



ANNUAL REPORT 2026



Shadab Textile Mills Limited

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**COMPANY INFORMATION**

CHIEF EXECUTIVE	Mian Aamir Naseem	
BOARD OF DIRECTORS	Mr. Saad Naseem Mian Farrukh Naseem Mr. Yasir Naseem Mr. Hamza Naseem Mrs. Fatima Aamir Mr. Fahad Shafiq Mr. Ghazanfer Feroz	Chairman/Non Executive Director Executive Director Non Executive Director Non Executive Director Female - Non Executive Director Independent Director Independent Director
AUDIT COMMITTEE	Mr. Fahad Shafiq Mr. Yasir Naseem Mr. Hamza Naseem	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Fahad Shafiq Mr. Ghazanfer Feroz Mr. Saad Naseem	Chairman Member Member
CHIEF FINANCIAL OFFICER	Mr. Muhammad Adeel Anwar Khan	
COMPANY SECRETARY	Mr. Muhammad Shakeel Sarwar	
AUDITORS	M/s. Fazal Mehmood & Company, Chartered Accountants	
SHARE REGISTRAR	Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore. Ph: 042-35887262, 35839182 Fax: 042-35869037	
BANKERS	Bank Al-Falah Limited Bank Al-Habib Limited	
REGISTERED OFFICE	A-601/A, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore Ph: No. 042-35788714-16	
WEBSITE ADDRESS	www.shadabtextile.com	
MILLS	Unit # 1: Nasimabad, Shahkot, District Nankana Sahib. Unit # 2: Habibabad, Pattoki, District Kasur	



VISION STATEMENT

To Strive for excellence through commitments, integrity, honesty and team work.

MISSION STATEMENT

To be a model amongst the textile spinning, capable of producing high quality blended and hundred percent cotton yarn both for knitting and weaving.

- Complete satisfaction of Buyers/Consumers is our Motto.
- Manufacturing of blended and hundred percent cotton yarn as per the customers' requirements and market demand.
- Keeping pace with the rapidly changing technology by continuously balancing, modernization and replacement (BMR) of plant and machinery.
- Enhancing the profitability by improved efficiency and cost controls.
- Betterment of Mills Employees as quality policy.
- Protecting the environment and contributing towards the economic strength of the country and function as a good corporate citizen.

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 47th Annual General Meeting of the Shareholders of **SHADAB TEXTILE MILLS LIMITED** will be held on Wednesday, October 28, 2026 at 11.30 a.m. at the Registered Office of the Company at A-601/A, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended June 30, 2026 together with Directors' and Auditors' Reports thereon.

In accordance with section 223 of the Companies Act, 2017, and pursuant to S.R.O.389(1)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be accessed through the following weblink and QR enabled code:



Weblink: <https://www.shadabtextile.com/pdf/Annual30-06-2026.pdf>

2. To declare and approve the Final Cash Dividend at Rs. 1.25 per share i.e. 12.50 % for the year ended June 30, 2026 as recommended by the Board of Directors.
3. To appoint auditors for the year 2026-2027 and fix their remuneration.
4. To transact any other business with the permission of the Chair.

By order of the Board

Company Secretary

LAHORE: **September 25, 2026**

NOTES:

1. **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 at Corplink (Pvt) Limited, Wings Arcade, I-K, Commercial, Model Town, Lahore, the Registrar and Shares Transfer Office of the Company by the close of business on October 21, 2026 will be treated in time for the purpose of above entitlement to the transferees.
2. **Participation in the General Meeting:** An individual beneficial owner attending the Annual General Meeting in person shall produce his/her original CNIC or Passport, along with CDC Account Number and Participant's I.D. Number, for identification. A corporate member's representative shall produce a certified copy of the Board of Directors' Resolution and/or Power of Attorney, together with the specimen signature of the nominee/authorized representative. CDC Account Holders are required to comply with the guidelines contained in Circular No. 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan, as amended from time to time.
3. **Appointment of Proxy:** A member entitled to attend and vote at the General Meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. The instrument appointing a proxy, duly completed and signed, must be received by the Company at its Registered Office at least 48 hours before the time scheduled for holding the meeting.



4. **Request for Video Conference Facility:** Pursuant to the provisions of Section 134 of the Companies Act, 2017, if the Company receives consent from members holding an aggregate 10% or more shareholding, residing in a geographical location, to participate in the meeting through video conference at least seven (7) days prior to the date of the meeting, the Company will arrange the video conference facility in that city, subject to availability of such facility.
5. **Participation through Zoom / Video Conferencing:** Members wishing to participate in the Annual General Meeting through Zoom/video conferencing are requested to register at least 48 hours before the meeting by sending the following particulars to tariq@shadabtextile.com:

Name	CNIC No.	Folio/CDC A/c No.	Cell No.	Email Address

After verification, the Company will provide the **Zoom link and login credentials** to the registered members through email. Members may participate in the AGM through their **computer, laptop, tablet or other compatible device**. The facility will remain available **from the start of the AGM until the conclusion of the meeting**.

6. **QR Code and Web Link for Annual Report:** The Notice of Meeting containing the QR-enabled code and web-link address to view and download the Annual Report, including the annual audited financial statements, is being dispatched to the members at their registered addresses in accordance with the requirements of the Companies Act, 2017 and emailed to those shareholders who have provided their valid email IDs to the Share Registrar of the Company.
7. **Transmission of Annual Financial Statements:** Pursuant to SRO 787(I)/2014 dated September 8, 2014, shareholders who wish to receive the Annual Report, including the audited financial statements and Notice of Annual General Meeting, through email in future are requested to provide their consent and email address to the Company on the standard request form available on the Company's website at www.shadabtextile.com.

Pursuant to Section 223 of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2026, together with the Chairman's Review Report, Directors' Report and Auditors' Report thereon, have been placed on the Company's website at www.shadabtextile.com.

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

The Shareholders having physical shareholding are encouraged to open CDC sub-accounts 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.

9. **Dividend Mandate (Mandatory):** In accordance with the provisions of section 242 of the Companies Act and Companies (Distribution of Dividends), Regulations 2017, a listed company is required to pay cash dividend to the shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

All shareholders who have still not provided their IBAN are once again requested to provide the details of their bank mandate specifying (a) Title of Account (b) Account Number (c) IBAN Number (d) Name of Bank (e) Branch Name, code and address to the Company's Share Registrar. Those shareholders who hold shares with Participants / Central Depository Company of Pakistan (CDC) are advised to provide bank mandate detail as mentioned above, to the concerned Participants/CDC. The Dividend Mandate Form is placed on Company's website www.shadabtextile.com.



10. **Submission of Valid CNICs:** Shareholders who have not yet provided their valid CNIC/Passport are requested to submit a copy thereof, mentioning their Folio No. and Company's name, to the Company's Share Registrar. CDC/Participants' account holders are requested to update their CNIC/NTN details with their respective Participant/CDC Investor Account Services, in accordance with the applicable requirements of the SECP, including SRO 831(I)/2012 dated July 5, 2012, as amended from time to time.
11. **Deduction of Income Tax under section 150 of the Income Tax Ordinance, 2001:** The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 are as follows:
- Persons appearing in the Active Taxpayers List (ATL): 15%
 - Persons not appearing in the Active Taxpayers List (ATL): 30%

Shareholders whose names do not appear in the ATL despite being filers are advised to ensure that their names are included in the ATL before the first day of book closure; otherwise, tax on cash dividend will be deducted at 30% instead of 15%.

In case of joint shareholding, withholding tax will be determined separately based on the filer/non-filer status of the Principal Shareholder and each Joint Holder, according to their respective shareholding proportions. Joint holders are therefore requested to provide the following information to the Company's Share Registrar:

Folio No./CDS Account No.	Name of Principal Shareholder/Joint Holders	Shareholding Proportions	CNIC/Passport No. (Copy attached)	Signature

The above information must reach the Company's Share Registrar by close of business on **October 21, 2026**, failing which it will be assumed that the shares are held equally by the Principal Shareholder and Joint Holder(s).

Withholding tax exemption on dividend income shall only be allowed upon submission of a valid tax exemption certificate to the Company's Share Registrar, M/s. Corplink (Pvt.) Limited, Wings Arcade, I-K, Commercial, Model Town, Lahore, by **October 21, 2026**.

12. **Unclaimed Dividend/Shares:** As per Section 244 of the Act any dividend and/or share certificate remained unclaimed or unpaid for a period of three years from the date these have become due and payable, the Company shall be liable to deposit those unclaimed/unpaid amounts with the Federal Government as per the directives to be issued by SECP from time to time.
- Shareholders, who by any reason, could not claim their dividend/shares, if any, are advised to contact our Share Registrar M/s. Corplink (Pvt) Limited, Wings Arcade, I-K, Commercial, Model Town, Lahore to enquire about their unclaimed dividend/shares.
13. **Restriction on Distribution of Gifts to Members:** In view of Section 185 of the Companies Act, 2017 has strictly prohibited companies from offering or distributing gifts, to Members at or in connection with general meetings.
14. **Change of Address:** Shareholders are requested to immediately notify the change of address, if any to Share Registrar of the Company.



CHAIRMAN'S REVIEW

I am pleased to present the review of the Board's performance for the financial year ended June 30, 2026.

During the year under review, the Board continued to discharge its fiduciary and governance responsibilities with due diligence, objectivity and commitment, providing strategic guidance and effective oversight in the best interests of the Company and its stakeholders. The Board Committees also performed their respective functions diligently in accordance with their mandates.

The year remained challenging for the textile sector due to fluctuations in raw material prices, energy costs, interest rates and prevailing economic conditions. Despite these challenges, the Company remained focused on operational efficiency, prudent financial management and strengthening its business fundamentals. The successful completion of the right issue during the year has further supported the Company's working capital requirements and planned expansion of production facilities.

During the year, six meetings of the Board of Directors, five meetings of the Audit Committee and three meetings of the Human Resource & Remuneration Committee were held. The Board also conducted an evaluation of its own performance, including the performance of individual Directors and Board Committees. The evaluation confirmed the effective functioning of the Board and its Committees, with continued emphasis on sound governance, transparency, accountability and sustainable value creation.

Looking ahead, the Board remains focused on improving operational efficiency, prudent utilization of resources and pursuing sustainable growth opportunities. The Board is confident that disciplined management and continued strategic focus will enable the Company to respond effectively to changing market conditions and enhance long-term shareholder value.

On behalf of the Board, I express my sincere appreciation to our shareholders and other stakeholders for their continued trust and support. I also acknowledge the dedication and valuable contribution of the management and employees of the Company.

May Allah Almighty continue to bless the Company with success, prosperity and sustainable growth.

Saad Naseem
Chairman

Lahore: September 25, 2026

**DIRECTORS' REPORT****Dear Shareholders,**

The Directors of the Company welcome you to the 47th Annual General Meeting and are pleased to present the Annual Report together with the Audited Financial Statements of the Company for the year ended June 30, 2026.

Financial Results

The financial results of the Company in comparative form are as follows:

	(RUPEES IN THOUSAND)	
	June 30, 2026	June 30, 2025
Sales - net	7,786,923	8,002,565
Cost of sales	(7,067,060)	(7,437,927)
GROSS PROFIT	719,863	564,638
Administrative and general expenses	(214,374)	(181,990)
Selling and distribution expenses	—	(797)
	(214,374)	(182,787)
OPERATING PROFIT	505,489	381,851
Finance costs	(76,401)	(94,219)
Other charges	(30,609)	(21,340)
	398,479	266,292
Other income	14,517	21,641
PROFIT BEFORE LEVIES AND TAXATION	412,996	287,933
Levies	(3,009)	(43,784)
PROFIT BEFORE TAXATION	409,987	244,149
Taxation	(168,603)	(59,124)
PROFIT AFTER TAXATION	241,384	185,025
Basic & diluted earning per share-(Restated in Rupees)	13.40	11.09

During the year under review, the Company earned a profit after taxation of Rs.241.384 million, compared with Rs.185.025 million in the preceding year, representing an increase of approximately 30.46%. Basic and diluted earnings per share increased to Rs.13.40 from Rs.11.09.

The Company's net sales amounted to Rs.7,786.923 million, compared with Rs. 8,002.565 million in the preceding year. Despite a 2.69% decline in sales, gross profit increased to Rs.719.863 million from Rs.564.638 million, while operating profit rose to Rs.505.489 million from Rs.381.851 million. Finance costs also declined to Rs.76.401 million from Rs.94.219 million.

Despite a significant increase in raw-material prices during the last quarter and persistently high energy costs, the Company delivered a positive financial performance. This was achieved through efficient utilization of production facilities, effective production cost management, enhanced reliance on solar energy, and prudent management of working capital and bank borrowings, which contributed to a reduction in finance costs.

During the year, the Company completed a Right Issue of Ordinary Shares and realized proceeds of Rs.250.000 million. The proceeds are being utilized in accordance with the purposes specified in the relevant offering documents, including Balancing, Modernization and Replacement (BMR) of plant and machinery, installation of solar power systems and meeting working capital requirements.



The outlook for the textile spinning sector remains challenging due to rising raw-material, fuel and energy prices, which continue to increase production, transportation and other operating costs. The evolving situation in the Middle East is also contributing to uncertainty in international commodity prices, freight rates, shipping routes and the timely availability of imported raw materials.

Earnings Per Share

Earnings per Share is **Rs.13.40** (2025: **Rs.11.09**).

Dividend

The Board of Directors has recommended a final cash dividend of 12.50%, equivalent to Rs.1.25 per share, for the financial year ended June 30, 2026, subject to approval by the members at the forthcoming Annual General Meeting.

Corporate Governance and Financial Reporting Framework

- a. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b. Proper books of account have been maintained by the Company.
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed and explained.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the Company's ability to continue as a going concern.
- g. Key operating and financial data for the last six years is annexed to the Annual Report.
- h. There are no outstanding statutory payments on account of taxes, duties, levies and charges except routine payments of various levies.
- i. The value of investments of the Provident Fund as at June 30, 2026, as per audited accounts, was Rs. 268.845 million.
- j. The pattern of shareholding and the additional information as required under the applicable corporate governance requirements are annexed to the Annual Report.
- k. During the year under review, certain Directors, the Company Secretary and/or their spouses and minor children reported transactions in the shares of the Company, including purchases and sales, as disclosed in the prescribed returns. The requisite disclosures have been duly made and are reflected in the pattern of shareholding, as applicable.

Board of Directors

Board Composition as at June 30, 2026

Total Number of Directors: 08

- Male 07
- Female: 01

Category:

- Independent Directors: 02
- Non-Executive Directors: 04
- Executive Directors: 02 (including Chief Executive)

**Board Composition**

- | | |
|------------------------|-------------------------------------|
| 1. Mr. Saad Naseem | – Chairman / Non-Executive Director |
| 2. Mian Aamir Naseem | – Chief Executive |
| 3. Mian Farrukh Naseem | – Executive Director |
| 4. Mr. Yasir Naseem | – Non-Executive Director |
| 5. Mr. Hamza Naseem | – Non-Executive Director |
| 6. Mrs. Fatima Aamir | – Non-Executive Director (Female) |
| 7. Mr. Fahad Shafiq | – Independent Director |
| 8. Mr. Ghazanfer Feroz | – Independent Director |

Changes in the Board

During the year under review, the following changes took place in the composition and leadership of the Board:

- Mr. Yasir Naseem was reclassified as a Non-Executive Director with effect from July 31, 2025.
- Mian Farrukh Naseem was reclassified as an Executive Director with effect from August 1, 2025.
- Mr. Saad Naseem was appointed as Chairman of the Board in place of Mian Farrukh Naseem with effect from August 26, 2025.

Board Meetings

During the year, six meetings of the Board were held. Attendance was as follows:

<u>Name of Director</u>	<u>Meetings Attended</u>
Mian Farrukh Naseem	6
Mr. Yasir Naseem	6
Mr. Saad Naseem	6
Mr. Hamza Naseem	6
Mrs. Fatima Aamir	6
Mr. Fahad Shafiq	6
Mr. Ghazanfer Feroz	5

Leave of absence was granted to the Director who was unable to attend the meeting.

Board Committees:**Audit Committee**

The Board has constituted an Audit Committee comprising:

- | | |
|--------------------|------------|
| • Mr. Fahad Shafiq | – Chairman |
| • Mr. Yasir Naseem | – Member |
| • Mr. Hamza Naseem | – Member |

Mr. Yasir Naseem was appointed as Member of the Audit Committee in place of Mian Farrukh Naseem with effect from August 1, 2025.

Meetings: Five meetings were held during the year.

