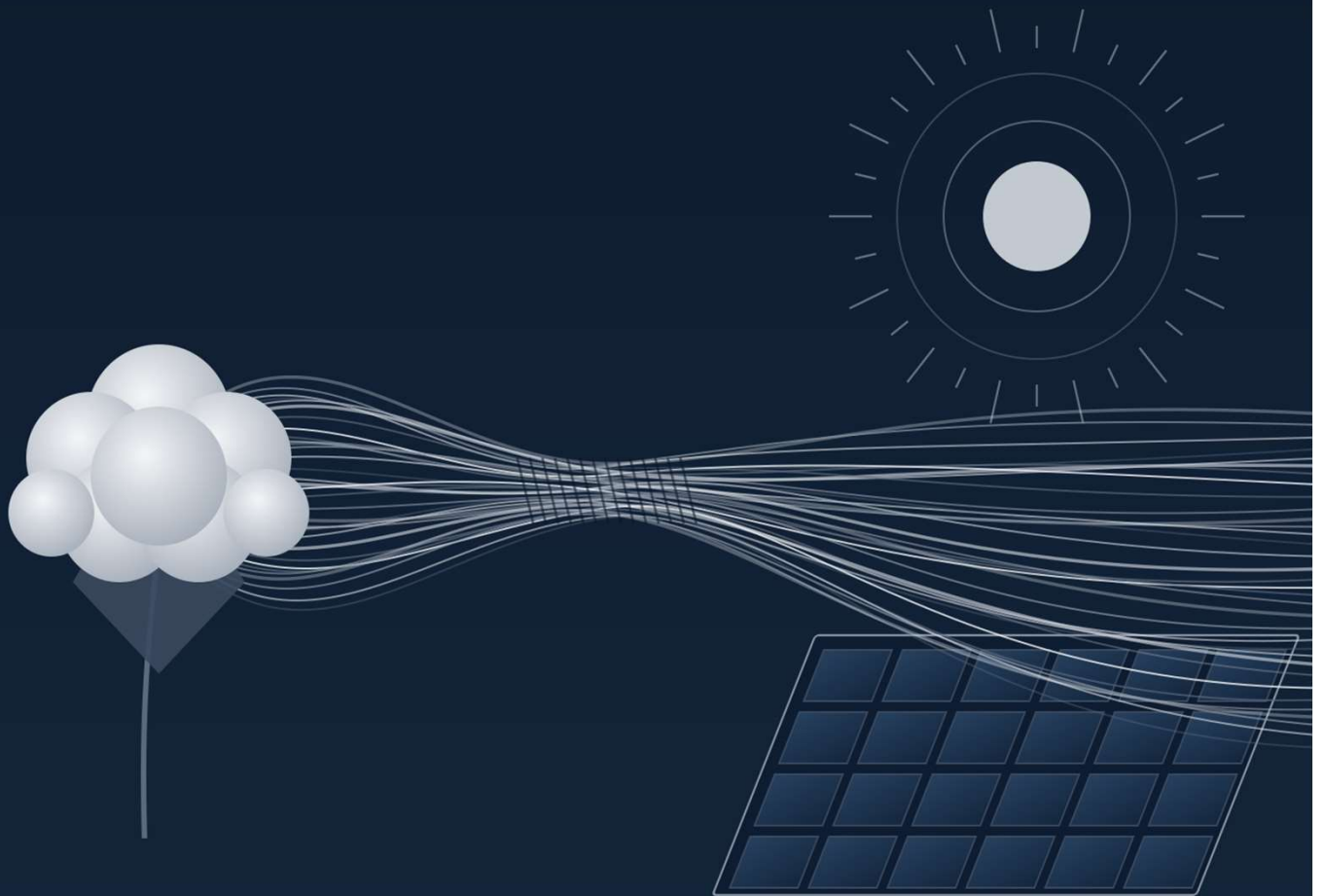




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01

COMPANY INFORMATION

An introduction and overview of the Company, its management and key stakeholders.



Company Information

BOARD OF DIRECTORS	Mohomed Bashir	- Chairman
	Zain Bashir	- Vice Chairman/ Executive Director
	Mohammed Zaki Bashir	- Chief Executive Officer
	Ziad Bashir	- Non-Executive Director
	Ehsan A. Malik	- Non-Executive Director
	Zeeba Ansar	- Independent Director
	Kamran Y Mirza	- Independent Director
CHIEF FINANCIAL OFFICER	Muhammad Kashif Riaz	
COMPANY SECRETARY	Salim Ghaffar	
AUDIT COMMITTEE	Kamran Y. Mirza	- Chairman & Member
	Mohomed Bashir	- Member
	Ehsan A. Malik	- Member
	Salim Ghaffar	- Secretary
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Zeeba Ansar	- Chairperson & Member
	Mohomed Bashir	- Member
	Zain Bashir	- Member
	Salim Ghaffar	- Secretary
BANKERS	Allied Bank Limited	
	Al Baraka Bank (Pakistan) Limited	
	Askari Bank Limited	
	Bank Al Habib Limited	
	Bank Alfalah Limited	
	Bank Alfalah Islamic Limited	
	Bank of Khyber	
	Bankislami Pakistan Limited	
	Citi Bank	
	Dubai Islamic Bank Pakistan Limited	
	Faysal Bank Limited	
	Habib Bank Limited	
	Habib Metropolitan Bank Limited	
	Industrial and Commercial Bank of China	
	JS Bank limited	
	MCB Bank Limited	
	MCB Islamic Bank Limited	
	Meezan Bank Limited	
	National Bank Of Pakistan	
	Samba Bank Limited	

Silkbank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Bank Makramah Limited
The Bank Of Punjab
United Bank Limited

AUDITORS

Yousuf Adil
Chartered Accountants

INTERNAL AUDITORS

BDO Ebrahim & Co
Chartered Accountants

LEGAL ADVISORS

A.K. Brohi & Co
Advocates

REGISTERED OFFICE

Plot No.H-7, Landhi Industrial Area
Landhi, Karachi-75120

SHARE REGISTRAR

FAMCO Share Registration Services (Private) Limited
8-F, Next to Hotel Faran, Nursery, Block 6,
P.E.C.H.S., Shahrah-E-Faisal, Karachi.
Phone No. (+92-021)
34380101-5
Fax No. (+92-021) 34380106

MILLS

Landhi Industrial Area,
Karachi-75120

CONTACT US

Email: finance@gulahmed.com

Website: www.gulahmed.com

Facebook: <https://www.facebook.com/GulahmedFashion>

YouTube: <https://www.youtube.com/@GulAhmedOfficial>

LinkedIn: <https://pk.linkedin.com/company/gul-ahmed-textile-mills-limited>

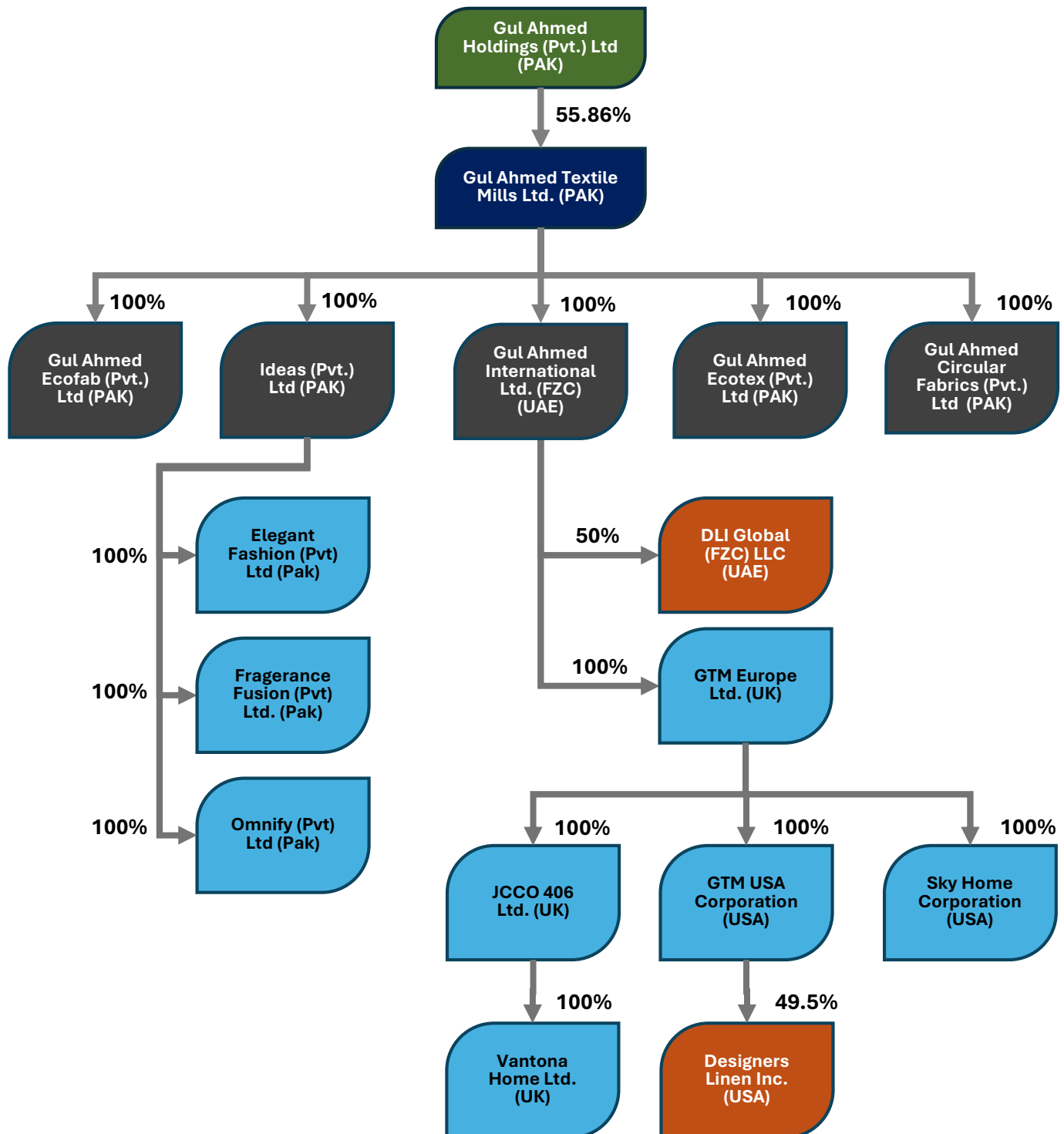
Instagram: <https://www.instagram.com/gulahmedfashion>

02

GROUP STRUCTURE

An overview of the Group's structure, relationships and shareholdings across its holding company, subsidiaries and other entities.





- Parent Company
- Joint Venture
- Direct Subsidiary
- Indirect Subsidiary

03

THE BOARD OF DIRECTORS

The Company's Board of Directors, including its composition, governance structure and sub-committees



Profile of the Board of Directors

Mr. Mohomed Bashir

Chairman

Mr. Mohomed Bashir joined the Board of Gul Ahmed Textile Mills Limited in 1982. He is a fellow member of Chartered Institute of Management Accountants (CIMA), United Kingdom.

In recognition of his services he has been awarded Sitara-e-Imtiaz by the President of Pakistan in 2006 and was also conferred with Justice of Peace. On April 7, 2017 he was awarded with the Grade d' Officier in the National Order of Merit by the President of the French Republic. On 19 February 2020, Mr. Bashir was awarded the Knight of King, Northern Star Order, first class by the King of Sweden, Mr. Carl Gustaf.

Mr. Mohomed Bashir has a very rich and extensive experience in commerce and industry. He is currently the Chairman of the Board of Directors of Gul Ahmed Textile Mills Limited. He is also serving on the Boards of the following organizations:

- Gul Ahmed Holdings (Private) Limited
- Ideas (Private) Limited.
- Habib Metropolitan Bank Limited
- GTM (Europe) Limited – UK
- Gul Ahmed International Limited (FZC) – UAE
- Habib University Foundation
- Chairman Board of Governors Habib University
- Gul Ahmed Energy Limited
- Education Fund for Sindh
- International Cotton Association Limited (ICA)
- International Textile Manufacturers Federation (ITMF)

Presently his honorary Government, Trade & Industry and Consular positions include:

- Chairperson – Apparel, Made-Ups and Technical Textile Council, Ministry of Commerce.
- Member – Prime Minister's Council of Business Leaders, Government of Pakistan, Ministry of Commerce and Textile.
- Member – Task Force on Textile Policy, Government of Pakistan, Ministry of Commerce and Textile.
- Member – Pakistan France Business Council
- Member – Pakistan German Business Council
- Member – Pakistan Swedish Business Council

Previously, he also held the following honorary Government and Trade & Industry positions;

- President – International Cotton Association (ICA) (2024 – 2025)
- President – International Textile Manufacturers Federation (ITMF) (2010 to 2012)
- Chairman – All Pakistan Textile, Mills Association (1989 to 1990)
- Chairman – Pakistan Business Council (2014 to 2015)
- Chairman – Pakistan Britain Advisory Council (2002 to 2005)
- Chairman – Pakistan Swiss Trade and Industry Committee (1981 to 2000)
- Vice Chairman – All Pakistan Textile Mills Association (1982 to 1985)
- Honorary Consul General of Sweden – Sindh / Baluchistan (2015 to 2023)
- Founder/Director – Pakistan Business Council (2005 to 2022)
- Founder/Trustee – Fellowship Fund for Pakistan (2003 to 2013)
- Member – Tax Reform Commission, Ministry of Finance (2014 to 2016)
- Member – Tax Advisory Council, FBR (2014 to 2016)
- Member – Advisory Committee, Federal Tax Ombudsman, Government of Pakistan (2011 to 2014)
- Member – Economic Advisory Council, Government of Pakistan (2001 to 2003 and 2008 to 2013)
- Member – Export Promotion Board, Government of Pakistan (1995 to 1997 and 2002 to 2007)
- Member – National Strategy on Textiles (2006 to 2007)
- Member of Governing Board – Pakistan Design Institute (1981 to 2000)
- Member – Advisory Board of CPLC, Government of Sindh (2010)

Mr. Zain Bashir**Vice Chairman/Executive Director**

Mr. Zain Bashir has been a member of the Board since May 1997 and currently serves as the Vice Chairman of the Company. He is a certified director from the Pakistan Institute of Corporate Governance (PICG). In addition to his role in the Company, he serves on the Board of Landhi Infrastructure Development and Management Company, which oversees the enhancement of infrastructure in the Landhi Industrial Area.

He has also held several key leadership roles in industry associations, serving as the Chairman and President of the Landhi Association of Trade and Industry during the periods 2009–2010, 2015–2016, and 2018–2019. In 2012–2013, he acted as Chairman of the Pakistan Bedwear Exporters Association. Additionally, he has been an Executive Committee Member of the Landhi Association of Trade and Industry.

With extensive experience in the textile sector, he has gained profound insights into the industry's operations and challenges.

Mr. Mohammed Zaki Bashir**Chief Executive Officer/Executive Director**

Mohammed Zaki Bashir joined Gul Ahmed Textile Mills Limited in 2005 and became a member of the Board in 2008. He currently serves as the Chief Executive Officer of the Company. He holds a graduate degree in International Business from Regents Business School, UK, and is a certified director from the Pakistan Institute of Corporate Governance (PICG).

In addition to his academic qualifications, he plays an active role in several industry organizations. He is a member of the Executive Committee of the All Pakistan Textile Mills Association (APTMA) and has been a member of the Entrepreneurs Organization (EO) since 2014. EO is a global, peer-to-peer network of over 12,000 influential business owners, with 173 chapters in 54 countries. He is also a member of the Pakistan Textile Council, where he serves on the board of directors, as well as a member of the Young Presidents Organization (YPO) Pakistan.

He has also been appointed to the Heimtextil Advisory Board, becoming the first Pakistani industry leader to join the prestigious global panel.

Through his in-depth understanding of the Company and the industry, he has significantly contributed to its overall growth and success. In addition to his role at Gul Ahmed, he serves on the boards of the following companies:

- Arwen Tech International Limited (FZC) – UAE
- Gul Ahmed Power Company (Private) Limited
- Gul Ahmed International Limited (FZC) – UAE
- GTM (Europe) Limited – UK
- GTM USA Corp. – USA
- Ideas (Private) Limited
- Gul Ahmed Holdings (Private) Limited
- Sky Home USA Corp. – USA
- Pakistan Textile Council

Mr. Ziad Bashir**Non-Executive Director**

Mr. Ziad Bashir has been a member of the Board since February 1999. He holds a bachelor's degree in Entrepreneurial Studies from Babson College, USA, and brings extensive experience in the textile sector. He is also a certified director from the Pakistan Institute of Corporate Governance (PICG).

He currently serves as Chairman of the Pakistan Business Council (PBC), the country's apex private-sector advocacy platform, having previously served as its Vice Chairman and as a Director on its Board since 2022. He also chairs the Pakistan Retail Business Council, which he founded in 2014 to give the formal retail sector organized representation in policymaking. He additionally serves as a Director of the Pakistan National Shipping Corporation (PNSC) and of NADRA Technologies Limited.

In addition to this he is the Chief Executive Officer of Arwen Tech (Private) Limited and a Director on the boards of several Gul Ahmed's group companies, including GTM (Europe) Limited (UK), Gul Ahmed International Limited (FZC) (UAE), GTM USA Corp. (USA) and Swisstex Chemicals (Private) Limited, while also acting as director in the Landhi Industrial Trading Estate Development & Management Company (LITE DMC). He is also the Founder Director of Ideas by Gul Ahmed and is leading the Group's expansion into the food and beverage sector through Ideas Café, which launched in Karachi and is planned to expand to ten additional locations nationwide over the next two years.

Mr. Ziad Bashir plays an active role in shaping national economic policy. He is a member of the Prime Minister's Economic Advisory Committee on Domestic Commerce and Information Technology, and served on the Prime Minister's Taskforce 2025 as Chair of the Railways and Ports committees. He has also served on the Federal Board of Revenue's Apex Committee and as an Executive Member of the FBR's Reforms and Resource Mobilization Commission (RRMC), contributing to reforms aimed at broadening the tax base and improving the efficiency of the tax system. His earlier public-sector engagements include the Pakistan Board of Investment, the Punjab Board of Investment and Trade, and the Export Processing Zone Authority.

Mr. Ehsan A. Malik**Non-Executive Director**

Mr. Ehsan A. Malik joined the Board of Directors of the Company in June 2016 and serves as a member of its Audit Committee. He is a fellow of the Institute of Chartered Accountants of England and Wales, the Institute of Chartered Accountants of Pakistan, and an alumnus of both the Wharton and Harvard Business Schools. He is also a certified director from the Pakistan Institute of Corporate Governance (PICG) and currently serves as the Chief Executive Officer of the Pakistan Business Council.

From September 2006 to October 2014, he was the Chief Executive Officer of Unilever Pakistan Limited and a Director of Unilever Pakistan Foods Limited. Prior to this, he was Chairman and CEO of Unilever Sri Lanka Limited. His international appointments include Unilever's regional businesses across Egypt, Lebanon, Jordan, Syria, and Sudan, as well as at Unilever's Head Office in the UK. Before these international assignments, he held senior commercial and financial positions at Unilever Pakistan.

He also serves on the boards of Abbott Laboratories Pakistan Limited, National Foods Limited, FrieslandCampina Engro Pakistan Limited, and Standard Chartered Bank Pakistan Limited.

Ms. Zeeba Ansar**Independent Non-Executive Director**

Ms. Zeeba Ansar joined the Board as an independent non-executive director in April 2020. She is also the Chairperson of the Human Resource & Remuneration Committee of the Company.

She has over 28 years of private and corporate banking experience. She did her Bachelors in Economics and Statistics from the University of Punjab and then completed her MBA in Marketing and Finance from the Institute of Business Administration. She is a certified director from Pakistan Institute of Corporate Governance.

In her career as a banker she has worked with Deutsche Bank AG as Manager Corporate Banking Department and Faysal Bank as Senior Vice President and Corporate Head-South. She then joined UBL as Executive Vice President and Regional Corporate Head-South and retained the position for 10 years. Her most recent professional engagement was with NIB Bank as Group Head-Corporate and Investment Banking where she worked till 2017.

She is serving as an independent director on the Board of Directors of Cherat Cement Company Limited, SAMBA Bank Limited, Lucky Investments Limited, Y.B. Pakistan Limited. In addition to her directorship, she is a Chairperson of Audit Committee and member of Board Risk Committee of the Lucky Investments Limited and Chairperson of the IT Committee and member Board Risk Committee of SAMBA Bank Limited respectively.

Mr. Kamran Y. Mirza**Independent Non-Executive Director**

Mr. Kamran Y. Mirza is a Chartered Accountant, qualifying in November 1968 from the United Kingdom. He began his career in Pakistan as an auditor with A.F. Ferguson & Co. before transitioning in December 1970 to Abbott Laboratories (Pakistan) Limited, a leading multinational pharmaceutical and healthcare company. Initially joining as Chief Financial Officer, he became one of the youngest Managing Directors of Abbott Pakistan in 1977, a position he held for 29 years.

He served as Chairman of the Export Processing Zones Authority from February 2007 to March 2009 and then proceeded to take on the role of Chief Executive Officer of the Pakistan Business Council (PBC), where he served until December 2015. During his tenure he represented PBC on the Board of Investments ("BOI") and other Government Bodies and Institutions.

Currently, he serves on the board of the Education Fund for Sindh (EFS), where he previously held the position of Chairman from December 2012 to October 2016.

Throughout his distinguished career, Kamran Mirza has held several notable leadership positions. He served as Director on the Boards of State Bank of Pakistan (SBP), Chairman of the Pakistan Mercantile Exchange (PMEX) and the Karachi Stock Exchange (KSE), as well as President of the Overseas Chamber of Commerce & Industry (OICCI) and the American Business Council (ABC). He also chaired the Pharma Bureau, an association of multinational pharmaceutical companies. His past board memberships include prominent organizations such as the Rafhan Maize Products Company Limited, Colgate Palmolive (Pakistan) Limited, Askari Bank Limited, Pakistan State Oil (PSO), International Steels Limited, National Bank of Pakistan (NBP), Sarmaya-e-Pakistan Limited, Bank Alfalah Limited, Abbott Laboratories (Pakistan) Limited, Pakistan Textile City Limited, Competitiveness Support Fund, Genco Holding Company, NAVTEC and Safari Club of Pakistan Limited. He also served as chairman of Unilever Pakistan Foods Limited, Phillip Morris (Pakistan) Limited and Karwan-e-Hayat.

Mr. Mirza has been actively involved in various government and advisory roles. He chaired a task force on the pharmaceutical industry for the Planning Commission, served on the Federal Government's Economic Advisory Board, and was a member of the Sindh Wildlife Board. Additionally, he contributed to the Quality Control Board of the Institute of Chartered Accountants of Pakistan (ICAP) and has also lectured at the Pakistan Institute of Corporate Governance (PICG).

Board Committees

Audit Committee

1. Composition

- Mr. Kamran Y. Mirza - Chairman and Member
- Mr. Mohomed Bashir - Member
- Mr. Ehsan A. Malik - Member
- Mr. Salim Ghaffar – Secretary

2. Terms of Reference

The committee shall be responsible for:

- Reviewing the system of internal controls, risk management and the audit process besides assisting the Board in reviewing financial statements.
- Recommending to the Board of Directors the appointment of external auditors, determining audit fees and settling other related matters.
- Determination of appropriate measures to safeguard the Company's assets.
- Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors.

Major judgmental areas:

- Significant adjustments resulting from the audit;
- The going concern assumption;
- Any changes in accounting policies and practices;
- Compliance with applicable accounting standards;
- Compliance with listing regulations and other statutory and regulatory requirements;
- Review of preliminary announcements of results prior to publication;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- Review of the management letter issued by external auditors and management's response thereto;
- Ensuring coordination between the internal and external auditors of the Company;
 - Review of the scope and extent of internal audit and ensuring that the internal audit

function has adequate resources and is appropriately placed within the Company;

- Consideration of major findings of internal investigations and management's response thereto;
- Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;
- Review of the Company's statements on internal control system prior to endorsement by the Board of Directors;
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and considering remittance of any matter to the external auditors or to any other external body;
- Determination of compliance with relevant statutory requirements;
- Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
- Consideration of any other issue of matter as may be assigned by the Board of Directors.

Human Resource and Remuneration Committee

1. Composition

- Ms. Zeeba Ansar - Chairman and Member
- Mr. Mohomed Bashir - Member
- Mr. Zain Bashir - Member
- Mr. Salim Ghaffar - Secretary

2. Terms of Reference

The committee shall be responsible for:

- Recommend to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The senior management shall include the first layer of management below the chief executive officer level;
- Undertaking annually a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;
- Recommending human resource management policies to the Board;
- Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;
- Consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer; and
- Where human resource and remuneration consultants are appointed, their credentials shall be known by the Committee and a statement shall be made by them as to whether they have any other connection with the Company.
- Ensuring that appropriate procedures exist to assess the remuneration levels of the Chairman, Chief Executive Officer (CEO), Non-Executive Directors, Executive Directors, Board Committees and the Board of Directors as a whole.
- Ensuring that the Company adopts, monitors and applies appropriate remuneration policies and procedures.
- Ensuring that reporting disclosures related to remuneration meet the Board's disclosures objectives and all relevant legal requirements.
- Making recommendations to the Board on appropriate remuneration, in relation to both the amount and its compositions, for the Chairman, CEO, Non-Executive Directors, Executive Directors and Senior Executives.
- Developing and recommending to the Board performance-based remuneration incentive programs such as bonus schemes, long-term incentive plans.
- Developing, maintaining and monitoring appropriate Human Resource Policies and Procedures.
- Developing, maintaining and monitoring appropriate talent management programs including succession planning, recruitment, development, retention and termination policies and procedures for senior management.
- Developing remuneration related disclosure objectives for the Company and ensuring that publicly disclosed information meets those objectives, all legal requirements, and is accurate; and
- Developing and monitoring Workplace Health and Safety metrics and initiatives to ensure a safe working environment

Attendance at Board Meetings

In line with the requirements of applicable laws and corporate governance practices, the following table sets out the attendance of the Company's Directors at meetings of the Board and its Committees during the year:

Name of Directors	Board		Audit Committee		Human Resource & Remuneration Committee	
	Required	Attended	Required	Attended	Required	Attended
Mohomed Bashir	4	4	4	4	1	1
Zain Bashir	4	4	--	--	1	1
Mohammed Zaki Bashir	4	4	--	--	--	--
Ziad Bashir	4	3	--	--	--	--
Ehsan A. Malik	4	4	4	4	--	--
Zeeba Ansar	4	4	--	--	1	1
Kamran Y. Mirza	4	4	4	4	--	--

Chairman's Review

It is my privilege to present the Chairman's Review for the year ended June 30, 2026, in compliance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. FY 2026 was a demanding year for your Company, and it is in such years that the character of an institution is revealed. It drew out the very best of our people and our Board. Throughout, the Board remained steadfast in its commitment to transparency, sound governance and the long-term interests of all stakeholders.

The environment was challenging on two fronts. Globally, the largest oil supply shock on record stalled disinflation and lifted energy costs, while the realignment of sourcing driven by tariffs and cautious retail demand compressed order intake and realized prices. Domestically, growth recovered to 3.7%; the policy rate, after easing through much of the year, edged up to 11.5% towards its close as inflation rose to 7.05%; and national textile and clothing exports were flat at USD 17.93 billion.

Against this backdrop the Company recorded net sales of Rs. 131.09 billion and a loss after tax of Rs. 923 million, against a profit of Rs. 4,023 million in the preceding year. The Board wishes to be clear that much of this result was the cost of decisions it endorsed under the Company's transformation plan, including the exit from Export Apparel. These were considered choices to place the strength of the balance sheet and the quality of the business ahead of short-term earnings. Continuing operations remained profitable before tax, borrowings and finance cost are materially lower, and the share of domestic sales rose to 13.3% from 9.4%. The Chief Executive's message sets out the details.

The Board's role throughout the year was to test these decisions, approve them and hold management to their delivery, and it will continue to do so. The plan rests on three commitments: moving the Company to its own renewable power, consolidating production at Nooriabad, and building new lines of business with higher margins. The Board reviews each project against its timeline and budget. Delivered as planned, they will lower the cost base progressively from FY 2027 and leave your Company more competitive and more sustainable than it has ever been.

We enter the new financial year with realism and with confidence. Elevated energy costs, the recent uptick in the policy rate, duties on imported raw materials and slow refund processing mean that margins will have to be earned through discipline. The Board does not look to external conditions to restore them. It looks to a sound plan, a stronger balance sheet and a capable team.

Gul Ahmed has always held that an enterprise is measured not only by what it earns but by what it gives back. The Board holds a firm belief that every citizen of Pakistan should have access to education and healthcare. In that spirit the Company contributed during the year to The Indus Hospital towards a state of the art facility, and it continues to support institutions such as The Citizens Foundation, alongside its work in women's empowerment, environmental conservation and community development. This commitment did not waver in a hard year, and it will not.

The Board's annual evaluation of its own performance yielded satisfactory results, affirming the effectiveness of its composition, governance structure and strategic oversight, and the open, constructive dynamics on which its decisions rest. Elections held on March 31, 2026 returned all retiring members, providing continuity of oversight.

I extend my sincere appreciation to our shareholders, employees, customers and financial partners for their trust and support. Your Company has a disciplined plan in execution, a resilient team and a clear path to restored profitability. I look to the years ahead with optimism.

Mohomed Bashir
Chairman

Karachi: September 26, 2026

چیئر مین کا جائزہ

یہ میرے لیے اعزاز کی بات ہے کہ میں 30 جون 2026 کو اختتام پذیر ہونے والے سال کے لیے چیئر مین کا جائزہ پیش کر رہا ہوں جو کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس)، ریگولیشنز 2019 کے تقاضوں کے مطابق ہے۔ مالی سال 2026 آپ کی کمپنی کے لیے ایک مشکل سال، تھا اور اسی سال ادارے کے کردار کی اصل آزمائش بھی سامنے آئی۔ اس دوران ہمارے لوگوں اور بورڈ کی بہترین صلاحیتیں بروئے کار آئیں۔ تمام تر مشکلات کے باوجود بورڈ، شفافیت مضبوط گورننس اور تمام اسٹیک ہولڈرز کے طویل مدتی مفادات کے لیے اپنے عزم پر ثابت قدم رہا۔

عالمی سطح پر خام تیل کی رسد کو درپیش بڑے جھٹکے نے مہنگائی میں کمی کے رجحان کو متاثر کیا اور توانائی کے اخراجات میں اضافہ کیا جبکہ ٹیرف اور محتاط ریٹیل ڈیمانڈ کے باعث سورشنگ میں ردوبدل سے آرڈرز اور قیمتوں میں دباؤ پیدا ہوا۔ ملکی سطح پر شرح نمو 3.7 فیصد تک بحال ہوئی؛ سال کے بیشتر حصے میں پالیسی ریٹ میں کمی کے، باوجود افراطِ زر میں اضافے کے باعث سال کے اختتام تک یہ شرح 11.5 فیصد تک پہنچ گئی؛ جبکہ قومی سطح پر ٹیکسٹائل اور ملبوسات کی برآمدات 17.93 ارب امریکی ڈالر رہیں۔

اس پس منظر میں کمپنی نے 131.09 ارب روپے کی خالص فروخت اور 923 ملین روپے کے بعد از ٹیکس خسارے کی اطلاع دی جبکہ گزشتہ سال 4.023 ارب روپے کا منافع ریکارڈ کیا گیا تھا۔ بورڈ یہ واضح کرنا چاہتا ہے کہ اس نتیجے کا بڑا حصہ کمپنی کے تبدیلی کے منصوبے کے تحت کیے گئے فیصلوں کی لاگت سے متعلق تھا جس میں ایکسپورٹ ایپریل کے کاروبار سے علیحدگی بھی شامل ہے۔ یہ فیصلے مختصر مدتی منافع کے بجائے میلنس شیٹ کی مضبوطی اور کاروبار کے معیار کو بہتر بنانے کے لیے کیے گئے۔ آپریشنز جاری رکھنے کے نتیجے میں ٹیکس سے قبل، منافع قرضوں اور مالیاتی اخراجات میں نمایاں کمی، آئی جبکہ ملکی فروخت کا حصہ 9.4 فیصد سے بڑھ کر 13.3 فیصد ہو گیا۔ چیف ایگزیکٹو کا پیغام اس کی تفصیلات بیان کرتا ہے۔

سال بھر بورڈ کا کردار ان فیصلوں کا جائزہ لینا ان کی منظوری دینا اور انتظامیہ کو ان پر عمل درآمد کے لیے جواب دہ رکھنا، رہا اور یہ ذمہ داری آئندہ بھی جاری رہے گی۔ یہ منصوبہ تین بنیادی ترجیحات پر مبنی ہے: کمپنی کو اپنی قابل تجدید توانائی پر منتقل، کرنا پیداوار کو نوری آباد میں مجتمع، کرنا اور زیادہ منافع کے حامل کاروباری شعبوں میں نئی لانز قائم کرنا۔ بورڈ ہر منصوبے کا اس کی مدت اور بجٹ کے مقابل جائزہ لیتا ہے۔ منصوبہ بندی کے مطابق ان اقدامات سے مالی سال 2027 سے بتدریج لاگت کی بنیاد میں کمی آئے گی اور آپ کی کمپنی پہلے سے زیادہ مسابقتی اور پائیدار بنے گی۔

ہم نئے مالی سال میں حقیقت پسندی اور اعتماد کے ساتھ داخل ہو رہے ہیں۔ توانائی کے بلند اخراجات حالیہ پالیسی ریٹ میں اضافہ

ہم نئے مالی سال میں حقیقت پسندی اور اعتماد کے ساتھ داخل ہو رہے ہیں۔ توانائی کے بلند، اخراجات حالیہ پالیسی ریٹ میں، اضافہ درآمد شدہ خام مال پر عائد ڈیوٹیز اور کمزور ریٹیل پروسیسنگ کا مطلب یہ ہے کہ منافع کے مارجن نظم و ضبط اور مؤثر انتظام کے ذریعے حاصل کرنا ہوں گے۔ بورڈیرونی حالات کے خود بخود بہتر ہونے کا انتظار نہیں کر رہا۔ ہماری توجہ ایک مضبوط، منصوبے بہتر نیلنس شیٹ اور قابل ٹیم پر مرکوز ہے۔

گل احمد نے ہمیشہ اس اصول کو اہمیت دی ہے کہ کسی ادارے کی پیمائش صرف اس کی کمائی سے نہیں بلکہ معاشرے کو دی جانے والی قدر سے بھی کی جاتی ہے۔ بورڈ کا پختہ یقین ہے کہ پاکستان کے ہر شہری کو تعلیم اور صحت کی سہولیات تک رسائی حاصل ہونی چاہیے۔ اسی جذبے کے تحت کمپنی نے سال کے دوران انڈس ہسپتال کے لیے ایک جدید سہولت کی تعمیر میں معاونت کی اور دی سیٹیز فاؤنڈیشن جیسے اداروں کی حمایت جاری رکھی اس کے ساتھ ساتھ خواتین کو با اختیار بنانے ماحولیاتی تحفظ اور کمیونٹی کی ترقی کے لیے بھی کام کیا۔ مشکل سال کے باوجود یہ عزم کمزور نہیں ہوا اور نہ ہی ہوگا۔

بورڈ کی اپنی کارکردگی کے سالانہ جائزے کے نتائج اطمینان بخش، رہے جس سے اس کی، تشکیل گورننس کے ڈھانچے اور تزویراتی نگرانی کی، مؤثریت نیز وہ کھلی اور تعمیری طرز عمل جس پر بورڈ کے فیصلے استوار ہیں کی توثیق ہوتی ہے۔ 31 مارچ 2026 کو ہونے والے انتخابات کے نتیجے میں تمام سبکدوش اراکین دوبارہ منتخب ہوئے جس سے نگرانی کے عمل میں تسلسل برقرار رہا۔

میں اپنے شیئر، ہولڈرز، ملازمین صارفین اور مالیاتی شراکت داروں کا ان کے اعتماد اور تعاون پر تہہ دل سے شکریہ ادا کرتا ہوں۔ آپ کی کمپنی کے پاس عمل درآمد کا ایک منظم، منصوبہ ایک مضبوط اور لچکدار، ٹیم اور منافع کی بحالی کے لیے ایک واضح راستہ موجود ہے۔ میں آنے والے برسوں کو پُر امید نظر سے دیکھتا ہوں۔

محمد بشیر

چیئرمین

کراچی: 26 ستمبر 2026

CEO's Message

Gul Ahmed enters the new year leaner, stronger on cash and well advanced on the largest transformation in its history. I am proud of how our people responded to a very demanding year, and I am confident about where this Company is heading.

The environment tested every manufacturer in Pakistan. Inflation has been persistent, and the rupee has not adjusted in line with inflation differentials, while most regional competitors allowed their currencies to do so. Energy, the core cost of large scale manufacturing, has become very expensive, with gas including levies now costing over four times what it did five years ago. The disruption of the Strait of Hormuz then pushed up the price of many inputs globally.

Much of our export business runs on purchase contracts of 6 to 12 months. When costs move abruptly and the currency offers no support, those contracts carry the impact until they reprice. Many have now been revised to higher prices and the rest are coming up for revision, which will support better pricing going forward.

Against this backdrop, net sales were Rs. 131.09 billion, lower by 16.98%, and the Company recorded a loss after tax of Rs. 923 million against a profit of Rs. 4,023 million last year. Much of this reflects choices we made deliberately to protect the long term strength of the business. We exited Export Apparel, which carried a loss of Rs. 950 million after tax in discontinued operations. We kept around 40% of spinning capacity idle until March instead of extending credit into a stressed local yarn market, and restored utilization to around 80% from April as prices improved. In Home Textile we stepped away from customers unwilling to reprice for higher costs. Continuing operations earned a profit before tax of Rs. 1,791 million, almost all of which was absorbed by the minimum tax regime.

Those choices are already paying back. Stock in trade fell by Rs. 18.7 billion, cash generated from operations reached Rs. 21.3 billion, short term borrowings fell by 18% and finance cost by 29%, a saving that recurs every year. Local sales grew 17.91%, and a cost optimization program is in execution across the value chain.

Renewable energy is the largest lever in our plan. At Landhi, 20 MW of rooftop solar and around 8.8 MWh of battery storage are in operation, with 5 MW of wind power and a further 10 MW of solar due by the end of 2026. At Nooriabad, the site acquired from Equity Textile is being paired with its own wind, solar and 20 MWh of storage for commissioning by March 2027. We have procured larger parcels of land and buildings there, and around 70% of our energy consumption is being relocated to Nooriabad so that production sits beside its own low cost renewable power, in line with our sustainability goals and the expectations of our customers.

We are also diversifying our product mix into new lines of business with significantly higher margins. These plants should come online during 2027, with results visible by the last quarter.

Our commitment to our communities remained firm. During the year the Company contributed to The Indus Hospital towards a state of the art facility, alongside our continuing work in education, women's empowerment, environmental conservation and community development.

The year ahead will still demand discipline. Energy prices, the recent rise in the policy rate and slow refunds remain real pressures. But we enter it with a lower finance cost, renewable capacity coming online, a growing domestic business and improving contract prices. Our people are dynamic and responsive, and this Company is resilient. We are working hard to make Gul Ahmed a sustainable growth engine in the textile world, one that creates jobs and generates exports for Pakistan.

Thank you for your continued trust and partnership.

Mohammed Zaki Bashir
Chief Executive Officer

Karachi: September 26, 2026

چیف ایگزیکٹو آفیسر کا پیغام

گل احمد نئے مالی سال میں ایک زیادہ مستحکم اور مؤثر ادارے کے طور پر داخل ہو رہا ہے، جس کی نقدی کی پوزیشن مزید مضبوط ہوئی ہے اور جو اپنی تاریخ کے سب سے بڑے تبدیلی کے منصوبے پر نمایاں پیش رفت کر چکا ہے۔ مجھے اس بات پر فخر ہے کہ ہمارے ملازمین نے ایک نہایت مشکل سال کا جس عزم اور صلاحیت کے ساتھ سامنا کیا، اور مجھے اس بات پر مکمل اعتماد ہے کہ کمپنی درست سمت میں آگے بڑھ رہی ہے۔

پاکستان میں ہر بڑے صنعتی ادارے کے لیے یہ ماحول ایک کڑی آزمائش ثابت ہوا۔ افراط زر مسلسل بلند رہا، جبکہ روپے کی قدر میں افراط زر کے فرق کے مطابق ایڈجسٹمنٹ نہیں ہوئی، اس کے برعکس خطے کے بیشتر حریف ممالک نے اپنی کرنسیوں کو اسی مناسبت سے ایڈجسٹ ہونے دیا۔ توانائی، جو بڑے پیمانے پر مینوفیکچرنگ کی بنیادی لاگت ہے، انتہائی مہنگی ہو چکی ہے، اور لیویز سمیت گیس کی لاگت اب پانچ سال قبل کے مقابلے میں چار گنا سے بھی زیادہ ہو چکی ہے۔ اس کے بعد آبنائے ہرمز میں پیدا ہونے والی رکاوٹ نے عالمی سطح پر متعدد خام مال اور دیگر این پٹس کی قیمتوں میں مزید اضافہ کر دیا۔

ہمارے برآمدی کاروبار کا ایک بڑا حصہ 6 سے 12 ماہ کی مدت پر مشتمل خریداری کے معاہدوں کے تحت ہوتا ہے۔ جب لاگت میں اچانک اضافہ ہو اور کرنسی کی قدر میں کوئی معاونت حاصل نہ ہو تو ان معاہدوں کو اس اضافی لاگت کا بوجھ اس وقت تک برداشت کرنا پڑتا ہے جب تک قیمتوں پر نظر ثانی نہ ہو جائے۔ متعدد معاہدوں میں اب زیادہ قیمتوں کے مطابق نظر ثانی کی جا چکی ہے، جبکہ باقی معاہدوں کی قیمتوں پر بھی نظر ثانی متوقع ہے، جس سے مستقبل میں بہتر قیمتوں کے حصول میں مدد ملے گی۔

اس پس منظر میں خالص فروخت 131.09 ارب روپے رہی، جو گزشتہ سال کے مقابلے میں 16.98 فیصد کم ہے، جبکہ کمپنی نے بعد از ٹیکس 923 ملین روپے کا خسارہ ریکارڈ کیا، اس کے مقابلے میں گزشتہ سال 4,023 ملین روپے کا منافع تھا۔ اس نتیجے کا بڑا حصہ ان فیصلوں کا عکاس ہے جو ہم نے کاروبار کی طویل مدتی مضبوطی کے تحفظ کے لیے دانستہ طور پر کیے۔ ہم نے ایکسپورٹ ایپل کے کاروبار سے علیحدگی اختیار کی، جس کے بند شدہ آپریشنز میں بعد از ٹیکس 950 ملین روپے کا خسارہ تھا۔ ہم نے مقامی یارن مارکیٹ میں دباؤ کے پیش نظر مزید کریڈٹ دینے کے بجائے مارچ تک اسپننگ کی تقریباً 40 فیصد پیداواری صلاحیت کو غیر فعال رکھا، جبکہ قیمتوں میں بہتری آنے کے بعد اپریل سے اس کی استعداد استعمال تقریباً 80 فیصد تک بحال کر دی۔ ہوم ٹیکسٹائل کے شعبے میں ہم نے ایسے صارفین کے ساتھ کاروبار سے گریز کیا جو بڑھتی ہوئی لاگت کے مطابق قیمتوں پر نظر ثانی کے لیے آمادہ نہیں تھے۔ جاری آپریشنز سے ٹیکس سے قبل 1,791 ملین روپے کا منافع حاصل ہوا، جس کا تقریباً پورا حصہ کم از کم ٹیکس کے نظام کے تحت جذب ہو گیا۔

یہ فیصلے اب مثبت نتائج دے رہے ہیں۔ تجارتی اسٹاک میں 18.7 ارب روپے کی کمی ہوئی، آپریشنز سے پیدا ہونے والی نقدی 21.3 ارب روپے تک پہنچ گئی، قلیل مدتی قرضوں میں 18 فیصد اور مالیاتی اخراجات میں 29 فیصد کمی ہوئی، جو ہر سال مستقل بچت کا باعث بنے گی۔ مقامی فروخت میں 17.91 فیصد اضافہ ہوا، جبکہ پوری ویلیو چین میں لاگت کو بہتر بنانے کا پروگرام زیر عمل ہے۔

قابل تجدید توانائی ہمارے منصوبے میں سب سے اہم عنصر ہے۔ لاندھی میں 20 میگاواٹ روف ٹاپ سولر اور تقریباً 8.8 میگاواٹ گھنٹہ بیٹری اسٹوریج فعال ہو چکے ہیں، جبکہ 5 میگاواٹ ونڈ پاور اور مزید 10 میگاواٹ سولر دسمبر 2026 کے اختتام تک فعال ہونے کی توقع ہے۔ نوری آباد میں ایکوٹی ٹیکسٹائل سے حاصل کردہ سائٹ کو اپنی ونڈ، سولر اور 20 میگاواٹ گھنٹہ اسٹوریج کی سہولیات کے ساتھ مربوط کیا جا رہا ہے، جسے مارچ 2027 تک فعال کرنے کا منصوبہ ہے۔ ہم نے وہاں مزید وسیع رقبے پر زمین اور عمارات بھی حاصل کی ہیں، اور ہماری توانائی کی تقریباً 70 فیصد کھپت نوری آباد منتقل کی جا رہی ہے تاکہ پیداوار اپنی کم لاگت قابل تجدید توانائی کے قریب ہو۔ یہ اقدام ہمارے پائیداری کے اہداف اور صارفین کی توقعات سے ہم آہنگ ہے۔

ہم اپنی مصنوعات کے مکس کو نئے کاروباری شعبوں میں بھی متنوع بنا رہے ہیں، جہاں منافع کے مارجن نمایاں طور پر زیادہ ہیں۔ ان پلانٹس کے 2027 کے دوران فعال ہونے کی توقع ہے، جبکہ ان کے نتائج آخری سہ ماہی تک نمایاں ہونا شروع ہو جائیں گے۔

ہماری کمیونٹیز سے وابستگی بھی پوری مضبوطی کے ساتھ برقرار رہی۔ سال کے دوران کمپنی نے انڈس ہسپتال کے لیے ایک جدید ترین سہولت کے قیام میں معاونت کی، جبکہ تعلیم، خواتین کو باختیار بنانے، ماحولیاتی تحفظ اور کمیونٹی کی ترقی کے لیے ہماری مسلسل کاوشیں بھی جاری رہیں۔

آئے والا سال بھی نظم و ضبط اور احتیاط کا تقاضا کرے گا۔ توانائی کی قیمتیں، پالیسی ریٹ میں حالیہ اضافہ اور ریفرنڈم میں تاخیر بدستور حقیقی دباؤ کا باعث ہیں۔ تاہم، ہم نئے سال میں کم مالیاتی اخراجات، قابل تجدید توانائی کی نئی صلاحیت کے فعال ہونے، بڑھتے ہوئے ملکی کاروبار، معاہدوں میں بہتر قیمتوں اور کسی بھی خسارہ برداشت کرنے والے آپریشن کے بغیر داخل ہو رہے ہیں۔ ہمارے ملازمین متحرک اور حالات کے مطابق فوری ردعمل دینے کی صلاحیت رکھتے ہیں، اور یہ کمپنی مضبوط اور لچکدار ہے۔ ہم گل احمد کو ٹیکسٹائل کی عالمی صنعت میں پائیدار ترقی کے ایک مضبوط انجن میں تبدیل کرنے کے لیے بھرپور محنت کر رہے ہیں، جو پاکستان کے لیے روزگار کے مواقع پیدا کرے اور برآمدات میں اضافہ کرے۔

آپ کے مسلسل اعتماد اور شراکت داری کے لیے ہم آپ کے تہہ دل سے شکر گزار ہیں۔

محمد ذکی بشیر

چیف ایگزیکٹو آفیسر

کراچی: 26 ستمبر 2026

Director's Report to the Shareholders

The Directors are pleased to present the financial results of the Company for the year ended June 30, 2026.

Economic and Industry Overview

Global Economy

Global GDP is projected to grow 3.0% in calendar 2026 and 3.4% in 2027. Advanced economies are expected to grow 1.7% and 1.8%. The Euro Area, a core market for home textiles, is forecast at 0.9% and 1.2%, against 3.8% and 4.5% for emerging market and developing economies. World trade volumes are projected to grow 3.5% in 2026 and 4.3% in 2027.

Energy was the main variable this year. Conflict in the Middle East and disruption to shipping through the Strait of Hormuz caused the largest oil supply shock on record. Brent is forecast to average USD 86 per barrel in 2026 against USD 69 in 2025. As a result global disinflation has stalled. Headline inflation is expected to average 4.7% in 2026 and ease to 3.9% in 2027, which keeps financial conditions tighter than expected a year ago. With risks still on the downside, the businesses that do well will be those with tight control of cost and inventory, active management of commodity and currency risk, and a good spread of markets and products. These are the areas the Company worked on through the year.

Pakistan Economy

Pakistan's economy continued to recover in FY 2026. Provisional estimates put GDP growth at 3.7%, the fastest in four years, though below the 4.2% target. Large Scale Manufacturing grew 4.98% during July to June FY 2026, its best performance in four years, against a decline of 0.74% the year before. Inflation moved the other way. Average CPI inflation rose to 7.05% from 4.5% in FY 2025, and the State Bank of Pakistan raised the policy rate by 100 basis points from 10.5% to 11.5%, ending the easing cycle that had supported the earlier recovery.

The external account weakened. Merchandise exports declined 5.93% to USD 30.14 billion. Textile and clothing exports, the largest component, were flat at USD 17.93 billion against USD 17.88 billion. Workers' remittances reached a record USD 41.59 billion, up 8.6% from USD 38.3 billion, and offset most of this pressure. The current account still closed with a small deficit of USD 139 million against a surplus last year. FY 2027 is expected to bring moderate growth, with inflation projected to average around 8.4% and remaining the main policy constraint, alongside elevated global energy prices and changing tariff structures in key export markets.

Pakistan's Textile Sector

Pakistan's textile exports grew 0.26% in FY 2026, from USD 17,887 million to USD 17,933 million, a steady result in a difficult global year. Cotton yarn led with growth of 12.40%, followed by readymade garments at 3.87%. Cotton cloth declined 7.55% and towels 1.93%. Knitwear, the largest category, was down 0.88% and bedwear was level with last year. The breakup by category is given below:

Category	FY 2026 (USD '000)	FY 2025 (USD '000)	Change
Knitwear	4,966,197	5,010,467	(0.88%)
Readymade garments	4,288,363	4,128,556	3.87%
Bedwear	3,112,544	3,112,848	(0.01%)
Cotton cloth	1,672,481	1,808,997	(7.55%)
Towels	1,061,673	1,082,611	(1.93%)
Cotton yarn	765,124	680,700	12.40%
Made up articles	770,299	775,791	(0.71%)
Others	1,296,291	1,287,068	0.72%
Grand Total	17,932,971	17,887,038	0.26%

The sector continues to deal with geopolitical tension, shipping delays, and volatile freight and commodity prices, all of which affect the cost and timing of raw materials and export shipments. At home, the industry faces volatile raw material prices, rising energy costs and stronger global competition, which put pressure on margins. Changes in customs duties, the transition in the tax regime and slow refund processing continue to affect export competitiveness and liquidity.

Sales, Operational and Financial Performance

FY 2026 was a year of deliberate reset for the Company. Export markets saw continued pricing pressure, soft consumer demand in our main geographies, sourcing shifts caused by tariffs and ongoing geopolitical instability, all of which affected order intake and realized prices. A largely stable exchange rate also meant there was no translation gain to support reported revenue as in earlier years. Sales further reflect decisions taken under the Company's transformation plan: the closure of the Export Apparel segment, lower spinning sales (including Indirect Exports) up to March 2026, and the exit of Home Textile customers who would not accept price revisions, which protected the Company from further losses. As a result, export sales (direct and indirect) were Rs. 113.63 billion, 20.59% lower than last year (FY25: Rs. 143.09 billion).

Local sales grew 17.91% to Rs. 17.46 billion from Rs. 14.81 billion as the Company built its presence in the domestic market. The local share of the portfolio rose to 13.3% (FY25: 9.4%) and partly offset the export shortfall. Net sales for the year closed at Rs. 131.09 billion, 16.98% below last year's Rs. 157.91 billion. In USD terms, direct export revenue declined by approximately 15% to USD 330.4 million (FY25: USD 390.8 million).

Lower volumes, a weaker product and customer mix, and fixed conversion costs spread over lower capacity utilization reduced profitability. Gross profit was Rs. 10.01 billion, down 47.05%, and the gross margin was 7.63% against 11.97% last year. Finance cost was materially lower and recovered part of this reduction. The Company recorded a profit before tax of Rs. 855 million (FY25: Rs. 6,718 million). After a tax charge of Rs. 1,777 million, the year closed with a loss after tax of Rs. 923 million (FY25: profit after tax of Rs. 4,023 million), a loss per share of Rs. 1.25 against earnings per share of Rs. 5.44 last year. These results include discontinued operations. The continuing business is discussed separately below.

