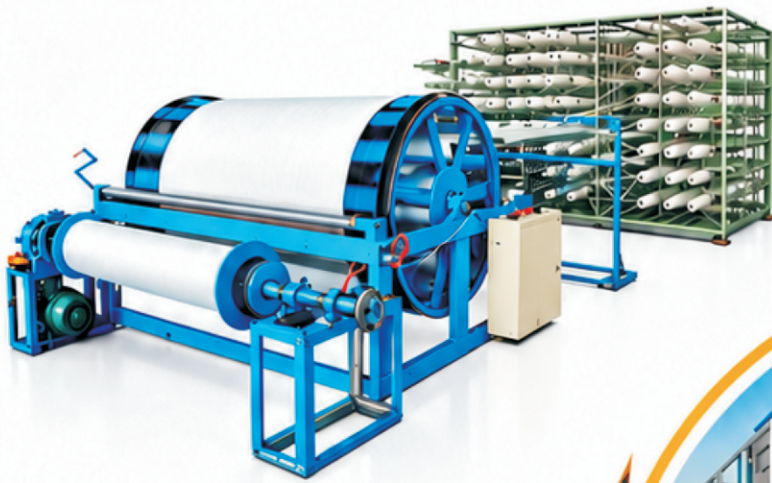




Annual Report 2026



**PROSPERITY WEAVING
MILLS LIMITED**

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Shahzada Ellahi Shaikh	Non-Executive Director / Chairman
Ms. Parveen Akhter Malik	Independent Non-Executive Director
Mr. Faisal Kamiran	Independent Non-Executive Director
Mr. Muhammad Naeem Khan	Independent Non-Executive Director
Mr. Javaid Bashir Sheikh	Non-Executive Director
Mr. Shaukat Ellahi Shaikh	Non-Executive Director
Mr. Shafqat Ellahi Shaikh	Non-Executive Director
Mr. Amin Ellahi Shaikh	Non-Executive Director
Mr. Haroon Shahzada Ellahi Shaikh	Non-Executive Director
Mr. Raza Ellahi Shaikh	Executive Director

MANAGING DIRECTOR (Chief Executive) Mr. Raza Ellahi Shaikh

AUDIT COMMITTEE

Ms. Parveen Akhter Malik	Chairperson
Mr. Amin Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Syed Mohsin Gilani	Secretary

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Ms. Parveen Akhter Malik	Chairperson
Mr. Raza Ellahi Shaikh	Member
Mr. Amin Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

EXECUTIVE COMMITTEE

Mr. Raza Ellahi Shaikh	Chairman
Mr. Shahzada Ellahi Shaikh	Member
Mr. Amin Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

CORPORATE SECRETARY

Mr. Syed Mohsin Gilani

CHIEF FINANCIAL OFFICER (CFO)

Mr. Muhammad Tariq Sheikh

HEAD OF INTERNAL AUDIT

Mrs. Saira Saman

AUDITORS

Messrs Yousuf Adil.
Chartered Accountants

CORPORATE ADVISORS

Bandial & Associates

LEAD BANKERS

Allied Bank Ltd.
Askari Bank Ltd.
Bank Alfalah Ltd.
Bank Al Habib Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
Meezan Bank Ltd.
MCB Bank Ltd.
National Bank of Pakistan
Soneri Bank Limited
United Bank Ltd.

REGISTERED OFFICE

Nagina House,
91-B-1, M.M. Alam Road,
Gulberg-III, Lahore-54660

REGIONAL OFFICE

2nd Floor, Shaikh Sultan Trust Bldg. No. 2, 26-Civil Lines,
Beaumont Road, Karachi - 75530

WEB REFERENCE

www.nagina.com

SHARES REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.
1st Floor, H.M. House 7-Bank Square, Lahore
Phone # 042-37235081-2
Fax # 042-37358817

MILLS

13.5 K.M
Sheikhupura Sharaqpur Road, Sheikhupura

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting (AGM) of members of Prosperity Weaving Mills Limited will be held on **Wednesday, October 28, 2026** at 11:00 a.m at the Registered Office of the Company situated at Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore-54660 and virtually through video conference facility to transact the following business:-

ORDINARY BUSINESS

- 1) To read and confirm minutes of the Extraordinary General Meeting held on January 26, 2026.
- 2) To receive, consider and adopt the Audited Financial Statements of the Company together with the Chairman's Review Report, Directors' and Auditors' reports thereon for the year ended June 30, 2026.

LINK	QR CODE
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 following link and/or QR enabled code: https://nagina.com/wp-content/uploads/2026/10/PWML-ANNUAL-2026.pdf	

- 3) To consider, approve and declare final cash dividend at Rs. 2.50/- per share i.e. 25% for the year ended June 30, 2026, as recommended by the Board of Directors.
- 4) To appoint Statutory Auditors of the Company for the year ending on June 30, 2027 and to fix their remuneration.

SPECIAL BUSINESS

- 5) To consider, ratify and approve transactions carried out with Related Parties for the year ended June 30, 2026 and authorize the Board of Directors of the Company to approve transactions with related parties by passing the following special resolutions with or without modifications:
 - a) **RESOLVED** that the transactions carried out in normal course of business with Related Parties as disclosed in Note 37 of the financial statements for the year ended June 30, 2026 be and are hereby ratified, approved and confirmed.
 - b) **FURTHER RESOLVED** that the Board of Directors of the Company be and is hereby authorized to approve all related party transactions carried out and to be carried out in normal course of business during the financial year 2027. These transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval.
- 6) To transact any other ordinary business with the permission of the Chair.

Statements under Section 134 (3) of the Companies Act, 2017 pertaining to the special business and under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 are annexed.

By Order of the Board



Syed Mohsin Gilani
Corporate Secretary

Lahore: September 29, 2026

NOTES

1. The Share Transfer Books of the Company will remain closed from October 22, 2026 to October 28, 2026 (both days inclusive). Transfers received in order by our Shares Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore by the close of business on October 21, 2026 will be considered in time to entitle the transferees for payment of dividend and to attend the AGM.
2. A member of the Company entitled to attend and vote at the General Meeting may appoint another member as his/her proxy to attend and vote in place of him/her at the meeting. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of meeting. A proxy must be a member of the Company. Proxy Forms in Urdu and English languages are attached to the notice circulated to the shareholders.
3. Members who have deposited their shares into Central Depository Company of Pakistan Limited (CDC) will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No 1 of 2000.
4. Members are encouraged to attend the AGM proceedings via video-conferencing facility, which shall be made available by the Company.

All Shareholders/Members interested in attending the AGM, through video-conferencing facility are requested to register their Name, Folio Number, Cell Number, CNIC/Passport number at azam@nagina.com. Confirmation email for video link and login credentials will be shared with only those Shareholders whose registration is received at least 48 hours before the time of AGM.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address azam@nagina.com.

5. In compliance with section 223(6) of the Act, the Company has electronically transmitted the Annual Report through email to Shareholders whose email addresses are available with the Company's Share Registrar. The shareholders are encouraged to send / update their email address on the above mentioned email address or postal address. The annual report has also been uploaded at the Company's website <https://nagina.com> and is readily accessible to the shareholders.

A. For Attending the Meeting

- a) In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b) In case of corporate entity, the Board's resolution power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- a) In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b) The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c) Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e) In case of corporate entity, the Board's resolution power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

6. The members can also participate in the General Meeting through video link facility. To attend the Annual General meeting through video link, members and their proxies are requested to register their following particulars by sending an e-mail at azam@nagina.com.

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

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on October 27, 2026.

7. The Securities and Exchange Commission of Pakistan, vide S.R.O. 451(I)/2025 dated March 13, 2025, has notified that in general meetings, members attending physically shall cast their votes for special business only through postal ballot, and voting by show of hands shall not be permitted.

8. Voting Through Postal Ballot / E-voting

Pursuant to Companies (Postal Ballot) Regulations 2018 and read with Sections 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right to vote through voting by post or electronic voting facility for the special business agenda item # 5 in its forthcoming Annual General Meeting to be held on October 28, 2026, at 11:00 a.m in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

- E-Voting will start from October 24, 2026 and shall close on October 27, 2026 at 5:00 pm. Details of e-voting facility will be shared through e-mail with those members of the Company who have their valid CNIC numbers, Cell Numbers, and e-mail addresses available in the Register of Member by the close of business on October 21, 2026.
 - Members of the Company who want to opt for voting through postal ballot are requested to ensure that duly filled and signed ballot paper along with clear copy of valid CNIC should reach at the address, The Chairman, PWML, Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore or email at azam@nagina.com one day before the Annual General Meeting, i.e., on October 27, 2026 before 5:00 p.m. during working hours. The signature on the ballot paper shall match with their signature on CNIC. The Ballot paper has also been placed on the Company's website [https:// www.nagina.com](https://www.nagina.com) to download. A postal ballot received after this time/date shall not be considered for voting.
9. In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants. Therefore, shareholders are requested to provide the particulars relating to name, folio number, bank account number, IBAN Number, title of account and complete mailing address of the bank directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS).

In case of non-receipt of above information, the dividend shall be withheld.

10. The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be as follows:
- Rate of Withholding Income Tax deduction for the persons whose names are appearing on ATL. 15%
 - Rate of Withholding Income Tax deduction for the persons whose names are not appearing on ATL. 30%

To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not appearing on Active Taxpayers' List (ATL) available on the website of FBR are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on "Filer/ Non-Filer" status of principal shareholder as well as joint-holders (s) based on their shareholding proportions, in case of joint accounts. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar, in writing, within 10 days of this notice, otherwise it will be assumed that the shares are equally held by principal shareholder and joint-holder(s).

11. The financial statements for the year ended June 30, 2026 shall be uploaded on the Company's website www.nagina.com twenty-one days prior to the date of holding of annual general meeting.
12. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.
13. If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least 07 days prior to date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city.
14. As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e. May 30, 2017.

The shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Ltd.

15. The Securities and Exchange Commission of Pakistan (the "SECP"), through its Circular 2 of 2018, dated February 9, 2018 read with SRO 452(I) of 2025, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway packages) in any form or manner, to shareholders at or in connection with general meetings.
16. Members are requested to promptly notify the Company of any change in their registered address.
17. For any query/ information, the investors may contact the Shares Registrar and / or the Company: Mr. Syed Mohsin Gilani, Phone No. 042-35756270 Ext. 337, email address: mohsin.gilani@nagina.com.

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

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2026.

1. Agenda item No. 5 (a) - Ratification and Approval of Related Party Transactions

All the transactions carried out by the Company with related parties during the financial year ended June 30, 2026 given in the related party note 37 of the Annual Financial Statements of the Company for the year ended June 30, 2026.

The Company carried out transactions with Related Parties on arm's length basis as per the approved Related Party Transactions Policy in the normal course of business and periodically reviewed by the Board Audit Committee pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

The transactions with related parties have been approved by the Board in the quarterly / annual financial statements during the fiscal year 2025-26, however, the Board decided to place above related party transaction concluded during the fiscal year 2025-26 before the shareholders in AGM for ratification and approval due to the interests/concerns of some of the directors due to common directorship.

2. Agenda item No. 5 (b) - Authorization for the Board of Directors to approve related party transactions during the financial year ending June 30, 2027

The Company shall be conducting transactions with the related parties during the year ending June 30, 2027 in the ordinary course of business and at arm's length basis under the policy of the Company for related party transactions. All transactions entered into or to be entered into with related parties require the approval of the Audit Committee of the Board. Upon recommendation of the Audit Committee, such transactions shall be placed before the Board of Directors for approval. In order to promote transparent business practices, the shareholders are recommended to authorize the Board of Directors of the Company to approve transactions with the related parties for the year ending June 30, 2027, which transactions shall be deemed to be approved by the shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal ratification/approval. The Directors are interested in the resolutions only to the extent of their common directorship and shareholding in such related parties and the privileges attached thereto only.

STATEMENT UNDER RULE 4(2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

a) Total investment approved;	Rs. 200,000,000/= (Rupees two hundred million only) to each of the following associated company:			
	i) Nagina Cotton Mills Ltd. (NCML) ii) Ellcot Spinning Mills Ltd. (ESML)			
b) Amount of investment made to date;	Nil			
c) Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time; and	Due to better cash flows, the associated companies did not need funds envisaged u/s 199 of the Companies Act, 2017. Therefore, no investment transaction took place during the year 2025-26.			
d) Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.	Present Financial Position as on June 30, 2026		Financial Position at the time of Approval as on June 30, 2025	
	NCML	ESML	NCML	ESML
	Rupees in Millions			
	Net sales	21,563.746	16,225.620	19,857.881
	Gross profit	1,807.722	1,128.202	1,609.201
	Profit before tax	638.205	443.770	442.262
	Profit after tax	281.585	206.175	50.417
				76.618

BALLOT PAPER FOR VOTING THROUGH POST

In person and virtual Annual General Meeting to be held on Wednesday, October 28, 2026 at 11:00 a.m, Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore-54660, Phone :042-35756270, Website: www.nagina.com

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: chairman@nagina.com

Name of shareholder/joint shareholders	
Registered Address	
Number of Shares held (on close of October 21, 2026) and folio number	
CNIC No/Passport No (in case of foreigner) (Copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, Corporation and Federal Government)	

I / we hereby exercise my/our vote in respect of the following resolution through postal ballot by conveying my/our assent or dissent to the following resolution by picking tick (v) mark in the appropriate box below:

Resolution for Agenda No.05

RESOLVED that the transactions conducted with Related Parties as disclosed in Note 37 of the financial statements for the year ended June 30, 2026 be and are hereby ratified, approved and confirmed'

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to approve all related party transactions to be carried out during the financial year 2027. These transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval.

Resolution	No. of Ordinary shares for which Votes Cast	I/We dissent to the resolution (AGAINST)	I/We assent to the resolution (FOR)
Resolution for Agenda No: 05			

Signature of shareholder(s): _____ Place: _____ Date: _____

NOTES / PROCEDURE FOR SUBMISSION OF BALLOT PAPER:

- Duly filled and signed original postal ballot should be sent to the Chairman, Prosperity Weaving Mills Ltd., at Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore-54660 or a scanned copy of the original postal ballot to be emailed at: chairman@nagina.com.
- Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Postal Ballot forms should reach chairman of the meeting on or before October 27, 2026 during working hours. Any Postal Ballot received after this date, will not be considered for voting.
- Signature on Postal Ballot should match the signature on CNIC/Passport (in case of foreigner).
- Incomplete, unsigned, in correct, defaced, torn, mutilated, over written ballot papers will be rejected.
- In case of representative of body corporate and corporation, Postal Ballot must be accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act 2017, as applicable, unless these have already been submitted along with Proxy Form. In case of foreign body corporate etc. all documents must be attested from the Pakistani Embassy having jurisdiction over the member.
- Ballot paper has also been placed on the website of the Company www.nagina.com. Members may download the ballot paper from the website or use original/photocopy published in newspapers.

Vision:

To be the market leader by being the best and providing the best.

Mission:

Being one of the leading manufacturers of high quality greige fabric for apparel and home furnishing, we are committed to high quality product and customer satisfaction.

Our mission is to continually improve our products and services for our worldwide customers and to provide a better return to our shareholders.

We believe in keeping our production facilities equipped with the modern technologies by continuous upgrading to be competitive in the markets.

We strive towards building long-term and better relationship with our suppliers.

We care for our employees by providing them a healthy and safe working environment and opportunity for growth through learning and experience.

We do have a social responsibility towards our community in which we operate and we are committed to safety, health and environment in all our operations.

REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMANCE OF BOARD AND EFFECTIVENESS OF THE ROLE PLAYED BY THE BOARD IN ACHIEVING THE COMPANY'S OBJECTIVES

The Board of Directors (the Board) of Prosperity Weaving Mills Limited (PWML) has performed their duties diligently in upholding the best interest of shareholders of the Company and has managed the affairs of the Company effectively and efficiently. The Board has exercised its powers and has performed its duties in compliance with Companies Act 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code). During the financial year 2025-26 the Board achieved its objectives by performing the following functions:

- Actively participated in the strategic planning process, enterprise risk management system, policy development, and financial structure, monitoring and approval;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee. In case the majority of the Directors either directly, or indirectly becomes interested in related party transactions due to Group's structure; accordingly, additional approval from shareholders in respect of transactions with a related party shall be obtained in the Annual General Meeting so that the Company can carry its business smoothly;
- Reviewed the effectiveness of internal control system through self-assessment mechanism and / or internal audit activities;
- Approved the director's report, quarterly and annual financial statements and ensured that the content of the directors' report are in accordance with the requirement of applicable laws and regulations;
- Ensured the hiring, evaluation and compensation of quality professionals with focus on creating a work environment with equal opportunity for all
- Ensured the timely dissemination of information among its members and that the Board members are kept abreast of developments between meetings;
- Exercised its powers in light of the power assigned to the Board as per the relevant laws and regulations applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulations in terms of their conduct as directors and exercising their powers and decision making; and
- Necessary Board agenda and related supporting documents were duly made available to the board in sufficient time before the Board and its Committee Meetings. The non-executive and independent directors are equally involved in important decisions of the board.

The Board's annual self-evaluation for the fiscal year 2025-26 reflected satisfactory results. The annual evaluation of the Board's performance is based on the key areas where the Board requires clarity to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risks faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of PWML has played a key role in ensuring that the Company objectives are not only achieved but also exceeded expectations through a joint effort with the management team and guidance and oversight by the Board and its members.



