



Annual Report

2026

**ELLCOT SPINNING
MILLS LIMITED**

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Shahzada Ellahi Shaikh	Non-Executive Director / Chairman
Mr. Agha Ghulam Ahmed Gul	Independent Non-Executive Director
Mr. Imran Motiwala	Independent Non-Executive Director
Mrs. Faaria Rehman Salahuddin	Independent Non-Executive Director
Mr. Jamal Nasim (NIT)	Non-Executive Director
Mr. Shaukat Ellahi Shaikh	Non-Executive Director
Mr. Raza Ellahi Shaikh	Non-Executive Director
Mr. Amin Ellahi Shaikh	Non-Executive Director
Mr. Shafqat Ellahi Shaikh	Executive Director
Mr. Haroon Shahzada Ellahi Shaikh	Executive Director

MANAGING DIRECTOR (Chief Executive)

Mr. Haroon Shahzada Ellahi Shaikh

AUDIT COMMITTEE

Mr. Agha Ghulam Ahmed Gul	Chairman
Mr. Amin Ellahi Shaikh	Member
Mr. Raza Ellahi Shaikh	Member
Mr. Syed Mohsin Gilani	Secretary

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Mr. Agha Ghulam Ahmed Gul	Chairman
Mr. Raza Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

EXECUTIVE COMMITTEE

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

CORPORATE SECRETARY

Mr. Syed Mohsin Gilani

CHIEF FINANCIAL OFFICER (CFO)

Mr. Muhammad Ahmad

HEAD OF INTERNAL AUDIT

Mrs. Saira Saman

AUDITORS

Messrs Rahman Sarfraz Rahim Iqbal Rafiq
Chartered Accountants
Bandial & Associates

LEGAL ADVISOR

LEAD BANKERS

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

REGISTERED OFFICE

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

REGIONAL OFFICE

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

WEB REFERENCE

www.nagina.com

SHARE 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

6.3 K.M, Manga Mandi, Raiwind Road
Mouza Rossa, Tehsil & District Kasur

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 38th Annual General Meeting (AGM) of members of **Ellicot Spinning Mills Limited** will be held on **Wednesday, October 28, 2026** at 11:30 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/ESML-ANNUAL-2026.pdf	

- 3) To consider, approve and declare final cash dividend at Rs. 6.50/- per share i.e. 65 % 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 42 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 11:30 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, ESML, 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> 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%

- 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%.

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 42 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) Prosperity Weaving Mills Ltd. (PWML) ii) Nagina Cotton Mills Ltd. (NCML)																																		
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.	<table><tr><td></td><td>Present Financial Position as on June 30, 2026</td><td colspan="2">Financial Position at the time of approval as on June 30, 2025</td></tr><tr><td></td><td>PWML</td><td>NCML</td><td>PWML</td><td>NCML</td></tr><tr><td></td><td colspan="4">Rupees in Millions</td></tr><tr><td>Net sales</td><td>17,543.549</td><td>21,563.746</td><td>18,191.084</td><td>19,857.881</td></tr><tr><td>Gross profit</td><td>1,310.793</td><td>1,807.722</td><td>1,186.197</td><td>1,609.201</td></tr><tr><td>Profit before tax</td><td>589.854</td><td>638.205</td><td>390.853</td><td>442.262</td></tr><tr><td>Profit after tax</td><td>261.666</td><td>281.585</td><td>91.123</td><td>50.417</td></tr></table>		Present Financial Position as on June 30, 2026	Financial Position at the time of approval as on June 30, 2025			PWML	NCML	PWML	NCML		Rupees in Millions				Net sales	17,543.549	21,563.746	18,191.084	19,857.881	Gross profit	1,310.793	1,807.722	1,186.197	1,609.201	Profit before tax	589.854	638.205	390.853	442.262	Profit after tax	261.666	281.585	91.123	50.417
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BALLOT PAPER FOR VOTING THROUGH POST

In person and virtual Annual General Meeting to be held on Wednesday, October 28, 2026 at 11:30 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 42 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 cost	I/We assent to the resolution (FOR)	I/We dissent to the resolution AGAINST)
Resolution for Agenda No. 05			

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

NOTES/PROCEDURE FOR SUBMISSION OF BALLOT PAPER:

1. Duly filled and signed original postal ballot should be sent to the Chairman, Ellicot Spinning 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.
2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. 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.
4. Signature on Postal Ballot should match the signature on CNIC/Passport (in case of foreigner).
5. Incomplete, unsigned, in correct, defaced, torn, mutilated, over written ballot papers will be rejected.
6. 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.
7. 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 a dynamic, profitable and growth oriented company.

Mission:

To be the leading producer of cotton and blended yarn for knitting and weaving for local and international customers manufacturing well-known textile brands.

To strive for excellence and sustain position as a preferred supplier for yarn with a customer focused strategy.

Continuous enhancement of the quality objectives for customer satisfaction and operational efficiencies.

To achieve the comparative advantage by employing latest technologies for enhancing the efficiency and productivity.

To build enduring relationship with our suppliers by giving them fair return on their products and services.

To provide a professional, open and participative environment to our dedicated employees for developing their potential and team performance.

To give consistent financial returns to the shareholders on their investments.

To be responsible to the society, employees and communities in which we operate by initiating health care, education and social welfare activities.

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 Ellicot Spinning Mills Limited (ESML) 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 ESML 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

ایلیکٹریسیٹنگ ملز لمیٹڈ

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

ایلیکٹریسیٹنگ ملز لمیٹڈ (ESML) 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 کمپنی ایکٹ 2017 اور سلیڈ 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 شخص یا شخصان 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 کی 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 بہ لمحہ 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 آزاد ڈائریکٹرز بورڈ کے اہم فیصلوں میں برابر کے شریک ہیں۔
- بورڈ کی سالانہ کارکردگی برائے مالی سال 2025-26 کے نتائج اظہینان 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، منگ سیکڑ کی تکمیل، عالمی معاشی ماحول اور مسابقتی سیاق و سباق جس میں کمپنی کام کرتی ہے، کمپنی کے کاروبار 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 ESML 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 ٹیم کی مشترکہ کوششوں کے ساتھ توقعات سے بھی آگے بڑھایا جاسکتا ہے۔



شہزادہ الہی شاہ

چیئرمین

لاہور: 29 ستمبر 2026

DIRECTORS' REPORT TO THE MEMBERS

The Directors of your Company take pleasure in presenting 38th 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 macro-economic challenges across the textile sector, particularly within the spinning segment, the Company achieved a strong financial performance during the year under review. Net profit after tax rose to Rs. 206,175,034 (1.27% of sales), representing a significant improvement over last year's profit of Rs. 76,617,625 (0.48% of sales). Consequently, Earnings Per Share (EPS) increased to Rs. 18.83, compared to Rs. 7.00 recorded in the previous year.

Sales revenue for the year under review increased by 2.14% to Rs. 16,225,619,768 from Rs. 15,886,089,353 in the prior year. The increase in sales value is primarily driven by higher sales volume. Higher sales volume successfully offset a drop in per-unit selling prices. Cost of sales as a percentage of revenue improved from 93.89% to 93.05%, driven by key input cost reductions of Raw Material, Power & Fuel and Stores & Spares consumed.

Operating expenses increased to 2.70% of revenue compared to 2.28% in the prior year, primarily driven by inflationary pressure on administrative and selling costs. 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 1.84% of revenue from 2.08% in the previous year. We pay our gratitude to the Government for finally releasing the long awaited pending technology upgradation fund (TUF) claims.

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 Ginneries totalled 2.389 million bales compared to 2.004 million bales for the year 2025-26 showing increase in arrival of 19.17%.

Capital Assets Investment

In line with its strategic plans to enhance spinning productivity, quality, and operational efficiency, the Company invested Rs. 687.458 million (2025: Rs. 464.003 million) in Balancing, Modernization and Replacement (BMR) and expansion during the year. 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 Outlook

The global economy continues to face heightened volatility amid ongoing conflicts in the Middle East. Regional disruptions have placed pressure on supply chains and contributed to inflationary pressures, particularly through higher energy costs. However, the recent increase in global cotton prices has supported an improvement in yarn prices. Against this backdrop, the Company expects the first half of the current financial year to remain profitable as the company enjoys good raw material inventory levels.

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 un-interrupted energy at concessional rates in line with regional competing countries.

The cotton crop forecast for the 2026–27 crop year is expected to remain broadly in line with the previous year, at around 6 million bales. The relatively low crop size is likely to necessitate increased imports of cotton to meet the requirements of the domestic textile industry.

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, 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 @ 65% i.e. Rs. 6.50/- (2025: Rs.4/=) per ordinary share for the year ended June 30, 2026. The dividend will amount to Rs. 71,175,000

Principal Activity

The principal activity of the Company is manufacturing and sale of yarn.

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 July 10, 2027. The quality control certification helps to build up trust of new and old customers.

Corporate Social Responsibility

The Company strongly believes in the integration of Corporate Social Responsibility into its business, and consistently endeavors to uplift communities that are influenced directly or indirectly by our business.

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 provides insights into the assessment of sustainability-related risks, how these risks are managed or mitigated.

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.

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 diverse and inclusive Board and management composition provides equal opportunities to all employees, irrespective of their culture, race, gender, caste, and religion and promotes a work environment free from discrimination, harassment and intimidations 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 Messrs Rahman Sarfraz Rahim Iqbal Rafiq, Chartered Accountants, Lahore are due to retire and being eligible, have offered themselves for re-appointment as Auditors for the financial year 2026-27. As proposed by the Audit Committee, the Board recommends 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 Rahman Sarfraz Rahim Iqbal Rafiq, 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 5 (Five)
- (iii) Executive Director 2 (Two)

Name of Directors

Mr. Shahzada Ellahi Shaikh	Chairman
Mr. Agha Ghulam Ahmed Gul	
Mr. Imran Motiwala	
Mrs. Faaria Rehman Salahuddin	
Mr. Jamal Nasim	
Mr. Shaukat Ellahi Shaikh	
Mr. Raza Ellahi Shaikh	
Mr. Amin Ellahi Shaikh	
Mr. Shafqat Ellahi Shaikh	
Mr. Haroon Shahzada Ellahi Shaikh	Director / Chief Executive Officer

Election of Directors was held in January, 2026. Mr. Agha Ghulam Ahmed Gul was elected as Director in place of Mr. Mohammad Babar Monnoo.

Committees of the Board:

The Board has made following sub-committees:

Audit Committee

Sr. No.	Name of Directors	Designation
1.	Mr. Agha Ghulam Ahmed Gul	Chairman
2.	Mr. Raza Ellahi Shaikh	Member
3.	Mr. Amin Ellahi Shaikh	Member

Human Resource and Remuneration (HR&R) Committee

Sr. No.	Name of Directors	Designation
1.	Mr. Agha Ghulam Ahmed Gul	Chairman
2.	Mr. Raza Ellahi Shaikh	Member
3.	Mr. Haroon Shahzada Ellahi Shaikh	Member

Executive Committee

Sr. No.	Name of Directors	Designation
1.	Mr. Haroon Shahzada Ellahi Shaikh	Chairman
2.	Mr. Shafqat Ellahi Shaikh	Member
3.	Mr. Raza Ellahi Shaikh	Member
4.	Mr. Amin 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.

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 and other stakeholders for their continued support to the Company.

On behalf of the Board



Haroon Shahzada Ellahi Shaikh
Chief Executive Officer



Amin Ellahi Shaikh
Director

Lahore: September 29, 2026

ممبران کے لئے ڈائریکٹرز کی رپورٹ

مجلسِ نظامہ 30 جون 2026ء کو اختتام سال کے لئے کمپنی کی 38 ویں سالانہ رپورٹ معہ 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 اسپننگ سیکٹور میں جاری میکرو اکنامک چیلنجز کے باوجود، کمپنی نے زیرِ جائزہ مالی سال کے دوران مضبوط مالیاتی کارکردگی کا مظاہرہ کیا۔ ٹیکس کے بعد خالص منافع بڑھ کر 206,175,034 روپے (فروخت کا 1.27 فیصد) ہو گیا، جو گزشتہ سال کے 76,617,625 روپے (فروخت کا 0.48 فیصد) کے منافع کے مقابلے میں نمایاں بہتری کو ظاہر کرتا ہے۔ نتیجتاً، فی حصص آمدنی (EPS) بھی گزشتہ سال کے 7.00 روپے کے مقابلے میں بڑھ کر 18.83 روپے ہو گئی۔

زیرِ جائزہ مالی سال کے دوران فروخت سے حاصل ہونے والی آمدنی گزشتہ سال کے 15,886,089,353 روپے کے مقابلے میں 2.14 فیصد اضافے کے ساتھ 16,225,619,768 روپے رہی۔ فروخت کی مالیت میں یہ اضافہ بنیادی طور پر فروخت کے حجم میں اضافے کے باعث ہوا۔ فروخت کے زیادہ حجم نے فی یونٹ فروختی قیمت میں کمی کے اثر کو کمایا جس سے زائل کر دیا۔ آمدنی کے تناسب سے فروخت کی لاگت 93.89 فیصد سے کم ہو کر 93.05 فیصد رہی، جس میں خام مال، بجلی و ایندھن اور استعمال شدہ اسٹورز و اسپئیرز کی بنیادی لاگت میں کمی نے اہم کردار ادا کیا۔

آمدنی کے تناسب سے آپریٹنگ اخراجات گزشتہ سال کے 2.28 فیصد کے مقابلے میں بڑھ کر 2.70 فیصد ہو گئے، جس کی بنیادی وجہ انتظامی اور فروخت کے 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 کے 2.08 فیصد کے مقابلے میں کم ہو کر آمدنی کے 1.84 فیصد رہ گئے۔ ہم حکومت کے طویل عرصے سے زیرِ التوا انیکنا لوجی اپ گریڈیشن فنڈ (TUF) کے کلیمز بالآخر جاری کرنے پر حکومت کا تہدول سے شکریہ ادا کرتے ہیں۔

پاکستان کاٹن جزا زیوسی ایشن کی طرف سے فصل سال 2026-27 کے لئے جاری کردہ اعداد و شمار کے مطابق 15 ستمبر 2026ء تک جزیز میں کپاس (بیج کپاس) کی پہنچ سال 2025-26 کی کل 2,004 ملین گانٹھوں کے مقابلے میں 2,389 ملین گانٹھیں ہوئی جو کہ 19.17 فیصد کا اضافہ ظاہر کر رہی ہے۔

طویل مدتی اثاثوں کی سرمایہ کاری

اسپننگ کی پیداواری صلاحیت، معیار اور آپریٹنگ کارکردگی میں بہتری کے لیے اپنی حکمت عملی پر مبنی منصوبہ بندی کے مطابق، کمپنی نے زیرِ جائزہ مالی سال کے دوران ہیلتنگ، ماڈرنائزیشن اور ریپلیسمنٹ (BMR) اور توسیع کے لیے 687.458 ملین روپے (2025: 464.003 ملین روپے) کی سرمایہ کاری کی۔ کاربن فٹ پرنٹ میں کمی اور پائیدار توانائی کے حل کے فروغ کے لیے اپنے عزم کے مطابق، کمپنی مزید سوشی 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 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۔ تاہم، حالیہ عرصے میں عالمی کپاس کی قیمتوں میں اضافے نے دھاکے کی قیمتوں میں بہتری میں معاونت کی ہے۔ اس پس منظر میں، کمپنی کو توقع ہے کہ رواں مالی سال کی پہلی ششماہی منافع بخش رہے گی، کیونکہ کمپنی کے پاس خام مال کا مناسب ذخیرہ موجود ہے۔

زیرِ 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 مالیاتی اخراجات میں اضافہ ہو سکتا ہے۔

توانائی کی بڑھتی ہوئی لاگت سے منٹنے اور طویل مدتی آپریٹنگ کارکردگی کو مستحکم بنانے کے لیے، کمپنی اپنے توانائی کے بنیادی ڈھانچے کو سوشی 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۔

فصل سال 2026-27 کے لیے کپاس کی متوقع پیداوار گزشتہ سال کے تقریباً 6 ملین گانٹھوں کے برابر رہنے کی توقع ہے۔ کپاس کی نسبتاً کم پیداوار کے باعث مقامی ٹیکسٹائل کی صنعت کی ضروریات پوری کرنے کے لیے کپاس کی درآمد میں اضافے کی ضرورت پیش آ سکتی ہے۔

یہ امید کی جاتی ہے کہ حکومت کاروبار میں موثر لاگتی بلا تعلق توانائی کی فراہمی، بقایا ٹیکس کی واپسی، کارپوریٹ ٹیکس کی شرح میں کمی، مہنگائی کی شرح کو کنٹرول کرنا اور مالیاتی اخراجات میں کمی جیسی دوستانہ پالیسیاں لائے گی۔ حکومتی پالیسیاں ٹیکسٹائل شعبہ میں ویلیو چین کی مکمل حوصلہ افزاء ہونی چاہئیں تاکہ ملک تیار مصنوعات برآمد کر سکے۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 30 جون 2026ء کو ختم ہونے والے سال کے لئے منافع منقسمہ بشرح 65 فیصد یعنی -/6.50 روپے (2025: 4 روپے) فی عام شیئر کی منظوری دی ہے۔ منافع منقسمہ کی رقم 71,175,000 روپے ہے۔