<u>Name of Member</u>	<u>Meetings Attended</u>
Mr. Fahad Shafiq	5
Mr. Yasir Naseem	5
Mr. Hamza Naseem	5

Human Resource & Remuneration Committee

The Board has constituted a Human Resource & Remuneration Committee comprising:

- | | |
|-----------------------|------------|
| • Mr. Fahad Shafiq | – Chairman |
| • Mr. Ghazanfer Feroz | – Member |
| • Mr. Saad Naseem | – Member |

Meetings: Three meetings were held during the year.



Name of Member	Meetings Attended
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Mr. Fahad Shafiq	3
Mr. Ghazanfer Feroz	3
Mr. Saad Naseem	3

Company Secretary

During the year under review, Mr. Tariq Javaid resigned from the position of Company Secretary with effect from May 11, 2026. Subsequently, Mr. Muhammad Shakeel Sarwar was appointed as Company Secretary with effect from June 17, 2026, with the approval of the Board of Directors, in accordance with the applicable provisions of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Directors' Remuneration

The Board of Directors has approved a Remuneration Policy for Directors and Members of Senior Management. The Company will not pay remuneration to its non-executive directors except as meeting fee for attending the meetings of the Board and its Committees. The aggregate amount of remuneration paid to executive and non-executive directors has been disclosed in Note 37 to the annexed financial statements.

Chairman's Review

The Chairman's Review is endorsed by the Board of Directors.

Performance Evaluation of the Board

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has undertaken a formal process of self-evaluation of the performance of the Board as a whole and its Committees.

Directors' Training Programme

The Company continued to comply with the applicable requirements relating to the Directors' Training Programme. The majority of the Directors have completed the Directors' Certification from institutions duly authorized for the purpose and/or possess the prescribed qualifications and experience in terms of the applicable regulatory requirements.

Accordingly, no further training was required to be undertaken by such Directors during the year under review. The remaining Directors will complete the prescribed training in due course.

Related Party Transactions

All transactions with related parties entered into during the year were carried out on an arm's length basis and have been appropriately disclosed in the relevant notes to the financial statements.

Auditors

The present auditors, M/s Fazal Mahmood & Company, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and, being eligible, have offered themselves for re-appointment. The Audit Committee has recommended the re-appointment of M/s Fazal Mahmood & Company, Chartered Accountants, as the external auditors of the Company for the financial year 2026-27, subject to approval of the members at the forthcoming Annual General Meeting.

Corporate Social Responsibility

The Company recognizes its responsibility towards its employees, the local community, the Government and other stakeholders. During the year under review, the Company continued to support the well-being of its employees by providing appropriate workplace facilities and assistance, including financial support to the families of deceased employees, while fulfilling its statutory obligations towards the Government and other stakeholders.

**Health, Safety and Environment**

The Company remains committed to providing a safe, healthy and conducive working environment for its employees. Appropriate health and safety measures are maintained at the Company's premises. The Company is also registered with the Social Security Department of the Government and regularly contributes towards the social security and healthcare benefits of its eligible workers in accordance with applicable laws.

Work-Life Balance

The Company recognizes the importance of maintaining a healthy work-life balance for its employees. The Company follows its prescribed working hours and encourages an environment that enables employees to maintain a reasonable balance between their professional responsibilities and personal and family commitments.

Business Ethics and Anti-Corruption Measures

The Company is committed to conducting its business with integrity, transparency and in compliance with applicable laws and regulations. A Code of Conduct has been approved by the Board of Directors and is communicated to employees for compliance. The Company expects all employees to adhere to the prescribed ethical standards in the conduct of their duties and responsibilities.

Contribution to the National Exchequer

During FY2026, the Company continued to discharge its statutory obligations and contributed Rs.1,050.29 million to the national exchequer through payment of taxes, levies, duties and other statutory charges in accordance with applicable laws.

Energy Conservation

The Company continued its efforts towards energy conservation and efficiency at its manufacturing facilities. Various measures, including the use of energy-efficient equipment and devices, have been undertaken to optimize energy consumption and improve operational efficiency. The Company has also continued to utilize its solar power generation capacity as part of its efforts to reduce dependence on conventional energy sources and improve energy efficiency.

Acknowledgements

The Board of Directors places on record its appreciation for the dedication, commitment and valuable contributions of the executives, officers, staff and workers of the Company during the year under review. The Board also acknowledges their continued efforts towards achieving the Company's objectives and maintaining its operational performance.

For and on behalf of the Board

MIAN AAMIR NASEEM
(Chief Executive)

SAAD NASEEM
(Chairman/Director)

Lahore: September 25, 2026



آڈیٹرز

موجودہ آڈیٹر، میسرز فضل محمود اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، آئندہ سالانہ عام اجلاس کے اختتام پر سکدش ہو رہے ہیں اور اہل ہونے کی بنا پر، انہوں نے دوبارہ تقرری کے لیے اپنی رضامندی ظاہر کی ہے۔ آڈٹ کمیٹی نے مالی سال 2026-27 کے لیے کمپنی کے بیرونی آڈیٹر کے طور پر میسرز فضل محمود اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی ہے، جس کا انحصار آئندہ سالانہ عام اجلاس میں اراکین کی منظوری پر ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی اپنے ملازمین، مقامی کمیونٹی، حکومت اور دیگر اسٹیک ہولڈرز کے تئیں اپنی ذمہ داری کا احساس رکھتی ہے۔ زبرد جانہ سال کے دوران، کمپنی نے حکومت اور دیگر اسٹیک ہولڈرز کے تئیں اپنی قانونی ذمہ داریوں کو پورا کرنے کے ساتھ ساتھ، کام کی جگہ پر مناسب سہولیات اور معاونت فراہم کر کے اپنے ملازمین کی فلاح و بہبود کے لیے تعاون جاری رکھا، جس میں فوٹ شدہ ملازمین کے اہل خانہ کو مالی معاونت کی فراہمی بھی شامل ہے۔

صحت، حفاظت اور ماحول

کمپنی اپنے ملازمین کو کام کا محفوظ، صحت مند اور سازگار ماحول فراہم کرنے کے عزم پر قائم ہے۔ کمپنی کے احاطے میں صحت اور حفاظت کے مناسب اقدامات برقرار رکھے جاتے ہیں۔ کمپنی حکومت کے سوشل سیکورٹی ڈیپارٹمنٹ کے ساتھ بھی رجسٹرڈ ہے اور قابل اطلاق قوانین کے مطابق اپنے اہل ورکرز کی سوشل سیکورٹی اور صحت کی دیکھ بھال کے فوائد کے لیے باقاعدگی سے حصہ ڈالتی ہے۔

کام اور زندگی میں توازن

کمپنی اپنے ملازمین کے لیے کام اور ذاتی زندگی کے درمیان صحت مند توازن برقرار رکھنے کی اہمیت کو تسلیم کرتی ہے۔ کمپنی اپنے مقررہ دفتری اوقات کی پابندی کرتی ہے اور ایسے ماحول کو فروغ دیتی ہے جو ملازمین کو اپنی پیشہ ورانہ ذمہ داریوں اور ذاتی و خاندانی مصروفیات کے درمیان مناسب توازن برقرار رکھنے کے قابل بنائے۔

کاروباری اخلاقیات اور انسدادِ بدعنوانی کے اقدامات

کمپنی دیانت داری، شفافیت اور قابل اطلاق قوانین و ضوابط کی پاسداری کے ساتھ اپنا کاروبار چلانے کے لیے پرعزم ہے۔ بورڈ آف ڈائریکٹرز کی جانب سے ایک 'ضابطہ اخلاق' کی منظوری دی گئی ہے اور اس پر عمل درآمد کے لیے اس ملازمین تک پہنچایا گیا ہے۔ کمپنی توقع کرتی ہے کہ تمام ملازمین اپنے فرائض اور ذمہ داریوں کی انجام دہی کے دوران مقررہ اخلاقی معیارات کی پاسداری کریں گے۔

قومی خزانے میں حصہ داری

مالی سال 2026 کے دوران، کمپنی نے اپنی قانونی ذمہ داریوں کو پورا کرنے کا سلسلہ جاری رکھا اور قابل اطلاق قوانین کے مطابق ٹیکسوں، لیویز، ڈیوٹیز اور دیگر قانونی چارجز کی ادائیگی کے ذریعے قومی خزانے میں 1,050.29 ملین روپے کا حصہ ڈالا۔

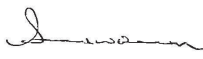
توانائی کی بچت

کمپنی نے اپنی پیداواری تنصیبات پر توانائی کی بچت اور کارکردگی کو بہتر بنانے کی کوششیں جاری رکھیں۔ توانائی کے موثر استعمال اور آپریشنل کارکردگی کو بہتر بنانے کے لیے مختلف اقدامات کیے گئے ہیں، جن میں توانائی کی بچت کرنے والے آلات اور مشینری کا استعمال شامل ہے۔ روایتی توانائی کے ذرائع پر انحصار کم کرنے اور توانائی کی کارکردگی کو بہتر بنانے کی کوششوں کے حصے کے طور پر کمپنی نے اپنی سستی توانائی پیدا کرنے کی صلاحیت کا استعمال بھی جاری رکھا ہے۔

اعترافِ خدمات

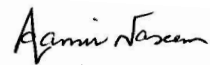
بورڈ آف ڈائریکٹرز زبرد جانہ سال کے دوران کمپنی کے ایگزیکٹوز، افسران، عملے اور ورکرز کی لگن، عزم اور گراں قدر خدمات کو سراہتا ہے۔ بورڈ کمپنی کے اہداف کے حصول اور اس کی آپریشنل کارکردگی کو برقرار رکھنے کے لیے ان کی مسلسل کوششوں کا بھی اعتراف کرتا ہے۔

منجانب بورڈ



سعد نسیم

چیئر مین / ڈائریکٹر



میاں عامر نسیم

چیف ایگزیکٹو

لاہور: 25 ستمبر، 2026



اجلاس : سال کے دوران پانچ اجلاس منعقد ہوئے۔

رکن کا نام **شرکت کردہ اجلاسوں کی تعداد**

جناب فہد شفیق 5

جناب یاسر نسیم 5

جناب حمزہ نسیم 5

افراد کی قوت و مشاہرہ کمیٹی

بورڈ نے ایک افرادی قوت و مشاہرہ کمیٹی تشکیل دی ہے جو درج ذیل ارکان پر مشتمل ہے:

جناب فہد شفیق چیئر مین

جناب غنفر فیروز رکن

جناب سعد نسیم رکن

اجلاس : سال کے دوران تین اجلاس منعقد ہوئے۔

رکن کا نام **شرکت کردہ اجلاسوں کی تعداد**

جناب فہد شفیق 3

جناب غنفر فیروز 3

جناب سعد نسیم 3

کمپنی سیکرٹری

زیر جائزہ سال کے دوران، جناب طارق جاوید نے 11 مئی 2026 سے کمپنی سیکرٹری کے عہدے سے استعفیٰ دے دیا۔ اس کے بعد، بورڈ آف ڈائریکٹرز کی منظوری سے اور کمپنیز ایکٹ 2017 اور سسٹم کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی قابل اطلاق دفعات کے مطابق، جناب محمد ثقلیل سرور کو 17 جون 2026 سے کمپنی سیکرٹری مقرر کیا گیا۔

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز اور سینئر انتظامیہ کے ارکان کے لیے معاوضے کی پالیسی کی منظوری دی ہے۔ کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کرے گی۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کیے گئے معاوضے کی مجموعی رقم منسلک مالیاتی گوشواروں کے نوٹ نمبر 37 میں ظاہر کی گئی ہے۔

چیئر مین کا جائزہ

چیئر مین کے جائزے کی بورڈ آف ڈائریکٹرز کی جانب سے توثیق کی گئی ہے۔

بورڈ کی کارکردگی کا جائزہ

سسٹم کمپنیز (کوڈ آف کارپوریٹ گورننس) کے ضوابط، 2019 کے تحت بورڈ نے مجموعی طور پر بورڈ اور اس کی کمیٹیوں کی کارکردگی کی خود تشخیص کا ایک باقاعدہ عمل شروع کیا ہے۔

ڈائریکٹرز کا تربیتی پروگرام

کمپنی نے ڈائریکٹرز کے تربیتی پروگرام سے متعلقہ قابل اطلاق تقاضوں کی پاسداری کا سلسلہ جاری رکھا۔ زیادہ تر ڈائریکٹرز نے اس مقصد کے لیے باقاعدہ مجاز اداروں سے ڈائریکٹرز سرٹیفیکیشن مکمل کر لی ہے اور/یا وہ قابل اطلاق ریگولیٹری تقاضوں کے مطابق مقررہ اہلیت اور تجربہ رکھتے ہیں۔

اس کے مطابق، زیر جائزہ سال کے دوران ایسے ڈائریکٹرز کے لیے مزید کسی تربیت کی ضرورت نہیں تھی۔ باقی ماندہ ڈائریکٹرز مناسب وقت کے اندر مقررہ تربیت مکمل کر لیں گے۔

متعلقہ فریقین کے ساتھ لین دین

سال کے دوران متعلقہ فریقین کے ساتھ کیے گئے تمام لین دین غیر جانبدارانہ بنیادوں پر انجام دیے گئے اور مالیاتی گوشواروں کے متعلقہ نوٹس میں ان کا مناسب انکشاف کیا گیا ہے۔

بورڈ کی تشکیل

1. جناب سعد نسیم - چیئرمین/نان ایگزیکٹو ڈائریکٹر
2. میاں عامر نسیم - چیف ایگزیکٹو
3. میاں فرخ نسیم - ایگزیکٹو ڈائریکٹر
4. جناب یاسر نسیم - ننان ایگزیکٹو ڈائریکٹر
5. جناب حمزہ نسیم - ننان ایگزیکٹو ڈائریکٹر
6. مسز فاطمہ عامر - ننان ایگزیکٹو ڈائریکٹر (خاتون)
7. جناب فہد شفیق - آزاد ڈائریکٹر
8. جناب غففر فیروز - آزاد ڈائریکٹر

بورڈ میں تبدیلیاں

زیرِ جائزہ سال کے دوران، بورڈ کی تشکیل اور قیادت میں درج ذیل تبدیلیاں ہوئیں:

- جناب یاسر نسیم کو 31 جولائی 2025 سے ننان ایگزیکٹو ڈائریکٹر کے طور پر دوبارہ درجہ بندی کیا گیا۔
- میاں فرخ نسیم کو یکم اگست 2025 سے ایگزیکٹو ڈائریکٹر کے طور پر دوبارہ درجہ بندی کیا گیا۔
- جناب سعد نسیم کو 26 اگست 2025 سے میاں فرخ نسیم کی جگہ بورڈ کا چیئرمین مقرر کیا گیا۔

بورڈ کے اجلاس

سال کے دوران بورڈ کے چھ اجلاس منعقد ہوئے۔ حاضری کی تفصیل درج ذیل ہے:

ڈائریکٹر کا نام شرکت کیے گئے اجلاس

6	میاں فرخ نسیم
6	جناب یاسر نسیم
6	جناب سعد نسیم
6	جناب حمزہ نسیم
6	مسز فاطمہ عامر
6	جناب فہد شفیق
5	جناب غففر فیروز

جوڈائریکٹر اجلاس میں شرکت کرنے سے قاصر رہے، انہیں غیر حاضری کی اجازت (رخصت) دی گئی۔

بورڈ کی کمیٹیاں:

آڈٹ کمیٹی

بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے جو درج ذیل ارکان پر مشتمل ہے:

- جناب فہد شفیق چیئرمین
- جناب یاسر نسیم رکن
- جناب حمزہ نسیم رکن



سال کے دوران، کمپنی نے عام شیئرز کا رائٹ ایٹو مکمل کیا اور 250,000 ملین روپے کی رقم حاصل کی۔ اس رقم کو متعلقہ پیشکش دستاویزات میں طے شدہ مقاصد کے مطابق استعمال کیا جا رہا ہے، جس میں پلانٹ و مشینری کی بیلنگ، ماڈرنائزیشن اینڈ ریہیبیلیٹیشن (BMR)، سولر پاور سسٹم کی تنصیب اور ورکنگ کپیل کی ضروریات کو پورا کرنا شامل ہے۔

ٹیکسٹائل اسپننگ سیکٹر کا مستقبل خام مال، ایندھن اور توانائی کی بڑھتی ہوئی قیمتوں کے باعث چیلنجنگ برقرار ہے، جس سے پیداوار، نقل و حمل اور دیگر آپریشنل اخراجات مسلسل بڑھ رہے ہیں۔ مشرق وسطیٰ کی بدلتی ہوئی صورتحال کی وجہ سے بین الاقوامی سطح پر اشیاء کی قیمتوں، مال برداری کے نرخوں، بحری نقل و حمل کے راستوں اور درآمدی خام مال کی بروقت دستیابی میں غیر یقینی صورتحال پیدا ہو رہی ہے۔

