

**38th | Annual
Report
2025-26**



IDEAL

DYNAMICS LIMITED

(formerly IDEAL SPINNING MILLS LIMITED)



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VISION

To deliver innovation and quality to our customers by following a progressive and on time approach and further the cause of a sustainable future by promoting an eco friendly approach in all our operations.

MISSION

To be a foremost Company receptive to the needs of our customers, acknowledge for consistently providing fine quality products and services by understanding the customer's behaviour and preparing fully to meet the challenges of global market and to maximize profit by making best efforts in production planning, quality of products and making strategies.

COMPANY INFORMATION

CHAIRMAN:	MR. MOHAMMAD SAEED
CHIEF EXECUTIVE OFFICER:	MR. AMJAD SAEED
DIRECTORS:	MRS. RUBINA AMJAD MR. OMER SAEED MR. AH-SAN SAEED MR. KHIZER SAEED MR. MUHAMMAD AZHAR (INDEPENDENT) MR. R. ZWAN-UL-HASSAN (INDEPENDENT)
AUDIT COMMITTEE:	
CHAIRMAN	MR. MUHAMMAD AZHAR
MEMBER	MR. MUHAMMAD SAEED
MEMBER	MR. AH-SAN SAEED
H.R. & REMUNERATION COMMITTEE:	
CHAIRMAN	MR. MUHAMMAD AZHAR
MEMBER	MR. AH-SAN SAEED
MEMBER	MRS. RUBINA AMJAD
NOMINATION COMMITTEE:	
CHAIRMAN	MR. OMER SAEED
MEMBER	MR. AH-SAN SAEED
MEMBER	MR. KHIZER SAEED
RISK MANAGEMENT COMMITTEE:	
CHAIRMAN	MR. AH-SAN SAEED
MEMBER	MR. OMER SAEED
MEMBER	MR. KHIZER SAEED
SUSTAINABILITY COMMITTEE:	
CHAIRMAN	MR. MUHAMMAD AZHAR
MEMBER	MR. AH-SAN SAEED
MEMBER	MRS. RUBINA AMJAD
CHIEF FINANCIAL OFFICER:	MR. MUHAMMAD KASHIF ZAHUR
COMPANY SECRETARY:	MR. MUHAMMAD NADEEM
SHARE REGISTRAR:	F. D. Registrar Services Pvt. Limited 17 th Floor, Saima Trade Tower-A, J. I. Chundhig Road Karachi.
AUDITORS:	M/S RIAZ AHMAD & COMPANY. CHARTERED ACCOUNTANTS
BANKERS:	BANK AL-FALAH LTD NATIONAL BANK OF PAKISTAN BANK AL-HABIB LTD THE BANK OF PUNJAB HABIB BANK LIMITED SAMBANK LTD MEEZAN BANK LTD
REGISTERED OFFICE:	ROOM NO 404 & 405, 4 TH FLOOR, BUSINESS CENTRE, MUMTAZ HASSAN ROAD, KARACHI. www.idealsm.com
FACTORY:	35-K.M SHEIKHUPURA ROAD, TEHSIL JARANWALA, DISTT. FAISALABAD.

NOTICE OF 38TH ANNUAL GENERAL MEETING IDEAL DYNAMICS LIMITED

Notice is hereby given that the 38th Annual General Meeting (AGM) of the Shareholders of **IDEAL DYNAMICS LIMITED** will be held at 404/5, Business Centre 4th Floor Mumtaz Hassan Road Near "SBP" Karachi on Wednesday October 28, 2026 at 11:00 a.m. to transact the following business:-

The Company has also arranged the participation of shareholders through video facility. The detailed procedure is mentioned later in the notes. Following businesses will be transacted during the meeting:

ORDINARY BUSINESSES

1. To confirm Minutes of the Last Extra Ordinary General Meeting held on Monday May 25, 2026.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2026, together with the reports of the directors and auditors.
3. To appoint auditors for the ensuing year and fix their remuneration.
4. Any other business with the permission of the Chair.



By order of the Board
MUHAMMAD NADEEM
Company Secretary

Karachi:
October 5, 2026

Notes:

1. Online Participation in the Annual General Meeting

In order to facilitate and for the safety and well-being of the shareholders, the Company in addition to convening a physical meeting, has also arranged the attendance of the share holders virtually through video link facility. The shareholders who are interested in attending the AGM proceedings online may send the below information along with the valid copy of both sides of CNIC with the subject "Registration for Ideal Dynamics Limited AGM" at nadeem@idealsm.com for their appointed proxy's verification. Such information should be sent from their duly registered valid email ID for the registration purposes latest by October 23, 2026.

Shareholder's Name	Folio / CDC No.	No. of shares held	CNIC No.	Cell No.	Registered Email ID
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A detailed procedure shall be communicated through the email directly to the shareholders who have provided their valid email IDs and the same shall be placed at the Company's website: <https://www.idealsm.com> in the investor relations section.

The shareholders can also provide their comments/suggestions for the agenda items of the AGM at the email address nadeem@idealsm.com.

Members are therefore, encouraged to attend the AGM through video link or by consolidating their attendance through proxies.

2. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 21, 2026 to October 28, 2026 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received at Share Registrar Office M/s F.D Registrar Services (Pvt) Ltd, 17th Floor Saima Trade Tower-A, I.I. Chundrigar Road Karachi 74000 at the close of business on October 20, 2026, will be treated in time to attend and vote at the meeting.

3. For Attending the Meeting

In case of individuals, the account holders or sub-account holders and/or the persons whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate their identity by showing original Computerized National Identity Cards (CNIC) or original passport at the time of attending the meeting.

In case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (if it has not been provided earlier) at the time of attending the meeting.

4. Proxy

A member entitled to attend and vote at this General Meeting is entitled to appoint a Proxy to attend, speak and vote in his place at the meeting. Instrument appointing a proxy must be deposited at the registered office of the Company at least forty-eight hours before the time of the meeting.

To facilitate identification for the right to attend the Annual General Meeting, the shareholder whose holdings are on the Central Depository Company (CDC) or his Proxy should authenticate his identity by showing his original CNIC or original passport at the time of attending the meeting, along with the Participant's Identity Number and Shareholder's account number allocated by the Central Depository Company.

In case of corporate entity, the Board of Directors' Resolution/Power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

5. Notice to Shareholders who have not provided their CNIC

The Individual Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company/Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, M/s F.D Registrar Services (Pvt) Ltd, In case of non-receipt of the copy of a valid CNIC, the Company would be constrained under section 243(3) of the Companies Act, 2017, to withhold dividend (if any) of such shareholders.

6. Deposit of Physical Shares in CDC Account.

As per Section 72 of the Companies Act, 2017, every existing listed company is required to replace its physical shares with book-entry form. Therefore, the shareholders having physical shares requested to convert the shares into book entry.

7. Placement of Financial Statements on Website

Pursuant to the notification of the SECP (SRO 634(I)/2014) dated: 10th July 2014 the financial Statements of the Company have been placed on Company's website at www.idealsm.com

8. Unclaimed Dividends And Share Certificates:

Shareholders of the Company are hereby informed that as per the record, there are some unclaimed/ uncollected /unpaid dividends and shares. Shareholders who could not collect their dividends/shares are advised to contact our Share Registrar M/s. FD Registrar Services (Pvt) Ltd 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi during working hours. Ph: 0092-21-32271905 Email: fdregistrar@yahoo.com to collect/enquire about their unclaimed dividend or shares, if any.

9. Prohibition of Distribution of Gifts

Considering S.R.O.452(1)2025 DATED 17th March 2025, No gifts will be distributed to the shareholders of the Company at the General Meeting being prohibited under Section 185 of Act, 2017.

10. Change of Address

The Shareholders are requested to intimate any changes in their addresses to the Share Registrar, M/s F.D Registrar Services (Pvt) Ltd.



IdealGroup

IDEAL DYNAMICS LIMITED
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آئیڈیل ڈائنامکس لمیٹڈ

اطلاع برائے 38 واں سالانہ اجلاس

- مطلع کیا جاتا ہے کہ آئیڈیل ڈائنامکس لمیٹڈ کے حصص یافتگان کا اڑتیس واں (38) سالانہ اجلاس عام (AGM) بروز بدھ 28 اکتوبر 2026ء کو صبح 11:00 بجے 404/5 بزنس سینٹر چوٹی منزل، ممتاز حسن روڈ نزد "SBP" کراچی میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائیگا۔
- 1۔ آخری غیر معمولی اجلاس عام (EOGM) منعقدہ بروز پیر 25 مئی 2026ء کی کارروائی کی توثیق۔
 - 2۔ 30 جون 2026ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ اکاؤنٹس معذرات کیٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوص اور منظوری۔
 - 3۔ اگلے سال کیلئے آڈیٹرز کی تقرری اور ان کے معاوضہ طے کرنا۔
 - 4۔ چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔



بحکم بورڈ

محمد ندیم

کمپنی سیکریٹری

کراچی 5 اکتوبر 2026ء

گزارشات:

- 1۔ سالانہ اجلاس عام میں آن لائن شرکت:
- کمپنی نے حصص یافتگان کی بہبود اور تحفظ کی خاطر انہیں سہولت فراہم کرنے کا فیصلہ کرتے ہوئے اجلاس عام میں ویڈیولنک کے ذریعے بھی اُن کی حاضری کا اہتمام کیا ہے۔ حصص یافتگان جو سالانہ اجلاس عام (AGM) کی آن لائن کارروائی میں دلچسپی رکھتے ہوں، وہ اپنے درست کمپیوٹرائزڈ شناختی کارڈ کی دونوں اطراف کی نقل (اسکین کر کے یا تصویر کھینچ کر) عنوان میں "رجسٹریشن آف آئیڈیل ڈائنامکس لمیٹڈ AGM" نام پُر کر کے اپنے مقرر کردہ پراکسی کی توثیق کیلئے nadeem@idealsm.com پر بھیج دیں۔ رجسٹریشن کے مقصد کیلئے اس قسم کی معلومات باقاعدہ رجسٹرڈ درست ای میل آئی ڈی کے ذریعے 23 اکتوبر 2026ء تک فراہم کر دی جائیں۔

حصص یافتہ کا نام	فولیو / سی ڈی سی نمبر	ملکیتی حصص کی تعداد	CNIC نمبر	موبائل	رجسٹرڈ ای میل آئی ڈی

ان حصص یافتگان کو ایک تفصیلی طریقہ کار ای میل کے ذریعے براہ راست بھیج دیا جائیگا، جنہوں نے اپنی درست ای میل آئی ڈی فراہم کی ہیں، نیز اس تفصیلی طریقہ کار کو کمپنی کی ویب سائٹ <https://www.idealsm.com> کے انویسٹر ریلیشنز سیکشن میں بھی فراہم کر دیا جائیگا۔

حصص یافتگان سالانہ اجلاس عام کے ایجنڈے یا امور سے متعلق اپنی رائے / مشورے ای میل ایڈریس nadeem@idealsm.com پر بھی فراہم کر سکتے ہیں۔

اراکین کی بہر حال، حوصلہ افزائی کی جاتی ہے کہ وہ بذریعہ ویڈیولنک، ذاتی طور پر یا بذریعہ پراکسی سالانہ اجلاس عام میں اپنی شرکت کو یقینی بنائیں۔

2۔ حصص منتقلی کی کتابوں کی بندش:

سالانہ اجلاس عام کیلئے کمپنی کے حصص منتقلی کی کتابیں 21 اکتوبر 2026ء تا 28 اکتوبر 2026ء (بشمول دونوں ایام) بند رہیں گی۔ اس مدت کے دوران کسی بھی حصص کی منتقلی کی رجسٹریشن قبول نہیں کی جائیگی۔ شیئر رجسٹرار میسرز F.D رجسٹرار سرورسز (پرائیویٹ) لمیٹڈ میں 20 اکتوبر 2026ء کو دفتری اوقات ختم ہونے تک موصول ہونے والی منتقلی کو اجلاس عام میں شرکت اور ووٹ دینے کے حق کو بروقت تصور کیا جائیگا۔

3۔ اجلاس میں حاضری کیلئے:

انفرادی فرد ہونے کی صورت میں کھاتے دار یا ذیلی کھاتے دار اور / یا وہ افراد جن کے حصص گروپ اکاؤنٹ کی صورت میں ہیں اور ان کی تفصیلات ریگولیشنز کے تحت اپ لوڈ کر دی گئی ہیں، وہ اپنی شناخت کیلئے اپنا اصل کمپیوٹرائزڈ توثیق کارڈ (CNIC) یا اصل پاسپورٹ اجلاس میں حاضری کے وقت پیش کریں گے۔

کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ / مع نامزد فرد کے نمونہ دستخط اجلاس عام میں حاضری کے وقت (اگر پہلے سے فراہم نہ کیے گئے ہوں) پیش کیے جائیں گے۔

4۔ پراکسی:

ایک ممبر جو اجلاس عام میں شرکت اور ووٹ دینے کا اختیار رکھتا ہے وہ اجلاس میں اپنی جگہ کسی دوسرے شخص کو بطور پراکسی مقرر کر سکتا ہے جسے اس ممبر کی جگہ شرکت کرنے بولنے اور ووٹ دینے کا اختیار ہوگا۔ پراکسیز کو موثر ہونے کیلئے مطلوبہ دستاویز کا کمپنی کے رجسٹرڈ آفس میں اجلاس کے آغاز سے 48 گھنٹے قبل موصول ہونا ضروری ہے۔



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سالانہ اجلاس عام میں شرکت کے سلسلے میں شناخت کی سہولت کیلئے حصص یافتگان جن کے حصص سینٹرل ڈپازٹری کمپنی (CDC) میں ہیں یا ان کا پراکسی اپنی شناختی کیلئے اصل CNIC یا اصل پاسپورٹ اجلاس عام میں حاضری کے وقت پیش کرے گا، جن کے ساتھ شریک کار کا شناختی نمبر اور حصص یافتہ کا اکاؤنٹ نمبر بھی پیش کیا جائیگا، جو سینٹرل ڈپازٹری نے شخص کیا ہو۔ کارپوریٹ ادارے ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ بمع نامزد فرد کے نمونہ دستخط اجلاس عام میں حاضری کے وقت پیش کیے جائیں گے۔

۵۔ CNIC فراہم نہ کرنے والے حصص یافتگان کو نوٹس:

وہ انفرادی ممبران جنہوں نے ابھی تک اپنے موثر کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی نقول، کمپنی / شیئرز رجسٹرار کو فراہم نہیں کی ہیں، انہیں ایک مرتبہ پھر یاد دہانی کروائی جاتی ہے کہ جلد از جلد اپنے CNIC کی نقول کمپنی کے شیئرز رجسٹرار میسرز F.D رجسٹرار سروسز (پرائیویٹ) لمیٹڈ کو ارسال کریں۔ درست CNIC کی نقول موصول نہ ہونے کی صورت میں کمپنیز ایکٹ 2017 کی دفعہ 243(3) کے تحت کمپنی ایسے حصص یافتگان کے منافع منقسمہ (اگر ہو) کو روکنے پر مجبور ہوگی۔

۶۔ سی ڈی سی اکاؤنٹ میں طبعی حصص جمع کروائیں:

کمپنیز ایکٹ 2017 کی دفعہ 72 کی شق کے تحت لشد کمپنی کیلئے لازمی ہے کہ وہ اپنے طبعی حصص کو بک انٹری فارم میں منتقل کرائیں۔ لہذا حصص یافتگان سے گزارش ہے کہ اپنے حصص کو بک انٹری میں تبدیل کرائیں۔

۷۔ کمپنی کی ویب سائٹ پر مالیاتی اکاؤنٹس کی پلیس میٹ:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹیفیکیشن (SRO634(I)/2014) بتاریخ جولائی 10، 2014 کے مطابق کمپنی کے سالانہ آؤٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ www.idealsm.com پر آویزاں کر دیئے گئے ہیں۔

۸۔ غیر دعویٰ شدہ منافع منقسمہ اور شیئرز:

کمپنی کے شیئرز بولڈرز کو بذریعہ ہذا مطلع کیا جاتا ہے کہ ریکارڈ کے مطابق کچھ غیر دعویٰ شدہ / غیر وصول شدہ / غیر ادا شدہ منافع منقسمہ ہیں۔ ایسے شیئرز بولڈرز جنہوں نے اپنے منافع منقسمہ / شیئرز وصول نہیں کئے انہیں ہدایت کی جاتی ہے کہ وہ اپنے غیر دعویٰ شدہ منافع منقسمہ یا شیئرز، اگر ہوں، سے متعلق وصول / جانچ پڑتال کرنے کیلئے ہمارے شیئرز رجسٹرار میسرز F.D رجسٹرار سروسز (پرائیویٹ) لمیٹڈ 17 ویں منزل، صائبر ٹریڈ ٹاور - A آئی آئی چندریگر روڈ، کراچی سے فون نمبر 0092-21-32271905 ای میل fdregistrar@yahoo.com پر دوران ایام کار رابطہ کریں۔

۹۔ تحائف کی تقسیم کی ممانعت:

ایس آر او 452(1)/225 مورخہ 17 مارچ 2025 کو مد نظر رکھتے ہوئے، جنرل میٹنگ میں کمپنی کے حصص یافتگان کو کوئی تحائف نہیں دیئے جائیں گے جبکہ کمپنیز ایکٹ، 2017 کے سیکشن 185 کے تحت ممنوع ہے۔

۱۰۔ پتہ کی تبدیلی:

حصص یافتگان سے گزارش ہے کہ اپنے رجسٹرڈ پتے میں کسی بھی تبدیلی سے متعلق معلومات سے شیئرز رجسٹرار، میسرز F.D رجسٹرار سروسز (پرائیویٹ) لمیٹڈ کو آگاہ کریں۔

CHAIRMAN'S REVIEW
FOR THE YEAR ENDED JUNE 30, 2026

The Board of Directors has diligently reviewed and approved the Directors' Report for the year ended June 30, 2026, ensuring its inclusion with the Company's quarterly and annual financial statements. The report has been prepared in accordance with all applicable laws, regulations, and regulatory requirements.

In fulfilling its responsibilities, the Board has overseen the appointment, performance evaluation, and remuneration of key executives, including the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary, and Head of Internal Audit. The Board has also ensured that its members receive timely and adequate information to remain fully informed of significant developments between Board meetings.

The Board has exercised its authority within the powers conferred upon it under the applicable laws and regulations, maintaining a consistent commitment to sound corporate governance and regulatory compliance. Agendas and relevant supporting documents were circulated well in advance of Board and Committee meetings to enable directors to undertake thorough review and informed deliberation. Non-executive and independent directors continued to play an active, equal, and integral role in the consideration and approval of significant matters before the Board.