Shahzada Ellahi Shaikh
Chairman

Lahore: September 29, 2026

بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے مؤثر کردار پر چیئرمین کی جائزہ رپورٹ

پراسپیریٹی ویوینگ ملز لمیٹڈ (PWML) کے بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے حصہ داروں کے بہترین مفاد کو برقرار رکھنے میں اپنی ذمہ داریاں تندی سے انجام دیئے ہیں اور کمپنی کے امور کو مؤثر اور بروقت انداز سے منظم کیا ہے۔ بورڈ نے کمپنیز ایکٹ 2017 اور سڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (کوڈ) کی تعمیل میں اپنے فرائض سرانجام دیئے ہیں۔ مالی سال 2025-26 کے دوران بورڈ نے درج ذیل کام سرانجام دے کر اپنے مقاصد حاصل کئے:

- اسٹریٹجک منصوبہ بندی کے عمل، ادارے کو لاحق خطرات کا انتظامی نظام، پالیسی ڈویلپمنٹ، اور مالیاتی ساخت کی نگرانی اور منظوری میں فعال طور پر حصہ لیا ہے۔
- سال بھر میں تمام اہم مسائل بورڈ یا اس کی کمیٹیوں کے روبرو کاروباری فیصلہ سازی کے عمل کو مضبوط بنانے کے لئے پیش کئے گئے اور خاص طور پر کمپنی کی طرف سے کئے گئے تمام متعلقہ پارٹی کے ساتھ لین دین کو آڈٹ کمیٹی کی سفارشات پر بورڈ نے منظوری دی۔ اگر ڈائریکٹرز کی اکثریت براہ راست یا بالواسطہ طور پر گروپ کے سٹرکچر کی وجہ سے متعلقہ فریق کے لین دین میں دلچسپی رکھتی ہے، اس کے مطابق، متعلقہ فریق کے ساتھ لین دین کے سلسلے میں حصص یافتگان سے اضافی منظوری سالانہ اجلاس عام میں حاصل کی جائے گی تاکہ کمپنی اپنے کاروبار کو آسانی سے چلا سکے۔
- اس بات کو یقینی بنایا ہے کہ اندرونی کنٹرول کا مناسب نظام موجود ہے اور خود تشخیصی طریقہ کار اور/یا انٹرنل آڈٹ سرگرمیوں کے ذریعے اس کی باقاعدگی سے جانچ پڑتال کی جاتی ہے۔
- ڈائریکٹرز رپورٹ، سہ ماہی اور سالانہ مالیاتی گوشواروں کی منظوری دی اور اس بات کو یقینی بنایا کہ ڈائریکٹرز کی رپورٹ کا مواد قابل اطلاق قوانین اور ضوابط کے تقاضوں کے مطابق ہے۔
- سب کے لیے یکساں مواقع کے ساتھ کام کا ماحول بنانے پر توجہ کے ساتھ پیشہ ورانہ افراد کی معیاری خدمات حاصل کرنے، تشخیص اور معاوضے کو یقینی بنایا۔
- اپنے اراکین کے درمیان بروقت طریقے سے تسلی بخش معلومات کے تبادلے کو یقینی بنایا اور بورڈ کے ممبران کو اجلاس کے درمیان ڈویلپمنٹ بارے میں لمحہ بلمحہ باخبر رکھا گیا ہے۔
- کمپنی پر قابل اطلاق متعلقہ قوانین اور قواعد و ضوابط کی روشنی میں دئے گئے اختیارات کے مطابق اپنے اختیارات کا استعمال کیا ہے اور بورڈ نے ہمیشہ بحیثیت ڈائریکٹرز اپنے اختیارات کے استعمال اور فیصلہ سازی کرنے کے برتاؤ میں تمام قابل اطلاق قوانین اور قواعد و ضوابط کی تعمیل کو ترجیح دی ہے اور
- بورڈ اور اس کی ذیلی کمیٹی کی میٹنگ سے مناسب قبل از وقت، ضروری ایجنڈا اور اس سے متعلق دستاویزات مہیا کیے گئے۔ نان ایگزیکٹو اور آڈائریکٹرز بورڈ کے اہم فیصلوں میں برابر کے شریک ہیں۔

بورڈ کی سالانہ کارکردگی برائے مالی سال 2025-26 کے نتائج اطمینان بخش رہے۔ بورڈ کی سالانہ کارکردگی اہم شعبوں پر مبنی ہے جہاں بورڈ کو اعلیٰ درجے کی نگرانی مہیا کرنے بشمول اسٹریٹجک عمل، کلیدی کاروباری امور، سنگ میلز کی تکمیل، عالمی معاشی ماحول اور مسابقتی سیاق و سباق جس میں کمپنی کام کرتی ہے، کمپنی کے کاروبار کو کو درپیش خطرات، بورڈ کے محرکات، صلاحیت اور معلومات مہیا کرنے کے لئے وضاحت دینے کی ضرورت ہوتی ہے۔ مذکورہ بالا کی بنیاد پر، یہ مناسب طور پر کہا جاسکتا ہے کہ PWML کے بورڈ نے اس بات کو یقینی بنانے میں اہم کردار ادا کیا ہے کہ کمپنی کے مقاصد کو نہ صرف حاصل کیا جاسکتا ہے، بلکہ بورڈ اور اس کے ارکان کی راہنمائی اور نگرانی کے ذریعہ انتظامیہ کی مشترکہ کوششوں کے ساتھ توقعات سے بھی آگے بڑھایا جاسکتا ہے۔



شہزادہ الہی شیخ
چیئرمین

لاہور: 29 ستمبر 2026ء

DIRECTORS' REPORT TO THE MEMBERS

The Directors of your Company take pleasure in presenting 35th Annual Report of your Company together with Audited Financial Statements and Auditors' Report thereon for the year ended June 30, 2026. Figures for the previous year ended June 30, 2025 are included for comparison.

Company Performance

Despite persistent macroeconomic headwinds in the textile sector—particularly within the weaving segment—the Company managed to achieve reasonable financial results. Net profit after tax surged to Rs. 261,666,384 (1.49% of sales), marking a significant increase from Rs. 91,122,541 (0.50% of sales) in the previous year. Consequently, Earnings Per Share (EPS) increased to Rs. 14.16, up from Rs. 4.93.

Sales revenue for the year under review declined by 3.56% over the SPLY, standing at Rs. 17,543,549,274 as compared to Rs. 18,191,084,239 during SPLY. This decrease was primarily due to lower per unit selling price. The cost of sales, as a percentage of revenue, eased from 93.48% in SPLY to 92.53% in the current year, resulting in an improvement in gross profit margin from 6.52% to 7.47%. This reduction was primarily driven by lower raw material cost, a decrease in fuel and power expenses and a significant reduction in stores and spares consumed. These cost reductions supported the bottom line.

Operating expenses, as a percentage of sales, marginally increased to 3.20% up from 3.12% during SPLY primarily driven by inflationary pressure on administrative expenses. However, the Company maintained stable operational cash flows, ensuring the timely settlement of its liabilities and scheduled repayments of long-term debt. Driven by reduced overall debt levels and monetary policy easing, finance costs eased to 1.04% of revenue from 1.41% in the previous year.

Capital Assets Investment

In line with its strategic focus on enhancing productivity, quality, and operational efficiency, the Company invested Rs. 901.582 million in BMR/expansion during the year, compared to Rs. 253.957 million in 2025. The main CAPEX was on weaving machinery and solar capacity enhancement. In line with its commitment to reducing its carbon footprint and promoting sustainable energy solutions, the Company is also evaluating the addition of further solar power capacity.

Future Prospects and Outlook

The global economy continues to face heightened volatility driven by ongoing conflicts in the Middle East. These regional disruptions have strained supply chains and fuelled inflationary pressures, particularly through rising energy costs. Consequently, softening global demand has led to elevated inventory levels. Against this backdrop, the Company expects the first half of the current financial year to remain challenging. However, management remains fully committed to remain profitable through targeted operational efficiencies.

During the year the exchange rate remain reasonably stable. This has helped in forecasting the sales revenue as well as landed cost of imported materials. Middle East conflict is exerting inflationary pressure which may cause rise in interest cost.

To address rising energy costs and strengthen long-term operational efficiency, the Company is actively solarizing its energy base. We hope that the Government will continue to provide uninterrupted energy at concessional rates in line with regional competing countries.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2026-27, Kapas, (seed cotton) arrivals up to September 15, 2026, at the Gineries totalled 2.389 million bales compared to 2.004 million bales for the year 2025-26 showing increase in arrival of 19.17%.

It is hoped that the Government will bring in business friendly policies such as uninterrupted energy supplies in cost effective manner, refund of outstanding taxes, reduction in the corporate tax rate, elimination of super tax, controlling the inflation rate and reducing the financial costs. Government policies should encourage the completion of the value chain in the textile sector so that the country can export finished products.

Dividend

The Board of Directors has recommended final cash dividend @ 25% i.e., Rs. 2.50/- (2025: Rs.2.50/=) per ordinary share for the year ended June 30, 2026. The dividend will amount to Rs.46,200,000.

Principal Activity

The principal activity of the Company is manufacturing and sale of woven cloth.

Principal Risks and Uncertainties

The Board of Directors is responsible to oversee the Company's operations and to devise an effective strategy to mitigate any potential adverse impact of risks.

The Company's principal financial liabilities, comprise long term finances, trade and other payables and short-term borrowings. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company's principal financial assets comprise of trade receivables, advances, short-term deposits, other receivables and cash and bank balances that arise directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate 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 minimize potential adverse effects on the financial performance.

Material Changes and Commitments

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the Director's Report.

ISO 9001: 2015 Certification

The Company continues to operate at high standards of quality and had obtained latest version of certification valid until 19 June 2027. The quality control certification helps to build up trust of new and old customers.

Corporate Social Responsibility (CSR)

The Company strongly believes in the integration of Corporate Social Responsibility into its business, and has consistently worked for the uplift of communities that are influenced directly or indirectly by our business. In line with our CSR policy, management helped in developing a school in the factory site to impart preliminary level education for children of factory workers as well as for the nearby community.

Environment, Health and Safety

The Company maintains safe working conditions avoiding the risk to the health of employees and public at large. The management has maintained safe environment in all its operations throughout the year and is constantly upgrading their safety and living facilities.

Safety is a matter of concern for machinery as well as the employees working at plant. Fire extinguishers and other fire safety equipments have been placed at sites as well as registered and head office of the Company. Regular drills are performed to ensure efficiency of fire safety equipments.

Sustainability Risks

The Board of Directors is committed to ensuring the sustainability of the Company's operations, considering environmental, social, and governance (ESG) factors that can impact the long-term success of the business. As part of this commitment, your management provide insights into the assessment of sustainability-related risks, how these risks are managed or mitigated, and the steps taken to promote Diversity, Equity, and Inclusion (DE&I) within the Company.

The Company has implemented a robust risk management framework to address sustainability-related risks. This framework integrates ESG considerations into the Company's risk assessment and decision-making processes, ensuring that sustainability issues are proactively managed and mitigated. The Company is committed to fostering a diverse, equitable, and inclusive workplace where all employees feel valued and respected. We believe that promoting DE&I is essential for driving innovation, improving decision-making, and enhancing the overall performance of the Company.

Diversity, Equity and Inclusion (DE & I)

We believe that promoting diversity, equity, and inclusion (DE & I) is a key priority for the Company and is integral for driving innovation, improving decision-making, and enhancing the overall performance of the Company. The Company promotes diversity and inclusion in Board and management composition, provides equal opportunities to all employees irrespective of culture, race, gender, caste or religion, and promotes a work environment free from discrimination, harassment and intimidation of any nature.

Internal Financial Controls

A system of sound internal control is established and implemented at all levels of the Company by the Board of Directors. The system of internal control is sound in design for ensuring achievement of Company's objectives and operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

Related Parties

All related party transactions were conducted on an arm's length basis in accordance with approved transfer pricing methods and Board approved policy on related parties' dealings. All related party transactions were duly approved by the internal audit followed by the approval of the audit committee and placed before the Board for their consideration and approval. However, the Board of Directors in their meeting decided that the related party transactions approved by the Board shall also be placed before the general meeting of the company for member's approval.

Furthermore, the Board of Directors also decided to avail the approval of members in the general meeting of the company for the transactions to be carried out during the fiscal year ending June 30, 2027 and same shall be placed before the shareholders in the next general meeting for their formal ratification/approval.

Shareholding Pattern

The pattern of shareholding of the Company as at June 30, 2026 for ordinary shares is annexed. This statement is prepared in accordance with section 227 (2) (f) of the Companies Act, 2017.

Gender Pay gap

Gender Pay-gap disclosure for the year ended June 30, 2026 is annexed.

Appointment of Auditors

The present External Auditors, M/s. Yousuf Adil, Chartered Accountants, Lahore, are due to retire and being eligible, have offered themselves for re-appointment as Auditors for the financial year 2026-27. Audit Committee and Board of Directors have also recommended their appointment as auditors of the Company for the year ending June 30, 2027.

Financial Statements Audit

Financial statements of the Company have been audited without any qualification by Messrs Yousuf Adil, Chartered Accountants, the statutory external auditors of the Company.

Corporate Governance & Financial Reporting Framework

Further, Directors are pleased to report that:

- a) The financial statements prepared by the management of the Company present fair state of Company's operations, cash flows and changes in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based upon reasonable and prudent judgment.
- d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements any departures therefrom have been adequately disclosed and explained.
- e) The internal control system is well- designed, effectively implemented and monitored.
- f) There are no concerns regarding the Company's ability to continue as a going concern.
- g) A summary of key operating and financial data for the last six years is annexed.
- h) During the year 2025-26, one (1) Corporate Briefing Session (CBS) was held.
- i) There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on June 30, 2026 except for those disclosed in the financial statements.

Composition of Board

The Board of Directors as at June 30, 2026 consist of:

Total number of Directors:

- | | |
|------------|----------|
| a) Male: | 9 (Nine) |
| b) Female: | 1 (One) |

Composition:

- | | |
|------------------------------------|-----------|
| (i) Independent Directors: | 3 (Three) |
| (ii) Other Non-Executive Directors | 6 (Six) |
| (iii) Executive Director | 1 (One) |

Mr. Shahzada Ellahi Shaikh	Chairman
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Ms. Parveen Akhter Malik

Mr. Faisal Kamiran

Mr. Muhammad Naeem Khan

Mr. Javaid Bashir Sheikh

Mr. Shaukat Ellahi Shaikh

Mr. Shafqat Ellahi Shaikh

Mr. Amin Ellahi Shaikh

Mr. Haroon Shahzada Ellahi Shaikh

Mr. Raza Ellahi Shaikh	Director / Chief Executive Officer
------------------------	------------------------------------

Mr. Arfa Waheed Malik ceased to hold office as Director on October 8, 2025, and Mr. Muhammad Naeem Khan was appointed as Director in his place on November 24, 2025. Subsequently, the election of Directors was held in January 2026, whereby Mr. Faisal Kamiran was elected as Director in place of Mr. Aneeq Khawar.

Committees of the Board:

The Board has made following sub-committees:

Audit Committee

- | | |
|-----------------------------------|-------------|
| Ms. Parveen Akhter Malik | Chairperson |
| Mr. Amin Ellahi Shaikh | Member |
| Mr. Haroon Shahzada Ellahi Shaikh | Member |

Human Resource and Remuneration (HR&R) Committee

- | | |
|--------------------------|-------------|
| Ms. Parveen Akhter Malik | Chairperson |
| Mr. Raza Ellahi Shaikh | Member |
| Mr. Amin Ellahi Shaikh | Member |

Executive Committee

- | | |
|-----------------------------------|----------|
| Mr. Raza Ellahi Shaikh | Chairman |
| Mr. Shahzada Ellahi Shaikh | Member |
| Mr. Amin Ellahi Shaikh | Member |
| Mr. Haroon Shahzada Ellahi Shaikh | Member |

Significant Features of Directors' Remuneration

The Board of Directors has approved a formal policy for remuneration of executive and non-executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition from them.

The Chairman of the Board is paid remuneration as approved by the Board. Non-executive directors including the independent director are entitled only for fee for attending the Board and its committees' meetings. Remuneration of executive and non-executive directors shall be approved by the Board, as recommended by the Human Resource and Remuneration Committee. For information on remuneration of Directors and CEO in 2025-26, please refer notes to the Financial Statements.

Acknowledgment

Continued diligence and devotion of the staff and workers of the Company and good human relations at all levels deserve acknowledgement. The Directors also wish to place on record their thanks to the bankers, workers and other stakeholders for their continued support to the Company.

On behalf of the Board

**Raza Ellahi Shaikh**

Chief Executive Officer (CEO)

**Haroon Shahzada Ellahi Shaikh**

Director

Lahore: September 29, 2026

ممبران کے لیے ڈائریکٹرز کی رپورٹ

مجلس نظامہ 30 جون 2026ء کو اختتام سال کے لئے کمپنی کی 35 ویں سالانہ رپورٹ مع نظر ثانی شدہ مالیاتی حسابات اور اس پر محاسب کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہی ہے۔ 30 جون 2025ء کو ختم ہونے والے گزشتہ سال کے اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں۔

کمپنی کی کارکردگی

ٹیکسٹائل کے شعبے، بالخصوص ویونگ سیکٹ میں جاری معاشی مشکلات کے باوجود، کمپنی نے مالی سال کے دوران قابل اطمینان مالیاتی نتائج حاصل کیے۔ ٹیکس کے بعد خالص منافع بڑھ کر 261,666,384 روپے (فروخت کا 1.49 فیصد) ہو گیا، جو گزشتہ سال کے 91,122,541 روپے (فروخت کا 0.50 فیصد) کے مقابلے میں نمایاں بہتری کو ظاہر کرتا ہے۔ نتیجتاً، فی حصص آمدنی (EPS) بھی 4.93 روپے سے بڑھ کر 14.16 روپے ہو گئی۔

زیر جائزہ مالی سال کے دوران فروخت سے حاصل ہونے والی آمدنی گزشتہ سال کی اسی مدت کے مقابلے میں 3.56 فیصد کم رہی اور 17,543,549,274 روپے رہی، جبکہ گزشتہ سال کی اسی مدت میں یہ 18,191,084,239 روپے تھی۔ یہ کمی بنیادی طور پر فی یونٹ فروختی قیمت میں کمی کے باعث ہوئی۔ آمدنی کے تناسب سے فروخت کی لاگت گزشتہ سال کی اسی مدت میں فروخت کے 93.48 فیصد سے کم ہو کر رواں سال 92.53 فیصد رہی، جس کے نتیجے میں مجموعی منافع کا مارجن 6.52 فیصد سے بڑھ کر 7.47 فیصد ہو گیا۔ یہ بہتری بنیادی طور پر خام مال کی لاگت میں کمی، ایندھن اور بجلی کے اخراجات میں کمی، اور استعمال شدہ اسٹورز و اسپیریز میں نمایاں کمی کے باعث حاصل ہوئی۔ اخراجات میں ان کمیوں نے خالص منافع میں بہتری کو تقویت فراہم کی۔

فروخت کے تناسب سے آپریٹنگ اخراجات گزشتہ سال کی اسی مدت میں فروخت کے 3.12 فیصد کے مقابلے میں معمولی اضافے کے ساتھ 3.20 فیصد رہے، جس کی بنیادی وجہ انتظامی اخراجات پر افراط زر کے دباؤ میں اضافہ تھا۔ تاہم، کمپنی نے آپریٹنگ نقد بہاؤ کو مستحکم رکھا، جس کے باعث اپنی واجبات کی بروقت ادائیگی اور طویل مدتی قرضوں کی مقررہ اقساط کی بروقت ادائیگی کو یقینی بنایا گیا۔ مجموعی قرض کی سطح میں کمی اور مالیاتی پالیسی میں نرمی کے باعث مالیاتی اخراجات بھی گزشتہ سال میں فروخت کے 1.41 فیصد کے مقابلے میں کم ہو کر 1.04 فیصد رہ گئے۔

طویل مدتی اثاثوں کی سرمایہ کاری

پیداواری صلاحیت، معیار اور آپریٹنگ کارکردگی میں بہتری کے لیے اپنی حکمت عملی پر مبنی ترجیحات کے مطابق، کمپنی نے زیر جائزہ مالی سال کے دوران BMR/توسیع کے لیے 901.582 ملین روپے کی سرمایہ کاری کی، جبکہ 2025 میں یہ سرمایہ کاری 253.957 ملین روپے تھی۔ سرمایہ جاتی اخراجات (CAPEX) کا بڑا حصہ ویونگ مشینری اور شمسی توانائی کی استعداد میں اضافے پر خرچ کیا گیا۔ کاربن فٹ پرنٹ میں کمی اور پائیدار توانائی کے حل کے فروغ کے لیے اپنے عزم کے مطابق، کمپنی مزید شمسی توانائی کی پیداواری استعداد میں اضافے کا بھی جائزہ لے رہی ہے۔

مستقبل کے امکانات

مشرق وسطیٰ میں جاری تنازعات کے باعث عالمی معیشت کو بدستور شدید اتار چڑھاؤ کا سامنا ہے۔ خطے میں پیدا ہونے والی ان صورتحال نے سپلائی چینز پر دباؤ بڑھایا ہے اور بالخصوص توانائی کی بڑھتی ہوئی لاگت کے باعث افراط زر کے دباؤ میں اضافہ ہوا ہے۔ نتیجتاً، عالمی طلب میں کمی کے باعث انوینٹری کی سطح میں اضافہ ہوا ہے۔ اس پس منظر میں، کمپنی کو توقع ہے کہ رواں مالی سال کی پہلی ششماہی بدستور چیلنجنگ رہے گی۔ تاہم، ہم، انتظامیہ ہدنی آپریٹنگ کارکردگی میں بہتری کے ذریعے منافع برقرار رکھنے کے لیے اپنے عزم پر پوری طرح قائم ہے۔

زیر جائزہ مالی سال کے دوران شرح تبادلہ معقول حد تک مستحکم رہی۔ اس استحکام نے فروخت سے حاصل ہونے والی آمدنی کے ساتھ ساتھ درآمد شدہ خام مال کی لینڈ ڈ لاگت کی پیشگی منصوبہ بندی میں بھی معاونت فراہم کی۔ مشرق وسطیٰ میں جاری تنازع افراط زر کے دباؤ میں اضافہ کر رہا ہے، جس کے نتیجے میں شرح سود اور مالیاتی اخراجات میں اضافہ ہو سکتا ہے۔

توانائی کی بڑھتی ہوئی لاگت سے نمٹنے اور طویل مدتی آپریٹنگ کارکردگی کو مستحکم بنانے کے لیے، کمپنی اپنے توانائی کے بنیادی ڈھانچے کو بہتر ترجیح شمسی توانائی پر منتقل کرنے کے لیے فعال اقدامات کر رہی ہے۔ ہمیں امید ہے کہ حکومت خطے کے مسابقتی ممالک کے مطابق رعایتی نرخوں پر بلا تعلق توانائی کی فراہمی جاری رکھے گی۔