فی شیئر آمدنی

فی شیئر آمدنی 13.40 روپے ہے (11.09 روپے: 2025)

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے 12.50 فیصد (یعنی 1.25 روپے فی شیئر) کے حتمی نقد ڈیویڈنڈ کی سفارش کی ہے، جو کہ آنے والے سالانہ عام اجلاس میں ممبران کی منظوری سے مشروط ہے۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ کا فریم ورک

- اے۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے امور کی صورتحال، اس کے آپریشنز کے نتائج، کیش فلو (نقدی کے بہاؤ) اور ایکویٹی میں ہونے والی تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
- بی۔ کمپنی کی جانب سے مالیاتی کھاتوں کو مناسب انداز میں برقرار رکھا گیا ہے۔
- سی۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔
- ڈی۔ مالیاتی گوشواروں کی تیاری میں پاکستان میں رائج انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کی پیروی کی گئی ہے اور ان سے کسی بھی قسم کے انحراف کو مناسب طور پر ظاہر اور واضح کیا گیا ہے۔
- ای۔ اندرونی کنٹرول کا نظام اپنی ساخت کے اعتبار سے مستحکم ہے اور اس پر مؤثر طریقے سے عمل درآمد اور نگرانی کی گئی ہے۔
- ایف۔ کمپنی کی بطور 'گولڈ کنسرن' (یعنی کاروبار جاری رکھنے والی اکائی کے طور پر) کام جاری رکھنے کی صلاحیت پر کوئی نمایاں شبہ موجود نہیں ہے۔
- جی۔ گزشتہ چھ سالوں کے اہم آپریشنل اور مالیاتی اعداد و شمار سالانہ رپورٹ کے ساتھ منسلک ہیں۔
- ایچ۔ ٹیکسوں، ڈیوٹیوں، لیویز اور دیگر چارجز کی مد میں کوئی واجب الادا قانونی ادائیگیاں باقی نہیں ہیں، سوائے مختلف لیویز کی معمول کی ادائیگیوں کے۔
- آئی۔ آڈٹ شدہ کھاتوں کے مطابق، 30 جون 2026 کو پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت 268.845 ملین روپے تھی۔
- جے۔ شیئرز ہولڈنگ کا طریقہ کار اور کارپوریٹ گورننس کے رائج تقاضوں کے تحت درکار اضافی معلومات سالانہ رپورٹ کے ساتھ منسلک ہیں۔
- کے۔ زیرِ جائزہ سال کے دوران، کچھ ڈائریکٹرز، کمپنی سیکرٹری اور/یا ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں لین دین (بشمول خریداری اور فروخت) کی اطلاع دی، جیسا کہ مقررہ گوشواروں میں ظاہر کیا گیا ہے۔ مطلوبہ اطلاعات باقاعدگی دی گئیں ہیں، جہاں طلاق تھا، شیئرز ہولڈنگ کے پیٹرن میں ظاہر کیا گیا ہے۔

بورڈ آف ڈائریکٹرز

30 جون 2026 کو بورڈ کی تشکیل

- 08 ڈائریکٹرز کی کل تعداد:
- 07 مرد:
- 01 خواتین:

اقسام:

- 02 آزاد ڈائریکٹرز:
- 04 نان ایگزیکٹو ڈائریکٹرز:
- 02 (بشمول چیف ایگزیکٹو):



مجلس نطماء كى رپورٹ

معزز حصص يافتگان،

كپنى كے ڈائريكترز آپ كا 47 ويں سالانہ عام اجلاس ميں خير مقدم كرتے هيں اور 30 جون 2026 كو ختم ہونے والے سال كے ليے كپنى كى آڈٹ شدہ مالياتى گوشواروں كے ساتھ سالانہ رپورٹ پيش كرتے ہوئے خوشي محسوس كر رہے هيں۔

مالياتى نتائج

كپنى كے مالياتى نتائج تقابلى شكل ميں درج ذيل هيں:

(روپے ہزاروں ميں)		
2025 جون 30	2026 جون 30	
8,002,565	7,786,923	خالص فروخت
(7,437,927)	(7,067,060)	فروخت كى لاگت
564,638	719,863	مجموعى منافع
(181,990)	(214,374)	انتظامى اور عمومى اخراجات
(797)	-	فروخت اور تقسيم كے اخراجات
(182,787)	(214,374)	
381,851	505,489	آپريٹنگ منافع
(94,219)	(76,401)	مالياتى اخراجات
(21,340)	(30,609)	ديگر اخراجات
266,292	398,479	
21,641	14,517	ديگر آمدنى
287,933	412,996	ليويز اور ٹيكس سے قبل منافع
(43,784)	(3,009)	ليويز
244,149	409,987	ٹيكس سے قبل منافع
(59,124)	(168,603)	ٹيكس
185,025	241,384	ٹيكس كے بعد منافع
11.09	13.40	نى شيئر بنيادى اور تحليل شدہ آمدنى (نظر ثاني شدہ - روپے)

زير جائزہ سال كے دوران، كپنى نے ٹيكس كے بعد 241.384 ملين روپے كا منافع كمايا، جبكہ گذشتہ سال يہ 185.025 ملين روپے تھا۔ جو كہ تقریباً 30.46 فيصد اضافے كو ظاہر كرتا ہے۔ نى شيئر بنيادى اور تحليل شدہ آمدن 11.09 روپے سے بڑھ كر 13.40 روپے ہو گئی۔

كپنى كى خالص فروخت 7,786.923 ملين روپے رہى، جبكہ گذشتہ سال يہ 8,002.565 ملين روپے تھى۔ فروخت ميں 2.69 فيصد كمي كے باوجود، مجموعى منافع 564.638 ملين روپے سے بڑھ كر 719.863 ملين روپے ہو گيا، جبكہ آپريٹنگ منافع 381.851 ملين روپے سے بڑھ كر 505.489 ملين روپے تك پہنچ گيا۔ مالياتى لاگت ميں بهى كى آئى اور يہ 94.219 ملين روپے سے كم ہو كر 76.401 ملين روپے رہ گئی۔

آخرى سہ ماہى كے دوران خام مال كى قيمتوں ميں نماياں اضافے اور توانائى كے مسلسل بلند اخراجات كے باوجود كپنى نے مثبت مالياتى كار كر دگى كا مظاہرہ كيا۔ يہ كاميابى پيداوارى سہوليات كے موثر استعمال، پيداوارى لاگت كے بہترين انتظام، شمسى توانائى (سولر) پر انحصار بڑھانے، اور وركنگ كپيٹل و بينك قرضوں كى دانشمندانه حكمت عملى كى بدولت حاصل ہوئى جس سے مالياتى اخراجات ميں كمي ممكن ہوئى۔



AGREED-UPON PROCEDURES REPORT ON THE UTILIZATION OF RIGHT SHARES PROCEEDS

To the Board of Directors of Shadab Textile Mills Limited (the Company)

Our report is made solely for the purpose of assisting the management in compliance with the requirements of section 10(2) of the Further Issue of Shares Regulations, 2020 and may not be suitable for any other purpose.

Responsibilities of the Company

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

Our Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Company, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Management

We have complied with the ethical requirements applicable in Pakistan. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies International Standard on Quality Management (ISQM 1), Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedure described below, which were agreed upon with the Company, for the purpose as stated above:

Procedures performed Findings	Findings
We obtained details of utilization of right shares proceeds for the period from March 11, 2026 to 30 June 2026.	We noted that during the period from March 11, 2026 to 30 June 2026, total payments made by the Company in respect of utilization of right shares proceeds amounted to Rs. 197.59 million.

Fazal Mahmood & Co.

Fazal Mahmood and Company

Chartered Accountants

Lahore

Date : September 25, 2026



UTILIZATION OF PROCEEDS OF RIGHT ISSUE AS AT JUNE 30, 2026

In accordance with Regulation 10(2) of the Companies (Further Issue of Shares) Regulations, 2020, as amended, the Company presents below the progress report on utilization of proceeds received from the Right Issue.

Utilization Status:

Purpose of Right Issue	Allocation (Rs. million)	Utilized up to June 30, 2026 (Rs. million)	Utilization (%)	Unutilized Balance (Rs. million)
Purchase of Plant & Machinery	131.500	79.090	60.14%	52.410
Installation of Solar System	47.500	47.500	100.00%	—
Working Capital Requirements	71.000	71.000	100.00%	—
Total	250.000	197.590	79.04%	52.410

As at June 30, 2026, an amount of **Rs. 197.590 million**, representing **79.04%** of the total Right Issue proceeds, has been utilized. The remaining **Rs. 52.410 million** is unutilized and relates to the amount allocated for the purchase of Plant & Machinery.

(Aamir Naseem)
Chief Executive

(Muhammad Shakeel Sarwar)
Company Secretary



Independent Auditor's Review Report to The Members Of SHADAB TEXTILE MILLS LIMITED

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

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

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

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

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

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

Fazal Mahmood & Co.

Fazal Mahmood & Company

Chartered Accountants

Lahore

Date: September 25, 2026

UDIN: CR2026103383nfDwsILu



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

Name of the Company: **SHADAB TEXTILE MILLS LIMITED**

Period Ended: **JUNE 30, 2026**

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

1. The total number of Directors, including the Chief Executive, is eight (8), comprising seven (7) elected Directors and the Chief Executive, as follows:

- a. Male: 7
- b. Female: 1

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Fahad Shafiq Mr. Ghazanfer Feroz
Non-Executive Directors	Mr. Saad Naseem Mr. Yasir Naseem Mr. Hamza Naseem
Executive Directors	Mian Farrukh Naseem Mian Aamir Naseem (Chief Executive)
Female Director	Mrs. Fatima Aamir

3. The directors have confirmed that none of them is serving as 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 board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The majority of the Directors have either completed the prescribed Directors' Training Program from institutions authorized by the Commission or possess the prescribed qualification and experience and are exempt pursuant to Regulation 19 of the CCG Regulations, 2019. The remaining two Directors are expected to complete the prescribed training in due course.
10. The board has approved the appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.



11. CFO and CEO 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. Fahad Shafiq	(Chairman)
Mr. Yasir Naseem	(Member)
Mr. Hamza Naseem	(Member)
 - b) **HR & R Committee**

Mr. Fahad Shafiq	(Chairman)
Mr. Ghazanfer Feroz	(Member)
Mr. Saad Naseem	(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 were as per followings:
 - a) Audit Committee: Five
 - b) HR and R Committee: Three
15. The Board has set up an effective internal audit function who are 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 and or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.
19. Explanations for non-compliance with requirements other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 are as follows:



S. No.	Requirement	Explanation	Regulation
1.	Directors Training: It is encouraged that all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Four directors have completed the prescribed Directors' Training Program from institutions authorized by the Commission, while two directors including chief executive possess the prescribed qualification and experience and are exempt pursuant to Regulation 19 of the CCG Regulations, 2019. The remaining two directors are expected to undergo the prescribed Directors' Training Program in due course.	19(i)
2.	Nomination Committee: The Board may constitute a separate committee, designated as the Nomination Committee, of such number and class of the directors, as it may deem appropriate in its circumstances.	The Board has not constituted a separate Nomination Committee. The functions relating to nomination and related matters are presently being performed and considered by the Board of Directors.	29(i)
3.	Risk management Committee: The Board may constitute the Risk Management Committee, of such numbers and class of directors, as it may deem appropriate in its circumstances, to carry out a review of the effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted a separate Risk Management Committee. The review and oversight of risk management matters and related procedures are presently being undertaken by the Board of Directors.	30(i)

On behalf of the Board

(Aamir Naseem)
Chief Executive

(Saad Naseem)
Chairman

September 25, 2026

**GENDER PAY GAP STATEMENT**

In compliance with SECP Circular No. 10 of 2024, the Company has assessed its gender pay gap for the financial year ended June 30, 2026, as follows:

Metric	Value
Mean Gender Pay Gap	Not Applicable
Median Gender Pay Gap	Not Applicable
Any other detail as deemed relevant:	The Company did not employ any female employees during the financial year ended June 30, 2026. Accordingly, the mean and median gender pay gaps are not applicable.

Mian Aamir Naseem
(Chief Executive)

Date: September 25, 2026

**SIX YEAR'S FINANCIAL DATA AT A GLANCE****(RUPEES IN MILLION)**

PARTICULARS	2026	2025	2024	2023	2022	2021
ASSETS EMPLOYEED						
Property, plant and equipment	1,714.425	1,620.824	1,384.065	1,428.625	1,478.907	1,502.395
Right of use assets	86.15	63.899	26.230	32.788	40.985	7.551
Intangible assets	0.701	0.844	0.987	-	-	-
Long term deposits	4.691	2.852	2.348	2.434	2.434	2.434
Current assets	1,817.419	1,526.610	1,675.413	1,385.464	1,447.569	930.517
TOTAL ASSETS EMPLOYEED	3,623.386	3,215.029	3,089.043	2,849.311	2,969.895	2,442.897
FINANCED BY						
Share holders' equity	1,969.066	1,757.072	1,612.397	1,452.661	1,571.200	1,402.545
Long term financing	114.837	141.501	203.686	264.001	322.285	328.677
Gas Infrastructure Development Cess	-	-	-	-	-	1.074
Lease Liabilities	43.004	30.190	0.950	10.039	19.596	-
Deferred liabilities	71.17	13.661	20.252	104.918	114.151	107.177
Current liabilities	1,425.309	1,272.605	1,251.758	1,017.692	942.663	603.424
TOTAL FUNDS INVESTED	3,623.386	3,215.029	3,089.043	2,849.311	2,969.895	2,442.897
PROFIT & (LOSS)						
Sales-net	7,786.923	8,002.565	7,280.768	5,962.782	5,297.444	3,305.217
Cost of sales	7,067.060	7,437.927	6,881.703	5,779.130	4,784.455	2,922.424
Gross profit	719.863	564.638	399.065	183.652	512.989	382.793
Administrative & general	214.374	181.990	153.660	140.023	124.103	97.966
Selling & distribution	-	0.797	0.391	2.089	10.038	7.090
Operating profit	505.489	381.851	245.014	41.540	378.848	277.737
Finance costs	76.401	94.219	133.911	137.046	71.681	32.628
Other charges	30.609	21.340	36.030	-	21.678	17.750
	398.479	266.292	75.073	(95.506)	285.489	227.359
Other income	14.517	21.641	39.834	2.933	7.008	12.131
PROFIT / (LOSS) BEFORE LEVIES & TAXATION	412.996	287.933	114.907	(92.573)	292.497	239.490
Levies & Taxation	171.612	102.908	16.441	15.169	97.242	68.849
PROFIT / (LOSS) AFTER LEVIES & TAXATION	241.384	185.025	98.466	(107.742)	195.255	170.641
EARNING PER SHARE (Rs.)	13.40	11.09	5.93	(6.49)	11.76	10.28
Dividend paid	20.750	12.450	-	8.300	16.600	8.300
Number of spindles installed						
Ring	34,560	34,560	36480	36480	33600	33600
MVS	576	576	576	576	576	576
Number of spindles worked						
Ring	33,428	34,080	34080	36000	33120	33120
MVS	576	576	576	576	576	576
Number of shifts per day	3	3	3	3	3	3
Actual production converted into 20/S count (Kgs. in million)	22.509	21.594	22.237	21.322	22.998	20.017



INDEPENDENT AUDITOR'S REPORT To the members of SHADAB TEXTILE MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with the 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.

S.No.	Key Audit Matters	How the matter was addressed in our audit
(i)	Stock in trade existence and valuation As at reporting date, the company held stock in trade as amounting to Rupees 877.821 million which constitute 24.23% of total assets, as disclosed in note 22 to the financial statements. As described in note 5.5 to the financial statements, stock in trade is measured at lower of cost and net realizable value (NRV). The cost of work in process and finished goods is determined at average manufacturing cost including a proportion of production overheads. Judgments are required to determine the appropriate basis for costing and its valuation. Given the significance of the amount involved and the level of judgments and estimates required to value the stock in trade, we have identified valuation of stock in trade as key audit matter.	Our key audit procedures in this area amongst others included the following: • Obtained an understanding of Company's valuation process for stock in trade and tested controls relevant to such process. • Tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads. • Tested the NRV of the stock in trade by performing a review of sales close to and subsequent to the year end and comparing with the cost for a sample of products. • Observed physical stock count activities to ascertain the condition and existence of stock in trade, performed testing on a sample of items to assess their NRV and if any adjustment was required at year end.



S.No.	Key Audit Matters	How the matter was addressed in our audit
	For further information on stock in trade, refer to the following: Material accounting policy information, stock in trade note 5.5 to the financial statements. Stock in trade note 22 to the financial statements.	Assessed the adequacy of the related disclosures in accordance with the applicable financial reporting standards

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 the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statements 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Sharafat Ali.

Fazal Mahmood & Co.