اصل سرگرمی

کمپنی کی بنیادی کاروباری سرگرمی دھاگے (Yarn) کی تیاری اور فروخت پر مشتمل ہے۔

نمایاں خطرات اور غیر یقینی حالات

بورڈ آف ڈائریکٹرز کمپنی کے آپریشنز کی نگرانی اور خطرات کے کسی بھی ممکنہ منفی اثرات کو کم کرنے کے لیے مؤثر حکمت عملی وضع کرنے کا ذمہ دار ہے۔ کمپنی کی بنیادی مالیاتی واجبات میں طویل مدتی مالیاتی سہولیات، تجارتی اور دیگر قابل ادائیگی رقوم اور قلیل مدتی قرضے شامل ہیں۔ ان مالیاتی واجبات کا بنیادی مقصد کمپنی کے آپریشنز کے لیے مالی وسائل حاصل کرنا ہے۔ کمپنی کے بنیادی مالیاتی اثاثوں میں تجارتی وصولیاں، پیسنگی ادائیگیاں، قلیل مدتی ڈپازٹس، دیگر وصولیاں اور نقد رقم و بینک بیلنس شامل ہیں، جو براہ راست کمپنی کے آپریشنز سے پیدا ہوتے ہیں۔ کمپنی کی سرگرمیاں اسے مختلف قسم کے مالیاتی خطرات سے دوچار کرتی ہیں، جن میں مارکیٹ رسک (بشمول کرنسی رسک، شرح سود کا رسک اور قیمت کا رسک)، کریڈٹ رسک اور لیکویڈیٹی رسک شامل ہیں۔ کمپنی کا مجموعی رسک منجھنت پر وگرام مالیاتی منڈیوں میں پائی جانے والی غیر یقینی صورت حال پر توجہ مرکوز کرتا ہے اور مالیاتی کارکردگی پر ممکنہ منفی اثرات کو کم سے 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 ایٹمی کے اعلیٰ معیارات پر کام جاری رکھتی ہے اور 10 جولائی 2027ء تک کارآمد سرٹیفیکیشن کا حالیہ ورژن حاصل کر چکی ہے۔ کو ایٹمی کنٹرول سرٹیفیکیشن نئے اور پرانے 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 ہو رہی ہیں ان کی ترقی کے لئے مسلسل کوشاں ہیں۔

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۔ کمپنی نے پائیداری سے متعلق خطرات سے نمٹنے کے لئے ایک مضبوط رسک منجھنت 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۔

تنوع، مساوات اور شمولیت (ڈی ای آئی)

ہم یقین رکھتے ہیں کہ تنوع، مساوات اور شمولیت (ڈی ای ای اینڈ آئی) کو فروغ دینا کمپنی کی کلیدی ترجیح ہے اور جدت طرازی کو وسعت دینے، فیصلہ سازی کو بہتر بنانے اور کمپنی کی مجموعی کارکردگی کو بڑھانے کے لئے لازمی ہے۔ کمپنی متنوع اور جامع بورڈ اور منجھنت کمپوزیشن کو فروغ دیتی ہے جو تمام ملازمین کو ان کی ثقافت، نسل، جنس، ذات پات اور مذہب سے قطع نظر مساوی مواقع فراہم کرتی ہے اور کسی بھی نوعیت کے امتیازی سلوک، ہراسانی اور دھمکیوں سے پاک کام کے ماحول کو فروغ دیتی ہے۔

اندرونی مالیاتی کنٹرول

بورڈ آف ڈائریکٹر کی طرف سے کمپنی کی تمام سطحوں پر مضبوط اندرونی کنٹرول کا ایک نظام قائم اور نافذ کیا گیا ہے۔ اندرونی کنٹرول کا نظام کمپنی کے مقاصد اور آپریشنل موثرگی 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 فریقوں کے ساتھ لین دین قابل رسائی کی بنیاد پر منتقلی قیمتوں کے تعین کے طریقوں اور بورڈ سے منظور شدہ متعلقہ فریقوں کی پالیسی کے مطابق تھے۔ تمام متعلقہ پارٹی لین دین کو اندرونی آڈٹ کے ذریعے باضابطہ طور پر منظور کیا گیا جس کی بعد میں آڈٹ کمیٹی نے منظوری دی اور ان پر غور و خوض اور منظوری کے لیے بورڈ کے روبرو رکھا گیا۔ تاہم، بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں فیصلہ کیا کہ بورڈ کے منظور شدہ متعلقہ پارٹی ٹرانزیکشنز کو ممبر کی بھی منظوری کے لیے کمپنی کے اجلاس عام کے روبرو رکھا جائے گا۔

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

نمونہ حصص داری

30 جون 2026ء کے مطابق عام شیئرز کے لئے نمونہ حصص 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 میسرز رحمان سرفراز رحیم اقبال، چارٹرڈ اکاؤنٹنٹس، لاہور نے اہل ہونے کی بناء پر مالی سال 2026-27 کے لئے بحیثیت آڈیٹرز دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔ آڈٹ کمیٹی کی تجویز کے مطابق، بورڈ نے موجودہ آڈیٹرز کو ختم ہونے والے سال 30 جون 2027ء میں دوبارہ تقرری کی منظوری دے دی ہے۔

مالیاتی حسابات کا آڈٹ

کمپنی کے مالی حسابات، کمپنی کے قانونی ایکسٹرنل آڈیٹرز، میسرز رحمان سرفراز رحیم اقبال، 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:

- 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۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- 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۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے رواں دواں ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- گزشتہ چھ سال کا کلیدی آپرینٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- مالی سال 2025-26 کے دوران ایک (1) کارپوریٹ بریفنگ سیشن (CBS) منعقد کیا گیا۔
- ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مدین 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 (نو) 9

(b) خاتون (ایک) 1

ترتیب:

- i۔ آزاد ڈائریکٹرز (تین) 3
- ii۔ دیگر نان ایگزیکٹو ڈائریکٹرز (پانچ) 5
- iii۔ ایگزیکٹو ڈائریکٹرز (دو) 2

ڈائریکٹرز کے نام

جناب شہزادہ الہی شیخ چیئرمین
 جناب آغا غلام احمد گل
 جناب عمران موتی والا
 محترمہ فاریدہ رحمان صلاح الدین
 جناب جمال نسیم
 جناب شوکت الہی شیخ
 جناب رضا الہی شیخ
 جناب امین الہی شیخ
 جناب شفقت الہی شیخ

جناب ہارون شہزادہ الہی شیخ ڈائریکٹر/ چیف ایگزیکٹو آفیسر
 ڈائریکٹرز کا انتخاب جنوری 2026ء میں منعقد ہوا۔ مسٹر آغا غلام احمد گل کو مسٹر محمد ہارمن کی جگہ ڈائریکٹر منتخب کیا گیا۔

بورڈ کی کمیٹیاں

بورڈ آف ڈائریکٹرز نے مندرجہ ذیل کمیٹیاں تشکیل دی ہیں:

• آڈٹ کمیٹی

جناب آغا غلام احمد گل چیئرمین
 جناب امین الہی شیخ رکن
 جناب رضا الہی شیخ رکن

• ہیومن ریسورس اینڈ ریمیزیشن (HR&R) کمیٹی

جناب آغا غلام احمد گل چیئرمین
 جناب رضا الہی شیخ رکن
 جناب ہارون شہزادہ الہی شیخ رکن

• ایگزیکٹو کمیٹی

جناب ہارون شہزادہ الہی شیخ چیئرمین
 جناب شفقت الہی شیخ رکن
 جناب رضا الہی شیخ رکن
 جناب امین الہی شیخ رکن

ڈائریکٹرز کے معاوضے 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۔

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۔ 26-2025 میں ڈائریکٹرز اور سی ای او کے معاوضے کی معلومات کے لئے، براہ مہربانی مالی گوشواروں کے نوٹ ملاحظہ فرمائیں۔

اتھارٹشکر

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

امین الہی شیخ
ڈائریکٹر

ہارون شہزادہ الہی شیخ
چیف ایگزیکٹو آفیسر

لاہور: 29 ستمبر 2026ء

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

Name of Company: Ellcot Spinning 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 Director	Mr. Agha Ghulam Ahmed Gul Mr. Imran Motiwala Mrs. Faaria Rehman Salahuddin
ii. Non-Executive Directors	Mr. Shahzada Ellahi Shaikh Mr. Jamal Nasim (NIT) Mr. Shaukat Ellahi Shaikh Mr. Raza Ellahi Shaikh Mr. Amin Ellahi Shaikh
iii. Executive Directors	Mr. Shafqat Ellahi Shaikh Mr. Haroon Shahzada Ellahi Shaikh
iv. Female Directors	Mrs. Faaria Rehman Salahuddin

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 fully 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

Mr. Agha Ghulam Ahmed Gul, Chairman
Mr. Amin Ellahi Shaikh, Member
Mr. Raza Ellahi Shaikh, Member

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

Mr. Agha Ghulam Ahmed Gul, Chairman
Mr. Raza Ellahi Shaikh, Member
Mr. Haroon Shahzada 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.

Explanation as required under the Regulations is mentioned below:

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.

On behalf of the Board



Haroon Shahzada Ellahi Shaikh
Chief Executive Officer



Shahzada Ellahi Shaikh
Chairman

Lahore: September 29, 2026

SHAREHOLDERS' INFORMATION

Annual General Meeting (AGM)

The 38th Annual General Meeting (AGM) of members of Ellicot Spinning Mills Limited will be held on **Wednesday, October 28, 2026** at 11:30 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 481 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.6.50/- per share i.e.65% 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 your 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 Members:

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) 0018985**

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
238	1	100	6,793
104	101	500	32,850
45	501	1,000	34,249
63	1,001	5,000	150,898
8	5,001	10,000	53,011
3	10,001	15,000	40,180
1	20,001	25,000	21,312
1	25,001	30,000	26,830
1	40,001	45,000	41,345
1	60,001	65,000	64,626
1	215,001	220,000	219,359
1	220,001	225,000	222,052
1	240,001	245,000	242,735
1	280,001	285,000	284,335
1	370,001	375,000	371,743
1	565,001	570,000	569,500
1	625,001	630,000	628,400
3	660,001	665,000	1,993,716
2	695,001	700,000	1,400,000
1	700,001	705,000	704,380
1	970,001	975,000	974,595
1	1,395,001	1,400,000	1,400,000
1	1,400,001	1,405,000	1,400,500
-			66,591
481	Total:-		10,950,000

PATTERN OF SHAREHOLDING 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	242,735	2.22
ii)	MR. SHAUKAT ELLAHI SHAIKH	371,743	3.40
iii)	MR. SHAFQAT ELLAHI SHAIKH	284,335	2.60
iv)	MR. RAZA ELLAHI SHAIKH	1,400,000	12.79
v)	MR. AMIN ELLAHI SHAIKH	1,400,500	12.79
vi)	MR. HAROON SHAHZADA ELLAHI SHAIKH	700,000	6.39
vii)	MR. AGHA GHULAM AHMED GUL	500	0.00
viii)	MR. JAMAL NASIM	1,000	0.01
ix)	MR. IMRAN MOTIWALA	500	0.00
x)	MRS. FAARIA REHMAN SALAHUDDIN	500	0.00
xi)	MRS. HUMERA SHAHZADA ELLAHI SHEIKH	1,437	0.01
xii)	MRS. MONA SHAUKAT SHAIKH	1,437	0.01
xiii)	MRS. SHAISTA SHAFQAT	1,437	0.01
		4,406,124	40.24
2)	Associated Companies, Undertakings and Related Parties		
i)	ELLAHI INTERNATIONAL (PVT) LIMITED	41,345	0.38
ii)	HAROON OMER (PVT) LIMITED	664,572	6.07
iii)	MONELL (PVT) LIMITED	664,572	6.07
iv)	ICARO (PVT) LIMITED	664,572	6.07
v)	ARH (PVT) LIMITED	628,400	5.74
		2,663,461	24.33
3)	NIT and ICP	Nil	Nil
4)	Banks, Development Finance Institutions, Non Banking Finance Institutions		
i)	NATIONAL BANK OF PAKISTAN	396	0.00
ii)	ESCORTS INVESTMENT BANK LIMITED	4	0.00
iii)	LSE FINANCIAL SERVICES LIMITED	1,125	0.01
		1,525	0.01
5)	Insurance Companies	-	-
6)	Modarabas and Mutual Funds		
i)	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	974,595	8.90
ii)	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	704,380	6.43
iii)	CDC - TRUSTEE AKD OPPORTUNITY FUND	569,500	5.20
		2,248,475	20.53
7)	Shareholders Holding 10% or more		
i)	MR. AMIN ELLAHI SHAIKH	1,400,500	12.79
ii)	MR. RAZA ELLAHI SHAIKH	1,400,000	12.79
8)	General Public		
i)	a. Local	1,563,389	14.28
ii)	b. Foreign	-	-
9)	Others (Joint Stock Companies)	67,026	0.61

Note:-

M/s. Nagina Cotton Mills Ltd., had distributed 6,545,000 ordinary shares of M/s. Ellicot Spinning Mills Ltd., among its members, out of which 66,591 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".

ELLCOT SPINNING MILLS 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	7.53%
ii)	Median Gender Pay Gap	(9.33%)
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 7.53% and (9.33%), respectively. These pay differences are influenced by factors such as individual performance, experience, education and skill set.	



Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

KEY FINANCIAL INFORMATION

		YEAR ENDED 30TH JUNE					
		2026	2025	2024	2023	2022	2021
Sales	Rs.'000	16,225,620	15,886,089	15,510,705	12,224,218	10,873,425	7,715,509
Gross profit	Rs.'000	1,128,202	970,916	1,047,131	1,042,049	2,148,878	1,399,137
Operating profit	Rs.'000	741,760	715,224	800,554	803,369	1,791,880	1,131,853
Profit before tax / levies	Rs.'000	443,770	384,619	319,625	614,456	1,629,169	1,016,226
Profit after tax	Rs.'000	206,175	76,618	152,980	419,735	1,231,300	813,597
Share capital - paid up	Rs.'000	109,500	109,500	109,500	109,500	109,500	109,500
Shareholders' equity	Rs.'000	4,470,172	4,268,132	4,211,332	4,020,588	3,738,930	2,552,071
Total assets	Rs.'000	10,968,442	11,216,229	10,267,682	10,834,227	9,379,474	6,189,405
Earning per share - pre tax / levies	Rs.	40.53	35.13	29.19	56.11	148.78	92.81
Earnings per share - after tax	Rs.	18.83	7.00	13.97	38.33	112.45	74.30
Dividend per share	Rs.	6.50	4.00	5.00	6.00	10.00	10.00
Market value per share as on 30 June	Rs.	120.04	102.00	85.00	93.28	162.99	123.01
Gross profit to sales	%	6.95	6.11	6.75	8.52	19.76	18.13
Operating profit to sales	%	4.57	4.50	5.16	6.57	16.48	14.67
Profit before tax / levies to sales	%	2.73	2.42	2.06	5.03	14.98	13.17
Profit after tax to sales	%	1.27	0.48	0.99	3.43	11.32	10.54
Current ratio		2.05:1	2.09:1	2.69:1	2.54:1	2.75:1	3.02:1
Total debt to total assets ratio	%	59.25	61.95	58.98	62.89	60.14	58.77
Debt equity ratio	%	45.53	48.84	50.44	54.15	50.48	50.87

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ELLCOT SPINNING MILLS LIMITED
Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 [the 'Regulations'] prepared by the Board of Directors of **ELLCOT SPINING MILLS LIMITED** for the year ended 30 June 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

The engagement partner on the review resulting in this independent auditor's review report is **ALI RAZA JAFFERY**.



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore | 30 September 2026

UDIN: CR202610704GZK1rYI0f



Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the members of ELLCOT SPINNING MILLS LIMITED Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **ELLCOT SPINNING MILLS LIMITED** ['the Company'], which comprise the statement of financial position as at **30 June 2026**, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Basis for Opinion

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

Key Audit Matters

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

Sr.	Key audit matter	How our audit addressed the Key Audit Matter
1.	Revenue recognition Refer to notes 5.16.1 and 29 to the annexed financial statements. The amount of revenue is the most significant class of transaction on the statement of profit or loss. Net revenue is reported at Rs. 16,225.620 million. We identified revenue recognition as a key audit matter since it is a key performance measure for the Company and gives rise to the risk associated with the judgement in determining the timing of satisfaction of performance obligations as well as creates an incentive for fraudulently overstating revenue by recognizing revenue before such performance obligations are satisfied.	Our audit procedures in respect of recognition of revenue, amongst others, included the following: - Assessing the appropriateness of the Company's revenue recognition accounting policies by comparing with accounting standards; - Obtaining understanding of and testing the design and operating effectiveness of controls design to ensure that revenue is recognized in the appropriate accounting period and testing, on a sample basis, invoices and credit notes, recorded before and after the reporting period with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and

Sr.	Key audit matter	How our audit addressed the Key Audit Matter
		Critically assessing manual journals posted to revenue to identify unusual or irregular items.
2.	Valuation of stock in trade Refer to notes 5.12.2 and 21 to the annexed financial statements. Stock in trade amounts to Rs 2,053.516 million as at the reporting date. The valuation of stock in trade at cost has different components, which includes judgment in relation to the allocation of labour and overheads which are incurred in bringing the stock to its present location and condition. Judgment has also been applied by management in determining the Net Realizable Value ["NRV"] of stock in trade. The estimates and judgments applied by management are influenced by the amount of direct costs incurred historically, expectations of repeat orders to utilize the stock in trade, sales contract in hand and historically realized sales prices The significance of the balance coupled with the judgment involved has resulted in the valuation of stock in trade being identified as a key audit matter.	Our audit procedures in respect of valuation of stock in trade, amongst others, included the following: - Assessing historical costs recorded in the stock in trade valuation; testing on a sample basis with purchase invoices; - Obtaining an understanding of management's process for allocating raw material, labour, and overhead costs to stock of finished goods and work in process and evaluating the appropriateness and consistency of the allocation bases used; - Testing the reasonability of assumptions applied by the management in allocating direct labour and direct overhead costs to stock in trade; and - Assessing management's determination of the net realizable value of stock in trade by performing tests on the sales prices secured by the Company for similar or comparable items of stock in trade.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **ALI RAZA JAFFERY**.



