

Zephyr Textiles Limited
ANNUAL REPORT 2026

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BOARD OF DIRECTORS:	Mr. Mussaid Hanif	CEO
	Mr. Arbab Muhammad Khan	
	Mr. Sheikh Muhammad Iqbal	
	Ms. Tehniyat Mussaid	Chairperson
	Ms. Sabah Burhan	
	Ms. Sarah Naviwala	
	Ms. Ayesha Naweed	
AUDIT COMMITTEE:	Ms. Ayesha Naweed	Chairperson/Member
	Ms. Sarah Naviwala	Member
	Ms. Tehniyat Mussaid	Member
HR & REMUNERATION COMMITTEE:	Ms. Ayesha Naweed	Chairperson/Member
	Mr. Arbab Muhammad Khan	Member
	Ms. Sabah Burhan	Member
CHIEF FINANCIAL OFFICER:	Mr. Naveed Aleem	
COMPANY SECRETARY:	Mr. Abdul Jabbar	
AUDITORS:	BDO Ebrahim & Co.	Chartered Accountants
LEGAL ADVISOR:	Khalid Law Associates	
	Office No. 42, 4th Floor	
	CM Center, 1-Mozang Road	
	Lahore-54000, Pakistan	
BANKERS TO THE COMPANY:	Habib Bank Limited	National Bank of Pakistan
	Askari Bank Limited	The Bank of Punjab
	United Bank Limited	Meezan Bank Limited
	Habib Metropolitan Bank Limited	Bank Islami Pakistan Limited
	Bank Al Habib Limited	

MILLS:	1 km, Balloki Bhai Pheru Road	(Weaving unit & Power plant)
	Bhai Pheru.	
	Phone : 0494 - 512007-9, 513103-5	
	Fax : 0494 - 512011	
	63 km, Gulshan Adda,	(Towel Unit)
	Jumber Khurd, District Kasur.	

REGISTERED & HEAD OFFICE:	3rd Floor, IEP Building,
	97 B/D-I, Gulberg III, Lahore
	E-mail: info@zephyr.com.pk
	Website: www.zephyrtextiles.com
	Phone : 042 35782905 - 15
	Fax : 042 35753202

Note: The Company's Information & Financial Statements are also available at the above website.

NOTICE IS HEREBY GIVEN that the 30th Annual General Meeting of **Zephyr Textiles Limited** ("ZTL" or "the Company") will be held at the Registered Office of the Company, 3rd Floor IEP Building, 97 B/D-I, Gulberg III, Lahore on Wednesday, October 28, 2026, at 10:30 AM to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting dated October 28, 2025.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2026 together with the Chairperson's Review Report, Directors' and Auditor's report thereon.

In accordance with Section 223 of the Companies Act, 2017 (the Act) and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, issued by the Securities and Exchange Commission of Pakistan (the SECP), the financial statements of the Company can be accessed through the following weblink and QR enabled code:

<https://zephyrtextiles.com/wp-content/uploads/2026/10/ZTLAnnual2026.pdf>



Scan QR Code for
Annual Report 2026

3. To appoint auditors for the year ending June 30, 2027 and to fix their remuneration. The Board of Directors, on recommendation of the Audit Committee has proposed the appointment of M/s. **BDO EBRAHIM & CO. Chartered Accountants**, as auditors for the year ending on June 30, 2027.
4. To transact any other business with the permission of the Chair.

By Order of the Board

Abdul Jabbar
Company Secretary
Lahore:
Tuesday October 06, 2026.

NOTE:

➤ **BOOK CLOSURE NOTICE:**

Share transfer books of the company will remain closed from October 21, 2026 to October 28, 2026 (both days inclusive) and no transfer will be accepted during this period.

1. Instrument of Proxy

A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting. The CDC account holders are requested to bring their original CNIC and participant ID to attend the meeting. Form of proxy in English and Urdu languages is attached to the notice of meeting sent to the shareholders.

Notice of Annual General Meeting

➤ **Participation through video conferencing facility**

The Company will provide the video-link facility for participation in the meeting. The entitled shareholders interested in attending the Annual General Meeting (AGM) are requested to get themselves registered with the Company Secretary office at least Seven working days before the holding of the time of AGM at corporate.affairs@zephyr.com.pk by providing the following details: -

Name of Shareholder	CNIC Number	Folio Number	Cell Number.	Email Address

2. Upon receipt of the above information from interested shareholders, the Company will send the login details at their email addresses. On the AGM day, the shareholders will be able to login and participate in the AGM proceedings through their smart phone or computer devices from their any convenient location. The login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after identification process and verification process.
3. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CD C") will further have to follow the applicable guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No 1 of 2000.
4. Members are requested to be timely notified of any change in their addresses to our independent Share Registrar.
5. **Notice to Shareholders who have not provided CNIC:**

The shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs (if not already provided) directly to our Independent Share Registrar at the address given in Note No. 1.

➤ **Transmission of audited financial statements / notices through email**

The Annual Audited Financial Statements / Annual Report and the Notice of AGM for the year ended June 30, 2026, have been placed on the Company's website, which can be accessed / downloaded from the following link and QR enabled code:

<https://zephyrtextiles.com/wp-content/uploads/2026/10/ZTLAnnual2026.pdf>



Scan QR Code for
Annual Report 2026

In compliance with Section 223 (6) of the Act and SECP Notice vide SRO787 (1)/2014 dated September 8, 2014, soft copies of the Annual Report 2026 are being emailed to those members who opted to receive such communication via emailed. Other members who wish to receive the Annual Report 2026 via email may file an application as per the form provided on the Company's website in compliance with the subject SRO.

Shareholders may request the Company Secretary or Share Registrar of the Company for transmitting the hard copy of Annual Report 2026 by filing a 'Standard Request Form' available on Company's website and the same will be provided at his / her registered address, free of cost, within one week of receipt of request.

➤ **Unclaimed Dividends:**

As per the provision of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the Commission for the credit of Federal Government after issuance of notices to the shareholders to file their claim. In this regard, a notice to shareholder was sent at their provided addresses and subsequently final notice was Published in newspapers having nationwide circulation.

Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged timely. In case, no claim is lodged with the Company in the given time, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244 (2) of companies Act, 2017.

➤ **Conversion of Shares into Book Entry Form (CDC)**

Pursuant to provisions of Section 72 of the Companies Act, 2017 (the Act), all shares holders who having their physical shares are requested to convert all physical shares into the book-entry-form (CDC).

➤ **Deposit of Physical Shares in CDC Accounts**

As per Section 72(2) of the Act, every existing company shall be required to replace its physical shares with book-entry form within four (4) years from the date of the promulgation of the Act. Further, vide its letter dated March 26, 2021, SECP has directed listed companies to pursue their such shareholders who are still holding shares in physical form to convert the same into book entry form. In order to ensure compliance with the aforementioned provision, all shareholders having physical shareholding are encouraged to open a CDC sub- account with any of the brokers or an Investor Account directly with CDC to place their physical shares into scripless form. This will facilitate them in many ways, including safe custody and sale of shares, at any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

For any query / information, the investors may contact the Company / Share Registrar at the following:

Company's Registered Office	Share Registrar
3 rd Floor I.E.P Building 97-B / D-1	THK Associate
Gulberg-III, Lahore	32-C, Jami Commercial Street 2
Phone : 042-35782905-15	DHA Phase-VII, Karachi
Fax : 042-35753202	UAN : 021-111-000-322
Email : info@zephyr.com.pk	Email : info@thk.com.pk
Website : www.zephyrtextiles.com	Website : www.thk.com.pk

Dear Shareholders,

I am pleased to present my review of the performance of the Board of Directors ("the Board") of Zephyr Textiles Limited and its Audit and Human Resource & Remuneration (HR) Committees for the year from July 1, 2025 to June 30, 2026.

Board of Directors

The Board comprises seven directors, two executive, three non-executive and two independent directors, including four female directors. It met four times during the year. The Board provided strategic direction and oversight of management in a challenging operating environment shaped by inflation, interest rates, exchange rate movements, energy costs, etc.

Board's Overall Assessment

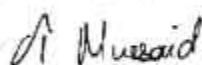
FY2026 was a year of modest revenue contraction but improved gross profitability, lower finance costs and a return to positive net earnings. The improvement in operating cash flow is also encouraging. However, the Company continues to face structural challenges typical of the textile sector, including intense price competition, energy and raw-material volatility, substantial working-capital requirements and dependence on external financing.

The Directors therefore consider the key priorities for the coming year to be sustainable margin improvement, stronger cash conversion, disciplined leverage, productivity enhancement, energy efficiency, value-added product development and prudent capital allocation. The Board will continue to monitor the domestic and international economic environment and will take appropriate measures to protect the Company's competitiveness and financial resilience.

Key areas of Board focus were:

- Approval of the annual budget, business plan and strategic priorities
- Review of quarterly financial results and operational performance against targets
- Oversight of enterprise risk management, internal controls and regulatory compliance
- Capital allocation, including (capex / investments)
- Succession planning and senior management appointments

I am satisfied that the Board and its Committees discharged their responsibilities with diligence, independence and integrity during the year. On behalf of the Board, I thank our shareholders, regulators, bankers and employees for their continued trust and support, and I extend my appreciation to my fellow directors and the management team for their contributions.



Tehniyat Mussaid
Chairperson

Lahore:
September 30, 2026

The Directors of Zephyr Textiles Limited (the "Company") are pleased to present their report together with the financial statements for the year ended June 30, 2026. The report has been prepared with reference to the financial information contained in the Company's audited accounts and is intended to provide shareholders with a balanced view of the Company's financial performance, operating position, liquidity, principal risks and prospects.

The financial year under review remained challenging for Pakistan's textile industry. The sector operated against a backdrop of cautious global demand, domestic cotton-supply constraints, elevated input and utility costs, changing trade conditions and continued pressure to improve value addition and productivity. At the same time, Pakistan's macroeconomic position showed signs of stabilization. The Pakistan Economic Survey 2025–26 reported provisional GDP growth of 3.70% for FY2026 and noted a recovery in large-scale manufacturing.

1. Company Performance at a Glance

Key indicator	FY2026	FY2025	Movement
Net sales	Rs. 7.75 billion	Rs. 8.28 billion	-6.34%
Gross profit	Rs. 867.5 million	Rs. 815.2 million	+6.42%
Gross margin	11.19%	9.85%	+1.34 pp
Operating profit	Rs. 303.8 million	Rs. 341.6 million	-11.07%
Finance costs	Rs. 183.0 million	Rs. 261.3 million	-29.97%
Profit before income tax	Rs. 30.5 million	Rs. -25.4 million	Turned profitable
Profit after tax	Rs. 6.7 million	Rs. 1.8 million	+270.57%
EPS – basic & diluted	Rs. 0.11	Rs. 0.03	+Rs. 0.08

Financial Highlights and Key Ratios

Ratio / Indicator	FY2026	FY2025	Interpretation
Gross profit margin	11.19%	9.85%	Improved by 1.34 pp
Operating profit margin	3.92%	4.13%	Declined by 0.21 pp
Profit after tax margin	0.09%	0.02%	Improved by 0.06 pp
Current ratio	1.00x	0.97x	Improved modestly
Interest-bearing financing / equity	0.90x	0.80x	Higher leverage
Asset growth	+6.05%	+18.82%	Asset base expanded
Operating cash flow	Rs. 90.2 million	Rs. -332.9 million	Turned positive

The most important feature of the year was the improvement in earnings quality at the gross-profit and financing levels. Net sales declined by 6.34%, but gross profit increased by 6.42%, resulting in a gross-margin improvement from 9.85% to 11.19%. Finance costs decreased by approximately 29.97%, which helped the Company move from a pre-tax loss of Rs. 25.4 million in FY2025 to a pre-tax profit of Rs. 30.5 million in FY2026. After taxation, profit increased to Rs. 6.7 million from Rs. 1.8 million.

2. Review of Financial Performance

Sales and revenue. Net sales for FY2026 amounted to Rs. 7.754 billion compared with Rs. 8.279 billion in the preceding year, a decline of 6.34%. The reduction in revenue should be viewed in the context of a competitive textile market, cautious international demand and the Company's need to balance volumes with realizations and margins.

Gross profitability. Cost of sales decreased by 7.74% to Rs. 6.887 billion from Rs. 7.464 billion. The reduction in cost of sales was proportionately greater than the decline in revenue and resulted in gross profit increasing to Rs. 867.5 million from Rs. 815.2 million. Gross margin consequently improved by approximately 1.34 percentage points. This indicates progress in cost control, product/pricing mix and production efficiency, although continued monitoring of raw-material, energy, labour and conversion costs remains essential.

Operating expenses. Distribution expenses increased to Rs. 451.1 million from Rs. 401.8 million, while administrative expenses increased to Rs. 136.9 million from Rs. 122.9 million. Other operating expenses decreased to Rs. 41.0 million from Rs. 44.8 million. Other income also declined to Rs. 65.3 million from Rs. 96.0 million. Consequently, operating profit was Rs. 303.8 million compared with Rs. 341.6 million, a decline of 11.07%, and operating margin reduced from 4.13% to 3.92%.

Finance costs and profit before tax. Finance costs reduced materially from Rs. 261.3 million to Rs. 183.0 million, a reduction of approximately Rs. 78.3 million. Profit before taxation and levy improved to Rs. 120.8 million from Rs. 80.3 million. After recognition of levy of Rs. 90.3 million and taxation of Rs. 23.8 million, the Company reported profit after taxation of Rs. 6.7 million. The year therefore represents a return to profitability after the prior-year loss.

Earnings per share. Basic and diluted earnings per share improved to Rs. 0.11 from Rs. 0.03, reflecting the increase in profit attributable to shareholders.

3. Financial Position and Capital Structure

Total assets increased by 6.05% to Rs. 7.18 billion from Rs. 6.77 billion. Property, plant and equipment remained the principal non-current asset base at Rs. 2.925 billion. Current assets increased by 10.31% to Rs. 4.202 billion, while current liabilities increased by 7.44% to Rs. 4.209 billion.

The Company's current ratio improved from approximately 0.97x to 1.00x. Nevertheless, the ratio remains around unity, indicating limited headroom in short-term liquidity and reinforcing the importance of disciplined working-capital management, timely recovery of receivables, inventory optimization and close control over supplier and financing maturities.

Trade debts increased by 18.74% to Rs. 1.142 billion, while stock in trade remained high at Rs. 1.969 billion. Trade and other payables increased by 6.98% to Rs. 1.997 billion. These movements demonstrate the continuing significance of working capital in the Company's cash-flow profile.

Short-term borrowings increased to Rs. 2.088 billion from Rs. 1.973 billion. Long-term financing, including the current portion and diminishing musharaka balance, also increased. Based on the balances in the financial statements, interest-bearing and similar financing relative to shareholders' equity increased from approximately 0.80x to 0.90x. The Directors therefore consider liquidity, borrowing costs and refinancing capacity to be key financial-management priorities.

4. Cash Flow and Working Capital

Cash-flow indicator	FY2026	FY2025	Comment
Operating cash flow	Rs. 90.2 million	Rs. -332.9 million	Turned positive
Investing cash flow	Rs. -267.7 million	Rs. -307.2 million	Capital expenditure remained significant
Financing cash flow	Rs. 182.8 million	Rs. 620.7 million	Lower net financing inflow
Capital expenditure	Rs. -305.7 million	Rs. -368.0 million	-16.93%
Closing cash & bank balance	Rs. 108.3 million	Rs. 27.4 million	Balance Sheet balances

Operating cash flow turned positive at Rs. 90.2 million compared with an outflow of Rs. 332.9 million in FY2025. This was supported by improved operating cash generation after working-capital changes and a materially smaller working-capital drag than in the prior year. However, the Company continued to invest in fixed assets, with capital expenditure of approximately Rs. 305.7 million, while investing activities resulted in a net outflow of Rs. 267.7 million.

Financing activities generated Rs. 182.8 million during the year, including long-term borrowing and net short-term borrowing. This financing support, together with operating cash generation, enabled the Company to fund its investment programme and manage liquidity requirements. The Board remains focused on reducing dependence on short-term funding through stronger internal cash generation and tighter working-capital discipline.

5. Pakistan Textile Industry and Economic Environment

Pakistan's textile sector continued to be the country's principal export-oriented manufacturing segment during FY2025–26. The Pakistan Economic Survey 2025–26 states that textile exports accounted for 59.6% of total exports during July–March FY2026 and were broadly stable at US\$13.5 billion, despite a challenging global trade environment and domestic cotton-supply constraints. Readymade garment exports increased 3.8% to US\$3.2 billion and bed wear increased 0.3% to US\$2.4 billion, supporting the broader shift toward value-added products.

The same Survey reported provisional GDP growth of 3.70% in FY2026, compared with 3.18% in the preceding year, and highlighted a recovery in large-scale manufacturing. Its manufacturing indicators for July–March FY2026 showed overall large-scale manufacturing growth of 6.5%, with textile growth of 0.7% and wearing apparel growth of 6.6%. These figures point to an improving domestic industrial backdrop, while also showing that textile manufacturing growth remained comparatively modest.

Financing conditions also improved materially compared with the exceptionally tight conditions of earlier periods, although borrowing remained a significant cost for leveraged textile businesses. At its June 15, 2026 meeting, the State Bank of Pakistan kept the policy rate at 11.5% and noted that economic activity showed signs of moderation amid elevated prices, austerity measures and uncertainty. For a capital-intensive textile manufacturer, interest-rate movements remain directly relevant to working-capital finance, term borrowing and investment decisions.

The sector also remains exposed to international freight, energy and geopolitical risks. The Economic Survey highlighted volatility in energy prices, supply-chain disruptions, tight global financial conditions and heightened regional

uncertainty as factors affecting Pakistan's economy in FY2026. For textile manufacturers, these risks can affect cotton and synthetic inputs, dyes and chemicals, imported machinery and spare parts, freight, insurance and customer delivery schedules.

6. Operational Priorities

- Protect gross margins through disciplined product costing, pricing, procurement and production planning.
- Improve capacity utilization and production efficiency, with particular attention to energy-intensive processes and bottleneck operations.
- Accelerate working-capital turnover by reducing aged receivables, optimizing stock levels and negotiating efficient supplier terms.
- Maintain strict controls over short-term borrowing and financing costs, while aligning financing tenor with the underlying asset or working-capital cycle.
- Increase the proportion of value-added textile products and deepen customer/market diversification where commercially viable.
- Continue investment in energy efficiency and renewable-energy solutions where the payback and financing structure are acceptable.
- Strengthen quality, compliance, traceability and delivery performance to protect relationships with export and institutional customers.
- Use data-driven costing and contribution analysis to identify profitable products, customers and markets.

7. Principal Risks and Uncertainties

Risk	Potential impact	Management response
Market and demand risk	Global demand, customer buying patterns and competitive pricing can affect volumes and realizations.	Diversification, customer retention, product development and disciplined pricing.
Raw-material risk	Cotton, yarn, chemicals and other inputs are subject to price and availability fluctuations.	Forward planning, supplier diversification, inventory controls and cost monitoring.
Energy and utility risk	Electricity, gas and other utility costs materially affect textile conversion costs.	Energy efficiency, renewable generation, preventive maintenance and consumption monitoring.
Liquidity risk	Current liabilities are approximately equal to current assets and short-term borrowing is material.	Rolling cash-flow forecasts, collections discipline, inventory controls and financing diversification.
Interest-rate risk	Borrowing costs affect margins and investment returns.	Active debt management, tenor matching and evaluation of refinancing opportunities.
Foreign-exchange risk	Imported machinery/inputs and export-linked transactions may be affected by exchange-rate movements.	Natural hedging, exposure monitoring and appropriate treasury controls.
Regulatory and tax risk	Changes in tax, export, labour, environmental and energy policies can affect costs and compliance.	Continuous regulatory monitoring and timely compliance.
Climate and supply-chain risk	Extreme weather and regional disruptions can affect cotton, logistics and production continuity.	Business-continuity planning, supplier/customer diversification and contingency arrangements.

8. Outlook for FY2027

The Board enters FY2027 with a cautious but constructive approach. The Company's FY2026 results demonstrate that margin improvement and lower financing costs can partially offset pressure on sales volumes. The near-term focus will therefore be on profitable revenue generation rather than volume growth alone, while protecting cash and maintaining production discipline.

The external environment remains uncertain. Pakistan's textile exports demonstrated resilience during July–March FY2026, while official data also indicate continuing opportunities in value-added categories such as garments and bed wear. At the same time, global trade conditions, energy prices, cotton availability, freight costs, geopolitical developments and domestic policy changes can affect competitiveness. The Company will continue to monitor these factors and adjust sourcing, pricing, production and financing decisions accordingly.

Management's principal financial objective for FY2027 will be to strengthen recurring profitability and operating cash flow, improve the conversion of earnings into cash, reduce avoidable finance costs and maintain adequate liquidity. Capital expenditure will be prioritized toward projects that improve productivity, quality, energy efficiency, product capability or cost competitiveness.

9. Capital Expenditure and Technology

Capital expenditure during FY2026 was approximately Rs. 305.7 million, compared with Rs. 368.0 million in FY2025. The Company continues to maintain a substantial fixed-asset base, and the accounting schedules indicate investment in manufacturing machinery and renewable-energy-related assets. The Directors believe that disciplined modernization and energy efficiency are important to maintaining competitiveness in Pakistan's textile industry, provided that investments are supported by realistic utilization and cash-flow analysis.

10. Human Resources, Health, Safety and Welfare

The Directors recognize employees as a critical component of manufacturing quality, productivity and customer service. The Company will continue to focus on workforce capability, safe working practices, technical training, employee welfare and compliance with applicable labour requirements. Staff retirement benefit obligations and related actuarial movements have been recognized in the financial statements.

11. Corporate Governance and Internal Controls

The Board is responsible for providing oversight of the Company's strategy, financial reporting, risk management and internal-control environment. Management maintains controls designed to safeguard assets, ensure proper authorization of transactions, support reliable financial reporting and promote compliance with applicable laws and policies.

The Board recognizes that the Company's liquidity position and financing structure require continued oversight. Accordingly, management reporting should continue to emphasize rolling cash-flow forecasts, receivable ageing, inventory ageing, borrowing utilization, finance-cost trends, customer profitability and capital-expenditure commitments.

a. Board of Directors

Following are the directors of the Company:

- | | | |
|----|---------------------------|------------------------|
| 1. | Ms. Tehniyat Mussaid | Director/Chairperson |
| 2. | Mr. Mussaid Hanif | Executive Director/CEO |
| 3. | Mr. Arbab Muhammad Khan | Executive Director |
| 4. | Ms. Sabah Burhan | Director |
| 5. | Ms. Sarah Naviwala | Director |
| 6. | Ms. Ayesha Naweed | Independent Director |
| 7. | Mr. Sheikh Muhammad Iqbal | Independent Director |

b. Directors' Training Program

The Board of directors of the Company consist of 7 Directors out of which the following six directors have obtained a certificate for the Directors' Training Program offered by a local institution that meets the criteria specified by the Securities and Exchange Commission of Pakistan ("SECP"):

- Ms. Tehniyat Mussaid
- Ms. Sabah Burhan
- Mr. Arbab Muhammad Khan
- Mr. Sheikh Muhammad Iqbal
- Ms. Sarah Naviwala
- Ms. Ayesha Naweed

The remaining one director includes chief executive of the Company meet the exemption requirement of the DTP.

c. Corporate Briefing Session

Corporate Briefing Session is being held annually to brief investors regarding the performance of the Company and future outlook.

d. Compliance of Corporate and Financial Reporting Framework

We are committed to good corporate governance and do comply with the requirements of Code of Corporate Governance Regulation 2019 (CCG 2019) included in the listing regulations of Pakistan Stock Exchange Limited. The statement of compliance with the CCG 2019 is enclosed.

e. Board Committees

Audit Committee

The Audit Committee is comprised of all three non-executive members of the board. The chairperson of the committee is an independent director. The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, four audit committee meetings were held, attendance position was as under:

Name	Designation	Meetings attended
Ms. Ayesha Naweed	Chairperson/Member	4
Ms. Tehniyat Mussaid	Member	4
Ms. Sarah Naviwala	Member	4

f. Human Resource & Remuneration Committee

The HR and remuneration committee comprised of three members of whom two are non-executive directors and the Chairperson is an independent director. The Human Resource & Remuneration Committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, only one HR and Remuneration committee meeting were held and attendance position was as under:

Name	Designation	Meetings attended
Ms. Ayesha Naweed	Chairperson/Member	1
Mr. Arbab Muhammad Khan	Member	1
Ms. Sabah Burhan	Member	1

g. Meetings of the Board of Directors

During the year under review, four meetings of the Board of Directors of the Company were held and the attendance position is as follows:

S.No.	Name of Directors	No. of meetings attended
1.	Mr. Mussaid Hanif	4
2.	Mr. Arbab Muhammad Khan	4
3.	Ms. Tehniyat Mussaid	4
4.	Ms. Sabah Burhan	4
5.	Ms. Sarah Naviwala	4
6.	Mr. Sheikh Muhammad Iqbal	4
7.	Ms. Ayesha Naweed	4

h. Directors' Remunerations

The Board of Directors has approved Directors' Remuneration Policy. The main features of the policy are as follows:

- The Company shall not pay remuneration and meeting fee to its non-executive directors including independent directors.
- The Company shall reimburse or incur expenses of travelling and accommodation of Directors in relation to attending meetings of the Board and its Committees.
- The Directors' Remuneration Policy shall be reviewed and approved by the Board of Directors from time to time.
- The Human Resource and Remuneration Committee recommended which subsequently approved by The Board of Directors, 100% increment in monthly salary of Chief Executive Officer w.e.f. January 1st, 2026. Increased from PKR 250,000 to PKR 500,000 per month.

Refer to note 55 of financial statements of the Company for remuneration of Chief Executive Officer and Directors of the Company.

i. Directors' Statement

In compliance of the Code of Corporate Governance, we give below statements on Corporate and Financial reporting framework:

1. Financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of account of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern.
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

12. Social, Environmental and Community Responsibility

The Company acknowledges its responsibility to operate in a manner that supports employees, customers, suppliers, shareholders and the wider community. Environmental performance is particularly relevant to textile manufacturing because of energy consumption, water use, process chemicals, wastewater and waste management. The Company will continue to pursue practical measures that improve energy efficiency, reduce resource intensity and strengthen responsible operating practices, subject to technical and economic feasibility.