The continuing business remained profitable. Profit before tax from continuing operations was Rs. 1,791 million (FY25: Rs. 7,776 million) on gross profit of Rs. 10.44 billion, 44.52% below last year. Minimum tax regimes, which apply regardless of accounting profit, absorbed most of this result. Profit after tax from continuing operations was Rs. 28 million (FY25: Rs. 5,189 million), or earnings per share of Re. 0.04 (FY25: Rs. 7.01). The loss at Company level therefore comes entirely from discontinued

operations, which recorded a loss after tax of Rs. 950 million (FY25: Rs. 1,166 million), including a loss before tax of Rs. 937 million (FY25: Rs. 1,058 million). Key financial figures for the year ended June 30, 2026 are summarized below:

Description (Rs. in million)	2026	2025	Change
Export sales (direct and indirect)	113,626	143,094	(20.59%)
Local sales	17,464	14,811	17.91%
Total sales	131,090	157,905	(16.98%)
Gross profit	10,008	18,900	(47.05%)
Profit before tax	855	6,718	(87.28%)
Profit after tax, continuing operations	28	5,189	(99.46%)
Loss after tax, discontinued operations	(950)	(1,166)	18.49%
(Loss) / profit after tax	(923)	4,023	(122.93%)
(Loss) / earnings per share (Rs.)	(1.25)	5.44	(122.98%)
Earnings per share, continuing operations (Rs.)	0.04	7.01	(99.43%)

Understanding the Result

The result for the year largely reflects decisions the Company chose to take under its transformation plan, which puts a stronger balance sheet, control of energy cost and a reshaped portfolio ahead of near term volume.

First, the closure of the Export Apparel segment, approved by the Board last year, resulted in a loss after tax of Rs. 950 million within discontinued operations. Second, given the credit and liquidity position of the local market and regional instability, around 40% of spinning capacity was kept idle until March 2026 so that additional working capital was not tied up in inventory or in receivables at risk. Utilization fell to 57% (FY25: 94%) and fixed overheads were not fully absorbed. From April 2026, as yarn prices and recycled fiber economics improved, utilization for last quarter was then restored to around 80%. Third, in Home Textile the Company exited customers who would not revise prices for higher cotton, oil linked packing and energy costs. This avoided orders that would have lost money, but it took volumes below the breakeven levels the plants are designed around.

The return on these choices shows in the balance sheet. Stock in trade fell by Rs. 18.7 billion (31%), operating activities generated cash of Rs. 21.3 billion, and borrowings and finance cost came down materially, as discussed below.

Costs and Financial Metrics

On a continuing operations basis, cost of sales declined 5% against an 11% reduction in net sales. Cotton and manmade fiber prices stayed high relative to selling prices, levies raised both grid electricity and gas tariffs, and the revision in the statutory minimum wage increased direct labor cost. These pressures, together with lower volumes and unabsorbed fixed overheads, brought the gross margin from continuing operations to 8.86% against 14.21% last year. The Company is dealing with this through structural changes to the cost base. A cost and efficiency program is running across the value chain, covering conversion cost per unit, waste recovery, yield and process consolidation. Together with the restoration of spinning utilization and the energy program described below, it is expected to rebuild margins progressively from the current financial year.

Energy is the most controllable part of the Company's cost base and sits at the center of the transformation plan. At Landhi, 20 MW of rooftop solar is commissioned and generating, backed by around 8.8 MWh of battery storage that handles cloud cover and grid variations. A 5 MW wind turbine and a further 10 MW of

solar are being installed for completion by end 2026. At Nooriabad, the site acquired from Equity Textile is being equipped with its own wind, solar and 20 MWh of battery storage for commissioning by March 2027. These investments supply power at a fraction of the grid tariff and protect margins from changes in utility tariffs and fuel prices. They also strengthen the Company's position with international customers, who increasingly assess suppliers on verified decarbonization.

The Company is also consolidating its manufacturing at Nooriabad. In addition to the site already acquired, further sites are being evaluated, with the aim of moving the major share of Landhi's load to Nooriabad by the end of 2027 so that production sits next to the Company's own renewable power on fewer and better utilized sites. A spunlace nonwoven line is being set up and is expected to start production by mid 2027, taking the Company's cotton value chain into higher margin technical textiles. These initiatives are expected to benefit results progressively from FY 2027, with the full benefit once they are complete.

Selling and distribution costs declined 12%, broadly in line with shipment volumes. Geopolitical disruption forced alternative shipping routes, which lengthened transit times and raised freight rates. The Company tightened consolidation and routing, rebalanced shipment planning and worked closely with its logistics partners. On time delivery to key accounts was maintained throughout the disruption. Administrative expenses increased 5%, mainly because of higher provisioning against doubtful debts under the Company's expected credit loss methodology. Credit evaluation, exposure monitoring and collection procedures have been strengthened in response. Excluding this provision, administrative costs were broadly flat year on year.

The Company made significant progress on its financial position during the year. Short term borrowings were reduced by 18% through better working capital management, tighter inventory control and faster cash conversion. Lower borrowings, lower average borrowing rates than last year and a move to cheaper funding lines together reduced finance cost by 29%. This is a core objective of the transformation plan, and the lower borrowing base carried into the current year will continue to benefit the cost structure.

The Company enters FY 2027 in a stronger position than the reported result suggests, with a leaner balance sheet, a much lower finance cost, a growing renewable energy base, a growing domestic business and a portfolio that no longer carries loss making operations.

In view of the loss for the year, the Board has not recommended a dividend for the year ended June 30, 2026.

Segmental Review of Business Performance

The Company operates across several business segments. The key segments are discussed below.

Spinning

The Spinning segment supplies yarn to domestic manufacturers and to the Company's own Home Textile operations. Net sales were Rs. 38.89 billion, down 25.57% (FY25: Rs. 52.25 billion). External sales were down 23.46% to Rs. 33.14 billion, and intersegment sales were down 35.75% to Rs. 5.76 billion in line with lower Home Textile production. The decline mainly reflects the decision to keep around 40% of capacity idle until March 2026 instead of extending credit and inventory into a stressed local market, along with soft yarn demand and competition from imported yarn. With unabsorbed overheads, high cotton prices, higher power tariffs and the minimum wage revision, gross profit was Rs. 3.08 billion, down 45.49%, and the gross margin was 7.91% (FY25: 10.80%). The segment remained profitable, with profit before tax and unallocated charges of Rs. 2.64 billion (FY25: Rs. 5.11 billion), helped by a 17.07% reduction in selling, distribution and administrative costs.

With utilization back at around 80% since April 2026, the focus is on rebuilding margins through a higher value added and blended count mix including recycled fiber, waste reduction, and the relocation of capacity to Nooriabad next to dedicated renewable generation.

Home Textile

Home Textile remains the core of the Company and accounts for the large majority of export revenue. Net sales were Rs. 101.49 billion, down 8.49% (FY25: Rs. 110.90 billion). External sales were down 7.75% to Rs. 85.93 billion (USD exports down about 8.3%) and intersegment sales were down 12.37% to Rs. 15.55 billion. The decline reflects retail price deflation, cautious ordering by major accounts, sourcing shifts caused by tariffs and the Company's decision to exit customers who would not accept price revisions. Cost of sales fell 2.31%, as higher energy, wage and raw material costs came at the same time as lower throughput and unabsorbed fixed overheads. Gross profit was Rs. 3.54 billion (FY25: Rs. 10.64 billion) and the gross margin was 3.49% (FY25: 9.59%). Selling, distribution and administrative costs were reduced by 10.84% to Rs. 4.95 billion. The segment recorded a loss before tax and unallocated charges of Rs. 1.41 billion (FY25: profit of Rs. 5.08 billion).

Management sees this as the result of a tight pricing cycle and a deliberate repricing of the customer base. The segment's competitive strengths are intact: its manufacturing platform, design capability, compliance credentials and core customer relationships. Recovery will come from a richer, design led product mix, renewable power for processing and stitching, inventory planning driven by demand, consolidated stitching capacity and a broader customer base.

Operating segment results are set out in Note 35 to the attached financial statements.

Management Objectives and Strategies

The Company's strategy rests on a transformation plan with five pillars: reducing debt; releasing working capital from inventory; taking control of energy cost through own generation; reshaping the portfolio by exiting loss making activity and consolidating manufacturing at Nooriabad; and building higher margin revenue through value added products and technical textiles. FY 2026 delivered most of the first two pillars and the exit from Export Apparel. The renewable program, the Nooriabad consolidation and the nonwoven line are scheduled to come on stream through 2027.

Principal Risks and Uncertainties

The Company has a framework in place to identify, assess and mitigate the risks that could affect its performance and long term sustainability. The principal risks currently in focus are:

- **Credit Risk:** exposure to counterparty default on receivables, particularly on local sales.
- **Market and Input Risk:** volatility in cotton and yarn prices, customs duties on raw material imports, rising utility tariffs and changing markup rates, all of which put pressure on margins.
- **Technological Risk:** textile manufacturing and automation are advancing quickly, and the Company must keep adapting to stay competitive.
- **Regulatory and Fiscal Risk:** an increase of 0.25% in the minimum tax on exports has added to the tax burden on export operations. Changes to the Export Facilitation Scheme (EFS) regulations during the year have brought additional cost and uncertainty for exporters. Sales tax refunds continue to be processed slowly, which affects liquidity. The transition from the Final Tax Regime (FTR) to the Normal Tax Regime (NTR) also continues to affect exporters' competitiveness.
- **Energy Risk:** depleting domestic gas reserves and growing reliance on thermal generation from imported fuel leave operations exposed to global energy prices and PKR depreciation.
- **Project Execution Risk:** the benefits of the transformation plan depend on timely commissioning of the renewable energy program and the relocation of capacity to Nooriabad. Management and the Board monitor progress against defined milestones.
- **Climate and ESG Risk:** floods, droughts and heatwaves threaten cotton availability and operational continuity. Global expectations on sustainability, labor and traceability standards keep rising and require continued investment, with a risk of restricted market access where standards are not met.
- **Supply Chain Disruption Risk:** geopolitical tension, shipping bottlenecks and currency movements may affect the cost and timely availability of raw materials, logistics and export deliveries, and so the reliability of supply to international buyers.

Risk management has always been part of how the Company operates, and the expectations of markets, regulators, customers, employees and shareholders have made it central to business strategy.

Policies and Procedures

The Company has policies and procedures covering all key areas of the business, including financial management, risk control and ethical conduct. These are reviewed and updated periodically to keep pace with changes in regulation, industry standards and global best practice.

Information and Monitoring System

The Company continues to invest in information systems that give management timely and accurate information across all areas of operations. Management uses these systems to monitor performance, track variances and maintain oversight. Digital tools, automation and data analytics are being built into more of our processes, which supports faster and better-informed decisions and a quicker response to changes in the business environment.

Internal Audit

The internal audit function is outsourced to an independent external firm, which provides an objective assessment of the control environment. The firm reports directly to the Audit Committee, evaluates the effectiveness of internal controls and recommends improvements where needed. The Audit Committee reviews these reports regularly so that corrective action is taken on time.

Adequacy of Internal Financial Control

The Board of Directors has put in place a system of internal financial controls covering fraud prevention, asset protection, legal and regulatory compliance, accurate financial reporting and the timely availability of reliable information. The controls are reviewed and improved on an ongoing basis in line with changes in law, regulation and best practice.

Human Resource (HR)

The Company regards its people as central to its success and competitiveness. Our HR policies are designed to attract, develop and retain skilled professionals in full compliance with employment laws and regulations. The main elements are performance management, employee development and compensation in line with the market.

We are also committed to developing the next generation of professionals. As a registered Training Organization under the ICAP CA Trainees Program, we continue to offer articleships to aspiring Chartered Accountants, giving them the knowledge and practical experience they need for their careers. This builds a talent pipeline for the Company and for the wider industry.

Information Technology (IT)

The Company manages its IT systems so that they remain reliable, secure and aligned with business needs. Hardware and software are upgraded and maintained regularly. We also continue to train our IT teams so that they can handle new challenges and support the Company's digital transformation.

IT Governance Policy

Our IT governance policy protects information assets, prevents unauthorized access and mitigates cybersecurity risk, and provides for continuous monitoring and improvement of security measures. It sets clear guidelines for the creation, storage, use, archiving and disposal of information across the organization.

We review and upgrade our management information systems on an ongoing basis. These systems are designed to:

- Monitor and improve organizational performance.
- Provide reliable real time data for strategic decisions.
- Assess and demonstrate departmental effectiveness.
- Maintain checks and balances that safeguard assets and ensure accountability.

Business Continuity Plan (BCP)

The Company maintains a Business Continuity Plan to keep essential business functions running during events such as natural disasters, supply chain disruptions or other emergencies. The plan includes procedures for risk assessment, crisis management and recovery so that critical operations continue with minimal interruption. Regular drills, simulations and reviews are carried out to test and improve the plan.

Safety of Records

The Company outsources record keeping to specialized third party service providers, which allows secure storage and efficient retrieval of critical documents. Primary data is backed up at remote sites so that it remains available in the event of a disaster or system failure. The Company also uses Oracle Cloud, which provides strong security, scalability and protection against data loss and unauthorized access.

Environment and Social Governance

As one of the country's leading exporters, the Company gives the highest priority to the health and safety of its workforce and stakeholders. A dedicated ESG (Environmental, Social and Governance) compliance team leads and oversees our work in this area.

Our facilities comply with environmental and safety standards, and measures are in place to eliminate the release of hazardous substances and minimize environmental impact. This reflects our responsibility to the environment and to the communities in which we operate.

Gender Pay Gap

The Company is committed to an inclusive and fair workplace. As an equal opportunity employer, we base all employment decisions, including recruitment, hiring, training, promotion and compensation, on merit and qualifications alone, without discrimination on the basis of race, color, religion, gender, age, disability or any other characteristic protected by law. We see diversity as a source of new ideas and better performance, and all employees have an equal opportunity to grow and contribute.

For the reporting period our mean gender pay gap is 8.07%, meaning female employees earn on average 8.07% less than their male colleagues. The median gap is effectively neutral, with female employees earning 0.02% more than their male counterparts, which indicates that pay for comparable roles is broadly aligned. The mean gap mainly reflects the distribution of roles and seniority across the workforce and does not arise from differences in pay for comparable work. We treat pay equity as a continuing obligation and will keep working to narrow the gap.

Holding Company

The Company remains a subsidiary of Gul Ahmed Holdings (Private) Limited, which holds 55.86% of its shares.

Subsidiary Companies

The Company has direct and indirect wholly owned subsidiaries, as disclosed in Note 1 of the audited financial statements.

Election of Board of Directors

The election of the Board of Directors was held on March 31, 2026. All retiring directors were reelected.

Code of Corporate Governance (CCG)

The management of the Company is committed to good corporate governance and compliance with best practices. As required under the Code of Corporate Governance, the Directors are pleased to state as follows:

- i. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- ii. Proper books of accounts of the Company have been maintained.
- iii. Appropriate accounting policies have been consistently applied in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
- iv. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- v. The system of internal control is sound in design and has been effectively implemented and monitored.
- vi. The directors of the Board are well aware of their duties and responsibilities as outlined by corporate laws and listing regulations. In compliance with the Listing Regulations, six of our directors have attended and completed the Corporate Governance Leadership Skills program under the Board Development Series of the Pakistan Institute of Corporate Governance (PICG).
- vii. One director, the Chairman, having the required knowledge and experience, is exempt from the requirement of attending the directors' training program.
- viii. There are no significant doubts about the Company's ability to continue as a going concern.
- ix. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- x. The value of investment of the provident fund based on its unaudited accounts as on June 30, 2026 is Rs. 3.2 billion (FY2025: Rs. 3.3 billion as per audited accounts).
- xi. Statements regarding the following are annexed in the notes to the financial statements: number of Board meetings held and attendance by directors; key financial data for the last six years; and pattern of shareholding.

No trading was carried out in shares of the Company by its Directors, Chief Executive, Chief Financial Officer and Company Secretary and their spouses and minor children.

Investors' Grievances and Complaints

The Company is committed to transparency and gives all shareholders, including prospective investors, equal access to information. Shareholders are encouraged to seek information on the Company's operations, their investments, dividend entitlements and regulatory disclosures issued by the Company. We respond to such requests promptly and fully, in compliance with statutory requirements.

Investor grievances are handled through a centralized mechanism so that queries and concerns are resolved promptly.

Composition of the Board

The Board of Directors and their composition as at June 30, 2026 is as follows:

Total number of directors		Particulars	No.	Name of Directors
a) Male	06	a) Independent Directors	02	Ms. Zeeba Ansar Mr. Kamran Y. Mirza
b) Female	01	b) Executive Directors	02	Mr. Mohammed Zaki Bashir Mr. Zain Bashir
		c) Non-Executive Directors	03	Mr. Mohomed Bashir Mr. Ziad Bashir Mr. Ehsan A. Malik
		d) Female Non-Executive Director	00	

Committees of the Board

Audit Committee

- Mr. Kamran Y. Mirza, Chairman
- Mr. Mohomed Bashir, Member
- Mr. Ehsan A. Malik, Member

Human Resource and Remuneration Committee

- Ms. Zeeba Ansar, Chairperson
- Mr. Mohomed Bashir, Member
- Mr. Zain Bashir, Member

Remuneration Policy of Non Executive Directors

The Company has a remuneration policy for its Non Executive and Independent Directors that is fair, transparent and in line with good governance practice. Its key principles are:

- Remuneration is competitive with the market and reflects the Director's experience, expertise and contribution.
- Independent Directors do not receive a fixed salary. They are paid only meeting fees for attending Board and Committee meetings.
- Meeting fees for all Directors are recommended by the Human Resource and Remuneration Committee (HR&RC) and approved by the Board. For Independent Directors, fees are strictly linked to actual attendance.
- Directors are entitled to reimbursement of travel, accommodation and other reasonable expenses incurred in attending Board, Committee or General Meetings.
- Where Directors are required to perform assignments beyond their statutory responsibilities, they may be granted additional remuneration as determined and approved by the Board.

Directors' Training

The Directors of the Company are suitably qualified and adequately trained to discharge their duties, with a clear understanding of their powers and responsibilities under the Companies Act, 2017 and the Regulations of the Pakistan Stock Exchange Rule Book.

Board Evaluation

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has approved a mechanism for evaluating its own performance. It uses a questionnaire covering the Board's scope, objectives and functions, as well as the Company's overall performance and monitoring practices. Input from each Director is taken, so that the Board can assess its effectiveness as a whole and identify areas for improvement.

Conflict of Interest

Each Director participates actively in Board proceedings, and decisions are reached through consensus. Any concerns raised by Board members on specific agenda items are recorded in the minutes.

The Company has also adopted a Code of Business Ethics, which requires Directors to formally disclose any interest that could give rise to an actual or perceived conflict of interest.

Review of Related Party Transactions

In line with the Companies Act, 2017, the Code of Corporate Governance and other applicable laws and regulations, all related party transactions are reviewed and presented to the Audit Committee on a regular basis. On the Committee's recommendation, the transactions are then considered and approved by the Board. Transactions in which a majority of Directors have an interest are presented to the shareholders for approval each year.

This process ensures that all related party transactions are conducted at arm's length, on fair commercial terms, and in the best interest of the Company and its stakeholders.

CEO's Performance Review

Each year the Board sets objectives and strategies aligned with the Company's mission and evaluates progress against them. The review covers alignment with the mission, achievement of short and long term goals, sustainability of profitability, shareholder value, and adherence to sound governance and statutory reporting practices. The Board also gives the CEO constructive feedback to support him in leading the organization.

This process keeps management accountable to shareholders and stakeholders while supporting sustainable growth and long term value creation.

Role of Chairman and CEO

The Chairman acts as custodian of the Company on behalf of the Board and its stakeholders, and leads the Board of Directors to ensure that it works efficiently and effectively. The Chairman is committed to the Company's sustainable growth, to safeguarding its reputation and that of its subsidiaries, and to a balanced Board with expertise in business operations, economics and strategy.

The CEO is responsible for leading the Company toward its vision, mission and long term objectives. As the link between the Board and management, the CEO oversees day to day operations and implements the long term strategies, plans and budgets aimed at enhancing shareholder value. The CEO also represents the Company before shareholders, regulators, government authorities and the public, motivates employees, leads organizational change and takes the key decisions needed to achieve the Company's goals.

Pattern of Shareholding

The pattern of shareholding, along with additional information as of June 30, 2026, is disclosed in the Annual Report of the Company. As of June 30, 2026, associated companies and public sector entities collectively hold 69.3%, banks, insurance companies and mutual funds hold 15.9%, Directors hold 7.4%, and individual shareholders hold 7.4% of the total shareholding.

Auditors

The present External Auditors, M/s. Yousuf Adil & Co., Chartered Accountants, have completed the statutory audit for the year ended June 30, 2026 and issued an unqualified (clean) audit report. They will retire at the conclusion of the forthcoming Annual General Meeting and, being eligible, have offered themselves for reappointment. On the recommendation of the Audit Committee, the Board proposes their reappointment as the Company's auditors for the financial year ending June 30, 2027.

Future Economic Outlook

Globally, the main constraint has moved from weak demand to the cost of energy. Disinflation has stalled and Brent is expected to ease only gradually, so the relief in input costs expected a year ago has been delayed. Trade tensions, maritime disruption and tariff fragmentation also continue to affect the outlook.

Pakistan enters FY 2027 with growth restored, while price stability is still to be achieved. With inflation projected near 8.4% and the policy rate raised to 11.5%, financing costs are expected to rise, and the external position remains finely balanced.

For the export oriented textile sector, the pressures of the past year remain: energy costs, volatile cotton and oil linked fiber prices, duties on imported raw materials, delayed refunds and climate risk. National textile and clothing exports were flat in a year when Large Scale Manufacturing grew close to 5%, which points to a competitiveness issue more than a cyclical one. FY 2027 will therefore be a year in which margins must be defended and execution matters most. Gul Ahmed enters it well prepared. Our priorities are the timely commissioning of the renewable program, the consolidation of manufacturing at Nooriabad, disciplined inventory and working capital management, and a continued shift towards higher value added products and more diversified markets.

Subsequent Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

Acknowledgement

We thank our employees, customers, financial institutions, shareholders and the Board of Directors. Each has played a vital part in the Company's progress through a demanding year, and we value their trust, commitment and contribution.

For and on behalf of the Board

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

September 26, 2026
Karachi

04

ANALYSIS OF FINANCIAL INFORMATION

An analysis of the Company's financial performance, position, cash flows and key financial ratios.



Financial Highlights

Profit & Loss		2026*	2025	2024	2023	2022	2021
Sales	Rs. Million	131,090	157,905	143,146	111,968	100,257	78,774
Gross profit	Rs. Million	9,572	18,978	17,191	16,695	17,368	12,869
Earnings before interest and tax	Rs. Million	4,225	11,736	11,964	11,297	13,138	7,506
Profit / (loss) before final tax and income tax	Rs. Million	(82)	5,660	6,537	5,949	10,469	5,562
Profit / (loss) after tax	Rs. Million	(923)	4,023	4,728	3,986	8,862	4,425
Cash dividend	Rs. Million	-	-	-	-	428	891
Bonus share	Rs. Million	-	-	-	1,233	-	713
Balance Sheet							
Property, plant and equipment	Rs. Million	54,739	50,895	50,024	50,122	45,842	38,351
Intangible	Rs. Million	70	45	45	38	52	78
Long term investment, loans, advances and deposits	Rs. Million	3,792	3,769	3,755	3,792	3,816	3,747
Net current assets	Rs. Million	5,430	10,803	6,119	6,926	8,748	5,539
Net Assets after current liabilities	Rs. Million	64,031	65,512	59,943	60,878	58,458	47,715
Represented by							
Share capital	Rs. Million	7,401	7,401	7,401	7,401	6,167	5,312
Reserves	Rs. Million	40,533	41,452	37,353	32,671	29,966	21,952
Shareholders' equity	Rs. Million	47,933	48,853	44,753	40,072	36,133	27,264
Long term loans	Rs. Million	14,554	16,142	14,592	20,117	20,551	18,571
Deferred and other long term liabilities	Rs. Million	1,543	517	599	689	1,774	1,880
Total capital employed	Rs. Million	64,031	65,512	59,943	60,878	58,458	47,715
Cash Flow Statement							
Operating activities	Rs. Million	21,307	(6,362)	4,075	16,263	5,468	(20)
Investing activities	Rs. Million	(8,194)	(5,416)	(3,889)	(7,955)	(10,664)	(8,806)
Financing activities	Rs. Million	(10,274)	14,232	(3,540)	(9,405)	10,634	2,298
Cash and cash equivalents at the end of the year	Rs. Million	527	(2,312)	(4,766)	(1,412)	(345)	(5,783)

* Cumulative values for Continuing and Discontinued Operations

Financial Ratios

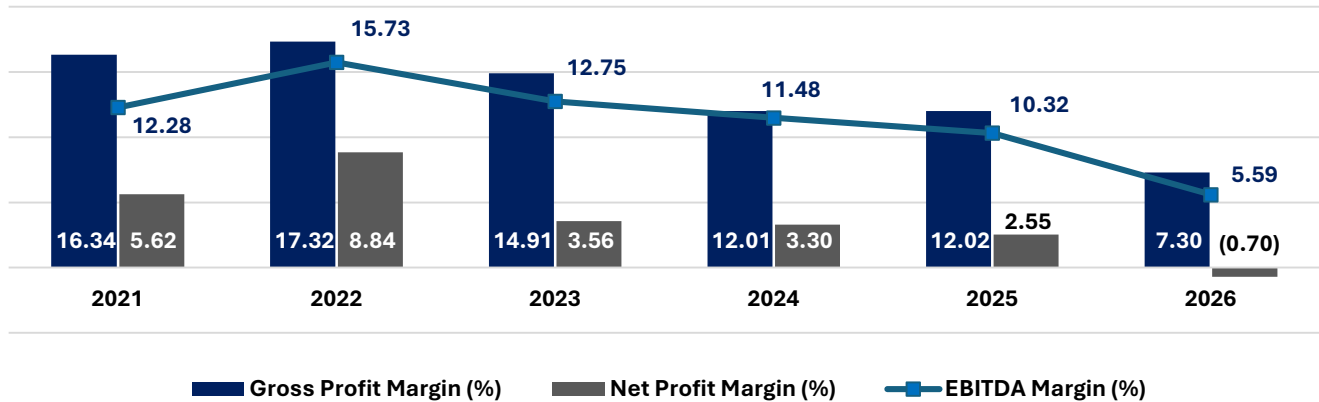
		2026	2025	2024	2023	2022	2021
Profitability ratios							
Gross profit ratio	Percent	7.30	12.02	12.01	14.91	17.32	16.34
Operating leverage ratio	Times	3.77	(0.18)	0.21	(1.20)	2.75	6.27
EBITDA margin to sales	Percent	5.59	10.32	11.48	12.75	15.73	12.28
Net profit to sales	Percent	(0.70)	2.55	3.30	3.56	8.84	5.62
Profit before tax margin	Percent	(0.06)	3.58	4.57	5.31	10.44	7.06
Return on equity	Percent	(1.91)	8.60	11.15	10.46	27.96	21.46
Return on capital employed	Percent	6.52	18.71	19.80	18.93	24.75	19.94

Financial Ratios

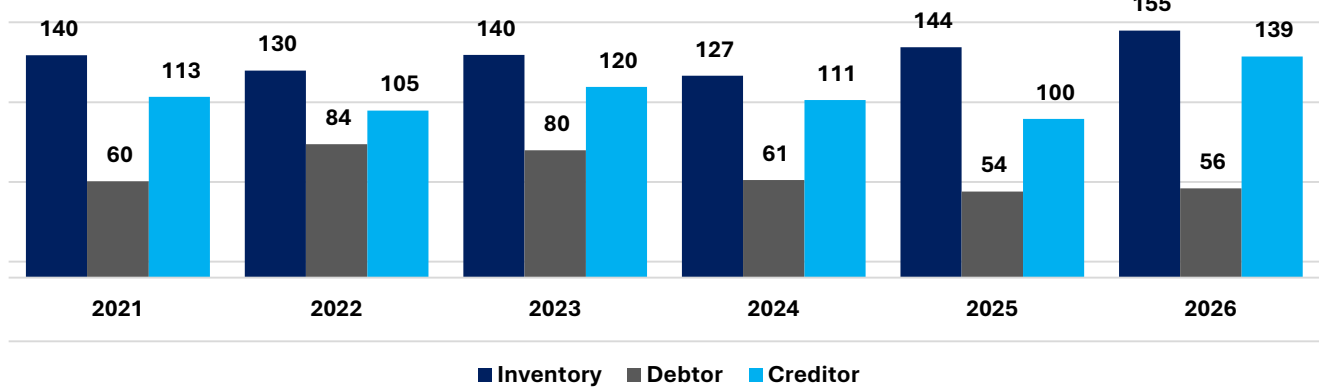
		2026	2025	2024	2023	2022	2021
Liquidity ratios							
Current ratio	Times	1.08	1.13	1.08	1.11	1.16	1.12
Quick / acid test ratio	Times	0.43	0.38	0.41	0.47	0.56	0.57
Cash to current liabilities	Times	0.01	0.00	0.00	0.01	0.03	0.01
Cash flow from operations to sales	Times	0.16	(0.04)	0.03	0.15	(0.02)	(0.00)
Capital structure ratios							
Financial leverage ratio	Times	1.23	1.46	1.34	1.33	1.62	1.84
Weighted average cost of debt	Percent	6.62	9.26	9.58	9.56	4.92	4.34
Debt to funding ratio	Percent	55.07	59.39	57.20	57.14	61.78	64.80
Interest cover ratio	Times	0.98	1.93	2.20	2.11	4.92	3.86
Turnover ratios							
Inventory turnover days	Days	155	144	127	140	130	140
Inventory turnover ratio	Times	2.36	2.53	2.88	2.61	2.81	2.62
Debtor turnover days	Days	56	54	61	80	84	60
Debtor turnover ratio	Times	6.51	6.76	5.97	4.57	4.36	6.03
Creditors turnover days	Days	139	100	111	120	105	113
Creditors turnover ratio	Times	2.63	3.66	3.27	2.68	3.26	2.92
Fixed assets turnover ratio	Times	2.48	3.13	2.86	2.23	2.19	2.05
Total assets turnover ratio	Times	0.92	1.10	1.10	0.91	0.85	0.83
Operating cycle	Days	72	99	76	100	109	87
Investor information							
Earnings per share	Rupees	(1.24)	5.43	6.39	5.39	11.97	7.83
Price earning ratio	Times	24.59)	5.06	3.30	3.31	2.82	6.48
Price to book ratio	Times	0.47	0.42	0.35	0.33	0.58	0.99
Dividend yield ratio	Times	-	-	-	-	0.03	0.05
Cash dividend per share	Rupees	-	-	-	-	1.00	2.50
Bonus shares issued	Percent	-	-	-	20.00	20.00	-
Dividend payout ratio	Percent	-	-	-	-	0.08	(2.23)
Dividend cover ratio	Times	-	-	-	-	11.97	3.13
Break - up value per share	Rupees	64.77	66.01	60.47	54.15	58.59	51.33
Market value per share							
at the end of the year	Rupees	30.49	27.47	21.10	17.81	33.81	50.73
high during the year	Rupees	40.70	58.40	25.96	32.94	60.80	58.32
low during the year	Rupees	16.50	38.25	16.83	17.81	32.80	28.93
EBITDA	Rs. Million	8,784	16,295	16,436	14,271	15,773	9,677

Graphical Analysis

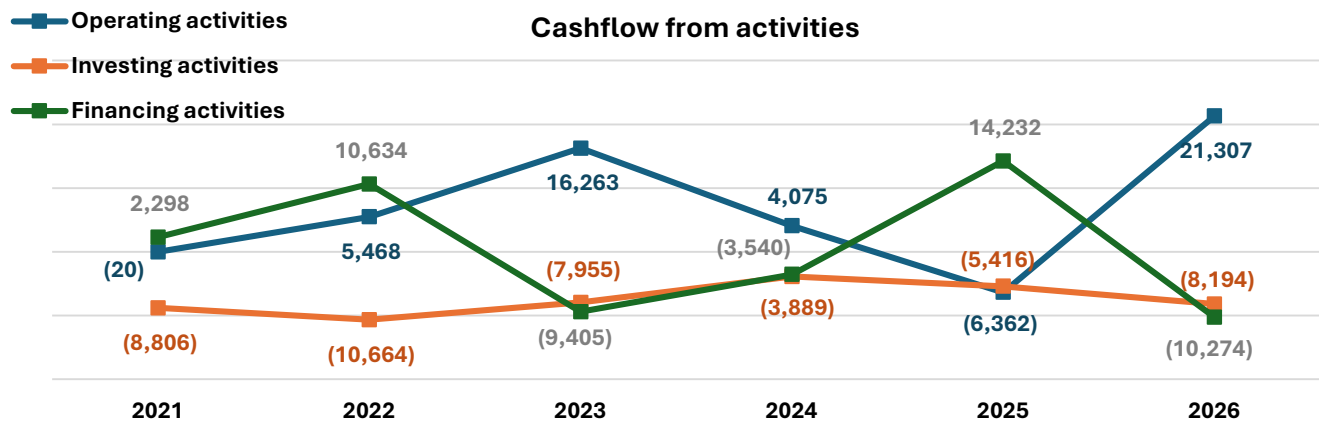
Profitability Ratios



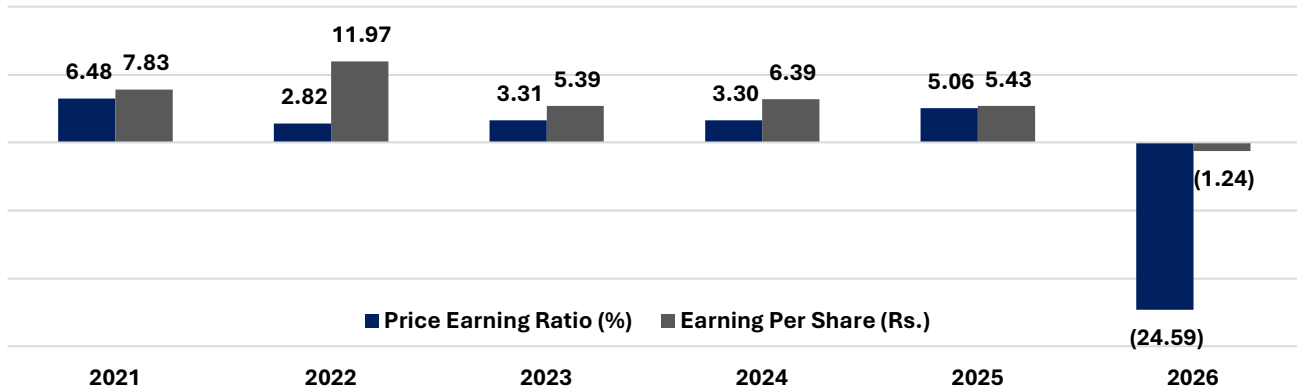
Turnover Days



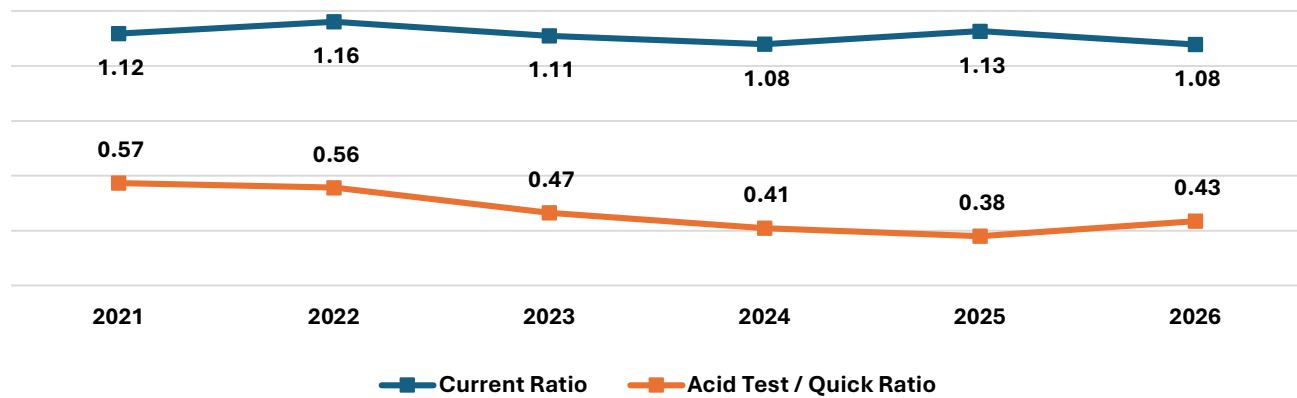
Cashflow from activities



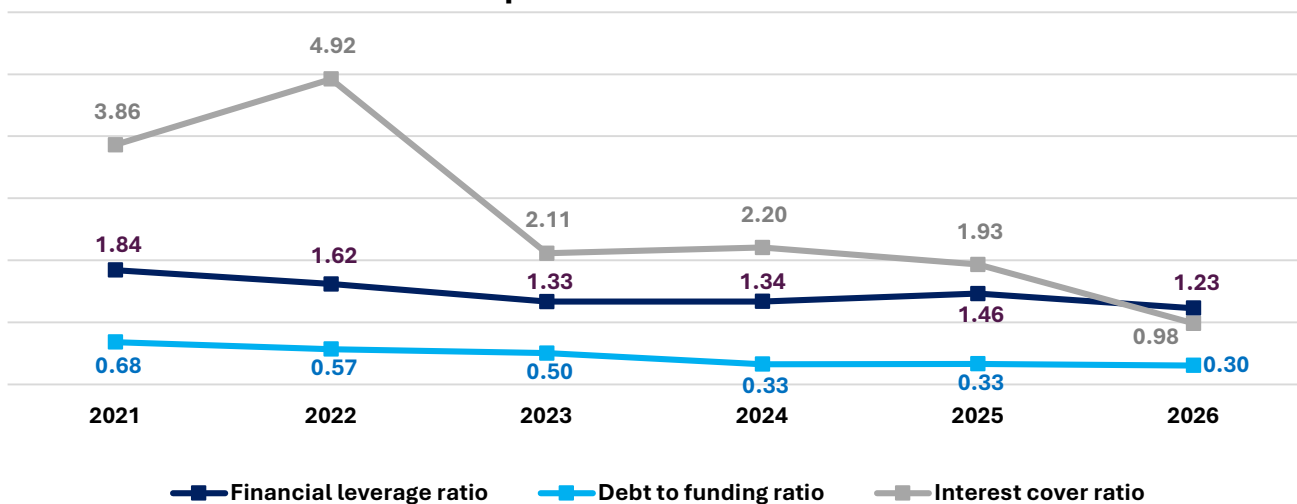
Investor Ratios



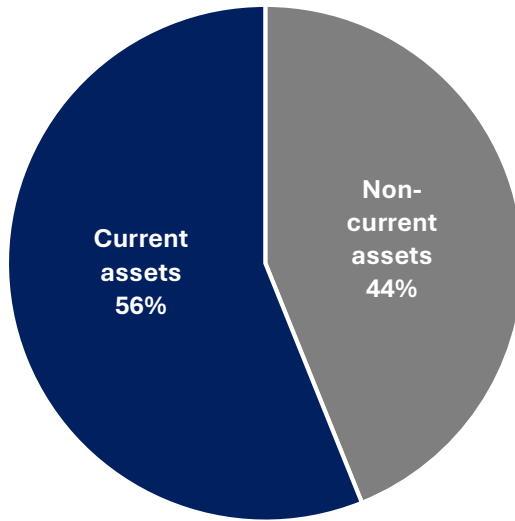
Liquidity Ratio



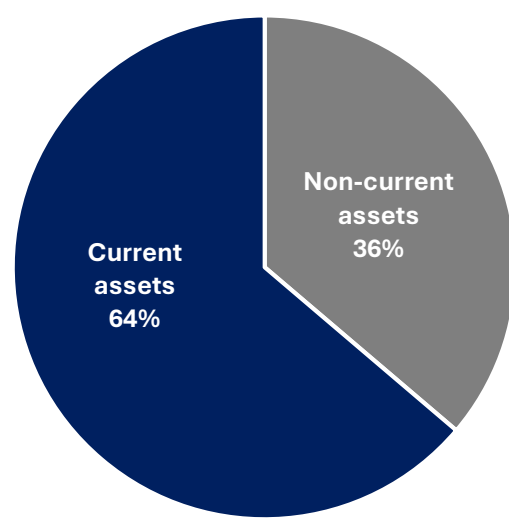
Capital Structure Ratio



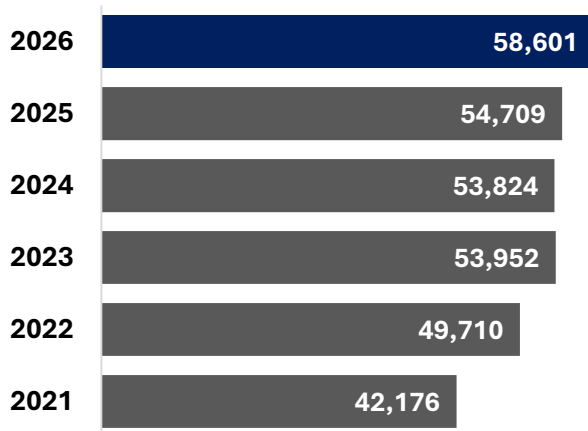
Assets - 2026



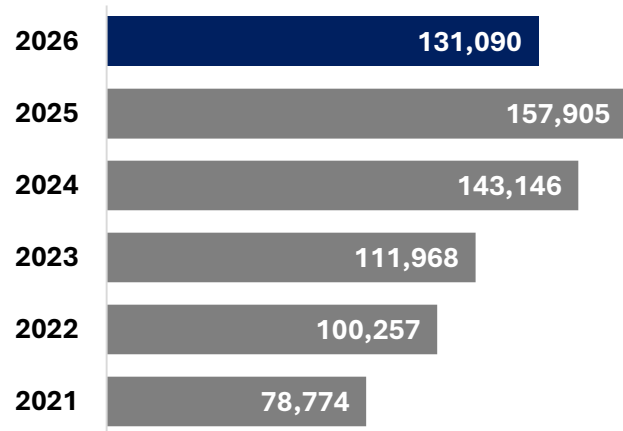
Assets - 2025



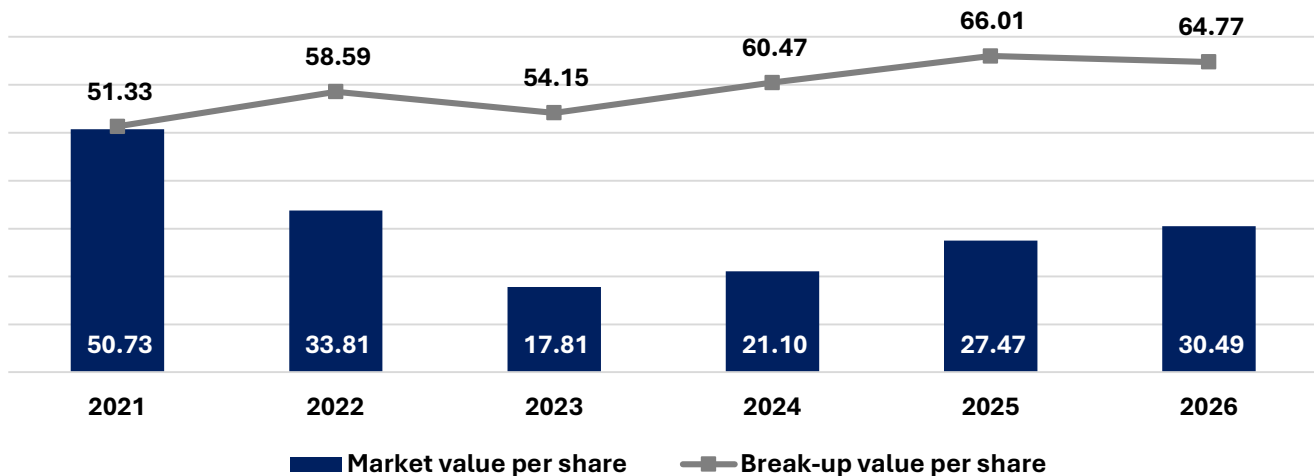
Fixed Assets



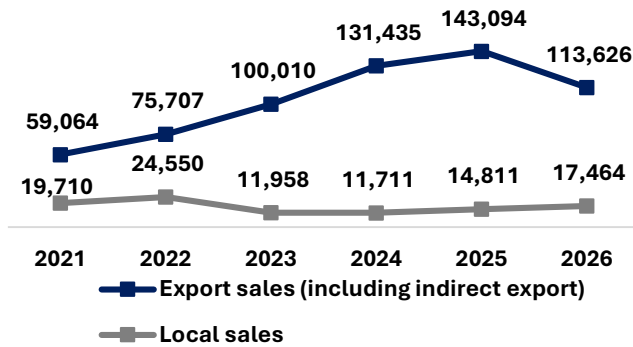
Sales Growth



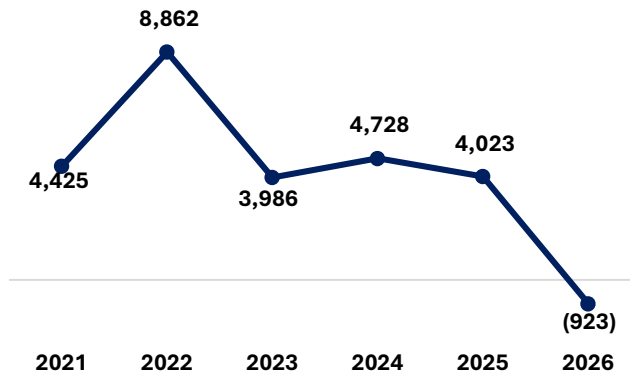
Value per share



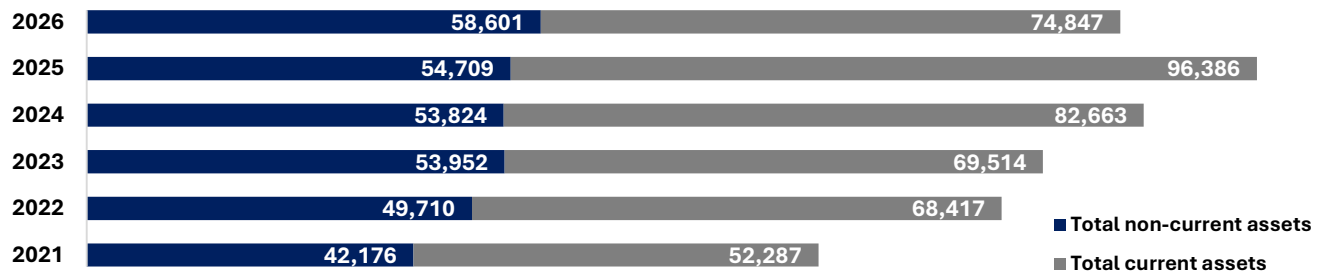
Local & Export Sales



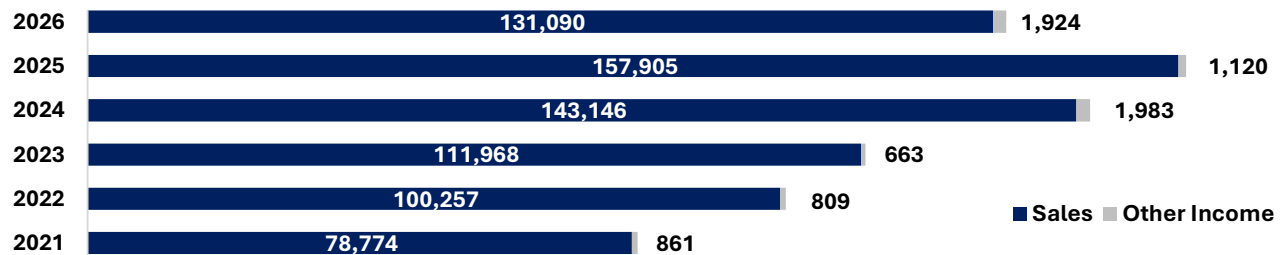
Profit after tax



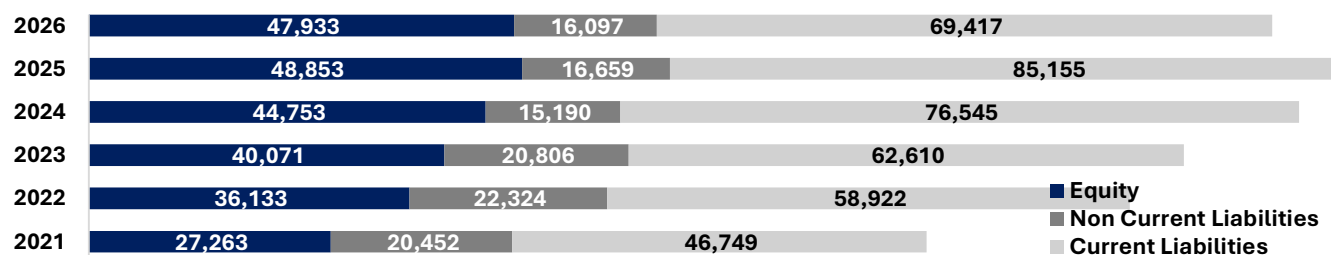
Non Current & Current Assets (Rs. in Million)



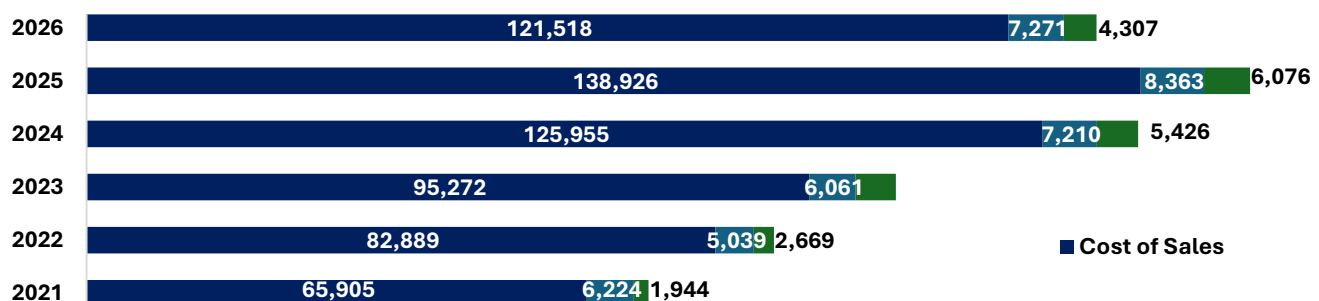
Sales & Other Income (Rs. in million)



Equity & Liabilities (Rs in millions)



Cost of Sales and Expenses (Rs in million)



Horizontal Analysis of Financial Statements

	2026		2025		2024		2023		2022		2021	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Balance Sheet												
Total equity	47,933	(1.9)	48,853	9.2	44,753	11.7	40,071	10.9	36,133	32.5	27,263	95.3
Total non-current liabilities	16,097	(3.4)	16,659	9.7	15,190	(27.0)	20,806	(6.8)	22,324	9.2	20,452	29.1
Total current liabilities	69,417	(18.9)	85,583	11.8	76,545	22.3	62,610	6.3	58,922	26.0	46,749	20.1
Total equity and liabilities	133,448	(11.7)	151,095	10.7	136,488	10.5	123,488	5.2	117,380	24.3	94,464	37.5
Total non-current assets	58,601	7.1	54,709	1.6	53,824	(0.2)	53,952	8.5	49,710	17.9	42,176	44.4
Total current assets	74,847	(22.3)	96,386	16.6	82,663	18.9	69,514	1.6	68,417	30.8	52,287	32.3
Total assets	133,448	(11.7)	151,095	10.7	136,487	10.5	123,466	4.5	118,127	25.0	94,464	37.5
Profit & loss account												
Net sales	131,090	(17.0)	157,905	10.3	143,146	27.8	111,968	11.7	100,257	27.3	78,774	46.0
Cost of sales	(121,518)	(12.5)	(138,926)	10.3	(125,955)	32.2	(95,272)	14.9	(82,889)	25.8	(65,905)	46.9
Gross profit	9,572	(49.6)	18,978	10.4	17,191	3.0	16,695	(3.9)	17,368	35.0	12,869	41.9
Distribution expenses	(3,133)	(17.7)	(3,806)	17.2	(3,247)	47.5	(2,201)	12.4	(1,958)	(41.2)	(3,329)	(26.5)
Administrative expenses	(3,960)	(3.5)	(4,105)	18.3	(3,471)	1.3	(3,428)	54.4	(2,221)	(6.5)	(2,375)	(12.4)
Other expenses	(177)	(60.8)	(452)	(7.9)	(491)	13.6	(432)	(49.8)	(860)	65.7	(519)	96.5
Other income	1,924	71.7	1,120	(43.5)	1,983	199.1	663	(18.1)	809	(6.0)	861	134.1
Operating profit	4,225	(64.0)	11,736	(1.9)	11,964	5.9	11,297	(14.0)	13,138	75.0	7,506	288.6
Financial expenses	(4,307)	(29.1)	(6,076)	12.0	(5,426)	1.5	(5,348)	100.3	(2,669)	37.3	(1,944)	(3.2)
Profit / (loss) before taxation	(82)	(101.4)	5,660	(13.4)	6,537	9.9	5,949	(43.2)	10,469	88.2	5,562	(7,407.4)
Tax & Levies Expense	(841)	(48.7)	(1,637)	(9.5)	(1,810)	(7.8)	(1,963)	22.2	(1,607)	41.3	(1,137)	182.0
Profit / (loss) after taxation	(923)	(122.9)	4,023	(14.9)	4,728	18.6	3,986	(55.0)	8,862	100.3	4,425	(1,023.0)

Vertical Analysis of Financial Statements

	2026		2025		2024		2023		2022		2021	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Balance Sheet												
Total equity	47,933	35.92	48,853	32.42	44,753	32.79	40,071	32.45	36,133	30.78	27,263	28.86
Total non-current liabilities	16,097	12.06	16,659	11.06	15,190	11.13	20,806	16.85	22,324	19.02	20,452	21.65
Total current liabilities	69,417	52.02	85,155	56.52	76,545	56.08	62,610	50.70	58,922	50.20	46,749	49.49
Total equity and liabilities	133,448	100.00	150,667	100.00	136,488	100.00	123,488	100.00	117,380	100.00	94,464	100.00
Total non-current assets	58,601	43.91	54,709	36.31	53,824	39.44	53,952	43.70	49,710	42.08	42,176	44.65
Total current assets	74,847	56.09	95,958	63.69	82,663	60.56	69,514	56.30	68,417	57.92	52,287	55.35
Total assets	133,448	100.00	150,667	100.00	136,487	100.00	123,466	100.00	118,127	100.00	94,464	100.00
Profit & loss account												
Net sales	131,090	100.00	157,905	100.00	143,146	100.00	111,968	100.00	100,257	100.00	78,774	100.00
Cost of sales	(121,518)	(92.70)	(138,926)	(87.98)	(125,955)	(87.99)	(95,272)	(85.09)	(82,889)	(82.68)	(65,905)	(83.66)
Gross profit	9,572	7.30	18,978	12.02	17,191	12.01	16,695	14.91	17,368	17.32	12,869	16.34
Distribution expenses	(3,133)	(2.39)	(3,806)	(2.41)	(3,247)	(2.27)	(2,201)	(1.97)	(1,958)	(1.95)	(3,329)	(4.23)
Administrative expenses	(3,960)	(3.02)	(4,105)	(2.60)	(3,471)	(2.43)	(3,428)	(3.06)	(2,221)	(2.21)	(2,375)	(3.02)
Other expense	(177)	(0.14)	(452)	(0.29)	(491)	(0.34)	(432)	(0.39)	(860)	(0.86)	(519)	(0.66)
Other income	1,924	1.47	1,120	0.71	1,983	1.39	663	0.59	809	0.81	861	1.09
Operating profit	4,225	3.22	11,736	7.43	11,964	8.36	11,297	10.09	13,138	13.10	7,506	9.53
Financial expenses	(4,307)	(3.29)	(6,076)	(3.85)	(5,426)	(3.79)	(5,348)	(4.78)	(2,669)	(2.66)	(1,944)	(2.47)
Profit / (loss) before taxation	(82)	(0.06)	5,660	3.58	6,537	4.57	5,949	5.31	10,469	10.44	5,562	7.06
Income tax expense	(841)	(0.64)	(1,637)	(1.04)	(1,810)	(1.26)	(1,963)	(1.75)	(1,607)	(1.60)	(1,137)	(1.44)
Profit / (loss) after taxation	(923)	(0.70)	4,023	2.55	4,728	3.30	3,986	3.56	8,862	8.84	4,425	5.62

Comment on Financial Analysis

Shareholder's Equity

Shareholders' equity decreased by 1.9% during the year, from Rs. 48.85 billion to Rs. 47.93 billion, primarily due to the loss after tax of Rs. 923 million recorded during FY2026. Consequently, break-up value per share declined from Rs. 66.01 to Rs. 64.77, while earnings per share decreased from Rs. 5.44 to a loss per share of Rs. 1.25. The decline in profitability largely reflects lower export volumes, pressure on selling prices and gross margins, lower utilisation in Spinning and the planned closure of the Export Apparel business. The Company nevertheless continued to focus on strengthening its balance sheet through deleveraging, working capital release and cost optimisation.

