting Rs.78.043 million relating to that year in its books of account, however, the balance GIDC provisions aggregating Rs.302.914 million have not been recognised in the books of account.

In case of BCM, SNGPL, along with gas bill for the month of August, 2020, has raised GIDC demands aggregating Rs.345.261 million against which provisions have not been recognised in the books of account.

In February, 2021, the Company and BCM through the forum of the KP Textile Mills Association have filed writ petitions before the PHC claiming non-applicability of the GIDC Act, 2015 in the ambit of the exemption in line with the provision of section 8(2) of the GIDC Act, 2015 and sought relief against the recovery of GIDC instalment bills. The PHC issued stay order in March, 2021 and restrained SNGPL from taking any adverse action against the Companies. However, PHC, vide its judgment dated June 15, 2022, has dismissed the petition filed by the KP Textile Mills Association and Others, observing that while exercising jurisdiction vested under article 199 of the Constitution, the Court can neither enter into factual controversies nor decide disputed questions of facts. the PHC, however, has allowed the Petitioners to approach A competent Court of law / forum having jurisdiction in the matter, if they so advised.

After dismissal of the petition by the Peshawar High Court filed by KP Textile Mills Association and Others, the Company and BCM, during July, 2022, have filed civil suits before the Court of Senior Civil Judge, Peshawar praying the Court to declare that the Company and BCM have not passed on the burden of GIDC to end consumers and are entitled to the benefit / exemption under section 8 (2) of the GIDC Act, 2015 as per the dicta laid down by the Supreme Court in civil appeals / civil review petition and by the PHC in a writ petition. The Company and BCM have further prayed that SNGPL be restrained from recovering GIDC and disconnecting their gas supplies. The Trial Court has issued restraining orders in favour of the Companies and has restrained SNGPL from the recovery of GIDC or taking any other coercive action. The restraining order is still intact against SNGPL.

The management, in light of the opinion of its legal counsel, maintains that since the company has not passed on the burden of GIDC to its consumers, it is not liable to pay GIDC as it clearly falls within the ambit of the exemption in line with section 8(2) of the GIDC Act, 2015.

SNGPL, following the Court's order, corrects the gas bill of each month by removing the GIDC amount and requests payment for the net bill amount only i.e. excluding GIDC.

Additionally, para 42(iv) of the SCP's judgement dated August 13, 2020 categorically stated that:

' The Federal government shall take all steps to commence work on the laying of the North South pipeline within six months and on TAPI pipeline as soon as its laying in Afghanistan reaches the stage where the work of laying pipeline on Pakistan soil can conveniently start and on IP pipeline as soon as the sanctions on Iran are no more an impediment in its laying. In case no work is carried out on North-South pipeline within the prescribed time and for lying any of the two other

major pipelines (IP and TAPI) though the political conditions become conducive, the purpose of levying Cess shall be deemed to have been frustrated and the GIDC Act, 2015 would become permanently in-operational and considered dead for all intents and purposes."

Since the work on IP (Iran-Pakistan Pipeline Project) and TAPI (Turkmenistan-Afghanistan-India) Gas pipelines did not commence within six months as ordered by SCP; therefore, the provisions of GIDC Act, 2015 regarding recoverability and applicability of GIDC are no longer applicable and enforceable.

28.6 The department vide order No. 58/2024-25 dated June 05, 2024 under section 11(2) of the Sales Tax Act, 1990 has created a demand of Rs.166.489 million which include reversal of input tax for the period November 2019 to June 2023 in case of withholding of sales tax on the purchase of cotton. The Company had filed further appeal with the Appellate Tribunal Inland Revenue which is pending adjudication.

28.7 Guarantees aggregating Rs.177.7 million (2025: Rs.177.7 million) issued by commercial banks on behalf of the Company in favour of SNGPL were outstanding as at June 30, 2026.