13. Dividend and Retained Earnings

The statement of changes in equity shows that the Company's accumulated profit increased from Rs. 1.524 billion at June 30, 2025 to Rs. 1.553 billion at June 30, 2026, after recognizing current-year profit and other equity movements. The Company's financial position, liquidity requirements and investment programme have been considered in determining any distribution to shareholders. The Board has not recommended dividend for the FY 2026 and intends to reinvest the surplus into working capital, paying down the existing debt and upcoming capital expenditure (CapEx).

14. External Auditors

BDO Ebrahim & Co., Chartered Accountants, current auditors will retire on the conclusion of Annual General Meeting of the Company. Being eligible, they have offered themselves for reappointment for the year ending June 30, 2027. As suggested by the Audit Committee, the Board of Directors has recommended reappointment of BDO Ebrahim & Co, Chartered Accountants for approval of shareholders in forth coming Annual General Meeting.

15. Appreciation

The Board acknowledges the continued support of our shareholders, the dedication of our employees, and the confidence of our customers and business partners. We remain committed to restoring sustainable growth and improving shareholder value in the coming years.



Mussaid Hanif
Chief Executive

Lahore

September 30, 2026



Arbab Muhammad Khan
Director

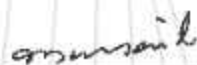
Gender Pay Gap Statement

UNDER SECP'S CIRCULAR 10 OF 2024

Following is the Gender Pay Gap calculated for the year ended June 30, 2026

(1) Mean Gender Pay Gap:	0.93 %
(2) Median Gender Pay Gap:	3.99 %

The above percentage reflects the gender pay gap of relevant male versus female employees across the organization.



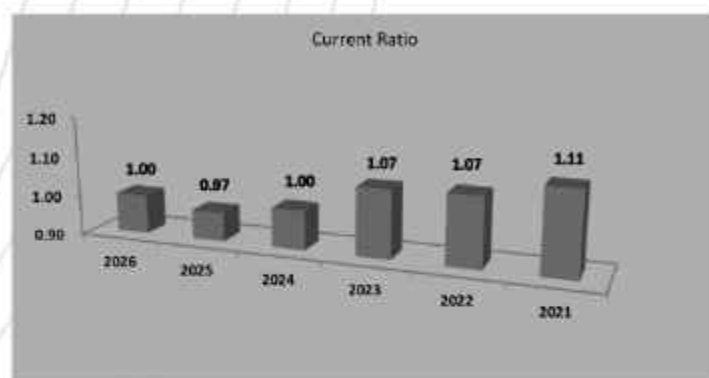
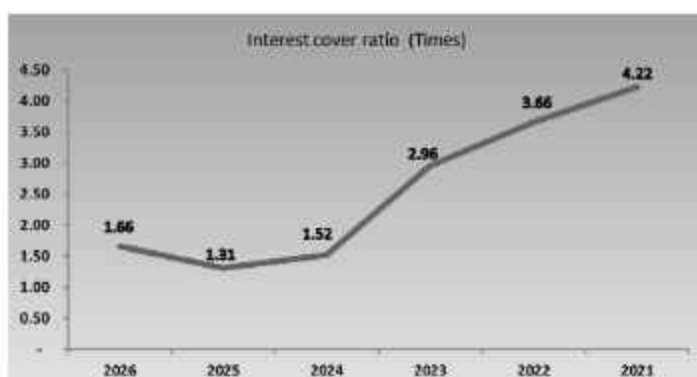
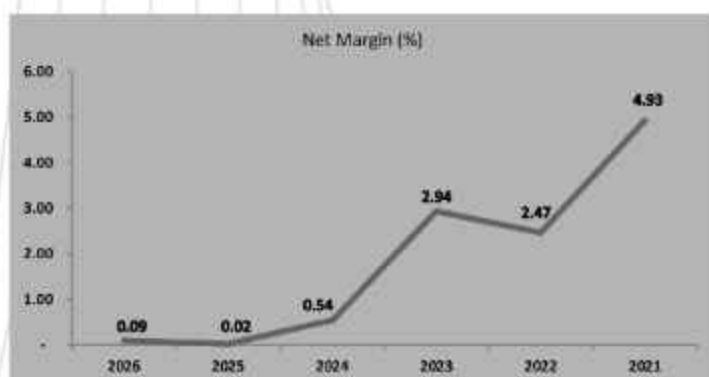
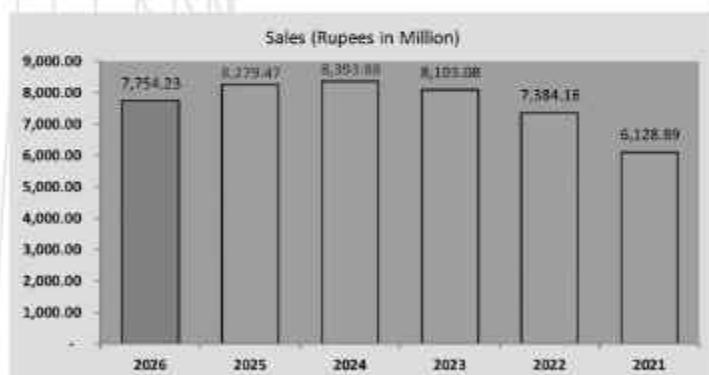
Mussaid Hanif
Chief Executive

Date: September 30, 2026

Key Operating and Financial Data of Last Six Years

	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Rupees in Million						
PROFIT AND LOSS						
Sales	7,754	8,279	8,394	8,103	7,384	6,129
Cost of sales	6,887	7,464	7,497	6,881	6,645	5,321
Gross profit	868	815	897	1,222	739	808
Operating profit	304	342	444	560	359	473
EBITDA	542	571	647	756	545	652
Financial & other charges	183	261	293	190	98	112
Levy and taxation	114	78	106	133	79	59
Net profit after levy and taxation	7	2	46	238	182	302
BALANCE SHEET						
Capital	594	594	594	594	594	594
Reserves and contribution from sponsors	1,597	1,563	1,494	1,362	1,141	979
Surplus on revaluation of fixed assets	352	373	487	574	368	389
Net worth	2,544	2,530	2,575	2,530	2,103	1,962
Long term liabilities	121	46	57	88	123	242
Deferred liabilities	309	279	214	227	210	195
Current liabilities	4,209	3,918	2,855	3,029	2,740	2,803
Total liabilities	4,639	4,243	3,125	3,345	3,074	3,239
Total equity & liabilities	7,183	6,773	5,700	5,875	5,177	5,201
Fixed assets	2,925	2,889	2,771	2,534	2,170	2,036
Capital work in progress	-	18	55	75	40	33
Long term deposits	25	25	25	26	25	23
Current assets and assets held for sale	4,232	3,840	2,849	3,240	2,943	3,110
Total assets	7,183	6,773	5,700	5,875	5,177	5,201
INVESTOR INFORMATION						
Break up value per share (Rs.)	42.81	42.57	43.33	42.57	35.39	33.01
Bonus/cash dividend (Rs. In Million)	-	-	-	29.71	-	29.71
Earning per share (Rs.)	0.11	0.03	0.77	4.00	3.07	5.08
Return on equity (%)	0.26	0.07	1.77	9.41	8.66	15.40
Return on assets (%)	0.09	0.03	0.80	4.05	3.52	5.81
FINANCIAL RATIOS						
Gross margin (%)	11.19	9.85	10.68	15.08	10.01	13.18
Net margin (%)	0.09	0.02	0.54	2.94	2.47	4.93
EBITDA (%)	6.99	6.89	7.71	9.33	7.39	10.64
Current ratio	1.00	0.97	1.00	1.07	1.07	1.11
Long term debt to equity ratio (%)	07:93	02:98	03:97	04:96	14:86	26:74
Interest cover ratio (Times)	1.66	1.31	1.52	2.96	3.66	4.22
Gearing ratio (%)	47:53	45:55	36:64	36:64	43:57	47:53

Graphical Representation



Pattern of Share Holding As on June 30,2026

Incorporation Number 0039902

Number of Shareholders	Shareholding		Total Shares held
	From	To	
210	1	100	4,184
216	101	500	92,579
90	501	1000	86,131
173	1001	5000	502,852
50	5001	10000	394,078
28	10001	15000	366,199
21	15001	20000	385,013
14	20001	25000	333,100
5	25001	30000	144,803
10	30001	35000	329,300
3	35001	40000	115,999
5	40001	45000	222,500
12	45001	50000	590,856
5	50001	60000	271,600
4	65001	70000	274,994
2	70001	75000	144,700
2	85001	90000	172,023
2	90001	95000	184,958
3	95001	100000	300,000
2	105001	115000	219,407
2	120001	130000	253,629
1	135001	140000	140,000
2	145001	160000	310,000
1	165001	170000	165,870
2	195001	210000	408,036
2	265001	295000	564,200
1	530001	535000	532,000
2	750001	830000	1,577,787
2	1560001	1565000	3,122,228
1	1945001	1950000	1,949,171
1	1965001	1970000	1,967,089
1	2165001	2170000	2,166,800
1	2465001	2470000	2,465,300
1	2640001	2645000	2,644,139
1	4195001	4200000	4,195,495
1	4785001	4790000	4,787,651
1	4930001	4935000	4,932,416
1	5285001	5290000	5,288,277
1	16820001	16825000	16,823,365
882			59,428,729

Categories of Shareholders

As on June 30, 2026

Shareholder's category	No. of shareholders	Share held	Percentage
1 Directors, Chief Executive Officer and their spouses and minor children			
Mr. Mussaid Hanif	2	21,611,016	36.3646
Ms. Sabah Burhan	4	8,843,466	14.8808
Mr. Arbab Muhammad Khan	3	6,852,005	11.5298
Ms. Tehniyat Mussaid	2	4,026,300	6.7750
Ms. Sarah Naviwala	1	50,000	0.0841
Mr. Sheikh Muhammad Iqbal	1	19,500	0.0328
Ms. Ayesha Naweed	0	-	-
Total	13	41,402,287	69.67
2 Associated companies, undertaking and related parties	0	-	-
3 Executive	0	-	-
4 Public Sector Companies and Corporation	0	-	-
5 Banks, Development Financial Institutions, Non-Banking Financial Institutions	0	-	-
6 General public - Local	813	16,038,707	26.9881
7 General public - Foreign	40	603,563	1.0156
8 Others	16	1,384,172	2.3291
Total	869	18,026,442.00	30.33
Grand Total	882	59,428,729.00	100.00

Shareholders holding 5% or more	Shares held	Percentage
Mr. Mussaid Hanif	21,611,016	36.3646
Ms. Sabah Burhan	8,843,466	14.8808
Mr. Arbab Muhammad Khan	6,852,005	11.5298
Ms. Tehniyat Mussaid	4,026,300	6.7750
Mr. Khitab Muhammad Khan	6,945,505	11.6871
General public	9,696,765	16.3166

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

Name of Company: ZEPHYR TEXTILES LIMITED (the “Company”)

For the year ended: June 30, 2026

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

1. The total number of Directors are “seven” as per the following:
 - a) Male: 3
 - b) Female: 4
2. The composition of the Board of Directors is as follow:

Category	Names
Independent Directors	1. Ms. Ayesha Naweed
	2. Mr. Sheikh Muhammad Iqbal
Executive Directors	3. Mr. Mussaid Hanif (CEO)
	4. Mr. Arbab Muhammad Khan
Non-Executive Directors	5. Ms. Tehniyat Mussaid (Chairperson)
	6. Ms. Sabah Burhan
	7. Ms. Sarah Naviwala

Determination of number of independent Directors comes to 2.33 (rounded to 2.0) which is based on seven elected Directors. The Fraction of one-third is not rounded up, as the two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.

The Independent Directors meet the criteria of independence as defined under the Companies Act, 2017. However, one of the Independent Directors holds 0.033% shares of the Company.

3. The Directors have confirmed that none of them is serving as a Director of more than seven listed Companies (Excluding the listed subsidiaries of listed holding companies where applicable), 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 significant policies along with the date on which they were approved or amended has been maintained.
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 the Chairperson and, in her 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 has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. The Board of Directors of the Company consist of seven (7) Directors out of which the six (6) Directors have obtained a certificate for the Directors' Training Program offered by a local institution that meets the criteria specified by the Securities and Exchange Commission of Pakistan ("SECP"): The remaining one (1) Directors including chief executive of the Company meet the exemption requirement of the DTP.
10. During the year, there was no appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit.
11. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
12. The Board of Directors have formed committees comprising of the members given bellow:

Audit Committee:	Ms. Ayesha Naweed Ms. Tehniyat Mussaid Ms. Sarah Naviwala	Chairperson/ Member Member Member
Human Resource & Remuneration Committee:	Ms. Ayesha Naweed Mr. Arbab Muhammad Khan Ms. Sabah Burhan	Chairperson/ Member Member Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:
 - a. **Audit Committee** 4 quarterly
 - b. **HR and Remuneration Committee** 1 annual meeting
15. The Board has set up an effective internal audit function and the persons involved 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 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 been complied with.
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

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

Sr. No	Requirement	Explanation of Non-Compliance	Regulation No.
1.	Policies The Board shall ensure that complete record of particulars of the significant policies along with their dates of approval or updating is maintained by the Company.	The Company is in the process of developing significant policies in documented form and the same will be posted in the website.	10
2.	The Company may post on its website key elements of its significant policies including but not limited to the following: i. Communication and disclosure policy; ii. Code of conduct for members of board of directors, senior management and other employees; iii. Risk management policy; iv. Internal control policy; v. Whistle blowing policy; vi. Corporate social responsibility/sustainability/ environmental, social and governance related policy; and vii. policies for promoting DE&I and protection against harassment at the workplace.	As the regulation provides option for the disclosure of key elements of significant policies on the Company's website, only those policies which were considered necessary by management, have been posted on the website.	35 (1)
3.	Role of the Board and its members to address Sustainability Risks and Opportunities The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.	Currently, the Board offers governance and oversight regarding Environmental, Social and Governance (ESG) issues. Nevertheless, the regulations recently promulgated by the SECP via notification dated June 12, 2024, and applicable to the company subsequent to June 2026, and the Board will adhere to the requisite compliance in a timely manner.	10(A)
4.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being taken care of at board level as and when needed so a separate committee is not considered to be necessary.	29
5.	Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and senior officer of the Company performs the requisite functions and apprise the Board accordingly. When needed so a separate committee is not considered to be necessary.	30

Tehniyat Mussaid

Tehniyat Mussaid
Chairperson

Lahore: September 30, 2026

Mussaid Hanif

Mussaid Hanif
Chief Executive

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 Zephyr Textiles Limited 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.

Further we highlight below instances of non-compliance with the requirement of the regulations as reflected in the paragraph reference where it is stated in the statement of Compliance:

Paragraph	Reference	Description
I	10	The Company has not developed significant policies in documented form.
II	10(A)	The board has not constituted a separate committee to address Sustainability Risks and Opportunities.
III	29	The board has not constituted a separate Nomination Committee.
IV	30	The board has not constituted a separate Risk Management Committee.
V	35	The Company has not post significant policies on its website

LAHORE

DATED: 05 OCTOBER 2026

UDIN: CR202610131qLs2UjrhP

BDO Ebrahim & Co.

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Engagement Partner: Muhammad Imran

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZEPHYR TEXTILES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **ZEPHYR TEXTILES 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 cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including material accounting policy 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 cash flows and the statement of changes in equity 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, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

S. No	Key audit matters	How the matters were addressed in our audit
1.	Trade receivable & revenue recognition (Refer note 37 and 15 to the annexed financial statements) The Company is principally engaged in the production and sale of fabric, towels, knitting and other related items, in the local and export markets.	Our audit procedures in relation to the revenue, included the following: - Understood and evaluated management controls over revenue and checked their validation; - Performed verification of sales with underlying documentation including dispatch documents and sales invoices;

- Revenue from sale of goods is recognized when the performance obligation is satisfied by transferring control of promised goods to the customers. - We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of an inherent risk of material misstatement and significant audit risk as part of the audit process. Trade receivable: As at June 30, 2026, the Company's gross trade receivables were Rs. 1,185.803 million against which provision of Rs. 44.179 million has been recognized. We identified existence and recoverability of trade receivables as key audit matter as it involves significant management judgement in determining the expected credit loss.	- Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the correct period; - Verified that sales prices are approved by the appropriate authority; - Performed analytical procedures to analyze variation in the price and quantity sold during the year; - Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and - Assessed the adequacy of disclosures made in the financial statements related to revenue. Our key audit procedures to valuation and existence of trade receivables included: - Obtained an understanding of the Company's processes and design and implementation of internal controls relating to credit control processes, debt collection process and making expected credit loss for doubtful receivables. - Testing the accuracy of aging report, on sample basis, by comparing individual balances in the report with underlying documentation. - Assessing the appropriateness of assumptions and estimates made by management for the expected credit loss by comparing on sample basis, historic cash collection, actual write offs and cash receipts from customers subsequent to reporting date. - Circulated external confirmations and performed alternative audit procedures in the absence of receipts of external confirmations.
2. Inventory existence and valuation As at June 30, 2026, the Company held Rs. 1,968.624 million in inventories. Given the size of the inventory balance relative to the total assets of the Company and the	Our audit procedures involved assessing the Company's accounting policies over recognizing and valuation of inventory in compliance with applicable accounting

estimates and judgements described below, the valuation of inventory required significant audit attention. As disclosed in Note 5.6, inventory is held at the lower of cost and net realizable value determined using the weighted average cost method / prime cost-plus appropriate production overheads determined on weighted average basis. At year end, the valuation of inventory is reviewed by management and the cost of inventory is reduced where inventory is forecast to be sold below cost. The determination of whether inventory will be realized for a value less than cost requires management to exercise judgement and apply assumptions. Management undertakes the following procedures for determining the level of write down required: • Use inventory aging reports together with historical trends to estimate the likely future salability of slow-moving and older inventory items; • The Company reviews the carrying amount of inventories on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related inventories. • Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost and net realizable value and a specific write down is recognized if required. Refer to Notes 5.6 & 13 of the financial statements.	standards. • We tested the costing of the inventory and performed net realizable value testing to assess whether the cost of the inventory exceeds net realizable value. • We performed an analytical review of the inventory to compare and investigate any unexpected or unusual variation between current year and prior year and discuss these with management and also corroborate with underlying record. • We checked final stock valuation sheet to physical stock taking sheet to ensure that all items are included. • We reconciled final stock valuation sheet to general ledger and stock ledger and checked amount to appropriate sources and investigate unusual items. • We assessed the Company's disclosures in the financial statements in respect of inventory. • We checked that the provision made is appropriate in the circumstances. • Attended the physical inventory count conducted by the Company, observed the count procedures, performed test counts on a sample basis, and assessed the appropriateness and reasonableness of management's process for ensuring completeness and accuracy of inventory records.
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Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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
- no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

LAHORE

DATED: 05 OCTOBER 2026

UDIN: AR202610131r00zdpysK

Bdo Ebrahim

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	June 30, 2026 (Rupees)	June 30, 2025 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	2,924,822,232	2,888,976,924
Right of use asset	8	-	459,448
Capital work in progress	9	-	18,048,239
		<u>2,924,822,232</u>	<u>2,907,484,611</u>
Intangible assets	10	-	299,878
Long term deposits	11	<u>25,474,124</u>	<u>25,474,124</u>
		<u>2,950,296,356</u>	<u>2,933,258,613</u>
CURRENT ASSETS			
Stores, spares and loose tools	12	281,850,880	230,424,873
Stock in trade	13	1,968,624,524	1,942,040,058
Loans and advances	14	120,536,830	66,992,300
Trade debts	15	1,141,624,126	961,464,521
Trade deposits and prepayments	16	17,786,564	25,314,615
Tax refunds due from Government	17	362,755,060	373,986,586
Taxation - net	18	51,424,689	42,059,645
Other receivables	19	146,495,216	132,362,795
Short term investments	20	2,791,621	7,400,239
Cash and bank balances	21	<u>108,328,908</u>	<u>27,409,493</u>
		<u>4,202,218,418</u>	<u>3,809,455,125</u>
NON CURRENT ASSET HELD FOR SALE			
Freehold land	22	<u>30,275,000</u>	<u>30,275,000</u>
TOTAL ASSETS		<u><u>7,182,789,774</u></u>	<u><u>6,772,988,738</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	23	<u>625,000,000</u>	<u>625,000,000</u>
Capital reserves			
Issued, subscribed and paid up share capital	23.2	594,287,290	594,287,290
Surplus on revaluation of property, plant and equipment	24	352,137,473	373,283,383
Contribution/loan from sponsors	25	44,000,000	39,000,000
Revenue reserves			
Accumulated profit		<u>1,553,233,197</u>	<u>1,523,646,635</u>
		<u>2,543,657,960</u>	<u>2,530,217,308</u>
NON CURRENT LIABILITIES			
Long term financing	26	108,250,088	44,722,309
Diminishing musharaka	27	8,261,639	-
Deferred liabilities	28	309,399,904	279,070,999
Deferred grant	30	<u>4,047,111</u>	<u>1,390,684</u>
		<u>429,958,742</u>	<u>325,183,992</u>
CURRENT LIABILITIES			
Trade and other payables	31	1,996,800,390	1,866,592,689
Contract liabilities	32	34,135,220	46,108,472
Mark-up accrued	33	15,970,912	19,806,465
Short term borrowings	34	2,087,656,452	1,972,919,250
Unclaimed dividend		829,907	829,907
Current portion of long term liabilities	35	<u>73,780,191</u>	<u>11,330,655</u>
		<u>4,209,173,072</u>	<u>3,917,587,438</u>
TOTAL EQUITY AND LIABILITIES		<u><u>7,182,789,774</u></u>	<u><u>6,772,988,738</u></u>
CONTINGENCIES AND COMMITMENTS	36		

The annexed notes from 1 to 64 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

		June 30, 2026 (Rupees)	June 30, 2025 (Rupees)
	Note		
Sales - net	37	7,754,233,875	8,279,470,879
Cost of sales	38	(6,886,719,537)	(7,464,304,274)
Gross profit		867,514,338	815,166,605
Distribution expenses	39	(451,115,013)	(401,828,169)
Administrative expenses	40	(136,949,416)	(122,911,511)
Other operating expense	41	(40,989,743)	(44,787,418)
Other income	42	65,327,630	95,980,563
		(563,726,542)	(473,546,535)
Operating profit		303,787,796	341,620,070
Finance costs	43	(182,991,579)	(261,301,508)
Profit before taxation and levy		120,796,217	80,318,562
Levy	44	(90,266,669)	(105,742,226)
Profit / (loss) before income tax		30,529,548	(25,423,664)
Taxation	45	(23,788,571)	27,242,748
Profit after taxation		6,740,977	1,819,084
Earnings per share - basic and diluted (Rupees)	46	0.11	0.03

The annexed notes from 1 to 64 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

	Note	June 30, 2026 (Rupees)	June 30, 2025 (Rupees)
Profit after taxation		6,740,977	1,819,084
Other comprehensive income / (loss) for the year			
Items that will not be reclassified subsequently to profit or loss			
Gain / (loss) on remeasurement of staff retirement benefit plan	28.2	2,393,908	(1,913,196)
Related deferred tax	28.1.1	(694,233)	554,827
		1,699,675	(1,358,369)
Deferred tax relating revaluation surplus on property plant and equipments due to rate change	24.1	-	(84,152,108)
Items that will be reclassified subsequently to profit or loss		-	-
Total comprehensive income / (loss) for the year		<u>8,440,652</u>	<u>(83,691,393)</u>

The annexed notes from 1 to 64 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

	Issued, subscribed and paid-up share capital	Contribution/loans from sponsor	Surplus on revaluation of fixed assets	Accumulated profit	Total
Note	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as at July 01, 2025	594,287,290	-	486,755,448	1,493,865,963	2,574,908,701
Total comprehensive income for the year ended June 30, 2025					
Profit for the year	-	-	-	1,819,084	1,819,084
Other comprehensive income for the year					
Actuarial loss on staff retirement benefits	-	-	-	(1,358,369)	(1,358,369)
Transfer of surplus on revaluation on disposal of property, plant and equipment - net of tax	-	-	(4,254,193)	4,254,193	-
Transfer of incremental depreciation from revaluation surplus on property, plant and equipment - net of tax	-	-	(25,065,764)	25,065,764	-
Effect of rate change related to revaluation surplus	24.1	-	(84,152,108)	-	(84,152,108)
Transaction with owners of the Company					
Transfer of loan from director / contribution from sponsor - net	-	39,000,000	-	-	39,000,000
Balance as at June 30, 2025	594,287,290	39,000,000	373,283,383	1,523,646,635	2,536,217,308
Total comprehensive income for the year ended June 30, 2026					
Income for the year	-	-	-	6,740,977	6,740,977
Other comprehensive income for the year					
Actuarial gain on staff retirement benefits	-	-	-	1,699,675	1,699,675
Transfer of incremental depreciation from revaluation surplus on property, plant and equipment - net of tax	24.1	-	(21,145,910)	21,145,910	-
Transaction with owners of the Company					
Loan from sponsors and directors	25	5,000,000	-	-	5,000,000
Balance as at June 30, 2026	594,287,290	44,000,000	352,137,473	1,553,233,197	2,543,657,960

The annexed notes from 1 to 64 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	June 30, 2026 (Rupees)	June 30, 2025 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from operating activities before working capital changes	49	501,623,933	531,056,135
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(33,377,768)	(8,187,440)
Stock in trade		(26,584,466)	(402,768,170)
Trade debts		(132,053,344)	(344,164,344)
Loans and advances		(55,387,237)	70,177,839
Trade deposits and prepayments		7,528,051	(12,387,440)
Other receivables		(14,132,421)	(31,628,065)
Tax refund due from government		53,291,171	(217,030,015)
		(200,716,014)	(945,987,635)
Increase / (decrease) in current liabilities			
Trade and other payables		111,529,779	435,334,850
Contract liabilities		(11,973,252)	36,143,502
		99,556,527	471,478,352
Cash flows generated from operations		400,464,446	56,546,852
Finance cost paid		(133,980,050)	(220,607,085)
Taxes and levy paid		(148,352,612)	(145,553,031)
Staff retirement benefits - gratuity paid		(27,920,835)	(23,284,598)
		(310,253,497)	(389,444,714)
Net cash generated from / (used in) operating activities		90,210,949	(332,897,862)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		32,838,352	18,192,394
Capital expenditure incurred		(305,673,414)	(367,979,381)
Long term deposits		-	(148,500)
Benefits received from short term investments		5,170,087	42,755,691
Net cash used in investing activities		(267,664,975)	(307,179,796)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans received		158,944,659	-
Long term loans paid		(20,653,273)	(9,767,274)
Lease liability paid		-	(21,388,900)
Loan from directors - net		5,000,000	39,000,000
Short term borrowings - net		39,473,179	612,890,308
Net cash generated from financing activities		182,764,565	620,734,134
Net increase / (decrease) in cash and cash equivalents		5,310,539	(19,343,524)
Cash and cash equivalents at the beginning of the year		(88,623,449)	(69,364,296)
Effect of exchange rate changes on cash and cash equivalents		344,853	84,371
Cash and cash equivalents at the end of the year	50	(82,968,057)	(88,623,449)

The annexed notes from 1 to 64 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

Zephyr Textiles Limited ("the Company") was incorporated in Pakistan on February 26, 1999 as a private limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). Subsequently on October 04, 2004, it was converted into a public limited Company and its shares are quoted on Pakistan Stock Exchange Limited (PSX). The Company is principally engaged in the manufacturing, dying and trading of woven cloth which also includes towels.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 3rd Floor, IEP Building, 97B/D-1, Gulberg III, Lahore, Punjab. The manufacturing facilities of the Company are located as follows:

Manufacturing Facilities	Address
Weaving Unit and Power plant	1 KM, Balloki Bhai Pheru Road, Bhai Pheru.
Towel Unit	63 KM, Gulshan Adda, Jamber Khurd, District Kasur.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

3.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain financial instruments, which are carried at fair values and / or amortized cost, staff retirement benefits - gratuity which is carried at present value of defined benefit obligation net of fair value of plan assets and certain items of property, plant and equipment at revalued amounts. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency for the Company.