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore | 30 September 2026

UDIN: AR202610704fKOsA8xtb



STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
EQUITY AND LIABILITIES			
EQUITY			
<i>Authorized share capital</i>	6	400,000,000	400,000,000
Issued share capital	7	109,500,000	109,500,000
Capital reserves	8	83,420,141	47,845,448
Retained earnings		4,277,251,508	4,110,786,715
TOTAL EQUITY		4,470,171,649	4,268,132,163
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term borrowings	9	2,913,535,552	3,217,887,879
Employees retirement benefits	10	289,995,196	243,590,617
Deferred taxation	11	261,333,250	244,954,720
Deferred grant	12	115,098,188	169,440,980
		3,579,962,186	3,875,874,196
CURRENT LIABILITIES			
Trade and other payables	13	1,776,804,657	1,526,206,301
Short term borrowings	14	362,508,816	778,749,346
Accrued interest/profit on borrowings	15	62,991,928	71,249,618
Unclaimed dividend		8,827,482	8,521,122
Current taxation	26	-	255,061
Current maturity of non-current liabilities	16	707,174,928	687,240,812
		2,918,307,811	3,072,222,260
TOTAL LIABILITIES		6,498,269,997	6,948,096,456
CONTINGENCIES AND COMMITMENTS			
	17		
TOTAL EQUITY AND LIABILITIES		10,968,441,646	11,216,228,619

The annexed notes from 1 to 57 form an integral part of these financial statements

Lahore: September 29, 2026



AMIN ELLAHI SHAIKH
Director

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	18	4,988,406,552	4,794,126,462
Intangible assets	19	-	-
Long term deposits	20	7,840,700	7,840,700
		4,996,247,252	4,801,967,162
CURRENT ASSETS			
Stores, spares and loose tools		188,229,695	301,438,629
Stock in trade	21	2,053,515,663	2,889,492,253
Trade receivables	22	1,698,437,365	1,239,334,933
Deposits and prepayments	23	109,312,735	151,697,774
Advances and other receivables	24	849,856,152	1,027,552,176
Short term investments	25	521,917,205	218,966,706
Current taxation	26	38,090,693	-
Tax refunds due from government	27	174,654,270	179,358,701
Bank balances	28	338,180,616	406,420,285
		5,972,194,394	6,414,261,457
TOTAL ASSETS		10,968,441,646	11,216,228,619

The annexed notes from 1 to 57 form an integral part of these financial statements



MUHAMMAD AHMAD
Chief Financial Officer



HAROON SHAHZADA ELLAHI SHAIKH
Chief Executive Officer

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

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
Revenue from contracts with customers	29	16,225,619,768	15,886,089,353
Cost of sales	30	(15,097,417,910)	(14,915,173,293)
Gross profit		1,128,201,858	970,916,060
Other income	31	51,004,078	106,974,695
Selling and distribution expenses	32	(103,230,102)	(85,997,705)
Administrative expenses	33	(301,649,341)	(247,352,866)
Other expenses	34	(32,889,013)	(29,229,075)
		(437,768,456)	(362,579,646)
Impairment reversal/(allowance) for expected credit losses	45.1.6	322,026	(86,639)
Operating profit		741,759,506	715,224,470
Finance costs	35	(297,989,491)	(330,605,138)
Profit before levies and income taxes		443,770,015	384,619,332
Provision for levies	36	(97,410,087)	(122,458,454)
Profit before income taxes		346,359,928	262,160,878
Provision for income taxes	37	(140,184,894)	(185,543,253)
Profit after income tax		206,175,034	76,617,625
Basic earnings per share [Rupees]	38	18.83	7.00

The annexed notes from 1 to 57 form an integral part of these financial statements



AMIN ELLAHI SHAIKH
Director



MUHAMMAD AHMAD
Chief Financial Officer



HAROON SHAHZADA ELLAHI SHAIKH
Chief Executive Officer

Lahore: September 29, 2026

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
Profit after income tax		206,175,034	76,617,625
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of defined benefit obligation	10.1	6,243,907	8,842,715
Financial assets at fair value through OCI	25.1.2	44,261,940	34,740,120
Income tax relating to items that will not be reclassified	11.2	(10,841,395)	(8,650,215)
		39,664,452	34,932,620
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
Other comprehensive income after income taxes		39,664,452	34,932,620
Total comprehensive income		245,839,486	111,550,245

The annexed notes from 1 to 57 form an integral part of these financial statements



AMIN ELLAHI SHAIKH
Director



MUHAMMAD AHMAD
Chief Financial Officer



HAROON SHAHZADA ELLAHI SHAIKH
Chief Executive Officer

Lahore: September 29, 2026

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

	Share capital	Capital reserves				Total equity
		Reserve for financial assets measured at FVTOCI	Reserve on merger	Total	Retained earnings	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
As at 01 July 2024	109,500,000	11,077,447	7,760,000	18,837,447	4,082,994,471	4,211,331,918
Comprehensive income						
Profit after income taxes	-	-	-	-	76,617,625	76,617,625
Other comprehensive income after income taxes	-	29,008,001	-	29,008,001	5,924,619	34,932,620
	-	29,008,001	-	29,008,001	82,542,244	111,550,245
Transaction with owners						
Final dividend @ 50% i.e. Rs. 5 per ordinary share	-	-	-	-	(54,750,000)	(54,750,000)
As at 30 June 2025	109,500,000	40,085,448	7,760,000	47,845,448	4,110,786,715	4,268,132,163
As at 01 July 2025	109,500,000	40,085,448	7,760,000	47,845,448	4,110,786,715	4,268,132,163
Comprehensive income						
Profit after income taxes	-	-	-	-	206,175,034	206,175,034
Other comprehensive income after income taxes	-	35,574,693	-	35,574,693	4,089,759	39,664,452
	-	35,574,693	-	35,574,693	210,264,793	245,839,486
Transaction with owners						
Final dividend @ 40% i.e. Rs. 4 per ordinary share	-	-	-	-	(43,800,000)	(43,800,000)
As at 30 June 2026	109,500,000	75,660,141	7,760,000	83,420,141	4,277,251,508	4,470,171,649

The annexed notes from 1 to 57 form an integral part of these financial statements


AMIN ELLAHI SHAIKH
 Director


MUHAMMAD AHMAD
 Chief Financial Officer


HAROON SHAHZADA ELLAHI SHAIKH
 Chief Executive Officer

Lahore: September 29, 2026

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/(used in) operations	39	2,256,728,439	(1,838,388)
Payments for:			
Interest/profit on borrowings		(324,057,831)	(336,274,637)
Income taxes and levies		(297,859,809)	(285,043,116)
Employees retirement benefits		(22,797,117)	(31,666,172)
Net cash generated from/(used in) operating activities		1,612,013,682	(654,822,313)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(687,458,146)	(464,003,221)
Proceeds from disposal of property, plant and equipment		32,874,000	27,461,586
Return on term deposits		3,445,035	4,371,867
Purchase of short term investments		(2,299,566,873)	(1,671,150,699)
Proceeds from disposal of short term investments		2,055,901,965	2,674,511,672
Dividend income		12,818,010	11,656,960
Net cash (used in)/generated from investing activities		(881,986,009)	582,848,165
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term borrowings obtained		346,753,154	401,627,878
Repayment of long term borrowings		(685,514,157)	(613,239,906)
Net (decrease)/increase in short term borrowings		(415,371,782)	629,977,383
Dividend paid		(43,493,640)	(54,370,065)
Net cash (used in)/generated from financing activities		(797,626,425)	363,995,290
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(67,598,752)	292,021,142
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		406,420,285	113,509,476
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(640,917)	889,667
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	40	338,180,616	406,420,285

The annexed notes from 1 to 57 form an integral part of these financial statements



AMIN ELLAHI SHAIKH
Director



MUHAMMAD AHMAD
Chief Financial Officer



HAROON SHAHZADA ELLAHI SHAIKH
Chief Executive Officer

Lahore: September 29, 2026

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

1 LEGAL STATUS AND OPERATIONS

Ellicot Spinning Mills Limited [the 'Company'] was incorporated under the repealed Companies Ordinance, 1984 on 22 December 1988. The Company is a 'Public Company Limited by Shares' and is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn.

1.1 Location of business units

Registered Office	Nagina House, 91-B-1, M.M. Alam Road, Gulberg III, Lahore, Pakistan
Regional Office	2nd Floor, Shaikh Sultan Trust Building no. 2, 26-Civil Lines, Beaumont Road, Karachi, Pakistan
Manufacturing Unit	6.3 K.M, Manga Mandi, Raiwind Road, Mouza Rossa, Tehsil and District Kasur, Pakistan

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards ['IFRS'] issued by the International Accounting Standards Board as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Employee retirement benefits	Present value
Investments in listed equity securities	Fair value
Investments in mutual funds	Fair value
Other financial assets	Amortized cost

2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.3.1 Critical accounting judgements

Critical accounting judgements made by the management in the application of accounting and reporting standards that have significant effect on the financial statements are as follows:

(a) Business model assessment (see note 5.1.2)

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

(b) Significant increase in credit risk (see note 5.18.1)

Expected credit losses ['ECL'] are measured, based on the Company's risk grading framework, at an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' 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.

2.3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

(a) Calculation of impairment allowance for expected credit losses on financial assets (see note 45.1.3)

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Company uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. If the ECL rates on financial assets carried at amortized cost were higher (lower) by 10%, the loss allowance on those assets would have been higher (lower) by Rs. 211.27 million (30-Jun-25: Rs. 172.12 million).

(b) Present value of defined benefit obligation (see note 10)

The determination of the Company's defined benefit obligation depends on certain assumptions, which include selection of the discount rate, average rate of increase in salaries and mortality rates. The discount rate is set by reference to market yields at the end of the reporting period on government bonds as there is no deep market for high quality corporate bonds in Pakistan. Average rate of increase in salary are based on market expectations, inflation and historical trends. Mortality rates are based upon SLIC(2001-05) mortality table. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Company's financial statements within the next year.

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date has been determined by an independent actuary, Nauman Associates, Consulting Actuaries. The principal assumptions used in determining present value of defined benefit obligation are:

	30-Jun-26	30-Jun-25
Discount rate	11.75%	11.75%
Expected rates of increase in salary	11.25%	11.25%

An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

	30-Jun-26		30-Jun-25	
	Change in actuarial assumption	Defined benefit obligation Rupees	Change in actuarial assumption	Defined benefit obligation Rupees
Discount rate	+ 1%	272,584,130	+ 1%	228,702,486
	- 1%	309,889,257	- 1%	260,596,946
Expected rate of increase in salary	+ 1%	310,370,140	+ 1%	261,022,871
	- 1%	271,832,024	- 1%	228,045,157

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

(c) Provisions for levies and income taxes under Income Tax Ordinance, 2001 (see note 36 and 37)

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provisions for income taxes, levies and tax contingencies under the Income Tax Ordinance, 2001 [‘the Ordinance’].

The provision for levies and current tax under the Ordinance are estimated at Rs. 102.32 million (30-Jun-25: Rs. 128.85 million) and Rs. 125.75 million (30-Jun-25: Rs. 98.29 million) respectively. The management believes that the provision for levies and current tax made in the financial statements is sufficient to discharge related liabilities under the Ordinance.

Provision (30-Jun-25: Provision) for deferred tax of Rs. 5.54 million (30-Jun-25: Rs. 79.45 million) has been estimated after taking into account historical and future turnover and profit trends and their taxability under the current tax law.

2.4 Functional currency

These financial statements have been presented in Pak Rupees which is the Company's functional currency. The amounts reported in these financial statements have been rounded to the nearest Rupee unless specified otherwise.

2.5 Date of authorization for issue

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on 29 September 2026.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

The following new and revised International Financial Reporting Standards [IFRS] and International Accounting Standards [IAS], interpretations of and amendments to IFRS and IAS are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures, except as stated otherwise.

3.1 Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	01 January 2026
Amendments IFRS 9 and IFRS 7 regarding the power purchase agreements	01 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	01 January 2026

	Effective date (annual periods beginning on or after)
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 July 2026
IFRS S2 Climate-related Disclosures	01 July 2026
IFRS 17 Insurance Contracts	01 January 2027
IFRS 18 Presentation and Disclosures in Financial Statements	01 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027
Amendments to IAS 21 regarding translation to a hyperinflationary presentation currency.	01 January 2027

Other than aforementioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan for adoption.

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

The Company intends to adopt these new standards on their effective dates, subject to notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's financial statements other than in presentation/disclosures.

5 MATERIAL ACCOUNTING POLICIES

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

5.1 Financial instruments

5.1.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

5.1.2 Classification

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in accordance with the substance of contractual provisions. The Company determines the classification of its financial instruments at initial recognition as follows:

(a) Financial assets at amortized cost

These are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cashflows 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.

(b) Financial assets at fair value through other comprehensive income ['fair value through OCI']

These are:

- (i) financial assets held within a business model whose objective is achieved by both collecting contractual cashflows 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; and
- (ii) investments in equity instruments, that are not held for trading nor contingent consideration recognized by the Company as acquirer in a business combination, for which the Company makes an irrevocable election at initial recognition to present changes in fair value on subsequent measurement in other comprehensive income.

(c) Financial assets at fair value through profit or loss

These are financial assets which have not been classified as 'financial assets at amortized cost' or as 'financial assets at fair value through other comprehensive income', are mandatorily measured at fair value through profit or loss or for which the Company makes an irrevocable election at initial recognition to designate as 'financial asset at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

(d) Financial liabilities at amortized cost

These are financial liabilities which are not derivatives, financial guarantee contracts, commitments to provide loans at below-market interest rate, contingent consideration payable to an acquirer in a business combination or financial liabilities that arise when transfer of a financial asset does not qualify for derecognition.

(e) Financial liabilities at fair value through profit or loss

These are financial liabilities which have not been classified as 'financial liabilities at amortized cost' or for which the Company makes an irrevocable election at initial recognition to designate as 'financial liabilities at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

5.1.3 Measurement

The particular measurement methods adopted are disclosed in individual policy statements associated with each financial instrument.

5.1.4 Derecognition

A financial asset is derecognized when the Company's contractual rights to the cash flows from the financial assets expire or when the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the financial asset. A financial liability is derecognized when the Company's obligations specified in the contract expire or a discharged or cancelled.

5.1.5 Off-setting

A financial asset and financial liability is offset and the net amount reported in the statement of financial position if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.1.6 Regular way purchases or sales of financial assets

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 market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

5.2 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

5.3 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis. Transaction costs included in the carrying amount of the loans are amortized over the lives of loans using the effective interest method.

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

5.4 Leases as 'lessee'

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration. 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 the short-term leases 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.

A right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Subsequent to initial recognition, a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognized using straight-line method over the shorter of lease term and useful life of the right-of-use asset, unless the lease transfers ownership of the underlying asset to the Company by the end of lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment assets. In addition, the right-of-use asset is adjusted for certain remeasurements of the related lease liability.

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 measurement of lease liability comprise:

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

Subsequent to initial recognition, lease liability is measured at amortized cost using effective interest method whereby the carrying amount of lease liability is increased to reflect the interest thereon and decreased to reflect lease payments made. Interest is recognized in profit or loss.

Lease liability is remeasured whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in 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;
- 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 an unchanged 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; or
- 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 based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the related right-of-use asset, except where the carrying amount of right-of-use asset is reduced to zero. In that case, any adjustment exceeding the carrying amount of the right-of-use asset is recognized in profit or loss.

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.

5.5 Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

5.6 Government and other grants

Grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognized as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The amount of grant is recognized as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the tenure of loan.

5.7 Trade and other payables

5.7.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.7.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

5.8 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

5.9 Property, plant and equipment

Property, plant and equipment assets held for use in the production or supply of goods or services or for administrative purposes, are stated in the statement of financial position at their cost less accumulated depreciation and accumulated impairment losses, except for freehold land, which is not depreciated.

Assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the cost of material, labour and appropriate overheads directly relating to the construction, erection and installation of the asset and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other assets of the same class, commences when the assets are ready for their intended use.

