



**ISO 9001:2015
CERTIFIED**

**Financial Statements
for the year ended
June 30, 2026**

Shahtaj Textile Limited

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BOARD OF DIRECTORS

Mr. Muneer Nawaz	Chairman
Mr. Taqi Mohammad	Chief Executive
Mr. M. Naeem	
Mr. Abid Nawaz	
Mr. Aamir Amin (NIT)	
Mr. Farooq Hassan	
Mr. Syed Nadeem Ali Kazmi	
Mr. Toqueer Nawaz	
Mrs. Sadia Muhammad	
Mr. Muhammad Usman Khalid	

COMPANY SECRETARY

Mr. Jamil Ahmad Butt, FCMA

AUDIT COMMITTEE OF THE BOARD

Mr. Aamir Amin	Chairman
Mr. Muneer Nawaz	Member
Mr. Toqueer Nawaz	Member
Mr. Muhammad Usman Khalid	Member
Mrs. Sadia Muhammad	Member
Mr. Jamil Ahmad Butt, FCMA	Secretary

**HUMAN RESOURCE AND
REMUNERATION COMMITTEE OF
THE BOARD**

Mr. Farooq Hassan	Chairman
Mr. Muneer Nawaz	Member
Mr. M. Naeem	Member
Mr. Taqi Mohammad	Member
Mr. Abid Nawaz	Member
Mr. Jamil Ahmad Butt, FCMA	Secretary

AUDITORS

Yousuf Adil.
Chartered Accountants.
Cavish Court, A-35, Block 7 & 8 KCHS,
Shahrah-e-Faisal, Karachi 75350.

BANKS

Bank Alfalah Limited
United Bank Limited
Meezan Bank Ltd.
The Bank of Punjab
MCB Bank Limited
Faysal Bank Limited

LEGAL ADVISOR

Syed Ali Ahmad Tariq
Advocate Supreme Court of Pakistan.
Office No. 58-Chamber of Commerce &
Industry Building (Aiwan-e-Tijarat)
Nicol Road, Karachi-74000.

HEAD OFFICE

Shahnawaz Building, 19-Dockyard Road,
West Wharf, Karachi-74000
Ph: 32313934-8, 32312834, 32310973
Fax: 32205723, 32310623
Website: www.shahtaj.com

REGISTERED OFFICE

27-C Abdalian Cooperative
Housing Society, Lahore,
Ph: (042) 35313891-92, 35301596-99
Fax: (042) 35301594

MARKETING OFFICE

27-C Abdalian Cooperative
Housing Society, Lahore,
Ph: (042) 35313891-92, 35301596-99
Fax: (042) 35301594

FACTORY

46 K.M. Lahore/Multan Road
Chunian Industrial Estate
Bhai Pheru, Distt. Kasur, Punjab.
Ph: (049) 4540430-32, 4540133, 4540234
Fax: (049) 4540031

SHARE REGISTRAR

Jwaffs Registrar Services (Pvt.) Ltd.
Office # 20, 5th Floor, Arkay Square Extension,
New Chali, Shahrah-e-Liaquat, Karachi
Ph: (+92-21) 32440974-75
Email: jwaffsregistrar@gmail.com

To,

All the Shareholders,

Notice is hereby given to all the shareholders of SHAHTAJ TEXTILE LIMITED that the 37th Annual General Meeting of the Company will be held on Wednesday, the 28th October, 2026, at 11:30 AM at PC Hotel, Shahrah-e-Quaid-e-Azam, Lahore, to transact the following ordinary business:

1. To confirm the minutes of the last Annual General Meeting held on 27th October, 2025.
2. To consider and adopt the audited Financial Statements of the Company for the year ended June 30, 2026 together with Auditors' and Directors' Reports thereon.
3. To approve a cash Dividend @ 115% i.e. Rs.11.50/- per share for the year ended June 30, 2026, as recommended by the Directors.
4. To appoint Auditors of the Company for the year 2026-2027 and to fix their remuneration. The present Auditors, M/s. Yousuf Adil, Chartered Accountants, being eligible, have offered themselves for reappointment.
5. To transact any other ordinary business with the permission of the Chair.

By Order of the Board



(JAMIL AHMAD BUTT)

Company Secretary

Karachi: September 24, 2026

Notes:

(1) BOOK CLOSURE:

The register of members of the Company will remain closed from 19th October, 2026, to 28th October, 2026 (both days inclusive). Transfers received in order by the Company's Share Registrar, M/s. JWAFS Registrar Services (Pvt.) Limited, Office # 20, 5th floor, Arkay Square Extension, New Chali, Shahrah-e-Liaquat, Karachi, by the close of business on 18th October, 2026, will be considered in time for registration in the name of the transferees, and be eligible to attend and vote at the meeting.

(2) PARTICIPATION IN THE MEETING

- a) Members, holding physical shares and holders of CDC Accounts and Sub-accounts for the Company's shares in Central Depository Company Limited, who wish to attend this Meeting may do so by identifying themselves through their original CNIC/Passport and providing a copy thereof.
- b) In case of a corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature and attested copy of a valid CNIC of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

(3) APPOINTING PROXIES:

- a) A member entitled to attend and vote at the General Meeting is also entitled to appoint another member as a proxy to attend and vote on his / her behalf. In case of a corporate entity, being a member, may appoint as its proxy any of its officials or any other person, through Board Resolution / Power of Attorney. The instrument appointing a proxy must be received at the Registered Office of the Company or at the office of our Share Registrar or through email at jamilbutt@shahtaj.com, not less than 48 hours before the time of the meeting. A copy of resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.
- b) CDC Account Holders, while appointing proxies, will follow the prescribed guidelines as under:
 - i) The proxy form shall be witnessed by two persons whose names, addresses, and CNIC numbers shall be mentioned on the form.
 - ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iii) In case of a corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature and an attested copy of a valid CNIC of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with the proxy form to the Company.
 - iv) The proxy shall produce his / her original CNIC or original passport at the time of the AGM.
- c) A blank proxy form is enclosed with this notice.