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

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

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

	Effective date (annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

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

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' -Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' -Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' -Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' -Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Effective date (annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented in these financial statements except as stated otherwise in notes to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

5.1 Property, plant and equipment

a) Owned assets

Property, plant and equipment are initially recognized at acquisition cost. Subsequently, property, plant and equipment, except for free hold land, building on free - hold land and plant & machinery are stated at cost less accumulated depreciation and impairment, if any. Free - hold land, building on free - hold land and plant & machinery are stated at revalued amounts less subsequently accumulated depreciation and impairment allowance, if any.

Cost of property, plant and equipment consists of historical cost, borrowing costs pertaining to the erection and other directly attributable costs of bringing the assets to their working condition or for commencement of commercial production.

Depreciation on all the items of property, plant and equipment except for free - hold land is charged to income applying the reducing balance method at the rates specified in Note 7.1.

Depreciation on additions to property, plant and equipment is charged from the date the asset becomes available for use, while for disposals, depreciation is charged up to the date of disposal.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

Gain/loss on disposal of property, plant and equipment is credited or charged to profit or loss account in the year of disposal.

Any surplus arising on revaluation of property, plant and equipment is credited to the surplus on revaluation of property, plant and equipment account. Revaluation is carried with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment is transferred directly to accumulated (loss)/profit. Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

b) Capital work in progress

Capital work in progress is stated at cost less impairment allowance, if any. Cost of property, plant and equipment consists of historical cost, borrowing costs pertaining to the erection/construction period and other directly attributable costs of bringing the assets to their working condition or for commencement of commercial production. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use.

c) Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indications exist, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Impaired assets are reviewed for possible reversal of the impairment at each statement of financial position date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognized. A reversal of impairment loss is recognized in the profit and loss account.

5.2 Intangible assets

Intangible assets (including computer software) acquired by the Company are stated at cost less accumulated amortization and impairment allowances, if any.

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are expensed as incurred.

Amortization is charged to statement of profit or loss on straight line basis over a period of five years. Amortization on addition is charged from the year the asset is put to use while no amortization is charged in the year the asset is disposed off.

5.3 Investments

Investments are stated at fair value plus directly attributable transaction costs. Subsequently investments which are traded in active market, fair value is determined by reference to quoted market price and the investments for which a quoted market price is not available, or the fair value cannot be reasonably calculated, are measured at cost, subject to impairment review at each balance sheet date.

Any gain or loss arising from a change in fair value is recognized in the statement of profit or loss.

5.4 Leases

Right of use assets

The right of use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right of use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Lease liability

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

Subsequently lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in the 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 remeasured 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.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of its assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

5.5 Stores, spares and loose tools

These are valued at lower of moving average cost and net realizable value less impairment, if any, except for items in transit, which are valued at cost comprising of invoice value plus other charges paid thereon till the statement of financial position date. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools. For items which are slow moving and / or identified as surplus to the company's requirements, adequate provision is made for any excess book value over estimated realizable value.

5.6 Stock-in-trade

Stock in trade is valued at lower of cost and net realizable value (NRV), except waste which is valued at net realizable value. Materials in transit are stated at cost comprising invoice value plus other charges paid thereon.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Cost of major components of stock in trade is determined as follows:-

Raw materials - at weighted average cost.

Work in process - at prime cost plus appropriate production overheads determined on weighted and Finished goods average basis.

Stock in transit - invoice value plus other charges paid thereon up to the reporting date.

Adequate provision is made for slow moving and obsolete items. Provision for obsolete and slow moving stock in trade is based on management's estimate and is recognized in financial statements whenever necessary.

Net realizable value represents the estimated selling prices in the ordinary course of business less expenses incidental to make the sale.

5.7 Trade debts and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years. The Company applies a simplified approach in calculating Expected Credit Loss (ECL). 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. The Company recognizes a loss allowance based on lifetime ECLs at each reporting date. The impairment allowance is recognized in the statement of profit or loss. These assets are written off when there is no reasonable expectation of recovery.

5.8 Taxation

a) Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

b) Deferred

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

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Deferred tax is charged or credited to the statement of profit or loss, except in case of items charged or credited directly to equity in which case it is included in the statement of comprehensive income. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

5.9 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in the statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is recognized as a levy.

5.10 Borrowings

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

Short term borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

5.11 Borrowing cost

Interest, markup and other charges on finances are capitalized up to the date of commissioning of respective qualifying asset acquired out of the proceeds of such finances. All other interest, markup and other charges are recognized in profit and loss account.

5.12 Diminishing Musharaka

In diminishing musharaka financing, the Company enters into Musharaka based on Shirkat-ul-milk for purchasing an agreed share of fixed assets (land, building, plant and machinery, and vehicles) with the Musharaka Participants (Participants). The Company pays periodic profit as per the agreement for the utilization of the Participants' Musharaka share and also periodically purchases the Participants' share over the tenure of the transaction. Profit on diminishing musharaka is recognized on an accrual basis.

5.13 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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 subsequently measured at amortized cost. Exchange gains and losses arising on transaction in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

5.14 Provisions

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

5.15 Deferred grant

The deferred grant is measured upon initial recognition as the difference between fair value of the loan and loan proceeds. The fair value of the loan is the present value of the loan proceed received, discounted using the prevailing market rates of interest for a similar instrument. Subsequently, the grant is recognized in statement of profit or loss, in line with the recognition of interest expenses the grant is compensating.

5.16 Cash and bank balances

Cash in hand and at banks are carried at nominal amount.

5.17 Cash and cash equivalents

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

5.18 Non current asset held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and are available for immediate sale and sale is highly probable. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

5.19 Dividend and appropriation to reserve

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

5.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

a) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Impairment

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

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

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

The Company applies the IFRS 9 simplified approach to measure the expected credit losses which uses a lifetime expected loss allowance. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Management uses actual credit loss experience over a past years to base the calculation of ECL.

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

b) Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

5.21 Offsetting of financial assets and financial liabilities

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

5.22 Foreign currency transactions and translation

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the profit and loss account.

5.23 Staff retirement benefits

The Company's employees benefits comprise of gratuity fund.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

a) **Defined benefit plan - Gratuity Fund**

The Company operates an unfunded gratuity scheme (defined benefit plan) covering all eligible employees, payable at the cessation of employment. Contribution is made in accordance with actuarial recommendations. Actuarial valuation is conducted by an independent actuary, annually using projected unit credit method related details of which are given in note 27.2 to the financial statements. The obligation at the balance sheet date is measured at the present value of the estimated future cash outflows. All contributions are charged to profit or loss for the year.

During the year from July 01, 2023, the Company has revised its retirement benefits policy. Under the new policy, all officers and above, both existing and newly hired, are entitled to participate in the Voluntary Pension Scheme (VPS). In line with this change, the Company has withdrawn gratuity on a permanent basis for officers and above. However, gratuity will continue to be provided to labor/workers in accordance with the current policy.

b) **Defined contribution plan - Voluntary Pension Scheme (VPS)**

Under the Voluntary Pension Scheme (VPS), the Company establishes individual pension accounts for all eligible employees with the NAFA Islamic Pension Fund, managed by NBP. The Company and its employees contribute equally to the pension fund at a rate of 8.33% of the employee's basic salary on a monthly basis. Staff is eligible for Voluntary Pension Scheme upon confirmation of their job. The Company's obligation under this defined contribution plan is limited to contributions made by the Company, which is recognized as an expense in the profit or loss account as and when incurred.

Moreover, employees are responsible for making their own investment decisions, including choosing from available investment options such as money market, stock market and debt instruments. Withdrawals from the pension fund against loan are permitted, subject to obtaining a No Objection Certificate (NOC) from the Company.

5.24 **Revenue recognition**

Revenue comprises the fair value for the sale of goods net of sales taxes and discounts. Revenue from the sale of goods is recognized when control of the goods passes to customers and the customers can direct the use of and substantially obtain all the benefits from the goods.

Revenue is recognized when specific criteria have been met for each of the Company's activities as described below.

Revenue from contracts with customers

Sale of goods

- Sale of goods is recognized when the Company has transferred control of the products to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products.
- Local sales are recognized as revenue when invoiced with the transfer of control of goods, which coincides with delivery of goods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- Export sales are recognized as revenue when invoiced with the transfer of control of goods, which coincides either with the date of bill of lading or upon delivery to customer or its representative, based on the terms of arrangements.

Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

Others

- Scrap sales are recognized on delivery to customers.
- Return on deposits is accrued using effective interest rate.
- Export and other rebates are accounted for on accrual basis. Investment and interest income is recognized on time proportion basis.
- Capital gains or losses arising on sale of investments are taken to income in the period in which they arise.
- Dividend income on ordinary shares is recognized when the right to receive dividend has been established.

5.25 Related party transactions

Transactions with related parties are based on the Board's approval. Prices usually for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller. The prices and transaction may vary from the market / arm's length as well but subject to the Board approval.

5.26 Contingencies

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

5.27 Share capital

Share capital is classified as equity and recognized at the face value. Incremental costs, net of tax, directly attributable to the issue of new shares are shown as a deduction in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

5.28 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by 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.

5.29 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company has only one reportable segment.

5.30 Loans, advances, deposits, prepayments and other receivables

Loans, advances, deposits, prepayment and other receivables are carried at original amount less provision made for doubtful receivables based on a review of all outstanding amounts at the year end. Balance considered irrecoverable are written off.

6 USE OF JUDGMENTS AND ESTIMATES

The preparation of these financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to Company's financial statements are:

	Note
- Property, plant and equipment	5.1
- Stock in trade	5.6
- Trade debts - unsecured	5.7
- Long term employee benefits	5.23
- Taxation	5.8
- Stores, spare parts and loose tools	5.5
- Contingencies	5.26

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

a) Income taxes

The Company takes into account relevant provisions of the current income tax laws while providing for current and deferred taxes as explained in note 5.8 to these financial statements.

b) Defined benefit plan

Certain actuarial assumptions have been adopted by external professional valuer for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect unrecognized gains and losses in those years.

c) Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuers and recommendation of technical teams of the Company. Further, the Company reviews the value of the assets for possible impairment on an annual basis.

Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment. As explained in note 7 to these financial statements, the Company has revalued its free hold land as on June 30, 2023.

d) Stores and spares

Management has made estimates for realizable amount of slow moving and obsolete stores and spares items to determine provision for slow moving and obsolete items. Any future change in the estimated realizable amounts might affect carrying amount of stores and spares with corresponding affect on amounts recognized in profit and loss account as provision / reversal.

e) Financial instrument

The fair value of the financial instrument that are not traded in an active market is determined by using valuation techniques based on assumption that are dependent on conditions existing at the balance sheet date.

f) Provision for doubtful receivables

The Company uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

g) Fair value measurement

A number of assets and liabilities included in the financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Establishment's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the fair value hierarchy):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur.

h) Provision and contingencies

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

i) Impairment of assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

j) Stock-in-trade

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

	Note	2026 Rupees	2025 Rupees
	7.1	2,924,822,232	2,888,976,924

7.1 The following is the statement of property, plant and equipment:

Description	Freehold land	Buildings on freehold land	Link road	Non factory building	Plant and machinery	Furniture and fixtures	Vehicles	Electrical installation	Office and IT equipments	Total
(Rupees)										
Net carrying value basis										
Year ended June 30, 2026										
Opening net book value (NBV)	496,945,059	452,581,387	12,602,545	57,266,996	1,742,733,396	6,236,622	69,239,016	39,588,079	11,783,824	2,888,976,924
Additions (at cost)	-	301,725	-	-	63,349,632	239,180	20,434,504	400,000	2,901,448	87,626,489
Transferred from CWIP	-	9,773,919	-	-	208,273,006	-	-	-	-	218,046,925
Disposals (NBV)	-	-	-	-	(31,758,008)	-	(895,721)	-	(87,283)	(32,741,012)
Depreciation charge	-	(23,389,662)	(630,132)	(5,726,700)	(183,197,939)	(626,119)	(15,210,872)	(3,958,911)	(4,346,759)	(237,087,094)
Closing net book value	496,945,059	439,267,369	11,972,413	51,540,296	1,799,400,087	5,849,683	73,566,927	36,029,168	10,251,230	2,924,822,232
Gross carrying value basis										
Year ended June 30, 2026										
Opening net book value	496,945,059	588,077,972	30,953,318	105,096,079	2,955,174,920	14,048,918	169,342,090	104,760,696	44,183,597	4,508,582,649
Cost/revalued amount	-	(148,810,603)	(18,980,905)	(53,555,783)	(1,155,774,833)	(8,199,235)	(95,775,163)	(68,731,528)	(33,932,367)	(1,583,760,417.7)
Accumulated depreciation	-	439,267,369	11,972,413	51,540,296	1,799,400,087	5,849,683	73,566,927	36,029,168	10,251,230	2,924,822,232
Net book value										
Net carrying value basis										
Year ended June 30, 2025										
Opening net book value (NBV)	527,220,059	454,207,259	13,265,833	63,629,996	1,479,548,593	5,838,821	77,591,664	40,167,503	13,095,550	2,674,565,278
Additions (at cost)	-	12,586,559	-	-	87,517,537	1,020,589	7,781,069	3,334,017	3,387,555	115,827,326
Transferred from CWIP	-	8,877,462	-	-	280,465,068	-	-	-	-	289,342,530
Transferred from ROU	-	-	-	-	84,760,096	-	-	-	-	84,760,096
Disposals (NBV)	-	-	-	-	(26,186,352)	-	(297,408)	-	-	(26,483,760)
Transferred to non current asset held for sale - Note 22	(30,275,000)	-	-	-	-	-	-	-	-	(30,275,000)
Depreciation charge	-	(23,089,893)	(663,288)	(6,363,000)	(163,371,546)	(622,788)	(15,836,309)	(4,113,441)	(4,699,281)	(218,759,546)
Closing net book value	496,945,059	452,581,387	12,602,545	57,266,996	1,742,733,396	6,236,622	69,239,016	39,588,079	11,783,824	2,888,976,924
Gross carrying value basis										
Year ended June 30, 2025										
Opening net book value	496,945,059	578,002,328	30,953,318	105,096,079	2,723,710,383	13,809,738	149,042,586	104,360,696	46,318,179	4,248,238,366
Cost/revalued amount	-	(125,420,941)	(18,350,773)	(47,829,083)	(980,976,987)	(7,573,116)	(79,803,570)	(64,772,617)	(34,534,355)	(1,359,261,442)
Accumulated depreciation	-	452,581,387	12,602,545	57,266,996	1,742,733,396	6,236,622	69,239,016	39,588,079	11,783,824	2,888,976,924
Net book value										
Depreciation rate % per annum										
	-	5	5	10	10	10	20	10	33	

7.2 Vehicles include four Toyota Yaris amounting to Rs. 19,102 million obtained during the year under diminishing musharaka arrangements with First Punjab Modaraba.

7.3 Land - freehold of the Company is located at Bhat Pheru and Jamber, Punjab, Pakistan, with an area of 1,091.25 kanals and 79.35 acres. Details of factory and residential buildings of the company constructed on this land are as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Location	Particulars	Covered area Sqft	2026	2025
Weaving Unit, Bhai Pheru	Industrial: Lintals, pre stress, TR girder, power house/chiller area, looms shed, production area and godowns.	405,755	405,755	405,755
Towel Unit, Jumber	Industrial: Lintals, pre stress, TR girder, stitching & dyeing hall, godown hall, store, workshop and shed.	248,325	248,325	248,325
	Note	2026 (Rupees)	2025 (Rupees)	
Cost of sales	38	216,903,146	197,601,236	
Distribution cost	39	10,091,840	10,579,233	
Administrative expenses	40	10,092,108	10,579,077	
		237,087,094	218,759,546	

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

7.5 The following operating fixed assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
	Rupees						
Plant and machinery							
Power House Machinery	40,158,100	8,400,092	31,758,008	26,868,352	(4,889,656)	Negotiation	FMJ Trading LLC
Vehicles							
Honda City LEA-16A-4457	1,699,210	1,489,194	210,016	2,500,000	2,289,984	Negotiation	Hidayat Ali
Suzuki Cultus LEA-17A-8942	1,277,550	1,087,779	189,771	1,625,000	1,435,229	Negotiation	Mukarram Khursheed
Picanto LE-20-9945	2,059,270	1,563,336	495,934	1,815,000	1,319,066	Negotiation	Khawaja Ghulam Hassain
Office equipment							
Auto Digital (Asset Code 25-01-0064)	135,000	47,717	87,283	30,000	(57,283)	Scraped	Muhammad Ali
Total - 2026	45,329,130	12,588,118	32,741,012	32,838,352	97,340		
Total - 2025	33,736,199	7,252,438	26,483,761	18,192,394	(8,291,367)		
7.6 Allocation of gain/(loss) is as follows:							
Other income					42	5,044,279	4,352,591
Other operating expenses					41	(4,946,939)	(12,643,958)
Total-net						97,340	(8,291,367)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 7.7 The freehold covering areas 10.44 acres has been purchased from the directors of the Company during the prior year as approved by members through EOGM held on April 13, 2023. The freehold land covering areas 9.845 acres has been purchased from other individual (relative of directors). The land has been purchased for expansion purposes.

7.8 Fair value measurement (revalued property, plant and equipment)

Fair value measurement of free hold land, building on free hold land and plant and machinery was based on the valuations carried out on June 30, 2023 by M/s Tristar International Consultant (Private) Limited an independent valuer not connected with the Company and is on the panel of Pakistan Bankers Association and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations.

7.9 Valuation techniques used to derive level 3 fair values

Valuations for buildings on freehold land and plant and machinery are based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking into account of the age, conditions, and obsolescence. Land was valued on the basis of fair market value. The fair value measurement of the assets are categorized as Level 3.

- 7.10 Land - freehold, buildings on freehold land, non factory building and plant and machinery represents values subsequent to revaluation as at June 30, 2023. Had there been no revaluation, the cost, accumulated depreciation, and book value of the revalued property, plant and equipment as on June 30, 2026 would have been as follows:

Description	Cost as at	Accumulated depreciation as at	Book value as at	Book value as at
	2026	2026	2026	2025
	Rupees	Rupees	Rupees	Rupees
Land-freehold	390,311,436	-	390,311,436	390,311,436
Buildings	553,895,386	296,439,592	257,455,794	317,493,282
Plant and machinery	2,881,176,699	1,294,481,032	1,586,695,667	1,559,525,455
	<u>3,825,383,521</u>	<u>1,590,920,624</u>	<u>2,234,462,897</u>	<u>2,267,330,173</u>

- 7.11 The forced sale value of revalued assets as per latest available revaluation reports are as follows:

Particulars	Date of revaluation	2026 Rupees	2025 Rupees
Freehold Land	June 30, 2023	321,633,600	321,633,600
Buildings	June 30, 2023	429,232,880	429,232,880
Plant and machinery	June 30, 2023	<u>1,085,620,400</u>	<u>1,085,620,400</u>
		<u>1,836,486,880</u>	<u>1,836,486,880</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

			2026 Rupees	2025 Rupees
8	RIGHT OF USE ASSETS	Note		
	Generators	8.1	-	-
	Line rent - spun poles	8.2	-	459,448
			<u>-</u>	<u>459,448</u>
8.1	Generators			
	Net carrying value basis			
	Year ended June 30, 2025			
	Opening net book value (NBV)		-	93,835,108
	Additions (at cost)		-	-
	Transferred to operating fixed assets	8.1.1	-	(84,760,096)
	Depreciation charge		-	(9,075,012)
	Closing net book value		<u>-</u>	<u>-</u>
	Gross carrying value basis			
	Year ended June 30, 2025			
	Cost		-	116,819,306
	Accumulated depreciation		-	(32,059,210)
	Transferred to operating fixed assets		-	(84,760,096)
	Net book value		<u>-</u>	<u>-</u>
	Depreciation rate % per annum		10	10
8.1.1	The generators have been obtained on finance lease from Primus Leasing Limited. During the prior year upon completion of lease terms, it has been transferred to operating fixed assets.			
8.2	Line rent - spun poles			
	Opening net book value (NBV)		459,448	649,564
	Amortisation charge for the year		<u>(459,448)</u>	<u>(190,116)</u>
			<u>-</u>	<u>459,448</u>
8.2.1	The Company has a lease contract with the National Highway Authority for the use of spun poles. Lease liability against this right-of-use asset has been paid off at the start of the contract.			
9	CAPITAL WORK IN PROGRESS			
	Plant and machinery	9.1.1	-	18,048,239
	Building	9.1.2	-	-
			<u>-</u>	<u>18,048,239</u>
9.1	Movement of carrying amount is as follows:			
9.1.1	Plant and machinery			
	Balance at start of the year		18,048,239	55,038,714
	Additions (at cost) during the year		208,273,006	243,474,593
	Transferred to operating fixed assets during the year	7.1	(208,273,006)	(280,465,068)
	Charged to profit and loss during the year		<u>(18,048,239)</u>	<u>-</u>
	Balance at the end of the year		<u>-</u>	<u>18,048,239</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
9.1.2 Building			
Balance at start of the year		-	200,000
Additions (at cost) during the year		9,773,919	8,677,462
Transferred to operating fixed assets during the year	7.1	(9,773,919)	(8,877,462)
Balance at the end of the year		-	-
10 INTANGIBLE ASSETS			
Software	10.1	-	299,878
10.1 Software			
Net carrying value as at July 01			
Opening balance as on July 01,		299,878	1,508,050
Addition during the year		-	-
Amortization charge		(299,878)	(1,208,172)
Net book value as at June 30,		-	299,878
Gross carrying value as at 30 June			
Cost		6,040,861	6,040,861
Accumulated amortization		(6,040,861)	(5,740,983)
Net book value		-	299,878
Amortization % per annum		20%	20%
The amortization charge for the year has been allocated as follows:			
Administrative expenses	40	299,878	1,208,172
11 LONG TERM DEPOSITS			
Security deposits-LESCO		9,795,502	9,795,502
Security deposits-SNGPL		12,863,675	12,863,675
Other security deposits	11.1	2,814,947	2,814,947
		25,474,124	25,474,124

- 11.1 This includes security deposit against rented premises. The said deposit is refundable at the expiry of the respective rent agreement or on vacation of the rented premises. These deposits do not carry any interest or mark-up and are not recoverable within one year. IFRS 9 requires long-term non interest bearing financial assets to be discounted at average borrowing rate of the Company. The impact of discounting is considered immaterial by the management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

			2026 Rupees	2025 Rupees
12	STORE SPARES AND LOOSE TOOLS	Note		
	Stores:			
	in hand	12.1	100,108,957	99,713,384
	Spares:			
	in hand	12.1	131,602,851	111,702,664
	Packing material		52,475,160	21,344,913
			<u>284,186,968</u>	<u>232,760,961</u>
	Less: Provision for obsolete stores and spares	12.2	(2,336,088)	(2,336,088)
			<u>281,850,880</u>	<u>230,424,873</u>
12.1	Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.			
12.2	Movement of provision for obsolete stores and spares is as follows:			
	Opening balance		2,336,088	2,336,088
	Provision made during the year		-	-
			<u>2,336,088</u>	<u>2,336,088</u>
13	STOCK IN TRADE			
	Raw materials:			
	in hand		456,782,801	396,573,156
	Work in process		136,732,459	99,644,757
	Finished goods:			
	in hand		1,125,119,050	1,244,472,706
	in transit	13.1	261,061,801	212,421,026
			<u>1,386,180,851</u>	<u>1,456,893,732</u>
	Less: Provision for slow moving and obsolete stock	13.2	(11,071,587)	(11,071,587)
			<u>1,968,624,524</u>	<u>1,942,040,058</u>
13.1	This represents stock in transit Rs. 261.062 million (2025: Rs. 212.421 million) which was still on the way or on the port at the year end.			
13.2	Provision for stock in trade under the control of third party:			
	Balance at start of the year	13.3	11,071,587	11,071,587
	Provision made during the year		-	-
	Balance at the end of the year		<u>11,071,587</u>	<u>11,071,587</u>
13.3	This represents a provision created against stock under the control of third party which was placed for processing/sale at third-party premises, however, due to conflict the customer has confiscated the stock. The Company has filed a case against the customer. However, on prudence basis a provision has been made in the books of account.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

13.4 Stock in trade includes stocks amounting to Rs. 12.74 million (2025: Rs. 46.86 million) which is placed at third party premises for toll manufacturing or other processing purposes.

13.5 Stock-in-trade up to a maximum amount of Rs. 1,875.00 million (2025: Rs. 1,694.49 million) are under hypothecation of commercial banks as security for short term borrowings.