28.8 Also refer contents of note 26.

29. SALES - Net	2026	2025
	- - - Rupees in '000 - - -	
Yarn	761,785	1,551,154
Waste	198	273
Raw material	-	248,107
	761,983	1,799,534
Less: sales tax	116,586	275,873
	645,397	1,523,661

29.1 Contract liabilities represents short term advances received from customers against delivery of goods in future. The contract liabilities outstanding at June 30, 2025 amounting to Rs. 0.530 million have been recognized as revenue during the year.

30. COST OF SALES		2026	2025
		- - - Rupees in '000 - - -	
Raw materials consumed	30.1	440,657	837,760
Packing materials consumed		11,675	19,216
Salaries, wages and benefits	30.2	106,276	203,999
Power and fuel		189,033	299,055
Stores and spares consumed		17,905	21,358
Repair and maintenance		2,973	1,403
Depreciation on operating fixed assets	5.6	115,598	126,382

		2026	2025
		--- Rupees in '000 ---	
Depreciation on right of use assets	5.9	-	391
Insurance		6,590	13,795
Others		3,871	16,893
		<u>894,578</u>	<u>1,540,252</u>
Adjustment of work-in-process			
Opening		-	145,594
Closing	9	(28,783)	-
		<u>(28,783)</u>	<u>145,594</u>
Cost of goods manufactured		<u>865,795</u>	<u>1,685,846</u>
Adjustment of finished goods			
Opening stock		12,498	336,148
Closing stock	9	(84,422)	(12,498)
		<u>(71,924)</u>	<u>323,650</u>
		<u>793,871</u>	<u>2,009,496</u>
30.1 Raw materials consumed			
Opening stock		112,669	811,980
Purchases		388,711	138,449
		<u>501,380</u>	<u>950,429</u>
Less: Closing stock	9	(60,859)	(112,669)
		<u>440,521</u>	<u>837,760</u>
Raw materials issued		440,521	837,760
Cess on cotton consumed		136	-
		<u>440,657</u>	<u>837,760</u>
30.2	Preceding year figure included Rs.8.124 million in respect of staff retirement benefits - gratuity and Rs.0.889 million for employees' provident fund contribution.		
31. DISTRIBUTION COST		2026	2025
	Note	--- Rupees in '000 ---	
Salaries and benefits	31.1	1,229	5,131
Commission		482	19,539
Freight and handling		979	1,316
Gifts and samples		-	19
Others		219	557
		<u>2,909</u>	<u>26,562</u>

31.1 Preceding year figure included Rs.6 thousand for employees' provident fund contribution.

32. ADMINISTRATIVE EXPENSES	Note	2026	2025
		--- Rupees in '000 ---	
Salaries and benefits	32.1	38,352	33,089
Printing and stationery		403	375
Travelling and conveyance - staff		468	526
Travelling - directors		-	108
Communication		662	974
Rent, rates and taxes		1,995	413
Entertainment expenses		1,127	703
Insurance		3,283	3,818
Vehicles' running and maintenance		1,673	3,257
Advertisement		445	293
Subscription		775	700
Repair and maintenance		764	1,138
Auditors' remuneration:			
- statutory audit		1,425	1,346
- half yearly review		349	273
- certification charges		155	25
- out-of-pocket expenses		45	45
- short / (excess) provision for the preceding year		(15)	72
		1,959	1,761
Legal and professional charges (other than Auditors)		3,295	3,251
Depreciation on operating fixed assets	5.6	4,908	5,926
Depreciation on right of use assets	5.9	-	1,941
Amortisation	6	260	260
Others		56	2,161
		60,425	60,694
32.1 Preceding year figure included Rs.0.522 million for employees' provident fund contribution.			
33. OTHER EXPENSES		2026	2025
	Note	--- Rupees in '000 ---	
Provision for impairment of trade debts - net	10.2	-	708
34. OTHER INCOME			
Income from financial assets			
Return on bank deposits		1,362	9,363
Income from non-financial assets			

	2026	2025
	--- Rupees in '000 ---	
Unclaimed payable balances of cotton and store suppliers of prior years - written back	-	4,588
Sales tax payable written back	43,890	-
Gain on sale of operating fixed assets	16,666	46,874
Sale of scrap	1,312	-
Agriculture Income	595	-
	<u>63,825</u>	<u>60,825</u>
35. FINANCE COST		
Interest on lease liabilities	-	330
Mark-up on long term finances	21	10,739
Mark-up on short term finances	-	126,628
Mark-up on Loan from an Associated Company Bibojee Services (Pvt.) Limited	135,740	121,362
Bank charges	243	2,907
	<u>136,004</u>	<u>261,966</u>
36. LEVIES AND INCOME TAXATION		
36.1 Final tax levy		
Levy		
- for the year	26	8,067
	<u>8,067</u>	<u>19,046</u>
36.1.1 This represent minimum tax payable under section 113 of the Income Tax Ordinance, 2001, representation levy in terms of requirement of IFRIC 21/IAS 37.		
36.2 Income taxes		
Deferred tax (Origination and reversal of temporary differences)	(61,995)	30,815
37. LOSS PER SHARE		
There is no dilutive effect on loss per share of the Company, which is based on:		
Loss after taxation attributable to ordinary shareholders	(344,264)	(754,804)
	<u>(344,264)</u>	<u>(754,804)</u>
	(Number of shares)	
Weighted average number of ordinary shares in issue during the year	6,915,822	6,915,822
	<u>6,915,822</u>	<u>6,915,822</u>
	----- Rupees -----	
Loss per share - basic	(49.78)	(109.14)
	<u>(49.78)</u>	<u>(109.14)</u>
38. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES		

	2026	2025
	- - - Rupees in '000 - - -	
38.1 Financial instruments by category		
Financial assets - At amortised cost		
Security deposits	14,598	14,598
Loans and advances	414	513
Trade debts	4,401	84,315
Due from Associated Companies	720	5,368
Bank balances	32,563	7,633
	<u>52,696</u>	<u>112,427</u>
Financial liabilities - At amortised cost		
Long term finances	1,008,222	1,281,507
Trade and other payables	287,741	228,792
Unclaimed dividends	2,714	2,715
Accrued mark-up	257,102	121,362
Redeemable preference shares	1,189	1,189
	<u>1,556,968</u>	<u>1,635,565</u>

38.2 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, price risk and currency risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise 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 financial risks based on principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the board of directors.

38.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is not exposed to significant currency risk as it does not have any foreign currency transactions during the year.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2026 Effective rate %	2025 %	2026 Carrying amount --- Rupees in '000 ---	2025
Fixed rate instruments				
Financial assets				
Bank balances	9.00 to 9.50	12.25 to 19.50	<u>882</u>	<u>2,532</u>
Variable rate instruments				
Financial liabilities				
	2026 Effective rate %	2025 %		
Long term finances	11.06 to 13.60	12.33 to 24.24	<u>1,008,222</u>	<u>1,281,507</u>

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 rates at the reporting date would not affect statement of profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2026, if interest rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, loss before taxation for the year would have been higher / lower by Rs.10,082 thousand (2025: Rs.12,815 thousand) mainly as a result of higher / lower interest expense on variable rate financial liabilities.

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result 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 instruments or its issuer or factors affecting all similar financial instruments traded in the market. The Company is not exposed to any significant price risk.

38.4 Credit risk exposure and concentration of credit risk

Credit risk represents the risk of a loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a

particular industry.

Credit risk primarily arises from trade debts and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 10 days to reduce the credit risk. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

Exposure to credit risk

The maximum exposure to credit risk at the reporting date along with comparative is tabulated below:

	2026	2025
	- - - Rupees in '000 - - -	
Security deposits	14,598	14,598
Trade debts	4,401	84,315
Trade deposits	2,700	2,700
Due from Associated Companies	720	5,368
Bank balances	32,563	7,633
	54,982	114,614

All the trade debts at the reporting date represent domestic parties.