Depreciation is recognized in profit or loss, using rates specified in note 18, so as to write off the cost or revalued amounts of assets (other than freehold land and assets under construction) over their estimated useful lives, using the reducing balance method, with the exception of right-of-use assets, for which the lease does not transfer ownership of the underlying asset to the Company at the end of lease term, which are depreciated over the shorter of lease term and useful lives of the underlying assets, using straight line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

A property, plant and equipment asset is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of such assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

5.10 Intangible assets

Intangible assets with finite useful lives that are acquired separately or in a business combination are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss, using rates specified in note 19.1, over their estimated useful lives, using straight line method. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately or in a business combination are carried at cost less accumulated impairment losses.

5.11 Stores and spares

These are valued at cost. Cost is determined on the basis of moving average except for items in transit, which are valued at invoice price plus related cost incurred up to the reporting date. For items which are considered obsolete, the carrying amount is written down to nil. Spare parts held exclusively for capitalization are classified as property, plant and equipment.

5.12 Inventories

5.12.1 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of cost and net realizable value. Cost is determined on the basis of moving average except for items in transit, which are valued at invoice price plus related cost incurred up to the reporting date. For items

which are considered obsolete, the carrying amount is written down to nil. Spare parts held for capitalization are classified as non-current assets. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

5.12.2 Stock in trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

Category	Basis of determination of cost
Raw materials	Moving average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Stock in transit	Invoice price plus related cost incurred up to the reporting date

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labor and an appropriate proportion of manufacturing overheads.

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.

5.13 Trade and other receivables

5.13.1 Financial assets

These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at fair value at the date of transaction, plus attributable transaction costs, except for trade receivables that do not have a significant financing component, which are measured at undiscounted invoice price. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.13.2 Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

5.14 Investments

5.14.1 Investments in mutual funds

Investments in mutual fund units are classified as 'financial assets at fair value through profit or loss [FVTPL]' unless the Company makes an irrevocable election at initial recognition, for a particular investment, to present subsequent changes in fair value in other comprehensive income in which case these are classified as 'financial assets at fair value through other comprehensive income [FVTOCI]'. On initial recognition, these are measured at fair value as on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized in profit or loss except where the Company has made an irrevocable election at initial recognition to present these changes in other comprehensive income. Cumulative gains and losses from changes in fair value recognized in other comprehensive income are transferred to retained earnings on derecognition. Dividend income is recognized in profit or loss when right to receive payment is established.

5.14.2 Investments in listed equity securities

Investments in listed equity securities are classified as 'financial assets at fair value through other comprehensive income'. On initial recognition, these are measured at fair value on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized in other comprehensive income. Cumulative gains and losses from changes in fair value recognized in other comprehensive income are transferred to retained earnings on derecognition. Dividend income is recognized in profit or loss when right to receive payment is established.

5.14.3 Investments in term deposits

Investments in term deposits are classified as 'financial assets at amortized cost'. On initial recognition, On initial recognition, these are measured at fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.15 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at banks. Interest income on cash and cash equivalents is recognized using effective interest method.

5.16 Contracts with Customers

5.16.1 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue from a contract with customer when the Company satisfies an obligation specified in that contract. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Yarn, Raw cotton, Polyester, Waste	Performance obligations are satisfied when goods are dispatched to customers. Invoices are generated at that point in time and are usually payable within a period ranging from 30 days to 120 days. There are no customer loyalty programs or warranty provisions. However, some contracts allow for return of goods if those do not meet the requirements or specifications provided in the contract.	Revenue is recognized at a point in time when the goods are dispatched to customers.

5.16.2 Contract assets

Contract assets represents consideration receivable for work performed up to the reporting date where performance obligations have been satisfied but invoices have not been issued to customers. These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost less accumulated impairment losses. Amortized cost is measured using the effective interest method, with interest recognized in profit or loss. A contract asset is reclassified to a trade receivable once the Company has an unconditional right to payment i.e. when the invoice is issued.

5.16.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

5.17 Employee benefits

5.17.1 Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of services or property and equipment as permitted or required by the approved accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

The liability for compensated absences is measured at the amount that the Company expects to pay out in cash for unused leaves as at the reporting date.

5.17.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of remeasurements which are recognized in statement of comprehensive income. The amount recognized on statement of financial position represents the present value of defined benefit obligation which is measured at present value using projected credit unit method.

5.18 Impairment

5.18.1 Financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset.

Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of trade receivables, for which the Company recognizes lifetime expected credit losses estimated using internal credit risk grading based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions, and an assessment for both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or loss.

5.18.2 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

5.19 Income tax

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

5.19.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

5.19.2 Deferred taxation

Deferred tax is accounted for by providing for temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for tax purposes. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized.

5.20 Levies under Income Tax Ordinance, 2001

In accordance with the application guidance issued by the Institute of Chartered Accountants of Pakistan (ICAP) in respect of IAS 12 Income Taxes, taxes that are not based on taxable profit are accounted for as levies in accordance with IFRIC 21 Levies and IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The amount of minimum tax exceeding the income tax liability determined in accordance with IAS 12, representing the minimum tax differential, and final taxes not based on taxable profit are recognised as levies in profit or loss when the related obligating event occurs.

5.21 Earnings per share ['EPS']

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.22 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by accounting and reporting standards as applicable in Pakistan, and is presented in 'statement of comprehensive income'.

5.23 Dividend distribution to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from retained earnings in statement of changes in equity and as a liability, to the extent it is unclaimed/unpaid, in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

5.24 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in profit or loss.

5.25 Fair value measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5.26 Segment reporting

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

6 AUTHORIZED SHARE CAPITAL

30-Jun-26	30-Jun-25		30-Jun-26	30-Jun-25
<i>Shares</i>	<i>Shares</i>		<i>Rupees</i>	<i>Rupees</i>
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

7 ISSUED SHARE CAPITAL

30-Jun-26	30-Jun-25		30-Jun-26	30-Jun-25
<i>Shares</i>	<i>Shares</i>		<i>Rupees</i>	<i>Rupees</i>
		Ordinary shares of Rs. 10 each		
8,760,000	8,760,000	Issued for cash	87,600,000	87,600,000
2,190,000	2,190,000	Issued as fully paid bonus shares	21,900,000	21,900,000
10,950,000	10,950,000		109,500,000	109,500,000
		Note	30-Jun-26	30-Jun-25
			<i>Rupees</i>	<i>Rupees</i>

8 CAPITAL RESERVES

Reserve for financial assets measured at FVTOCI	25.1.2	75,660,141	40,085,448
Reserve on merger	8.1	7,760,000	7,760,000
		83,420,141	47,845,448

- 8.1 On 30 September 2001, the net assets of Power Unit II of Ellahi Electric Company Limited were merged into the Company. The reserve represents the difference between the book value of shares held by the Company in Ellahi Electric Company Limited as on the date of merger and the value of net assets transferred to the Company.

	<i>Note</i>	30-Jun-26 <i>Rupees</i>	30-Jun-25 <i>Rupees</i>
9 LONG TERM BORROWINGS			
United Bank Limited			
Term Facility	9.1	46,619,720	51,799,688
Diminishing Musharakah	9.2	436,355,857	401,627,878
		482,975,577	453,427,566
Habib Bank Limited			
Term Facility	9.3	26,879,615	38,826,107
Long Term Financing Facility	9.4	234,671,948	335,888,372
		261,551,563	374,714,479
National Bank of Pakistan			
Term Facility	9.5	25,875,000	37,375,000
Temporary Economic Refinancing Facility	9.6	154,008,939	176,714,723
		179,883,939	214,089,723
Pakistan Kuwait Investment Company (Private) Limited			
Term Facility - I	9.7	471,604,132	544,679,064
Term Facility - II	9.8	208,080,675	-
Long Term Financing Facility	9.9	149,339,500	181,950,500
Temporary Economic Refinancing Facility	9.10	20,571,634	24,765,840
		849,595,941	751,395,404
Askari Bank Limited			
Term Facility	9.11	486,109,844	560,895,973
		486,109,844	560,895,973
Allied Bank Limited			
Long Term Financing Facility	9.12	11,016,000	13,152,000
Temporary Economic Refinancing Facility	9.13	264,929,945	307,097,900
Renewable Energy Scheme	9.14	44,907,000	53,067,000
		320,852,945	373,316,900
Bank Alfalah Limited			
Term Facility	9.15	103,944,500	-
Long Term Financing Facility	9.16	433,235,877	598,407,089
Temporary Economic Refinancing Facility	9.17	448,217,502	516,095,026
		985,397,879	1,114,502,115
		3,566,367,688	3,842,342,160
Current maturity presented under current liabilities	16	(652,832,136)	(624,454,281)
		2,913,535,552	3,217,887,879

- 9.1** This represents term facility of Rs. 600 million sanctioned by United Bank Limited to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at three months KIBOR plus 1.60% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in February 2025.
- 9.2** This represents diminishing musharakah facility of Rs. 500 million sanctioned by United Bank Limited to finance capital expenditure and renewable energy project. The facility is secured by charge over operating fixed assets of the Company. The facility carries profit at three months KIBOR plus 1.60% per annum, payable quarterly. The principal against renewable energy project and capital expenditure is repayable in twenty four equal quarterly installments with the first installment due in January 2027 and July 2027 respectively.
- 9.3** This represents term facility of Rs. 850 million sanctioned by Habib Bank Limited to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at three months KIBOR plus 0.5% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in December 2019.

- 9.4** This represents long term financing facility sanctioned by Habib Bank Limited, as a sub-limit of term facility referred to in note 9.3, to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at 2.50% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in October 2019.
- 9.5** This represents term facility of Rs. 350 million sanctioned by National Bank of Pakistan to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at three months KIBOR plus 1.50% per annum, payable quarterly. The principal is repayable in twenty equal quarterly installments with the first installment due in November 2023.
- 9.6** This represents temporary economic refinance facility sanctioned by National Bank of Pakistan, as a sub-limit of the term facility referred to in note 9.5 to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at 2.50% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in November 2023. The amortized cost of financial liabilities against this facility has been determined using discount rates ranging from of 12.04% to 12.89% being the prevailing market rates of interest for similar instruments at the date of disbursement. The difference between the amortised cost and face value has been recognized as deferred grant (See note 12). The details are as follows:

	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
Face value of finance		191,995,000	228,511,000
Unamortized deferred grant	12	(37,986,061)	(51,796,277)
		154,008,939	176,714,723

- 9.7** This represents long term financing facility of Rs. 850 million sanctioned by Pakistan Kuwait Investment Company (Private) Limited to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at three months KIBOR plus 1.50% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in October 2024.
- 9.8** This represents long term financing facility of Rs. 250 million sanctioned by Pakistan Kuwait Investment Company (Private) Limited to finance capital expenditure. The facility is secured by charge over all present and future fixed assets of the Company. The facility carries interest at three months KIBOR plus 1.30% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in February 2028.
- 9.9** This represents term facility sanctioned by Pakistan Kuwait Investment Company (Private) Limited, as a sub-limit of long term financing facility referred to in note 9.7, to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at 3.50% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in November 2022.
- 9.10** This represents temporary economic refinance facility sanctioned by Pakistan Kuwait Investment Company (Private) Limited, as a sub-limit of long term financing facility referred to in note 9.7, to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at 3% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in November 2022. The amortized cost of financial liabilities against this facility has been determined using discount rate of 9.30% being the prevailing market rate of interest for similar instruments at the date of disbursement. The difference between the amortised cost and face value has been recognized as deferred grant (See note 12). The details are as follows:

	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
Face value of finance		23,168,000	28,616,000
Unamortized deferred grant	12	(2,596,366)	(3,850,160)
		20,571,634	24,765,840

- 9.11** This represents term facility of Rs. 600 million sanctioned by Askari Bank Limited to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at three months KIBOR plus 1.50% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in April 2025.
- 9.12** This represents long term financing facility of Rs. 500 million sanctioned by Allied Bank Limited to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at 3.25% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in July 2023.

- 9.13** This represents temporary economic refinance facility sanctioned by Allied Bank Limited, as a sub-limit of long term financing facility referred to in note 9.12, to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at 2.25% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in July 2023. The amortized cost of financial liabilities against this facility has been determined using discount rates ranging from of 8.70% to 14.89% being the prevailing market rates of interest for similar instruments at the date of disbursement. The difference between the amortised cost and face value has been recognized as deferred grant (See note 12). The details are as follows:

	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
Face value of finance		311,826,000	371,890,000
Unamortized deferred grant	12	(46,896,055)	(64,792,100)
		264,929,945	307,097,900

- 9.14** This represents facility of Rs. 100 million sanctioned by Allied Bank Limited under renewable energy scheme to finance renewable energy project. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at 3.25 per annum, payable quarterly. The principal is repayable in thirty five equal quarterly installments with the first installment due in August 2023.

- 9.15** This represents term facility of Rs. 350 million sanctioned by Bank Alfalah Limited to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest rate at three months KIBOR + 1.25% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in February 2028.

- 9.16** This represents long term financing facility of Rs. 1,257 million sanctioned by Bank Alfalah Limited to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at rates ranging from 2.50% to 3.50% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in August 2018.

- 9.17** This represents temporary economic refinance facility of Rs. 800 million sanctioned by Bank Alfalah Limited to finance capital expenditure. The facility is secured by charge over operating fixed assets of the Company. The facility carries interest at 2.75% per annum, payable quarterly. The principal is repayable in thirty two equal quarterly installments with the first installment due in September 2023. The amortized cost of financial liabilities against this facility has been determined using discount rates ranging from of 9.14% to 12.02% being the prevailing market rates of interest for similar instruments at the date of disbursement. The difference between the amortised cost and face value has been recognized as deferred grant (See note 12). The details are as follows:

	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
Face value of finance		530,180,000	627,884,000
Unamortized deferred grant	12	(81,962,498)	(111,788,974)
		448,217,502	516,095,026

- 9.18** For mortgages and charges on assets as security for liabilities, refer to note 48 to the financial statements.

10 EMPLOYEES RETIREMENT BENEFITS

The Company operates an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly gross salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. The scheme is administered by the management of the Company under the supervision and directions of the Board of Directors of the Company. The amount recognized on statement of financial position represents present value of defined benefit obligation.

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
10.1 Movement in present value of defined benefit obligation			
As at beginning of the year		243,590,617	210,938,548
Charged to profit or loss for the year	10.2	75,445,603	73,160,956
Benefits paid during the year		(22,797,117)	(31,666,172)
Remeasurements recognized in other comprehensive income	10.4	(6,243,907)	(8,842,715)
As at end of the year		289,995,196	243,590,617
10.2 Charge to profit or loss			
Service cost		48,163,036	44,382,900
Interest cost		27,282,567	28,778,056
		75,445,603	73,160,956
10.3 The charge to profit or loss has been allocated as follows			
Cost of sales	30.2	44,814,671	29,787,493
Administrative expenses	33.1	30,630,932	43,373,463
		75,445,603	73,160,956
10.4 Remeasurements recognized in other comprehensive income			
Actuarial gain arising from:			
Changes in financial assumptions		-	1,659,596
Experience adjustments		6,243,907	7,183,119
		6,243,907	8,842,715
10.5 Average duration of the defined benefit obligation			
The average duration of the defined benefit obligation is 6 years.			
10.6 Expected charge to profit or loss for the next financial year			
The expected charge to profit or loss for the year ending 30 June 2027 amounts to Rs. 83.460 million.			
10.7 Risk factors			
The defined benefit plan exposes the Company to the following actuarial risks:			
Inflation risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the final salary which will closely reflect inflation and other macroeconomic factors. An increase in final salary at the time of cessation of service will increase the defined benefit liability.			
Mortality risk: The present value of defined benefit obligation has been calculated with reference to the assumed mortality rates. The risk arises from actual mortality experience differing from the assumed mortality rates. This risk is more pronounced where the age and service distribution of employees is relatively higher.			
Withdrawal risk: The present value of defined benefit obligation has been calculated with reference to the assumed withdrawal probabilities. The risk arises from actual employee withdrawal experience differing from the assumed withdrawal probabilities. The significance of withdrawal risk varies with the age and service profile of employees and the benefits to which they are entitled.			
Longevity risk: The present value of defined benefit obligation has been calculated by reference to the best estimate of the expected remaining working lives of employees. An increase in the expected remaining working lives will increase the defined benefit obligation.			