14	LOANS AND ADVANCES	Note	2026 Rupees	2025 Rupees
	Unsecured			
	Considered good			
	To employees	14.1 & 14.2	10,956,969	12,091,496
	To suppliers		84,614,625	47,436,576
			<u>95,571,594</u>	<u>59,528,072</u>
	Considered doubtful			
	Suppliers		14,585,784	12,743,077
	Less: Allowance for expected credit losses (ECL)	14.4	<u>(14,585,784)</u>	<u>(12,743,077)</u>
			-	-
	Against letter of credits		<u>24,965,236</u>	<u>7,464,228</u>
			<u>120,536,830</u>	<u>66,992,300</u>

14.1 These advances are provided for general purposes in accordance with the terms of their employment, which is not past due. These advances are unsecured, interest free and payable on demand. This includes advances provided to employees to meet business expenses and are settled as and when the expenses are incurred. These advances do not carry any interest or mark-up.

14.2 This includes advance given to Chief Financial Officer (CFO) amounting to Rs.1.869 million (2025: Rs. 2.499 million).

14.3 The movement of director advance is as follows:

Against expenses		
Balance at start of the year	-	-
Addition during the year	6,197,820	1,944,345
Advance (adjusted) during the year	<u>(6,197,820)</u>	<u>(1,944,345)</u>
Balance at the end of the year	<u>-</u>	<u>-</u>

14.3.1 The maximum amount due from director at the end of any month during the year was Rs. 6.198 million (2025: 1.944 million).

14.4 Movement of allowance for ECL is as follows:

Balance at start of the year		12,743,077	10,322,242
Allowance charge during the year	41	<u>1,842,707</u>	<u>2,420,835</u>
Balance at the end of the year		<u>14,585,784</u>	<u>12,743,077</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

			2026 Rupees	2025 Rupees
15	TRADE DEBTS	Note		
	Secured - Considered good - against letter of credit	15.1	619,652,653	595,947,650
	Unsecured (local)			
	Considered good		521,971,473	365,516,871
	Considered doubtful		44,179,082	34,881,282
			566,150,555	400,398,153
			1,185,803,208	996,345,803
	Less: Allowance for expected credit losses (ECL)	15.2	(44,179,082)	(34,881,282)
			1,141,624,126	961,464,521
15.1	This includes trade receivables amounting to Rs. 399.754 million (2025: Rs. 420.775 million) for which foreign bills discounting has been made.			
15.2	Movement of allowance for ECL is as follows:			
	Balance at start of the year		34,881,282	29,000,812
	Allowance charge during the year	41	9,297,800	5,880,470
	Balance at the end of the year		44,179,082	34,881,282
16	TRADE DEPOSITS AND PREPAYMENTS			
	Prepayments		5,342,661	2,656,569
	Margin deposits		12,443,903	22,658,046
			17,786,564	25,314,615
17	TAX REFUNDS DUE FROM GOVERNMENT			
	Sales tax refundable - net		392,174,554	445,472,053
	Less: Provision for sales tax refund due from government	17.1	(100,648,813)	(100,648,813)
			291,525,741	344,823,240
	Income tax refund		71,229,319	29,163,346
			362,755,060	373,986,586
17.1	Movement of provision is as follows:			
	Balance at start of the year		100,648,813	100,648,813
	Allowance charge during the year		-	-
	Balance at the end of the year	17.2	100,648,813	100,648,813
17.2	This represents a provision made against disallowed/deferred / missing claims/inputs which are not reconciled with the FBR system (Starr). The Company has processed and submitted manual claims and also planning to pursue the matter with FTO. However, on a prudence basis, a provision has been made for old outstanding balances.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

			2026 Rupees	2025 Rupees
18	TAXATION / LEVY-NET	Note		
	Advance / prepaid taxes and taxes withheld		148,352,612	145,553,031
	Levy for the year	44	(90,266,669)	(103,493,386)
	Taxation for the year	45	(6,661,254)	-
	Closing balance		<u>51,424,689</u>	<u>42,059,645</u>
19	OTHER RECEIVABLES			
	Unsecured			
	Considered good			
	Export rebate receivable		106,604,581	90,482,658
	Duty drawback receivable	19.1	39,890,635	41,849,315
	Other receivables		-	30,822
	Considered doubtful			
	Duty drawback receivable		7,475,509	7,475,509
	Less: Allowance for expected credit losses (ECL)	19.2	(7,475,509)	(7,475,509)
			<u>-</u>	<u>-</u>
			<u>146,495,216</u>	<u>132,362,795</u>
19.1	This represents balances aggregating to Rs. 39.891 million (2025: Rs. 41.849 million) are appearing in the books of accounts for more than one year against receivable on duty drawback under para 1(2) (b) of Textile Division Notification No. 1(42-B)/TID/18-TR-II and EPD Circular Letter No. 21 against 10% or more increase in export performance. This represents performance-based receivables against export is Rs. 32.919 million (June 30, 2025: Rs. 34.877 million) and regular receivable is Rs. 6.972 million (June 30, 2025: Rs. 6.972 million).			
19.2	Movement of allowance for ECL is as follows:			
	Balance at start of the year		7,475,509	7,475,509
	Allowance charge during the year		-	-
	Balance at the end of the year		<u>7,475,509</u>	<u>7,475,509</u>
20	SHORT TERM INVESTMENTS			
	At amortised cost			
	Term deposits receipts - TDR	20.1	-	5,000,000
	Investment at fair value through profit or loss account	20.2	3,081,519	2,400,239
	Less: Impairment of investment in listed securities	20.4	(289,898)	-
			<u>2,791,621</u>	<u>7,400,239</u>

- 20.1 This represents investment in Term Deposit Receipts (TDRs) with The Bank of Punjab, having a maturity period of less than one year, which matured on September 04, 2025. These carry mark-up ranging from 7.5% (2025: 7.5%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
20.2	Investment at fair value through profit or loss account		
	Listed entities		
	Pak Electron Limited	42,905	38,666
	Attock Refinery Limited	11,058	8,832
	Samba Bank Limited	235,935	233,975
	20.5	289,898	281,473
	Mutual funds		
	Atlas Money Market Fund	97,792	90,804
	Faysal Funds	42	38
	JS Growth Fund	2,542,833	1,884,548
	NBP Funds	28,686	26,684
	Alfalsh Money Market Fund	122,268	116,692
		2,791,621	2,118,766
		3,081,519	2,400,239
20.3	This includes investment at fair value through profit or loss account provided for since the Company is in litigation with First Pakistan Capital Limited. The case is pending before Senior Civil Judge Lahore as disclosed in 36.1.20.		
20.4	Movement of provision for investment in listed securities is as follows:		
	Balance at start of the year	-	-
	Allowance charge during the year	289,898	-
	Balance at the end of the year	289,898	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

20.5 Equity securities

	Note	2026 Rupees	2025 Rupees
Listed shares			
Cost/opening carrying value		281,473	313,567
Gain/(loss)/other adjustments on investments		8,425	(32,094)
Carrying value		289,898	281,473
Mutual funds			
Cost/opening carrying value		2,118,766	43,488,871
Gain/(loss)/other adjustments on investments		672,855	(41,370,105)
Carrying value		2,791,621	2,118,766
		3,081,519	2,400,239

	2026			2025		
	Number of shares/units	Cost/opening carrying value	Gain/(loss)/ adjustment	Carrying value	Number of shares/units	Cost/opening carrying value
Listed shares						
Pak Electron Limited	944	38,666	4,239	42,905	944	23,326
Attock Refinery Limited	13	8,832	2,226	11,058	13	4,571
Samba Bank Limited	24,500	233,975	1,960	235,935	24,500	285,670
	25,457	281,473	8,425	289,898	25,457	313,567
Mutual funds						
Atlas Money Market Fund	160	90,804	6,988	97,792	160	81,548
Paysal Money Market Fund	-	-	-	-	1,022	105,342
JS Growth Fund	4,791	1,884,548	658,285	2,542,833	4,791	1,230,293
NBP Cash Plan - II Fund	-	-	-	-	4,202,798	42,071,688
NBP Financial Sector Income Fund	1,278	13,645	1,042	14,687	1,278	-
NBP Money Market Fund	1,300	13,039	960	13,999	1,300	-
Alfalah Money Market Fund - II	1,129	116,692	5,576	122,268	1,129	-
Paysal Islamic Cash Fund	0.38	38	4	42	0.38	38
	8,658	2,118,766	672,855	2,791,621	4,212,478	43,488,871
Total equity securities	34,115	2,400,239	681,280	3,081,519	4,237,935	43,802,438
						(41,402,199)
						2,118,766
						2,400,239

20.6 During the year, the Company has made investments amounting to Nil (June 30, 2025: Rs. 42,358 million) and disposed off investments amounting to Nil (June 30, 2025: Rs. 85,144 million) and adjustment against gain or loss amounting to Rs. 0.681 million (June 30, 2025: Rs. 1,353 million.)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

			2026 Rupees	2025 Rupees
21	CASH AND BANK BALANCES	Note		
	Cash in hand		1,745,173	1,972,807
	Cheques in hand	21.1	2,473,512	7,252,748
	Cash at banks - local currency			
	Current accounts		98,100,034	4,917,219
	Cash at banks - foreign currency			
	Current accounts	21.3	4,577,382	11,232,837
	Saving accounts	21.4	1,432,807	2,033,882
			<u>108,328,908</u>	<u>27,409,493</u>
21.1	Cheques in hand has been subsequently deposited into bank accounts.			
21.2	Cash and bank balances includes foreign currency amounting to US\$ 0.0204 million (2025: USD\$ 0.045) and EUR 0.00104 million (2025: EUR 0.0013).			
21.3	This includes balance in dormant bank accounts amounting to Rs. 2.073 million (2025: 2.073 million)			
21.4	This carries mark up at the rate 1.99% (2025: 2.57%) per annum.			
22	NON CURRENT ASSET HELD FOR SALE			
	Freehold land		<u>30,275,000</u>	<u>30,275,000</u>
22.1	During the prior year, the Company entered into an agreement to sell a land area of 01 kanal 18 marla & 78 Sq. ft, with a carrying amount of Rs. 30.28 million. Based on this, the land has been classified as a non-current asset held for sale. The total sale value, as per the sale agreement, is Rs. 32.50 million of which Rs. 32.50 million has been received by the Company (disclosed in note 31 to these financial statements). This land was previously under dispute, however the sale process is ongoing, and management expects the transaction to be finalized in due course.			
22.2	Detail of disposals of assets held for sale			Rupees
	Carrying amount as at year end			30,275,000
	Sale proceed			32,500,000
	Particular of buyers			Wasif Iqbal
	Mode of disposal			Negotiation
23	SHARE CAPITAL			
23.1	Authorized share capital			
	62,500,000 (June 30, 2025: 62,500,000) ordinary shares of Rs. 10/- each		<u>625,000,000</u>	<u>625,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
23.2 Issued, subscribed and paid up share capital			
51,901,483 (June 30, 2025: 51,901,483) ordinary shares of Rs. 10/- each fully paid in cash		519,014,830	519,014,830
7,527,246 (June 30, 2025: 7,527,246) ordinary shares of Rs. 10/- each issued as fully paid bonus shares		75,272,460	75,272,460
		<u>594,287,290</u>	<u>594,287,290</u>
23.2.1 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.			
23.2.2 There is no movement in the share capital accordingly reconciliation has not been prepared.			
24 SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT			
Surplus arising on revaluation	24.1	452,413,693	482,196,665
Less: Related deferred tax liability	24.1	<u>100,276,220</u>	<u>108,913,282</u>
		<u>352,137,473</u>	<u>373,283,383</u>
24.1 Surplus arising on revaluation			
Balance brought forward		482,196,665	523,492,379
Revaluation during the year		-	-
Less: Transferred to equity in respect of incremental depreciation charged during the year - (net of deferred tax)		21,145,910	25,065,764
Related deferred tax liability during the year transferred to profit and loss account		8,637,062	10,238,129
Transfer of surplus on revaluation on disposal of PPE - (net of deferred tax)		-	4,254,193
Transfer to profit or loss on disposal of PPE		-	1,737,628
		<u>(29,782,972)</u>	<u>(41,295,714)</u>
		452,413,693	482,196,665
Less: Related deferred tax effect:			
Balance as at July 01.		108,913,282	36,736,931
Deferred tax impact for the year		-	-
Effect of rate change		-	84,152,108
Transfer to profit or loss on disposal of PPE		-	(1,737,628)
Incremental depreciation charged during the year transferred to profit and loss account		<u>(8,637,062)</u>	<u>(10,238,129)</u>
		<u>(100,276,220)</u>	<u>(108,913,282)</u>
		<u>352,137,473</u>	<u>373,283,383</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 24.2 The Company's freehold land, buildings on freehold land, plant and machinery have been revalued by M/s. Tristar International Consultants (Private) Limited, an independent valuer not connected with the Company and approved by Pakistan Banks' Association (PBA). The basis of revaluation for items of these fixed assets were as follows:

Freehold land

Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all other relevant factors as well.

Buildings on freehold land

Construction specifications were noted for each building and structure and new construction rates were applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

Plant and machinery

For the valuation of the plant and the machinery, a depreciation factor of 10% and an appreciation factor of 25% were applied due to inflation in prices of imported as well as local machinery. Value of plant and machinery assessed on lump sum basis to determine current replacement value.

- 24.3 The revaluation surplus on property plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with the section 241 of the Companies Act, 2017.

	Note	2026 Rupees	2025 Rupees
25 CONTRIBUTION/LOAN FROM SPONSORS			
Unsecured			
Chief Executive - Mr Mussaid Hanif		39,000,000	39,000,000
Director - Mr. Arbab Khan		5,000,000	-
	25.1	<u>44,000,000</u>	<u>39,000,000</u>

- 25.1 This represents unsecured interest free loan from directors of the Company to meet the working capital and long term requirements. This is payable on discretion of the Company and will be paid as and when convenient to the Company. This has been disclosed / classified in accordance with TR -32 "Directors' Loan" clause 3.3 "Contractual Directors' loan" that is interest free and repayable at the discretion of the Company, issued by the Institute of Chartered Accountants of Pakistan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

26 LONG TERM FINANCING

Secured:

Make-up based financing from conventional bank:

The Bank of Punjab
National Bank of Pakistan

Less: Current portion shown under current liabilities

	Note	2026 Rupees	2025 Rupees
26.1	26.1	42,202,215	55,343,989
26.5	26.5	133,247,295	-
		175,449,510	55,343,989
35	35	(67,199,422)	(10,621,680)
		108,250,088	44,722,309

Repayment commencement	Markup	Sanctioned limit (million)	Number of installments
------------------------	--------	----------------------------	------------------------

26.1	26.1	27,005,459	37,148,247
26.2	26.2	15,196,756	18,195,742
		42,202,215	55,343,989
35	35	(12,913,422)	(10,621,680)
		29,288,793	44,722,309

26.2	26.2	55,343,989	65,111,263
		(10,621,680)	(10,621,680)
26.3	26.3	(3,225,234)	-
		705,148	854,406
		42,202,215	55,343,989

26.3 The Company obtained a term finance facility under the 'SBP renewable energy scheme' introduced by the State Bank of Pakistan (SBP). ICAP issued the guidance for accounting of said financing through circular No. 11/2020 dated August 17, 2020 and based on that circular, reference to the requirement of IAS-20.

26.4 It represents long term financing from commercial banks (as stated above) and the amounts claimed by such institutions. Markup is leviable along with installment (except interest free loans) as per schedule stated above. These loans are secured by a first-ranking pari passu charge over the Company's current assets amounting to Rs. 134 million and fixed assets amounting to Rs. 427 million executed through the joint pari passu agreement with the lenders of the Company and joint memorandum of deposit of title deeds, equitable mortgage charge on land and personal guarantees of the directors of the Company

26.5	26.5	39,497,295	26.7	08 Quarterly	45	7.5%	100	16 Quarterly	35	35	133,247,295	-
		93,750,000	26.8	1 month KIBOR+2%	100	1 month KIBOR+2%	100	16 Quarterly			133,247,295	-
		133,247,295									(54,286,000)	-
		78,961,295									78,961,295	-

26.6	26.6	146,085,949	26.7 & 26.8	146,085,949	-
		(12,009,000)		(12,009,000)	-
		(2,256,442)		(2,256,442)	-
		1,426,288		1,426,288	-
		133,247,295		133,247,295	-

26.7 The Company obtained a demand finance facility from the National Bank of Pakistan (NBP) at a markup rate ranging at one-month KIBOR plus 2%. During the period, the bank revised the markup rate to 7.5%. Accounting for this facility is treated in accordance with ICAP Circular No. 11/2020 dated August 17, 2020, with reference to the requirements of IAS 20. The loan is secured by a joint pari passu charge over the fixed assets of the Company.

26.8 The Company obtained a demand finance facility from the National Bank of Pakistan (NBP) at a markup rate ranging at one-month KIBOR plus 2%. The loan is secured by a joint pari passu charge over the fixed assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
27 DIMINISHING MUSHARAKA			
Secured:			
First Punjab Modaraba	27.2	12,858,710	-
		<u>12,858,710</u>	<u>-</u>
Less: Current portion shown under current liabilities	35	(4,597,071)	-
		<u>8,261,639</u>	<u>-</u>
27.1	Movement of diminishing musharaka is as follows:		
Opening balance		-	-
Musharaka obtained during the year		12,858,710	-
Current portion shown under current liabilities		(4,597,071)	-
Closing balance		<u>8,261,639</u>	<u>-</u>
27.2	This represents four Toyota Yaris vehicles acquired during the year under diminishing musharaka arrangements with First Punjab Modaraba. Two vehicles are subject to arrangements under which the Company holds a 10% participation and First Punjab Modaraba holds the remaining 90%, while for the other two vehicles, the Company's participation is 40% and First Punjab Modaraba's participation is 60%. The arrangements commenced repayment in January 2026 with a tenor of 3 years, carry a mark-up of 3-month KIBOR plus 4.5% and are repayable in 36 monthly installments.		
28 DEFERRED LIABILITIES			
Deferred tax liabilities	28.1	183,769,568	165,948,018
Staff retirement benefits	28.2	<u>125,630,336</u>	<u>113,122,981</u>
		<u>309,399,904</u>	<u>279,070,999</u>
28.1 Deferred tax liabilities			
Deferred tax liability comprises as follows:			
Taxable temporary differences			
Tax depreciation allowances		140,262,780	106,728,985
Revaluation surplus		100,276,220	108,913,282
Right of use		-	133,240
Deductible temporary differences			
Deferred tax related to actuarial gain (OCI)		694,233	554,827
Provision for gratuity		35,738,564	32,250,838
Provision for doubtful debts (ECL)		12,811,934	10,115,572
Provision for doubtful advances		4,229,877	3,695,492
Provision for investment in listed securities		84,067	-
Provision for stocks		<u>3,210,757</u>	<u>3,210,760</u>
		<u>183,769,568</u>	<u>165,948,018</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
28.1.1	The gross movement in the deferred tax liability during the year is as follow:		
	Balance as at July 01,	165,948,018	120,205,132
	Charge to the statement of profit or loss	17,127,317	(37,854,395)
	Charge to the statement of OCI	694,233	83,597,281
	Balance as at June 30	183,769,568	165,948,018

- 28.1.2 Owing to uncertainty relating to future taxable profits, against which the Company can utilize its deferred tax asset, the Company has not recognized any deferred tax asset related to minimum tax credits, taxable losses and other provisions amounting to Rs. 286.487 million (2025: Rs. 184.142 million). Expiry of minimum tax and taxable losses carried forward are as follows:

Expiry tax year	Nature		
2027	Minimum tax-2022	7,557,579	7,557,579
2027	Minimum tax-2024	14,468,311	14,468,311
2028	Minimum tax-2025	103,493,386	103,493,386
2028	Minimum tax-2026	96,927,923	-
		222,447,199	125,519,276
Expiry tax year	Nature		
2031	Business loss - 2025	83,128,634	83,128,634

- 28.1.3 The Company's income is be subject to taxation under the Minimum Tax Regime (MTR) / Normal Tax Regime (NTR). Accordingly, deferred tax has been calculated based on the assumption that the accounting and tax written-down values are the same, in line with the advice provided by the Company's tax advisor, who confirmed that no temporary differences existed in the past due to the application of the Final Tax Regime.

28.2 Staff retirement benefits

a) General description

The scheme provides for terminal benefits for all its permanent employees who qualify for the gratuity scheme. The defined benefit payable to each employee at the end of his service comprises of total number of years of his service multiplied by last drawn basic salary including cost of living allowance.

Annual charge is based on actuarial valuation carried out by an independent approved valuer M/s TRT Associates as at June 30, 2026 using the Projected Unit Credit method.

The Company faces the following risks on account of gratuity:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Interest rate risk - The present value of the defined benefit liability is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post-employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability, and vice versa.

Salary risk - The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the liability and vice versa.

Withdrawal rate risk - The present value of the defined benefit liability is calculated by reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate will decrease the liability and vice versa.

Mortality rate risk - The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during employment. An increase in the life expectancy of the participants will increase the liability and vice versa.

b)	Significant actuarial assumptions	2026	2025
		Percentage	Percentage
		Per annum	

Following are significant actuarial assumptions used in the valuation:

Discount rate	11.75%	11.75%
Expected rate of increase in salary	10.75%	10.75%
Withdrawal rates	9.5%	9.5%
Expected mortality rate	10.5%	10.5%
Retirement age	60	60

c)	Note	2026	2025
		Rupees	Rupees
Reconciliation of payable to defined benefit plan			
Present value of obligation and liability recognized in balance sheet		125,630,336	113,122,981

d)	Movement of the liability recognized in the statement of financial position		
	Balance sheet liability at the beginning of the year	113,122,981	93,586,694
	Amount recognized during the year	42,822,098	40,907,689
	Amount paid during the year	(27,920,835)	(23,284,598)
	Unrecognised actuarial (gain) / loss	(2,393,908)	1,913,196
	Present value of defined benefit obligation	125,630,336	113,122,981

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
e) Charge for the year			
Current service cost		31,170,497	28,679,860
Interest cost		11,651,601	12,227,829
Charge for the year		<u>42,822,098</u>	<u>40,907,689</u>
f)	The expected charge in respect of defined benefit plan for the year ending June 30, 2027 will be Rs. 49.991 million (June 30, 2026: Rs. 46.342 million).		
g) Sensitivity analysis			
The impact of 1% change in following variables on defined benefit obligation is as follows:			
		Rupees	
		Increase in assumption	Decrease in assumption
2026			
Discount rate		<u>114,870,229</u>	<u>137,401,396</u>
Salary increase		<u>137,398,358</u>	<u>114,868,818</u>
2025			
Discount rate		<u>105,182,616</u>	<u>125,813,612</u>
Salary increase		<u>125,810,830</u>	<u>105,181,324</u>
h) Maturity profile			
Time in year			
1		11,929,270	10,741,630
2		14,912,477	13,427,839
3		18,095,728	16,294,175
4		22,067,262	19,870,316
5		25,058,113	22,563,408
6 - 10 onwards		155,229,260	139,775,133
i) Remeasurement chargeable to other comprehensive income			
Experience adjustment and actuarial (gain) / loss on obligation		(2,393,908)	1,913,196
Related deferred tax	28.1.1	<u>694,233</u>	<u>(554,827)</u>
		<u>(1,699,675)</u>	<u>1,358,369</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees			
j) The charge for the year has been allocated as follows:						
Cost of sales	38.2	41,669,718	39,963,111			
Distribution expenses	39.1	-	-			
Administrative and general expenses	40.1	1,152,380	944,578			
		<u>42,822,098</u>	<u>40,907,689</u>			
k) Historical information						
Present value of defined benefit obligation						
		2025 Rupees	2024 Rupees	2023 Rupees	2022 Rupees	2021 Rupees
		<u>113,122,981</u>	<u>94,169,972</u>	<u>169,572,420</u>	<u>134,674,090</u>	<u>118,346,459</u>
29 LEASE LIABILITIES						
Against right of use assets						
Lease liabilities		-	-	-	-	21,388,900
Payments / adjustments during the year		-	-	-	-	(30,139,470)
Interest expense during the year		-	-	-	-	8,750,570
Less: Current portion		-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
29.1	When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate which is 13.8% per annum.					
29.2	The lease agreement less than one year are not classified under IFRS-16 leases.					
30 DEFERRED GRANT						
Deferred grant	30.2	6,030,809	2,099,659			
Less: current portion of grant	35	(1,983,698)	(708,975)			
		<u>4,047,111</u>	<u>1,390,684</u>			
30.1	This represents deferred grant recognised in respect of the benefit of below-market interest rate on long term finance facility as referred to in note 26.2 & 26.6. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The reconciliation of the carrying amount is as follows:					
30.2	Following is the movement in government grant during the year:					
Opening balance as at July 01,		2,099,659	2,954,065			
Addition during the year	26.2 & 26.6	5,327,155	-			
Amortized during the year	42	(1,396,005)	(854,406)			
Closing balance as at June 30		<u>6,030,809</u>	<u>2,099,659</u>			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
31	TRADE AND OTHER PAYABLES		
Creditors		1,160,717,519	1,150,106,544
Accrued liabilities	31.1 & 31.2	297,187,629	265,881,451
Pension fund payable	31.3	8,079,257	2,744,877
Tax deduction at source		109,905,808	71,312,476
Workers' Profit Participation Fund	31.4	111,933,637	95,720,944
Workers' Welfare Fund	31.5	25,763,805	23,298,576
Payable against purchase of land	31.6	179,339,686	186,589,686
Payable against purchase of machinery	31.7	30,434,914	-
Gas infrastructure development cess payable	31.8	40,938,135	40,938,135
Advance against sale of land	31.9	32,500,000	30,000,000
		<u>1,996,800,390</u>	<u>1,866,592,689</u>
31.1	Employees Old-Age Benefits Institution has issued notification for EOBI contribution and deduction based on revised minimum wage rates. The industry has gone into litigation the decision of which is still pending. However, the Company has recorded the contribution/provision amounting to Rs 94.733 million (June 30, 2025 : Rs. 89.074 million) for EOBI as per the revised rates on a prudence basis based on the recommendation of the legal advisor as it may not eventually be decided in the industry/company's favor.		
31.2	Sui Northern Gas Pipelines Limited has charged cost of supply relating to RLNG supplies in the billing month of July 2025 based on the actualization of RLNG prices for the period from April 2015 to June 2022, as notified by Oil and Gas Regulatory Authority vide Notification No. OGRA-FIN-28-11(18)/2020 dated March 28, 2025. The Company along with other industrial units has challenged the levy of such adjustment and filed writ petition before the Honourable Lahore High Court. The matter is pending adjudication. However, the Company has made a provision amounting to Rs. 11.628 million on prudence basis during the prior year ended June 30, 2025.		
31.3	Pension fund payable		
Opening balance		2,744,877	6,073,553
Contribution made by employees		15,389,584	13,458,057
Contribution made by employer		15,389,584	13,458,057
Transferred to final settlement account		-	-
Payments made to fund by employer		(12,722,394)	(15,122,395)
Deduction made from employees on the behalf of fund		(12,722,394)	(15,122,395)
		<u>8,079,257</u>	<u>2,744,877</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
31.4 Workers' Profit Participation Fund			
Opening balance as at July 01,		95,720,944	79,033,932
Expense for the year	41	6,487,445	4,318,202
Payment made during the year		-	-
Interest on funds utilized in Company's business	31.4.1	9,725,248	12,368,810
Closing balance as at June 30		<u>111,933,637</u>	<u>95,720,944</u>
31.4.1 Mark up on Workers' Profit Participation Fund has been provided at 10.16% per annum (2025: 15.65% per annum).			
31.5 Workers' Welfare Fund			
Opening balance as at July 01,		23,298,576	21,571,295
Expense for the year	41	2,465,229	1,727,281
Payment made during the year		-	-
Closing balance as at June 30		<u>25,763,805</u>	<u>23,298,576</u>
31.5.1 The related surcharge estimated at Rs. 3.495 million as at June 30, 2026, has not been recognized in the financial statements due to its immaterial impact.			
31.6 Payable against purchase of land			
To directors of the Company			
Mussaid Hanif	31.6.1	140,323,978	140,323,978
Arbab Muhammad Khan	31.6.1	33,304,326	40,554,326
Sabah Burhan	31.6.1	5,711,382	5,711,382
		<u>179,339,686</u>	<u>186,589,686</u>
31.6.1 This represents payable to directors against purchased of land during the year 2023 and 2024. This is payable on demand.			
31.7 This payable against machinery is due within one year in 12 equal monthly installments. Under IFRS 9, non-interest-bearing financial liabilities are required to be measured at present value using an appropriate discount rate. The impact of discounting is considered immaterial.			
31.8 Pursuant to the order of Honourable Supreme Court of Pakistan in August, 2020 and its subsequent dismissal of review petition in November 2020, the Company is making accrual of levy as per GIDC monthly billing by Sui Northern Gas Pipeline Limited (SNGPL).			
However, due to stay order granted by the High Court of the Sindh, the Company is not paying the levy. Due to non-payment of the levy, SNGPL is charging surcharge on unpaid amount. As of June 30, 2026, the surcharge charged to the Company is Rs. 227.822 million (June 30, 2025: Rs. 221.747 million) against which the Company is not making any accrual and is confident based on the advice of its legal counsel, that no liability will raised to the Company relating to this surcharge.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 31.9 This amount represents advance received against sale of land (disclosed in note 22 to these financial statements). The sale and title transfer process is currently in progress, and management expects the transaction to be finalized in due course.