Non-Current & Current Liabilities

The Company's liabilities declined significantly during FY2026 as part of its deleveraging and working capital reduction strategy. Long term loans decreased by 9.8% from Rs. 16.14 billion to Rs. 14.55 billion, while short term borrowings declined by 22.3% from Rs. 52.16 billion to Rs. 40.51 billion. Consequently, total borrowings reduced by Rs. 12.7 billion to Rs. 58.8 billion. Trade and other payables also decreased by 12.4% to Rs. 24.25 billion. The reduction in borrowings was supported by stronger operating cash generation and deliberate efforts to release funds tied up in inventory. The financial leverage ratio consequently improved from 1.46 times to 1.23 times, strengthening the Company's capital structure.

Non-Current & Current Assets

Non-current assets increased by 7.1% from Rs. 54.71 billion to Rs. 58.60 billion, primarily due to continued investment in property, plant and equipment. During the year, the Company invested Rs. 7.54 billion in fixed assets, majority which was directed towards power and boiler projects as part of its strategy to reduce energy costs and increase self-generation.

Current assets, meanwhile, declined by 22.3% from Rs. 96.39 billion to Rs. 74.85 billion. Stock-in-trade reduced by Rs. 18.7 billion, as the Company implemented its stock-reduction programme and realised slow moving and aged inventory. Trade debts also declined by 18.3%, reflecting tighter working capital management. These measures supported the release of working capital and contributed significantly to the generation of Rs. 21.3 billion in operating cash during the year.

Sales and Cost of Sales

Sales declined by 17.0% from Rs. 157.91 billion to Rs. 131.09 billion during FY2026, primarily due to lower export volumes, pricing pressure and deliberate portfolio decisions. Export sales decreased by 20.6% to Rs. 113.63 billion, partly offset by a 17.9% increase in local sales to Rs. 17.46 billion. The decline in sales reflected soft consumer demand, tariff-driven sourcing shifts, geopolitical uncertainty, the planned closure of the Export Apparel segment, lower Spinning volumes during the first nine months and the selective exit from Home Textile customers unwilling to accept revised pricing in light of the increase in energy costs and freight expenses.

Cost of sales decreased by 12.5% to Rs. 121.52 billion, supported by lower production volumes and cost saving measures; however, the reduction was lower than the decline in sales. Raw material consumption decreased by 18.5% to Rs. 78.14 billion, while fuel, power and water costs declined by 24.0% to Rs. 10.29 billion. Despite these savings, lower capacity utilisation and unabsorbed fixed costs compressed gross profit by 47.0% to Rs. 10.01 billion, reducing the gross margin from 13.0% to 7.7%.

Operational Expenses, Other Income and Finance Costs

Operating expenses decreased by 7.1% to Rs. 7.14 billion, primarily due to lower distribution and other operating expenses. Distribution costs declined by 17.7% to Rs. 3.13 billion, supported by lower

shipment volumes and a reduction due to discontinuance of export development surcharge. Administrative expenses related to donations and expected credit loss increased by Rs. 92.62 million and Rs. 101.94 million respectively. Finance cost declined by 29.1% to Rs. 4.31 billion, resulting in a saving of Rs. 1.77 billion. The reduction was driven by lower borrowings, a smaller borrowing base and lower financing rates, including reduced rates on export refinance and running finance facilities. Other income increased by 72.0% to Rs. 1.90 billion, fueled by gain on derivatives, provided partial support to profitability. Nevertheless, the substantial decline in gross profit resulted in operating profit and profit before tax from continuing operations declining significantly.

Cashflows

Cash generation from operating activities improved significantly, changing from an outflow of Rs. 6.36 billion in FY2025 to an inflow of Rs. 21.31 billion in FY2026. The improvement was primarily driven by the release of working capital, particularly the Rs. 18.7 billion reduction in stock-in-trade, together with lower finance costs and tighter working capital management. This strong operating cash generation was achieved despite the decline in profitability.

Investing activities resulted in a net cash outflow of Rs. 8.19 billion, compared with Rs. 5.42 billion in the previous year, reflecting increased capital expenditure of Rs. 7.38 billion. A significant portion of the Company's fixed asset investment was directed towards renewable energy and power-related projects to structurally reduce energy costs. Financing activities resulted in a net outflow of Rs. 10.27 billion, principally reflecting the reduction in borrowings. Consequently, the Company ended the year with positive cash and cash equivalents of Rs. 527 million compared with a negative Rs. 2.31 billion at June 30, 2025.

Overall, FY2026 should therefore be viewed not simply as a year of weaker profitability, but as a year of deliberate balance sheet restructuring and operational realignment. The Company made significant progress in reducing inventory and borrowings, strengthening operating cash generation and investing in energy infrastructure and cost-efficiency initiatives. While these measures, together with lower volumes and capacity utilization, had a short-term impact on revenue and earnings, they were undertaken to strengthen the Company's financial position, improve cost competitiveness and provide a more sustainable platform for future growth and profitability.

05

CODE OF CORPORATE GOVERNANCE

Auditor's Review Report on Corporate Governance and Company's Statement on the Code of Corporate Governance



Independent Auditor's Review Report

To the Members of Gul Ahmed Textile 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 (the Statement) with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors (the Board) of Gul Ahmed Textile Mills Limited (the Company) for the year ended June 30, 2026 in accordance with the requirements of Regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of the Company. Our responsibility is to review whether the Statement of Compliance (the Statement) 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 about 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 Boards' 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 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 upon recommendation of the Audit Committee.

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

Yousuf Adil
Chartered Accountants

Place: Karachi

Date:

UDIN:

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

Gul Ahmed Textile Mills Limited For the year ended June 30, 2026

Gul Ahmed Textile Mills Limited (hereinafter referred to as “The Company”) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Regulations”) in the following manner:

1. The total number of Directors are Seven (7) as per the following:
 - a. Male: Six (6)
 - b. Female: One (1)

2. The composition of Board is as follows:

- a. Independent Directors
 - Ms. Zeeba Ansar
 - Mr. Kamran Y. Mirza
- b. Non-Executive Directors
 - Mr. Mohomed Bashir
 - Mr. Ziad Bashir
 - Mr. Ehsan A. Malik
- c. Executive Directors
 - Mr. Zain Bashir
 - Mr. Mohammed Zaki Bashir
- d. Female Directors
 - Ms. Zeeba Ansar

Following the election of Directors, the Board was reconstituted on 1 April, 2026 comprising 7 directors including 2 independent directors. One third of 7 come to 2.33 and the fraction was not rounded upward to one to have 3 independent directors. The reason for such rounding down is because the Board considers that two (2) independent directors are sufficient to fulfill the roles and obligations of the independent director as per requirements of the applicable law and regulations.

3. The Directors have confirmed that none of them is serving as a Director on more than seven (7) 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All the directors, except chairman, have attended and completed directors' training course conducted by Pakistan Institute of Corporate Governance (PICG). The Chairman has the prescribed education and experience required for exemption under clause 19(2) of CCG Regulations accordingly he is exempted from attending directors' training program pursuant to the clause 19(2) of the CCG Regulations.
10. The Board has approved appointment of Chief Financial Officer (CFO), 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. Kamran Y. Mirza	- Chairman
Mr. Ehsan A. Malik	- Member
Mr. Mohomed Bashir	- Member
 - b. HR and Remuneration Committee:

Ms. Zeeba-Ansar	- Chairperson
Mr. Mohomed Bashir	- Member
Mr. Zain Bashir	- Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:

a. Audit Committee	Four quarterly meetings
b. HR and Remuneration Committee	One meetings
15. The Board has outsourced the internal audit function to BDO Ebrahim & Co, Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. The Company has also designated a full-time employee as Head of Internal Audit.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of Institute of Chartered Accountants of Pakistan (ICAP) 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. Explanation for non-compliance with non-mandatory requirements i.e. other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:
 - a. The requirement of Nomination Committee is optional in regulation no.29. The Board takes care of the responsibilities prescribed for nomination committee so a separate nomination committee is not considered necessary.
 - b. The requirement of Risk Management Committee is optional in regulation no. 30. The Risk management carried out at the overall Company's level by the executive management of the Company headed by the CEO. The Company's management monitors potential risks and risk management procedures are carried out to identify, assess and mitigate any identified or potential risks. Therefore, it is not considered necessary to have a separate committee of the Board in this respect.
 - c. Since the requirement with respect to disclosure of significant policies on the website is optional in regulation no. 35(1), the Company has uploaded only limited information in this respect on the Company's website. However, significant related information related to policies, like risk management etc. is disclosed in the annual reports of the Company which are duly uploaded on the website and are available for everyone accessing the website. The Company will however, review and place key elements of other policies if considered necessary.
 - d. The Board is responsible for governance and oversight of sustainability risks and opportunities by setting the company's sustainability strategies, priorities and targets to create long term corporate value and ensures that policies to promote diversity, equity and inclusion (DE&I) are in place. The board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee.

Since the requirement of the Code of Corporate Governance 2019 S.R.O. (I)/2024, Regulation 10(A) is optional, therefore at present and under its mandate, existing BOD takes care of the responsibilities, insofar practicable, for the compliance of the above clause.

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Karachi
September 21, 2026

06

UNCONSOLIDATED FINANCIAL STATEMENTS

Unconsolidated Financial Statements of the Company and the Auditor's Audit Report to the Shareholders thereof



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUL AHMED TEXTILE MILLS LIMITED

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Gul Ahmed Textile Mills Limited** (the Company), which comprise the unconsolidated statement of financial position as at **June 30, 2026**, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the loss and 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 unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Revenue recognition	
Refer notes 3.18 and 27 to the unconsolidated financial statements. The Company's net revenue for the year ended June 30, 2026 was Rs.131,090 million. The Company's revenue is principally generated from the sale of textile goods and related processing services and consists of local and export sales. We identified revenue as key audit matter because; • revenue is one of the key performance indicators of the Company; • there are large number of revenue transactions; and • There is inherent risk that revenue could be recorded in an incorrect accounting period (near year-end) in order to achieve the financial targets and expectations.	Our audit procedures in this area, amongst others, included the following: Obtained an understanding of the accounting policy and Company's accounting process for revenue recognition and evaluated the design and implementation of relevant controls; • Performed verification of sample revenue transactions recorded during the year with underlying documentation including sales invoices and other dispatch documents; • Performed cut-off procedures on sample basis on revenue transactions recorded just before and after the year end with the underlying goods delivery notes, bill of lading, invoices and other relevant documents to assess whether the revenue has been recognised in the appropriate accounting period; and • Evaluated the appropriateness of disclosures in the unconsolidated financial statements in accordance with the requirements of the accounting and reporting standards applicable in Pakistan.
2. Valuation of stock-in-trade	
Refer notes 3.7 and 9 to the unconsolidated financial statements. As at June 30, 2026, the Company held stock-in-trade of Rs. 42,217 million. Several estimates and judgments are involved in the valuation of stock-in-trade, in determining the net realizable values, and in assessing the appropriate level of provisioning required for the stock-in-trade. This includes the assessment of available facts and circumstances, the physical condition of the stock-in-trade, utilization, market selling prices, and the estimated selling cost of the stock-in-trade. We have considered this matter as key audit matter because of the significance of the balance and due to the estimates and judgments involved in the valuation.	Our audit procedures in this area, amongst others, included the following: • Obtained an understanding of the Company's policies and procedures with respect to valuation of stock-in-trade; • Assessed appropriateness of the Company's accounting policies for valuation of stock-in-trade and compliance of those policies with accounting and reporting standards applicable in Pakistan; • Assessed the adequacy of the allowance for obsolescence, by taking into consideration the status of ageing conditions of the stock-in-trade and historical usage pattern; • Compared the net realizable value, on a sample basis, to the carrying value of stock-in-trade to assess whether any adjustments are required to value of stock-in-trade in accordance with the applicable accounting framework; and

Key audit matters	How the matter was addressed in our audit
2. Valuation of stock-in-trade	
	Assessed the adequacy of the related disclosures in the notes to the unconsolidated financial statements, in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.

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

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

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Unconsolidated Financial Statements

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

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

Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flow 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 **Nadeem Yousuf Adil**.

Yousuf Adil
Chartered Accountants

PLACE: KARACHI
DATE:
UDIN:

Unconsolidated Statement of Financial Position

As at June 30, 2026

	Note	2026 ----- (Rupees in '000) -----	2025 -----
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	54,738,718	50,894,607
Intangible assets	5	70,171	45,221
Long term investments	6	3,594,206	3,601,461
Long term loans	7	33,316	21,487
Long term deposits		164,568	146,240
Total non-current assets		58,600,979	54,709,016
CURRENT ASSETS			
Store, spares and loose tools	8	2,452,418	2,725,457
Stock-in-trade	9	42,217,526	60,911,875
Trade debts	10	18,096,630	22,155,562
Loans, advances and other receivables	11	2,273,122	3,831,814
Short term prepayments		269,976	73,298
Receivables from government	12	6,707,978	5,542,398
Short term investments	13	2,242,528	979,000
Cash and bank balances	14	586,597	166,429
Total current assets		74,846,775	96,385,833
Total assets		133,447,754	151,094,849
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	7,400,594	7,400,594
Reserves	16	40,532,904	41,452,343
Total share capital and reserves		47,933,498	48,852,937
NON-CURRENT LIABILITIES			
Long term financing	17	14,554,211	16,142,475
Sindh infrastructure development cess	18	1,227,821	-
Deferred income - government grant	19	30,946	50,620
Defined benefit plan - staff gratuity	20	284,172	466,178
Total non-current liabilities		16,097,150	16,659,273
CURRENT LIABILITIES			
Trade and other payables	21	24,245,790	27,690,959
Accrued mark-up / profit	22	537,943	788,421
Short term borrowings	23	40,511,095	52,157,704
Current portion of non-current liabilities	24	4,089,408	3,152,215
Unclaimed dividend		9,365	9,365
Unpaid dividend	25	23,505	23,505
Taxation-net		-	1,760,470
Total current liabilities		69,417,106	85,582,639
Total equity and liabilities		133,447,754	151,094,849

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Unconsolidated Statement of Profit or Loss

For the year ended June 30, 2026

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees) -----
Continuing operations:			
Revenue from contracts with customers	27	129,723,087	145,294,575
Cost of sales	28	(119,715,527)	(126,394,609)
Gross profit		10,007,560	18,899,966
Selling and distribution cost	29	(3,121,761)	(3,542,781)
Administrative cost	30	(3,867,501)	(3,685,020)
Other expense	31	(145,452)	(452,266)
		(7,134,714)	(7,680,067)
Operating profit		2,872,846	11,219,899
Other income	32	1,902,534	980,649
Finance costs	33	(3,920,669)	(5,482,610)
Profit before levies and taxation		854,711	6,717,938
Levies	34	(1,344,878)	(1,580,501)
(Loss) / Profit before taxation		(490,167)	5,137,437
Taxation	35	517,936	51,257
Profit from continuing operations		27,769	5,188,694
Discontinued operations:			
Loss from discontinued operations - net of levies	36	(950,372)	(1,165,920)
(Loss) / Profit for the year		(922,603)	4,022,774
Earnings per share - basic and diluted			
- continuing operations		0.04	7.01
- discontinued operations		(1.28)	(1.58)
	37	(1.24)	5.43

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Unconsolidated Statement of Comprehensive Income

For the year ended June 30, 2026

	Note	2026 ----- (Rupees in '000) -----	2025 -----
(Loss) / Profit for the year		(922,603)	4,022,774
Other comprehensive income			
Items that will not be reclassified to unconsolidated statement of profit or loss subsequently			
Remeasurement gain on defined benefit plan	20.3	<u>3,164</u>	<u>76,940</u>
Total comprehensive (loss) / income for the year		<u>(919,439)</u>	<u>4,099,714</u>

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2026

Share Capital	Reserves				Total
	Capital Reserve - Against Long term Investments, Capacity Expansion and BMR	Capital Reserve - Amalgamation Reserve	Revenue Reserve - Unappropriated Profit	Total Reserves	
----- (Rupees in '000) -----					
7,400,594	23,000,000	8,252,059	6,100,570	37,352,629	44,753,223
-	-	-	4,022,774	4,022,774	4,022,774
-	-	-	76,940	76,940	76,940
-	-	-	4,099,714	4,099,714	4,099,714
7,400,594	23,000,000	8,252,059	10,200,284	41,452,343	48,852,937
-	-	-	(922,603)	(922,603)	(922,603)
-	-	-	3,164	3,164	3,164
-	-	-	(919,439)	(919,439)	(919,439)
7,400,594	23,000,000	8,252,059	9,280,845	40,532,904	47,933,498

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Unconsolidated Statement of Cashflows

For the year ended June 30, 2026

	2026			2025		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Note ----- (Rupees in '000) -----						
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss) / Profit before taxation	(490,167)	(950,372)	(1,440,539)	5,137,437	(1,165,920)	3,971,517
Adjustments for non-cash items:						
Depreciation of operating fixed assets	4.1.1 2,999,962	87,188	3,087,150	4,423,777	135,034	4,558,811
Amortisation of intangible assets	5.2 14,411	-	14,411	14,714	2,483	17,197
Expense recognised for defined benefit plan	20.1 121,714	413	122,127	193,455	71,288	264,743
Finance costs	33 3,920,669	386,155	4,306,824	5,482,610	593,019	6,075,629
Provision / (Reversal) for slow moving - stores and spares	8.1 19,584	-	19,584	(60,047)	(56)	(60,103)
Levies	34 1,344,878	13,776	1,358,654	1,580,501	108,146	1,688,647
Provision / (Reversal) for slow moving - stock in trade	9.1 111,594	-	111,594	(112,009)	-	(112,009)
Dividend income	32 (27,282)	-	(27,282)	-	-	-
Government grant recognised in income	32 (24,035)	-	(24,035)	(28,251)	-	(28,251)
Loss on disposal of operating fixed assets	31 143,980	28,364	172,343	35,609	-	35,609
Operating fixed assets - written off	31 1,472	-	1,472	-	-	-
Intangibles written off	31 -	3,289	3,289	-	-	-
Expected credit loss on trade debts	10.5 72,973	(4,095)	68,878	(37,432)	4,374	(33,058)
	8,699,919	515,090	9,215,009	11,492,927	914,288	12,407,215
Changes in working capital:						
Store, spares and loose tools	252,460	995	253,455	(367,414)	382	(367,032)
Stock-in-trade	16,835,102	1,747,653	18,582,755	(13,288,893)	1,503,105	(11,785,788)
Trade debts	3,254,028	736,026	3,990,054	2,227,368	217,235	2,444,603
Loans, advances and other receivables	1,251,410	290,624	1,542,034	(2,311,035)	181,748	(2,129,287)
Receivables from government	(303,841)	388,496	84,655	31,812	120,706	152,518
Short term prepayments	(196,678)	-	(196,678)	(9,686)	-	(9,686)
Trade and other payables	(340,579)	(1,536,757)	(1,877,336)	(700,874)	(384,008)	(1,084,882)
Net decrease in working capital	20,751,902	1,627,037	22,378,939	(14,418,722)	1,639,168	(12,779,554)
Cash generated from operating activities	28,961,654	1,191,755	30,153,409	2,211,642	1,387,536	3,599,178
Payment made to defined benefit plan	20.1 (184,583)	(115,993)	(300,576)	(286,822)	41,201	(245,621)
Finance costs paid	(4,345,034)	(348,906)	(4,693,940)	(6,180,501)	(592,966)	(6,773,467)
Levies and taxes paid	(3,814,460)	(36,963)	(3,851,423)	(2,717,917)	(224,527)	(2,942,444)
	(8,344,077)	(501,862)	(8,845,939)	(9,185,240)	(776,292)	(9,961,532)
Net cash generated from / (used in) operating activities	20,617,577	689,893	21,307,470	(6,973,598)	611,244	(6,362,354)
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments for acquisition of property, plant and equipment	(7,341,752)	-	(7,341,752)	(5,371,400)	-	(5,371,400)
Payments for acquisition of intangible assets	(42,650)	-	(42,650)	(16,934)	-	(16,934)
Proceeds from disposal of operating fixed assets	367,444	65,074	432,518	29,048	-	29,048
Long term investments - net	7,255	-	7,255	(10,255)	-	(10,255)
Short term investments - net	(1,263,528)	-	(1,263,528)	1,243	-	1,243
Dividend income received	27,282	-	27,282	-	-	-
Long term loans, net	4,829	-	4,829	(46,758)	-	(46,758)
Long term deposits	(18,328)	-	(18,328)	(645)	-	(645)
Net cash (used in) / generated from investing activities	(8,259,448)	65,074	(8,194,374)	(5,415,701)	-	(5,415,701)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from long term financing	40.1 2,246,554	-	2,246,554	4,700,000	-	4,700,000
Repayment of long term financing	40.1 (3,046,021)	(246,852)	(3,292,873)	(3,230,445)	(52,674)	(3,283,119)
Increase in short term borrowings, net	40.1 (9,227,394)	-	(9,227,394)	12,815,653	-	12,815,653
Dividend paid	(32,870)	-	(32,870)	(475)	-	(475)
Net cash (used in) / generated from financing activities	(10,059,731)	(246,852)	(10,306,583)	14,284,733	(52,674)	14,232,059
Net increase / (decrease) in cash and cash equivalents	2,298,398	508,115	2,806,513	1,895,434	558,570	2,454,004
Cash and cash equivalents at the beginning of the year	785,674	(3,098,040)	(2,312,366)	(1,109,760)	(3,656,610)	(4,766,370)
Cash and cash equivalents at the end of the year	40 3,084,072	(2,589,925)	494,147	785,674	(3,098,040)	(2,312,366)

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2026

1 LEGAL STATUS AND ITS OPERATIONS

- 1.1 Gul Ahmed Textile Mills Limited (the Company) was incorporated in Pakistan on April 01, 1953 as a private limited company and subsequently converted into a public limited company on January 07, 1955. The Company is a subsidiary of Gul Ahmed Holdings (Private) Limited (the Parent Company) and is listed on Pakistan Stock Exchange Limited (PSX). The Company is principally engaged in the manufacturing and sale of textile products. The registered office is situated at Plot No. H-7, Landhi Industrial Area, Karachi.

The Company has following wholly owned subsidiaries which are engaged in distribution / trading of textile related products while Ideas (Private) Limited also carries out production of finished goods and sells its products online and through retail outlets.

Details of subsidiaries	Date of Incorporation	Country of Incorporation	Principal place of business
Direct subsidiaries			
Gul Ahmed International Limited FZC - UAE	December 11, 2002	United Arab Emirates	125 M2 warehouse Q4-213, P.O.Box 8705, Sharjah - U.A.E.
Ideas (Private) Limited	December 27, 2004 (Subsidiary since January 01, 2021)	Pakistan	Plot No. 65/I, Sector-30, Korangi Industrial Area, Karachi, Pakistan.
Gul Ahmed Ecotex (Private) Limited	March 26, 2025	Pakistan	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi, Pakistan.
Gul Ahmed Ecofab (Private) Limited	March 26, 2025	Pakistan	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi, Pakistan.
Gul Ahmed Circular Fabrics (Private) Limited	March 26, 2025	Pakistan	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi, Pakistan.
Indirect subsidiaries			
GTM USA Corporation	March 19, 2012	United States of America	267 Fifth Avenue 2nd Floor, New York, NY 10016 United States of America.
Sky Home Corporation - USA	February 28, 2017	United States of America	267 Fifth Avenue 2nd Floor, New York, NY 10016 United States of America.
Vantona Home Limited	April 22, 2013	United Kingdom	Unit 8A, Newby Road, Hazel Grove, Stockport, SK7 5DA, United Kingdom.
JCCO 406 Limited	September 29, 2017	United Kingdom	Unit 8A, Newby Road, Hazel Grove, Stockport, SK7 5DA, United Kingdom.
GTM (Europe) Limited	March 05, 2003	United Kingdom	Unit 8A, Newby Road, Hazel Grove, Stockport, SK7 5DA, United Kingdom.
Omnify (Private) Limited	March 12, 2025	Pakistan	Plot No. 65/1, Korangi Industrial Area, Karachi, Pakistan.
Elegant Fashion (Private) Limited	March 19, 2025	Pakistan	Plot No. 65/1, Korangi Industrial Area, Karachi, Pakistan.
Fragrance Fusion (Private) Limited	March 12, 2025	Pakistan	Plot No. 65/1, Korangi Industrial Area, Karachi, Pakistan.

- 1.2 On September 29, 2025, following a strategic review, the Board approved the closure of the Company's Export Apparel Segment. As at June 30, 2026, the operations of the Segment had been fully closed and, accordingly, in accordance with the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the Segment has been presented as a discontinued operation in these financial statements, with the comparative figures re-presented accordingly. Furthermore, the majority of the machinery relating to the Segment had been disposed of or transferred to other business segments.

- 1.3 Geographical locations and addresses of all premises obtained on rental basis are as follows:

Address

Plot ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi;
 Plot No. H-17 / A, Landhi Industrial area, Karachi;
 Plot # HT/8, KDA Scheme 3, Landhi Industrial area, Karachi;
 Plot W2/1-14, Western industrial zone, Port Qasim, Karachi;
 Plot # H19/2-B, Landhi Industrial area Karachi;
 Survey # 613, Deh Jorejee, Bin Qasim town, Karachi;
 Survey # 614, Deh Jorejee, Bin Qasim town, Karachi;
 Survey # 615, Deh Jorejee, Bin Qasim town, Karachi; and
 22nd Floor, Ocean Mall, Khayaban-e-Iqbal, Block-9, Clifton, Karachi.

The above rental premises are used to carry out warehousing and administrative tasks.

2 BASIS OF PREPARATION

2.1 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise stated in respective policy notes.

These unconsolidated financial statements are separate financial statements of the Company in which investments in subsidiaries is measured at cost less accumulated impairment losses, if any. Consolidated financial statements of the Company are prepared and presented separately.

2.2 Statement of compliance

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

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

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

2.3 Functional and presentation currency

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated financial statements are presented in Pakistani Rupees, which is the functional and presentation currency of the Company. The amounts have been rounded off to the nearest thousand rupees unless stated otherwise.

2.4 Critical accounting estimates and judgments

The preparation of these unconsolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affects the application of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the process of applying Company's accounting policies, management has made following judgements, which have the most significant effects on the amounts recognised in the unconsolidated financial statements:

a) Operating fixed assets and Intangible assets (notes 3.2, 3.3, 3.8, 4 and 5)

The Company reviews appropriateness of the method of depreciation / amortisation and useful lives used in the calculation of depreciation / amortisation of operating fixed assets and intangible assets respectively on an annual basis. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment at each reporting date.

During the year, following an assessment and review of the remaining useful lives of operating fixed assets, management determined that the useful lives of certain items of building and plant and machinery required an upward revision. As a result, the useful lives of certain items of building and plant and machinery have been increased (refer note 4.1.2).

b) Provision for obsolescence and slow moving stores and spares (notes 3.6 and 8)

Provision for obsolescence and slow moving stores and spares is based on parameters set out by the management of the Company, which includes ageing, expected use and realisable values.

c) Stock-in-trade (notes 3.7 and 9)

The Company reviews the net realisable value of stock-in-trade to assess any diminution in the respective carrying values at each reporting date. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

d) Impairment of financial assets (notes 3.9.4, 10 and 47.2)

The Company uses a provision matrix to calculate expected credit loss (ECL) for trade debts. The provision matrix is initially based on the Company's historically observed rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every quarter, the historically observed default rates are updated, and changes in the forward-looking estimates are analysed.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

e) Defined benefit plan (notes 3.14.2 and 20)

The present value of defined benefit plan depends upon number of factors and is being calculated on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of defined benefit plan.

f) Contingencies (notes 3.17 and 26)

The assessment of the contingencies and provision inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

g) Taxation (notes 3.20, 26 and 35)

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingencies.

h) Levies (notes 3.21 and 34)

The Company takes into account the current income tax law, legislations and decisions taken by the taxation authorities for determination of levies. These include determining the specific obligating event that triggers levy recognition based on the relevant legislation, estimating the amount payable by considering applicable rates, and deciding the appropriate timing for recognising the levy liability. These estimates and judgements are periodically reviewed and updated as necessary.

2.5 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

(a) New standards, amendments and interpretations that are effective for the year ended June 30, 2026 are as follows:

The following amendments are effective for the year ended June 30, 2026. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025

(b) Standards, Interpretations and Amendments to published approved accounting standards not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
- IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments in relation to clarifying the requirements for the timing of recognition and derecognition of some financial assets and liabilities	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Translation to a Hyperinflationary Presentation Currency	January 01, 2027
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Fair value option for investments in associates and joint ventures	January 01, 2027
- IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

In April 2024, the IASB issued IFRS 18 'Presentation and Disclosure in Financial Statements (IFRS 18)', which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the unconsolidated statement of profit or loss into one of five categories, i.e., operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary unconsolidated financial statements (PFS) and the notes.

IFRS 18, and the confirming amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 - Regulatory Assets and Regulatory Liabilities

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been consistently applied to all periods presented in these unconsolidated financial statements.

3.1 Foreign currency transactions and translation

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Foreign currency differences are recognised in the unconsolidated statement of profit or loss.

3.2 Property, plant and equipment

3.2.1 Operating fixed assets

Initial recognition

The cost of an item is recognised as an asset if and only if the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Measurement

Operating fixed assets are stated at cost less any accumulated depreciation and any accumulated impairment losses except leasehold land which is stated at cost.

When parts of an item of operating fixed assets have different useful lives, they are accounted for as separate items (major components) of operating fixed assets.

Subsequent cost

Expenditure incurred to replace a significant component of an item of operating fixed assets is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other expenditure (including normal repairs and maintenance) are recognised in the unconsolidated statement of profit or loss as an expense when these are incurred.

Depreciation

Depreciation is charged using:

- Reducing Balance Method on Plant and Machinery, Office Equipment (other than IT Equipment), Building on Leasehold Land, Vehicles and Furniture & Fixtures; and
- Straight Line Method on IT equipment, structure on leasehold land and major Component of Plant and Machinery identifiable as a separate asset due to different useful life from the Plant and Machinery.

Rates of depreciation on above are specified in the note 4 of the unconsolidated financial statements.

Depreciation on additions to operating fixed assets is charged from the day the asset is available for use and no depreciation is charged on the day of disposal.

Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposal

The gain or loss on disposal of an item of operating fixed assets is determined by comparing the proceeds from disposal with the carrying amount of the operating fixed assets, and is recognised in the unconsolidated statement of profit or loss.

3.2.2 Capital work-in-progress

Capital work in progress (CWIP) is stated at cost less impairment loss, if any, and consists of expenditure incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

3.3 Intangible assets

These are stated at cost less accumulated amortisation and any provision for impairment loss. Amortisation of intangible assets are charged to unconsolidated statement of profit or loss by applying the straight line method at the rates specified in note 5 of these unconsolidated financial statements after taking into account residual value, if any. Amortisation on additions to intangibles is charged from the day the asset is available for use and no amortisation is charged on the day of disposal.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable, if any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

3.4 Borrowing cost

Borrowing cost is recognised as an expense in the unconsolidated statement of profit or loss in the period in which these are incurred except where such cost is directly attributable to the acquisition, construction or production of a qualifying asset in which case such cost is capitalised as part of the cost of that asset.

3.5 Investments in subsidiaries

Subsidiary is an entity over which the Company has control. Investment in subsidiaries is carried at cost less accumulated impairment losses, if any. The carrying amount of investments in subsidiaries is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated at higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount. Impairment losses are recognised in unconsolidated statement of profit or loss.

3.6 Store, spares and loose tools

Stores, spares and loose tools are stated at lower of moving average cost and net realisable value, less provision for impairment, if any. Stores-in-transit is stated at cost comprising invoice value plus other incremental charges incurred thereon.

Provision is made for obsolete and slow moving stores, spares and loose tools based on management's best estimate regarding their future usability and is recognised in the unconsolidated statement of profit or loss.

3.7 Stock-in-trade

Stock-in-trade, excluding items in-transit is valued at the lower of moving average cost and estimated net realisable value (NRV). NRV is the estimated selling price in the ordinary course of business less net estimated costs to sell. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Items in-transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

The Company reviews the carrying amount of stock in trade on a regular basis and provision is made for obsolescence.

3.8 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the unconsolidated statement of profit or loss.

The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there is a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Company's unconsolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the unconsolidated statement of profit or loss.

3.9.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and measurement of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets 'at amortised cost' are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in the unconsolidated statement of profit or loss when the assets are derecognised or impaired and when interest is recognised using the effective interest method.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTOCI are carried on the unconsolidated statement of financial position at fair value with gains or losses recognised in the unconsolidated statement of comprehensive income.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in the profit or loss in the period in which it arises. All equity investments are measured at fair value, with gains and losses recognised in the unconsolidated statement of profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVTOCI. However, any surplus / deficit arising as a result of subsequent movement in the fair value of equity securities classified as FVTOCI is recognised in other comprehensive income and is not recycled to the profit or loss on derecognition.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the unconsolidated statement of profit or loss.

3.9.2 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the unconsolidated statement of profit or loss.

3.9.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position if there is a currently enforceable legal right to set-off the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

3.9.4 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company measures ECL of a financial instrument in a way that reflects (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (b) the time value of money; and (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

A default on a financial asset is considered when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there are no reasonable expectation of recovery. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the balance due. Where recoveries are made, these are recognised in the unconsolidated statement of profit or loss.

3.10 Derivative

Derivative instruments are initially recognised at fair value and subsequent to initial measurement, each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the unconsolidated statement of profit or loss. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in trade and other payables in unconsolidated statement of financial position.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, with banks in current and deposit accounts, cheques in hand, demand draft and running finance under mark-up arrangements. Running finances under mark-up arrangements are shown within short term borrowings under current liabilities in the unconsolidated statement of financial position. These are measured at amortised cost.

3.12 Share capital

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

3.13 Government grant

Government grant is recognised at the fair value of the consideration received. Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The benefit provided by the government under a loan arrangement at a below-market rate of interest is treated as a government grant. The loan obtained at below-market rate of interest is recognised and measured in accordance with IFRS 9 'Financial Instruments' and the benefit of the below-market rate of interest is government grant, which is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received.

3.14 Staff retirement benefits

3.14.1 Defined contribution plan

The Company operates a recognised provident fund scheme for its eligible employees to which equal monthly contribution is made by the Company and the employees at the rate of 8.33% of the basic salary. The Company's contribution is charged to unconsolidated statement of profit or loss.

3.14.2 Defined benefit plan

The Company operates unfunded gratuity schemes for all its eligible employees. Benefits under the scheme are vested to employees on completion of the prescribed qualifying period of service under the scheme. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprises of actuarial gains and losses are recognised immediately in unconsolidated statement of comprehensive income. The Company determines the net interest expense on the net defined liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability, taking into account any changes in the net defined benefit liability during the year as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the unconsolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the unconsolidated statement of profit or loss. The Company recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

3.15 Accumulated employee compensated absences

The Company provides for compensated absences for all eligible employees in the period in which these are earned. Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to the unconsolidated statement of profit or loss.

3.16 Unclaimed dividend

The Company recognises unclaimed dividend which was declared and remained unclaimed by the shareholder from the date it was due and payable.

3.17 Provisions and contingencies

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

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

3.18 Recognition of revenue from contracts with customers

Revenue from contracts with customers is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is recognised on following basis:

- Revenue from contracts with customers is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer.
- The Company recognises revenue when performance obligation is satisfied, at a point in time, when control of goods has been transferred to a customer either on dispatch / acceptance of goods for local sales or issuance of the bill of lading in case of export sales. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by customer from the Company premises or when it is delivered by the Company at customer premises.
- Revenue from contracts with customers on services is recognised at the point in time when the performance obligation is satisfied i.e. control of the serviced goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those serviced goods. These services include sanforisation and mercerisation of fabric.
- Export rebate (if any) on export sales is recognised on an accrual basis at the time of export sale.

3.19 Other income

Other income is recognised to the extent it is probable that economic benefit will flow to the Company and the amount can be measured reliably. Other income is measured at fair value of the consideration received or receivable and recognised on following basis:

- Profit on deposits with banks is recognised on time proportion basis taking into account the amount outstanding and rates applicable thereon.
- Dividend income is recognised when the Company's right to receive the payment is established.
- Interest on loans and advances to employees is recognised on the effective interest method.
- Capital gains / losses arising on sale of investments is measured as the excess of net sale proceeds over the carrying amount of investment at the date of disposal.
- Unrealised gains / losses on remeasurement of investments at fair value being difference between the fair value and the carrying amount of the investment at the reporting date.
- Income from sale of scrap is recorded on delivery of scrap to the customer.
- The grant is recognised in unconsolidated statement of profit or loss, in line with the recognition of interest expense that the grant is compensating, in accordance with IAS 20.
- Income from liabilities written back / provision are recorded when the chances of settlement of liability / provision is remote.
- Markup from Term Finance Certificates (TFCs) is accounted for as income using the effective interest method.
- Exchange gain from currency realisation and derivative financial instruments are described in note 3.1 and 3.10 of these unconsolidated financial statements.
- Gains / (losses) arising on disposal of investments are included in the unconsolidated statement of profit or loss and are recognised on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in the unconsolidated statement profit or loss in the period in which they arise.

3.20 Taxation

3.20.1 Current tax

Current tax comprises of expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

3.20.2 Deferred tax

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, and tax credits, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

3.21 Levies

As per the IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP), the Company recognises minimum tax or final tax paid, if any, on gross amount of revenue or other basis as levy within the scope of IFRIC 21 / IAS 37 and recognise it as an operating expense. Any excess over the amount designated as levy is then recognised as current income tax expense falling under the scope of IAS 12.

3.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.23 Dividend and appropriation to reserves

Final dividend distributions to the Company's shareholders are recognised as a liability in the unconsolidated financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while the interim dividend distributions are recognised in the period in which the dividends are declared by the Board. Appropriations of profit are reflected in the unconsolidated statement of changes in equity in the period in which such appropriations are approved.

3.24 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 relates to transactions with any of the Company's other components. An operating segment's results are reviewed regularly by the Chief Operating Decision Maker(s) i.e., Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment, assess its performance and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of finance cost, other operating cost, other income and income tax. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets. The detailed results of the reportable segments are disclosed in the note 38 to these unconsolidated financial statements.

3.25 Contract liabilities

A contract liability (i.e., advance from customers) is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract i.e., transfers control of the related goods or services to the customer.

4 PROPERTY, PLANT AND EQUIPMENT

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
Operating fixed assets	4.1	50,060,177	48,777,835
Capital work in progress (CWIP)	4.2	4,678,541	2,116,772
		54,738,718	50,894,607

	Note	Leasehold land	Buildings and structures on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
----- (Rupees in '000) -----								
4.1 Operating fixed assets								
As at July 01, 2024								
Cost		8,046,399	15,586,632	47,740,155	332,296	1,135,698	648,762	73,489,942
Accumulated depreciation		-	(5,370,265)	(17,717,826)	(124,743)	(445,450)	(414,752)	(24,073,036)
Net book value as at July 01, 2024		8,046,399	10,216,367	30,022,329	207,553	690,248	234,010	49,416,906
Movement during year ended June 30, 2025								
Transfers during the year	4.2.1	-	479,558	3,160,737	52,877	240,953	42,152	3,976,277
Adjustments during the year								
Cost		-	3,956	97,640	(154)	(71,154)	(30,178)	110
Depreciation		-	(1,964)	(15,901)	-	25,297	578	8,010
		-	1,992	81,739	(154)	(45,857)	(29,600)	8,120
Disposals during the year	4.1.3							
Cost		-	-	(335,998)	-	-	-	(335,998)
Depreciation		-	-	271,341	-	-	-	271,341
Net book value		-	-	(64,657)	-	-	-	(64,657)
Depreciation charge for the year	4.1.1	-	(1,067,637)	(3,269,016)	(25,005)	(153,730)	(43,423)	(4,558,811)
Net book value as at June 30, 2025	4.4	8,046,399	9,630,280	29,931,132	235,271	731,614	203,139	48,777,835
As at June 30, 2025								
Cost		8,046,399	16,070,146	50,662,534	385,019	1,305,497	660,736	77,130,331
Accumulated depreciation		-	(6,439,866)	(20,731,402)	(149,748)	(573,883)	(457,597)	(28,352,496)
Net book value as at June 30, 2025		8,046,399	9,630,280	29,931,132	235,271	731,614	203,139	48,777,835
----- (%) -----								
Depreciation per annum		-	10 to 33	10 to 33	10 to 12	10 to 33	20	
	Note	Leasehold land	Buildings and structures on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
----- (Rupees in '000) -----								
As at July 01, 2025								
Cost		8,046,399	16,070,146	50,662,534	385,019	1,305,497	660,736	77,130,331
Accumulated depreciation		-	(6,439,866)	(20,731,402)	(149,748)	(573,883)	(457,597)	(28,352,496)
Net book value as at July 01, 2025		8,046,399	9,630,280	29,931,132	235,271	731,614	203,139	48,777,835
Movement during year ended June 30, 2026								
Transfers during the year	4.2.1	-	660,282	4,088,495	26,285	122,668	78,096	4,975,826
Disposals during the year	4.1.3							
Cost		-	-	(1,623,838)	(1,361)	-	(124,572)	(1,749,771)
Depreciation		-	-	1,049,277	581	-	95,051	1,144,909
		-	-	(574,561)	(780)	-	(29,521)	(604,862)
Written off during the year								
Cost		-	-	(46,980)	-	-	(44)	(47,024)
Depreciation		-	-	45,512	-	-	40	45,552
Net book value		-	-	(1,468)	-	-	(4)	(1,472)
Reclassification during the year								
Cost		-	-	63,051	-	(17,676)	(45,375)	-
Depreciation		-	-	(13,820)	-	1,858	11,962	-
		-	-	49,231	-	(15,818)	(33,413)	-
Depreciation charge for the year	4.1.1 & 4.1.2	-	(404,504)	(2,455,723)	(27,248)	(165,460)	(34,215)	(3,087,150)
Net book value as at June 30, 2026		8,046,399	9,886,058	31,037,106	233,528	673,004	184,082	50,060,177
As at June 30, 2026								
Cost		8,046,399	16,730,428	53,143,262	409,943	1,410,489	568,841	80,309,362
Accumulated depreciation		-	(6,844,370)	(22,106,156)	(176,415)	(737,485)	(384,759)	(30,249,185)
Net book value as at June 30, 2026	4.4	8,046,399	9,886,058	31,037,106	233,528	673,004	184,082	50,060,177
----- (%) -----								
Depreciation per annum		-	3.33 to 10	4 to 33	10 to 12	10 to 33	20	

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

	Note	2026 ----- (Rupees in '000) -----	2025 -----
Cost of goods manufactured	28.1	2,860,511	4,338,904
Selling and distribution cost	29	70	87
Administrative cost	30	226,569	219,820
		<u>3,087,150</u>	<u>4,558,811</u>

4.1.2 During the year, the management, with the involvement of relevant external experts, reassessed the useful lives of certain items of plant and machinery and building in light of their current condition, operational efficiency and expected future economic benefits.

As a result of this review, the useful lives of certain assets were revised with effect from July 01, 2025. The change has been accounted for as a change in accounting estimate in accordance with IAS - 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and has been applied prospectively.

Had there been no change in the useful lives of plant and machinery and buildings, the carrying amount of operating fixed asset would have been lower by and the depreciation charge for the year would have been higher by Rs. 1,404 million, and loss would have been higher by Rs. 1,404 million.

4.1.3 The following operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off during the year.

Particulars of assets	Cost	Written down value ----- (Rupees in '000) -----	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
Plant and machinery							
Embroidery Machine 07-Head	3,100	1,084	830	(253)	Bidding	A. Paracha Sons 13G, Business Arcade, Block 6, Sharah E Faisal, Karachi South, Karachi South	Third party
Embroidery Machine 24-Head	53,000	17,312	13,264	(4,049)			
Machine Automatic Snap Fastening	3,199	1,645	471	(1,174)	Bidding	Al Junaid Machinery Shop#2 House No#36/1 Main Bilal Chowranghi Korangi industrial area Karachi	Third party
Machine Delta Quilting	3,520	2,447	700	(1,747)			
Cone To Cone Winder	3,131	652	554	(99)	Bidding	Combined Tech (Smc-Pvt) Ltd House no. 1175 street no. 25 Bahria town Phase 5 Islamabad Pakistan	Third party
Air Compressor	3,448	745	632	(113)			
Compressor Zh-7000-5	7,153	1,246	2,500	1,254	Bidding	Hiba Weaving Mills (Pvt) Ltd F-299/A Site Karachi	Third party
Babcock Standard	47,746	4,025	2,628	(1,397)	Bidding	Hina Traders Suit No # 215, Sualeha Chamber, Plot No # B-9/ C-1 S.I.T.E, Karachi West Site Town	Third party
Babcock Stenter Machine	2,041	1,067	650	(417)			
Chain Complete Set (Babcock U-8)	4,060	2,890	1,887	(1,003)			
Equalizing Babcock-1	6,249	2,996	1,957	(1,040)			
Gearbox	3,742	2,403	200	(2,203)			
Inverter Servo (5.5Kw)	832	534	44	(490)			
Motor 7.5 Kw	4,725	3,364	280	(3,084)			
Transport Chain	11,124	7,707	641	(7,066)			
Tung Yang Machine	746	559	46	(512)			
Air Jet Looms Tsudakoma	434,213	138,364	43,300	(95,064)	Bidding	Jawed Corporation E-11 B-2 B-3, Block, S.I.T.E, Karachi West Site Town	Third party
Machine Flat Lock 5-Thread	975	737	502	(235)	Bidding	Lucky Knits (Private) Limited Plot No. La-2/B, Block 21, F.B Area Near Water Pump, Gulberg Town	Third party
Machine Button Hole (Kaj)	3,400	2,551	1,778	(772)			
Machine Sewing (Bartak)	2,821	1,888	707	(1,182)			
Ms Jp5 Evo	20,428	5,485	466	(5,019)	Bidding	M.Hashim & Sons Office No.308,3Rd Floor, Anum Trade Centre, Estate Avenue, Site ,Karachi, Karachi West Site Town	Third party
Frame Aluminium Flat Bed Printing	16,722	11,065	11,950	885	Bidding	M/S Bismillah Engineering. Odean Street, Samundri road, Near Allah jawaya chowk,Faisalabad	Third party
Gas Burner Grm 30	3,845	2,786	6,540	3,754			
Thermosol Monfort	21,337	2,089	4,924	2,834			
Air Jet Looms Tsudakoma	230,388	85,669	72,000	(13,669)	Bidding	M/S Hudabia Textile Head Office, Street No 1, Raza Garden Canal Road House No 67, Faisalabad	Third party
Flat Bed Buser	119,836	29,065	10,197	(18,869)	Bidding	Muhammad Azeem 224 RB House Street 5 Feroz shah Faisalabad	Third party

Particulars of assets	Cost	Written down value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
	----- (Rupees in '000) -----						
Blanket Printing (Rd5 2800)	2,856	2,106	88	(2,018)		Naveed Khan	Third party
Fabrication / Installation Rd-5	703	581	24	(557)		Sohrab Goth Karachi Pakistan	
Kuster Bleaching	991	730	30	(700)	Bidding		
Kuster Bleaching Ww 3200	79,445	27,019	1,126	(25,893)			
Reggiani Printing Machine (Rd-5)	77,244	16,370	682	(15,688)			
U2 Scouring / Kuster Bleaching	3,440	1,798	72	(1,725)			
Gas Generator Waukesha	50,887	4,019	5,280	1,260	Bidding	R. A. Engineering & Services 2nd Floor ,plot no-18,sector-47, Korangi Creek Industrial area, Karachi.	Third party
Air Jet Looms Tsudakoma	72,152	23,677	29,000	5,323	Bidding	Saleem Industries Chack No.109, J.B Millat, Road, Faisalabad Chak Jhumra	Third party
Circular Knitting Machine	66,105	51,913	18,008	(33,905)	Bidding	Tee Tex Industries Karachi, Sindh Industrial Trading Estate, Metroville, F373	Third party
Heat Exchangers	3,356	1,214	-	(1,214)	Bidding	Top End Metal Industry Pvt Ltd Office No. 101, 1st Floor, Plot No. 26- C, Street No. 7 Badar Commercial Aree, Phase - V, DHA, Karachi South Saddar Town	Third party
Compressor Zh-7000-5	19,013	4,044	1,235	(2,810)	Bidding	Western Textile Industries Plot E-11, Block B-1, S.I.T.E., Karachi, Sindh, Pakistan	Third party
Vehicles							
Toyota Hilux Surf (Reg # Bf-9922)	11,917	573	8,050	7,477	Bidding	M.Raees S/O Abdul Hafeez House No.85 Y-Area Korangi 1-1/2	Third party
Toyota Hilux Revo (Reg # Cy-5882)	5,566	1,196	10,000	8,804	Bidding	M/S. Rass Enterprise Plot No A-287, Majeed Colony, Landi Malir Karachi, Malir	Third party
Kia - Sportage (Reg # Bm-5214)	8,732	7,859	7,300	(559)	Bidding	Muhammad Faheem S/o Abdul Ghani Shop No. 11, Ground Floor, Oak Tower, M.T Khan Road, Karachi South	Third party
Audi E-Tron Reg # Eaa-029	14,685	4,574	15,500	10,926	Bidding	Muhammad Irfan S/O M.Ibrahim Karachi Pakistan	Third party
Audi E Tron Reg # Eaa-028	14,208	4,273	13,000	8,727		Muhammad Khawaja Waqas Mehmood	Third party
Mercedes-Benz S 400 Reg # Bey-300	23,849	2,689	29,000	26,311	Bidding	SD 18, DOHS - II, Malir Cantt Karachi Karachi Pakistan	
Toyota Hilux Revo Reg # Cz-3206	8,377	3,469	11,550	8,081			
Kia Sorento Reg # Bj-3479	8,655	3,139	5,850	2,711	Bidding	Muhammad Sufyan S/O M Shoaib Plot No. 105, Survey No. 214, Street No. 4, Bantva Nagar, Sir Shah Suleman Road, Liaquatabad, Karachi, Karachi Central	Third party
As on June 30, 2026	1,483,963	491,620	335,445	(156,176)			
As on June 30, 2025	281,860	61,737	22,510	(39,227)			

4.1.4 Geographical locations and addresses of all immoveable properties owned by the Company are as follows;

Area	Address
25.07 Acres	Plot No. HT-4, Landhi Industrial Area, Landhi, Karachi
14.9 Acres	Survey No. 82, Deh Landhi, Karachi
18.56 Acres	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi
44.04 Acres	P.U. No. 48, 49, 50, & 51, Deh Khjanto Tapo Landhi, Karachi
4.17 Acres	Plot No. H-19, Landhi Industrial Area, Landhi, Karachi
4,023.16 Sq. yards	Plot No. H-19/1, Landhi Industrial Area, Landhi, Karachi
6.83 Acres	Plot 368, 369 & 446, Deh Landhi, Karachi
12 Acres	Plot - HT 3/A, Landhi, Karachi
51.1 Acres	Plot No. H-5 and HT-6, Landhi Industrial Area, Karachi
Manufacturing facilities, warehouses, ancillary construction, administrative offices etc, are constructed on each of the above mentioned land.	