Fazal Mahmood & Company

Chartered Accountants

Lahore

Date: September 25, 2026

UDIN: AR202610338PKsc9Lmha

**STATEMENT OF FINANCIAL POSITION**

		(RUPEES IN THOUSAND)	
	NOTE	2026	2025
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 40 million			
(2025: 40 million) Ordinary shares of Rs.10/- each.			
		400,000	400,000
Issued, subscribed and paid-up share capital	6	228,500	166,000
Capital reserves	7	391,500	204,000
Revenue reserves		1,201,233	980,599
Equity contributions from sponsors	8	147,833	406,473
TOTAL EQUITY		1,969,066	1,757,072
NON - CURRENT LIABILITIES			
Long term loans	9	114,837	141,501
Lease liabilities	10	43,004	30,190
Deferred liabilities	11	71,170	13,661
		229,011	185,352
CURRENT LIABILITIES			
Trade and other payables	12	629,332	572,279
Unclaimed dividend		749	712
Accrued mark-up	13	13,073	11,587
Short term borrowings	14	621,695	505,469
Current portion of long term liabilities	15	51,058	79,875
Provision for taxation		109,402	102,683
		1,425,309	1,272,605
CONTINGENCIES AND COMMITMENTS	16	-	-
TOTAL EQUITY & LIABILITIES		3,623,386	3,215,029

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

**AS AT JUNE 30, 2026**

		(RUPEES IN THOUSAND)	
	NOTE	2026	2025
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	17	1,714,425	1,620,824
Intangible Assets	18	701	844
Right of use assets	19	86,150	63,899
Long term deposits	20	4,691	2,852
		1,805,967	1,688,419
CURRENT ASSETS			
Stores, spares and loose tools	21	120,856	76,551
Stock in trade	22	877,821	804,208
Trade debts	23	472,969	326,287
Loans and advances	24	14,673	18,824
Trade deposits and prepayments	25	148,089	157,579
Other receivables	26	157,551	113,543
Cash and bank balances	27	25,460	29,618
		1,817,419	1,526,610
TOTAL ASSETS		3,623,386	3,215,029

(Muhammad Adeel Anwar Khan)
Chief Financial Officer



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

		(RUPEES IN THOUSAND)	
	NOTE	2026	2025
Sales - net	28	7,786,923	8,002,565
Cost of sales	29	<u>(7,067,060)</u>	<u>(7,437,927)</u>
GROSS PROFIT		719,863	564,638
Administrative and general expenses	30	<u>(214,374)</u>	<u>(181,990)</u>
Selling and distribution expenses	31	<u>-</u>	<u>(797)</u>
		<u>(214,374)</u>	<u>(182,787)</u>
OPERATING PROFIT		505,489	381,851
Finance costs	32	<u>(76,401)</u>	<u>(94,219)</u>
Other charges	33	<u>(30,609)</u>	<u>(21,340)</u>
		<u>398,479</u>	<u>266,292</u>
Other income	34	<u>14,517</u>	<u>21,641</u>
PROFIT BEFORE LEVIES AND TAXATION		412,996	287,933
Levies	35	<u>(3,009)</u>	<u>(43,784)</u>
PROFIT BEFORE TAXATION		409,987	244,149
Taxation	36	<u>(168,603)</u>	<u>(59,124)</u>
PROFIT AFTER TAXATION		<u>241,384</u>	<u>185,025</u>
BASIC AND DILUTED EARNING PER SHARE- (RESTATED IN RUPEES)	39	<u>13.40</u>	<u>11.09</u>

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Muhammad Adeel Anwar Khan)
Chief Financial Officer



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

	(RUPEES IN THOUSAND)	
	2026	2025
PROFIT AFTER TAXATION FOR THE YEAR	241,384	185,025
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>241,384</u>	<u>185,025</u>

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Muhammad Adeel Anwar Khan)
Chief Financial Officer



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

(RUPEES IN THOUSAND)

Description	Share Capital	Revenue Reserves		Capital Reserves	Equity contribution from Sponsors	Total Equity
	Issued, subscribed and paid up ordinary shares	General reserve	Un-appropriated profit	Share premium		
Balance as at June 30, 2024	166,000	260,000	548,024	204,000	434,373	1,612,397
Total comprehensive income						
Profit after taxation for the year ended June 30, 2025	-	-	185,025	-	-	185,025
Other comprehensive income	-	-	-	-	-	-
Transaction with owners						
Final dividend for the year ended June 30, 2024 @ Rs.0.75 per share	-	-	(12,450)	-	-	(12,450)
Transfer from equity contribution to sponsors - note 38.1 & 8.1	-	-	-		(27,900)	(27,900)
Balance as at June 30, 2025	166,000	260,000	720,599	204,000	406,473	1,757,072
Rights issue of 6,250,000 shares @ Rs. 10 with a premium of Rs. 30	62,500	-	-	187,500	-	250,000
Total comprehensive income						
Profit after taxation for the year ended June 30, 2026	-	-	241,384	-	-	241,384
Other comprehensive income	-	-	-	-	-	-
Transaction with owners						
Final dividend for the year ended June 30, 2025 @ Rs.1.25 per share	-	-	(20,750)	-	-	(20,750)
Repayment of equity contribution to sponsors - 38.1 & 8.1	-	-	-	-	(258,640)	(258,640)
Balance as at June 30, 2026	228,500	260,000	941,233	391,500	147,833	1,969,066

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Muhammad Adeel Anwar Khan)
Chief Financial Officer



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

		(RUPEES IN THOUSAND)	
	NOTE	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	458,431	807,928
Finance cost paid		(74,915)	(106,280)
Income tax and levies paid		(117,429)	(93,664)
Paid to workers' profit participation fund	12.2	(15,465)	(6,172)
Paid to workers' welfare fund		(5,876)	(2,345)
Profit on deposits with bank	34	3,060	2,324
Net cash generated from operating activities		247,806	601,792
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(259,337)	(394,351)
Proceeds from disposal of property, plant and equipment		19,500	37,705
Long term deposits paid		(1,839)	-
Down-payment and initial direct cost for ROU assets		(12,237)	(10,483)
Net cash (used in) investing activities		(253,913)	(367,129)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from rights issue of ordinary shares		250,000	-
Re-payment of long term borrowings		(68,851)	(69,586)
Payment against lease liabilities		(16,073)	(11,706)
Payments to sponsors from equity contributions		(258,640)	(27,900)
Short term borrowings - net		116,226	(112,308)
Dividends paid		(20,713)	(12,411)
Net cash generated from / (used in) financing activities		1,949	(233,911)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(4,158)	752
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		29,618	28,866
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	41	25,460	29,618

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

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Muhammad Adeel Anwar Khan)
Chief Financial Officer



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

1. THE COMPANY AND ITS OPERATIONS

Shadab Textile Mills Limited (the Company) was incorporated as a public limited company on 19th August 1979 under the Companies Act 1913 which was replaced by Companies Ordinance, 1984 (now the Companies Act, 2017). The company is registered as a public limited company in Pakistan and listed on Pakistan Stock Exchange and engaged in the business of manufacturing, selling, buying and dealing in yarn of all types. The registered office of the company is situated at 6th Floor, A-601/A, City Towers, Main Boulevard, Gulberg-II, Lahore. The manufacturing facilities of the Company are located at Faisalabad Road, Nasimabad, Shakhkot, District Nankana Sahib & 1-KM Chunian Road, Habibabad, Pattoki District Kasur.

1.1 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

Sr.	Particulars of Immovable Property	Location	Total Area
1	Registered Office	6th Floor, A-601/A, City Towers, Main Boulevard, Gulberg-II, Lahore	6847 Sq. Ft
2	Manufacturing Facilities	Faisalabad Road, Nasimabad, Shakhkot, District Nankana Sahib	146 Kanal 11 Marla
3	Manufacturing Facilities	1-KM Chunia Road, Habibabad, Pattoki, District Kasur	34 Kanal 9 Marla

2. BASIS OF PREPARATION

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention, except as otherwise stated in relevant notes.

2.2 Statement of compliance

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

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

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency and has been rounded to the nearest thousand.

3. USE OF KEY ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets, liabilities, income and expenses. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The estimates and underlying policies are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and in future periods, if the revision affects both current and future periods. The areas involving significant estimates or judgements are:



- i) Useful lives, residual values, depreciation method, fair value and impairment of property, plant and equipment (note 5.1 and 17)
- ii) Provision for impairment of inventories (note 5.5)
- iii) Provision for current income tax and recognition of deferred tax asset (note 5.17, 11.2 and 36)
- iv) Revenue from contracts with customers (note 5.11)
- v) Financial instruments - fair value and allowances for expected credit losses (note 5.18, 23, 46 and 47)
- vi) Estimation of provisions (note 5.14)
- vii) Estimation of contingencies (note 5.16, 16)

4. CHANGES IN ACCOUNTING STANDARDS AND INTERPRETATIONS

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

Certain standards, amendments and interpretations to IFRS Accounting Standards are effective for accounting period beginning on July 1, 2025 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

4.2 New accounting standards and amendments that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are not relevant to the Company's operations or are not expected to have significant impact on the Company

	Effective from accounting period beginning on or after
-IAS 7 Statement of Cashflows	January 01, 2026
-Amendments to IAS 21 regarding translations to a hyperinflationary presentation currency	January 01, 2027
-IFRS 7 Financial Instruments: Disclosures - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
-IFRS 9 Financial Instruments - Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
New IFRS Accounting Standards:	
- IFRS 17- Insurance Contracts	January 01, 2026
- IFRS 18- Presentation and Disclosures in Financial Statements	January 01, 2027
- IFRS 19- Subsidiaries without Public Accountability : Disclosures	January 01, 2027
- IFRS 20- Regulatory Assets and Regulatory Liabilities	January 01, 2029

The Company is yet to assess the impact of these standards and amendments on its financial statements.

4.3 IFRS Accounting Standards that have been issued by the International Accounting Standards Board (IASB) but not yet locally notified by the Securities and Exchange Commission of Pakistan (SECP)

- IFRS 1- First Time adoption of International Financial Reporting Standards

5. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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

5.1 Property, plant and equipment

a) Owned

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost. Capital work in progress is stated at cost less any recognized impairment.



Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs, if any. Borrowing costs pertaining to the construction and erection are capitalized up to the date of completion.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be measured reliably. The carrying amount of the part so replaced is derecognized. The costs relating to day-to-day servicing of property, plant and equipment are recognized in statement of profit or loss as incurred.

Depreciation is charged using the reducing-balance method at the rates disclosed in Note 17, which reflect the estimated pattern of consumption of the assets' economic benefits.

Depreciation on an addition is charged for the full month in which the asset becomes available for use, and no depreciation is charged in the month of disposal. The effect of any changes in estimate is accounted for on a prospective basis. Assets residual values, useful life and depreciation rates are reviewed and adjusted, if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Normal repair and maintenance is charged to income statement as and when incurred. Major renewals and improvements are capitalized.

The carrying amount of property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost of disposal. An impairment is recognized if the carrying amount exceeds its estimated recoverable amount.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income" in statement of profit or loss.

b) Capital work-in-progress

Capital work-in-progress is stated at cost accumulated up to the statement of financial position date less accumulated impairment losses, if any. Capital work-in-progress is transferred to the appropriate class of property, plant and equipment when the related asset is completed and is available for its intended use.

5.2 Intangible asset

Intangible assets acquired separately are initially measured at cost. After initial recognition, these are measured at cost less accumulated amortization and accumulated impairment losses. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred. However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognized as capital improvement and added to the original cost of the intangible assets. Intangible asset is estimated to have definite useful life and is amortized from the month it is available for use, using the straight line method at the rate of 14.28%. Intangible asset is reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses, if any. If any such indications exist, an estimate of the recoverable amount is calculated and impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. Reversal of impairment loss is restricted to the original cost of the asset. The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.



5.3 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use asset: The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The 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.

The right-of-use asset is subsequently depreciated using the reducing balance method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Depreciation is charged from the commencement date over the period the right-of-use asset is available for use, based on the applicable depreciation method. Depreciation on addition and deletion is charged on the basis of number of months the asset remain in use of the company up to the date of its transfer or lease period. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Where the Company determines that the lease term of identified lease contracts is short term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

Financial charges are calculated at the interest rate implicit in the lease and are charged to profit or loss account. Right of use assets are depreciated on a reducing balance basis at the rates as disclosed in note 19 to these financial statements.

Lease liability: The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate.

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

- a. fixed payments, including in-substance fixed payments;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c. amounts expected to be payable under a residual value guarantee; and
- d. the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero. Variable lease payments are recognised in the profit or loss in the period in which the condition that triggers those payments occurs.



5.4 Stores, spares & loose tools

These are valued at the lower of cost and net realisable value. Cost is determined on a moving average basis, less an allowance for obsolete and slow moving items. Stores and spares in transit are stated at invoice value plus other charges incurred thereon up to the reporting date

5.5 Stock in trade

These are valued at lower of cost and net realizable value. Cost comprises of:

Raw material	At weighted average cost
Work in Process	At direct cost & appropriate portion of production overhead
Finished Goods	At estimated manufacturing cost
Wastes	At net realizable value.

Cost of finished goods comprises cost of direct material, labour and appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. Net realizable value of stores, spares and loose tools and raw material inventory is determined on the basis of replacement cost. Cost of inventories held for use in production of finished goods is not written down below cost, if the finished products for which they will be consumed are expected to be sold at or above cost.

The Company reviews the carrying amount of inventories on a regular basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolescence / excess inventories, if there is any change in usage pattern and / or physical form of related inventory. Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature, which can change significantly as a result of changes in market conditions. Any write-down of inventories to net realizable value is reversed if the circumstances that previously caused inventories to be written down no longer exist. Major spare parts and stand-by equipment qualify as property, plant and equipment when the Company expects to use them for more than one year. When inventories are sold, the carrying amount of those inventories shall be recognised as expense in the period in which the related revenue is recognised. Transfers are made to tangible fixed assets category as and when such items are available for use.

5.6 Trade debts and other receivables

Trade debts and other receivables are recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note 5.18 to these financial statements.

5.7 Balances from contract with customers

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due.

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.

**Right of return assets:**

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the stock in trade, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products. (Refer note 5.11)

Refund liabilities:

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

5.8 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the date of transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gains and losses on translation are recognized in the statement of profit or loss.

5.9 Staff retirement benefits

Defined contribution plan - Provident fund

The company operates a funded provident fund scheme covering all its permanent employees. Equal monthly contributions are made to the fund, both the company and the employees, at the rate of 6.25% of basic salary. Obligation for contributions to the fund are recognized as an expense in the statement of profit or loss when they are due. Prepaid contribution are recognized as an asset to the extent that cash refund or reduction in future payment is available.

5.10 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company and are subsequently measured at amortized cost.

5.11 Revenue recognition

Revenue is recognised at the point in time when control of the goods passes to the customer, which is generally upon dispatch/shipment in accordance with the relevant delivery terms. The Company's contract performance obligations are fulfilled at the point in time when the goods are dispatched / shipped to the customer. Invoices are generated and revenue is recognized at that point in time, as the control has been transferred to the customers.

Revenue is measured based on the consideration specified in a contract with a customer. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any. The Company's contract with customers do not contain any other promises that are separate performance obligations to which a portion of the transaction price needs to be allocated.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company does not enter into any contracts that provide customers with a right of return which give rise to variable consideration, nor any volume rebates / discounts are given.



The Company only receives short-term advances from its customers. Using the practical expedient, the Company does not adjust the promised amount of consideration for the effects of a significant financing component, if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company applies the requirements of IFRS - 13 'Fair Value Measurement' in measuring the fair value of the non-cash consideration, if any. If the fair value cannot be reasonably estimated, the non-cash consideration is measured indirectly by reference to the stand-alone selling price of the respective material.

The Company pays sales commission to agents for each contract that they obtain for sales of different goods. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions because the amortization period of the asset that the Company otherwise would have used is one year or less.

Interest income is recognised on a time proportion basis on the principal amount outstanding and at the applicable rate.

5.12 Borrowings cost

Borrowing Cost on long term finances and short term borrowings which are specifically obtained for the acquisition, construction or production of a qualifying assets are capitalized upto the date of commencement of commercial production on the respective assets. All other borrowing costs are charged to statement of profit or loss in the period in which these are incurred.

5.13 Finance cost

Finance costs comprise mark-up on borrowings, interest on lease liabilities, interest on workers' profit participation fund and bank charges and commission.

5.14 Provisions

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

5.15 Impairment

a) Financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. For all other financial assets, the Company applies the general approach.



The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b) Non financial assets

The carrying amount of the Company's non-financial assets, other than stock in trade, deferred tax asset and stores and spares are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's 'fair value less costs to disposal' and 'value in use'. Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized. Reversal of impairment loss is recognized as income.