Despite the challenging business environment, the Company implemented effective cost management measures, which contributed to a significant improvement in its financial performance. The Company recorded a profit from continuing operations before levy and tax of Rs. 6.976 million, compared with a loss of Rs. 37.454 million for the corresponding period of the previous year. Furthermore, the loss after tax from continuing operations decreased to Rs. 5.979 million, compared with Rs. 160.389 million in the corresponding period of the previous year.

Including the results of discontinued operations, the total loss after tax amounted to Rs. 69.610 million, compared with a loss of Rs. 423.559 million reported for the corresponding period of the previous year. These results reflect the positive impact of the measures undertaken by the Company to improve operational efficiency and strengthen cost management.

Recognizing the importance of addressing the challenges, the Company has proactively undertaken measures to mitigate their impact. The management team continues to closely monitor the situation and evaluate multiple strategies aimed at improving financial performance. We remain firmly committed to achieving sustainable growth and creating long-term value for our stakeholders. With the right measures in place, we are confident in our ability to successfully navigate the challenges and emerge stronger in the future.



Muhammad Saeed
Chairman
Faisalabad
September 30, 2026



IdealGroup

IDEAL DYNAMICS LIMITED
 (formerly ideal spinning mills limited)

Annual report 2025-26

چیرمین کا جائزہ

30 جون 2026 کو ختم ہونے والے سال کے لیے

بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے ڈائریکٹری رپورٹ کا مستعدی سے جائزہ لیا اور اس کی منظوری دی، کمپنی کے سہ ماہی اور سالانہ مالیاتی گوشواروں میں اس کی شمولیت کو یقینی بنایا۔ رپورٹ تمام قابل اطلاق قوانین، ضوابط اور ریگولیٹری تقاضوں کے مطابق تیار کی گئی ہے۔

اپنی ذمہ داریوں کو نبھاتے ہوئے بورڈ نے چیف ایگزیکٹو آفیسر CEO، چیف فنانشل آفیسر CFO کمپنی سیکریٹری اور انڈرونی آڈٹ کے سربراہ سمیت اہم ایگزیکٹو کی تقرری، کارکردگی کی جانچ اور معاوضے کی نگرانی کی ہے۔ بورڈ نے اس بات کو بھی یقینی بنایا ہے کہ اس کے ممبران کو بورڈ کے اجلاسوں کے درمیان اہم پیش رفت سے پوری طرح باخبر رہنے کے لیے بروقت اور مناسب معلومات حاصل ہوں۔

بورڈ نے کارپوریٹ گورننس اور ریگولیٹری تعمیل کے لیے مستقل وابستگی کو برقرار رکھتے ہوئے قابل اطلاق قوانین اور ضوابط کے تحت اسے عطا کردہ اختیارات کے اندر اپنے اختیار کا استعمال کیا ہے۔ ایجنڈا اور متعلقہ معاون دستاویزات کو بورڈ اور کمیٹی کے اجلاسوں سے پہلے اچھی طرح سے گردش کر دیا گیا تھا تاکہ ڈائریکٹر کو مکمل جائزہ لینے اور باخبر بحث کرنے کے قابل بنایا جاسکے۔ غیر ایگزیکٹو اور آزاد ڈائریکٹر نے بورڈ کے سامنے اہم معلومات پر غور اور منظوری میں ایک فعال مساوی اور آئوٹ کردار ادا کرنا جاری رکھا۔

کاروباری ماحول میں درپیش مشکلات کے باوجود، کمپنی نے لاگت موثر انتظام کے اقدامات کیے، جس سے اس کی مالی کارکردگی میں نمایاں بہتری آئی۔ کمپنی نے گزشتہ سال کی اسی مدت کے دوران 37.454 ملین روپے کے نقصان کے مقابلے میں، لیوی اور ٹیکس سے قبل جاری آپریشنز سے 6.976 ملین روپے کا منافع ریکارڈ کیا۔ مزید برآں، جاری آپریشنز سے ٹیکس کے بعد ہونے والا نقصان گزشتہ سال کی اسی مدت کے 160.389 ملین روپے کے مقابلے میں کم ہو کر 5.979 ملین روپے رہ گیا۔

منقطع آپریشنز کے نتائج کو شامل کرتے ہوئے ٹیکس کے بعد کل نقصان 69.610 ملین روپے رہا، جبکہ گزشتہ سال اسی مدت کے دوران 423.559 ملین روپے کا نقصان ریکارڈ کیا گیا تھا۔ یہ نتائج کمپنی کی جانب سے آپریشنل کارکردگی، مضبوطی اور لاگت کے انتظام کو بہتر بنانے کے لیے کیے گئے اقدامات کے مثبت اثرات کی عکاسی کرتے ہیں۔

چیلنجوں سے نمٹنے کی اہمیت تسلیم کرتے ہوئے کمپنی نے ان کے اثرات کو کم کرنے کے لیے فعال طور پر اقدامات کیے ہیں۔ انتظامی ٹیم صورت حال پر گہری نظر رکھتی ہے اور مالی کارکردگی کو بہتر بنانے کے لیے مقصد حکمت کا جائزہ لیتی ہے۔ ہم پائیدار ترقی کے حصول اور اپنے اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے کے لیے مضبوطی سے پر عزم ہیں۔ صحیح اقدامات کے ساتھ ہم چیلنجوں کو کامیابی کے ساتھ نیوگیٹ کرنے اور مستقبل میں مزید مضبوط ہونے کی اپنی صلاحیت پر اعتماد ہیں۔

محمد سعید

چیرمین

فیصل آباد

30 ستمبر 2026



IdealGroup

IDEAL DYNAMICS LIMITED
(formerly ideal spinning mills limited)**Annual report 2025-26****DIRECTORS' REPORT TO THE SHAREHOLDERS**

The directors of Ideal Dynamics Limited (Formerly Ideal Spinning Mills Limited) feel pleasure to present 38th Annual Report accompanied by the Audited Financial Statements of the company for the year ended 30 June, 2026.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW:

We are delighted to present our 2026 business review.

Pakistan's textile industry is facing growing challenges due to global economic uncertainty, rising input costs, and increasing labor expenses, all of which have adversely affected its international competitiveness. Persistent energy crises and frequent electricity disruptions further impede smooth manufacturing operations, resulting in production delays and higher operating costs. At the same time, Pakistan is confronting strong competition from regional textile producers, particularly Bangladesh, India, and Vietnam, which have strengthened their positions in international markets by offering competitive prices, improved product standards, and greater production efficiency. The combined impact of these economic, operational, and competitive pressures is placing considerable strain on Pakistan's ability to sustain and expand its share of the global textile market.

The ongoing conflict between the United States and Iran has contributed to heightened geopolitical uncertainty and disruptions across international trade and transportation networks. The resulting risks to shipping routes, particularly in and around the Middle East, have led to increased freight rates, insurance premiums, fuel surcharges, and other logistics-related costs. These pressures have also affected the domestic market, as higher international transportation and fuel costs have translated into increased inland freight, handling, and distribution charges within the country. For businesses dependent on imported raw materials and export-oriented supply chains, the rise in logistics costs has increased the overall cost of operations and placed additional pressure on profit margins. Continued uncertainty in regional trade routes and global shipping conditions may further affect the availability, cost, and timely movement of goods.

Despite the challenging business environment, the Company implemented effective cost management and operational efficiency measures, which contributed to a significant improvement in its financial performance during the period.

The Company recorded a **profit from continuing operations before levy and tax of Rs. 6,976 million**, compared with a **loss of Rs. 37,454 million** in the corresponding period of the previous year. Furthermore, the **loss after tax from continuing operations decreased significantly to Rs.5,979 million**, compared with **Rs. 160,389 million** reported for the corresponding period of the previous year.

Including the results of discontinued operations, **the total loss after tax amounted to Rs. 69,610 million**, compared with a **loss of Rs. 423,559 million** in the corresponding period of the previous year.

The significant reduction in the overall loss reflects the positive impact of the measures undertaken by the Company to enhance operational efficiency, strengthen cost management, and improve overall financial performance.

The Company's operational results are summarized as follows:

(RUPEES IN THOUSAND)

CONTINUING OPERATIONS	<u>30.06.2026</u>	<u>30.06.2025</u>
REVENUE FROM CONTRACTS WITH CUSTOMERS	1,327,751	1,513,805
COST OF SALES	(1,056,657)	(1,348,740)
GROSS PROFIT	271,094	165,065
DISTRIBUTION COST	(113,564)	(77,669)
ADMINISTRATIVE EXPENSES	(142,706)	(166,967)
OTHER EXPENSES	(7,538)	(1,633)
OTHER INCOME	31,011	84,940
FINANCE COST	(31,321)	(41,190)

PROFIT / (LOSS) BEFORE TAXATION AND LEVY	6,976	(37,454)
LEVY	(16,477)	(18,878)
LOSS BEFORE TAXATION	(9,501)	(56,332)
TAXATION	3,522	(104,057)
	(5,979)	(160,389)
DISCONTINUED OPERATION		
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	(63,631)	(263,170)
LOSS AFTER TAXATION	(69,610)	(423,559)
LOSS PER SHARE – BASIC AND DILUTED (RUPEES)	(7.02)	(42.70)
LOSS PER SHARE – BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	(0.60)	(16.17)
LOSS PER SHARE – BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES)	(6.41)	(26.53)

ECONOMIC AND INDUSTRY OVERVIEW:

Pakistan's currency recently reached of Rs. 280.83 against the US dollar. The rising cost of imports and raw materials has created significant challenges, leading to shortages of key inputs.

Looking ahead, the industry is expected to remain under pressure, with subdued demand in both domestic and export markets, alongside rising energy costs. Despite these headwinds, the Company remains resilient, pursuing innovative strategies to navigate the challenges while maintaining its strong commitment to quality and sustainability.

PRINCIPAL RISKS AND UNCERTAINTIES:

Risk assessment is a continuous and integral process designed to identify uncertainties that may threaten the achievement of the Company's objectives. If not addressed in a timely manner, such risks could result in significant losses. These uncertainties may arise from both internal and external factors. The key categories of risks that could potentially impact the Company's operations are outlined below:

- **Strategic Risks:** These involve uncertainties and untapped opportunities related to the Company's strategic objectives. Strategic risks are a primary concern for the Board of Directors as they affect the overall business rather than specific units.
- **Commercial Risks:** These relate to potential losses stemming from interactions with trading partners or the dynamics of the markets in which the Company operates.
- **Operational Risks:** These arise from internal factors such as procedural inefficiencies, personnel challenges, or system failures.
- **Financial Risks:** This broad category covers risks associated with financing, liquidity, profitability, and credit exposure.

The Company maintains continuous vigilance and adopts proactive mitigation measures to minimize these risks, thereby safeguarding stakeholder interests and ensuring the successful achievement of its objectives.

HEALTH SAFETY AND ENVIRONMENT:

The Company is committed to upholding the highest standards of Health, Safety, and Environment (HSE) to ensure sustainable performance. In line with this commitment, Standard Operating Procedures (SOPs) have been promptly implemented to address environmental challenges, with a particular focus on combating climate change by reducing greenhouse gas emissions, notably carbon dioxide (CO₂) and methane. Strict adherence to these SOPs reflects the Company's dedication to HSE excellence and long-term sustainability.

CORPORATE SOCIAL RESPONSIBILITY:

The Company acknowledges its corporate social responsibility (CSR) to the community and remains committed to supporting it.

INTERNAL CONTROL SYSTEM:

The Board of Directors acknowledges its critical responsibility in overseeing the Company's internal control system and ensures its ongoing effectiveness through robust implementation and regular monitoring.

The Company has established a comprehensive internal control framework that encompasses transparent structures, clearly defined authority limits, and well-assigned responsibilities, all supported by detailed policies and procedures. This framework is designed to drive operational efficiency, safeguard Company assets, ensure compliance with applicable laws and regulations, and deliver reliable financial reporting.

DIVIDEND POLICY

In accordance with regulatory requirements, the Board has adopted a transparent Dividend Policy, balancing the need for shareholder returns with reinvestment for long-term growth. For the year under review, no dividend has been recommended due to losses.

Board Evaluation

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board conducted its annual performance evaluation through a structured self-assessment process. The results confirmed that the Board has been effective in discharging its responsibilities, while also highlighting areas for further improvement in long-term strategy and governance.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE:

The company has diligently adhered to all stipulations outlined in the Listed Companies (Code of Corporate Governance) Regulations, 2019. A comprehensive statement confirming this compliance is attached herewith in this annual report.

FUTURE OUTLOOK:

The Company anticipates a positive outlook for its financial performance in the coming year, supported by substantial investments in the modernization and replacement of machinery. These strategic initiatives are expected to deliver long-term benefits and strengthen operational efficiency. In addition, the Company is focused on enhancing its self-energy generation capabilities to further reduce production costs.

We remain confident that continued government support for the textile sector will reinforce the growth potential of exporting industries, thereby contributing to both the Company's progress and the country's economic development.

BOARD COMPOSITION, REMUNERATION AND MEETINGS:

In line with the requirements of the Code of Corporate Governance, the Company encourages representation of independent and non-executive directors, as well as gender diversity on its Board.

The Board's composition and detail of the directors and meetings attended is as under:

Composition of the Board:

Category	Male	Female	Total
Executive Director	2	-	2
Non-Executive Director	3	1	4
Independent Director	2	-	2
Total	7	1	8

Detail of the directors and meetings attended:

Name of Directors	Designation	Attendance
Mr. Muhammad Saeed	Chairman (Non-Executive Director)	4
Mr. Amjad Saeed	Chief Executive Officer	4
Mr. Omer Saeed	Executive Director	4
Mrs. Rubina Amjad (Female)	Non-Executive Director	4
Mr. Ahsan Saeed	Non-Executive Director	4
Mr. Khizer Saeed	Non-Executive Director	4
Mr. Muhammad Azhar	Independent Director	4
Mr. Rizwan-ul-Hassan	Independent Director	4

Our company maintains a well-defined policy and transparent procedures for the remuneration of its Directors, aligning with the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

For comprehensive details on the remuneration, including Director Fees for attending board meetings, and compensation for the Chief Executive Officer, please refer to Note 33 in the financial statements.

CHAIRMAN'S REVIEW

The Directors hereby affirm the Chairman's review report on the company's performance.

OUTSTANDING STATUTORY PAYMENTS:

All pending payments are of a routine and negligible nature.

RETIREMENT BENEFITS FUNDS:

The Company maintains an unfunded gratuity scheme for its employees, as indicated in the financial statements.

AUDITORS:

The current auditors, M/S RIAZ AHMAD & CO, Chartered Accountants, who are eligible, have expressed their willingness for re-appointment for the year 2026-2027, in line with the recommendation of the audit committee.

PATTERN OF SHAREHOLDING:

The pattern of shareholding as of June 30, 2026, is included in the annex.

RELATED PARTY TRANSACTIONS:

All dealings with related parties are conducted on an arm's length basis within the normal course of business and are in full conformity with the relevant provisions of the Companies Act 2017. Pricing is established in accordance with the comparable uncontrolled price method, and the Company is in strict compliance with the best practices in transfer pricing as stipulated in the listing regulations of the Pakistan Stock Exchanges (PSX).

BOARD COMMITTEES:

The Board in compliance with the Code of Corporate Governance has established following committees and their composition is as under:

A. Audit Committee:

Name	Designation
Mr. Muhammad Azhar	Chairman
Mr. Muhammad Saeed	Member
Mr. Ahsan Saeed	Member

B. Human Resource And Remuneration Committee:

Name	Designation
Mr. Muhammad Azhar	Chairman
Mr. Ahsan Saeed	Member
Mrs. Rubina Anjad	Member

C. Nomination Committee:

Name	Designation
Mr. Omer Saeed	Chairman
Mr. Ahsan Saeed	Member
Mr. Khizer Saeed	Member

D. Risk Management Committee:

Name	Designation
Mr. Ahsan Saeed	Chairman
Mr. Omer Saeed	Member
Mr. Khizer Saeed	Member

E. Sustainability Committee:

Name	Designation
Mr. Muhammad Azhar	Chairman
Mr. Ahsan Saeed	Member
Mrs. Rubina Anjad	Member

CORPORATE GOVERNANCE:

The Board acknowledges the pivotal role that well-structured corporate governance practices play in fostering accountability. We are steadfast in our commitment to upholding elevated corporate governance standards to preserve and enhance stakeholder value. The Board has demonstrated diligence and has made significant contributions to steer the Company in its strategic endeavors. Our Company maintains a robust relationship with the Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange, ensuring unwavering compliance with the principles of Good Corporate Governance in both word and deed. A comprehensive statement affirming our adherence to the best practices of Corporate Governance is provided in the annex.

CORPORATE AND FINANCIAL REPORTING FRAME WORK:

In accordance with the regulations of the Pakistan Stock Exchange and as mandated by the Companies Act, 2017, we are pleased to affirm the following:

1. The financial statements, meticulously prepared by our management, accurately reflect the Company's financial position, operating results, cash flows, and changes in equity.
2. Properly maintained books of accounts are in place for the Company.
3. We have consistently applied appropriate accounting policies, and our accounting estimates are grounded in reasonable and prudent judgment.
4. The preparation of financial statements adheres to the International Financial Reporting Standards, as relevant in Pakistan. Our internal control system is well-structured, effectively implemented, and continually monitored.
5. There is no uncertainty regarding the Company's ability to continue as a going concern.

6. We have maintained alignment with the best practices of corporate governance, as outlined in the listing regulations, with no significant deviations.
7. A summarized form of key operational and financial data from the past six years is provided in the annex.

EVENTS AFTER THE REPORTING PERIOD:**Appropriations:**

In view of the financial performance during the year, which resulted in a loss, the Board of Directors has considered it inadvisable to recommend a cash dividend for approval at the Annual General Meeting. The Board has instead resolved to prioritize the prudent allocation of resources towards addressing current challenges, strengthening the Company's financial position, and ensuring long-term sustainability.

Other events:

No significant events occurred after the reporting period.

ACKNOWLEDGEMENT:

The Board places on record its appreciation for loyalty and devotion to work, by staff and workers for the company. The relationship between management and workers remained very cordial and we hope that these will further improve in the years to come.

The Board extends its gratitude for the unwavering loyalty and dedication displayed by our staff and workers. The relationship between the management and our workforce has been exceptionally harmonious, and we anticipate further enhancements in the years ahead.