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
4.2 Capital Work in progress (CWIP)			
Land		734,583	-
Buildings and structures on leasehold land		1,116,849	762,391
Plant and machinery		2,822,782	1,335,351
Others		4,327	19,030
	4.2.1 & 4.2.3	4,678,541	2,116,772
4.2.1 The movement in CWIP is as follows:			
Opening balance		2,116,772	606,902
Capital expenditure incurred during the year			
Land		734,583	-
Buildings and structures on leasehold land		1,014,740	1,181,689
Plant and machinery	4.2.2	5,575,926	3,959,158
Others		212,346	345,301
		7,537,595	5,486,148
Transfers to operating fixed assets during the year			
Buildings and structures on leasehold land		(660,282)	(479,558)
Plant and machinery		(4,088,495)	(3,160,737)
Others		(227,049)	(335,982)
	4.1	(4,975,826)	(3,976,277)
Closing balance		4,678,541	2,116,772
4.2.2 This includes borrowing cost capitalised during the construction period amounting to Rs. 196 million (June 30, 2025: Rs. 123 million). The effective rate of borrowing cost capitalised during the year was 11.72% (June 30, 2025: 15.98%) per annum.			
4.2.3 This includes Rs. 1,285 million in relation to acquisition of Plot no. A-44, SITE Nooriabad, together with building, plant and machinery, allied equipment and fittings.			
4.3 The cost of fully depreciated operating fixed assets still in use:			
Buildings and structures on leasehold land		114,059	114,059
Plant and machinery		493,443	506,814
Office equipment		149,885	116,506
Vehicles		138	109
		757,525	737,489

- 4.4** Plant and machinery is subject to a joint pari passu charge equivalent to the outstanding long term financing amount plus a 25% margin, as disclosed in note 17.4 of these unconsolidated financial statements.

		2026	2025
	Note	----- (Rupees in '000) -----	
5 INTANGIBLE ASSETS			
- ACQUIRED			
Computer software	5.1	29,521	45,221
Intangible in development	5.3	40,650	-
		<u>70,171</u>	<u>45,221</u>
		2026	2025
	Note	----- (Rupees in '000) -----	
5.1 Computer software			
Cost		245,258	228,324
Accumulated amortisation		(200,037)	(182,840)
Net book value as at		<u>45,221</u>	<u>45,484</u>
Movement during the year			
Additions - cost		2,000	16,934
Written off during the year			
Cost		(13,165)	-
Amortisation		9,876	-
Net book value		(3,289)	-
Amortisation charge for the year	5.2	(14,411)	(17,197)
Net book value as at		<u>29,521</u>	<u>45,221</u>
As at June 30			
Cost		234,093	245,258
Accumulated amortisation		(204,572)	(200,037)
Net book value as at		<u>29,521</u>	<u>45,221</u>

- 5.2** The cost is being amortised using straight line method over a period of five years and the amortisation charge has been allocated as follows:

		2026	2025
	Note	----- (Rupees in '000) -----	
Cost of goods manufactured	28.1	1,861	3,241
Administrative cost	30	12,550	13,956
		<u>14,411</u>	<u>17,197</u>

- 5.3** This represents cost incurred on the implementation and migration of the Company's ERP system from Oracle EBS to Oracle Fusion Cloud. The project is currently in progress and the related costs will be capitalized as an intangible asset upon completion, in accordance with IAS 38 'Intangible Assets'.

		2026	2025
	Note	----- (Rupees in '000) -----	
5.4 The cost of fully amortised intangible assets still in use			
Computer software		<u>177,862</u>	<u>169,125</u>

6	LONG TERM INVESTMENTS	Note	2026	2025
			----- (Rupees in '000) -----	
	Investment in subsidiary companies at cost			
	- Gul Ahmed International Limited	6.1	58,450	58,450
	- Ideas (Private) Limited	6.2	3,462,756	3,462,756
	- Gul Ahmed Ecotex (Private) Limited	6.3	1,000	2,841
	- Gul Ahmed Ecofab (Private) Limited	6.3	1,000	2,841
	- Gul Ahmed Circular Fabrics (Private) Limited	6.3	1,000	4,573
			<u>3,524,206</u>	<u>3,531,461</u>
	Investment at amortised cost			
	- Term Finance Certificate (TFC)	6.4	70,000	70,000
			<u>3,594,206</u>	<u>3,601,461</u>

6.1 Gul Ahmed International Limited - FZC UAE, an unquoted company incorporated in United Arab Emirates (UAE), is a wholly owned subsidiary (the subsidiary) of the Company. The Company has accounted for the investment in subsidiary at cost as per IAS 27. Aggregate breakup value of the subsidiary as per its financial statements for the year ended June 30, 2026 is Rs. 1,446 million (June 30, 2025: Rs. 1,334 million).

6.2 Ideas (Private) Limited, an unquoted company incorporated in Pakistan, is a wholly owned subsidiary of the Company. The Company has accounted for the investment in this subsidiary at cost as per IAS 27. Aggregate breakup value of the subsidiary as per its financial statements for the year ended June 30, 2026 is Rs. 5,876 million (June 30, 2025: Rs. 5,299 million).

6.3 These unquoted entities are wholly owned subsidiaries of the Company and were intended to be established under the Special Economic Zone (the "Zone"). However, considering the prevailing global and economic conditions, the Company withdrew its applications during the year, as the proposed expansion was no longer considered commercially viable.

6.4 This represents Rs. 70 million (June 30, 2025: Rs. 70 million) invested in perpetual TFC issued by Habib Bank Limited, which carries profit at the rate of 3Month KIBOR + 1.6% receivable on quarterly basis.

7	LONG TERM LOANS	Note	2026	2025
			----- (Rupees in '000) -----	
	Considered good			
	- Due from executives	7.2	129,019	128,615
	- Due from non-executives		<u>3,994</u>	<u>9,227</u>
			<u>133,013</u>	<u>137,842</u>
	Current portion			
	- Due from executives		(96,402)	(108,001)
	- Due from non-executives		<u>(3,295)</u>	<u>(8,354)</u>
		11	<u>(99,697)</u>	<u>(116,355)</u>
			<u>33,316</u>	<u>21,487</u>

7.1 Loans and advances have been given for the purchase of cars and housing assistance in accordance with the terms of employment and are repayable in monthly installments. These loans are secured to the extent of outstanding balance of retirement benefit or guarantee by two employees. The loan tenor extends maximum upto 48 months.

Included in these are loans of Rs. 112.77 million (June 30, 2025: Rs. 110.63 million) to executives and Rs. 2.89 million (June 30, 2025 : Rs. 7.9 million) to non-executive which carry no mark-up. The loans amounting to Rs. 16.24 million (June 30, 2025: Rs. 17.98 million) to executives and Rs. 1.12 million to non-executives (June 30, 2025: Rs. 1.3 million) carry mark-up at rates ranging from 10.40% to 11.01% (2025: 12.08% to 20.14%) per annum.

7.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 161 million (June 30, 2025: Rs. 129 million).

8	STORE, SPARES AND LOOSE TOOLS	Note	2026	2025
			----- (Rupees in '000) -----	-----
	Stores, spares and loose tools		2,434,076	2,755,637
	Stores-in-transit		73,640	5,535
			2,507,716	2,761,172
	Provision for slow moving / obsolete items	8.1	(55,298)	(35,715)
			2,452,418	2,725,457
8.1	Movement in provision for slow moving / obsolete items			
	Opening balance		35,715	95,818
	Provision / (reversal) for the year - Cost of goods manufactured	28.1	19,583	(60,103)
	Closing balance		55,298	35,715
9	STOCK-IN-TRADE			
	Raw material			
	- In hand	28.2	28,713,792	38,516,922
	- In transit		934,599	626,820
	Work-in-process	28.1	5,978,231	11,176,902
	Finished goods	28	6,702,498	10,591,231
			42,329,120	60,911,875
	Provision for slow moving - stock-in-trade / obsolete items	9.1	(111,594)	-
		9.2	42,217,526	60,911,875
9.1	Movement in provision for slow moving			
	Opening balance		-	112,009
	Provision / (reversal) for the year	28.1	111,594	(112,009)
	Closing balance		111,594	-
9.2	This includes inventory held with third parties amounting to Rs. 1,464 million (June 30, 2025: Rs. 5,179 million).			
10	TRADE DEBTS			
	Secured			
	Export debtors		3,460,642	4,918,658
	Local debtors		11,322,885	12,284,358
		10.4	14,783,527	17,203,016
	Unsecured			
	Export debtors		2,238,833	3,038,950
	Local debtors		1,292,449	2,062,897
			3,531,282	5,101,847
			18,314,809	22,304,863
	Expected credit loss	10.5	(218,179)	(149,301)
		10.6	18,096,630	22,155,562

10.1 This includes amounts due from related parties is as follows:

		2026			
		0 to 30 Days	31 to 180 Days	More than 181 Days	Total
Note		----- (Rupees in '000) -----			
Export debtors					
GTM USA Corporation		118,532	-	-	118,532
GTM (Europe) Limited		237,995	34,318	72,246	344,559
Sky Home Corporation - USA		-	-	-	-
Vantona Home Limited		-	-	-	-
		356,527	34,318	72,246	463,091
Local debtor					
Ideas (Private) Limited	10.2	459,589	128,464	-	588,053
		816,116	162,782	72,246	1,051,144

		2025			
		0 to 30 Days	31 to 180 Days	More than 181 Days	Total
		----- (Rupees in '000) -----			
Export debtors					
GTM USA Corporation		-	-	-	-
GTM (Europe) Limited		701,949	-	-	701,949
Sky Home Corporation - USA		-	-	-	-
Vantona Home Limited		6,325	-	-	6,325
		708,274	-	-	708,274
Local debtor					
Ideas (Private) Limited	10.2	649,161	373,731	-	1,022,892
		1,357,435	373,731	-	1,731,166

10.2 The amount outstanding is payable on demand and is subject to markup at the rate of KIBOR + 0.75% (2025: KIBOR + 0.75%).

10.3 The maximum aggregate month end balance during the year due from related parties was Rs. 4,580 million (June 30, 2025: Rs. 5,941 million).

10.4 Trade debts under irrevocable letter of credit, document acceptance, agency agreements with brokers and other acceptable banking instruments are considered secured.

		2026	2025
Note		----- (Rupees in '000) -----	-----
10.5 Movement in expected credit loss against doubtful trade debts			
		149,301	182,359
Opening balance			
Charge / reversal for the year	30	68,878	(33,058)
Closing balance		218,179	149,301

10.6 This includes receivables provided to bank under bill discounting arrangement with full recourse amounting to Rs. 1,353 million (June 30, 2025: Rs. 2,111 million).

		2026	2025
	Note	----- (Rupees in '000) -----	
11 LOANS, ADVANCES AND OTHER RECEIVABLES			
Loans and advances - considered good			
Advances to suppliers		634,772	3,342,358
Current portion of loans to employees	7	99,697	116,355
		<u>734,469</u>	<u>3,458,713</u>
Other receivables			
Letter of Credit and Bank Guarantee Margin		67,342	333,338
Forward contracts		362,144	-
Accrued markup on short term investments		11,061	24,299
Due from related parties	11.1	182,580	9,128
Others	11.3	915,526	6,336
		<u>1,538,653</u>	<u>373,101</u>
		<u>2,273,122</u>	<u>3,831,814</u>
11.1 Due from related parties			
GTM (Europe) Limited		63,470	-
Hub Liquid Terminal (Private) Limited		-	9,128
Gul Ahmed Circular Fabrics (Private) Limited		4,380	-
Gul Ahmed Ecofab (Private) Limited		2,191	-
Gul Ahmed Ecotex (Private) Limited		2,191	-
Designer's Linen Inc.		110,348	-
	11.2	<u>182,580</u>	<u>9,128</u>
11.2			
These are running current account balances and are not past due. Further, the above balance represents the maximum aggregate outstanding amount during the year.			
11.3			
This includes Rs. 889 million receivable from a panel of insurance companies against claims filed for loss of stock-in-trade in fire incidents during the year. The amount was received in full subsequent to the year end.			

		2026	2025
	Note	----- (Rupees in '000) -----	
12 RECEIVABLES FROM GOVERNMENT			
Sales tax refund		1,365,527	1,253,460
Income tax refund		3,668,006	2,417,771
Duty drawback and rebate		1,674,445	1,871,167
		<u>6,707,978</u>	<u>5,542,398</u>
13 SHORT TERM INVESTMENTS			
At amortized cost			
Term Deposit Receipts (TDR)	13.1	2,447	979,000
At fair value through profit or loss			
Investment in shares - listed	13.3	889,104	-
Investments in units of mutual funds	13.2	1,350,977	-
		<u>2,242,528</u>	<u>979,000</u>

- 13.1** These TDRs are placed against bank guarantee margin. TDR carries markup at the rate of 9.6% to 11% (June 30, 2025: 10% to 11%) per annum
- 13.2** This represents investment in cash management optimizer and investment savings plan 1 having cost amounting to Rs. 250 million and Rs. 1,100 million respectively.
- 13.3** As at the reporting date, the investments in listed securities carries cost amounting to Rs. 857 million and are measured at fair value based on quoted market prices in an active market

14	CASH AND BANK BALANCES	Note	2026	2025
			----- (Rupees in '000) -----	
	Cash in hand		12,042	10,879
	Balances with banks in current accounts			
	- Local currency		89,776	132,362
	- Foreign currency		14,747	22,531
			104,523	154,893
	Balances with banks in savings accounts			
	- Local currency	14.1	170,032	657
	TDRs	14.2	300,000	-
		14.3	586,597	166,429

- 14.1** These carries markup at the rate ranging from 8.5% to 9.75% (June 30, 2025: 9%) per annum
- 14.2** These represents TDRs with original maturity period of less than 1 month and carries profit at 11.25% per annum
- 14.3** This includes balances held with related parties (related party due to common directorships) amounting to Rs. 185 million (2025: Rs. 72.66 million).

15 SHARE CAPITAL

15.1	2026	2025		2026	2025
	(Number of shares)			----- (Rupees in '000) -----	
	5,000,000,000	5,000,000,000	Authorised capital	50,000,000	50,000,000
			Ordinary shares of Rs.10 each		
15.2			Issued, subscribed and paid-up capital		
	192,161,738	192,161,738	Ordinary shares of Rs.10 each allotted for consideration paid in cash	1,921,617	1,921,617
	108,809,985	108,809,985	Ordinary shares of Rs.10 each allotted as fully paid shares under scheme of arrangement for amalgamation (note 16.1)	1,088,100	1,088,100
	439,087,735	439,087,735	Ordinary shares of Rs.10 each allotted as fully paid bonus shares	4,390,877	4,390,877
	740,059,458	740,059,458		7,400,594	7,400,594

- 15.2.1** As at June 30, 2026 the parent company held 413,383,760 (June 30, 2025: 413,383,760) ordinary shares of Rs. 10 each, constituting 55.86% (June 30, 2025: 55.86%) of total paid-up capital of the Company. Number of shares held by the associated companies and undertakings, other than holding company, aggregated to 99,476,824 (June 30, 2025: 99,476,824) ordinary shares of Rs. 10 each.

15.2.2 As per the Honourable Sindh High Court's order, the Company held 3,471,541 (June 30, 2025: 3,471,541) out of the total bonus shares issued for the year 2015, 2019 and 2021 to parent company, and other parties, as these shareholders are part of the suit filed against the tax on bonus shares imposed through Finance Act, 2014.

15.2.3 All these fully paid ordinary shares carry one vote per share and equal right to dividend.

		2026	2025
	Note	----- (Rupees in '000) -----	
16 RESERVES			
Capital reserves			
Amalgamation reserve	16.1	8,252,059	8,252,059
Against long term investments, capacity expansion and BMR	16.2	23,000,000	23,000,000
		31,252,059	31,252,059
Revenue reserve			
Unappropriated profit		9,280,845	10,200,284
		40,532,904	41,452,343

16.1 This represents reserves created under the Scheme of Arrangement dated May 05, 2021 involving the Company, Ideas (Private) Limited, Worldwide Developers (Private) Limited (WWDL), Grand Industries (Private) Limited and Ghafooria Industries (Private) Limited, which was sanctioned by Honourable High Court of Sindh through order dated October 29, 2021.

16.2 The Board, in their meeting held on September 25, 2023, approved the creation of a reserve, for the purpose of long term investments, Business Modernisation and capacity expansion, by transferring an amount of Rs. 23 billion from unappropriated profit to this reserve. Based on this decision, the reserves against long-term investments, capacity expansions and BMR amounting to Rs. 23 billion have been separately disclosed as capital reserve not available for distribution in these unconsolidated financial statements.

		2026	2025
	Note	----- (Rupees in '000) -----	
17 LONG TERM FINANCING			
Secured			
From Banking Companies	17.1	12,635,261	13,662,456
From Non-Banking Financial Institutions	17.2	3,313,927	2,826,322
Financing under Temporary Economic Refinance Scheme Facility - Net of Government Grant	17.3	2,299,183	2,781,877
		18,248,371	19,270,655
Current portion shown under current liabilities	24	(3,694,160)	(3,128,180)
	17.6	14,554,211	16,142,475

	Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up/profit rate per annum	2026	2025
					(Rupees in '000)		----- (Rupees in '000) -----	
17.1	Banking Companies - Secured							
	Islamic							
	Dubai Islamic Bank	17.4 , 17.5 & 17.6	24 & 36 quarterly	May 5, 2035	172,222	Three months KIBOR ask rate + 0.3% payable quarterly	4,575,000	4,700,000
	Bank Al-Falah Limited - Islamic	17.4 , 17.5 & 17.6	16 half yearly	March 28, 2029	12,119	5.5% p.a. payable quarterly	145,429	169,667
	Faysal Bank Limited	17.4 , 17.5 & 17.6	32 quarterly	November 01, 2030	28,128	2.75% - 3.9% p.a. payable quarterly	386,317	485,178
	Meezan Bank Limited	17.4 & 17.5	32 quarterly	September 13, 2032	91,054	3.5% - 5.5% p.a. payable quarterly	1,798,854	2,174,863
	Conventional							
	Askari Bank Limited	17.4 & 17.5	20 & 32 quarterly	April 01, 2032	47,457	2.75% - 8.5% p.a. payable quarterly	802,515	453,209
	Bank Al-Habib Limited	17.4 & 17.5	16 half yearly	October 22, 2027	13,519	2.75% p.a. payable quarterly	54,071	81,109
	Bank Al-Falah Limited	17.4 , 17.5 & 17.6	16 half yearly	December 26, 2032	46,845	3% p.a. payable quarterly	287,372	380,815
	The Bank of Khyber	17.4 & 17.5	32 quarterly	August 17, 2032	15,625	5.5% - 8.5% p.a. payable quarterly	375,000	437,500
	The Bank of Punjab	17.4 , 17.5 & 17.6	28 quarterly	December 02, 2030	71,429	3% p.a. payable quarterly	395,453	682,394
	Habib Bank Limited	17.4 , 17.5 & 17.6	32, 36, 38, 39 & 40 quarterly	April 24, 2036	65,719	2.80% - 7.5% p.a. payable quarterly	1,350,269	966,207
	MCB Bank Limited	17.4 & 17.5	32 & 36 quarterly	February 23, 2031	9,557	4.00% p.a. payable quarterly	163,409	201,637
	National Bank of Pakistan	17.4 , 17.5 & 17.6	32 quarterly	May 26, 2030	77,004	2.75% p.a. payable quarterly	1,050,103	1,358,119
	Soneri Bank Limited	17.4 & 17.5	16 half yearly & 32 Quarterly	April 14, 2032	40,395	3.50% - 5.0% p.a. payable quarterly	611,022	743,684
	United Bank Limited	17.4 & 17.5	16 half yearly & 32 Quarterly	March 21, 2032	64,446	2.75% - 6.25% p.a. payable quarterly	595,453	754,021
	Samba Bank Limited	17.4 , 17.5 , 17.6 & 17.7	16 half yearly	December 27, 2028	7,503	3% p.a. payable quarterly	44,994	74,053
							12,635,261	13,662,456
17.2	Non-Banking Financial Institutions - Secured							
	Pair Investment Company Limited	17.4 & 17.5	16 half yearly	October 15, 2029	42,600	3.0% p.a. payable quarterly	225,366	311,699
	Pak Kuwait Investment Pvt. Limited	17.4 & 17.5	32 quarterly	June 09, 2036	74,140	3.0%- 8.5% p.a. payable quarterly	1,072,294	960,562
	Pak China Investment Pvt. Limited	17.4 & 17.5	32 quarterly	April 02, 2036	60,388	3.35% - 7.5% p.a. payable quarterly	1,402,962	1,079,118
	Pak Brunei Investment Company Limited	17.4 & 17.5	16 half yearly & 20 quarterly	February 24, 2033	53,246	2.5% - 7.5% p.a payable quarterly	420,730	159,472
	Pak Oman Investment Company Limited	17.4 & 17.5	32 quarterly	September 13, 2027	30,724	2.75% p.a payable quarterly	192,575	315,471
							3,313,927	2,826,322

	Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up/profit rate per annum	2026	2025
					(Rupees in '000)		----- (Rupees in '000) -----	
17.3	Financing under Temporary Economic Refinance Scheme Facility - net of Government Grant							
	Habib Bank Limited	17.4 , 17.5 & 17.6	16 half yearly	September 23, 2030	59,375	2.25 % p.a. payable quarterly	524,666	637,854
	MCB Bank Limited	17.4 & 17.5	32 quarterly	February 23, 2031	13,841	3.00% p.a. payable quarterly	244,053	296,868
	MCB Islamic Bank Limited	17.4 & 17.5	32 quarterly	January 19, 2031	9,375	2.50% p.a. payable quarterly	165,630	201,416
	Bank of Punjab	17.4 , 17.5 & 17.6	32 quarterly	December 02, 2030	31,250	2.0 % p.a. payable quarterly	609,003	727,587
	Pak Kuwait Investment Pvt. Limited	17.4 & 17.5	32 quarterly	September 25, 2032	9,464	2.50% p.a. payable quarterly	151,373	187,579
	Pak China Investment Pvt. Limited	17.4 & 17.5	32 quarterly	November 22, 2031	17,738	2.50% p.a. payable quarterly	318,788	386,414
	Saudi Pak Industrial And Agricultural Investment Company Limited	17.4 & 17.5	32 quarterly	April 27, 2031	15,357	2.50% p.a payable quarterly	285,670	344,159
							2,299,183	2,781,877

17.4 These loans are secured by a joint pari passu charge over the Company's plant and machinery, equivalent to the outstanding financing plus a 25% margin.

17.5 The financing availed under the facility which is repayable within a maximum period of ten years including maximum grace period of two years from the date when financing was availed.

17.6 Loans are subject to compliance of certain covenants including Debt Service Coverage ratio, Current ratio, Debt to Equity ratio, Interest Cover, Maximum Gearing, Debt to EBITDA, Debt to Sales and are secured against the charge over assets of the Company.

17.7 These represent financing obtained from related parties (related party due to common directorships) of the Company.

18 SINDH INFRASTRUCTURE DEVELOPMENT CESS

Until last year, the Company had challenged the imposition of Sindh Infrastructure Development Cess (SIDC) through constitutional petitions filed against the relevant provisions of the Sindh Finance Act, 1994 and subsequently the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (SIDC Act), as amended. The Honourable High Court of Sindh had granted interim relief to the Company pending final disposal of the related proceedings. However, based on the advice of its legal consultant, the Company had recognised a provision for the full amount of the liability in these unconsolidated financial statements and furnished bank guarantees as security to the Government.

During the year, the Company entered into a settlement agreement with the Government of Sindh for settlement of its outstanding and/or disputed SIDC liabilities under SIDC Act, as amended. Under the terms of the agreement, the admitted liability, determined in accordance with the applicable provisions of SIDC Act, is payable through three instalments of 15% each, followed by the remaining balance in 48 equal quarterly instalments ending on April 15, 2040.

In accordance with the terms of the settlement agreement, the Company withdrew all pending litigation, obtained release of the related bank guarantees and paid the first instalment of 15% amounting to Rs. 466 million on April 21, 2026.

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 21 Levies, the Company has re-measured the settlement amount relating to the aforementioned liability at its present value, based on the agreed payment schedule and a pre-tax discount rate of 12.26% (KIBOR + 1%) , reflecting the time value of money and risks specific to the obligation. The resulting notional impact representing the difference between the carrying amount of the liability under the settlement arrangement and the present value of the settlement liability, has been recognised in cost of sales (refer note 28.1). Subsequently, the liability is measured at amortised cost using the effective interest method as disclosed in the unconsolidated statement of financial position with the resultant impact of interest in finance costs (refer note 33).

			2026	2025
		Note	----- (Rupees in '000) -----	
19	DEFERRED INCOME - GOVERNMENT GRANT			
	Opening balance		74,655	102,906
	Amortised during the year	32	(24,035)	(28,251)
			50,620	74,655
	Current portion shown under current liabilities	24	(19,674)	(24,035)
	Closing balance	19.1	30,946	50,620
19.1	This represents government grant recognised on the concessionary refinance facility introduced by the State Bank of Pakistan (SBP) under a Temporary Economic Refinance Facility (TERF) for setting up of new industrial units and for undertaking Balancing, Modernisation and Replacement and / or expansion of projects / businesses. These have been accounted for as per the guidance issued by the ICAP in respect of these loans.			
20	DEFINED BENEFIT PLAN - STAFF GRATUITY			
		Note	2026	2025
			----- (Rupees in '000) -----	
20.1	Reconciliation of the present value of defined benefit obligation and movement in net defined benefit liability			
	Opening balance		466,178	523,996
	Charge	20.2	122,127	264,743
	Remeasurement gain	20.3	(3,164)	(76,940)
	Benefits paid		(300,576)	(245,621)
	Benefits due but not paid		(393)	-
	Closing balance		284,172	466,178
20.2	Charge for the year recognised in unconsolidated statement of profit or loss			
		Note	2026	2025
			----- (Rupees in '000) -----	
	Current service cost		191,624	205,666
	Gains and losses arising on plan settlements		(106,591)	-
	Markup cost		37,094	59,077
		30.1	122,127	264,743
20.3	Remeasurement gain charged in unconsolidated statement of comprehensive income			
	Actuarial gain from changes in financial assumptions		(1,326)	(1,683)
	Experience adjustments		(1,838)	(75,257)
			(3,164)	(76,940)

20.4 Significant actuarial assumptions used

Following significant actuarial assumptions were used for the valuation by an independent valuer that is "Nauman Associates":

	2026	2025
Discount rate used for year end obligation	11.75%	11.75%
Rate used for markup cost	11.75%	14.75%
Expected increase in salary	10.00%	10.00%
Mortality rates	SLIC 2001-2005 Set back 1 Year	SLIC 2001-2005 Set back 1 Year
Withdrawal rates	Age-Based	Age-Based
Retirement assumption	Age 60	Age 60

The duration of the liabilities is 1.1 Year. Based on the weighted average duration of this plan and guidance from Pakistan Society of Actuaries ("PSOA"), the discount rate used for the calculations is 11.75% per annum.

20.5 Associated risks

(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 the Company 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 risk

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 beneficiaries.

20.6 General description

The scheme provides retirement benefits to all its eligible employees of the Company who are not part of the provident fund scheme and who have completed the minimum qualifying period of service (6 months). Actuarial valuation of the scheme is carried out periodically and latest actuarial valuation was carried out at June 30, 2026. The disclosure is based on information included in that actuarial report. The gratuity is measured on last drawn salary multiplied by number of years of service.

20.7 Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant ($\pm$ 100 bps), would have affected the defined benefit obligation:

	2026	2025
	----- (Rupees in '000) -----	
Discount Rate + 100 bps	3,988	6,502
Discount Rate - 100 bps	(4,142)	(6,754)
Salary increase + 100 bps	(3,805)	(6,503)
Salary increase - 100 bps	3,728	6,371

Although the analysis does not takes into account of the full distribution of cash flows expected under the plan, it does provide approximation of the sensitivity of the assumptions used.

20.8 Maturity profile

Maturity profile on Defined benefit obligation as presented by actuary in the report;

	2026	2025
	----- (Rupees in '000) -----	
- FY 2026	N/A	278,916
- FY 2027	167,233	215,999
- FY 2028	117,925	146,144
- FY 2029	78,535	98,818
- FY 2030	53,121	67,340
- FY 2031	36,010	47,396
- FY 2032	24,687	32,144
- FY 2033	17,923	23,215
- FY 2034	12,332	16,462
- FY 2035	8,705	11,642
- FY 2036	6,615	30,986
- FY 2037 onwards	17,108	N/A

The average duration of the defined benefit obligation is 1.1 year.

20.9 Estimated expenses to be charged to unconsolidated statement of profit or loss in financial year 2027:

	(Rupees in '000)
Current service cost	93,922
Mark up on defined benefit obligation	23,565
	<u>117,487</u>

		2026	2025
		----- (Rupees in '000) -----	
21	TRADE AND OTHER PAYABLES	Note	
	Creditors		13,256,829
	Accrued expenses		4,422,787
	Gas infrastructure development cess payable	21.1	3,686,367
	Payable to banks under bill discounting arrangement		1,352,702
	Due to related parties	21.2	269,684
	Workers' profit participation fund	21.3	-
	Workers' welfare fund	21.4	-
	Payable to employees' provident fund trust		37,421
	Fair value of forward contracts		-
	Advance from customers		903,276
	Taxes withheld		266,047
	Others		50,677
			<u>24,245,790</u>
			<u>27,690,959</u>

21.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015 (refer note 26.3).

			2026	2025
	Note		----- (Rupees in '000) -----	
21.2 Due to related parties				
Subsidiaries				
GTM (Europe) Limited			-	32,346
GTM USA Corporation			140,222	38,469
Sky Home Corporation - USA			119,044	104,203
Associates				
Win Star (Private) Limited			3,093	26,022
Swisstex Chemicals (Private) Limited			2,279	398
Grand Industries (Private) Limited			4,570	4,617
TPL Properties Limited			476	22,049
			269,684	228,104
21.3 Workers' profit participation fund				
Opening balance			295,120	345,459
Allocation	31		-	295,120
Markup	33		13,318	22,867
			308,438	663,446
Payments			(308,438)	(368,326)
Closing balance			-	295,120
21.4 Workers' welfare fund				
Opening balance			121,537	117,148
Charge	31		-	121,537
			121,537	238,685
Payments			(121,537)	(117,148)
Closing balance			-	121,537
22 ACCRUED MARK-UP / PROFIT				
Long term financing			198,415	192,314
Short term borrowings			339,528	596,107
	22.1		537,943	788,421
22.1		This includes accrued markup pertaining to related parties (related party due to common directorships) amounting to Rs. 0.2 million and Rs. 62 million in respect of long term financing and short term borrowings respectively (June 30, 2025: Rs. 4 million and Rs. 82 million).		
			2026	2025
	Note		----- (Rupees in '000) -----	
23 SHORT TERM BORROWINGS				
Local currency				
Running finance			59,580	2,478,795
Export refinance scheme			23,361,400	22,161,400
Other short term finances			-	4,204,545
			23,420,980	28,844,740
Foreign currency				
Export facilitation scheme			8,280,673	8,645,751
Foreign currency import finance			844,887	783,043
Foreign currency export finance			7,964,555	13,884,170
	23.1 to 23.3		40,511,095	52,157,704

- 23.1** Short term borrowings are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. Unavailed facility at the year end was Rs. 15,912 million (June 30, 2025: Rs. 15,242 million).
- 23.2** Local currency borrowings markup ranges from 4.5% to 13.69% (June 30, 2025: 8% to 12.5%) per annum payable quarterly, whereas, foreign currency borrowings markup range from 2.5% to 3.85% (June 30, 2025: 2.5% to 5%) per annum.
- 23.3** These include balances pertaining to related parties (related party due to common directorships) amounting to Rs. 9,419 million (2025: Rs. 8,796 million).

		2026	2025
	Note	----- (Rupees in '000) -----	
24	CURRENT PORTION OF NON-CURRENT LIABILITIES		
	<u>Financing</u>		
	- Long term financing -secured	17 3,694,160	3,128,180
	- Deferred income - government grant	19 19,674	24,035
		3,713,834	3,152,215
	<u>Other liabilities</u>		
	- SIDC	24.1 375,574	-
		4,089,408	3,152,215

- 24.1** This represents current portion of Sindh Infrastructure Development Cess (SIDC) as disclosed in note 18 of these unconsolidated financial statements.

		2026	2025
	Note	----- (Rupees in '000) -----	
25	UNPAID DIVIDEND	25.1 23,505	23,505

- 25.1** This represents amount held by the Company pertaining to the Petitioners of the suit filed in the Honourable High Court of Sindh against the tax on bonus shares imposed through Finance Act 2014. The amount includes Rs. 18 million and Rs. 0.8 million (June 30, 2025: Rs. 18 million and Rs. 0.8 million) of parent company and an associated company respectively.

26 CONTINGENCIES AND COMMITMENTS

- 26.1** The Company owns and possesses a plot of land measuring 44.04 acres in Deh Khanto which is duly registered in its name and appearing in the books at a cost of Rs. 83.86 million (June 30, 2025: Rs. 83.86 million). Ownership of the land has been challenged in the Honourable Sindh High Court by Messrs. Karim Bux, Iqbal Rasheed and Mansoor Munawar who claim to be the owners, as this land was previously sold to them and subsequently resold to the Company. The legal consultant of the Company is of the view that the Company has a reasonable case and is expecting favourable outcome, therefore, no provision has been made there against. In respect of the same land, the Company has filed a suit in January 2021 for declaration and permanent injunction in the Honourable High Court of Sindh, seeking the declaration that the Company is lawful owner of the said property and that the undated notice issued by the Pakistan Railways for sealing and taking over the possession of the said property is of no legal effect. The matter is at hearing stage and the legal consultant of the Company is of the view that the title of the Company stands clear and there is no likelihood of unfavourable outcome. The said cases were originally filed before the Honorable Sindh High Court now pending before the relevant District Court.
- 26.2** The Company has filed a Petition in the Honourable Sindh High Court, dated 30 March 2008, against order passed by the Board of Trustees, Employees' Old-Age Benefits Institution (EOBI) for upholding the unjustified additional demand of payment raised by EOBI for accounting years 2000-2001 and 2001-2002 amounting to Rs. 50.83 million (June 30, 2025: Rs. 50.83 million). This demand was raised after lapse of more than two years although the records and books of the Company were verified by the EOBI to their entire satisfaction and finalisation of all matters by EOBI. The Honourable Sindh High Court has restrained EOBI from taking any action or proceedings against the Company. The legal consultant of the Company is of the view that the Company has a reasonable case and is expecting favourable outcome therefore, no provision has been made there against.

26.3 The Company's review petition challenging the decision of High Court against the Gas Infrastructure Development Cess Act, 2015 had been dismissed by the Supreme Court of Pakistan while also suspending the billing of levy from August 2020. The court had ordered to pay the GIDC dues under the GIDC Act, 2015 with retrospective effect from December 15, 2011, in 48 monthly installments starting from August 2020. Total amount of the cess works out to Rs. 3.69 billion on the basis that Company has both Industrial and Captive connections having different GIDC rates. However, Oil and Gas Development Authority has ruled out that the consumers having supply of natural gas for industrial use and having in-house electricity generation facility for self-consumption do not fall under the definition of Captive as well as the Honourable Sindh High Court has also decided in favor of the Company on the issue of Captive connections for self consumption. Therefore, management, based on the legal advice believes that maximum liability of the Company in respect of GIDC will be Rs. 2.3 billion. The Company in September 2020 filed a suit in Honourable Sindh High Court challenging the chargeability of GIDC. The Honourable Sindh High Court granted stay order and restrained Sui Southern Gas Company (SSGC) from taking any coercive action against non-payment of installments of GIDC. However, the management on prudent basis has maintained a liability of Rs. 3.69 billion (June 30, 2025: Rs. 3.69 billion) in these unconsolidated financial statements.

26.4 The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on September 4, 2019, challenging Order-in-Appeal No. STA/11/LTU/2019/07 dated August 22, 2019, passed by the Commissioner Inland Revenue (Appeals) [CIRA], whereby the input tax claimed by the Company for the tax period July 2015 to June 2016 was partially disallowed, resulting in a demand of Rs. 40.74 million. The management of the Company, in consultation with its legal and tax advisors, is of the considered view that the Company has a strong and meritorious case before the Appellate Tribunal and expects a favourable outcome. Accordingly, no provision has been made in the financial statements in respect of the said demand.

26.5 The Company has filed appeal before the Commissioner Inland Revenue (Appeals) against Order-in-Original No. 01/175 of 2023 dated August 15, 2023 whereby a demand of Rs. 120.10 million, along with a penalty of Rs. 6.00 million and default surcharge, was raised on account of alleged inadmissible input tax claimed for the tax periods July 2021 to November 2021.

The Company is of the considered view that the input tax claimed was fully admissible in accordance with the provisions of the Sales Tax Act, 1990, and that the demand raised is not tenable on legal and factual grounds. The matter is currently pending adjudication before the Commissioner Inland Revenue (Appeals). Based on the strength of the Company's position and legal advice obtained, the management expects a favourable outcome. Accordingly, no provision has been made in the financial statements in respect of the said demand.

26.6 The Company has filed before the Appellate Tribunal Inland Revenue against Order-in-Original No. 05 / 175 of 2023 dated September 4, 2023 whereby a demand of Rs. 370.55 million, was raised on account of alleged inadmissible input tax claimed for the tax periods July 2012 to June 2013.

The Appellate Tribunal Inland Revenue has remanded the case back to the concerned officer for fresh adjudication. The Company is of the view that the input tax claimed was fully admissible under the relevant provisions of the Sales Tax Act, 1990, and that the demand is not sustainable on merits. Based on the strength of the Company's position and the fact that the matter has been remanded for de-novo proceedings, the management expects a favourable outcome. Accordingly, no provision has been made in the unconsolidated financial statements in respect of the said demand.

26.7 The Company has filed appeal before the Commissioner (Appeals), Sindh Revenue Board, against Order-in-Original No. 2513/2025 dated February 24, 2025, whereby a demand of Rs. 14.32 million on account of alleged short and incorrect deduction of Sindh Sales Tax withholding, together with a penalty of Rs. 3.16 million and related default surcharge, was raised under the Sindh Sales Tax on Services Act, 2011.

The Company believes that the demand is not sustainable on legal and factual grounds and has accordingly challenged the order before the appellate forum. The matter is currently pending adjudication before the Commissioner (Appeals), SRB. Based on the merits of the case and the advice of tax consultants, management is of the view that the Company has reasonable grounds to defend its position. Accordingly, no provision has been recognised in the financial statements in respect of the aforesaid matter, and the outcome of the appeal is not expected to have a material adverse impact on the Company's financial position.

26.8 The Company, along with several other petitioners, had filed a Constitution Petition on January 16, 2020 against Karachi Water & Sewerage Board (KWSB) and others in the Honourable Sindh High Court against notification dated October 30, 2019 issued by the KWSB whereby water charges were increased from Rs. 242 to Rs. 313 per 1000 gallons. Subsequently, the Company along with other petitioners filed petition against KWSB notifications for the years 2021 to 2024 of water rate enhancement. The Honourable Sindh High Court has restrained KWSB from taking any coercive action against the Company and allowed the Company to pay the bills as per old rates. As required under the Order, the Company provided banker's verified Cheques each month aggregating to Rs. 337.89 million (June 30, 2025: Rs. 337.89 million) for the rate difference. Subsequently the Honourable Sindh High Court, vide its order dated September 8, 2025 dismissed the Company's petition. The Company has filed an appeal before the Supreme Court against the judgment passed by the Divisional Bench of the Honourable Sindh High Court, and the case is currently pending for hearing. Meanwhile, the Company is paying the arrears of water charges to KWSB.

26.9 The Company along with several other companies filed a suit in the Honourable Sindh High Court challenging the notification via SRO No. (I) / 2015 dated August 31, 2015 regarding increase in the gas tariff, on November 16, 2015, which was decided by the Honourable Sindh High Court in favor of the Company and thereafter, the Government filed an appeal in the Divisional Bench of the Honourable Sindh High Court against the decision, which has also been decided in favor of the Company. As a matter of prudence, the Company has maintained a full provision of the said notification amounting to Rs. 159.9 million (June 30, 2025: Rs. 159.9 million) in the unconsolidated financial statements.

OGRA issued further notifications on December 30, 2016 and October 23, 2020 enhancing the rates. The Company, along with others, has filed petition in the Honourable Sindh High Court against the said notifications.

For notification dated December 30, 2016, Honourable Sindh High Court granted interim relief and instructed SSGC to revise the bills at previous rate and instructed the Company to deposit the differential amount cheques with Nazir Sindh High Court as security. On February 3, 2025 the Divisional Bench of Honorable Sindh High Court decided the case in favour of the Company. Simultaneously, the Divisional Bench of Sindh High Court vide Judgment dated March 10, 2025, ordered that the Nazir of Sindh High Court returns the cheques of Rs. 250.67 million which were deposited with Nazir, which have been received back by the Company. SSGC has filed the appeal in the Supreme Court against the judgment.

For notification dated October 23, 2020, on February 18, 2024, the Honourable Sindh High Court decided the case against the Company. The Company filed an appeal in the Divisional Bench of the Honourable Sindh High Court against the decision, which has also been decided against the Company on March, 28 2024. Therefore, the Company filed an appeal in the Supreme Court against the judgment passed by the Divisional Bench of Honourable Sindh High Court and the case is currently pending for hearing.

On February 15, 2023, OGRA issued another notification revising the gas tariff with retrospective effect from January 01, 2023. The Company, along with several other companies, has filed a suit in the Honourable Sindh High Court challenging the increase in the gas tariff with retrospective effect. The Honourable Sindh High Court has restrained SSGC from taking any coercive action against the Company. As a matter of prudence, the Company has maintained a full provision of the said notification amounting to Rs. 174.4 million (June 30, 2025: Rs. 174.4 million) in the unconsolidated financial statements.

On November 8, 2023, OGRA issued notification and increased the gas rate retrospectively from November 1, 2023. The Company along with others filed petition in the Honourable Sindh High Court against the notification challenging the increase of gas tariff and its retrospective application from November 1, 2023. While the case is currently pending for hearing before the Honourable Sindh High Court, however, the Company has paid increased amount to SSGC with the understanding that if the decision comes in favour of the Company, the SSGC will either refund the excess amount or it will adjust in future bills post favourable decision.

While awaiting the decision for above case, on February 15, 2024, SSGC issued another notification to further increase the gas tariff with retrospective application from February 1, 2024, where the Company again challenged its retrospective charge from February 1, 2024. Subsequently, the Honourable Sindh High Court decided the case of retrospective application under above notification in favour of the Company, which has been challenged by SSGC in the Supreme Court of Pakistan and is currently, pending for hearing.

26.10 The Company, along with several other companies, filed a suit in the Honourable Sindh High Court challenging the notification via SRO No. (I) / 2015 dated August 31, 2015 for charging of captive power tariff instead of Industry tariff rate to the Company, as the Company is producing electricity entirely for its own consumption, on November 16, 2015, which was decided by the Honourable Sindh High Court in favor of the Company and thereafter, the Government filed an appeal in the Divisional Bench of the Honourable Sindh High Court against the decision, which has also been decided in favor of the Company. SSGC has filed an appeal in Supreme Court against the judgement. As a matter of prudence, the Company has maintained a full provision of the said notification amounting to Rs. 237.6 million (June 30, 2025: Rs. 237.6 million) in the unconsolidated financial statements.

The Company, along with several other companies, has filed a suit in the Honourable Sindh High Court challenging the notifications dated December 30, 2016 and October 23, 2020 for charging of captive power tariff instead of Industry tariff rate to the Company, as the Company is producing electricity entirely for its own consumption. The Honourable Sindh High Court has passed the interim orders for not charging the Captive power tariff rates and consequently restrained SSGC from taking any coercive action against the Company.

On February 03, 2025 for OGRA Notification dated December 30, 2016, the Divisional Bench of Honorable Sindh High Court has decided the case in favour of the Company. SSGC has filed an appeal in Supreme Court against the judgment. Simultaneously, the Divisional Bench of Sindh High Court vide Judgment dated March 10, 2025, ordered that the Nazir of Sindh High Court to return the cheques of Rs. 388.57 million which were deposited with Nazir, which have been received back by the Company. SSGC has filed an appeal in the Supreme Court against the judgment.

OGRA issued another notification dated October 04, 2018 revising the tariff effective September 27, 2018, and subsequent to this notification, the Company paid the bills accordingly at the specified rates.

- 26.11** Grid (Captive Power Plants) Levy Ordinance, 2025 (the "Impugned Ordinance"), promulgated on January 30, 2025, and the notifications dated March 7, 2025 issued by the Ministry of Energy in purported exercise of the powers conferred under section 3(1) of the Impugned Ordinance. The Impugned Ordinance imposes a levy, to be notified by the Ministry of Energy, on the consumption of natural gas or RLNG by captive power plants over and above the sale price of such natural gas or RLNG.

The Honourable Islamabad High Court, vide its order dated July 31, 2025, dismissed the petition filed by the Company and other petitioners. Subsequently, the Company, along with other companies, filed a petition before the Honourable Sindh High Court challenging the retrospective application of the notification for the period from February 1, 2025 to March 6, 2025. The Honourable Sindh High Court passed interim orders restraining the charging of the relevant levy for the month of February 2025. As security, the Company furnished a bank guarantee amounting to Rs. 138.59 million (June 30, 2025: Rs. 138.59 million). The Honourable Sindh High Court subsequently decided the matter in favour of the Company vide its judgment dated January 12, 2026, pursuant to which the bank guarantee was released. The Government has filed an appeal before the Honourable Supreme Court of Pakistan against the judgment passed by the Divisional Bench of the Honourable Sindh High Court, and the matter is currently pending adjudication.

Furthermore, the Company filed constitutional petitions before the Honourable Balochistan High Court challenging the Gas Levy Ordinance as well as the levy amounts imposed from March 2025 onwards. On October 28, 2025, the Honourable Balochistan High Court dismissed the constitutional petitions filed by various companies challenging the validity of the Off-the-Grid (Captive Power Plants) Levy Act, 2025. The Company has filed an appeal before the Honourable Federal Constitutional Court against the judgment of the Honourable Balochistan High Court, and the matter is currently pending for hearing.

The Company, along with several other petitioners, also filed a constitutional petition before the Honourable Islamabad High Court challenging the Off-the-Grid (Captive Power Plants) Levy Act, 2025. The Honourable Islamabad High Court has restrained SSGC from taking any coercive action against the Company, subject to the furnishing of post-dated cheques in favour of SSGC to the extent of the disputed levy amount. In compliance with the said order, the Company provided post-dated cheques each month aggregating to Rs. 301 million (June 30, 2025: Nil). However, the Company has maintained a full provision against the disputed levy in these unconsolidated financial statements on the basis of prudence.

- 26.12** For the tax year 2025, FBR issued income tax amended order under section 122(5A) of the Income Tax Ordinance, 2001 on June 5, 2026, wherein certain provisions and expenses were added back to the income and certain tax credits were disallowed. The Company filed an appeal against the said order before Commissioner Income Tax (Appeal) which is pending. The management believes that the aforementioned matter will be ultimately decided in favor of the Company. Accordingly, no provision is required to be made in the provision for taxation in these unconsolidated financial statements.

26.13 Guarantees and others

- (a) Guarantees of Rs. 2,632 million (June 30, 2025: Rs. 5,464 million) have been issued by banks on behalf of the Company which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees include guarantees issued by related parties amounting to Rs. 2,593 million (June 30, 2025: Rs. 2,980 million).

- (b) Post dated cheques of Rs. 33,262 million (June 30, 2025: Rs. 30,298 million) are issued to Custom Authorities in respect of duties on imported items availed on the basis of consumption and export plans.
- (c) Bills discounted of Rs. 8,802 million (June 30, 2025: Rs. 11,220 million), including bills discounted from related parties amounting to Rs. 2,641 million (June 30, 2025: Rs. 3,643 million).
- (d) Corporate guarantees of Rs. 251 million (June 30, 2025: Rs. 264 million), Rs. 1,106 million (June 30, 2025: 1,129 million) and Rs. 252 million (June 30, 2025: Rs. 256 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed International FZC - UAE and Sky Home Corp-USA respectively.

26.14	Commitments	Note	2026	2025
			----- (Rupees in '000) -----	-----
	Capital expenditure for plant and machineries		3,590,203	3,892,512
	Other than capital expenditure	26.15	19,487,006	22,222,457
	Forward foreign exchange contracts	26.16	31,189,710	9,183,718

26.15 Other than capital expenditure includes commitments for purchase of raw materials and stores and spares.

26.16 This includes forward foreign exchange contracts amounting to USD 29 million (June 30, 2025: USD 30 million), equivalent to Rs. 8,281 million (June 30, 2025: Rs. 8,646 million) obtained under pre-shipment exports. The Company is obligated to provide export documents against such amount. The above liability has been appropriately recorded under Export Facilitation Scheme and is disclosed in note 23 of these unconsolidated financial statements.

27	REVENUE FROM CONTRACTS WITH CUSTOMERS	Note	2026	2025
			----- (Rupees in '000) -----	-----
	Export sales			
	Direct		92,390,755	109,264,983
	Indirect		28,076,239	43,991,770
			120,466,994	153,256,753
	Trade and other discount		(705,771)	(1,121,015)
	Commission		(1,852,725)	(2,329,273)
	Sales tax		(4,282,816)	(6,712,615)
			113,625,682	143,093,850
	Local sales	27.1	21,008,147	17,996,290
	Brokerage		(301,961)	(435,758)
	Sales tax		(3,241,812)	(2,749,663)
			17,464,374	14,810,869
			131,090,056	157,904,719
	Less: Related to discontinued operations	36	(1,366,969)	(12,610,144)
			129,723,087	145,294,575

27.1 Local sales include revenue from in-house manufacturing services on behalf of third party of Rs. 1,235 million (2025: Rs. 1,178 million).

27.2 Information with respect to disaggregation of revenue by internal segment and geographical location is disclosed in note 38 and 39 respectively.

		2026	2025
	Note	----- (Rupees in '000) -----	
28 COST OF SALES			
Opening stock of finished goods		10,591,231	7,688,200
Cost of goods manufactured	28.1	117,629,085	141,829,329
		128,220,316	149,517,529
Closing stock of finished goods	9	(6,702,498)	(10,591,231)
		121,517,818	138,926,298
Less: Related to discontinued operations	36	(1,802,291)	(12,531,689)
		119,715,527	126,394,609
		2026	2025
	Note	----- (Rupees in '000) -----	
28.1 Cost of goods manufactured			
Raw materials consumed	28.2	78,138,729	95,926,405
Other material and conversion cost		4,844,788	9,768,021
Stores and spares consumed		103,390	143,443
Salaries, wages and benefits	30.1	13,636,976	17,421,083
Fuel, power and water		10,288,321	13,536,651
Insurance		244,513	265,317
Repairs and maintenance		1,569,721	2,037,827
Depreciation and amortisation	4.1.1 & 5.2	2,862,372	4,342,145
Provision / (Reversal) for slow moving - stores and spares	8.1	19,583	(60,103)
Provision / (Reversal) for slow moving - stock-in-trade	9.1	111,594	(112,009)
Other manufacturing expenses		610,427	770,263
		112,430,414	144,039,043
Work-in-process (WIP)			
Opening stock - WIP		11,176,902	8,967,188
Closing stock - WIP	9	(5,978,231)	(11,176,902)
		5,198,671	(2,209,714)
		117,629,085	141,829,329
28.2 Raw materials consumed			
Opening stock - raw material		38,516,922	30,975,136
Purchases during the year		68,335,599	103,468,191
Closing stock - raw material	9	(28,713,792)	(38,516,922)
		78,138,729	95,926,405
29 SELLING AND DISTRIBUTION COST			
Salaries, wages and benefits	30.1	829,639	893,380
Freight and shipment expenses		1,804,079	2,138,940
Advertisement and publicity		388,231	419,272
Depreciation	4.1.1	70	87
Export development surcharge		51,813	282,183
Other expenses		59,551	71,854
		3,133,383	3,805,716
Less: Related to discontinued operations	36	(11,622)	(262,935)
		3,121,761	3,542,781

30	ADMINISTRATIVE COST	Note	2026	2025
			----- (Rupees in '000) -----	
	Salaries, wages and benefits	30.1	1,564,567	1,730,278
	Rent and ancillary charges	30.2	162,369	139,190
	Repairs and maintenance		16,769	14,767
	Vehicle up keep and maintenance		538,105	561,232
	Utilities		3,531	4,154
	Traveling and conveyance		500,913	647,031
	Printing and stationery		60,497	78,647
	Communication		194,575	247,361
	Legal and consultancy fees		90,465	87,165
	Depreciation and amortisation	4.1.1 & 5.2	239,119	233,776
	Auditor's remuneration	30.3	16,563	17,578
	Donations	30.4 & 30.5	211,669	119,047
	Insurance		66,029	70,540
	Expected credit loss / (reversal)	10.5	68,878	(33,058)
	Other expenses		226,339	187,401
			3,960,388	4,105,109
	Less: Related to discontinued operations	36	(92,887)	(420,089)
			3,867,501	3,685,020

30.1 Salaries, wages and benefits

	Cost of sales		Selling and distribution costs		Administrative costs		Total	Total
	2026	2025	2026	2025	2026	2025	2026	2025
----- (Rupees in '000) -----								
Salaries, wages and benefits	13,126,852	16,703,102	794,101	855,708	1,510,122	1,674,299	15,431,075	19,233,109
Retirement benefits								
Gratuity (note 20.2)	122,127	264,743	-	-	-	-	122,127	264,743
Provident fund	299,463	346,978	35,308	37,633	53,722	55,854	388,493	440,465
	421,590	611,721	35,308	37,633	53,722	55,854	510,620	705,208
Staff compensated absences	88,534	106,260	230	39	723	125	89,487	106,424
	13,636,976	17,421,083	829,639	893,380	1,564,567	1,730,278	16,031,182	20,044,741

30.2 This represents rent expense which comprises of variable rents, rent of certain short term and low value leases, ancillary and maintenance charges incurred in respect of lease premises.