5.16 Contingent liabilities

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

5.17 Taxation

Current

The Company designates the amount calculated on taxable income using the enacted tax rate, after taking into account tax credits, rebates and exemptions, if any, as current income tax within the scope of IAS - 12 'Income Taxes'. Any excess of minimum tax, over the amount designated as current income tax expense, is recognized as a 'Levy' falling under the scope of IAS - 37 'Provisions, Contingent Liabilities and Contingent Assets'.

Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the tax authorities will accept an uncertain tax treatment. Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Prior income tax

This includes adjustments, where considered necessary, to existing provision for tax made in previous years arising from assessments framed during the period for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.



Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is not recognized on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences arising on the initial recognition of goodwill and temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognized deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Levies

As per IAS - 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the Institute of Chartered Accountants of Pakistan (ICAP), the Company designates any excess of minimum tax, over the amount designated as current income tax expense, and final taxes as a 'Levy'.

5.18 Financial instruments

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Financial assets at amortized cost

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

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

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

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at fair value through profit or loss (FVTPL). Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition



- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.
- Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. For all other financial assets, the Company applies the general approach.



The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(a) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as 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.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

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 before the amount becomes past due.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (a) The financial instrument has a low risk of default,
- (b) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (c) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations

(b) Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

(c) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(d) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

**(e) Measurement and recognition of ECL**

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Financial Liabilities**Financial Liabilities at FVTPL**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any gains or losses arising on changes in fair value recognized in the statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in the statement of profit or loss incorporates any interest paid on the financial liability. Company's financial liabilities include trade and other payables, borrowings including lease liabilities, unclaimed dividend, and accrued mark up.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in statement of the profit or loss. The remaining amount of change in the fair value of liability is recognized in the statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in statement of other comprehensive income are not subsequently reclassified to the statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

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

**Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

5.19 Basic and diluted earning per share

The company presents basic and diluted earning per share (EPS) for its shareholders. 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 determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

5.20 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consists of cash in hand, balances with banks, short term highly liquid investments that are readily convertible to known amount of cash and the subject to insignificant risk of change in values.

5.21 Loans, deposits, and interest accrued

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

5.22 Related party transactions

All transactions between the company and related parties are accounted for at arm's length price in accordance with the method prescribed under the Companies Act, 2017 and TR-32 of ICAP

5.23 Share capital

Ordinary shares are classified as equity instruments and recognized at their face value. Transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

5.24 Proposed dividends and transfer between reserves

Final dividend distributions to the Company's shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are approved by the Board of Directors. Any other movements in reserves are recognized in the year in which the appropriations are approved by the Board of Directors.

5.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief executive officer (CEO) has been identified as the 'chief operating decision-maker', who is responsible for allocating resources and assessing performance of the operating segments. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated. The operations principally comprise of only one segment.

**5.26 Deferred grant**

The Company recognizes the benefit of a government loan at below market rate of interest as a Government grant. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS - 9 'Financial instruments' and the proceeds received and is presented as deferred grant. The government grants related to income are presented as a deduction in reporting the related expense.

		(RUPEES IN THOUSAND)	
	NOTE	2026	2025
6. ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
2,000,000 (2025: 2,000,000) ordinary shares of Rs. 10/- each fully paid in cash		20,000	20,000
1,000,000 (2025:1,000,000) ordinary shares of Rs. 10/- each issued as bonus shares		10,000	10,000
19,850,000 (2025:1,3600,000) ordinary shares of Rs. 10/-each issued as right shares	6.1	<u>198,500</u>	<u>136,000</u>
		<u>228,500</u>	<u>166,000</u>

6.1 During the year, the Company issued 6,250,000 ordinary shares of Rs. 10/- each as right shares at a premium of Rs. 30/- per share (2025:Nil).

6.2 Utilisation of Proceeds from Right Issue Shares:

The Company successfully completed its Right Issue on April 13, 2026, following the approval of the allotment of the right shares by the Board of Directors, and raised net proceeds of Rs. 250 million. The subscription proceeds were released to the Company by the banker and CDC on April 16, 2026 and April 27, 2026 respectively. Accordingly, the utilization of the Right Issue proceeds commenced upon the availability of the funds and is being carried out in accordance with the approved objects and implementation plan set out in the Offer Document.

Purpose of Right Shares Issuance	Amount Allocated (Rs. ""000""")	Amount Utilised During the Year (Rs. "000")	Cumulative Utilisation up to June 30, 2026 (Rs. "000")	Utilisation (%)	Balance (Rs. ""000""")
Purchase of plant and machinery	131,500	79,090	79,090	60%	52,410
Installation of solar system	47,500	47,500	47,500	100%	-
Working capital requirements	71,000	71,000	71,000	100%	-
Total	250,000	197,590	197,590	79%	52,410

Based on the above, there has been no deviation or variation in the utilisation of the proceeds from the objects disclosed in the Offer Document.

6.3 Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of the shareholders.

		(RUPEES IN THOUSAND)	
	NOTE	2026	2025
7. CAPITAL RESERVES			
Share premium account	7.1	<u>391,500</u>	<u>204,000</u>
		<u>391,500</u>	<u>204,000</u>
7.1 Movement in share premium account			
Opening Balance		204,000	204,000
Share premium of Rs. 30/- per share on issuance	7.2	187,500	-
Closing Balance		<u>391,500</u>	<u>204,000</u>



- 7.2** Share premium account represents premium of Rs. 30/- per share charged on right issue of 6,250,000 ordinary shares of Rs. 10/- each during the financial year 2026 (2025: Nil). It has been accounted for in accordance with the provisions of Section 81 of the Companies Act, 2017. This reserve can be utilized by the Company only for the purposes specified in accordance with the said section.

		(RUPEES IN THOUSAND)	
		2026	2025
8. EQUITY CONTRIBUTIONS FROM SPONSORS			
Equity contributions from sponsors		<u>147,833</u>	<u>406,473</u>
		<u>147,833</u>	<u>406,473</u>
8.1 Movement during the year:			
Opening balance		406,473	434,373
Received during the year		-	1,500
Repaid during the year		<u>(258,640)</u>	<u>(29,400)</u>
Closing balance	38.1	<u>147,833</u>	<u>406,473</u>
8.2	This represents interest-free and unsecured loan provided by Sponsors. Since, it is repayable at discretion of the Company, therefore, it has been recognized as part of equity as per TR 32 of ICAP.		
9. LONG TERM LOANS			
Bank Al-Habib Ltd - TERF	9.1	90,341	112,106
Bank Al-Habib Ltd - LTF	9.2	<u>24,496</u>	<u>29,395</u>
		<u>114,837</u>	<u>141,501</u>
9.1 Bank Al-Habib Ltd			
TERF Finance - 1	9.1.1	-	32,000
TERF Finance - 2	9.1.2	-	6,048
TERF Finance - 3	9.1.3	42,934	52,475
TERF Finance - 4	9.1.4	54,500	65,400
TERF Finance - 5	9.1.5	<u>27,500</u>	<u>33,000</u>
		<u>124,934</u>	<u>188,923</u>
Less:			
- Discounting adjustments for recognition at fair value - deferred government grant		<u>(19,773)</u>	<u>(28,425)</u>
		<u>6,827</u>	<u>8,652</u>
- Unwinding of discount on liability		<u>(12,946)</u>	<u>(19,773)</u>
		<u>(21,647)</u>	<u>(57,044)</u>
- Current portion shown under current liabilities:		<u>90,341</u>	<u>112,106</u>

- 9.1.1** This represented financing obtained under the Temporary Economic Refinance Facility (TERF) for the import of two Gas Generators. The principal was repayable in 10 equal half-yearly installments, commencing after a grace period of six months, while markup was payable on a quarterly basis. The financing carried a markup rate of 4% per annum. The loan was fully settled and repaid by June 30, 2026. It was secured by a specific charge over the imported machinery, which was registered with the SECP. In addition, personal guarantees of two sponsoring directors were provided in respect of this facility. Specific charge will be vacated after obtaining NOC from Bank Al Habib Limited.

- 9.1.2** This represented financing obtained under the Temporary Economic Refinance Facility (TERF) for the import of two Draw Frames. The principal was repayable in 10 equal half-yearly installments, commencing after a grace period of six months, while markup was payable on a quarterly basis. The financing carried a markup rate of 4% per annum. The loan was fully settled and repaid by June 30, 2026. It was secured by a specific charge over the imported machinery, which was registered with the SECP. In addition, personal guarantees of two sponsoring directors were provided in respect of this facility. Specific charge will be vacated after obtaining NOC from Bank Al Habib Limited.



- 9.1.3** This represents the financing under Temporary Economic Refinance Facility (TERF) obtained for import of eight Carding Machines, four Draw Frames and one Blow Room Line for synthetic machinery. Principal is repayable in 19 equal half yearly installments which commenced after completion of grace period of 6 months and mark up is payable on quarterly basis. It carries mark up at the rate of 5% per annum. The loan is secured against specific charge on imported machinery, registered with SECP. Personal guarantees of two sponsoring directors have been provided for this facility.
- 9.1.4** This represents the financing under Temporary Economic Refinance Facility (TERF) obtained for the import of seventeen Card Machines. Principal is repayable in 20 equal half yearly installments and mark up payment is on quarterly basis. It carries mark up at the rate of 5% per annum. The loan is secured against specific charge on imported machinery, registered with SECP. Personal guarantees of two sponsoring directors have been provided for this facility.
- 9.1.5** This represents the financing under Temporary Economic Refinance Facility (TERF) obtained for the import of one Murata Vortex Spinning System and one Gas Generator Machine. Principal is repayable in 20 equal half yearly installments and mark up payment is on quarterly basis. It carries mark up at the rate of 5% per annum. The loan is secured against specific charge on imported machinery, registered with SECP. Personal guarantees of two sponsoring directors have been provided for this facility.
- 9.1.6** The fair value of the loans have been determined by discounting the loans proceeds using prevailing market rates of interest for similar instruments ranging from 9.28% to 9.87% (2025: 9.28% to 9.87%). The differential between the loans proceeds and fair value of the loan has been recorded as deferred grant. (note 11.1)

(RUPEES IN THOUSAND)**9.2 Bank Al-Habib Ltd.**

	2026	2025
Opening balance	34,295	39,194
Less: Repayment during the year	(4,899)	(4,899)
	29,395	34,295
Less: Current Portion of LTF	(4,899)	(4,899)
	24,496	29,395

- 9.2.1** This represents financing obtained under the SBP Refinancing Scheme for Renewable Energy for installation of a 550.80 KWP On-Grid Solar Power Plant. The principal is repayable in 20 equal half-yearly instalments. The financing carries mark-up at 4% per annum, comprising SBP refinance rate of 2% per annum and Bank spread of 2% per annum, with mark-up payable on a quarterly basis. The facility is secured by a specific hypothecation charge of Rs. 50 million over the renewable solar power plant, registered with the SECP, together with personal guarantees of two sponsoring directors.
- 9.3** The above outstanding facilities are secured by specific charges to the extent of Rs. 616.129 million (2025: Rs. 616.129 million) over present and future fixed assets (excluding land and building) of the Company and by way of personal guarantees of two sponsoring directors.

(RUPEES IN THOUSAND)**10. LEASE LIABILITIES**

	2026	2025
Opening balance	41,541	10,039
Add: Addition	37,557	43,209
Add: Interest expense relating to lease liability	7,107	2,545
Less: Payment	(23,181)	(14,252)
Closing balance	63,024	41,541
Current	20,020	11,351
Non-Current	43,004	30,190
	63,024	41,541



10.1 The implicit rate against lease liabilities ranges from 14.04% to 14.56% p.a. (2025: 13.41% to 14.33% p.a.)

10.2 Maturity Analysis of Lease Liability

	2026			2025		
	Not later than 1 year	Later than 1 year but not later than 5 years	Total	Not later than 1 year	Later than 1 year but not later than 5 years	Total
Future minimum lease payments	27,710	49,789	77,499	16,436	36,378	52,813
Less: Un-amortized finance charge	(7,690)	(6,785)	(14,475)	(5,085)	(6,187)	(11,272)
Present value of minimum lease payments			<u>63,024</u>			<u>41,541</u>

10.3 Total cash outflow for leases during the year amounted to Rs. 35.418 million (2025: Rs.24.735 million)

(RUPEES IN THOUSAND)

	Note	2026	2025
11. DEFERRED LIABILITIES			
Deferred government grants	11.1	8,960	13,661
Deferred income tax liability	11.2	62,210	-
		<u>71,170</u>	<u>13,661</u>
11.1 Deferred government grants			
Opening balance		20,242	29,592
Less: Amortisation of deferred government grant		<u>(6,790)</u>	<u>(9,350)</u>
		13,452	20,242
Less: Current portion of deferred government grant		<u>(4,492)</u>	<u>(6,581)</u>
		<u>8,960</u>	<u>13,661</u>
11.1.1 The Company recognizes the benefit of a government loan at below market rate of interest as a Government grant. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS - 9 'Financial instruments' and the proceeds received and is presented as deferred grant. The government grants related to income are presented as a deduction in reporting the related expense.			
11.2 Deferred income tax liability			
Deferred tax liabilities on taxable temporary differences:			
Accelerated tax depreciation		210,072	180,270
Finance lease - net		6,938	6,708
Deferred tax asset on deductible temporary differences:			
Allowance for expected credit loss and provisions		(13,455)	(263)
Minimum tax available for carry forward		(104,764)	(176,780)
Tax losses carry forward		(36,581)	(36,581)
Unrecognized deferred tax asset		<u>-</u>	<u>26,646</u>
		<u>62,210</u>	<u>-</u>

11.2.1 The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the Statement of Financial Position.

11.2.2 Finance Act, 2023 has introduced progressive rate on high earning persons ranging from 1% to 10%. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognised using the expected applicable rate.



(RUPEES IN THOUSAND)

	Note	2026	2025
12. TRADE AND OTHER PAYABLES			
Creditors		160,235	181,979
Contractors' retention money		735	1,310
Security deposits - Interest free	12.1	11,214	11,214
Provident fund trust		3,194	2,830
Accrued expenses		230,558	247,308
Contract liabilities (Running account with customers)		179,763	92,773
Workers' profit participation fund	12.2	22,181	15,465
Workers' welfare fund		21,452	18,900
Others		-	500
		629,332	572,279
12.1	No interest is payable on the deposits and it can be used for the business in accordance with requirements of written agreements and have been kept in accordance with section 217 of the Companies Act, 2017.		
12.2 Workers' profit participation fund			
Balance as on 01 July		15,465	6,172
Add: Provision for the year		22,181	15,464
Interest for the year		1,431	655
		39,077	22,291
Less: Payment during the year		(16,896)	(6,826)
Balance as on 30 June		22,181	15,465
13. ACCRUED MARK-UP			
Short term borrowings		12,798	11,239
Long term financing		275	348
		13,073	11,587
14. SHORT TERM BORROWINGS			
From banking companies - secured	14.1	621,695	505,469
		621,695	505,469
14.1	These have been obtained from banking companies on mark-up basis and are secured by pledge and hypothecation of stocks & stores, charge on stocks, specific charge over imported machinery, lien over import documents, book debts, first charge over present and future fixed assets (Land, building and machinery) of the company and against personal guarantee of two sponsoring directors. These borrowing form a part of total credit facilities available to the extent of Rs. 1,500 million (2025: Rs. 1,500 million). Unavailed facility as at reporting date is Rs. 878.305 Million (2025: Rs. 994.531 million). Mark-up is paid at the rate ranging from 1 months Kibor plus 2% to 3 months Kibor plus 2%.		
15. CURRENT PORTION OF LONG TERM LIABILITIES			
Long term loans	9	26,546	61,943
Lease liabilities	10	20,020	11,351
Deferred government grant	11.1	4,492	6,581
		51,058	79,875
16. CONTINGENCIES AND COMMITMENTS			
16.1 Contingencies			
Counter guarantees of Rs. 109.066 million (2025: Rs.109.066 million) has been issued by the bank of the company to Sui Northern Gas Pipelines Limited and Lahore Electric Supply Company.			
16.2 Commitments			
Capital expenditure commitments are amounting to Rs. 130.891 million (2025: Rs. Nil) and non capital expenditure commitments are amounting to Rs. 268.603 million (2025: Rs. 321.269 million).			