پاکستان کاٹن جزایہ سوسی ایٹن کی جانب سے جاری کردہ اعداد و شمار کے مطابق، فصل سال 2026-27 کے دوران 15 ستمبر 2026 تک جنگل فیکٹریوں میں کپاس (روٹی) کی آمد مجموعی طور پر 2.389 ملین گانٹھیں رہی، جبکہ فصل سال 2025-26 کے دوران یہ 2.004 ملین گانٹھیں تھی، جو کپاس کی آمد میں 19.17 فیصد اضافہ ظاہر کرتی ہے۔

یہ توقع کی جاتی ہے کہ حکومت کاروبار دوست پالیسیوں کو متعارف کروائے گی، جن میں مؤثر اور بلا تعطل توانائی کی فراہمی، واجب الادائیکسوں کی واپسی، کارپوریٹ ٹیکس کی شرح میں کمی، سپرنٹنڈنٹس کا خاتمہ، افراط زر کی شرح پر قابو پانا اور مالیاتی اخراجات میں کمی شامل ہیں۔ حکومتی پالیسیوں کو ٹیکسٹائل کے شعبے میں ویلیو چین کی تکمیل کی حوصلہ افزائی کرنی چاہیے تاکہ ملک تیار شدہ مصنوعات برآمد کر سکے۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لئے حتمی نقد منافع منقسمہ بشرح 25 فیصد یعنی -/2.50 روپے فی عام شیئر کی منظوری دی ہے۔ منافع منقسمہ کی رقم 46,200,000 روپے ہے۔

اصل سرگرمی

کمپنی کی نمایاں سرگرمی بنے ہوئے کپڑے کی تیاری اور فروخت کرنا ہے۔

نمایاں خطرات اور غیر یقینی حالات

بورڈ آف ڈائریکٹرز کمپنی کے آپریشنز کی نگرانی اور خطرات کے کسی ممکنہ منفی اثر کے سدباب کے لئے مؤثر حکمت عملی وضع کرنے کے ذمہ دار ہیں۔ کمپنی کی اصل مالی ادائیگیوں میں طویل مدتی قرضے، تجارتی اور دیگر قابل ادائیگیاں اور مختصر مدتی قرضے شامل ہیں۔ ان مالی ادائیگیوں کا اہم مقصد کمپنی کے آپریشنز کے لئے فنانس کا بندوبست کرنا ہے۔ کمپنی کے اصل مالیاتی اثاثوں میں تجارتی وصولیاں، پیٹنگی ادائیگیاں، مختصر مدتی ڈیپازٹس، دیگر وصولیاں اور نقدی اور بینک بیلنسز شامل ہیں جو اس کے آپریشنز سے براہ راست حاصل ہوتے ہیں۔ کمپنی کی سرگرمیوں کو کئی قسم کے مالیاتی خطرات کا سامنا ہے۔ جس میں مارکیٹ خطرہ (بشمول کرنسی خطرہ، شرح سود کا خطرہ اور قیمت کا خطرہ)، ادھار کا خطرہ اور نقدی بہاؤ کا خطرہ شامل ہے۔ کمپنی کا مجموعی رسک مینجمنٹ پروگرام مالیاتی مارکیٹوں کی غیر متوقعات پر تو جو مرکوز اور مالی کارکردگی پر ممکنہ منفی اثرات کو کم کرنے کی کوشش کرتا ہے۔

اہم تبدیلیاں اور معاہدات

اس بیلنس شیٹ سے متعلق مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان، کمپنی کی مالی حیثیت پر اثر انداز ہونے والی کوئی اہم منفی تبدیلیاں اور معاہدات رونما نہیں ہوئے۔

ISO 9001:2015 سرٹیفیکیشن

کمپنی کو الٹی کے اعلیٰ معیارات پر کام سرانجام دیتی ہے اور کمپنی نے 19 جون 2027 تک کارآمد سرٹیفیکیشن کے حالیہ ورژن حاصل کر رکھے ہیں۔ کو الٹی کنٹرول سرٹیفیکیشن سسٹم پر انے کسٹمرز کے اعتماد کو فروغ دینے میں مدد کرتی ہے۔

کاروباری سماجی ذمہ داری

کمپنی اپنے کاروبار میں کاروباری سماجی ذمہ داری کے انضمام پر پختہ یقین رکھتی ہے، اور وہ کمیونیز جو ہمارے کاروبار سے براہ راست یا بالواسطہ طور پر متاثر کر رہی ہیں ان کی ترقی کے لئے مسلسل کوشاں ہیں۔ ہماری سی ایس آر پالیسی کے مطابق، انتظامیہ نے فیکٹری ورکرز اور مزدکی کمیونٹی کے بچوں کی ابتدائی سطح کی تعلیم کے لئے فیکٹری سائٹ میں سکول کو ترقی دینے میں مدد کی ہے۔

ماحول، صحت اور تحفظ

کمپنی اپنے ملازمین اور عوام کی صحت کو درپیش خطرات سے بچانے کے لئے محفوظ کام کے حالات کو برقرار رکھتی ہے۔ انتظامیہ نے سال بھر اپنے تمام انتظامات میں محفوظ ماحول کو برقرار رکھا ہے اور مسلسل ان کی حفاظت اور زندگی کی سہولیات کو بہتر بنا رہی ہے۔

مشینری اور ساتھ میں پلانٹ پر کام کرنے والے ملازمین کا تحفظ ایک تشویش کی بات ہے۔ آگ بجھانے والے آلات اور آگ سے بچاؤ کے دیگر آلات کمپنی کی سائٹس کے ساتھ ساتھ اس کے رجسٹرڈ اور مرکزی دفتر میں نصب کئے گئے ہیں۔ آگ سے بچاؤ کے آلات کی کارکردگی کو یقینی بنانے کے لئے باقاعدہ مشقیں کی جاتی ہیں۔

پائیداری خطرات

بورڈ آف ڈائریکٹرز ماحولیاتی، سماجی اور گورننس (ای ایس جی) عوامل جو کاروبار کی طویل مدتی کامیابی کو متاثر کر سکتے ہیں پر غور کرتے ہوئے کمپنی کے آپریشنز کی پائیداری کو یقینی بنانے کے لئے پُر عزم ہے۔ اس عزم کے ایک حصہ کے طور پر، آپ کی انتظامیہ پائیداری سے متعلق خطرات کی درست تشخیص کرتی ہے کہ، ان خطرات کو کس طرح منظم یا کم کیا جاسکتا ہے اور کمپنی کے اندر تنوع، مساوات اور شمولیت (DE&I) کو فروغ دینے کے لئے اقدامات اٹھائے جاتے ہیں۔

کمپنی نے پائیداری سے متعلق خطرات سے نمٹنے کے لئے ایک مضبوط رسک مینجمنٹ فریم ورک نافذ کیا ہے۔ یہ فریم ورک کمپنی کے خطرات کی تشخیص اور فیصلہ سازی کے عمل میں ای ایس جی کے خیالات کو ضم کرتا اور اس بات کو یقینی بناتا ہے کہ پائیداری کے مسائل کو فعال طور پر منظم اور کم کیا جائے۔ کمپنی ایک متنوع، منصفانہ اور جامع کام کی جگہ کو فروغ دینے کے لئے پُر عزم ہے جہاں تمام ملازمین قدر و احترام محسوس کرتے ہیں۔ ہمارا یقین ہے کہ جدت طرازی کو وسعت دینے، فیصلہ سازی کو بہتر بنانے، اور کمپنی کی مجموعی کارکردگی کو بڑھانے کے لئے DEI کو فروغ دینا ضروری ہے۔

تنوع، مساوات اور شمولیت (ڈی ای آئی)

ہم سمجھتے ہیں کہ تنوع، مساوات اور شمولیت (DEI) کا فروغ کمپنی کی اہم ترجیحات میں شامل ہے اور یہ جدت کو فروغ دینے، فیصلہ سازی کے عمل کو بہتر بنانے اور کمپنی کی مجموعی کارکردگی میں بہتری کے لیے بنیادی اہمیت رکھتا ہے۔ کمپنی بورڈ آف ڈائریکٹرز اور انتظامیہ میں متنوع اور جامع نمائندگی کو فروغ دیتی ہے، تمام ملازمین کو ان کی ثقافت، نسل، جنس، ذات اور مذہب سے قطع نظر مساوی مواقع فراہم کرتی ہے، اور ایسا کام کا ماحول فروغ دیتی ہے جو کسی بھی نوعیت کے امتیازی سلوک، ہراسانی اور ہتھی آ میز رویوں سے پاک ہو۔

اندرونی مالیاتی کنٹرول

بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کے تمام سطحوں پر مضبوط اندرونی کنٹرول کا ایک نظام قائم اور نافذ کیا گیا ہے۔ اندرونی کنٹرول کا نظام کمپنی کے مقاصد اور آپریشنل مؤثرگی اور کارکردگی کے حصول، قابل اعتماد مالیاتی رپورٹنگ اور قوانین، قواعد و ضوابط اور پالیسیوں کی تعمیل کو یقینی بنانے کے لئے ڈیزائن میں مستحکم ہے۔

متعلقہ پارٹیاں

تمام متعلقہ پارٹیوں کے ساتھ لین دین بورڈ سے منظور شدہ منتقلی قیمتوں کے طریقوں کے مطابق تھے۔ تمام متعلقہ پارٹی ٹرانزیکشنز کو اندرونی آڈٹ کے ذریعے باضابطہ طور پر منظور کیا گیا جس کے بعد آڈٹ کمیٹی کی منظوری دی گئی اور ان کے غور و خوض اور منظوری کے لیے بورڈ کے سامنے رکھا گیا۔ تاہم، بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں فیصلہ کیا کہ بورڈ کی طرف سے منظور شدہ متعلقہ پارٹی ٹرانزیکشنز کو بھی ممبران کی منظوری کے لیے کمپنی کے اجلاس عام میں ان کے سامنے رکھا جائے گا۔

مزید برآں، بورڈ آف ڈائریکٹرز نے یہ بھی فیصلہ کیا کہ 30 جون 2027ء کو ختم ہونے والے مالی سال کے دوران کیے جانے والے لین دین کے لیے کمپنی کے اجلاس عام میں ممبران کی منظوری حاصل کی جائے گی اور اسے اگلے اجلاس عام میں ان کی رسمی توثیق/منظوری کے لیے شیئر ہولڈرز کے سامنے رکھا جائے گا۔

نمونہ حصہ داری

30 جون 2026ء کے مطابق عام شیئرز کے لئے نمونہ حصہ داری منسلک کیا گیا ہے۔

صنعتی پے گیپ

30 جون 2026ء کو ختم ہونے والے سال کے لیے صنعتی پے گیپ کا انکشاف منسلک کیا گیا ہے۔

آڈیٹرز کی تقرری

ریٹائر ہونے والے موجودہ ایکسٹرنل آڈیٹرز میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس، لاہور نے اہل ہونے کی بناء پر مالی سال 2026-27 کے لئے بحیثیت آڈیٹرز دوبارہ تقرری کے لئے اپنے آپ کو پیش کیا ہے۔ آڈٹ کمیٹی کی تجویز کے مطابق، بورڈ آف ڈائریکٹرز نے 30 جون 2027ء کو ختم ہونے والے سال کے لیے بطور آڈیٹرز تقرری کی منظوری دی ہے۔

مالیاتی حسابات کا آڈٹ

کمپنی کے مالی حسابات، کمپنی کے قانونی ایکسٹرنل آڈیٹرز میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی طرف سے کسی کوالیفیکیشن کے بغیر نظر ثانی شدہ ہیں۔

کاروباری نظام اور مالیاتی رپورٹنگ کا طریقہ کار

مزید ڈائریکٹرز بخوشی بیان کرتے ہیں کہ:

- a- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات میں کمپنی کے امور، نقدی بہاؤ اور سرمائے میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- b- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- c- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تجزیہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

- d- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔
- e- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- f- کمپنی کے رواں دواں ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- g- گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- h- مالی سال 2025-2026 کے دوران ایک (1) ایک کارپوریٹ بریفنگ سیشن (CBS) منعقد کیا گیا۔
- i- ٹیکس، ڈیویڈنڈ، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے جو 30 جون 2026ء کو بقایا ہوں، سوائے ان کے جو مالی حسابات میں ظاہر کر دیئے گئے ہیں۔
- بورڈ کی ترتیب

30 جون 2026ء کو بورڈ آف ڈائریکٹرز مشتمل ہے:

ڈائریکٹرز کی کل تعداد:

(a) مرد 9 (نو)

(b) خاتون (ایک) 1

ترتیب:

i- آزاد ڈائریکٹرز (تین) 3

ii- دیگر ننان ایگزیکٹو ڈائریکٹرز (چھ) 6

iii- ایگزیکٹو ڈائریکٹرز (ایک) 1

ڈائریکٹرز کے نام

جناب شہزادہ الہی شیخ

محترمہ پروین اختر ملک

جناب فیصل کامران

جناب محمد نعیم خان

جناب جاوید شیر شیخ

جناب شوکت الہی شیخ

جناب شفیقت الہی شیخ

جناب امین الہی شیخ

جناب ہارون شہزادہ الہی شیخ

جناب رضا الہی شیخ ڈائریکٹر / چیف ایگزیکٹو آفیسر

مسٹر عرفہ وحید ملک 8 اکتوبر 2025ء کو ڈائریکٹر کے عہدے سے سبکدوش ہو گئے، اور ان کی جگہ مسٹر محمد نعیم خان کو 24 نومبر 2025ء کو ڈائریکٹر مقرر کیا گیا۔ بعد ازاں، ڈائریکٹرز کا انتخاب جنوری 2026ء میں منعقد ہوا، جس میں مسٹر فیصل کامران کو مسٹر انیق خادر کی جگہ ڈائریکٹر منتخب کیا گیا۔

بورڈ کی کمیٹیاں

بورڈ آف ڈائریکٹرز نے مندرجہ ذیل کمیٹیاں تشکیل دی ہیں:

• آڈٹ کمیٹی

محترمہ پروین اختر ملک

جناب امین الہی شیخ

جناب ہارون شہزادہ الہی شیخ

رکن

رکن

• ہیومن ریسورس اینڈ ریمیزیشن (HR&R) کمیٹی

محترمہ پروین اختر ملک	چیئر پرسن
جناب رضا الہی شیخ	رکن
جناب امین الہی شیخ	رکن
10 ایگزیکٹو کمیٹی	

جناب رضا الہی شیخ	چیئر مین
جناب شہزادہ الہی شیخ	رکن
جناب امین الہی شیخ	رکن
جناب ہارون شہزادہ الہی شیخ	رکن

ڈائریکٹرز کے معاوضہ کی نمایاں خصوصیات

بورڈ آف ڈائریکٹرز نے کمپنی کے امور میں ان کی ذمہ داری پر منحصر ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کے لئے رسی پالیسی کی منظوری دی ہے۔ معاوضہ کامیابی سے کمپنی کو منظم طریقہ سے چلانے کے لئے ان کی ذمہ داری اور ضروری مہارت اور ان سے ویلویو ایڈیشن حوصلہ افزائی کی سطح کے مطابق ہے۔

چیئر مین آف بورڈ کو بورڈ کی طرف سے منظور شدہ ریمیزیشن ادا کیا جاتا ہے۔ آزاد ڈائریکٹر سمیت نان ایگزیکٹو ڈائریکٹرز فقط بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے اہل ہیں۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کا مشاہرہ ہیومن ریسورس اینڈ ریمیزیشن کمیٹی کی سفارشات پر، بورڈ کی طرف سے منظور کیا گیا ہے۔ 2025-26 میں ڈائریکٹرز اور سی ای او کے معاوضے کی معلومات کے لئے، براہ مہربانی مالی گوشواروں کے نوٹ ملاحظہ فرمائیں۔

اظہار تشکر

کمپنی کے عملے اور کارکنوں کی مسلسل محنت اور جذبہ اور تمام سطحوں پر اچھے تعلقات کا اعتراف کرتے ہیں۔ ڈائریکٹرز کمپنی کی مسلسل حمایت پر بینکرز اور دیگر حصہ داروں کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ



رضا الہی شیخ

چیف ایگزیکٹو آفیسر (سی ای او)

لاہور: 29 ستمبر 2026ء



ہارون شہزادہ الہی شیخ

ڈائریکٹر

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Prosperity Weaving Mills Limited
Year ended: June 30, 2026

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

1. The total number of directors are ten as per the following:

- a) Male: Nine
- b) Female: One

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

Category	Names
i. Independent Directors	Ms. Parveen Akhter Malik Mr. Muhammad Naeem Khan Mr. Faisal Kamiran
ii. Non-Executive Directors	Mr. Shahzada Ellahi Shaikh Mr. Javaid Bashir Sheikh Mr. Shaukat Ellahi Shaikh Mr. Shafqat Ellahi Shaikh Mr. Amin Ellahi Shaikh Mr. Haroon Shahzada Ellahi Shaikh
iii. Executive Director	Mr. Raza Ellahi Shaikh
iv. Female Director	Ms. Parveen Akhter Malik

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations").
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board remained compliant with the provision with regards to their Directors' Training Program (DTP). Out of total ten directors, nine directors have obtained certification under DTP.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

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

a. Audit Committee

Ms. Parveen Akhter Malik, Chairperson

Mr. Amin Ellahi Shaikh, Member

Mr. Haroon Shahzada Ellahi Shaikh, Member

b. Human Resource and Remuneration (HR & R) Committee

Ms. Parveen Akhter Malik, Chairperson

Mr. Raza Ellahi Shaikh, Member

Mr. Amin Ellahi Shaikh, Member

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

14. The frequency of meetings of the aforesaid committees were as per following:

- a) Audit Committee: Four quarterly meetings were held during the financial year ended June 30, 2026.
- b) HR and Remuneration Committee: One meeting was held during the financial year ended June 30, 2026.

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

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

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, 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 the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

The Company has three independent directors out of ten directors. Fractional requirement for Independent directors have not been rounded up as all independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a fourth independent director.

Explanation as required under the Regulations is mentioned below:

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

S #	Requirement	Explanation	Regulation No.
1.	Directors Training Program for Female Executive and Head of Departments It is encouraged to obtain DTP certification for female executive and one head of department every year starting from July 2020 and July 2022 respectively.	Female executive and head of department has not obtained the DTP certification yet. DTP will be arranged in due course during the year.	19 (3)
2.	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being taken care of by HR & R committee, so a separate committee is not considered to be necessary.	29
3.	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted a risk management committee and senior officers of the Company performs the requisite functions and apprise the Board accordingly.	30
4.	Sustainability Committee It is encouraged that the board establish a sustainability committee with at least one female director or assign such responsibilities to an existing committee, with annual reporting on sustainability integration, DE&I practices, and compliance with applicable laws.	Currently such responsibility is dealt at Board level, however, the Board will consider it in upcoming meetings to establish a separate committee.	10A.5(3)



Raza Ellahi Shaikh
Chief Executive Officer (CEO)



Shahzada Ellahi Shaikh
Chairman

Lahore: September 29, 2026

SHAREHOLDERS' INFORMATION

Annual General Meeting (AGM)

The 35th Annual General Meeting (AGM) of members of Prosperity Weaving Mills Limited will be held on **Wednesday, October 28, 2026** at 11:00 a.m at the Registered Office of the Company situated at Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore-54660 and virtually through video conference facility.

Eligible shareholders are encouraged to participate and vote.

Participation in AGM through video link facility

The Shareholders can also participate in the General Meeting through video link facility

To attend the Annual General meeting through video link, members and their proxies are requested to register their following particulars by sending an e-mail at azam@nagina.com.

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

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on October 27, 2026.

Eligible shareholders are encouraged to participate and vote.

Ownership

On June 30, 2026, the Company has 539 Shareholders.