	2026	2025
	----- (Rupees in '000) -----	
30.3 Auditor's remuneration		
Statutory Audit fee for unconsolidated financial statements	10,800	10,800
Audit of consolidated financial statements	1,560	1,560
Review fee of statement of compliance with code of corporate governance	200	200
Review of condensed interim financial statements	2,160	2,160
Other certification	400	400
Out of pocket expenses	1,443	2,458
	16,563	17,578

30.4 Donations include donations to the following organisations in which a director is a trustee:

Name of Donee	Interest in Donee	Name of Director	2026 ----- (Rupees in '000) -----	2025
Habib University	Common Directorship	Mohomed Bashir	1,699	4,002
Landhi Association of Trade and Industry	Patron in Chief	Ziad Bashir	600	400
Pakistan Textile Council	Common Directorship	Muhammad Zaki Bashir	1,250	1,250

30.5 During the year, the Company made donations amounting to Rs. 200 million (2025: Rs. 100 million) to Indus Hospital & Health Network.

	Note	2026 ----- (Rupees in '000) -----	2025
31 OTHER EXPENSE			
Loss on sale of operating fixed assets	4.1.3	177,105	35,609
Workers' profit participation fund (WPPF)	21.3	-	295,120
Workers' welfare fund (WWF)	21.4	-	121,537
		177,105	452,266
Less: Related to discontinued operations	36	(31,653)	-
		145,452	452,266

	Note	2026 ----- (Rupees in '000) -----	2025
32 OTHER INCOME			
Income from non-financial assets and others			
Scrap sales		1,881	3,004
Government grant	19	24,035	28,251
Unclaimed liabilities written back		4,978	-
Others		5,979	1,008
		36,873	32,263
Income from financial assets			
Markup income	32.1	133,432	134,357
Dividend income		27,282	-
Gain on FVPL investment:			
- Realised		82,446	-
- Unrealised		32,731	-
Exchange gain on:			
- Currency		944,351	848,806
- Derivatives	32.2	666,462	105,037
		1,886,704	1,088,200
		1,923,577	1,120,463
Less: Related to discontinued operations	36	(21,043)	(139,814)
		1,902,534	980,649

32.1 This includes markup income earned on interest bearing loan to employees.

32.2 This includes unrealised exchange gain earned on conventional derivative instruments during the year amounting to Rs. 362 million (2025: unrealised exchange loss of Rs. 64.9 million).

			2026	2025
			----- (Rupees in '000) -----	-----
33	FINANCE COSTS	Note		
	Markup / profit on:			
	- Short term borrowings		2,230,694	3,898,992
	- Long term financing		1,045,877	710,319
	- Workers' profit participation fund	21.3	13,318	22,867
	Bank and other charges		1,016,935	1,443,451
			4,306,824	6,075,629
	Less: Related to discontinued operations	36	(386,155)	(593,019)
			3,920,669	5,482,610
34	LEVIES			
	Levies	34.1	1,358,654	1,688,647
	Less: Related to discontinued operations	36	(13,776)	(108,146)
			1,344,878	1,580,501
34.1	This represents minimum tax paid (2025: minimum tax) under sections 154 and 113 of ITO, representing levy in terms of requirements of IFRIC 21 / IAS 37.			
35	TAXATION	Note	2026	2025
			----- (Rupees in '000) -----	-----
	Current tax			
	- for the year		12,623	438,490
	- for prior year		(530,559)	(489,747)
		35.1, 35.2, and 35.3	(517,936)	(51,257)
35.1	The Company is subject to Minimum Tax Regime under section 113 and section 154 of the Income Tax Ordinance , 2001 (ITO) for local and export sales. Accordingly, the relationship between tax expense and accounting profit has not been presented in these unconsolidated financial statements.			
35.2	The aggregate of minimum tax and income tax, amounting to Rs. 1,371 million (2025: Rs. 2,127 million) represents tax liability of the Company calculated under the relevant provisions of the ITO.			
35.3	As per the guidelines issued by Institute of Chartered Accountants of Pakistan on application of IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes', no deferred tax is required to be booked as the Company, based on the projections of taxable income, is expected to be taxed under Minimum Tax u/s 113 of the ITO for the foreseeable future. Hence the Company has not recorded any deferred tax liability as at June 30, 2026 and June 30, 2025.			

36	LOSS FROM DISCONTINUED OPERATIONS	Note	2026	2025
			----- (Rupees in '000) -----	
	Revenue from contracts with customers	27	1,366,969	12,610,144
	Cost of sales	28	(1,802,291)	(12,531,689)
	Gross profit		(435,322)	78,455
	Selling and distribution cost	29	(11,622)	(262,935)
	Administrative cost	30	(92,887)	(420,089)
	Other expense	31	(31,653)	-
			(136,162)	(683,024)
	Operating loss from discontinued operations		(571,484)	(604,569)
	Other income	32	21,043	139,814
	Finance costs	33	(386,155)	(593,019)
	Loss from discontinued operations before levies and taxation		(936,596)	(1,057,774)
	Levies	34	(13,776)	(108,146)
	Loss from discontinued operations before taxation		(950,372)	(1,165,920)
	Taxation		-	-
	Loss from discontinued operations		(950,372)	(1,165,920)

37 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the earnings per share of the Company, as the Company has no potential ordinary shares.

	Note	2026	2025
Continuing operations			
Profit for the year (Rupees in 000)		27,769	5,188,694
Weighted average outstanding shares (Number)	15.2	740,059,458	740,059,458
Earnings per share		0.04	7.01
Discontinued operations			
Loss for the year (Rupees in 000)		(950,372)	(1,165,920)
Weighted average outstanding shares (Number)	15.2	740,059,458	740,059,458
Loss per share		(1.28)	(1.58)

38 SEGMENT INFORMATION

The Company's operations have been divided into three segments which are given below based on the nature of process and internal reporting. Following are the reportable business segments:

- Spinning: Production of different qualities of yarn using both natural and artificial fibres.
- Home Textile: Production of different types and qualities of products falling under the definition of home textile.
- Others: Weaving, Fiber Bleaching, Knitting, Apparel, Yarn dyeing and Dyed yarn fabric etc.

Transactions among the business segments are recorded at cost.

38.1 Segment Profitability

	Spinning		Home textile		All other segments (Rupees in '000)		Elimination of Inter Segment Transactions		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Sales to external customers	33,137,250	43,295,304	85,934,109	93,150,342	10,651,728	8,848,929	-	-	129,723,087	145,294,575
Intersegmental sales	5,755,403	8,958,108	15,554,819	17,750,057	8,427,354	11,718,160	(29,737,576)	(38,426,325)	-	-
Cost of sales	(35,815,654)	(46,608,768)	(97,944,023)	(100,263,322)	(15,693,426)	(17,948,844)	29,737,576	38,426,325	(119,715,527)	(126,394,609)
Gross profit	3,076,999	5,644,644	3,544,905	10,637,077	3,385,656	2,618,245	-	-	10,007,560	18,899,966
Selling, distribution and administrative cost	(440,328)	(530,964)	(4,953,817)	(5,556,306)	(1,595,117)	(1,140,531)	-	-	(6,989,262)	(7,227,801)
Profit before tax and before charging following	2,636,671	5,113,680	(1,408,912)	5,080,771	1,790,539	1,477,714	-	-	3,018,298	11,672,165
Finance cost									(3,920,669)	(5,482,610)
Other operating cost									(145,452)	(452,266)
Other income									1,902,534	980,649
Profit before taxation									(2,163,587)	(4,954,227)
Levies and taxation									854,711	6,717,938
Profit from continuing operations									(826,942)	(1,529,244)
Loss from discontinued operations - net of levies									27,769	5,188,694
(Loss) / Profit for the year									(950,372)	(1,165,920)
Depreciation and amortisation expense	864,976	1,275,326	779,369	1,088,354	1,457,216	2,212,328	-	-	(922,603)	4,022,774
									3,101,561	4,576,008

38.2 Segment assets and liabilities

	Spinning		Home textile		All other segments (Rupees in '000)		Unallocated		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Assets	30,663,616	32,572,319	56,956,541	72,271,204	16,075,007	20,847,799	29,752,590	25,403,527	133,447,754	151,094,849
Liabilities	(10,909,764)	(11,488,190)	(17,605,445)	(22,373,512)	(7,251,060)	(10,801,574)	(49,747,987)	(57,578,636)	(85,514,256)	(102,241,912)
Segment capital and Intangible expenditure	2,779,932	477,342	1,308,380	1,784,291	327,210	1,170,018	2,968,880	1,956,683	7,384,402	5,388,334

38.3 Unallocated items represent those assets and liabilities which are common to all segments and these include investment in subsidiaries, long term deposits, other receivables, deferred liabilities, certain common borrowing and other corporate assets and liabilities.

38.4 Information about major customer

Sales to major customer whose revenue exceeds 10% of gross sales is Rs. 39,136 million (2025: Rs. 41,963 million).

39 INFORMATION BY GEOGRAPHICAL AREA

	Revenue		Non-current assets	
	2026	2025	2026	2025
	(Rupees in '000)			
Pakistan	41,559,758	52,525,782	58,542,529	54,650,566
Germany	23,762,481	32,265,194	-	-
United Kingdom	11,415,010	11,888,340	-	-
United States	10,761,915	13,090,843	-	-
Italy	6,054,213	8,872,670	-	-
Denmark	5,849,261	6,020,894	-	-
Netherlands	5,265,772	7,021,034	-	-
Sweden	5,245,275	3,654,145	-	-
France	5,144,665	7,571,900	-	-
Poland	3,584,124	5,469,602	-	-
Spain	3,219,442	3,009,965	-	-
Other countries	12,088,597	10,400,396	58,450	58,450
	133,950,513	161,790,765	58,600,979	54,709,016

40 CASH AND CASH EQUIVALENTS

	Note	2026 (Rupees in '000)	2025
Cash and bank balances	14	586,597	166,429
Running finance	23	(59,580)	(2,478,795)
		527,017	(2,312,366)

40.1 CHANGES ARISING FROM FINANCING ACTIVITIES

		2025	Financing cash inflows, net	Financing cash outflows	Non-cash changes	2026
	Note	(Rupees in '000)				
Long-term finance and deferred government	17 & 19	19,345,310	2,246,553	(3,292,873)	-	18,298,991
Short term borrowings - net	23	49,678,909	-	(9,227,394)	-	40,451,515
		2024	Financing cash inflows, net	Financing cash outflows	Non-cash changes	2025
	Note	(Rupees in '000)				
Long-term finance and deferred government grant	17 & 19	17,928,429	4,700,000	(3,283,119)	-	19,345,310
Short term borrowings - net	23	36,863,256	12,815,653	-	-	49,678,909

41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2026				2025			
	Chief Executive	Director	Executives	Total	Chief Executive	Director	Executives	Total
(Rupees in '000)								
Managerial remuneration	16,000	12,000	1,453,323	1,481,323	16,000	12,000	1,496,804	1,524,804
Performance bonus	1,333	1,000	88,115	90,448	1,333	1,000	124,734	127,067
House rent allowance	6,400	4,800	581,329	592,529	6,400	4,800	598,722	609,922
Other allowances	1,600	1,200	366,529	369,329	1,600	1,200	408,045	410,845
Contribution to provident fund	1,333	1,000	116,862	119,195	1,333	1,000	119,402	121,735
	26,666	20,000	2,606,158	2,652,824	26,666	20,000	2,747,707	2,794,373
(Number)								
Persons	1	1	546	548	1	1	598	600

- 41.1 The CEO and Executive Directors are provided with Company maintained vehicles and are also covered under Company's Health Insurance Plan along with their dependents. The CEO is also provided with free residential telephones.
- 41.2 Aggregate amount charged during the year in respect of meeting fee to Four Non-Executive Directors and the Chairman was Rs. 11.1 million (2025: Four Non Executive Directors and Chairman amounting to Rs. 8.6 million).
- 41.3 Executive means an employee, other than the chief executive and directors, whose basic salary exceeds Rs.1.2 million in a financial year.

42 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiaries, associated companies, companies where directors also hold directorship, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties as per agreed rates. Details of related party transactions other than those disclosed elsewhere in these unconsolidated financial statements are as follows:

Name of the related party	Relationship with related party	Transactions during the year	2026 (Rupees in '000)	2025
Ideas (Private) Limited	Subsidiary company	Sale of goods and services	1,627,767	1,781,679
		Sharing of common expenses	112,926	593,454
Gul Ahmed International Ltd. FZC	Subsidiary company	Purchases of goods and services	971,330	-
GTM (Europe) Limited - UK	Subsidiary company	Sale of goods	8,127,200	4,273,298
		Sales through subsidiaries acting as agents	1,759,430	5,285,156
		Commission	157,666	191,888
Vantona Home Limited	Subsidiary company	Sales through subsidiaries acting as agents	243,468	169,910
GTM USA Corporation	Subsidiary company	Sale of goods	801,703	762,588
Sky Home Corp. - USA	Subsidiary company	Sale of goods	1,487,694	659,905
		Commission	61,683	380,082
Designer's Linen Inc.	Associated company	Sale of goods	13,553	-
Grand Industries (Pvt) Limited	Associated company	Rent expense	600	600
Swisstex Chemicals (Private) Limited	Associated company	Purchase of goods	38,289	106,868
Win Star (Private) Limited	Associated company	Purchase of goods	60,447	31,893

Name of the related party	Relationship with related party	Transactions during the year	2026 (Rupees in '000)	2025
Haji Ali Mohammad Foundation	Associated company	Rent paid	960	960
The Pakistan Business Council	Associated company	Fees paid	2,500	2,500
Habib Metropolitan Bank Limited	Common directorship	Bills discounted	23,189,246	17,804,583
		Finance cost	113,697	203,159
Samba Bank Limited	Common directorship	Bills discounted	1,593,177	420,155
		Finance cost	37,520	58,251
Standard Chartered Pakistan Limited	Common directorship	Bills discounted	6,442,530	3,915,018
		Finance cost	249,170	432,123
Gul Ahmed Textile Mills Limited Employees Provident Fund	Associated company	Company's contribution to provident fund	388,494	440,465
International Cotton Association	Associated company	Fees paid	702	693
Pakistan Textile Council	Associated company	Membership fees	1,250	2,500
International Textile Manufacturers Federation	Associated company	Fees paid	-	2,172
Landhi Association of Trade and Industry	Associated company	Fees paid	910	60

Company name	Country of Incorporation	Basis of relationship	shareholding (%)
Gul Ahmed Holdings (Private) Limited	Pakistan	Parent company	55.86%
Ideas (Private) Limited	Pakistan	Wholly owned subsidiary	100%
Gul Ahmed Ecotex (Private) Limited	Pakistan	Wholly owned subsidiary	100%
Gul Ahmed Ecofab (Private) Limited	Pakistan	Wholly owned subsidiary	100%
Gul Ahmed Circular Fabrics (Private) Limited	Pakistan	Wholly owned subsidiary	100%
Gul Ahmed International Limited (FZC) - UAE	UAE	Wholly owned subsidiary	100%
GTM (Europe) Limited	UK	Wholly owned ultimate subsidiary	100%
GTM USA Corporation	USA	Wholly owned ultimate subsidiary	100%
Sky Home Corporation - USA	USA	Wholly owned ultimate subsidiary	100%
Vantona Home Limited	UK	Wholly owned ultimate subsidiary	100%
JCCO 406 Limited	UK	Wholly owned ultimate subsidiary	100%
Omnify (Private) Limited	Pakistan	Wholly owned ultimate subsidiary	100%
Elegant Fashion (Private) Limited	Pakistan	Wholly owned ultimate subsidiary	100%
Fragrance Fusion (Private) Limited	Pakistan	Wholly owned ultimate subsidiary	100%
Designer's Linen Inc.	USA	Joint venture company	50%
DLI Global (FZC)	UAE	Joint venture company	50%
Habib Metropolitan Bank Limited (HMBL)	Pakistan	Common directorship	-
Samba Bank Limited (SBL)	Pakistan	Common directorship	-
Standard Chartered Pakistan Limited (SCPL)	Pakistan	Common directorship	-
Swisstex Chemicals (Private) Limited	Pakistan	Common directorship	2.99%

Company name	Country of Incorporation	Basis of relationship	shareholding (%)
Arwen Tech. (Private) Limited	Pakistan	Common directorship	-
Win Star (Private) Limited	Pakistan	Common directorship	-
Hub Liquid Terminal (Private) Limited	Pakistan	Subsidiary of Parent company	-
TPL Properties Limited	Pakistan	Common directorship	-
Habib University Foundation	Pakistan	Common directorship	-
The Pakistan Business Council	Pakistan	Common directorship	-
Pakistan Textile Council	Pakistan	Common directorship	-
Ghafooria Industries (Private) Limited	Pakistan	Group company and common directorship	2.17%
LITE Development and Management Company	Pakistan	Common directorship	-
Grand Industries (Private) Limited	Pakistan	Group company and major shareholders	7.86%
Haji Ali Mohammad Foundation	Pakistan	Member of Foundation	-
Gul Ahmed Holdings (Private) Limited	Pakistan	Holding company	-
Gul Ahmed Textile Mills Limited Employees - Provident Fund Trust	Pakistan	Employees fund	0.42%
International Cotton Association	United Kingdom	Common directorship	-
Mohomed Bashir	-	Director	0.07%
Mohammed Zaki Bashir	-	Director	0.34%
Zain Bashir	-	Director	0.34%
Ziad Bashir	-	Director	0.00%
Ehsan A. Malik	-	Director	0.00%
Zeeba Ansar	-	Director	0.00%
Kamran Y. Mirza	-	Director	0.00%

43 CAPACITY AND PRODUCTION

Unit	2026			2025		
	Capacity	Production	Working	Capacity	Production	Working
Spinning Kgs. (20 Counts converted)	98,277	56,004	3 shifts	98,277	92,433	3 shifts
Weaving Sq. meters (50 Picks converted)	213,511	194,296	3 shifts	239,649	219,048	3 shifts

Production is lower as compared to capacity due to variation in production mix and various technical and market factors.

The production capacity and its comparison with actual production of Processing, Home Textile and Apparel segments is impracticable to determine due to varying manufacturing processes, run length of order lots and various other factors.

2026 2025
----- (Numbers) -----

44 NUMBER OF PERSONS EMPLOYED

As at	10,113	15,496
Average during the year	11,687	15,802

45 PROVIDENT FUND RELATED DISCLOSURES

The investment out of provident fund have been made in accordance with the provisions of section 218 of the Act, and the conditions specified thereunder.

46 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities of the Company as at June 30, 2026 are as follows:

		2026						
		Interest/mark-up/profit bearing			Non interest/mark-up/profit bearing			Total
		Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
Note		(Rupees in '000)						
Financial assets								
At amortised cost								
Long term investments	6	-	70,000	70,000	-	-	-	70,000
Long term loans	7	5,422	11,935	17,357	94,275	21,381	115,656	133,013
Trade debts	10	240,738	-	240,738	17,855,892	-	17,855,892	18,096,630
Other receivables	11	-	-	-	1,176,509	-	1,176,509	1,176,509
Long term deposits		-	-	-	-	164,568	164,568	164,568
Short term investments	13	2,447	-	2,447	-	-	-	2,447
Cash and bank balances	14	470,032	-	470,032	116,565	-	116,565	586,597
At Fair value through profit or loss								
Other receivables (Forward contracts)	11	-	-	-	362,144	-	362,144	362,144
Short term investments	13	-	-	-	2,240,081	-	2,240,081	2,240,081
		718,639	81,935	800,574	21,845,466	185,949	22,031,415	22,831,989
Financial liabilities								
At amortised cost								
Long term financing	17	3,694,160	14,554,211	18,248,371	-	-	-	18,248,371
Trade and other payable	21	-	-	-	19,390,100	-	19,390,100	19,390,100
Accrued mark-up / profit	22	-	-	-	537,943	-	537,943	537,943
Short term borrowings	23	40,511,095	-	40,511,095	-	-	-	40,511,095
Unclaimed dividend		-	-	-	9,365	-	9,365	9,365
Unpaid dividend	25	-	-	-	23,505	-	23,505	23,505
		44,205,255	14,554,211	58,759,466	19,960,913	-	19,960,913	78,720,379

Financial assets and liabilities of the Company as at June 30, 2025 are as follows:

		2025						
		Interest/mark-up/profit bearing			Non interest/mark-up/profit bearing			Total
		Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
Note		----- (Rupees in '000) -----						
Financial assets								
At amortised cost								
Long term investments	6	-	70,000	70,000	-	-	-	70,000
Long term loans	7	8,087	11,198	19,285	108,268	10,289	118,557	137,842
Other receivables	11	40,464	-	40,464	332,637	-	332,637	373,101
Long term deposits		-	-	-	-	146,240	146,240	146,240
Trade debts	10	537,018	-	537,018	21,618,544	-	21,618,544	22,155,562
Short term investments	13	979,000		979,000	-	-	-	979,000
Cash and bank balances	14	657	-	657	165,772	-	165,772	166,429
		1,565,226	81,198	1,646,424	22,225,221	156,529	22,381,750	24,028,174
Financial liabilities								
At amortised cost								
Long term financing	17	3,128,180	16,142,475	19,270,655	-	-	-	19,270,655
Trade and other payables	21	-	-	-	22,683,712	-	22,683,712	22,683,712
Accrued mark-up / profit		-	-	-	788,421	-	788,421	788,421
Short term borrowings	23	52,157,704	-	52,157,704	-	-	-	52,157,704
Unclaimed dividend		-	-	-	9,365	-	9,365	9,365
Unpaid dividend	25	-	-	-	23,505	-	23,505	23,505
At Fair value through profit or loss								
Trade and other payables (Forward contracts)	21	-	-	-	64,902	-	64,902	64,902
		55,285,884	16,142,475	71,428,359	23,569,905	-	23,569,905	94,998,264

47 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, markup risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk Management is carried out under policies and principles approved by the Board. All treasury related transactions are carried out within the parameters of these policies and principles.

The information about the Company's exposure to each of the above risk, the Company's objectives, policies and procedures for measuring and managing risk and the Company's management of capital are as follows:

47.1 Market risks

Market risk is the risk that the fair value or future cash flows of the financial instrument may fluctuate as a result of changes in market interest / markups rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. Market risk comprises of three types of risks: currency risk, markup risk and other price risk. The Company is exposed to currency risk and markup risk only.

a) Currency risk

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

Exposure to foreign currency risk

The Company is exposed to foreign currency risk arising from foreign exchange fluctuations due to the following financial assets and liabilities:

	2026	2025
	----- (Equivalent USD 000s) -----	
Trade debts	20,509	28,461
Cash and bank balances	53	81
Short term borrowing	(61,409)	(83,529)
Trade and other payables	(19,784)	(13,606)
Net exposure	<u>(60,631)</u>	<u>(68,593)</u>

The Company manages foreign currency risk through close monitoring of the exchange rates, adjusting net exposure and obtaining forward covers where necessary.

Foreign currency commitments and guarantees outstanding at year end are as follows:

	2026	2025
	----- (Amount in '000) -----	
- USD	193,519	124,871
- EURO	500	500
- AED	14,600	14,600
- GBP	250	250

The following significant exchange rates were applied during the year:

Rupee per USD

Average rate (Selling / Buying)	280.6 / 280.2	279.6 / 279.1
Reporting date rate (Selling / Buying)	278.3 / 277.9	283.9 / 283.5

Rupee per EURO

Average rate (Selling / Buying)	327.4 / 326.9	304.1 / 303.7
Reporting date rate (Selling / Buying)	317.2 / 316.7	333.1 / 332.6

Rupee per GBP

Average rate (Selling / Buying)	376.6 / 376.0	361.7 / 361.1
Reporting date rate (Selling / Buying)	368.4 / 367.8	389.7 / 389.1

Rupee per AED

Average rate (Selling / Buying)	76.4 / 76.3	76.1 / 76.0
Reporting date rate (Selling / Buying)	75.8 / 75.7	77.3 / 77.2

Foreign currency sensitivity analysis

A five percent strengthening / weakening of the PKR against the USD at June 30, 2026 would have increased / decreased the equity and profit / loss after tax by Rs. 843 million (2025: Rs. 778 million). This analysis assumes that all other variables, in particular markups, remain constant. The analysis is performed on the same basis for June 30, 2025.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to change in the interest rates. The Company has long term finance and short term borrowings at fixed and variable rates.

The Company is mainly exposed to interest rate risk on short term financing under variable rate arrangements and these are covered by holding "Prepayment option" and "Rollover option", which can be exercised upon any adverse movement in the underlying interest rates.

Financial assets include balances of Rs. 800 million (June 30, 2025: Rs. 1,646 million) which are subject to interest rate risk. Financial liabilities include balances of Rs. 58,759 million (June 30, 2025: Rs. 71,428 million) which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities are given in respective notes.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2026, if markups on interest bearing financial instruments would have been 1% higher / lower with all other variables held constant, post tax profit for the year would have been Rs. 579 million (2025: Rs. 698 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings.

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 markup at the reporting date would not effect unconsolidated statement of profit or loss of the Company.

c) Other price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices (other than those arising from interest or currency rate risk) whether those changes are caused by factors specified to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

As at June 30, 2026, the Company is exposed to equity price risk on investments in shares and mutual funds held by the Company and classified as FVTPL. In case of 5% increase / decrease in KSE All Share Index on June 30, 2026, with all other variables held constant, the loss for the year would increase / decrease be Rs. 112 million (2025: Nil).

47.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation without considering the fair value of the collateral available there against. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Exposure to credit risk

Company's operating activities exposes it to credit risks arising mainly in respect of long term investments, loans and other receivables, trade debts, long term deposits and bank balances. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2026 ----- (Rupees in '000) -----	2025 -----
Long term investments	6	70,000	70,000
Long term loans	7	133,013	137,842
Long term deposits		164,568	146,240
Trade debts	10	18,096,630	22,155,562
Other receivables	11	1,176,509	373,101
Short term investments	13	2,447	979,000
Bank balances and term deposit receipts	14	574,555	155,550
		<u>20,217,722</u>	<u>24,017,295</u>

The Company manages credit risk as follows:

Loans and other receivables

These are due from employees and are recovered in monthly installments deductible from their salaries. Retirement balances are also available for these employees against which balance can be adjusted in case of default. The Company actively pursues for the recovery of these loans and the Company does not expect that these employees will fail to meet their obligations, hence the management believes no impairment allowance is required there against.

Other receivables include bank guarantee margin Letter of Credit and miscellaneous receivables which are neither past due nor impaired. The Company believes that based on past relationship, credit rating and financial soundness of the counter parties chances of default are remote and also there is no material impact of changes in credit risks of such receivables so no impairment allowance is necessary in respect of these advances and receivables.

Long term deposits

These are mainly held for rental premises and utilities with the counter parties which have long association with the Company and have a good credit history. The management does not expect to incur credit loss there against.

Trade debts

Trade debts are due from local and foreign customers. The Company manages credit risk inter alia by setting out credit limit in relation to individual customers, by obtaining advance against sales and / or through letter of credits and / or by providing impairment allowance for life time expected credit loss on trade debts.

Trade debts under irrevocable letter of credit, document acceptance and other acceptable banking instruments are considered secured. Further the majority of the customers have been transacting with the Company for several years. The Company actively pursues for the recovery of the trade debt and based on past experience and business relationship and credit worthiness of these customers, the Company does not expect these customers will fail to meet their obligations except for some past due trade debts against which adequate allowance for impairment has been made.

The Company has established an allowance for expected credit losses against trade debts that represent its estimate of expected losses based on actual credit loss experience in respect of trade debts based on the last 3 years. The allowance determined is then multiplied by the weighted average macroeconomic factors for the three developed scenarios namely "Base", "Best" and "Worst" to incorporate the forward-looking information in expected credit loss model. The macroeconomic factors used include GDP Forecast, Unemployment Forecast, Inflation Rate Forecast and Exchange Rate Forecast. The Company has aging of the trade debts of the Company outstanding as at year end is as follows:

	2026		2025	
	Gross carrying amount	Impairment loss allowance	Gross carrying amount	Impairment loss allowance
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Secured	14,783,527	-	17,203,016	-
Unsecured				
Current	2,468,804	2	3,252,805	4
1-30 Days	592,776	121	1,634,239	406
31-60 Days	186,846	2,674	42,222	5,909
61-90 Days	30,860	5,646	15,125	248
More than 90 Days	251,996	209,736	157,457	142,734
	3,531,282	218,179	5,101,847	149,301
	18,314,809	218,179	22,304,863	149,301

Management believes that the unimpaired balances that are past due are still collectable in full, based on historical payment behavior and review of financial strength of respective customers. Further, certain trade debtors, which have been derecognised as a result of bills discounting, are secured by way of Export Letter of Credit and Inland Letter of Credit, which can be called upon if the counter party is in default under the terms of the agreement.

Long term investment and bank balances

The Company limits its exposure to credit risk by maintaining bank accounts and investing only with counter-parties that have stable credit rating.

The long term investment and bank balances along with credit ratings are tabulated below:

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
Long term investment			
AAA	6.4	70,000	70,000
Bank balances and term deposit receipts			
AAA		74,280	74,783
AA+		184,901	61,844
AA		15,081	14,197
AA-		300,090	2,492
A+		203	1,834
BBB-		-	400
		574,555	155,550
		644,555	225,550

Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

Concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's exposure to a single customer exceeding 10% of the total exposure amounts to Rs. 1,559 million (2025: Rs. 2,436 million).

Credit risk of the Company arises principally from long term investments, loans and other receivables, trade debts, long term deposits and bank balances.

47.3 Liquidity risk

Liquidity risk represent the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities when they fall due. The exposure to liquidity risk along with their maturities is disclosed in respective notes and note 46.

The Company manages liquidity risk by maintaining sufficient cash in hand and at banks and ensuring the fund availability through adequate credit facilities. At June 30, 2026, the Company has Rs. 56,423 million (June 30, 2025: Rs. 67,325 million) available borrowing limit from financial institutions with unutilised borrowing facilities of Rs. 15,912 million (June 30, 2025: Rs. 15,167 million). Based on the above, management believes the liquidity risk is insignificant. The following are the contractual maturities of financial liabilities, excluding interest payments.

	Note	Less than one year	More than one year	Total carrying amount
		(Rupees in '000)		
As at June 30, 2026				
Long term financing	17	3,694,160	14,554,211	18,248,371
Trade and other payables	21	19,390,100	-	19,390,100
Accrued markup	22	537,943	-	537,943
Short term borrowings	23	40,511,095	-	40,511,095
Unclaimed dividend		9,365	-	9,365
Unpaid dividend	25	23,505	-	23,505
		64,166,168	14,554,211	78,720,379
Total as at June 30, 2025		78,855,789	16,142,475	94,998,264

47.4 Capital risk management

The primary objectives of the Company when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure.

The Company manages its capital structure and makes adjustment to it, in light of the changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The Company's strategy is to maintain leveraged gearing. The gearing ratios as at June 30, 2025 and June 30, 2024 were as follows:

	Note	2026 (Rupees in '000)	2025
Total borrowings	17 & 23	58,759,466	71,428,359
Cash and bank	14	(586,597)	(166,429)
Net debt		58,172,869	71,261,930
Total equity	15 & 16	47,933,498	48,852,937
Total equity and debt		106,106,367	120,114,867
		(%)	
Gearing ratio		55	59

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimise risk and borrowing cost.

48 FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in these unconsolidated financial statements approximate their fair values.

The Company classifies assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

The table below analyses financial instruments carried at fair value by valuation method:

	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			

As at June 30, 2026

**Short term investment at
fair value through profit or loss**

- Mutual funds	-	1,350,977	-	1,350,977
- Quoted equity shares	889,104	-	-	889,104

Loans, advances and other receivables

- Forward contracts	-	362,144	-	362,144
---------------------	---	---------	---	---------

Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

As at June 30, 2025

**Short term investment at
fair value through profit or loss**

- Mutual funds	-	-	-	-
- Quoted equity shares	-	-	-	-

Trade and other payables

- Forward contracts	-	64,902	-	64,902
---------------------	---	--------	---	--------

49 SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

As per the requirements of the fourth schedule to the Act, Shariah compliant companies and companies listed on the Islamic index shall disclose the following:

	Note	2026			2025		
		(Rupees in '000)					
		Shariah	Coventional	Total	Shariah	Coventional	Total
Statement of Financial Position							
Assets							
Bank Balances and TDRs	14	315,660	258,895	574,555	17,934	137,616	155,550
Long term Investments - TFCs	6	70,000	-	70,000	70,000	-	70,000
Accrued markup on TFCs and TDRs	11	802	10,259	11,061	330	23,969	24,299
Short term Investments	13	420,059	1,822,469	2,242,528	-	979,000	979,000
Liabilities							
Long term borrowings	17	7,071,230	11,177,141	18,248,371	7,731,124	11,539,531	19,270,655
Short term borrowings	23	13,068,009	27,443,086	40,511,095	14,855,459	37,302,245	52,157,704
Accrued mark-up / profit	22	220,726	317,217	537,943	262,604	525,817	788,421
Statement of Profit or Loss							
Revenue from contracts with customers	27	131,090,056	-	131,090,056	157,904,719	-	157,904,719
Income from financial assets							
Profit on TFCs and TDRs	32	12,468	97,106	109,574	11,819	-	11,819
Profit on saving accounts		-	10,657	10,657	-	1,002	1,002
Other markup Income	32	-	13,201	13,201	-	121,536	121,536
Dividend income	32	11,132	16,150	27,282	-	-	-
Gain on short term investments	32	29,923	85,254	115,177	-	-	-
Exchange gain - currency	32	-	944,351	944,351	-	848,806	848,806
Exchange gain - derivatives	32	-	666,462	666,462	-	105,037	105,037
Income from non-financial assets							
Scrap sales	32	1,881	-	1,881	3,004	-	3,004
Finance costs	33	1,410,182	2,896,642	4,306,824	2,258,318	3,817,311	6,075,629
Markup / profit paid		1,452,061	3,241,879	4,693,940	2,435,196	4,338,271	6,773,467

Relationship with Shariah Compliant financial institutions

The Company has relationships with shariah-compliant banks, takaful operators and their islamic windows including, Dubai Islamic Bank Limited, Faysal Bank Limited, MCB Islamic Bank Limited, Bank Alfalah Islamic Limited, Bank Islami Pakistan, Al-Baraka, Standard Chartered Limited, Askari Bank Limited, Habib Metropolitan Bank Limited, Soneri Bank Limited, United Bank Limited and Meezan Bank Limited.

50 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these un-consolidated financial statements during the current year.

51 DATE OF AUTHORISATION

These unconsolidated financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on September 26, 2026.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

07

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements of the Group, Directors' Report on the financials and the Auditor's Audit Report to the Shareholders thereof



Group Directors' Report

The directors are pleased to present their report together with the audited Consolidated Financial Statements of the Group for the year ended June 30, 2026.

The Group

The Group comprises of;

Subsidiaries:

Ideas (Private) Limited (Pvt) limited - Pakistan;
Gul Ahmed International Limited (FZC) - UAE;
GTM (Europe) Limited - UK;
GTM USA Corp. - USA;
Sky Home Corp. - USA;
JCCO 406 Limited - UK;
Vantona Home Limited – UK;
Gul Ahmed Ecotex (Pvt) Limited – Pakistan;
Gul Ahmed Ecofab (Pvt) Limited – Pakistan;

Gul Ahmed Circular Fabrics (Pvt) Limited – Pakistan;
Elegant Fashion (Pvt) Limited – Pakistan;
Fragrance Fusion (Pvt) Limited – Pakistan; and
Omnify (Pvt) Limited – Pakistan.

Joint Ventures:

Designer's Linen Inc. – USA; and
DLI Global (FZC) LLP – UAE.

All these group companies are engaged in trading/retail sales of textile and related products.

The Consolidated financial results of the group are given below:

Rupees '000

From continuing operations

Profit before taxes and levies	1,889,149
Taxes and levies	(1,277,324)

Profit after taxes and levies	611,825
--------------------------------------	----------------

Loss From discontinued operations after taxes and levies	(950,372)
---	------------------

Loss for the year	(338,547)
--------------------------	------------------

Total Reserves brought forward	44,439,603
--------------------------------	------------

Transferred to Capital Reserves	(1,840)
---------------------------------	---------

Amount available for appropriation	44,101,056
------------------------------------	------------

Appropriation

Amount carried to other comprehensive income	3,164
--	-------

Exchange difference on transactions of foreign subsidiaries	(28,884)
---	----------

Transferred to Capital Reserves	(1840)
---------------------------------	--------

Amount available for appropriation	44,075,336
------------------------------------	------------

Total Reserves carried forward	44,075,336
--------------------------------	------------

Earnings Per Share (Rs.)	(0.45)
--------------------------	--------

Pattern of Shareholding

1. Ideas (Private) Limited, Gul Ahmed International Limited (FZC) – UAE, Gul Ahmed Ecotex (Private) Limited, Gul Ahmed Ecofab (Private) Limited and Gul Ahmed Circular Fabrics (Private) Limited are wholly owned subsidiaries of Gul Ahmed Textile Mills Limited.
2. GTM (Europe) Limited is a wholly owned subsidiary of Gul Ahmed International Limited (FZC) – UAE.
3. GTM USA Corp. – USA, Sky Home Corp. – USA and JCCO 406 Limited – UK are wholly owned subsidiaries of GTM (Europe) Limited.
4. Vantona Home Limited is a wholly owned subsidiary of JCCO 406 Limited – UK.
5. Elegant Fashion (Private) Limited, Fragrance Fusion (Private) Limited and Omnify (Private) Limited are wholly owned subsidiaries of Ideas (Private) Limited.
6. Designer's Linen Inc. is a joint venture of GTM USA Corp. – USA.
7. DLI Global (FZC) LLC is a joint venture of Gul Ahmed International Limited (FZC) – UAE.

Shareholding in each entity is held by its respective parent company.

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Karachi
September 26, 2026

Independent Auditor’s Report to the Members of Gul Ahmed Textile Mills Limited

Opinion

We have audited the annexed consolidated financial statements of **Gul Ahmed Textile Mills Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at **June 30, 2026**, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2026 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Revenue recognition	
Refer notes 3.19 and 30 to the consolidated financial statements. The Group’s net revenue for the year ended June 30, 2026 was Rs. 163,375 million. The Group’s revenue is principally generated from the sale of textile goods and related processing services and consists of local and export sales. We identified revenue as key audit matter because;	Our audit procedures in this area, amongst others, included the following: - Obtained an understanding of the accounting policy and Group’s accounting process for revenue recognition and evaluated the design and implementation of relevant controls; - Performed verification of sample of revenue transactions recorded during the year with underlying documentation including sales invoices and other dispatch documents;

Key audit matters	How the matter was addressed in our audit
1. Revenue recognition	
• revenue is one of the key performance indicators of the Group; • there are large number of revenue transactions; and • there is inherent risk that revenue could be recorded in an incorrect accounting period (near year-end) in order to meet the financial targets and expectations.	• Performed cut-off procedures on sample basis on revenue transactions recorded just before and after the year end with the underlying goods delivery notes, bill of lading, invoices and other relevant documents to assess whether the revenue has been recognised in the appropriate accounting period; and • Evaluated the appropriateness of disclosures in the consolidated financial statements in accordance with the requirements of the accounting and reporting standards applicable in Pakistan.
2. Valuation of stock-in-trade	
Refer notes 3.7 and 11 to the consolidated financial statements. As at June 30, 2026, the Group held stock-in-trade of Rs. 53,708 million. Several estimates and judgments are involved in the valuation of stock-in-trade, in determining the net realizable values, and in assessing the appropriate level of provisioning required for the stock-in-trade. This includes the assessment of available facts and circumstances, the physical condition of the stock-in-trade, utilization, market selling prices, and the estimated selling cost of the stock-in-trade. We have considered this matter as key audit matter because of the significance of the balance and due to the estimates and judgments involved in the valuation.	Our audit procedures in this area, amongst others, included the following: • Obtained an understanding of the Group's policies and procedures with respect to valuation of stock-in-trade; • Assessed appropriateness of the Group's accounting policies for valuation of stock-in-trade and compliance of those policies with accounting and reporting standards applicable in Pakistan; • Assessed the adequacy of the allowance for obsolescence, by taking into consideration the status of ageing conditions of the stock-in-trade and historical usage pattern; • Compared the net realizable value, on a sample basis, to the carrying value of stock-in-trade to assess whether any adjustments are required to value of stock-in-trade in accordance with the applicable accounting framework; and • Assessed the adequacy of the related disclosures in the notes to the consolidated financial statements, in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditors' Report Thereon

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is **Nadeem Yousuf Adil**.

Yousuf Adil
Chartered Accountants

PLACE: KARACHI
DATE:
UDIN:

Consolidated Statement of Financial Position

As at June 30, 2026

		2026	2025
		------(Rupees in '000)-----	
ASSETS	Note		
NON-CURRENT ASSETS			
Property, plant and equipment	4	59,239,650	55,384,267
Right of use assets	5	4,189,751	4,247,834
Intangible assets	6	184,290	181,206
Long term investments	7	84,855	70,000
Long term loans	8	634,783	21,487
Long term deposits		510,296	512,483
Deferred taxation - net	9	758,333	1,004,141
Total non-current assets		65,601,958	61,421,418
CURRENT ASSETS			
Store, spares and loose tools	10	2,621,173	2,856,321
Stock-in-trade	11	53,708,466	72,901,493
Trade debts	12	20,614,567	23,795,136
Loans, advances and other receivables	13	3,252,955	4,685,884
Short term prepayments		342,720	184,658
Receivables from government	14	6,819,239	5,729,576
Short term investments	15	2,242,528	979,000
Cash and bank balances	16	989,204	559,457
Total current assets		90,590,852	111,691,525
Total assets		156,192,810	173,112,943
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	17	7,400,594	7,400,594
Reserves	18	44,075,336	44,439,603
Total share capital and reserves		51,475,930	51,840,197
NON-CURRENT LIABILITIES			
Long term financing	19	14,554,212	18,392,475
Lease liability against right of use assets	20	4,584,085	4,383,400
Sindh infrastructure development cess	21	1,227,821	-
Deferred income - government grant	22	30,946	50,620
Defined benefit plan - staff gratuity	23	294,051	475,267
Long term deposits		52,269	22,269
Total non-current liabilities		20,743,384	23,324,031
CURRENT LIABILITIES			
Trade and other payables	24	31,861,370	34,117,793
Accrued mark-up / profit	25	622,578	886,790
Short term borrowings	26	44,268,542	56,082,057
Current portion of non-current liabilities	27	7,175,988	4,996,906
Unclaimed dividend		9,365	9,365
Unpaid dividend	28	23,505	23,505
Taxation-net		12,148	1,832,299
Total current liabilities		83,973,496	97,948,715
Total equity and liabilities		156,192,810	173,112,943
CONTINGENCIES AND COMMITMENTS	29		

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
Continuing operations:			
Revenue from contracts with customers	30	162,008,214	172,931,288
Cost of sales	31	(138,174,523)	(140,932,217)
Gross profit		23,833,691	31,999,071
Selling and distribution cost	32	(11,165,928)	(11,058,372)
Administrative cost	33	(7,073,644)	(6,415,399)
Other expense	34	(357,011)	(573,947)
		(18,596,583)	(18,047,718)
Operating profit		5,237,108	13,951,353
Other income	35	2,258,187	1,030,425
Finance costs	36	(5,606,146)	(7,367,637)
Profit before levies and taxation		1,889,149	7,614,141
Levies	37	(1,344,878)	(1,584,717)
Profit before taxation		544,271	6,029,424
Taxation	38	67,554	(409,085)
Profit from continuing operations		611,825	5,620,339
Discontinued operations:			
Loss from discontinued operations - net of levies	39	(950,372)	(1,165,920)
(Loss) / Profit for the year		(338,547)	4,454,419
(Loss) / earnings per share - basic and diluted			
- continuing operations	40	0.83	7.59
- discontinued operations	40	(1.28)	(1.58)
		(0.45)	6.01

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2026

	Note	2026 ------(Rupees in '000)-----	2025
(Loss) / Profit for the year		(338,547)	4,454,419
Other comprehensive income			
Items that will not be reclassified to consolidated statement of profit or loss subsequently			
Remeasurement gain on defined benefit plan	23.3	3,164	76,940
Exchange loss on translation		(28,884)	(18,861)
		(25,720)	58,079
Total comprehensive (loss) / income for the year		(364,267)	4,512,498

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended June 30, 2026

	Share Capital	Reserves						Total
		Capital Reserve - Against Long term Investments, Capacity Expansion and BMR	Capital Reserve - Statutory Reserve Created by Foreign Subsidiary	Capital Reserve - Amalgamation Reserve	Capital Reserve - Foreign Currency Translation Reserve	Revenue Reserve - Unappropriated Profit	Total Reserves	
----- (Rupees in '000) -----								
Balance as at July 01, 2024	7,400,594	23,000,000	20,845	8,252,059	(302,206)	8,956,407	39,927,105	47,327,699
Reclassification of reserves - (note 18.2)	-	-	3,248	-	-	(3,248)	-	-
Profit for the year	-	-	-	-	-	4,454,419	4,454,419	4,454,419
Other comprehensive income	-	-	-	-	(18,861)	76,940	58,079	58,079
Total comprehensive income for the year	-	-	-	-	(18,861)	4,531,359	4,512,498	4,512,498
Balance as at June 30, 2025	7,400,594	23,000,000	24,093	8,252,059	(321,067)	13,484,518	44,439,603	51,840,197
Reclassification of reserves - (note 18.2)	-	-	1,840	-	-	(1,840)	-	-
Loss for the year	-	-	-	-	-	(338,547)	(338,547)	(338,547)
Other comprehensive loss	-	-	-	-	(28,884)	3,164	(25,720)	(25,720)
Total comprehensive loss for the year	-	-	-	-	(28,884)	(335,383)	(364,267)	(364,267)
Balance as at June 30, 2026	7,400,594	23,000,000	25,933	8,252,059	(349,951)	13,147,295	44,075,336	51,475,930

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Consolidated Statement of Cashflows

For the year ended June 30, 2026

		2026			2025		
		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Note		(Rupees in '000)					
CASH FLOWS FROM OPERATING ACTIVITIES							
(Loss) / Profit before taxation		544,271	(950,372)	(406,101)	6,029,424	(1,165,920)	4,863,504
Adjustments for non-cash items:							
Depreciation of operating fixed assets	4.1.1	3,604,488	87,188	3,691,676	4,979,534	135,034	5,114,568
Depreciation of right of use assets	5	1,074,010	-	1,074,010	993,728	-	993,728
Amortisation of intangible assets	6.1	29,780	-	29,780	29,995	2,483	32,478
Expense recognised for defined benefit plan	23.2 & 23.10	125,132	413	125,545	197,482	71,288	268,770
Finance costs	36	5,606,146	386,155	5,992,301	7,367,637	593,019	7,960,656
Reversal of provision for slow moving - stores and spares	10.1	(36,952)	-	(36,952)	(51,193)	(56)	(51,249)
Provision / (Reversal) for slow moving - stock-in-trade	11.1	248,514	-	248,514	(174,464)	-	(174,464)
Levies	37	1,344,878	13,776	1,358,654	1,584,717	108,146	1,692,863
Unclaimed liabilities written back	35	-	-	-	(13,794)	-	(13,794)
Dividend income	35	(27,282)	-	(27,282)	-	-	-
Government grant recognised in income	35	(24,035)	-	(24,035)	(28,251)	-	(28,251)
Share of profit of Joint Venture	35	(9,234)	-	(9,234)	-	-	-
Loss on reassessment of ROUA and corresponding lease liability	34	-	-	-	46,930	-	46,930
Gain on derecognition of ROUA and corresponding lease liability	35	(188,269)	-	(188,269)	-	-	-
Loss on disposal of operating fixed assets	34	209,172	28,364	237,536	52,272	-	52,272
Intangibles - written off	34	-	3,289	3,289	-	-	-
Operating fixed assets - written off	4.1	1,472	-	1,472	-	-	-
Expected credit loss on trade debts	12.2	72,973	(4,095)	68,878	(63,274)	4,374	(58,900)
		12,030,793	515,090	12,545,883	14,921,320	914,288	15,835,608
Changes in working capital:							
Store, spares and loose tools		271,105	995	272,100	(78,093)	382	(77,711)
Stock-in-trade		17,196,860	1,747,653	18,944,513	(16,871,228)	1,503,105	(15,368,123)
Trade debts		2,375,665	736,026	3,111,691	(959,895)	217,235	(742,660)
Loans, advances and other receivables		1,142,305	290,624	1,432,929	(1,499,603)	181,748	(1,317,855)
Short term prepayments		(158,062)	-	(158,062)	(38,786)	-	(38,786)
Receivables from government		(22,829)	388,496	365,667	(367,255)	120,706	(246,549)
Trade and other payables		848,120	(1,536,757)	(688,637)	(2,094,605)	(384,008)	(2,478,613)
Net increase / (decrease) in working capital		21,653,164	1,627,037	23,280,201	(21,909,465)	1,639,168	(20,270,297)
Cash generated from / (used in) operating activities		34,228,228	1,191,755	35,419,983	(958,721)	1,387,536	428,815
Payment made to defined benefit plan	23.1 & 23.10	(187,026)	(115,993)	(303,019)	(286,822)	41,201	(245,621)
Finance costs paid		(5,246,884)	(348,906)	(5,595,790)	(7,231,779)	(592,966)	(7,824,745)
Levies and taxes paid		(4,283,810)	(36,963)	(4,320,773)	(3,068,239)	(224,527)	(3,292,766)
		(9,717,720)	(501,862)	(10,219,582)	(10,586,840)	(776,292)	(11,363,132)
Net cash generated from / (used in) operating activities		24,510,508	689,894	25,200,401	(11,545,561)	611,244	(10,934,317)
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments for acquisition of property, plant and equipment		(8,053,050)	-	(8,053,050)	(6,118,696)	-	(6,118,696)
Payments for acquisition of intangible assets - net		(36,153)	-	(36,153)	(18,477)	-	(18,477)
Proceeds from disposal of operating fixed assets		397,752	65,074	462,826	35,463	-	35,463
Short term investments - net		(1,263,528)	-	(1,263,528)	1,243	-	1,243
Dividend income received	35	27,282	-	27,282	-	-	-
Long term investments		(5,621)	-	(5,621)	-	-	-
Long term loans		(613,296)	-	(613,296)	(3,548)	-	(3,548)
Long term deposits		32,187	-	32,187	8,484	-	8,484
Net cash (used in) / generated from investing activities		(9,514,427)	65,074	(9,449,353)	(6,095,531)	-	(6,095,531)
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from long term financing	43.1	2,246,554	-	2,246,554	7,700,000	-	7,700,000
Repayment of long term financing	43.1	(3,796,019)	(246,852)	(4,042,871)	(3,230,445)	(52,674)	(3,283,119)
Payments against lease liabilities	20	(1,682,585)	-	(1,682,585)	(1,477,737)	-	(1,477,737)
Increase in short term borrowings, net	43.1	(9,262,217)	-	(9,262,217)	12,893,950	-	12,893,950
Dividend paid		-	-	-	(475)	-	(475)
Net cash (used in) / generated from financing activities		(12,494,267)	(246,852)	(12,741,119)	15,885,293	(52,674)	15,832,619
Exchange loss on translation		(28,884)	-	(28,884)	(18,861)	-	(18,861)
Net increase / (decrease) in cash and cash equivalents		2,472,930	508,115	2,981,045	(1,774,660)	558,570	(1,216,090)
Cash and cash equivalents at the beginning of the year		(2,571,653)	(3,098,040)	(5,669,693)	(796,993)	(3,656,610)	(4,453,603)
Cash and cash equivalents at the end of the year	43	(98,723)	(2,589,925)	(2,688,648)	(2,571,653)	(3,098,040)	(5,669,693)

The annexed notes from 1 to 54 form an integral part of these consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Notes to the Consolidated Financial Statements

For the year ended June 30, 2026

1 THE GROUP AND ITS OPERATIONS

The Group consists of Gul Ahmed Textile Mills Limited (the Holding Company) and the following subsidiaries that have been consolidated in these consolidated financial statements.

	Shareholding	
	2026	2025
	----- (%) -----	
(1) Ideas (Private) Limited	100	100
(2) Gul Ahmed International Limited FZC - UAE	100	100
(3) Gul Ahmed Ecofab (Private) Limited	100	100
(4) Gul Ahmed Ecotex (Private) Limited	100	100
(5) Gul Ahmed Circular Fabrics (Private) Limited	100	100

The following companies also fall in the definition of subsidiary as per the criteria given in IFRS 10 - 'Consolidated Financial Statements' and Section 2(68) of the Companies Act, 2017 (the Act) and are therefore, consolidated in these consolidated financial statements.