(RUPEES IN THOUSAND)

17. PROPERTY, PLANT & EQUIPMENT

	Note	2026	2025
Operating fixed assets	17.1	1,691,498	1,619,949
Capital work-in-progress	17.4	22,927	875
		1,714,425	1,620,824

17.1 Operating fixed assets

Description	Land Freehold	Buildings	Plant and Machinery	Electric Installations	Factory Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Total
At June 30, 2024									
Cost	46,205	296,654	1,849,747	127,978	15,501	3,783	62,443	4,833	2,407,144
Accumulated depreciation	-	153,417	852,708	24,849	4,404	3,472	38,583	3,655	1,081,088
Closing net book value	46,205	143,237	997,039	103,129	11,097	311	23,860	1,178	1,326,056
Year ended June 30, 2025									
Opening net book value	46,205	143,237	997,039	103,129	11,097	311	23,860	1,178	1,326,056
Additions	-	-	67,465	51,553	-	-	35,333	483	154,834
Transfer from CWIP	-	84,218	72,433	139,999	-	-	-	-	296,650
Transfers from right of use assets									
Cost	-	-	-	-	-	-	19,409	-	19,409
Depreciation	-	-	-	-	-	-	(10,438)	-	(10,438)
Disposals	-	-	-	-	-	-	8,971	-	8,971
Cost	-	-	-	-	-	-	32,422	-	32,422
Depreciation	-	-	-	-	-	-	(13,375)	-	(13,375)
Net book value	-	-	-	-	-	-	19,047	-	19,047
Depreciation for the year	-	(17,338)	(102,149)	(18,093)	(1,110)	(31)	(8,632)	(162)	(147,515)
Closing net book value	46,205	210,117	1,034,788	276,588	9,987	280	40,485	1,499	1,619,949
At June 30, 2025									
Cost	46,205	380,872	1,989,645	319,530	15,501	3,783	84,763	5,316	2,845,615
Accumulated depreciation	-	170,755	954,857	42,942	5,514	3,503	44,278	3,817	1,225,666
Net book value	46,205	210,117	1,034,788	276,588	9,987	280	40,485	1,499	1,619,949
Year ended June 30, 2026									
Opening net book value	46,205	210,117	1,034,788	276,588	9,987	280	40,485	1,499	1,619,949
Additions	-	-	129,366	34,500	-	-	12,345	1,543	177,754
Transfers from CWIP	-	11,149	-	48,382	-	-	-	-	59,531
Transfers from right of use assets									
Cost	-	-	-	-	-	-	28,646	-	28,646
Depreciation	-	-	-	-	-	-	(16,399)	-	(16,399)
Disposals	-	-	-	-	-	-	12,247	-	12,247
Cost	-	-	-	-	-	-	18,343	-	18,343
Depreciation	-	-	-	-	-	-	(10,156)	-	(10,156)
Net book value	-	-	-	-	-	-	8,187	-	8,187
Depreciation for the year	-	(21,104)	(106,825)	(29,541)	(999)	(28)	(11,136)	(163)	(169,796)
Closing net book value	46,205	200,162	1,057,329	329,929	8,988	252	45,754	2,879	1,691,498
At June 30, 2026									
Cost	46,205	392,021	2,119,011	402,412	15,501	3,783	107,411	6,859	3,093,203
Accumulated depreciation	-	191,859	1,061,682	72,483	6,513	3,531	61,657	3,980	1,401,705
Net book value	46,205	200,162	1,057,329	329,929	8,988	252	45,754	2,879	1,691,498
Depreciation Rate (%)	-	10	10	10	10	10	20	10	

17.2 Depreciation for the year has been allocated as follows:

	2026	2025
Cost of goods sold	158,469	138,690
Administrative and general expenses	11,327	8,825
	169,796	147,515

**17.3** The detail of tangible fixed assets disposed off during the year is as follows:

Description	Particulars of Buyers	Relation with Company	Mode of disposal	Cost	Net book value	Net Proceeds	Gain/ (loss)
Audi A3 - LE-18-4634	Mr. Rizwan Saeed	Third Party	Negotiation	3,990	703	5,000	4,297
Toyota Corolla - LEB-17-3443	Mr. Saim Ahmad	Third Party	Negotiation	2,570	369	3,500	3,131
Hyundai Tucson - ARY -250	Mrs. Rabia Nadeem Rana	Third Party	Negotiation	7,343	5,016	6,450	1,434
Suzuki Cultus - LEC-13-1082	Mr. Tariq Javaid	Employee-KMP	Negotiation	1,040	57	1,250	1,193
Toyota Prado - NJ 852	Mr. Zeeshan Hayat Minhas	Third Party	Negotiation	3,400	2,042	3,300	1,258
2026				18,343	8,187	19,500	11,313
2025				32,424	19,047	37,705	18,658

17.4 Following is the movement in capital work in progress

	Opening balance	Additions	Transfers to operating fixed asset	Closing balance
Tangible:				
- Civil works	-	32,465	11,149	21,316
- Plant and machinery	875	736	-	1,611
- Electric Installation	-	48,382	48,382	-
June 30,2026	875	81,583	59,531	22,927

Tangible:				
- Civil works	42,301	41,917	84,218	-
- Plant and machinery	7,178	66,130	72,433	875
- Electric Installation	8,530	131,469	139,999	-
June 30,2025	58,009	239,516	296,650	875

18. INTANGIBLE ASSETS

	Note	(RUPEES IN THOUSAND) 2026	2025
Tangible Assets	18.1	<u>701</u>	<u>844</u>
		<u>701</u>	<u>844</u>

18.1 This represented Concurrence for the Distributed Generation Facility (License). It is amortized on straight line basis over a period of 84 months.

Net carrying value basis

Year ended June 30,

Opening net book value

Addition

Amortization charge

Balance as at June 30,

844	987
-	-
(143)	(143)
<u>701</u>	<u>844</u>

Gross carrying value basis

As at June 30,

Cost

Accumulated amortization

Net book value

999	999
(298)	(155)
<u>701</u>	<u>844</u>

The amortization charge for the year was allocated to administrative expenses.



		(RUPEES IN THOUSAND)	
	Note	2026	2025
19. RIGHT OF USE ASSETS			
Right of use assets	19.1	<u>86,150</u>	<u>63,899</u>
		<u>86,150</u>	<u>63,899</u>
19.1 Right of Use Assets			
Description		Vehicles	Total
Opening net book value as on July 01, 2024		26,230	26,230
Additions		53,692	53,692
Less: Transferred to owned assets		(19,409)	(19,409)
Depreciation Transferred		10,438	10,438
Less: Depreciation charge		(7,052)	(7,052)
Closing net book value		<u>63,899</u>	<u>63,899</u>
At June 30, 2025			
Cost		82,338	82,338
Accumulated depreciation		18,439	18,439
Net book value		<u>63,899</u>	<u>63,899</u>
Depreciation Rate (%)		<u>20</u>	20
Opening net book value as on July 01, 2025		63,899	63,899
Additions		49,794	49,794
Less: Transferred to owned assets		(28,646)	(28,646)
Depreciation Transferred		16,399	16,399
Less: Depreciation charge		(15,296)	(15,296)
Closing net book value		<u>86,150</u>	<u>86,150</u>
At June 30, 2026			
Cost		103,486	103,486
Accumulated depreciation		17,336	17,336
Net book value		<u>86,150</u>	<u>86,150</u>
Depreciation Rate (%)		<u>20</u>	20
		(RUPEES IN THOUSAND)	
	NOTE	2026	2025
20. LONG TERM DEPOSITS			
Security Deposits	20.1	<u>4,691</u>	<u>2,852</u>
		<u>4,691</u>	<u>2,852</u>
20.1			
Water & Power Development Authority (WAPDA)		950	950
Sui Northern Gas Pipe Lines Limited (SNGPL)		2,873	1,844
Pakistan State Oil Company Limited (PSO)		810	-
Others		58	58
		<u>4,691</u>	<u>2,852</u>
21. STORES, SPARES AND LOOSE TOOLS			
Stores		62,875	47,779
Spares		<u>57,981</u>	<u>28,772</u>
		<u>120,856</u>	<u>76,551</u>



		(RUPEES IN THOUSAND)	
22. STOCK IN TRADE	Note	2026	2025
Raw materials		583,195	665,669
Work in process		50,233	71,939
Finished goods		242,422	65,499
Waste		1,971	1,101
		<u>877,821</u>	<u>804,208</u>
22.1 Raw materials amounting to Rs. 511.095 million (2025: Rs. 445.043 million) and finished goods amounting to Rs. 70.600 million (2025: Rs. 10.00 million), are pledged as security against short term borrowings obtained from Bank Al Habib Limited and Bank Alfalah Limited (Note 14).			
23. TRADE DEBTS - UNSECURED			
Considered good		472,969	326,287
Considered doubtful		1,215	875
		<u>474,184</u>	<u>327,162</u>
Less: Allowance for expected credit losses	23.1	<u>(1,215)</u>	<u>(875)</u>
		<u>472,969</u>	<u>326,287</u>
23.1 Movement in allowance for expected credit losses of trade debts is as below:			
Opening balance		875	674
Charge for the year		340	2,653
Balance written off		-	(2,452)
Closing balance		<u>1,215</u>	<u>875</u>
23.2 The ageing of trade debts at the reporting date is:			
Not overdue		-	-
Past due:			
- Past due 1-30 days		238,085	137,564
- Past due 31-180 days		158,188	132,455
- Past due 180-365 days		77,911	57,142
- Total trade debts		<u>474,184</u>	<u>327,162</u>
Less: Allowance for expected credit losses		<u>(1,215)</u>	<u>(875)</u>
		<u>472,969</u>	<u>326,287</u>
23.3 The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, group based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the trade debts. The management believes that none of the balances are credit impaired nor any impairment allowance is necessary in respect of 'neither past due nor impaired' amounts as there are reasonable grounds to believe that the amounts will be recovered in short course of time.			
23.4 Trade receivables are pledged to commercial banks as security for facilities in respect of short term borrowings facilities.			
24. LOANS AND ADVANCES			
(Unsecured but considered good):-			
Advances to :			
Suppliers and contractors		13,648	17,603
Employees	24.1	1,025	1,221
		<u>14,673</u>	<u>18,824</u>



(RUPEES IN THOUSAND)

	Note	2026	2025
24.1	Advances to employees - Interest free:		
- Executives		101	210
- Other employees		924	1,011
		<u>1,025</u>	<u>1,221</u>
24.2	The effect of discounting is immaterial; accordingly, the carrying amount of employee advances approximates their amortised cost.		
25. TRADE DEPOSITS AND PREPAYMENTS			
Letters of credit	25.1	126,999	136,729
Margin on bank guarantee	25.2	19,069	19,069
Prepayments		2,021	1,781
		<u>148,089</u>	<u>157,579</u>
25.1	Letters of Credit have been established in favor of foreign suppliers for the import of raw material, spare parts and plant and machinery.		
25.2	This includes guarantee margins provided to the Bank Al Habib Limited for issuing letter of guarantees amounting to Rs. 109.066 million (2025: Rs. 109.066 million) in favor of Lahore Electric Supply Company (LESCO) and Sui Northern Gas Pipes Lines Limited (SNGPL).		
26. OTHER RECEIVABLES			
Advance income tax-net	26.1	113,694	98,949
Sales tax		42,917	14,335
Others		940	259
		<u>157,551</u>	<u>113,543</u>
26.1 Advance income tax -net			
Opening balance		98,949	97,287
Payments		117,429	93,439
Adjustements and payments		(102,683)	(91,777)
Closing balance		<u>113,694</u>	<u>98,949</u>
27. CASH AND BANK BALANCES			
Cash in hand		1,817	1,340
Cash with banks:			
- In current accounts		4,284	8,384
- In saving accounts	27.1	19,359	19,894
		<u>25,460</u>	<u>29,618</u>
27.1	These carry markup at the rate of 9.00 % to 10.00 % (2025: 9.00% to 20.50 %) per annum.		
28. SALES - NET			
Local:			
- Yarn		8,577,504	8,743,349
- Raw material		658,419	754,146
- Waste		10,028	10,456
		<u>9,245,951</u>	<u>9,507,951</u>
Less:			
Sales tax		1,410,399	1,450,365
Commission		48,629	55,021
		<u>7,786,923</u>	<u>8,002,565</u>
28.1	All goods are transferred at point of time. Revenue recognized during the year from contract liabilities outstanding at the beginning of the year amounted to Rs 92.773 million (2025: Rs. 73.195 million).		



(RUPEES IN THOUSAND)			
	Note	2026	2025
29. COST OF SALES			
Raw materials consumed	29.1	5,241,667	5,278,905
Salaries, wages and benefits	29.2	613,804	554,090
Stores and spares		158,157	163,441
Packing materials		104,884	103,708
Fuel and power		926,937	1,070,394
Repair and maintenance		11,462	16,213
Insurance		7,470	8,519
Other factory overheads		297	370
Depreciation	17.2	158,469	138,690
		<u>1,981,480</u>	<u>2,055,424</u>
		7,223,147	7,334,329
Opening work in process		71,939	77,278
Closing work in process	22	(50,233)	(71,939)
Cost of goods manufactured		<u>7,244,853</u>	<u>7,339,668</u>
Opening stock of finished goods		66,600	164,859
Closing stock of finished goods	22	(244,393)	(66,600)
		<u>7,067,060</u>	<u>7,437,927</u>
29.1 RAW MATERIAL CONSUMED			
Opening stock		665,669	554,628
Purchases		5,159,193	5,389,946
		<u>5,824,862</u>	<u>5,944,574</u>
Less: Closing stock		(583,195)	(665,669)
		<u>5,241,667</u>	<u>5,278,905</u>
29.1.1 Raw materials consumed includes cost of raw materials sold of Rs.507.265 million (2025: Rs. 618.801 million).			
29.2 Salaries, wages and other benefits include Rs. 15.636 million (2025: Rs. 12.719 million) in respect of staff retirement benefits.			
30. ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, allowances and benefits	30.1	125,074	113,516
Traveling and conveyance		3,998	3,349
Vehicle running and maintenance		16,819	16,873
Printing and stationery		2,220	2,166
Newspaper and periodicals		34	32
Postage, telegram and telephone		2,561	2,055
Advertisement		269	354
Rent, rates, and taxes		1,299	806
Legal and professional		5,018	1,683
Auditors' remuneration	30.2	596	596
Subscription		2,877	1,771
Insurance		6,977	5,688
Entertainment		4,056	3,782
Computerization		1,836	1,748
General		8,207	3,500
Electricity expense		5,427	5,398
Allowance for expected credit loss	23.1	340	2,653
Depreciation	17.2	26,623	15,877
Amortization	18	143	143
		<u>214,374</u>	<u>181,990</u>
30.1 Salaries, allowances and benefits include Rs. 2.61 million (2025: Rs. 2.23 million) in respect of staff retirement benefits.			



		(RUPEES IN THOUSAND)	
	Note	2026	2025
30.2 Auditors' remuneration			
Statutory audit fee		525	525
Half yearly review fee		32	32
Provident fund audit & other certification fee		39	39
		<u>596</u>	<u>596</u>
31. SELLING AND DISTRIBUTION EXPENSES			
Freight and expenses on local sales		-	797
		<u>-</u>	<u>797</u>
32. FINANCE COSTS			
Mark-up on:			
Long term loans - secured		9,812	12,047
Short term bank borrowings - secured		53,266	75,115
		<u>63,078</u>	<u>87,162</u>
Bank charges and commission		4,785	3,857
Interest on lease liabilities	10	7,107	2,545
Interest on workers' profit participation fund	12.2	1,431	655
		<u>76,401</u>	<u>94,219</u>
33. OTHER CHARGES			
Workers' profit participation fund	12.2	22,181	15,464
Workers' welfare fund		8,428	5,876
		<u>30,609</u>	<u>21,340</u>
34. OTHER INCOME			
Income from financial assets			
Profit on deposits with banks		3,060	2,324
		<u>3,060</u>	<u>2,324</u>
Income from non financial assets			
Gain on disposal of property, plant and equipment		11,313	18,658
Miscellaneous income		-	584
Insurance claim		144	75
		<u>11,457</u>	<u>19,317</u>
		<u>14,517</u>	<u>21,641</u>
35. Levies			
Minimum tax		3,009	43,784
Prior year		-	-
		<u>3,009</u>	<u>43,784</u>
35.1	This represents excess portion of minimum tax over current income tax recognized as levy.		
36. TAXATION			
Current		106,393	58,899
Prior		-	225
Deferred tax		62,210	-
		<u>168,603</u>	<u>59,124</u>

The tax liability amounting to Rs. 3.008 million represents minimum tax under section 113 of the Income Tax Ordinance, 2001 in excess of current income tax, which has been recognised as a levy. Accordingly, current income tax of Rs. 106.394 million has been recognised. The relationship between the tax liability as per applicable tax laws and accounting profit, and its bifurcation into current income tax and levies, is as follows:

**(RUPEES IN THOUSAND)**

	2026	2025
36.1 Reconciliation of income tax Expense for the year		
Profit before levies and taxation	412,996	287,933
Applicable tax rate	29%	29%
Tax calculated as the applicable tax rate		
- Tax on accounting profit under normal tax Regime at the applicable tax rate 29% (2025: 29%)	119,769	83,501
- Tax effect of amounts that are admissible for tax purposes	(86,266)	(73,675)
- Tax effect of the amounts that are inadmissible for tax purposes	61,432	47,110
- Super tax	11,458	1,963
- Tax effect of minimum tax	3,009	43,784
- Deferred tax	62,210	-
- Tax effect of prior year	-	225
Tax liability for the year as per applicable tax laws	171,612	102,908
Portion of current tax representing minimum tax categorized as levy	(3,009)	(43,784)
Portion of tax liability as per tax laws, representing income tax under IAS-12	168,603	59,124

37. CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES' REMUNERATION

The aggregate amount charged in the accounts during the year for remuneration including benefits to Chief Executive Officer, Director and Executives is as follows:

(RUPEES IN THOUSAND)

	Chief Executive Officer	Executive Director	Executives
	2026	2026	2026
Managerial remuneration	2,112	2,001	22,869
House rent	951	900	10,281
Medical allowance	211	200	2,183
Utility allowance	246	234	2,746
Provident fund contribution by company	-	-	946
	3,520	3,335	39,026
Number (s)	1	1	19
	2025	2025	2025
Managerial remuneration	2,442	1,440	10,442
House rent	10,99	648	4,699
Medical allowance	244	144	1,044
Utility allowance	285	168	1,218
Provident fund contribution by company	-	-	376
	4,070	2,400	17,779
Number (s)	1	1	7

37.1 Executives include aggregate amount in respect of remuneration and benefits to key management personnel (other than Directors) amounting to Rs. 12.810 million (2025: Rs. 12.141 million). Benefits include Rs. 0.202 million (2025: Rs. 0.209 million) on account of provident fund contribution by the Company and Rs. 5.039 million (2025: Rs. 4.773 million) on account of other benefits.