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
11 DEFERRED TAXATION			
Deferred tax liability on taxable temporary differences	11.1	634,498,422	530,868,615
Deferred tax asset on deductible temporary differences	11.1	(373,165,172)	(285,913,895)
		261,333,250	244,954,720

11.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	30-Jun-26			
	As at 01-Jul-25 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at 30-Jun-26 Rupees
Deferred tax liabilities				
Operating fixed assets	522,935,908	94,949,103	-	617,885,011
Investments in listed equity securities	7,921,076	-	8,687,247	16,608,323
Investments in mutual funds	11,631	(6,543)	-	5,088
	530,868,615	94,942,560	8,687,247	634,498,422
Deferred tax assets				
Trade receivables	(2,986,851)	(24,667)	-	(3,011,518)
Employees retirement benefits	(80,384,904)	(21,817,587)	2,154,148	(100,048,343)
Unused losses and credits	(202,542,140)	(67,563,171)	-	(270,105,311)
	(285,913,895)	(89,405,425)	2,154,148	(373,165,172)
	244,954,720	5,537,135	10,841,395	261,333,250

	30-Jun-25			
	As at 01-Jul-24 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at 30-Jun-25 Rupees
Deferred tax liabilities				
Operating fixed assets	370,840,240	152,095,668	-	522,935,908
Investments in listed equity securities	2,188,957	-	5,732,119	7,921,076
Investments in mutual funds	1,029,928	(1,018,297)	-	11,631
	374,059,125	151,077,371	5,732,119	530,868,615
Deferred tax assets				
Trade receivables	(2,273,685)	(713,166)	-	(2,986,851)
Employees retirement benefits	(53,501,237)	(29,801,763)	2,918,096	(80,384,904)
Unused losses and credits	(161,428,065)	(41,114,075)	-	(202,542,140)
	(217,202,987)	(71,629,004)	2,918,096	(285,913,895)
	156,856,138	79,448,367	8,650,215	244,954,720

- 11.2 Deferred tax on items of income and expenses recognized in other comprehensive income are attributable to:

	30-Jun-26		
	Origination and reversal of temporary differences Rupees	Changes in tax rates Rupees	Total Rupees
Remeasurements of defined benefit obligation	2,154,148	-	2,154,148
Financial assets at fair value through OCI	7,967,149	720,098	8,687,247
	10,121,297	720,098	10,841,395
	30-Jun-25		
	Origination and reversal of temporary differences Rupees	Changes in tax rates Rupees	Total Rupees
Remeasurements of defined benefit obligation	2,918,096	-	2,918,096
Financial assets at fair value through OCI	5,732,119	-	5,732,119
	8,650,215	-	8,650,215

- 11.3 Deferred tax has been recognized at effective tax rates ranging from 18% to 34.5% (30-Jun-25: Rs. 16.5% to 33%).

- 11.4 The Company has unused tax losses amounting to Rs. 14.78 million (30-Jun-25: Rs. 14.78 million) and tax credits amounting to Rs. 296.03 million (30-Jun-25: Rs. 274.94 million) as at the reporting date. However the Company has not recognized deferred tax asset on unused tax credits amounting to Rs. 31.03 million (30-Jun-25: Rs. nil) as the Company expects that they will not be utilized in foreseeable future.

Valid till	Nature	30-Jun-26	30-Jun-25
Tax year		Rupees	Rupees
Indefinite	Tax Losses [Depreciation]	14,782,181	14,782,181
		14,782,181	14,782,181
2026	Tax Credits	-	78,601,745
2027	Tax Credits	71,026,089	71,026,089
2028	Tax Credits	225,005,459	125,313,863
		296,031,548	274,941,697

12 DEFERRED GRANT

The State Bank of Pakistan ['SBP'] through IH&SMEFD circular no. 1 of 2020 dated 17 March 2020, introduced 'Temporary Economic Refinance Facility' ['TERF']. The purpose of this schemes was to provide relief to dampen the effects of COVID - 19 by providing loans at interest rates that are below normal lending rates.

The Company obtained financing of Rs. 1,598.132 million under the TERF scheme (see notes 9.6, 9.10, 9.13 and 9.17). The benefit of below market interest rates, measured as the difference between the fair value of loan on the date of disbursement and its face value on that date has been recognised as deferred grant.

- 12.1 The amount recognized on the statement of financial position, as at the reporting date, represents the following:

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
National Bank of Pakistan	9.6	37,986,061	51,796,277
Pakistan Kuwait Investment Company (Private) Limited	9.10	2,596,366	3,850,160
Allied Bank Limited	9.13	46,896,055	64,792,100
Bank Alfalah Limited	9.17	81,962,498	111,788,974
		169,440,980	232,227,511
Current maturity presented under current liabilities	16	(54,342,792)	(62,786,531)
		115,098,188	169,440,980

12.2 The movement during the year is as follows:

As at beginning of the year		232,227,511	302,675,484
Amortized during the year		(62,786,531)	(70,447,973)
As at end of the year		169,440,980	232,227,511
Current maturity presented under current liabilities	16	(54,342,792)	(62,786,531)
As at end of the year		115,098,188	169,440,980

13 TRADE AND OTHER PAYABLES

Trade creditors		183,673,566	156,150,466
Accrued liabilities		627,340,418	391,661,977
Advances from customers		14,873,864	21,614,577
Gas infrastructure development cess	13.1	117,902,576	117,902,576
Infrastructure tax	13.2	589,096,225	474,209,613
Cotton cess	13.3	41,964,431	38,339,081
Electricity duty payable	13.4	-	82,558,583
Workers' Profit Participation Fund	13.5	23,810,853	20,668,691
Workers' Welfare Fund	13.6	37,369,822	33,743,945
Levies payable	13.7	102,319,290	163,410,370
Sales tax payable		28,831,942	22,752,224
Other payables		9,621,670	3,194,198
		1,776,804,657	1,526,206,301

13.1 This represents cess levied, through the Gas Infrastructure Development Cess ['GIDC'] Act, 2011 later re-imposed by the Gas Infrastructure Development Cess Act, 2015, the recovery of which has been stayed by the High Court of Sindh. (see note 17.1.2).

13.2 This represents tax levied by the Sindh Government on movement of imported goods entering the Sindh Province from outside Pakistan.

13.3 This represents cess levied under the Cotton Cess Act, 1923, the recovery of which has been stayed by the High Court of Lahore. (see note 17.1.3).

13.4 This represents electricity duty levied under the Punjab Electricity Duty Act, 2005, in respect of electricity generated through the Company's captive power generation facilities for its own consumption. During the year, the Company reassessed its obligation in respect of the aforesaid electricity duty in light of the judgment of the Supreme Court of Pakistan ['SCP'] dated 8 October 2024 in Civil Appeals [CA 256 to 266 and 438 to 472 of 2011; 2025 SCMR 239]. Having regard to the principles enunciated by the SCP and the Company's captive power generation and self-consumption arrangements, the Company's legal counsel is of the opinion that the aforesaid judgment constitutes a relevant judicial precedent in determining the Company's liability under the Punjab Electricity Duty Act, 2005. Accordingly, the Company has wholly written back its outstanding electricity duty payable during the year.

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
13.5 Workers' Profit Participation Fund			
As at beginning of the year		20,668,691	15,969,080
Interest on funds utilized by the Company	13.5.1	33,976	32,813
Charged to profit or loss for the year	34	23,810,853	20,668,691
Paid during the year		(20,702,667)	(16,001,893)
As at end of the year		23,810,853	20,668,691
13.5.1	Interest has been charged at 30% (30-Jun-25: 75%) per annum.		
13.6 Workers' Welfare Fund			
As at beginning of the year		33,743,945	31,370,198
Charged to profit or loss for the year	34	8,791,764	7,854,103
Adjusted during the year		(5,165,887)	(5,480,356)
As at end of the year		37,369,822	33,743,945
13.7 Levies payable			
As at beginning of the year		163,410,370	158,277,678
Charged to profit or loss for the year	36	97,410,087	122,458,454
Paid/adjusted during the year		(158,501,167)	(117,325,762)
As at end of the year		102,319,290	163,410,370
14 SHORT TERM BORROWINGS			
Secured			
Running/cash finances	14.1	362,508,816	317,559,934
Running musharakah	14.2	-	445,226,119
		362,508,816	762,786,053
Unsecured			
Book overdraft	14.3	-	15,963,293
		362,508,816	778,749,346
14.1	These facilities have been obtained from various banking companies for working capital requirements and are secured by charge over all present and future current assets of the Company and lien over export documents. These carry interest at rates ranging from one to three months KIBOR plus 0.2% to 0.75% per annum (30-Jun-25: one to three months KIBOR plus 0.2% to 0.75% per annum), payable quarterly.		
14.2	These facilities have been obtained from various banking companies for working capital requirements and are secured by charge over all present and future current assets of the Company. These carry profit at three months KIBOR plus 0.12% to 1.50% per annum (30-Jun-25: one to three months KIBOR plus 0.12% to 0.15% per annum), payable quarterly.		
14.3	These represent cheques issued by the Company in excess of balances at bank which have been presented for payments after the reporting period.		
14.4	The aggregate available short term funded facilities amounts to Rs. 5,902 million (30-Jun-25: Rs. 5,702 million) out of which Rs. 5,539 million (30-Jun-25: Rs. 4,939 million) remained unavailed as at the reporting date.		
14.5	For mortgages and charges on assets as security for liabilities, refer to note 48 to the financial statements.		

	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
15 ACCRUED INTEREST/PROFIT ON BORROWINGS			
Long term borrowings		59,994,550	59,472,327
Short term borrowings		2,997,378	11,777,291
		62,991,928	71,249,618
16 CURRENT MATURITY OF NON-CURRENT LIABILITIES			
Long term borrowings	9	652,832,136	624,454,281
Deferred grant	12	54,342,792	62,786,531
		707,174,928	687,240,812
17 CONTINGENCIES AND COMMITMENTS			
17.1 Contingencies			
17.1.1 Various banking companies have issued guarantees on behalf of the Company and discounted receivables of the Company as detailed below:			
		30-Jun-26	30-Jun-25
		Rupees	Rupees
Bank guarantees		890,185,483	789,393,583
Bills discounted		405,632,882	67,663,330
17.1.2 The Company vide petition 1085/2021 filed before the High Court of Sindh challenged the recovery of GIDC installments. The High Court of Sindh vide its order dated 03 May 2021 has suspended the recovery of GIDC installments. No further date is fixed for hearing. Further, the Company vide petition 1842/2021 dated 27 July 2021 filed before the High Court of Sindh challenged the levy of GIDC on the ground of the Government's failure to comply with the Supreme Court's judgment dated 13 August 2020 in relation to commencement of work on specified projects. No further date is fixed for hearing.			
17.1.3 The Company vide petition ICA 164350 of 2018 and ICA 223501 of 2018 filed before the Honourable Lahore High Court ['THLHC'] challenged the recovery of Imported and Local Cotton Cess against the judgment passed in writ petition No. 9390 of 2017 and writ petition No. 10005 of 2017 dated 07 May 2018. THLHC ruled against the Company following which the Company filed appeal before the Supreme Court of Pakistan ['SCP']. Presently the recovery of cess has been stayed by the SCP. No date is yet fixed for hearing.			
17.1.4 The Company vide petition WPA 24535 of 2016 filed before the Honourable Lahore High Court ['THLHC'] challenged the recovery of Punjab Infrastructure Development Cess. Presently the recovery has been stayed by the THLHC. No further date is fixed for hearing.			
17.1.5 The Company vide petition W.P. No. 27102/2025 filed before the Lahore High Court challenged the recovery of a gas levy under the Off-Grid (Captive Power Plants) Levy Ordinance, 2025, particularly its retrospective application to bills for the month of February 2025. The Lahore High Court vide its order dated 07 May 2025 has suspended the recovery of the impugned levy. The Court has directed the respondent, SNGPL, to issue revised bills excluding the levy amount and has required the petitioners to furnish post-dated cheques for the disputed amount pending the final outcome of the case. Further, Federation of Pakistan ['FOP'] has filed an appeal F.CPLA No. 1178/2026 before the Federal Constitutional Court against the judgement and order passed by the Honourable Lahore High Court, whereby the writ petition challenging the recovery under the Gas Levy Ordinance was allowed. The said appeal is presently pending adjudication before the Federal Constitutional Court.			
17.1.6 Punjab Employees' Social Security Institution ['PESSI'] raised demand vide demand notice dated 21 July 2011, whereby a demand of Rs. 3.191 million was raised on account for arrears for the period from January 2006 to December 2007. The Company filed appeal (SSLE/CONT/(S)/2022/2449) against the said demand vide application dated 26 June 2024 before the Punjab Social Security Appellate Court. The appeal is pending adjudication.			
17.1.7 The Company, vide Petition No. 1277 of 2026 filed before the Honourable Lahore High Court against the Federation of Pakistan, Sui Northern Gas Pipelines Limited ['SNGPL'] and Oil and Gas Regulatory Authority ['OGRA'], has challenged the impugned determination and notification dated 28 November 2025, whereby retrospective adjustment in the sale price of Re-gasified Liquefied Natural Gas ['RLNG'] was made for the period from 01 April 2015 to 30 June 2022. Consequent to the aforesaid			

determination, SNGPL raised an RLNG tariff claim and gas bill dated 07 January 2026, including the disputed amount relating to the impugned instalment. The Honourable Lahore High Court, vide its order dated 12 January 2026, has suspended recovery of the disputed RLNG tariff and directed SNGPL to issue a revised gas bill for the month of December 2025 after excluding the disputed amount of RLNG tariff. No further date is fixed for hearing.

- 17.1.8** In respect of tax year 2006, the ACIR finalized proceedings under section 122(5A) of the Ordinance through order dated 30 June 2012, wherein a demand of Rs. 4.855 million was raised against the Company on the grounds that minimum tax under section 113 of the Ordinance is to be levied in addition to tax under final tax regime. The Company appealed against the order before CIR(A) in September 2012 and applied for rectification on account of correction of charge of 'Workers' Welfare Fund' and 'brought forward losses' under section 221 of the Ordinance. The CIR(A), through order dated 22 February 2013, decided the above mentioned appeal by upholding the levy of minimum tax. The Company has filed an appeal with the ATIR in April 2013 which is yet to be fixed for hearing. The rectification application has, however, not yet been taken up for disposal.
- 17.1.9** In respect of tax year 2017, audit proceedings under section 177 were initiated against the Company, through order passed by Deputy Commission Inland Revenue ['DCIR'] dated 28 July 2018, under section 122(1)/122(5) of the Ordinance. The refund for the aforementioned year was reduced by Rs. 527,393 which majorly pertains to proportion of expenses. The Company appealed against the DCIR's order before CIR(A) vide application dated 27 May 2020. The CIR(A) vide appellate order dated 30 December 2021 annulled the impugned order with the direction to the Company to provide necessary details/documents. The Company appealed against the order of CIR(A) before ATIR vide application dated 11 March 2022. The proceedings are in progress at this stage.
- 17.1.10** In respect of tax year 2018, audit proceedings under section 122(9) of the ordinance were initiated against the Company vide notice dated 05 October 2018 issued by Additional Commission Inland Revenue ['ACIR']. The assessment under section 120 of the Ordinance was amended through amendment order dated 04 April 2024 passed under section 122(5A) of the Ordinance whereby income tax refundable was reduced by Rs. 55 million on the basis of reassessment of certain issues. The Company appealed against the ACIR's order before Commissioner Inland Revenue (Appeals) ['CIR(A)'] vide application dated 25 April 2024 which is pending adjudication.
- 17.1.11** The company filed an appeal before Commissioner Inland Revenue (Appeals) ['CIR(A)'], vide application dated 30 June 2026, against the order dated 02 June 2026 passed under section 205 of the Income Tax Ordinance [the 'Ordinance'], through which default surcharge demand for tax years 2022 and 2024 was raised amounting to Rs. 26.42 million and Rs. 5.64 million respectively. The appeals are pending adjudication.

