



ANNUAL REPORT



2026



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Form of Proxy

Company Information

- ✧ **Board of Directors**
Chief Executive Officer
Chairman
Directors
Mr. Muhammad Faisal Ahmed
Mr. Muhammad Iqbal Ahmed
Mr. Muhammad Yousuf Ahmed
Ms. Zahra Faisal Ahmed
Mr. Yazdani Zia
Mr. Muneer Ahmed
Mr. Muhammad Ozair Qureshi
- ✧ **Audit Committee**
Chairman
Members
Mr. Yazdani Zia
Mr. Muhammad Iqbal Ahmed
Mr. Muneer Ahmed
- ✧ **Human Resource and Remuneration Committee**
Chairman
Members
Mr. Muneer Ahmed
Mr. Muhammad Faisal Ahmed
Ms. Zahra Faisal Ahmed
- ✧ **Chief Financial Officer**
Mr. Sagheer Ahmed
- ✧ **Company Secretary**
Mr. Muhammad Ozair Qureshi
- ✧ **Chief Internal Auditor**
Mr. Muhammad Rashid Mughal
- ✧ **Auditors**
M/s. Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants
- ✧ **Legal Advisor**
Monawwer Ghani
Advocate
- ✧ **Share Registrar**
M/s F. D. Registrar Services (Pvt.) Limited
17th Floor, Saima Trade Tower-A,
I.I. Chundrigar Road, Karachi.
Tel: (+92-21) 35478192-3 / 32271905-6
- ✧ **Bankers**
Allied Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
United Bank Limited
Woori Bank
- ✧ **Registered Office**
Plot No. 5-9, 23-26, Sector 16,
Korangi Industrial Area, Karachi.
UAN: 111 236 236, Fax No. 3505 4652
www.admdenim.com
- ✧ **Mills**
Korangi Industrial Area, Karachi.

VISION

- ✧ DYNAMIC, QUALITY CONSCIOUS
AND EVER PROGRESSIVE

MISSION

ARTISTIC DENIM MILLS LIMITED
IS COMMITTED TO:

- ✧ Achieve and Retain
Market Leadership in
Denim Fabric / Garments
Manufacturing
- ✧ Produce to the Highest
Quality Standards
- ✧ Excel through Continuous
Improvement
- ✧ Fulfill and Exceed the
Expectations of our Customers
- ✧ Be Ethical in its Practices
- ✧ Operate through Team Work
- ✧ Ensure a Fair Return
to Stake Holders
- ✧ Fulfill Social Responsibilities

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting ("AGM") of the Members of **Artistic Denim Mills Limited** (the Company) will be held on Wednesday, October 28, 2026 at 4:00 p.m. at the premises of the Dewan University, Plot No. 30 - A/1, Sector 23, Korangi Industrial Area, Karachi to transact the following business.

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Directors' and the Auditors' Reports thereon.
2. To appoint Auditors and fix their remuneration for the year ending June 30, 2027. The present auditors M/s Reanda Haroon Zakaria Aamir Salman Rizwan & Company, Chartered Accountants, retire and being eligible, have offered themselves for re-appointment.
3. To elect Directors of the Company for a term of three years commencing from November 23, 2026, in accordance with the provisions of Section 159 of the Companies Act, 2017.
 - a) Pursuant to section 159(1) and (2)(a) of the Companies Act, 2017, the number of Directors to be elected has been fixed at 7 (Seven) by the Board of Directors.
 - b) Pursuant to Section 159(2)(b) of the Companies Act, 2017, the names of the retiring Directors are:

I) Mr. Muhammad Faisal Ahmed	II) Mr. Muhammad Iqbal Ahmed
III) Mr. Muhammad Yousuf Ahmed	IV) Ms. Zahra Faisal Ahmed
V) Mr. Yazdani Zia	VI) Mr. Muneer Ahmed
VII) Mr. Muhammad Ozair Qureshi	

Other Business:

4. To transact any other business with the permission of the Chair.

By Order of the Board of Directors



Muhammad Ozair Qureshi
Director & Company Secretary

Karachi: October 07, 2026

Notes:

1. Closure of Shares Transfer Books:

The share transfer books of the Company will remain closed from October 20, 2026 to October 28, 2026 (both days inclusive). The transfers received at the office of the Company's Share Registrar F. D. Registrar Services (Pvt.) Limited, 17th Floor, Saima Trade Tower-A, I. I. Chundrigar, Road, Karachi before the close of the business on October 19, 2026 will be treated in time to attend and vote at the Meeting.

No gift will be distributed at the meeting as restricted by section 185 of the Companies Act, 2017.

NOTICE OF ANNUAL GENERAL MEETING

2. Participation in Annual General Meeting:

A member entitled to attend and vote at this Annual General Meeting shall be entitled to appoint another member, as a proxy to attend, speak and vote on his / her behalf. Proxies in order to be effective must be received at the Company's Share Registrar's Office not later than 48 hours before the time of the Meeting. For the convenience of the shareholders a proxy form is attached in the last portion of the Annual Report.

For Attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his / her identity by showing his / her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature and attested copy of valid CNIC of the nominee shall be submitted (unless it has been provided earlier) at the time of the meeting.

For Appointing Proxies:

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his / her original CNIC or original passport at the time of the Meeting.
- v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature and attested copy of valid CNIC of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

3. Participation through Video Link Facility:

The members can also participate in the Annual General Meeting through video link facility. To attend the AGM through video link, members and their proxies are requested to register themselves with the Company Secretary office by providing their following particulars by sending an email at (meetinginfo@admdenim.com).

Full Name	CNIC No.	Folio / CDC Account No.	No. of Shares Held	Cell No.	E-mail Address

The webinar link would be provided through email to the registered shareholders / proxies who will provide above information and a copy of valid CNIC.

NOTICE OF ANNUAL GENERAL MEETING

4. E-voting and Postal Ballot Facility

The members will be allowed to exercise their right to vote through e-voting / postal ballot subject to the provisions of the Companies Act, 2017 and the Companies (Postal Ballot) Regulations, 2018 if the numbers of persons offered to contest the election is more than the numbers of Directors fixed under Section 159(1) of the Companies Act, 2017.

5. CANDIDATES FOR DIRECTORSHIP

Every Notice of Intention of a candidate for Election must be accompanied with the following documents:

- Notice of his / her intention to offer himself / herself for the election of directors as per Section 159(3) of the Companies Act, 2017, along with duly completed and signed Appendix to Form 9 of the Companies Regulations 2024, as required under Section 167(1) of the Companies Act, 2017;
- Any person contesting the elections of directors must be a Member of the Company at the time of filing his / her consent unless such person is representing a member which is not a natural person;
- Declaration of the candidate in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria as set out in the Companies Act, 2017 to act as Director of a listed Company;
- Declaration the person is aware of the duties and powers of directors under the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, The Securities Act, 2015, Memorandum and Articles of Associations of the Company, Pakistan Stock Exchange (PSX) Regulations and other applicable laws/rules/regulations/code etc.
- Confirmation of the candidate that he/she is not serving as Director in more than seven listed companies simultaneously, provided that his / her limit shall not include the directorship in the listed subsidiary;
- A detailed profile of the candidate along with his / her office address for placement on the Company's website as required under SRO 1196(I)/2019 dated October 03, 2019.
- Copy of valid CNIC or Passport (in case of a foreign national) along with NTN and Folio/ CDC Account or Sub Account number;
- Detail of directorships offices held;
- The candidates contesting as independent directors shall submit declaration that he / she qualify the criteria of eligibility and independence notified under the Companies Act, 2017 and declaration of independence under Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The candidates shall also submit undertaking on non-judicial stamp paper that he / she meets the requirements of Regulation 4(1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

The final list of candidates contesting the elections will be circulated not later than seven (7) days before the date of the Annual General Meeting in terms of Section 159(4) of the Companies Act, 2017. The website of the Company will be updated with the required information.

NOTICE OF ANNUAL GENERAL MEETING

6. Deposit of Physical Shares in CDC Accounts:

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

The shareholders having physical shareholding may please be open CDC sub-account with any of the brokers or investors account directly with CDC to place their physical shares into scrip less form.

For any query / information, the investors may contact the Company's Share Registrar.

7. Unclaimed Dividend:

Shareholders, whose dividends still remain unclaimed are available with the Company, are hereby once again requested to approach the Company to claim their outstanding dividend amounts.

In accordance with Section 244 of the Companies Act, 2017, Companies are required to deposit with the Federal Government of Pakistan all dividends which remain unclaimed for more than three (3) years from the respective date of issuance. The shareholders of the Company, who have any outstanding dividend, are requested to immediately contact and lodge their claim, within 90 days, with our share registrar, along with all relevant identifications and supporting documents in relation thereof.

In case no claim is received within the given period of 90 days from the date of this notice, the Company will proceed to deposit the unclaimed / unpaid dividend amount with the Federal Government, as stipulated under Section 244(2) of the Companies Act, 2017.

8. Submission of CNIC or Passport:

Shareholders are requested to provide photocopy of their CNIC or passport (in case of foreigner), unless it has been provided earlier, enabling the Company to comply with relevant laws.

9. Change of Address:

Shareholders are requested to immediately notify the change of address, if any to the Company's Share Registrar.

10. Electronic Transmission of Audited Financial Statements & Notices:

The Company has circulated notice of Annual General Meeting along with Audited Financial Statements to its members through email at provided registered email addresses. However, printed copy of the above referred statements will be provided to the members upon their request.

11. Placement of Audited Financial Statements on the website & through QR Code/Weblink:

The Audited Financial Statements of the Company for the year ended June 30, 2026 have been placed on Company's website i.e. www.admdenim.com. Shareholders can also view them through the QR Code or Weblink provided below.

NOTICE OF ANNUAL GENERAL MEETING



https://d2ckw86bt3u49z.cloudfront.net/assets/pdfs/annual_report_s/anual_report_2026/Artistic_denim_mills_Annual_2026.pdf

STATEMENT UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017 (ITEM NO. 3 OF THE AGENDA- REGARDING INDEPENDENT DIRECTOR)

Section 166(3) of the Companies Act 2017 requires that a statement of material facts is annexed to the notice of the Annual General Meeting called for the purpose of election of directors which shall indicate the justification for selecting the appointee for appointment as Independent Director.

The Company will ensure that the Independent Directors are elected in accordance with Sections 159 and 166 of the Companies Act, 2017 and shall meet the criteria set out for independence under Section 166 of the Companies Act, 2017 and the Companies (Manner and Selection of Independent Directors) Regulations 2018. The Company shall apply the following criteria for choosing the appointee for appointment as independent director:

- Inclusion of name of independent directors in the data bank maintained by Pakistan Institute of Corporate Governance (PICG) duly authorized by SECP;
- Respective competencies, diversity, skill, knowledge and experience of the candidates shall be assessed.
- The Company shall exercise due diligence before selecting a person from the data bank that the candidate meets the independence criteria as mentioned in Section 166(2) of the Companies Act, 2017.

The Candidates are requested to read the relevant provisions / requirements relating to the Appointment / Election of Directors, as mentioned in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 and ensure compliance with the same in letter and spirit.

None of the Directors have any direct or indirect interest in the above said business other than shareholder of the Company and that they are eligible to contest the election of directors of the Company.

CHAIRMAN'S REVIEW

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

On behalf of the Board of Directors of Artistic Denim Mills Limited ("the Company"), I am pleased to present this report pursuant to the requirements of Section 192(4) of the Companies Act, 2017, for the financial year ended June 30, 2026.

The Company remains fully committed to maintaining the highest standards of corporate governance and continues to comply with the provisions of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 relating to the composition, responsibilities, procedures, and conduct of meetings of the Board of Directors and its Committees.

Pursuant to the requirements of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019, an annual evaluation of the Board of Directors (the "Board") of Artistic Denim Mills Limited (the "Company") was carried out to assess the Board's and its committees' overall performance and effectiveness for the year ended June 30, 2026. The Board is assisted by its committees. The purpose of evaluation was to examine those key areas where the Board requires clarity in order to provide high level oversight, including: the strategic process; key business drivers and performance milestones; the global economic environment and competitive context in which the Company operates; the risks faced by the business; Board dynamics; capability and alignment; reputation; and information flows. The evaluation was conducted using well-defined criteria and highlighted areas of strength as well as opportunities for further improvement. Areas that require improvement were duly considered and suitable action plans were framed.

As Chairman of the Board, I remain committed to ensuring that the Company is being managed effectively, in a way that helps it to achieve its objectives whilst also safeguarding the integrity of the Company and the interests of its stakeholders.

Based on the evaluation carried out during the year, I am pleased to report that the overall performance of the Board and its committees has remained satisfactory on the basis of criteria set for the purpose.

Following are the integral components of evaluation criteria to judge the performance of the Board & its Committees and to achieve the Company's objectives:

- Compliance with the legislative system in which Company operates, including Companies Act, 2017, Listing Regulations of Pakistan Stock Exchange Limited, the Memorandum and Articles of Association of the Company.
- Active participation in strategic planning process, corporate goals, plans, budgets, enterprise risk management system, policy development, financial structure, monitoring and approval.
- Hiring, evaluating, compensating and supporting the Executive Directors and other key positions including Chief Executive.
- Appropriate constitution of Board Committees with members possessing adequate technical knowhow and experience.

CHAIRMAN'S REVIEW

- Establishing adequate system of internal controls in the Company and its regular assessment through self-assessment mechanism or/and internal audit activities.
- Ensuring presence of required quorum in Board and Committees' meeting.
- Ensuring orientation and training of Board of Directors to enable them to perform their duties in an effective manner.

In conclusion, I would like to express sincere appreciation to my fellow Board members for their committed and proficient contributions during the year under review. I also acknowledge the efforts of the management team and employees whose dedication continues to support the Company's performance and long-term success.

I am fully confident that the Board will continue to provide effective leadership and strategic guidance to the management, enabling the Company to capitalize on emerging opportunities, address evolving challenges, and create sustainable value for all stakeholders.

MUHAMMAD IQBAL AHMED



CHAIRMAN / DIRECTOR

Karachi: September 24, 2026

DIRECTORS' REPORT TO THE MEMBERS

Your directors are pleased to present their report and the audited financial statements of the Company for the financial year ended June 30, 2026.

OPERATING FINANCIAL RESULTS

The Company's operating and financial results for the financial year ended June 30, 2026, are summarized below:

	Rs. in ('000')
(Loss) for the year before levies and income tax	(290,825)
Levies and income tax	(144,962)
Net (Loss) for the year	(435,787)
Un-appropriated profit brought forward	6,829,581
Other comprehensive income	68,436
Profit available for appropriation	6,462,230

Appropriations:

Final Dividend for year ended June 30, 2025	
Cash	-
Un-appropriated profit carried forward	6,462,230

PERFORMANCE REVIEW

During the year under review, the Company recorded net sales of Rs. 13.895 billion, compared to Rs. 18.350 billion in the preceding year. The decline in sales was primarily attributable to subdued economic conditions, persistent pricing pressures in export markets, a relatively stable exchange rate environment and the temporary loss of a key customer, which was a significant contributor to the decline in sales during the year. Business with this customer has since resumed, which is expected to support the recovery of sales, production volumes and capacity utilization during the current financial year.

Geopolitical uncertainties in key global markets, together with disruptions in international trade and supply chains, also contributed to market volatility and affected demand during the year.

Despite the decline in sales, gross profit increased to Rs. 1,125.234 million from Rs. 1,061.698 million in the preceding year, reflecting an improvement in gross margin. Profitability remained affected by elevated production costs, including an increase in gas tariffs from Rs. 3,000 to Rs. 3,500 per MMBtu and a 10% increase in minimum wages.

Finance costs increased to Rs. 821.141 million from Rs. 706.792 million in the preceding year. The Company's short-term borrowings increased primarily due to capital expenditure undertaken during financial years 2022 and 2023. These investments were initially planned to be financed under the concessionary Long-Term Financing Facility (LTFF); however, the anticipated concessionary financing was subsequently not made available. Facing a 22% KIBOR environment, the Company initially retired these machinery LCs through lower-rate short-term export financing.

In year 2026, following the reduction of market interest rates to viable levels, a portion of these short-term borrowings was successfully re-profiled into long-term KIBOR-based facilities to align debt maturities with underlying assets.

Working capital requirements were further affected by delays in sales tax refunds and advance income taxes, resulting in additional utilization of external financing during the year.

As a result of the above factors, the Company reported a net loss after tax of Rs. 435.787 million, compared to a net loss after tax of Rs. 451.099 million in the preceding year. Accordingly, loss per share stood at Rs. 5.19, compared to Rs. 5.37 in the previous year.

ECONOMIC REVIEW

Global Economy Overview:

The global economy remained resilient during the year despite geopolitical and trade uncertainty. According to the International Monetary Fund (IMF), global growth reached 3.4% in 2025 and is projected to moderate to 3.0% in 2026.

Inflationary pressures generally eased as supply-chain conditions improved and monetary policies remained tight, although energy and commodity-price volatility continued to pose risks.

Advanced economies recorded moderate growth, while emerging and developing economies continued to drive global expansion but remained vulnerable to commodity-price volatility and changing financial and trade conditions.

Global trade expanded at a modest pace amid supply-chain realignments. The outlook remains subject to geopolitical developments, trade-policy shifts and financial-market conditions.

Pakistan Economy Overview:

Pakistan's economy continued its recovery and stabilization during financial year 2026. Real GDP grew by 3.70%, the strongest expansion in four years, while per capita income increased to over US\$ 1,900.

Key macroeconomic indicators improved during the year. The fiscal deficit narrowed to approximately 3.00% of GDP, foreign exchange reserves increased to US\$ 23.23 billion, and the Pakistan Stock Exchange delivered strong returns. Completion of IMF programme reviews also supported market confidence.

Structural challenges persisted. Exports remained under pressure amid subdued global demand and competitiveness constraints, while higher imports associated with economic recovery widened the trade deficit. Inflationary pressures re-emerged towards the latter part of the year, prompting the State Bank of Pakistan to maintain a cautious monetary policy stance.

Workers' remittances continued to support the external sector, while foreign direct investment remained weak. The investment-to-GDP ratio improved to 14.38%, although higher investment levels remain important for medium-term growth and employment generation.

Overall, financial year 2026 marked further progress towards macroeconomic stability, while challenges relating to exports, investment and employment creation remained.

TEXTILE SECTOR REVIEW

The textile sector remained Pakistan's largest export-oriented industry during financial year 2025-26, operating amid elevated energy and input costs, working-capital pressures, regulatory changes and subdued global demand.

According to the Pakistan Bureau of Statistics, Pakistan's textile exports increased marginally by 0.26% to US\$17.93 billion during financial year 2025-26, compared with US\$17.89 billion in the preceding year. The performance across product categories remained mixed. Readymade garment exports increased by 3.87% to US\$4.29 billion, while cotton yarn exports increased by 12.40% to US\$765 million. Conversely, cotton cloth, knitwear and towels recorded declines of 7.55%, 0.88% and 1.93%, respectively.

The sector continued to face competitiveness pressures from high energy, labour and input costs, regional competition, delays in tax refunds and changes in the taxation and export policy framework.

Pakistan's vertically integrated textile supply chain and established international market presence remain important strengths, while value-added products offer opportunities to improve export value and margins.

Future competitiveness will depend on energy efficiency, technology, renewable energy, product diversification, sustainability, compliance and expansion into new markets.

Pakistan's textile industry remains strategically important, with integrated manufacturers positioned to pursue opportunities through cost management, sustainability and value addition.

DIVIDEND

Upon the recommendation of the Audit Committee, the Board of Directors has determined not to declare a dividend for the financial year ended June 30, 2026, reflecting the loss sustained during the year. The Board will continue to evaluate the Company's financial position and cash flows when considering future dividends.

CAPITAL EXPENDITURE

During the financial year, the Company made capital investments totaling Rs. 303 million, with a major focus on solar energy capacity to support cost efficiency. Capital allocation will continue in line with the Company's long-term objectives.

SALES AND MARKETING

Artistic Denim Mills Limited (ADM) is a vertically integrated producer of denim and value-added textile products serving customers across the Americas, Europe and Asia. The Company continues to pursue higher value-added products and diversification of its customer base and markets.

The Company's sustainability priorities include water management, energy conservation, responsible chemical usage, sustainable cotton and fibers, human capital and eco-friendly packaging. The Company also operates four cotton recycling machines capable of processing post-industrial and post-consumer waste, including internally generated waste.

The Company has commissioned a fiber dyeing facility for the production of dyed fiber, yarn and fabrics. The facility serves internal manufacturing requirements and provides capacity to supply external textile mills and garment manufacturers.

The Company's in-house R&D team and Innovation Center support product development, testing and process improvement in response to customer requirements.

The Company's product development focuses on recycled cotton, sustainable fibers, performance and stretch products, and specialized dyeing and finishing. Technological upgrades are directed towards improving operational flexibility, quality, conversion costs and capacity utilization.

FUTURE OUTLOOK AND CHALLENGES

The Company remains cautious regarding geopolitical tensions, commodity and oil-price volatility, supply-chain disruptions, inflationary pressures and subdued demand in certain export markets.

Pakistan's economic outlook is expected to remain broadly stable, supported by monetary easing, workers' remittances, macroeconomic stability and fiscal consolidation. Debt-servicing obligations, limited foreign direct investment, external financing requirements and subdued private-sector investment remain key challenges.

The textile sector continues to face high taxation, elevated energy tariffs, rising input costs, declining cotton production, refund delays and policy uncertainty, affecting competitiveness relative to regional peers.

Management remains focused on cost management, capacity utilization, productivity, working capital and diversification of customers and export markets. The Company will continue to pursue higher value-added products and closer engagement with international customers to improve product mix and margins.

The Company has installed and commissioned 6.034 MW of solar power capacity, with a further 1.110 MW under installation. Upon completion, total solar capacity is expected to reach approximately 7.144 MW, reducing dependence on conventional energy sources and exposure to energy-tariff volatility.

The Company intends to use its fiber dyeing facility to broaden its product offering and expand sales to external textile mills and garment manufacturers.

With the resumption of business from the key customer referred to above, continued customer diversification and improved capacity utilization, Management expects operating performance to improve during the current financial year. The Company remains focused on restoring profitability, strengthening operating cash flows, maintaining prudent working capital management and progressively realigning its financing structure with the longer-term nature of these assets, thereby improving its financial position.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Company is committed to maintaining high standards of corporate governance. The Directors confirm that the Company has complied with the applicable provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the relevant requirements of the Pakistan Stock Exchange.

The Directors confirm that:

- The financial statements for the year ended June 30, 2026, prepared by the management of the Company, present fairly, its state of affairs, the results of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended June 30, 2026 and any changes in accounting policies have been disclosed in the financial statements. Accounting estimates are based on reasonable and prudent judgments;
- International Financial Reporting Standards, as applicable in Pakistan and the requirements of the Companies Act, 2017, have been duly followed in preparation of the financial statements and any departure there-from has been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented, regularly reviewed and monitored. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls in the system;
- There are no doubts about the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of Corporate Governance, as detailed in the Regulations of Rule Book of Pakistan Stock Exchange;
- The key operating and financial data for the last six years in summarized form is annexed to the Audited Financial Statements;
- The outstanding duties, statutory charges and taxes, if any, have been duly disclosed in the Audited Financial Statements;
- The Company operates an unfunded gratuity scheme for its employees as reflected in the Audited Financial Statements;
- Five directors have completed the directors training course, one director is exempt based on experience and qualification, and certification is being arranged for the remaining director. All Directors are conversant with their duties and responsibilities.

MATERIAL CHANGES

There have been no material changes since June 30, 2026 to the date of the Audited Financial Statements, and the Company has not entered into any commitment during this period that could adversely affect its financial position.

PATTERN OF SHAREHOLDING

The Company's shares are traded on the Pakistan Stock Exchange Limited. The pattern of shareholding as on June 30, 2026, along with pertinent disclosures, is appended to the Audited Financial Statements.

TRADE IN THE SHARES OF THE COMPANY

Details of transactions in the Company's shares carried out during the period from July 1, 2025, to June 30, 2026, by the Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit, other executives, and their spouses or minor children are annexed to the Audited Financial Statements.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Company has fully complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. A statement to this effect is annexed with these Audited Financial Statements.

BOARD OF DIRECTORS

The total number of Directors is seven (7) as follows:

- a. Male: 6
- b. Female: 1

The composition of the Board of Directors (the Board) is as follows:

Category	Numbers	Names
a) Independent Director	02	Mr. Yazdani Zia Mr. Muneer Ahmed
b) Other Non-Executive Directors - Male	02	Mr. Muhammad Iqbal Ahmed Mr. Muhammad Yousuf Ahmed
- Female	01	Ms. Zahra Faisal Ahmed
c) Executive Director	02	Mr. Muhammad Faisal Ahmed Mr. Muhammad Ozair Qureshi

During the year under review, four meetings of the Board of Directors were held in Pakistan and the attendance by each Director was as follows:

Name of Director	No. of Meetings Attended
Mr. Muhammad Faisal Ahmed	4
Mr. Muhammad Iqbal Ahmed	4
Mr. Muhammad Yousuf Ahmed	4
Ms. Zahra Faisal Ahmed	4
Mr. Yazdani Zia	4
Mr. Muneer Ahmed	4
Mr. Muhammad Ozair Qureshi	4

BOARD COMMITTEES

The Board has established an Audit Committee comprising three members: two independent directors and one non-executive director. The Chairman is an independent director. The Committee performs its responsibilities in accordance with the Code of Corporate Governance.

During the year, four meetings of the Audit Committee were held. The attendance record of each director was as follows:

Name of Director	No. of Meetings Attended
Mr. Yazdani Zia	4
Mr. Muhammad Iqbal Ahmed	4
Mr. Muneer Ahmed	4

The Board has constituted a Human Resource and Remuneration Committee (HR&RC) comprising one non-executive director, one executive director and one independent director. The Chairman is an independent director. During the year, the Committee held one meeting, with attendance as follows:

Name of Director	No. of Meetings Attended
Mr. Muneer Ahmed	1
Mr. Muhammad Faisal Ahmed	1
Ms. Zahra Faisal Ahmed	1

REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive and Independent Directors for attending Board and Committee meetings is determined by the Board. They are paid a fee for each meeting attended and reimbursed for travelling, boarding, lodging and other expenses properly incurred in performing their duties.

RELATED PARTY TRANSACTIONS AND TRANSFER PRICING

During financial year 2026, all related party transactions were reviewed and approved by the Audit Committee and the Board. Transactions with associated companies in the normal course of business were executed at arm's length prices determined using the comparable uncontrolled price method.

RISK MANAGEMENT

The Company maintains a Risk Management framework to identify, evaluate, monitor and mitigate principal risks that may affect its strategic objectives. The framework applies across the enterprise, business units, functions and projects.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company maintains an Internal Financial Control System commensurate with the size and complexity of its operations. The system is designed to safeguard assets, ensure proper authorization of financial transactions, support compliance with applicable laws and regulations, and optimize resource utilization. The Internal Audit function evaluates the effectiveness of these controls, and management addresses recommendations from the Statutory and Internal Auditors.

AUDITORS

The present Auditors, Reanda Haroon Zakaria Aamir Salman Rizwan & Company, Chartered Accountants, will retire at the conclusion of the annual general meeting scheduled for October 28, 2026 and, being eligible, have offered themselves for re-appointment. On the recommendation of the Audit Committee, the Board proposes their re-appointment as Statutory Auditors for the financial year ending June 30, 2027 at a mutually agreed fee.

ACKNOWLEDGEMENTS

The Board of Directors acknowledges the support and cooperation of the Company's customers, suppliers, bankers, shareholders, business partners, regulatory authorities and other stakeholders.

The Board also records its appreciation for the dedication and professionalism of the Company's employees.

ON BEHALF OF THE BOARD OF DIRECTORS



MUHAMMAD FAISAL AHMED
Chief Executive Officer



YAZDANI ZIA
Director

Karachi: September 24, 2026

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے مالیاتی سال کے لیے اپنی رپورٹ اور آڈٹ شدہ مالیاتی بیانات پیش کرتے ہوئے پُر مسرت ہیں۔

آپریٹنگ مالیاتی نتائج:

30 جون 2026 کو ختم ہونے والے سال کے لئے کمپنی کی مالیاتی کارکردگی کا خلاصہ ذیل میں ہے:

مندرجات	روپے 000 میں
لیویز اور انکم ٹیکس سے قبل سالانہ خسارہ	(290,825)
لیویز اور انکم ٹیکس	(144,962)
خالص سالانہ خسارہ	(435,787)
مقدم کیا گیا غیر مختص شدہ منافع	6,829,581
دیگر جامع آمدن	68,436
تخصیص کے لئے دستیاب منافع	6,462,230

مختص فنڈ:

30 جون 2025 کو ختم ہونے والے سال کے لئے حتمی ڈیویڈنڈ	
کیش	-
غیر مختص منافع کو آگے بڑھایا گیا	6,462,230

کارکردگی کا جائزہ

زیر جائزہ سال کے دوران کمپنی نے خالص فروخت 13.895 بلین روپے گزشتہ سال کے 18.350 بلین روپے کے مقابلے میں ریکارڈ کی۔ فروخت میں کمی بنیادی طور پر کمزور معاشی حالات، برآمدی منڈیوں میں مسلسل قیمتوں کے دباؤ، نسبتاً مستحکم تبادلہ کی شرح کا ماحول اور ایک اہم کسٹمر کے عارضی نقصان کی وجہ سے تھی، جو سال بھر فروخت میں کمی کی ایک اہم وجہ تھی۔ اس کسٹمر کے ساتھ کاروبار دوبارہ شروع ہو گیا ہے، جس سے موجودہ مالی سال میں فروخت، پیداوار کی مقدار اور صلاحیت کے استعمال کی بحالی میں مدد متوقع ہے۔

اہم عالمی منڈیوں میں جیو پولیٹیکل غیر یقینی صورتحال اور بین الاقوامی تجارت و سپلائی چینز میں خلل نے بھی مارکیٹ کے اتار چڑھاؤ میں اضافہ کیا اور دوران سال طلب کو متاثر کیا۔

فروخت میں کمی کے باوجود، مجموعی منافع پچھلے سال کے 1,061.698 ملین روپے سے بڑھ کر 1,125.234 ملین روپے ہو گیا، جو مجموعی منافع میں بہتری کی عکاسی کرتا ہے۔ منافع کو پیداوار کی بڑھتی ہوئی لاگت نے متاثر کیا، جس میں گیس ٹیرف میں 3,000 روپے سے بڑھ کر 3,500 روپے فی MMBtu اور کم از کم اجرت میں 10% اضافہ شامل ہے۔

مالیاتی اخراجات گزشتہ سال کے 706.792 ملین روپے سے بڑھ کر 821.141 ملین روپے ہو گئے۔ کمپنی کے قلیل مدتی قرضوں میں اضافہ بنیادی طور پر مالی سالوں 2022 اور 2023 کے دوران کیے گئے سرمایہ کاری کے اخراجات کی وجہ سے ہوا۔ ابتدائی طور پر ان سرمایہ کاریوں کو رعایتی طویل مدتی فنانسنگ سہولت (LTFF) کے تحت مالی اعانت فراہم کرنے کا منصوبہ تھا؛ تاہم متوقع رعایتی مالی معاونت بعد میں دستیاب نہیں ہو سکی۔ کمپنی نے ابتدائی طور پر 22% KIBOR ماحول کا سامنا کرتے ہوئے کم شرح پر قلیل مدتی برآمدی مالی معاونت کے ذریعے ان مشینری LCs کو برخواست کیا۔

سال 2026 میں، مارکیٹ کی شرح سود کو قابل عمل سطح تک کم کرنے کے بعد، ان قلیل مدتی قرضوں کا ایک حصہ کامیابی سے طویل مدتی KIBOR پر مبنی سہولیات میں تبدیل کیا گیا تاکہ قرض کی میچورٹی کو بنیادی اثاثوں کے ساتھ ہم آہنگ کیا جاسکے۔

ورکنگ کپینٹل کی ضروریات، سیلز ٹیکس ریفرنڈ اور ایڈوانس انکم ٹیکس میں تاخیر سے مزید متاثر ہوئیں، جس کے نتیجے میں سال کے دوران بیرونی فنانسنگ کا اضافی استعمال ہوا۔

مندرجہ بالا عوامل کی وجہ سے، کمپنی نے 435.787 ملین روپے کا بعد از ٹیکس خالص نقصان رپورٹ کیا، جبکہ گزشتہ سال 451.099 ملین روپے کا خالص نقصان تھا۔ اس مناسبت سے فی شیئر نقصان گزشتہ سال 5.37 روپے کے مقابلے میں 5.19 روپے رہا۔

اقتصادی جائزہ

عالمی معیشت کا جائزہ:

دوران سال عالمی معیشت جیو پولیٹیکل اور تجارتی غیر یقینی صورتحال کے باوجود مضبوط رہی۔ بین الاقوامی مالیاتی فنڈ (IMF) کے مطابق، عالمی ترقی 2025 میں 3.4% تک پہنچ گئی اور 2026 میں معتدل ہو کر 3.0% ہونے کی توقع ہے۔

سپلائی چین کی حالت بہتر ہونے پر مہنگائی کے دباؤ عام طور پر کم ہوئے جبکہ مالیاتی پالیسیاں سخت رہیں، اگرچہ توانائی اور اجناس کی قیمتوں میں اتار چڑھاؤ خطرات کا باعث رہا۔

ترقی یافتہ معیشتوں نے اعتدال پسند ترقی ریکارڈ کی، جب کہ ابھرتی اور ترقی پذیر معیشتیں عالمی توسیع کو آگے بڑھاتی رہیں لیکن اجناس کی قیمتوں میں اتار چڑھاؤ اور مالیاتی اور تجارتی حالات میں تبدیلی کا شکار رہیں۔

سپلائی چین کی ترتیب نو کے دوران عالمی تجارت میں معمولی رفتار سے اضافہ ہوا۔ منظر نامہ جغرافیائی سیاسی ترقیات، تجارتی پالیسی میں تبدیلیوں اور مالیاتی مارکیٹ کی صورتحال کے تابع ہے۔

پاکستان کی معیشت کا جائزہ:

پاکستان کی معیشت نے مالیاتی سال 2026 کے دوران اپنی بحالی اور استحکام جاری رکھا۔ حقیقی جی ڈی پی میں 3.70% اضافہ ہوا، جو چار سال میں سب سے مضبوط اضافہ تھا، جبکہ فی کس آمدنی US\$1,900 سے تجاوز کر گئی۔

اہم میکرو اکنامک اشاریے دوران سال بہتر ہوئے۔ مالیاتی خسارہ تقریباً 3.00% جی ڈی پی تک کم ہو گیا، غیر ملکی زرمبادلہ کے ذخائر 23.23 ارب امریکی ڈالر تک بڑھ گئے، اور پاکستان اسٹاک ایکسچینج نے مضبوط منافع حاصل کیا۔ آئی ایم ایف پروگرام کے جائزوں کی تکمیل نے بھی مارکیٹ کے اعتماد کو تقویت فراہم کی۔

ساختی چیلنجز برقرار رہے۔ برآمدات پر عالمی طلب اور مسابقت کی کمی کے باعث دباؤ قائم رہا، جبکہ معاشی بحالی سے منسلک درآمدات میں اضافہ تجارتی خسارے کو بڑھا گیا۔ سال کے آخر میں مہنگائی کے دباؤ دوبارہ سامنے آئے، جس کی وجہ سے اسٹیٹ بینک آف پاکستان نے محتاط مالیاتی پالیسی کا موقف اختیار کیا۔

محنت کشوں کی ترسیلات زر بیرونی شعبے کی حمایت جاری رکھتی رہیں، جبکہ غیر ملکی براہ راست سرمایہ کاری کمزور رہی۔ سرمایہ کاری سے جی ڈی پی تناسب 14.38% تک بہتر ہوا، اگرچہ درمیانی مدت کی ترقی اور روزگار کے فروغ کے لیے زیادہ سرمایہ کاری کی سطحیں اب بھی اہمیت کی حامل ہیں۔

مجموعی طور پر، مالیاتی سال 2026 نے میکرو اکنامک استحکام کی طرف مزید پیش رفت کی، جبکہ برآمدات، سرمایہ کاری اور روزگار کے مواقع سے متعلق چیلنجز موجود رہے۔

ٹیکسٹائل سیکٹر کا جائزہ

ٹیکسٹائل سیکٹر مالیاتی سال 2025-26 کے دوران پاکستان کی سب سے بڑی برآمدی صنعت رہا جو توانائی اور ان پٹ کی بڑھتی ہوئی لاگتوں، ورکنگ کیسٹل دباؤ، ضابطہ کاری میں تبدیلیوں اور کم عالمی طلب کے درمیان کام کر رہا تھا۔

پاکستان بیورو آف اسٹیٹسٹکس کے مطابق، پاکستان کی ٹیکسٹائل برآمدات مالی سال 2025-26 کے دوران معمولی طور پر 0.26% بڑھ کر 17.93 ارب امریکی ڈالر تک پہنچ گئیں، جبکہ گزشتہ سال یہ رقم 17.89 ارب امریکی ڈالر تھی۔ مصنوعات کے تمام زمروں میں کارکردگی مخلوط رہی۔ ریڈی میڈ گارمنٹس برآمدات میں 3.87% اضافہ کے ساتھ US\$ 4.29 بلین ہو گئی، جبکہ کپاس کے یارن کی برآمدات 12.40% بڑھ کر US\$ 765 ملین ہو گئیں۔ اس کے برعکس، کاٹن کلا تھ، نٹ ویئر اور تولیوں میں بالترتیب 7.55%، 0.88% اور 1.93% کی ریکارڈ کمی گئی۔

اس شعبے کو زیادہ توانائی، مزدوری اور ان پٹ لاگت، علاقائی مقابلہ، ٹیکس ریفنڈ میں تاخیر اور ٹیکس و برآمدی پالیسی فریم ورک میں تبدیلیوں کی وجہ سے مسابقت کے دباؤ کا سامنا رہا۔

پاکستان کی عمومی طور پر مربوط ٹیکسٹائل سپلائی چین اور بین الاقوامی مارکیٹ میں قائم شدہ موجودگی اب بھی اہم طاقتیں ہیں، جبکہ ویلیو ایڈڈ مصنوعات برآمدی قدر اور منافع کو بہتر بنانے کے مواقع فراہم کرتی ہیں۔

مستقبل میں مسابقتی صلاحیت کا انحصار توانائی کی بچت، ٹیکنالوجی، قابل تجدید توانائی، مصنوعات کے تنوع، پائیداری، ضوابط کی پاسداری اور نئی منڈیوں میں توسیع پر ہو گا۔

پاکستان کی ٹیکسٹائل صنعت اسٹریٹجک طور پر اہم ہے، جہاں مربوط مینوفیکچررز لاگت مینجمنٹ، پائیداری اور ویلیو ایڈیشن کے ذریعے مواقع حاصل کرنے کی پوزیشن میں ہیں۔

ڈیویڈنڈ

آڈٹ کمیٹی کی سفارش پر، بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے مالیاتی سال کے لیے ڈیویڈنڈ کا اعلان نہ کرنے کا فیصلہ کیا ہے، جو سال کے دوران ہونے والے نقصان کی عکاسی کرتا ہے۔ بورڈ مستقبل کے ڈیویڈنڈز پر غور کرتے ہوئے کمپنی کی مالی حالت اور نقد بہاؤ کا جائزہ لیتا رہے گا۔

کیپٹل مصارف

مالیاتی سال کے دوران، کمپنی نے کل 303 ملین روپے کی سرمایہ کاری کی، جس میں لاگت کی بچت کے لیے شمسی توانائی کی صلاحیت پر زیادہ توجہ دی گئی۔ سرمایہ کی تقسیم کمپنی کے طویل مدتی اہداف کے مطابق جاری رہے گی۔

فروخت اور مارکیٹنگ

آرٹسٹک ڈینم ملز لمیٹڈ (ADM) عمودی طور پر ایک مربوط ڈینم اور ویلیو ایڈڈ ٹیکسٹائل مصنوعات تیار کرنے والی کمپنی ہے جو امریکہ، یورپ اور ایشیا کے صارفین کو خدمات فراہم کرتی ہے۔ کمپنی اپنے صارفین اور مارکیٹس میں زیادہ ویلیو ایڈڈ مصنوعات اور تنوع کی تلاش جاری رکھے ہوئے ہے۔

کمپنی کی پائیداری کی ترجیحات میں پانی کا انتظام، توانائی کی بچت، ذمہ دارانہ کیمیکل استعمال، پائیدار کپاس اور ریشے، انسانی سرمایہ اور ماحول دوست پیکیجنگ شامل ہیں۔ کمپنی چار کپاس ری سائیکلنگ مشینیں بھی چلاتی ہے جو صنعتی اور بعد از صارفین فضلے، بشمول اندرونی طور پر پیدا ہونے والے فضلے، کو پروسیس کرنے کی صلاحیت رکھتی ہیں۔

کمپنی نے رنگے ہوئے فائبر، یارن اور کپڑوں کی تیاری کے لیے فائبر رنگنے کی سہولت قائم کی ہے۔ یہ سہولت اندرونی مینوفیکچرنگ ضروریات کو پورا کرتی ہے اور بیرونی ٹیکسٹائل ملز اور گارمنٹ مینوفیکچررز کو سپلائی کرنے کی صلاحیت فراہم کرتی ہے۔

کمپنی کی اندرونی R&D ٹیم اور انوولوشن سینٹر صارفین کی ضروریات کے مطابق مصنوعات کی ترقی، جانچ اور عمل کی بہتری کو سہارا دیتے ہیں۔

کمپنی کی مصنوعات کی ترقی ری سائیکل شدہ کپاس، پائیدار فائبرز، پرفارمنس اور اسٹریچ مصنوعات، اور خصوصی رنگائی اور فنشنگ پر مرکوز ہے۔ ٹیکنالوجی میں اپ گریڈز آپریشنل چلک، معیار، تبدیلی کی لاگت اور صلاحیت کے استعمال کو بہتر بنانے کی طرف ہیں۔

مستقبل کا نقطہ نظر اور چیلنجز

کمپنی جغرافیائی سیاسی کشیدگیوں، کموڈٹی اور تیل کی قیمتوں میں اتار چڑھاؤ، سپلائی چین میں خلل، مہنگائی کے دباؤ اور بعض برآمدی منڈیوں میں کم طلب کے حوالے سے محتاط رہتی ہے۔

پاکستان کی معاشی منظر نامہ عمومی طور پر مستحکم رہنے کی توقع ہے، جس کی حمایت مالیاتی آسانی، مزدوروں کی ترسیلات زر کی ترسیلات، معاشی استحکام اور مالیاتی استحکام سے ہوگی۔ قرض کی خدمت کی ذمہ داریاں، محدود غیر ملکی براہ راست سرمایہ کاری، بیرونی مالیاتی تقاضے اور نجی شعبے کی سرمایہ کاری میں کمی اہم چیلنجز ہیں۔

ٹیکسٹائل سیکٹر کو اب بھی زیادہ ٹیکس، توانائی کے ٹیرف میں اضافہ، بڑھتی ہوئی ان پٹ لاگت، کپاس کی پیداوار میں کمی، ریفنڈ میں تاخیر اور پالیسی کی غیر یقینی صورتحال کا سامنا ہے، جو علاقائی ہم منصبوں کے مقابلے میں مسابقت کو متاثر کرتا ہے۔

انتظامیہ لاگت کے انتظام، صلاحیت کے استعمال، پیداواری صلاحیت، ورکنگ کیپٹل اور صارفین و برآمدی منڈیوں کی تنوع پر توجہ مرکوز رکھتی ہے۔ کمپنی زیادہ ویلیو ایڈڈ مصنوعات اور بین الاقوامی صارفین کے ساتھ قریبی رابطے کی کوشش جاری رکھے گی تاکہ مصنوعات کے کس اور مارجن کو بہتر بنایا جاسکے۔

کمپنی نے 6.034 میگاواٹ شمسی توانائی کی صلاحیت نصب اور کمیشن کی ہے، جبکہ مزید 1.110 میگاواٹ تنصیب کے مراحل میں ہے۔ مکمل ہونے پر، کل شمسی صلاحیت تقریباً 7.144 میگاواٹ تک پہنچنے کی توقع ہے، جس سے روایتی توانائی کے ذرائع پر انحصار اور توانائی کے ٹیرف میں اتار چڑھاؤ کم ہو جائے گا۔

کمپنی اپنی فابریکائی کی سہولت کو اپنی مصنوعات کی پیشکش کو وسیع کرنے اور بیرونی ٹیکسٹائل ملز اور گارمنٹ مینوفیکچررز کو فروخت بڑھانے کے لیے استعمال کرنے کا ارادہ رکھتی ہے۔

مذکورہ اہم صارف سے کاروبار کی بحالی، صارفین کی مسلسل تنوع اور صلاحیت کے بہتر استعمال کے ساتھ، انتظامیہ توقع کرتی ہے کہ موجودہ مالی سال کے دوران آپریٹنگ کارکردگی بہتر ہوگی۔ کمپنی منافع بحال کرنے، آپریٹنگ کیش فلو کو مضبوط کرنے، محتاط ورکنگ کیپیکل مینجمنٹ کو برقرار رکھنے اور اپنے مالیاتی ڈھانچے کو ان اثاثوں کی طویل مدتی نوعیت کے ساتھ بتدریج ہم آہنگ کرنے پر توجہ مرکوز رکھے ہوئے ہے، جس سے اس کی مالی صورت حال بہتر ہو رہی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لیے پرعزم ہے۔ ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور پاکستان اسٹاک ایکسچینج کی متعلقہ شرائط کی تعمیل کی ہے۔

ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے 30 جون 2026 کو ختم ہونے والے مالی گوشوارے منصفانہ طور پر پیش کیے گئے ہیں، اس کے معاملات، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیاں؛
- کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں؛
- 30 جون 2026 کو ختم ہونے والے سال کے لئے مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے اور مالی بیانات میں اکاؤنٹنگ پالیسیوں میں کسی بھی تبدیلی کا انکشاف کیا گیا ہے۔ اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں؛
- بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں لاگو ہوتا ہے اور کمپنیز ایکٹ، 2017 کے تقاضوں پر مالی گوشواروں کی تیاری میں مناسب طریقے سے عمل کیا گیا ہے اور اس سے کسی بھی روایتی کو مناسب طور پر ظاہر اور وضاحت کی گئی ہے؛
- داخلی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور موثر طریقے سے نافذ کیا گیا ہے، باقاعدگی سے جائزہ لیا گیا ہے اور نگرانی کی گئی ہے۔ اندرونی کنٹرول کی نگرانی کا عمل ایک جاری عمل کے طور پر جاری رہے گا جس کا مقصد نظام میں کنٹرول کو مزید مضبوط بنانا ہے؛
- کمپنی کی بطور جاری ادارہ جاری رہنے کی صلاحیت پر کوئی شک نہیں؛
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے، جیسا کہ پاکستان اسٹاک ایکسچینج کے رول بک کے ریگولیشنز میں تفصیل سے بیان کیا گیا ہے؛
- گزشتہ چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کو خلاصہ کی شکل میں آڈٹ شدہ مالیاتی بیانات کے ساتھ منسلک کیا گیا ہے؛

- واجب الادا ڈیوٹیز، قانونی چار جز اور ٹیکسز، اگر کوئی ہوں، آڈٹ شدہ مالیاتی بیانات میں مناسب طور پر ظاہر کیے گئے ہیں؛
- کمپنی اپنے ملازمین کے لیے ایک غیر فنڈڈ گریجویٹ اسکیم چلاتی ہے جیسا کہ آڈٹ شدہ مالیاتی بیانات میں ظاہر ہے؛
- پانچ ڈائریکٹرز نے ڈائریکٹرز ٹریننگ کورس مکمل کر لیا ہے، ایک ڈائریکٹر تجربے اور قابلیت کی بنیاد پر مستثنیٰ ہے، اور باقی ڈائریکٹرز کے لیے سرٹیفیکیشن کا انتظام کیا جا رہا ہے۔ تمام ڈائریکٹرز اپنے فرائض اور ذمہ داریوں سے پوری طرح واقف ہیں۔

مادی تبدیلیاں

30 جون 2026 سے آڈٹ شدہ مالیاتی بیانات کی تاریخ تک کوئی اہم تبدیلی نہیں ہوئی، اور کمپنی نے اس مدت کے دوران کوئی ایسا وعدہ نہیں کیا جو اس کی مالی صورتحال کو متاثر کر سکے۔

شیئر ہولڈنگ کا پیٹرن

کمپنی کے شیئرز پاکستان اسٹاک ایکسچینج لمیٹڈ میں ٹریڈ ہوتے ہیں۔ 30 جون 2026 تک شیئر ہولڈنگ کا پیٹرن متعلقہ انکشافات کے ساتھ آڈٹ شدہ مالیاتی بیانات میں شامل کیا گیا ہے۔

کمپنی کے شیئرز میں تجارت

کمپنی کے شیئرز میں یکم جولائی 2025 سے 30 جون 2026 کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر، کمپنی سیکرٹری، ہیڈ آف انٹرئل آڈٹ، دیگر ایگزیکٹوز، اور ان کے شریک حیات یا نابالغ بچوں کی جانب سے کیے گئے لین دین کی تفصیلات آڈٹ شدہ مالیاتی بیانات میں شامل کی گئی ہیں۔

کارپوریٹ گورننس کے کوڈ کی تعمیل کا بیان

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی مکمل تعمیل کی ہے۔ اس حوالے سے ایک بیان ان آڈٹ شدہ مالیاتی بیانات کے ساتھ منسلک ہے۔

بورڈ آف ڈائریکٹرز

ڈائریکٹرز کی کل تعداد مندرجہ ذیل کے مطابق سات (7) ہے:

a.	مرد	6
b.	خاتون	1

بورڈ آف ڈائریکٹرز (بورڈ) کی تشکیل مندرجہ ذیل ہے:

شمار	درجہ بندی	تعداد	نام
a	انڈیپنڈنٹ ڈائریکٹر	02	جناب یزدانی ضیاء جناب منیر احمد
b	دیگرنان ایگزیکٹو ڈائریکٹرز - مرد	02	جناب محمد اقبال احمد جناب محمد یوسف احمد
	- خاتون	01	مس زہرہ فیصل احمد
c	ایگزیکٹو ڈائریکٹر	02	جناب محمد فیصل احمد جناب محمد عزیز قریشی

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس پاکستان میں منعقد ہوئے جن میں ہر ڈائریکٹر کی شرکت درج ذیل تھی:

ڈائریکٹر کا نام	اجلاسوں میں شرکت کی تعداد
جناب محمد فیصل احمد	4
جناب محمد اقبال احمد	4
جناب محمد یوسف احمد	4
مس زہرہ فیصل احمد	4
جناب یزدانی ضیاء	4
جناب منیر احمد	4
جناب محمد عزیز قریشی	4

بورڈ کمیٹیاں

بورڈ نے تین ارکان پر مشتمل آڈٹ کمیٹی قائم کی ہے۔ دو آزاد ڈائریکٹرز اور ایک نان ایگزیکٹو ڈائریکٹر۔ چیئرمین ایک آزاد ڈائریکٹر ہے۔ کمیٹی اپنی ذمہ داریاں کوڈ آف کارپوریٹ گورننس کے مطابق انجام دیتی ہے۔

دوران سال آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری کاریکارڈ درج ذیل تھا:

ڈائریکٹر کا نام	اجلاسوں میں شرکت کی تعداد
جناب یزدانی ضیاء	4
جناب محمد اقبال احمد	4
جناب منیر احمد	4

بورڈ نے ایک ہیومن ریسورس اور معاوضہ کمیٹی (HR&RC) تشکیل دی ہے جس میں ایک نان ایگزیکٹو ڈائریکٹر، ایک ایگزیکٹو ڈائریکٹر اور ایک آزاد ڈائریکٹر شامل ہیں۔ چیئرمین ایک آزاد ڈائریکٹر ہے۔ سال کے دوران، کمیٹی نے ایک اجلاس منعقد کیا، جس میں شرکاء کی حاضری درج ذیل تھی:

ڈائریکٹر کا نام	اجلاسوں میں شرکت کی تعداد
جناب منیر احمد	1
جناب محمد فیصل احمد	1
مس زہرہ فیصل احمد	1

نان ایگزیکٹو ڈائریکٹرز کی معاوضہ پالیسی

غیر ایگزیکٹو اور آزاد ڈائریکٹرز کو بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے معاوضہ بورڈ طے کرتا ہے۔ انہیں ہر میٹنگ میں شرکت کے لیے فیس دی جاتی ہے اور سفر، بورڈنگ، رہائش اور دیگر اخراجات کی ادائیگی کی جاتی ہے جو ان کے فرائض انجام دینے کے دوران مناسب طریقے سے کیے جاتے ہیں۔

متعلقہ پارٹی ٹرانزیکشنز اور ٹرانسفر پراسسنگ

مالی سال 2026 کے دوران، تمام متعلقہ فریقین کے لین دین کا جائزہ لیا گیا اور آڈٹ کمیٹی اور بورڈ نے ان کی منظوری دی۔ متعلقہ کمپنیوں کے ساتھ کاروبار کے معمول کے مطابق لین دین کی قیمتوں کے مقابلے میں بے قابو قیمت کے طریقہ کار کا استعمال کرتے ہوئے طے شدہ آرمز لینتھ پر عمل کیا گیا تھا۔

خطرات کا انتظام

کمپنی ایک رسک مینجمنٹ فریم ورک برقرار رکھتی ہے تاکہ ان اہم خطرات کی شناخت، تشخیص، نگرانی اور کمی کی جاسکے جو اس کے اسٹریٹجک مقاصد کو متاثر کر سکتے ہیں۔ یہ فریم ورک انٹرپرائز، کاروباری یونٹس، افعال اور منصوبوں میں لاگو ہوتا ہے۔

داخلی مالیاتی کنٹرول کا نظام

کمپنی اپنے آپریشنز کے حجم اور پیچیدگی کے مطابق ایک اندرونی مالیاتی کنٹرول سسٹم برقرار رکھتی ہے۔ یہ نظام اثاثوں کی حفاظت، مالی لین دین کی مناسب اجازت کو یقینی بنانے، متعلقہ قوانین اور ضوابط کی تعمیل کی حمایت کرنے، اور وسائل کے استعمال کو بہتر بنانے کے لیے ڈیزائن کیا گیا ہے۔ انٹرئل آڈٹ فنکشن ان کنٹرولز کی موثریت کا جائزہ لیتا ہے، اور انتظامیہ قانونی اور داخلی آڈیٹرز کی سفارشات پر عمل کرتی ہے۔

آڈیٹر

موجودہ آڈیٹرز، ریاند اہارون زکریا عامر سلمان رضوان اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے جو 28 اکتوبر 2026 کو منعقد ہو رہی ہے اور اہل ہونے کی وجہ سے دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔ آڈٹ کمیٹی کی سفارش پر، بورڈ نے انہیں 30 جون 2027 کو ختم ہونے والے مالی سال کے لیے دوبارہ اسٹیجیوٹری آڈیٹرز کے طور پر تقرری کی تجویز دی، جس پر باہمی طور پر متفقہ فیس دی گئی۔

اعتراف

بورڈ آف ڈائریکٹرز کمپنی کے صارفین، سپلائرز، بینکرز، شیئر ہولڈرز، کاروباری شراکت داروں، ریگولیٹری حکام اور دیگر اسٹیک ہولڈرز کی حمایت اور تعاون کو تسلیم کرتا ہے۔

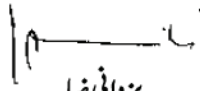
بورڈ کمپنی کے ملازمین کی لگن اور پیشہ ورانہ مہارت کی قدر دانی بھی کرتا ہے۔

منجانب بورڈ آف ڈائریکٹرز



محمد فیصل احمد

چیف ایگزیکٹو



یزدانی ضیا

ڈائریکٹر

کراچی: 24 ستمبر 2026

SUSTAINABILITY REPORT 2026

Building a Sustainable Future Through Responsible Growth

Reporting Period: July 1, 2025 - June 30, 2026

1. CEO MESSAGE

At Artistic Denim Mills Limited (ADM), sustainability is embedded within our business strategy and long-term value creation model. As one of Pakistan's leading vertically integrated denim manufacturers, we recognize our responsibility to create value while protecting the environment, supporting our workforce, and maintaining the highest standards of governance.

During Financial Year 2026, ADM continued to strengthen its sustainability framework through investments in renewable energy, energy efficiency, recycling technologies, sustainable fibres, employee well-being, and environmental stewardship.

A major milestone was the commissioning of a 6.034 MW solar power facility, with an additional 1.110 MW solar project under implementation. We also expanded our circular manufacturing initiatives through cotton recycling technologies and sustainable fibre programs.

The Board and Management remain committed to enhancing sustainability performance and contributing positively to a low-carbon, resource-efficient future.

Muhammad Faisal Ahmed Chief Executive Officer

2. ABOUT ARTISTIC DENIM MILLS LIMITED

Artistic Denim Mills Limited is a vertically integrated denim manufacturer serving leading international brands across America, Europe, and Asia.

ADM's operations include:

- Fiber Dying
- Recycling
- Spinning
- Weaving
- Processing
- Garment Manufacturing

This vertically integrated structure provides greater control over product quality, sustainability performance, resource utilization, and supply chain transparency.

Company Profile

Particulars	Financial Year 2026
Manufacturing Facilities:	Integrated textile manufacturing facilities comprising fiber dyeing, recycling, spinning, weaving, processing, and garment manufacturing.
Production Capacity:	Yarn: 32 million lbs; Fabric: 20 million meters, Garments: 8 million pieces.
Export Markets:	America, Europe, Asia
Listing:	Pakistan Stock Exchange

3. SUSTAINABILITY AT ADM

ADM believes sustainable growth is essential for long-term competitiveness and resilience. The Company's sustainability strategy is built around six pillars:

Water Stewardship

Responsible consumption, recycling and reuse of water resources.

Energy Conservation

Improving energy efficiency and increasing renewable energy utilization.

Chemicals Management

Safe handling and responsible use of chemicals throughout operations.

Sustainable Cotton and Fibers

Promotion of sustainable and recycled raw materials.

People

Employee well-being, diversity, inclusion and professional development.

Sustainable Packaging

Reduction of environmental impacts through responsible packaging solutions.

4. SUSTAINABILITY GOVERNANCE

Strong governance is fundamental to effective sustainability management.

Board Oversight

The Board of Directors oversees sustainability-related risks and opportunities through strategic planning, governance, risk management and compliance processes.

Sustainability matters are regularly reviewed by the Board and incorporated into long-term business planning and capital allocation decisions.

Board Composition

Category	Number
Total Directors	7
Male Directors	6
Female Directors	1
Independent Directors	2
Executive Directors	2

During Financial Year 2026, the Board held four meetings.

ESG Governance Structure

The Board oversees:

- Climate-related risks
- Environmental compliance
- Sustainability strategy
- Human capital management
- Health and safety performance
- Stakeholder engagement

Management is responsible for implementation of sustainability initiatives through operational departments and functional leadership.

Board Committees

Audit Committee

- Three members
- Chaired by an Independent Director
- Four meetings during Financial Year 2026

Human Resource & Remuneration Committee

Responsible for:

- Workforce development
- Talent management
- Succession planning
- Remuneration oversight
- Employee well-being

5. STAKEHOLDER ENGAGEMENT

ADM actively engages stakeholders to understand expectations and improve sustainability performance.

Stakeholder Group

Engagement Method

Customers
Employees
Shareholders
Suppliers
Regulators
Communities

Audits, meetings, ESG assessments
Training, communication forums
Annual Reports, AGM
Compliance reviews
Regulatory reporting
CSR and social initiatives

6. MATERIALITY ASSESSMENT

ADM identifies sustainability priorities based on stakeholder expectations and business impact.

High Priority Topics

- Climate Change
- Water Stewardship
- Energy Efficiency
- Sustainable Cotton
- Employee Health & Safety
- Product Quality

Medium Priority Topics

- Waste Management
- Diversity & Inclusion
- Chemical Management
- Supply Chain Transparency

Emerging Topics

- Biodiversity
- Circular Economy
- Sustainable Packaging

7. STRATEGY AND BUSINESS INTEGRATION

Sustainability considerations are integrated into:

- Strategic planning
- Capital expenditure decisions
- Manufacturing operations
- Customer engagement
- Product development
- Risk management

ADM views sustainability as a source of:

- Operational efficiency
- Risk mitigation
- Innovation
- Competitive advantage
- Long-term value creation

8. CLIMATE CHANGE AND RISK MANAGEMENT

Climate change presents both risks and opportunities.

Physical Risks

- Water scarcity
- Rising temperatures
- Flooding and extreme weather
- Supply chain disruptions

Transition Risks

- Carbon regulations
- Customer ESG requirements
- Energy price volatility
- Evolving reporting requirements

Opportunities

- Renewable energy
- Circular manufacturing
- Resource efficiency
- Sustainable product innovation

Climate-related and sustainability-related risks are integrated into the Company's enterprise risk management framework.

9. ENVIRONMENTAL PERFORMANCE

Energy Management

The Company operates integrated energy generation facilities supported by:

- Waste heat recovery
- Tri-generation systems
- Energy efficiency programs
- Solar energy projects

Energy Dashboard

Indicator	Financial Year 2026
Total Energy Consumption	35,152,750 kWh
Solar Capacity Commissioned	6.034 MW
Additional Solar Capacity	1.110 MW

Greenhouse Gas Emissions

Category	Financial Year 2026
Scope 1 Emissions	12,365 tCO ₂ e
Scope 2 Emissions	2,035 tCO ₂ e
Total Emissions	14,400 tCO ₂ e

Emission Reduction Initiatives

- Solar energy deployment
- Energy efficiency improvements
- Sustainable sourcing
- Circular production systems

Water Stewardship

Water conservation remains a strategic priority.

Water Dashboard

Indicator	Financial Year 2026
Water Withdrawal	522,375 m ³
Water Recycled	18,900 m ³
Water Reused	17,210 m ³
Wastewater Treated	604,726 m ³

Wastewater treatment operations comply with applicable environmental regulations and National Environmental Quality Standards (NEQS).

Environmental Policies

The Company maintains policies and procedures relating to:

- Environmental management
- Waste management
- Water conservation
- Energy efficiency
- Tree plantation and green initiatives
- Climate risk management

10. SUSTAINABLE SOURCING AND CIRCULAR ECONOMY

ADM promotes responsible sourcing and circular manufacturing practices.

Circular Manufacturing

- Four cotton recycling machines
- Post-industrial waste recycling
- Post-consumer waste recycling
- Fibre regeneration technologies

Sustainable Fibre Portfolio

- Organic Cotton
- Recycled Cotton
- Better Cotton
- Regenagri Cotton
- CMA Cotton
- Other sustainable fibres

Sustainable Sourcing

ADM encourages suppliers and business partners to maintain responsible environmental, labor and ethical practices.

11. PEOPLE AND HUMAN CAPITAL DEVELOPMENT

People are central to ADM's long-term success.

Employee Development

ADM supports:

- Technical training
- Leadership development
- Skills enhancement
- Succession planning

Training Metrics

Indicator	Financial Year 2026
Training Hours	500 hours
Employees Trained	1800

12. HEALTH, SAFETY AND WELL-BEING

ADM maintains a comprehensive Health, Safety and Environment (HSE) framework. Key elements include:

- Fire protection systems
- Emergency response teams
- Safety awareness programs
- Risk assessments
- Incident reporting mechanisms

Safety Performance

Indicator	Financial Year 2026
Employees Covered by HSE Programs	500
Safety Training Hours	250
Lost Time Injuries	Nil
LTIFR	Nil
Safety Incidents	Nil
Lost Production Hours	Nil

13. DIVERSITY, EQUITY AND INCLUSION

ADM is committed to equal opportunity employment and workplace inclusion.

The Company maintains policies relating to:

- Non-discrimination
- Equal opportunity
- Workplace respect
- Anti-harassment
- Human rights

DEI Objectives

- Increase workforce diversity
- Promote female participation
- Support equal opportunity
- Foster an inclusive workplace culture

14. COMMUNITY INVESTMENT AND CSR

ADM contributes to social development through community initiatives and charitable support. Organizations supported include:

- The Citizens Foundation
- Saylani Welfare Trust

Community Investment

Indicator	Financial Year 2026
Donations	Rs. 8.070 million
Beneficiaries	Not available
Volunteer Hours	Nil

15. CERTIFICATIONS AND RESPONSIBLE MANUFACTURING

ADM maintains internationally recognized certifications supporting responsible manufacturing.

Key Certifications

- Better Cotton
- WRAP
- SEDEX
- GOTS
- OCS
- RCS
- GRS
- ZDHC
- OEKO-TEX Standard 100
- HIGG FEM
- HIGG FSLM
- Better Work (ILO)
- Regenagri
- US Cotton Trust Protocol

16. UN SUSTAINABLE DEVELOPMENT GOALS

ADM contributes to:

- SDG 6 - Clean Water and Sanitation
- SDG 7 - Affordable and Clean Energy
- SDG 8 - Decent Work and Economic Growth
- SDG 9 - Industry, Innovation and Infrastructure
- SDG 12 - Responsible Consumption and Production
- SDG 13 - Climate Action
- SDG 17 - Partnerships for the Goals

17. SUSTAINABILITY ROADMAP 2026-2030

Environmental Targets

- Increase renewable energy utilization
- Improve water recycling performance
- Reduce emissions intensity
- Expand circular manufacturing

Social Targets

- Strengthen employee development
- Improve workplace safety
- Enhance diversity and inclusion

Governance Targets

- Strengthen ESG oversight
- Improve sustainability disclosures
- Enhance stakeholder engagement

Proposed Long-Term ESG Targets

Area	Target
Renewable Energy	Increase annually
Emission Intensity	Progressive reduction
Water Recycling	Continuous improvement
Safety Performance	Zero major incidents

19. FORWARD LOOKING STATEMENT

This Sustainability Report contains forward-looking statements regarding future sustainability initiatives, operational improvements, environmental performance, and strategic objectives. Actual results may differ due to changes in market conditions, regulatory developments, technological advancements, and other factors beyond the Company's control.

ADM remains committed to sustainable growth through responsible manufacturing, environmental stewardship, employee well-being, innovation, and sound governance, while creating long-term value for shareholders and stakeholders.

GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 OF 2024

Name of Company: **Artistic Denim Mills Limited**
Year ended: **June 30, 2026**

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

- | | | |
|-----|-------------------------------|--------------|
| I. | Mean Gender Pay Gap: | 4.27% |
| II. | Median Gender Pay Gap: | 2.36% |

Additional Information:

The above figures represent the overall gender pay gap within the organization. **Artistic Denim Mills Limited** regularly conducts internal reviews to ensure gender pay parity across different cadres, levels, and comparable roles. The Company is committed to ensuring equitable compensation for women and men, based on their experience, qualifications, and performance in their respective positions.

On behalf of the Board of Directors



MUHAMMAD FAISAL AHMED
Chief Executive Officer

Karachi: September 24, 2026

KEY OPERATING AND FINANCIAL DATA

	2026	2025	2024	2023	2022	2021
	(Rupees in ‘000).....					
ASSETS EMPLOYED						
Operating fixed assets	10,404,381	10,988,490	10,880,499	8,427,700	6,626,575	5,577,115
Capital work-in-progress	110,925	273,798	962,621	3,341,918	3,018,389	2,168,764
Intangible assets	-	-	-	-	-	1,513
Long term loans	19,928	28,048	26,444	32,602	29,864	28,350
Long term deposits	1,957	1,957	1,957	1,957	1,732	1,732
Net current assets/(liabilities)	1,102,188	(1,075,945)	(657,610)	1,512,252	1,499,959	1,811,299
Total Assets Employed	11,639,379	10,216,348	11,213,911	13,316,429	11,176,519	9,588,773
FINANCED BY						
Shareholders equity	7,302,230	7,669,581	8,099,246	8,093,311	7,239,749	6,727,518
Long term financing	3,947,210	2,168,881	2,742,425	4,954,652	3,763,158	2,722,173
Deferred liability	389,939	377,886	372,240	268,466	173,612	139,082
	11,639,379	10,216,348	11,213,911	13,316,429	11,176,519	9,588,773
SALES & PROFITS						
Net sales / Turnover	13,895,202	18,350,135	20,810,386	17,072,735	16,352,907	9,813,176
Gross profit	1,125,234	1,061,698	2,440,325	2,919,697	1,271,630	1,111,733
Profit / (Loss) before levies						
and income tax	(290,825)	(208,856)	618,028	1,308,666	883,305	456,356
Net profit / (Loss)	(435,787)	(451,099)	331,719	1,060,630	654,252	353,902
Proposed Dividend %	-	-	10	35	20	20
Un-appropriated profit	6,462,230	6,829,581	7,259,246	7,253,311	6,399,749	5,887,518

PATTERN OF SHARE HOLDING - FORM "34" SHAREHOLDERS STATISTICS AS AT JUNE 30, 2026

Number of Shareholders	Share Holding		Total Shares Held
	From	To	
553	1	- 100	16,058
413	101	- 500	137,935
226	501	- 1000	200,694
447	1001	- 5000	1,237,221
106	5001	- 10000	803,286
33	10001	- 15000	410,152
19	15001	- 20000	355,638
5	20001	- 25000	116,000
5	25001	- 30000	140,561
3	30001	- 35000	98,893
4	35001	- 40000	152,627
4	40001	- 45000	162,201
1	45001	- 50000	50,000
2	50001	- 55000	105,623
2	55001	- 60000	117,000
1	60001	- 65000	65,000
2	65001	- 70000	140,000
1	80001	- 85000	82,000
1	110001	- 115000	111,289
2	115001	- 120000	237,669
1	200001	- 205000	200,500
1	285001	- 290000	290,000
1	295001	- 300000	300,000
1	595001	- 600000	600,000
1	77865001	- 77870000	77,869,653
1835			84,000,000

PATTERN OF SHAREHOLDING

SHAREHOLDERS STATISTICS AS AT JUNE 30, 2026

Categories of Shareholders	Shares Held	Percentage
DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR SPOUSE AND MINOR CHILDREN		
MR. MUHAMMAD FAISAL AHMED	77,869,653	
MR. MUHAMMAD IQBAL AHMED	2,000	
MR. MOHAMMAD ALI AHMED	858	
MR. MUHAMMAD YOUSUF AHMED	500	
MS. ZAHRA FAISAL AHMED	500	
MR. MUNEEB AHMED	500	
MR. YAZDANI ZIA	500	
Sub - Total:	77,874,511	92.71
ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES		
ARTISTIC PROPERTIES (PVT) LIMITED	10,200	
Sub - Total:	10,200	0.01
NIT AND ICP		
INVESTMENT CORP. OF PAKISTAN	500	
Sub - Total:	500	0.00

PATTERN OF SHAREHOLDING

SHAREHOLDERS STATISTICS AS AT JUNE 30, 2026

Categories of Shareholders	Shares Held	Percentage
OTHERS		
MS MANIAR FINANCIALS (PVT) LTD.	200,500	
MRA SECURITIES LIMITED - MF	111,289	
ASDA SECURITIES (PVT.) LTD.	40,000	
TRUST SECURITIES & BROKERAGE LIMITED - MF	27,950	
FAWAD YUSUF ASSOCIATES (PRIVATE) LIMITED	21,000	
INTERMARKET SECURITIES LTD(FORMERLY EFG HERMES PAK.LTD) - MF	19,250	
NCC - PRE SETTLEMENT DELIVERY ACCOUNT	13,430	
MRA SECURITIES LIMITED	12,500	
RAFI SECURITIES (PRIVATE) LIMITED - MF	10,000	
TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEES P.FUND	6,000	
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	6,000	
MERCANTILE ENTERPRISES (PRIVATE) LIMITED	5,000	
BURMA OIL MILLS LTD	5,000	
TRUSTEE ALOO & MINOCHER DINSHAW CHARITABLE TRUST	5,000	
JS GLOBAL CAPITAL LIMITED	3,409	
HH MISBAH SECURITIES (PRIVATE) LIMITED	2,500	
FIKREES (PRIVATE) LIMITED	2,206	
PAKISTAN MEMON EDUCATIONAL & WELFARE SOC	2,000	
FIRST NATIONAL EQUITIES LIMITED	950	
PROGRESSIVE INVESTMENT MANAGEMENT (PRIVATE) LIMITED	500	
Y.S. SECURITIES & SERVICES (PVT) LTD.	80	
HSZ SECURITIES (PVT.)LTD.43001	80	
SEVEN STAR SECURITIES (PVT.) LTD.	4	
MAPLE LEAF CAPITAL LIMITED	1	
Sub - Total:	494,649	0.59
INDIVIDUAL		
LOCAL - INDIVIDUALS	5,620,140	
Sub - Total:	5,620,140	6.69
Grand Total:	84,000,000	100.00

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE

Name of Shareholders	Shares Held	Percentage
Muhammad Faisal Ahmed	77,869,653	92.70

DETAIL OF TRADING BY THE DIRECTORS, CHIEF EXECUTIVE, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN

Name of Director	No. of Shares			
	Opening Balance	Purchased/Gift-in	Sold/Gift-out	Closing
Muhammad Faisal Ahmed	76,529,753	1,339,900	-	77,869,653
Muhammad Yousuf Ahmed	99,000	1,241,400	1,339,900	500

PERFORMANCE AT A GLANCE

FINANCIAL RATIOS	2026	2025
Gross profit - % of net sales	8.10	6.08
Loss before levies and income tax - % of net sales	(2.09)	(1.13)
Net Loss - % of net sales	(3.14)	(2.45)
Loss per share	(5.19)	(5.37)
Increase / (decrease) in net sales - %	(24.28)	(11.55)
Raw and packing materials - % of net sales	49.70	46.53
Labour - % of net sales	26.30	27.49
Other cost of goods manufactured - % of net sales	17.87	19.81
Distribution costs - % of net sales	2.73	2.64
Administrative expenses - % of net sales	2.04	1.56
Finance costs - % of net sales	5.91	3.84
Levies and income tax - % of net sales	1.04	1.32
Inventory turnover days	215	133
Receivable turnover days	104	83
SHORT TERM SOLVENCY		
Current ratio	1.10	0.93
Acid test ratio	0.40	0.39
OVERALL VALUATION AND ASSESSMENT		
Book value per share	86.93	91.30
Long term debts : equity	35:65	22:78

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

Name of Company: **Artistic Denim Mills Limited**
Year ended: **June 30, 2026**

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are seven (7) as per the following:

a.	Male:	06
b.	Female:	01

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

Category	Numbers	Names
a) Independent Directors	02	Mr. Yazdani Zia Mr. Muneer Ahmed
b) Other Non-Executive Directors		
- Male	02	Mr. Muhammad Iqbal Ahmed Mr. Muhammad Yousuf Ahmed
- Female	01	Ms. Zahra Faisal Ahmed
c) Executive Director	02	Mr. Muhammad Faisal Ahmed Mr. Muhammad Ozair Qureshi

The two elected independent directors possess essential capabilities, expertise, understanding, and background to effectively fulfill their responsibilities in accordance with relevant laws and regulations. In light of their comprehensive adherence to the requisite criteria established by pertinent laws and regulations, the appointment of the third independent director is considered unwarranted;

- The Directors have confirmed that none of them is serving as a Director on the Board of more than seven listed companies, including this Company;
- 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;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. Five directors on the Board have acquired the prescribed certification as mentioned under Regulation Number 19, whereas one director is exempted from such course on account of the experience and qualification. Further, the Company will take adequate measures for the Directors' Training Program for the remaining Director and head of department. Following Directors have already gone through Directors' Training program:
 - a) Mr. Muhammad Faisal Ahmed
 - b) Mr. Muhmmad Yousuf Ahmed
 - c) Mr. Yazdani Zia
 - d) Mr. Muneer Ahmed
 - e) Mr. Muhammad Ozair Qureshi
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer (CEO) duly endorsed the financial statements of the Company before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee:

Name of Director	Designation
Mr. Yazdani Zia	Chairman
Mr. Muhammad Iqbal Ahmed	Member
Mr. Muneer Ahmed	Member

b) HR and Remuneration Committee:

Name of Director	Designation
Mr. Muneer Ahmed	Chairman
Mr. Muhammad Faisal Ahmed	Member
Ms. Zahra Faisal Ahmed	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 (quarterly/half yearly/yearly) of the committees were as per following:
 - a) Audit Committee Quarterly meetings
 - b) HR and Remuneration Committee Annual meeting
 - c) Nomination Committee N/A
 - d) Risk Management Committee N/A

15. The Board has set-up an effective Internal Audit Function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for the non-compliances with requirement, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are below;
 - a) Reference to Regulation Number 10(A), the Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. In order to effectively discharge its sustainability related duties, the board may establish a dedicated sustainability committee. At present the Board provides governance and oversight in relation to Company's initiatives on environmental, social and governance (ESG) matters.
 - b) Reference to Regulation Number 19(3), Companies are encouraged to organize annual training sessions for a minimum of one head of department as part of the Directors' Training Program, beginning from July 2022. The company has outlined its intentions to facilitate Directors Training Program certificates for head of departments in the coming years.
 - c) Reference to Regulation(s) Number 29 and 30, since there are no Nomination and Risk management committees in place, the responsibilities associated with nomination committee are currently carried out by the Human resource and the Remuneration Committee. Similarly, a senior officer within the company undertakes the necessary function related to risk management committee and provides relevant updates and information to the Board, wherever required.

- d) Reference to Regulation Number 35, the company has the option to display crucial components of its notable policies, along with the concise overview of the Board's committee mandates, and essential aspects of the director's remuneration policy on its official website. While these materials are already widely distributed among pertinent employees and directors, the Board is considering the possibility of making these policies and synopses available on its website in the near future.

On behalf of the Board



MUHAMMAD FAISAL AHMED
Chief Executive Officer



MUHAMMAD IQBAL AHMED
Chairman

Karachi: September 24, 2026



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ARTISTIC DENIM MILLS LIMITED

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

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

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

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

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

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

Reanda Haroon Zakaria Aamir Salman Rizwan & Co

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: 24 SEP 2026
UDIN: CR202610147Wy1fASM04

Engagement Partner
Farhan Ahmed Memon

Reanda Haroon Zakaria Aamir Salman Rizwan & Company

Chartered Accountants

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Other offices at:
Lahore and Islamabad



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARTISTIC DENIM MILLS LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. 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.

Reanda Haroon Zakaria Aamir Salman Rizwan & Company

Chartered Accountants

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Other offices at:

Lahore and Islamabad

Following are the key audit matters

S. No.	Key audit matters	How the matter was addressed in our audit
1	Stock-in-trade	
	(Refer note 9 to the accompanying financial statements) The stock-in-trade balance constitutes 33.34% of total assets of the Company. We focused on stock-in-trade as it is a significant portion of the Company's total assets and it requires management judgement in determining an appropriate costing basis and assessing its valuation. Accordingly, we have considered this as a key audit matter.	Our audit procedures to address the matter, amongst others, includes the following: • we performed a range of audit procedures in respect of inventory items including physical observation of inventory counts, testing valuation methods and their appropriateness in accordance with the applicable financial reporting framework; • we performed testing on a sample of items to assess the net realizable value (NRV) of the inventories held and evaluated whether any write down to NRV is required in the Company's financial statements; and • we assessed the adequacy of the related disclosures made in accordance with the applicable financial reporting framework.
2	Revenue from related party transactions and disclosures	
	(Refer note 40 to the accompanying financial statements) The Company generates revenue, from sales to related parties, of Rs. 3,674.289 million which comprises of 26.44% of total turnover. Due to the significance of related party transactions to the overall operations of the Company and the disclosures required for such transactions and year end balances, we have considered the same to be a key audit matter.	Our audit procedures to address the matter, amongst others, includes the following: • we have evaluated management's process for identifying and recording related party transactions; • we have reviewed minutes of the meetings of audit committee and those charged with governance for recommendation and approval of transactions with related parties respectively;

Following are the key audit matters

S. No.	Key audit matters	How the matter was addressed in our audit
		- we have inspected invoices, on sample basis, and ensured that these are generated as per Company's policies and obtained direct confirmation from related parties and also ensured satisfactory subsequent realization; - we have obtained written representation from management concerning completeness of information provided regarding the identification of related parties; and - we have assessed the adequacy and appropriateness of the disclosures made in respect of the related parties balances and transactions in accordance with the applicable financial reporting framework.

3 Reversal of provision related to Government levies

(Refer note 21 to the accompanying financial statements)

During the year, the Company reversed provisions amounting to Rs. 1,085.617 million relating to cess, and other government levies recognised in prior years. We identified this matter as a Key Audit Matter due to the magnitude of the amount involved and the management judgement and estimation involved in assessing the probability of outflows of economic resources and whether the related provisions continued to meet the recognition criteria under IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The outcome of the underlying legal proceedings remains subject to judicial determination and, given the significance of the amount involved and the level of judgement applied by management in determining that an outflow was no longer probable, the matter required significant auditor attention and accordingly, we have considered the same to be a key audit matter.

Our audit procedures to address the matter, amongst others, includes the following:

- Obtained an understanding of the nature and history of the tariff/levy dispute and discussed with management the basis of the reassessment carried out during the year.
- Examined the relevant legal correspondence, court proceedings, judgements and orders, including the Supreme Court judgement dated August 13, 2020 and November 02, 2020 as well as pending High Court appeals lodged by the company seeking the waiver of Gas Infrastructure Development Cess (GIDC).
- Evaluated the legal advice and representations provided by the Company's external legal advisers regarding the status and likely outcome of the related proceedings.

Following are the key audit matters

S. No.	Key audit matters	How the matter was addressed in our audit
		- Assessed the reasonableness of management's interpretation of the relevant legal developments and their impact on the probability of outflows. - Evaluated the completeness and accuracy of the amount reversed and the appropriateness of the management basis for reversal. - Obtained a legal opinion from our auditor's legal expert to independently evaluate the relevant legal matters, including the interpretation and implications of the applicable judicial decisions and the Company's legal position in the ongoing proceedings, and considering the conclusions of the expert in assessing management's determination regarding the probability of outflows. - Evaluated the appropriateness of the accounting treatment and the adequacy of related disclosures in Note 21.

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is **Farhan Ahmed Memon**.

Reanda Haroon Zakaria Aamir Salman Rizwan & Co

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: 24 SEP 2026

UDIN: AR202610147BFuY3sR2Z

STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

		2026	2025
	Note	Rupees in '000'	
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	10,515,306	11,262,288
Long term loans	5	19,928	28,048
Long term deposits	6	1,957	1,957
Deferred tax	7	-	-
		10,537,191	11,292,293
Current Assets			
Stores and spares	8	251,131	246,802
Stock-in-trade	9	7,703,293	7,312,730
Trade debts	10	3,443,998	4,437,579
Loans and advances	11	100,440	88,114
Trade deposits	12	1,745	8,137
Other receivables	13	176,759	206,070
Short term investments	14	449	418
Sales tax refundable		243,321	195,200
Taxation - net	15	436,580	101,836
Cash and bank balances	16	208,002	595,922
		12,565,718	13,192,808
		23,102,909	24,485,101
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital			
500,000,000 (2025: 500,000,000) ordinary shares of Rs. 10/- each	17	5,000,000	5,000,000
Issued, subscribed and paid-up	17	840,000	840,000
Reserves	18	6,462,230	6,829,581
		7,302,230	7,669,581
Non-Current Liabilities			
Long term financing	19	3,947,210	2,168,881
Deferred liability	20	389,939	377,886
		4,337,149	2,546,767
Current Liabilities			
Trade and other payables	21	2,006,334	3,235,129
Unclaimed dividend		3,760	3,771
Accrued mark-up	22	165,729	145,156
Short term borrowings	23	8,760,851	10,321,791
Current portion of non-current liabilities	24	526,856	562,906
		11,463,530	14,268,753
Contingencies and Commitments			
	25	23,102,909	24,485,101

The annexed notes 1 to 46 form an integral part of these financial statements.


Muhammad Faisal Ahmed
Chief Executive Officer


Sagheer Ahmed
Chief Financial Officer


Yazdani Zia
Director

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2026

	Note	2026 Rupees in '000'	2025
Turnover	26	13,895,202	18,350,135
Cost of sales	27	(12,769,968)	(17,288,437)
Gross profit		1,125,234	1,061,698
Distribution costs	28	(379,166)	(486,031)
Administrative expenses	29	(283,403)	(286,609)
Other operating expenses	30	-	(3,292)
Other income	31	67,651	212,170
		(594,918)	(563,762)
Operating profit		530,316	497,936
Finance costs	32	(821,141)	(706,792)
Loss before levies and income tax		(290,825)	(208,856)
Levies	33	(144,962)	(242,243)
Loss after income tax		(435,787)	(451,099)
Income tax expense	34	-	-
Net loss for the year		(435,787)	(451,099)
		(Rupees Per share)	
Loss per share	35	(5.19)	(5.37)

The annexed notes 1 to 46 form an integral part of these financial statements.



Muhammad Faisal Ahmed
Chief Executive Officer



Sagheer Ahmed
Chief Financial Officer



Yazdani Zia
Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2026

		2026	2025
	Note	Rupees in '000'	
Net loss for the year		(435,787)	(451,099)
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss			
Actuarial gain on defined benefit plan	20.2	68,436	105,434
Total comprehensive loss for the year		(367,351)	(345,665)

The annexed notes 1 to 46 form an integral part of these financial statements.



Muhammad Faisal Ahmed
Chief Executive Officer



Sagheer Ahmed
Chief Financial Officer



Yazdani Zia
Director

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2026

	Revenue Reserves				
	Issued, subscribed and paid-up	Unappro- priated Profit	Acturial loss on defined benefit plan	Total Reserves	Total
..... Rupees in '000					
Balance as at June 30, 2024	840,000	7,329,983	(70,737)	7,259,246	8,099,246
Net profit for the year	-	(451,099)	-	(451,099)	(451,099)
Other comprehensive loss	-	-	105,434	105,434	105,434
Total comprehensive loss for the year	-	(451,099)	105,434	(345,665)	(345,665)
Transactions with owners					
Cash dividend paid @ Rs. 1 per ordinary share of Rs.10 each for the year ended June 30, 2024	-	(84,000)	-	(84,000)	(84,000)
Balance as at June 30, 2025	840,000	6,794,884	34,697	6,829,581	7,669,581
Net loss for the year	-	(435,787)	-	(435,787)	(435,787)
Other comprehensive income	-	-	68,436	68,436	68,436
Total comprehensive loss for the year	-	(435,787)	68,436	(367,351)	(367,351)
Transactions with owners					
Cash dividend paid @ Rs. Nil per ordinary share of Rs.10 each for the year ended June 30, 2025	-	-	-	-	-
Balance as at June 30, 2026	840,000	6,359,097	103,133	6,462,230	7,302,230

The annexed notes 1 to 46 form an integral part of these financial statements.



Muhammad Faisal Ahmed
Chief Executive Officer



Sagheer Ahmed
Chief Financial Officer



Yazdani Zia
Director

STATEMENT OF CASH FLOWS

For the year ended June 30, 2026

		2026	2025
	Note	Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	36	1,016,628	(1,026,602)
Taxes paid	15	(479,706)	(384,727)
Gratuity paid	20.2	(25,171)	(27,811)
Finance costs paid		(800,568)	(705,344)
Workers' Profits Participation Fund paid		-	(36,715)
Workers' Welfare Fund paid		-	(17,004)
Net cash used in operating activities		(288,817)	(2,198,203)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure	4.1 & 4.2	(303,053)	(468,114)
Short term investments - net	14	(31)	134,961
Dividend received / Capital Gain	31	6,220	4,007
Sale proceeds from disposal of operating fixed assets	4.1.3	16,430	78,859
Net cash used in investing activities		(280,434)	(250,287)
CASH FLOW FROM FINANCING ACTIVITIES			
Long-term financing obtained / (repaid) - net	19	1,742,282	(564,803)
Short-term borrowings (repaid) / obtained - net	36.1	(1,560,940)	3,000,520
Dividend paid		(11)	(83,771)
Net cash generated from financing activities		181,331	2,351,946
Net decrease in cash and cash equivalents		(387,920)	(96,544)
Cash and cash equivalents at the beginning of the year	16	595,922	692,466
Cash and cash equivalents at the end of the year		208,002	595,922

The annexed notes 1 to 46 form an integral part of these financial statements.



Muhammad Faisal Ahmed
Chief Executive Officer



Sagheer Ahmed
Chief Financial Officer



Yazdani Zia
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

1 STATUS AND NATURE OF BUSINESS

Artistic Denim Mills Limited (the Company) was incorporated in Pakistan on May 18, 1992 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is currently listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture and sell recycled Fiber, yarn, rope dyed denim fabric, garments and value added textile products.

The registered office and factory premises of the Company is situated at Plot No. 5-9, 23-26, Sector 16, Korangi Industrial Area, Karachi.

1.1 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS FACILITIES

The Company has two factory locations with manufacturing facility 1 located at Plot No. 5-9, 23-26, Sector 16, Korangi Industrial Area, Karachi and manufacturing facility 2 located at Plot No. 426-428, Deh Phihai of Sub Division Landhi, Korangi, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs), issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except otherwise stated. Further, accrual basis of accounting is followed in the preparation of these financial statements except for cash flow information.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

2.4 Going concern Assessment

These financial statements have been prepared on a going concern basis. The Board has assessed the company's ability to continue as a going concern and concluded no material uncertainties exist that cast significant doubt over this assessment.

2.5 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period

The following standards, amendments to standards and interpretations are effective for the year ended June 30, 2026. However, except as disclosed otherwise, these standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

**Effective for period
beginning on or after**

IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information (applicable to listed companies and unlisted Public Interest Companies) (first time applicability)

July 1, 2025
As per SECP SRO dated December 31, 2024, IFRS S1 and IFRS S2 are only applicable to listed companies and unlisted companies in phase manner and subject to monetary thresholds outlined in that SRO.

IFRS S2 Climate-related Disclosures (applicable to listed companies and unlisted Public Interest Companies) (first time applicability).

July 1, 2025
Same as mentioned above.

2.6 Amendments to standards and IFRS interpretations that are not yet effective

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

**Effective from accounting
period beginning on or after**

Amendments to IFRS 7 'Financial Instruments - Disclosures' and IFRS 9 'Financial Instruments': Amendments regarding the classification and measurement of financial instruments.

January 1, 2026

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between an investor and its associate or joint venture.

Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.

IFRS 17 - Insurance Contracts (first time applicability).

January 1, 2026

IFRS 18 Presentation and Disclosures in Financial Statements (first time applicability).

January 1, 2027

IFRS 19 Subsidiaries without Public Accountability: Disclosures (first time applicability).

January 1, 2027

Amendments to IAS 28 'Investments in Associates and Joint Ventures': Amendments to provide clarity about which entities are eligible to measure investments using the fair value option.

January 1, 2027

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

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

IFRS 1 - First Time Adoption of International Financial Reporting Standards.

IFRS 20 - Regulatory Assets and Regulatory Liabilities (applicable for annual periods beginning on or after 1 January 2029).

2.7 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies and commitments at the end of the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the 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. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainty with significant risk of material adjustment to the carrying amount of assets and liabilities in future period are described in following note:

- Review of useful lives and residual values of property, plant and equipment (note 3.1 and 4.1);
- Impairment of inventories / adjustment of inventories to their net realisable value (note 3.3 , 3.4 & 9);
- Recognition of staff retirement benefits (note 3.12 & 20.2);
- Provisions (note 3.11 & 21);
- Recognition of taxation and deferred taxation (note 3.13, 7, 33 & 34);
- Provision for expected credit loss on trade debts (notes 3.6 & 10);
- Revenue recognition (note 3.14 & 26);
- Valuation of short term investments (note 3.5 & 14);
- Impairment of financial assets (note 3.5.4); and
- Contingencies and commitments (note 3.18 & 25);

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Property, plant and equipment

3.1.1 Operating fixed assets

These are stated at cost less accumulated depreciation and impairment, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation on all operating fixed assets except leasehold land, is charged to statement of profit or loss, applying the reducing balance method whereby the cost of an asset is written off over its estimated useful life. Leasehold land is amortized using the straight line method over its lease term. The rates used are stated in note 4.1 to the financial statements.

The carrying values of operating fixed assets are reviewed at each reporting date for indication that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

Normal repair and maintenance is charged to statement of profit or loss as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Company.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are taken to the profit or loss.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment, if any. It consists of expenditure incurred and advances made in respect of operating fixed assets in the course of their construction, installation and acquisition. These are transferred to specific assets as and when these are available for use.

3.2 Impairment - non financial assets

The carrying value of non-financial assets other than inventories is assessed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs to sell of the asset. In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

3.3 Stores and spares

Stores and spares are valued at lower of cost and net realizable value, determined on a first-in-first-out (FIFO) basis. Provision is made for any slow moving and obsolete items.

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

Net realizable value signifies the estimated market prices (being replacement cost) in the ordinary course of business less the estimated costs necessary to make the sale.

3.4 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value. Cost is determined as follows:

Cost of raw and packing materials is determined using FIFO basis except for those in transit which are stated at invoice price plus other charges incurred thereon up to the reporting date.

Finished goods and work in process are valued at manufacturing cost which is comprised of direct raw material consumed on FIFO basis and proportionate production overheads and labour cost incurred.

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

Provision is made for any slow moving and obsolete items.

3.5 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.

3.5.1 Initial recognition and measurement

Under IFRS 9, financial assets are classified, at initial recognition, and subsequently measured at following:

- (a) at amortized cost
- (b) at fair value through profit or loss (FVTPL); and
- (c) at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at amortized cost if both of the following conditions are met:

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

A financial asset is measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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. However the Company is not having any investment in equity instruments.

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

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

3.5.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

3.5.3 Derecognition

A financial asset is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

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

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

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

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

3.5.4 Impairment of financial assets

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

Credit risk on a financial asset is assumed to be increased significantly if it is more than past due for a reasonable period of time as decided by the senior management of the Company. Further, the Company considers information based on Company's historical experience and the impact of forward looking information that is available without undue cost. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.5.5 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liability measured at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities includes trade and other payables, unclaimed dividend, loans and borrowings and accrued mark-up on loans and borrowings.

After initial recognition, the Company's financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

3.5.6 Derecognition

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

3.5.7 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.5.8 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liability are recognized as revenue when the Company performs under the contract.

3.6 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost after deducting allowance for uncollectable amounts, if any.

The Company applies the IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses a lifetime expected loss allowance for trade and other receivables. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. Trade debts and other receivables considered irrecoverable are written off.

3.7 Long term loans

Long-term loans to executives and employees are granted in accordance with the terms of their employment and are secured against their gratuity balances. These loans are initially recognized at the amount disbursed and are carried at their outstanding balances. The loans have been discounted to their present value when the financial impact thereof is considered material in the context of the financial statements. The outstanding amount receivable within next twelve months is classified as current portion under short term loans.

3.8 Advances, deposits, and prepayments

Advances and prepayments are stated at cost less provision for doubtful balances, if any. Deposits are recognized initially at fair value and subsequently measured at amortized cost after deducting allowance for uncollectable amounts, if any. Advances, deposits and prepayments considered irrecoverable are written off.

3.9 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3.10 Cash and cash equivalents

Cash and bank balances consist of cash in hand and cash at banks in current accounts (includes treasury call account) at amortized cost. For the purpose of the statement of cash flows, cash and cash equivalents comprises of cash at bank and cash in hand.

3.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.12 Staff gratuity - Defined Benefit Plan

The Company operates an un-approved and unfunded gratuity scheme for all permanent employees who have completed the minimum qualifying year of service for entitlement of gratuity. The contributions to the scheme are made in accordance with the independent actuarial valuation. Actuarial gains and losses are recognized in full in the period in which they occur in the other comprehensive income. All the current and any past service costs are recognized in the profit or loss at the earlier of when the amendments or curtailment occurs and when the Company has recognized related restructuring or terminations benefits. The amount recognized in the statement of financial position represents present value of defined benefit obligation. The latest actuarial valuation was carried out as of June 30, 2026 using Projected Unit Credit method.

3.13 Levies and taxation

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

3.13.1 Current tax and levies

Income tax expense for the period, determined in accordance with the Income Tax Ordinance, 2001, is recognized as current to the extent it is based on taxable income at the current rate of taxation after taking into account tax credit available, if any. Any excess, representing tax determined on the basis other than taxable income, e.g. taxes under FTR / MTR regime, ACT, etc., are recognized as an expense and termed as levies in the profit or loss.

However, if the tax expense is determined on the basis of minimum tax on turnover or ACT, while the management expects that the available credit may not be realizable / adjustable in future tax years, then the tax expense determined on the basis minimum tax or ACT, will be recognized as the levy in the profit or loss.

3.13.2 Deferred taxation

Policy

Deferred tax is accounted for using balance sheet liability method in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the unconsolidated statement of financial position. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences are expected to reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to statement of profit or loss except to the extent that it relates to items recognised in unconsolidated statement of comprehensive income.

Implication

With effect from July 01, 2024, Income Tax Ordinance, 2001 has been amended vide Finance Act 2024. Consequently, exporters have been removed from the Final Tax Regime (FTR) and will be subject to minimum tax under the Normal Tax Regime (NTR). There has been no effect on the statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of cash flows and earning per share as a result of this change as deferred tax asset has not been recognised for reason as disclosed in note 7.1 to these financial statements.

3.14 Revenue recognition

Revenue is recognized at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognized on the following basis:

Sale of goods

Revenue from sale of goods is measured based on the consideration specified in a contract with a customer and is recognized when control of goods have been transferred to a customer at a point in time when the performance obligations are met. The transaction price of Company's contracts with customers for the sale of goods does not include any variable consideration, any significant financing component, any non cash consideration or any consideration payable to its customers. The credit term ordinarily ranges from 30 to 120 days.

Other income

- Return on treasury call account at amortized cost are accounted for using the effective interest rate method.
- Unrealized gains / (losses) arising on revaluation of securities classified as 'financial assets at fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Dividend income is recognized in the statement of profit or loss on the date on which the Company's right to receive the dividend is established.
- Scrap sales and gains / (losses) arising on disposal of fixed assets and investments are included in income currently and are recognized on the date when the transaction takes place.

3.15 Foreign currency translation

Foreign currency transactions are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the reporting date. Gains and losses on translation are taken to statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

3.16 Dividends and appropriation to reserve

Dividend and appropriation to reserve are recognized in the financial statements in which these are approved. Transfer between reserves made subsequent to the statement of financial position date is considered as a non-adjusting event and is recognized in the financial statements in the period in which such transfers are made.

3.17 Earnings per share

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

3.18 Contingencies

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

3.19 Deferred government grant

Deferred government grant under the SBP Temporary Economic Refinance Facility (TERF) is recognised when there is reasonable assurance that the entity will comply with the attached conditions and that the grant will be received. Since, the TERF grant relates to reimbursement of finance cost, it is recognised in the statement of profit or loss on a systematic basis over the periods in which the related finance costs are incurred.

The impact of the TERF-related government grant has been measured and recognised as at each reporting date. In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, earlier periods have not been restated as the overall impact of the grant is considered immaterial in the context of the financial statements.

3.20 Operating segment

These financial statements have been prepared on the basis of a single reportable segment.

- Revenue from export sales represent 87.20% (2025: 92.27%) of the total gross revenue excluding sales tax of the Company.
- All non-current assets of the Company at June 30, 2026 are located in Pakistan.
- Sales made by the Company to two customers which constitutes 26% and 24% (2025: 34% and 16%), respectively.

		2026	2025
	Note	Rupees in '000'	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	10,404,381	10,988,490
Capital work-in-progress	4.2	110,925	273,798
		10,515,306	11,262,288

4.1 OPERATING FIXED ASSETS

Description	Cost				Period / Rate %	Accumulated Depreciation			Written Down Value	
	As at July 01, 2025	Additions / Transfers*	(Disposals)	As at June 30, 2026		As at July 01, 2025	For the Year	(On disposals)	As at June 30, 2026	As at June 30, 2026
	Rupees in '000.....					Rupees in '000.....				
Leasehold land	1,211,663	-	-	1,211,663	65 to 86 years	310,218	15,188	-	325,406	886,257
Building on leasehold land	6,073,469	13,122 *	-	6,086,591	10	2,201,403	387,316	-	2,588,719	3,497,872
Plant and machinery	10,863,580	448,430 *	-	11,312,010	10	4,961,088	604,983	-	5,566,071	5,745,939
Factory equipment	538,187	2,980 *	-	541,167	10	298,037	24,136	-	322,173	218,994
Furniture and fixtures	58,305	-	-	58,305	10	35,294	2,301	-	37,595	20,710
Office equipment, including computers	62,926	1,394	-	64,320	33	55,894	2,551	-	58,445	5,875
Vehicles	148,074	-	(28,564)	119,510	20	105,780	7,770	(22,774)	90,776	28,734
2026	18,956,204	465,926	(28,564)	19,393,566		7,967,714	1,044,245	(22,774)	8,989,185	10,404,381

Description	Cost				Period / Rate %	Accumulated Depreciation			Written Down Value	
	As at July 01, 2024	Additions / Transfers*	(Disposals)	As at June 30, 2025		As at July 01, 2024	For the Year	(On disposals)	As at June 30, 2025	As at June 30, 2025
	Rupees in '000.....					Rupees in '000.....				
Leasehold land	1,211,663	-	-	1,211,663	65 to 86 years	295,030	15,188	-	310,218	901,445
Building on leasehold land	5,302,587	770,882 *	-	6,073,469	10	1,849,526	351,877	-	2,201,403	3,872,066
Plant and machinery	10,630,033	373,831 *	(140,284)	10,863,580	10	4,467,643	618,143	(124,698)	4,961,088	5,902,492
Factory equipment	527,420	10,767 *	-	538,187	10	271,780	26,257	-	298,037	240,150
Furniture and fixtures	58,305	-	-	58,305	10	32,737	2,557	-	35,294	23,011
Office equipment, including computers	62,043	1,226	(343)	62,926	33	52,844	3,374	(324)	55,894	7,032
Vehicles	171,468	231	(23,625)	148,074	20	113,460	11,047	(18,727)	105,780	42,294
2025	17,963,519	1,156,937	(164,252)	18,956,204		7,083,020	1,028,443	(143,749)	7,967,714	10,988,490

4.1.1 Leasehold land and buildings on leasehold land of the Company are located at Karachi with an area of 245,202 square yards.

2026 **2025**
Note **..... Rupees in '000'**

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

Cost of Sales	27	963,838	949,253
Distribution cost	28	2,088	2,057
Administrative expenses	29	78,318	77,133
		1,044,244	1,028,443

4.1.3 The following fixed assets were disposed off during the year:

Description	Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds	Gain on disposal	Mode of disposal	Particulars of Buyer
..... Rupees in '000'							
Vehicles (having WDV of less than Rs. 500,000)	14,367	(12,228)	2,139	7,807	5,668	As per Company Vehicle Policy	Employees
Vehicles (having WDV of more than Rs. 500,000).	14,197	(10,545)	3,652	8,624	4,972	As per Company Vehicle Policy	Employees
2026	28,564	(22,773)	5,791	16,431	10,640		
2025	164,252	(143,749)	20,503	78,859	58,356		

4.2 Capital work-in-progress

	Civil Works	Plant & Machinery	Advances	Factory Equipment	Total
Note	 Rupees in '000'				
As at July 01, 2025	86,896	29,421	157,481	-	273,798
Additions during the year	-	198,337	100,342	2,980	301,659
Reclassification	(12,679)	12,679	-	-	-
Transferred to operating fixed assets	4.1 (13,122)	(448,430)	-	(2,980)	(464,532)
Transferred from advances	5,684	220,807	(226,491)	-	-
As at June 30, 2026	66,779	12,814	31,332	-	110,925
As at July 01, 2024	685,604	127,790	149,227	-	962,621
Additions during the year	38,942	130,403	286,545	10,767	466,657
Transferred to operating fixed assets	4.1 (770,882)	(373,831)	-	(10,767)	(1,155,480)
Transferred from advances	133,232	145,059	(278,291)	-	-
As at June 30, 2025	86,896	29,421	157,481	-	273,798

		2026	2025
	Note	Rupees in '000'	
5 LONG TERM LOANS			
- Secured			
Considered good			
Executives	5.2 & 5.3	26,751	33,516
Employees		11,064	11,855
	5.1	37,814	45,372
Current portion			
Executives	11	(10,317)	(10,114)
Employees	11	(7,570)	(7,210)
		(17,887)	(17,324)
		19,928	28,048

5.1 Represents loans extended to executives and employees which are in the nature of personal loans. These are granted with the terms of their employment and are secured against their gratuity balances. These loans are recoverable in monthly installments over a period, ranging between 1 to 10 (2025: 1 to 10) years, and are interest free. These loans have not been discounted to their present value as the financial impact thereof is not considered material.

5.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 33.030 (2025: Rs. 39.204) million.

	2026	2025
	Rupees in '000'	
5.3 Reconciliation of carrying amount of loans to executives:		
Opening balances	33,516	30,193
Disbursements during the year	5,450	16,900
	38,966	47,093
Recovered during the year	(12,215)	(13,577)
	26,751	33,516

6 LONG TERM DEPOSITS

Security deposits

Utilities	1,279	1,279
Others	678	678
	1,957	1,957

7 DEFERRED TAX

Deferred tax	7.1 & 34.4	-	-
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7.1 As per the guidelines issued by ICAP on application of IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes', no deferred tax is required to be booked as the Company, based on the projections of taxable income, expected to be taxed under Minimum Tax u/s 113 of the Income Tax Ordinance, 2001 for the foreseeable future. Hence the Company has not recorded any deferred tax asset or liability as at 30 June 2026.

		2026	2025
	Note	Rupees in '000'	
8 STORES AND SPARES			
Stores			
in hand		85,692	83,278
Spares			
in hand		165,439	161,362
in transit		-	2,162
		165,439	163,524
		251,131	246,802
9 STOCK-IN-TRADE			
Raw and packing materials			
in hand	27.1.1	1,262,461	2,250,920
in transit		36,262	214,757
		1,298,723	2,465,677
Work-in-process	27.1	4,647,882	3,363,107
Finished goods	27	1,756,688	1,483,946
		7,703,293	7,312,730
10 TRADE DEBTS			
- Considered good			
Secured - against letters of credit		430,853	984,569
Unsecured			
Related parties:			
DL1961 Premium Denim Inc. - Export		-	453,518
Premium Distributors - Export		10,184	58,151
Regency Brands LLC. - Export		631,475	1,029,727
Artistic Fabric Mills (Private) Limited		4,001	-
		645,660	1,541,396
Others		2,367,485	1,911,614
		3,443,998	4,437,579
10.1 Trade debt - ageing			
Related parties			
Neither past due nor impaired		642,398	1,303,768
Past due but not impaired within 120 days		3,263	237,628
		645,660	1,541,396
Others			
Neither past due nor impaired		2,505,793	2,364,359
Past due but not impaired within 120 days		292,546	531,824
		2,798,339	2,896,183
		3,443,999	4,437,579

10.2 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 2,352.263 (2025: Rs. 2,530.645) million.

		2026	2025
11	LOANS AND ADVANCES	Note	Rupees in '000'
	Considered good		
	Loans		
	Current portion of long term loans		
	Executives	5	10,317
	Employees	5	7,570
			17,887
	Advances - unsecured		
	Suppliers	11.1	77,557
	Workers / employees		-
	Others		4,996
			82,553
			100,440

11.1 This includes an amount of Rs. 18.192 (2025: Rs. 16.079) million paid to foreign vendors in the normal course of business for purchase of accessories and does not include any element of investment. Party wise detail of these advances are as follows;

Party name	Jurisdiction	Amount	Terms and conditions	Settlement period
Rupees in '000'				
M.Y & Union (HK) Limited	Hongkong	2,622	Mutually agreed terms	upto 60 Days
Turteks Tekstil Etiket Sanayi Ticaret A.S.	Turkey	2,343	Mutually agreed terms	upto 60 Days
Bracker AG	Switzerland	1,856	Mutually agreed terms	upto 60 Days
Kokka Co., Ltd.	China	1,789	Mutually agreed terms	upto 60 Days
Zhejiang Weixing Imp. & Exp. Co. Ltd	China	1,440	Mutually agreed terms	upto 60 Days
Foshan Wintace Hardware Plastic Co., Ltd	China	1,253	Mutually agreed terms	upto 60 Days
Guangzhou Marigold Trading Co., Ltd.	China	1,108	Mutually agreed terms	upto 60 Days
Tongxiang Qian jun Trade Co Ltd.	China	843	Mutually agreed terms	upto 60 Days
GZ Eastern Profit Ltd.	China	750	Mutually agreed terms	upto 60 Days
Jose Oliveira Freitas-Unipessoal. Lda	Portugal	668	Mutually agreed terms	upto 60 Days
TTF Tekstil Aksesuarlari San. Ve Tic. A.S	Turkey	582	Mutually agreed terms	upto 60 Days
Pleva Gmbh.	Germany	528	Mutually agreed terms	upto 60 Days
R-Pac Hong Kong Ltd.	Hongkong	506	Mutually agreed terms	upto 60 Days
Yangzhou P and H Import and Export Trade Co., Ltd	China	481	Mutually agreed terms	upto 60 Days
Dollfus & Muller	France	335	Mutually agreed terms	upto 60 Days
Mitchell Co. Ltd	Taiwan	227	Mutually agreed terms	upto 60 Days
Metalbottoni Asia	China	158	Mutually agreed terms	upto 60 Days
Avery Dennison Hong Kong B. V.	Hongkong	137	Mutually agreed terms	upto 60 Days
Weixing Industrial (Bangladesh) Co.,Ltd	Bangladesh	118	Mutually agreed terms	upto 60 Days
Compass Greentech (Holdings) Limited	Hongkong	116	Mutually agreed terms	upto 60 Days
Yixing Lucky G&L Denim Co. Ltd.	China	83	Mutually agreed terms	upto 60 Days
Tonello Srl	Italy	64	Mutually agreed terms	upto 60 Days
Foshan Blue Denim Textile Import & Export Co., Ltd.	China	54	Mutually agreed terms	upto 60 Days
Trimco Group Trading (Hong Kong) Company Limited	Hongkong	42	Mutually agreed terms	upto 60 Days
Ningbo New&Century Fashion Co., Ltd.	China	36	Mutually agreed terms	upto 60 Days
Ykk Metal Ve Plastik Urunleri Sanayi Ve Ticaret	Turkey	27	Mutually agreed terms	upto 60 Days
King Button (HK) Co., Limited	Hongkong	15	Mutually agreed terms	upto 60 Days
Jointak Labels Company Limited	Hongkong	11	Mutually agreed terms	upto 60 Days
		18,192		

	Note	2026 Rupees in '000'	2025
12 TRADE DEPOSITS			
Container deposits		1,745	8,137
13 OTHER RECEIVABLES			
Considered good			
Duty draw back on export sales and other rebates		170,730	199,721
Other receivables - delayed lien payment		-	6,349
Other receivables - Against expenses	13.1	6,029	-
		176,759	206,070

13.1 This represents the expenses incurred against the freight charges on behalf of Regency Brand LLC, a related party of the company.

14 SHORT TERM INVESTMENTS

- At fair value through profit or loss In units of mutual funds	14.1	449	418
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14.1 Mutual Funds

2026	2025		2026	2025
Number of units			 Rupees in '000'	
3,059	2,868	Al - Meezan Rozana Aamdani Fund	152	143
29,564	27,516	NBP Islamic Daily Dividend Fund	297	275
32,623	30,384		449	418

		2026	2025
	Note	 Rupees in '000'	
15 TAXATION - NET			
Tax refundable	15.1	436,580	101,836
15.1 Movement of tax refundable			
Opening tax refundable / (payable)		101,836	(40,648)
Less: Provision of taxations	33 & 34	(144,962)	(242,243)
Add: Advance taxes paid during the year		306,642	384,727
Add: Prior year super tax payment		173,064	-
Closing tax refundable		436,580	101,836
16 CASH AND BANK BALANCES			
Cash in hand		5,649	4,958
Cash in banks			
Current accounts	16.1	202,353	590,964
		208,002	595,922

16.1 This includes balance of Rs. 0.110 (2025: Rs. 327.242) million in treasury call account having effective interest rate of 8.75% to 9.75% (2025: 9.25% to 19%).

17 SHARE CAPITAL

17.1 Authorised capital

2026	2025		2026	2025
Number of shares		Authorised Capital	 Rupees in '000'	
500,000,000	500,000,000	Ordinary shares of Rs.10 each	5,000,000	5,000,000

17.2 Issued, subscribed and paid-up capital

2026	2025		2026	2025
Number of shares		Fully paid ordinary shares of Rs. 10/- each	 Rupees in '000'	
14,000,000	14,000,000	- Issued for cash	140,000	140,000
70,000,000	70,000,000	- Issued as fully paid bonus shares	700,000	700,000
84,000,000	84,000,000		840,000	840,000

17.3 The share holders are entitled to receive all distribution to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All the shares carry "one vote" per share without any restriction.

		2026	2025
	Note	Rupees in '000'	
18 RESERVES			
Unappropriated profit		6,359,097	6,794,884
Actuarial gain on defined benefit plan		103,133	34,697
	18.1	6,462,230	6,829,581

- 18.1** Revenue reserves can be utilized for reinvestments, for distribution of profit by way of dividend and any other purpose that Board may deem appropriate.

		2026	2025
	Note	Rupees in '000'	
19 LONG TERM FINANCING - secured			
Term finances from banks under the State Bank of Pakistan's (SBP's) scheme for Export Oriented Projects (EOP) and Long-Term Financing Facility (LTFF)			
Commercial bank - I	19.1	337,489	442,061
Commercial bank - II	19.2	1,317,139	1,652,757
Commercial bank - III	19.3	517,540	635,068
		2,172,168	2,729,886
Term finances from banks			
Commercial bank - I	19.4	800,000	-
Commercial bank - II	19.5	1,500,000	-
		2,300,000	-
		4,472,168	2,729,886
Current maturities shown under current liabilities			
		(524,958)	(561,005)
		3,947,210	2,168,881

- 19.1** Represents loans obtained from commercial bank - I, from time to time, against the import of eligible plant and machinery under the SBP's LTFF Scheme, as announced by the SBP in their MFD, Circular No. 07, dated December 31, 2007.

The loans are repayable in 32 equal quarterly installments after two years grace period starting from drawdown of loans, commencing and ranging from June 30, 2018 to June 11, 2031, carrying mark-up at the SBP Refinance rate for 5 to 10 years (i.e. 2%) plus ranging between 0.7% to 1% per annum, which are payable quarterly on the principal sum of loan and other dues, if any, outstanding from time to time.

The said loans are secured against the hypothecation of specific plant and machinery, aggregating to Rs. 903.528 million and equitable mortgage of Rs. 138 million over land and building located in Korangi Industrial Area.

- 19.2** Represents loans obtained from commercial bank - II, from time to time, against the import of eligible plant and machinery, by the Company under the SBP's LTFF Scheme, as announced by the SBP in their MFD, Circular No. 07, dated December 31, 2007.

The loans are repayable in 32 equal quarterly installments after two years grace period starting from drawdown of loans, commencing and ranging from October 10, 2017 to June 08, 2032, carrying mark-up at the SBP Refinance rate for 5 to 10 years ranging from (i.e. 2% to 4%) plus (0.7% to 1%) per annum for loans approved by SBP, which are payable quarterly on the principal sum of loan and other dues, if any, outstanding from time to time.

The said loans are secured against the hypothecation of specific plant and machinery and factory property (weaving unit), aggregating to Rs. 3,414.939 (2025: Rs. 3,414.939) million.

- 19.3** Represents loans obtained from commercial bank - III, from time to time, against the import of eligible plant and machinery, by the Company under the SBP's LTFF Scheme, as announced by the SBP in their MFD, Circular No. 07, dated December 31, 2007 and under the SBP's TERF scheme, as announced by SBP in their IH & SMEFD, circular No.1, dated March 17, 2020.

The loans are repayable in 32 equal quarterly installments after two years grace period starting from drawdown of loans, commencing and ranging from April 24, 2021 to November 30, 2031, carrying mark-up at the SBP Refinance rate for 5 to 10 years ranging from 1% to 2% plus ranging between 0.6% to 1.25% per annum for loans approved by SBP, which are payable quarterly on the principal sum of loan and other dues, if any, outstanding from time to time.

The said loans are secured against the hypothecation of specific plant and machinery, aggregating to Rs. 1,297.07 (2025: Rs. 1,297.07) million.

- 19.4** Represent term loan obtained during the year to facilitate reprofiling by refinancing short term debt. The loan is repayable in 16 equal semi-annual installments, commencing and ranging from June 17, 2028 to December 17, 2035, carrying mark-up at the 6 months KIBOR plus 1% per annum, which are payable semi-annual on the outstanding principal sum of loan.

The said loan is secured against the first pari-passu charge over fixed assets of the Company, to the extent of Rs. 1,000 million.

- 19.5** Represents Diminishing Musharaka facility obtained during the year to facilitate reprofiling by refinancing short term debt. The loan is repayable in 20 equal quarterly installments, commencing and ranging from January 30, 2028 to October 30, 2032, carrying mark-up at the 3 months KIBOR plus 2% per annum, which are payable quarterly on the outstanding principal sum of loan.

The said loan is secured against the first pari-passu charge over all present and future plant & machinery of the Company, to the extent of Rs. 2,000 million.

	Note	2026 Rupees in '000'	2025
20 DEFERRED LIABILITY			
Defined benefit obligation	20.2	383,247	367,913
Deferred government grant	20.1 & 20.8	8,590	11,874
		391,837	379,787
Current portion of deferred government grant	24	(1,898)	(1,901)
		389,939	377,886

20.1 Movement in deferred government grant

	2026	2025
	Rupees in '000'	
Total government grant	11,874	11,874
Released to profit or loss	3,284	-
	8,590	11,874
Current portion	1,898	1,901
Non current portion	6,692	9,973
	8,590	11,874

20.2 The Company operates an unfunded gratuity scheme for all its eligible employees. Latest actuarial valuation was carried out as at June 30, 2026, using the "Projected Unit Credit Method".

		Gratuity	
		2026	2025
		Rupees in '000'	
(a)	Note		
Movement in the present value of defined benefit obligation			
Provision at July 01		367,913	372,240
Expense for the year	20.2(b)	115,091	133,759
		483,004	505,999
Benefits paid		(25,171)	(27,811)
Actuarial gain on defined benefit plan		(68,436)	(105,434)
Benefits payable*		(6,150)	(4,841)
Provision as at June 30		383,247	367,913

*This amount represents benefits already due to employees who resigned or retired prior to June 30, 2026, which were outstanding as at the valuation date and are subsequently disbursed to the respective employees.

(b) The amount charged in the statement of profit or loss is as follows:

Current service cost	71,059	81,123
Interest cost	44,032	52,636
Expense for the year	115,091	133,759

(c) Principle actuarial assumptions

Discount rate	12.50%	14.75%
Salary increase	6.75%	10.00%
Normal retirement age of employees	60	60

(d) Comparison for five years

As at June 30,	2026	2025	2024	2023	2022
	 Rupees in '000				
Present value of defined benefit obligation	383,247	367,913	372,239	268,466	173,612
Experience adjustment					
Actuarial loss / (gain) on obligation	(68,436)	(105,434)	(31,784)	39,068	(25,979)

(e) Sensitivity analysis for actuarial assumptions

The sensitivity analysis is prepared using computation model and assumptions as used to determine defined benefit obligation based on Projected Credit Unit Model. There is no change from prior year in respect of methods and assumptions used to prepare sensitivity analysis.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Assumptions	Impact on defined benefit obligation	
	1% increase	1% decrease
	----- (Rupees in '000) -----	
Effect of change in discount rate	361,248	421,601
Effect of change in future salary increase	422,390	360,068

20.3 The Company operates an unfunded gratuity scheme, hence, no plan assets are available.

20.4 As of June 30, 2026, a total of 548 (2025: 563) employees have been covered under the above scheme.

20.5 As per the recommendation of the actuary, the charge for the year ending June 30, 2027 amounts to Rs. 106.022 million.

20.6 The weighted average duration of the defined benefit obligation as at June 30, 2026 is 7.87 (2025: 7.83) years.

20.7 Risks Associated with Defined Benefit Plans**Longevity Risk:**

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary Increase Risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal Risk:

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

- 20.8** This represent deferred government grant in respect of term finance facility obtained under SBP's TERF scheme as disclosed in note 19.3 to these financial statements. There are no unfulfilled conditions or other contingencies attaching to this grant.

		2026	2025
	Note	 Rupees in '000'	
21 TRADE AND OTHER PAYABLES			
Creditors	21.1, 21.2 & 21.6	1,279,072	1,376,070
Accrued liabilities	21.3 & 21.4	581,569	1,728,126
Contract Liabilities - unsecured		103,732	78,941
Advance against expenses - unsecured	21.5	-	1,994
Staff contribution for vehicle		837	17,279
Withholding tax		34,974	27,878
Gratuity benefits payable	20.2	6,150	4,841
		2,006,334	3,235,129

- 21.1** This includes balance with Artistic Fabric Mills (Private) Limited - related party amounting to Rs. 0.596 (2025: Rs. 4.253) million against the purchase of raw materials in the ordinary course of business. The outstanding balance is unsecured.

- 21.2** This includes royalty on account of trade license payable by the Company to Recover IPCO LLC, amounting to Rs. 99.049 (2025: 99.049) million.

- 21.3** This includes provisions of Rs. 403.337 (2025: Rs. 1,547.898) million prudently recorded against custom infrastructure cess (2025: Tariff / levies by utility company, government authority and custom infrastructure cess) which are subjudice in the Honourable Courts of Laws, hence the relevant details are not disclosed.

- 21.4** During the year, the management reassessed the status and probability of outflows of economic resources in respect of certain provisions recognised in prior years relating to various cess, tariffs and other related government levies. The reassessment was made considering the prevailing legal and regulatory position, including the judgement of the Supreme Court of Pakistan dated August 2020, the subsequent developments in the related legal proceedings, and the prayers and legal positions taken by the Company's legal advisers before the Honourable High Court of Sindh.

In its judgement, the Supreme Court of Pakistan, inter alia, directed that in the event that no work is carried out on the North-South Pipeline within the prescribed period, and, notwithstanding conducive political conditions, work is not undertaken for laying either of the other two major pipelines, namely the Iran-Pakistan (IP) Pipeline and the Turkmenistan-Afghanistan-Pakistan-India (TAPI) Pipeline, the purpose for which the Gas Infrastructure Development Cess (GIDC) was levied would be deemed to have been frustrated. In such circumstances, the GIDC Act, 2015 would become permanently inoperative and be considered dead for all intents and purposes.

Based on the legal advice obtained and the assessment of the facts and circumstances prevailing at the reporting date, including the Company's legal position before the Honourable High Court of Sindh, management concluded that the probability of an outflow of economic resources in respect of these matters is no longer such that the related provisions continue to meet the recognition criteria under IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Accordingly, provisions amounting to Rs. 1,085.617 million have been reversed during the year by setting off the relevant expenditure as per IAS 1.

Management will continue to monitor developments in the relevant legal proceedings and applicable laws and regulations. In the event that subsequent developments result in a present obligation and an outflow of economic resources becoming probable and reliably estimable, the Company will recognise the resulting liability in accordance with the applicable financial reporting framework.

- 21.5** This represents amount of Rs. Nil (2025: Rs. 1.468) million and Rs. Nil (2025: 0.526) million received from Regency Brands LLC - related party and DL 1961 premium denim INC - related party respectively for reimbursable expenses. The outstanding balance is unsecured.
- 21.6** This includes balance of Rs. 311.772 (2025: Nil) million arising on account of unrepresented cheques issued as on reporting date which are cleared subsequent to the year end.

	Note	2026 Rupees in '000'	2025
22 ACCRUED MARK-UP			
Long term financings	19	55,547	20,269
Short term running finance	23	1,034	185
Short term borrowings	23	109,148	124,702
		<u>165,729</u>	<u>145,156</u>
23 SHORT TERM BORROWINGS			
- Secured			
Short term loans - export refinance	23.1	4,041,000	3,816,000
Short term loans - money market	23.2	-	276,000
Short term overdraft	23.3	127,484	291
Short term running finances under FE-25	23.4	3,897,616	5,380,469
Short term running finances under EFS	23.5	694,751	849,031
		<u>8,760,851</u>	<u>10,321,791</u>
23.1 Short term loans - export refinance			
Export refinance II	23.1.1	828,000	828,000
Export refinance II	23.1.2	1,200,000	1,200,000
Export refinance II	23.1.3	735,000	565,000
Export refinance- I & II	23.1.4	488,000	248,000
Export refinance- I & II	23.1.5	200,000	400,000
Export refinance II	23.1.6	590,000	575,000
		<u>4,041,000</u>	<u>3,816,000</u>

23.1.1 The Company arranged a facility for short-term loan under export refinance, amounting to Rs. 828 million (2025: Rs. 828 million), from a commercial bank on mark-up basis, repayable by August 31, 2026. The said export refinance facility is secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs. 3,125.5 million.

The said export refinance carries mark-up at the rate of 1% per annum (2025: 1% per annum) above the SBP's Minimum Export Refinance rate, payable quarterly.

23.1.2 The Company arranged a facility for short-term loan under export refinance, amounting to Rs. 1,200 million (2025: Rs. 1,200 million), from a commercial bank on mark-up basis, repayable by August 31, 2026. The said export refinance facility are secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs. 4,400 million.

The said export refinance carries mark-up at the rate of 1% per annum (2025: 1% per annum) above the SBP's Minimum Export Refinance rate, payable quarterly.

23.1.3 The Company arranged a facility for short-term loan under export refinance, amounting to Rs. 735 million (2025: Rs. 565 million), from a commercial bank on mark-up basis, repayable by August 31, 2026. The said export refinance facility is secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs.1,587.5 million.

The said export refinance carries mark-up at the rate of 1% per annum (2025: 1% per annum) above the SBP's Minimum Export Refinance rate, payable quarterly.

23.1.4 The Company arranged a facility for running musharakah under islamic export refinance, amounting to Rs. 488 million (2025: Rs. 248 million), from a islamic bank on mark-up basis, repayable by August 31, 2026. The said islamic export refinance facility is secured against the first pari passu registered hypothecation charge on present & future current assets of the Company, aggregating to Rs.1,875 million.

The said islamic export refinance carries mark-up at the rate of 1% per annum (2025: 1% per annum) above the SBP's Minimum Islamic Export Refinance rate, payable quarterly.

23.1.5 The Company arranged a facility for running musharakah under islamic export refinance, amounting to Rs. 200 million (2025: Rs. 400), from a islamic bank on mark-up basis, repayable by August 31, 2026. The said islamic export refinance facility is secured against the first pari passu registered hypothecation charge on present & future current assets of the Company, aggregating to Rs. 1,250 million.

The said islamic export refinance carries mark-up at the rate of 1% per annum (2025: 1% per annum) above the SBP's Minimum Islamic Export Refinance rate, payable quarterly.

23.1.6 The Company arranged a facility for short-term loan under export refinance, amounting to Rs. 590 million (2025: Rs. 575 million), from a commercial bank on mark-up basis, repayable by August 31, 2026. The said export refinance facility is secured against the first pari passu registered hypothecation charge on all present and future current assets of the Company, aggregating to Rs. 1,250 million.

The said islamic export refinance carries mark-up at the rate of 1% per annum (2025: 1% per annum) above the SBP's Minimum Islamic Export Refinance rate, payable quarterly.

23.2 These loans have been fully repaid during the year in accordance with the terms of agreement.

		2026	2025
	Note	 Rupees in '000'	
23.3 Short term over draft			
STF - I	23.3.1	86,746	-
STF - II	23.3.2	40,738	291
		<u>127,484</u>	<u>291</u>

23.3.1 This represents utilised portion of running finance facility, amounting to Rs. 300 million, arranged by the Company from a commercial bank, repayable / renewable latest by September 30, 2026 and is secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs. 4,400 million.

This carries mark-up at the rate of 0.50% per annum over and above 3 month average KIBOR rate, payable quarterly.

23.3.2 This represents utilised portion of a facility for short term loan under running finance arrangement, amounting to Rs. 100 million arranged by the Company from a commercial bank on mark-up basis during the year repayable / renewable by December 31, 2025. It is secured against the registered charge over stock in trade, stores / spares and book debts of Company, aggregating to Rs. 1,250 million.

The loans carries mark-up at the rate of 0.50% over and above three months average KIBOR rate, payable quarterly.

		2026	2025
	Note	 Rupees in '000'	
23.4 Short term running finances - FE-25			
RF-I	23.4.1	810,565	843,693
RF-II	23.4.2	688,926	984,801
RF-III	23.4.3	561,564	702,050
RF-IV	23.4.4	1,147,919	1,546,318
RF-V	23.4.5	-	422,560
RF-VI	23.4.6	419,100	642,061
RF-VII	23.4.7	202,293	238,985
RF-VIII	23.4.8	67,249	-
		<u>3,897,616</u>	<u>5,380,469</u>

23.4.1 The Company has borrowed short-term running finances under Foreign Exchange Circular No.25, dated June 20, 1998 for the purpose of meeting import requirements. The facilities availed are for an amount of USD 2.905 million equivalent to Rs. 810.565 (2025: Rs. 843.693) million. These facilities are secured against the first pari passu hypothecation charge over the movables and receivables.

23.4.2 The Company has borrowed short-term running finances under Foreign Exchange Circular No. 25, dated June 20, 1998 for the purpose of meeting import requirements. The facilities availed are for an amount of USD 2.469 million equivalent to Rs. 688.840 (2025: Rs. 984.801) million. It is secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs. 1,250 million.

- 23.4.3** The Company has borrowed short-term running finances under Foreign Exchange Circular No. 25, dated June 20, 1998 for the purpose of meeting import requirements. The facilities availed are for an amount of USD 2.013 million equivalent to Rs. 561.564 (2025: Rs. 702.050) million. The said export refinance facility is secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs. 1,587.5 million.
- 23.4.4** The Company has borrowed short-term running finances under Foreign Exchange Circular No. 25, dated June 20, 1998 for the purpose of meeting import requirements. The facilities availed are for an amount of USD 4.117 million equivalent to Rs. 1,147.919 (2025: Rs. 1,546.318) million. The said export refinance facility and short-term running finances are secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs. 4,400 million.
- 23.4.5** These loans have been fully repaid during the year in accordance with the terms of agreement.
- 23.4.6** The Company has borrowed short-term running finances under Foreign Exchange Circular No. 25, dated June 20, 1998 for the purpose of meeting import requirements. The facilities availed are for an amount of USD 1.500 million equivalent to Rs. 419.100 (2025: Rs. 642.061) million. It is secured against the first pari passu registered hypothecation charge on present & future current assets of the Company, aggregating to Rs. 1,875 million.
- 23.4.7** The Company has arranged short-term running finances under Foreign Exchange Circular No. 25, dated June 20, 1998 for the purpose of meeting import requirements. The facilities availed are for an amount of USD 0.725 million equivalent to Rs. 202.293 (2025: Rs. 238.985) million. It is secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs. 312.5 million.
- 23.4.8** During the year, the Company has arranged short-term running finances under Foreign Exchange Circular No. 25, dated June 20, 1998 for the purpose of meeting import requirements. The facilities availed are for an amount of USD 0.241 million equivalent to Rs. 67.249 million. It is secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs. 1,250 million.

		2026	2025
	Note	 Rupees in '000'	
23.5 Short term running finances - EFS (Rupee based discounting)			
EFS-I	23.5.1	252,587	252,638
EFS-II	23.5.2	392,164	596,393
EFS-III	23.5.3	50,000	-
		694,751	849,031

- 23.5.1** The Company has borrowed short-term running finances under Export Finance Scheme (EFS) Circular No. 03, dated February 16, 2022. The facilities availed are for an amount of USD 0.898 million equivalent to Rs. 252.587 (2025: Rs. 252.638) million. The rates of mark-up on these finances are 2% (2025: 2%) per annum. These facilities are secured against the first pari passu hypothecation charge over the movables and receivables.
- 23.5.2** The Company has borrowed short-term running finances under Export Finance Scheme (EFS) Circular No. 03, dated February 16, 2022. The facilities availed are for an amount of USD 1.392 million equivalent to Rs. 392.164 (2025: Rs. 596.393) million. The rates of mark-up on these finances are 2% (2025: 2%) per annum. These facilities are secured against the first pari passu hypothecation charge over the movables and receivables.

23.5.3 During the year, the Company has arranged short-term running finances under Export Finance Scheme (EFS) Circular No. 03, dated February 16, 2022. The facilities availed are for an amount of USD 0.176 million equivalent to Rs. 50 million. The rates of mark-up on these finances are 2% per annum. These facilities are secured against the first pari passu hypothecation charge over the movables and receivables.

		2026	2025
	Note	 Rupees in '000'	
24	CURRENT PORTION OF NON-CURRENT LIABILITIES		
- Long term financing	19	524,958	561,005
- Deferred government grant	20	1,898	1,901
		<u>526,856</u>	<u>562,906</u>

25 CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

On July 25, 2019, SECP had issued a show cause notice under section 256 of the companies Act, 2017 and also a notice of hearing dated 19.9.2019 due to the complaints and insistence of certain minority shareholders on misplaced allegations pertaining to the manner in which the business of the company is being managed and seeking certain declaration. However, before the hearing of the show cause notice or an inspection or investigation was ordered / initiated, the company filed suit no. 1506 of 2019 before the Honourable High Court of Sindh which, vide its order dated 25.09.2019 restrained SECP from further proceedings in pursuance to the aforementioned notices. The Honourable High Court further directed SECP to maintain status quo. Pursuant to the Sindh Civil Courts (Amendment) Act, 2025 and the consequent jurisdictional changes, the said suit has been transferred to the Honourable District Court of the 6th Senior Civil Judge (East), Karachi, and renumbered as Suit No. 3779 of 2025, where it remains pending adjudication as at the reporting date.

The company believes that there is no merit in the aforesaid proceedings and based on the view of the legal advisor there appears to be no liability expected on the company on account of the above litigation.

	2026	2025
	 Rupees in '000'	
25.2 Outstanding counter guarantees	<u>1,051,995</u>	<u>1,017,874</u>
25.3 Commitments		

25.3.1 Commitments in respect of Building on leasehold land and machinery at the end of the year amounted to Rs. 3.800 (2025: Rs. 10.981) million.

25.3.2 Outstanding letters of credit at the end of the year amounted to Rs. 333.237 (2025: Rs. 202.181) million.

25.3.3 Post dated cheques issued in favour of Custom Authorities and Sui Southern Company Limited aggregating to Rs. 425.576 (2025: Rs. 449.990) million and Rs. 178.683 (2025: Rs. Nil) million against various statutory notifications.

			2026	2025
			 Rupees in '000'	
26	TURNOVER - NET	Note		
	Exports	26.1 & 26.2	12,298,942	17,468,614
	Local		2,104,575	1,704,364
		26.2	14,403,517	19,172,978
	Less:			
	Sales tax		(467,617)	(535,345)
	Sales commission / discount / returns		(40,698)	(287,498)
			(508,315)	(822,843)
			13,895,202	18,350,135
26.1	Included herein is a sum of Rs. 760.191 (2025: Rs. 1,527.960) million, representing indirect exports made by the Company during the current year, by arranging inland letters of credit from certain direct exporters in favour of the Company, pursuant to the Banking Policy and Regulation Department (BPRD) Circulars No. 24 and 31 dated June 28, 1999 and August 13, 1999 respectively, issued by the State Bank of Pakistan.			
26.2	The amount of Rs. 78.941 million in contract liabilities (Note 21) as at June 30, 2025 has been recognized as revenue during the year ended 30 June 2026.			
			2026	2025
			 Rupees in '000'	
27	COST OF SALES	Note		
	Opening stock - finished goods	9	1,483,946	1,502,012
	Cost of goods manufactured	27.1	13,042,710	17,270,371
			14,526,656	18,772,383
	Closing stock - finished goods	9	(1,756,688)	(1,483,946)
			12,769,968	17,288,437
27.1	Cost of goods manufactured			
	Raw and packing materials consumed	27.1.1	6,905,344	8,563,950
	Stores and spares consumed	27.1.2	453,609	519,668
	Salaries, wages and other benefits	27.1.3 & 38	4,482,988	5,059,901
	Fuel and power		890,158	2,365,566
	Weaving, stitching, finishing and printing charges		83,283	223,579
	Repairs and maintenance		69,408	64,639
	Printing, stationery and postage		18,250	15,512
	Fees and subscription		26,002	27,044
	Telephone and telex		7,810	7,121
	Rent, rates and taxes		2,508	3,851
	Insurance		31,033	37,629
	Water charges		341,273	387,989
	Depreciation	4.1.2	963,838	949,253
	Security charges		17,746	15,404
	Travelling, boarding and lodging		5,964	10,481
	Royalty	27.1.4	-	89,975
	Miscellaneous		28,271	27,763
			14,327,485	18,369,325
	Opening work-in-process		3,363,107	2,264,153
	Closing work-in-process	9	(4,647,882)	(3,363,107)
			13,042,710	17,270,371

		2026	2025
	Note	 Rupees in '000'	
27.1.1 Raw and packing materials consumed			
Opening stock		2,250,920	1,454,482
Purchases		6,006,605	9,617,393
Duty draw back on export sales and other rebates		(89,720)	(257,005)
		5,916,885	9,360,388
		8,167,805	10,814,870
Closing stock	9	(1,262,461)	(2,250,920)
		6,905,344	8,563,950
27.1.2 Stores and spares consumed			
Opening stock		244,640	253,392
Purchases		460,100	510,916
		704,740	764,308
Closing stock	8	(251,131)	(244,640)
		453,609	519,668

27.1.3 Included herein a sum of Rs. 104.024 (2025: Rs.121.281) million is respect of staff retirement benefits.

27.1.4 During the year, no transactions were undertaken with Recover IPCO LLC.

28 DISTRIBUTION COSTS

Salaries, allowances and other benefits	28.1	27,809	30,114
Insurance		4,281	8,090
Freight and transportation		129,618	200,728
Export development surcharge and clearing charges		42,332	57,030
Postage, courier and stamps		59,719	71,472
Depreciation	4.1.2	2,088	2,057
Travelling, boarding and lodging		53,459	51,991
Sales office expenses		17,816	16,226
Testing / Quality control charges		30,562	36,423
Miscellaneous		11,482	11,900
		379,166	486,031

28.1 Included herein a sum of Rs. 1.754 (2025: Rs. 2.126) million is respect of staff retirement benefits.

		2026	2025
	Note	Rupees in '000'	
29 ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits	29.1	148,481	154,887
Depreciation	4.1.2	78,318	77,133
Legal and professional charges		20,013	26,912
Fees and subscription		11,587	7,929
Auditors' remuneration	29.2	3,395	2,679
Donations	29.3	14,325	12,612
Miscellaneous		7,284	4,457
		283,403	286,609
29.1	Included herein a sum of Rs. 9.313 (2025: Rs. 10.352) million is respect of staff retirement benefits.		
29.2 Auditors Remuneration			
Reanda Haroon Zakaria Aamir			
Salman Rizwan & Company			
Audit fee		1,900	1,900
Fee for half yearly review		370	370
Out-of-pocket expenses		227	227
Related sindh sales tax		341	182
Certifications		557	-
		3,395	2,679
29.3	Includes amount of Rs. 1.350 million and Rs. 6.720 million paid to Saylani Welfare Trust and The Citizens Foundation respectively. Directors or their spouses do not any interest in the donees to whom donations were made.		
30 OTHER OPERATING EXPENSES			
Interest on WPPF		-	3,292

		2026	2025
	Note	Rupees in '000'	
31 OTHER INCOME			
Income from non financial assets			
Scrap sales - net	31.1	18,242	33,518
Gain on sale of fixed assets	4.1.3	10,640	58,356
Exchange gain - net		19,673	56,946
		<u>48,555</u>	<u>148,820</u>
Income from financial assets			
Profit on treasury call account	16.1	9,592	25,681
Gain on disposal of investments		-	33,662
Dividend income / Capital gain		6,220	4,007
Income released from government grant		3,284	-
		<u>19,096</u>	<u>63,350</u>
		<u>67,651</u>	<u>212,170</u>
31.1	This amount is net of sales tax amounting to Rs. 3.284 million (2025: Rs. 6.033 million).		
32 FINANCE COSTS			
Mark-up on secured			
Long term financing		255,028	85,805
Short term borrowings		509,129	574,138
		<u>764,157</u>	<u>659,943</u>
Bank charges		56,984	46,849
		<u>821,141</u>	<u>706,792</u>
33 LEVIES			
Minimum Tax u/s 113		143,407	232,970
Tax Deducted on Capital Gain U/s 37A	31	1,544	8,624
Final tax u/s 150		11	649
	33.1	<u>144,962</u>	<u>242,243</u>
33.1	Represents minimum and final taxes recognized as levies in accordance with the requirements of IFRIC 21 / IAS37.		
34 INCOME TAX EXPENSE			
Current	34.1	-	-
34.1	Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:		

		2026	2025
	Note	Rupees in '000'	
Tax liability for the year as per applicable tax laws	34.2	144,962	242,243
Portion of tax liability as per tax laws, representing income tax under IAS 12		-	-
Portion of tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37		(144,962)	(242,243)
		-	-
34.2	The aggregate of levies and income tax, amounting to Rs. 144.962 (2025: Rs. 242.243) million represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.		
34.3	The relationship between income tax expense and accounting profit has not been presented in these financial statements as the company is subject to minimum tax under Section 113 of the Income Tax Ordinance, 2001.		
34.4	In accordance with the application guidance of IAS 12 on accounting for minimum and final taxes, Approach 1 treats any excess as IAS 12 tax:		

		2026
	Note	Rupees in '000'
Loss before levies and income tax		(290,825)
Levies	33	(144,962)
Loss after income tax		(435,787)
Income tax	34	-
Loss after tax		(435,787)
Effective tax rate (Income tax / Loss before tax)		0%

35 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share has been computed by dividing the net profit for the year with the number of ordinary shares issued by the Company.

	2026	2025
Net loss (Rupees in '000)	(435,787)	(451,099)
Number of Ordinary shares (Shares in '000)	84,000	84,000
Loss per shares - basic (Rupees)	(5.19)	(5.37)

Diluted earnings per share

Diluted earnings per share has not been computed because there are no dilutive potential ordinary shares.

		2026	2025
	Note	 Rupees in '000'	
36 CASH GENERATED FROM OPERATIONS			
Loss before levies and income tax		(290,825)	(208,856)
Adjustments for non cash charges and other items:			
Depreciation	4.1.2	1,044,245	1,028,443
Provision for gratuity	20.2	115,091	133,759
Dividend income / Capital gain	31	(6,220)	(4,007)
Gain on disposal of operating fixed assets	31	(10,640)	(58,356)
Income released from government grant	31	(3,284)	-
Finance costs	32	821,141	706,792
Interest on Workers' Profits Participation Fund		-	3,292
		<u>1,960,333</u>	<u>1,809,923</u>
Profit before working capital changes		<u>1,669,508</u>	<u>1,601,067</u>
(Increase) / decrease in current assets			
Stores and spares		(4,329)	21,995
Stock-in-trade		(390,563)	(2,067,701)
Trade debts		993,581	(499,341)
Loans and advances		(4,206)	85,415
Trade deposits		6,392	(557)
Other receivables		29,311	(33,443)
Sales tax refundable		(48,121)	131,838
		<u>582,065</u>	<u>(2,361,794)</u>
Decrease in current liabilities			
Trade and other payables		(1,234,945)	(265,875)
Cash generated from / (used in) operations		<u>1,016,628</u>	<u>(1,026,602)</u>

36.1 Changes in liabilities from financing activities

Financing Activities		July 01, 2025	Net Cash Flows	Non Cash Changes	June 30, 2026
	Note	 Rupees in '000'			
Long term financing - secured	19	2,168,881	1,778,329	-	3,947,210
Current maturity of long term financing	24	561,005	(34,149)	(1,898)	524,958
Short term borrowings - secured	23	10,321,791	(1,560,940)	-	8,760,851
		<u>13,051,677</u>	<u>183,240</u>	<u>(1,898)</u>	<u>13,233,019</u>

	2026	2025
	 Rupees in '000'	
37 UNAVAILED CREDIT FACILITIES AVAILABLE AT YEAR END		
Cash short term running finances	<u>2,459,149</u>	<u>1,198,209</u>

38 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	2026			2025		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	Rupees in '000					
Short term employee benefits						
Managerial remuneration	11,000	4,244	289,384	11,000	4,244	305,649
Medical	1,090	424	28,802	1,090	424	30,422
Bonus	1,000	389	25,281	1,000	389	26,728
Post-employment benefits						
Gratuity	1,000	389	25,296	1,000	389	26,259
	<u>14,090</u>	<u>5,446</u>	<u>368,763</u>	<u>14,090</u>	<u>5,446</u>	<u>389,058</u>
Number of persons	<u>1</u>	<u>1</u>	<u>147</u>	<u>1</u>	<u>1</u>	<u>154</u>

38.1 The Chief Executive and certain executives are provided with the free use of Company maintained cars in terms of their employment.

38.2 Aggregate amount charged in these financial statements in respect of fee for attending meetings to Non-Executive Directors was Rs. 0.450 (2025: Rs. 0.360) million.

39 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

		2026	2025
39.1 Financial Instrument by Category	Note	Rupees in '000'	
Financial Assets			
- Fair value through profit or loss			
Short term investment	14	449	418
- At amortized cost			
Long term loans	5	19,928	28,048
Long term deposits	6	1,957	1,957
Trade debts	10	3,443,998	4,437,579
Current maturity of long term loans	11	17,887	17,324
Trade deposits	12	1,745	8,137
Other receivables	13	6,029	6,349
Cash and bank balances	16	208,002	595,922
		<u>3,699,995</u>	<u>5,095,734</u>
Financial Liabilities			
- At amortized cost			
Long term financing	19	3,947,210	2,168,881
Trade and other payables	21	1,866,791	3,109,037
Unclaimed dividend		3,760	3,771
Accrued mark-up	22	165,729	145,156
Short term borrowings	23	8,760,851	10,321,791
Current portion of non-current liabilities	24	526,856	562,906
		<u>15,271,197</u>	<u>16,311,542</u>

39.2 Financial risk management

The Company's activities expose it to a variety of financial risks i.e. market risk (including Interest rate risk, foreign currency risk and equity price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and financial instruments.

The Board of directors reviews and agrees policies for managing each of these risks which are summarised below:

39.3 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and equity risk.

Financial instruments affected by market risk include trade debtors, short term investments, trade payables, bank balances, long-term financing and short-term borrowings.

39.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market interest rates. Since, the Company has availed finance mainly under the export refinance schemes which has a fixed interest rate except for long term diminishing musharka loan and short term money market loan, accordingly, the Company's interest rate risk arises only from variable rate instruments as mentioned below;

		2026	2025
		 Rupees in '000'	
Short term investments in mutual funds	14	449	418
Bank deposit in treasury call account	16.1	110	327,242
		559	327,660
Long term financing			
Commercial bank - I	19	(800,000)	-
Commercial bank - II	19	(1,500,000)	-
		(2,300,000)	-
Short term borrowings			
Short term loans - overdraft / money market	23.2 & 23.3	(127,484)	(275,709)
		(2,426,925)	51,951

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change of 100 basis points in interest rates at the reporting date, with all other variables held constant, of the Company's profit before tax.

	Change in interest rate (%)	Effect on profit / (loss) Rupees in '000
June 30, 2026	+1	(24,269)
	-1	24,269
June 30, 2025	+1	520
	-1	(520)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year, equity and assets of the Company.

39.3.2 Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses are denominated in a different currency from the Company's functional currency). The Company's exposure to foreign currency risk is as follows:

	2026	2025
	 Rupees in '000'	
Financial Assets		
Trade debts - foreign	3,066,004	3,968,915
Bank balances - forex	141,009	208,125
	3,207,013	4,177,040
Financial Liabilities		
Short-term running finance under FE-25	(3,897,616)	(5,380,469)
Trade creditors - foreign	(69,455)	(100,443)
	(3,967,071)	(5,480,912)
	(760,058)	(1,303,872)
The following significant exchange rates have been applied at the reporting dates:		
Exchange rates (PKR / USD)	278.05	283.60

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change of 10% in the US Dollar exchange rate at the reporting date, with all other variables held constant, of the Company's profit before tax.

	Change in US Dollar rate (%)	Effect on profit / (loss) Rupees in '000
June 30, 2026	+10	(76,006)
	-10	76,006
June 30, 2025	+10	(130,387)
	-10	130,387

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year, equity and assets of the Company.

39.3.3 Equity price risk

The Company is exposed to equity price risk, which arises from short term investments in listed securities and mutual funds measured at fair value through profit or loss. The management monitors the proportion of equity securities and mutual funds in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

	2026	2025
	 Rupees in '000'	
Short term investments	449	418

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change of 10% in the market price at the reporting date, with all other variables held constant, of the Company's profit before tax.

	Change in market price (%)	Effect on profit / (loss) Rupees in '000
<u>June 30, 2026</u>	+10	45
	-10	(45)
<u>June 30, 2025</u>	+10	42
	-10	(42)

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year, equity and assets of the Company.

39.4 Credit risk

Credit risk is the risk that counter party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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 the Company's performance to developments affecting a particular industry.

The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

		2026	2025
	Note	 Rupees in '000'	
Long term loans including current maturity	5	37,814	45,372
Long term deposits	6	1,957	1,957
Trade debts	10	3,443,998	4,437,579
Trade deposits	12	1,745	8,137
Other receivables	13	6,029	6,349
Bank balances	16	202,353	590,964
		3,693,897	5,090,358

39.4.1 Credit quality of financial assets

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

Trade debts

Customer credit risk is managed by senior management subject to the Board's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. For any balances if considered doubtful of recovery, the management makes allowance for expected credit loss in accordance with Company's policy. Overall credit risk is expected to be low as at reporting date.

The Company evaluates the concentration of risk with respect to trade debts as low, as its customers are located in several jurisdictions.

		2026	2025
		 Rupees in '000'	
Ageing of trade debts			
Neither past due nor impaired		3,148,190	3,668,128
Past due but not impaired within 120 days		295,809	769,452
		3,443,998	4,437,579
Bank Balances			
A1+	PACRA	114,026	328,607
A-1+	VIS	87,886	257,488
F1+	FITCH	-	4,419
A1	PACRA	441	450
		202,353	590,964

Other financial assets

Other financial assets includes long term loans, long term deposits, trade deposits and other receivables. The Company evaluates the credit risk with respect to other financial assets as low, as all material amounts are secured and there is no history of credit defaults in the past.

39.5 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 applies prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the reporting date the Company has unavailed short term running finance credit facility of Rs. 2,459.149 (2025: Rs.1,198.209) million.

Table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
..... Rupees in '000						
Long term financing	-	140,236	386,620	1,533,837	2,413,373	4,474,066
Trade & other payables	-	1,866,791	-	-	-	1,866,791
Unclaimed dividend	3,760	-	-	-	-	3,760
Accrued mark-up	-	165,729	-	-	-	165,729
Short term borrowings	-	4,041,000	4,719,851	-	-	8,760,851
2026	3,760	6,213,756	5,106,471	1,533,837	2,413,373	15,271,197
Long term financing	-	140,251	420,754	1,783,731	387,051	2,731,787
Trade & other payables	-	3,109,037	-	-	-	3,109,037
Unclaimed dividend	3,771	-	-	-	-	3,771
Accrued mark-up	-	145,156	-	-	-	145,156
Short term borrowings	-	4,092,000	6,229,791	-	-	10,321,791
2025	3,771	7,486,444	6,650,545	1,783,731	387,051	16,311,542

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

39.6 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

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

No changes were made in the objectives, policies or processes during the years ended June 30, 2026 and June 30, 2025.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents. Capital includes equity attributable to the equity holders and reserves.

	2026	2025
	 Rupees in '000'	
Long term financing	3,947,210	2,168,881
Current maturities of long-term financing	526,856	562,906
Short term borrowings	8,760,851	10,321,791
Accrued mark-up	165,729	145,156
Cash and bank balances	(208,002)	(595,922)
Net debt	13,192,644	12,602,812
Issued, subscribed and paid up capital	840,000	840,000
Reserves	6,462,230	6,829,581
Total capital	7,302,230	7,669,581
Capital and net debt	20,494,874	20,272,393
Gearing ratio	64.37%	62.17%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

40 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise associated companies, directors, major shareholders of the Company and key management personnel. All the transactions with related parties are entered into at agreed terms (based on arms length using admissible valuation methods) in the normal course of business as approved by the Board of Directors of the Company. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2026	2025
	 Rupees in '000'	
Key management personnel		
Dividend paid to directors	-	76,633
Associated companies / undertakings		
Sales	3,666,456	4,488,520
Reimbursement of expenses	24,862	27,888
Purchases	116,237	138,680
Services rendered	7,833	11,692

40.1 Detail of compensation to key management personnel comprising of chief executive, directors and executives is disclosed in note 38 to these financial statements.

40.2 Following are the associated companies/undertakings with whom the Company had entered into transactions or have arrangement / agreement in place:

S. No.	Name of associated companies / undertakings	Basis of Relationship	Aggregate % of shareholding
1	DL1961 Premium Denim Inc.	Spouse of a director	NIL
2	Artistic Fabric Mills (Private) Limited	Common directorship	NIL
3	Premium Distributors	Relative of a director	NIL
4	Regency Brands LLC.	Daughter of a director	NIL

40.3 Associated Companies Incorporated Outside Pakistan

S. No.	Name	Basis of Relationship	Country of incorporation
1	DL1961 Premium Denim Inc.	Spouse of a director	United States
2	Premium Distributors	Relative of a director	United Arab Emirates
3	Regency Brands LLC.	Daughter of a director	United States

41 SHARIAH COMPLIANCE ACTIVITIES AND BALANCES

As per the requirements of the fourth schedule to the Companies Act, 2017, Companies engaged in the Shariah permissible business activities as their core business activities shall disclose the following:

	Note	2026 Rupees in '000'	2025
Statement of Financial Position - Liability Side			
Short term borrowings obtained as per Islamic mode	23	3,659,958	1,918,197
Markup accrued on conventional loan	22	99,004	117,810
Statement of Financial Position - Asset Side			
Short term shariah compliant investments		449	418
Shariah compliant bank balances		52,988	107,596

		2026	2025
	Note	Rupees in '000'	
Statement of profit or loss			
Revenue earned from Shariah compliant business segment	26	13,895,202	18,407,081
Dividend earned / Capital gain on Shariah compliant investments		6,220	4,007
Finance cost paid on Islamic mode of financings		215,817	85,918
Interest earned on conventional bank	31	9,592	25,681
Breakup of Other income			
- Shariah Compliant			
Scrap sales - net	31	18,242	33,518
Gain on sale of fixed assets	31	10,640	58,356
Gain on disposal of investments	31	-	33,662
Dividend income / Capital gain	31	6,220	4,007
- Non Shariah Compliant			
Profit on treasury call account	31	9,592	25,681

The Company maintains bank accounts with Bank Islami Pakistan Limited, Faysal Bank limited, Habib Bank limited and Meezan Bank limited.

42 CORRESPONDING FIGURES

Corresponding figures have been reclassified, whenever necessary for the purpose of compliance, comparison and better presentation. Material reclassifications during the year are as follows:

Reclassification from the caption component	Reclassification to the caption component	Note	Amount Rupees in '000'
Turnover - net	Other income		
Exports	Exchange gain - net	31	19,673

43 FAIR VALUE MEASUREMENT

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value hierarchy

The different levels to analyse financial assets carried at fair value have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

Details of the Company's short term investments in terms of fair value hierarchy, explained above, at June 30, 2026 is as follows:

	Level 1	Level 2	Level 3
	 Rupees in '000		
Assets measured at fair value - 2026			
Short term investments- at fair value through profit or loss	-	449	-
Assets measured at fair value - 2025			
Short term investments- at fair value through profit or loss	-	418	-
		2026	2025
		 Units	

44 PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning

Capacity of yarn (Lbs.)

Actual production of yarn (Lbs.)

32,025,500

32,025,500

12,277,806

15,820,080

Weaving

Capacity of fabric (meters)

Actual production of fabric (meters)

20,328,750

20,328,750

10,901,200

13,800,527

Garments

Capacity of garments (Pcs)

Actual production of garments (Pcs)

8,263,200

8,263,200

4,974,930

6,145,826

Under-utilization of available capacity for spinning, weaving and garments was due to normal maintenance, energy shortage, variation in production mix, run length of order lots, global recession, tough market competition, and type of quality produced.

	2026	2025
45 NUMBER OF EMPLOYEES		
Total number of employees	547	564
Average number of employees	557	573

46 GENERAL

- 46.1** Subsequent to year ended June 30, 2026, the Board of Directors in its meeting held on September 24, 2026 has proposed final cash dividend at the rate of Rs. Nil per ordinary share of Rs. 10 each, amounting to Rs. Nil (2025: Rs. Nil per share amounting to Rs. Nil) for approval of the members at the Annual General Meeting.
- 46.2** Figures in these financial statements have been rounded off to the nearest thousands of rupees.
- 46.3** These financial statements have been authorised for issue on September 24, 2026 by the Board of Directors of the Company.



Muhammad Faisal Ahmed
Chief Executive Officer



Sagheer Ahmed
Chief Financial Officer



Yazdani Zia
Director

FORM OF PROXY

I/We _____ of _____
_____ being member(s) of ARTISTIC DENIM MILLS LIMITED
and holder of _____ Ordinary Shares as per Share Register Folio/CDC Account
No. _____ hereby appoint _____ Folio/CDC Account No. _____
of _____ CNIC No. or Passport No. _____ or failing whom
_____ Folio/CDC Account No. _____ of _____ CNIC No.
or Passport No. _____ who is also a member of the Company as my/our proxy to
attend and vote for me/us and on my/our behalf at the 34th ANNUAL GENERAL MEETING of the
Company to be held on Wednesday, October 28, 2026 at 4:00 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2026.

Witnesses: 1. Signature _____

Name: _____

Address: _____

CNIC or Passport No. _____

Rs 50/-
Revenue
Stamp

2. Signature _____

Name: _____

Address: _____

CNIC or Passport No. _____

Signature _____

(Signature should agree with the specimen
signature registered with the Company).

CNIC or Passport No. _____

IMPORTANT

1. This form of proxy, duly completed and signed, must be deposited at the Company's Shares Registrar's Office not later than 48 hours before the meeting.
2. This form should be signed by the Member or by his / her attorney duly authorised in writing. If the Member is a Corporation, its common seal should be affixed to the instrument.
3. A Member entitled to attend and vote at the meeting may appoint any other Member as his/her proxy to attend and vote on his / her behalf except that a corporation may appoint a person who is not a Member.

For CDC Account Holders/Corporate Entities:

In addition to the above, following requirements have to be met:

- (i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC or Passport Numbers shall be mentioned on the form.
- (ii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iii) The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.
- (iv) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

The logo for Artistic Denim Mills Limited (ADM) is displayed in a bold, dark blue, sans-serif font.

**AFFIX
CORRECT
POSTAGE**

Company Secretary
Artistic Denim Mills Limited
Plot No. 5-9, 23-26, Sector 16
Korangi Industrial Area
Karachi.

Fold : Here

Fold : Here

Fold : Here

Fold : Here



Address

Plot No. 5-9, 23-26, Sector-16, Korangi Industrial Area,
74900 Karachi, Pakistan

Tel +92 21 111-236-236 | **Fax** +92 21 3505 4652