On Behalf of the Board

Amjad Saeed
Chief Executive Officer



Khizar Saeed
Director

September 30, 2026



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ڈائریکٹر کی رپورٹ برائے شیئر ہولڈر

آئیڈیل ڈائنامکس لمیٹڈ کے ڈائریکٹرز کو خوشی ہے کہ وہ کمپنی کے 38 ویں سالانہ مالی سال ختم شدہ 30 جون 2026 کے آڈٹ شدہ مالی گوشوارے پیش کر رہے ہیں۔

اہم کاروباری سرگرمیاں اور جائزہ

ہمیں اپنا 2026 کاروباری جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے۔

پاکستان کی ٹیکسٹائل انڈسٹری کو عالمی اقتصادی غیر یقینی صورتحال، بڑھتی ہوئی ان پٹ لاگت اور مزدوری کے بڑھتے ہوئے اخراجات کی وجہ سے بڑھتے ہوئے چیلنجز کا سامنا ہے، ان تمام چیزوں نے اس کی بین الاقوامی مسابقت کو بری طرح متاثر کیا ہے۔ مسلسل توانائی کے بحران اور بجلی کی بار بار رکاوٹیں، ہموار مینوفیکچرنگ آپریشنز میں مزید رکاوٹیں ڈالتی ہیں جس کے نتیجے میں پیداوار میں تاخیر اور آپریٹنگ اخراجات زیادہ ہوتے ہیں۔ ایک ہی وقت میں پاکستان کو علاقائی ٹیکسٹائل پروڈیوسرز، خاص طور پر بنگلہ دیش، بھارت اور ویتنام سے سخت مقابلے کا سامنا ہے۔ جنہوں نے مسابقتی قیمتوں، بہتر مصنوعات کے معیارات اور زیادہ پیداواری کارکردگی پیش کر کے بین الاقوامی منڈیوں میں اپنی کمپوزیشن مضبوط کی ہے۔ ان اقتصادی، آپریشنل اور مسابقتی دباؤ کا مشترکہ اثر پاکستان کی عالمی ٹیکسٹائل مارکیٹ میں اپنا حصہ برقرار رکھنے اور اسے بڑھانے کی صلاحیت پر کافی دباؤ ڈال رہا ہے۔

امریکہ اور ایران کے درمیان جاری تنازعہ نے جغرافیائی سیاسی غیر یقینی صورتحال میں اضافہ کیا ہے اور بین الاقوامی تجارت اور نقل و حمل کے نیٹ ورکس میں رکاوٹیں پیدا کی ہیں۔ بحری راستوں کے نتیجے میں پیدا ہونے والے خطرات، خاص طور پر مشرق وسطیٰ میں اور اس کے آس پاس، مال برداری کی شرحوں، انشورنس پریمیم، ایندھن کے سرچارجز، اور لاجسٹک سے متعلق دیگر اخراجات میں اضافہ ہوا ہے۔ ان دباؤ نے مقامی مارکیٹ کو بھی متاثر کیا ہے، کیونکہ اعلیٰ بین الاقوامی نقل و حمل اور ایندھن کے اخراجات نے ملک کے اندر اندروں ملک مال برداری، ہینڈلنگ اور ڈسٹری بیوٹن چارجز میں اضافہ کیا ہے۔ درآمد شدہ خام مال اور درآمد پر مبنی سپلائی چینز پر انحصار کرنے والے کاروباروں کے لیے لاجسٹکس کے اخراجات میں اضافے نے آپریشنز کے مجموعی لاگت کو بڑھا دیا ہے۔ اور منافع کے مارجن پر اضافی دباؤ ڈالا ہے۔ علاقائی تجارتی راستوں اور عالمی شپنگ کے حالات میں مسلسل غیر یقینی صورتحال سامان کی دستیابی، لاگت اور بروقت نقل و حرکت کو مزید متاثر کر سکتی ہے۔

مندرجہ بالا چیلنجز کے باوجود کمپنی نے موثر لاگت کے انتظامی اقدامات اپنائے۔ جس کے نتیجے میں تقسیم، انتظامی اور مالیاتی اخراجات میں نمایاں کمی واقع ہوئی۔ اس کے نتیجے میں ٹیکس سے قبل کا نقصان کم ہو کر 6.976 ملین روپے رہا، جو گزشتہ سال کی اسی مدت میں 37.454 ملین روپے تھا۔ تاہم، موخر شدہ ٹیکس کی ایڈجسٹمنٹ کو شامل کرنے کے بعد کمپنی نے بعد از ٹیکس 5.979 ملین روپے کا



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نقصان ظاہر کیا، جبکہ گزشتہ سال اسی مدت میں یہ نقصان **160.389** ملین روپے تھا۔
 بند کیے گئے کاروباری آپریشنز کے نتائج کو بھی شامل کرتے ہوئے ٹیکس کے بعد مجموعی خسارہ **69.160** ملین روپے رہا۔ جبکہ گزشتہ سال
 کی اسی مدت میں یہ خسارہ **423.559** ملین روپے تھا۔
 مجموعی خسارے میں نمایاں کمی کمپنی کی جانب سے آپریشنل کارکردگی بہتر بنانے، اخراجات کے مؤثر انتظام کو مضبوط کرنے اور مجموعی مالی
 کارکردگی میں بہتری کے لیے اقدامات کے مثبت اثرات کی عکاسی کرتی ہے۔

کمپنی کے مالی نتائج کا خلاصہ درج ذیل ہے۔
 جاری آپریشن کے نتائج

(روپے ہزار میں)

30-06-2026**30-06-2025**

1,327,751

1,513,805

گاہکوں سے معاہدوں کی آمدنی

(1,056,657)

(1,348,740)

قیمت فروخت

271,094

165,065

مجموعی منافع

(113,564)

(77,669)

تقسیم کے اخراجات

(142,706)

(166,967)

انتظامی اخراجات

(7,538)

(1,633)

دیگر اخراجات

31,011

84,940

دیگر آمدنی

(31,321)

(41,190)

مالیاتی اخراجات

6,976

(37,454)

ٹیکس اور لیوی سے پہلے نقصان

(16,477)

(18,878)

لیوی

(9,501)

(56,332)

ٹیکس سے پہلے نقصان

3,522

(104,057)

ٹیکس

(5,979)

(160,389)

بعد از ٹیکس نقصان جاری آپریشنز



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بند آپریشن کے نتائج

30-06-2026	30-06-2025	
(63,631)	(263,170)	بعد از ٹیکس نقصان غیر جاری شدہ آپریشن
(69,610)	(423,559)	بعد از ٹیکس نقصان
(7.02)	(42.70)	فی حصص نقصان
(0.60)	(16.17)	فی حصص نقصان جاری شدہ آپریشن
(6.41)	(26.53)	فی حصص نقصان غیر جاری شدہ آپریشن

حالیہ دنوں میں پاکستان کی کرنسی امریکی ڈالر کے مقابلے میں **280.83** روپے کی سطح پر پہنچ گئی ہے۔ درآمدات اور خام مال کی بڑھتی ہوئی لاگت نے سنگین مشکلات پیدا کی ہیں۔ جس کے نتیجے میں اہم اجزاء کی قلت دیکھنے میں آئی ہے۔

آئندہ دنوں میں بھی صنعت پر دباؤ برقرار رہنے کی توقع ہے کیونکہ ملکی اور برآمدی دونوں منڈیوں میں طلب کمزور ہے جبکہ توانائی کی قیمتیں مسلسل بڑھ رہی ہیں۔ ان رکاوٹوں کے باوجود، کمپنی پر عزم ہے اور چیلنجز سے نمٹنے کے لیے جدید حکمت عملیاں اختیار کر رہی ہے، ساتھ ہی معیار اور پائیداری کے عزم پر مضبوطی سے قائم ہے۔

بنیادی خطرات اور غیر یقینی صورت حال

خطرات کا جائزہ ایک مسلسل اور بنیادی عمل ہے، جس کا مقصد ان غیر یقینی عوامل کی نشاندہی کرنا ہے جو کمپنی کے مقاصد کے حصول میں رکاوٹ بن سکتے ہیں۔ اگر ان خطرات کو بروقت دور نہ کیا جائے تو یہ نمایاں نقصانات کا سبب بن سکتے ہیں۔ یہ غیر یقینی صورت حال اندرونی اور بیرونی دونوں عوامل سے جنم لے سکتی ہے۔ کمپنی کے کام پر اثر انداز ہونے والے اہم خطرات مندرجہ ذیل ہیں:

اسٹریٹجک خطرات: یہ خطرات کمپنی کے اسٹریٹجک مقاصد سے متعلق غیر یقینی عوامل اور غیر استعمال شدہ مواقع پر مشتمل ہوتے ہیں۔ اسٹریٹجک خطرات بورڈ آف ڈائریکٹرز کے لیے بنیادی تشویش کا باعث ہیں۔ کیونکہ یہ مخصوص شعبوں کے بجائے پورے کاروبار پر اثر انداز ہوتے ہیں۔

تجارتی خطرات: یہ خطرات تجارتی شراکت داروں سے تعلقات یا ان مارکیٹوں کے حالات سے پیدا ہوتے ہیں جن میں کمپنی کام کر رہی ہے، اور ان ممکنہ مالی نقصانات کا باعث بن سکتے ہیں۔

عملیاتی خطرات: یہ خطرات اندرونی عوامل سے جنم لیتے ہیں، جیسے طریقہ کار کی کمزوریاں، عملے کے مسائل، یا نظام کی خرابی۔



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مالیاتی خطرات: یہ ایک وسیع اصطلاح ہے جس میں فنانسنگ، منافع، لیکویڈیٹی اور قرضوں سے واسطہ مختلف قسم کے خطرات شامل ہیں۔ کمپنی مسلسل چوکسی برقرار رکھتی ہے اور فعال حکمت عملیوں کے ذریعے ان خطرات کو کم سے کم کرنے کی کوشش کرتی ہے تاکہ اسٹیک ہولڈرز کے مفادات کا تحفظ کیا جاسکے اور مقاصد کے کامیاب حصول کو یقینی بنایا جاسکے۔

صحت، حفاظت اور ماحولیات

کمپنی صحت، حفاظت اور ماحولیات کے اعلیٰ ترین معیارات پر عمل درآمد کی مکمل طور پر پابند ہے تاکہ پائیدار کارکردگی کو یقینی بنایا جاسکے۔ اس عزم کے تحت بروقت نافذ (SOPs) ماحولیاتی چیلنجز سے نمٹنے کے لیے اور اس کے اثرات کم کرنے کے لیے معیاری عملی اقدامات کیے گئے ہیں، جن میں خاص طور پر ماحولیاتی تبدیلی اور میٹھین کے اخراج میں (CO2) گرین ہاؤس گیسوں، خصوصاً کاربن ڈائی آکسائیڈ کی کمی کے لیے (SOPs) پر سختی سے عمل درآمد پر توجہ مرکوز کی گئی ہے۔ صحت، حفاظت اور ماحولیات کے اعلیٰ معیار اور طویل المدتی پائیداری کے عزم کو ظاہر کرتا ہے۔

کارپوریٹ سوشل ریسپانسیبلٹی

کمپنی اپنی سماجی ذمہ داری کو تسلیم کرتی ہے اور برادری کو معاونت کے لیے پرعزم ہے۔

اندرونی کنٹرول نظام

بورڈ آف ڈائریکٹر اس بات کو تسلیم کرتا ہے کہ کمپنی کے اندرونی کنٹرول نظام کی نگرانی اس کی ایک نہایت اہم ذمہ داری ہے، اور یہ اس نظام کی موثر عملداری اور باقاعدہ نگرانی کے ذریعے اس کی مسلسل بہتری کو یقینی بناتا ہے۔

کمپنی نے ایک جامع اندرونی کنٹرول سسٹم فریم ورک تشکیل دیا ہے، جس میں شفاف ڈھانچے، واضح طور پر متعین اختیارات کی حدود، اور ذمہ داریوں کی مناسب تقسیم شامل ہے، جو تفصیلی پالیسیوں اور طریقہ کار کے ذریعے معاونت یافتہ ہے۔ یہ فریم ورک آپریشنل کارکردگی کو بہتر بنانے، کمپنی کے اثاثوں کے تحفظ، متعلقہ قوانین و ضوابط کی پاسداری کو یقینی بنانے، اور مستند مالیاتی رپورٹنگ فراہم کرنے کے لیے وضع کیا گیا ہے۔

منافع کی تقسیم کی پالیسی

ریگولیٹری تقاضوں کے مطابق بورڈ نے ایک شفاف منافع کی تقسیم کی پالیسی اختیار کی ہے، جو حصص یافتگان کو منافع کی واپسی اور طویل مدتی ترقی کے لیے دوبارہ سرمایہ کاری کے درمیان توازن قائم کرتی ہے۔ زیر جائزہ سال کے دوران ہونے والے نقصانات کے باعث کسی بھی منافع کی سفارش نہیں کی گئی۔

بورڈ کا جائزہ

لشد کمپنیز (کارپوریٹ گورننس کے ضابطہ اخلاق) ریگولیشنز 2019 کی تعمیل میں بورڈ نے اپنی سالانہ کارکردگی کا جائزہ ایک منظم خود



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تشخیصی عمل کے ذریعے لیا۔ نتائج سے تصدیق ہوئی کہ بورڈ نے اپنی ذمہ داریوں کو مؤثر طریقے سے نبھایا ہے، جبکہ طویل مدتی حکمت عملی اور گورننس میں مزید بہتری کے امکانات کو بھی اجاگر کیا گیا ہے۔

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کا بیان

کمپنی نے فہرست شدہ کمپنیوں کے ضابطہ اخلاق برائے کارپوریٹ گورننس 2019 کی تمام شکوہ پر پوری محنت اور ذمہ داری کے ساتھ عمل درآمد کیا ہے۔ اس تعمیل کی تصدیق کرنے والا جامع بیان اس سالانہ رپورٹ کے ساتھ منسلک ہے۔ مستقبل کا جائزہ

کمپنی آئندہ سال اپنی مالی کارکردگی کے حوالے سے مثبت نتائج کی توقع رکھتی ہے، جس کی بنیاد جدیدیت اور مشینری کی تبدیلی میں کی جانے والی نمایاں سرمایہ کاری ہے۔ یہ حکمت عملی طویل المدتی فوائد فراہم کرے گی اور عملی استعداد میں مزید بہتری لائے گی۔ اس کے علاوہ کمپنی اپنی توانائی کی خود پیداوار کی صلاحیت بڑھانے پر بھی توجہ دے رہی ہے تاکہ پیداواری اخراجات میں مزید کمی کی جاسکے۔

ہمیں یقین ہے کہ ٹیکسٹائل کے شعبے کے لیے حکومت کی جاری معاونت برآمدی صنعتوں کی ترقی کی صلاحیت کو مزید مستحکم کرے گی، جس سے نہ صرف کمپنی کی ترقی میں مدد ملے گی بلکہ ملک کی معاشی نمو میں بھی مثبت کردار ادا ہوگا۔

بورڈ کی تشکیل، معاوضہ اور اجلاس

کارپوریٹ گورننس کے ضابطہ اخلاق کی ضرورت کے مطابق، کمپنی اپنے بورڈ میں آزاد اور غیر انتظامی ڈائریکٹرز کی نمائندگی کے ساتھ ساتھ جنس کی متنوع شمولیت کی بھی حوصلہ افزائی کرتی ہے۔

بورڈ کی تشکیل ڈائریکٹرز کی تفصیلات اور منعقدہ اجلاسوں میں ان کی شرکت درج ذیل ہے۔

بورڈ کی تشکیل

عہدہ	مرد	خواتین	کل
ایگزیکٹو ڈائریکٹر	2	-	2
نان ایگزیکٹو ڈائریکٹر	3	1	4
آزاد ڈائریکٹر	2	-	2
کل	7	1	8



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تفصیلات اور شرکت کردہ اجلاسوں کی فہرست

حاضری	عہدہ	ڈائریکٹر کا نام
4	چئیرمین (نان ایگزیکٹو)	محمد سعید
4	چیف ایگزیکٹو آفیسر	امجد سعید
4	ایگزیکٹو ڈائریکٹر	عمر سعید
4	نان ایگزیکٹو ڈائریکٹر	روبینہ امجد
4	نان ایگزیکٹو ڈائریکٹر	احسن سعید
4	نان ایگزیکٹو ڈائریکٹر	خضر سعید
4	آزاد ڈائریکٹر	محمد اظہر
4	آزاد ڈائریکٹر	رضوان الحسن

ہماری کمپنی نے اپنے ڈائریکٹرز کے معاوضے کے لیے ایک واضح پالیسی اور شفاف طریقہ کار مرتب کر رکھا ہے، جو کمپنیز ایکٹ 2017

اور لسٹڈ کمپنیز (کارپوریٹ گورننس کے ضابطہ اخلاق) ریگولیشنز 2019 کے مطابق ہے۔

تفصیلی معلومات کے لیے جن میں بورڈ اجلاسوں میں شرکت کرنے والے ڈائریکٹرز کی فیس اور چیف ایگزیکٹو آفیسر کے معاوضے کی تفصیل شامل ہے براہ کرم مالی گوشوارہ کا نوٹ نمبر 33 ملاحظہ فرمائیں۔

چئیرمین کا جائزہ

ڈائریکٹرز اس بات کی توثیق کرتے ہیں کہ کمپنی کی کارکردگی پر چئیرمین کا جائزہ رپورٹ درست ہے۔

زیر غور التواء قانونی ادائیگیاں

تمام زیر غور التواء ادائیگیاں معمولی اور غیر اہم نوعیت کی ہیں۔

ریٹائرمنٹ بینیفٹس فنڈز

کمپنی اپنے ملازمین کے لیے ایک غیر فنڈز گریجویٹ اسکیم برقرار رکھتی ہے جس کی تفصیل مالی بیانات میں درج ہیں۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس جو اس کے اہل ہیں، نے سال

2026-2027 کے لیے دوبارہ تقرری پر اپنی آمادگی ظاہر کی ہے جو آڈٹ کمیٹی کی سفارش کے مطابق ہے۔

شئیر ہولڈنگ کا پیٹرن

30 جون 2026 تک کاشئیر ہولڈنگ پیٹرن ضمیمہ میں شامل ہے۔



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متعلقہ فریقین کے ساتھ لین دین

متعلقہ فریقین کے ساتھ تمام لین دین کاروبار کے معمول کے دائرے میں کیے جاتے ہیں۔ جو کمپنیز ایکٹ 2017 کی متعلقہ دفعات کے مطابق ہیں۔ قیمتوں کا تعین قابل موازنہ غیر کنٹرول شدہ قیمت کے طریقہ کار (PSX) کی لسٹنگ کے تحت کیا جاتا ہے۔ اور کمپنی پاکستان اسٹاک ایکسچینجر ریگولیشن میں بیان کردہ ٹرانسفر پرائسنگ کی بہترین پالیسیوں پر سختی سے عمل پیرا ہے۔

بورڈ کمیٹیاں

۱۔ آڈٹ کمیٹی:

نام عہدہ

۱۔ محمد اظہر (چیئر مین)

۲۔ محمد سعید (ممبر)

۳۔ احسن سعید (ممبر)

۲۔ افرادی وسائل اور معاوضہ کمیٹی:

نام عہدہ

۱۔ محمد اظہر (چیئر مین)

۲۔ احسن سعید (ممبر)

۳۔ روبینہ امجد (ممبر)

۳۔ نامزدگی کمیٹی:

نام عہدہ

۱۔ عمر سعید (چیئر مین)

۲۔ احسن سعید (ممبر)

۳۔ خضر سعید (ممبر)

۴۔ رسک مینجمنٹ کمیٹی:

نام عہدہ

۱۔ احسن سعید (چیئر مین)

۲۔ عمر سعید (ممبر)

۳۔ خضر سعید (ممبر)



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۵۔ پائیداری کمیٹی:

نام عہدہ

۱۔ محمد اطہر (چیئرمین)

۲۔ احسن سعید (ممبر)

۳۔ روبینہ امجد (ممبر)

کارپوریٹ گورننس

بورڈ اس امر کا اعتراف کرتا ہے کہ منوٹر اور منظم کارپوریٹ گورننس کے طریقہ کار جو اب دی کو فروغ دینے میں کلیدی کردار ادا کرتے ہیں۔ ہم اس بات کے پختہ عزم پر قائم ہیں کہ اعلیٰ کارپوریٹ گورننس کے معیارات کو برقرار رکھتے ہوئے تمام اسٹیک ہولڈرز کی قدر و قیمت کو محفوظ اور مزید بہتر بنایا جائے۔ بورڈ نے اپنی ذمہ داریوں کی ادائیگی میں بھرپور محنت اور توجہ کا مظاہرہ کیا ہے اور کمپنی کو اس کی اسٹریٹجک سمت میں رہنمائی فراہم کرنے میں نمایاں کردار ادا کیا ہے۔ ہماری کمپنی کا پاکستان سیکورٹی اینڈ ایکسچینج کمیشن اور پاکستان اسٹاک ایکسچینج کے ساتھ مضبوط تعلق قائم ہے تاکہ اچھے کارپوریٹ گورننس کی بہترین روایات پر عمل درآمد کی تصدیق کرنے والا ایک جامع بیان ضمیمہ میں شامل ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

پاکستان اسٹاک ایکسچینج کے قواعد و ضوابط اور کمپنیز ایکٹ 2017 کی ہدایات کے مطابق ہم درج ذیل باتوں کی توثیق کرتے ہیں

۱۔ مالی بیانات: کمپنی کے مالی بیانات ہماری مینجمنٹ کی جانب سے انتہائی باریک بینی اور درستگی کے ساتھ تیار کیے گئے ہیں جو کمپنی کی مالی حیثیت، کاروباری نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو درست طور پر ظاہر کرتے ہیں۔

۲۔ اکاؤنٹس کی درستگی: کمپنی کے لیے باقاعدہ اور مکمل طور پر درست اکاؤنٹس کی کتابیں قائم اور محفوظ رکھی گئی ہیں۔

۳۔ اکاؤنٹنگ پالیسیز: مناسب اکاؤنٹنگ پالیسیز کو مستقل بنیادوں پر اختیار کیا گیا ہے اور اکاؤنٹنگ کے تخمینے محتاط اور معقول فیصلوں پر مبنی ہیں۔

۴۔ بین الاقوامی معیار کی پیروی: مالی بیانات کی تیاری پاکستان میں لاگو انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرز کے مطابق کی گئی ہے۔ کمپنی کا داخلی کنٹرول سسٹم منظوم، منوٹر اور مسلسل مانیٹر کیا جا رہا ہے۔

۵۔ جاری تشویش کے طور پر کمپنی کے کاروبار کو جاری رکھنے کی صلاحیت کے بارے میں کوئی غیر یقینی صورت حال نہیں ہے۔

۶۔ کارپوریٹس گورننس کی پاسداری: لسٹنگ ریگولیشنز کے تحت کارپوریٹ گورننس کے بہترین اصولوں پر عمل درآمد کیا گیا ہے اور کسی قسم کی بڑی خلاف ورزی موجود نہیں ہے۔

۷۔ مالی اور عملی اعداد و شمار: گزشتہ چھ سالوں کے اہم مالی اور عملی اعداد و شمار کا خلاصہ ضمیمہ میں فراہم کیا گیا ہے۔



IdealGroup

IDEAL DYNAMICS LIMITED
(formerly ideal spinning mills limited)

Annual report 2025-26

رپورٹنگ پیریڈ کے بعد کے واقعات منافع کی تقسیم

سال کے دوران ہونے والے نقصان کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے یہ مناسب نہیں سمجھا کہ سالانہ عام اجلاس میں کیش ڈویڈنڈ کی سفارش کی جائے۔

اس کی بجائے بورڈ نے فیصلہ کیا ہے کہ وسائل کو دانشمندانہ طریقے سے موجودہ چیلنجز سے نمٹنے، کمپنی کی مالی پوزیشن کو مستحکم کرنے اور طویل مدتی پائیداری کو یقینی بنانے پر مرکوز کیا جائے۔

دیگر واقعات

رپورٹنگ پیریڈ کے بعد کوئی نمایاں واقعہ پیش نہیں آیا۔

اعتراف

بورڈ اپنے سٹاف اور ورکرز کی کمپنی سے وفاداری اور محنت کو خراج تحسین پیش کرتا ہے۔ مینجمنٹ اور ورکرز کے درمیان تعلقات نہایت خوشگوار اور دوستانہ رہے ہیں اور ہمیں امید ہے کہ آنے والے سالوں میں یہ تعلقات مزید بہتر ہوں گے۔

بورڈ اس موقع پر ہمارے تمام ملازمین اور ورکرز کی غیر متزلزل وفاداری اور لگن پر دل کی گہرائیوں سے اظہار تشکر کرتا ہے۔ یہ ہم آہنگ اور تعاون پر مبنی تعلق مستقبل میں مزید ترقی کی راہ ہموار کرے گا۔

خضر سعید (ڈائریکٹر)

امجد سعید (چیف ایگزیکٹو آفیسر)

30 ستمبر 2026

Statement of Compliance

With Listed Companies (Code of Corporate Governance) Regulations, 2019

IDEAL DYNAMICS LIMITED

(FORMERLY IDEAL SPINNING MILLS LIMITED)

FOR THE YEAR ENDED JUNE 30, 2026

The company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors is eight as per the following:

- a. Male: Seven
- b. Female: One

2. The composition of the board is as follows:

Category	Name
a. Independent directors	Mr. Muhammad Azhar Mr. Rizwan-Ul- Hassan
b. Non-executive directors	Mr. Muhammad Saeed Mr. Ahsan Saeed Mr. Khizer Saeed
c. Executive directors	Mr. Amjad Saeed Mr. Omer Saeed
d. Female director	Mrs. Rubina Amjad

Board of Directors is of the view that considering the volume of business, independent directors should not be more than two as required by these regulations. Hence, the fraction of independent directors has not been rounded up.

3. The directors have confirmed that none of them is serving as a director on 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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act 2017 "the Act" and these 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has already arranged Directors' Training program for the following:

Name	Category
Mr. Omer Saeed	Executive Director
Mrs. Rubina Amjad	Non-Executive Director

Mr. Ahsan Saeed
Mr. Khizer Saeed

Non-Executive Director
Non-Executive Director

Moreover, our following two directors meet the exemption criteria of minimum 14 years of education and 15 years of experience on the boards of listed companies, hence are exempt from Directors' Training Program:

Mr. Muhammad Saeed
Mr. Amjad Saeed

Non-Executive Director
Executive Director

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below.-

a. Audit Committee

Mr. Muhammad Azhar	Chairman
Mr. Muhammad Saeed	Member
Mr. Ahsan Saeed	Member

b. HR and Remuneration Committee

Mr. Muhammad Azhar	Chairman
Mr. Ahsan Saeed	Member
Mrs. Rubina Amjad	Member

c. Nomination Committee

Mr. Omer Saeed	Chairman
Mr. Ahsan Saeed	Member
Mr. Khizer Saeed	Member

d. Risk Management Committee

Mr. Ahsan Saeed	Chairman
Mr. Omer Saeed	Member
Mr. Khizer Saeed	Member

e. Sustainability Committee

Mr. Muhammad Azhar	Chairman
Mr. Ahsan Saeed	Member
Mrs. Rubina Amjad	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees during the financial year ended June 30, 2026, were as per following:
 - a. Audit Committee: Quarterly
 - b. HR and Remuneration Committee: Annually
 - c. Nomination Committee: Annually
 - d. Risk Management Committee: Annually
 - e. Sustainability Committee : Annually

15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of internal audit, company secretary or director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

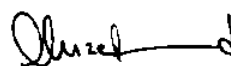
Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	Directors' Training It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	The Independent director Mr. Muhammad Azhar and Mr. Rizwan-ul-Hassan did not attend the director's training program due to tight schedule. However, company is arranging directors' training program as early as possible.	19(1)
2	Female Executive's Training Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020.	The Company will arrange directors' training program for its female executive in next financial year.	19(3)(i)
3	Training of Head of Department At least one head of department every year is required to be trained under the Director's Training Program from July 2022.	The Company will organize the training of its one head of department each year from next financial year.	19(3)(ii)



Signatures

MUHAMMAD SAEED
CHAIRMAN

30 September 2026



Signatures

KHIZAR SAEED
DIRECTOR

KEY OPERATING & FINANCIAL DATA
FOR LAST SIX YEARS

PARTICULARS	2026	2025	2024	2023	2022	2021
	(Rupees in Millions)					
FINANCIAL POSITION						
Paid up capital	99,200	99,200	99,200	99,200	99,200	99,200
Fixed assets at cost / revalued amount	2013,386	3,007,770	3,109,927	2,939,739	2,871,105	2,312,58
Fixed assets (Lease) at cost	-	-	-	-	-	-
Accumulated depreciation	941,701	1,447,480	1,417,373	1,285,757	1,140,293	1,039,79
Current assets	1052,067	976,991	1,469,253	1,890,975	1,606,192	1,492,735
Non Current Assets held for sale	158,578	-	-	-	-	-
Current liabilities	1228,244	2,354,703	2,587,709	2,479,681	1,637,064	1,474,098
INCOME						
Sales	1327,751	3,583,528	5,559,463	6,859,842	6,095,257	4,793,15
Other income	31,011	96,175	35,757	52,339	29,721	7,681
Pre levy & tax Profit / (loss)	6,976	(274,752)	(356,929)	(585,098)	515,257	296,777
Levy and Taxation	-	-	-	-	(192,224)	(94,473)
Levy	(16,477)	(14,750)	(69,463)	(78,452)	-	-
Taxation	3,522	(104,057)	104,152	109,180	-	-
STATISTICS AND RATIOS						
Pre levy & tax Profit / (loss) to sales %	-	(7.667)	(6.420)	(8.53)	8.45	6.19
Continuing Operations Pre levy & tax Profit / (loss) to sales %	0.525	-	-	-	-	-
Pre levy & tax (loss)/Profit to capital %	0.000	(276.967)	(359.810)	(589.82)	519.41	299.17
Continuing Operations Pre levy & tax Profit / (loss) to Capital	7.032	-	-	-	-	-
Current ratio	1:0.99	1:0.41	1:0.57	1:0.76	1:0.98	1:1.01
Paid up value per share (Rs.)	10,000	10,00	10,00	10,00	10,00	10,00
Loss / Earnings after levy & tax per share (Rs.)	(7,030)	(42.70)	(32.48)	(55.85)	32.56	20.39
Continuing operations Loss / Earnings after levy & tax per share (Rs.)	(0.600)	-	-	-	-	-
Discontinued operations Loss / Earnings after levy & tax per share (Rs.)	(6.410)	-	-	-	-	-
Cash dividend %	-	-	-	-	20	18
Break up value per share (Rs.)	113,118	18,460	61,140	81,04	137.06	103.42

INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of Ideal Dynamics Limited
(formerly Ideal Spinning Mills Limited)**

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

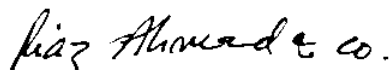
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ideal Dynamics Limited (formerly Ideal Spinning Mills Limited) (the Company) for the year ended 30 June 2026 in accordance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

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

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

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

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 30 June 2026.



RIAZ AHMAD & COMPANY
Chartered Accountants
Faisalabad

Date: 30 September 2026
UDIN: CR202610184AWbZCrffU

INDEPENDENT AUDITOR'S REPORT

**To the members of Ideal Dynamics Limited
(formerly Ideal Spinning Mills Limited)**

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:



Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	Inventory existence and valuation Inventories as at 30 June 2026 amounting to Rupees 278.046 million, break up of which is as follows: - Stores, spare parts and loose tools of Rupees 78.813 million - Stock-in-trade of Rupees 199.233 million Inventories are stated at lower of cost and net realizable value. We identified existence and valuation of inventories as a key audit matter due to their size, representing 11.76% of the total assets of the Company as at 30 June 2026, and the judgment involved in valuation. For further information on inventories, refer to the following: - Summary of significant accounting policies, Inventories (Note 2.5 to the financial statements). - Stores, spare parts and loose tools (Note 13) and Stock-in-trade (Note 14) to the financial statements.	Our procedures over existence and valuation of inventories included, but were not limited to: • To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents. • We also made inquiries from management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required. • We also assessed the adequacy of the disclosures made in respect of the accounting policies and related notes to the financial statements.



Sr. No.	Key audit matters	How the matters were addressed in our audit
2.	Revenue recognition The Company recognized net revenue of Rupees 1,351.236 million for the year ended 30 June 2026. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Summary of significant accounting policies, Revenue from contracts with customers (Note 2.16 to the financial statements). - Revenue from contracts with customers (Note 22 to the financial statements). - Analysis of result of discontinued operation (Note 21.2 to the financial statements).	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

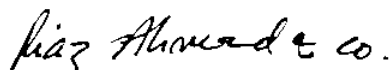
Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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 auditor's report is Liaqat Ali Panwar.



RIAZ AHMAD & COMPANY
Chartered Accountants
Faisalabad

Date: 30 September 2026

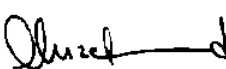
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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	NOTE	2026 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)		NOTE	2026 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorized share capital				Property, plant and equipment	10	1,145,559	1,572,160
20,000,000 (2025: 20,000,000) ordinary shares of Rupees 10 each		200,000	200,000	Intangible assets	11	-	-
Issued, subscribed and paid up share capital				Long term deposits and prepayments	12	9,036	8,919
9,970,000 (2025: 9,970,000) ordinary shares of Rupees 10 each fully paid in cash		99,200	99,200			1,154,595	1,581,079
Sponsors' loans	4	1,741,800	241,800				
Capital reserves							
Equity portion of shareholders' loans		183,291	183,291				
Surplus on revaluation of freehold land		360,555	360,555				
		543,846	543,846				
Accumulated loss		(762,714)	(701,726)				
Total equity		1,122,132	183,120				
LIABILITIES				CURRENT ASSETS			
NON-CURRENT LIABILITY				Stores, spare parts and loose tools	13	78,813	97,109
Staff retirement gratuity	5	14,864	20,247	Stock in trade	14	199,233	283,211
				Trade debts	15	298,796	187,627
CURRENT LIABILITIES				Loans and advances	16	6,825	15,782
Trade and other payables	6	438,880	542,580	Short term deposits and prepayments	17	1,192	2,114
Contract liabilities	7	3,071	7,890	Advance income tax and levy - net	18	95,492	42,875
Accrued mark-up on short term borrowings		5,025	13,179	Other receivables	19	290,562	306,549
Short term borrowings	8	778,676	1,788,458	Cash and bank balances	20	81,151	41,724
Unclaimed dividend		2,592	2,596			1,052,067	976,991
		1,228,244	2,354,703	Non-current assets held for sale	21	158,578	-
TOTAL LIABILITIES		1,243,108	2,374,950			1,210,645	976,991
CONTINGENCIES AND COMMITMENTS	9						
TOTAL EQUITY AND LIABILITIES		2,365,240	2,558,070	TOTAL ASSETS		2,365,240	2,558,070

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


AMJAD SAEED
CHIEF EXECUTIVE OFFICER


KHIZAR SAEED
DIRECTOR

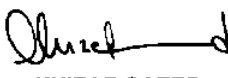

MUHAMMAD KASHIF ZAHUR
CHIEF FINANCIAL OFFICER

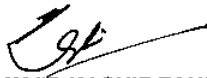
**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2026**

	NOTE	2026 (RUPEES IN THOUSAND)	2025
CONTINUING OPERATIONS			
REVENUE FROM CONTRACTS WITH CUSTOMERS	22	1,327,751	1,513,805
COST OF SALES	23	(1,056,657)	(1,348,740)
GROSS PROFIT		271,094	165,065
DISTRIBUTION COST	24	(113,564)	(77,669)
ADMINISTRATIVE EXPENSES	25	(142,706)	(166,967)
OTHER EXPENSES	26	(7,538)	(1,633)
OTHER INCOME	27	31,011	84,940
FINANCE COST	28	(31,321)	(41,190)
PROFIT / (LOSS) BEFORE TAXATION AND LEVY		6,976	(37,454)
LEVY	29	(16,477)	(18,878)
LOSS BEFORE TAXATION		(9,501)	(56,332)
TAXATION	30	3,522	(104,057)
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS		(5,979)	(160,389)
DISCONTINUED OPERATION			
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	21	(63,631)	(263,170)
LOSS AFTER TAXATION		(69,610)	(423,559)
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)	31	(7.02)	(42.70)
LOSS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	31	(0.60)	(16.17)
LOSS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES)	31	(6.41)	(26.53)

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


AMJAD SAEED
CHIEF EXECUTIVE OFFICER


KHIZAR SAEED
DIRECTOR

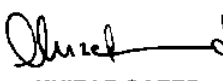

MUHAMMAD KASHIF ZAHUR
CHIEF FINANCIAL OFFICER

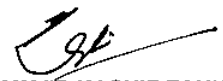
**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026**

	NOTE	2026 (RUPEES IN THOUSAND)	2025
LOSS AFTER TAXATION		(69,610)	(423,559)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of staff retirement gratuity	5.3	12,144	217
Deferred income tax related to remeasurements	30.2.1	(3,522)	(63)
		8,622	154
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year - net of deferred income tax		8,622	154
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(60,988)	(423,405)

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


AMJAD SAEED
CHIEF EXECUTIVE OFFICER


KHIZAR SAEED
DIRECTOR

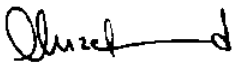

MUHAMMAD KASHIF ZAHUR
CHIEF FINANCIAL OFFICER

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

ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	SPONSORS' LOANS	CAPITAL RESERVES			ACCUMULATED LOSS	TOTAL EQUITY
		Equity portion of shareholders' loans	Surplus on revaluation of freehold land	Total		
-----RUPEES IN THOUSAND-----						
99,200	241,800	183,291	360,555	543,846	(278,321)	606,525
-	-	-	-	-	(423,559)	(423,559)
-	-	-	-	-	154	154
					(423,405)	(423,405)
99,200	241,800	183,291	360,555	543,846	(701,726)	183,120
-	1,000,000	-	-	-	-	1,000,000
-	-	-	-	-	(69,610)	(69,610)
					8,622	8,622
-	-	-	-	-	(60,988)	(60,988)
99,200	1,241,800	183,291	360,555	543,846	(762,114)	1,122,132

The annexed notes form an integral part of these financial statements


AMJAD SAEED
CHIEF EXECUTIVE OFFICER


KHIZAR SAEED
DIRECTOR

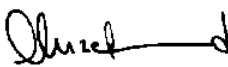

MUHAMMAD KASHIF ZAHUR
CHIEF FINANCIAL OFFICER

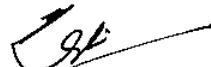
**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026**

	NOTE	2026 (RUPEES IN THOUSAND)	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	32	(75,700)	146,832
Finance cost paid		(60,390)	(135,043)
Income tax and levy paid		(68,272)	(64,335)
Staff retirement gratuity paid	5	(4,970)	(12,607)
Net increase in long term deposits and prepayments		(117)	(6,797)
Net cash used in operating activities		(209,449)	(71,950)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(75,831)	(32,825)
Proceeds from disposal of property, plant and equipment		25,270	42,500
Proceeds from disposal of non-current assets held for sale	21	309,254	-
Net cash from investing activities		258,693	9,675
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(105,000)
Dividend paid		(4)	(3)
(Repayment) / acquisition of short term borrowings - net		(9,782)	112,645
Net cash (used in) / from financing activities		(9,786)	7,642
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		39,458	(54,633)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		41,724	96,362
Net foreign exchange difference on translating cash and bank balances		(28)	(5)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20	81,154	41,724

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


AMJAD SAEED
CHIEF EXECUTIVE OFFICER


KHIZAR SAEED
DIRECTOR


MUHAMMAD KASHIF ZAHUR
CHIEF FINANCIAL OFFICER

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

1. THE COMPANY AND ITS OPERATIONS

Ideal Dynamics Limited (formerly Ideal Spinning Mills Limited) (the Company) is a public limited company incorporated in Pakistan on 08 June 1989 under the Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited on 30 September 1991. The name of the Company was changed from Ideal Spinning Mills Limited to Ideal Dynamics Limited with effect from 11 June 2026. The principal activity of the Company is manufacturing and sale of yarn, cloth and hosiery products. The Company's registered office is situated at Room No. 404-405, 4th Floor, Business Centre, Mumtaz Hassan Road, Karachi.