Web Reference

The Company maintains a functional website. Annual, half-yearly and quarterly reports are regularly posted at the Company's website: <http://www.nagina.com>

Dividend

The Board of Directors in its meeting held on September 29, 2026 has recommended, payment of the final cash dividend at the rate of Rs. 2.50/- per share i.e. 25% for the year ended June 30, 2026.

Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 22, 2026 to October 28, 2026 (both days inclusive). Transfers received in order by our Shares Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore by the close of business on October 21, 2026 will be considered in time to entitle the transferees for payment of dividend and to attend the AGM.

PAYMENT OF CASH DIVIDEND ELECTRONICALLY (E DIVIDEND MECHANISM)

As per the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants. Therefore, shareholders are requested to provide the following particulars directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS):

Detail of Bank Mandate	
Name of Shareholder	
Folio No. / CDC Account No.	
Cell Number of Shareholder	
Landline Number of Shareholder	
E-mail address	
Title of Bank Account of shareholder	
International Bank Account Number (IBAN) "Mandatory"	PK _____ (24 digits) (kindly provide you accurate IBAN after consulting with your respective bank branch, in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's Name	
Branch Name and Address	
Branch Code	
CNIC No. (copy attached)	
NTN (in case of Corporate Entity)	

It is stated that the above-mentioned information is correct, that I will intimate the changes in the above-mentioned information to the Company and the concerned Share Registrar as soon as these occur.

Signature of the Shareholder

In case of non-receipt of the above information, the dividend shall be withheld.

Restriction on Distribution of Gifts to Member

The Securities and Exchange Commission of Pakistan (the "SECP"), through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway packages) in any form or manner, to shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties and in accordance with the directive issued by the SECP, vide its S.R.O. 452(I)/2025 dated 17 March 2025 the Company would like to inform all the shareholders that no gifts will be distributed at the AGM.

Requirement of CNIC Number / National Tax Number (NTN) Certificate.

Individual Members who have not yet submitted a copy of their valid Computerized Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of Share Registrar of the Company, M/s. Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore. Corporate Members are requested to provide their National Tax Number (NTN) and folio number thereon while sending the copies to the Share Registrar of the Company. In case of non-receipt of the copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, 2017 and SROs issued there under.

Deposit of Physical Shares into CDC Accounts

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e. May 30, 2017.

The shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Ltd.

Deduction of Withholding Tax on Dividend

1. The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be as follows:
 - i) Rate of Withholding Income Tax deduction for the persons whose names are appearing on ATL. 15%
 - ii) Rate of Withholding Income Tax deduction for the persons whose names are not appearing on ATL. 30%

To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not appearing on Active Taxpayers' List (ATL) available on the website of FBR are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.
2. Withholding tax will be determined separately on 'persons names appearing on ATL/persons names not appearing on ATL' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts. In this regard, all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint-holder(s).
3. As per FBR Circulars C.No.1(29)WHT/2006 dated 30 June 2010 and C.No. 1(43)DG(WHT)/2008-Vol.II-66417-R dated May 12, 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under Clause 47B of Part-IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar before book closure otherwise tax will be deducted on dividend as per applicable rates.

Zakat Declaration (Form CZ-50)

The Shareholders claiming exemption from deduction of Zakat are advised to submit their Zakat Declaration Form CZ-50 under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund Rules), 1981 to our Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore. The Shareholders while sending the Zakat Declarations must quote the company name and their respective Folio Nos and /or CDC A/c Nos.

Delivery of the Unclaimed / Undelivered Shares & Dividend

Shareholders, whose dividends still remain unclaimed and / or undelivered share certificates, are hereby once again requested to approach the Company's Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore to claim their outstanding dividend amounts and/ or undelivered share certificates.

Consent For Video Conference Facility

Pursuant to Section 134(1)(b) of the Act, shareholders residing in a city holding aggregate 10% or more shareholding may demand to participate in the meeting through video conference. The request for video-link facility shall be received by the Share Registrar at their address at least seven days prior to the date of the meeting on the Standard Form available on the website of the Company

Investor Relations Contact

For any query / problem / information, the investors may contact Mr. Syed Mohsin Gilani, Corporate Secretary, email address: mohsin.gilani@nagina.com, Ph # (+92-42) 35756270.

**PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2026
CUIN (INCORPORATION NUMBER) 0025740**

No. of Shareholders	Shareholding From To		Total Shares Held
201	1	100	3,602
126	101	500	38,805
53	501	1,000	47,508
90	1,001	5,000	224,283
26	5,001	10,000	186,295
6	10,001	15,000	77,328
7	15,001	20,000	125,582
4	20,001	25,000	93,670
2	25,001	30,000	56,722
2	35,001	40,000	72,500
2	45,001	50,000	96,500
3	50,001	55,000	153,626
1	55,001	60,000	58,043
1	75,001	80,000	80,000
2	80,001	85,000	165,241
1	95,001	100,000	96,768
1	110,001	115,000	110,500
1	135,001	140,000	140,000
1	555,001	560,000	559,439
1	695,001	700,000	700,000
1	700,001	705,000	700,500
2	1,395,001	1,400,000	2,800,000
1	1,675,001	1,680,000	1,678,242
2	2,120,001	2,125,000	4,240,315
1	2,135,001	2,140,000	2,138,646
1	3,745,001	3,750,000	3,747,415
			88,470
539	Total:-		18,480,000

**CATAGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2026**

Sr #	Categories of Shareholders	Shares Held	Percentage
1)	Directors, Chief Executive Officer, and their Spouse and Minor Children		
i)	MR. SHAHZADA ELLAHI SHAIKH	2,120,219	11.47
ii)	MR. SHAUKAT ELLAHI SHAIKH	2,138,646	11.57
iii)	MR. SHAFQAT ELLAHI SHAIKH	2,120,096	11.47
iv)	MR. RAZA ELLAHI SHAIKH	1,400,000	7.58
v)	MR. AMIN ELLAHI SHAIKH	1,400,000	7.58
vi)	MR. HAROON SHAHZADA ELLAHI SHAIKH	700,500	3.79
vii)	MS. PARVEEN AKHTAR MALIK	500	0.00
viii)	MR. MUHAMMAD NAEEM KHAN	500	0.00
ix)	MR. FAISAL KAMIRAN	500	0.00
x)	MR. JAVAID BASHIR SHEIKH	500	0.00
xi)	MRS. MEHREEN SAADAT	19,300	0.10
xii)	MRS. HUMERA SHAHZADA ELLAHI SHEIKH	2,934	0.02
xiii)	MRS. MONA SHAUKAT SHAIKH	2,934	0.02
xiv)	MRS. SHAISTA SHAFQAT	2,934	0.02
		9,909,563	53.62
2)	Associated Companies, Undertakings and Related Parties		
i)	ELLAHI INTERNATIONAL (PVT) LIMITED	3,747,415	20.28
ii)	ARH (PVT) LIMITED	1,678,242	9.08
iii)	HAROON OMER (PVT) LIMITED	50,857	0.28
iv)	MONELL (PVT) LIMITED	51,907	0.28
v)	ICARO (PVT) LIMITED	50,862	0.28
		5,579,283	30.19
3)	NIT and ICP	Nil	Nil
4)	Banks, Development Finance Institutions, Non Banking Finance Institutions		
i)	ESCORTS INVESTMENT BANK LIMITED	1	0.00
ii)	NATIONAL BANK OF PAKISTAN INVESTAR A/C (FORMER NDFC)	3,800	0.02
		3,801	0.02
5)	Insurance Companies	Nil	Nil
6)	Modarabas and Mutual Funds		
i)	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	84,591	0.46
		84,591	0.46
7)	Shareholders Holding 10% or more		
i)	ELLAHI INTERNATIONAL (PVT) LIMITED	3,747,415	20.28
ii)	MR. SHAUKAT ELLAHI SHAIKH	2,138,646	11.57
iii)	MR. SHAHZADA ELLAHI SHAIKH	2,120,219	11.47
iv)	MR. SHAFQAT ELLAHI SHAIKH	2,120,096	11.47
8)	General Public		
a.	Local	2,857,141	15.46
b.	Foreign	-	-
9)	Others (Joint Stock Companies)	45,621	0.25

Note:-

M/s. Nagina Cotton Mills Ltd., had distributed 8,415,000 ordinary shares of M/s. Prosperity Weaving Mills Ltd., among its members, out of which 88,470 ordinary shares have yet to be transferred by the members of M/s. Nagina Cotton Mills Ltd., These shares have been shown under the head of "General Public".


PROSPERITY WEAVING MILLS LTD.

ISO 9001 Gots, OCS, GRS, RCS, OEKO-TEX, STeP, Indetex, regenagri, CMIA Certified Company.



INDITEX


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 NAGINA HOUSE, 91-B-1, M.M ALAM ROAD, GULBERG-III, LAHORE - 54660, PAKISTAN.
 TEL: +92 - 42 357 56270 - 77, +92 - 42 357 54811-16 E-mail: fabric@nagina.com, info@nagina.com

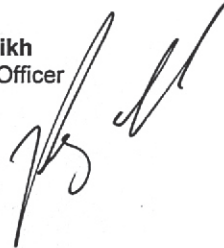
PROSPERITY WEAVING MILL LIMITED

GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 OF 2024

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

i)	Mean Gender Pay Gap	36.83%
ii)	Median Gender Pay Gap	3.30%
iii)	We are committed to fostering an inclusive workplace that ensures fair and equitable representation at all levels, regardless of gender. The mean and median gender pay gaps are 36.83% and 3.30%, respectively. These pay differences are influenced by factors such as individual performance, experience, education, and skill set.	

 Raza Ellahi Shaikh
Chief Executive Officer



KEY FINANCIAL INFORMATION

YEAR ENDED 30TH JUNE					
2026	2025	2024	2023	2022	2021

Sales	Rs.'000	17,543,549	18,191,084	18,745,628	14,654,708	12,860,619	8,150,567
Gross profit	Rs.'000	1,310,793	1,186,197	1,182,106	1,092,517	1,095,646	1,169,127
Operating profit	Rs.'000	749,721	617,847	593,808	551,703	741,949	903,575
Profit / (loss) before tax	Rs.'000	589,854	390,853	227,390	344,564	624,550	814,539
Profit / (loss) after tax	Rs.'000	261,666	91,123	86,655	153,129	349,904	641,577
Share capital - paid up	Rs.'000	184,800	184,800	184,800	184,800	184,800	184,800
Shareholders' equity	Rs.'000	2,678,671	2,414,339	2,329,128	2,033,536	2,015,919	1,746,678
Total assets	Rs.'000	8,035,072	7,101,404	7,191,934	7,161,565	6,227,148	4,541,729
Earning per share - pre tax	Rs.	31.92	21.15	12.30	18.65	33.80	44.08
Earnings per share - after tax	Rs.	14.16	4.93	4.69	8.29	18.93	34.72
Dividend per share	Rs.	2.50	2.50	2.50	3.00	5.00	10.00
Market value per share as on 30 June	Rs.	67.71	48.00	28.35	30.00	47.75	58.50
Gross profit to sales	%	7.47	6.52	6.31	7.46	8.52	14.34
Operating profit to sales	%	4.27	3.40	3.17	3.76	5.77	11.09
Profit / (loss) before tax to sales	%	3.36	2.15	1.21	2.35	4.86	9.99
Profit / (loss) after tax to sales	%	1.49	0.50	0.46	1.04	2.72	7.87
Current ratio		1.36:1	1.36:1	1.38:1	1.43:1	1.62:1	2.34:1
Total debt ratio	%	66.66	66.00	67.61	71.60	67.63	61.54
Debt equity ratio	%	43.83	43.75	47.92	54.69	49.13	53.38



Yousuf Adil
Chartered Accountants

134-A, Abu Bakar Block
New Garden Town
Lahore
Pakistan

Tel: +92 (0) 42 3591 3595-7
www.yousufadil.com

INDEPENDENT AUDITOR'S REVIEW REPORT

To The members of Prosperity Weaving Mills Limited

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

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

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

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

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

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


Chartered Accountants

Place: Lahore

Date: September 30, 2026

UDIN: CR202610180kA2fhUJ1i



Yousuf Adil
Chartered Accountants

134-A, Abu Bakar Block
New Garden Town
Lahore
Pakistan

Tel: +92 (0) 42 3591 3595-7
www.yousufadil.com



INDEPENDENT AUDITOR'S REPORT

To the members of Prosperity Weaving Mills Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
Revenue Recognition The Company's sales comprise of revenue from the local and export sale of fabric which has been disclosed in note 25 to the financial statements. Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, revenue recognition criteria has been explained in note 3.14 to the finance statements.	Our audit procedures to evaluate revenue recognition, amongst others, included the following: - Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; - Checked on a sample basis whether the recorded local and export sales transactions


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We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of control to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.	are in accordance with the criteria given in IFRS-15 (i.e. delivery of goods and after issue of gate passes for local sales and on shipment of goods for export sales); and Inspected contracts on sample basis to obtain understanding of contracts term particularly relating to timing of transfer of control of goods and assessing the Company's accounting policies for the recognition of revenue with reference to the requirement of prevailing accounting standards.
Valuation of stock in trade Stock in trade has been valued following an accounting policy as stated in note 3.5 to the financial statements and the value of stock in trade is disclosed in note 18 to the financial statements. Stock in trade form material part of the Company's assets comprising around 24% of total assets. The valuation of stock in trade is carried at lower of cost and net realizable value (NRV). Cost as different components, which includes judgement in relation to allocation of overhead costs, which are incurred in bringing the finished goods to its present location and condition. Judgement are also involved in determining the NRV of stock in trade in line with the accounting policy. Due to the above factors, we have considered the valuation of stock in trade as a key audit matter.	In this respect, we performed the following audit procedures: - On a sample basis, verified supporting documents for purchases of raw materials and the production costs to ensure the accuracy and occurrence of Cost of Goods sold; - Verified calculations of actual production costs and checked allocation of these costs to work in process and finished goods to ensure the completeness of all manufacturing cost incurred during the period; - Obtained an understanding and assessed reasonableness of the management's process for determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales, to assess whether inventories were measured at the lower of cost and NRV; - Compared the NRV, on a sample basis, to the carrying value of stock in trade to assess whether any adjustments were required to carrying value of inventories in accordance with the Company's policies that are in compliance with IAS-2; and - For valuation of goods in transit, verified the supporting documents on sample basis.

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

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

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



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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this draft independent auditor's report is Muhammad Sufyan.



Chartered Accountants

Place: Lahore

Date: September 30, 2026

UDIN: AR202610180IurUYZJyS

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 40,000,000 (2025: 40,000,000) ordinary shares of Rs. 10 each	4	400,000,000	400,000,000
Issued, subscribed and paid up capital	4.1	184,800,000	184,800,000
Reserves	5	2,285,982,166	2,021,650,593
Revaluation surplus on land	14.1.3	207,888,634	207,888,634
TOTAL EQUITY		2,678,670,800	2,414,339,227
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances	6	1,701,119,482	1,453,560,268
Employee retirement benefits	7	335,735,366	285,566,178
Deferred taxation	8	126,765,814	33,353,761
		2,163,620,662	1,772,480,207
CURRENT LIABILITIES			
Trade and other payables	9	1,408,159,539	1,024,101,094
Accrued interest / markup	10	49,866,991	43,364,251
Short term borrowings	11	1,037,645,024	1,100,553,395
Current portion of long term finances	6	388,873,216	424,124,916
Provision for taxation and levies		300,736,067	315,122,536
Unclaimed dividend		7,499,535	7,318,034
		3,192,780,372	2,914,584,226
TOTAL LIABILITIES		5,356,401,034	4,687,064,433
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		8,035,071,834	7,101,403,660

The annexed notes from 1 to 45 form an integral part of these financial statements

Lahore: September 29, 2026


Raza Ellahi Shaikh
Chief Executive Officer


Muhammad Tariq Sheikh
Chief Financial Officer

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026**

	Note	2026 Rupees	2025 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	14	3,683,452,772	3,093,794,061
Long term deposits and advances	16	15,039,000	45,588,923
		3,698,491,772	3,139,382,984
CURRENT ASSETS			
Stores, spare parts and loose tools	17	153,462,011	179,945,830
Stock-in-trade	18	1,965,990,590	1,775,626,080
Trade receivables	19	807,624,106	1,073,036,270
Advances and deposits	20	22,779,778	46,432,447
Short term prepayments and other receivables	21	3,597,574	5,188,199
Taxes refundable	22	446,046,469	255,318,075
Other financial assets	23	354,738,126	105,960,114
Prepaid levies		108,924,547	52,277,034
Advance income tax		205,693,482	243,600,440
Cash and bank balances	24	267,723,378	224,636,187
		4,336,580,062	3,962,020,676
TOTAL ASSETS		8,035,071,834	7,101,403,660

The annexed notes from 1 to 45 form an integral part of these financial statements


Haroon Shahzada Ellahi Shaikh
 Director

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

	Note	2026 Rupees	2025 Rupees
Revenue from contracts with customers	25	17,543,549,274	18,191,084,239
Cost of sales	26	(16,232,756,746)	(17,004,886,835)
Gross profit		1,310,792,528	1,186,197,404
Distribution cost	27	(297,007,064)	(345,469,953)
Administrative expenses	28	(219,716,220)	(193,319,927)
Other operating expenses	29	(44,348,338)	(29,560,040)
		(561,071,622)	(568,349,920)
Operating profit		749,720,906	617,847,484
Other income	30	23,439,850	29,193,779
Finance cost	31	(183,306,828)	(256,188,156)
Profit before income tax, minimum tax differential and final tax		589,853,928	390,853,107
Minimum tax differential	32.2	(108,924,547)	(52,277,034)
Profit before income tax		480,929,381	338,576,073
Provision for taxation	32	(219,262,997)	(247,453,533)
Profit after taxation		261,666,384	91,122,541
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss:			
Remeasurement of post retirement benefits obligation	7.6	4,125,090	9,917,648
Related tax impact including due to change in rate		(4,037,913)	(1,397,624)
Fair value gain / (loss) on investment in equity instrument designated at FVTOCI	23.4	48,778,012	31,768,696
Other comprehensive income		48,865,189	40,288,720
Total comprehensive income for the year		310,531,573	131,411,261
Earnings per share - basic and diluted	33	14.16	4.93

The annexed notes from 1 to 45 form an integral part of these financial statements



Raza Ellahi Shaikh
Chief Executive Officer



Muhammad Tariq Sheikh
Chief Financial Officer



Haroon Shahzada Ellahi Shaikh
Director

Lahore: September 29, 2026

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

	Note	2026 Rupees	2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	1,566,386,177	1,173,135,649
Employee benefits paid	7.2	(34,155,016)	(48,391,842)
Finance cost paid		(176,804,088)	(286,513,793)
Levies paid		(61,088,751)	(56,723,040)
Income taxes paid		(268,307,996)	(259,444,024)
Worker's welfare fund paid		(8,686,077)	(4,536,741)
Worker's profit participation fund	9.2	(21,023,386)	(12,247,774)
		(570,065,314)	(667,857,214)
Net cash generated from operating activities		996,320,863	505,278,434
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(901,582,421)	(253,957,010)
Proceeds from disposal of property, plant and equipment		31,879,000	12,572,360
Purchase of other financial assets		(756,000,000)	(1,240,889,507)
Proceeds from sale of other financial assets		557,256,193	1,251,259,540
Dividend received	30	11,827,900	10,284,326
Interest income		58,361	55,065
Net cash (used in)/ generated from investing activities		(1,056,560,967)	(220,675,226)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances obtained		636,432,429	208,799,059
Repayment of long term finances		(424,124,915)	(474,293,344)
Short term borrowings excluding running finance		(688,852,385)	437,188,077
Dividend paid		(46,018,500)	(45,984,759)
Net cash generated from financing activities		(522,563,371)	125,709,033
Net decrease in cash and cash equivalents		(582,803,475)	410,312,242
Cash and cash equivalents at beginning of the year		41,564,686	(369,788,916)
Effect of unrealized gain / (loss) on cash and cash equivalents		(53,350)	1,041,360
Cash and cash equivalents at end of the year		(541,292,139)	41,564,686
CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	267,723,378	224,636,187
Running finance	11	(809,015,517)	(183,071,501)
		(541,292,139)	41,564,686

The annexed notes from 1 to 45 form an integral part of these financial statements



Raza Ellahi Shaikh
Chief Executive Officer



Muhammad Tariq Sheikh
Chief Financial Officer



Haroon Shahzada Ellahi Shaikh
Director

Lahore: September 29, 2026

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

	Issued, subscribed and paid up capital	Capital reserve			Revenue reserve	Total
		Amalgamation reserve	Revaluation surplus on land	Fair value reserve	Unappropriated profit	
----- Rupees -----						
Balance at June 30, 2024	184,800,000	16,600,000	207,888,634	941,150	1,918,898,182	2,329,127,966
Comprehensive income						
Profit after taxation	-	-	-	-	91,122,541	91,122,541
Other comprehensive income	-	-	-	31,768,696	8,520,024	40,288,720
Total comprehensive income for the year	-	-	-	31,768,696	99,642,565	131,411,261
Transactions with owners						
Final dividend @ 25% i.e. Rs. 2.5 per share for the year ended June 30, 2024	-	-	-	-	(46,200,000)	(46,200,000)
Balance at June 30, 2025	184,800,000	16,600,000	207,888,634	32,709,846	1,972,340,747	2,414,339,227
Comprehensive income						
Profit after taxation	-	-	-	-	261,666,384	261,666,384
Other comprehensive income	-	-	-	48,778,012	87,177	48,865,189
Total comprehensive income for the year	-	-	-	48,778,012	261,753,561	310,531,573
Transactions with owners						
Final dividend @ 25% i.e. Rs. 2.5 per share for the year ended June 30, 2025	-	-	-	-	(46,200,000)	(46,200,000)
Balance at June 30, 2026	184,800,000	16,600,000	207,888,634	81,487,858	2,187,894,308	2,678,670,800

The annexed notes from 1 to 45 form an integral part of these financial statements



Raza Ellahi Shaikh
Chief Executive Officer



Muhammad Tariq Sheikh
Chief Financial Officer



Haroon Shahzada Ellahi Shaikh
Director

Lahore: September 29, 2026

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

1 LEGAL STATUS AND OPERATIONS

- 1.1** Prosperity Weaving Mills Limited (the "Company") was incorporated in Pakistan on November 20, 1991 as a public limited Company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017) and listed on Pakistan Stock Exchange Limited on October, 17 1995. The registered office of the Company is situated at Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore. The principal activity of the Company is manufacturing and sale of woven cloth. The manufacturing facility is located at 13.5 km Sharaqpur road, District Sheikhpura in the Province of Punjab.
- 1.2** These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

-Provisions of, directives and notifications issued under the Companies Act, 2017.