	Note	2026 Rupees	2025 Rupees
32	CONTRACT LIABILITIES		
	Opening balance as at July 01,	46,108,472	9,964,970
	Advance received	553,378,101	1,024,631,479
	Income recognised	(565,351,353)	(988,487,977)
	Closing balance as at June 30,	<u>34,135,220</u>	<u>46,108,472</u>

- 32.1 Contract balances primarily comprises of contract liabilities, representing advance consideration received from customers for the purchase of products. Balance as at reporting date amounted to Rs. 34.135 million (2025: Rs. 46.108 million). Revenue recognized during the reporting period which was included in the contract liabilities at the beginning of the period amounted to Rs. 46.108 million (2025: Rs. 9.965 million).

33 ACCRUED MARK-UP

Long term financing	3,840,481	776,087
Short term borrowings	12,130,431	19,030,378
	<u>15,970,912</u>	<u>19,806,465</u>

34 SHORT TERM BORROWINGS

Secured

Mark-up based borrowings from conventional banks

Running finances

The Bank of Punjab - ERF	34.1	495,106,000	495,106,000
Habib Metropolitan Bank Limited	34.2	-	100,000,000
National Bank of Pakistan Limited	34.3	470,000,000	420,000,000
United Bank Limited	34.4	150,000,000	115,000,000
Habib Bank Limited	34.5	237,000,000	237,000,000
Bank Islami Pakistan Limited	34.6	76,173,380	-
The Bank of Punjab - RF	34.7	68,325,820	69,004,820
		<u>1,496,605,200</u>	<u>1,436,110,820</u>

Foreign bills discounting

National Bank of Pakistan Limited	34.8	101,980,227	185,623,297
The Bank of Punjab	34.9	80,899,930	64,771,273
Habib Bank Limited	34.10	141,628,777	99,519,942
United Bank Limited	34.11	75,245,353	70,860,976
		<u>399,754,287</u>	<u>420,775,488</u>

Temporary bank overdraft

Bank over draft	34.13	191,296,965	116,032,942
		<u>2,087,656,452</u>	<u>1,972,919,250</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 34.1 This represents short-term Export Refinance Facilities obtained from Bank of Punjab, aggregating to Rs. 565.00 million (2025: Rs. 565.00 million), carrying mark-up at SBP rate plus 1% on the utilized limits. The facilities have a tenure of 180 days from the date of June 17, 2026 and are rollover facilities. The facilities are secured against first pari passu and joint pari passu charges over the present and future current assets of the Company as well as export documents.
- 34.2 This represents short-term post-shipment working capital facilities from Habib Metropolitan Bank Limited in prior year aggregated to Rs. 100.00 million and carries a markup of 3 months kibar rate plus 2% on utilized limits. This facility was secured against joint pari passu of Rs. 150.00 million on current assets of the Company registered with SECP which will be upgraded to joint pari passu within 180 days of disbursement.
- 34.3 This represents short-term export refinance facilities from National Bank of Pakistan Limited aggregating to Rs. 470.00 million (2025: Rs. 420.00 million), comprising an ERF-II facility of Rs. 420.00 million and an FAPC facility of Rs. 50.00 million. The ERF-II facility carries mark-up at SBP rate plus 1% on utilized limits and has a tenure of 180 days, with expiry on December 31, 2026. The FAPC facility carries mark-up at 1-month KIBOR plus 2% and has a tenure of 180 days, with expiry on December 31, 2026. Both facilities are rollover facilities. The facilities are secured against joint pari passu charges of Rs. 427.00 million on the fixed assets and Rs. 134.00 million on the current assets of the Company. The FAPC facility is additionally backed by letters of credit/contracts and is repayable through realization of export proceeds/internal cash flows of the Company.
- 34.4 This represents short-term pre-shipment export financing facilities from United Bank Limited aggregated to Rs. 150.00 million (2025: Rs. 150.00 million) and carries a mark-up of 1 month kibar rate plus 1.5% on utilized limits. This facility is secured against joint pari passu over current and future fixed assets and present and future current assets of the company registered with SECP which will be upgraded to joint pari passu within 120 days of disbursement along with lien of exports documents. These facilities have a tenure of 180 days and are rollover facilities.
- 34.5 This represents short term export refinance facilities from Habib Bank Limited aggregated to Rs. 237.00 million (2025: Rs. 237.00 million) and carries mark-up of SBP rate plus 1% on utilized limits. This facility is secured against joint pari passu over current and future fixed assets and present and future current assets of the company registered with SECP which will be upgraded to joint pari passu within 120 days of disbursement along with lien of exports documents. These facilities have a tenure of 180 days with expiry on December 31, 2026 and are rollover facilities.
- This facility is also secured against the personal guarantees of Mr. Mussaid Hanif, Mr. Arbab Muhammad Khan, Ms. Sabah Burhan and Ms. Tehniyat Mussaid along with personal net worth statements.
- 34.6 This represents a short term FE-25 running musharaka loan facility obtained during the year from Bank Islami Pakistan Limited aggregated to Rs. 100.00 million (2025: Nil) and carries fixed markup rate 6.99%. This facility is secured against lien over export documents and is utilized to support the Company's export operations.
- 34.7 This represents short term running finance facility from Bank of Punjab aggregated to Rs. 100.00 million (2025: Rs. 100.00 million) and carries mark-up of 3 months KIBOR plus 2% on utilized limits. This facility is secured against first pari passu charge and joint pari passu charge over present and future current assets of the Company and also on exports documents.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 34.8 This represents short term foreign bills discounting facility from National Bank of Pakistan aggregated to Rs. 200.00 million (2025: Rs. 200.00 million) and carries markup on delayed realization of 1 month KIBOR + 2%. This facility is secured against joint pari passu charge of Rs. 134 million over fixed assets, Rs. 134 million over current assets and also on exports documents.
- 34.9 This represents short term foreign bills discounting facility from The Bank of Punjab aggregated to Rs. 100.00 million (2025: Rs. 100.00 million) and carries markup on delayed realization of 3 months KIBOR + 5%. This facility is secured against joint pari passu charge of Rs. 768.30 million over fixed assets Rs. 301.00 million over current assets registered with SECP and also on exports documents.
- This facility is also secured against the personal guarantees of Mr. Mussaid Hanif and Mr. Arbab Muhammad Khan along with personal net worth statements.
- 34.10 This represents short term foreign bills discounting facility from Habib Bank Limited aggregated to Rs. 175.00 million (2025: Rs. 175.00 million) and carries markup on delayed realization of FBP facility rate + 2%. This facility is secured against joint pari passu charge of Rs. 394.00 million over current and future fixed assets and present and future current assets of the company registered with SECP along with lien of exports documents.
- This facility is also secured against the personal guarantees of Mr. Mussaid Hanif, Mr. Arbab Muhammad Khan, Ms. Sabah Burhan and Ms. Tehniyat Mussaid along with personal net worth statements.
- 34.11 This represents short term foreign bills discounting facility from United Bank Limited aggregated to Rs. 75.00 million (2025: Rs. 75.00 million) and carries a mark-up of 1 month kibor rate plus 3% on utilized limits. This facility is secured against joint pari passu over current and future fixed assets and present and future current assets of the company registered with SECP which will be upgraded to joint pari passu within 120 days of disbursement along with lien of exports documents.
- 34.12 The Company has total credit facilities of Rs. 2,272 million (2025: Rs. 2,022 million) at the year end. Whereas the Company has availed credit facilities of Rs. 2,091,748 million (2025: Rs. 1,788,106 million) and unavailed credit facilities of Rs. 180,252 million (2025: Rs. 233,894 million) at the year end.
- 34.13 This balance represents temporary credit amounts arising from cheques issued to suppliers in advance of future purchases. This also includes cheques which were issued prior to the period end in anticipation of future deposits, but remain outstanding as of the reporting date.

	Note	2026 Rupees	2025 Rupees
35	CURRENT PORTION OF LONG TERM LIABILITIES		
Current portion of deferred grant	30	1,983,698	708,975
Current portion of long term financing	26	67,199,422	10,621,680
Current portion of diminishing musharka	27	4,597,071	-
		<u>73,780,191</u>	<u>11,330,655</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

36 CONTINGENCIES AND COMMITMENTS

36.1 Contingent liabilities and assets

- 36.1.1 The Company's declared taxable income and tax liability for tax year 2015 was amended by the Taxation Officer and raised a further demand of Rs. 119.552 million against the Company. This order was challenged by the Company with the Appellate Tribunal Inland Revenue, which is pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company, therefore no provision has been made in these financial statements.
- 36.1.2 The Company's declared taxable income and tax liability for tax year 2017 were amended by the Taxation Officer, resulting in a further demand of Rs. 759.218 million against the Company. The Company challenged this order before the CIR(A). The CIR(A) has passed an order in favour of the Company in respect of certain matters, while the remaining matters involving a demand of Rs. 159.975 million are remanded back for further assessment. The management, in consultation with its tax advisor, is of the view that these tax matters will eventually be decided in favour of the Company therefore no provision has been made in these financial statements.
- 36.1.3 The Company's declared taxable income and tax liability for tax year 2021 was amended by the Taxation Officer and raised a further demand of Rs. 33.260 million against the Company. This order was challenged by the Company with the Appellate Tribunal Inland Revenue, which is pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.
- 36.1.4 The Company's declared taxable income and tax liability for tax year 2014 was amended by the Taxation Officer and raised a further demand of Rs. 42.939 million against the Company. The Company challenged this demand before the Commissioner Inland Revenue (Appeals) [CIR(A)], who subsequently annulled it via Order No. 09 dated September 13, 2019. However, the tax department, being aggrieved by the CIR(A)'s decision, filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). ATIR has accepted the appeal and revived the findings of assessing officer, against which reference has been filed before the Lahore High Court. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.
- 36.1.5 The tax authorities have raised a tax demand of Rs. 57.570 million under section 122(5A) for the tax years 2011, 2012, and 2013 through orders No. 29, 30, and 31, all dated December 18, 2015. The company, dissatisfied with these orders, filed independent appeals with the Commissioner Inland Revenue (Appeals) [CIR-A]. The CIR-A partially allowed the appeals, deleting some additions while upholding others. Both the company and the tax department, dissatisfied with the CIR-A's decision, filed further appeals before the Appellate Tribunal Inland Revenue (ATIR). The ATIR issued a consolidated order for all three years, remanding certain issues to the department for reassessment while upholding certain additions against the Company. Subsequently, both the company and the tax department challenged the ATIR's decision by filing petitions before the High Court. The High Court has remanded back the matter to ATIR, where the matter is currently pending adjudication.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 36.1.6 The Deputy Commissioner Inland Revenue (DCIR) has passed an order under section 161/205 of the Income Tax Ordinance, 2001, creating a total tax and default surcharge demand of Rs. 50.71 million for tax year 2019 (comprising tax under section 161 amounting to Rs. 45.28 million and additional surcharge under section 205(3) amounting to Rs. 5.4 million) on account of alleged non-deduction/short-deduction of withholding tax on various heads including salaries, raw material purchases, overheads, fixed asset additions, and creditors. The management has filed an appeal before the Commissioner Inland Revenue (Appeals) under section 127 of the Income Tax Ordinance 2001.
- 36.1.7 For Tax Years 2022 and 2023, notices and demands regarding Super Tax under section 4C have been issued by the Deputy Commissioner Inland Revenue (Unit-01, Zone-III, LTO, Lahore). While the appeal for Tax Year 2023 was previously upheld by the Commissioner Inland Revenue (Appeals), the Appellate Tribunal Inland Revenue (Lahore Bench, Lahore) has since modified the orders, directing the assessing officer to recompute liabilities after verifying excess payments and ending refund claims.
- 36.1.8 A sales tax demand of Rs. 1.32 million along with default surcharge and penalty of Rs. 0.07 million, was raised by the tax authorities in respect of input tax claimed by the Company for the tax periods from September 2020 to April 2021. The Company contested the demand before the appellate authorities, and the Appellate Tribunal Inland Revenue, vide its order dated 16 June 2026, set aside the impugned findings and remanded the matter to the Assessing Officer for fresh adjudication. The matter is currently pending before the Assessing Officer.
- 36.1.9 The company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), against an order passed by the Commissioner Inland Revenue (Appeals) (CIRA), which had upheld the assessment order passed under section 11E of the Sales Tax Act, 1990 for the tax periods July 2018 to March 2024. The dispute involves a disallowance of input tax amounting to Rs. 0.85 million, a matching penalty of Rs. 0.85 million under section 33(13) of the Sales Tax Act, 1990, and a consequential default surcharge under section 34(1)(c) of the Act. The matter is currently pending at ATIR.
- 36.1.10 The company filed an appeal (STA No. 1770/LB/2017) before the Appellate Tribunal Inland Revenue (ATIR), against an order passed by the Commissioner Inland Revenue (Appeals-II), which had largely upheld a sales tax liability originally created by the Deputy Commissioner Inland Revenue, for the tax periods July 2011 to February 2013. The Appellate Tribunal Inland Revenue (ATIR) set aside the impugned order and remanded the case back to the Assessing Officer to pass a fresh speaking order after providing a reasonable opportunity of hearing.
- 36.1.11 The Company is subject to certain tax proceedings in respect of Tax Year 2020, including matters relating to tax credit for investment in plant and machinery u/s 65B. The tax authorities have initiated proceedings under section 122 of the Income Tax Ordinance, 2001. The Company has contested the matter and the case is currently pending before the Commissioner Inland Revenue (Appeals) (CIRA).
- 36.1.12 The Company has filed a suit (Suit. No. 1085-2021) against FOP/SNGPL in which the recovery of GIDC Installments has been challenged. The case has been suspended by order of Honorable Sindh High Court at Karachi and no further date is fixed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 36.1.13 The Company has filed writ petitions (W.P. No. 222978/2022, W.P. No. 63115/2024 and W.P. No. 43653/2025) against the Federation of Pakistan and EOBI, challenging the recovery of higher EOBI contributions, including contribution arrears. The Hon'ble Lahore High Court, Lahore, has been pleased to suspend the impugned recoveries, and no further date of hearing has been fixed as yet.
- 36.1.14 The Company has filed a petition (W.P. No. 21181-2026) against FOP/SNGPL in which the recovery of RLNG Arrears has been challenged. The case has been suspended by order of Honorable Lahore High Court at Lahore.
- 36.1.15 The Company successfully obtained a judgment and order from the Honourable Lahore High Court, allowing its writ petition which challenged the recovery under the Gas Levy Ordinance. In response, an appeal (F.CPLA No. 961 of 2026) has been filed by the Federation of Pakistan (FOP) before the Honourable Federal Constitutional Court against the said judgment, and the appeal is presently pending adjudication.
- 36.1.16 The Company has filed a recovery suit against the Punjab Cotton Mills Limited for Rs. 5.107 million along with interest. The execution was filed which is still pending.
- 36.1.17 M/s. M. J. Industries had filed a suit against the Company for declaration for Rs. 0.545 million. The case was dismissed by the Honourable Civil Judge, Lahore. M/s. M. J. Industries had filed an application for the restoration of the suit which was also rejected by the Civil Judge, Lahore. The Company has filed a recovery suit against the M/s M. J. Industries for Rs. 0.545 million. The summon and notices have been issued to the defendant and the case is pending due to non appearance of the defendant before the Honourable Civil Judge, Lahore. The Company is hopeful of settlement of the case, in its favor
- 36.1.18 The Company has filed a recovery suit against the M/s. Amtex Limited for Rs. 2.917 million. The case is decreed in favour of Zephyr Textiles Limited by the Honourable Judge, high Court, Lahore. The case is pending for execution.
- 36.1.19 M/s. Sitara Textiles has filed a suit against the Company for recovery of damages against non performance of contract no. LO417 for supply of fabric. According to legal confirmation status, suit is pending for framing of issues. The Company has filed a suit against M/s. Sitara Textiles Limited for financial loss, cost of sales loss, loss of business and loss due to breach of contract for Rs. 37.680 million. The Company is hopeful of settlement of the case in its favor. M/s. Sitara Textiles has filed an other suit against the Company for financial loss and loss due to breach of contract for Rs. 65.724 million. The case is pending before Supreme Court of Pakistan. The Company has again filed an other suit against M/s. Sitara Textiles Limited for financial loss and loss due to breach of contract for Rs. 65.724 million. The matter has been decided in the Company's favour during the year however the order is awaited
- 36.1.20 The Company has filed suit for recovery of Rs. 34.027 millions for unauthorized sale of shares by First Pakistan Capital Limited. The case is pending before Senior Civil Judge Lahore.
- 36.1.21 Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregate to Rs. 123.399 million (June 30, 2025: Rs. 123.399 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 36.1.22 A shareholder of the Company has, through legal notices, sought clarification on certain related party transactions, corporate governance compliance and other disclosure matters, and has shared such correspondence with the SECP.

The Company has appropriately responded to the concerns raised by the shareholder through its legal advisor. As at the reporting date, no formal regulatory proceedings or litigation have been initiated against the Company in this respect. Based on legal advisor's assessment, Company does not anticipate any material financial impact on the Company's financial statements, though the matter remains unresolved and its outcome cannot be predicted with certainty.

- 36.1.23 The Company had filed two suits against ChenOne Stores Limited ("ChenOne") for recovery of amounts on account of cheque dishonour of Rs. 11.59 million (pending before the Additional District Judge, Lahore) and for recovery of Rs. 15.00 million on account of alleged supply of "stock on racks" products (pending before the Civil Judge, Lahore).

Subsequent to the reporting period, the Company has entered into a settlement agreement with ChenOne Stores dated July 02, 2026, pursuant to which ChenOne Stores has agreed to pay Rs. 11.593 million in full and final settlement of claims arising from the pending litigations. The settlement amount is payable in accordance with the agreed payment schedule.

In respect of the disputed claim of Rs. 15 million relating to alleged "stock on racks" supplies, the parties have agreed to conduct a forensic audit to determine the amount, if any, payable, which will be subject to the determination of the competent court.

36.2 Commitments

Commitments as on June 30, 2026 were as follows:

- a) Contracts for capital expenditure are Nil (June 30, 2025: Rs. 18.048 million).
- b) Against letters of credit amounting to Rs. 128.156 million (June 30, 2025: Rs. 97.657 million).
- c) Contracts against sale of Rs. 405.475 million (June 30, 2025: Rs. 958.871 million).
- d) Foreign bills purchased by banks amounting to Rs. 399.754 million (June 30, 2025: Rs. 420.775 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
37 SALES - NET			
Gross local sales		2,382,816,385	2,574,690,120
Sales tax		(364,083,381)	(399,004,237)
Net local sales		2,018,733,004	2,175,685,883
Export sales		5,686,623,584	6,048,002,564
Total sales	37.1	7,705,356,588	8,223,688,447
Sales discount		(24,052,151)	(5,750,656)
Export rebate		72,929,438	61,533,088
		<u>7,754,233,875</u>	<u>8,279,470,879</u>
37.1	The Company is involved in manufacturing and trading of fabric, towels, knitting and other related items. The performance obligation is satisfied upon delivery of goods. The Company makes sales against advances as well as on credit terms. In case of credit sales, payment is generally due within 30 to 90 days from the date of delivery of goods.		
37.2 Timing of revenue recognition - net			
Goods and services transferred at a point in time		<u>7,754,233,875</u>	<u>8,279,470,879</u>
37.3 Geographical market			
Pakistan (local) - net		2,018,733,004	2,175,685,883
France		207,373,264	277,429,854
Italy		1,398,579,870	1,575,525,185
Germany		1,115,173,210	1,176,654,495
USA		597,887,830	592,806,767
Sri Lanka		559,879,934	856,076,851
Belgium		160,742,195	133,942,822
United Kingdom		64,894,034	41,895,589
Portugal		313,000,815	418,228,531
Sweden		10,385,798	17,207,756
Hong Kong		403,416,329	83,781,011
Greece		148,024,038	432,019,991
Spain		42,121,764	23,194,099
South Africa		191,911,625	-
Lithuania		8,024,126	23,548,478
Bulgaria		13,516,706	-
Poland		-	2,287,004
United Arab Emirates		412,269,219	332,938,550
Australia		-	16,919,578
Canada		2,479,640	-
China		36,943,187	43,546,003
		<u>7,705,356,588</u>	<u>8,223,688,447</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
38 COST OF SALES			
Raw materials consumed	38.1	3,317,268,513	4,281,001,271
Other overheads:			
Salaries, wages and other benefits	38.2	1,071,686,136	990,505,602
Freight		25,660,838	32,310,190
Loading and unloading		11,846,190	11,626,141
Store material consumed		147,757,837	165,122,070
Packing, sizing and lubricants consumed		859,030,288	959,986,419
Processing and conversion charges		268,884,461	196,073,402
Fuel and power		843,556,923	930,401,670
Insurance expense		12,961,618	13,614,804
Rent expense		1,175,002	1,200,000
Repair and maintenance		11,404,713	9,070,480
Vehicle running and maintenance		20,404,705	18,407,245
Communication charges		1,699,740	1,325,328
Travelling, conveyance and entertainment		15,521,083	16,697,112
Fee and subscription		11,626,930	8,608,491
Printing and stationary		618,055	660,077
Depreciation expense PPE	7.1	216,903,146	197,601,236
Depreciation expense ROUA	8	459,448	9,265,128
Other expenses		14,628,732	7,598,940
		3,535,825,845	3,570,074,335
Opening work in process		99,644,757	131,348,823
Closing work in process		(136,732,459)	(99,644,757)
		(37,087,702)	31,704,066
Cost of goods manufactured		6,816,006,656	7,882,779,672
Opening stock of finished goods	38.3	1,456,893,732	1,038,418,334
Closing stock of finished goods	38.3	(1,386,180,851)	(1,456,893,732)
		70,712,881	(418,475,398)
		6,886,719,537	7,464,304,274
38.1 Raw materials consumed			
Raw material as at July 01,		396,573,156	380,576,318
Purchases of raw material		3,377,478,158	4,296,998,109
Less: Raw material as at June 30	13	(456,782,801)	(396,573,156)
Raw materials consumed		3,317,268,513	4,281,001,271

38.2 Salaries, wages, and other benefits include Rs. 41.670 million (2025: Rs. 39.963 million) and Rs. 11.034 million (2025: 9.550 million) of staff retirement benefits and pension fund respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
38.3	The movement of finished goods produced for sale is as follows:		
	Finished goods as at July 01,	1,456,893,732	1,038,418,334
	Add: Finished goods produced during the year	1,415,557,267	1,763,568,148
	Less: Sale of finished goods during the year	(1,486,270,148)	(1,345,092,750)
	Finished goods as at June 30,	<u>1,386,180,851</u>	<u>1,456,893,732</u>
39	DISTRIBUTION EXPENSES		
	Selling and distribution expense - local	1,878,000	3,693,207
	Selling and distribution expense - export	229,376,000	237,383,162
	Staff salaries and benefits	39,532,591	36,798,472
	Commission and claims	106,302,389	53,644,882
	Rent, rates and taxes	3,537,756	3,512,756
	Communication charges	25,356,174	24,951,464
	Travelling, conveyance and entertainment	4,375,895	6,423,293
	Vehicle running and maintenance	8,112,277	7,235,814
	Repair and maintenance	20,420	1,580
	Office utilities charges	233,724	223,589
	Insurance expense	1,775,412	1,609,440
	Fees and subscription	12,178,527	10,308,669
	Depreciation expense	10,091,840	10,579,233
	Other selling and distribution expense	8,344,008	5,462,608
		<u>451,115,013</u>	<u>401,828,169</u>
39.1	Salaries, wages, and other benefits include Rs. 2.106 million (2025: Rs. 2.090 million) in respect of pension fund respectively.		
40	ADMINISTRATIVE EXPENSES		
	Directors remuneration	55	6,900,000
	Staff salaries and benefits	40.1	58,334,669
	Rent, rates and taxes		4,892,659
	Communication charges		3,289,357
	Printing and stationary		1,353,678
	Travelling, conveyance and entertainment		12,691,106
	Vehicle running and maintenance		11,304,588
	Repair and maintenance		1,670,481
	Auditor's remuneration	40.2	2,400,000
	Legal and professional charges		5,118,156
	Office utilities charges		9,581,881
	Insurance expense		1,626,929
	Fees and subscription		4,067,076
	Depreciation expense	7.1	10,092,108
	Amortization expense	10.1	299,878
	Other administrative expenses		3,326,850
		<u>136,949,416</u>	<u>122,911,511</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 40.1 Salaries, wages, and other benefits include Rs. 1.152 million (2025: Rs. 0.945 million) and Rs. 2.266 million (2025: Rs. 1.803 million) of staff retirement benefits and pension fund respectively.