Geographical location and addresses of all business units of the Company, except for the registered office given above are as follows:

Offices and manufacturing units	Address
Head Office	1088, Jail Road, Faisalabad
Weaving Unit	32-KM Sheikhpura Road, Tehsil Jaranwala, District Faisalabad
Socks Unit	5-KM Cantt. Road, Shorkot City
Regional Office	506-D, 5th Floor, City Tower, 6-K, Main Boulevard, Gulberg-II, Lahore

- 1.1 As disclosed in Note 21.1, major portion of plant and machinery and stand-by equipment related to Spinning unit of the Company were presented as held for sale. From the partial disposal's proceeds, Rupees 309.254 million were received as consideration and was applied towards settlement of the Company's borrowings and other liabilities. Going forward, the Company's strategy is focused on strengthening its weaving and socks segments.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. 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, directives and notifications issued under the Companies Act, 2017.

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

The preparation of these financial statements in conformity with the approved accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the periods in which the estimates are revised and in any future period affected. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairment

The estimate for revalued amount of freehold land is based on valuation performed by external professional valuer. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment along with intangible assets with a corresponding effect on the depreciation / amortization charge and impairment.

Provisions

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

Inventories

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

Income tax and levy

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

Contingencies

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

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, based on the Company's experience of actual credit loss in past years.

Revenue from contracts with customers involving sale of goods

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

Staff retirement gratuity

Certain actuarial assumptions have been adopted as disclosed in Note 5.4 to the financial statements for determination of present value of staff retirement gratuity. Any change in these assumptions in future years might affect the current and remeasurement gains and losses in those years.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

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

- Amendments to AS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability.

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

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

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

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

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

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

IFRS S1 'General Requirements for Disclosure of Sustainability related Financial Information' IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate related Disclosures' IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

As per the current scenario, the Company will fall in Phase-III of the criteria as per the order from Securities and Exchange Commission of Pakistan (SECP) dated 31 December 2024. Therefore the effective date of these two sustainability standards for the Company is for annual reporting periods beginning on or after 01 July 2027.

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

- * IFRS 7 'Financial Instruments: Disclosures';
- * IFRS 9 'Financial Instruments'; and
- * IAS 7 'Statement of Cash flows'.

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

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

The above standards, amendments and improvements are likely to have no significant impact on the financial statements apart from certain additional disclosures.

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

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

2.2 Property, plant, equipment and depreciation

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss, while capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the construction / erection period of qualifying assets and other directly attributable cost of bringing the assets to working condition.



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

Valuations are performed frequently enough to ensure that the fair value of the revalued asset does not differ materially from its carrying amount.

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

Depreciation

Depreciation on property, plant and equipment is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 10.1. The Company charges the depreciation on additions from the month when the asset is available for use and on deletions upto the month preceding the month of disposal. The assets' residual values and useful lives are reviewed by the management at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

2.3 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.4 Borrowing cost

Interest, mark-up and other charges on borrowings are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such borrowings. All other interest, mark-up and other charges are recognized in statement of profit or loss.

2.5 Inventories

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

Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice amount plus other charges paid thereon.

Stock-in-trade

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

(i) For raw materials:	Weighted average cost.
(ii) For work-in-process and finished goods:	Average manufacturing cost including a portion of production overheads

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

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

2.6 Cash and cash equivalents

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

2.7 Non-current assets held for sale

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

2.8 Staff retirement benefit

The Company operates defined benefit plan – unfunded gratuity scheme for its permanent employees, who have completed the minimum qualifying period of service as defined under the scheme. The liabilities relating to defined benefit plan are determined through actuarial valuation using the Projected Unit Credit Method. The method involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these benefits, such estimates are subject to certain uncertainties. Remeasurements changes which comprise actuarial gains and losses are recognized in other comprehensive income in the period in which these arise.

2.9 Provisions

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

2.10 Taxation and levy

Current

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

Deferred

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

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

2.11 Financial instruments

i) Classification and measurement of financial instruments

Financial assets

a) Classification

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

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortized cost.

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

For assets measured at fair value through profit or loss, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held.

b) Measurement

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

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

Debt instruments

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

a) Amortized cost

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

b) Fair value through profit or loss (FVTPL)

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

Financial liabilities

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

ii) Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following which are measured at 12-month ECLs:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

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

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

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

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

iii) **De-recognition of financial assets and financial liabilities**

a) Financial assets

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

b) Financial liabilities

The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expired.

iv) **Offsetting of financial instruments**

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

2.12 Borrowings

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

2.13 Government grants

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

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

2.14 Trade debts and other receivables

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

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

2.15 Trade and other payables

Liabilities for trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and are subsequently measured at amortized cost using the effective interest method.

2.16 Revenue recognition

i) **Revenue from contracts with customers**

a) Sale of goods

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

b) Processing services

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

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

ii) **Contract assets**

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

iii) Right of return assets

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

iv) 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 recognized when the payment is received. Contract liabilities are recognized as revenue when the Company accomplishes its performance obligations under the contract.

v) Other income recognition

a) Interest

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

b) Rent

Rent revenue is recognised on straight line basis over the lease term.

c) Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

2.17 Segment reporting

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

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

The Company has three reportable business segments: Spinning (Producing different quality of yarn using natural and artificial fibers), Weaving (Producing different quality of greige fabric using yarn) and Socks (Manufacturing socks from yarn, elastic and other ancillary materials).

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.18 (Loss) / earnings per share

The Company presents Loss Per Share (LPS) or Earnings Per Share (EPS) data for its ordinary shares. LPS / EPS is calculated by dividing the (loss) / profit of the Company by the weighted average number of ordinary shares outstanding during the year.

2.19 Contingent assets

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

2.20 Contingent liabilities

Contingent liabilities are disclosed when the Company has a possible obligation that arises from past events and 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. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.



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3. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Intangible assets

Computer softwares acquired by the Company are stated at cost less accumulated amortization and any identified impairment loss. The amortization is made applying the straight line method at the rates stated in Note 11 to these financial statements.

3.2 Share capital

Ordinary shares are classified as equity and recognized at their face value. Discount or premium on issuance of shares is separately reported in statement of changes in equity. Transaction costs directly attributable to the issuance of shares are shown in equity as a deduction, net of tax.

3.3 Leases

a) Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received and any initial direct costs incurred.

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

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments of these assets are recognized as expense on straight-line basis over the lease term.

b) Lease liabilities

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

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

3.4 Dividend to shareholders

Dividend to shareholders is recognized as a deduction from unappropriated profit in statement of changes in equity and considered as a liability in the Company's financial statements in the year in which the dividend is approved.

3.5 Functional and presentation currency along with foreign currency transactions and translation

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss.

4. SPONSORS' LOANS

	2026	2025
	(RUPEES IN THOUSAND)	
Balance as at 01 July	1,241,800	241,800
Add: Transferred from short term borrowings (Note 8)	1,000,000	-
	<u>2,241,800</u>	<u>241,800</u>

- 4.1 These loans are interest free and payable at the discretion of the Company. A portion of these loans of Rupees 306.616 million are subordinated to bank borrowings.

5. STAFF RETIREMENT GRATUITY

Actuarial valuation was carried out as at 30 June 2026. The detail of the actuarial valuation is as follows:

	2026	2025
	(RUPEES IN THOUSAND)	
Reconciliation of the movements during the year in the staff retirement gratuity		
Opening balance	20,247	16,549
Provision for the year (Note 5.2)	11,731	16,522
Retirement benefit paid	(4,970)	(12,607)
Remeasurements (Note 5.3)	(12,144)	(217)
Closing balance	14,864	20,247
5.1 Changes in present value of defined benefit obligation		
Present value of defined benefit obligation	20,247	16,549
Current service cost	16,596	33,005
Interest cost	2,087	1,614
Gains arising on plan settlement	(6,952)	(18,097)
Retirement benefit paid	(4,970)	(12,607)
Remeasurements:		
Actuarial losses from changes in financial assumptions	-	167
Experience adjustments	(12,144)	(384)
	14,864	20,247
5.2 Provision for the year		
Current service cost	16,596	33,005
Gains arising on plan settlement	(6,952)	(18,097)
Interest cost	2,087	1,614
	11,731	16,522
5.2.1 Provision for the year has been allocated as follow		
Cost of sales (Note 23.2)	2,872	7,601
Distribution cost (Note 24.1)	1,404	1,261
Administrative expenses (Note 25.1)	2,374	2,702
Discontinued operation (Note 21.2.1)	5,081	4,958
	11,731	16,522
5.3 Remeasurements		
Actuarial losses from changes in financial assumptions	-	167
Experience adjustments	(12,144)	(384)
	(12,144)	(217)
5.4 Principal actuarial assumptions used		
	2026	2025
Discount rate used for interest cost in profit or loss charge (per annum)	11.75%	15.75%
Discount rate used for year end obligation (per annum)	11.75%	11.75%
Expected rate of salary increase (per annum)	11.75%	11.75%
Average duration of the defined benefit obligation	2	2
Mortality rates	SLIC 2001-05 set back 1 year	SLIC 2001-05 set back 1 year
Withdrawal rate	Age based	Age based
Retirement assumption	Age 60	Age 60

5.5 The estimated expenses to be charged to the statement of profit or loss for the year ending on 30 June 2027 is Rupees 12.517 million.

5.6 Expected benefit payments for the future years:

One year	1-2 years	2-4 years	Over 4 years
RUPEES IN THOUSAND			
6,228	8,427	15,954	39,628

5.7 Sensitivity analysis on defined benefit obligation:

The sensitivity of the defined benefit obligation as at reporting date to changes in the weighted principal assumption is:

	2026	2025
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(319)	(419)
Decrease in assumption (Rupees in thousand)	336	441
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	400	522
Decrease in assumption (Rupees in thousand)	(385)	(504)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year except for certain changes as given in Note 5.4

5.8 Risk associated with the scheme

a) Final salary risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

b) Demographic risks

Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

6. TRADE AND OTHER PAYABLES

	2026 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)
Creditors (Note 6.1)	291,282	439,761
Accrued liabilities	72,636	57,559
Income tax deducted at source	1,495	6,124
Sales tax payable	1,096	5,699
Workers' welfare fund	10,305	10,305
Gas Infrastructure Development Cess (GIDC) payable (Note 6.2)	21,383	21,383
Advance against sale of plant and machinery	20,590	-
Others	20,093	1,749
	<u>438,880</u>	<u>542,580</u>
6.1 These include amounts due to following related parties:		
Blue Moon Filling Station	10,290	10,290
Ideal Socks	2,949	2,949
	<u>13,239</u>	<u>13,239</u>



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- 6.2 This represents Gas Infrastructure Development Cess (GIDC) which was levied through GIDC Act, 2015. Supreme Court of Pakistan upheld this GIDC Act, 2015 to be constitutional and intra-vires

7. CONTRACT LIABILITIES

These represent unsecured contract liabilities of the Company towards various parties. The amount of Rupees 5,919 million included in contract liabilities at 30 June 2025 has been recognised as revenue during the year (2025: Rupees 38,080 million).

8. SHORT TERM BORROWINGS

From banking companies - secured

Running finances (Note 8.1 and 8.2)

Other short term finances (Note 8.1 and 8.2)

Others - unsecured

Other related parties (Note 8.3)

2026
2025
(RUPEES IN THOUSAND)

18,610	182,353
353,078	400,862
371,688	583,215
406,988	1,205,243
778,676	1,788,458

- 8.1 These form part of total credit facility of Rupees 403.30 million (2025: Rupees 1,202,943 million). Rates of mark-up range from 4.50% to 14.48% (2025: 8.00% to 25.69%) per annum during the year on balances outstanding.

- 8.2 These finances are secured against first joint pari passu charge over present and future fixed and current assets, hypothecation of stocks and lien on import / export documents. These are further secured by counter guarantees issued by the Company in respect of letter of guarantees and personal guarantees of the directors of the Company.

- 8.3 These represent interest free loans from Chief Executive Officer, directors and sponsor of the Company to meet the Company's working capital requirements.

- 8.3.1 During the year, an aggregate amount of Rupees 1,000 million (2025: Rupees Nil) was transferred to sponsors' loans (Note 4) with mutually decided agreement between certain directors and the Company.

9. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) An appeal was filed in Lahore High Court, Lahore on 09 April 2018 against cost of supply of Re-Gasified Liquefied Natural Gas (RLNG) by Sui Northern Gas Pipelines Limited (SNGPL) amounting to Rupees 4,953 million. This appeal was allowed by Lahore High Court, Lahore on 13 December 2019 by asking Oil and Gas Regulatory Authority (OGRA) to conduct a public hearing to determine the level of cost of supply of RLNG. Keeping in view the opinion of the legal counsel of the Company, the related provision is not made in these financial statements as there are strong grounds that the decision of the proposed public hearing of OGRA will be decided in favour of the Company.

ii) Sindh High Court, Karachi made decision on 04 June 2021 about the levy of Sindh Infrastructure Cess, against which the Company was contingently liable for Rupees 6,177 million. The guarantees were submitted by the Company's Bank for the same amount. Against the decision, the Company lodged a constitution petition No. 4841 / 2021 dated 13 August 2021, in Supreme Court of Pakistan (SCP). Thereafter, on 01 September 2021, SCP allowed the petition, suspended the judgment of Sindh High Court, Karachi and leave to appeal was granted. However, the case is not yet fixed for hearing by SCP. Following the establishment of the Federal Constitutional Court of Pakistan (FCCP) under the Twenty-Seventh Constitutional Amendment, all pending appeals, including the Company's appeal, were transferred to FCCP. This matter is currently pending adjudication. On advice of legal counsel, in view of possible favourable outcome, no provision is accounted for in these financial statements.

iii) An order under section 122(5A) of the Income Tax Ordinance, 2001 was passed by the Additional Commissioner Inland Revenue, Zone-II, LTO Multan on 03 June 2026 for Tax Year 2024, raising a tax demand of Rupees 6,489 million. Against this order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals), Multan on 24 June 2026, mainly on the ground that adjustment of prior years' refund against the year's tax liability was made in accordance with law and past practice. The matter is currently pending adjudication. On advice of legal counsel, in view of possible favourable outcome, no provision is accounted for in these financial statements.

iv) Faisalabad Electric Supply Company Limited (FESCO), being aggrieved of the decision made by Lahore High Court, Lahore on 18 August 2022 against the fuel price adjustment for the month of July 2022 of Rupees 16,585 million, filed CPLA 1231-L/2023 against the Company in Supreme Court of Pakistan on 19 May 2023. On 16 October 2023 Supreme Court of Pakistan converted it into appeal and allowed it. However, on advice of legal counsel, no provision is made in these financial statements in view of possible favourable outcome for the Company.

v) Guarantees of Rupees 95.611 million (2025: Rupees 95.611 million) are given by the banks of the Company to SNGPL against gas connections and to FESCO against electricity connections.

b) Commitments

i) Contracts for capital expenditure are of Rupees Nil (2025: Rupees Nil).

ii) Letters of credit for capital expenditure and other than capital expenditure are of Rupees 44 499 million (2025: Rupees Nil)

iii) Commitments arising from short term lease to be recognised on a straight line basis as expense under the practical expedient applied by the Company with respect to IFRS 16 are of Rupees 3.955 million (2025: Rupees 4.520 million) which are to be paid within one year (2025: within one year).