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

2.2 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

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 financial statements other than certain additional disclosures.

Amendments to IAS 21 'Lack of Exchangeability' - Accounting when there is a lack of exchangeability.

2.3 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standard 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 financial statements other than certain additional disclosures except those mentioned in note 2.3.1.

Effective from accounting period beginning on or after:

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	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 and IFRS 7 regarding power purchase arrangements	January 01, 2026
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

- 2.3.1** In April 2024, the IASB issued 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 statement of profit or loss into one of five categories: 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 financial statements (PFS) and the notes.

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

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

2.4 Significant estimates

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the 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.

Significant areas requiring the use of management estimates in these financial statements relate to the revaluation of certain items of property, plant and equipment, useful life of depreciable assets, employee retirement benefits, impairment of financial assets and taxation. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

3.1 Accounting convention

These financial statements have been prepared under historical cost convention modified

- a) Revaluation of land;
- b) Financial instruments at fair value; and
- c) Recognition of certain employee retirement benefits at present value.

3.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment in value. Intangible assets are amortized over a period of five years using straight line method. Amortization on additions during the year is charged from the month in which an asset is acquired or capitalized.

3.3 Stores, spare parts and loose tools

These are valued at the cost, determined on moving weighted average basis less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon.

3.4 Property, plant And equipment

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment in value, if any. Freehold land is stated at revalued amount. Capital work-in-progress and stores held for capital expenditure are stated at cost. Cost also includes borrowing cost; wherever applicable.

Assets' residual values, if significant and their useful lives are reviewed and adjusted, if appropriate at each financial statements date. When significant parts of an item of property, plant and equipment have different useful lives, they are recognized as separate items of property, plant and equipment.

Subsequent costs are recognized as part of asset, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred. Depreciation is charged to statement of profit or loss applying the reducing balance method over its estimated useful life at the rates specified in note 14.1 to the financial statements.

Depreciation on additions to property, plant and equipment is charged from the month in which property, plant and equipment is available for use while no depreciation is charged for the month in which property, plant and equipment is disposed off.

Surplus arising on revaluation of land is recognized in other comprehensive income and accumulated in reserves in shareholders' equity and is shown in equity. Revaluation is carried out with sufficient regularity to ensure that the carrying amounts of the land does not differ materially from the fair value.

Gain or loss on disposal of property, plant and equipment, if any, is recognized in the statement of profit or loss for the year.

All costs connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

3.5 Stock-in-trade

These are valued at the lower of cost and net realizable value. Cost is determined by applying the following

Raw material	Weighted average
Work-in-process	Average manufacturing cost
Finished goods	Average manufacturing cost
Waste	Net realizable value

Raw material in transit is stated at invoice value plus other charges paid thereon up to the financial statements date.

Average manufacturing cost in relation to work-in-process and finished goods consists of direct material, labour and a proportion of manufacturing overheads based on normal capacity.

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

3.6 Impairment of non financial assets

The Company assesses at each financial statements date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amount and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised recoverable amount but limited to the extent of carrying amount that would have been determined had no impairment loss been recognized in prior periods. Reversal of impairment loss is recognized as income.

3.7 Financial instruments

Financial assets and financial liabilities are recognised in the Company's 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 recognized immediately in profit or loss.

3.7.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized 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 recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

a) Debt instruments measured at amortized cost

Debt instruments that meet the following conditions are measured subsequently at amortized 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.

Amortized cost and effective interest method

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

As at reporting date, the Company carries cash and cash equivalents and trade receivables at amortized cost.

b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments whose objective is achieved by both collecting contractual cash flows and selling 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 are measured subsequently at FVTOCI.

As at reporting date, the Company does not hold any debt instrument classified as at FVTOCI.

c) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument - by - instrument basis) to designate investments in equity instruments as at FVTOCI.

As at reporting date, the Company carries investments in self managed securities at FVTOCI.

d) Financial assets measured subsequently at fair value through profit or loss

By default, all other financial assets are measured subsequently.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost or at FVTOCI, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables by using simplified approach. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The 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; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are

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

Write-off policy

The Company writes off financial assets when there is information indicating that the amount is not recoverable due to the conflict in invoices with customer. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognized in profit or loss.

Derecognition of financial assets

The Company derecognizes 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 recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

3.7.2 Financial liabilities

Subsequent measurement of financial liabilities

Financial liabilities that are not

- a) contingent consideration of an acquirer in a business combination,
- b) held for trading, or
- c) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized 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 amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.8 Off setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the financial statements, if the Company has a current legal enforceable right to set off the recognized amount and the Company also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.9 Trade receivables

Trade receivables and other receivables are initially recognized at fair value, which is usually the original invoiced amount and subsequently carried at amortized cost using the effective interest method less allowance for ECL.

3.10 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balances with banks, highly liquid other financial assets that are convertible to known amount of cash and are subject to insignificant risk of change in value and short term running finance under markup arrangement. Cash and bank are carried in the statement of financial position at cost.

3.11 Trade and other payables

Liabilities for trade and other payables are carried at their fair value of the consideration to be paid in the future for goods and services received whether billed to the Company or not.

3.12 Employee retirement benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the schemes on the basis of actuarial valuation and are charged to the statement of profit or loss for the year. The assumptions are determined by independent actuary.

The amount recognized in the balance sheet represents the present value of defined benefit obligations using the projected unit credit actuarial valuation method. Actuarial gains / losses arising from the actuarial valuation are recognized immediately and are presented in other comprehensive income. The latest actuarial valuation was carried as at June 30, 2026.

details of the schemes are given in note 7 these financial statements.

3.13 Provisions

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

3.14 Revenue recognition

The Company is in the business of sale of goods. Revenue from contracts with customers is recognized when control of the goods is transferred to the customer and the performance obligation is satisfied under the contract at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principle in its revenue arrangements because it typically controls the goods or services before transferring them to the customers.

a) Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

b) Export rebate is recognized on accrual basis at the time of making the export sales.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. right of returns, volume rebates). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

3.15 Government grant

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all conditions of the grant. The benefit of a government loan at a below-market rate of interest is treated as a government grant. Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

3.16 Borrowings

Loans and borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance cost is accounted for on an accrual basis and are included in mark-up accrued on loans to the extent of amount remaining unpaid, if any.

3.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

The Company assesses whether contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- a) Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- b) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- c) The amount expected to be payable by the lessee under residual value guarantees;
- d) The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- e) Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- a) The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- b) The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- c) A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

The Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the term of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of the respective assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.19 Foreign currencies transaction and translation

Transactions in currencies other than Pak Rupees are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial statements date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the financial statements date. Gains and losses arising on retranslation are included in statement of profit or loss for the year.

3.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3.21 Dividend income

Dividend income from the investments is recognised when the the Company's right to receive payment is established.

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 after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

3.23 Taxation

Income tax comprises current and deferred tax. Income tax is recognized in the statement of profit and loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized directly in equity or other comprehensive income.

Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability.

Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited to the statement of profit or loss and other comprehensive income, as appropriate, with the resulting deferred tax assets and liabilities recognized and reclassified within the statement of financial position, where applicable.

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

3.24 Levy

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- (a) those outflows of resources that are within the scope of other standards.
- (b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes revenue taxes, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets as 'prepaid assets'.

Revenue taxes

Revenue taxes includes amount representing :

- a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;
- b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams

Amount over revenue taxes shall be treated as current income tax expense falling under the scope of IAS 12.

Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

4 AUTHORIZED SHARE CAPITAL

2026	2025		2026	2025
Number of shares			Rupees	Rupees
40,000,000	40,000,000	Ordinary shares of Rs. 10 each	400,000,000	400,000,000
40,000,000	40,000,000		400,000,000	400,000,000

4.1 Issued, subscribed and paid up capital

2026	2025		2026	2025
Number of shares			Rupees	Rupees
		Ordinary shares of Rs. 10 each		
9,600,000	9,600,000	- fully paid in cash	96,000,000	96,000,000
8,880,000	8,880,000	- issued as bonus shares	88,800,000	88,800,000
18,480,000	18,480,000		184,800,000	184,800,000

4.2 There is no movement during the year in issued, subscribed and paid-up capital.

4.3 The Company has one class of ordinary shares which carry no right to fixed income.

4.4 Following shares are held by associates of the Company as at the reporting date:

	2026	2025
	Number of ordinary shares of Rs. 10 each	
Ellahi International (Private) Limited	3,747,415	3,747,415
ARH (Private) Limited	1,678,242	1,678,242
Monell (Private) Limited	51,907	51,907
ICARO (Private) Limited	50,862	50,862
Haroon Omer (Private) Limited	50,857	50,857
	<u>5,579,283</u>	<u>5,579,283</u>

4.4.1 Shareholders are entitled to cast vote proportionate to the paid up value of shares carrying voting rights. All shares rank equally with regard to the Company's residual assets.

		Note	2026 Rupees	2025 Rupees
5	RESERVES			
Amalgamation reserve	Capital reserve	5.1	16,600,000	16,600,000
Fair value reserve	Capital reserve	5.2	81,487,858	32,709,846
Unappropriated profits	Revenue reserve		2,187,894,308	1,972,340,747
			<u>2,285,982,166</u>	<u>2,021,650,593</u>

5.1 This represents reserve arising on merger of Ellahi Electric Company Limited into Prosperity Weaving Mills Limited on September 30, 2001 and breakup value of such shares, the value at which net assets and liabilities of Power Unit 3 of Ellahi Electric Company Limited were merged into Prosperity Weaving Mills Limited, at that date. This reserve is not regarded as free for distribution by way of dividend.

5.2 This represents fair value gain / (loss) on remeasurement of other financial assets designated as at fair value through other comprehensive income.

	LONG TERM FINANCES	Note	2026		2025		Other terms and conditions
			Rupees	Rupees	Rupees	Rupees	
6		6.1	2,089,992,698	1,877,685,184			
	From banking companies - secured		388,873,216	424,124,916			
	Less: current portion		1,701,119,482	1,453,560,268			
6.1	From banking companies - secured						
	Name of Institution	Original limit		Outstanding amount		Security	Arrangement, repayment and mark-up
		2026	2025	2026	2025		
6.1.1	Askari Bank Limited (LTFF-II)	291,666,430	291,666,430	-	27,343,724	Joint registered charge of Rs. 304.946 million over all present and future fixed assets of the Company with 25% margin.	This facility has been obtained against a sanctioned limit of Rs. 385 million out of which Rs. 291.67 million have been converted into LTFF scheme of SBP. The loan is repayable in 32 quarterly installments, with a 24 months grace period, commenced from June 4, 2017. The loan carries mark-up at the rate of 6.50% (2025: 6.50%) per annum payable quarterly.
6.1.2	Askari Bank Limited	93,333,570	93,333,570	-	5,833,351	Same as 6.1.1	This facility has been obtained against a sanctioned limit of Rs. 385 million out of which Rs. 291.67 million have been converted into LTFF scheme of SBP and Rs. 93.33 million remain as term finance. The loan is repayable in 32 quarterly installments with 24 months grace period, commenced from February 12, 2017. The loan carries mark-up rate of 3 months KIBOR plus 1.00% (2025: 3 months KIBOR plus 1.00%) per annum payable quarterly.
6.1.3	Askari Bank Limited	115,000,000	115,000,000	-	10,767,553	Same as 6.1.1	This facility has been obtained against a sanctioned limit of Rs. 115 million. The loan is repayable in 32 quarterly installments with 24 months grace period, commenced from May 27, 2017. The loan carries mark-up rate of 3 months KIBOR plus 1.00% (2025: 3 months KIBOR plus 1.00%) per annum payable quarterly.
6.1.4	United Bank Limited (LTFF)	187,931,622	187,931,622	5,872,869	29,364,319	Joint pari passu charge amounting to Rs. 512.104 million as equitable mortgage over fixed assets of the company.	This facility has been obtained against sanctioned limit of Rs. 187.93 million converted into LTFF scheme of SBP. The loan is repayable in 32 quarterly installments commencing from November 10, 2017. The loan carries mark-up rate of 3.50% (2025: 3.50%) per annum payable quarterly.

Other terms and conditions

Name of institution	Original limit		Outstanding amount		Security	Arrangement, repayment and mark-up
	2026	2025	2026	2025		
	Rupees					
6.1.5 United Bank Limited (LTFF)	700,000,000	700,000,000	8,571,352	12,380,836	Same as 6.1.4	This facility has been obtained against sanctioned limit of Rs. 700 million out of which Rs. 30.47 million has been converted into LTFF on July 19, 2017. The loan is repayable in 32 equal quarterly installments commencing from October 19, 2019. The loan carries mark up at the rate of 2.50% (2025: 2.50%).
6.1.6 United Bank Limited (LTFF)	Sublimit of 6.1.5		144,274,009	226,716,293	Same as 6.1.4	This facility has been obtained against sanctioned limit Rs. 700 million out of which Rs. 660 million has been converted into LTFF. The loan is repayable in 32 quarterly installments in arrears commencing from April 18, 2019. The loan carries mark up at the rate of 2.50% (2025: 2.50%).
6.1.7 Askari Bank Limited (LTFF-IV / TF-IV)	200,000,000	200,000,000	4,608,000	6,144,000	Same as 6.1.1	This facility has been obtained against sanctioned limit of Rs. 200 million. The loan is repayable in 32 quarterly installments in arrears commencing from August 02, 2021 with grace period of 24 months. The loan carries mark up at the rate of 2.50% (2025: 2.50%).
6.1.8 Askari Bank Limited (LTFF-IV)	Sublimit of 6.1.7		47,888,000	63,848,000	Same as 6.1.1	This facility has been obtained against sanctioned limit of Rs. 200 million. The loan is repayable in 32 quarterly installments in arrears commencing from August 18, 2021 with grace period of 24 months. The loan carries mark up at the rate of 2.50% (2025: 2.50%).
6.1.9 Askari Bank Limited (LTFF-IV)	Sublimit of 6.1.7		927,000	1,339,000	Same as 6.1.1	This facility has been obtained against sanctioned limit of Rs. 200 million. The loan is repayable in 32 quarterly installments in arrears commencing from October 4, 2020 with grace period of 24 months. The loan carries mark up at the rate of 2.50% (2025: 2.50%).
6.1.10 Askari Bank Limited (LTFF-IV)	Sublimit of 6.1.7		6,535,000	9,431,000	Same as 6.1.1	This facility has been obtained against sanctioned limit of Rs. 200 million. The loan is repayable in 32 quarterly installments in arrears commencing from November 3, 2020 with grace period of 24 months. The loan carries mark up at the rate of 2.50% (2025: 2.50%).

Other terms and conditions							
Name of institution	Original limit		Outstanding amount		Security	Arrangement, repayment and mark-up	
	2026	2025	Rupees				
6.1.11	Allied Bank Limited (LTFF)	300,000,000	300,000,000	70,421,240	92,131,992	Joint pari passu charge of Rs. 1,286,222 million inclusive of 25% margin over fixed assets.	This facility has been obtained against sanctioned limit of Rs. 300 million. The loans are repayable in 32 quarterly installments in arrears commencing from September 27, 2021, December 3, 2022 and April 27, 2023 respectively, with grace period of 24 months. The loan carries mark up at the rate of 2.50% (2025: 2.50%).
6.1.12	Allied Bank Limited (LTFF)	Sublimit of 6.1.11		53,787,000	67,231,000	Same as 6.1.11	This facility has been obtained against sanctioned limit of Rs. 300 million. During the year, this facility has been converted from term finance to LTFF scheme of SBP. The loan is repayable in 32 quarterly installments in arrears commencing from July 21, 2022 with grace period of 24 months. The loan carries mark up at the rate of 2.50% (2025: 2.50%).
6.1.13	Allied Bank Limited (LTFF)	810,000,000	810,000,000	354,023,000	426,759,000	Same as 6.1.11	This facility has been obtained against sanctioned limit of Rs. 810 million. The loan is repayable in 32 quarterly installments in arrears commencing from different dates i.e. December 03, 2022, March 20, 2024 and May 16, 2024 with grace period of 24 months. The loan carries mark up at the rate of SBP bench mark plus 100 bps i.e 3% (2025: 3%).
6.1.14	Allied Bank Limited	100,000,000	100,000,000	49,365,500	58,392,300	Same as 6.1.11	This facility has been obtained against sanctioned limit of Rs. 100 million. The loan is repayable in 39 quarterly installments in arrears commencing from January 27, 2022, April 15, 2022 and October 15, 2022 with grace period of 24 months. The loan carries mark up at the rate of 3% (2025: 3%).
6.1.15	Allied Bank Limited	Sublimit of 6.1.13		142,274,250	164,747,850	Same as 6.1.11	This facility has been obtained as an enhancement of 60 million against original limit of 750 million to reach new limit of 810 million. The loan is repayable in 32 quarterly installments in arrears commencing from different dates i.e July 01, 2024, October 03, 2024, November 15, 2024, December 13, 2024, December 25, 2024, January 05, 2025 and March 27, 2025 with grace period of 24 months. The loan carries mark up at the rate of 3 month KIBOR plus 100 bps (2025: 3 Month KIBOR plus 100bps).
6.1.16	National Bank of Pakistan	1,000,000,000	1,000,000,000	371,600,920	477,772,612	Joint pari passu charge of Rs. 1,333.33 million inclusive of 25% margin over fixed assets.	This facility has been obtained against sanctioned limit of Rs. 1000 million. The loan is repayable in 24 quarterly installments in arrears from January 01, 2025 with grace period of 12 months. The loan carries mark up at the rate of 3 month KIBOR plus 100 bps (2025: 3 Month KIBOR plus 100bps).