	Shareholding	
	2026	2025
	----- (%) -----	
(6) GTM (Europe) Limited	100	100
(7) GTM USA Corporation	100	100
(8) Sky Home Corporation - USA	100	100
(9) JCCO 406 Limited	100	100
(10) Vantona Home Limited	100	100
(11) Fragrance Fusion (Private) Limited	100	100
(12) Elegant Fashion (Private) Limited	100	100
(13) Omnify (Private) Limited	100	100
Investment in Joint Ventures		
(1) Designer's Linen Inc.	49.5	0
(2) DLI Global (FZC) LLP	50	0

1.1 Holding Company

Gul Ahmed Textile Mills Limited (the Holding Company) was incorporated in Pakistan on April 01, 1953 as a private limited company and subsequently converted into a public limited company on January 07, 1955. The Holding Company is a subsidiary of Gul Ahmed Holdings (Private) Limited (the Parent Company) and is listed on Pakistan Stock Exchange Limited (PSX). The Holding Company is principally engaged in the manufacturing and sale of textile products. The registered office is situated at Plot No. H-7, Landhi Industrial Area, Karachi.

The Holding Company has following wholly owned subsidiaries which are engaged in manufacturing / distribution / trading / recycling of textile related products while Ideas (Private) Limited also carries out production of finished goods and sells its products online and through retail outlets.

Details of subsidiaries	Date of incorporation	Nature of business	Principle place of business
<u>Direct subsidiaries</u>			
Gul Ahmed International Limited FZC - UAE	December 11, 2002	Trade of textile, garments and related products	125 M2 warehouse Q4-213, P.O.Box 8705, Sharjah - U.A.E.
Ideas (Private) limited	December 27, 2004	Manufacturing and sale of textile good and other products	Plot No. 65/I, Sector-30, Korangi Industrial Area, Karachi, Pakistan.
Gul Ahmed Ecotex (Private) Limited	March 26, 2025	Manufacturing and distribution of textile related products	Plot No. H-7, Landhi Industrial Area, Karachi, Pakistan.

Details of subsidiaries	Date of incorporation	Nature of business	Principle place of business
Gul Ahmed Ecofab (Private) Limited	March 26, 2025	Manufacturing and distribution of textile related products	Plot No. H-7, Landhi Industrial Area, Karachi, Pakistan.
Gul Ahmed Circular Fabrics (Private) Limited	March 26, 2025	Recycling of textile waste for production of yarns and fabrics	Plot No. H-7, Landhi Industrial Area, Karachi, Pakistan.
<u>Indirect subsidiaries</u>			
GTM USA Corporation	March 19, 2012	Commission agent service and trading of textile related products	267 Fifth Avenue 2nd Floor, New York, NY 10016 United States of America.
Sky Home Corporation - USA	February 28, 2017	Import and wholesale of home textile products	267 Fifth Avenue 2nd Floor, New York, NY 10016 United States of America.
Vantona Home Limited	April 22, 2013	Trading and distribution of textile related products	Unit 8A, Newby Road, Hazel Grove, Stockport, SK7 5DA, United Kingdom.
JCCO 406 Limited	September 29, 2017	Trading and distribution of textile related products	Unit 8A, Newby Road, Hazel Grove, Stockport, SK7 5DA, United Kingdom.
GTM (Europe) Limited	March 05, 2003	Trading and distribution of textile related products	Unit 8A, Newby Road, Hazel Grove, Stockport, SK7 5DA, United Kingdom.
Omnify (Private) Limited	March 12, 2025	Technology related services and e-commerce business solutions	Plot No. 65/1, Korangi Industrial Area, Karachi, Pakistan.
Elegant Fashion (Private) Limited	March 19, 2025	Industrial undertaking for manufacturing and stitching garments and textile related products	Plot No. 65/1, Korangi Industrial Area, Karachi, Pakistan.
Fragrance Fusion (Private) Limited	March 12, 2025	Trading of fragrance and cosmetic related products	Plot No. 65/1, Korangi Industrial Area, Karachi, Pakistan.

- 1.2** On September 29, 2025, following a strategic review, the Board of Directors (the Board) approved the closure of the Holding Company's Export Apparel Segment. As at June 30, 2026, the operations of the Segment had been fully closed and, accordingly, in accordance with the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the Segment has been presented as a discontinued operation in these financial statements, with the comparative figures re-presented accordingly. Furthermore, the majority of the machinery relating to the Segment has been disposed of or transferred to other business segments.

- 1.3** Geographical locations and addresses of all premises obtained on rented basis by the Holding Company are as follows;

Address

Plot ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi;
Plot No. H-17 / A, Landhi Industrial Area, Karachi;
Plot # HT/8, KDA Scheme 3, Landhi Industrial Area, Karachi;
Plot W2/1-14, Western Industrial Zone, Port Qasim, Karachi;
Plot # H19/2-B Bin Qasim, Landhi Industrial Area Karachi;
Survey # 613, Deh Jorejee, Bin Qasim Town, Karachi;
Survey # 614, Deh Jorejee, Bin Qasim Town, Karachi;
Survey # 615, Deh Jorejee, Bin Qasim Town, Karachi; and
22nd Floor, Ocean Mall, Khayaban-e-Iqbal, Block-9, Clifton, Karachi.

The above rented premises are used to carry out warehousing and administrative tasks.

1.4 Basis of consolidation

These consolidated financial statements include the financial statements of the Holding Company and its subsidiaries, here-in-after collectively referred to as the Group.

Subsidiaries

Subsidiaries are entities controlled by the Holding Company. The Holding Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in these consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting year as the Holding Company, using consistent accounting policies.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree, which represents ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Investment in Joint Ventures

Joint ventures are those entities over which the Group has joint control, where the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Interests in joint ventures are accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, until the date on which joint control ceases.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interest that do not result in loss of control as transactions with equity owners of the Group. For purchase of interest from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the equity is remeasured to its fair value, with the change in carrying amount recognised in the profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial assets. In addition, any amount previously recognised in other comprehensive income in respect to that entity is accounted for as if the Group had directly disposed off the related assets and liabilities.

2 BASIS OF PREPARATION

2.1 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in respective policy notes.

2.2 Statement of compliance

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

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

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

2.3 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pakistani Rupees, which is the functional and presentation currency of the Group. The amounts have been rounded off to the nearest thousand rupees unless stated otherwise.

2.4 Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affects the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the process of applying Group's accounting policies, management has made following judgements, which have the most significant effects on the amounts recognised in the consolidated financial statements:

a) Operating fixed assets, Right of use assets and Intangible assets (notes 3.2, 3.3, 3.4, 3.8, 4, 5 and 6)

The Group reviews appropriateness of the method of depreciation / amortisation and useful lives used in the calculation of depreciation / amortisation of operating fixed assets, right of use assets and intangible assets respectively on an annual basis. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment at each reporting date.

During the year, following an assessment and review of the remaining useful lives of operating fixed assets, management determined that the useful lives of certain items of building and plant and machinery required an upward revision. As a result, the useful lives of certain items of building and plant and machinery have been increased (refer note 4.1.2).

b) Provision for obsolescence and slow moving stores and spares (notes 3.6 and 10)

Provision for obsolescence and slow moving stores and spares is based on parameters set out by the management of the Group, which includes ageing, expected use and realisable values.

c) Stock-in-trade (notes 3.7 and 11)

The Group reviews the net realisable value of stock-in-trade to assess any diminution in the respective carrying values at each reporting date. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

d) Impairment of financial assets (notes 3.9.4, 12 and 50.2)

The Group uses a provision matrix to calculate expected credit loss (ECL) for trade debts. The provision matrix is initially based on the Group's historically observed rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every quarter, the historically observed default rates are updated, and changes in the forward-looking estimates are analysed.

The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

e) Defined benefit plan (notes 3.14.2 and 23)

The present value of defined benefit plan depends upon number of factors and is being calculated on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of defined benefit plan.

f) Leases (notes 3.16 and 20)

The Group uses judgements and estimates in measurement of right of use assets and corresponding lease liabilities with respect to discount rates, lease terms including exercise of renewal and termination options etc, in accordance with IFRS 16.

g) Contingencies (notes 3.18 and 29)

The assessment of the contingencies and provisions inherently involves the exercise of judgment as the outcome of the future events cannot be predicted with certainty. The Group, based on the availability of the latest information, estimates the value of contingent liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

h) Taxation (notes 3.21, 29 and 38)

The Group takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Group's views differ from the views taken by the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingencies.

i) Levies (notes 3.22 and 37)

The Group takes into account the current income tax law, legislations and decisions taken by the taxation authorities for determination of levies. These include determining the specific obligating event that triggers levy recognition based on the relevant legislation, estimating the amount payable by considering applicable rates, and deciding the appropriate timing for recognising the levy liability. These estimates and judgements are periodically reviewed and updated as necessary.

2.5 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

(a) New standards, amendments and interpretations that are effective for the year ended June 30, 2026 are as follows:

The following amendments are effective for the year ended June 30, 2026. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025

(b) Standards, Interpretations and Amendments to published approved accounting standards not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
- IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments in relation to clarifying the requirements for the timing of recognition and derecognition of some financial assets and liabilities	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Translation to a Hyperinflationary Presentation Currency	January 01, 2027
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Fair value option for investments in associates and joint ventures	January 01, 2027
- IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

In April 2024, the IASB issued IFRS 18 'Presentation and Disclosure in Financial Statements (IFRS 18)', which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the consolidated statement of profit or loss into one of five categories, i.e., operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary consolidated financial statements (PFS) and the notes.

IFRS 18, and the confirming amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 - Regulatory Assets and Regulatory Liabilities

MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been consistently applied to all periods presented in these consolidated financial statements.

Foreign currency transactions and translation

Transactions in foreign currencies are translated into the respective functional currency of the Group at the exchange rates at the dates of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Foreign currency difference are recognised in consolidated statement of profit and loss.

On consolidation, the assets and liabilities of foreign operations are retranslated into presentation currency i.e. Pakistan Rupee at the rate of exchange prevailing at the reporting date and their income and expenses are translated using the average of exchange rates for the period. The exchange differences arising on such translations are recognised in other comprehensive income.

3.2 Property, plant and equipment

3.2.1 Operating fixed assets

Initial recognition

The cost of an item is recognised as an asset if and only if the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Measurement

Operating fixed assets are stated at cost less any accumulated depreciation and any accumulated impairment losses except leasehold land which is stated at cost.

When parts of an item of operating fixed assets have different useful lives, they are accounted for as separate items (major components) of operating fixed assets.

Subsequent cost

Expenditure incurred to replace a significant component of an item of operating fixed assets is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other expenditure (including normal repairs and maintenance) are recognised in the consolidated statement of profit or loss as an expense when these are incurred.

Depreciation

Depreciation is charged using:

- Reducing Balance Method on Plant and Machinery, Office Equipment (other than IT Equipment), Building on Leasehold Land, Vehicles and Furniture and Fixtures; and
- Straight Line Method on IT equipment, structure on lease hold land and major Component of Plant and Machinery identifiable as a separate asset due to useful life different from the Plant and Machinery.

Rate of depreciation on above are specified in the note 4 of these consolidated financial statements.

Depreciation on additions to operating fixed assets is charged from the day the asset is available for use and no depreciation is charged on the day of disposal.

Depreciation methods, useful lives and residual values of each part of operating fixed assets that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposal

The gain or loss on disposal of an item of operating fixed assets is determined by comparing the proceeds from disposal with the carrying amount of the operating fixed assets, and is recognised in the consolidated statement of profit or loss.

3.2.2 Capital work-in-progress

Capital work in progress (CWIP) is stated at cost less impairment loss, if any and consists of expenditures incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

3.3 Right of use assets

Right of use assets (ROUA) are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the lease term unless the ownership of the asset transfers to the Group at the end of the lease term or the cost of the asset reflects that the Group will exercise the purchase option, depreciation is charged over the useful life of asset.

3.4 Intangible assets

These are stated at cost less accumulated amortisation and any provision for impairment loss. Amortisation of intangible assets is charged to consolidated statement of profit or loss applying the straight line method at the rates specified in note 6 of these consolidated financial statements after taking into account residual value, if any. Amortisation on additions to intangibles is charged from the day the asset is available for use and no depreciation is charged on the day of disposal.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that this carrying value may not be recoverable, if any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

3.5 Borrowing cost

Borrowing cost is recognised as an expense in the consolidated statement of profit or loss in the period in which these are incurred except where such cost is directly attributable to the acquisition, construction or production of a qualifying asset in which case such cost is capitalised as part of the cost of that asset.

3.6 Store, spares and loose tools

Stores, spares and loose tools are stated at lower of moving average cost and net realisable value, less provision for impairment, if any. Stores-in-transit is stated at cost comprising invoice value plus other incremental charges incurred thereon.

Provision is made for obsolete and slow moving stores, spares and loose tools based on management's best estimate regarding their future usability and is recognised in the consolidated statement of profit or loss.

3.7 Stock-in-trade

Stock-in-trade, excluding items in-transit is valued at the lower of moving average cost and estimated net realisable value (NRV). NRV is the estimated selling price in the ordinary course of business less net estimated costs to sell. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Items in-transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

The Group reviews the carrying amount of stock in trade on a regular basis and provision is made for obsolescence.

3.8 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the consolidated statement of profit or loss.

The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there is a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

3.9.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and measurement of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets 'at amortised cost' are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in the consolidated statement of profit or loss when the assets are derecognised or impaired and when interest is recognised using the effective interest method.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTOCI are carried on the consolidated statement of financial position at fair value with gains or losses recognised in the consolidated statement of comprehensive income.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in the profit or loss in the period in which it arises. All equity investments are measured at fair value, with gains and losses recognised in the consolidated statement of profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVTOCI. However, any surplus / deficit arising as a result of subsequent movement in the fair value of equity securities classified as FVTOCI is recognised in other comprehensive income and is not recycled to the profit or loss on derecognition.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the consolidated statement of profit or loss.

3.9.2 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

3.9.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to set-off the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

3.9.4 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9 - Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group measures ECL of a financial instrument in a way that reflects (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (b) the time value of money; and (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

A default on a financial asset is considered when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the balance due. Where recoveries are made, these are recognised in the consolidated statement of profit or loss.

3.10 Derivative

Derivative instruments are initially recognised at fair value and subsequent to initial measurement, each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the consolidated statement of profit or loss. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in trade and other payables in consolidated statement of financial position.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, with banks in current and deposit accounts, cheques in hand, demand draft and running finance under mark-up arrangements. Running finances under mark-up arrangements are shown within short term borrowings under current liabilities in the consolidated statement of financial position. These are measured at amortised cost.

3.12 Share capital

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

3.13 Government grant

Government grant is recognised at the fair value of the consideration received. Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The benefit provided by the government under a loan arrangement at a below-market rate of interest is treated as a government grant. The loan obtained at below-market rate of interest is recognised and measured in accordance with IFRS 9 'Financial Instruments' and the benefit of the below-market rate of interest is government grant, which is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the

3.14 Staff retirement benefits

3.14.1 Defined contribution plan

The Holding Company and its subsidiary, Ideas (Private) Limited, operate a recognised provident fund scheme for their eligible employees to which equal monthly contribution is made by the Holding Company, Ideas (Private) Limited and their respective employees at the rate of 8.33% of the basic salary. The contribution by the Holding Company and Ideas (Private) Limited is charged to consolidated statement of profit or loss.

3.14.2 Defined benefit plan

The Holding Company operates unfunded gratuity schemes for all its eligible employees. Benefits under the scheme are vested to employees on completion of the prescribed qualifying period of service under the scheme. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprises of actuarial gains and losses are recognised immediately in consolidated statement of comprehensive income. The Parent Company determines the net interest expense on the net defined liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability, taking into account any changes in the net defined benefit liability during the year as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the consolidated statement of profit or loss. The Parent Company recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

3.15 Accumulated employee compensated absences

The Holding Company provides for compensated absences for all eligible employees in the period in which these are earned. Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to the consolidated statement of profit or loss.

3.16 Lease liabilities against right of use assets

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Group's incremental borrowing rate is used.

Subsequently these are increased by interest, reduced by lease payments and remeasured for lease modifications, if

Liabilities in respect of certain short term and low value leases are not recognised and payments against such leases are recognised as expense in consolidated statement of profit or loss.

3.17 Unclaimed dividend

The Group recognises unclaimed dividend which was declared and remained unclaimed by the shareholder from the date it was due and payable.

3.18 Provisions and contingencies

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

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

3.19 Recognition of revenue from contracts with customers

Revenue from contracts with customers is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is recognised on following basis:

- Revenue from contract with customers is recognised at amounts that reflect the consideration that the Group expects to be entitled to in exchange for transferring goods or services to a customer.

- The Group recognises revenue when performance obligation is satisfied, at a point in time, when control of goods has been transferred to a customer either on dispatch / acceptance of goods for local sales or issuance of the bill of lading in case of export sales. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by customer from the Group premises or when it is delivered by the Group at customer premises.
- Revenue from contracts with customers on services is recognised at the point in time when the performance obligation is satisfied i.e. control of the serviced goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those serviced goods. These services include sanforisation and mercerisation of fabric.
- Export rebate (if any) on export sales is recognised on an accrual basis at the time of export sale.

3.20 Other income

Other income is recognised to the extent it is probable that economic benefit will flow to the Group and the amount can be measured reliably. Other income is measured at fair value of the consideration received or receivable and recognised on following basis:

- Profit on deposits with banks is recognised on time proportion basis taking into account the amount outstanding and rates applicable thereon.
- Dividend income is recognised when the Group's right to receive the payment is established.
- Interest on loans and advances to employees is recognised on the effective interest method.
- Income from sale of scrap is recorded on delivery of scrap to the customer.
- The grant is recognised in consolidated statement of profit or loss, in line with the recognition of interest expense that the grant is compensating, in accordance with IAS 20.
- Income from liabilities written back / provision are recorded when the chances of settlement of liability / provision is remote.
- Markup from Term Finance Certificates (TFCs) is accounted for as income using the effective interest method.
- Exchange gain from currency realisation and derivative financial instruments are described in note 3.1 and 3.10 of these consolidated financial statements.
- Gains / (losses) arising on disposal of investments are included in the consolidated statement of profit or loss and are recognised on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in the consolidated statement profit or loss in the period in which they arise.

3.21 Taxation

3.21.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

The Group takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Group's views differ from the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

3.21.2 Deferred tax

Deferred tax is recognised using the liability method on all temporary differences arising at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, and tax credits, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

3.22 Levies

As per the IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP), the Group recognises minimum tax or final tax paid, if any, on gross amount of revenue or other basis as levy within the scope of IFRIC 21 / IAS 37 and recognise it as an operating expense. Any excess over the amount designated as levy is then recognised as current income tax expense falling under the scope of IAS 12.

3.23 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.24 Dividend and appropriation to reserves

Final dividend distributions to the Group's shareholders are recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Group's shareholders at the Annual General Meeting, while the interim dividend distributions are recognised in the period in which the dividends are declared by the Board. Appropriations of profit are reflected in the consolidated statement of changes in equity in the period in which such appropriations are approved.

3.25 Segment reporting

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

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of finance cost, other operating cost, other income and income tax. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets. The detailed results of the reportable segments are disclosed in the note 41 to these consolidated financial statements.

3.26 Contract liabilities

A contract liability (i.e., advance from customers) is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract i.e., transfers control of the related goods or services to the customer.

4 PROPERTY, PLANT AND EQUIPMENT

	Note	2026 ------(Rupees in '000)-----	2025 -----
Operating fixed assets	4.1	54,369,268	53,256,386
Capital work in progress (CWIP)	4.2	4,796,798	2,122,881
Advance against purchase of land in subsidiaries	4.3	73,584	5,000
		<u>59,239,650</u>	<u>55,384,267</u>

	Leasehold land	Buildings and structures on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
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Note ------(Rupees in '000)-----

4.1 Operating fixed assets

As at July 01, 2024

Cost	9,664,594	20,028,052	48,124,050	655,784	2,343,634	866,042	81,682,156
Accumulated depreciation	-	(8,017,433)	(18,045,386)	(226,179)	(1,101,736)	(616,143)	(28,006,877)
Foreign currency translation	-	3,143	(111)	13,267	250	17,068	33,617
Net book value as at July 01, 2024	9,664,594	12,013,762	30,078,553	442,872	1,242,148	266,967	53,708,896

Movement during year ended June 30, 2025

Additions / transfers during the year	-	743,196	3,180,668	91,914	676,160	46,674	4,738,612
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Adjustments during the year

Cost	-	3,956	97,640	(154)	(71,154)	(30,178)	110
Depreciation	-	(1,964)	(15,901)	-	25,297	578	8,010
Net book value	-	1,992	81,739	(154)	(45,857)	(29,600)	8,120

Disposals during the year

Cost	-	(52,873)	(335,998)	(207)	(3,371)	(2,914)	(395,363)
Depreciation	-	32,467	271,341	8	1,723	2,089	307,628
Net book value	-	(20,406)	(64,657)	(199)	(1,648)	(825)	(87,735)

Depreciation charge for the year

Cost	-	(1,446,346)	(3,274,532)	(57,706)	(280,662)	(55,322)	(5,114,568)
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Foreign currency translation	-	1,089	(6,663)	2,896	(1,473)	7,212	3,061
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Net book value as at June 30, 2025	9,664,594	11,293,287	29,995,108	479,623	1,588,668	235,106	53,256,386
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As at June 30, 2025

Cost	9,664,594	20,722,331	51,066,360	747,337	2,945,269	879,624	86,025,515
Accumulated depreciation	-	(9,433,276)	(21,064,478)	(283,877)	(1,355,378)	(668,798)	(32,805,807)
Foreign currency translation	-	4,232	(6,774)	16,163	(1,223)	24,280	36,678
Net book value as at June 30, 2025	9,664,594	11,293,287	29,995,108	479,623	1,588,668	235,106	53,256,386

Depreciation per annum ----- (%) -----

	-	10 to 33	10 to 33	10 to 12	10 to 33	20	
	Leasehold land	Buildings and structures on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total

Note ------(Rupees in '000)-----

As at July 1, 2025

Cost	9,664,594	20,722,331	51,066,360	747,337	2,945,269	879,624	86,025,515
Accumulated depreciation	-	(9,433,276)	(21,064,478)	(283,877)	(1,355,378)	(668,798)	(32,805,807)
Foreign currency translation	-	4,232	(6,774)	16,163	(1,223)	24,280	36,678
Net book value as at July 1, 2025	9,664,594	11,293,287	29,995,108	479,623	1,588,668	235,106	53,256,386

Movement during year ended June 30, 2026

Additions / transfers during the year	-	733,451	4,107,106	144,890	421,395	101,103	5,507,945
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Disposals during the year

Cost	-	(129,482)	(1,631,583)	(2,259)	(21,505)	(160,253)	(1,945,082)
Depreciation	-	66,558	1,055,265	846	5,642	116,409	1,244,720
Net book value	-	(62,924)	(576,318)	(1,413)	(15,863)	(43,844)	(700,362)

Written off during the year

Cost	-	-	(46,980)	-	-	(44)	(47,024)
Depreciation	-	-	45,512	-	-	40	45,552
Net book value	-	-	(1,468)	-	-	(4)	(1,472)

Reclassification during the year

Cost	-	-	63,051	-	(17,676)	(45,375)	-
Depreciation	-	-	(13,820)	-	1,858	11,962	-
	-	-	49,231	-	(15,818)	(33,413)	-

Depreciation charge for the year

Cost	-	(766,797)	(2,462,911)	(74,336)	(344,035)	(43,597)	(3,691,676)
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Foreign currency translation	-	-	-	(819)	(10)	(724)	(1,553)
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Net book value as at June 30, 2026	9,664,594	11,197,017	31,110,748	547,945	1,634,337	214,627	54,369,268
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As at June 30, 2026

Cost	9,664,594	21,326,300	53,544,134	889,968	3,329,341	787,017	89,541,354
Accumulated depreciation	-	(10,133,515)	(22,426,612)	(357,367)	(1,693,771)	(595,946)	(35,207,211)
Foreign currency translation	-	4,232	(6,774)	15,344	(1,233)	23,556	35,125
Net book value as at June 30, 2026	9,664,594	11,197,017	31,110,748	547,945	1,634,337	214,627	54,369,268

Depreciation per annum ----- (%) -----

	-	3.33 to 20	4 to 33	10 to 12	10 to 33	20	
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4.1.1 Depreciation charge for the year has been allocated as follows:

	Note	2026 ------(Rupees in '000)-----	2025 -----
Cost of goods manufactured	31.1	2,918,451	4,394,570
Selling and distribution cost	32	528,333	481,684
Administrative cost	33	244,892	238,314
		<u>3,691,676</u>	<u>5,114,568</u>

- 4.1.2 During the year, the management of the holding company, with the involvement of relevant external experts, reassessed the useful lives of certain items of plant and machinery and building in light of their current condition, operational efficiency and expected future economic benefits.

As a result of this review, the useful lives of certain assets were revised with effect from July 01, 2025. The change has been accounted for as a change in accounting estimate in accordance with IAS - 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and has been applied prospectively.

Had there been no change in the useful lives of plant and machinery and buildings, the carrying amount of operating fixed asset would have been lower by and the depreciation charge for the year would have been higher by Rs. 1,404 million, and loss would have been higher by Rs. 1,404 million.

- 4.1.3 The following operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off during the year.

Particulars of assets	Cost	Written down value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
----- (Rupees in '000) -----							
Buildings and structures on leasehold land							
Structural Costs	4,501	3,209	54	(3,155)	Bidding	Ghias ud din & Aamir Ali	Third party
Structural Costs	6,987	818	1,283	464	Bidding	Ilahi Baksh Soomro	Third party
Structural Costs	20,876	14,884	593	(14,291)	Bidding	Sohail & Company	Third party
Structural Costs	1,543	937	32	(905)	Bidding	Usman / Naeem akhter & Naeem	Third party
Plant and machinery							
Embroidery Machine 07-Head	3,100	1,084	830	(253)	Bidding	A. Paracha Sons 13G, Business Arcade, Block 6, Sharah E Faisal, Karachi South, Karachi South	Third party
Embroidery Machine 24-Head	53,000	17,312	13,264	(4,049)			
Machine Automatic Snap Fasting	3,199	1,645	471	(1,174)	Bidding	Al Junaid Machinery Shop#2 House No#36/1 Main Bilal Chowrangi korangi industrial area Karachi	Third party
Machine Delta Quilting	3,520	2,447	700	(1,747)			
Cone To Cone Winder	3,131	652	554	(99)	Bidding	Combined Tech (Smc-Pvt) Ltd House no. 1175 street no. 25 bahria town Phase 5 Islamabad	Third party
Air Compressor	3,448	745	632	(113)			
Compressor Zh-7000-5	7,153	1,246	2,500	1,254	Bidding	Hiba Weaving Mills (Pvt) Ltd F-299/A Site Karachi	Third party
Babcock Standard	47,746	4,025	2,628	(1,397)	Bidding	Hina Traders Suit No # 215, Sualeha Chamber, Plot No # B-9/ C-1 S.I.T.E, Karachi West Site Town	Third party
Babcock Stenter Machine	2,041	1,067	650	(417)			
Chain Complete Set (Babcock U-8)	4,060	2,890	1,887	(1,003)			
Equalizing Babcock-1	6,249	2,996	1,957	(1,040)			
Gearbox	3,742	2,403	200	(2,203)			
Inverter Servo (5.5Kw)	832	534	44	(490)			
Motor 7.5 Kw	4,725	3,364	280	(3,084)			
Transport Chain	11,124	7,707	641	(7,066)			
Tung Yang Machine	746	559	46	(512)			
Air Jet Looms Tsudakoma	434,213	138,364	43,300	(95,064)	Bidding	Jawed Corporation E-11 B-2 B-3, Block, S.I.T.E,	Third party
Machine Flat Lock 5-Thread	975	737	502	(235)	Bidding	Lucky Knits (Private) Limited Plot No. La-2/B, Block 21, F.B Area Near Water Pump, Gulberg	Third party
Machine Button Hole (Kaj)	3,400	2,551	1,778	(772)			
Machine Sewing (Bartak)	2,821	1,888	707	(1,182)			
Ms Jp5 Evo	20,428	5,485	466	(5,019)	Bidding	M.Hashim & Sons Office No.308,3Rd Floor, Anum Trade Centre, Estate Avenue, Site ,Karachi, Karachi West Site Town	Third party
Frame Aluminum Flat Bed Printing	16,722	11,065	11,950	885	Bidding	M/S Bismillah Engineering. Odean Street, Samundri road, Near Allah jawaya chowk, Faisalabad	Third party
Gas Burner Grm 30	3,845	2,786	6,540	3,754			
Thermosol Monfort	21,337	2,089	4,924	2,834			
Air Jet Looms Tsudakoma	230,388	85,669	72,000	(13,669)	Bidding	M/S Hudabia Textile Head Office, Street No 1, Raza Garden Canal Road House No 67,	Third party
Flat Bed Buser	119,836	29,065	10,197	(18,869)	Bidding	Muhammad Azeem 224 RB House Street 5 Feroz shah Faisalabad	Third party

Particulars of assets	Cost	Written down value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
----- (Rupees in '000) -----							
Blanket Printing (Rd5 2800)	2,856	2,106	88	(2,018)	Bidding	Naveed Khan	Third party
Fabrication / Installation Rd-5	703	581	24	(557)		Sohrab Goth Karachi Pakistan	
Kuster Bleaching	991	730	30	(700)			
Kuster Bleaching Ww 3200	79,445	27,019	1,126	(25,893)			
Reggiani Printing Machine (Rd-5)	77,244	16,370	682	(15,688)			
U2 Scouring / Kuster Bleaching	3,440	1,798	72	(1,725)			
Gas Generator Waukesha	50,887	4,019	5,280	1,260	Bidding	R. A. Engineering & Services 2nd Floor ,plot no-18,sector-47, Korangi Creek Industrial area,	Third party
Air Jet Looms Tsudakoma	72,152	23,677	29,000	5,323	Bidding	Saleem Industries Chack No.109, J.B Millat, Road, Faisalabad Chak Jhumra	Third party
Circular Knitting Machine	66,105	51,913	18,008	(33,905)	Bidding	Tee Tex Industries Karachi, Sindh Industrial Trading Estate, Metroville, F373	Third party
Heat Exchangers	3,356	1,214	-	(1,214)	Bidding	Top End Metal Industrs Pvt Ltd Office No. 101, 1st Floor, Plot No. 26-C, Street No. 7 Badar Commercial Area,,Phase - V, DHA, Karachi South Saddar Town	Third party
Compressor Zh-7000-5	19,013	4,044	1,235	(2,810)	Bidding	Western Textile Industries Plot E-11, Block B-1, S.I.T.E., Karachi, Sindh, Pakistan	Third party
Vehicles							
Toyota Hilux Surf (Reg # Bf-9922)	11,917	573	8,050	7,477	Bidding	M.Raees S/O Abdul Hafeez House No.85 Y-Area korangi 1-1/2	Third party
Toyota Hilux Revo (Reg # Cy-5882)	5,566	1,196	10,000	8,804	Bidding	M/S. Rass Enterprise Plot No A-287, Majeed Colony, Landi Malir Karachi, Malir	Third party
Kia - Sportage (Reg # Bm-5214)	8,732	7,859	7,300	(559)	Bidding	Muhammad Faheem S/o Abdul Shop No. 11, Ground Floor, Oak Tower, M.T Khan Road, Karachi	Third party
Audi E-Tron Reg # Eaa-029	14,685	4,574	15,500	10,926	Bidding	Muhammad Irfan S/O M.Ibrahim Karachi Pakistan	Third party
Audi E Tron Reg # Eaa-028	14,208	4,273	13,000	8,727	Bidding	Muhammad Khawaja Waqas	Third party
Mercedes-Benz S 400 Reg # Bey-300	23,849	2,689	29,000	26,311		SD 18, DOHS - II,Malir Cantt	
Toyota Hilux Revo Reg # Cz-3206	8,377	3,469	11,550	8,081		karachi karachi Pakistan	
Kia Sorento Reg # Bj-3479	8,655	3,139	5,850	2,711	Bidding	Muhammad Sufyan S/O M Shoaib Plot No. 105, Survey No. 214, Street No. 4, Bantva Nagar, Sir Shah Suleman Road, Liaquatabad, Karachi, Karachi Central	Third party
As on June 30, 2026	1,517,871	511,468	337,407	(174,062)			
As on June 30, 2025	327,896	77,287	24,131	(53,156)			

4.1.4 Geographical locations and addresses of all immovable properties owned by the Group are as follows:

Area	Address
25.07 Acres	Plot No. HT-4, Landhi Industrial Area, Landhi, Karachi.
14.9 Acres	Survey No. 82, Deh Landhi, Karachi.
18.56 Acres	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi.
44.04 Acres	P.U. No. 48, 49, 50, & 51, Deh Khjanto Tapo Landhi, Karachi.
4.17 Acres	Plot No. H-19, Landhi Industrial Area, Landhi, Karachi.
4,023.16 Sq. yards	Plot No. H-19/1, Landhi Industrial Area, Landhi, Karachi.
6.83 Acres	Plot 368, 369 & 446, Deh Landhi, Karachi.
12 Acres	Plot - HT 3/A, Landhi, Karachi.
51.1 Acres	Plot No. H-5 and HT-6, Landhi Industrial Area, Karachi.
1.997 Acres	Plot No. 65/I, Deh Dig, Sector-30, Korangi Industrial Area (Eastern), Karachi.
0.306 Acres	24/A, Block C/3, Gulberg-III, Lahore.
0.082 Acres	Shop No. 5 & 6, Bahadurabad, Karachi.

Manufacturing facilities, warehouses, ancillary construction, administrative offices etc, are constructed on each of the above mentioned land.

		2026	2025
		------(Rupees in '000)-----	
4.2 Capital Work in progress (CWIP)	Note		
Land		734,583	-
Buildings and structures on leasehold land		998,705	532,099
Plant and machinery		2,950,212	1,462,781
Others		113,298	128,001
	4.2.1 & 4.2.3	4,796,798	2,122,881

4.2.1 The movement in CWIP is as follows:

Opening balance		2,122,881	633,051
Capital expenditure incurred during the year			
Land		734,583	-
Buildings and structures on leasehold land	4.2.2	1,200,057	1,194,232
Plant and machinery		5,575,926	4,086,588
Others		648,289	947,622
		8,158,855	6,228,442
Transfers to operating fixed assets during the year			
Buildings and structures on leasehold land		(733,451)	(743,196)
Plant and machinery		(4,088,495)	(3,160,737)
Others		(662,992)	(834,679)
		(5,484,938)	(4,738,612)
Closing balance		4,796,798	2,122,881

4.2.2 This includes borrowing cost capitalised during the construction period amounting to Rs. 196 million (June 30, 2025: Rs. 123 million). The effective rate of borrowing cost capitalised during the year was 11.72% (June 30, 2025: 15.98%) per annum.

4.2.3 This includes Rs. 1,285 million in relation to acquisition by the Holding Company, of Plot no. A-44, SITE Nooriabad, together with building, plant and machinery, allied equipment and fittings.

4.3 This represents the advance paid against acquisition of land by the subsidiaries of Ideas (Private) Limited, situated at Bin Qasim Industrial Park - Special Economic Zone and National Aerospace Science and Technology (NASTP),

4.4 The cost of fully depreciated operating fixed assets still in use:

	2026	2025
	------(Rupees in '000)-----	
Buildings and structures on leasehold land	173,851	168,880
Plant and machinery	632,564	506,814
Vehicles	138	2,919
Office equipment	304,772	156,389
	1,111,325	835,002

4.5 Plant and machinery is subject to a joint pari passu charge equivalent to the outstanding long term financing amount plus a 25% margin, as disclosed in note 19.4 of these consolidated financial statements.

5 RIGHT OF USE ASSETS

The carrying amounts of right of use assets recognised in respect of rented premises and movement there in during the year is as follows:

		2026	2025
		------(Rupees in '000)-----	
Opening balance		4,247,834	2,818,151
Assets recognised during the year	20	1,991,054	2,356,426
Reassessment / modification during the year		(974,747)	66,796
Depreciation expense			
- Charged to cost of goods manufactured	31.1	(21,667)	(14,463)
- Charged to selling and distribution cost	32	(1,003,962)	(946,012)
- Charged to administrative cost	33	(48,381)	(33,253)
		(1,074,010)	(993,728)
Foreign currency translation		(380)	189
Net book value		4,189,751	4,247,834

6

INTANGIBLE ASSETS

	Note	2026 ------(Rupees in '000)-----	2025
Computer Software		34,982	55,155
Trade Marks		108,658	126,051
Intangible in development	6.2	40,650	-
		184,290	181,206

At July 01, 2024

	Computer Software	Trade Marks	Goodwill	Total
Cost	172,514	162,768	15,405	350,687
Write-off	-	-	(15,405)	(15,405)
Accumulated amortisation	(115,147)	(91,163)	-	(206,310)
Foreign currency translation	1,190	52,696	-	53,886
Net book value as at July 01, 2024	58,557	124,301	-	182,858

Movement during the year ended June 30, 2025

Additions - cost	18,477	-	-	18,477
Amortisation charge for the year	(21,882)	(10,596)	-	(32,478)
Foreign currency translation	3	12,346	-	12,349
Net book value as at June 30, 2025	55,155	126,051	-	181,206

Gross carrying value

Cost	190,991	162,768	15,405	369,164
Accumulated amortisation and write-off	(137,029)	(101,759)	(15,405)	(254,193)
Foreign currency translation	1,193	65,042	-	66,235
Net book value as at July 01, 2025	55,155	126,051	-	181,206

Movement during the year ended June 30, 2026

Additions - cost	2,000	-	-	2,000
Write-off	(3,289)	-	-	(3,289)
Amortisation charge for the year	(18,884)	(10,896)	-	(29,780)
Foreign currency translation	-	(6,497)	-	(6,497)
Net book value as at June 30, 2026	34,982	108,658	-	143,640

Gross carrying value

Cost	192,991	162,768	15,405	371,164
Accumulated amortisation and write-off	(155,913)	(112,655)	(15,405)	(283,973)
Write off	(3,289)	-	-	(3,289)
Foreign currency translation	1,193	58,545	-	59,738
Net book value as at June 30, 2026	34,982	108,658	-	143,640

Amortisation rate per annum

	20 to 50	10 to 50	20

6.1

The cost is being amortised using straight line method over a period of five years and the amortisation charge has been allocated as follows:

	Note	2026 ------(Rupees in '000)-----	2025
Cost of goods manufactured	31.1	1,861	3,241
Selling and distribution cost	32	2,279	2,082
Administrative cost	33	25,640	27,155
		29,780	32,478

- 6.2 This represents cost incurred on the implementation and migration of the Holding Company's ERP system from Oracle EBS to Oracle Fusion Cloud. The project is currently in progress and the related costs will be capitalised as an intangible asset upon completion, in accordance with IAS 38 'Intangible Assets'.
- 6.3 The cost of fully amortised intangible assets still in use are as follows:

	Note	2026 ------(Rupees in '000)-----	2025
Software		<u>190,011</u>	<u>181,274</u>

7 LONG TERM INVESTMENTS

Investment in Term Finance Certificate (TFC) - at amortised cost	7.1	70,000	70,000
Investment in Joint Ventures	7.2 & 7.3	<u>14,855</u>	-
		<u>84,855</u>	<u>70,000</u>

- 7.1 This represents Rs. 70 million (June 30, 2025: Rs. 70 million) invested in perpetual TFC issued by Habib Bank Limited, which carries profit at the rate of 3Month KIBOR + 1.6% receivable on quarterly basis.

- 7.2 This represents an investment in Desinger Linen Inc.(DLI) incorporated in the State of Delaware, USA, which is jointly owned and controlled by GTM USA Corporation. The principal activity of the entity is to manufacture home textile products on behalf of third party. The Entity holds 49.5% interest in the share capital of DLI, which is accounted for using the equity method. The details of the investment in DLI is as follows:

	Note	2026 (Rupees in '000)
Cost of investment		28
Add: Share of profit during the year	35	9,776
Less: Exchange loss		<u>(90)</u>
		<u>9,714</u>

The summary of financial information of DLI as of June 30, is as follows;

	2026 (Rupees in '000)
Percentage ownership interest	49.5%
Statement of Financial Position	
Particulars	
Non-current assets	594
Current assets	176,872
Current liabilities	(158,039)
Net Assets (100%)	19,427
Group's share of net assets (49.5%)	<u>9,714</u>

Statement of Profit or loss and other comprehensive income

Revenue	178,079
Cost of sales	(98,788)
Administrative and general expenses	(16,542)
Selling and distribution expenses	(42,076)
Other income	7,375
Finance cost	(869)
Income tax expense	(7,627)
Profit for the year	19,553
Group's share of profit for the year (49.5%)	<u>9,776</u>

- 7.3** This represents an investment in DLI Global (FZC), a limited liability company incorporated in the Emirate of Sharjah, U.A.E., which is jointly owned and controlled by GTM International (FZC). The principal activities of the associate comprise trading in garment accessories, ready-made garments and textiles. The Entity holds 50% interest in the share capital of DLI Global (FZC), which is accounted for using the equity method. The details of the investment in DLI Global (FZC) is as follows:

		2026 (Rupees in '000)
Cost of investment		5,678
Add: Share of loss during the year	35	(542)
Less: Exchange gain		5
		<u>5,141</u>

The summary of financial information of DLI Global (FZC) as of June 30, is as follows;

		2026 (Rupees in '000)
Percentage ownership interest		50%
Statement of Financial Position		
Particulars		
Current assets		11,355
Current liabilities		(1,074)
Net assets (100%)		10,281
Group's share of net assets (50%)		<u>5,141</u>
Statement of Profit or loss and other comprehensive income		
Operating expenses		(1,083)
Group's share of loss for the year (50%)		(542)

8	LONG TERM LOANS	Note	2026	2025
			----- (Rupees in '000) -----	
	Considered good			
	- Due from executives	8.1 & 8.2	129,019	134,508
	- Due from non-executives		3,994	9,227
	- Due from business associate	8.3	879,517	-
			<u>1,012,530</u>	<u>143,735</u>
	Current portion			
	- Due from executives		(96,402)	(113,894)
	- Due from non-executives		(3,295)	(8,354)
	- Due from business associate		(278,050)	-
		13	<u>(377,747)</u>	<u>(122,248)</u>
			<u>634,783</u>	<u>21,487</u>

- 8.1** Loans and advances have been given for the purchase of cars and housing assistance in accordance with the terms of employment and are repayable in monthly installments. These loans are secured to the extent of outstanding balance of retirement benefit or guarantee by two employees. The loan tenor extends maximum upto 48 months.

Included in these are loans of Rs. 112.77 million (June 30, 2025: Rs. 110.63 million) to executives and Rs. 2.89 million (June 30, 2025 : Rs. 7.9 million) to non-executive which carry no mark-up. The loans amounting to Rs. 16.24 million (June 30, 2025: Rs. 17.98 million) to executives and Rs. 1.12 million to non-executives (June 30, 2025: Rs. 1.3 million) carry mark-up at rates ranging from 10.40% to 11.01% (2025: 12.08% to 20.14%) per annum.

- 8.2** The maximum aggregate amount due from executives at the end of any month during the year was Rs. 161 million (June 30, 2025: Rs. 129 million).

- 8.3** As of June 30, 2025, loan amounting to Rs. 438 million to Fine Thread Tr, Dubai, U.A.E., (business associate) with interest rate of 10% per annum was repayable within 12 months and was classified in other loan and advances (refer note 13). However, during the year, the said amount was reclassified to long-term loans. Further, during the year, Gul Ahmed International Limited FZC extended an additional unsecured loan amounting to Rs. 952.25 million to business associate to support its working capital requirements. The loan is repayable over three years in six semi-annual installments, the remaining balance together with the last installment will be paid on June 30, 2029. Further, the above balance represents the maximum aggregate outstanding amount during the year.

		2026 ------(Rupees in '000)-----	2025
9	DEFERRED TAXATION - NET		
	Deferred tax asset of direct and indirect subsidiaries	9.1 758,333	1,004,141
9.1	Deferred tax asset of direct and indirect subsidiary companies		
	The breakup of the balance is as follows:		
	Deductible temporary differences in respect of;		
	Accelerated tax depreciation allowance	197,376	158,481
	Provisions	80,113	50,427
	Excess of lease liabilities over carrying value of right of use assets	480,844	479,867
	Minimum tax carried forward	-	315,366
		758,333	1,004,141
9.1.1	Deferred tax has been computed using effective rate of 39% consequent to levy of super tax at 10% on the taxable income.		
		2026 ------(Rupees in '000)-----	2025
10	STORE, SPARES AND LOOSE TOOLS		
	Stores and spares	2,612,637	2,953,496
	Stores-in-transit	73,640	5,535
		2,686,277	2,959,031
	Provision for slow moving / obsolete items	10.1 (65,104)	(102,710)
		2,621,173	2,856,321
10.1	Movement in provision for slow moving / obsolete items		
	Opening balance	102,710	152,825
	Reversal of provision for the year - Cost of goods manufactured	31.1 (36,952)	(51,249)
	Foreign currency translation	(654)	1,134
	Closing balance	65,104	102,710
11	STOCK-IN-TRADE		
	Raw material		
	- In hand	31.2 30,376,727	40,054,692
	- In transit	1,245,324	682,520
	Work-in-process	31.1 7,081,359	12,166,591
	Finished goods	31 15,302,774	20,046,894
		54,006,184	72,950,697
	Provision for slow moving - stock-in-trade / obsolete items	11.1 (297,718)	(49,204)
		53,708,466	72,901,493

		2026	2025	
		------(Rupees in '000)-----		
9	DEFERRED TAXATION - NET			
	Deferred tax asset of direct and indirect subsidiaries	9.1	<u>758,333</u>	<u>1,004,141</u>
9.1	Deferred tax asset of direct and indirect subsidiary companies			
	The breakup of the balance is as follows:			
	Deductible temporary differences in respect of;			
	Accelerated tax depreciation allowance		197,376	158,481
	Provisions		80,113	50,427
	Excess of lease liabilities over carrying value of right of use assets		480,844	479,867
	Minimum tax carried forward		<u>-</u>	<u>315,366</u>
			<u>758,333</u>	<u>1,004,141</u>
9.1.1	Deferred tax has been computed using effective rate of 39% consequent to levy of super tax at 10% on the taxable income.			
			2026	2025
			------(Rupees in '000)-----	
10	STORE, SPARES AND LOOSE TOOLS			
	Stores and spares		2,612,637	2,953,496
	Stores-in-transit		<u>73,640</u>	<u>5,535</u>
			2,686,277	2,959,031
	Provision for slow moving / obsolete items	10.1	<u>(65,104)</u>	<u>(102,710)</u>
			<u>2,621,173</u>	<u>2,856,321</u>
10.1	Movement in provision for slow moving / obsolete items			
	Opening balance		102,710	152,825
	Reversal of provision for the year - Cost of goods manufactured	31.1	(36,952)	(51,249)
	Foreign currency translation		<u>(654)</u>	<u>1,134</u>
	Closing balance		<u>65,104</u>	<u>102,710</u>
11	STOCK-IN-TRADE			
	Raw material			
	- In hand	31.2	30,376,727	40,054,692
	- In transit		1,245,324	682,520
	Work-in-process	31.1	7,081,359	12,166,591
	Finished goods	31	<u>15,302,774</u>	<u>20,046,894</u>
			54,006,184	72,950,697
	Provision for slow moving - stock-in-trade / obsolete items	11.1	<u>(297,718)</u>	<u>(49,204)</u>
			<u>53,708,466</u>	<u>72,901,493</u>
11.1	Movement in provision for slow moving			
	Opening balance		49,204	223,440
	Provision / (reversal of provision) for the year	31.1	248,514	(174,464)
	Foreign currency translation		<u>-</u>	<u>228</u>
	Closing balance		<u>297,718</u>	<u>49,204</u>
11.2	The stock includes inventory held with third party amounting to Rs. 2,567 million (June 30, 2025: Rs. 6,168 million).			

		2026	2025
	Note	------(Rupees in '000)-----	
12	TRADE DEBTS		
	Secured		
	Export debtors	6,119,815	7,187,353
	Local debtors	10,734,831	11,261,466
	12.1	16,854,646	18,448,819
	Unsecured		
	Export debtors	2,367,626	3,231,152
	Local debtors	1,631,856	2,285,860
		3,999,482	5,517,012
		20,854,128	23,965,831
	Expected credit loss	12.2	(239,561)
		12.3	20,614,567
			23,795,136

12.1 Trade debts under irrevocable letter of credit, document acceptance, agency agreements with brokers and other acceptable banking instruments are considered secured.

			2026	2025
		Note	------(Rupees in '000)-----	
12.2	Movement in expected credit loss against doubtful trade debts			
	Opening balance		170,695	229,471
	Provision / (reversal of provision) for the year	33	68,878	(58,900)
	Foreign currency translation		(12)	124
	Closing balance		239,561	170,695

12.3 This includes receivables provided to bank under bill discounting arrangement with full recourse amounting to Rs. 4,636 million (June 30, 2025: Rs. 4,386 million) as disclosed in note 24.

13	LOANS, ADVANCES AND OTHER RECEIVABLES	Note	2026 ------(Rupees in '000)-----	2025
	Loans and advances			
	Advances to suppliers		1,002,294	3,535,776
	Current portion of long term loans	8	377,747	122,248
	Others	8.3 & 13.1	229,423	451,726
			1,609,464	4,109,750
	Other receivables			
	Letter of Credit and Bank Guarantee Margin		71,642	343,051
	Deposits		28,321	49,183
	Forward contracts		362,144	-
	Accrued markup		76,617	24,299
	Others	13.2 to 13.4	1,104,767	159,601
			1,643,491	576,134
			3,252,955	4,685,884

13.1 This includes receivable from Designer's Linen Inc. (a joint venture) amounting to Rs. 149 million. Further, the balance represents the maximum aggregate outstanding amount during the year.

13.2 This includes balance receivable from Hub Liquid Terminal (Private) Limited, a related party amounting to June 30, 2026: Rs. Nil (June 30, 2025: 9.13 million)

- 13.3** Sky Home Corp has factoring agreement with CIT group Inc. and by virtue of this agreement, the Subsidiary Company assigns all of its trade receivables to factoring agent. At the year end, the balance outstanding with the factoring agent amounts to Rs. 66 million (2025: Rs. 113 million).

All its assigned receivables for which the credit limit is approved by the factoring agent, either on credit limit basis or order to order basis, are without recourse.

However, receivables which are either not assigned or credit limit is not approved and; receivables from related parties are not covered under the factoring agreement and the; credit risk lies with the Sky Home Corp itself.

- 13.4** This includes Rs. 889 million receivable from a panel of insurance companies against claims filed for loss of stock-in-trade in fire incidents during the year. The amount was received in full subsequent to the year end.

	Note	2026 ------(Rupees in '000)-----	2025
14 RECEIVABLES FROM GOVERNMENT			
Sales tax refund		1,271,693	1,440,638
Income tax refund		3,873,101	2,417,771
Duty drawback and rebate		1,674,445	1,871,167
		<u>6,819,239</u>	<u>5,729,576</u>

15 SHORT TERM INVESTMENTS

At amortized cost

Term Deposit Receipts (TDR)	15.1	2,447	979,000
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At fair value through profit or loss

Investments in units of mutual funds	15.2	1,350,977	-
Investment in shares - listed	15.3	889,104	-
		<u>2,242,528</u>	<u>979,000</u>

- 15.1** These TDRs are placed against bank guarantee margin. TDR carries markup at the rate of 9.6% to 11% (June 30, 2025: 10% to 11%) per annum.

- 15.2** This represents investment in cash management optimizer and investment savings plan 1 having cost amounting to Rs. 250 million and Rs. 1,100 million respectively.

- 15.3** As at the reporting date, the investments in listed securities carries cost amounting to Rs. 857 million and are measured at fair value based on quoted market prices in an active market.

	Note	2026 ------(Rupees in '000)-----	2025
16 CASH AND BANK BALANCES			
Cash in hand			
- Local currency		68,152	93,291
- Foreign currency		3,421	5,376
		<u>71,573</u>	<u>98,667</u>
Balances with banks in current accounts			
- Local currency		324,465	215,937
- Foreign currency		123,134	244,196
		<u>447,599</u>	<u>460,133</u>
Balances with banks in saving accounts			
- Local currency	16.1	170,032	657
TDRs	16.2	300,000	-
	16.3	<u>989,204</u>	<u>559,457</u>

- 16.1** These carries markup at the rate ranging from 8.5% to 9.75% (June 30, 2025: 9%) per annum.

- 16.2** These represents TDRs with original maturity period of less than 1 month and carries profit at 11.25% per annum.

- 16.3** This includes balances held with related parties (related party due to common directorships) amounting to Rs. 185 million (2025: Rs. 72.66 million).