10. PROPERTY, PLANT AND EQUIPMENT

	2026 (RUPEES IN THOUSAND)	2025
Operating fixed assets (Note 10.1)	1,071,685	1,560,290
Capital work-in-progress (Note 10.2)	73,874	11,870
	<u>1,145,559</u>	<u>1,572,160</u>



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10.1

Operating fixed assets

	Freehold land	Buildings	Plant and machinery	Steady equipment	Electric installations	Factory equipment	Office equipment	Computers	Electric appliances	Furniture and fixtures	Vehicles	Total
At 30 June 2024												
Cost	365,770	463,337	1,729,425	184,050	99,937	37,131	3,083	14,980	77,333	2,565	164,077	3,109,327
Accumulated depreciation	-	(196,439)	(367,559)	(56,828)	(63,377)	(13,775)	(1,000)	(11,785)	(5,463)	(1,689)	(102,363)	(1,737,373)
Net book value	365,770	266,898	1,361,866	127,222	36,560	23,356	2,083	3,195	71,870	1,876	61,714	1,371,954
Year ended 30 June 2025												
Opening net book value	365,770	266,898	1,361,866	127,222	36,560	23,356	2,083	3,195	71,870	1,876	61,714	1,371,954
Additions	-	-	29,157	-	6,823	322	-	210	182	111	-	32,805
Depreciation surplus	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(13,550)	-	-	-	-	-	-	-	(4,387)	(17,937)
Cost	-	-	15,597	-	-	-	-	-	-	-	-	15,597
Accumulated depreciation	-	-	(29,157)	-	-	-	-	-	-	-	-	(29,157)
Depreciation charge	-	-	(14,759)	(15,823)	(6,414)	(2,363)	(1,18)	(1,359)	(923)	(177)	(13,212)	(36,749)
Change in net book value	-	-	(3,319)	(15,823)	(6,414)	(2,363)	(1,18)	(1,359)	(923)	(177)	(13,212)	(36,749)
At 30 June 2025	365,770	266,898	1,361,866	127,222	36,560	23,356	2,083	3,195	71,870	1,876	61,714	1,371,954
Cost	365,770	463,337	1,729,425	184,050	99,937	37,131	3,083	14,980	77,333	2,565	164,077	3,109,327
Accumulated depreciation	-	(196,439)	(367,559)	(56,828)	(63,377)	(13,775)	(1,000)	(11,785)	(5,463)	(1,689)	(102,363)	(1,737,373)
Net book value	365,770	266,898	1,361,866	127,222	36,560	23,356	2,083	3,195	71,870	1,876	61,714	1,371,954
Year ended 30 June 2026												
Opening net book value	365,770	266,898	1,361,866	127,222	36,560	23,356	2,083	3,195	71,870	1,876	61,714	1,371,954
Additions	-	-	843,567	37,387	43,038	21,375	1,665	2,485	5,438	1,616	64,604	1,960,750
Disposals	-	-	(3,345)	-	683	-	-	567	-	-	9,229	10,167
Cost	-	-	840,222	37,387	43,721	21,375	1,665	3,052	5,438	1,616	73,833	1,970,910
Accumulated depreciation	-	-	(3,345)	-	683	-	-	567	-	-	9,229	10,167
Depreciation charge	-	-	(11,175)	(11,175)	-	-	-	-	-	-	-	(22,350)
Change in net book value	-	-	(3,345)	(11,175)	683	-	-	567	-	-	9,229	(14,660)
At 30 June 2026	365,770	266,898	1,361,866	127,222	36,560	23,356	2,083	3,195	71,870	1,876	61,714	1,371,954
Cost	365,770	463,337	1,729,425	184,050	99,937	37,131	3,083	14,980	77,333	2,565	164,077	3,109,327
Accumulated depreciation	-	(196,439)	(367,559)	(56,828)	(63,377)	(13,775)	(1,000)	(11,785)	(5,463)	(1,689)	(102,363)	(1,737,373)
Net book value	365,770	266,898	1,361,866	127,222	36,560	23,356	2,083	3,195	71,870	1,876	61,714	1,371,954
Annual rate of depreciation (%)												
	5	5	10	10	10	10	10	30	10	10	20	

10.1.1 Freehold land of the Company was revalued as at 30 June 2024 by Motilal Abhishek, Evaluators and Cost, Inc. Engineers on independent valuation method. Previously the revaluations were carried out on 23 June 2021, 08 December 2017 and 30 June 2016 by Motilal Abhishek, Evaluators and Cost, Inc. Engineers.

10.1.2 Fiscal sale value of Freehold land as at 30 June 2024 was Rupees 337,254 million.

10.1.3 Depreciation charged for the year has been allocated as follows:

	2026	2025
	(RUPEES IN THOUSAND)	
Continued operations:		
Cost of sales (Note 23)	30,617	33,297
Administrative expenses (Note 25)	5,427	6,164
	36,044	39,461
Discontinued operation:		
Cost of sales (Note 2* 2.2)	15,033	61,276
Administrative expenses (Note 21 2.2)	23,580	23,612
	38,613	84,888
	71,667	124,349

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

Description	Quantity	Cost	Accumulated depreciation	Net book value	Sale proceeds	(Loss) / gain	Mode of disposal	Particulars of purchasers
(RUPEES IN THOUSAND)								
Plant and machinery								
Jaquard Looms With All Standard Accessories	4	11,519	6,275	5,244	4,720	(524)	Negotiation	Mr. Ali Hassan, Chak no. 417 Tehsil Gajra, District Toba Tek Singh Mr. Tayyab Khan, Chak no. 8 Tehsil and District Okara Mr. Mohsin Raza, Nizamour, Tehsil Shahkot, District Nankana Sahib Mr. Konan Akbar, Chak no. 50, Tehsil Shahkot, District Nankana Sahib
Jaquard Looms With All Standard Accessories	3	6,367	3,378	2,979	3,540	561	Negotiation	Mr. Mujahid Ali, Chak no. 51, Tehsil Shahkot, District Nankana Sahib Mr. Sajid Abbas, Cha-Rehan, Tehsil and District Jhang Mr. Jahangir, Chak no. 26, Tehsil Kabinwala, District Khanewal
		17,876	9,653	8,223	8,260	37		
Vehicles								
Car BYD ATTO 3	1	9,229	308	8,921	8,500	(421)	Negotiation	H.A.R Textile Mills (Pvt) Limited, 5 Km. Jaranwala Road, Khumanwala
Sub Total		27,135	9,961	17,144	16,760	(384)		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		36,757	29,539	7,218	6,510	1,292		
Total		63,892	39,500	24,362	23,270	908		



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10.1.5 Particulars of immovable properties (i.e. land and buildings) in the name of the Company are as follows:

Particulars	Location	Area of land	Covered area
		Acres	Sq. Ft.
Manufacturing facilities and vacant land	32-KM Sheikhpura Road, Tehsil Jaranwala, District Faisalabad	22.544	392,967
Head office (Note 10.1.6)	1088, Jail Road, Faisalabad	0.250	24,728
Other office (Note 10.1.7)	1204, 12th Floor, Tricon Corporate Center, J.I. Road, Lahore	-	5,273

10.1.6 This building is constructed and capitalized on the land which is in the name of a director of the Company.

10.1.7 The covered area at this location consists of building only because of multi-storey plaza.

10.2 Capital work-in-progress

Building	Plant and Machinery	Stand-by equipment	Intangible assets	Total
(RUPEES IN THOUSAND)				
			8,395	8,395
		9,356		9,356
-	-	(5,881)	-	(5,881)
-	-	3,475	8,395	11,870
1,636	60,368			62,004
1,636	60,368	3,475	8,395	73,874

		2026	2025
		(RUPEES IN THOUSAND)	
11.	INTANGIBLE ASSETS		
	Computer softwares		
	Net carrying value basis		
	Opening net book value	-	864
	Less: Amortization	-	864
	Closing net book value	-	-
	Gross carrying amount		
	Cost	8,116	8,116
	Accumulated amortization	(8,116)	(8,116)
	Closing net book value	-	-
	Amortization rate (per annum)	20% and 33.33%	20% and 33.33%

11.1 The computer softwares are fully amortized but still in use of the Company.

12. LONG TERM DEPOSITS AND PREPAYMENTS

Security deposits (Note 12.1)	1,789	1,789
Margin against bank guarantee	7,000	7,000
Prepayments	764	768
	9,553	9,557
Less: Current portion shown under current assets (Note 17)	517	638
	9,036	8,919

12.1 These mainly include interest free security deposits placed with utility companies for the provision of utility connections.



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	2026 (RUPEES IN THOUSAND)	2025
13. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	35,960	53,202
Spare parts	42,375	43,430
Loose tools	478	477
	<u>78,813</u>	<u>97,109</u>
14. STOCK-IN-TRADE		
Raw materials (Note 14.1)	68,890	126,579
Work-in-process	7,562	14,553
Finished goods	121,805	141,353
Waste	976	726
	<u>199,233</u>	<u>283,211</u>
14.1	Raw materials include stock in transit of Rupees Nil (2025: Rupees 24,510 million)	
14.2	Stock in trade includes stock amounting to Rupees 0.9/6 million (2025: Rupees 22.896 million) valued at net realizable value	
14.3	The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees Nil (2025: Rupees 5.856 million).	
15. TRADE DEBTS		
Considered good:		
Secured (against letters of credit)	-	8,770
Unsecured	299,140	185,024
	<u>299,140</u>	<u>193,794</u>
Less: Allowance for expected credit losses (Note 15.3)	344	6,167
	<u>298,796</u>	<u>187,627</u>
15.1	Trade debts in respect of foreign and local jurisdictions is given under	
Denmark	10,416	638
Germany	-	8,770
Netherlands	64,532	149
Portugal	-	47,661
United Kingdom	134,573	964
United States of America	8,759	34,300
Pakistan	80,516	95,145
	<u>298,796</u>	<u>187,627</u>
15.2	Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 10 to 30 days in case of local sales and 30 to 120 days in case of export sales	
15.3 Allowance for expected credit losses		
Opening balance	6,167	2,989
Add: Recognized during the year (Note 15.3.1)	344	3,178
	<u>6,511</u>	<u>6,167</u>
Less:		
Reversal of allowances for expected credit losses	(3,161)	-
Bad debts written off	(3,006)	-
	<u>(6,167)</u>	<u>-</u>
Closing balance	<u>344</u>	<u>6,167</u>
15.3.1	This represents Rupees 0.344 million relating to the continuing operations of the current year, whereas Rupees 0.038 million and Rupees 3.140 million relate to the continuing and discontinued operations, respectively, of the previous year	



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	2026 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)
16. LOANS AND ADVANCES		
Considered good:		
Employees - interest free		
– Executives		
against expenses	855	485
– Other employees		
against expenses	2,103	2,173
against salary (Note 16.1)	1,202	1,317
	3,305	3,490
	4,160	3,975
Advances to suppliers / contractors	2,618	13,991
Letters of credit	201	-
	6,979	17,966
Less: Provision for doubtful loans and advances (Note 16.2)	154	2,184
	6,825	15,782
16.1 These represent interest free loans given to employees for meeting their personal expenditure. These are secured against balance to the credit of employees in the staff retirement gratuity and are recoverable in equal monthly installments		
16.2 Provision for doubtful loans and advances		
Opening balance	2,184	51
Add. Recognized during the year (Note 16.2.1)	52	2,133
	2,236	2,184
Less:		
Loans and advances written off	(558)	-
Reversal of provision for doubtful loans and advances (Note 16.2.2)	(1,524)	-
	(2,082)	-
Closing balance	154	2,184
16.2.1 This represents Rupees 0.052 million relating to the continuing operations of the current year, Rupees 1.595 million relating to the previous year's continuing operations, and Rupees 0.538 million relating to the previous year's discontinued operations.		
16.2.2 This includes Rupees 0.538 million (2025: Rupees Nil) on account of discontinued operation and Rupees 0.986 million (2025: Rupees Nil) on account of continuing operations		
17. SHORT TERM DEPOSITS AND PREPAYMENTS		
Deposits	517	517
Prepayments	158	959
Current portion of long term deposits and prepayments (Note 12)	517	638
	1,192	2,114
18. ADVANCE INCOME TAX AND LEVY - NET		
Advance income tax - net		
Advance income tax and prepaid levy	114,336	127,894
Less:		
Provision for taxation	(18,844)	(40,269)
Levy payable	(18,844)	(44,750)
	95,492	42,875
19. OTHER RECEIVABLES		
Considered good:		
Sales tax refundable / receivable	278,797	277,739
Export rebate	6,824	24,122
Others	4,941	4,688
	290,562	306,549



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	2026 (RUPEES IN THOUSAND)	2025
20. CASH AND BANK BALANCES		
With banks:		
On current accounts (Note 20.1)	47,085	14,225
On PLS saving accounts	25,963	26,016
	<u>73,048</u>	<u>40,241</u>
Cash in hand	8,106	1,483
	<u>81,154</u>	<u>41,724</u>

20.1 These include foreign currency accounts containing USD 7,941 and Euro 152 (2025: USD 2,028 and Euro 152).

21. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale under International Financial Reporting Standard (IFRS) 5 'Non-Current Assets Held for Sale and Discontinued Operations' in their respective categories are summarized hereunder:

Non-current assets classified as held for sale

Property, plant, equipment and stand by equipment (Note 21.1)	<u>158,578</u>	
---	----------------	--

21.1 Property, plant, equipment and stand-by equipment

Major portion of plant and machinery and stand-by equipment related to Spinning Unit situated at 32-Km Sheikhpura Road, Tehsil Jaranwala, District Faisalabad are presented as held for sale following the approval of Board of Directors of the Company and shareholders in EOGM held on 11 August 2025. Disposal of significant plant and machinery was made during the year against collective consideration of Rupees 309 254 million received from various parties.

Non-current assets classified as held for sale

Reconciliation of the carrying amounts of non-current assets classified as held for sale is as follows:

	Operating fixed assets		
	Plant and machinery	Stand-by equipment	Total
	(RUPEES IN THOUSAND)		
Balance at 30 June 2025	-	-	-
Transferred from operating fixed assets (Note 10.1)	309,817	96,586	406,403
Disposal during the year	(247,825)		(247,825)
Balance at 30 June 2026	<u>61,992</u>	<u>96,586</u>	<u>158,578</u>

	2026 (RUPEES IN THOUSAND)	2025
21.2 Analysis of result of discontinued operation		
Revenue	23,485	2,069,723
Cost of sales (Note 21.2.1 and Note 21.2.2)	(77,802)	(2,152,705)
Gross loss	<u>(54,317)</u>	<u>(82,982)</u>
Distribution cost		(1,241)
Administrative expenses (Note 21.2.1 and Note 21.2.2)	(57,691)	(73,252)
Other expenses (Note 21.2.3)	(400)	(4,137)
Other income (Note 21.2.4)	68,870	11,235
Finance cost	(20,915)	(86,921)
Loss before levy and taxation from discontinued operation	<u>(64,453)</u>	<u>(237,298)</u>
Levy	822	(25,872)
Loss before taxation from discontinued operation	<u>(63,631)</u>	<u>(263,170)</u>
Taxation	-	-
Loss after taxation from discontinued operation	<u>(63,631)</u>	<u>(263,170)</u>



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- 21.2.1** Staff retirement gratuity included in cost of sales and administrative expenses is of Rupees 0.313 million (2025: Rupees 0.422 million) and Rupees 4.768 million (2025: Rupees 4.536 million) respectively.
- 21.2.2** Depreciation of discontinued operation included in cost of sales and administrative expenses are of Rupees 15.033 million (2025: Rupees 61.276 million) and Rupees 20.590 million (2025: Rupees 23.612 million) respectively.
- 21.2.3** These include donation of Rupees 0.400 million (2025: Rupees 0.440 million). Whole of the donation was given to Faisalabad Women Chamber of Commerce and Industry where a director Mrs. Rubina Amjad is Executive Member.
- 21.2.4** This includes Rupees 61.429 million (2025: Rupees Nil) representing gain on disposal of non-current assets held for sale and Rupees 0.844 million (2025: Rupees 1.508 million) related to gain on sale of property, plant and equipment.

	2026 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)
21.3 Analysis of the cash flows of discontinued operation		
Cash outflows from operating activities	(136,070)	-
Cash inflows from investing activities	310,364	-
Cash outflows from financing activities	(138,182)	-
	<u>36,112</u>	<u>-</u>
22. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Local sales (Note 22.1)	409,621	864,280
Export sales	913,489	645,963
Export rebate	4,641	3,562
	<u>1,327,751</u>	<u>1,513,805</u>
22.1 Local sales		
Yarn / socks	17,254	6,622
Waste	10,778	12,610
Conversion income / CMT income / cloth sale	455,321	1,000,620
	<u>483,353</u>	<u>1,019,852</u>
Less: Sales tax	73,732	155,572
	<u>409,621</u>	<u>864,280</u>
23. COST OF SALES		
Raw materials consumed (Note 23.1)	445,212	645,303
Salaries, wages and other benefits (Note 23.2)	172,596	237,042
Stores, spare parts and loose tools consumed	92,164	112,635
Packing materials consumed	81,744	71,229
Sizing materials consumed	48,340	61,078
Outside processing / conversion and other charges	15,826	11,241
Repair and maintenance	1,424	1,150
Fuel and power	127,835	175,400
Insurance	7,328	6,607
Rent, rates and taxes (Note 23.3)	6,780	6,780
Other factory overheads	502	154
Depreciation (Note 10.1.3)	30,617	33,297
	<u>1,030,368</u>	<u>1,361,916</u>
Work-in-process		
Opening stock	14,553	17,396
Closing stock	(7,562)	(14,553)
	<u>6,991</u>	<u>2,843</u>
Cost of goods manufactured	<u>1,037,359</u>	<u>1,364,759</u>
Finished goods		
Opening stock	142,024	126,005
Closing stock	(122,726)	(142,024)
	<u>19,298</u>	<u>(16,019)</u>
	<u>1,056,657</u>	<u>1,348,740</u>

	2026 (RUPEES IN THOUSAND)	2025
23.1 Raw materials consumed		
Opening stock	103,683	83,063
Add: Purchased during the year	410,419	665,923
	<u>514,102</u>	<u>748,986</u>
Less: Closing stock	(68,890)	(103,683)
	<u>445,212</u>	<u>645,303</u>
23.2 Salaries, wages and other benefits include staff retirement gratuity amounting to Rupees 2.872 million (2025: Rupees 7.601 million).		
23.3 These include rent in respect of short term leases amounting to Rupees 6.780 million (2025: Rupees 6.780 million)		
24. DISTRIBUTION COST		
Salaries and other benefits (Note 24.1)	15,226	14,086
Outward freight and handling	31,401	21,000
Commission to selling agents	60,708	36,235
Travelling and accommodation	4,213	1,790
Postage and telephone	1,429	2,340
Others	587	2,218
	<u>113,564</u>	<u>77,669</u>
24.1 Salaries and other benefits include staff retirement gratuity amounting to Rupees 1.404 million (2025: Rupees 1.261 million)		
25. ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits (Note 25.1)	77,250	79,207
Directors' remuneration	5,200	4,800
Rent, rates and taxes	5,022	4,616
Legal and professional	523	724
Insurance	1,176	1,251
Travelling and conveyance	1,680	7,975
Vehicles' running	12,709	18,420
Entertainment	8,767	9,746
Auditor's remuneration (Note 25.2)	1,248	1,507
Advertisement	-	17
Postage and telephone	2,986	2,895
Electricity, gas and water	2,392	6,011
Printing and stationery	1,029	1,112
Repair and maintenance	3,128	4,061
Fee and subscription	2,704	1,578
Miscellaneous	11,465	16,132
Amortization	-	751
Depreciation (Note 10.1.3)	5,427	6,164
	<u>142,706</u>	<u>166,967</u>
25.1 Salaries, wages and other benefits include staff retirement gratuity amounting to Rupees 2.374 million (2025: Rupees 2.702 million)		
25.2 Auditor's remuneration		
Audit fee	1,000	1,200
Half yearly review	110	110
Certification and other services	50	125
Sales tax	88	72
	<u>1,248</u>	<u>1,507</u>
26. OTHER EXPENSES		
Allowance for expected credit loss (Note 15.3.1)	344	38
Net exchange loss	7,142	-
Provision for doubtful loans and advances (Note 16.2.1)	52	1,595
	<u>7,538</u>	<u>1,633</u>