	Note	2026 Rupees	2025 Rupees
40.2 Auditor's Remuneration			
Audit fee		1,850,000	1,650,000
Half yearly review		250,000	220,500
Out of pocket		120,000	100,000
Code of corporate governance review		180,000	165,000
		<u>2,400,000</u>	<u>2,135,500</u>

41 OTHER OPERATING EXPENSES

Loss on sale of fixed asset	7.5	4,946,939	12,643,958
Loss on investment - at fair value		-	86,957
Exchange loss and discounting factor		14,448,178	15,556,591
Workers' profit participation fund	31.4	6,487,445	4,318,202
Workers' welfare fund	31.5	2,465,229	1,727,281
Expected credit loss against trade debtors	15.2	9,297,800	5,880,470
Expected credit loss against advances to suppliers	14.4	1,842,707	2,420,835
Agriculture expense		1,211,547	1,965,381
Other expenses		-	76,263
Advances written off	41.1	-	111,480
Provision for investment in listed securities	20.4	289,898	-
		<u>40,989,743</u>	<u>44,787,418</u>

- 41.1 This represents advances given to employees written off during the prior year.

42 OTHER INCOME

Income from financial assets

Profit on term deposits certificates		233,147	531,128
Profit on foreign currency account		28,447	83,111
Profit on investment - at fair value		618,220	1,440,449
Dividend income		76,838	51,468
Exchange gain		57,130,694	80,787,287

Income from non financial assets

Profit on sale of fixed asset	7.5	5,044,279	4,352,591
Unwinding - deferred grant - loan	26.2	1,396,005	854,406
Agriculture income	42.1	-	5,333,673
Other income		800,000	2,546,450
		<u>65,327,630</u>	<u>95,980,563</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 42.1 This represents the agricultural income from the temporary cultivation of land acquired for expansion during the financial year 2023-24. The land, measuring 56 acres, was purchased with the intention of installing solar panels and extending the warehouse and factory. This cultivation in prior year was a one-time activity with an immaterial impact; accordingly, disclosures under IAS 41 are not deemed necessary in the financial statements.

Management has assessed the requirements of IAS 41 – Agriculture. Given that:

- the cultivation was a one-time, temporary activity,
- the agricultural produce was disposed of during the prior year with no biological assets or agricultural activity ongoing at prior year, and
- the financial impact of such income is immaterial in the context of the Company's financial statements.

	Note	2026 Rupees	2025 Rupees
43	FINANCE COSTS		
Mark-up on long term loans		11,276,508	3,321,191
Mark-up on short term loans		116,320,168	197,922,456
Mark-up on WPPF	31.4.1	9,725,248	12,368,810
Mark-up on delayed realization	43.1	7,055,204	2,180,040
Mark-up on subsidized loan	30.2	1,396,005	854,406
Mark-up on diminishing musharika		1,151,816	8,750,575
Bank charges and commission		36,066,630	35,904,030
		<u>182,991,579</u>	<u>261,301,508</u>

- 43.1 This represents discounting markup on export sales contracts during the year.

44 LEVY

Minimum tax differential	44.1	90,266,669	103,493,386
Prior year		-	2,248,840
		<u>90,266,669</u>	<u>105,742,226</u>

- 44.1 This represents Minimum taxes paid under Section 113 of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

44.2 Reconciliation of tax charge

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

Current tax liability for the year as per applicable tax laws		96,927,923	116,353,873
Portion of current tax liability as per tax laws, representing income tax under IAS 12		(6,661,254)	(10,611,647)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37		<u>(90,266,669)</u>	<u>(105,742,226)</u>
Difference		<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
45 TAXATION			
Current			
- Current period		6,661,254	-
- Prior year	45.3	-	10,611,647
		6,661,254	10,611,647
Deferred			
- Current year	28.1.1	17,127,317	(37,854,395)
		23,788,571	(27,242,748)
Net levy and tax charged		114,055,240	78,499,478

45.1 The rate of tax has been fixed at 29% for Tax Year 2021 and onwards by taxation authorities.

45.2 The aggregate of minimum / final tax and income tax amounting to Rs. 96,928 million (2025: Rs. 103,493 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

45.3 This represents a difference between net taxation charged in the financials and the income tax return filed in the last year due to advance tax not taken into account and excess provision in previous years as disclosed in note 45.5.

45.4 The tax charge for current year represents the minimum tax / final tax under the income Tax Ordinance, 2001, so numerical reconciliation between the average effective tax rate and the applicable tax rate is not prepared and presented.

45.5 Comparison of tax provision against tax assessments

Years	Note	Excess/ (Short)	Tax provision Rupees	Tax assessment/ tax return
2024-25	45.5.2	(60,250,146)	103,493,386	163,743,532
2023-24		1,622,575	99,936,663	98,314,088
2022-23		2,171,860	98,319,896	96,148,036
2021-22		(10,298,033)	79,077,923	89,375,956

45.5.1 As at June 30, 2026, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, the provision in accounts for income tax is sufficient as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

- 45.5.2 The tax provision for Tax Year 2025 amounted to Rs. 103,493,386, compared to a tax liability of Rs. 163,743,532 reflected in the income tax return, resulting in a difference of Rs. 60,250,146. The difference arose due to a technical error in the FBR portal in adjusting minimum tax deducted under Section 147 of the Income Tax Ordinance, 2001. The matter has been taken up with the CIR through the Company's tax consultant to enable revision of the Tax Year 2025 return. No prior year adjustment has been recognized in the current year subject to pending resolution of the matter.

46 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	2026	2025
Profit after taxation - in Rs.	6,740,977	1,819,084
Weighted average number of ordinary shares	59,428,729	59,428,729
Earnings per share - basic and diluted - (Rs.)	0.11	0.03

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

47 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of related staff retirement funds, directors and key management personnel. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:

Name of parties	Nature of relationship	Nature of transactions	Note	June 30, 2026		June 30, 2025	
				Transactions during the year	Closing balance	Transactions during the year	Closing balance
				----- Rupees -----			
Directors/shareholders Mr. Mussaid Hanif	Chief Executive	Purchase of land		-	-	31,656,250	-
		Payable against land	31.6	-	140,323,978	-	140,323,978
		Payment of short term loan		-	-	1,000,000	-
		Addition of short term loan		-	-	33,000,000	-
Mr. Arbab Muhammad Khan	Director	Contribution from sponsor	25	-	39,000,000	-	39,000,000
		Payment against companies' exhibition expenses		6,197,820	-	1,944,345	-
		Repayment against expenses	31.6	-	33,304,326	1,944,345	-
		Contribution from sponsor	25	5,000,000	5,000,000	-	-
Ms. Sabah Burhan	Director	Payment against land		7,250,000	-	-	-
		Payable against land	31.6	-	33,304,326	-	40,554,326
		Purchase of land		-	-	3,937,500	-
		Payment against land		-	-	11,728,500	-
Ms. Hina Haq	Family member of directors	Payable against land	31.6	-	5,711,382	-	5,711,382
		Purchase of land		-	-	5,531,250	-
		Payment against land		-	-	24,599,604	-
		Payment of short term loan		-	-	7,000,000	-
Mr. Tehniyat Mussaid Mr. Khitab Muhammad Khan	Family member of directors	Purchase of land		-	-	72,750,000	-
		Payment against land		-	-	72,750,000	-
		Advance against salary	14.2	630,000	1,869,000	2,499,000	2,499,000
		Remuneration paid	55	4,500,000	-	3,000,000	-
Mr. Naveed Mr. Mussaid Hanif Mr. Arbab Muhammad Khan Executives	Key management personnel	Remuneration paid	55	2,400,000	-	2,400,000	-
		Remuneration paid	55	89,501,964	-	170,338,614	-
		Contribution made	31.3	30,779,168	8,079,257	26,916,114	2,744,877
		Contribution paid		25,444,788	-	30,244,790	-

47.1 The balances with related parties have also been disclosed in the relevant notes to the financial statements.

47.2 The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive" (note 55). There are no transactions with key management personnel other than under their terms of employment except otherwise stated.

47.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

48 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Unclaimed dividend	Loan from directors	Long term financing	Short term borrowing	Lease liabilities	Total
			Rupees			
As at June 30, 2025	-	39,000,000	(9,767,274)	612,890,308	(21,388,900)	620,734,134
Changes from financing cash flows						
Loan from directors - net	-	5,000,000	-	-	-	5,000,000
Short term borrowings - net	-	-	-	39,473,179	-	39,473,179
Long term financing - net	-	-	138,291,386	-	-	138,291,386
As at June 30, 2026	-	5,000,000	138,291,386	39,473,179	-	182,764,565
As at June 30, 2024	829,907	-	65,111,263	1,243,996,000	21,388,900	1,331,326,070
Changes from financing cash flows						
Loan from directors - net	-	39,000,000	-	-	-	39,000,000
Short term borrowings - net	-	-	-	612,890,308	-	612,890,308
Long term financing - net	-	-	(9,767,274)	-	-	(9,767,274)
Lease liabilities - net	-	-	-	-	(21,388,900)	(21,388,900)
As at June 30, 2025	-	39,000,000	(9,767,274)	612,890,308	(21,388,900)	620,734,134

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

			2026 Rupees	2025 Rupees
49	CASH FLOWS FROM OPERATING ACTIVITIES	Note		
	Profit before taxation and levy		120,796,217	80,318,562
	Adjustments for items not involving movement of funds:			
	Depreciation on property, plant and equipment	7.4	237,087,094	218,759,546
	Depreciation on Right of use asset	8	459,448	9,265,128
	Amortization	10.1	299,878	1,208,172
	Provision for expected credit loss		11,140,507	8,301,305
	(Gain) / loss on disposal of property, plant and equipment	7.5	(97,340)	8,291,366
	Gain on sale of investments	42	(618,220)	(1,353,492)
	Staff retirement benefits - gratuity	28.2	42,822,098	40,907,689
	Provision for WPPF & WWF	41	8,952,674	6,045,483
	Interest on Workers' Profit Participation Fund	43	9,725,248	12,368,810
	Unwinding of grant	42	(1,396,005)	(854,406)
	Provision for investment in listed securities	41	289,898	-
	Profit on investment at fair value		(851,367)	-
	Finance cost	43	130,144,497	213,028,668
	Exchange gain - net		(57,130,694)	(65,230,696)
	Net cash flow before working capital changes		<u>501,623,933</u>	<u>531,056,135</u>
50	CASH AND CASH EQUIVALENTS			
	Cash and bank balances	21	108,328,908	27,409,493
	Bank over draft	34	(191,296,965)	(116,032,942)
			<u>(82,968,057)</u>	<u>(88,623,449)</u>

51 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

51.1 Risk management of financial instruments

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance related risks to the entity.

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's risk management policies are established to identify and analyse 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

51.1.1 Risk management framework

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

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect to changes in market conditions and the Company's activities. The Company through its training and management standards and procedures aims to maintain a disciplined and constructive control environment in which employees understand their roles and responsibilities.

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

51.1.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter party fail completely to perform as contracted and arise principally from trade debts, loans and advances, trade deposits, other receivables and bank balances. 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 as follows:

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of a company's performance to developments affecting a particular industry.

	Note	2026 Rupees	2025 Rupees
Long term deposits	11	25,474,124	25,474,124
Loans and advances	14	120,536,830	66,992,300
Trade debts	15	1,141,624,126	961,464,521
Trade deposits and prepayments	16	17,786,564	25,314,615

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FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Other receivables	19	146,495,216	132,362,795
Short term investments	20	2,791,621	7,400,239
Bank balances	21	104,110,223	18,183,938
		<u>1,558,818,704</u>	<u>1,237,192,532</u>

Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

Trade debts	1,141,624,126	961,464,521
Banking companies and financial institutions	131,867,080	33,048,405
Others	285,327,498	242,679,606
	<u>1,558,818,704</u>	<u>1,237,192,532</u>

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Credit terms are approved by the approval committee. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 30 to 90 days to reduce the credit risk.

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 effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The maximum exposure to credit risk for trade debts at the balance sheet date by geographic region is as follows:

Export	619,652,653	595,947,650
Domestic	566,150,555	400,398,153
	<u>1,185,803,208</u>	<u>996,345,803</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Trade receivables by geographical split is as follows:

Country	Sales			Trade debts	
	LC	Others	Total	Outstanding balance	
	Rupees			2026	2025
Pakistan	-	2,018,733,004	2,018,733,004	566,150,555	400,398,153
France	207,373,264	-	207,373,264	23,351,172	10,832,250
Italy	1,398,579,870	-	1,398,579,870	296,329,005	158,291,136
Germany	1,115,173,210	-	1,115,173,210	19,563,337	96,868,631
USA	597,887,830	-	597,887,830	29,168,628	41,506,098
Sri Lanka	559,879,934	-	559,879,934	34,099,604	55,232,346
Belgium	160,742,195	-	160,742,195	28,352,410	-
United Kingdom	64,894,034	-	64,894,034	12,804,790	-
Portugal	313,000,815	-	313,000,815	33,116,949	-
Sweden	10,385,798	-	10,385,798	-	188,153,374
Hong Kong	403,416,329	-	403,416,329	45,999,076	-
Greece	148,024,038	-	148,024,038	9,407,531	28,755,031
Spain	42,121,764	-	42,121,764	12,461,961	-
South Africa	191,911,625	-	191,911,625	15,895,126	-
Lithuania	8,024,126	-	8,024,126	-	-
Bulgaria	13,516,706	-	13,516,706	-	-
United Arab Emirates	412,269,219	-	412,269,219	56,623,424	16,308,784
Canada	2,479,640	-	2,479,640	2,479,640	-
China	36,943,187	-	36,943,187	-	-
Total	5,647,200,757	2,018,733,004	7,705,356,588	1,185,803,208	996,345,803

The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

	Note	2026 Rupees	2025 Rupees
Local debtors		566,150,555	400,398,153
Foreign debtors		619,652,653	595,947,650
	15	<u>1,185,803,208</u>	<u>996,345,803</u>

The aging along with loss allowance of trade receivable at the reporting date is as follows:

	Weighted average loss rate	Gross carrying amount	Loss allowance
June 30, 2026			
Past due 0 - 30 days	0.05%	986,483,599	444,585
Past due 31 - 60 days	0.57%	117,907,336	676,923
Past due 61 - 90 days	1.59%	23,581,468	374,316
Past due 91 - 120 days	3.65%	15,720,979	573,432
Past due over 120 days	100.00%	42,109,826	42,109,826
		<u>1,185,803,208</u>	<u>44,179,082</u>

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FOR THE YEAR ENDED JUNE 30, 2026

	Weighted average loss rate	Gross carrying amount	Loss allowance
June 30, 2025			
Past due 0 - 30 days	0.13%	697,842,454	910,126
Past due 31 - 60 days	0.80%	242,234,423	1,948,160
Past due 61 - 90 days	1.71%	12,698,093	217,282
Past due 91 - 120 days	3.72%	12,220,242	455,125
Past due over 120 days	100.00%	31,350,591	31,350,589
		<u>996,345,803</u>	<u>34,881,282</u>

Revenue from one customer of the Company's export segment i.e. CALEFFI S.P.A amounting to Rs. 768.730 million (2025: Rs. 758.843 million) represents approximately 9.88% (2025: 9.16%) of the Company's total revenues.

Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that no impairment allowance is necessary in respect of trade debtors past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable ground to believe that the amounts will be recovered in short course of time.

On the basis of expected credit loss an amount of Rs. 11.14 million (2025: Rs. 8.30 million) has been charged to profit and loss account and upto balance sheet an amount of Rs. 66.24 million (2025: Rs. 55.10 million) has been provided for as expected credit loss as fully explained on note 14.3 & 15.1.

The Company's bank balances can be assessed with reference to external credit ratings as follows:

Cash and bank balances

The Company held cash and cash equivalents in the form of temporary overdraft balance amounting to Rs. 82.968 million (2025: Rs. 88.623 million). These cash and cash equivalents are held with banks and financial institutions counterparties, which are rated A1+ to AAA, based on PACRA ratings. Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects short term maturities of the exposure. The Company considers its cash and cash equivalents have low credit risk based on the external ratings of the counterparties. 12 month probabilities of default are based on historical data supplied by PACRA and VIS rating agency for each credit rating. Loss given default (LGD) parameters generally reflect assumed recovery rates based on recovery rates assumed in Basel Guidelines for unsecured exposures.

Advances, deposits and other receivables

Advances, deposits and other receivables mainly comprise of advances to employees against salaries and deposits with government entities. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees
Bank balances	104,110,223	18,183,938
Short term investment	-	5,000,000
Other receivables	24,965,236	7,464,228
	<u>129,075,459</u>	<u>30,648,166</u>

Credit quality of financial assets

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

	Rating Agency	Ratings		2026 Rupees	2025 Rupees
		Short Term	Long Term		
Bank Balances					
National Bank of Pakistan	JCR-VIS	A-1+	AAA	46,001,340	1,970,104
MCB Bank Limited	PACRA	A1+	AAA	-	-
Bank Alfalah Limited	PACRA	A1+	AAA	2,040,390	2,040,390
Askari Bank Limited	PACRA	A1+	AA+	241,129	1,215,685
United Bank Limited	JCR-VIS	A-1+	AAA	266,322	284,542
Habib Bank Limited	JCR-VIS	A-1+	AAA	1,297,301	6,721,269
The Bank of Punjab	PACRA	A1+	AAA	16,646,428	1,929,155
Habib Metropolitan Bank Limited	PACRA	A1+	AAA	335,198	3,576,741
Bank Al Habib Limited	PACRA	A1+	AAA	7,831	30,330
Bank Islami	PACRA	A1	AA-	37,274,284	30,000
Faysal Bank Limited	PACRA	A1+	AA+	-	385,722
				<u>104,110,223</u>	<u>18,183,938</u>
Bank Overdraft Balances					
Habib Bank Limited	JCR-VIS	A-1+	AAA	(4,636,991)	(12,076,244)
The Bank of Punjab	PACRA	A1+	AAA	-	(40,757,530)
Habib Metropolitan Bank Limited	PACRA	A1+	AAA	(23,394,928)	(17,475,834)
Bank Al Habib Limited	PACRA	A1+	AAA	(12,868,210)	(6,647,987)
Meezan Bank Limited	JCR-VIS	A-1+	AAA	(55,874,530)	(38,455,429)
Faysal Bank Limited	PACRA	A1+	AA+	(81,598,400)	-
United Bank Limited	JCR-VIS	A-1+	AAA	(11,864,036)	(619,918)
Askari Bank Limited	PACRA	A1+	AAA	(1,059,870)	-
				<u>(191,296,965)</u>	<u>(116,032,942)</u>
Short term borrowings					
The Bank of Punjab	PACRA	A1+	AAA	563,431,820	564,110,820
Habib Metropolitan Bank Limited	PACRA	A1+	AAA	-	100,000,000
National Bank of Pakistan Limited	PACRA	A1+	AAA	470,000,000	420,000,000
United Bank Limited	JCR-VIS	A-1+	AAA	150,000,000	115,000,000
Habib Bank Limited	JCR-VIS	A-1+	AAA	237,000,000	237,000,000
Bank Islami	PACRA	A1	AA-	76,173,380	-
				<u>1,496,605,200</u>	<u>1,436,110,820</u>
				<u>1,409,418,458</u>	<u>1,338,261,816</u>

The Company has not recognised an impairment allowance on bank balances during the year ended June 30, 2026, as the impact was immaterial.

51.1.3 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 to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flow	Six months or less	Six to twelve months	One to two years	Two to five years
	----- 'Rupees -----					
2026						
Financial liabilities						
Long term financing	175,449,510	179,289,991	6,768,901	6,768,901	13,305,854	152,446,335
Diminishing musharaka	12,858,710	12,858,710	3,298,504	2,993,154	3,025,989	3,541,063
Trade and other payables	1,667,679,748	1,667,679,748	1,667,679,748	-	-	-
Mark-up accrued	15,970,912	15,970,912	15,970,912	-	-	-
Accrued Markup	15,970,912	-	-	-	-	-
Short term borrowing	2,087,656,452	2,087,656,452	2,087,656,452	-	-	-
Unclaimed dividend	829,907	829,907	829,907	-	-	-
	<u>3,976,416,151</u>	<u>3,964,285,720</u>	<u>3,782,204,424</u>	<u>9,762,055</u>	<u>16,331,843</u>	<u>155,987,398</u>
2025						
Financial liabilities						
Long term financing	55,343,989	66,026,269	5,310,840	5,310,840	8,769,430	46,635,159
Trade and other payables	1,602,577,681	1,602,577,681	1,602,577,681	-	-	-
Mark-up accrued	19,806,465	27,384,882	27,384,882	-	-	-
Short term borrowing	1,972,919,250	1,371,160,751	1,371,160,751	-	-	-
Unclaimed dividend	829,907	829,907	829,907	-	-	-
	<u>3,651,477,292</u>	<u>3,067,979,490</u>	<u>3,007,264,061</u>	<u>5,310,840</u>	<u>8,769,430</u>	<u>46,635,159</u>

51.1.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

a) Currency risk

The Company is exposed to currency risk on trade debts, import of raw materials and stores and spares and export sales that are denominated in a currency other than the respective functional currency of the Company, primarily in U.S. dollar. The Company's exposure to foreign currency risk is as follows:

	Note	2026 Rupees	2025 Rupees
Trade debts		619,652,653	595,947,650
Gross balance sheet exposure		619,652,653	595,947,650
Outstanding letters of credit	36.2	(128,155,643)	(97,657,042)
Net exposure		<u>491,497,010</u>	<u>498,290,608</u>

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2026	2025	2026	2025
USD to PKR	280.88	281.20	278.16	283.60
Euro to PKR	324.59	315.33	316.92	332.25
GBP to PKR	378.50	370.41	368.02	388.97

NOTES TO THE FINANCIAL STATEMENTS

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Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US dollar, Euro or Pound sterling with all other variables held constant, post tax profit for the year would have been lower by the amount shown below.

	2026	2025
Effect on profit or loss		
Loss	61,965,265	59,594,765

The weakening of the PKR against US dollar, Euro or Pound Sterling would have had an equal but opposite impact on the post tax profits / loss.

b) Interest rate risk

Interest rate risk is the risk that the fair value or 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 loans and short term borrowings. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk. At the balance sheet date the interest rate profile of the Group's interest - bearing financial instruments is as follows:

		2026	2025
	Effective rate	Carrying amount	
	Percentage	Rupees	Rupees
Financial liabilities			
Variable rate instruments:			
Long term loans	7.5% to SBP+4%	175,449,510	55,343,989
Diminishing Musharaka	3 month KIBOR +4.5%	12,858,710	-
Short term borrowings	SBP+1% to KIBOR+5%	2,087,656,452	1,972,919,250
		<u>2,275,964,672</u>	<u>2,028,263,239</u>

Effective interest rates are mentioned in the respective notes to the financial statements.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased/(increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit and loss	
	100 bp increase	100 bp decrease
As at June 30, 2026		
Cash flow sensitivity - Variable rate financial liabilities	(22,759,647)	22,759,647
As at June 30, 2025		
Cash flow sensitivity - Variable rate financial liabilities	(20,282,632)	20,282,632

The sensitivity analysis prepared is not necessarily indicative of the effects on (loss) / profit for the year and assets / liabilities of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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51.1.5 Other price risk

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

In case of 1% increase / decrease in the net asset values of the investments subject to price risk the profit for the year and total comprehensive income of the Company would be higher / lower by Rs. 0.031 million (2025: Rs. 0.024 million).

52 RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for establishment and over sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee. The audit committee oversees compliance by management 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.