(4) CHANGE OF ADDRESS

Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.

(5) DEDUCTION OF INCOME TAX

As per the provisions of Section 150 of the Income Tax Ordinance, 2001 ("Ordinance"), different rates are prescribed for the deduction of withholding tax on the amount of dividend paid by the companies. The Current withholding tax rates are as under:

- (a) For the persons whose names are appearing on ATL: 15%
(b) For the persons whose names are not appearing on ATL: 30%

All the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of the Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of dividend, otherwise tax on their Dividend will be deducted @ 30% instead of @ 15%.

The Corporate Shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective Participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company or the Company's Share Registrar and Share Transfer Agent, M/s. JWAFFS REGISTRAR SERVICES (PVT) LIMITED.

The shareholders, while sending NTN or NTN certificates, as the case may be, must quote the Company name and their respective Folio Numbers.

As per FBR's clarification, the valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in the above Clause must provide valid Tax Exemption Certificates to our Shares Registrar; otherwise, tax will be deducted on the dividend amount as per the rates prescribed in Section 150 of the Ordinance.

For shareholders holding their shares jointly, as per the clarification issued by the FBR, withholding tax will be determined separately on 'Filer / Non-Filer' status of the Principal shareholder as well as Joint-holder(s) based on their shareholding proportions. All shareholders who hold shares jointly are therefore requested to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to the Registrar and Shares Transfer Agent in writing as follows:

Folio / CDC Account No	Total Shares	Principal Shareholder		Joint Shareholder(s)	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

(6) ELECTRONIC DIVIDEND MANDATE

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividends to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive dividends directly into their bank account, shareholders are requested to provide details of the bank mandate specifying:

Title of Account, Account Number, Bank Name, Branch Name and Code, IBAN Number.

In case shares are held in physical form, please send this information duly signed along with a valid copy of their CNIC to the registrar of the Company, M/s. JWAFFS Registrar Services (Pvt) Limited.

In case shares are held in CDC, then the Electronic Mandate Form must be submitted directly to the shareholder's broker participant/CDC account.

In case of non-receipt of the information, the company will be constrained to withhold payment of the dividend to such shareholders.

(7) DECLARATION OF RESIDENTIAL STATUS.

Non-resident shareholder(s) shall submit a declaration of such undertaking with a copy of a valid passport under the definition contained in Section 82 of the Income Tax Ordinance, 2001, for the determination of their residential status for the purposes of tax deduction on dividend to the Company Share Registrar, latest by October 18, 2026. The member may send a declaration using a standard format as placed on the Company's websites.

(8) PARTICIPATION THROUGH A VIDEO CONFERENCING FACILITY

The shareholders can now participate in the AGM proceedings via video link also. Those members who are willing to attend and participate in the AGM via link are requested to register themselves by sending an email along with the following particulars and a valid copy of both sides of Computerized National Identity Card (CNIC) at jamilbutt@shahtaj.com with subject of 'Registration for AGM' not less than 48 hours before the time of the meeting:

Name of Shareholders	CNIC No.	Folio No.	Cell No.	Email Address

Members who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email. The said link will remain open from 11:15 a.m. on the date of AGM till the end of the meeting.

(9) UNPAID DIVIDEND

An updated list of unclaimed dividends / Shares of the Company is available on the Company's website. It lists unclaimed dividends/shares which have remained unclaimed or unpaid for a period of three (3) years from the date these have become due and payable. Claims can be lodged by shareholders on a claim form, which is available on the Company's website. Claim forms must be submitted to the Company's Share Registrar, M/s. JWAFS Registrar Services (PVT) Limited.

(10) CONVERSION OF PHYSICAL SECURITIES INTO BOOK ENTRY FORM

As per Section 72 of the Companies Act, 2017, every listed company is required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e., May 30, 2017. Further, vide its letter dated March 26, 2021, SECP has directed all the listed companies to pursue its shareholder for conversion of their physical securities into book entry form.

In light of the aforementioned directives, the Shareholders having physical shares are encouraged to open a CDC account with CDS participant/CDC Investor Account Services and convert their existing physical securities into book entry form.

(11) TRANSMISSION OF THE ANNUAL REPORT

In terms of approval of the shareholders of the Company in their Extraordinary General Meeting held on 6th March, 2024, and pursuant to SECP's Notification No. SRO 389(1)/2023 dated 21st March, 2023, the Annual Report for the financial year ended on 30th June, 2026 of the Company containing inter alia the audited financial statements, auditors' report, directors, and chairman's reports thereon may be viewed and downloaded by following QR code and weblink:

The Annual Report will be emailed to those shareholders whose valid email address will be available with the Company.

Weblink	QR Code
https://shahtaj.com/index.php/financial	

The shareholders who wish to receive a hard copy of the Annual Report may send to the Company Secretary/Share Registrar, the Standard Request Form available on the website of the Company www.shahtaj.com. The Company then will provide a free of Cost hard copy of Annual Report to the shareholders within one week of the request.

(12) PROHIBITION OF GIFTS TO SHAREHOLDERS

In compliance to SECP Notification No. SRO452(1)/2025 dated March 17, 2025 it is notified that no gifts will be distributed to the shareholders at the meeting.

OUR VISION:

To attain leadership position in the textile sector in Pakistan.

OUR MISSION:

To make the name of Shahtaj synonymous with Quality by striving for the highest level of efficiency, productivity, profitability, customers satisfaction, congenial employees relations and profit sharing with shareholders.