Other terms and conditions					
Name of institution	Original limit		Outstanding amount		Security
	2026	2025	2026	2025	
	Rupees				Arrangement, repayment and mark-up
6.1.17 National Bank of Pakistan	250,000,000	250,000,000	247,131,746	161,867,909	Same as 6.1.16 This facility has been obtained against sanctioned limit of Rs. 250 million. This loan is repayable in 20 quarterly installments in arrears with grace period of 24 months with first repayment on April 15, 2027. The loan carries markup at the rate of 3 month KIBOR plus 100 bps.
6.1.18 Habib Bank Limited	50,000,000	50,000,000	31,544,220	35,614,444	Joint pari passu charge of Rs. 66.67 million inclusive of 25% margin over fixed assets. This facility has been obtained against sanctioned limit of Rs. 50 million for 10 years. The loan was repayable in 36 quarterly installments in arrears with grace period of 3 months. The loan was converted into LTFF on February 21, 2025. The loan carries markup at the rate of SBP bench mark plus 100 bps i.e 4% (2025: 4%). The loan is payable in 36 equal quarterly installments. First principal repayment of this loan was made in April 2025.
6.1.19 National Bank of Pakistan	300,000,000	-	299,979,946	-	Same as 6.1.16 This facility has been obtained against sanctioned limit of Rs. 300 million. This loan is repayable in 24 quarterly installments in arrears with grace period of 26 months, commencing from January 8, 2028. The loan carries markup at the floating rate i.e. SBP monetary policy rate less 3%.
6.1.20 Allied Bank Limited	600,000,000	-	251,188,646	-	Same as 6.1.11 This facility has been obtained against sanctioned limit of Rs. 600 million. This loan is repayable in 36 quarterly installments in arrears with grace period of 12 months, commencing from March 31, 2027. The loan carries markup at the rate of 3 month KIBOR plus 100 bps.
6.2	<u>2,089,992,698</u> <u>1,877,685,184</u>				These facilities carry effective mark-up rate ranging from 2.50% to 12.80% (2025: 2.50% to 21.24%) per annum.

7 EMPLOYEE RETIREMENT BENEFITS

7.1 The Company has a defined benefit plan comprising an un-funded gratuity scheme for its permanent employees. Latest valuation has been conducted as at June 30, 2026.

Amounts recognized in the Statement of financial position are as follows:

	Note	2026 Rupees	2025 Rupees
Present value of defined benefit obligation as at June 30		<u>335,735,366</u>	<u>285,566,178</u>
7.2 Movement in liability:			
Balance at beginning of the year		285,566,178	254,906,107
Charge for the year	7.4	88,449,293	88,969,561
Benefits paid during the year		(34,155,016)	(48,391,842)
Remeasurement changes chargeable to OCI	7.6	(4,125,090)	(9,917,648)
Balance at end of the year		<u>335,735,366</u>	<u>285,566,178</u>
7.3 Movement in the present value of defined benefit obligation is as follows:			
Present value of defined benefit obligation at beginning of the year		285,566,178	254,906,107
Current service cost		56,901,874	54,939,809
Interest cost		31,547,419	34,029,752
Benefits paid		(34,155,016)	(48,391,842)
Remeasurements:			
Actuarial gain from changes in financial assumptions		-	(1,932,496)
Experience adjustments		(4,125,090)	(7,985,152)
Present value of defined benefit obligation as at end of the year		<u>335,735,366</u>	<u>285,566,178</u>
7.4 Expense recognized in profit and loss account is as follows:			
Current service cost		56,901,874	54,939,809
Interest cost		31,547,419	34,029,752
		<u>88,449,293</u>	<u>88,969,561</u>
7.5 Charge for the year has been allocated as follows:			
Cost of sales		68,152,423	69,347,920
Administrative expenses		20,296,870	19,621,641
		<u>88,449,293</u>	<u>88,969,561</u>
7.6 Total remeasurement chargeable to			
Remeasurement of defined benefit obligation:			
Actuarial gain from changes in financial assumptions		-	(1,932,496)
Experience adjustment		(4,125,090)	(7,985,152)
		<u>(4,125,090)</u>	<u>(9,917,648)</u>
7.7 Projected unit credit method, based on the following significant assumptions, is used for valuation of gratuity:			
		2026	2025
Discount rate		11.75%	11.75%
Expected rate of salary increase		11.25%	11.25%
Average retirement age of employee		60 years	60 years

7.8 Sensitivity analysis

	Changes in	Defined benefit obligation assumptions	
		Increase in	Decrease in
		----- Rupees -----	
Discount rate	1%	315,736,020	268,129,951
Salary growth rate	1%	359,043,389	305,889,923

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

Maturity profile of the defined benefit obligation

	2026	2025
1. Weighted average duration of the benefit	6 Years	6 Years
	Rupees	Rupees
2. Distribution of timing of benefit payments (time in years)		
1	59,924,741	51,351,165
2	42,026,058	38,939,731
3	61,024,140	37,403,028
4	62,303,751	55,671,369
5	44,407,024	56,973,426
6 and above	3,945,657,977	3,600,776,434

8 DEFERRED TAXATION

The liability for deferred taxation comprises timing differences relating to:

Taxable temporary differences

Accelerated tax depreciation	437,158,022	276,362,065
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Deductible temporary differences

Provision for employee benefits	(97,363,257)	(105,659,486)
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Tax credits

Tax credits under section 113	(213,028,951)	(137,348,818)
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126,765,814	33,353,761
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8.1 Movement in temporary differences for the year

	2026			
	Balance as at July 1, 2025	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2026
	Rupees			
Taxable temporary difference:				
Accelerated tax depreciation	276,362,065	160,795,957	-	437,158,022
Deductible temporary difference:				
Provision for gratuity	(105,659,486)	4,258,316	4,037,913	(97,363,257)
Tax credits	(137,348,818)	(75,680,133)	-	(213,028,951)
	33,353,761	89,374,140	4,037,913	126,765,814
	2025			
	Balance as at July 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2025
	Rupees			
Taxable temporary difference:				
Accelerated tax depreciation	263,830,914	12,531,151	-	276,362,065
Deductible temporary difference:				
Provision for gratuity	(81,569,954)	(25,487,156)	1,397,624	(105,659,486)
Tax credits	(182,260,960)	44,912,142	-	(137,348,818)
	-	31,956,136	1,397,624	33,353,761

8.1.1 Year wise breakup of tax credit			2026	2025
Tax year	Note		Rupees	Rupees
Recognized tax credit				
2024			-	93,158,313
2025			104,104,404	44,190,504
2026			108,924,547	-
			<u>213,028,951</u>	<u>137,348,818</u>
Unrecognized tax credit				
2023			-	89,955,506
2024			93,158,313	-
2025			-	18,039,497
			<u>93,158,313</u>	<u>107,995,003</u>

9 TRADE AND OTHER PAYABLES

Creditors		381,498,172	196,342,739
Accrued liabilities	9.1	910,882,360	654,518,588
Workers' Profit Participation Fund	9.2	31,678,514	20,991,037
Workers' Welfare Fund	9.3	38,944,633	35,592,875
Advance from customers	9.4	37,376,288	97,865,285
Retention money		-	866,839
Withholding tax payable		7,386,792	14,814,591
Provincial withholding sales tax payable		392,780	3,109,140
		<u>1,408,159,539</u>	<u>1,024,101,094</u>

- 9.1 This includes a provision of Rs. 101.48 million (2025: Rs. 101.48 million) on account of Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2011 with effect from December 15, 2011 and was chargeable from industrial gas customers at different rates as prescribed by the Federal Government through OGRA notification.

On June 13, 2013, the Honorable Peshawar High Court declared the levy, imposition and recovery of the Cess unconstitutional with the direction to refund the "Cess" so far collected. Honorable Supreme Court of Pakistan examined the case and vide its findings dated August 22, 2014, concluded that GID Cess is a fee and not a tax and on either count the "Cess" could not have been introduced through a money bill under Article 73 of the Constitution and the same was, therefore, not validly levied in accordance with the Constitution. However, on September 25, 2014, the President of Pakistan had promulgated GID Cess Ordinance 2014, which was applicable to the whole of Pakistan and has to be complied by all parties.

On September 29, 2014, the Honorable Sindh High Court gave a stay order to various parties against the promulgation of Presidential order dated September 25, 2014.

On October 26, 2016, the High Court of Sindh held that enactment of GIDC Act, 2015 is ultra-vires to the Constitution of Pakistan. Sui Southern Gas Company Limited has filed an intra-court appeal before the Divisional Bench of High Court of Sindh. On August 13, 2020, GIDC matter is decided by the Supreme Court of Pakistan and the Court ordered gas consumers to pay outstanding amount of GIDC upto July 31, 2020 in twenty four equal monthly installments, starting from August 2020.

The Company has paid GIDC installments from September 2020 to April 2021 aggregating to Rs. 24.98 million. Further, the Company has obtained a stay order from Honorable High Court of Sindh for recovery against the remaining GIDC installments.

9.2 Workers' Profit Participation Fund		Note	Rupees 2026	Rupees 2025
Opening balance			20,991,037	12,225,166
Interest on funds utilized in the Company's business	9.2.1		32,349	22,608
			<u>21,023,386</u>	<u>12,247,774</u>
Paid during the year			<u>(21,023,386)</u>	<u>(12,247,774)</u>
			-	-
Allocation for the year	29		31,678,514	20,991,037
Closing balance			<u>31,678,514</u>	<u>20,991,037</u>

- 9.2.1 Interest on Workers' Profit Participation Fund has been provided @ 18.75% (2025: 22.5%) per annum.

9.3 Workers' Welfare Fund

Opening balance	35,592,875	32,153,022
Charge for the year	12,037,835	7,976,594
Payment	(8,686,077)	(4,536,741)
	<u>3,351,758</u>	<u>3,439,853</u>
Closing balance	<u>38,944,633</u>	<u>35,592,875</u>

- 9.4 Revenue recognized during the year that was included in advance from customer balance at the beginning of the year amounting to Rs. 97.87 million (2025: Rs. 37.12 million).

10	ACCRUED INTEREST / MARKUP	Note	2026 Rupees	2025 Rupees
	Long term finances		43,169,957	33,845,585
	Short term borrowings		6,697,034	9,518,666
			<u>49,866,991</u>	<u>43,364,251</u>
11	SHORT TERM BORROWINGS			
	From banking companies:			
	Running finance - secured	11.2	809,015,517	183,071,501
	Foreign currency loans - secured	11.3	228,629,507	917,481,894
			<u>1,037,645,024</u>	<u>1,100,553,395</u>

11.1 The aggregate un-availed short term borrowing facilities amount to Rs. 7,981 million (2025: Rs. 5,554 million). Short term borrowings are secured against ranking charge of Rs. 6,393 million (2025: Rs. 3,491 million) and first pari passu charge of Rs. 5,950 million (2025: Rs. 5,950 million) on all present and future current assets of the Company.

11.2 These facilities have been obtained from various commercial banks for working capital requirements; carrying mark-up ranging from 10.70% to 13.53% (2025: 10.20% to 21.60%) per annum. These facilities expire on various dates by May 31, 2026

11.3 These facilities have been obtained from various commercial banks for working capital requirements; carrying mark-up ranging from 2.75% to 5.00% (2025: 4.38% to 8.25%) per annum. These facilities expire on various dates by May 31, 2026

12	CONTINGENCIES AND COMMITMENTS	2026 Rupees	2025 Rupees
12.1	Contingencies		
	Guarantees issued by banks in favor of Government departments on behalf of the Company in the normal course of business	474,804,626	444,804,626
	Post dated cheques issued to Collector of Customs and SNGPL	8,691,313,154	8,607,039,723
		<u>9,166,117,780</u>	<u>9,051,844,349</u>

12.2 Tax contingencies

The income tax assessments of the Company upto and including tax year 2024 have been completed by the concerned income tax authorities or are deemed to have been so completed under the provisions of section 120 of the Income Tax Ordinance, 2001 ('Ordinance'), except for the amendments and other proceedings mentioned below:

12.2.1 Tax Year 2014

The Company's case was selected for audit by the department for Tax Year 2014 in terms of section 177 of the Income Tax Ordinance ('Ordinance') vide letter dated December 4, 2018. The audit proceedings concluded by the department through order dated March 30, 2019 passed under section 122(1)/122(5) of the Ordinance, raising a tax demand of Rs. 5.94 million by making certain disallowances / additions out of the profit and loss account. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) ['CIR(A)'] against this order. The Company's appeal, before the CIR(A), in connection with order dated March 30, 2019 passed under section 122(4)/122(5) of the Ordinance was decided through appellate order dated December 2, 2020. Through the appellate order, majority of the issues were either upheld or remanded back by the CIR(A). The Company has filed an appeal dated February 10, 2021, before the ATIR against the aforementioned order, which is yet to be fixed for a hearing.

12.2.2 Tax Year 2019

The amendment proceedings under section 122(9)/122(5A) against the company for Tax Year 2019 were concluded through order dated September 03, 2020 passed by the Additional Commissioner Inland Revenue, Audit – II, Zone – III, Large Taxpayers Office, Lahore (ACIR) under section 122(5A) of the Ordinance. The aforementioned order was later rectified through order dated December 21, 2020 under section 221(1) of the Ordinance. A demand of Rs 4.907 million was raised through the rectified order, which majorly pertains to proration of expenses, salaries and gas infrastructure development cess. The Company filed an appeal before the CIR(A) against the aforementioned order. Through order dated October 18, 2021, the CIR(A) upheld most of the issues in appeal while accepting Company's grounds in respect of certain issues. Feeling aggrieved, the Company has filed an appeal before the ATIR dated December 16, 2021 against the aforementioned order, which is yet to be fixed for a hearing.

12.2.3 Tax Year 2017

The company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the amendment order dated May 24, 2023, passed under section 122(5A) of the Ordinance, through which income tax demand of Rs. 55.1 millions was raised on the basis of re-assessment of certain issues. The CIR(A) vide its order dated February 23, 2024, partially decided the case in favor of the company and remand back the remaining issues to the assessing officer for fresh consideration. The company being aggrieved filed an appeal before Appellate Tribunal Inland Revenue dated March 19, 2024 against the order of CIR(A) which is pending for adjudication.

12.2.4 Tax Year 2018

The Assistant Commissioner Inland Revenue ('ACIR') initiated proceedings under section 122(5A) of the Ordinance through notice dated March 25, 2022, wherein intentions were shown to amend the assessment under section 120 of the Ordinance on the basis of certain issues stated therein. The proceedings were finalized through amendment order dated October 31, 2022, passed under section 122(1) of the Ordinance, through which income tax demand of Rs. 78.162 million was raised on the basis of re-assessment of certain issues. The Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)], who vide order dated January 11, 2023, significantly deleted majority of the issues under contention and raised income tax demand of Rs. 15.059 million. The Company filed appeal dated March 09, 2023, before Appellate Tribunal Inland Revenue, which is pending for adjudication.

12.2.5 Tax Year 2023, tax Year 2024 and Tax Year 2025

The Federal Constitutional Court of Pakistan upheld the constitutional validity of super tax under section 4C of the Ordinance through its order dated January 27, 2026. Consequently, the Department finalized proceedings under section 4C for Tax Years 2022 to 2025, creating tax demands of Rs. 30.9 million, Rs. 8.74 million, Rs. 35.2 million and Rs. 1.70 million respectively. For Tax Years 2023, 2024 and 2025 the Company paid Rs. 4.77 million, Rs. 8.29 million, and Rs. 1.70 million respectively, and as for Tax Year 2022, the Company challenged the order before Appellate Tribunal Inland Revenue [ATIR] which is currently pending adjudication.

Furthermore, the Department passed orders under section 205 of the Income Tax Ordinance, 2001, arising from proceedings under section 4C for Tax Years 2022 to 2024, resulting in default surcharge demands of Rs. 10.96 million, Rs. 5.39 million, and Rs. 4.03 million, respectively. The Company has filed appeals against the said orders before the Commissioner Inland Revenue (Appeals), where the matters remain pending for adjudication.

13 Commitments

	2026 Rupees	2025 Rupees
Irrevocable letters of credit for:		
Stores and spares	24,341,281	38,576,364
Capital expenditures	-	314,975,695
Raw materials	52,918,929	453,344,917
	77,260,210	806,896,976
Short term lease:		
Payable within one year	1,099,987	1,063,057
	78,360,197	807,960,033

14 PROPERTY, PLANT AND EQUIPMENT

	Note	2026 Rupees	2025 Rupees
Operating fixed assets	14.1	3,680,284,413	2,918,618,184
Capital work-in-progress	14.2	3,168,359	175,175,877
		<u>3,683,452,772</u>	<u>3,093,794,061</u>

14.1 Operating fixed assets - as at June 30, 2026

Description	----- COST / REVALUED AMOUNT -----			----- DEPRECIATION -----			Net book value as at June 30, 2026	Annual rate of depreciation
	As at July 01, 2025	Additions / (disposals)	As at June 30, 2026	As at July 01, 2025	For the year / (on disposals)	As at June 30, 2026		
	----- Rupees -----							
Freehold land	210,096,000	-	210,096,000	-	-	-	210,096,000	-
Buildings on freehold land								
- Factory	381,241,297	-	381,241,297	222,983,361	15,807,956	238,791,317	142,449,980	10%
- Residential	121,133,891	-	121,133,891	87,942,940	3,336,932	91,279,872	29,854,019	10%
Buildings on leasehold	36,261,108	-	36,261,108	27,763,256	849,785	28,613,041	7,648,067	10%
Plant and machinery	4,841,815,436	958,213,201 (75,224,580)	5,724,804,056	2,485,174,698	264,973,133 (67,680,541)	2,682,467,290	3,042,336,766	10%
Electric installation	132,838,237	-	132,838,237	74,732,741	5,810,549	80,543,290	52,294,947	10%
Factory equipment	32,549,768	508,000	33,057,768	12,773,785	2,015,699	14,789,484	18,268,284	10%
Furniture and fixture	13,584,497	335,440	13,919,937	7,198,741	681,668	7,880,409	6,039,528	10%
Office equipment	15,919,467	697,000	16,616,467	9,065,953	735,059	9,801,012	6,815,455	10%
Arms and ammunition	619,074	-	619,074	173,075	44,600	217,675	401,400	10%
Vehicles	109,472,051	144,386,223 (46,127,733)	207,730,541	49,104,093	26,636,648 (32,090,167)	43,650,574	164,079,967	20%
	5,895,530,825	1,104,139,864 (121,352,313)	6,878,318,376	2,976,912,643	320,892,029 (99,770,708)	3,198,033,963	3,680,284,413	

Operating fixed assets - as at June 30, 2025

Description	----- COST / REVALUED AMOUNT -----			----- DEPRECIATION -----			Net book value as at June 30, 2025	Annual rate of depreciation
	As at July 01, 2024	Additions / (disposals)	As at June 30, 2025	As at July 01, 2024	For the year / (on disposals)	As at June 30, 2025		
	----- Rupees -----							
Owned								
Freehold land	210,096,000	-	210,096,000	-	-	-	210,096,000	-
Buildings on freehold land								
- Factory	381,241,297	-	381,241,297	205,596,171	17,387,190	222,983,361	158,257,936	10%
- Residential	121,133,891	-	121,133,891	84,058,031	3,884,909	87,942,940	33,190,951	10%
Buildings on leasehold land	36,261,108	-	36,261,108	26,819,050	944,206	27,763,256	8,497,852	10%
Plant and machinery	4,795,171,708	46,643,727	4,841,815,436	2,224,183,009	260,991,688	2,485,174,697	2,356,640,738	10%
Electric installation	132,568,237	270,000	132,838,237	68,281,575	6,451,166	74,732,741	58,105,496	10%
Factory equipment	32,023,120	651,000	32,549,768	10,717,603	2,156,618	12,773,785	19,775,983	10%
Furniture and fixture	13,004,812	(124,352)	13,584,497	7,075,750	(100,436)	7,198,741	6,385,756	10%
Office equipment	13,231,827	(735,342)	15,919,467	8,448,955	(535,404)	9,065,953	6,853,514	10%
Arms and ammunition	328,774	2,687,640	619,074	257,327	616,999	173,075	445,999	10%
Vehicles	92,193,671	(119,700)	109,472,051	48,137,496	26,513	49,104,093	60,367,958	20%
		33,710,495			(110,764)			
		(16,432,115)			11,826,013			
					(10,859,416)			
	5,827,254,445	85,687,889	5,895,530,825	2,683,574,966	304,943,696	2,976,912,643	2,918,618,184	
		(17,411,509)			(11,606,020)			

14.1.1 Disposal of property, plant and equipment

Detail of property, plant and equipment with book value exceeding Rs. 500,000 disposed off during the year is as follows:

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Buyer Name
----- Rupees -----						
SUZUKI SWIFT	2,077,230	1,309,589	767,641	1,655,000	887,359	Moiz Usman
HONDA CITI CVT	3,328,070	1,680,897	1,647,173	2,325,000	677,827	Muhammad Kamal Shabbir
SUZUKI CULTUS VXR	1,452,180	1,090,322	361,858	1,570,000	1,208,142	Muhammad Asim Mumtaz
SUZUKI CULTUS VXR	1,815,630	1,108,719	706,911	1,530,000	823,089	Taimoor Moazzam
WARPING MACHINE	12,389,105	11,030,479	1,358,626	1,600,000	241,374	Akbar Ali Weaving Factory
HONDA CITI ASPIRE	2,704,730	1,722,430	982,300	2,050,000	1,067,700	Taimoor Moazzam
SIZING MACHINE	54,166,226	48,598,377	5,567,849	6,400,000	832,151	Akbar Ali Weaving Factory
HONDA CIVIC ORIEL	4,080,530	2,420,752	1,659,778	3,400,000	1,740,222	Atif Anwer
COOLING TOWER 4 Nos	8,669,249	8,051,685	617,564	750,000	132,436	Ibrahim Traders
TOYOTA YARIS	4,678,650	2,182,330	2,496,320	2,782,000	285,680	Muhammad Atif Saeed
TOYOTA LAND CRUISER	25,712,893	20,391,658	5,321,235	7,600,000	2,278,765	Shehbaz Ali

14.1.1.1 Items of property, plant and equipment are sold at market value through bidding.**14.1.1.2** There is no relationship between Company and buyers.