53 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements 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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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54 FINANCIAL INSTRUMENTS BY CATEGORY

	Carrying value		Fair value					
	Financial assets at amortized cost	FVTPL - equity instrument	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
On-Balance sheet financial instruments								
As at June 30, 2026								
Financial assets measured at fair value								
Investments classified as FVTPL								
Financial assets at amortized cost								
Loan and advances	10,956,969	3,081,519	-	3,081,519	289,898	2,791,621	-	3,081,519
Long-term deposits	25,474,124	-	-	10,956,969	-	-	-	-
Trade debts	1,185,803,208	-	-	25,474,124	-	-	-	-
Trade deposits	12,443,903	-	-	1,185,803,208	-	-	-	-
Other receivable	146,495,216	-	-	12,443,903	-	-	-	-
Cash and bank balances	108,328,908	-	-	146,495,216	-	-	-	-
	1,489,502,328	3,081,519	-	108,328,908	289,898	2,791,621	-	3,081,519
Financial liabilities at amortized cost								
Long term financing - secured	-	-	108,250,088	108,250,088	-	-	-	-
Diminishing mushrooms	-	-	8,261,639	8,261,639	-	-	-	-
Trade and other payables	-	-	1,667,679,748	1,667,679,748	-	-	-	-
Accrued markup	-	-	15,970,912	15,970,912	-	-	-	-
Short-term borrowings - secured	-	-	2,087,656,452	2,087,656,452	-	-	-	-
Unclaimed dividend	-	-	829,907	829,907	-	-	-	-
	-	-	3,888,648,746	3,888,648,746	-	-	-	-
As at June 30, 2025								
Financial assets measured at fair value								
Investments classified as FVTPL								
Financial assets at amortized cost								
Short term investments	7,400,239	2,400,239	-	2,400,239	2,400,239	-	-	2,400,239
Loan and advances	12,091,496	-	-	7,400,239	281,473	7,118,766	-	7,400,239
Long-term deposits	25,474,124	-	-	12,091,496	-	-	-	-
Trade debts	996,345,803	-	-	25,474,124	-	-	-	-
Trade deposits	22,658,046	-	-	996,345,803	-	-	-	-
Other receivables	132,362,795	-	-	22,658,046	-	-	-	-
Cash and bank balances	27,409,493	-	-	132,362,795	-	-	-	-
	1,223,741,996	2,400,239	-	27,409,493	2,681,712	7,118,766	-	9,800,478
Financial liabilities at amortized cost								
Long term financing - secured	-	-	55,343,989	55,343,989	-	-	-	-
Trade and other payables	-	-	1,602,577,681	1,602,577,681	-	-	-	-
Accrued markup	-	-	19,806,465	19,806,465	-	-	-	-
Short-term borrowings - secured	-	-	1,972,919,250	1,972,919,250	-	-	-	-
Unclaimed dividend	-	-	829,907	829,907	-	-	-	-
	-	-	3,651,477,292	3,651,477,292	-	-	-	-

54.1 Buildings on freehold land and plant and machinery are valued using the estimated gross replacement cost approach, depreciated to reflect the residual service potential of the assets, taking into account their age, condition and obsolescence. Freehold land is valued on the basis of fair market value. The fair value measurements of these assets are categorized as Level 3 within the fair value hierarchy. The valuations are determined by professional valuers based on their assessment of the fair values of the respective assets. The significant unobservable inputs used in the valuation include the estimated gross replacement cost, age, condition and obsolescence of buildings and plant and machinery, while the valuation of land is based on fair market value. Changes in these unobservable inputs may affect the fair value of the assets, however, the effect cannot be determined with certainty. Accordingly, a quantitative sensitivity analysis has not been presented in these financial statements. The carrying value and level of fair value of these non-financial assets have been disclosed in the relevant note to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

55 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2026	2025	2026	2025	2026	2025
	Rupees					
Managerial remuneration	3,000,000	2,000,000	1,600,000	1,600,000	58,067,976	111,959,076
House rent allowance	1,200,000	800,000	640,000	640,000	23,227,190	44,783,630
Utilities	300,000	200,000	160,000	160,000	5,806,798	11,195,908
	4,500,000	3,000,000	2,400,000	2,400,000	87,101,964	167,938,614
Number of persons	1	1	7	7	32	58

55.1 The Company also provides the Chief Executive and some of the Directors and Executives with Company maintained cars and mobiles phones in accordance with their terms of employment.

55.2 No meeting fee was paid to the directors for attending the meetings of the board. Some of the directors and executives are provided with free use of company cars.

55.3 Retirement and other long term benefits include benefits provided under, gratuity, pension and accumulated compensated absences.

56 CAPACITY AND PRODUCTION

Measuring Unit	Installed capacity		Actual production		Reason for shortfall
	2026	2025	2026	2025	
Square meter in millions @ 50 picks	42.70	67.73	23.87	36.63	Cautious
Greige fabric unit	5,998	5,362	4,382	4,703	production
Towel unit	8,286	6,799	5,568	5,894	strategy based on
Towel dyeing unit	738	738	471	455	actual demands.
Yarn dyeing unit					

56.1 It is difficult to determine precisely the production capacity in textile weaving mills since it fluctuates widely depending on various factors such as speed, width and construction of cloth woven etc.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

		2026 Number	2025 Number
57	NUMBER OF EMPLOYEES		
	Number of employees at June 30,		
	Permanent		
	Head office	68	67
	Factory	1357	1083
	Average number of employees during the year		
	Permanent		
	Head office	68	67
	Factory	1220	1060

58 CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

The Company's objectives when managing capital are:

- (i) to safeguard the entity'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.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The management at all times seeks to earn returns higher than its weighted average cost of capital, by increasing efficiencies in operations, so as to increase profitability.

	2026 Rupees	2025 Rupees
The proportion of debt to equity at the year end was:		
Long term loans	175,449,510	55,343,989
Diminishing Musharaka	12,858,710	-
Short term borrowings	2,087,656,452	1,972,919,250
Total debt	2,275,964,672	2,028,263,239
Total equity	2,543,657,960	2,530,217,308
Total equity and debt	4,819,622,632	4,558,480,547
Gearing ratio (Debt:Equity)	47:53	44:56

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

59 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All other significant transactions and events that have affected the Company's financial position and performance during the period have been adequately disclosed in the notes to these financial statements.

60 CORRESPONDING FIGURES

60.1 Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year.

61 SHARIAH DISCLOSURE UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic Index:

	Description	Note	2026 Rupees	2025 Rupees
61.1	Disclosures required in relation to the Statement of Financial Position – Asset Side			
	Long-term and short-term Shariah compliant Investments		Not applicable	Not applicable
	Shariah-compliant bank deposits, bank balances, and TDRs		Not applicable	Not applicable
61.2	Disclosures required in relation to the Statement of Financial Position – Liability Side			
	Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	27	12,858,710	-
	Interest or mark-up accrued on any conventional loan or advance	33	15,965,100	19,806,465
61.3	Disclosures Required in relation to the Statement of Comprehensive Income			
	Revenue earned from a Shariah-compliant business segment	37	7,754,233,875	8,279,470,879
	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 Shariah-compliant associates	42	695,058	1,491,917

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs		Not applicable	Not applicable
Exchange gain/ (loss) earned from actual currency	42	57,130,694	80,787,287
Exchange gains earned using conventional derivative financial instruments		Not applicable	Not applicable
Profit paid on Islamic mode of financing		1,146,004	-
Total Interest earned on any conventional loan or advance		Not applicable	Not applicable
61.4 Breakup of other income into Shariah-compliant and non-compliant			
Shariah compliant income			
Agriculture income	42	-	5,333,673
Profit on sale of fixed asset	42	5,044,279	4,352,591
Other income	42	800,000	2,546,450
Shariah non-compliant income			
Profit on term deposits certificates	42	233,147	531,128
Profit on foreign currency account	42	28,447	83,111

Relationship with shariah compliant financial institutions

Bank Name	Relationship
Meezan Bank Limited	Bank account
Bank Islami Limited	Bank account
First Punjab Modarba	Long term financing

The Company has relationship with Islamic banks or accounts in banks having Islamic windows in respect of all transactions (import, export, payments, fixed deposits etc.).

62 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

There are no significant adjusting or non adjusting event after the reporting date requiring adjustment or disclosure in financial statements except elsewhere disclosed in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

63 DATE OF AUTHORIZATION FOR ISSUE

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

64 GENERAL

Amounts have been rounded off to the nearest rupees unless otherwise stated.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

☆ ڈائریکٹرز کی Remuneration Policy کا وقتاً فوقتاً پورا آف ڈائریکٹرز جائزہ لے گا اور اس کی منظوری دے گا۔

☆ پیپرس ریسورس اور ریجنل کمپنی کی سفارش پر، جس کی بعد ازاں بورڈ آف ڈائریکٹرز نے منظوری دی، چیف ایگزیکٹو آفیسر کی ماہانہ تنخواہ میں یکم جنوری 2026 سے 100 فیصد اضافہ کیا

گیا۔ ماہانہ تنخواہ 250,000 روپے سے بڑھا کر 500,000 روپے کر دی گئی۔

چیف ایگزیکٹو آفیسر اور کمپنی کے ڈائریکٹرز کے معاوضے کے لیے کمپنی کے مالیاتی گوشواروں کے نوٹ 55 سے رجوع کیا جائے۔

12. ڈائریکٹرز کا بیان

کارپوریٹ گورنس کوڈ کی تعمیل میں، ہم کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک کے بارے میں درج ذیل بیانات پیش کرتے ہیں:

1۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کی مالی حالت، آپریشنز کے نتائج، کیش فلو اور ان کی بنی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔

2۔ کمپنی کے اکاؤنٹس کی مناسبت سے تمام برقرار رکھی گئی ہیں۔

3۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ تخمینے مناسب اور محتاط فیصلوں کی بنیاد پر کیے گئے ہیں۔

4۔ پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کی مالیاتی گوشواروں کی تیاری میں بیرونی کی گئی ہے اور ان سے کسی بھی انحراف کو مناسب طور پر ظاہر کیا گیا ہے۔

5۔ اندرونی کنٹرول کا نظام مؤثر انداز میں وضع کیا گیا ہے اور اسے مؤثر طریقے سے نافذ اور مانع کیا گیا ہے۔

6۔ کمپنی کے بلورائیک جاری کاروباری ادارہ (Going Concern) کام جاری رکھنے کی صلاحیت کے خالے سے کوئی اہم شک وشبہ موجود نہیں ہے۔

7۔ لیسنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورنس کے بہترین طریقہ کار سے کوئی اہم انحراف نہیں ہوا۔

12. سماجی، ماحولیاتی اور کمیونٹی کی ذمہ داری

کمپنی اس ذمہ داری کو تسلیم کرتی ہے کہ وہ ایسے انداز میں کاروبار کرے جو ملازمین، صارفین، سپلائرز، شیئر ہولڈرز اور وسیع تر معاشرے کے مفادات کو مد نظر رکھے۔ یکساں مینوفیکچرنگ میں ماحولیاتی کارکردگی خاص اہمیت رکھتی ہے کیونکہ اس شعبے میں توانائی کا استعمال، پانی کی کھپت، پروسیسنگ، ٹیکسٹائل، پانی اور فضلے کا انتظام شامل ہے۔ کمپنی ٹیکسٹائل اور معاشی امکانات کو مد نظر رکھتے ہوئے توانائی کی کارکردگی بہتر بنانے، وسائل کے استعمال میں کمی اور ذمہ دارانہ کاروباری طریقوں کو مضبوط بنانے کے لیے عملی اقدامات جاری رکھے گی۔

13. منافع حصص اور برقرار رکھا گیا منافع

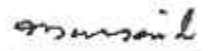
ایکہائی میں تبدیلیوں کے گوشوارے کے مطابق کمپنی کا مجموعی جمع شدہ منافع 30 جون 2025 کو 1.524 ارب روپے سے بڑھ کر 30 جون 2026 کو 1.553 ارب روپے ہو گیا، جس میں موجودہ سال کے منافع اور ایکہائی میں دیگر تبدیلیوں کو شامل کیا گیا ہے۔ کسی بھی شیئر ہولڈر کو تقسیم کا حقین کرتے وقت کمپنی کی مالی پوزیشن، لیکویڈیٹی کی ضروریات اور سرمایہ کاری کے پروگرام کو مد نظر رکھا گیا ہے۔ بورڈ نے مالی سال 2026 کے لیے منافع حصص (Dividend) کی سفارش نہیں کی اور ادارہ رکھتا ہے کہ اضافی رقم کو ورکنگ کپٹل، موجودہ قرضوں کی ادائیگی اور آئندہ کے سرمایہ جاتی اخراجات (CapEx) کے لیے دوبارہ استعمال کیا جائے۔

14. اظہار تشکر

بورڈ اپنے شیئر ہولڈرز کے مسلسل تعاون، اپنے ملازمین کی لگن اور اپنے صارفین اور کاروباری شراکت داروں کے اعتماد کو قدر کی نگاہ سے دیکھتا ہے۔ ہم آلے والے برسوں میں پائیدار ترقی کی بحالی اور شیئر ہولڈرز کے مفاد میں بہتری کے لیے بے محنت ہیں۔



محترم ارباب محمد خان
ڈائریکٹر



محترم مساعد حنیف
چیف ایگزیکٹو

لاہور

30 ستمبر 2026

باقی ڈائریکٹر، جو کمپنی کے چیف ایگزیکٹو ہیں، 'Directors' Training Program (DTP) سے متعلق اسٹیج کی شرائط پر پورا اترتے ہیں۔

c۔ کارپوریٹ بریفنگ سیشن

کمپنی کی کارکردگی اور مستقبل کے امکانات کے بارے میں سرمایہ کاروں کو آگاہ کرنے کے لیے ہر سال کارپوریٹ بریفنگ سیشن منعقد کیا جاتا ہے۔

d۔ کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک کی تعمیل

ہم اچھی کارپوریٹ گورننس کے لیے پُر عزم ہیں اور پاکستان اسٹاک ایکسچینج لیجنڈ کے لسٹنگ ریگولیشنز میں شامل CCG)Code of Corporate Governance Regulations 2017 کے تقاضوں کی تعمیل کرتے ہیں۔ CCG 2017 کے تقاضوں کی تعمیل سے متعلق بیان منسلک ہے۔

e۔ بورڈ کی کمیٹیاں

آؤٹ کمیٹی

آؤٹ کمیٹی بورڈ کے تینوں نان ایگزیکٹو اراکین پر مشتمل ہے۔ کمپنی کی چیئر پرسن ایک آزاد ڈائریکٹر ہیں۔ آؤٹ کمیٹی بورڈ آف ڈائریکٹرز کی جانب سے مقرر کردہ Terms of Reference کے مطابق اپنی ذمہ داریاں انجام دے رہی ہے۔ زیر جانرہ سال کے دوران آؤٹ کمیٹی کے چار اجلاس منعقد ہوئے، جن میں حاضری کی تفصیل درج ذیل ہے:

نام	مہمہ	شرکت کردہ اجلاس
محترمہ عائشہ ٹویڈ	چیئر پرسن / امیر	4
محترمہ تنیہت مساند	ممبر	4
محترمہ سارہ ٹیوکی والا	ممبر	4

f۔ ہیومن ریسورس اور ریمیونریشن کمیٹی

ہیومن ریسورس اور ریمیونریشن کمیٹی تین اراکین پر مشتمل ہے، جن میں سے دو نان ایگزیکٹو ڈائریکٹرز ہیں جبکہ چیئر پرسن ایک آزاد ڈائریکٹر ہیں۔ ہیومن ریسورس اور ریمیونریشن کمیٹی بورڈ آف ڈائریکٹرز کی جانب سے مقرر کردہ Terms of Reference کے مطابق اپنی ذمہ داریاں انجام دے رہی ہے۔ زیر جانرہ سال کے دوران HR اور ریمیونریشن کمیٹی کا ایک اجلاس منعقد ہوا جس میں حاضری کی تفصیل درج ذیل ہے:

نام	مہمہ	شرکت کردہ اجلاس
محترمہ عائشہ ٹویڈ	چیئر پرسن / امیر	1
مسٹر ارباب محمد خان	ممبر	1
محترمہ صبا حیر بان	ممبر	1

g۔ بورڈ آف ڈائریکٹرز کے اجلاس

زیر جانرہ سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے اور حاضری کی تفصیل درج ذیل ہے:

نمبر	ڈائریکٹرز کے نام	شرکت کردہ اجلاس
1	مسٹر مساند ضیف	4
2	مسٹر ارباب محمد خان	4
3	محترمہ تنیہت مساند	4
4	محترمہ صبا حیر بان	4
5	محترمہ سارہ ٹیوکی والا	4
6	مسٹر شمس محمد اقبال	4
7	محترمہ عائشہ ٹویڈ	4

h۔ ڈائریکٹرز کے معاوضے

بورڈ آف ڈائریکٹرز نے 'Directors' Remuneration Policy کی منظوری دی ہے۔ پالیسی کی اہم خصوصیات درج ذیل ہیں:

• کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز، کو کوئی معاوضہ یا منگ نہیں دلائیں گے گی۔

• کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے سلسلے میں ڈائریکٹرز کے سفری اخراجات ادا کرے گی یا ان کی واپسی کرے گی۔

بروزنی معاشی ماحول بدستور غیر یقینی کا شکار ہے۔ مالی سال 2026 کے جولائی تا جون عرصے کے دوران پاکستان کی بین الاقوامی برآمدات نے مضبوطی کا مظاہرہ کیا، جبکہ سرکاری اخذ اور تجارتی واپس واپس مصنوعات، خصوصاً کھجور، تھن اور بیلو پیر کے شعبوں میں مسلسل مواقع کی بھی نشاندہی کرتے ہیں۔ تاہم، عالمی تجارتی حالات، توانائی کی قیمتیں، کمپاس کی دستیابی، مال برداری کے اخراجات، جغرافیائی سیاسی صورتحال اور ملکی پالیسیوں میں تبدیلیاں مسابقتی صلاحیت کو متاثر کر سکتی ہیں۔ آئینی ان ماحول کی مسلسل نگرانی جاری رکھے گی اور اس کے مطابق خام مال کی خریداری، قیمتوں کے تعین، پیداوار اور فنانسنگ سے متعلق فیصلوں میں مناسب تبدیلیاں کرے گی۔

مالی سال 2027 کے لیے انتظامیہ کا بنیادی مالیاتی مقصد مستقل منافع اور پریٹنگ کیش فلو کو مضبوط بنانا، حاصل شدہ منافع کو نقد رقم میں بہتر طور پر تبدیل کرنا، غیر ضروری مالیاتی اخراجات کو کم کرنا اور مناسب لیکویڈیٹی برقرار رکھنا ہوگا۔ سرمایہ جاتی اخراجات کو ان منصوبوں کے لیے ترجیح دی جائے گی جو پیداواری صلاحیت، معیار، توانائی کی کارکردگی، مصنوعات کی صلاحیت، بلاگت کے لحاظ سے مسابقتی برتری میں بہتری لائیں۔

9۔ سرمایہ جاتی اخراجات اور ٹیکنالوجی

مالی سال 2026 کے دوران سرمایہ جاتی اخراجات تقریباً 305.7 ملین روپے رہے، جبکہ مالی سال 2025 میں یہ 368.0 ملین روپے تھے۔ کمپنی اپنے خاطر خواہ گنبد اثاثوں کی بنیاد کو برقرار رکھے ہوئے ہے، جبکہ کاسٹنگ، ریکارڈ سے مینوفیکچرنگ مشینری اور قابل تجدید توانائی سے متعلق اثاثوں میں سرمایہ کاری کی نشاندہی ہوتی ہے۔ ڈائریکٹرز کا خیال ہے کہ پاکستان کی لینڈس منعت میں مسابقتی صلاحیت برقرار رکھنے کے لیے خطا انداز میں جدید کاری اور توانائی کی کارکردگی میں بہتری اہم ہے، بشرطیکہ سرمایہ کاری کو یقینی استعمال اور کیش فلو کے تجربے سے مناسب طور پر سپورٹ حاصل ہو۔

10۔ انسانی وسائل، صحت، تحفظ اور فلاح و بہبود

ڈائریکٹرز اس امر کو تسلیم کرتے ہیں کہ ملازمین مینوفیکچرنگ کے معیار، پیداواری صلاحیت اور صارفین کو فراہم کی جانے والی خدمات کا ایک اہم جزو ہیں۔ کمپنی انفرادی قوت کی صلاحیت میں اضافے، محفوظ کام کے طریقہ کار، تکنیکی تربیت، ملازمین کی فلاح و بہبود اور قابل اخلاق لیبر قوانین کی تعمیل پر اپنی توجہ جاری رکھے گی۔ ملازمین کے ریٹرنسٹ فوائد سے متعلق واجبات اور ان سے متعلق اچھے ریل تبدیلیوں کو مالیاتی گوشواروں میں تسلیم کیا گیا ہے۔

11۔ کارپوریٹ گورننس اور اندرونی کنٹرولز

بورڈ کمپنی کی حکمت عملی، مالیاتی رپورٹنگ، رسک مینجمنٹ اور اندرونی کنٹرول کے نظام کی نگرانی کا ذمہ دار ہے۔ انتظامیہ ایسے کنٹرولز برقرار رکھتی ہے جن کا مقصد اثاثوں کا تحفظ، لین دین کی مناسب منظوری کو یقینی بنانا، قابل اعتماد مالیاتی رپورٹنگ میں معاونت اور قابل اخلاق قوانین و پالیسیوں کی تعمیل کو فروغ دینا ہے۔

بورڈ اس بات کو تسلیم کرتا ہے کہ کمپنی کی لیکویڈیٹی پوزیشن اور مالیاتی وضع کو مسلسل نگرانی کی ضرورت ہے۔ چنانچہ انتظامی رپورٹس میں مسلسل بنیادوں پر کیش فلو کی پیش گوئی، قابل وصول رقم کی عمر، انویٹری کی عمر، قرضوں کے استعمال، مالیاتی اخراجات کے رجحانات، صارفین کی منافع بخشی اور سرمایہ جاتی اخراجات کے وعدوں پر خصوصی توجہ برقرار رکھنی چاہیے۔

a۔ بورڈ آف ڈائریکٹرز

کمپنی کے ڈائریکٹرز درج ذیل ہیں:

1۔	محترمہ جنیت مساند	ڈائریکٹر/چیئر پرسن
2۔	مسٹر مساند حنیف	ایگزیکٹو ڈائریکٹر/چیف ایگزیکٹو آفیسر
3۔	مسٹر ارباب محمد خان	ایگزیکٹو ڈائریکٹر
4۔	محترمہ صباح ربان	ڈائریکٹر
5۔	محترمہ سارہ شیوی والا	ڈائریکٹر
6۔	محترمہ عائشہ نوید	آڈیٹ ڈائریکٹر
7۔	مسٹر شیخ محمد اقبال	آڈیٹ ڈائریکٹر

b۔ ڈائریکٹرز کا تربیتی پروگرام

کمپنی کا بورڈ آف ڈائریکٹرز 7 ڈائریکٹرز پر مشتمل ہے، جن میں سے درج ذیل چھ ڈائریکٹرز نے ایک مقامی ادارے سے ڈائریکٹرز ٹریننگ پروگرام کا سرٹیفکیٹ حاصل کیا ہے، جو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے مقرر کردہ معیار پر پورا اترتا ہے:

☆	محترمہ جنیت مساند
☆	محترمہ صباح ربان
☆	مسٹر ارباب محمد خان
☆	مسٹر شیخ محمد اقبال
☆	محترمہ سارہ شیوی والا
☆	محترمہ عائشہ نوید

جون 2026 کو ہونے والے اجلاس میں اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ 11.5 فیصد پر برقرار رکھا اور بتایا کہ بلند قیمتوں، کم کفایت شکاری کے اقدامات اور غیر یقینی صورتحال کے باعث معاشی سرگرمی میں کمی حد تک، اعتماد کے آثار موجود ہیں۔ سرمایہ کاری کے لحاظ سے زیادہ اخراجات، کم گئے والی بینکس کی کمی کے لیے شرح سود میں تبدیلیاں اور کلنگ کنٹریل ٹی ٹیگ، طویل مدتی قرضوں اور سرمایہ کاری کے فیصلوں پر براہ راست اثر انداز ہوتی ہیں۔

یہ شعبہ بین الاقوامی مالی برداری، توانائی اور جغرافیائی سیاسی خطرات سے بھی متاثر ہوتا ہے۔ اس کا سروے میں توانائی کی قیمتوں میں اتار چڑھاؤ، سپلائی چین میں رکاوٹوں، عالمی سطح پر سخت مالیاتی حالات اور علاقائی غیر یقینی صورتحال کو مالی سال 2026 کے دوران پاکستان کی معیشت کو متاثر کرنے والے عوامل کے طور پر اجاگر کیا گیا ہے۔ بینکس کی معیشت پر رز کے لیے یہ خطرات کپاس اور مصنوعی خام مال، رنگوں اور کیمیکلز، درآمد شدہ مشینری اور اس کے پرزہ جات، مالی برداری، انشورنس اور صارفین کو مصنوعات کی بروقت فراہمی کے شیڈول کو متاثر کر سکتے ہیں۔

6۔ آپریٹنگ ترجیحات

بڑے مصنوعات کی لاگت، قیمتوں، قیمتوں، خریداری اور پیداواری منصوبہ بندی میں نظم و ضبط کے ذریعے مجموعی منافع کے مارجن کا تحفظ کرنا۔

چھ پیداواری صلاحیت کے بہتر استعمال اور پیداواری کارکردگی میں اضافہ کرنا، خصوصاً توانائی کے زیادہ استعمال والے مراحل اور پیداواری رکاوٹوں والے آپریٹنگ پر خصوصی توجہ دینا۔

بازار پرانی قابل قبول وصولیوں میں کمی، اسٹاک کی سطح کو بہتر بنانے اور سپلائرز کے ساتھ مؤثر ادائیگی کی شرائط طے کر کے درگنگ کنٹریل کے گروٹس کے دورانیے کو بہتر بنانا۔

چھ قلیل مدتی قرضوں اور مالیاتی اخراجات پر سخت کنٹرول برقرار رکھنا، جبکہ ٹرانسنگ کی مدت کو متعلقہ اثاثے یا درگنگ کنٹریل سائیکل کے ساتھ ہم آہنگ رکھنا۔

بڑے ویلیو ایڈڈ بینکس کی مصنوعات کا تناسب بڑھانا اور جہاں تجارتی طور پر سوزوں ہو، صارفین اور مارکیٹوں میں تنوع پیدا کرنا۔

چھ توانائی کی بچت اور قابل تجدید توانائی کے عمل میں سرمایہ کاری جاری رکھنا، جہاں سرمایہ کاری کی واپسی اور ٹرانسنگ کا ذخیرہ قابل قبول ہو۔

چھ درآمدی اور درآمداتی صارفین کے ساتھ تعلقات کو مضبوط رکھنے کے لیے معیار، مضابطہ جاتی تقاضوں، مصنوعات کی ٹریس ایبلٹی اور بروقت فراہمی کی کارکردگی کو مزید بہتر بنانا۔

بڑے اعداد و شمار پر مبنی لاگت کے تعین اور منافع میں شراکت کے تجزیے (Contribution Analysis) کا استعمال کرتے ہوئے منافع بخش مصنوعات، صارفین اور مارکیٹس کی شناخت کرنا۔