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
17.2 Commitments		
17.2.1 Commitments under irrevocable letters of credit for:		
Purchase of stores and spares	331,634,732	65,997,469
Purchase of raw material	2,272,411,215	863,872,105
	2,604,045,947	929,869,574

17.2.2 Commitments under short term leases

The Company has rented office premises from a related party under short term lease arrangements. Lease agreement covers a period of one year and is renewable/extendable on mutual consent. Lease rentals are payable quarterly in advance. Commitments for payments in future periods under the lease agreement are as follows:

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
Payments not later than one year	775,200	738,270
Payments later than one year	-	-
	775,200	738,270

18 PROPERTY, PLANT AND EQUIPMENT

30-Jun-26

	COST			Rate %	DEPRECIATION			Net book value as at 30-Jun-26 Rupees
	As at 01-Jul-25 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at 30-Jun-26 Rupees	For the year Rupees	Adjustment Rupees	As at 30-Jun-26 Rupees
Operating fixed assets								
Freehold land	27,975,668	-	-	-	27,975,668	-	-	-
Buildings on freehold land								
Mills	604,506,941	2,042,289	-	-	606,549,230	28,888,177	-	344,614,564
Other factory buildings	68,841,136	-	-	-	68,841,136	1,161,075	-	46,849,682
	673,348,077	2,042,289	-	-	675,390,366	30,049,252	-	391,464,246
Plant and machinery	7,146,357,451	-	(8,988,583)	549,980,161	7,687,349,029	427,279,141	(8,095,357)	3,338,013,742
Electric installations and equipment	138,459,826	-	-	80,506,378	218,966,204	4,962,763	-	100,503,820
Factory equipment	21,392,954	-	-	-	21,392,954	309,312	-	18,609,150
Office equipment	35,173,569	1,392,900	(463,000)	-	36,103,469	1,343,483	(119,194)	23,612,323
Furniture and fixtures	17,895,834	2,030,937	-	-	19,926,771	1,058,388	-	10,198,566
Arms and ammunition	631,513	-	-	-	631,513	5,144	-	585,219
Vehicles	109,014,079	166,552,701	(43,167,900)	-	232,398,880	36,176,038	(27,227,561)	49,187,442
	8,170,248,971	172,018,827	(52,619,483)	630,486,539	8,920,134,854	501,183,521	(35,442,112)	3,932,174,508
Capital work in progress								
Buildings on freehold land	-	-	-	-	-	-	-	-
Plant and machinery	90,310,590	460,115,777	-	(549,980,161)	446,206	-	-	-
Electric installations and equipment	-	80,506,378	-	(80,506,378)	-	-	-	-
	90,310,590	540,622,155	-	(630,486,539)	446,206	-	-	-
	8,260,559,561	712,640,982	(52,619,483)	-	8,920,561,060	501,183,521	(35,442,112)	3,932,174,508
								4,987,960,346
								261,934,666
								21,991,454
								283,926,120
								4,349,335,287
								118,462,384
								2,783,804
								12,491,146
								9,728,205
								46,294
								183,211,438

30-Jun-25

	COST			DEPRECIATION				Net book			
	As at 01-Jul-24 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at 30-Jun-25 Rupees	Rate %	As at 01-Jul-24 Rupees	For the year Rupees	Adjustment Rupees	As at 30-Jun-25 Rupees	value as at 30-Jun-25 Rupees
Operating fixed assets											
Freehold land	27,975,668	-	-	-	27,975,668		-	-	-	-	27,975,668
Buildings on freehold land											
Mills	595,998,806	-	-	7,508,135	604,506,941	10	284,342,520	31,383,867	-	315,726,387	288,780,554
Other factory buildings	68,841,136	-	-	-	68,841,136	5	44,466,423	1,222,184	-	45,688,607	23,152,529
	665,839,942	-	-	7,508,135	673,348,077		328,808,943	32,606,051	-	361,414,994	311,933,083
Plant and machinery	6,909,254,514	-	(89,660,548)	326,763,485	7,146,357,451	10	2,554,692,663	437,078,530	(72,941,235)	2,918,829,958	4,227,527,493
Electric installations and equipment	138,459,826	-	-	-	138,459,826	10	90,772,306	4,768,751	-	95,541,057	42,916,769
Factory equipment	21,392,954	-	-	-	21,392,954	10	17,956,159	343,679	-	18,299,838	3,093,116
Office equipment	32,808,569	2,453,000	(88,000)	-	35,173,569	10	21,170,308	1,261,264	(43,638)	22,388,034	12,785,535
Furniture and fixtures	14,463,903	3,431,931	-	-	17,895,834	10	8,416,324	723,854	-	9,140,178	8,755,656
Arms and ammunition	631,513	-	-	-	631,513	10	574,359	5,716	-	580,075	51,438
Vehicles	88,648,699	33,536,080	(13,170,700)	-	109,014,079	20	33,136,102	13,702,422	(6,599,559)	40,238,965	68,775,114
	7,899,475,588	39,421,011	(102,919,248)	334,271,620	8,170,248,971		3,055,527,164	490,490,267	(79,584,332)	3,466,433,099	4,703,815,872
Capital work in progress											
Buildings on freehold land	-	7,508,135	-	(7,508,135)	-		-	-	-	-	-
Plant and machinery	-	417,074,075	-	(326,763,485)	90,310,590		-	-	-	-	90,310,590
	-	424,582,210	-	(334,271,620)	90,310,590		-	-	-	-	90,310,590
	7,899,475,588	464,003,221	(102,919,248)	-	8,260,559,561		3,055,527,164	490,490,267	(79,584,332)	3,466,433,099	4,794,128,462

18.1 Free hold land of the Company is located at District Kasur with a total area of 236 Kanal 14 Marla (30-Jun-25: 236 Kanal 14 Marla).

18.2 Transfers represent transfers from capital work in progress on related assets becoming available for use.

18.3 Plant and machinery includes assets acquired under diminishing musharka facility. The cost and accumulated depreciation of these assets amounts to Rs. 436.356 million (30-Jun-25: 313.659 million) and Rs. 34.96 million (30-Jun-25: Rs. 2.61 million) respectively.

18.4 Additions to capital work in progress include borrowing cost amounting to Rs. 25.182 million included in cost of plant and machinery at a capitalization rate of 12.67%. The related capital expenditure has been financed by long term borrowings.

18.5 Disposal of operating fixed assets

	30-Jun-26						
Particulars	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain/(loss) on disposal	Mode of disposal	Particulars of buyer
	Rupees	Rupees	Rupees	Rupees	Rupees		
Plant and machinery							
Assets having net book value less than Rs. 500,000 each	8,988,583	8,095,357	893,226	1,000,000	106,774	Negotiation	Various buyers
	8,988,583	8,095,357	893,226	1,000,000	106,774		
Office Equipment							
Assets having net book value less than Rs. 500,000 each	463,000	119,194	343,806	165,000	(178,806)	Negotiation	Farzad Aslam (employee)
	463,000	119,194	343,806	165,000	(178,806)		
Vehicles							
Toyota Fortuner	8,939,000	5,236,903	3,702,097	6,400,000	2,697,903	Negotiation	Shahbaz Ali, Lahore
Toyota Fortuner	7,340,800	5,574,677	1,766,123	4,675,000	2,908,877	Negotiation	Waqas Manzoor, Lahore
MG	5,485,000	3,126,011	2,358,989	3,950,000	1,591,011	Negotiation	Ubaidullah Chaudry, Lahore
MG	5,485,000	3,213,381	2,271,619	3,900,000	1,628,381	Negotiation	Saqim Amin Mughal, Lahore
Toyota Hilux	3,853,000	2,349,337	1,503,663	2,500,000	996,337	Negotiation	Hafeezullah Khan, Sargodha
Honda City	2,805,000	1,684,396	1,120,604	2,080,000	959,396	Negotiation	Mazhar Ali, Lahore
Suzuki Swift	2,499,000	1,261,806	1,237,194	2,060,000	822,806	Negotiation	Irfan Haider, Lahore
Honda City	2,335,000	1,620,238	714,762	2,080,000	1,365,238	Negotiation	Muneed Ahmed, Lahore
Honda City	2,335,000	1,668,697	666,303	2,050,000	1,383,697	Negotiation	Temor Muazzam, Lahore
Suzuki Cultus	1,745,000	1,229,585	515,415	1,690,000	1,174,585	Negotiation	Ayyaz Amjad Taqi, Multan
Assets having net book value less than Rs. 500,000 each	346,100	262,530	83,570	324,000	240,430	Negotiation	Various buyers
	43,167,900	27,227,561	15,940,339	31,709,000	15,768,661		
	52,619,483	35,442,112	17,177,371	32,874,000	15,696,629		

	30-Jun-25						
Particulars	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain/(loss) on disposal	Mode of disposal	Particulars of buyer
	Rupees	Rupees	Rupees	Rupees	Rupees		
Plant and machinery							
Combers	30,426,127	27,066,105	3,360,022	4,000,000	639,978	Negotiation	Nagina Cotton Mills Limited
Auto Coner	17,691,892	13,025,864	4,666,028	4,500,000	(166,028)	Negotiation	Reliance Weaving Mills Limited
Auto Coner	17,443,031	13,300,213	4,142,818	4,250,000	107,182	Negotiation	Mkm Textile International
Auto Cone Machine	16,492,968	12,782,528	3,710,440	4,500,000	789,560	Negotiation	Reliance Weaving Mills Limited
Uni Lap	7,606,530	6,766,525	840,005	1,000,000	159,995	Negotiation	Nagina Cotton Mills Limited
	89,660,548	72,941,235	16,719,313	18,250,000	1,530,687		
Office Equipment							
Assets having net book value less than Rs. 500,000 each	88,000	43,538	44,462	55,000	10,538	Negotiation	Muhammad Husain, Lahore
	88,000	43,538	44,462	55,000	10,538		
Vehicles							
Hyundai Elantra	5,717,000	2,012,384	3,704,616	4,210,786	506,170	Negotiation	Rehan Sabri, Lahore
Suzuki Swift	2,699,000	1,279,686	1,419,314	1,575,000	155,686	Negotiation	Mazhar Ali, Lahore
Hyundai Porter	2,458,500	1,658,493	800,007	1,560,000	759,993	Negotiation	Muhammad Rasheed, Lahore
Honda City	1,873,000	1,349,953	523,047	1,500,000	976,953	Negotiation	Usama Saif, Lahore
Assets having net book value less than Rs. 500,000 each	423,200	299,043	124,157	310,800	186,643	Negotiation	Various buyers
	13,170,700	6,599,559	6,571,141	9,156,586	2,585,445		
	102,919,248	79,584,332	23,334,916	27,461,586	4,126,670		

Note

30-Jun-26

30-Jun-25

Rupees

Rupees

18.6 The depreciation charge for the year has been allocated as follows:

Cost of sales	30	462,600,468	474,797,011
Administrative expenses	33	38,583,053	15,693,256
		501,183,521	490,490,267

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
19 INTANGIBLE ASSETS			
Cost		6,199,985	6,199,985
Accumulated amortization		(6,199,985)	(6,199,985)
		-	-

19.1 This represents cost of development of ERP system which stands fully amortized. The amortization was charged at 20% per annum.

		30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
20 LONG TERM DEPOSITS			
Regulatory authorities		25,000	25,000
Utility companies		7,815,700	7,815,700
		7,840,700	7,840,700

20.1 These have been deposited with various utility companies and regulatory authorities. These are classified as 'financial assets at amortized cost' under IFRS 9 which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
21 STOCK IN TRADE			
Raw material		1,563,510,956	2,164,692,767
Work in process		122,709,246	111,827,982
Finished goods	21.1	367,295,461	612,971,504
		2,053,515,663	2,889,492,253

21.1 Stock of finished goods includes stock of waste valued at Rs. 26,035,925 (30-Jun-25: Rs. 22,935,860). The entire stock of waste is valued at net realizable value.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
22 TRADE RECEIVABLES			
Considered good			
Local customers		1,693,514,225	1,210,256,182
Foreign customers	22.1	13,652,179	38,129,816
		1,707,166,404	1,248,385,998
Impairment allowance for expected credit losses	22.2	(8,729,039)	(9,051,065)
		1,698,437,365	1,239,334,933

22.1 These are secured through letters of credit.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
22.2 Impairment allowance for expected credit losses			
As at beginning of the year		9,051,065	8,964,426
Recognized during the year	45.1.6	233,636	130,290
Reversed during the year	45.1.6	(555,662)	(43,651)
As at end of the year		8,729,039	9,051,065
23 DEPOSITS AND PREPAYMENTS			
Security deposits		20,000,000	20,000,000
Prepaid expenses		2,355,575	2,845,021
Prepaid levies		86,957,160	128,852,753
		109,312,735	151,697,774
24 ADVANCES AND OTHER RECEIVABLES			
Advances to suppliers		826,039,023	1,008,850,806
Advances to employees			
- against purchases and expenses		143,000	97,950
- against salaries and benefits		956,948	292,842
Letters of credit		5,830,209	7,267,018
Other receivables		16,886,972	11,043,560
		849,856,152	1,027,552,176
25 SHORT TERM INVESTMENTS			
Financial assets at fair value through other OCI	25.1	160,300,170	116,038,230
Financial assets at fair value through profit or loss	25.2	323,101,796	64,630,514
Financial assets at amortized cost	25.3	38,515,239	38,297,962
		521,917,205	218,966,706
25.1 Financial assets at fair value through OCI			
These represent investments in listed equity securities which have been designated as 'financial assets at fair value through other comprehensive income'. These investments are not held for trading. Instead, they are held for strategic purposes for an indefinite period. Accordingly, the Company has elected to designate these investments as at fair value through other comprehensive income as the management believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments and realizing their performance potential in the long run. The detail of costs of acquisition and fair values as at the reporting date for each individual investment are as follows:			
	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
Investments in listed equity securities			
Cost of investment	25.1.1	68,031,706	68,031,706
Changes in fair value		92,268,464	48,006,524
		160,300,170	116,038,230

25.1.1 Investments in listed equity securities**Habib Bank Limited**

357,000 (30-Jun-25: 357,000) ordinary shares of Rs. 10 each

Market value: 292.21 (30-Jun-25: Rs. 179.19) per share

Cost of investment	49,229,159	49,229,159
Changes in fair value	55,089,811	14,741,671
	104,318,970	63,970,830
	Note	30-Jun-26
	Rupees	30-Jun-25
		Rupees

Bank Al-Habib Limited

330,000 (30-Jun-25: 330,000) ordinary shares of Rs. 10 each

Market value per share: Rs. 169.64 (30-Jun-25: Rs. 157.78)

Cost of investment	18,802,547	18,802,547
Changes in fair value	37,178,653	33,264,853
	55,981,200	52,067,400
	160,300,170	116,038,230

25.1.2 Changes in fair value of investments at fair value through OCI

As at beginning of the year	48,006,524	13,266,404
Fair value gain arising during the year	44,261,940	34,740,120
Fair value gain transferred to retained earnings during the year	-	-
As at end of the year	92,268,464	48,006,524
Deferred taxation as at the reporting date	11.1 (16,608,323)	(7,921,076)
Reserve for financial assets measured at fair value through OCI	75,660,141	40,085,448

25.2 Financial assets at fair value through profit or loss

These represent investments in mutual funds. These, being held for trading, are required to be measured at fair value through profit or loss mandatorily. Accordingly, these have been classified as financial assets at fair value through profit or loss'. Particulars of investments are as follows:

	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
Investments in mutual funds			
Cost of investment	25.2.1	323,076,974	64,569,296
Changes in fair value		24,822	61,218
		323,101,796	64,630,514

25.2.1 Investments in mutual funds**NBP Money Market Fund**

Nil (30-Jun-25: 4,632.3730) units

Market value per unit: Rs. Nil (30-Jun-25: Rs. 10.0328)

Cost of investment	-	43,660
Changes in fair value	-	107
	-	43,767

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
Alfalsh GHP Money Market Fund		
Nil (30-Jun-25: 2.3865) units		
Market value per unit: Rs. Nil (30-Jun-25: Rs 99.0162)		
Cost of investment	-	87
Changes in fair value	-	149
	-	236
Alfalsh GHP Stock Fund		
Nil (30-Jun-25: 11.0448) units		
Market value per unit: Rs. Nil (30-Jun-25: Rs. 147.0750)		
Cost of investment	-	1,565
Changes in fair value	-	59
	-	1,624
ABL Government Securities Fund		
11.7545 (30-Jun-25: 6,341,850.6398) units		
Market value per unit: 10.1741 (30-Jun-25: Rs. 10.1667)		
Cost of investment	129	64,421,153
Changes in fair value	(9)	54,540
	120	64,475,693
HBL Cash Fund		
Nil (30-Jun-25: 25.4575) units		
Market value per unit: Nil (30-Jun-25: Rs. 103.3525)		
Cost of investment	-	98
Changes in fair value	-	2,533
	-	2,631
HBL Money Market Fund		
0.0299 (30-Jun-25: 1028.5734) units		
Market value per unit: 103.9148 (30-Jun-25: Rs. 103.6024)		
Cost of investment	3	102,733
Changes in fair value	-	3,830
	3	106,563
UBL Liquidity Fund		
770,764.45 (30-Jun-25: Nil) units		
Market value per unit: Rs. 100.0322 (30-Jun-25: Rs. Nil)		
Cost of investment	77,076,445	-
Changes in fair value	24,819	-
	77,101,264	-
Lucky Islamic Money Market Fund		
3.9622 (30-Jun-25: Nil) units		
Market value per unit: Rs. 100.3532 (30-Jun-25: Rs. Nil)		
Cost of investment	397	-
Changes in fair value	1	-
	398	-

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
MCB Cash Management Optimizer		
2,397,759.0794 (30-Jun-25: Nil) units		
Market value per unit: Rs. 102.5958 (30-Jun-25: Rs. Nil)		
Cost of investment	246,000,000	-
Changes in fair value	11	-
	246,000,011	-
	323,101,796	64,630,514

25.2.2 Investments in mutual fund valued at Rs. 223.00 million (30-Jun-25: Rs. 56.10 million) are pledged with providers of debt finances.

25.3 Financial assets classified at amortized cost

These represent investment in term deposits placed with a banking company for a period of three months and carry interest at 9.00% (30-Jun-25: 20.1%) per annum.