- 37.2** Chief Executive Officer, Executive Director, certain key management personnel (other than Directors) and some of the executives are provided with Company maintained cars in accordance with their terms of employment. The Company bears travelling expenses (if any) of Chief Executive Officer, Directors and other key management personnel relating to travel for official purposes including expenses incurred in respect of attending Board and Committee meetings.
- 37.3** No remuneration was paid to non-executive directors of the Company.
- 37.4** No meeting fee was paid to the directors of the Company during the year (2025: Rs. Nil).
- 37.5** Executives mean employees, other than the Chief Executive Officer and Directors, whose basic salary exceeds Rs. 1,200,000 in a financial year.

38. RELATED PARTIES

The Company ("the reporting entity") in the normal course of business carries out arm's length transactions with various related parties ("the related parties"). Related parties comprise of major shareholders, key management personnel and their close family members ("the relatives"), and the staff retirement benefit fund operated for the benefit of the Company's employees. The Company has no subsidiary or associated company. Major shareholders are those persons having control of or significant influence over the reporting entity. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity, directly or indirectly including Directors (whether executive or otherwise) of the reporting entity.

Following are the related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the financial year, along with the basis of relationship and percentage of shareholding of the Company;

Sr.	Name of related parties	Relationship	Basis of relationship and percentage of shareholding
1	Mian Aamir Naseem	Related party	Chief Executive Officer
2	Mian Farrukh Naseem	Related party	Director
3	Mr. Yasir Naseem	Related party	Director
4	Mr. Saad Naseem	Related party	Director
5	Mr. Hamza Naseem	Related party	Director
6	Mrs. Fatima Aamir	Related party	Director
7	Mrs. Hina Farrukh	Related party	Spouse of Director
8	Mr. Ghazanfer Feroz	Related party	Director
9	Mr. Fahad Shafiq	Related party	Director
10	Mr. Ahmad Naseem	Related party	Lineal descendant
11	Mr. Muhammad Shakeel Sarwar	Related party	Key management personnel
12	Mr. Muhammad Adeel Anwar Khan	Related party	Key management personnel
13	Mr. Abdur Razzak Bajwa	Related party	Key management personnel
14	Mr. Asim Ejaz	Related party	Key management personnel
15	Employees' Provident Fund Trust	Staff retirement benefit fund	Fund maintained for the benefit of the Company's permanent employees under section 218 of the Companies Act, 2017 (Refer Note 29.2 & 30.1)

**38.1** Balances and transactions with related parties - equity contributions from sponsors

					(RUPEES IN THOUSAND)	
					2026	2025
Sr. No.	Name of Related party	Relationship	Direct Shareholding% No. in the Company	Particular	Balances and Transaction with related parties during the year	
1	Mr. Farrukh Naseem	Director	8.05%	Opening Balance	196,558	205,858
				Received during the year	-	750
				Payment During the year	(122,000)	(10,050)
				Closing Balance	74,558	196,558
2	Mr. Saad Naseem	Director	6.56%	Opening Balance	4,689	8,789
				Received during the year	-	-
				Payment During the year	(4,689)	(4,100)
				Closing Balance	-	4,689
3	Mr. Ahmad Naseem	Lineal descendant & Shareholder	6.56%	Opening Balance	600	6,000
				Received during the year	-	-
				Payment During the year	(600)	(5,400)
				Closing Balance	-	600
4	Mr. Aamir Naseem	CEO	10.81%	Opening Balance	200,395	209,495
				Received during the year	-	750
				Payment During the year	(127,120)	(9,850)
				Closing Balance	73,275	200,395
5	Mrs. Fatima Aamir	Director	5.00%	Opening Balance	2,050	2,050
				Received during the year	-	-
				Payment During the year	(2,050)	-
				Closing Balance	-	2,050
6	Mr. Yasir Naseem	Director	7.50%	Opening Balance	2,000	2,000
				Received during the year	-	-
				Payment During the year	(2,000)	-
				Closing Balance	-	2,000
7	Hamza Naseem	Director	6.56%	Opening Balance	181	181
				Received during the year	-	-
				Payment During the year	(181)	-
				Closing Balance	-	181
					147,833	406,473

The above balances represent interest-free and unsecured loans provided by the sponsors. Since these are repayable at the discretion of the Company, they have been recognised as part of equity as per TR 32 of the Institute of Chartered Accountants of Pakistan — refer note 8.

			(RUPEES IN THOUSAND)	
	NOTE	2026	2025	
39. EARNING / (LOSS) PER SHARE - BASIC AND DILUTED				
There is no dilutive effect on the basic earning per share of the company.				
Profit after taxation		241,384	185,025	
Weighted average number of ordinary shares outstanding during the year (No. in '000')		18,014	16,678	
Basic earning per share (Restated in Rupees)		13.40	11.09	

39.1 During the year, the company issued shares through right shares at a price lower than the market price, resulting in a bonus element. Accordingly, comparative EPS has been retrospectively adjusted in accordance with IAS33.



(RUPEES IN THOUSAND)			
	NOTE	2026	2025
40. CASH GENERATED FROM OPERATIONS			
Profit before levies and taxation		412,996	287,933
Adjustments for non cash incomes and expenses:			
Depreciation of property, plant and equipment	17.2	169,796	147,515
Depreciation of right of use assets	19.1	15,296	7,052
Amortization of intangible assets	18	143	143
Financial costs	32	76,401	94,219
Workers' profit participation fund	33	22,181	15,464
Workers' welfare fund	33	8,428	5,876
Allowance for expected credit loss	23.1	340	2,653
Balance written off	23.1	-	(2,452)
Loss / (gain) on sale of operating fixed assets	34	(11,313)	(18,658)
Profit on deposits with banks	34	(3,060)	(2,324)
Working capital changes	40.1	(232,777)	270,506
		458,431	807,928
40.1 WORKING CAPITAL CHANGES			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(44,305)	67,230
Stock in trade		(73,613)	(7,443)
Trade debts		(147,022)	(3,680)
Loans and advances		4,151	89,426
Trade deposits and prepayments		9,490	(27,243)
Other receivables		(29,263)	32,222
		(280,562)	150,512
Increase / (decrease) in current liabilities			
Trade and other payable		47,785	119,994
		(232,777)	270,506
41. CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	25,460	29,618

42. STAFF RETIREMENT BENEFITS**42.1 DEFINED CONTRIBUTION PLAN**

The Company has maintained an employee provident fund trust and all investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act 2017, and the rules formulated for this purpose. The information of the fund is based on audited financial statements of the fund for the year ended 30 June 2026:

(RUPEES IN THOUSAND)				
	NOTE	2026		2025
Size of the fund		309,683		245,103
Cost of investment made		115,617		95,617
Percentage of investment made		37.33		39.01
Fair value of investment		268,845		215,464
42.2 BREAKUP OF INVESTMENTS	%age		%age	
Investment in mutual fund	84.54%	227,285	87.39%	188,310
Term deposit receipts				
Meezan daily income fund	15.06%	40,488	12.61%	27,154
Alfalah islamic money market fund	0.40%	1,072		
		268,845		215,464



		(RUPEES IN THOUSAND)	
	NOTE	2026	2025
42.3 Balance in scheduled banks			
Saving account		28,063	20,977
43. PLANT CAPACITY AND ACTUAL PRODUCTION			
Number of spindles installed			
Unit - 01 (Ring)		34,560	34,560
Unit - 02 (MVS)		576	576
Number of spindles worked			
Unit - 01 (Ring)		33,428	34,080
Unit - 02 (MVS)		576	576
Production at normal capacity converted to 20/s (Kgs.)		22,683,045	21,817,513
Actual production converted to 20/s (Kgs.)		22,509,853	21,594,524
No. of shifts worked per day		3	3
43.1 Production loss due to normal maintenance, gas and electric shut down / closures (Kgs.)		173,192	222,989
44. OPERATING SEGMENTS			
The Chief Executive Officer, being the chief operating decision-maker, considers the Company's operations to constitute a single operating segment, as resource allocation decisions and assessment of performance are made on an overall basis. The Company is engaged in a single line of business, being the manufacture and sale of yarn, together with the sale of raw material and waste arising from the manufacturing process. During the year, revenue from Three major customers individually exceeded 10% of the Company's total revenue and, in aggregate, amounted to Rs. 3,155.17 million, (2025: Rs. 2,257.90 million) representing approximately 40.5% (2025:28.21%) of the Company's total revenue. All revenue from external customers was generated from customers located in Pakistan and all non-current assets of the Company are located in Pakistan.			
45. NUMBER OF EMPLOYEES			
At the year end number of employees of the company			
- Total employees		1,019	1,092
- Factory employees		980	1,057
Weighted average number of employees of the company			
- Total employees		1,082	1,067
- Factory employees		1,044	1,031
46. FINANCIAL INSTRUMENTS BY CATEGORY			
FINANCIAL ASSETS			
as per statement of financial position			
Cash and bank balances		25,460	29,618
Trade debts		472,969	326,287
Loans and advances		1,025	1,221
Trade deposits and prepayments		19,069	19,069
Other receivables		940	259
Long term deposits		4,691	2,852
		524,154	379,306



		(RUPEES IN THOUSAND)	
	NOTE	2026	2025
FINANCIAL LIABILITIES			
as per Statement of Financial Position			
Lease liabilities		63,024	41,541
Long term loans		141,383	203,444
Short term borrowings		621,695	505,469
Trade and other payables		405,936	445,142
Unclaimed dividend		749	712
Accrued mark-up		13,073	11,587
		<u>1,245,860</u>	<u>1,207,895</u>

46.1 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

47. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board of Directors is also responsible for developing and monitoring the Company's risk management policies. The company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk and the company's management of capital.

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

47.1 CREDIT RISK

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, deposits, balances with banks and loans to / due from related parties (if any).

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage exposure to credit risk in respect of trade receivables, deposits, and balances with banks, management reviews credit worthiness, references, establish purchase limits taking into account the customer's financial position, past experience and other factors. Limits are reviewed periodically and the customers may transact with the company on prepayment basis.



Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The company believes that it is not exposed to major concentration of credit risk. The Company manages credit risk arising from customers through an assessment of their creditworthiness, financial position, payment history and past experience. Outstanding customer balances and ageing are monitored regularly, and credit terms are reviewed where necessary. The Company's customer base is diversified, and the majority of customers have maintained a satisfactory payment history without default. The Company applies the simplified approach under IFRS 9 to recognize lifetime expected credit losses on trade debts. Expected credit losses are determined with reference to historical loss experience, ageing of receivables, customer-specific information and relevant forward-looking factors, as further explained in notes 5.15 and 23. The Company does not generally hold collateral against trade debts.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	(RUPEES IN THOUSAND)	
	2026	2025
Bank balances	23,643	28,278
Trade debts	472,969	326,287
Loans and advances	1,025	1,221
Margin on bank guarantee	19,069	19,069
Other receivables	940	259
Long term deposits	4,691	2,852
	<u>522,337</u>	<u>377,966</u>

The Company's credit risk is primarily attributable to its trade debts and balances at banks. The Company's exposure to customers is diversified and majority of the Company's customers have been transacting with the Company without any default history. None of the customers are credit-impaired at the reporting date. Expected credit loss assessment in respect of trade debts is provided in note 23 and 5.18. Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

Loan and advances other receivables, bank guarantee margin and long term deposits are considered to have low credit risk. Expected credit loss policy in respect of these financial assets is provided in note 5.18.

Bank balances are held only with reputable banks with high quality credit ratings. The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

				(RUPEES IN THOUSAND)	
				2026	2025
Bank Name	Agency	Short term rating	Long term rating		
Askari Bank Limited	PACRA	A-1+	AAA	-	25
Bank Al Habib Limited	PACRA	A-1+	AAA	2,192	1,733
Bank Alfalah Limited	PACRA	A-1+	AAA	529	562
Bank Islami Pakistan Limited	PACRA	A-1	AA-	0.65	0.14
Habib Bank Limited	VIS	A-1+	AAA	70	5,228
Habib Metropolitan Bank Limited	PACRA	A-1+	AAA	651	356
MCB Bank Limited	PACRA	A-1+	AAA	-	-
Meezan Bank Limited	VIS	A-1+	AAA	17,368	18,345
National Bank of Pakistan	PACRA	A-1+	AAA	2,793	2,025
United Bank Limited	VIS	A-1+	AAA	40	1
The Bank of Punjab	PACRA	A-1+	AAA	-	1
				<u>23,643</u>	<u>28,278</u>



The other financial assets are neither material to the financial statements nor exposed to any significant credit risk.

47.2 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity 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. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements as mentioned in note no. 9 and note no. 14. Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

Following is the maturity analysis of financial liabilities

2026	Carrying amount	Contractual Cash Flows	Within 1 Year	Mor than 1 but less than 5 year	Afters 5 year
Financial liabilities at amortised cost					
Long term Loans	141,383	173,277	36,840	133,889	2,548
Lease liabilities	63,024	77,499	27,710	49,789	-
Short term borrowings	621,695	707,461	707,461	-	-
Trade and other payable	405,936	405,936	405,936	-	-
Unclaimed dividend	749	749	749	-	-
Accrued mark-up	13,073	13,073	13,073	-	-
	1,245,860	1,377,995	1,191,769	183,678	2,548
2025	Carrying amount	Contractual Cash Flows	Within 1 Year	Mor than 1 but less than 5 year	Afters 5 year
Financial liabilities at amortised cost					
Long term Loans	203,444	248,894	77,267	163,984	7,643
Lease liabilities	41,541	52,813	16,436	36,378	-
Short term borrowings	505,469	572,068	572,068	-	-
Trade and other payable	445,142	445,142	445,142	-	-
Unclaimed dividend	712	712	712	-	-
Accrued mark-up	11,587	11,587	11,587	-	-
	1,207,894	1,331,216	1,123,212	200,362	7,643

47.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effectively as at 30 June. The rate of mark-up have been disclosed in respective notes to the financial statements.

47.3 Market risk

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

47.3.1 Currency risk

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

All financial assets and financial liabilities of the Company are denominated in Pak Rupees, its functional currency, and the Company has no receivable or payable balance in foreign currency as at 30 June 2026 (2025: Nil). Accordingly, the Company is not exposed to currency risk arising from financial instruments and no sensitivity analysis is presented.

**47.3.2 Interest rate risk**

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long-term financing, short-term borrowings and saving accounts. At the reporting date the interest rate risk profile of the Company's interest bearing financial instruments is:

	2026	2025
- Financial assets	19,359	19,894
- Financial liabilities	780,643	727,081

Fair value sensitivity analysis for fixed rate instruments:

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

Cash flow sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rate of interest-bearing financial liabilities at the reporting date would have increased / (decreased) equity and profit or (loss) by Rs. 7.61 million (2025: Rs. 7.07 million) as a result of higher / lower interest expense on floating rate borrowings.

The related mark-up rates for variable rate financial instruments are indicated in the relevant notes to the financial statements. The sensitivity analysis prepared is not necessarily indicative of the effects on the profit for the period and assets / liabilities of the Company.