	Note	2026 Rupees	2025 Rupees
14.1.2 The depreciation charge for the year has been allocated as follows:			
Cost of sales	26	292,818,375	291,815,776
Administrative expenses	28	28,073,653	13,127,920
		<u>320,892,028</u>	<u>304,943,696</u>

14.1.3 The Company follows the revaluation model for its Land. Fair value measurement as at January 26, 2024 was performed by "Hamid Mukhtar & Co (Private) Limited", an independent valuers not connected with the Company. The fair value of the freehold land amounting to Rs. 262.2 million is ascertained according to the local market and the forced sale value of land is Rs. 210.09 million.

Particulars of immovable property (i.e., land and building) in the name of the Company are as follows:

Location	Usage of immovable property	Total area (in Kanals)	Covered area (in Kanals)
13.5 Km, Sharakpur Road, Sheikhupura, Punjab	Manufacturing facility	210	83

The table below analysis the assets carried at fair value, by valuation method. The different levels have been defined as follows:

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).

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

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Freehold land	-	105,048,000	-	<u>105,048,000</u>

	2026 Rupees	2025 Rupees
Had there been no revaluation, the carrying value of the freehold land would have been	<u>2,207,366</u>	<u>2,207,366</u>
14.2 Capital work-in-progress		
Plant and machinery	<u>3,168,359</u>	<u>175,175,877</u>
As at beginning of the year	175,175,877	5,646,179
Additions during the year	786,205,683	216,173,425
Transfer to property, plant and equipment	(958,213,201)	(46,643,727)
As at end of the year	<u>3,168,359</u>	<u>175,175,877</u>

15 INTANGIBLE ASSETS

This represents computer software and ERP system.

Cost

As at July 01	5,893,472	5,893,472
Additions during the year	-	-
As at June 30	<u>5,893,472</u>	<u>5,893,472</u>

Accumulated amortization

As at July 01	5,893,472	5,893,472
Amortization during the year	-	-
As at June 30	<u>5,893,472</u>	<u>5,893,472</u>
	<u>-</u>	<u>-</u>

16 LONG TERM DEPOSITS AND ADVANCES

Security deposits	15,039,000	15,039,000
Advances to suppliers	-	30,549,923
	<u>15,039,000</u>	<u>45,588,923</u>

16.1 These are interest free refundable security deposits.

		2026 Rupees	2025 Rupees
17 STORES, SPARE PARTS AND LOOSE TOOLS	Note		
Stores and spares		131,349,992	149,204,192
Sizing material		22,112,019	30,741,638
		<u>153,462,011</u>	<u>179,945,830</u>
18 STOCK-IN-TRADE			
Raw material		383,702,940	431,441,619
Raw material in transit		227,615,175	130,824,001
Work-in-process		211,769,487	240,293,214
Finished goods	18.1	1,142,902,988	973,067,246
		<u>1,965,990,590</u>	<u>1,775,626,080</u>
18.1	This includes finished goods in transit of Rs. 58.6 million (2025: Rs. 146.9 million)		
19 TRADE RECEIVABLES			
Considered good:			
Local		652,284,514	752,245,899
Foreign		155,339,592	320,790,371
		<u>807,624,106</u>	<u>1,073,036,270</u>
19.1	Trade receivables consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of credit customers, to assess whether or not impairment allowance is required. Further, considering that there is no history of default in trade receivable balances and forward looking information, the Company has not recognized any impairment allowance on these balances.		
19.2	The aging of trade receivables as at statement of financial position date is as follows:		
	Note	2026 Rupees	2025 Rupees
Neither past due nor impaired		722,079,803	677,620,917
Past due but not impaired:			
Up to 90 days		85,544,303	395,415,353
91 to 180 days		-	-
		<u>85,544,303</u>	<u>395,415,353</u>
		<u>807,624,106</u>	<u>1,073,036,270</u>
20 ADVANCES AND DEPOSITS			
Suppliers - unsecured		5,469,811	26,435,203
Staff - secured	19.1	1,260,635	1,072,211
Advance against letter of credit	20.2	6,049,332	8,925,033
Margin against letter of guarantee		10,000,000	10,000,000
		<u>22,779,778</u>	<u>46,432,447</u>
20.1	These are interest free advances to employees, other than executives, repayable within one to six months.		
20.2	These include advances paid in respect of letters of credit for spare parts and raw material.		
21 SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES		2026 Rupees	2025 Rupees
Prepaid insurance		1,942,551	2,301,101
Prepaid rent		324,784	324,784
Prepaid guarantee commission		1,227,238	1,507,107
Other receivables		103,001	1,055,207
		<u>3,597,574</u>	<u>5,188,199</u>
22 TAXES REFUNDABLE			
Sales Tax Refundable		388,590,148	255,318,075
Income Tax Refundable		57,456,321	-
		<u>446,046,469</u>	<u>255,318,075</u>
23 OTHER FINANCIAL ASSETS			
Investments classified as FVTOCI			
Equity investments	23.2	153,909,426	105,131,414
Investments classified as FVTPL			
Mutual funds	23.5	200,000,000	-
At amortized cost			
Term deposits receipt		828,700	828,700
		<u>354,738,126</u>	<u>105,960,114</u>
23.1 Reconciliation between fair value and cost of equity investments classified at FVTOCI			
Cost of investment	23.2	72,421,568	72,421,568
Gain on remeasurement of investments	23.4	81,487,858	32,709,846
Fair value of investments		<u>153,909,426</u>	<u>105,131,414</u>

23.2 Equity securities

Name of script	No. of shares		Cost		Fair value	
	2026	2025	2026	2025	2026	2025
			-----Rupees-----		-----Rupees-----	
Bank Al Habib Limited	200,000	200,000	15,041,916	15,041,916	33,928,000	31,556,000
Habib Bank Limited	410,600	410,600	57,379,652	57,379,652	119,981,426	73,575,414
	610,600	610,600	72,421,568	72,421,568	153,909,426	105,131,414

These investments have been classified at FVTOCI as they have been held for medium to long term period.

23.4 Unrealized gain on remeasurement of investments

	2026 Rupees	2025 Rupees
Opening balance	32,709,846	941,150
Gain for the year	48,778,012	31,768,696
Closing balance	81,487,858	32,709,846

23.5 Mutual funds

Name of script	No. of shares		Cost		Fair value	
	2026	2025	2026	2025	2026	2025
			-----Rupees-----		-----Rupees-----	
MCB Cash Management Fund	1,949,398	-	200,000,000	-	200,000,000	-
	1,949,398	-	200,000,000	-	200,000,000	-

24 CASH AND BANK BALANCES

Cash in hand	322,432	467,158
Cash at banks:		
- Current accounts - local currency	256,396,835	167,069,690
- Current accounts - foreign currency	11,004,111	57,099,339
	267,723,378	224,636,187

25 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company derives its revenue from contracts with customers for the transfer of goods at a point in time in the following major product lines:

	2026		
	Local	Export	Total
	-----Rupees-----		
Cloth	12,410,273,188	6,947,641,847	19,357,915,036
Yarn	28,113,500	-	28,113,500
Waste	64,784,074	-	64,784,074
	12,503,170,762	6,947,641,847	19,450,812,610
Less: Sales tax	(1,907,263,336)	-	(1,907,263,336)
	10,595,907,426	6,947,641,847	17,543,549,274
	-----Rupees-----		
	2025		
	Local	Export	Total
	-----Rupees-----		
Cloth	12,453,562,798	7,410,962,612	19,864,525,410
Yarn	131,570,000	-	131,570,000
Waste	135,399,700	-	135,399,700
	12,720,532,498	7,410,962,612	20,131,495,110
Less: Sales tax	(1,940,410,871)	-	(1,940,410,871)
	10,780,121,627	7,410,962,612	18,191,084,239

25.1 Region-wise Export sales

	2026 Rupees	2025 Rupees
Korea	3,304,793,903	3,153,674,085
Turkey	-	115,257,896
Switzerland	107,447,577	59,421,589
Belgium	1,267,319,806	1,065,494,534
Hongkong	1,154,646,654	1,565,354,782
Germany	261,806,129	310,308,855
Thailand	55,031,847	155,282,506
Spain	601,544,420	690,812,223
Others	195,051,511	295,356,142
	6,947,641,847	7,410,962,612

		2026	2025
	Note	Rupees	Rupees
26 COST OF SALES			
Raw material consumed	26.1	12,577,608,430	13,077,474,220
Fuel and power		1,787,272,607	1,948,742,541
Salaries, wages and benefits	26.2	1,046,804,131	954,433,550
Stores and spares consumed		235,387,528	367,854,313
Sizing material consumed		294,000,677	305,625,694
Packing material consumed		64,713,103	59,733,438
Depreciation	14.1.2	292,818,375	291,815,776
Insurance		27,037,179	26,902,124
Repairs and maintenance		16,776,205	24,863,015
Vehicles running and maintenance		16,229,874	14,589,377
Traveling and conveyance		1,093,825	1,296,372
Lease rentals-land	26.3	487,180	457,660
Fee and subscription		1,965,214	923,197
Electricity duty		-	4,651,627
Others		11,782,980	7,306,081
		16,373,977,308	17,086,668,985
Work-in-process:			
At beginning of the year		240,293,214	254,217,864
At end of the year	18	(211,769,487)	(240,293,214)
		28,523,727	13,924,650
Cost of goods manufactured		16,402,501,035	17,100,593,635
Finished goods:			
At beginning of the year		973,067,246	849,739,338
Purchased/Processing charges during the year		91,453	27,621,108
At end of the year	18	(1,142,902,988)	(973,067,246)
		(169,744,289)	(95,706,801)
		16,232,756,746	17,004,886,835
26.1 Raw material consumed			
At beginning of the year		431,441,619	484,241,286
Purchases - net		12,529,869,751	13,024,674,553
		12,961,311,370	13,508,915,839
At end of the year	18	(383,702,940)	(431,441,619)
		12,577,608,430	13,077,474,220
26.2	Staff salaries, wages and benefits include employee retirement benefits amounting to Rs. 68.15 million (2025: Rs. 69.35 million).		
26.3	It represents the lease rental related to land obtained under lease arrangement from Nagina Cotton Mills Limited, (a related party). The agreement has been renewed in current year from March 01, 2026 and ending on February 28, 2027 against annual rental of Rs. 487,180 (2025: Rs. 487,180). This lease has been classified as short term lease as per IFRS 16.		
27 DISTRIBUTION COST			
Export			
Ocean freight and forwarding		36,750,874	51,466,130
Transportation and octroi		36,124,569	35,387,304
Export development surcharge		6,349,680	18,335,181
Commission		92,911,904	76,981,180
Others - Exporting Expense		27,323,628	31,844,751
		199,460,655	214,014,546
Local			
Freight, handling and transportation		6,627,500	3,164,271
Commission		13,063,539	33,736,496
Others		77,855,370	94,554,640
		97,546,409	131,455,407
		297,007,064	345,469,953

		2026	2025
	Note	Rupees	Rupees
28 ADMINISTRATIVE EXPENSES			
Staff salaries and benefits	28.1	91,701,278	83,050,898
Directors' remuneration		41,066,667	37,216,668
Vehicles running and maintenance		12,225,997	10,772,125
Depreciation	14.1.2	28,073,653	13,127,920
Insurance		6,553,375	7,457,359
Telephone, telex and postage		3,846,329	3,615,014
Electricity		5,254,040	6,417,272
Fee and subscription		7,765,260	8,436,622
Auditors' remuneration	28.2	2,043,363	2,009,600
Printing and stationery		549,360	491,171
Legal and professional		2,556,200	2,669,046
Lease rentals	28.3	1,513,470	1,441,386
Repairs and maintenance		149,696	171,385
Directors' meeting fee	34.2	1,235,000	1,207,500
Advertising		346,466	205,129
Travelling		14,191,331	14,538,177
Others		644,735	492,655
		219,716,220	193,319,927

28.1 Staff salaries and benefits include employee retirement benefits amounting to Rs. 20.3 million (2025: Rs. 19.62 million).

		2026	2025
		Rupees	Rupees
28.2 Auditors' remuneration			
Annual statutory audit		1,300,000	1,300,000
Half yearly review		349,388	317,625
Review report on Code of Corporate Governance		102,000	102,000
Out of pocket expenses		291,975	289,975
		2,043,363	2,009,600

28.3 It represents the lease rental related to building obtained under lease arrangement from Nagina Cotton Mills Limited, (a related party). The agreement has been renewed in current year from January 01, 2026 and ending on December 31, 2026 against annual rental of Rs. 1,513,470 (2025: Rs. 1,476,450). This lease has been classified as short term lease as per IFRS 16.

		2026	2025
	Note	Rupees	Rupees
29 OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund	9.2	31,678,514	20,991,037
Workers' Welfare Fund		12,037,835	7,976,596
Loss / (gain) on forward contracts		21,791	92,407
Donations		250,000	500,000
Exchange loss		360,198	-
		44,348,338	29,560,040

		2026	2025
		Rupees	Rupees
30 OTHER INCOME			
Dividend income on investments classified at FVTOCI		11,827,900	10,277,550
Dividend income on investments designated at FVTPL		-	6,776
Gain on the sale of investment designated at FVTPL	30.1	1,256,194	11,046,157
Exchange gain		-	1,041,360
Gain on sale of property, plant and equipment		10,297,395	6,766,871
Profit on term deposit certificate		58,361	55,065
		23,439,850	29,193,779

30.1 This represents the realized gain from the redemption of all units of mutual funds purchased during the year.

	2026 Rupees	2025 Rupees
31 FINANCE COST		
Mark-up on:		
Long term finances from banking companies	119,787,579	157,972,735
Short term borrowings	34,351,427	71,112,135
Workers' Profit Participation Fund	32,349	22,608
	<u>154,171,355</u>	<u>229,107,478</u>
Bank charges and commission	29,135,473	27,080,678
	<u>183,306,828</u>	<u>256,188,156</u>

32 PROVISION FOR TAXATION

Current	133,996,229	216,133,673
Prior	(4,107,372)	(636,276)
	<u>129,888,857</u>	<u>215,497,397</u>
Deferred	89,374,140	31,956,136
	<u>219,262,997</u>	<u>247,453,533</u>

32.1 Minimum tax differential

This represents portion of minimum tax paid under section 113C of Income Tax Ordinance (ITO ,2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

32.2 Reconciliation of Current Tax

Reconciliation of current tax charged as per tax laws for the year, with current tax recognized in the profit and loss account, is as follows:

	Note	2026 Rupees	2025 Rupees
Current tax liability for the year as per applicable tax laws		242,920,776	268,410,706
Portion of current tax liability as per tax laws, representing income tax under IAS 12		133,996,229	216,133,673
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37:			
Minimum tax differential	32.1.1	108,924,547	52,277,034
Difference		-	-

The aggregate of minimum / final tax and income tax, amounting to Rs 268,356,400 represents tax liability of the company calculated under the relevant provisions of the income tax ordinance, 2001.

	2026 Rupees	2025 Rupees
32.3 Relationship between tax expense and accounting profit		
Profit before tax	480,929,381	338,576,073
Income tax using domestic corporate tax rate 29% (2025: 29%)	139,469,520	98,187,061
Tax effects of amounts that are:		
Effect of recognition of deferred tax liability on export sales	181,998,876	-
Effect of change in tax rate	(79,101,411)	48,472,464
Minimum tax differential and final tax	31,588,119	(37,116,694)
Effect of income chargeable at lower rates	(1,839,944)	(2,986,268)
Effect of super tax	21,655,042	37,822,581
Effect of prior year tax	(4,107,372)	(636,276)
Effect of previous tax credits expired and recognition of new tax credit	(75,680,133)	107,995,003
Others	5,280,300	(4,284,339)
	<u>219,262,997</u>	<u>247,453,533</u>

33 EARNINGS PER SHARE - BASIC AND DILUTED

The calculation of the basic earnings per share is based on the following data:

Profit after taxation for the year - (Rupees)	261,666,384	91,122,541
Number of shares outstanding	18,480,000	18,480,000
Earnings per share - Basic - (Rupees)	14.16	4.93

There is no dilutive effect on the basic earnings per share of the Company.

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	-----2026-----			-----2025-----		
	Rupees			Rupees		
Remuneration	21,866,667	19,200,000	15,855,600	19,816,667	17,400,000	14,535,600
Utilities	-	-	-	-	-	-
Gratuity	-	-	3,275,802	-	-	2,148,059
Other allowances	-	-	7,927,800	-	-	7,267,800
	21,866,667	19,200,000	27,059,202	19,816,667	17,400,000	23,951,459
Number of persons	1	1	5	1	1	5

34.1 In addition to above, the Directors have been provided with Company maintained cars.

34.2 In addition to above, 6 (2025: 4) Non Executive directors were paid aggregate meeting fee of Rs. 1,235,000/- (2025: Rs.1,027,500/-)

35 CASH GENERATED FROM OPERATIONS

	2026 Rupees	2025 Rupees
Profit before taxation	480,929,381	338,576,073
Adjustments for:		
Depreciation on property, plant and equipment	320,892,028	304,943,696
Provision for employee benefits	88,449,293	88,969,561
Dividend income	(11,827,900)	(10,284,326)
Gain on disposal of property, plant and equipment	(10,297,395)	(6,766,871)
Minimum tax differential and final tax	108,924,547	52,277,034
Gain on the sale of investment	(1,256,194)	(11,046,157)
Profit Received on term deposit certificate	(58,361)	(55,065)
Finance cost	183,306,828	256,188,156
Unrealized (gain) / loss on revaluation of foreign currency account	53,350	(1,041,360)
	678,186,196	673,184,668
Operating cash flows before working capital changes	1,159,115,577	1,011,760,741
Changes in working capital		
(Increase) / decrease in:		
Stores, spare parts and loose tools	26,483,818	(81,652,665)
Stock-in-trade	(190,364,510)	(3,396,538)
Trade receivables	265,412,165	507,304,823
Advances	23,652,669	(18,132,643)
Short term prepayments	1,590,625	1,112,371
Taxes refundable	(133,272,073)	(206,018,925)
	(6,497,306)	199,216,423
(Decrease) / Increase in:		
Trade and other payables	413,767,906	(37,841,516)
Cash generated from operations	1,566,386,177	1,173,135,649

36 FINANCIAL RISK MANAGEMENT

Credit risk
Liquidity risk
Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

36.1 Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

Expected Credit Loss (ECL) on financial assets are measured as an allowance equal to lifetime ECL for trade receivables and 12-month ECL for other financial assets. An asset moves to lifetime ECL category when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company is exposed to credit risk from its operating activities primarily for local trade receivables, sundry receivables and other financial assets for which the Company does not hold collateral as security.