	Note	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
26 CURRENT TAXATION			
Advance income tax		163,836,627	156,190,363
Income tax payable	26.1	(125,745,934)	(156,445,424)
		38,090,693	(255,061)
26.1 Income tax payable			
As at beginning of the year		156,445,424	138,895,839
Charged to profit or loss for the year	37	134,647,759	106,094,886
Paid/adjusted during the year		(165,347,249)	(88,545,301)
As at end of the year		125,745,934	156,445,424
27 TAX REFUNDS DUE FROM GOVERNMENT			
Income tax refundable/adjustable		96,873,784	82,177,295
Sales tax refundable/adjustable		77,780,486	97,181,406
		174,654,270	179,358,701
28 BANK BALANCES			
Current accounts - local currency		322,113,516	361,661,070
Current accounts - foreign currency		16,067,100	44,759,215
		338,180,616	406,420,285

29 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	30-Jun-26			
		Yarn Rupees	Raw cotton, polyester etc. Rupees	Waste Rupees	Total Rupees
Local sales		16,363,956,432	369,916,720	1,123,858,571	17,857,731,723
Export sales	29.1	1,197,770,113	-	48,972,691	1,246,742,804
Gross revenue		17,561,726,545	369,916,720	1,172,831,262	19,104,474,527
Sales tax		(2,650,935,388)	(56,427,974)	(171,491,397)	(2,878,854,759)
		14,910,791,157	313,488,746	1,001,339,865	16,225,619,768
30-Jun-25					
		Yarn Rupees	Raw cotton, polyester etc. Rupees	Waste Rupees	Total Rupees
Local sales		15,453,878,513	61,635,318	1,015,272,851	16,530,786,682
Export sales	29.1	2,181,180,460	-	-	2,181,180,460
Gross revenue		17,635,058,973	61,635,318	1,015,272,851	18,711,967,142
Sales tax		(2,661,557,226)	(9,401,998)	(154,918,565)	(2,825,877,789)
		14,973,501,747	52,233,320	860,354,286	15,886,089,353

29.1 Yarn export sales include indirect exports amounting to Rs. 1,014,397,776 (30-Jun-25: Rs. 1,674,632,620).

Note	30-Jun-26	30-Jun-25
	Rupees	Rupees

30 COST OF SALES

Raw material consumed	30.1	10,697,659,635	11,018,892,685
Stores and spares consumed		243,189,925	423,827,314
Packing material consumed		183,641,588	145,400,607
Salaries, wages and benefits	30.2	731,997,945	656,917,535
Insurance		39,695,130	39,210,747
Power and fuel		2,171,858,896	2,338,360,184
Repair and maintenance		33,674,047	32,150,094
Depreciation on property, plant and equipment	18.6	462,600,468	474,797,011
Others		34,464,504	33,816,534
Manufacturing cost		14,598,782,138	15,163,372,711
Work in process			
As at beginning of the year		111,827,982	129,375,280
As at end of the year	21	(122,709,246)	(111,827,982)
		(10,881,264)	17,547,298
Cost of goods manufactured		14,587,900,874	15,180,920,009
Finished goods			
As at beginning of the year		612,971,504	284,315,672
Purchased during the year		17,121,079	29,264,273
As at end of the year	21	(367,295,461)	(612,971,504)
		262,797,122	(299,391,559)
Cost of raw material sold	30.1	246,719,914	33,644,843
		15,097,417,910	14,915,173,293

	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
30.1 Raw material consumed			
As at beginning of the year		2,164,692,767	1,523,003,488
Purchased during the year		10,343,197,738	11,694,226,807
Sold during the year		(246,719,914)	(33,644,843)
As at end of the year	21	(1,563,510,956)	(2,164,692,767)
		10,697,659,635	11,018,892,685
30.2	These include charge in respect of employees retirement benefits amounting to Rs. 44.82 million (30-Jun-25: Rs.29.79 million).		
	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
31 OTHER INCOME			
Gains on financial instruments			
Gain on disposal of short term investments		14,937,838	82,903,842
Changes in fair value of financial assets classified as at FVTPL		-	61,218
Return on term deposits		3,567,244	4,349,766
Dividend income	31.1	12,818,010	11,656,960
Foreign exchange gain		225,937	-
		31,549,029	98,971,786
Other gains and income			
Gain on disposal of property, plant and equipment	18.5	15,696,629	4,126,670
Scrap sale		3,758,420	3,876,239
		19,455,049	8,002,909
		51,004,078	106,974,695
31.1 Dividend income			
On investments derecognized during the year		192,510	67,210
On investments held at the end of the year		12,625,500	11,589,750
		12,818,010	11,656,960
32 SELLING AND DISTRIBUTION EXPENSES			
Export			
Ocean freight and forwarding		45,355,131	49,374,769
Commission		1,853,114	1,580,643
Export development surcharge		163,058	478,805
		47,371,303	51,434,217
Local			
Inland transportation		1,772,705	1,884,750
Commission		22,710,647	20,673,228
Others		31,375,447	12,005,510
		55,858,799	34,563,488
		103,230,102	85,997,705

	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
33 ADMINISTRATIVE EXPENSES			
Directors' remuneration	49	41,066,664	37,216,668
Directors' meeting fee	49	1,365,000	1,207,500
Salaries and benefits	33.1	151,011,683	131,427,097
Rent, rates and taxes		4,963,730	5,205,226
Printing and stationery		2,117,862	2,266,076
Communication		3,338,643	3,409,831
Electricity		5,577,677	6,330,649
Repair and maintenance		735,849	874,154
Vehicles running and maintenance		16,520,391	10,937,543
Traveling and conveyance		8,816,436	9,563,985
Legal and professional		6,718,770	1,722,444
Auditor's remuneration	33.2	1,334,000	1,334,000
Fee and subscription		10,056,570	10,481,935
Entertainment		377,231	1,561,163
Insurance		8,758,629	7,803,303
Depreciation on property, plant and equipment	18.6	38,583,053	15,693,256
Others		307,153	318,036
		301,649,341	247,352,866
33.1	These include charge in respect of employees retirement benefits amounting to Rs. 30.63 million (30-Jun-25: Rs.43.37 million).		
	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
33.2 Auditor's remuneration			
Annual statutory audit		792,750	792,750
Limited scope review		288,750	288,750
Review report on corporate governance		52,500	52,500
Out of pocket expenses		200,000	200,000
		1,334,000	1,334,000
34 OTHER EXPENSES			
Losses on financial instruments			
Foreign exchange loss		-	206,281
Changes in fair value of financial assets classified as at FVTPL		36,396	-
		36,396	206,281
Other losses and expenses			
Donations		250,000	500,000
Workers' Profit Participation Fund	13.5	23,810,853	20,668,691
Workers' Welfare Fund	13.6	8,791,764	7,854,103
		32,852,617	29,022,794
		32,889,013	29,229,075

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
35 FINANCE COSTS			
Interest/profit on borrowings			
long term borrowings		250,964,156	291,964,927
short term borrowings		39,653,149	32,795,920
		290,617,305	324,760,847
Interest on Workers' Profit Participation Fund	13.5	33,976	32,813
Bank charges and commission		7,338,210	5,811,478
		297,989,491	330,605,138
36 PROVISION FOR LEVIES			
Levies under Income Tax Ordinance, 2001			
for current year	36.1	102,319,290	128,852,753
for prior year		(4,909,203)	(6,394,299)
		97,410,087	122,458,454
36.1	Levies under Income Tax Ordinance, 2001 ['the Ordinance'] have been recognized under section 4C, 5 and 113 (30-Jun-25: section 4C, 5 and 113).		
	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
37 PROVISION FOR INCOME TAXES			
Current taxation			
for current year	37.1	125,745,934	98,287,205
for prior year		8,901,825	7,807,681
		134,647,759	106,094,886
Deferred taxation			
attributable to origination and reversal of temporary differences		(14,222,239)	(13,929,450)
attributable to changes in tax rates		19,759,374	93,377,817
	11.1	5,537,135	79,448,367
		140,184,894	185,543,253
37.1	Provision for current tax has been made in accordance with section 4C,18 and 37A (30-Jun-25: section 4C,18 and 37A) of the Income Tax Ordinance, 2001 ['the Ordinance']. Estimated liability payable with return of income to be filed under section 114 of the Ordinance, subject to adjustment of taxes and levies paid/deducted in advance and available refunds, comprises the follows:		
	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
Levies	36	102,319,290	128,852,753
Income taxes	37	125,745,934	98,287,205
		228,065,224	227,139,958

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
Levies	36	102,319,290	128,852,753
Income taxes	37	125,745,934	98,287,205
		228,065,224	227,139,958

37.2 Reconciliation between average effective tax rate and applicable tax rate for the year is as follows:

	<i>Unit</i>	30-Jun-26	30-Jun-25
Profit before income taxes	<i>Rupees</i>	346,359,928	262,160,878
Provision for income taxes	<i>Rupees</i>	140,184,894	185,543,253
Average effective tax rate	%	40.47	70.77
Tax effects of:			
Adjustments for prior years	%	(2.57)	(2.98)
Provision for deferred taxation	%	(1.60)	(30.31)
Provision for levies	%	(9.70)	(15.41)
Income chargeable to tax at different rates	%	1.88	6.08
Income not chargeable to tax	%	-	-
Inadmissible deductions and other adjustments	%	(56.73)	(60.09)
Admissible deductions, losses and tax credits	%	62.75	64.93
Applicable tax rate	%	34.50	33.00

37.3 The income tax assessments of the Company up to and including tax year 2025 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 Ordinance except as explained in note 17.1.8, 17.1.9, 17.1.10 and 17.1.11.

	<i>Unit</i>	30-Jun-26	30-Jun-25
Profit attributable to ordinary shareholders	<i>Rupees</i>	206,175,034	76,617,625
Weighted average number of ordinary shares outstanding	<i>No. of shares</i>	10,950,000	10,950,000
Basic earnings per share	<i>Rupees</i>	18.83	7.00

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

	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
39 CASH GENERATED FROM/(USED IN) OPERATIONS			
Profit before income taxes		346,359,928	262,160,878
Adjustments for non-cash and other items			
Interest/profit on borrowings		290,617,305	324,760,847
Interest on Workers' Profit Participation Fund		33,976	32,813
Gain on disposal of property, plant and equipment		(15,696,629)	(4,126,670)
Foreign exchange (gain)/loss		(225,937)	206,281
Dividend income		(12,818,010)	(11,656,960)
Impairment allowance for expected credit losses		(322,026)	86,639
Gain on disposal of short term investments		(14,937,838)	(82,903,842)
Changes in fair value of financial assets classified as at FVTPL		36,396	(61,218)
Return on term deposits		(3,567,244)	(4,349,766)
Provision for employees retirement benefits		75,445,603	73,160,956
Depreciation on property, plant and equipment		501,183,521	490,490,267
Electricity duty payable written back		(82,558,583)	-
Provision for levies		97,410,087	122,458,454
		834,600,621	908,097,801
Operating profit before changes in working capital		1,180,960,549	1,170,258,679
Changes in working capital			
Long terms deposits		-	(750,000)
Stores and spares		113,208,934	(177,641,474)
Stock in trade		835,976,590	(952,797,813)
Trade receivables		(464,825,606)	(169,613,025)
Deposits and prepayments		489,446	(13,441,060)
Advances and other receivables		177,696,024	(207,800,040)
Tax refunds due from government		19,400,920	(44,681,106)
Trade and other payables		393,821,582	394,627,451
		1,075,767,890	(1,172,097,067)
Cash generated from/(used in) operations		2,256,728,439	(1,838,388)
40 CASH AND CASH EQUIVALENTS			
Bank balances	28	338,180,616	406,420,285
		338,180,616	406,420,285

41 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	30-Jun-26			
	Long term borrowings Rupees	Deferred grant Rupees	Short term borrowings Rupees	Unclaimed dividend Rupees
As at beginning of the year	3,842,342,160	232,227,511	778,749,346	8,521,122
Long term borrowings obtained	346,753,154	-	-	-
Repayment of long term borrowings	(685,514,157)	-	-	-
Amortization of deferred grant	62,786,531	(62,786,531)	-	-
Net decrease in short term borrowings	-	-	(415,371,782)	-
Foreign exchange gain	-	-	(868,748)	-
Dividend declared	-	-	-	43,800,000
Dividend paid	-	-	-	(43,493,640)
As at end of the year	3,566,367,688	169,440,980	362,508,816	8,827,482

	30-Jun-25			
	Long term borrowings Rupees	Deferred grant Rupees	Short term borrowings Rupees	Unclaimed dividend Rupees
As at beginning of the year	3,983,506,215	302,675,484	147,508,995	8,141,187
Long term borrowings obtained	401,627,878	-	-	-
Repayment of long term borrowings	(613,239,906)	-	-	-
Amortization of deferred grant	70,447,973	(70,447,973)	-	-
Net increase in short term borrowings	-	-	629,977,383	-
Foreign exchange loss	-	-	1,262,968	-
Dividend declared	-	-	-	54,750,000
Dividend paid	-	-	-	(54,370,065)
As at end of the year	3,842,342,160	232,227,511	778,749,346	8,521,122

42 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The details of the Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date, are as follows:

Name of related party	Nature and basis of relationship
Prosperity Weaving Mills Limited	Associated company [Common Directorship]
Nagina Cotton Mills Limited	Associated company [Common Directorship]
Haroon Shahzada Ellahi Shaikh	Key Management Personnel [Chief Executive]
Shafqat Ellahi Shaikh	Key Management Personnel [Director]
Jamal Nasim	Key Management Personnel [Director]
Ghulam Ahmed Gul	Key Management Personnel [Director]
Faaria Rehman Salahuddin	Key Management Personnel [Director]
Imran Motiwala	Key Management Personnel [Director]

The Company continues to have a policy whereby all transactions with related parties entered into in the ordinary course of business are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction. There are no balances outstanding with related parties as at the reporting date. Detail of transactions with related parties is as follows:

		30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
42.1	Transactions with related parties		
	Nature of relationship	Nature of transactions	
	Associated Companies	Sales	6,892,175,390
		Purchases	10,054,131
		Rent expense	1,513,470
	Key Management Personnel	Short term employee benefits	41,066,667
		Meeting fee	1,365,000

43 CONTRACTS WITH CUSTOMERS

43.1 Contract balances

There are no contract assets as at the reporting date. The information about receivables and contract liabilities arising from contracts with customers is as follows:

Nature of balance	Presented in financial statements as	Note	30-Jun-26	30-Jun-25
			<i>Rupees</i>	<i>Rupees</i>
Receivables	Trade receivables	22	1,698,437,365	1,239,334,933
Contract liabilities	Advances from customers	13	14,873,864	21,614,577

43.2 Changes in contract liabilities

Significant changes in contract liabilities are as follows:

	Note	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
As at beginning of the year		21,614,577	5,672,664
Revenue recognized against contract liability as at beginning of the year		(20,206,198)	(4,563,721)
Net increase due to cash received in excess of revenue recognized		13,465,485	20,505,634
As at end of the year	13	14,873,864	21,614,577

43.3 Impairment losses

The Company during the year has recognized Rs. 0.23 million (30-Jun-25: Rs. 0.13 million) as impairment allowance for expected credit losses on receivables (trade receivables) arising from the Company's contracts with customers. Further, impairment allowance amounting to Rs. 0.56 million (30-Jun-25: Rs. 0.04 million) was reversed during the year on actual recovery. (See note 45.1.6).

44 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial assets and liabilities as at the reporting date are as follows:

	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
44.1 Financial assets			
<i>Financial assets at amortized cost</i>			
Long term deposits	20	7,840,700	7,840,700
Trade receivables	22	1,698,437,365	1,239,334,933
Security deposits	23	20,000,000	20,000,000
Advances to employees	24	956,948	292,842
Investments in term deposits	25.3	38,515,239	38,297,962
Bank balances	28	338,180,616	406,420,285
		2,103,930,868	1,712,186,722
<i>Financial assets designated as fair value through OCI</i>			
Investments in listed equity securities	25.1.1	160,300,170	116,038,230
<i>Financial assets mandatorily classified as FVTPL</i>			
Investment in mutual funds	25.2.1	323,101,796	64,630,514
		2,587,332,834	1,892,855,466
44.2 Financial liabilities			
<i>Financial liabilities at amortized cost</i>			
Long term finances	9	3,566,367,688	3,842,342,160
Trade creditors	13	183,673,566	156,150,466
Accrued liabilities	13	627,340,418	391,661,977
Short term borrowings	14	362,508,816	778,749,346
Accrued interest/profit on borrowings		62,991,928	71,249,618
Unclaimed dividend		8,827,482	8,521,122
		4,811,709,898	5,248,674,689

45 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

45.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

45.1.1 Credit risk management practices

In order to minimize credit risk, the Company has adopted a policy of only dealing with creditworthy counterparties and limiting significant exposure to any single counterparty. The Company only transacts with counterparties that have reasonably high external credit ratings. Where an external rating is not available, the Company uses an internal credit risk grading mechanism. Particularly for customers, a dedicated team responsible for the determination of credit limits uses a credit scoring system to assess the potential as well as existing customers' credit quality and assigns or updates credit limits accordingly. The ageing profile of trade receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

The Company reviews the recoverable amount of each financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each financial asset.

The Company considers a financial asset to have low credit risk when the asset has reasonably high external credit rating or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due in the normal course of business based on history with the counterparty.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. This is usually the case with various customers of the Company where the Company has long standing business relationship with these customers and any amounts that are past due by more than 30 days in the normal course of business are considered 'performing' based on history with the customers. Therefore despite the foregoing, the Company considers some past due trade receivables to have low credit risk where the customer has a good history of meeting its contractual cash flow obligations and is expected to maintain the same in future.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk.

The Company considers 'default' to have occurred when the financial asset is credit-impaired. A financial asset is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery.