OVERALL CORPORATE STRATEGY:

To develop and market products in the high-end of the textile sector through effective utilization of men, material and machines by encouraging, supporting and rewarding the employees, eliminating any waste, reducing costs aiming at establishing **SHAHTAJ TEXTILE LIMITED** as the most trusted, efficient and successful name among all stake-holders.

1. The directors will ensure implementation of Company's corporate strategy, keeping in view Company's vision and mission and complying with its Memorandum and Articles of Association.
2. They will provide due guidance and discharge their duties to the best of their ability.
3. They will attend meetings of Board of Directors, Audit Committee of the Board, any other Committee and General Meeting of Company.
4. They will disclose their interest in any contract and appointments of the company officers and ownership of company shares and any changes therein.
5. They will not engage in any business competing with the company's business.
6. They will not allow contribution by the company to any political party or for any political purpose to any individual or body.
7. They will ensure maintenance and upkeep of company property, other assets and its record.
8. They will strictly observe all laws of land in running of the company affairs.
9. All company employees will perform their duties faithfully, truly and to the best of their judgment, skill and ability according to company rules and policies.
10. Company employees will not divulge any information about the company or otherwise which comes to their knowledge during the course of employment to any person not connected therein either within the company or outside.
11. Company employees will not involve in any indiscipline, misbehavior or misconduct, dishonesty, theft or fraud.
12. They will refrain from making commitments on behalf of the company beyond their delegated authority or detrimental to the interest of the company.
13. They will not engage directly or indirectly without the permission of the company in any other business or paid occupation while in the service of the company.
14. They will not give or take bribes or any illegal gratifications.
15. They will be punctual in attendance.

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of Shahtaj Textile Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2026, the Board's overall performance and effectiveness has been assessed as satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as satisfactory is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitoring financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

The Board of Directors of your Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The nonexecutive and independent directors are equally involved in important decisions.



(Muneer Nawaz)
Chairman

Karachi: September 24, 2026

شاہ تاج ٹیکسٹائل لمیٹڈ کے بورڈ آف ڈائریکٹرز کا کوڈ آف کارپوریٹ گورننس کے تحت درکار سالانہ جائزہ لیا گیا۔ اس جائزہ کا مقصد اس امر کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور افادیت کو کمپنی کے مختص کردہ مقاصد کے تناظر میں پرکھا جاسکے۔

مالی سال 30 جون 2026 کے لئے بورڈ کی مجموعی کارکردگی اور افادیت اطمینان بخش قرار پائی گئی۔ بہتری ایک مستقل جاری رہنے والا عمل ہے جس کی مدد سے عملی منصوبہ بندیوں کو ممکن بنایا جاتا ہے۔ مجموعی جائزے کے اطمینان بخش قرار پانے کی بنیاد ضروری اجزاء کے انفرادی جائزے پر ہے جن میں دور اندیشی، نصب العین اور اقدار، حکمت عملی کے بنانے میں کردار، پالیسیز کی تشکیل، کمپنی میں جاری کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر مالی نگرانی، بورڈ کے کاروبار کو پورا کرنے میں ملازمین کے ساتھ منصفانہ سلوک اور سرگرمیوں کو موثر انداز سے پورا کرنا شامل ہیں۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو اپنی اور کمیٹیوں کے اجلاسات کے لئے ایجنڈا مع ضروری دستاویزات بروقت موصول ہوتے رہے اسی طرح کارروائی رپورٹس بھی۔ بورڈ اپنی ذمہ داریوں کی موثر طریقے سے انجام دہی کے لئے باقاعدگی سے اجلاس کرتا رہا۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز بھی اہم فیصلوں میں برابر شامل ہوتے رہے۔

Munir Nawaz

منیر شاہنواز

چیئر مین

کراچی مورخہ 24 ستمبر، 2026

Directors are pleased to present the 37th Annual Report of the Company for the Financial Year ended June 30, 2026.

Principal Activity

The principal business of the Company is production and sale of textile goods.

Financial Results and Prospects

By the grace of Allah, despite challenging market conditions, the Company achieved positive operating results and earned an after-tax profit of Rs. 191.489 million, with an EPS of Rs. 19.82 compared with Rs. 11.49 reported in the previous year. Net sales revenue for the year decreased by approximately 9.40%, from Rs. 6.620 billion to Rs. 5.997 billion. However, the GP rate improved significantly to 12.82% of sales from 9.78% in the previous year.

The decline in net sales and improvement in gross profit margin is primarily attributable to the Company's increased focus on weaving orders, under which customers provide the yarn. As raw material cost is not included in sales, these orders result in lower sales revenue but a higher gross profit margin. These orders also require lower working capital due to reduced raw material procurement, thereby reducing finance costs and turnover-based minimum tax. In addition, the Company increased its total renewable energy capacity to 4.49 MW through the addition of 3.46 MW of solar capacity during the year, which helped reduce energy cost and further support profitability.

Administrative expenses increased during the year mainly due to inflationary pressures. Other operating expenses increased significantly, primarily due to provisions/write-offs against old outstanding deferred/disallowed sales tax refund claims, as well as higher charges for WWF and WPPF in line with the increased profitability of the Company. Finance costs decreased during the year due to prudent financial management and the Company's increased focus on weaving orders, which require lower working capital owing to reduced raw material procurement.

The Board of Directors wishes to highlight the potential adverse implications of geopolitical tensions in the Middle East, including the US–Iran conflict, on Pakistan's textile sector and the Company. Any resulting increase in global oil prices and disruption to regional trade routes may lead to higher energy, freight and raw material costs, thereby putting pressure on margins and overall competitiveness. The industry may also face supply chain disruptions and subdued international demand, which could affect export volumes and foreign exchange inflows. For the Company, these developments may result in higher production costs, increased working capital requirements and potential delays in shipments. Management is closely monitoring the situation and taking necessary measures, including cost optimization and efficient resource management, to mitigate potential adverse impacts and sustain operational performance.