The ageing of trade debts at the year-end was as follows:

Not past due	862	-
Past due more than one year	3,539	84,315
	4,401	84,315

Based on past experience, the Company's management believes that no further impairment loss allowance is necessary in respect of trade debts as there are reasonable grounds to believe that the amounts will be realised in short course of time.

The credit quality of the Company's major bank balances can be assessed with reference to the external credit ratings as follows:

Bank	Short term rating	Long term rating	Agency
United Bank Ltd.	A1+	AAA	JCR
Habib Metropolitan Bank Ltd.	A1+	AA+	PACRA
National Bank of Pakistan	A1+	AAA	PACRA
The Bank of Khyber	A-1	AA-	VIS

Bank Alfalah Ltd.	A1+	AAA	PACRA
Meezan Bank Ltd.	A1+	AAA	JCR
Faysal Bank Ltd.	A1+	AA	PACRA

38.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure, as far as possible, to always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Company's treasury department aims at maintaining flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

	Carrying amount	Contractual cash flows having maturity of less than one year	Contractual cash flows having maturity of upto five years
2026			
--- Rupees in thousand ---			
Long term finances	1,008,222	1,008,222	-
Trade and other payables	287,741	287,741	-
Unclaimed dividends	2,714	2,714	-
Accrued mark-up	257,102	257,102	-
Redeemable preference shares	1,189	1,189	-
	1,556,968	1,556,968	-
2025			
Long term finances	1,281,507	928,080	353,427
Trade and other payables	228,792	228,792	-
Unclaimed dividends	2,715	2,715	-
Accrued mark-up	121,362	121,362	-
Redeemable preference shares	1,189	1,189	-
	1,635,565	1,282,138	353,427

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective at the respective year-ends. The rates of mark-up have been disclosed in the respective notes to these financial statements.

39. MEASUREMENT OF FAIR VALUES

The management has engaged independent external Valuers to carry out valuation of freehold land, plant & machinery and generators. Selection criteria included market knowledge, reputation, independence and whether professional standards were maintained. When measuring the fair value of an asset, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

40. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt, mark-up bearing long term finances, lease liabilities, mark-up bearing short term finances less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The gearing ratio as at June 30, 2026 and June 30, 2025 is as follows:

	2026	2025
	- - - Rupees in '000 - - -	
Long term finances	1,008,222	1,281,507
Cash and bank balances	(42,480)	(7,917)
Net debt	965,742	1,273,590
Share capital	69,158	69,158
Treasury shares	(3,410)	(3,410)
Reserves		
- capital	5,404,709	5,082,482
- revenue	(90,227)	132,989
Equity	5,380,230	5,281,219
Capital	6,345,972	6,554,809
Gearing ratio (Net debt / (Net debt + Equity))	15.22%	19.43%

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Executives	
	2026	2025	2026	2025
----- Rupees in '000 -----				
Managerial remuneration	-	3,696	19,579	53,551
Retirement benefits	-	88	-	1,021
Leave salary	-	-	-	593
Medical	660	1,443	-	2,127
Utilities	97	394	-	1,026
	757	5,621	19,579	58,318
No. of persons	1	1	9	17

41.1 During the preceding year meeting fees of Rs.600 thousand were also paid to six non-working directors and one working director during the year.

41.2 Chief executive and all the executives are provided with free use of residential telephones and the Company maintained cars. Executives are also provided with

free housing facility.