	2026 (RUPEES IN THOUSAND)	2025
27. OTHER INCOME		
Income from financial assets		
Profit on deposits with banks (Note 27.1)	2,128	2,648
Reversal of allowance for expected credit losses (Note 15.3)	21	-
Reversal of provision for doubtful loans and advances (Note 16.2.2)	986	-
Net exchange gain	-	701
	<u>3,135</u>	<u>3,349</u>
Income from non-financial assets		
Gain on disposal of property, plant and equipment	64	252
Rental income	25,582	22,891
Credit balances written back	2,230	58,448
	<u>27,876</u>	<u>81,591</u>
	<u>31,011</u>	<u>84,940</u>
27.1 Rate of profit on bank deposits as disclosed in Note 20 ranges from 5.86% to 9.00% (2025: 5.72% to 16.00%) per annum		
28. FINANCE COST		
Mark-up on short term borrowings	25,846	37,380
Bank charges and commission	5,475	3,810
	<u>31,321</u>	<u>41,190</u>
29. LEVY		
Charge for the year:		
Current (Note 29.1)	18,551	18,878
Prior year	(2,074)	-
	<u>16,477</u>	<u>18,878</u>
29.1 The provision for current levy represents minimum tax on turnover as per Income Tax Ordinance, 2001. Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not given in view of unused tax losses of the Company as given in Note 14.2 to these financial statements.		
30. TAXATION		
Deferred (Note 30.1)	<u>(3,522)</u>	<u>104,057</u>
30.1 Deferred income tax asset		
Taxable temporary difference		
Accelerated tax depreciation and amortization	(63,973)	(150,981)
Deductible temporary differences		
Staff retirement gratuity	4,311	5,872
Unused tax losses, unabsorbed tax depreciation and amortization	237,047	241,576
Allowances for doubtful receivables	145	2,422
Unused tax credits against minimum tax and alternate corporate tax	97,529	184,657
	<u>339,032</u>	<u>434,527</u>
Deferred income tax asset	<u>275,059</u>	<u>283,546</u>
Unrecognized deferred income tax asset (Note 30.3 and Note 30.4)	<u>(275,059)</u>	<u>(283,546)</u>
At the end of the year	<u>-</u>	<u>-</u>

30.2 Movement in the deferred income tax asset / (liability) balance is as follows:

At the beginning of the year - (104,120)

(Less) / add:

-accelerated tax depreciation and amortization	(87,008)	(11,391)
-staff retirement gratuity	1,561	22,397
-unused tax losses	4,529	(68,127)
-allowances for doubtful receivables	2,277	(1,540)
-unused tax credits against minimum tax and alternate corporate tax	87,128	(15,946)
-unrecognized deferred income tax asset	(8,487)	178,727
	-	104,120

- -

2026 2025
(RUPEES IN THOUSAND)

30.2.1 Charged to the statement of profit or loss:

Net movement of temporary differences (Note 30.2) - 104,120

Remeasurement of staff retirement gratuity 3,522 63

(3,522) 104,057

30.3 The Company has unused tax losses of Rupees 817,403 million which include unabsorbed tax depreciation of Rupees 380,807 million and tax losses of Rupees 436,596 million which will expire as follows

Accounting year to which tax loss relates	Amount of tax loss	Accounting year in which tax loss will expire
	RUPEES IN THOUSAND	
2025	160,267	2031
2024	134,846	2030
2023	141,483	2029
	436,596	

Deferred income tax asset has been recognized against Rupees 59,517 million of unused tax losses, unabsorbed tax depreciation and amortization. While deferred income tax asset is not recognized on the remaining amount of Rupees 177,530 million.

30.4 The Company has unused tax credits against minimum tax and alternative corporate tax available for carry forward under Section 113 and 113C of the Income Tax Ordinance, 2001 as detailed below. Deferred income tax asset is not recognized against these tax credits.

Accounting year to which the minimum tax / alternative corporate tax relates	Nature	Amount of tax	Accounting year in which tax credit will expire
		RUPEES IN THOUSAND	
2026	Minimum tax	5,414	2028
2025	Minimum tax	33,546	2028
2024	Minimum tax	54,621	2027
2022	Alternative corporate tax	3,948	2032
		97,529	

31. LOSS PER SHARE - BASIC AND DILUTED

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

		2026	2025
Total - Company			
Loss for the year	(Rupees in thousand)	(69,610)	(423,559)
Weighted average number of ordinary shares	(Numbers)	9 920 000	9 920 000
Loss per share	(Rupees)	(7.02)	(42.70)
Continuing operations			
Loss for the year	(Rupees in thousand)	(5,979)	(160,389)
Weighted average number of ordinary shares	(Numbers)	9 920 000	9 920 000
Loss per share	(Rupees)	(0.60)	(*6.17)
Discontinued operation			
Loss for the year	(Rupees in thousand)	(63,631)	(263,170)
Weighted average number of ordinary shares	(Numbers)	9 920 000	9 920 000
Loss per share	(Rupees)	(6.41)	(26.53)

32. CASH (USED IN) / GENERATED FROM OPERATIONS

	2026 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)
Loss before taxation and levy	(57,477)	(274,752)
Adjustments for non-cash charges and other items:		
Depreciation (Note 10.1.3)	71,667	124,349
Amortization	-	864
Gain on disposal of property, plant and equipment (Note 10.1.4)	(908)	(*,760)
Gain on disposal of non-current assets held for sale (Note 21.2.4)	(61,429)	-
Provision for staff retirement gratuity (Note 5.2)	11,731	16,522
(Reversal) / allowance for expected credit losses	(2,817)	3,178
Net exchange (gain) / loss	28	(999)
Finance cost (Note 28)	52,236	128,111
Credit balances written back (Note 27)	(5,149)	(68,175)
(Reversal) / Provision for doubtful loans and advances	(1,472)	2,133
Working capital changes (Note 32.1)	(82,110)	217,361
	(75,700)	146,832

32.1 Working capital changes

Decrease / (increase) in current assets		
- Stores, spare parts and loose tools	18,296	5,498
- Stock-in-trade	83,978	402,127
- Trade debts	(108,352)	37,733
- Loans and advances	10,429	(238)
- Short term deposits and prepayments	922	(*,175)
- Other receivables	15,987	8,957
	21,260	452,902
Decrease / (increase) in current liabilities		
- Trade and other payables	(98,551)	(194,446)
- Contract liabilities	(4,819)	(4*,095)
	(103,370)	(235,541)
	(82,110)	217,361

32.2 Reconciliation of movements of liabilities to cash flows arising from financing activities:

	2026			2025			
	Short term borrowings	Unclaimed dividend	Total	Long term financing	Short term borrowings	Unclaimed dividend	Total
(RUPEES IN THOUSAND)							
Balance as at 01 July	1,788,458	2,596	1,791,054	161,543	1,610,813	2,599	1,774,955
Other charges - non cash movement	-	-	-	(56,543)	65,000	-	5,457
Short term borrowings - net	(9,782)	-	(9,782)	-	112,645	-	112,645
Repayment of long term financing	-	-	-	(105,000)	-	-	(105,000)
Dividend paid	-	(4)	(4)	-	-	(3)	(3)
Balance as at 30 June	1,778,676	2,592	1,781,268	-	1,788,458	2,596	1,791,054

33. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive Officer, directors and executives of the Company is

	Chief Executive Officer		Director (Note 33.2)		Executives	
	2026	2025	2026	2025	2026	2025
(RUPEES IN THOUSAND)						
Managerial remuneration	5,455	5,455	4,364	4,364	27,778	37,557
Allowances						
Others	545	545	436	436	2,778	3,756
Staff retirement gratuity paid	-	-	-	-	350	1,011
	6,000	6,000	4,800	4,800	30,906	42,324
Number of persons	1	1	1	1	11	20

33.1 Chief Executive Officer, some directors and certain executives are provided with Company maintained vehicles and are entitled to reimbursement of travelling expenses and other utilities.

33.2 This represents remuneration paid to Mr. Omer Saeed, a Director of the Company.

33.3 During the year, an amount of Rupees 800,000 (2025: Rupees 800,000) was paid to eight directors (2025: eight directors) as meeting fee.

33.4 Apart from the meeting fee, no remuneration was paid to non executive directors of the Company.

34. NUMBER OF EMPLOYEES

Number of employees as at 30 June (Note 34.1)	490	684
Average number of employees during the year	519	942

34.1 These represent the total number of employees employed by the Company at the year end including permanent employees and others who have not become eligible to be permanent.

35. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated company / undertakings, other related parties and key management personnel. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements is as follows:

			2026	2025
			(RUPEES IN THOUSAND)	
Name	Basis of relationship	Nature of transactions		
Associated company / undertakings:				
Waqas Spinning Mills (Private) Limited	Common directorship	Rent expense	4,500	4,500
		Sale	14,694	
Idea Socks	Directors of the Company are the members of Board of Trustees	Rent expense	2,280	2,280
Other related parties				
Directors and sponsors	Members of board of directors, key management personnel and sponsor	Loans obtained from directors/sponsor-net	201,745	310,375

35.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, directors and executives is disclosed in Note 33.

36. PLANT CAPACITY AND ACTUAL PRODUCTION

		2026	2025
Spinning			
100 % plant capacity converted to 20s count based on 3 shifts per day for Nil shifts (2025: 807 shifts) (Note 36.1)	(Kgs.)	-	9 894 615
Actual plant capacity converted to 20s count based on 3 shifts per day for Nil shifts (2025: 672 shifts)	(Kgs.)	-	5 524 932
Weaving			
100 % plant capacity converted to 60 picks based on 3 shifts per day for 1 095 shifts (2025: 1 095 shifts)	(Sq. Mtr.)	22 873 883	27 458 309
Actual plant capacity converted to 60 picks based on 3 shifts per day for 1 020 shifts (2025: 933 shifts)	(Sq. Mtr.)	12 146 032	14 392 097
Socks			
Capacity of such unit cannot be determined due to nature of its operations.			

36.1 The Company has stopped production in the spinning segment since last year. In August 2025, the Company accounted for the plant and machinery of the segment as held for sale.

36.2 Reasons for low production

The limited availability of resources and adjustments in processes contributed to reduced output in production of weaving segment. Moreover periodical scheduled maintenance was also the factor for low production of weaving segment.

37. SEGMENT INFORMATION

	Weaving		Socks		Total - Company	
	2026	2025	2026	2025	2026	2025
(RUPEES IN THOUSAND)						
Revenue from contracts with customers	340,384	714,176	987,367	799,629	1,327,751	1,513,805
Cost of sales	(286,425)	(726,813)	(770,232)	(621,327)	(1,056,657)	(1,348,140)
Gross profit/(loss)	53,959	(12,637)	217,135	177,702	271,094	165,665
Distribution cost	(2,388)	(4,832)	(111,176)	(72,837)	(113,564)	(77,669)
Administrative expenses	(52,807)	(68,562)	(89,899)	(98,405)	(142,706)	(166,967)
Other income	747	6,812	30,264	52,589	31,011	59,401
Profit/(loss) before taxation and unallocated expenses	(486)	(75,219)	46,324	59,349	45,835	(20,170)
Unallocated expenses:						
Other expenses					(7,538)	(1,633)
Finance cost					(31,321)	(41,190)
Levy					(16,477)	(18,878)
Taxation					3,522	(104,057)
Loss after taxation from continued operations					(5,979)	(185,528)
Loss after taxation from discontinued operations (Note 21)					(63,631)	(263,170)
Loss after taxation					(69,610)	(449,098)

37.1 Reconciliation of reportable segment assets and liabilities

	Spinning (Note 37.1.1)		Weaving		Socks		Total - Company	
	2026	2025	2026	2025	2026	2025	2026	2025
(RUPEES IN THOUSAND)								
Total assets as per statement of financial position	1,124,633	1,466,161	400,746	367,375	744,369	681,659	2,269,748	2,515,195
Unallocated assets:								
Advance income tax and levy - not							96,492	42,875
Total assets as per statement of financial position							2,366,240	2,558,070
Total liabilities as per statement of financial position	251,407	1,036,555	153,426	256,507	838,275	1,081,888	1,243,108	2,374,950

37.1.1 As mentioned in Note 2.7 and Note 21.1 to the financial statements, the spinning segment has been discontinued and major portion of plant and machinery and stand-by equipment were classified as held for sale. However, there are certain corporate and other assets/liabilities which are to be allocated to other segments. Therefore these specific assets and liabilities are still shown in spinning segment.


37.2 Geographical information

The Company's segment wise revenue from external customers as per geographical locations is detailed below

Belgium
China
Denmark
Germany
Netherlands
Portugal
Spain
United Kingdom
United States of America
Pakistan

Weaving		Socks		Total - Company	
2026	2025	2026	2025	2026	2025
(RUPEES IN THOUSAND)					
-	12	23,587	71,652	23,587	71,664
-	-	-	1,350	-	1,350
-	-	138,616	180,595	138,616	180,595
-	-	50,893	51,979	50,893	51,979
-	-	121,042	51,955	121,042	51,955
440	118	48,354	47,623	48,794	47,741
-	-	3,392	22,114	3,392	22,114
-	-	453,652	12,958	453,652	12,958
-	-	78,155	209,169	78,155	209,169
338,944	714,046	68,676	150,234	409,620	864,280
340,384	714,176	987,367	799,629	1,327,751	1,513,805

37.3 Disaggregation of revenue from contracts with customers by major products / service lines

Socks : others
Waste
Conversion income / CMT income / cloth sale

	3,266	932,313	651,809	932,313	655,077
-	-	9,134	10,424	9,134	10,424
340,384	710,906	45,920	137,396	386,304	848,304
340,384	714,176	987,367	799,629	1,327,751	1,513,805

37.4 All non current assets of the Company as at reporting date are located and operating in Pakistan
37.5 Revenue is recognized at the point in time as per terms and conditions of underlying contracts with customers
37.6 Revenue from major customers

There were two major customers during the year of Rupees 556,939 million (2025: no major customer) related to Company's socks segment. Company's weaving segment does not include any major customer.

38. FINANCIAL RISK MANAGEMENT

38.1 Financial risk factors

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

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

(a) Market risk

(i) Currency risk

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

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

	2026	2025
Trade debts - USD	552,949	157,620
Cash at banks - USD	7,941	2,028
	<u>560,890</u>	<u>159,648</u>
Trade debts - Euro	203,604	143,898
Cash at banks - Euro	152	152
	<u>203,756</u>	<u>144,050</u>

Following significant exchange rates were applied during the year

Rupees per US Dollar

Average rate	280.83	280.95
Reporting date rate	278.05	283.60

Rupees per Euro

Average rate	324.60	315.07
Reporting date rate	316.95	332.25

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on loss before taxation for the year would have been Rupees 11.027 million (2025: Rupees 4.655 million) lower / higher, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Interest rate risk

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

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

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

	2026	2025
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial liabilities		
Short term borrowings	182,000	182,000
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	25,963	26,016
Financial liabilities		
Short term borrowings	189,688	401,215

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, loss before taxation for the year would have been Rupees 1.637 million (2025: Rupees 3.493 million) higher / lower, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

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

Trade debts	298,796	187,627
Loans and advances	1,202	1,317
Deposits	9,306	9,306
Other receivables	4,941	4,688
Bank balances	73,048	40,241
	<u>387,293</u>	<u>243,179</u>

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

The Company attempts to control credit risk by monitoring credit exposures limiting transactions with the specific counterparties and continually assessing the credit worthiness of the counterparties.

The Company's policy is to enter into financial contracts in accordance with the policies and guidelines approved by the management. Credit risk arises from trade debts, bank balances, other receivables, loans, advances and deposits.

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 factors. Sales contracts and credit terms are approved by the senior management and where considered necessary, advance payments are obtained from certain parties. Export sales are usually secured through letters of credit. The management has set a maximum credit period limit for each type of customers in order to reduce the credit risk.



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The Company's exposure to credit risk related to trade debts due from other than the related party is as follows:

	GROSS AMOUNT		EXPECTED CREDIT LOSS	
	2026	2025	2026	2025
	(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
Not past due	123,537	116,017	-	-
Upto 1 month	92,045	43,092	-	-
1 to 6 months	83,061	24,012	-	-
6 months to 1 year	153	4,506	-	-
More than 1 year	344	6,167	344	6,167
	299,140	193,794	344	6,167

The management believes that all unimpaired amounts are collectable in full, based on historical payment behaviour and extensive analysis of consumer credit risk.

Rating			2026	2025
Short term	Long term	Agency	(RUPEES IN THOUSAND)	

Banks

Conventional Accounts

Habib Metropolitan Bank Limited	A1+	AAA	PACRA	515	1,724
MC3 Bank Limited	A1+	AAA	PACRA	6,762	418
Allied Bank Limited	A1+	AAA	PACRA	217	206
United Bank Limited	A1+	AAA	VIS	11	1
Faysal Bank Limited	A1+	AA+	PACRA	692	692
National Bank of Pakistan	A1+	AAA	PACRA	387	17
Habib Bank Limited	A1+	AAA	VIS	118	101
Askari Bank Limited	A1+	AA+	PACRA	176	160
Bank Alfalah Limited	A1+	AAA	PACRA	25,830	25,897
Bank AL Habib Limited	A1+	AAA	PACRA	454	20
The Bank of Punjab	A1+	AAA	PACRA	11,883	7,681
Soneri Bank Limited	A1+	AA-	PACRA	21	15
				47,066	36,932

Shariah Compliant Accounts

Al Baraka Bank (Pakistan) Limited	A1	AA	VIS	1,186	1,178
Habib Bank Limited	A1+	AAA	VIS	354	43
Meezan Bank Limited	A1+	AAA	VIS	24,441	2,086
BankIslami Pakistan Limited	A1	AA-	PACRA	1	2
				25,982	3,309
				73,048	40,241

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

(c) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2026, the Company had Rupees 31,612 million (2025: Rupees 619,728 million) available borrowing limits from financial institutions and Rupees 81,154 million (2025: Rupees 41,724 million) cash and bank balances. Moreover, the Company has Rupees 193,929 million (2025: Rupees 208,134 million) unfunded borrowing limits out of which Rupees 101,788 million (2025: Rupees 101,788 million) were utilized. Management believes the liquidity risk to be low. Followings are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.