17 SHARE CAPITAL

	2026	2025		2026	2025
17.1	(Number of shares)			----- (Rupees in '000) -----	
			Authorised capital		
	<u>5,000,000,000</u>	<u>5,000,000,000</u>	Ordinary shares of Rs.10 each	<u>50,000,000</u>	<u>50,000,000</u>
17.2	(Number of shares)		Issued, subscribed and paid-up capital	----- (Rupees in '000) -----	
	192,161,738	192,161,738	Ordinary shares of Rs.10 each allotted for consideration paid in cash	1,921,617	1,921,617
	108,809,985	108,809,985	Ordinary shares of Rs.10 each allotted as fully paid shares under scheme of arrangement for amalgamation (note 18.1)	1,088,100	1,088,100
	439,087,735	439,087,735	Ordinary shares of Rs.10 each allotted as fully paid bonus shares	4,390,877	4,390,877
	<u>740,059,458</u>	<u>740,059,458</u>		<u>7,400,594</u>	<u>7,400,594</u>

17.2.1 As at June 30, 2026, the Ultimate Parent Company of the Group, held 413,383,760 (June 30, 2025: 413,383,760) ordinary shares of Rs. 10 each, constituting 55.86% (June 30, 2025: 55.86%) of total paid-up capital of the holding company. Number of shares held by the associated companies and undertakings, other than holding company, aggregated to 99,476,824 (June 30, 2025: 99,476,824) ordinary shares of Rs. 10 each.

17.2.2 As per the Honourable Sindh High Court's order, the Holding Company has held 3,471,541 (June 30, 2025: 3,471,541) out of the total bonus shares issued for the year 2015, 2019 and 2021 to Ultimate Parent Company and other parties, as these shareholders are part of the suit filed against the tax on bonus shares imposed through Finance Act, 2014.

17.2.3 All these fully paid ordinary shares carry one vote per share and equal right to dividend.

18	RESERVES	Note	2026	2025
			----- (Rupees in '000) -----	
	Capital reserves			
	Amalgamation reserve	18.1	8,252,059	8,252,059
	Statutory reserve	18.2	25,933	24,093
	Against long term investments, capacity expansion and BMR	18.3	23,000,000	23,000,000
	Foreign currency translation reserve	18.4	(349,951)	(321,067)
			<u>30,928,041</u>	<u>30,955,085</u>
	Revenue reserve			
	Unappropriated profit		<u>13,147,295</u>	<u>13,484,518</u>
			<u>44,075,336</u>	<u>44,439,603</u>

18.1 This represents reserves created under the Scheme of Arrangement dated May 05, 2021 involving the holding company, Ideas (Private) Limited, Worldwide Developers (Private) Limited, Grand Industries (Private) Limited and Ghafooria Industries (Private) Limited which has been sanctioned by honourable High Court of Sindh through order dated October 29, 2021.

18.2 As required by Emiri decree No. 2 of 1995, issued by the Ruler of Sharjah, and the Article of Association of Gul Ahmed International (FZC), 10% of the profit for the year has to be transferred to legal reserve until it is equivalent to 50% of paid-up capital. This reserve is not available for distribution.

18.3 The Board of the Holding Company, in its meeting held on September 25, 2023, approved the creation of a reserve, for the purpose of long term investments, Business Modernisation and capacity expansion, by transferring an amount of Rs. 23 billion from unappropriated profit to this reserve. Based on this decision, the reserves against long-term investments, capacity expansions and BMR amounting to Rs. 23 billion have been separately disclosed as capital reserve not available for distribution in these consolidated financial statements.

18.4 The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the consolidated financial statements of foreign operations.

19	LONG TERM FINANCING	Note	2026 ------(Rupees in '000)-----		2025			
	Secured							
	From Banking Companies	19.1		14,885,262		16,662,456		
	From Non-Banking Financial Institutions	19.2		3,313,927		2,826,322		
	Financing under Temporary Economic Refinance Scheme Facility - net of Government Grant	19.3		2,299,183		2,781,877		
				20,498,372		22,270,655		
	Current portion shown under current liabilities	27		(5,944,160)		(3,878,180)		
		19.6		14,554,212		18,392,475		
	Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up/profit rate per annum	2026	2025
							2026	2025
						- (Rupees in '000) -	(Rupees in '000)	
19.1	Banking Companies - Secured							
	Islamic							
	Holding company							
	Dubai Islamic Bank	19.4, 19.5 & 19.6	24 and 36 quarterly	May 5, 2035	172,222	Three months KIBOR ask rate + 0.3% payable quarterly	4,575,000	4,700,000
	Under LTL scheme							
	Bank Al-Falah Limited - Islamic	19.4, 19.5 & 19.6	16 half yearly	March 28, 2029	12,119	5.5% p.a. payable quarterly	145,429	169,667
	Under LTFF scheme							
	Faysal Bank Limited	19.4, 19.5 & 19.6	32 quarterly	November 01, 2030	28,128	2.75% - 3.9% p.a. payable quarterly	386,317	485,178
	Under ILTFF scheme - Diminishing Musharaka							
	Meezan Bank Limited	19.4 & 19.5	32 quarterly	September 13, 2032	91,054	3.5% - 5.5% p.a. payable quarterly	1,798,854	2,174,863
	Under ILTFF scheme - Diminishing Musharaka							
	Subsidiary company							
	Meezan Bank Limited	19.8	12 monthly (after 1 year grace period)	December 31, 2026	125,000	One month KIBOR ask rate + 0.05% payable monthly	1,500,000	1,500,000
	Under Diminishing Musharaka							
	Bank Al-Falah Limited - Islamic	19.8	4 quarterly	April 30, 2027	375,000	Three months KIBOR ask rate + 0.25% payable quarterly	750,000	1,500,000
	Under Diminishing Musharaka							
	Conventional - Holding Company							
	Askari Bank Limited	19.4 & 19.5	20 and 32 quarterly	April 01, 2032	47,457	2.75% - 8.5% p.a. payable quarterly	802,515	453,209
	Under LTFF scheme							
	Bank Al-Habib Limited	19.4 & 19.5	16 half yearly	October 22, 2027	13,519	2.75% p.a. payable half yearly	54,071	81,109
	Under LTFF scheme							
	Bank Al-Falah Limited	19.4, 19.5 & 19.6	16 half yearly	December 26, 2032	46,845	3% p.a. payable quarterly	287,372	380,815
	Under LTFF scheme							
	The Bank of Khyber	19.4 & 19.5	32 quarterly	August 17, 2032	15,625	5.5% - 8.5% p.a. payable quarterly	375,000	437,500
	Under LTFF scheme							
	The Bank of Punjab	19.4, 19.5 & 19.6	28 quarterly	December 2, 2023	71,429	3% p.a. payable quarterly	395,453	682,394
	Under LTFF scheme							
	Habib Bank Limited	19.4, 19.5 & 19.6	32, 36, 38, 39 and 40 quarterly	April 24, 2036	65,719	2.80% - 7.5% p.a. payable quarterly	1,350,269	966,207
	Under LTFF scheme							
	MCB Bank Limited	19.4 & 19.5	32 and 36 quarterly	Febraury 23, 2031	9,557	4.00% p.a. payable quarterly	163,409	201,637
	Under LTL scheme							
	National Bank of Pakistan	19.4, 19.5 & 19.6	32 quarterly	May 26, 2030	77,004	2.75% p.a. payable quarterly	1,050,103	1,358,119
	Under LTFF scheme							
	Soneri Bank Limited	19.4 & 19.5	16 half yearly and 32 quarterly	April 14, 2032	40,395	3.50% - 5.0% p.a. payable quarterly	611,022	743,684
	Under LTFF scheme							
	United Bank Limited	19.4 & 19.5	16 half yearly and 32 Quarterly	March 21, 2032	64,446	2.75% - 6.25% p.a. payable quarterly	595,454	754,021
	Under LTFF scheme							
	Samba Bank Limited	19.4, 19.5, 19.6 & 19.7	16 half yearly	December 27, 2028	7,503	3% p.a. payable quarterly	44,994	74,053
	Under LTFF scheme							
							14,885,262	16,662,456
19.2	Non-Banking Financial Institutions - Secured							
	Pair Investment Company Limited	19.4 & 19.5	16 half yearly	October 15, 2029	42,600	3.0% p.a. payable quarterly	225,366	311,699
	Under LTFF scheme							
	Pak Kuwait Investment Pvt. Limited	19.4 & 19.5	32 quarterly	June 09, 2036	74,140	3.0%- 8.5% p.a. payable quarterly	1,072,294	960,562
	Under LTFF scheme							
	Pak China Investment Pvt. Limited	19.4 & 19.5	32 quarterly	April 02, 2036	60,388	3.35% - 7.5% p.a. payable quarterly	1,402,962	1,079,118
	Under LTFF scheme							
	Pak Brunei Investment Company Limited	19.4 & 19.5	16 half yearly and 20 quarterly	February 24, 2033	53,246	2.5% - 7.5% p.a payable quarterly	420,730	159,472
	Under LTFF scheme							
	Pak Oman Investment Company Limited	19.4 & 19.5	32 quarterly	September 13, 2027	30,724	2.75% p.a payable quarterly	192,575	315,471
	Under LTFF scheme							
							3,313,927	2,826,322

Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up/profit rate per annum	2026	2025
				- (Rupees in '000) -		(Rupees in '000)	
19.3 Financing under Temporary Economic Refinance Scheme Facility - net of Government Grant							
Habib Bank Limited	19.4, 19.5 & 19.6	16 half yearly	September 23, 2030	59,375	2.25 % p.a. payable quarterly	524,666	637,854
MCB Bank Limited	19.4 & 19.5	32 quarterly	February 23, 2031	13,841	3.00% p.a. payable quarterly	244,053	296,868
MCB Islamic Bank Limited	19.4 & 19.5	32 quarterly	Januray 19, 2031	9,375	2.50% p.a. payable quarterly	165,630	201,416
Bank of Punjab	19.4, 19.5 & 19.6	32 quarterly	February 12, 2030	31,250	2.0 % p.a. payable quarterly	609,003	727,587
Pak Kuwait Investment (Private) Limited	19.4 & 19.5	32 quarterly	September 25, 2032	9,464	2.5% p.a. payable quarterly	151,373	187,579
Pak China Investment (Private) Limited	19.4 & 19.5	32 quarterly	November 22, 2031	17,738	2.50% p.a. payable quarterly	318,788	386,414
Saudi Pak Industrial And Agricultural Investment Company Limited	19.4 & 19.5	32 quarterly	April 27, 2031	15,357	2.50% p.a. payable quarterly	285,670	344,159
						2,299,183	2,781,877

- 19.4** These loans are secured by a joint pari passu charge over the Holding Company's plant and machinery, equivalent to the outstanding financing plus a 25% margin.
- 19.5** The financing availed under the facility is repayable within a maximum period of ten years including maximum grace period of two years from the date when financing was availed.
- 19.6** Loans are subject to compliance of certain covenants including Debt Service Coverage ratio, Current ratio, Debt to Equity ratio, Interest Cover, Maximum Gearing, Debt to EBITDA, Debt to Sales and are secured against the charge over assets of the Group.
- 19.7** These represent financing obtained from related parties (related party due to common directorships) of the Group.
- 19.8** Loans are secured by first equitable mortgage charge over the subsidiary company's property.

	Note	2026 ------(Rupees in '000)-----	2025
20 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS			
Opening balance		5,478,091	3,738,012
Additions during the year	5	1,991,054	2,356,426
Interest expense	36	797,361	747,487
Reassessment / modification during the year		(1,162,609)	113,726
Payments during the year		(1,682,909)	(1,477,737)
Foreign currency translation		(323)	177
Closing balance		5,420,665	5,478,091
Current portion shown under current liabilities	27	836,580	1,094,691
Non-current portion		4,584,085	4,383,400
Closing balance		5,420,665	5,478,091

	2026 ------(Rupees in '000)-----		
	Minimum lease payments	Interest	Present value of minimum lease payments
20.1 Maturity profile of minimum lease payments			
Within one year	1,532,594	(696,014)	836,580
Between one and five years	4,853,979	(2,017,317)	2,836,662
More than five years	2,780,707	(1,033,284)	1,747,423
	9,167,280	(3,746,615)	5,420,665
	2025 ------(Rupees in '000)-----		
	Minimum lease payments	Interest	Present value of minimum lease payments
Within one year	1,826,863	(732,172)	1,094,691
Between one and five years	4,791,033	(581,176)	4,209,857
More than five years	1,207,514	(1,033,971)	173,543
	7,825,410	(2,347,319)	5,478,091

21 SINDH INFRASTRUCTURE DEVELOPMENT CESS

Until last year, the Holding Company had challenged the imposition of Sindh Infrastructure Development Cess (SIDC) through constitutional petitions filed against the relevant provisions of the Sindh Finance Act, 1994 and subsequently the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (SIDC Act), as amended. The Honourable High Court of Sindh had granted interim relief to the Holding Company pending final disposal of the related proceedings. However, based on the advice of its legal consultant, the Holding Company had recognised a provision for the full amount of the liability in these consolidated financial statements and furnished bank guarantees as security to the Government.

During the year, the Holding Company entered into a settlement agreement with the Government of Sindh for settlement of its outstanding and/or disputed SIDC liabilities under the SIDC Act, as amended. Under the terms of the agreement, the admitted liability, determined in accordance with the applicable provisions of the SIDC Act, is payable through three instalments of 15% each, followed by the remaining balance in 48 equal quarterly instalments ending on April 15, 2040.

In accordance with the terms of the settlement agreement, the Holding Company withdrew all pending litigation, obtained release of the related bank guarantees and paid the first instalment of 15% amounting to Rs. 466 million on April 21, 2026.

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 21 Levies, the Holding Company has re-measured the settlement amount relating to the aforementioned liability at its present value, based on the agreed payment schedule and a pre-tax discount rate of 12.26% (KIBOR + 1%), reflecting the time value of money and risks specific to the obligation. The resulting notional impact representing the difference between the carrying amount of the liability under the settlement arrangement and the present value of the settlement liability, has been recognised in cost of sales (refer note 31.1). Subsequently, the liability is measured at amortised cost using the effective interest method as disclosed in the consolidated statement of financial position with the resultant impact of interest in finance costs (refer note 36).

	Note	2026 ------(Rupees in '000)-----	2025
22 DEFERRED INCOME - GOVERNMENT GRANT			
Opening balance		74,655	102,906
Amortised during the year	35	(24,035)	(28,251)
		50,620	74,655
Current portion shown under current liabilities	27	(19,674)	(24,035)
Closing balance		30,946	50,620

- 22.1** This represents government grant recognised on the concessionary refinance facility introduced by the State Bank of Pakistan (SBP) under a Temporary Economic Refinance Facility (TERF) for setting up of new industrial units and for undertaking Balancing, Modernisation and Replacement and / or expansion of projects / businesses. These have been accounted for as per the guidance issued by the ICAP in respect of these loans.

	Note	2026 ------(Rupees in '000)-----	2025
23 DEFINED BENEFIT PLAN - STAFF GRATUITY			
Defined benefit plan - Holding Company	23.1	284,172	466,178
Defined benefit plan - Subsidiary Company (GTM International FZC)	23.10	9,879	9,089
		294,051	475,267

Defined benefit plan - Holding Company

23.1	Reconciliation of the present value of defined benefit obligation and movement in net defined benefit liability		
	Opening balance	466,178	523,996
	Charge	122,127	264,743
	Remeasurement gain	(3,164)	(76,940)
	Benefits paid	(300,576)	(245,621)
	Benefits due but not paid	(393)	-
	Closing balance	284,172	466,178

23.2 Charge for the year recognised in consolidated statement of profit or loss

Current service cost	191,624	205,666
Gains and losses arising on plan settlements	(106,591)	-
Mark-up cost	37,094	59,077
	<u>122,127</u>	<u>264,743</u>

23.3 Remeasurement gain charged in consolidated statement of comprehensive income

Actuarial gain from changes in financial assumptions	(1,326)	(1,683)
Experience adjustments	(1,838)	(75,257)
	<u>(3,164)</u>	<u>(76,940)</u>

23.4 Significant actuarial assumptions used

Following significant actuarial assumptions were used for the valuation by an independent valuer that is "Nauman Associates":

	2026	2025
Discount rate used for year end obligation	11.75%	11.75%
Rate used for markup cost	11.75%	14.75%
Expected increase in salary	10.00%	10.00%
Mortality rates	SLIC 2001-2005 Set back 1 Year	SLIC 2001-2005 Set back 1 Year
Withdrawal rates	Age-Based	Age-Based
Retirement assumption	Age 60	Age 60

The duration of the liabilities is 1.1 Year. Based on the weighted average duration of this plan and guidance from Pakistan Society of Actuaries ("PSOA"), the discount rate used for the calculations is 11.75% per annum.

23.5 Associated risks

(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 the Group 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 risk

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 beneficiaries.

23.6 General description

The scheme provides retirement benefits to all its eligible employees of the Holding Company who are not part of the provident fund scheme and who have completed the minimum qualifying period of service (6 months). Actuarial valuation of the scheme is carried out periodically and latest actuarial valuation was carried out at June 30, 2026. The disclosure is based on information included in that actuarial report. The gratuity is measured on last drawn salary multiplied by number of years of service.

23.7 Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant (± 100 bps), would have affected the defined benefit obligation:

	2026	2025
	------(Rupees in '000)-----	
Discount Rate + 100 bps	3,988	6,502
Discount Rate - 100 bps	(4,142)	(6,754)
Salary increase + 100 bps	(3,805)	(6,503)
Salary increase - 100 bps	3,728	6,371

Although the analysis does not takes into account of the full distribution of cash flows expected under the plan, it does provide approximation of the sensitivity of the assumptions used.

23.8 Maturity profile

Maturity profile on defined benefit obligation as presented by actuary in the report;

	2026	2025
	------(Rupees in '000)-----	
FY 2026	N/A	278,916
FY 2027	167,233	215,999
FY 2028	117,925	146,144
FY 2029	78,535	98,818
FY 2030	53,121	67,340
FY 2031	36,010	47,396
FY 2032	24,687	32,144
FY 2033	17,923	23,215
FY 2034	12,332	16,462
FY 2035	8,705	11,642
FY 2036	6,615	30,986
FY 2037 onwards	17,108	N/A

The average duration of the defined benefit obligation is 1.1 year.

23.9 Estimated expenses to be charged to consolidated statement of profit or loss in financial year 2027:

Current service cost	93,922
Mark up on defined benefit obligation	23,565
	<u>117,487</u>

23.10 Defined benefit plan - Subsidiary Company (GTM International FZC)

	2026	2025
	------(Rupees in '000)-----	
Reconciliation of the present value of defined benefit obligation and movement in net defined benefit liability	Note	
Opening balance	9,089	4,903
Charge	3,418	4,027
Benefits paid	(2,443)	-
Foreign currency translation	(185)	159
Closing balance	<u>9,879</u>	<u>9,089</u>

24 TRADE AND OTHER PAYABLES

Creditors		16,813,107	16,511,384
Accrued expenses		5,183,573	7,812,355
Gas infrastructure development cess payable	24.1	3,686,367	3,686,367
Payable to bank under bill discounting arrangement		4,636,498	4,385,725
Advance from customers		903,276	691,091
Workers' profit participation fund	24.2	55,008	331,048
Workers' welfare fund	24.3	26,667	143,045
Taxes withheld		266,204	164,939
Payable to employees' provident fund trust		37,421	47,732
Fair value of forward contracts		-	64,902
Due to related parties	24.4	16,106	53,086
Others		237,143	226,119
		<u>31,861,370</u>	<u>34,117,793</u>

24.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015 (refer note 29.3).

	2026	2025
	------(Rupees in '000)-----	
24.2 Workers' profit participation fund	Note	
<u>Movement of balance during the year:</u>		
Opening balance		331,048
Allocation	34	55,008
Markup	36	13,318
		<u>399,374</u>
		745,567
Payments		<u>(344,366)</u>
Closing balance		<u>331,048</u>

	Note	2026 ------(Rupees in '000)-----	2025
24.4 Due to related parties			
Win Star (Private) Limited		3,093	26,022
Swisstex Chemicals (Private) Limited		2,279	398
Grand Industries (Private) Limited		4,570	4,617
TPL Properties Limited		476	22,049
DLI Global (FZC)		5,688	-
		<u>16,106</u>	<u>53,086</u>
25 ACCRUED MARK-UP / PROFIT			
Long term financing		229,604	192,314
Short term borrowings		392,974	694,476
	25.1	<u>622,578</u>	<u>886,790</u>
25.1	This includes accrued markup pertaining to related parties (related party due to common directorships) amounting to Rs. 0.2 million and Rs. 98 million in respect of long term financing and short term borrowings respectively (June 30, 2025: Rs. 4 million and Rs. 82 million).		
26 SHORT TERM BORROWINGS	Note	2026 ------(Rupees in '000)-----	2025
Local currency			
Running finance		3,094,426	5,593,672
Export refinance scheme		23,361,400	22,161,400
Other short term finances		-	4,204,545
		<u>26,455,826</u>	<u>31,959,617</u>
Foreign currency			
Export facilitation scheme		8,280,673	8,819,749
Foreign currency export finance		8,103,730	13,884,170
Foreign currency import finance		844,887	783,043
Running finance		583,426	635,478
		<u>17,812,716</u>	<u>24,122,440</u>
	26.1 to 26.4	<u>44,268,542</u>	<u>56,082,057</u>
26.1	Short term borrowings are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. Unavailed facility at the year end was Rs. 18,851 million (June 30, 2025: Rs. 16,730 million).		
26.2	This includes revolving short term borrowing amounting to Rs. 186 million @ 7.75% (June 30, 2025: Rs. 203 million @ 9.5%) obtained by Sky Home Corp from Habib American Bank. This is secured against corporate guarantee of the Holding Company, personal guarantee of a director, promissory note of USD 900,000 in favour of the bank and charge over current assets of respective subsidiary. Revolving loans against factored receivables of Sky Home Corporation use for payment of import bills, purchases and to meet other operating expenses. Payment of principal and interest on realisation of receivables.		
26.3	Local currency borrowings markup ranges from 4.5% to 13.69% (June 30, 2025: 8% to 12.5%) per annum payable quarterly, whereas, foreign currency borrowings markup range from 2.5% to 3.85% (June 30, 2025: 2.5% to 5%) per annum.		
26.4	These include balances pertaining to related parties (related party due to common directorships) amounting to Rs. 11,124 million (June 30, 2025: Rs. 8,796 million).		

		2026	2025
	Note	------(Rupees in '000)-----	
27	CURRENT PORTION OF NON-CURRENT LIABILITIES		
	<u>Financing</u>		
	- Long term financing	19 5,944,160	3,878,180
	- Lease liability against right of use asset	20 836,580	1,094,691
	- Deferred income - government grant	22 19,674	24,035
	<u>Other liabilities</u>		
	- SIDC	27.1 375,574	-
		7,175,988	4,996,906

27.1 This represents current portion of Sindh Infrastructure Development Cess (SIDC) as disclosed in note 21 of these consolidated financial statements.

		2026	2025
	Note	------(Rupees in '000)-----	
28	UNPAID DIVIDEND	28.1 23,505	23,505

28.1 This represents amount held by the Holding Company pertaining to the Petitioners of the suit filed in the Honourable High Court of Sindh against the tax on bonus shares imposed through Finance Act 2014. The amount includes Rs. 18 million and Rs. 0.8 million (June 30, 2025: Rs. 18 million and Rs. 0.8 million) of parent company and an associated company respectively.

29 CONTINGENCIES AND COMMITMENTS

Gul Ahmed Textile Mills Limited - Holding Company

- 29.1** The Holding Company owns and possesses a plot of land measuring 44.04 acres in Deh Khanto which is duly registered in its name and appearing in the books at a cost of Rs. 83.86 million (June 30, 2025: Rs. 83.86 million). Ownership of the land has been challenged in the Honourable Sindh High Court by Messrs. Karim Bux, Iqbal Rasheed and Mansoor Munawar who claim to be the owners, as this land was previously sold to them and subsequently resold to the Holding Company. The legal consultant of the Holding Company is of the view that the Holding Company has a reasonable case and is expecting favourable outcome, therefore no provision has been made there against. In respect of the same land, the Holding Company has filed a suit in January 2021 for declaration and permanent injunction in the Honourable High Court of Sindh, seeking the declaration that the Holding Company is lawful owner of the said property and that the undated notice issued by the Pakistan Railways for sealing and taking over the possession of the said property is of no legal effect. The matter is at hearing stage and the legal consultant of the Holding Company is of the view that the title of the Holding Company stands clear and there is no likelihood of unfavourable outcome. The said cases were originally filed before the Honorable Sindh High Court now pending before the relevant District Court.
- 29.2** The Holding Company has filed a Petition in the Honourable Sindh High Court, dated March 30, 2008, against order passed by the Board of Trustees, Employees' Old-Age Benefits Institution (EOBI) for upholding the unjustified additional demand of payment raised by EOBI for accounting years 2000-2001 and 2001-2002 amounting to Rs. 50.83 million (June 30, 2025: Rs. 50.83 million). This demand was raised after lapse of more than two years although the records and books of the Holding Company were verified by the EOBI to their entire satisfaction and finalisation of all matters by EOBI. The Honourable Sindh High Court has restrained EOBI from taking any action or proceedings against the Holding Company. The legal consultant of the Holding Company is of the view that the Holding Company has a reasonable case and is expecting favourable outcome therefore, no provision has been made there against.
- 29.3** The Holding Company's review petition challenging the decision of High Court against the GIDC Act, 2015 had been dismissed by the Supreme Court of Pakistan while also suspending the billing of levy from August 2020. The court had ordered to pay the GIDC dues under the GIDC Act, 2015 with retrospective effect from December 15, 2011, in 48 monthly installments starting from August 2020. Total amount of the cess works out to Rs. 3.69 billion on the basis that the Holding Company has both Industrial and Captive connections having different GIDC rates. However, Oil and Gas Development Authority has ruled out that the consumers having supply of natural gas for industrial use and having in-house electricity generation facility for self-consumption do not fall under the definition of Captive as well as the Honourable Sindh High Court has also decided in favor of the Holding Company on the issue of Captive connections for self consumption. Therefore, management, based on the legal advice, believes that maximum liability of the Holding Company in respect of GIDC will be Rs. 2.3 billion. The Holding Company in September 2020 filed a suit in Honourable Sindh High Court challenging the chargeability of GIDC. The Honourable Sindh High Court granted stay order and restrained Sui Southern Gas Company (SSGC) from taking any coercive action against non-payment of installments of GIDC. However, the management on prudent basis has maintained a liability of Rs. 3.69 billion (June 30, 2025: Rs. 3.69 billion) in these consolidated financial statements.

29.4 The Holding Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on September 4, 2019, challenging Order-in-Appeal No. STA/11/LTU/2019/07 dated August 22, 2019, passed by the Commissioner Inland Revenue (Appeals) [CIRA], whereby the input tax claimed by the Company for the tax period July 2015 to June 2016 was partially disallowed, resulting in a demand of Rs. 40.74 million. The management of the Holding Company, in consultation with its legal and tax advisors, is of the considered view that the Holding Company has a strong and meritorious case before the Appellate Tribunal and expects a favourable outcome. Accordingly, no provision has been made in these consolidated financial statements in respect of the said demand.

29.5 The Holding Company has filed appeal before the Commissioner Inland Revenue (Appeals) against Order-in-Original No. 01/175 of 2023 dated August 15, 2023, whereby a demand of Rs. 120.10 million, along with a penalty of Rs. 6.00 million and default surcharge, was raised on account of alleged inadmissible input tax claimed for the tax periods July 2021 to November 2021.

The Holding Company is of the considered view that the input tax claimed was fully admissible in accordance with the provisions of the Sales Tax Act, 1990, and that the demand raised is not tenable on legal and factual grounds. The matter is currently pending adjudication before the Commissioner Inland Revenue (Appeals). Based on the strength of the Holding Company's position and legal advice obtained, the management expects a favourable outcome. Accordingly, no provision has been made in these consolidated financial statements in respect of the said demand.

29.6 The Holding Company has filed before the Appellate Tribunal Inland Revenue against Order-in-Original No. 05 / 175 of 2023 dated September 4, 2023, whereby a demand of Rs. 370.55 million, was raised on account of alleged inadmissible input tax claimed for the tax periods July 2012 to June 2013.

The Appellate Tribunal Inland Revenue has remanded the case back to the concerned officer for fresh adjudication. The Company is of the view that the input tax claimed was fully admissible under the relevant provisions of the Sales Tax Act, 1990, and that the demand is not sustainable on merits. Based on the strength of the Holding Company's position and the fact that the matter has been remanded for de-novo proceedings, the management expects a favourable outcome. Accordingly, no provision has been made in these consolidated financial statements in respect of the said demand.

29.7 The Holding Company has filed appeal before the Commissioner (Appeals), Sindh Revenue Board, against Order-in-Original No. 2513/2025 dated February 24, 2025, whereby a demand of Rs. 14.32 million on account of alleged short and incorrect deduction of Sindh Sales Tax withholding, together with a penalty of Rs. 3.16 million and related default surcharge, was raised under the Sindh Sales Tax on Services Act, 2011.

The Holding Company believes that the demand is not sustainable on legal and factual grounds and has accordingly challenged the order before the appellate forum. The matter is currently pending adjudication before the Commissioner (Appeals), SRB. Based on the merits of the case and the advice of tax consultants, management is of the view that the Holding Company has reasonable grounds to defend its position. Accordingly, no provision has been recognised in these consolidated financial statements in respect of the aforesaid matter, and the outcome of the appeal is not expected to have a material adverse impact on the Holding Company's financial position.

29.8 The Holding Company along with several other petitioners had filed a Constitution Petition on January 16, 2020 against Karachi Water & Sewerage Board (KWSB) and others in the Honourable Sindh High Court against notification dated October 30, 2019 issued by the KWSB whereby water charges were increased from Rs. 242 to Rs. 313 per 1000 gallons. Subsequently, the Holding Company along with other petitioners filed petition against KWSB notifications for the years 2021 to 2024 of water rate enhancement. The Honourable Sindh High Court has restrained KWSB from taking any coercive action against the Holding Company and allowed the Holding Company to pay the bills as per old rates. As required under the Order, the Holding Company provided banker's verified Cheques each month aggregating to Rs. 337.89 million (June 30, 2025: Rs. 337.89 million) for the rate difference. Subsequently, the Honourable Sindh High Court, vide its order dated 8 September 2025, dismissed the Holding Company's petition. The Holding Company has filed an appeal before the Supreme Court against the judgment passed by the Divisional Bench of the Honourable Sindh High Court, and the case is currently pending for hearing. Meanwhile, the Holding Company is paying the arrears of water charges to KWSB.

29.9 The Holding Company, along with several other companies, filed a suit in the Honourable Sindh High Court challenging the notification via SRO No. (I) / 2015 dated August 31, 2015 regarding increase in the gas tariff, on November 16, 2015, which was decided by the Honourable Sindh High Court in favor of the Holding Company and thereafter, the Government filed an appeal in the Divisional Bench of the Honourable Sindh High Court against the decision, which has also been decided in favor of the Holding Company. As a matter of prudence, the Holding Company has maintained a full provision of the said notification amounting to Rs. 159.9 million (June 30, 2025: Rs. 159.9 million) in the consolidated financial statements.

OGRA issued further notifications on December 30, 2016, September 17, 2018, October 23, 2020 enhancing the rates. The Holding Company, along with others, has filed petition in the Honourable Sindh High Court against the said notifications.

For notification dated December 30, 2016, Honourable Sindh High Court granted interim relief and instructed Sui Southern Gas Company (SSGC) to revise the bills at previous rate and instructed the Holding Company to deposit the differential amount cheques with Nazir Sindh High Court as security. On February 3, 2025, the Divisional Bench of Honourable Sindh High Court decided the case in favour of the Holding Company. Simultaneously, the Divisional Bench of Sindh High Court vide Judgment dated March 10, 2025, ordered that the Nazir of Sindh High Court returns the cheques of Rs. 250.67 million which were deposited with Nazir, which have been received back by the Holding Company. SSGC has filed the appeal in Supreme Court against the judgment.

For notification dated October 23, 2020, on February 18, 2024, the Honourable Sindh High Court decided the case against the Holding Company. The Holding Company filed an appeal in the Divisional Bench of the Honourable Sindh High Court against the decision, which has also been decided against the Holding Company on March 28 2024. Therefore, the Company has filed an appeal in the Supreme Court against the judgment passed by the Divisional Bench of Honourable Sindh High Court and the case is currently pending for hearing.

On February 15, 2023, OGRA issued another notification revising the gas tariff with retrospective effect from January 01, 2023. The Holding Company, along with several other companies, has filed a suit in the Honourable Sindh High Court challenging the increase in the gas tariff with retrospective effect. The Honourable Sindh High Court has restrained SSGC from taking any coercive action against the Holding Company. As a matter of prudence, the Holding Company has maintained a full provision of the said notification amounting to Rs. 174.4 million (June 30, 2025: Rs. 174.4 million) in the consolidated financial statements.

On November 08, 2023, OGRA issued notification and increased the gas rate retrospectively from November 01, 2023. The Holding Company along with others filed petition in the Honourable Sindh High Court against the notification challenging the increase of gas tariff and its retrospective application from November 01, 2023. While the case is currently pending for hearing before the Honourable Sindh High Court, however, the Holding Company has paid increased amount to SSGC with the understanding that if the decision comes in favour of the Holding Company, the SSGC will either refund the excess amount or it will adjust in future bills post favourable decision.

While awaiting the decision for above case, on February 15, 2024, SSGC issued another notification to further increase the gas tariff with retrospective application from February 1, 2024, where the Holding Company again challenged its retrospective charge from February 01, 2024. Subsequently, the Honourable Sindh High Court decided the case of retrospective application under above notification in favour of the Holding Company, which has been challenged by SSGC in the Supreme Court of Pakistan and is currently, pending for hearing.

29.10 The Holding Company along with several other companies filed a suit in the Honourable Sindh High Court challenging the notification via SRO No. (I) / 2015 dated August 31, 2015 for charging of captive power tariff instead of Industry tariff rate to the Holding Company, as the Holding Company is producing electricity entirely for its own consumption, on November 16, 2015, which was decided by the Honourable Sindh High Court in favor of the Holding Company and thereafter, the Government filed an appeal in the Divisional Bench of the Honourable Sindh High Court against the decision, which has also been decided in favor of the Holding Company. SSGC has filed an appeal in Supreme Court against the judgement. As a matter of prudence, the Holding Company has maintained a full provision of the said notification amounting to Rs. 237.6 million (June 30, 2025: Rs. 237.6 million) in the consolidated financial statements.

The Holding Company, along with several other companies, has filed a suit in the Honourable Sindh High Court challenging the notifications dated December 30, 2016, and October 23, 2020 for charging of captive power tariff instead of Industry tariff rate to the Holding Company, as the Holding Company is producing electricity entirely for its own consumption. The Honourable Sindh High Court has passed the interim orders for not charging the Captive power tariff rates and consequently restrained SSGC from taking any coercive action against the Holding Company.

On February 03, 2025, based on OGRA Notification dated December 30, 2016, the Divisional Bench of Honourable Sindh High Court has decided the case in favour of the Holding Company. SSGC has filed an appeal in Supreme Court against the judgment. Simultaneously, the Divisional Bench of Sindh High Court vide Judgment dated March 10, 2025, ordered that the Nazir of Sindh High Court return the cheques of Rs. 388.57 million which was deposited with Nazir, which have been received back by the Holding Company. SSGC has filed an appeal in the Supreme Court against the judgment.

OGRA issued another notification dated October 04, 2018 revising the tariff effective September 27, 2018, and subsequent to this notification, the Holding Company paid the bills accordingly at the specified rates.

- 29.11** Grid (Captive Power Plants) Levy Ordinance, 2025 (the “Impugned Ordinance”), promulgated on January 30, 2025, and the notifications dated March 7, 2025 issued by the Ministry of Energy in purported exercise of the powers conferred under section 3(1) of the Impugned Ordinance. The Impugned Ordinance imposes a levy, to be notified by the Ministry of Energy, on the consumption of natural gas or RLNG by captive power plants over and above the sale price of such natural gas or RLNG.

The Honourable Islamabad High Court, vide its order dated July 31, 2025, dismissed the petition filed by the Holding Company and other petitioners. Subsequently, the Holding Company, along with other companies, filed a petition before the Honourable Sindh High Court challenging the retrospective application of the notification for the period from February 1, 2025 to March 6, 2025. The Honourable Sindh High Court passed interim orders restraining the charging of the relevant levy for the month of February 2025. As security, the Holding Company furnished a bank guarantee amounting to Rs. 138.59 million (June 30, 2025: Rs. 138.59 million). The Honourable Sindh High Court subsequently decided the matter in favour of the Holding Company vide its judgment dated January 12, 2026, pursuant to which the bank guarantee was released. The Government has filed an appeal before the Honourable Supreme Court of Pakistan against the judgment passed by the Divisional Bench of the Honourable Sindh High Court, and the matter is currently pending adjudication.

Furthermore, the Holding Company filed constitutional petitions before the Honourable Balochistan High Court challenging the Gas Levy Ordinance as well as the levy amounts imposed from March 2025 onwards. On October 28, 2025, the Honourable Balochistan High Court dismissed the constitutional petitions filed by various companies challenging the validity of the Off-the-Grid (Captive Power Plants) Levy Act, 2025. The Holding Company has filed an appeal before the Honourable Federal Constitutional Court against the judgment of the Honourable Balochistan High Court, and the matter is currently pending for hearing.

The Holding Company, along with several other petitioners, also filed a constitutional petition before the Honourable Islamabad High Court challenging the Off-the-Grid (Captive Power Plants) Levy Act, 2025. The Honourable Islamabad High Court has restrained SSGC from taking any coercive action against the Holding Company, subject to the furnishing of post-dated cheques in favour of SSGC to the extent of the disputed levy amount. In compliance with the said order, the Holding Company provided post-dated cheques each month aggregating to Rs. 301 million (June 30, 2025: Nil). However, the Holding Company has maintained a full provision against the disputed levy in these consolidated financial statements on the basis of prudence.

- 29.12** For the tax year 2025, FBR issued income tax amended order under section 122(5A) of the Income Tax Ordinance, 2001 (ITO) on June 5, 2026, wherein certain provisions and expenses were added back to the income and certain tax credits were disallowed. The Holding Company filed an appeal against the said order before Commissioner Income Tax (Appeal) which is pending. The management believes that the aforementioned matter will be ultimately decided in favor of the Holding Company. Accordingly, no provision is required to be made in the provision for taxation in these consolidated financial statements.

Ideas (Private) Limited - Subsidiary Company

- 29.13** Ideas (Private) Limited has filed an appeal before the Appellate Tribunal Inland Revenue against the Order-In-Original No. 16/26/2024-2025 dated February 24, 2025, whereby demand of Rs. 57.989 million was raised along with penalty and default surcharge on the issue of input tax claimed by Ideas (Private) Limited during the tax periods from July 2022 to June 2023, which the Department has held to be inadmissible. Ideas (Private) Limited has deposited Rs. 35 million against the aforesaid demand and the Tribunal, vide order dated July 30, 2026, has restrained the Department from recovery of the balance demand through coercive measures. The matter is at hearing stage and the tax consultant of Ideas (Private) Limited is of the view that there is no likelihood of unfavorable outcome, therefore no provision has been made there against.
- 29.14** The Honorable Federal Constitutional Court (FCC) of Pakistan, in Civil Appeals No. 1243-1456 of 2020, has held that Section 4C of the Income Tax Ordinance, 2001, (ITO) is intra vires the Constitution and shall apply, as enacted, for Tax Year 2022 and onwards at the rates prescribed in Division 11B of Part I of the First Schedule to the ITO. As a result of the above decision, judgments previously made by the High Courts have been set aside and are no longer enforceable. Pursuant to the said decision, the Tax Department has taken the view that Super Tax was payable from the date of filing of the tax return of the respective tax year. Accordingly, in the case of Ideas (Private) Limited the concerned Deputy Commissioner Inland Revenue initiated proceedings under Section 205 of the ITO for charging default surcharge in respect of Tax Years 2022 and 2023 and issued orders under Section 4C of the ITO raising additional tax demands of Rs. 26.31 million and Rs. 2.50 million, respectively.

Ideas (Private) Limited filed appeals against the aforesaid orders before the Commissioner Inland Revenue (Appeals) [CIRA]. The CIRA, vide appellate order, remanded the matter for Tax Year 2022 to the DCIR with the direction to recompute the default surcharge from the date of the judgment of the FFC. However, in respect of Tax Year 2023, the CIRA confirmed the liability on account of default surcharge. Against the said orders, Ideas (Private) Limited has filed appeals before the Appellate Tribunal Inland Revenue (ATIR). ATIR, through its stay order dated August 12, 2026, has restrained the department from taking any coercive measures for recovery of the impugned demands pending the decision. Ideas (Private) Limited is confident for favorable outcome and accordingly, no provision has been recognised in these consolidated financial statements.

29.15 Ideas (Private) Limited has filed an appeal before the Appellate Tribunal Inland Revenue against the Order-In-Original No. 26/26/2024-2025 dated May 14, 2025, whereby penalty of Rs. 10.180 million and default surcharge of Rs. 2.528 million, aggregating to Rs. 12.708 million, was levied on the issue of sales tax deposited into the Government treasury after the prescribed due dates for the tax periods from January 2022 to June 2022. Ideas (Private) Limited has contested the levy on the grounds, inter alia, that the same issue had already been adjudicated through separate show cause notices for overlapping periods and that the delay, if any, was on account of technical glitches in the FBR's IRIS portal, being a matter beyond its control. No amount has been deposited against this demand. The matter is at hearing stage and the tax consultant of Ideas (Private) Limited is of the view that there is no likelihood of unfavorable outcome, therefore no provision has been made there against.

29.16 Guarantees and others

- (a) Guarantees of Rs. 2,632 million (June 30, 2025: Rs. 5,464 million) have been issued by banks on behalf of the Group which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees include guarantees issued by related parties amounting to Rs. 2,593 million (June 30, 2025: Rs. 2,980 million).
- (b) Post dated cheques of Rs. 33,262 million (June 30, 2025: Rs. 30,298 million) are issued to Custom Authorities in respect of duties on imported items availed on the basis of consumption and export plans.
- (c) Bills discounted of Rs. 8,802 million (June 30, 2025: Rs. 11,220 million), including bills discounted from related parties amounting to Rs. 2,641 million (June 30, 2025: Rs. 3,643 million).
- (d) Corporate guarantees of Rs. 251 million (June 30, 2025: Rs. 264 million), Rs. 1,106 million (June 30, 2025: Rs. 1,129 million) and Rs. 252 million (June 30, 2025: Rs. 256 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed International FZC - UAE and Sky Home Corp- USA respectively.

	Note	2026 ------(Rupees in '000)-----	2025
29.17 Commitments			
Capital expenditure for plant and machineries		<u>3,791,573</u>	<u>3,892,512</u>
Other than capital expenditure	29.17.1	<u>21,061,959</u>	<u>22,897,749</u>
Forward foreign exchange contracts	29.17.2	<u>31,189,710</u>	<u>9,183,718</u>

29.17.1 Other than capital expenditure includes commitments for purchase of raw materials and stores and spares.

29.17.2 This includes forward foreign exchange contracts amounting to USD 29 million (2025: USD 30 million), equivalent to Rs. 8,281 million (June 30, 2025: Rs. 8,820 million) obtained under pre-shipment exports. The Group is obligated to provide export documents against such amount. The above liability has been appropriately recorded under Export Facilitation Scheme and is disclosed in note 26 of these consolidated financial statements.

Pension Commitments

GTM (Europe) Ltd. operates a defined contributions pension scheme. The assets of the scheme are held separately from those of GTM (Europe) Ltd. in an independently administered fund. The pension cost charge represents contributions payable by GTM (Europe) Ltd. to the fund and amounted to Rs. 2.25 million (June 30, 2025: Rs. 2.0 million).

		2026	2025
		------(Rupees in '000)-----	
30	REVENUE FROM CONTRACTS WITH CUSTOMERS		
	Export sales		
	Direct	95,596,561	111,903,310
	Indirect	28,076,239	43,991,771
		<u>123,672,800</u>	<u>155,895,081</u>
	Trade and other discount	(813,786)	(1,190,366)
	Commission	(1,633,376)	(1,769,346)
	Sales tax	(4,282,816)	(6,712,615)
		<u>116,942,822</u>	<u>146,222,754</u>
	Local sales	30.1	
	Brokerage	55,448,592	47,196,733
	Sales tax	(301,961)	(435,757)
		<u>(8,714,270)</u>	<u>(7,442,298)</u>
		<u>46,432,361</u>	<u>39,318,678</u>
		<u>163,375,183</u>	<u>185,541,432</u>
	Less: Related to discontinued operations	39	
		<u>(1,366,969)</u>	<u>(12,610,144)</u>
		<u>162,008,214</u>	<u>172,931,288</u>

30.1 Local sales include revenue from in-house manufacturing services on behalf of third party of Rs. 1,235 million (2025: Rs. 1,178 million).

30.2 Information with respect to disaggregation of revenue by internal segment and geographical location is disclosed in note 41 and 42 respectively.

		2026	2025
		------(Rupees in '000)-----	
31	COST OF SALES		
	Opening stock of finished goods	20,046,894	14,867,005
	Cost of goods manufactured	130,487,770	149,072,268
	Purchase of finished goods	4,744,924	9,571,527
		<u>155,279,588</u>	<u>173,510,800</u>
	Closing stock of finished goods	11	
		<u>(15,302,774)</u>	<u>(20,046,894)</u>
		<u>139,976,814</u>	<u>153,463,906</u>
	Less: Related to discontinued operations	39	
		<u>(1,802,291)</u>	<u>(12,531,689)</u>
		<u>138,174,523</u>	<u>140,932,217</u>
31.1	Cost of goods manufactured		
	Raw materials consumed	31.2	
	Other material and conversion cost	87,389,693	100,360,089
	Stores and spares consumed	7,402,054	11,691,729
	Salaries, wages and benefits	103,390	143,443
	Fuel, power and water	33.1	
	Insurance	14,448,012	18,022,557
	Repair and maintenance	10,325,782	13,571,818
	Depreciation and amortisation	259,519	279,643
	Depreciation on right of use assets	1,576,290	2,062,373
	Reversal of provision for slow moving - stores and spares	4.1.1 & 6.1	
	Provision / (Reversal) for slow moving - stock-in-trade	5	
	Other manufacturing expenses	2,920,312	4,397,811
		21,667	14,463
		(36,952)	(51,249)
		248,514	(174,464)
		<u>744,257</u>	<u>998,708</u>
		<u>125,402,538</u>	<u>151,316,921</u>
	Work-in-process (WIP)		
	Opening stock	11	
	Closing stock	12,166,591	9,921,938
		<u>(7,081,359)</u>	<u>(12,166,591)</u>
		<u>5,085,232</u>	<u>(2,244,653)</u>
		<u>130,487,770</u>	<u>149,072,268</u>

	Note	2026 ------(Rupees in '000)-----	2025
31.2 Raw materials consumed			
Opening stock - raw material		40,054,692	31,297,840
Purchases during the year		77,711,728	109,116,941
Closing stock - raw material	11	(30,376,727)	(40,054,692)
		<u>87,389,693</u>	<u>100,360,089</u>
32 SELLING AND DISTRIBUTION COST			
Salaries, wages and benefits	33.1	3,271,665	3,374,873
Freight and shipment expenses		1,804,079	2,394,813
Advertisement and publicity		1,829,294	1,506,772
Rent and ancillary charges	33.2	807,291	692,133
Depreciation and amortisation	4.1.1 & 6.1	530,612	483,766
Depreciation on right of use assets	5	1,003,962	946,012
Utilities		711,766	707,074
Communication		233,712	329,215
Franchising and selling commission		167,388	68,076
Export development surcharge		51,813	282,183
Royalty, markdown allowance and damage chargeback	32.1 & 32.2	2,389	41,830
Other expenses		763,579	494,560
		<u>11,177,550</u>	<u>11,321,307</u>
Less: Related to discontinued operations	39	(11,622)	(262,935)
		<u>11,165,928</u>	<u>11,058,372</u>

32.1 This represents Talent Property License Agreement for rights for approved products trademarks to Joint Trademark Holdings LLC, a Delaware Limited Liability Company, having registered office at 1450 Broadway, 3rd Floor, New York, NY10018 and Portico Brands, LLC, a Delaware Limited Liability Company, with a registered place of business at 156 Fifth Avenue, 10th Floor, New York, New York 10010.

32.2 This includes markdown allowance, which is a rebate from manufacturer to retailer to cover losses from clearance or promotional pricing. Further, it includes a damage chargeback, which is a fee a retailer or vendor pays to a marketplace, for damaged goods that cannot be resold.

	Note	2026 ------(Rupees in '000)-----	2025
33 ADMINISTRATIVE COST			
Salaries, wages and benefits	33.1	2,948,331	2,755,410
Rent and ancillary charges	33.2	450,482	192,179
Repairs and maintenance		80,945	37,800
Vehicle up keep and maintenance		928,927	942,173
Utilities		16,931	13,127
Traveling and conveyance		910,964	766,240
Printing and stationery		60,497	99,212
Communication		269,380	256,884
Legal and consultancy fees		205,509	183,065
Fees and subscription		151,977	260,391
Depreciation and amortisation	4.1.1 & 6.1	270,532	265,469
Depreciation on right of use assets	5	48,381	33,253
Auditors' remuneration	33.3	24,376	26,095
Donations	33.4 & 33.5	221,669	119,047
Insurance		252,031	241,149
Expected credit loss / (reversal) on trade debts	12.2	68,878	(58,900)
Expected credit loss on other receivables		(6,843)	38,792
Other expenses		263,564	664,102
		<u>7,166,531</u>	<u>6,835,488</u>
Less: Related to discontinued operations	39	(92,887)	(420,089)
		<u>7,073,644</u>	<u>6,415,399</u>

33.1 Salaries, wages and benefits

	Cost of sales		Selling and distribution costs		Administrative costs		Total	Total
	2026	2025	2026	2025	2026	2025	2026	2025
----- (Rupees in '000) -----								
Salaries, wages and benefits (including pension)	13,936,060	17,272,819	3,180,587	3,337,169	2,859,965	2,699,431	19,976,612	23,309,419
Retirement benefits								
Gratuity (note 23.2)	122,127	268,770	-	-	3,418	-	125,545	268,770
Provident fund	301,291	374,708	90,848	37,665	84,225	55,854	476,364	468,227
	423,418	643,478	90,848	37,665	87,643	55,854	601,909	736,997
Staff compensated absences	88,534	106,260	230	39	723	125	89,487	106,424
	14,448,012	18,022,557	3,271,665	3,374,873	2,948,331	2,755,410	20,668,008	24,152,840

33.2 This represents variable rents, rents of short term leases and other ancillary charges related to lease premises.

	2026	2025
----- (Rupees in '000) -----		
33.3 Auditors' remuneration		
Holding Company		
Statutory Audit fee for unconsolidated financial statements	10,800	10,800
Audit of consolidated financial statements	1,560	1,560
Review fee of statement of compliance with code of corporate governance	200	200
Review of condensed interim financial statements	2,160	2,160
Other certification fee	400	400
Out of pocket expenses	1,443	2,458
	16,563	17,578
Local Subsidiary - Audit fee	1,630	1,288
Foreign Subsidiaries - Audit fee (multiple audit firms)	6,183	7,229
	24,376	26,095

33.4 Donations include donations to the following organizations in which a director is a trustee:

Name of Donee	Interest in donee	Name of director	2026	2025
----- (Rupees in '000) -----				
Habib University Foundation	Common Directorship	Mr. Mohomed Bashir	6,699	4,002
Landhi Association of Trade & Industry	Patron in Chief	Mr. Ziad Bashir	600	400
Pakistan Textile Council	Common Directorship	Muhammad Zaki Bashir	1,250	1,250

33.5 During the year, the Group made donations amounting to Rs. 200 million and Rs. 5 million to Indus Hospital and Health Network (2025: Rs. 100 million) and Memon Foundation, respectively.

	Note	2026	2025
----- (Rupees in '000) -----			
34 OTHER EXPENSE			
Workers' profit participation fund (WPPF)	24.2	55,008	331,048
Workers' welfare fund (WWF)	24.3	26,667	143,045
Loss on sale of operating fixed assets	4.1.3	242,297	52,272
Loss on reassessment of ROUA and corresponding lease liability		-	46,930
Others		64,692	652
		388,664	573,947
Less: Related to discontinued operations	39	(31,653)	-
		357,011	573,947

35	OTHER INCOME	Note	2026	2025
			(Rupees in '000)	(Rupees in '000)
	Income from non-financial assets and others			
	Share of profit (net of loss) from JVs	7.2 & 7.3	9,234	-
	Gain on derecognition of ROUA and corresponding lease liability		188,269	-
	Scrap sales		1,881	3,004
	Government grant	22	24,035	28,251
	Unclaimed liabilities written back		4,978	13,794
	Others		55,339	55,488
			283,736	100,537
	Income from financial assets			
	Mark-up income	35.1	199,599	166,333
	Dividend income		27,282	-
	Gain on FVPL investment:			
	- Realised		82,446	-
	- Unrealised		32,731	-
	Exchange gain on:			
	- Currency		986,974	798,332
	- Derivatives	35.2	666,462	105,037
			1,995,494	1,069,702
			2,279,230	1,170,239
	Less: Related to discontinued operations	39	(21,043)	(139,814)
			2,258,187	1,030,425
35.1	This includes markup income earned on interest bearing loan to employees (note 8.1) and loan to business associate (note 8.3).			
35.2	This includes unrealised exchange gain earned on conventional derivative instruments during the year amounting to Rs. 362 million (2025: unrealised exchange loss of Rs. 64.9 million).			
36	FINANCE COSTS	Note	2026	2025
			(Rupees in '000)	(Rupees in '000)
	Markup / profit on:			
	- Short term borrowings		2,543,371	4,789,985
	- Long term financing		1,353,547	710,319
	- Workers' profit participation fund	24.2	13,318	22,867
	Bank and other charges		1,254,465	1,689,998
	Finance cost on payable for GIDC		-	-
	Interest expense on lease liabilities against ROUA	20	797,361	747,487
	Markup/Profit paid to Holding Company		30,239	-
			5,992,301	7,960,656
	Less: Related to discontinued operations	39	(386,155)	(593,019)
			5,606,146	7,367,637
37	LEVIES			
	Levy		1,358,654	1,692,863
	Less: Related to discontinued operations	39	(13,776)	(108,146)
		37.1	1,344,878	1,584,717
37.1	This represents minimum tax paid (2025: Minimum tax) under sections 154 and 113 of ITO, representing levy in terms of requirements of IFRIC 21 / IAS 37.			