The Company's credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has low credit risk	Trade receivables: Lifetime ECL Other assets: 12-month ECL
Doubtful	Credit risk has increased significantly since initial recognition	Lifetime ECL
In-default	There is evidence indicating the asset is credit-impaired	Lifetime ECL
Write-off	There is no realistic prospect of recovery	Amount is written-off

45.1.2 Exposure to credit risk

Credit risk principally arises from debt instruments held by the Company as at the reporting date. The maximum exposure to credit risk as at the reporting date is as follows:

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
Financial assets at amortized cost			
Long term deposits	20	7,840,700	7,840,700
Trade receivables	22	1,707,166,404	1,248,385,998
Security deposits	23	20,000,000	20,000,000
Advances to employees	24	956,948	292,842
Investments in term deposits	25	38,515,239	38,297,962
Bank balances	28	338,180,616	406,420,285
		2,112,659,907	1,721,237,787

45.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to internal credit risk grading. The credit quality of the Company's financial assets exposed to credit risk is as follows:

		30-Jun-26				
	<i>Note</i>	External credit rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance
					<i>Rupees</i>	<i>Rupees</i>
Long term deposits	20	N/A	Performing	12-month ECL	7,840,700	-
Trade receivables	22	N/A	Performing	Lifetime ECL	1,698,660,744	223,379
		N/A	Doubtful	Lifetime ECL	8,505,660	8,505,660
					1,707,166,404	8,729,039
Advances to employees	24	N/A	Performing	12-month ECL	956,948	-
Security deposits	23	A1+	N/A	12-month ECL	20,000,000	-
Investments in term deposits	25	A1+	N/A	12-month ECL	38,515,239	-
Bank balances	28	A1 - A1+	N/A	12-month ECL	338,180,616	-
					2,112,659,907	8,729,039

		30-Jun-25				
	Note	External credit rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance
					Rupees	Rupees
Long term deposits	20	N/A	Performing	12-month ECL	7,840,700	-
Trade receivables	22	N/A	Performing	Lifetime ECL	1,239,375,398	40,465
		N/A	Doubtful	Lifetime ECL	9,010,600	9,010,600
					1,248,385,998	9,051,065
Advances to employees	24	N/A	Performing	12-month ECL	292,842	-
Security deposits	23	A1+	N/A	12-month ECL	20,000,000	-
Investments in term deposits	25	A1+	N/A	12-month ECL	38,297,962	-
Bank balances	28	A1 - A1+	N/A	12-month ECL	406,420,285	-
					1,721,237,787	9,051,065

(a) Long term deposits

Long term deposits comprise security deposits placed with various utility companies and regulatory authorities. These deposits are substantially perpetual in nature. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(b) Trade receivables

For trade receivables, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on trade receivables by using internal credit risk gradings. As at the reporting date, all trade receivables are considered 'performing' as there is no significant increase in credit risk in respect of these receivables since initial recognition, except for trade receivables amounting to Rs. 8.51 million (30-Jun-25: Rs. 9.01 million) which are considered doubtful. The ageing analysis of trade receivables as at the reporting date is as follows:

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
Neither past due nor impaired	815,118,045	658,355,109
Past due by up to 30 days	750,982,048	533,432,957
Past due by 31 days to 180 days	132,560,651	47,587,332
Past due by 181 days or more	8,505,660	9,010,600
	1,707,166,404	1,248,385,998

(c) Advances to employees

Advances to employees have been given against future salaries and post-employment benefits. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(d) Security deposits

These are placed with financial institutions with reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

(e) Investments in term deposits

These are placed with financial institutions with reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

(f) Bank balances

The bankers of the Company have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

45.1.4 Concentrations of credit risk

There are no significant concentrations of credit risk, except for trade receivables. The Company's two (30-Jun-25: two) significant customers account for Rs. 410.534 million (30-Jun-25: Rs. 260.841 million) of trade receivables as at the reporting date, apart from which, exposure to any single customer does not exceed 10% (30-Jun-25: 10%) of trade receivables as at the reporting date. These significant customers have long standing business relationships with the Company and have a good payment record and accordingly non-performance by these customers is not expected.

45.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets with the exception of trade receivables amounting to Rs. 13.65 million (30-Jun-25: Rs.38.13 million), which are partially secured through letters of credit and advances to employees which are secured against future salaries and post-employment benefits.

45.1.6 Changes in impairment allowance for expected credit losses

The changes in impairment allowance for expected credit losses are as follows:

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
As at beginning of the year		9,051,065	8,964,426
Impairment loss on trade receivables:			
- recognized during the year	22.2	233,636	130,290
- reversed during the year	22.2	(555,662)	(43,651)
Net change in impairment allowance		(322,026)	86,639
As at end of the year		8,729,039	9,051,065

45.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

45.2.1 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. The Company also maintains various lines of credit with banking companies.

45.2.2 Exposure to liquidity risk

The following presents the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The analysis have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay and includes both interest/profit and principal cash flows. To the extent that interest/profit flows are floating rate, the undiscounted amount is derived from interest/profit rate curves at the reporting date.

30-Jun-26					
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term borrowings	3,566,367,688	4,971,326,982	977,740,071	3,051,038,041	942,548,870
Trade creditors	183,673,566	183,673,566	183,673,566	-	-
Accrued liabilities	627,340,418	627,340,418	627,340,418	-	-
Short term borrowings	362,508,816	362,508,816	362,508,816	-	-
Accrued interest/profit on borrowings	62,991,928	62,991,928	62,991,928	-	-
Unclaimed dividend	8,827,482	8,827,482	8,827,482	-	-
	4,811,709,898	6,216,669,192	2,223,082,281	3,051,038,041	942,548,870

30-Jun-25					
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term borrowings	3,842,342,160	5,357,292,557	948,060,977	3,144,396,749	1,264,834,831
Trade creditors	156,150,466	156,150,466	156,150,466	-	-
Accrued liabilities	391,661,977	391,661,977	391,661,977	-	-
Short term borrowings	778,749,346	778,749,346	778,749,346	-	-
Accrued interest/profit on borrowings	71,249,618	71,249,618	71,249,618	-	-
Unclaimed dividend	8,521,122	8,521,122	8,521,122	-	-
	5,248,674,689	6,763,625,086	2,354,393,506	3,144,396,749	1,264,834,831

45.3 Market risk

45.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency.

(a) Currency risk management

The Company manages its exposure to currency risk through continuous monitoring of expected/forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities/payments to assets/receipts and using source inputs in foreign currency.

(b) Exposure to currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
Financial assets		
Trade receivables		
USD	13,652,179	38,129,816
Bank balances		
USD	16,067,100	44,759,215
	29,719,279	82,889,031
Financial liabilities	-	-
Net exposure on statement of financial position	29,719,279	82,889,031
Commitments in foreign currency		
CHF	(285,205,596)	(6,173,572)
EUR	(8,366,770)	-
JPY	(1,345,062)	(38,425,455)
USD	(2,309,128,519)	(885,270,547)
	(2,604,045,947)	(929,869,574)
Net exposure	(2,574,326,668)	(846,980,543)

(c) Exchange rates applied as at the reporting date

The following spot exchange rates were applied as at the reporting date.

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
CHF	343.6212	355.3274
JPY	1.7140	1.9700
EUR	316.9231	332.6571
USD	278.1614	283.7645

(d) Sensitivity analysis

A five percent appreciation in Pak Rupee against foreign currencies would have increased profit for the year and equity as at the reporting date by Rs. 1.49 million (30-Jun-25: Rs. 4.14 million). A five percent depreciation in Pak Rupee would have had an equal but opposite effect on profit for the year and equity. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for taxation and levies for the year.

45.3.2 Interest/profit rate risk

Interest/profit rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest/profit rates.

(a) Interest/profit rate risk management

The Company manages interest/profit rate risk by analyzing its interest/profit rate exposure on a dynamic basis. Cash flow interest/profit rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest/profit rate shift, mostly 100 basis points.

(b) Interest/profit bearing financial instruments

The effective interest/profit rates for interest/profit bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest/profit bearing financial instruments as at the reporting date are as follows:

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
Fixed rate instruments		
Financial assets	38,515,239	38,297,962
Financial liabilities	1,760,898,345	2,207,138,450
Variable rate instruments		
Financial assets	-	-
Financial liabilities	2,167,978,159	2,397,989,763

(c) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for its fixed rate instruments at fair value

(d) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest/profit rates as at the reporting date would have decreased profit for the year and equity as at the reporting date by Rs. 21.68 million (30-Jun-25: 23.98). A decrease of 100 basis points would have had an equal but opposite effect on profit and equity. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation and levies for the year.

45.3.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is exposed to price risk in respect of its investments.

(a) Equity price risk management

The Company manages equity price risk by investing a diversified portfolio of securities to reduce the risk of loss from volatility in equity price of an individual security.

(b) Sensitivity analysis

A one percent appreciation in prices of mutual funds units as at reporting date would have increased profit and equity as at the reporting date by Rs. 3.23 million (30-Jun-25: Rs. 0.65 million). A one percent diminution in prices of mutual funds units as at the reporting date would have had equal but opposite effect on equity and profit for the year. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation and levies for the year.

A one percent appreciation in prices of equity securities as at reporting date would have increased equity as at the reporting date by Rs 1.60 million (30-Jun-25: Rs. 1.16 million). A one percent diminution in prices of equity securities as at the reporting date would have had equal but opposite effect on equity for the year. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation and levies for the year.

46 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders. The Company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances including current maturity. Total capital employed includes total equity as shown in the statement of financial position plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:

	<i>Unit</i>	30-Jun-26	30-Jun-25
Total debt	<i>Rupees</i>	3,735,808,668	4,074,569,671
Total equity	<i>Rupees</i>	4,470,171,649	4,268,132,163
Total capital employed		8,205,980,317	8,342,701,834
Gearing	<i>% age</i>	45.53	48.84

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those related to maintenance of debt covenants, commonly imposed by the providers of debt finance.

47 FAIR VALUE MEASUREMENTS

47.1 Financial instruments

47.1.1 Recurring fair value measurements

Assets	Hierarchy	Valuation technique and key inputs	30-Jun-26	30-Jun-25
			<i>Rupees</i>	<i>Rupees</i>
Investments in listed equity securities	Level 1	Quoted prices in an active market	160,300,170	116,038,230
Investments in mutual funds	Level 1	Quoted prices in an active market	323,101,796	64,630,514

47.1.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

47.1.3 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

47.2 Assets other than financial instruments

None of the assets other than financial instruments are measured at fair value.

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>

48 RESTRICTION ON TITLE AND ASSETS PLEDGED/MORTGAGED AS SECURITY

Mortgages and charges

Charge over current assets	11,157,250,000	9,689,500,000
Charge over fixed assets	7,055,796,334	7,799,118,000

Pledge of assets

Short term investments	223,000,000	56,098,529
------------------------	--------------------	------------

49 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

	30-Jun-26		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	19,200,000	19,200,000	70,378,739
Allowances and perquisites	2,666,667	-	35,189,369
Meeting fee	-	1,365,000	-
Post employment benefits	-	-	11,445,123
	21,866,667	20,565,000	117,013,231
Number of persons	1	5	53

	30-Jun-25		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	17,400,000	17,400,000	54,760,156
Allowances and perquisites	2,416,668	-	27,380,078
Meeting fee	-	1,207,500	-
Post employment benefits	-	-	7,956,769
	19,816,668	18,607,500	90,097,003
Number of persons	1	5	53

49.1 No remuneration has been paid to non-executive directors, with the exception of meeting fee.

49.2 Chief Executive, Directors and Executives are provided with free use of company maintained vehicles.

50 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on 29 September 2026 has proposed dividend on ordinary shares at Rs. 6.50 per ordinary share of Rs. 10 each. The proposed dividend is subject to approval of the Company's shareholders in the forthcoming annual general meeting and thus has not been included as a liability in the financial statements.

51 SHARES IN THE COMPANY HELD BY RELATED PARTIES

Ordinary shares in the Company held by related parties are as follows:

	30-Jun-26 No. of shares	30-Jun-25 No. of shares
Haroon Omer (Private) Limited	664,572	664,572
Monell (Private) Limited	664,572	664,572
Icaro (Private) Limited	664,572	664,572
ARH (Private) Limited	628,400	628,400
Ellahi International (Private) Limited	41,345	41,345
Directors, Chief Executive Officer, and their Spouse and Minor Children	4,406,124	4,406,124
	7,069,585	7,069,585

52 SEGMENT INFORMATION

52.1 The Company is a single operating segment.

52.2 All non-current assets of the Company are situated in Pakistan.

52.3 All sales of the Company have originated from Pakistan.

52.4 Revenue derived from one (30-Jun-25: one) individual significant external customers, to whom sales in excess of 10% of the Company's total sales were made during the year, amounts to Rs. 5,840.83 million. (30-Jun-25: Rs. 7,572.09 million).

53 **SHAHRIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017**

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
Statement of financial position		
Loans/advances obtained as per Islamic mode	436,712,956	854,133,099
Accrued Interest/profit on conventional financing	50,026,946	51,644,866
Long term and short-term shariah compliant Investments	398	-
Shariah compliant bank deposits, bank balances, and TDRs	297,435,342	50,158,498
Statement of profit or loss		
Revenue earned from a shariah compliant business segment	16,225,619,768	15,886,089,353
Late payments or liquidated damages	-	-
Changes in fair value of shariah compliant investments	1	-
Gain/(loss) or dividend earned on shariah compliant investments	5,926,546	-
Profit earned from shariah compliant bank balances/ deposits or TDRs	-	-
Exchange gain/(loss) earned from actual currency	225,937	(206,281)
Exchange gain earned using conventional derivative financial instruments	-	-
Total interest earned on any conventional loan or advance	-	-
Statement of cashflows		
Profit paid on islamic mode of financing	89,155,386	17,780,269
Interest paid on any conventional loan or advances	234,902,445	318,494,368

53.1 **Break up of other income**

Shariah compliant income

Gain on disposal of short term investments	5,926,546	-
Changes in fair value of financial assets classified as at FVTPL	1	-
Dividend income	7	-
Foreign exchange gain	225,937	(206,281)
Gain on disposal of property, plant and equipment	15,696,629	4,126,670
Scrap sale	3,758,420	3,876,239

Non compliant income

Gain on disposal of short term investments	9,011,292	82,903,842
Changes in fair value of financial assets classified as at FVTPL	(1)	61,218
Return on term deposits	3,567,244	4,349,766
Dividend income	12,818,003	11,656,960

53.2 **Relationship with shariah compliant banks:**

Name of Bank	Relationship with Bank
United Bank Limited	Long term borrowings, short term borrowings and bank balances
Faysal Bank Limited	Short term borrowings and bank balances
BankIslami Pakistan Limited	Short term borrowings and bank balances
Meezan Bank Limited	Short term borrowings and bank balances
Al Baraka Bank (Pakistan) Limited	Bank balances
MCB Islamic Bank Limited	Bank balances
NBP Islamic Money Market Fund	Short term investments
Lucky Islamic Money Market Fund	Short term investments

54 PLANT CAPACITY AND ACTUAL PRODUCTION

	<i>Unit</i>	30-Jun-26	30-Jun-25
Number of spindles installed	<i>No.</i>	79,200	79,200
Plant capacity on the basis of utilization converted into 30s count	<i>Kgs</i>	19,631,817	21,586,394
Actual production converted into 30s count	<i>Kgs</i>	18,848,825	21,104,705

It is difficult to precisely compare production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw materials used, spindle speed and twist etc. It would also vary according to pattern of production adopted in a particular year.

55 NUMBER OF EMPLOYEES

	30-Jun-26	30-Jun-25
Total number of employees	914	904
Average number of employees	909	910

56 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

57 GENERAL

Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year.



Amin Ellahi Shaikh
Director



Muhammad Ahmad
Chief Financial Officer



Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore: September 29, 2026

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FORM OF PROXY

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

I/We _____ of _____ being member(s) of **ELLCOT SPINNING 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 38th 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:

1. 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 with the proxy form.
3. The Shareholders through CDC, who wish to attend the Annual General Meeting are requested to please bring, original Computerized National 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)

سیکرٹری

ایلیکٹ سپننگ ملز لمیٹڈ

گلینہ ہاؤس، 91-B، ایم ایم عالم روڈ

گلبرگ III، لاہور 54660

میں / ہم

ساکن

بحیثیت رکن ایلیکٹ سپننگ ملز لمیٹڈ اور حامل عام حصص بمطابق شیئر رجسٹر فو لیو نمبر

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

بذریعہ ہذا

محترم / محترمہ ساکن

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فو لیو نمبر

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

یا اسکی غیر موجودگی میں محترم / محترمہ ساکن

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فو لیو نمبر

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

مورخہ 28 اکتوبر 2026ء کو منعقد ہونے والے کمپنی کے 38 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختار

(پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

دستخط آج بروز بتاریخ 2026ء

50 روپے کارسیدی ٹکٹ

چسپاں کریں

گواہ:

دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے

مطابق ہونے چاہئیں

۱- دستخط: _____ ۲- دستخط: _____

نام: _____ نام: _____

پتہ: _____ پتہ: _____

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 سیکرٹری 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 کمپیوٹرائزڈ 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 کمپیوٹرائزڈ قومی شناختی کارڈ بمعہ اپنے بینکرز سے اسکی مصدقہ

کاپی، اکاؤنٹ نمبر اور پارٹیشن آئی ڈی نمبر ہمراہ لائیں۔

4- کارپوریٹ اثبات کی صورت میں، بورڈ آف ڈائریکٹر کی قرارداد / مختار نامہ کی مصدقہ کاپی مع نمونہ دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہو

گا۔

Ellicot Spinning Mills Limited

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