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Contractual maturities of financial liabilities as at 30 June 2026:

	Carrying Amount	Contractual cash flows	6 months or less
	RUPEES IN THOUSAND		
Non-derivative financial liabilities:			
Trade and other payables	405 394	405 394	405 394
Unclaimed dividend	2 592	2 592	2 592
Accrued mark-up	5 025	5 025	5 025
Short term borrowings	778 676	1,791 542	1 791 542
	<u>1,191 687</u>	<u>2,204 553</u>	<u>2 204 553</u>

Contractual maturities of financial liabilities as at 30 June 2025:

	Carrying Amount	Contractual cash flows	6 months or less
	RUPEES IN THOUSAND		
Non-derivative financial liabilities:			
Trade and other payables	460 859	460 859	460 859
Unclaimed dividend	2 596	2 596	2 596
Accrued mark-up	13 179	13 179	13 179
Short term borrowings	1,788 456	1 819 700	1 819 700
	<u>2,265 092</u>	<u>2 296 334</u>	<u>2 296 334</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark-up / profit rates effective as at 30 June. The rates of interest / profit / mark-up have been disclosed in Note 8 to these financial statements.

38.2 Financial instruments by categories

	2026 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)
	At amortized cost	
Assets as per statement of financial position		
Trade debts	298 796	187 627
Loans and advances	1 202	1 317
Deposits	9 306	9 306
Other receivables	4 941	4 688
Cash and bank balances	81 154	41 724
	<u>395 399</u>	<u>244 662</u>
Liabilities as per statement of financial position		
Trade and other payables	405 394	460 859
Unclaimed dividend	2 592	2 596
Accrued mark-up	5 025	13 179
Short term borrowings	778 676	1 788 456
	<u>1 191 687</u>	<u>2 265 092</u>

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

	2026			2025		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
	RUPEES IN THOUSAND					
Assets as per statement of financial position						
Trade debts	298 796	-	298 796	187 627	-	187 627
Long term deposits and prepayments	8 789	247	9 036	8 789	130	8 919
Loans and advances	1 202	5 823	6 825	1 317	14 465	15 782
Short term deposits and prepayments	517	675	1 192	517	1 597	2 114
Other receivables	4 941	285 621	290 562	4 688	301 861	306 549
Cash and bank balances	81 154	-	81 154	41 724	-	41 724
	<u>395 399</u>	<u>292 166</u>	<u>687 565</u>	<u>244 662</u>	<u>318 053</u>	<u>562 715</u>
	RUPEES IN THOUSAND					
Liabilities as per statement of financial position						
Trade and other payables	405 394	33 486	438 880	460 859	81 721	542 580
Accrued mark-up	5 025	-	5 025	13 179	-	13 179
Short term borrowings	778 676	-	778 676	1,788 456	-	1 788 456
Unclaimed dividend	2 592	-	2 592	2 596	-	2 596
	<u>1 191 667</u>	<u>33 486</u>	<u>1,225 153</u>	<u>2,265 092</u>	<u>81 721</u>	<u>2 346 813</u>



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38.4 Offsetting financial assets and financial liabilities

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

38.5 Capital risk management

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

		2026	2025
Borrowings	(Rupees in thousand)	778,676	1,723,642
Total equity	(Rupees in thousand)	1,122,132	247,936
Total capital employed	(Rupees in thousand)	<u>1,900,808</u>	<u>1,971,578</u>
Gearing ratio	(Percentage)	<u>40.97</u>	<u>87.42</u>

The decrease in gearing ratio resulted primarily due to shift of directors' short term borrowings to sponsors' loans under equity.

39. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value is the amount that would be received to sell an asset or either pay or transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying value and the fair value estimates. The Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. The fair value hierarchy is as follows:

Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

Level 1: Quoted market price in an active market for an identical instrument.

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

Level 3: Valuation techniques using significant un-observable inputs.

However as at reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels.

40. RECOGNIZED FAIR VALUE MEASUREMENTS - NON FINANCIAL ASSETS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non financial assets into the following three levels.

	Level 1	Level 2	Level 3	Total
-----RUPEES IN THOUSAND-----				
At 30 June 2026				
Freehold land		396,770		396,770
At 30 June 2025				
Freehold land	-	396,770	-	396,770



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

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

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land (classified as property, plant and equipment) at least after every three years. The management updates the assessment of the fair value of freehold land, taking into account the most recent independent valuation. The management determines freehold land's value within a range of reasonable fair value estimates. The best evidence of fair value of freehold land is current prices in an active market for similar lands

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land at least after every three years. The latest valuation of freehold land was performed by Messrs Mughal Associates Evaluators and Consulting Engineers

Changes in fair values are analyzed during the valuation discussion between the management and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

41. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART 1 OF SCHEDULE IV OF THE COMPANIES ACT, 2017

Description	Note	2026	2025
		(RUPEES IN THOUSAND)	
Financing (long-term, short-term, or lease financing) obtained			
Short term borrowings	8	406,988	1,205,243
Interest or mark-up accrued on any conventional loan or advance			
Short term borrowings	28	44,976	102,893
Long-term and short-term Shariah compliant investments		-	-
Shariah-compliant bank deposits, bank balances, and TDRs			
Bank balances	38 1(b)	25,982	3,309
Revenue earned from shariah compliant business segment	22	1,351,236	3,583,528
Break-up of late payments or liquidated damages			
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates			
Exchange gain earned from actual currency - net	27	-	701
Profit earned from Shariah-compliant bank deposits and bank balances	27	10	13
Exchange gain earned using conventional derivative financial instruments		-	-
Profit paid on Islamic mode of financing	27	-	8,904
Total interest earned on any conventional loan or advance	27	2,118	2,635
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income			
Shariah-compliant			
Net exchange gain	27	-	701
Rental income	27	25,582	22,891
Gain on disposal of property plant and equipment	27	62,337	1,760
Profit earned from shariah compliant bank deposits / bank balances	27	10	13
Credit balances written back	27	5,149	68,175
Non-compliant			
Profit earned from non-compliant bank deposits / bank balances	27	2,118	2,635

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

<u>Name</u>	<u>Relationship</u>
Meezan Bank Limited	Bank Balances
Habib Bank Limited	Bank Balances
Al Baraka Bank Pakistan Limited	Bank Balances
BankIslami Pakistan Limited	Bank Balances

42. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified for better presentation, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made except as detailed below.

RECLASSIFICATION		2025
FROM	TO	(RUPEES IN THOUSAND)
Trade and other payables	Contract liabilities	7,890

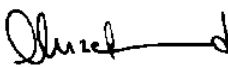
43. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 30, 2026 by the Board of Directors of the Company.

44. GENERAL

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


AMJAD SAEED
CHIEF EXECUTIVE OFFICER

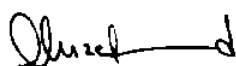

KHIZAR SAEED
DIRECTOR


MUHAMMAD KASHIF ZAHUR
CHIEF FINANCIAL OFFICER

Gender pay gap statement under Circular No 10 dated 17 April 2024 .

Following is gender pay gap calculated for the year ended **30-06-2026**

- (i) Mean Gender Pay Gap : Nil
- (ii) Median Gender Pay Gap : Nil
- (iii) Any other data : Nil



KHIZAR SAEED
DIRECTOR

30 September 2026

FORM - 20

THE COMPANIES ACT , 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

1.1 Name of the Company

IDEAL DYNAMICS LIMITED
FORMERLY IDEAL SPINNING MILLS LTD

2.1 Pattern of holding of the shares held by the shareholders
30-06-2026

2.2 No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
618	1	100	44713
623	101	500	266246
89	501	1000	80882
80	1001	5000	202735
12	5001	10000	91159
1	10001	15000	11500
1	25001	30000	27000
2	40001	45000	81000
1	45001	50000	47599
1	55001	60000	56500
1	60001	65000	60176
1	90001	95000	94894
1	170001	175000	175000
1	210001	215000	214274
1	225001	230000	227000
1	535001	540000	535726
1	625001	630000	628396
1	880001	885000	883000
1	890001	895000	890726
1	920001	925000	922300
2	930001	935000	1865876
1	965001	970000	968300
1	1540001	1545000	1544998
1,442			9,920,000

Categories of Shareholding
As at June 30,2026

Categories of Shareholding	Numbers	Shares held	Percentage (%)
Associated companies,Undertakings and Related Parties			
NIT and ICP	3	1000	0.01
Directors,Chief Executive & theirs spouse and Adult Children			
Mr.Muhammad Saeed Sheikh (Chairman)	1	5000	0.05
Mr.Amjad Saeed (Chief Executive)	2	2080724	20.98
Mrs.Rubina Amjad (Director)	2	1105000	11.14
Mr.Umar Saeed (Director)	2	1110000	11.19
Mr.Khizar Saeed (Director)	2	1857300	18.72
Mr.Ahsan Saeed (Director)	2	1105876	11.15
Mr.Muhammad Azhar (Independent Director)	1	500	0.01
Mr.Rizwan-ul-Hassan (Independent Director)	1	100	0.00
Executives			
Public Sector Companies and Corporations			
Banks,Development Finance Institutions,	1	369	0.00
Non - Banking Finance Institutions,			
Joint Stock Companies	7	3792	0.04
Insurance Companies,Modaraba and Mutual Funds	1	628396	6.33
Individuals	1415	1959655	19.75
Others	2	62288	0.63
Total	1442	9920000	100.00

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE COMPANY

Name of Shareholder	No of Sharrs held	Percentage
Amjad Saeed	2080724	20.98
Rubina Amjad	1105000	11.14
Umar Saeed	1110000	11.19
Khizar Saeed	1857300	18.72
Ahsan Saeed	1105876	11.15
Kanwal Saeed	1024800	10.33
CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	628396	6.33

Statement showing shares bought and sold by directors, CEO,CFO,
Company secretary and the minor family members
form 01 July 2025 to 30 June 2026

S.NO	Name	Designation	Shares bought	Shares sold
1	Mr.Mohammad Saeed Sheikh	Chairman	-	-
2	Mr.Amjad Saeed	Chief Executive	-	-
3	Mrs.Rubina Amjas	Director	-	-
4	Mr.Omer Saeed	Director	-	-
5	Mr.Khizer Saeed	Director	-	-
6	Mr.Ahsan Saeed	Director	-	-
7	Mr.Muhammad Azhar	Independent Director	-	-
8	Mr.Rizwan-ul-Hassan	Independent Director	-	-
9	Muhammad Kashif Zahur	Chief Financial Officer	-	-
10	Mr.Muhammad Nadeem	Company Secretary	-	-



M/S F.D.Registrar Services (SMC-Pvt) Ltd.,
1705, 17th Floor Saima Trade Tower-A
I.I.Chundrigar Road Karachi-74000

Dear Sir

The Share Registrar Ideal Spinning Mills Ltd
Request for E-Transmission of Annual Report

Pursuant to S.R.O.787(1)/2014 dated September 08,2014 issued by the Securities and Exchange Commission of Pakistan (SECP), kindly note requisite information for electronic transmission of annual balance sheet and profit and loss account, auditor's report and directors report etc. (Audited Financial Statements) along with notice of annual general meeting (Notice) {collectively referred to as 'Annual Report'} of Ideal Spinning Mills Ltd (ISM).The email address provided hereunder may please be recorded in the members' register of the Company being maintained under Section 473 of the Companies Act 2017.

Particulars	
Name of shareholder	
Folio No./ CDC ID No.	
CNIC No.	
Passport No.(for Foreign shareholder	
E-mail address	
Land line Telephone No.	
Cell No.	

It is stated that the above-mentioned information is correct and I hereby agree and give my consent for future transmission of the Company's Annual Report via email address provided above.

It is further stated that being the shareholder of Company, it my responsibility to communicate any change in the registered email address in a timely manner.

Yours Truly,

Shareholder's Signature

Complete Address -----

Copy to -----

The Company Secretary
Ideal Spinning Mills Ltd
404/05, Business Centre, Mumtaz Hasan Road
Karachi



THE MANAGER

F.D.REGISTRAR SERVICES(SMC-PVT) LTD
OFFICE# 1705, 17TH FLOOR, TRADE TOWER
A-II, CHUNDRIGAR ROAD KARACHI
KARACHI-74000
TEL:92-21-32271905-6

DATE: _____

MANDATORY PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE

Dear Sir,

I hereby communicate to receive my future dividend directly in my bank account as detailed below

A. Shareholder's Detail	
Name of Company	
Name of shareholder	
Folio No. /CDC Participant ID A/c No.	
CNIC No.	
Passport No. (in case of foreign shareholder)	
Land Line Phone Number	
Cell Number	
E-mail address of shareholder	
B. Shareholder's Bank Detail	
Title of bank account	
Bank Account (IBAN 24-DIGITS starting with PK)	
Bank Name	
Bank's Branch Name	
Branch's complete address	

It is stated that the above-mentioned information is correct, that I will intimate the changes in the above-mentioned information to the above addresses as soon as these occur.

Signature of shareholder

FORM OF PROXY
38th ANNUAL GENERAL MEETING

I/We _____ S/o/D/o/W/o _____
of _____ being a member
of **IDEAL DYNAMICS LIMITED** (formerly ideal spinning mills limited) and holder of _____ Ordinary
Shares as per Share Register
Folio No. _____ and/or CDC Participant ID No. _____ and Account/ Sub-account _____
No. _____ do hereby appoint Mr./Mrs./Miss _____
Folio No./CDC No. of _____ failing him/her.
Mr./Mrs./Miss _____ Folio No./CDC No. _____ of
_____ as my/our proxy to attend, act and vote for me/us on my/our behalf at Annual General
Meeting of the Company to be held on Wednesday, October 28, 2026 at 11:00 a.m at **404 -405, 4th Floor**
Business Centre Mumtaz Hassan Road Karachi and at any adjournment thereof in the same manner
as I/we myself/ourselves would vote if personally present at such meeting.

Signature of Shareholder
Folio / CDC A/C NO. _____

Signature of Proxy

Five Rupees
Revenue Stamp

Signed this _____ day of _____ 2026

WITNESS:

- | | |
|-----------------------|-----------------------|
| 1. Signature _____ | 2. Signature _____ |
| Name _____ | Name _____ |
| Address _____ | Address _____ |
| CNIC No. _____ | CNIC No. _____ |
| or Passport No. _____ | or Passport No. _____ |

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on member's behalf.
2. If a member is unable to attend the meeting. He/She may complete and sign this form and send it to the Company's Share Registrar M/s. F.D. Registrar Service (PVT) Limited 1705 17th Floor Saima Trade Tower A, I.I. Chundrigar Road Karachi so as to reach not less than 48 hours before the time appointed for holding the Meeting.
3. For CDC Account Holders / Corporate Entities; in addition to the above the following Requirements have to be met:

(a) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers be stated on the form.

(b) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.

© The proxy shall produce his original CNIC or original passport at the time of the meeting. In case of a corporate entity, the Board of Directors resolution/ power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.



IdealGroup

IDEAL DYNAMICS LIMITED
 (formerly ideal spinning mills limited)

Annual report 2025-26

پراکسی فارم اجلاس عام

میں اہم _____ ولد/دختر ازوجہ _____
 ساکن _____ جو کہ آئیڈیل ڈائنامکس لمیٹڈ کارکن ہوں/ہیں اور حصص رجسٹر میں درج فولیو نمبر _____ کے مطابق
 _____ عدد عام حصص کا مالک ہوں/ہیں اور ایسی ڈی سی شریکاء آئی ڈی نمبر _____ اور اکاؤنٹ/سب اکاؤنٹ نمبر _____
 رکھتا/رکھتے ہوں/ہیں، عدم موجودگی کی صورت میں جناب/محترمہ/مس _____ (فولیو نمبر ای ڈی سی نمبر _____) کو
 میرا/ہمارا پراکسی مقرر کرتا/کرتے ہیں تاکہ وہ اجلاس عام جو کہ بروز بدھ 28 اکتوبر 2026 کو صبح 11:00 بجے کمرہ نمبر 404-405، چوتھی منزل، بزنس سینٹر،
 ممتاز حسن روڈ، کراچی پر منعقد ہوگا، یا اس کے کسی التواء شدہ اجلاس میں، میری/ہماری نمائندگی کرتے ہوئے شرکت کرے/کریں کاروائی میں حصہ لے لیں اور
 میرے/ہمارے حق میں اسی طرح ووٹ دے/ادیں جیسے میں/اہم خود وہاں موجود ہوں۔

2026

دن:

تاریخ:

دستخط پراکسی _____ دستخط کارکن شمیر ہولڈر _____

فولیو ای ڈی سی اکاؤنٹ نمبر _____

 پانچ روپے
 ریونیو اسٹامپ

گواہان: _____ گواہان: _____
 دستخط _____ دستخط _____
 نام: _____ نام: _____
 پتہ: _____ پتہ: _____
 قومی شناختی کارڈ/پاسپورٹ نمبر: _____ قومی شناختی کارڈ/پاسپورٹ نمبر: _____

ہدایات:

کوئی بھی رکن جو اجلاس میں شرکت اور ووٹ دینے کا اہل ہو وہ تحریری طور پر پراکسی مقرر کر سکتا ہے جو اس جگہ اجلاس میں شرکت کرے اور ووٹ دے۔
 اگر کوئی رکن اجلاس میں شرکت کرنے سے قاصر ہو تو وہ یہ فارم مکمل کر کے دستخط کرے اور کمپنی کے شیئر رجسٹرار ایف ڈی رجسٹرار اور سروسز (پرائیویٹ لمیٹڈ)، پتہ
 1705، 17 ویں منزل، سیٹرائیڈ ٹاور۔ اے آئی آئی چندریگر روڈ، کراچی کو اجلاس کے وقت سے کم از کم 48 گھنٹے قبل ارسال کرے۔
 سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ اداروں کے لیے مندرجہ ذیل شرائط کا پورا ہونا بھی لازم ہے
 پراکسی فارم دو گواہوں کے دستخط سے تصدیق شدہ ہو جن کے نام، پتے اور قومی شناختی کارڈ نمبر فارم پر درج ہوں۔
 مفاد یافتہ مالک اور پراکسی کی تصدیق شدہ شناختی کارڈ/پاسپورٹ کی نقول فارم کے ساتھ فراہم کی جائیں۔
 پراکسی کو اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔
 کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی/مجمع نمونہ دستخط کے اگر پہلے سے جمع نہ کروایا گیا ہو پراکسی فارم کے ساتھ کمپنی کو جمع
 کروانا ہوگا۔