7۔ اہم خطرات اور غیر یقینی صورتحال

خطرہ	ممکنہ اثرات	انتظامیہ کا رد عمل
مارکیٹ اور طلب کا خطرہ	عالمی طلب، صارفین کے خریداری کے رجحانات اور مسابقتی قیمتیں فروخت کے حجم اور حاصل ہونے والی آمدنی کو متاثر کر سکتی ہیں۔	کاروباری تنوع، صارفین کو برقرار رکھنا، مصنوعات کی ترقی اور قیمتوں کا تعین۔
خام مال کا خطرہ	کپاس، دھواگے، کیمیکلز اور دیگر خام مال کی قیمتوں اور دستیابی میں اتار چڑھاؤ ہو سکتا ہے۔	جینیٹک منصوبہ بندی، سپلائرز میں تنوع، انوینٹری کا مؤثر انتظام اور اخراجات کی نگرانی۔
توانائی اور پمپنگ کا خطرہ	بجلی، گیس اور دیگر پمپنگی اخراجات بینکس کی پیداواری لاگت کو نمایاں طور پر متاثر کرتے ہیں۔	توانائی کی بچت، قابل تجدید توانائی کی پیداوار، حفاظتی دیکھ بھال اور کچھت کی نگرانی۔
نقدی کی دستیابی کا خطرہ	موجودہ واجبات تقریباً موجودہ اثاثوں کے برابر ہیں، جبکہ قلیل مدتی قرضہ بھی نمایاں ہے۔	مستقل نقد بہاؤ کی پیش گوئی، وصولیوں کا منظم انتظام، انوینٹری کنٹرول اور مالی وسائل میں تنوع۔
شرح سود کا خطرہ	قرض لینے کی لاگت منافع کی شرح اور سرمایہ کاری سے حاصل ہونے والے منافع کو متاثر کرتی ہے۔	قرضوں کا فعال انتظام، قرض کی مدت اور ادائیگی کے وقت میں مناسب مطابقت، اور قرض کی از سر نو ترتیب کے مواقع کا جائزہ۔
زرمبادلہ کا خطرہ	درآمد شدہ مشینری، خام مال اور برآمدات سے متعلق لین دین زرمبادلہ کی شرح میں اتار چڑھاؤ سے متاثر ہو سکتے ہیں۔	قدرتی مالیاتی تحفظ، مالیاتی خطرات کی نگرانی اور مناسب مالیاتی کنٹرول۔
ضوابط اور ٹیکس کا خطرہ	ٹیکس، برآمدات، لیبر، ماحولیاتی اور توانائی کی پالیسیوں میں تبدیلیاں اخراجات اور قانونی تقاضوں کی پابندی کو متاثر کر سکتی ہیں۔	ضوابط کی مسلسل نگرانی اور بروقت قانونی تقاضوں کی تکمیل۔
موسمیاتی تبدیلی اور سپلائی چین کا خطرہ	شدید موسمیاتی حالات اور علاقائی رکاوٹیں کپاس، نقل و حمل اور پیداوار کے تسلسل کو متاثر کر سکتی ہیں۔	کاروباری تسلسل کی منصوبہ بندی، سپلائرز اور صارفین میں تنوع، اور جنگائی انتظامات۔

8۔ مالی سال 2027 کے لیے مستقبل کا جائزہ

بورڈ مالی سال 2027 میں بین الاقوامی تقیرری حکمت عملی کے ساتھ داخل ہو رہا ہے۔ کمپنی کے مالی سال 2026 کے نتائج کا جائزہ کرتے ہیں کہ منافع کے مارجن میں بہتری اور مالیاتی اخراجات میں کمی فروخت کے حجم پر چلنے والے دباؤ کو کسی حد تک کم کر سکتی ہے۔ لہذا قلیل مدتی توجہ محض فروخت کے حجم میں اضافے کے بجائے منافع بخش آمدنی پیدا کرنے، نقد رقم کے تحفظ اور پیداواری نظم و ضبط کو برقرار رکھنے پر مرکوز رہے گی۔

آپریٹنگ اخراجات: تقسیم کے اخراجات 401.8 ملین روپے سے بڑھ کر 451.1 ملین روپے جبکہ انتظامی اخراجات 122.9 ملین روپے سے بڑھ کر 136.9 ملین روپے ہو گئے۔ دیگر آپریٹنگ اخراجات 44.8 ملین روپے سے کم ہو کر 41.0 ملین روپے جبکہ دیگر آمدنی 96.0 ملین روپے سے کم ہو کر 65.3 ملین روپے ہو گئی۔ نتیجتاً آپریٹنگ منافع 341.6 ملین روپے کے مقابلے میں 303.8 ملین روپے رہا، جو 11.07 فیصد کم ہے، جبکہ آپریٹنگ مارجن 4.13 فیصد سے کم ہو کر 3.92 فیصد رہ گیا۔

مالیاتی اخراجات اور قبل از ٹیکس منافع: مالیاتی اخراجات میں نمایاں کمی ہوئی اور یہ 261.3 ملین روپے سے کم ہو کر 183.0 ملین روپے ہو گئے۔ یعنی تقریباً 78.3 ملین روپے کی کمی ہوئی۔ ٹیکس اور لیوی سے قبل منافع 80.3 ملین روپے سے بڑھ کر 120.8 ملین روپے ہو گیا۔ 90.3 ملین روپے کی لیوی اور 23.8 ملین روپے کے ٹیکس کے بعد چھٹی نے 6.7 ملین روپے کا بعد از ٹیکس منافع رپورٹ کیا۔ یوں کمپنی نے گزشتہ سال کے خسارے کے بعد دوبارہ منافع حاصل کیا۔

فی شیئر آمدنی: بنیادی اور ڈائبلڈ فی شیئر آمدنی 0.03 روپے سے بڑھ کر 0.11 روپے ہو گئی، جو شیئر ہولڈرز سے متعلق منافع میں اضافے کی عکاسی کرتی ہے۔

3۔ مالیاتی پوزیشن اور سرمائے کا ڈھانچہ

کمپنی کے کل اثاثے 6.77 ارب روپے سے 6.05 فیصد بڑھ کر 7.18 ارب روپے ہو گئے۔ غیر موجودہ اثاثوں میں پراپرٹی، پلانٹ اور آلات بنیادی اثاثہ رہے، جن کی مالیت 2.925 ارب روپے تھی۔ جاری اثاثے 10.31 فیصد بڑھ کر 4.202 ارب روپے جبکہ جاری واجبات 7.44 فیصد بڑھ کر 4.209 ارب روپے ہو گئے۔

کمپنی کا موجودہ تناسب (Current Ratio) تقریباً 0.97 گنا سے بہتر ہو کر 1.00 گنا ہو گیا۔ تاہم، یہ تناسب اب بھی تقریباً ایک کی سطح پر ہے۔ جو قلیل مدتی لیکویڈیٹی میں محدود گنجائش کی نشاندہی کرتا ہے اور درگاہ کے منظم انتظام، تاجری وصولی، بروقت وصولی، اتو تیزی کو بہتر بنانے اور سپلائرز کو مالیاتی ادائیگیوں کی مقررہ تاریخوں پر قرضہ کی کنٹرول کی اہمیت کو اجاگر کرتا ہے۔

تجارتی واجبات/تاجری وصولی رقم کی بروقت وصولی، اتو تیزی کو بہتر بنانے اور سپلائرز کو مالیاتی ادائیگیوں کی مقررہ تاریخوں پر قرضہ کی کنٹرول کی اہمیت کو اجاگر کرتا ہے۔ واجبات 6.98 فیصد بڑھ کر 1.997 ارب روپے ہو گئے۔ یہ تبدیلیاں کمپنی کے کیش فلو میں درگاہ کے منظم انتظام کی مسلسل اہمیت کو ظاہر کرتی ہیں۔

قلیل مدتی قرضے 1.973 ارب روپے سے بڑھ کر 2.088 ارب روپے ہو گئے۔ طویل مدتی قرضے، بشمول موجودہ حصے اور Diminishing Musharaka پیئرس میں بھی اضافہ ہوا۔ مالیاتی گوشواروں میں درج پیئرس کی بنیاد پر، شیئر ہولڈرز کی ایکویٹی کے مقابلے میں سود پر مبنی اور اسی نوعیت کی فنانسنگ کا تناسب تقریباً 0.80 گنا سے بڑھ کر 0.90 گنا ہو گیا۔ لہذا، ڈائریکٹرز کے نزدیک لیکویڈیٹی قرض لینے کی لاگت اور ری فنانسنگ کی صلاحیت، مالیاتی انتظام کی اہم تر جہات ہیں۔

4۔ کیش فلو اور مالیاتی سرگرمیاں

کیش فلو کا اشارہ	2026	2025	تحریر
آپریٹنگ کیش فلو	90.2 ملین روپے	332.9 ملین روپے	مثبت ہو گیا
سرمایہ کاری سے کیش فلو	267.7 ملین روپے	307.2 ملین روپے	سرمایہ جاتی اخراجات نمایاں رہے
مالیاتی سرگرمیوں سے کیش فلو	182.8 ملین روپے	620.7 ملین روپے	خالص مالیاتی آمدنی میں کمی
سرمایہ جاتی اخراجات	305.7 ملین روپے	368.0 ملین روپے	-16.93%
اختلاقی نقد اور نقد کے مساوی اثاثے	108.3 ملین روپے	27.4 ملین روپے	پیئرس شیٹ کے پیئرس

آپریٹنگ کیش فلو مثبت ہو کر 90.2 ملین روپے رہا، جبکہ مالی سال 2025 میں 332.9 ملین روپے کا کیش آؤٹ تھا۔ اس بہتری میں درگاہ کے منظم انتظام میں تبدیلیوں سے قبل آپریٹنگ کیش کی بہتر پیداوار اور گزشتہ سال کے مقابلے میں درگاہ کے منظم انتظام کے کم ہونے کا اہم کردار ادا کیا۔ تاہم، کمپنی نے گزشتہ سالوں میں سرمایہ کاری کا سلسلہ جاری رکھا، جس کے لیے تقریباً 305.7 ملین روپے کے سرمایہ جاتی اخراجات کیے گئے، جبکہ سرمایہ کاری کی سرگرمیوں کے نتیجے میں 267.7 ملین روپے کا خالص کیش آؤٹ فلو ہوا۔

مالیاتی سرگرمیوں سے سال کے دوران 182.8 ملین روپے حاصل ہوئے، جن میں طویل مدتی قرضے اور قلیل مدتی قرضوں میں خالص اضافہ شامل ہے۔ آپریٹنگ کیش کی پیداوار کے ساتھ اس مالیاتی معاونت نے کمپنی کو اپنے سرمایہ کاری پروگرام کی تکمیل اور لیکویڈیٹی کی ضروریات کو پورا کرنے میں مدد دی۔ یورپی توجہ مضبوط اندرونی کیش پیداوار اور درگاہ کے منظم انتظام کے ذریعے قلیل مدتی فنانسنگ پر انحصار کم کرنے پر مرکوز ہے۔

5۔ پاکستان کی ٹیکسٹائل صنعت اور معاشی ماحول

مالی سال 2025-26 کے دوران پاکستان کا ٹیکسٹائل شعبہ ملک کا سب سے اہم برآمدی صنعتی شعبہ رہا۔ پاکستان اکنامک سروے 2025-26 کے مطابق جولائی تا مارچ مالی سال 2026 کے دوران ٹیکسٹائل برآمدات کل برآمدات میں 59.6 فیصد رہیں اور شکل عالمی تجارتی ماحول اور ملک میں کپاس کی رسد سے متعلق مسائل کے باوجود تقریباً 13.5 ارب امریکی ڈالر پر مستحکم رہیں۔ ریڈی میڈ گارمنٹس کی برآمدات 3.8 فیصد بڑھ کر 3.2 ارب امریکی ڈالر جبکہ ریڈی میڈ برآمدات 0.3 فیصد اضافے کے ساتھ 2.4 ارب امریکی ڈالر رہیں، جو ویلیو ایڈڈ مصنوعات کی جانب وسیع تر منتقلی کی عکاسی کرتی ہیں۔

اسی سروے کے مطابق مالی سال 2026 میں خوردی مجموعی پیداوار (GDP) کی شرح نمو 3.70 فیصد رہی، جبکہ گزشتہ سال یہ 3.18 فیصد تھی، اور بڑی صنعتی پیداوار میں بحالی کے رجحان کی نشاندہی کی گئی۔ جولائی تا مارچ مالی سال 2026 کے بیڑے پر ملک اعداد و شمار کے مطابق مجموعی بڑی صنعتی پیداوار میں 6.5 فیصد، ٹیکسٹائل میں 0.7 فیصد اور ملبوسات (Wearing Apparel) میں 6.6 فیصد اضافہ ہوا۔ یہ اعداد و شمار ملکی صنعتی ماحول میں بہتری کی نشاندہی کرتے ہیں، تاہم یہ بھی ظاہر کرتے ہیں کہ ٹیکسٹائل بیڑے پر ملک کی شرح نمو بہت کم رہی۔

گزشتہ غیر معمولی طور پر سخت حالات کے مقابلے میں مالیاتی حالات میں بھی نمایاں بہتری آئی، تاہم قرضوں پر انحصار کرنے والی ٹیکسٹائل کمپنیوں کے لیے قرض لینے کی لاگت اب بھی ایک اہم عنصر رہی۔ 15

ڈائریکٹرز کی رپورٹ

زیفیر ٹیکسٹائلز لمیٹڈ ("کمپنی") کے ڈائریکٹرز کو یہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔ جس کے ساتھ 30 جون 2026 کو ختم ہونے والے سال کے مالیاتی گوشوارے بھی شامل ہیں۔ یہ رپورٹ کمپنی کے آڈٹ شدہ اکاؤنٹس میں موجود مالیاتی معلومات کی روشنی میں تیار کی گئی ہے اور اس کا مقصد شیئرز ہولڈرز کو کمپنی کی مالی کارکردگی، آپریشنل صورتحال، ٹیکس لینڈنگ، بنیادی خطرات اور مستقبل کے امکانات کے بارے میں ایک متوازن تصویر فراہم کرنا ہے۔

زیر جائزہ مالی سال پاکستان کی ٹیکسٹائل صنعت کے لیے بدستور ایک مشکل سال رہا۔ اس شے کے ساتھ عالمی طلب، ملک میں کپاس کی درآمد سے متعلق مشکلات، خام مال اور ٹیلیٹی اخراجات میں اضافے، تجارتی حالات میں تبدیلی اور ٹیکسٹائل انڈسٹری اور پیداواری صلاحیت میں مسلسل بہتری کی ضرورت جیسے عوامل کا سامنا رہا۔ دوسری جانب، پاکستان کی مجموعی معاشی صورتحال میں استحکام کے آثار بھی نمایاں ہوئے۔ پاکستان اکاؤنٹس سروے 2025-26 کے مطابق مالی سال 2026 کے لیے عبوری مجموعی مکی پیداوار (GDP) کی شرح نمو 3.70 فیصد رہی، جبکہ بڑی صنعتی پیداوار (Scale-Large Manufacturing) میں بحالی کے رجحان کی بھی نشاندہی کی گئی۔

1. کمپنی کی کارکردگی کا ایک نظر میں جائزہ

تفصیلات	2026	2025	نیر اضافہ/ (کی)
خالص فروخت	7.75 ارب روپے	8.28 ارب روپے	-6.34%
مجموعی منافع	867.5 ملین روپے	815.2 ملین روپے	+6.42%
مجموعی منافع کی شرح	11.19%	9.85%	+1.34 pp
آپریٹنگ منافع	303.8 ملین روپے	341.6 ملین روپے	-11.07%
مالیاتی اخراجات	183.0 ملین روپے	261.3 ملین روپے	-29.97%
اکرم ٹیکس سے قبل منافع	30.5 ملین روپے	25.4 ملین روپے	+20.08%
ٹیکس کے بعد منافع	6.7 ملین روپے	1.8 ملین روپے	+270.57%
فی حصص آمدنی (بنیادی اور کم شدہ)	0.11 روپے	0.03 روپے	+0.08 روپے

مالیاتی اہم نکات اور اہم تناسب

تفصیلات	2026	2025	تغیر
مجموعی منافع کی شرح	11.19%	9.85%	1.34 فیصد پوائنٹس کی بہتری
آپریٹنگ منافع کی شرح	3.92%	4.13%	0.21 فیصد پوائنٹس کی کمی
ٹیکس کے بعد منافع کی شرح	0.09%	0.02%	0.06 فیصد پوائنٹس کی بہتری
موجودہ تناسب	1.00x	0.97x	معمولی بہتری ہوئی
سودی مالیاتی واجبات/ لیکوینی	0.90x	0.80x	قرض تناسب بڑھ گیا
اکاؤنٹس میں اضافہ	+6.05%	+18.82	اکاؤنٹس کی بنیاد میں توسیع ہوئی
آپریٹنگ نقد بہاؤ	90.2 ملین روپے	-332.9 ملین روپے	مثبت ہو گیا

سال کی سب سے اہم نمایاں خصوصیت مجموعی منافع اور مالیاتی اخراجات کی سطح پر آمدنی کے معیار میں بہتری رہی۔ خالص فروخت میں 6.34 فیصد کی کمی، تاہم مجموعی منافع میں 6.42 فیصد اضافہ ہوا، جس کے نتیجے میں مجموعی منافع کا مارجن 9.85 فیصد سے بڑھ کر 11.19 فیصد ہو گیا۔ مالیاتی اخراجات میں تقریباً 29.97 فیصد کمی ہوئی، جس کی بدولت کمپنی نے مالی سال 2025 میں 25.4 ملین روپے کے قس اؤٹ لیس خسارے کے مقابلے میں مالی سال 2026 میں 30.5 ملین روپے کے قس اؤٹ لیس منافع حاصل کیا۔ ٹیکس کی ادائیگی کے بعد منافع 1.8 ملین روپے سے بڑھ کر 6.7 ملین روپے ہو گیا۔

2. مالی کارکردگی کا جائزہ

فروخت اور آمدنی: مالی سال 2026 میں خالص فروخت 7.754 ارب روپے رہی، جبکہ گزشتہ سال یہ 8.279 ارب روپے تھی، جو 6.34 فیصد کی کمی کو ظاہر کرتی ہے۔ آمدنی میں یہ کمی مسابقتی ٹیکسٹائل مارکیٹ، عالمی سطح پر پیمانہ طلب اور کمپنی کی جانب سے فروخت کے حجم کو قیوتوں اور منافع کے مارجن کے ساتھ متوازن رکھنے کی ضرورت کے تناظر میں دیکھی جاتی ہے۔ مجموعی منافع: فروخت کی لاگت 7.74 فیصد کم ہو کر 6.887 ارب روپے رہی، جبکہ گزشتہ سال یہ 7.464 ارب روپے تھی۔ فروخت کی لاگت میں کمی آمدنی میں کمی کے مقابلے میں زیادہ رہی، جس کے نتیجے میں مجموعی منافع 815.2 ملین روپے سے بڑھ کر 867.5 ملین روپے ہو گیا۔ چنانچہ مجموعی منافع کا مارجن تقریباً 1.34 فیصد پوائنٹس بہتر ہوا۔ یہ لاگت پر باہر کنٹرول و مصنوعات/ قیوتوں کے اجزات اور پیداواری کارکردگی میں بہتری کی نشاندہی کرتا ہے، تاہم خام مال، توانائی، افرادی قوت اور پیداواری اخراجات کی مسلسل گہرائی ضروری ہے۔

چیئر پرسن کی جائزہ رپورٹ

محترم شیئر ہولڈرز،

مجھے یہ جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے کہ زلفر ٹیکسٹائل لمیٹڈ (Zephyr Textiles Limited) کے بورڈ آف ڈائریکٹرز ("بورڈ") اور اس کی آڈٹ کمیٹی اور پیسمن ریسورس اینڈ ریپیئریشن (HR) کمیٹی کی کیم جولائی 2025 سے 30 جون 2026 تک کی مدت کے دوران کارکردگی کا جائزہ پیش کروں۔

بورڈ آف ڈائریکٹرز

بورڈ سات ڈائریکٹرز پر مشتمل ہے، جن میں دو ایگزیکٹو، تین نان ایگزیکٹو اور دو آزاد (انڈیپنڈنٹ) ڈائریکٹرز شامل ہیں، جبکہ ان میں چار خواتین ڈائریکٹرز بھی شامل ہیں۔ بورڈ نے سال کے دوران چار اجلاس منعقد کیے۔ بورڈ نے افراط زر، شرح سود، شرح مبادلہ میں، تا چرچہ، توانائی کے اخراجات اور دیگر عوامل سے متاثرہ شکل کاروباری ماحول میں انتظامیہ کو اسٹریٹجک رجسٹری اور موثر نگرانی فراہم کی۔

بورڈ کا مجموعی جائزہ

مالی سال 2026 میں آمدنی میں معمولی کمی واقع ہوئی، تاہم مجموعی منافع میں بہتری، مالیاتی اخراجات میں کمی اور خالص آمدنی میں دوبارہ مثبت رجحان دیکھنے میں آیا۔ آپریٹنگ کیش فلو میں بہتری بھی حوصلہ افزا ہے۔ تاہم، کمپنی کو اب بھی ٹیکسٹائل کے شعبے میں درپیش بعض بنیادی اور ساختی چیلنجز کا سامنا ہے، جن میں شدید قیمتوں کا مقابلہ، توانائی اور خام مال کی قیمتوں میں، تا چرچہ، ورنلنگ کیمپل کی خاطر خواہ ضروریات اور بیرونی مالی معاونت پر انحصار شامل ہیں۔

لہذا، ڈائریکٹرز کے نزدیک آئندہ سال کے لیے اہم ترجیحات میں منافع کے مارجن میں پائیدار بہتری، کیش کی بہتر وصولی و گردش، مالیاتی ذمہ داری کے ساتھ قرضوں کا انتظام، پیداواری صلاحیت میں اضافہ، توانائی کی بچت، ویلیو ایڈڈ مصنوعات کی تیاری اور سرمائے کی حفاظت تقسیم شامل ہیں۔ بورڈ ملکی اور بین الاقوامی معاشی صورتحال کی مسلسل نگرانی جاری رکھے گا اور کمپنی کی مسابقتی حیثیت اور مالیاتی استحکام کے تحفظ کے لیے مناسب اقدامات کرے گا۔

بورڈ کی توجہ کے اہم شعبے

- ☆ سالانہ بجٹ، کاروباری منصوبے اور اسٹریٹجک ترجیحات کی منظوری
- ☆ سہ ماہی مالیاتی نتائج اور مقررہ اہداف کے مقابلے میں آپریٹنگ کارکردگی کا جائزہ
- ☆ انٹرپرائز رسک مینجمنٹ، اندرونی کنٹرولز اور قانونی و ضابطہ جاتی تقاضوں کی تعمیل کی نگرانی
- ☆ سرمائے کی تقسیم، بشمول سرمایہ جاتی اخراجات (CAPEX) / سرمایہ کاری
- ☆ چائنسی کی منصوبہ بندی اور اعلیٰ انتظامی عہدوں پر تقرریاں

مجھے اطمینان ہے کہ بورڈ اور اس کی کمیٹیوں نے سال کے دوران اپنی ذمہ داریاں محنت، آزادانہ سوچ اور دیانت داری کے ساتھ انجام دیں۔ بورڈ کی جانب سے، میں اپنے شیئر ہولڈرز، مینجولیزری اداروں، بینکوں اور ملازمین کا ان کے مسلسل اعتماد اور تعاون پر شکریہ ادا کرتی ہوں۔ میں اپنے معزز ساتھی ڈائریکٹرز اور انتظامیہ کی اہم کی گراماں قدر خدمات اور تعاون پر بھی تہ دل سے ممنون ہوں۔

M. Muneer

محترمہ تہنیت مساعدا
چیئر پرسن

لاہور

30 ستمبر 2026

چیئر پرسن کا جائزہ

زیر ٹیکسٹائلز لمیٹڈ

پراکسی فارم

میں اہم سمسما ساکن صلع
بحیثیت ممبر کمپنی سمسما ساکن کمپنی ممبر یا اسکی عدم موجودگی کی صورت میں
سمسما ساکن کمپنی ممبر کو بطور مختار (پراکسی) مقرر کرتا کرتی ہوں تاکہ وہ میری اہماری جگہ اور میری
اہماری طرف سے کمپنی کے سالانہ اجلاس عام جو کہ بتاریخ 28 اکتوبر 2026 بوقت صبح 10:30 کمپنی کے رجسٹرڈ آفسن تیسری منزل IEP ہلڈنگ 97-B/D-1 گلبرگ
لاہور میں منعقد ہو رہا ہے میں بول سکے اور ووٹ ڈال سکے۔

دستخط بتاریخ دن 2026

گواہ کے کوائف

دستخط: نام: پتہ: کمپیوٹر آف قومی شناختی کارڈ کا نمبر: فوینو نمبر: سی ڈی سی کھاتا نمبر: حصص کی تعداد:

دستخط: (دستخط کمپنی میں موجود رجسٹرڈ دستخط کے مطابق ہونے چاہیے)

اہم:

پراکسی فارم کمپنی کے رجسٹرڈ آفس لاہور میں اجلاس کے انعقاد سے کم از کم ۴۸ گھنٹے قبل جمع کرانا لازمی ہے بصورت دیگر وہ قابل قبول نہ ہوگا۔

ZEPHYR TEXTILES LIMITED

3rd Floor IEP Building 97-B/D-1, Gulberg III, Lahore

PROXY FORM

I/ We,

Of

Being a member of ZEPHYR TEXTILES LTD, hereby appoint

Being a member of ZEPHYR TEXTILES LTD, hereby appoint
(NAME)

Of _____ another member of the company

Or failing him/ her _____

(NAME)

Of _____ another member of the company

(being member of the company) as my/ our proxy to attend vote for and on my / our behalf at the Annual General Meeting of the company held at its Registered Office, 3rd Floor IEP Building 97/B/D-1, Gulberg III, Lahore on October 28, 2026 at 10:30 AM and at every adjournments thereof.

As witnessed given under my / our hand (s) this _____ day of _____ 2026.

1. Witness: _____
Signature: _____
Name: _____
Address: _____

Affix
Revenue
Stamps of
Rs. 5/-

Signature of Member

2. Witness: _____
Signature: _____
Name: _____
Address: _____

Shares held _____
Shareholders' _____
CDC A/c # _____

CNIC #: _____

Notes:

1. Proxies, in order to effective, must be reached at the Company's Registered Office, not less than 48 hours the time of holding the meeting and must be duly stamped, signed and witnessed.
2. CDC shareholders, entitled to attend and vote at this meeting, must bring with them their National identity card / passport in original to prove his / her identity, and in case of proxy, must enclosed an attested copies of his/her NIC or passport. Representative of Corporate members should bring the usual documents required for such purpose.



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