	2026	2025
	----- (Rupees in '000) -----	
38 TAXATION		
Current tax		
- for the year	217,369	787,381
- for prior year	(530,731)	(489,991)
	(313,362)	297,390
Deferred tax expense	245,808	111,695
	(67,554)	409,085

- 38.1** The Holding company being majority of the Group is subject to Minimum Tax Regime under section 113 and section 154 of the ITO, for local and export sales. Accordingly, the relationship between tax expense and accounting profit has not been presented in these consolidated financial statements.
- 38.2** The aggregate of minimum tax and income tax, amounting to Rs. 1,575 million (2025: Rs. 2,480 million) represents tax liability of the Group calculated under the relevant provisions of the ITO.
- 38.3** For the Holding Company as per the guidelines issued by ICAP on application of IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes', no deferred tax is required to be booked as the Holding Company, based on the projections of taxable income, is expected to be taxed under Minimum Tax u/s 113 of the ITO for the foreseeable future. Hence the Holding Company has not recorded any deferred tax liability as at June 30, 2026 and June 30, 2025.

	Note	2026	2025
		----- (Rupees in '000) -----	
39 LOSS FROM DISCONTINUED OPERATIONS			
Revenue from contracts with customers	30	1,366,969	12,610,144
Cost of sales	31	(1,802,291)	(12,531,689)
Gross profit		(435,322)	78,455
Selling and distribution cost	32	(11,622)	(262,935)
Administrative cost	33	(92,887)	(420,089)
Other expense	34	(31,653)	-
		(136,162)	(683,024)
Operating loss from discontinued operations		(571,484)	(604,569)
Other income	35	21,043	139,814
Finance costs	36	(386,155)	(593,019)
Loss from discontinued operations before levies and taxation		(936,596)	(1,057,774)
Levies	37	(13,776)	(108,146)
Loss from discontinued operations before taxation		(950,372)	(1,165,920)
Taxation	38	-	-
Loss from discontinued operations		(950,372)	(1,165,920)

	Note	2026	2025
40 (LOSS) / EARNINGS PER SHARE - basic and diluted			
Continuing operations			
Profit for the year (Rupees in 000)		611,825	5,620,339
Weighted average outstanding shares (Number)	17.2	740,059,458	740,059,458
Earnings per share	40.1	0.83	7.59
Discontinued operations			
Loss for the year (Rupees in 000)	39	(950,372)	(1,165,920)
Weighted average outstanding shares (Number)	17.2	740,059,458	740,059,458
Loss per share	40.1	(1.28)	(1.58)

- 40.1** There is no dilutive effect on the earnings per share of the Group, as the Group has no potential ordinary shares.

41 SEGMENT INFORMATION

The Group's operations have been divided in four segments based on the nature of process and internal reporting along with subsidiaries. Following are the reportable business segments:

- Spinning: Production of different qualities of yarn using both natural and artificial fibres.
- Home textile: Production of different types and qualities falling under the definition of home textile.
- Retail: Sale of textile goods and other products through retail and online channels.
- Others: Weaving, Fiber Bleaching, Knitting, Yarn dyeing and Dyed yarn fabric etc.

Transactions among the business segments are recorded at cost.

41.1 Segment profitability

	Spinning		Home textile		Retail		All other segments		Elimination of Inter Segment Transactions		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
(Rupees in '000)												
Sales to external customers	33,137,250	43,295,304	73,732,189	82,124,370	30,910,337	26,640,757	24,228,438	20,870,857	-	-	162,008,214	172,931,288
Intersegmental sales	5,755,403	8,958,108	27,756,739	28,776,029	46,538	70,335	10,958,242	11,718,160	(44,516,922)	(49,522,632)	-	-
Cost of sales	(35,815,654)	(46,608,768)	(97,944,023)	(100,263,322)	(18,559,215)	(15,357,487)	(30,551,751)	(28,907,446)	44,695,120	50,204,806	(138,174,523)	(140,932,217)
Gross profit	3,076,999	5,644,644	3,544,905	10,637,077	12,397,660	11,353,605	4,634,929	3,681,571	179,197	682,174	23,833,691	31,999,071
Selling, distribution and administrative cost	(440,328)	(530,964)	(4,953,817)	(5,556,306)	(9,858,102)	(8,776,371)	(3,067,287)	(2,664,748)	79,962	54,618	(18,239,572)	(17,473,771)
Profit before tax and before charging following	2,636,671	5,113,680	(1,408,912)	5,080,771	2,539,558	2,577,234	1,567,642	1,016,823	-	-	5,594,119	14,525,300
Finance costs											(5,606,146)	(7,367,637)
Other expense											(357,011)	(573,947)
Other income											2,258,187	1,030,425
Profit before levies and taxation											(3,704,970)	(6,911,159)
Levies and taxation											1,889,149	7,614,141
Profit from continuing operations											(1,277,324)	(1,993,802)
Loss from discontinued operations - net of levies											611,825	5,620,339
(Loss) / Profit for the year											(950,372)	(1,165,920)
Depreciation and amortisation expense											(338,547)	4,454,419
	864,976	1,275,326	779,369	1,088,354	1,667,603	1,537,948	1,483,518	2,239,146	-	-	4,795,466	6,140,774

41.2 Segment assets and liabilities

	Spinning		Home textile		Retail		All other segments		Unallocated		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
(Rupees in '000)												
Assets	30,663,616	32,572,319	60,240,337	74,545,734	21,279,977	22,077,579	25,796,596	28,845,531	18,212,284	15,071,780	156,192,810	173,112,943
Liabilities	(10,909,764)	(11,488,190)	(20,889,242)	(24,648,042)	(15,403,728)	(16,778,161)	(14,748,209)	(16,557,189)	(42,765,937)	(51,801,164)	(104,716,880)	(121,272,746)
Segment capital and intangible expenditure	2,779,932	477,342	1,308,380	1,809,578	644,260	761,561	387,751	1,165,291	2,968,880	1,923,401	8,089,203	6,137,173

41.3 Unallocated items represent those assets and liabilities which are common to all segments and these include long term deposits, other receivables, deferred liabilities, certain common borrowing and other corporate assets and liabilities.

41.4 Information about major customer

Sales to major customer whose revenue exceeds 10% of gross sales is Rs. 39,136 million (2025: Rs. 41,963 million).

42 INFORMATION BY GEOGRAPHICAL AREA

	Revenue		Non-current assets	
	2026	2025	2026	2025
	(Rupees in '000)			
Pakistan	58,061,711	77,033,592	64,820,830	61,236,423
Germany	23,762,481	32,265,194	-	-
United Kingdom	22,239,713	20,468,011	125,356	165,005
United States	14,938,848	14,693,413	-	-
Italy	6,054,213	8,872,670	-	-
Denmark	5,849,261	6,020,894	-	-
Netherlands	5,265,772	7,021,034	-	-
Sweden	5,245,275	3,654,145	-	-
France	5,144,665	7,571,900	-	-
Poland	3,584,124	5,469,602	-	-
Spain	3,219,442	3,009,965	-	-
Other countries	12,758,801	2,856,481	655,773	19,990
	166,124,306	188,936,901	65,601,959	61,421,418

43 CASH AND CASH EQUIVALENTS

	Note	2026	2025
		(Rupees in '000)	
Cash and bank balances	16	989,204	559,457
Running finance	26	(3,677,852)	(6,229,150)
		(2,688,648)	(5,669,693)

43.1 CHANGES ARISING FROM FINANCING ACTIVITIES

	Note	2025	Financing cash inflows	Financing cash outflows	Non-cash changes	2026
		(Rupees in '000)				
Long-term finance and deferred government grant	19 & 22	22,345,310	2,246,554	(4,042,871)	-	20,548,992
Short term borrowings - net	26	49,852,907	-	(9,262,217)	-	40,590,690
		2024	Financing cash inflows	Financing cash outflows	Non-cash changes	2025
		(Rupees in '000)				
Long-term finance and deferred government grant	19 & 22	17,928,429	7,700,000	(3,283,119)	-	22,345,310
Short term borrowings - net	26	36,958,957	12,893,950	-	-	49,852,907

44 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2026				2025			
	Chief Executive	Director	Executives	Total	Chief Executive	Director	Executives	Total
	(Rupees in '000)							
Managerial remuneration	16,000	12,000	2,405,509	2,433,509	16,000	12,000	2,263,177	2,291,177
Performance bonus	1,333	1,000	103,169	105,502	1,333	1,000	142,053	144,386
House rent allowance	6,400	4,800	581,329	592,529	6,400	4,800	598,722	609,922
Other allowances	1,600	1,200	751,642	754,442	1,600	1,200	408,045	410,845
Contribution to provident fund	1,333	1,000	160,610	162,943	1,333	1,000	154,788	157,121
	26,666	20,000	4,002,259	4,048,925	26,666	20,000	3,566,785	3,613,451
	(Numbers)							
Persons	1	1	806	808	1	1	851	853

- 44.1** The CEO and Executive Directors are provided with Holding Company maintained vehicles and are also covered under Holding Company's Health Insurance Plan along with their dependents. The CEO is also provided with free residential telephones.
- 44.2** Aggregate amount charged during the year in respect of meeting fee to Four Non-Executive Directors and the Chairman was Rs. 11.1 million (2025: Four Non Executive Directors and Chairman amounting to Rs. 8.6 million).
- 44.3** Executive means an employee, other than the CEO and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

45 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise associated companies, companies where directors also hold directorship, directors of the Group and key management personnel. The Group in the normal course of business carries out transactions with various related parties as per agreed rates. Details of related party transactions and balances other than those disclosed elsewhere in these consolidated financial statements are as follows:

Name of the related party	Transactions during the period	2026 ----- (Rupees in '000) -----	2025
Associated companies			
Designer's Linen Inc.	Sale of goods	13,553	-
Grand Industries (Private) Limited	Rent expense	600	600
Swisstex Chemicals (Private) Limited	Purchase of goods	32,448	106,868
Win Star (Private) Limited	Purchase of goods	39,156	31,893
Arwen Tech. (Private) Limited	Services rendered	137,313	199,991
Haji Ali Mohammad Foundation	Rent paid	960	960
The Pakistan Business Council	Fees paid	2,500	2,500
Common Directorship			
Habib Metropolitan Bank	Bills discounted	23,189,246	17,804,583
	Finance costs	113,697	203,159
Samba Bank Limited	Bills discounted	1,593,177	420,155
	Finance costs	37,520	58,251
Standard Chartered (Pakistan) Limited	Bills discounted	6,442,530	3,915,018
	Finance costs	249,170	432,123
Associated companies			
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Holding Company's contribution to provident fund	388,494	440,465
International Cotton Association	Fees paid	702	693
Pakistan Textile Council	Membership fees	1,250	2,500
Landhi Association of Trade and Industry	Fees paid	910	60
International Textile Manufacturers Federation	Fees paid	-	2,172
Ideas - Employees Provident Fund Trust	Subsidiary Company's Contribution to Provident fund	87,871	74,682

- 45.1** There are no transactions with directors of the Group and key management personnel other than under the terms of employment. Loans and remuneration of the directors, key management personnel and executives are disclosed in notes 8 and 44 respectively of these consolidated financial statements.

45.2 Following are the related parties with whom the Group had entered into transactions or have arrangements / agreements in place.

Name of related party	Country of Incorporation	Basis of relationship	shareholding (%)
Gul Ahmed Holdings (Private) Limited	Pakistan	Ultimate Holding Company	55.86%
Designer's Linen Inc.	USA	Joint Venture Company	49.5%
DLI Global (FZC) LLP	UAE	Joint Venture Company	50%
Habib Metropolitan Bank Limited (HMBL)	Pakistan	Common Directorship	-
Swisstex Chemicals (Private) Limited	Pakistan	Common Directorship	2.99%
Arwen Tech. (Private) Limited	Pakistan	Common Directorship	-
Win Star (Private) Limited	Pakistan	Common Directorship	-
Samba Bank Limited	Pakistan	Common Directorship	-
Standard Chartered Bank (Pakistan) Limited	Pakistan	Common Directorship	-
Hub Liquid Terminal (Private) Limited	Pakistan	Subsidiary of Parent company	-
TPL Properties Limited	Pakistan	Common Directorship	-
Habib University Foundation	Pakistan	Common Directorship	-
The Pakistan Business Council	Pakistan	Common Directorship	-
International Cotton Association	United Kingdom	Common Directorship	-
Pakistan Textile Council	Pakistan	Common Directorship	-
Ghafooria Industries (Private) Limited	Pakistan	Group Company & Common Directorship	2.17%
LITE Development and management company	Pakistan	Common Directorship	-
Grand Industries (Private) Limited	Pakistan	Group Company & Major Shareholders	7.86%
Haji Ali Mohammad Foundation	Pakistan	Member of Foundation	-
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Pakistan	Employees Fund	0.42%
Ideas (Private) Limited Employees Provident Fund Trust	Pakistan	Employees Fund	-
Mohomed Bashir	-	Director	0.07%
Mohammed Zaki Bashir	-	Director	0.34%
Zain Bashir	-	Director	0.34%
Ziad Bashir	-	Director	0.00%
Ehsan A. Malik	-	Director	0.00%
Zeeba Ansar	-	Director	0.00%
Kamran Y. Mirza	-	Director	0.00%

46 CAPACITY AND PRODUCTION - HOLDING COMPANY

Unit	2026			2025		
	Capacity	Production	Working	Capacity	Production	Working
Spinning Kgs. (20 Counts converted)	98,277	56,004	3 shifts	98,277	92,433	3 shifts
Weaving Sq. meters (50 Picks converted)	213,511	194,296	3 shifts	239,649	219,048	3 shifts

Production is lower as compared to capacity due to variation in production mix and various technical and market

The production capacity and its comparison with actual production of Processing, Home Textile and Apparel segments is impracticable to determine due to varying manufacturing processes, run length of order lots and various other

	2026 ----- (Numbers) -----	2025
47 NUMBER OF PERSONS EMPLOYED		
As at	11,677	17,113
Average during the year	13,274	17,377

48 PROVIDENT FUND RELATED DISCLOSURES

The investment out of provident fund have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder.

Fair value of forward contracts	24	-	-	-	64,902	-	64,902	64,902
		61,054,928	22,775,875	83,830,803	30,020,963	22,269	30,043,232	113,874,035

50 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, markup risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial

Risk Management is carried out under policies and principles approved by the Board of Directors (the Board). All treasury related transactions are carried out within the parameters of these policies and principles.

The information about the Group's exposure to each of the above risk, the Group's objectives, policies and procedures for measuring and managing risk and the Group's management of capital is as follows:

50.1 Market risks

Market risk is the risk that the fair value of future cash flows of the financial instrument may fluctuate as a result of changes in market interest / markup rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. Market risk comprises of three types of risks: currency risk, markup risk and other price risk. The Group is exposed to currency risk and markup risk only.

a) Currency risk

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

Exposure to foreign currency risk

The Group is exposed to foreign currency risk arising from foreign exchange fluctuations due to the following financial assets and liabilities:

	2026	2025
	---- (Equivalent USD 000s) ----	
Trade debts	30,541	37,262
Cash and bank balances	455	893
Short term borrowings	(64,005)	(86,429)
Trade and other payables	(21,315)	(14,736)
Net exposure	<u>(54,324)</u>	<u>(63,010)</u>

The Group manages foreign currency risk through due monitoring of the exchange rates, adjusting net exposure and obtaining forward covers where necessary.

	2026	2025
	----- (Amount in '000) -----	
Foreign currency commitments and guarantees outstanding at year end are as follows:		
USD	198,425	128,191
EURO	500	500
AED	14,600	14,600
GBP	250	250

The following significant exchange rates were applied during the year:

	2026	2025
Rupee per USD		
Average rate (Selling / Buying)	280.6 / 280.2	279.6 / 279.1
Reporting date rate (Selling / Buying)	278.3 / 277.9	283.9 / 283.5
Rupee per EURO		
Average rate (Selling / Buying)	327.4 / 326.9	304.1 / 303.7
Reporting date rate (Selling / Buying)	317.2 / 316.7	333.1 / 332.6

	2026	2025
Rupee per GBP		
Average rate (Selling / Buying)	376.6 / 376.0	361.7 / 361.1
Reporting date rate (Selling / Buying)	368.4 / 367.8	389.7 / 389.1
Rupee per AED		
Average rate (Selling / Buying)	76.4 / 76.3	76.1 / 76.0
Reporting date rate (Selling / Buying)	75.8 / 75.7	77.3 / 77.2

Foreign currency sensitivity analysis

A five percent strengthening / weakening of the PKR against the USD at June 30, 2026 would have increased / decreased the equity and profit / loss after tax by Rs. 755 million (2025: Rs. 880 million). This analysis assumes that all other variables, in particular markups, remain constant. The analysis is performed on the same basis for June 30, 2025.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to change in the interest rates. The Group has long term finance and short term borrowings at fixed and variable rates.

The Group is mainly exposed to interest rate risk on short term financing under variable rate arrangements and these are covered by holding "Prepayment option" and "Rollover option", which can be exercised upon any adverse movement in the underlying interest rates.

Financial assets include balances of Rs. 1,439 million (June 30, 2025: Rs. 1,553 million) which are subject to interest rate risk. Financial liabilities include balances of Rs. 70,188 million (June 30, 2025: Rs. 83,831 million) which are subject to interest rate risk. Applicable interest / mark-up rates for financial assets and liabilities are given in respective notes.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2026, if markups on interest bearing financial instruments would have been 1% higher / lower with all other variables held constant, post tax profit for the year would have been Rs. 687 million (2025: Rs. 823 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss account. Therefore, a change in markup at the reporting date would not effect consolidated statement of profit or loss of the Group.

c) Other price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices (other than those arising from interest or currency rate risk) whether those changes are caused by factors specified to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

As at June 30, 2026, the Group is exposed to equity price risk on investments in shares and mutual funds held by the Group and classified as FVTPL. In case of 5% increase / decrease in KSE All Share Index on June 30, 2026, with all other variables held constant, the loss for the year would increase / decrease be Rs. 112 million (2025: Nil).

50.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation without considering the fair value of the collateral available there against. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Exposure to credit risk

The Group's operating activities exposes it to credit risks arising mainly in respect of long term investment, loans, advances and other receivables, trade debts, long term deposits and bank balances. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2026 ----- (Rupees in '000) -----	2025
Long term investments	7	70,000	70,000
Long term loans	8	1,012,530	143,735
Long term deposits		510,296	512,483
Trade debts	12	20,614,567	23,795,136
Short term loan and advances	13	-	438,000
Other receivables	13	1,281,347	576,134
Short term investments	15	2,447	979,000
Bank balances and term deposit receipts	16	917,631	460,790
		24,408,818	26,975,278

The Group manages credit risk as follows:

Loans and other receivables

These loans are due from employees, business associates and are recovered in monthly installments deductible from their salaries. Retirement balances are also available for these employees against which balance can be adjusted in case of default. The Group actively pursues for the recovery of these loans and the Group does not expect that these employees will fail to meet their obligations, hence the management believes no impairment allowance is required there.

Other receivables include bank guarantee margin Letter of Credit and miscellaneous receivables which are neither past due nor impaired. The Group believes that based on past relationship, credit rating and financial soundness of the counter parties chances of default are remote and also there is no material impact of changes in credit risks of such receivables so no impairment allowance is necessary in respect of these advances and receivables.

Long term deposits

These are mainly held for rental premises and utilities with the counter parties which have long association with the Group and have a good credit history. The management does not expect to incur credit loss there against.

Trade debts

Trade debts are due from local and foreign customers. The Group manages credit risk inter alia by setting out credit limit in relation to individual customers, by obtaining advance against sales and / or through letter of credits and / or by providing impairment allowance for life time expected credit loss on trade debts.

Trade debts under irrevocable letter of credit, document acceptance and other acceptable banking instruments are considered secured. Further the majority of the customers have been transacting with the Group for several years. The Group actively pursues for the recovery of the debt and based on past experience and business relationship and credit worthiness of these customers, the Group does not expect these customers will fail to meet their obligations except for some past due trade debts against which adequate allowance for impairment has been made.

The Group has established an allowance for expected credit losses against trade debts that represent its estimate of expected losses based on actual credit loss experience in respect of trade debts based on the last 3 years. The allowance determined is then multiplied by the weighted average macroeconomic factors for the three developed scenarios namely "Base", "Best" and "Worst" to incorporate the forward-looking information in expected credit loss model. The macroeconomic factors used include GDP Forecast, Unemployment Forecast, Inflation Rate Forecast and Exchange Rate Forecast. The Group has aging of the trade debts of the Group outstanding as at year end is as follows:

	2026		2025	
	Gross Carrying	Impairment Loss	Gross Carrying Amount	Impairment Loss Allowance
	(Rupees in '000)			
Secured	16,854,646	-	18,448,819	-
Unsecured				
Current	2,761,531	2	3,498,425	4
1-30 Days	592,776	121	1,634,239	406
31-60 Days	186,846	2,674	42,222	211
61-90 Days	30,860	5,646	41,001	248
More than 90 Days	427,469	231,118	301,125	169,826
	3,999,482	239,561	5,517,012	170,695
	20,854,128	239,561	23,965,831	170,695

Management believes that the unimpaired balances that are past due are still collectable in full, based on historical payment behavior and review of financial strength of respective customers. Further, certain trade debtors, which have been derecognised as a result of bills discounting, are secured by way of Export Letter of Credit and Inland Letter of Credit, which can be called upon if the counter party is in default under the terms of the agreement.

Long term investment and bank balances

The Group limits its exposure to credit risk by maintaining bank accounts and investing only with counter-parties that have stable credit rating.

The long term investment and bank balances along with credit ratings are tabulated below:

	Note	2026 (Rupees in '000)	2025
Long term investment			
AAA	7	70,000	70,000
Bank balances and term deposit receipts			
AAA		417,298	158,027
AA+		184,901	61,844
AA		15,081	14,197
AA-		300,090	2,492
A+		261	1,893
A1		-	221,937
BBB-		-	400
	16	917,631	460,790
		987,631	530,790

Given the high credit ratings, management does not expect that any counter party will fail to meet their obligations.

Concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Group exposure to a single customer exceeding 10% of the total exposure amounts to Rs. 1,559 million (2025: Rs. 2,436 million).

Credit risk of the Group arises principally from long term investments, long term loans and other receivables, trade debts, long term deposits and bank balances.

50.3 Liquidity risk

Liquidity risk represent the risk where the Group will encounter difficulty in meeting obligations associated with financial liabilities when they fall due. The exposure to liquidity risk along with their maturities is disclosed in respective notes and note 49.

The Group manages liquidity risk by maintaining sufficient cash in hand and at banks and ensuring the fund availability through adequate credit facilities. At June 30, 2026, the Group has Rs. 60,694 million (June 30, 2025: Rs. 71,760 million) available borrowing limit from financial institutions. Unutilised borrowing facilities of Rs. 18,851 million (June 30, 2025: Rs. 16,730 million) and also has Rs. 689 million (June 30, 2025: Rs. 559 million) being cash in hand and balances at banks. Based on the above, management believes the liquidity risk is insignificant. The following are the contractual maturities of financial liabilities, excluding interest payments.

	Note	Less than one year	More than one year	Total carrying amount
		(Rupees in '000)		
As at June 30, 2026				
Long term financing	19	5,944,160	14,554,212	20,498,372
Lease liability against right of use assets	20	836,580	4,584,085	5,420,665
Long term deposits		-	52,269	52,269
Trade and other payables	24	26,923,848	-	26,923,848
Accrued mark-up / profit	25	622,578	-	622,578
Short term borrowings	26	44,268,542	-	44,268,542
Unclaimed dividend		9,365	-	9,365
Unpaid dividend	28	23,505	-	23,505
		78,628,578	19,190,566	97,819,144
Total as at June 30, 2025		91,075,891	22,798,144	113,874,035

50.4 Capital risk management

The primary objectives of the Group when managing capital are to safeguard the Group'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.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new

The Group's strategy is to maintain leveraged gearing. The gearing ratios as at June 30, 2026 and June 30, 2025 were as follows:

	Note	2026 (Rupees in '000)	2025
Total borrowings	19 & 26	64,766,914	78,352,712
Cash and bank	16	(989,204)	(559,457)
Net debt		63,777,710	77,793,255
Total equity	17 & 18	51,475,930	51,840,197
Total equity and debt		115,253,640	129,633,452
		(%)	
Gearing ratio		55	60

The Group finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimise risk and borrowing cost.

51 FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these consolidated financial statements approximate their fair values.

The Group classifies assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- **Level 1** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- **Level 3** inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

The table below analyses financial instruments carried at fair value by valuation method:

Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

As at June 30, 2026

**Short term investment at
fair value through profit or loss**

- Mutual funds	-	1,350,977	-	1,350,977
- Quoted equity shares	889,104	-	-	889,104

Loans, advances and other receivables

- Forward contracts	-	362,144	-	362,144
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Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

As at June 30, 2025

**Short term investment at
fair value through profit or loss**

- Mutual funds	-	-	-	-
- Quoted equity shares	-	-	-	-

Trade and other payables

- Forward contracts	-	64,902	-	64,902
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52 SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

As per the requirements of the fourth schedule to the Act, Shariah compliant companies and companies listed on the Islamic index shall disclose the following:

		2026			2025		
		Shariah	Coventional	Total	Shariah	Coventional	Total
Note		----- (Rupees in '000) -----					
Statement of Financial Position							
Assets							
Bank balances and TDRs	16	334,895	582,736	917,631	19,215	441,575	460,790
Long term Investments - TFCs	7	70,000	-	70,000	70,000	-	70,000
Accrued markup on TFCs and TDRs	13	802	75,815	76,617	330	23,969	24,299
Short term Investments	15	420,059	1,822,469	2,242,528	-	979,000	979,000
Liabilities							
Long term borrowings	19	9,321,230	11,177,142	20,498,372	10,731,124	11,539,531	22,270,655
Short term borrowings	26	13,068,009	31,200,533	44,268,542	16,605,459	39,476,598	56,082,057
Financing - lease liability	20	-	5,420,665	5,420,665	-	5,478,091	5,478,091
Accrued mark-up / profit	25	251,915	370,663	622,578	323,311	563,479	886,790
Statement of Profit or Loss							
Revenue from contracts with customers	30	163,375,183	-	163,375,183	185,541,432	-	185,541,432
Income from financial assets							
Profit on TFCs and TDRs	35	12,468	97,106	109,574	11,819	-	11,819
Profit on saving accounts	35	-	10,657	10,657	-	1,002	1,002
Other markup Income	35	-	79,368	79,368	31,976	121,536	153,512
Dividend income	35	11,132	16,150	27,282	-	-	-
Gain on short term investments	35	29,923	85,254	115,177	-	-	-
Exchange gain - currency	35	-	986,974	986,974	-	798,332	798,332
Exchange gain - derivatives	35	-	666,462	666,462	-	105,037	105,037
Income from non-financial assets							
Scrap sales	35	1,881	-	1,881	3,004	-	3,004
Share of Profit from JV	35	-	9,234	9,234	-	-	-
Finance costs	36	1,819,686	4,172,615	5,992,301	2,619,604	5,341,052	7,960,656
Profit / Mark-up paid		1,861,565	3,734,225	5,595,790	2,435,196	5,389,549	7,824,745

Relationship with Shariah Compliant financial institutions

The Group has relationships with shariah-compliant banks, takaful operators and their islamic windows including, Dubai Islamic Bank Limited, Faysal Bank Limited, MCB Islamic Bank Limited, Bank Alfalah Islamic Limited, Bank Islami Pakistan, Al-Baraka, Standard Chartered Limited, Askari Bank Limited, Habib Metropolitan Bank Limited, Soneri Bank Limited, United Bank Limited and Meezan Bank Limited.

53 GENERAL

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these consolidated financial statements during the

54 DATE OF AUTHORISATION

These consolidated financial statements were authorised for issue by the Board of the Group in their meeting held on September 26, 2026.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

08

OTHER SHAREHOLDER INFORMATION

Pattern of Shareholding, Categories of Shareholders, Notice of 74th Annual General Meeting and Proxy Form



Pattern of Shareholding

As at June 30, 2026

No. of Shareholders	From	To	Total Shares
2,221	1	100	68,658
1,608	101	500	492,775
1,124	501	1,000	912,193
1,912	1,001	5,000	4,720,727
492	5,001	10,000	3,805,543
157	10,001	15,000	1,964,369
114	15,001	20,000	2,066,237
70	20,001	25,000	1,632,627
53	25,001	30,000	1,485,496
37	30,001	35,000	1,221,064
29	35,001	40,000	1,102,047
18	40,001	45,000	765,782
31	45,001	50,000	1,520,000
14	50,001	55,000	732,282
7	55,001	60,000	407,600
13	60,001	65,000	813,577
11	65,001	70,000	758,849
11	70,001	75,000	811,136
8	75,001	80,000	626,023
7	80,001	85,000	577,646
6	85,001	90,000	527,136
3	90,001	95,000	282,481
11	95,001	100,000	1,094,229
7	100,001	105,000	717,095
1	105,001	110,000	108,000
1	110,001	115,000	112,287
1	115,001	120,000	115,500
1	120,001	125,000	125,000
1	125,001	130,000	130,000
1	130,001	135,000	131,500
2	140,001	145,000	282,137
2	145,001	150,000	299,040
1	150,001	155,000	151,670
1	155,001	160,000	160,000
2	160,001	165,000	324,737
1	165,001	170,000	169,720
4	170,001	175,000	689,777
1	175,001	180,000	178,192
3	180,001	185,000	547,660
2	195,001	200,000	400,000
2	200,001	205,000	406,400
2	210,001	215,000	426,422
1	215,001	220,000	216,250
2	220,001	225,000	448,989
2	225,001	230,000	457,181
1	230,001	235,000	231,000
1	245,001	250,000	250,000
2	255,001	260,000	516,000
3	265,001	270,000	805,200

No. of Shareholders	From	To	Total Shares
1	270,001	275,000	275,000
1	285,001	290,000	288,000
2	295,001	300,000	600,000
1	305,001	310,000	308,640
3	310,001	315,000	934,694
1	320,001	325,000	322,542
1	325,001	330,000	330,000
1	330,001	335,000	331,356
1	340,001	345,000	345,000
1	345,001	350,000	346,650
1	350,001	355,000	355,000
1	395,001	400,000	400,000
1	475,001	480,000	477,685
1	480,001	485,000	481,422
3	495,001	500,000	1,498,700
1	500,001	505,000	505,000
1	525,001	530,000	528,000
1	545,001	550,000	549,295
1	585,001	590,000	588,500
1	630,001	635,000	632,624
1	695,001	700,000	700,000
1	735,001	740,000	738,000
1	745,001	750,000	750,000
1	940,001	945,000	944,039
1	960,001	965,000	960,510
1	990,001	995,000	993,500
1	1,050,001	1,055,000	1,051,276
1	1,175,001	1,180,000	1,175,425
1	1,205,001	1,210,000	1,209,254
1	1,365,001	1,370,000	1,367,685
1	1,495,001	1,500,000	1,500,000
1	1,675,001	1,680,000	1,677,340
1	1,845,001	1,850,000	1,845,912
1	2,095,001	2,100,000	2,100,000
1	2,210,001	2,215,000	2,214,814
1	2,235,001	2,240,000	2,239,845
1	2,395,001	2,400,000	2,400,000
1	2,840,001	2,845,000	2,842,144
1	2,995,001	3,000,000	3,000,000
1	3,105,001	3,110,000	3,108,181
1	3,470,001	3,475,000	3,471,541
1	4,400,001	4,405,000	4,401,173
1	4,470,001	4,475,000	4,472,500
1	4,890,001	4,895,000	4,892,505
1	6,890,001	6,895,000	6,893,674
1	8,305,001	8,310,000	8,305,507
1	9,685,001	9,690,000	9,688,954
1	14,455,001	14,460,000	14,456,762
1	16,070,001	16,075,000	16,074,505

No. of Shareholders	From	To	Total Shares
2	20,750,001	20,755,000	41,502,460
1	22,115,001	22,120,000	22,117,519
1	52,515,001	52,520,000	52,516,536
1	58,175,001	58,180,000	58,177,795
1	413,380,001	413,385,000	413,383,760
8,065			740,059,458

Categories of Shareholding

As at June 30, 2026

S No.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage (%)
1	Individuals	7,937	111,127,539	15.02
2	Investment Companies & Mutual Funds	87	473,351,996	63.96
3	Insurance Companies	5	5,049,540	0.68
4	Joint Stock Companies	19	97,058,695	13.12
5	Modaraba Companies	1	90	-
6	Financial Institutions	5	52,521,031	7.10
7	Charitable Institutions	7	623,276	0.08
8	Government Departments	4	327,291	0.04
		8,065	740,059,458	100.00

Categories of Shareholders	Number	Shares held
Associated Companies, Undertaking and Related Parties		
Gul Ahmed Holdings (Private) Limited	1	413,383,760
Swisstex Chemicals (Private) Limited	1	22,117,519
Grand Industries (Private) Limited	1	58,177,795
Ghafooria Industries (Private) Limited	1	16,074,505
Trustee - Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	1	3,108,181
NIT and ICP		
IDBP (LCP Unit)	1	1,390
IDBP (LCP Unit)	1	1,499
CDC - Trust National Investment (Unit) Trust	1	21,482
CDC - Trustee National Investment (Unit) Trust	1	9,688,954
CDC - Trustee NIT-Equity Market Opportunity Fund	1	259,200

Categories of Shareholders	Number	Shares held
Mutual Funds		
CDC - Trustee MCB Pakistan Stock Market Fund	1	14,456,762
CDC - Trustee Pakistan Capital Market Fund	1	330,000
CDC - Trustee Alhamra Islamic Stock Fund	1	4,472,500
CDC - Trustee Alfalah Stock Fund-Ii	1	216,250
CDC - Trustee Alfalah GHP Value Fund	1	170,450
CDC - Trustee AKD Opportunity Fund	1	17,615
CDC - Trustee Alhamra Islamic Asset Allocation Fund	1	700,000
CDC - Trustee Meezan Islamic Fund	1	2,100,000
CDC - Trustee NBP Stock Fund	1	1,367,685
CDC - Trustee MCB Pakistan Asset Allocation Fund	1	12,000
CDC - Trustee Alfalah GHP Stock Fund	1	6,893,674
CDC - Trustee Alfalah GHP Alpha Fund	1	4,401,173
CDC - Trustee Alfalah Consumer Index Exchange Traded Fund	1	27,494
CDC - Trustee Alfalah GHP Dedicated Equity Fund	1	223,989
CDC - Trustee Alhamra Islamic Pension Fund - Equity Sub Fund	1	1,175,425
CDC - Trustee Pakistan Pension Fund - Equity Sub Fund	1	2,239,845
CDC - Trustee AGPF Equity Sub-Fund	1	173,727
Banks, NBFI, DFI And Investment Companies	65	7,908,941
Insurance Companies	5	5,049,540
Joint Stock Companies	16	97,058,695
Modaraba Companies	1	90
Financial Institutions	3	52,518,142
Charitable Institutions	7	623,276
Government Departments	4	327,291
Directors		
Mohomed Bashir (Chairman)	1	4,892,505
Zain Bashir (Vice Chairman)	1	20,751,230
Mohammed Zaki Bashir (Chief Executive)	1	20,751,230
Ziad Bashir	1	8,305,507
Ehsan A. Malik	1	5,184
Ms. Zeeba Ansar	1	3,600
Kamran Y. Mirza	1	41,472
Directors' / CEO's Spouse		
Tania Zain Bashir	1	8,359
Romina Rahim Mirza	1	83,913
Shareholders Holding 5% Or More Voting Interest		
Gul Ahmed Holdings (Private) Limited	1	413,383,760
Grand Industries (Private) Limited	1	58,177,795

Details of trading in the shares by:

The following trading were carried out by the Director during the year under review:

No trading was carried out by Directors, CEO, CFO, Company Secretary, their spouses and minor children during the year under review

Notice of Annual General Meeting

Notice is hereby given that the 74th Annual General Meeting of Gul Ahmed Textile Mills Limited will be held at Indus Suits, Avari Towers, Fatima Jinnah Road, Karachi and also through video-link facility on Tuesday, October 27, 2026 at 10:30 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and approve the Audited Financial Statements for the year ended June 30, 2026 together with the Directors' and Auditors' Reports thereon.

Web link: <https://gulahmed.com/investor-relations/financial-information/>

QR Code



2. To appoint External Auditors of the Company for the ensuing year, and to fix their remuneration. The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed re-appointment of M/S Yousuf Adil, Chartered Accountants as external auditors for the year ending June 30, 2027.

SPECIAL BUSINESS:

3. To consider, and if deemed fit, to pass the following resolutions as Special Resolution:

“RESOLVED that

- a. the transactions carried out in normal course of business with related parties as disclosed in Note No. 42 during the year ended June 30, 2026 be and are hereby ratified and approved,
 - b. the Board of Directors of the Company be and are hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with related parties during the ensuing year ending June 30, 2027, and
 - c. these transactions by the Board of Directors of the Company shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification / approval.”
4. To transact with the permission of the Chair any other business which may be transacted at an Annual General Meeting.

As required under Section 223(6) of the Companies Act, 2017 (the “**Act**”), Financial Statements of the Company have been uploaded on the website of the Company, which can be downloaded from the provided link and/or QR enabled code provided above.

The statement under Section 134(3) of the Companies Act, 2017 pertaining to the Special Resolutions is being sent along with the notice to the Members.

Karachi
September 26, 2026

By Order of the Board
Salim Ghaffar
Company Secretary

سالانہ عام اجلاس کا نوٹس

اس نوٹس کے ذریعے اطلاع دی جاتی ہے کہ گل احمد ٹیکسٹائل ملز لمیٹڈ کا 74 واں سالانہ عام اجلاس، بروز منگل 27 اکتوبر 2026 کو صبح 10:30 بجے منعقد ہوگا۔ اجلاس مقام انڈس سوٹ، اوری ٹاور، فاطمہ جناح روڈ، کراچی اور ساتھ ہی ویڈیولنک سہولت کے ذریعے منعقد ہوگا تاکہ درج ذیل کاروبار نمٹائے جاسکیں۔

معمول کے امور:

- 1- مالی سال ختم شدہ 30 جون 2026 کے آڈٹ شدہ مالیاتی گوشواروں کو ڈائریکٹرز اور آڈیٹرز کی رپورٹس سمیت وصول کرنا، غور کرنا اور منظور کرنا۔

Web Link: <https://gulahmed.com/investor-relations/financial-information/> QR Code



- 2- کمپنی کے آئندہ سال کے بیرونی آڈیٹرز (External Auditors) کا تقرر کرنا اور ان کی فیس مقرر کرنا۔ بورڈ آف ڈائریکٹرز نے کمپنی کی آڈٹ کمیٹی کی سفارش پر M/S Yousuf Adil Chartered Accountants کو بطور بیرونی آڈیٹر مالی سال ختم شدہ 30 جون 2027 کے لیے دوبارہ تقرر کی تجویز پیش کی ہے۔

خصوصی امور:

- 3- غور کریں، اور اگر مناسب سمجھا جائے تو درج ذیل قراردادیں بطور Special Resolution منظور کی جائیں: قرار دیا جاتا ہے کہ:

- a- مالی سال ختم شدہ 30 جون 2026 کے دوران متعلقہ فریقین کے ساتھ معمول کے کاروباری لین دین جو نوٹ نمبر 42 میں ظاہر کیے گئے ہیں۔ ان کو یہاں بذریعہ اس قرارداد کی توثیق اور منظوری دی جاتی ہے۔
- b- کمپنی کے بورڈ آف ڈائریکٹرز کو اختیار دیا جاتا ہے کہ وہ آئندہ سال ختم ہونے تک یعنی 30 جون 2027 کے دوران متعلقہ فریقین کے ساتھ معمول کے کاروباری لین دین کی منظوری دے سکیں۔
- c- بورڈ آف ڈائریکٹرز کے ذریعہ کیے جانے والے یہ لین دین شیئر ہولڈرز کی طرف سے منظور شدہ تصور کیے جائیں گے اور انہیں آئندہ سالانہ عام اجلاس میں باضابطہ توثیق/منظوری کے لیے پیش کیا جائے گا۔
- 4- چیئرمین کی اجازت سے کسی دوسرے کاروبار کے حوالے سے کاروائی جو سالانہ جنرل اجلاس میں کی جا سکتی ہے۔

کمپنیز ایکٹ، 2017 ("ایکٹ") کی دفعہ 223(6) کی رو سے مطلوبہ تقاضے کے مطابق، کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کر دیے گئے ہیں، جنہیں فراہم کردہ لنک اور/یا کیو آر کوڈ کے ذریعے ڈاؤن لوڈ کیا جا سکتا ہے

کمپنیز ایکٹ، 2017 کی سیکشن 134 (a) کے تحت خصوصی قراردادوں کے متعلق بیان نوٹس کے ساتھ ممبرز کو بھیجا جا رہا ہے۔

کراچی
26 ستمبر 2026

بذریعہ حکم بورڈ

سلیم غفار
کمپنی سیکٹری

1. Book Closure

The Share Transfer Books of the Company will remain closed from October 19, 2026 to October 27, 2026 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers received in order at the office of our Share Registrar M/s. FAMCO Share Registration Services (Private) Limited 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi by the close of the business on October 16, 2026 will be in time for the purpose of attending Annual General Meeting.

2. Virtual Participation in the AGM Proceedings:

Shareholders interested in attending the AGM virtually are hereby advised to get themselves registered with the Company by providing the following information via email at salim.ghaffar@gulahmed.com

Name of Member	CNIC No. / NTC No.	CDC Participant ID / Folio No.	Cell Number	Email Address

Online meeting link and login credentials shall be shared with members who have submitted request via email containing all the required particulars by the close of business on Friday, October 23, 2026. The login facility shall remain open from 10:00 a.m. till the start of the Meeting on October 27, 2026.

3. Requirements for appointing Proxies;

- A member entitled to attend and vote at the meeting may appoint another member as proxy to attend, speak and vote instead of him/her. Proxies in order to be effective must be received at the Registered Office of the Company and signed not later than 48 hours before the meeting, excluding holidays. A proxy must be a member of the Company.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.
- The proxy shall produce his original CNIC or original valid 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).

4. Updation of shareholder addresses / other particulars

Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses or any other particulars. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Services.

Further, to comply with requirements of section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, all CDC and physical shareholders are requested to have their email address and cell phone numbers incorporated / updated in their physical folio or CDC account.

5. Electronic dividend mandate

- a. CNIC number of the shareholders is mandatorily required for dividend distribution and in the absence of such information, payment of dividend shall be withheld in term of SECP's order dated June 3, 2016. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar. The shareholders while sending CNIC must quote their respective folio number and name of the Company.
- b. Under the provisions of Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Shareholders who have not yet submitted their International Bank Account Number (IBAN) are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company.

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.

In the absence of a member's valid IBAN and CNIC updated, the Company will be constrained to withhold payment of dividend to such member.

6. Electronic Transmission of Annual Reports and Notices

In compliance with section 223(6) of the Companies Act, 2017, and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023 the Company has electronically transmitted the Annual Report 2024, downloadable through weblink, QR enabled code, through email to Members whose email addresses are available with the Company's Share Registrar. However, in cases, where email addresses are not available with the Company's Share Registrar, printed copies of the notices of AGM along-with the QR enabled code/weblink to download the Annual Report 2024 (containing the financial statements), have been dispatched.

Notwithstanding the above, the Company will provide hard copies of the Annual Report 2024, to any Member on their request, at their registered address.

7. Conversion of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities and Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their members who still hold shares in physical form, to convert their shares into book entry form.

We hereby request all members who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any active member/stock broker of the Pakistan Stock Exchange to open an account in the Central Depository System and to facilitate conversion of physical shares into book-entry form. Members are informed that holding shares in book-entry form has several benefits including but not limited to secure and convenient custody of shares, conveniently tradeable and transferable, No risk of loss, damage or theft, no stamp duty on transfer of shares in book entry form and hassle-free credit of bonus or right shares.

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book entry form at the earliest.

8. Unclaimed Dividend / Shares under Section 244 of the Companies Act, 2017

The Company has recently sent notices to shareholders under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

An updated list for unclaimed dividend/shares of the Company, which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable, is available on the Company's website: <https://gulahmed.com/list-of-unclaimed-shares-and-unpaid-cash-dividend/>. Claims can be lodged by shareholders on Claim Form as is available on the Company's website. Claim Forms must be submitted to the Company's Share Registrar for receipt of dividend/ shares.

9. E-Voting

In accordance with the Companies (Postal Ballot) Regulation, 2018, as amended, the right to vote through electronic voting facility will be provided by the Company in respect of the Special Business. Details of e-voting facility will be shared through e-mail with those shareholders of the Company who have their valid CNIC numbers, Cell Numbers and e-mail addresses available in the register of Members of the Company within due course. A shareholder may alternatively opt for voting through postal ballot which is being published with this notice and is also available on Company's website.

10. Postal Ballot

Shareholders will be allowed to exercise their right to a poll in accordance with the requirements of Sections 143 to 145 of the Companies Act, 2017 and the Companies (Postal Ballot) Regulations, 2018.

Statement Under Section 134(3) of the Companies Act, 2017

Pertaining to Special Business

This Statement sets out the material facts pertaining to the Special Business Resolution described in the Notice of Annual General Meeting ("AGM"), intended to be transacted at the 74th AGM of Gul Ahmed Textile Mills Limited ("the "Company") that is scheduled to be held on October 27, 2026.

The Company carries out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulations. Certain related party transactions require Shareholder approval under Section 207 of the Companies Act, 2017 as a majority of directors on the Gul Ahmed Textile Mills Limited Board are interested in the transaction (by virtue of being shareholders or directors in related entities).

The details of such transactions are as under:

S/No.	Company Name	Basis of Relationship	Transaction Nature
1.	Gul Ahmed Holdings (Private) Limited	Holding Company	Dividend
2.	Ideas (Private) Limited	Wholly owned subsidiary	Sale of goods
3.	Gul Ahmed International Limited (FZC) – UAE	Wholly owned subsidiary	Sale and purchase of goods
4.	GTM Europe Limited – UK	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid
5.	GTM USA – Crop. – USA	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid
6.	Sky Home Crop. – USA	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid
7.	Vantona Home Limited	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid

S/No.	Company Name	Basis of Relationship	Transaction Nature
8.	JCCO 406 Limited – UK	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid
9.	Swisstex Chemicals (Private) Limited	Common directorship & shareholding	Sale of goods & Purchase of Goods
10.	Habib Metropolitan Bank Limited	Common directorship & shareholding	Banking Transactions
11.	Pakistan Textile Council	Common Directorship	Membership fees
12.	Haji AliMohammed Foundation.	Common Directorship	Rent Paid
13.	Landhi Association of Trade & Industry	Common Directorship	Donations Paid Fees Paid
14.	Pakistan Business Council	Common Directorship	Fees Paid
15.	Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Common Directorship	Company's contributions to Provident Fund and Bonus Shares Issued.
16.	Grand Industries (Private) Limited	Common shareholding	Rent Expenses and Bonus Shares Issued
17.	Ghafooria Industries (Private) Limited	Common directorship & shareholding	Rent Expenses & Bonus Shares Issued
18.	Win Star (Private) Limited.	Common directorship & shareholding	Purchase of goods
19.	Askari Bank Limited	Common Directorship	Banking Transactions
20.	Samba Bank Limited	Common Directorship	Banking Transactions
21.	Standard Chartered Bank Pakistan Limited	Common Directorship	Banking Transactions
22.	International Cotton Association.	Common Directorship	Fee Paid
23.	Gul Ahmed Ecofab (Private) Limited	Wholly owned ultimate subsidiary	Equity Investment
24.	Gul Ahmed Ecotex (Private) Limited	Wholly owned ultimate subsidiary	Equity Investment
25..	Gul Ahmed Circular Fabrics (Private) Limited	Wholly owned ultimate subsidiary	Equity Investment
26.	Designer's Linen Inc. – USA	Joint venture of subsidiary	Sale of goods & Commission Paid
27.	DLI Global (FZC) LLC - UAE	Joint venture of subsidiary	Sale of goods & Commission Paid

All related party transactions are in accordance with Company's policies and comply with all legal requirements. These are primarily transactions conducted in the ordinary course of business. Under the Company's Policy for Related Party Transactions all related party transactions are reviewed periodically by the Board Audit Committee which is chaired by an Independent Director. Following review by the Board Audit Committee, the said transactions are placed before the Board of Directors for approval.

The Shareholders are requested to ratify the transactions with related parties in which the majority of the Directors are interested as disclosed in the Financial Statements for the year ended June 30, 2026 and further to authorize the Company to conduct certain related party transactions in which the majority of Directors are interested for the Financial Year ending June 30, 2027. Shareholders' approval is also sought to authorize and grant power to the Board to periodically review and approve such transactions based on the recommendation of the Board Audit Committee.

Based on the aforesaid the Shareholders are requested to pass the Special Business Resolution as stated in the Notice.

The Directors who are interested in this subject matter are as follows:

- **Mr. Mohamed Bashir**
- **Mr. Mohammed Zaki Bashir**
- **Mr. Zain Bashir**
- **Mr. Ziad Bashir**

Proxy Form

I/We _____
of _____
being a member of Gul Ahmed Textile Mills Limited and holder of _____
Ordinary Shares hereby appoint _____
of _____
or failing him/her _____
of _____ another member of the
Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at
the **74th Annual General Meeting** of the Company to be held on October 26, 2026 at 10:30 am or at
any adjournment thereof.

1) Witness	Signed by me this _____ day of _____ 2026
Name	
Address	
CNIC No.	

Signed _____

2) Witness	Affix Revenue
Name	Stamp Rs.5.00
Address	
CNIC No.	Folio No./CDC Account No. _____

Notes:

1. A member entitled to vote at the meeting may appoint a proxy. Proxies in order to be effective, must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting.
2. Proxies granted by shareholders who have deposited their shares into Central Depository Company of Pakistan Limited must be accompanied with attested copies of the Computerized National Identity Card (CNIC) or the Passport of the beneficial owners. Representatives of corporate members should bring the usual documents required for such purpose. A proxy must be a member of the Company.
3. If member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. If the member is a corporate entity its common seal should be affixed to the proxy.
5. In case of CDC Account Holders, attested copies of CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.

پراکسی فارم

میں/ ہم _____ کے _____

گل احمد ٹیکسٹائل ملز لمیٹڈ کے ممبر اور _____
عمومی شیئرز کا حامل ہونے کے ناطے کمپنی کے ایک دوسرے ممبر کو میرے / ہمارے پراکسی کی حیثیت سے میری / ہماری غیر موجودگی کی صورت میں میری / ہماری طرف سے کمپنی کے سالانہ اجلاس عام منعقد 27-10-2026 منگل 10:30 یا کسی بھی التوا کی صورت میں، میری / ہماری ایمپائر میری / ہماری طرف سے شرکت اور ووٹ دینے کے لیے پراکسی نامزد کرتا ہوں۔

(1) گواہ: _____ میں نے
_____ ویں دن _____ کے _____ کے 2026
دستخط کیے۔

نام:
پتہ:
CNIC:

دستخط :

(2) گواہ: _____ نام:
_____ پتہ:
CNIC: _____
پانچ روپے مالیت کی ریونیو اسٹامپ چسپاں کریں
اکاؤنٹ CDC / فولیو نمبر
نمبر _____

نوٹ:

1. میٹنگ میں ووٹ دینے کا حقدار رکن ایک پراکسی نامزد کر سکتا ہے۔ پراکسی مؤثر ہونے کے لیے، باقاعدہ طور پر اسٹامپ شدہ اور دستخط شدہ کمپنی کے رجسٹرڈ آفس میں میٹنگ سے زیادہ سے زیادہ 48 گھنٹے پہلے وصول ہونا چاہیے۔
2. شیئر ہولڈرز کی طرف سے دی گئی پراکسیز جنہوں نے اپنے شیئرز سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ میں جمع کرائے ہیں جس کے ساتھ بینیفیشل اونرز کا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ تصدیق شدہ کا پیوں کے ساتھ کارپوریٹ ممبر کے نمائندوں کو اس مقصد کے لیے درکار عمومی دستاویزات ساتھ لانا چاہیے۔ پراکسی کے لیے کمپنی کا ممبر ہونا ضروری ہے۔
3. اگر ممبر ایک سے زیادہ پراکسی نامزد کرے اور ایک سے زیادہ پراکسی انسٹرومنٹ کمپنی کے کسی ممبر کی طرف سے جمع کروائے جائیں، تو ایسے تمام انسٹرومنٹ برائے پراکسی غیر مؤثر تصور کیے جائیں گے۔ اگر ممبر ایک کارپوریٹ اینٹیٹی ہے تو اس کی عمومی مہر لازمی طور پر ثبوت ہونی چاہیے۔
4. اگر ممبر ایک کارپوریٹ ادارہ ہے تو اس کی عام مہر پراکسی پر چسپاں ہونی چاہیے۔
5. سی ڈی سی اکاؤنٹ ہولڈرز کی صورت میں، بینیفیشل اونرز کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ فراہم کی جانی چاہئیں۔



Gul Ahmed Textile Mills Limited

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