The Company's credit risk exposures are categorized under the following headings:

36.1.1 Counterparties

The Company conducts the following major types of the transactions with the counterparties:

Trade receivables

Trade receivables are essentially due from local customers against sale of cloth and from foreign customers against supply of cloth and the Company does not expect these counterparties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit evaluation. Outstanding customer receivables are regularly monitored and any shipments to foreign customers are generally covered by letters of credit or other form of security.

Banks and investments

The Company limits its exposure to credit risk by only investing in highly liquid securities and only with counterparties that have a good credit rating. Given these credit ratings, Company does not expect any counterparty to fail to meet its obligations. The names and credit ratings of major banks, where the Company maintains bank balances as at June 30, 2026 are as follows:

Bank Name	Rating Agency	Credit Rating	
		Short Term	Long Term
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AAA
Al Baraka Bank (Pakistan) Limited	VIS	A1	A+
Habib Bank Limited	VIS	A1+	AAA
Meezan Bank Limited	VIS	A-1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
United Bank Limited	JCR-VIS	A-1+	AAA
Samba Bank Limited	JCR-VIS	A1	AA
The Bank of Punjab	PACRA	A1+	AA+
MCB Bank Limited	PACRA	A1+	AAA

36.1.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2026 Rupees	2025 Rupees
Trade receivables	19	807,624,106	1,073,036,270
Sundry receivables	21	103,001	97,535
Bank balances	24	267,400,946	224,169,029
Margin against letter of guarantee	20	10,000,000	10,000,000
Other financial asset	23	828,700	105,960,114
Long term deposits and advances	16	15,039,000	45,588,923
		1,100,995,753	1,458,851,871

Geographically there is no concentration of credit risk.

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

Cloth	807,624,106	1,073,036,270
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There is no single significant customer in the trade receivables of the Company.

Ageing analysis of trade receivables subject to credit risk

Neither past due nor	722,079,803	677,620,917
Past due but not impaired:		
Up to 90 days	85,544,303	395,415,353
	85,544,303	395,415,353

36.2 Liquidity risk management

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Included in note 11.1 to these financial statements is a listing of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

36.2.1 Liquidity and interest risk table

The following table detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities under long term financing agreements based on the earliest date on which the Company can be required to pay.

Fair values of all other financial assets and liabilities approximate their fair values.

For effective markup rate please see note 6.2 and note 11.2 to these financial statements.

Carrying amount and contractual cash flows of trade and other financial liabilities are approximately same.

	Carrying amount	
	2026 Rupees	2025 Rupees
Trade and other payables		
Maturity up to one year	1,292,380,532	851,728,166
Accrued interest / markup		
Maturity up to one year	49,866,991	43,364,251
Unclaimed dividend		
Maturity up to one year	7,499,535	7,318,034
Short term borrowings		
Maturity up to one year	1,037,645,024	1,100,553,395
Long term finances		
Maturity up to one year	546,612,567	549,039,439
Maturity after one year and up to five years	1,473,620,778	1,620,158,943
Maturity after five years	577,918,433	261,508,188
	2,598,151,778	2,430,706,570
	4,985,543,860	4,433,670,416

36.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

36.3.1 Foreign currency risk management

Pak Rupee (PKR) is the functional currency of the Company and as a result currency exposure arise from transactions and balances in currencies other than PKR. The Company's potential currency exposure comprise;

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as a part of overall risk management strategy.

Exposure to foreign currency risk

The Company's net exposure to foreign currency risk was as follows based on notional amounts:

	Currency	2026	2025
Trade receivables	USD	558,675	1,131,137
Foreign currency loan	USD	(822,260)	(2,455,008)
		<u>(263,585)</u>	<u>(1,323,871)</u>
Foreign currency loan	EURO	-	(665,889)
		<u>-</u>	<u>(665,889)</u>

The following significant exchange rates have been applied:

	Average rate		Reporting date mid spot rate	
	2026	2025	2026	2025
	Rupees	Rupees	Rupees	Rupees
USD	280.83	281.10	278.05	283.60
EURO	324.60	315.07	316.95	332.25

Commitments outstanding at year end amounted to USD: 0.19 million (2025: 2.30 million), Euro: 3,052 (2025: 0.40 million) and JPY: 13.6 (2025: 11.3 million) relating to letter of credits for import of plant and Machinery, stores, spare parts and raw material.

Sensitivity analysis

A 10 percent weakening of the Pak Rupee against the USD and EURO at June 30, 2026 would have decreased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2025.

	2026 Rupees	2025 Rupees
Decrease in profit and loss account due to change in USD	(7,328,981)	(37,544,990)
Decrease in profit and loss account due to change in EURO	-	(22,124,162)

A 10 percent strengthening of the Pak Rupee against the USD and EURO at June 30, 2026 would have had the equal but opposite effect on USD and EURO to the amounts shown above, on the basis that all other variables remain constant.

36.3.2 Interest rate risk

The interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. Sensitivity to interest rate risk arises from mismatches of financial assets and liabilities that mature in a given period.

Profile

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

<u>Fixed rate instruments</u>	2026 -----%	2025 -----%	2026 ----- Rupees -----	2025 ----- Rupees -----
	7.50%	-	299,979,946	-
	2.50%	2.50%	70,421,240	92,131,992
	6.50%	6.50%	-	27,343,724
	3.50%	3.50%	5,872,869	29,364,319
	2.50%	2.50%	144,274,009	226,716,293
	2.50%	2.50%	8,571,352	12,380,836
	2.50%	2.50%	47,888,000	63,848,000
	2.50%	2.50%	4,608,000	6,144,000
	2.50%	2.50%	927,000	1,339,000
	2.50%	2.50%	6,535,000	9,431,000
	2.50%	2.50%	53,787,000	67,231,000
	3.00%	3.00%	354,023,000	426,759,000
	3.00%	3.00%	49,365,500	58,392,300
	4.00%	4.00%	31,544,220	35,614,444
			<u>1,077,797,136</u>	<u>1,056,695,909</u>
<u>Floating rate instruments</u>				
Financial assets				
Term deposits receipt	7% to 14%	7% to 14%	<u>828,700</u>	<u>828,700</u>
Financial liabilities				
Long term finances	2.5% to 12.80%	13.14% to 21.24%	<u>1,012,195,562</u>	<u>820,989,275</u>
Short term borrowings	2.75% to 13.53%	10.20% to 21.60%	<u>1,037,645,024</u>	<u>1,100,553,395</u>
			<u>2,049,840,586</u>	<u>1,381,930,956</u>

Fair value sensitivity analysis for fix rate instruments

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

Fair value sensitivity analysis for floating rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in floating interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on finance cost).

	Increase / (decrease) in basis points	Decrease / (increase) of profit
	Points	Rupees
2026		<u>3,082,780</u>
2025	+ (-) 200	<u>4,581,697</u>

36.3.3 Equity price risk management

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 153.9 million (2025: Rs. 105.1 million). An increase of 25% on the PSX market index would have an impact of approximately Rs. 38.48 million (2025: Rs. 26.28 million) on the income or equity attributable to the Company, depending on whether or not the increase is significant and prolonged. A decrease of 25% in the value of the listed securities would impact equity in a similar amount but will not have an effect on income unless there is an impairment charge associated with it.

36.3.4 Other price risk

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

36.4 Determination of fair values

Fair value as 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.

Equity instruments at FVTOCI as disclosed in other financial assets, are presented at fair value by using quoted prices at Pakistan Stock Exchange (PSX) as at June 30, 2025. The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

The financial instrument, if any, that are not traded in active market are carried at cost and are tested for impairment according to IFRS 9.

The carrying amount less impairment provision, if any, of trade receivables and payables and financial liabilities are assumed to approximate to their fair values.

36.5 Fair value hierarchy

Financial instruments are carried at fair value, by valuation method. The different levels have been defined as follows:

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).

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

The Following table presents the Company's financial assets which are carried at fair value:

2026				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets - at fair value				
Equity Investments designated at FVTOCI	153,909,426	-	-	153,909,426
Investments designated at FVPL	-	200,000,000	-	200,000,000
	153,909,426	200,000,000	-	353,909,426
----- Rupees -----				
2025				
	Level 1	Level 2	Level 3	Total
----- Rupees -----				
Financial assets - at fair value				
Equity Investments designated at FVTOCI	105,131,414	-	-	105,131,414
	105,131,414	-	-	105,131,414

At June 30, 2024, the Company holds short term investments where the company has used Level 1 inputs for the measurement of fair values and there is no transfer between levels.

The levels and hierarchy of fixed assets at fair values are disclosed in note 14.1.4 to the financial statements.

36.6 CAPITAL RISK MANAGEMENT

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

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or/and issue new shares.

	2026 Rupees	2025 Rupees
Total borrowings	3,127,637,722	2,978,238,578
Cash and bank balance	(267,723,378)	(224,636,187)
Net debt	2,859,914,344	2,753,602,391
Total equity	2,678,670,800	2,414,339,227
Total capital	5,538,585,144	5,167,941,618
Gearing ratio	51.64%	53.28%

37 TRANSACTIONS WITH RELATED PARTIES

Related parties from the Company's perspective comprise, associated undertakings, key management personnel (including chief executive and directors), their close family members. The Company in the normal course of business carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out on permissible basis and agreed terms.

Other significant transactions with related parties are as follows:

Nature of relation	Nature of transactions	2026 Rupees	2025 Rupees
Associated company	Purchase of goods and services	8,548,049,153	8,710,256,676
	Sale of goods and services	183,155	164,794
	Dividend paid	13,948,208	13,948,208
	Rent expense	2,000,650	1,928,566
Key management personnel	Payment of dividend to directors and their close family members	26,522,657	26,523,908

37.1 Following are the related parties with whom the Company had entered into transaction or have arrangements / agreement in place.

Name of related party	Basis of relationship	Aggregate % of Shareholding
Ellahi International Private Limited	Associated Company - Common Director	20.278%
ARH (Private) Limited	Associated Company - Common Director	9.081%
Monell (Private) Limited	Associated Company - Common Director	0.280%
ICARO (Private) Limited	Associated Company - Common Director	0.275%
Haroon Omer (Private) Limited	Associated Company - Common Director	0.280%
Nagina Cotton Mills Limited	Associated Company - Common Director	-
Ellcot Spinning Mills Limited	Associated Company - Common Director	-
Pacific Industries (Private) Limited	Associated Company - Common Director	-
Mr. Shahzada Ellahi Shaikh	Key management personnel	11.473%
Mr. Shaukat Ellahi Shaikh	Key management personnel	11.573%
Mr. Shafqat Ellahi Shaikh	Key management personnel	11.472%
Mr. Haroon Shahzada Ellahi Shaikh	Key management personnel	3.791%
Mr. Amin Ellahi Shaikh	Key management personnel	7.576%
Mr. Raza Ellahi Shaikh	Key management personnel	7.580%
Ms. Parveen Akhter Malik	Key management personnel	0.003%
Mr. Aneeq Khawar	Key management personnel	0.003%
Mr. Arfa Waheed Malik	Key management personnel	0.003%
Mr. Javaid Bashir Sheikh	Key management personnel	0.003%
Mr. Omer Ellahi Shaikh	Close family members of key management personnel	3.788%
Mrs. Hummera Shahzada	Close family members of key management personnel	0.016%
Mrs. Mona Shaukat	Close family members of key management personnel	0.016%
Mrs. Shaista Shafqat	Close family members of key management personnel	0.016%
Mrs. Mehreen Saadat	Close family members of key management personnel	0.104%

38 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Opening	Addition during the year	Paid during the year	Closing
	Rupees			
2026				
Long term finances	1,877,685,184	636,432,429	424,124,916	2,089,992,698
Unclaimed dividend	7,318,034	46,200,000	46,018,499	7,499,535
Short term borrowings excluding running finance and bank	917,481,894	3,379,272,335	4,068,124,721	228,629,507
	2,802,485,112	4,061,904,764	4,538,268,136	2,326,121,740
2025				
Long term finances	2,143,179,470	208,799,059	474,293,345	1,877,685,184
Unclaimed dividend	7,102,793	46,200,000	45,984,759	7,318,034
Short term borrowings excluding running finance and bank overdraft	480,293,816	5,079,886,327	4,642,698,249	917,481,894
	2,630,576,079	5,334,885,386	5,162,976,353	2,802,485,112

39 PLANT CAPACITY AND ACTUAL PRODUCTION

	2026	2025
Air Jet Looms installed (Number)	382	382
Installed capacity at 50 Picks (meters)	91,075,520	91,075,520
Actual production (meters)	63,608,667	63,211,657
Actual production after conversion into 50 Picks (meters)	89,914,698	88,756,633

The difference between installed capacity and actual production is in normal course of business.

40 NUMBER OF EMPLOYEES

	At year end		Average	
	2026	2025	2026	2025
Head office	47	42	45	44
Plant	1,069	1,112	1,091	1,151
Total number of employees	1,116	1,154	1,136	1,195

41 DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

STATEMENT OF FINANCIAL POSITION	Note	2026 Rupees	2025 Rupees
Liabilities			
Long term financing as per Islamic mode		-	-
Short term borrowings as per Islamic mode	11	50,693,371	246,642
Interest or mark-up accrued on conventional loans	10	49,866,991	43,364,251
Assets			
Shariah compliant bank balances		138,307	197,971
Shariah compliant term deposit receipts (TDR)		-	-
Shariah compliant short term investments		-	-
Shariah compliant long term investments		-	-
STATEMENT OF PROFIT OR LOSS			
Sales - net (Shariah compliant)	25	17,543,549,274	18,191,084,239
Profit paid on islamic mode of financing	31	2,671,482	15,945,052
Interest earned on conventional loans		-	-
Exchange difference			
Shariah compliant	29	(360,198)	1,041,360
Shariah non-compliant		-	-
Balances written back - net			
Shariah compliant		-	-
Shariah non-compliant		-	-
Other income - Other			
Dividend earned on Shariah compliant investmest		-	-
Profit earned on Shariah compliant TDR		-	-
Other income-Shariah compliant	30	10,297,395	6,766,871
Other income-Shariah non-compliant	30	13,142,455	21,385,548

Relationship with Shariah-compliant financial institutions:

The Company has relationships with shariah compliant banks in respect of bank balances and availed borrowing facilities as mentioned above.

42 RECLASSIFICATION

Corresponding figures have been re-classified and re-arranged, whenever necessary, to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant re-classification and re-arrangements are made in the financial statements except as detailed below:

From	To	Reason	Amount
Property, plant and equipment - capital work in progress	Long term deposits and advances	Better classification	31,810,500

43 SUBSEQUENT EVENTS

In respect of current year, the board of directors proposed to pay cash dividend @ Rs. 2.5 (2025: Rs. 2.5) per ordinary share of Rs. 10 each. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting and has not been included as a liability in these financial statements.

44 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorized for issue on September 29, 2026.

45 GENERAL

The figures have been rounded off to the nearest Rupee.



Raza Ellahi Shaikh
Chief Executive Officer



Muhammad Tariq Sheikh
Chief Financial Officer



Haroon Shahzada Ellahi Shaikh
Director

Lahore: September 29, 2026

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FORM OF PROXY

The Secretary,
PROSPERITY WEAVING MILLS LTD.
 Nagina House
 91-B-1, M.M. Alam Road,
 Gulberg-III,
 Lahore-54660.

I/We _____ of _____ being member(s) of **PROSPERITY WEAVING MILLS LTD.**, and holder of _____ Ordinary Shares as per Share Register Folio No. _____ (In case of Central Depository System Account Holder A/c No. _____ Participant I.D. No. _____) hereby appoint _____ of _____ who is member of the Company as per Register Folio No. _____ (In case of Central Depository System Account Holder A/c No. _____ Participant I.D. No. _____) or failing him/her _____ of _____ who is member of the Company as per Register Folio No. _____ (In case of Central Depository System Account Holder A/c No. _____ Participant I.D. No. _____) as my/our proxy to vote for me/us and on my/our behalf at the 35th Annual General Meeting of the Company to be held on October 28, 2026 and at any adjournment thereof.

Signed at _____ this the _____ day of _____ 2026.

WITNESSES:

Signature _____	2. Signature _____
Name _____	Name _____
Address _____	Address _____
_____	_____
CNIC _____	CNIC _____
_____	_____

affix
Rs. 50/=
Revenue
Stamp

(Signature should agree with the Specimen signature registered with the Company)

NOTES:

1. If a member is unable to attend the meeting, he/she may sign this form and send it to the Secretary so as to reach him not less than 48 hours before the time of holding the meeting.
2. Members through CDC appointing proxies must attach attested copy of their Computerized National Identity Card (CNIC) with the proxy form.
3. The Shareholders through CDC, who wish to attend the Annual General Meeting are requested to please bring, original Computerized Identity Card with copy thereof duly attested by their Bankers, Account Number and Participant I.D Number for identification purpose.
4. In case of corporate entity, certified copy of the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.

پراکسی فارم (مختار نامہ)

بیکری

پراسپیریٹی ویونگ ملز لمیٹڈ

گلینہ ہاؤس، B-91، ایم ایم عالم روڈ

گلبرگ III، لاہور 54660

میں / ہم

ساکن

بحیثیت رکن پراسپیریٹی ویونگ ملز لمیٹڈ اور حامل

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر۔ پارٹسپنٹ (شرکت) آئی ڈی نمبر۔

بذریعہ ہذا

محترم / محترمہ

ساکن

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فلیو نمبر

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر۔ پارٹسپنٹ (شرکت) آئی ڈی نمبر۔

ساکن

یا اسکی غیر موجودگی میں محترم / محترمہ

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فلیو نمبر

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر۔ پارٹسپنٹ (شرکت) آئی ڈی نمبر۔

مورخہ 28 اکتوبر 2026ء کو منعقد ہونے والے کمپنی کے 35 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہما

(پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

دستخط..... آج بروز..... بتاریخ..... 2026ء

گواہ:

50 روپے کارسیدی ٹکٹ

چسپاں کریں

۲۔ دستخط:

۱۔ دستخط:

نام:

نام:

پتہ:

پتہ:

دستخط کمپنی کے ہاں رجسٹرڈ نمونہ

مطابق ہونے چاہئیں

شناختی کارڈ نمبر:

شناختی کارڈ نمبر:

نوٹ:

- 1۔ اگر ایک ممبر اجلاس میں شرکت کے قابل نہیں ہے تو وہ اس فارم پر دستخط کرے اور سیکریٹری کو اس طور ارسال کر دے کہ اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہئے
- 2۔ سی ڈی سی کے ذریعے حصص یافتگان پراکسیز تقرر کرتے ہوئے پراکسی فارم کے ہمراہ اپنے کمپیوٹر انزڈ قومی شناختی کارڈ کی مصدقہ کاپی منسلک کریں۔
- 3۔ سی ڈی سی کے ذریعے حصص یافتگان جو سالانہ اجلاس میں شرکت کرنا چاہتے ہوں سے التماس ہے کہ شناخت کے مقصد کے لئے اصل کمپیوٹر انزڈ قومی شناختی کارڈ بمعہ اپنے بینکرز سے کاپی، اکاؤنٹ نمبر اور پارٹسپنٹ آئی ڈی نمبر ہمراہ لائیں۔
- 4۔ کارپوریٹ اثاثہ کی صورت میں، بورڈ آف ڈائریکٹری قرار داد / مختار نامہ کی مصدقہ کاپی مع نمونہ دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع