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's significant borrowings are based on variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

47.3.3 Price risk

Price risk represents the risk that fair value of financial instrument will fluctuate because of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factor affecting all or similar financial instruments traded in the market. The company is not exposed to any price risk at the reporting date.

Fair value of financial assets and liabilities**Fair value hierarchy**

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating fair value of an asset or liability, the Company takes into the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1: quoted prices (un-adjusted) in active market for identical assets or liabilities.
Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either

directly (i.e., as prices) or indirectly (i.e. derived from prices)

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



i) Fair value at initial recognition

The Company takes in to account factors specific to the transaction and to the asset or liability, when determining whether or not the fair value at initial recognition equals the transaction price. Except for long term deposits, the fair value of financial assets and financial liabilities recognised in these financial statements equals the transaction price at initial recognition. Due to immaterial effect the fair value of the long-term deposits has not been determined and their carrying value has been assumed to be equal to their fair value.

ii) Valuation techniques and inputs used

For instruments carried at amortized cost, since majority of the interest bearing instruments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

iii) Fair value of the Company's financial assets and liabilities that are measured at fair value on recurring basis after initial recognition

The Company does not have any financial asset or liability measured at fair value on recurring basis after initial recognition.

iv) Fair value of the Company's financial assets and liabilities that are not measured at fair value after initial recognition

The carrying amount of financial assets and financial liabilities recognized in these financial statements approximate their respective fair values.

(RUPEES IN THOUSAND)

	2026	2025
Financial assets carried at amortized cost:		
Cash and bank balances	25,460	29,618
Trade debts	472,969	326,287
Loans and advances	1,025	1,221
Trade deposits and prepayments	19,069	19,069
Other receivables	940	259
Long term deposits	4,691	2,852
	<u>524,154</u>	<u>379,306</u>
Financial liabilities carried at amortized cost:		
Lease liabilities	63,024	41,541
Long term loan	141,383	203,444
Short term borrowings	621,695	505,469
Trade and other payable	405,936	445,141
Unclaimed dividend	749	712
Accrued mark-up	13,073	11,587
	<u>1,245,860</u>	<u>1,207,894</u>

v) Determination of fair values

If the policies require the determination of fair value, for both financial and non-financial assets and liabilities, fair values have been determined for measurement and / or disclosure purposes based on the following methods:

a) Non-derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

b) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

**48. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

flows from financing activities.

(RUPEES IN THOUSAND)

FOR THE YEAR ENDED JUNE 30, 2026

	Opening balance	Financing cash flows (48.1)	Other changes	Closing balance
Long-term loans (including current portion)	203,444	(68,851)	6,790	141,383
Lease Liabilities (including current portion)	41,541	(16,073)	37,556	63,024
Equity contributions from sponsors	406,473	(258,640)	-	147,833
Unclaimed dividend	712	(20,713)	20,750	749
Short term borrowings	505,469	116,226	-	621,695
	1,157,639	(248,051)	65,096	974,684

FOR THE YEAR ENDED JUNE 30, 2025

	Opening balance	Financing cash flows (48.1)	Other changes	Closing balance
Long-term loans (including current portion)	263,681	(69,586)	9,349	203,444
Lease Liabilities (including current portion)	10,039	(11,706)	43,209	41,541
Equity contributions from sponsors	434,373	(27,900)	-	406,473
Unclaimed dividend	673	(12,411)	12,450	712
Short term borrowings	617,777	(112,308)	-	505,469
	1,326,543	(233,911)	65,008	1,157,639

48.1 This represents net amount of proceeds and repayments.

49. SHARIAH COMPLIANCE DISCLOSURE

Following information has been disclosed as required under amended part I clause VI (10) and clause VII (inserted through S.R.O.1278(I)/2024 dated August 15, 2024) of fourth Schedule to the Companies Act, 2017.

(RUPEES IN THOUSAND)			
	Note	2026	2025
Condensed Annual Statement of financial position			
Liabilities side			
Financing (Lease financing, long term or short term)			
obtained as per Islamic mode	10	63,024	41,541
Interest or markup accrued on any conventional loan or advance	13	13,073	11,587
Assets side			
Long term and short term Shariah compliant Investments		Not Applicable	Not Applicable
Shariah compliant bank deposits / bank balances/TDRs	27	21,653	26,729
Condensed Annual Statement of Comprehensive Income:			
Revenue earned from a shariah compliant business segment	28	7,786,923	8,002,565
Break-up of late payments or liquidated damages		Not Applicable	Not Applicable
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Sharia compliant associate		Not Applicable	Not Applicable
Profit earned from shariah compliant bank deposits/bank balances/TDRs		851	938
Exchange gain earned from actual currency		Not Applicable	Not Applicable
Exchange gain earned using conventional derivative financial instruments.		Not Applicable	Not Applicable
Profit paid on Islamic mode of financing	10	7,107	2,545
Total interest earned on any conventional loan or advance		Not Applicable	Not Applicable



(RUPEES IN THOUSAND)

	2026	2025
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Sharia-compliant and non-compliant income :		
Non-Shariah Compliant		
Profit on saving accounts	2,209	1,386
Insurance claim	144	75
Shariah Compliant		
Profit on saving accounts	851	938
Gain on disposal of tangible fixed asset	11,313	18,658
Mis. Income	-	584

Relationship with Sharia-compliant financial institutions, including banks, takaful operator and their windows.

The Company maintains good relationship with shariah compliant banks, non bank financial institutions/takaful operators and carries out trade and other routine banking /takaful transactions with them.

50. CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing majority of its operations / investing activities through long-term financing and short-term loans in addition to its equity. The Company has a gearing ratio of 28.27% (2025: 29.08%) as of the reporting date.

The Company's objectives when managing capital are:

- (i) to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

Total debt comprises of long term loans from banking companies, accrued markup on borrowings and short term borrowings.

Total equity includes issued, subscribed and paid-up share capital, capital reserves, revenue reserve and equity contributions from sponsors.

51. CORRESPONDING FIGURES

Comparative figures have been re-arranged / reclassified, wherever necessary, to facilitate comparison. Rearrangements have been made in these financial statements for better presentation of the financial statements.

Recalssification from	Recalssification to	--Rupees in thousand --
Current Assets	Non-Current Asset	
Trade Deposits And Prepayments	Long term deposits	504
Cash flow	Cash flow	
Cash flow from operating activities	Cash flow from financing activities	
Trade and other payable	Dividend paid	39
	Cash flow from operating activities	
Expected credit loss	Bad debt	2,452



Recalssification from	Recalssification to	--Rupees in thousand --
Cash flow from investing activities	Cash flow from investing activities	
Payments for acquisition of property, plant and equipment	Down-payment and initial direct cost for ROU assets	8,970
Cash flow from financing activities		
Payment against lease liabilities	Down-payment and initial direct cost for ROU assets	1,513
Non- Current Assets	Non- Current Assets	
Vehicle cost	Vehicle Accumulated depreciation	10,438

52. GENERAL

Figures have been rounded off to the nearest thousand rupees.

53. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors in their meeting held on September 25, 2026 has recommended a cash dividend at Rs.1.25/- per share (i.e.12.50 %) (2025: Rs 1.25/- per share i.e 12.50%) amounting to Rs. 28.562 million for the year ended 30 June 2026 (2025: Rs. 20.750 million). The above proposed cash dividend is subject to the approval of the members at the Annual General Meeting to be held on October 28, 2026. These financial statements do not include the effect of the above proposal which will be accounted for in the period in which it is approved by the members.

54. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on September 25, 2026 by the Board of Directors of the Company.

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

(Muhammad Adeel Anwar Khan)
Chief Financial Officer

**PATTERN OF SHAREHOLDING****AS AT JUNE 30, 2026**

No. of Shareholders	From	Shareholdings	To	Total shares held
289	1		100	7,078
178	101		500	54,379
104	501	-	1,000	91,818
210	1,001	-	5,000	551,283
54	5,001	-	10,000	404,710
24	10,001	-	15,000	304,181
13	15,001	-	20,000	239,137
10	20,001	-	25,000	232,431
10	25,001	-	30,000	278,783
2	35,001	-	40,000	78,499
1	40,001	-	45,000	44,326
2	45,001	-	50,000	94,777
2	50,001	-	55,000	100,094
1	55,001	-	60,000	56,055
2	60,001	-	65,000	122,286
1	65,001	-	70,000	67,261
2	75,001	-	80,000	155,980
1	80,001	-	85,000	81,102
1	90,001	-	95,000	92,612
1	130,001	-	135,000	134,932
1	135,001	-	140,000	140,000
1	155,001	-	160,000	156,269
1	175,001	-	180,000	178,675
1	185,001	-	190,000	189,030
1	205,001	-	210,000	210,000
1	225,001	-	230,000	227,500
1	245,001	-	250,000	250,000
1	260,001	-	265,000	264,000
1	395,001	-	400,000	400,000
1	400,001	-	405,000	402,926
1	520,001	-	525,000	521,278
1	565,001	-	570,000	570,000
1	600,001	-	605,000	604,903
1	615,001	-	620,000	615,068
1	745,001	-	750,000	750,000
1	795,001	-	800,000	799,750
1	1,140,001	-	1,145,000	1,142,500
3	1,495,001	-	1,500,000	4,500,000
2	1,710,001	-	1,715,000	3,427,500
1	1,835,001	-	1,840,000	1,839,314
1	2,465,001	-	2,470,000	2,469,563
		-		
932				22,850,000



Categories of shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	10,926,550	47.8186%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	521,878	2.2839%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	53	0.0002%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	2,469,563	10.8077%
2.3.8 General Public		
a. Local	11,024,212	48.2460%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
- Joint Stock Companies	368,363	1.6121%
- Pension Funds	8,613	0.0377%
- Others	331	0.0014%



CATEGORIES OF SHAREHOLDERS REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG)

AS AT JUNE 30, 2026

<u>Name</u>	<u>No. of Shares Held</u>	<u>%age</u>		
Associated Companies, Undertakings and Related Parties (Name Wise Detail):	-	-		
Mutual Funds (Name Wise Detail)	-	-		
Directors and their Spouse and Minor Chidren (Name Wise Detail):				
1 MR. FAHAD SHAFIQ	3,807	0.0167%		
2 MR. FARRUKH NASEEM (CDC)	1,839,314	8.0495%		
3 MR. AAMIR NASEEM (CDC)	2,469,563	10.8077%		
4 MRS. FATIMA AAMIR (CDC)	1,142,500	5.0000%		
5 MR. SAAD NASEEM (CDC)	1,500,000	6.5646%		
6 MR. YASIR NASEEM (CDC)	1,713,750	7.5000%		
7 MR. HAMZA NASEEM (CDC)	1,500,000	6.5646%		
8 MR. GHAZANFER FEROZ (CDC)	7,616	0.0333%		
9 MRS. HINA FARRUKH W/O MR. FARRUKH NASEEM (CDC)	750,000	3.2823%		
Executives:	-	-		
Public Sector Companies & Corporations:	-	-		
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	8,666	0.0379%		
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)				
1 MR. AAMIR NASEEM (CDC)	2,469,563	10.8077%		
2 MR. FARRUKH NASEEM (CDC)	1,839,314	8.0495%		
3 MR. YASIR NASEEM (CDC)	1,713,750	7.5000%		
4 MR. ALI NASEEM (CDC)	1,713,750	7.5000%		
5 MR. AHMED NASEEM (CDC)	1,500,000	6.5646%		
6 MR. SAAD NASEEM (CDC)	1,500,000	6.5646%		
7 MR. HAMZA NASEEM (CDC)	1,500,000	6.5646%		
8 MRS. FATIMA AAMIR (CDC)	1,142,500	5.0000%		
All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children.				
<u>Sr. No.</u>	<u>Name</u>	<u>Sale</u>	<u>Purchase</u>	<u>Right</u>
1	MR. FAHAD SHAFIQ	0	0	1,041
2	MR. FARRUKH NASEEM (CDC)	478,702	6,000	1,261,016
3	MR. AAMIR NASEEM (CDC)	2,449,713	6,000	2,084,067
4	MRS. FATIMA AAMIR (CDC)	0	296,576	231,379
5	MR. SAAD NASEEM (CDC)	0	185,141	359,644
6	MR. YASIR NASEEM (CDC)	0	1,025,497	188,253
7	MR. HAMZA NASEEM (CDC)	0	185,141	359,644
8	MR. GHAZANFER FEROZ (CDC)	0	0	2,083
9	MRS. HINA FARRUKH W/O MR. FARRUKH NASEEM (CDC)	0	92,570	179,822



Folio No./CDC Participant ID
and Account No. _____
CNIC No. _____

FORM OF PROXY

I / We _____
Son / Daughter / Wife of _____
being a member of **SHADAB TEXTILE MILLS LIMITED** and holder of _____
(Number of Shares)
Ordinary Shares as per Registered Folio No./ CDC/ Participant ID No. and Account No. _____
hererby appoint Mr. _____ of _____
of failing him Mr. _____ of _____
who is also a member of **SHADAB TEXTILE MILLS LIMITED**, Vide Registered Folio No./ CDC/ Participant
ID No. and Account No. _____
as my / our proxy to vote for me / us and on my / our behalf at the 47th Annual General Meeting of the
Company to be held on Wednesday, October 28, 2026 at 11:30 a.m. and at any adjournment thereof.

As witness my / our hand (s) this _____ day of _____ 2026

1. Witness:

Signature _____
Name _____
Address _____
CNIC No. _____

Affix Revenue
Stamp of Rs. 50/-

2. Witness:

Signature _____
Name _____
Address _____
CNIC No. _____

Signature of Shareholder

NOTE:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint an other member as his / her proxy to attend and vote on his/her behalf. Proxies in order to be valid must be received at the Registered Office of the Company 48 hours before the time of the meeting. A proxy must be a member of the Company.
2. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport to prove his/her identity and in case of proxy must enclose an attested copy of his/her CNIC or Passport. Representative of corporate members should bring the usual documents required for such purposes.
3. Signature should agree with specimen signature registered with the company.



فولیونمبر / سی ڈی سی پارٹیشنڈ (شرکت) ID

اور کھاتا نمبر:

کمپیوٹرائزڈ شناختی کارڈ نمبر:

پراکسی فارم

میں / ہم

بیٹا / بیٹی / زوجہ

شاداب ٹیکسٹائل ملز لمیٹڈ اور حامل

(تعداد و حصص)

سی ڈی سی پارٹیشنڈ (شرکت) آئی ڈی اور اکاؤنٹ (کھاتہ) نمبر:

محترم

یا عدم موجودگی کی صورت میں، محترم

کا / کے بھی جو کے شاداب ٹیکسٹائل ملز لمیٹڈ کے رکن ملاحظہ رجسٹرڈ فولیونمبر / سی ڈی سی پارٹیشنڈ

(شرکت) آئی ڈی اور اکاؤنٹ (کھاتہ) نمبر: کو اپنے / ہمارے ایماء پر مورخہ 28 اکتوبر 2026 بروز بدھ

صبح 11:30 بجے منعقد ہونے والے کمپنی کے سنٹالیسواں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التوا کی صورت میں اپنا / ہمارا پراکسی مقرر کرتا ہوں / کرتے ہیں۔

آج بروز بتاریخ 2026 بطور گواہ دستخط کئے گئے۔

(1) گواہ:

دستخط:

نام:

پتہ:

کمپیوٹرائزڈ شناختی کارڈ نمبر:

(2) گواہ:

دستخط:

نام:

پتہ:

کمپیوٹرائزڈ شناختی کارڈ نمبر:

نوٹ:

1- کوئی بھی رکن (ممبر) جو سالانہ اجلاس میں شرکت کرنے اور ووٹ دینے کا / کی حقدار ہے وہ اجلاس میں شرکت کرنے اور ووٹ دینے کے لیے کسی دوسرے رکن (ممبر) کو اپنا پراکسی مقرر کر سکتا / سکتی ہے۔ پراکسیاں موثر ہونے کے لیے اجلاس کے انعقاد سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہو جانی چاہئیں۔ پراکسی کارکن (ممبر) ہونا لازمی ہے۔

2- سی ڈی سی کے انفرادی مالک جو اس اجلاس میں شرکت کے اہل ہیں اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ اپنی شناخت کے لیے ہمراہ لائیں۔ پراکسی کی صورت میں اپنے قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کریں۔ کارپوریٹ ممبرز کے نمائندگان شناخت کے لیے اس موقع پر درکار معمول کی دستاویزات ہمراہ لے کر آئیں۔

3- دستخط کمپنی کے رجسٹرڈ نمونہ دستخط سے مماثل ہونے چاہئیں۔

پچاس روپے مالیت کی رسیدی
ٹکٹ چسپاں کریں

ممبر کے دستخط