42. TRANSACTIONS WITH ASSOCIATED COMPANIES AND RELATED PARTIES

- 42.1** The Company's shareholders vide a special resolution dated December 24, 2021 have enhanced the previous approved limit of Rs.12.500 million to Rs.25.000 million on account of transactions among Associated Companies of the Group, which fall under normal trade transactions for sale and purchase of store and spare parts, purchase of raw materials and certain other related transactions not falling under the purview of section 199 of the Companies Act, 2017 (the Act). The Chief Executive Officer and Chief Financial Officer have been authorized jointly by members of Company in their annual general meeting held on October 18, 2025 to approve all transactions carried out and to be carried out in normal course of business with Associated Companies / related parties during year ended June 30, 2026.
- 42.2** The Company, Bannu Woollen Mills Ltd. and Rahman Cotton Mills Ltd. (Associated Companies), on January 01, 2023, have entered into a lease rental agreement with the Executive Director Finance & Production (EDFP) whereby property owned by EDFP situated at Tufail Road, Lahore has been rented at monthly rent of Rs.465,000. The rent and utilities are being shared by the Company and above mentioned Associated Companies on a pro rata basis. The rent agreement has concluded in Dec, 2025.
- 42.3** Maximum aggregate debit balance of the Associated Companies at any month-end during the year was Rs. 6.181 million (2025: Rs.100.434 million).
- 42.4** Mark-up has been accrued during the current year on the loan obtained from the associated company, Bibojee Services (Pvt) Ltd., following the execution of a loan agreement between the Company and Bibojee Services (Pvt) Ltd. during the previous year.
- 42.5** The related parties of the Company comprise of Associated Companies (on the basis of common directorship), its directors, key management personnel and employees' provident fund. The Company in the normal course of business carries-out transactions with various related parties. There were no transactions with key management personnel other than under the terms of employment. Amounts due to / from them are disclosed in the relevant notes. The transactions with related parties are made at normal market prices.

Material transactions with related parties during the year were as follows:

Name	Nature of relationship	Nature of transaction	2026 Rupees in '000	2025
Bannu Woollen Mills Ltd.	Associated Company	Expenses recovered	167	429
		Salaries & benefits recovered	960	3,326
Rahman Cotton Mills Ltd.	-do-	Sale of cotton	0	94,722
Gandhara Automobiles Ltd. (formerly Gandhara Nissan Ltd.)	-do-	Salaries & benefits recovered	960	3,326
		Expenses recovered	317	429
Gandhara Industries Ltd.	-do-	Salaries & benefits recovered	960	3,326
		Expenses recovered	317	429
The Universal Insurance Company Ltd.	-do-	Salaries & benefits - recovered	960	3,326
		- insurance premium	11,911	-
		Expenses recovered	240	240
Bibojee Services (Pvt.) Ltd.	-do-	Loan obtained	50,000	1,413,709
		Loan repaid	322,673	132,814
		Mark-up accrued	135,740	121,362
Key management personals		Remuneration and other benefits	20,337	63,940
Other related parties				
Staff retirement fund		Contribution paid to employees' provident fund	-	6,062
Executive Director Finance & Production		Lease rental payable	(2,251)	(2,251)

43. OPERATING SEGMENT

These financial statements have been prepared on the basis of single reportable segment.

- 43.1** Yarn sales represent 99.97% (2025: 86.20%) of the total sales of the Company.
- 43.2** All of the Company's sales relate to customers in Pakistan.
- 43.3** All non-current assets of the Company as at June 30, 2026 are located in Pakistan.
- 43.4** The Company does not have transactions with any customer which amount to 10% or more of its sales.

44. CAPACITY AND PRODUCTION

2026 2025

---- Numbers ----

Spindles installed	64,704	64,704
Rotors installed	600	600
Shifts worked	403	275
Spindles / rotors shifts worked	7,556,036	10,089,652

Note

----KGs.----

Installed capacity at 20's count on the basis of shifts worked		4,389,145	4,721,769
Actual production of yarn of all counts	44.2	747,288	1,115,291
Actual production converted into 20's count		2,855,221	4,592,342

- 44.1** It is difficult to describe precisely the production capacity in textile industry since it fluctuates widely depending on various factors such as count of yarn spun, spindles' speed, twist per inch and raw materials used, etc. It also varies according to the pattern of production adopted in a particular year.

- 44.2** Due to unfavourable economic conditions in the country, increase in power cost, non availability of good quality of cotton at affordable price, decrease in sale and accumulation of stocks due to slow down of yarn market the management had decided to temporarily shut down the operations of the Company effective October 31, 2024. The Company has again commenced its operations effective February 26, 2026.

45.	2026	2025
	----- Numbers -----	
Number of permanent employees as at June 30,	-	-
Number of contractual employees as at June 30,	538	91
Average number of contractual / permanent employees during the year	250	320

- 45.1** Due to closure of the production capacity as mentioned in note 44.2, excess workforce of the Company was permanently laid-off during the preceding financial year. The Company's liability with respect to staff retirement benefits - gratuity and provident fund had been paid. During the year, the Company engaged contractual employees to meet its operational requirements.

**46. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS
ARISING FROM FINANCING ACTIVITIES**

	Lease liabilities	Long term finances	Short term finances	Accrued mark-up	Total
	----- Rupees in '000 -----				
Balance as at June 30, 2024	2,022	158,686	1,171,942	76,387	1,409,037
Changes from financing activities					
Finances obtained net of repayments	229	1,122,821	(1,171,942)	-	(48,892)
Finance cost paid	-	-	-	(214,084)	(214,084)
	229	1,122,821	(1,171,942)	(214,084)	(262,976)
Other changes					
Mark-up expense for the year	-	-	-	259,059	259,059
Balance as at June 30, 2025	2,251	1,281,507	-	121,362	1,405,120
Changes from financing activities					
Finances obtained net of repayments	-	(273,285)	-	-	(273,285)
Finance cost paid	-	-	-	(21)	(21)
	-	(273,285)	-	(21)	(273,306)
Other changes					
Mark-up expense for the year	-	-	-	135,761	135,761
Balance as at June 30, 2026	2,251	1,008,222	-	257,102	1,267,575

47. SHARIAH DISCLOSURE UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

	----- 2026 -----		----- 2025 -----	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
----- Rupees in '000 -----				
Statement of Financial Position - Liability side				
Long term finances	1,008,222	-	1,280,895	612
Short term borrowings	-	-	-	-
Running finances under mark-up arrangements	-	-	-	-
Accrued mark-up	257,102	-	121,362	-
Statement of Financial Position - Assets side				
Investments in Associated Company	-	124,238	-	89,848
Bank balances	22,206	10,357	6,392	1,241
Statement of Profit and Loss and other Comprehensive Income				
Revenue	-	645,397	-	1,523,661
Late payments / liquidated damages	-	-	-	-
Gain/loss or dividend earned from Shariah Compliant Investments / share of profit from Shariah Compliant investment in associates:				
Share of loss of an associated company	-	(2,401)	-	(14,974)
Share of other comprehensive income of an associated company	-	(434)	-	(11)
Exchange gain earned from actual currency	-	-	-	-
Exchange gain earned using conventional derivative financial instruments	-	-	-	-
Profit on bank deposits	1,362	-	9,363	-
Sale of scrap	-	1,312	-	-
Gain on sale of operating fixed assets	-	16,666	-	46,874
Agriculture Income	-	595	-	-
Other Income	-	43,890	-	4,588
Mark-up on running finances under mark-up arrangements	-	-	-	-
Mark-up on short term finances	-	-	126,628	-
Mark-up on long term finances	135,740	21	121,362	10,739

The company have banking relation with the following shariah-compliant financial institutions:

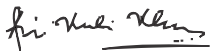
- Meezan Bank Limited
- The Bank of Khyber
- First Habib Modaraba

48. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 22, 2026 by the board of directors of the Company.

49. GENERAL

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison; however, no material re-arrangements and re-classifications have been made in these financial statements.


Lt. Gen. (Retd.)
Ali Kuli Khan Khattak
Chief Executive


Brig. (Retd) Abdul Samad Khan
Director


Salman Khan
Chief Financial Officer

JANANA DE MALUCHO TEXTILE MILLS LIMITED

FORM OF PROXY

I/We, _____ of _____ being a member of the **Janana De Malucho Textile Mills Limited** and holder of _____ Shares as per Folio No. _____ and/or CDC Participation ID # _____ and Sub Account # _____ do hereby appoint Mr. _____ of _____ having Folio No. _____ and/or CDC Participation ID # _____ and Sub Account # _____ as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of the company scheduled to be held on Friday, the October 23, 2026 at 10:30 A.M., and at any adjournment thereof at registered office of the company Habibabad, Kohat.

At witness my/our hand this _____ day of _____ 2026.

1. Signature _____

 Name _____

 C.N.I.C _____

 Address _____

2. Signature _____

 Name _____

 C.N.I.C _____

 Address _____

Please affix
Revenue
Stamps of
Rs. 5/-

Member's signature

(This signature should
agree with specimen
registered with the
Company)

Notes:

1. A member entitled to attend and vote at this meeting may appoint any other member as his / her proxy to attend, speak and vote instead of him / her. A proxy must be a member of the Company.
2. A member shall not be entitled to appoint more than one proxy.
3. The instrument appointing a proxy must be duly signed and witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
4. Attested copies of the CNIC or the Passport of beneficial owners and the proxy shall be furnished along with the proxy form. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished along with the proxy form.
5. Proxies in order to be valid, must be received at the registered office Habibabad, Kohat not later than forty eight (48) hours before the time scheduled for the meeting.
6. The proxy shall produce his original CNIC or original Passport at the time of the Meeting.

پراکسی فارم

میں/ہم _____
 ساکن _____
 بحیثیت رکن جانانہ دی مالوچو ٹیکسٹائل ملز لمیٹڈ اور حامل _____ عام حصص برطابق فلیو نمبر _____ اور/یا سی ڈی سی پارٹسپنٹ آئی ڈی
 نمبر _____ اور ذیلی اکاؤنٹ نمبر _____ بذریعہ
 محترم/محترمہ _____ ساکن _____ فلیو نمبر _____ اور/یا سی ڈی سی پارٹسپنٹ
 آئی ڈی نمبر _____ اور ذیلی اکاؤنٹ نمبر _____ جو مذکورہ کمپنی کا حصص دار بھی ہے
 کو اپنے/ہمارے ایماء پر بروز جمعہ 23 اکتوبر 2026 کو صبح 10:30 بجے کمپنی کے رجسٹرڈ دفتر حبیب آباد، کوہاٹ میں منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی
 استعمال کرنے، تقرر یا 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

پانچ روپے کا
 رسیدی ٹکٹ
 یہاں چسپاں کریں

رکن کے دستخط
 (دستخط ہذا کمپنی کے ہاں رجسٹرڈ نمونہ دستخط کے
 مماثل ہونے چاہئیں)

1۔ دستخط: _____
 نام: _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____
 پتہ: _____
 2۔ دستخط: _____
 نام: _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____
 پتہ: _____

اہم نوٹ:

- 1۔ اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا اہل ممبر اپنی جگہ کسی دوسرے ممبر کو شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا/سکتی ہے۔ پراکسی کو کمپنی کا ممبر ہونا ضروری ہے۔
- 2۔ ایک رکن ایک سے زیادہ پراکسی مقرر کرنے کا اہل نہیں ہوگا۔
- 3۔ پراکسی کی تقرری کے آلات، باقاعدہ مکمل شدہ اور دو افراد کی طرف سے گواہی شدہ ہونے چاہئیں، جن کے نام، پتے اور CNIC نمبرز فارم پر مذکورہ ہوں گے۔
- 4۔ تین فیصلہ اوزر اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم (مختار نامہ) کے ہمراہ جمع کرانا ہوگی۔ کارپوریٹ ادارہ کی صورت میں، بورڈ کی قرارداد/مختار نامہ مع پراکسی ہولڈر کے دستخط پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔
- 5۔ پراکسیاں مؤثر ہونے کے لئے، اجلاس کے مقررہ وقت سے کم از کم اڑتالیس (48) گھنٹے قبل لازماً وصول ہو جانی چاہئیں۔
- 6۔ پراکسی اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ مہیا کرے گا۔