The Company remains committed to overcoming these challenges and will continue to take all possible measures to maintain operational efficiency, profitability and sustainable growth.

Dividend

To share the profits with the shareholder, Directors are pleased to recommend a 115% cash dividend for this year. This payment is 58% of after tax profit of the Company for the year 2025-26. A sum of Rs. 60 million is proposed to be transferred to general reserve.

Principal Risks and Uncertainties

The Company is exposed to the following risks and uncertainties: -

- Increase in prices of raw materials
- Fluctuating demand of local and international market
- Fluctuation in exchange rates
- Energy availability and cost
- Market disruption due to changes in tax laws and regulations to widen the tax net

Company takes these risks as a challenge and seeks to minimize potential adverse effects of these risks on the financial performance.

Internal Financial Controls

A system of sound internal control is established and prevailing in the Company. The system of internal control is designed in a manner to ensure achievement of Company's business objectives and operational efficiency, reliable financial reporting and compliance with various statutory laws.

Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company were observed between the end of the financial year of the Company to which the financial statements relate and the date of the report.

Outstanding Statutory Payments

All outstanding payments are normal and of routine nature.

Code of Corporate Governance

Company is cognizant of all requirements of Code of Corporate Governance and is complying with the same. A Review Report by external auditors on Statement of Compliance is annexed.

Corporate and Financial Reporting Statements

- The financial statements, prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon 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 listing regulations.

Six Years Review

Key operating and financial data and ratios of the company for the last six years are annexed.

Board and its Committees

The total number of directors is ten as per the following:

- Male: 9
- Female: 1

Category	Names
Independent Directors	Mr. Aamir Amin (NIT) Mr. Farooq Hassan Mr. Syed Nadeem Ali Kazmi
Other Non-Executive Directors	Mr. Muneer Nawaz - Chairman Mr. Toqueer Nawaz Mr. Muhammad Usman Khalid Mr. Abid Nawaz
Female Non-Executive Director	Mrs. Sadia Muhammad
Executive Directors	Mr. Muhammad Naeem Mr. Taqi Mohammad - Chief Executive

The Board has formed committees comprising of members as below:

a) Audit Committee

- Mr. Aamir Amin (Chairman)
- Mr. Muneer Nawaz
- Mr. Toqueer Nawaz
- Mr. Muhammad Usman Khalid
- Mrs. Sadia Muhammad

b) HR and Remuneration Committee

- Mr. Farooq Hassan (Chairman)
- Mr. Muneer Nawaz
- Mr. Muhammad Naeem
- Mr. Taqi Mohammad
- Mr. Abid Nawaz

Directors' Remuneration Policy

The Company does not pay remuneration to non-executive directors except fee for attending the meetings. However, the Company may repay to any director all such reasonable expenses as he/she may incur in attending meetings of the Board or of its committees or the General meeting or which he may otherwise incur in or about the business of the Company.

The remuneration of Chief executive, full time working directors or any other director for performing extra services is determined by the Board in accordance with the provision in the Company's Articles.

The information on remuneration of Directors and CEO during 2025-26 is disclosed in notes to the Financial Statements.

Pattern of Shareholding

The pattern of shareholding as on 30th June, 2026 listing the required details, is annexed.

Auditors

The Audit Committee of the Board has recommended the appointment of present Auditors, M/s. Yousuf Adil., Chartered Accountants, as Auditors of the Company for the year 2026-2027. Board agrees to this recommendation.

Sustainability Risks and Opportunities and Diversity, Equity and Inclusion (DE&I)

The Board is responsible for the governance and oversight of sustainability-related risks and opportunities, including environmental, social and governance considerations, and for ensuring appropriate measures for their management and mitigation.

During the year, the Company continued to consider sustainability-related matters relevant to its operations, including energy efficiency, reliance on energy resources, environmental compliance, occupational health and safety, resource utilisation and other operational and climate-related risks. The Company manages these matters through its existing operational controls, compliance procedures, energy-efficiency measures and monitoring of relevant regulatory requirements.

The Company has also continued its transition towards renewable energy through investment in solar power generation, which contributes towards reducing reliance on conventional energy sources and mitigating energy-related and environmental risks.

The Board has also considered diversity, equity and inclusion matters and is committed to providing equal opportunities in employment, maintaining a fair and inclusive workplace and complying with applicable laws and regulations relating to employees and workplace practices. The Company is in the process of further developing and formalising its sustainability and DE&I framework, including identification and assessment of material sustainability-related risks and opportunities, formulation of appropriate priorities and targets, and establishment of processes for periodic monitoring and reporting. The Board will continue to review these matters and take appropriate measures in line with the requirements of Regulation 10A of Code of Corporate Governance Regulations 2019.

Corporate Social Responsibility

The detailed report on Corporate Social Responsibility is annexed and form integral part of this report.

Corporate Briefing Session

In compliance with the listing regulations of the Pakistan Stock Exchange, Company arranges corporate briefing session annually to answer queries of the various stakeholders including investors and financial analysts. During the year, a Corporate Briefing Session of the Company was held on Monday, October 27, 2025, at 2:30 P.M through video conferencing to brief the investors/ analysts/shareholders about the financial performance and future outlook of the Company.

Appreciation

Directors acknowledge with thanks the hard work put in by all the employees of the Company.

for and on behalf of the Board of Directors


(Taqi Mohammad)
Chief Executive


(M. Naeem)
Director

Karachi: September 24, 2026

ڈائریکٹر مسرت کے ساتھ جون 2026 کو ختم ہونے والے مالی سال کے لئے کمپنی کی سینتیسویں سالانہ رپورٹ پیش کرتے ہیں۔

بنیادی کاروبار:

کمپنی کا بنیادی کاروبار ٹیکسٹائل مصنوعات کی پیداوار اور فروخت ہے۔

مالی حسابات اور امکانات:

اللہ کے فضل سے، مشکل مارکیٹ کی صورتحال کے باوجود، آپ کی کمپنی نے منافع بخش رہنے میں کامیابی حاصل کی ہے اور کمپنی کا بعد از ٹیکس منافع 191.489 ملین روپے رہا، یعنی 19.82 روپے فی حصہ بالمقابل 11.49 روپے فی حصہ جو گزشتہ سال رپورٹ ہوا تھا۔ اس مدت کے لیے نیٹ سیلز ریونیو پچھلے سال کی اس مدت کے مقابلے میں تقریباً 9.40 فیصد کم ہوا ہے۔ اور 6.620 بلین روپے سے گھٹ کر 5.997 بلین روپے ہو گیا ہے۔ تاہم، مجموعی منافع (GP) کی شرح نمایاں طور پر بہتر ہو کر سیلز کا 12.82 فیصد ہو گئی، جو کہ گزشتہ سال 9.78 فیصد تھی۔

نیٹ سیلز میں کمی اور مجموعی منافع (گراس پرافٹ) میں بہتری بنیادی طور پر کمپنی کی زیادہ توجہ بنائی کے آرڈرز کی جانب ہونے کی وجہ سے ہے، جس کے تحت گاہک خود دھاگا فراہم کرتے ہیں۔ چونکہ خام مال کی لاگت سیلز میں شامل نہیں ہوتی، اس لیے ان آرڈرز کے نتیجے میں سیلز ریونیو تو کم ہوتا ہے لیکن مجموعی منافع کا مارجن بڑھ جاتا ہے۔ ان آرڈرز کے لیے خام مال کی کم خریداری کی وجہ سے ورکنگ کیپٹل کی ضرورت بھی کم ہوتی ہے، جس سے مالیاتی لاگت (فائننس کاسٹ) اور کاروباری حجم پر لاگو ہونے والے کم از کم ٹیکس (ٹرن اوور بیسڈ منیم ٹیکس) میں کمی آتی ہے۔ اس کے علاوہ، کمپنی نے رواں سال 3.46 میگاواٹ شمسی توانائی کا اضافہ کر کے اپنی کل قابل تجدید توانائی کی صلاحیت کو 4.49 میگاواٹ تک بڑھا دیا، جس سے توانائی کی لاگت میں کمی آئی اور اضافی منافع کے حصول میں مدد ملی۔

مہنگائی کے دباؤ کے باعث اسمال انتظامی اخراجات (ایڈمنسٹریو ایکسپنسز) میں اضافہ ہوا۔ دیگر آپریٹنگ اخراجات میں نمایاں اضافہ ہوا، جس کی بنیادی وجہ سیلز ٹیکس کے پرانے زیر التوا/مسرد شدہ ریفرنڈ کلیمز کے خلاف کی جانے والی پروویژنز/رائٹ آفز ہیں، نیز کمپنی کے بڑھتے ہوئے منافع کے باعث ڈبلیو ڈبلیو ایف (WWF) اور ڈبلیو پی پی ایف (WPPF) کے اخراجات میں اضافہ ہے۔ محتاط مالیاتی انتظام اور کمپنی کی ویونگ آرڈرز پر زیادہ توجہ کی بدولت اسمال مالیاتی لاگت میں کمی آئی، کیونکہ خام مال کی کم خریداری کے باعث ورکنگ کیپٹل کی ضرورت کم رہی۔

بورڈ آف ڈائریکٹرز مشرق وسطیٰ کی جیو پولیٹیکل کشیدگی، بشمول امریکہ-ایران تنازع، کے پاکستان کی ٹیکسٹائل صنعت اور کمپنی پر ممکنہ منفی اثرات کو نمایاں کرنا چاہتا ہے۔ عالمی سطح پر تیل کی قیمتوں میں کسی بھی ممکنہ اضافے اور علاقائی تجارتی راستوں میں رکاوٹ کے باعث توانائی، مال برداری (فریٹ) اور خام مال کی لاگت میں اضافہ ہو سکتا ہے، جس سے منافع کے مارجن اور مجموعی مسابقتی صلاحیت پر دباؤ آ سکتا ہے۔ صنعت کو سپلائی چین میں تعطل اور بین الاقوامی سطح پر کم ہوتی ہوئی طلب کا بھی سامنا کرنا پڑ سکتا ہے، جس سے برآمدات کے حجم اور زرمبادلہ کی آمدن متاثر ہو سکتی ہے۔ کمپنی کے لیے، ان حالات کے نتیجے میں پیداواری لاگت میں اضافہ، ورکنگ کیپٹل کی ضروریات میں اضافہ اور ترسیل (شپمنٹس) میں ممکنہ تاخیر ہو سکتی ہے۔ انتظامیہ صورتحال کا باریک بینی سے جائزہ لے رہی ہے اور ممکنہ منفی اثرات کو کم کرنے اور آپریشنل کارکردگی کو برقرار رکھنے کے لیے ضروری اقدامات بشمول لاگت میں کمی (کاسٹ آپٹائزیشن) اور وسائل کا موثر استعمال کر رہی ہے۔

کمپنی ان تمام چیلنجز پر قابو پانے کے لیے پرعزم ہے اور آپریشنل صلاحیت، منافع اور ترقی کو برقرار رکھنے کے لیے تمام ممکنہ اقدامات جاری رکھے گی۔

ڈیویڈنڈ:

منافع میں حصص داران کو شریک کرنے کی غرض سے، ڈائریکٹرز نے اس سال 115 فیصد نقد ڈیویڈنڈ کی سفارش کی ہے۔ یہ ادائیگی سال 2025-2026 کے منافع بعد از ٹیکس کا 58 فیصد ہے۔ 60 ملین روپے کی رقم جزل ریزرو میں منتقل کرنے کی تجویز ہے۔



ڈائریکٹر ز رپورٹ برائے حصہ داران

بنیادی خطرات اور غیر یقینی صورتحال:-

کمپنی کو درج ذیل خطرات اور غیر یقینی صورتحال کا سامنا ہے۔

- خام مال کی قیمتوں میں اضافہ
- مقامی اور بین الاقوامی بازار میں طلب میں ردوبدل
- شرح تبادلہ میں ردوبدل
- توانائی کی دستیابی اور لاگت
- ٹیکس نیٹ کو بڑھانے کے لئے ٹیکس قوانین اور ضوابط میں تبدیلی کے باعث بازار کا متاثر ہونا

کمپنی ان خطرات کو ایک چیلنج کے طور پر لیتی ہے اور مالی کارکردگی پر ان خطرات کے ممکنہ منفی اثرات کو کم کرنے کی کوشش کرتی ہے۔

اندرونی مالیاتی نظام:

کمپنی میں ایک مضبوط اندرونی مالیاتی نظام قائم اور رائج ہے۔ یہ اندرونی مالیاتی نظام اس طرح ڈیزائن کیا گیا ہے کہ وہ کمپنی کے کاروباری مقاصد، عملی قابلیت، قابل اعتماد مالی رپورٹنگ اور مختلف حکومتی قوانین کی تعمیل کو یقینی بنائے۔

مادی تبدیلیاں اور وعدے:-

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے دوران کمپنی کی مالی حیثیت کو متاثر کرنے والی کسی اہم تبدیلیوں اور معاہدوں کا مشاہدہ نہیں کیا گیا۔

بقایا قانونی ادائیگی:

تمام بقایا جات معمول کے مطابق اور عام نوعیت کے ہیں۔

کمپنیوں کو چلانے کا طریقہ کار (کوڈ آف کارپوریٹ گورننس):-

کمپنی ان تمام ضروریات سے آگاہ ہے جو کمپنیوں کو چلانے کے طریقہ کار (کوڈ آف کارپوریٹ گورننس) میں مذکور ہیں اور ان کی پابندی کر رہی ہے۔ تعمیل کے تصدیقی بیان پر مشتمل بیرونی آڈیٹر کی طرف سے جاری کی گئی ایک جائزہ رپورٹ لف ہذا ہے۔

کارپوریٹ اور مالیاتی رپورٹس پر مشتمل بیانات:-

۱۔ انتظامیہ کی تیار کردہ یہ مالیاتی رپورٹس، آپریشنز کے نتائج، حصول زر اور استعمال نیز ایکویٹی میں ہونے والی تبدیلیوں کی درست عکاسی کرتی ہیں۔

ب۔ حسابی کتب مناسب طور پر رکھی گئی ہیں۔

پ۔ مالیاتی گوشواروں کی تیاری میں حسب سابق اکاؤنٹس کے درست اصولوں کو اختیار کیا گیا ہے اور حسابی اندازوں کی بنیاد معقول اور محتاط ہے۔

ت۔ حسابات کی تیاری میں ان بین الاقوامی معیاروں کی، جن کا نفاذ پاکستان میں ہو چکا ہے، پیروی کی گئی ہے اور کسی بھی انحراف کو واضح طور پر ظاہر کیا گیا ہے۔

ث۔ اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مضبوط (مستحکم) اور مؤثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی میں کی گئی ہے۔

ث۔ کمپنی کے چلتے رہنے کی صلاحیت ہر قسم کے شک و شبہ سے بالا ہے۔

ج۔ لسٹنگ ریگولیشنز میں درج کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں پر عمل درآمد میں کوئی قابل ذکر انحراف نہیں ہوا ہے۔

چھ سالہ جائزہ:-

گزشتہ چھ سال کے کلیدی آپریشننگ اور مالی اعداد و شمار اور نسبتوں کی تفصیل منسلک ہے۔

بورڈ آف ڈائریکٹر اور اس کی کمیٹیاں:-

ڈائریکٹر کی کل تعداد 10 ہے جن کی تفصیل درج ذیل ہے:

(1) مرد: 9 (ب) خواتین: 1

بورڈ کی ساخت درج ذیل ہے:

نام	اقسام / کیٹگری
جناب عامر امین (این آئی ٹی)	انڈسٹریل ڈائریکٹر / آزاد ڈائریکٹر
جناب فاروق حسن	
جناب سید ندیم علی کاظمی	
جناب منیر نواز	دیگر غیر انتظامی ڈائریکٹر
جناب توقیر نواز	
جناب محمد عثمان خالد	
جناب عابد نواز	
محترمہ سعدیہ محمد	خاتون غیر انتظامی ڈائریکٹر
جناب محمد نعیم	ایگزیکٹو ڈائریکٹر / انتظامی ڈائریکٹر
جناب تقی محمد	

بورڈ نے جو کمیٹیاں تشکیل دی ہوئی ہیں، ان کے ممبران درج ذیل ہیں:

الف) آڈٹ کمیٹی

جناب عامر امین (چئیرمین)

جناب منیر نواز

جناب توقیر نواز

جناب محمد عثمان خالد

محترمہ سعدیہ محمد

ب) ایچ آر اینڈ ریمونیشن کمیٹی

جناب فاروق حسن (چئیرمین)

جناب منیر نواز

جناب محمد نعیم

جناب تقی محمد

جناب عابد نواز

ڈائریکٹر ان کے معاوضہ کی پالیسی:-

کمپنی انتظامی معاملات میں شامل نہ ہونے والے ڈائریکٹر (نان ایگزیکٹو ڈائریکٹر) کو مینٹنگ میں شمولیت کی فیس کے علاوہ کسی قسم کی ادائیگی نہیں کرتی۔ البتہ کسی بھی ڈائریکٹر کو بورڈ یا اس کی کمیٹیوں یا عام اجلاس میں شرکت پر ہونے والے اخراجات کی ادائیگی کرتی ہے یا کسی ایسے خرچ کی جو وہ کمپنی کے کاروبار یا اس سے متعلق کریں۔

چیف ایگزیکٹو، فل ٹائم کام کرنے والے ڈائریکٹر یا کسی بھی دیگر ڈائریکٹر کی اضافی خدمات انجام دینے کے عوض معاوضہ / تنخواہ بورڈ آف ڈائریکٹر کے ذریعے کمپنی کے آرٹیکلز میں دی گئی شقوں کے مطابق طے کیا جاتا ہے۔

ڈائریکٹر ز اور چیف ایگزیکٹو کو دوران سال 2025-2026 میں دیئے جانے والے معاوضہ کے بارے میں تمام معلومات مالی بیانات کے نوٹس میں دے دی گئی ہیں۔



ڈائریکٹر رپورٹ برائے حصہ داران

حصہ داروں کی تفصیل (پیٹرن آف شیئر ہولڈرز):
مالی سال 30 جون 2026 کے اختتام پر قواعد کے مطابق درکار حصہ داران کی تفصیل منسلک ہے۔

آڈیٹر:-

بورڈ کی آڈٹ کمیٹی نے موجودہ آڈیٹر میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹ کی مالی سال 2026-2027 کے لئے بطور آڈیٹر تقرری کی سفارش کی ہے۔ بورڈ اس سفارش سے متفق ہے۔

پائیداری سے متعلق خطرات اور مواقع نیز تنوع، مساوات اور شمولیت (DE&I)

بورڈ پائیداری سے متعلق خطرات اور مواقع کی حکمرانی (گورننس) اور نگرانی کا ذمہ دار ہے، جس میں ماحولیاتی، سماجی اور انتظامی (ای ایس جی) پہلو شامل ہیں، نیز ان کے انتظام اور اثرات کو کم کرنے کے لیے مناسب اقدامات کو یقینی بنانا بھی بورڈ کی ذمہ داری ہے۔

رواں سال، کمپنی نے اپنے آپریشنز سے متعلق پائیداری کے امور پر غور جاری رکھا، جن میں توانائی کی بچت، توانائی کے وسائل پر انحصار، ماحولیاتی ضوابط کی پاسداری، پیشہ ورانہ صحت و سلامتی، وسائل کا استعمال اور دیگر آپریشنل و موسمیاتی خطرات شامل ہیں۔ کمپنی ان امور کو اپنے موجودہ آپریشنل کنٹرولز، تعمیلی طریقہ کار، توانائی کی بچت کے اقدامات اور متعلقہ قانونی و ریگولیٹری ضروریات کی نگرانی کے ذریعے منظم کرتی ہے۔

کمپنی نے شمسی توانائی (سولر پاور) میں سرمایہ کاری کے ذریعے قابل تجدید توانائی کی طرف اپنی منتقلی کو بھی جاری رکھا ہے، جو روایتی توانائی کے ذرائع پر انحصار کم کرنے اور توانائی و ماحول سے متعلق خطرات کو کم کرنے میں معاون ثابت ہوتی ہے۔

بورڈ نے تنوع، مساوات اور شمولیت (DE&I) کے امور پر بھی غور کیا ہے اور وہ روزگار میں مساوی مواقع فراہم کرنے، ایک منصفانہ و شمولیت پر مبنی کام کی جگہ قائم رکھنے، اور ملازمین و کام کی جگہ کے طریقوں سے متعلق تمام متعلقہ قوانین اور ضوابط کی پابندی کرنے کے لیے پرعزم ہے۔

کمپنی اپنے پائیداری اور DE&I کے فریم ورک کو مزید تیار اور باضابطہ بنانے کے عمل کو جاری رکھے ہوئے ہے، جس میں پائیداری سے متعلق اہم خطرات اور مواقع کی شناخت اور اندازہ لگانا، مناسب ترجیحات اور اہداف کا تعین، اور دورانیاتی نگرانی اور رپورٹنگ کا طریقہ کار قائم کرنا شامل ہے۔ بورڈ ان امور کا جائزہ جاری رکھے گا اور کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 کے ریگولیشن 10 A کی ضروریات کے مطابق مناسب اقدامات کرے گا۔

معاشرتی و سماجی ذمہ داریاں:-

معاشرتی و سماجی ذمہ داری سے متعلق مفصل رپورٹ منسلک ہے اور اس رپورٹ کا لازمی جزو ہے۔

کارپوریٹ بریفنگ سیشن

پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کی تعمیل میں، کمپنی سرمایہ کاروں اور مالیاتی تجزیہ کاروں سمیت مختلف اسٹیک ہولڈرز کے سوالات کے جوابات دینے کے لیے سالانہ کارپوریٹ بریفنگ سیشن کا اہتمام کرتی ہے۔ سرمایہ کاروں / تجزیہ کاروں / حصص داروں کو کمپنی کی مالیاتی کارکردگی اور مستقبل کے امکانات کے بارے میں بریفنگ دینے کے لیے دوران سال کمپنی کا ایک کارپوریٹ بریفنگ سیشن پیر، 27 اکتوبر 2025 کو دوپہر 2:30 بجے ویڈیو کانفرنسنگ کے ذریعے منعقد کیا گیا تھا۔

حوصلہ افزائی:

ڈائریکٹر کمپنی کے تمام ملازمین کی انتھک محنت کا شکر گزاری کے ساتھ اعتراف کرتے ہیں۔

برائے اور از طرف بورڈ آف ڈائریکٹرز

/ Nam Tawhida

(ایم۔ نعیم)

ڈائریکٹر

(تقی محمد)

چیف ایگزیکٹو افسر

کراچی 24 ستمبر 2026

In recognition of its social responsibility, Company is regularly contributing reasonably in the interests of its clients, suppliers, employees and environment.

Clients

At STL, we are committed to quality, excellence and customer satisfaction. In order to improve the quality of service, we ensure to meet the expectations of our customers and their complete satisfaction. The STL Quality Management Program includes surveys and audit process conducted regularly both internally and through external companies.

Suppliers

We work and collaborate with leading industry suppliers that meet a code of ethics and respect for the environment. We strive to provide equal opportunities and encourage the purchase of local and national products, always under strict environmental control of raw materials. For each one of them and for the most important products, we ask for the appropriate technical specification.

The products we use are mostly of recognized brands, companies committed to the environment and immersed in Quality Policy and recognized Certifications like ISO, etc.

Environment& Society

At STL, we work to contribute to sustainable development and protect the natural resources of our environment. We promote awareness, training and dissemination of good environmental practices among our customers, suppliers and employees. The goal is to instill a sense of energy and water savings. We have been successful in a way that this activity is also carried into the homes of our employees.

Saving natural resources, water and energy.

- Monitoring of waste control and efficient use of water and energy.
- Turning off lights, fans, closing refrigerators, air conditioners or other electronic equipments when not in use.
- Use of energy saving lamps, lighting using white light energy-saving bulbs and energy-saving LED systems.

Severe energy crisis in our country is not only adversely impacting the national economy but also is a matter of depression for general public as long hours of load shedding of electricity has disturbed peaceful lives of the citizens. STL has shared national burden by investing millions of Rupees in the power generation facilities through gas generators.

At STL, we always ensure to be a responsible corporate citizen and assist government through timely deposit of taxes and other duties in government treasury.

Employees

At STL, we value people. We believe and work for them. We know that the foundation of our company is its human capital. This is why measures are taken to ensure the motivation and involvement of our employees.

Our system of recruitment, hiring, compensation, professional development, participation ensures equal opportunities and non-discrimination. We ensure the basic measures of health, safety and risk prevention, in addition to implementing the measures necessary to ensure good working atmosphere. We provide tools that foster transparent and bidirectional communication.

Few of the initiatives that have been undertaken in this regard are as follow:

- To offer market-based remuneration packages and bonuses to employees to motivate and acknowledge their valuable services.
- Provision of family and single accommodation to most of the employees in the colony of the Company.
- Provision of food on subsidized rates to all regular employees of the Company.
- Training of employees for firefighting equipment, first aid procedures and evacuation drills.

Name of the Company: Shahtaj Textile 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:

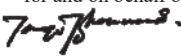
1. The total number of directors are ten as per the following:
 - (a) Male: Nine
 - (b) Female: One
2. The composition of the Board of Directors (the Board) is as follows:

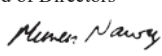
Category	Names
Independent directors	Mr. Farooq Hassan
	Mr. Aamir Amin
	Mr. Syed Nadeem Ali Kazmi
Non-executive directors	Mr. Muneer Nawaz
	Mr. Toqueer Nawaz
	Mr. Muhammad Usman Khalid
	Mr. Abid Nawaz
	Mrs. Sadia Muhammad
Executive directors	Mr. Muhammad Naeem
	Mr. Taqi Muhammad - Chief Executive Officer
	Mrs. Sadia Muhammad
Female non-executive director	Mrs. Sadia Muhammad

- * The Company has three independent directors out of ten directors. Fractional requirement for independent directors have not been rounded up as all independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a fourth independent director.
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
 4. The Company has prepared a Code of Conduct and has ensured that appropriate steps has been taken to disseminate it throughout the company along with supporting policies and procedures;
 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and 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 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. Out of ten directors of the Company, two are exempt from director's training program based on their education and experience. Seven other directors have already completed the Director's Training Program. The Company, however, intends to facilitate further training for the remaining one Director in near future..
 10. The Board has approved appointment of chief financial officer, Company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
 11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
 12. The Board has formed committees comprising of members given below:
 - a. Audit Committee
Ms. Aamir Amin – Chairman
Mr. Muneer Nawaz
Mr. Toqueer Nawaz
Mr. Muhammad Usman Khalid
Mrs. Sadia Muhammad
 - b. Human Resource and Remuneration Committee
Mr. Farooq Hassan – Chairman
Mr. Muneer Nawaz
Mr. Mohammad Naeem
Mr. Taqi Mohammad
Mr. Abid Nawaz
 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
 14. The frequency of meetings of the aforesaid committees were as per following:
 - a) Audit Committee: 4 quarterly meetings during the financial year ended June 30, 2026.
 - b) Human Resource and Remuneration Committee: One meeting was held during the financial year ended June 30, 2026;
 15. The Board has set up an effective internal audit function experienced for the purpose and are conversant with the policies and procedures of the Company.
 16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
 18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with subject to below explanation;
 19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Non-Mandatory Requirement	Explanation	Reg. No.
1	Sustainability Risks and opportunities and Diversity, Equity and Inclusion (DE&I) The Board has been made responsible to consider Sustainability risks and opportunities and make policies to promote DE&I and make strategies, priorities and targets to create long term corporate value. The board is also required to periodically review and monitor and disclose the assessment of risks and disclose measures taken. The board may establish a dedicated sustainability committee.	The Board is committed to diligently overseeing and addressing sustainability risks and opportunities as laid down in Regulation 10A of the Code introduced by the SECP. The Board is in process to meet the requirements.	10A
2	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The Board has not formed the 'Nomination Committee' as responsibilities of this committee are being taken care at the Board level as and when required. Therefore, a need for the separate formation of this committee does not exist.	29
3	Risk Management Committee The Board may constitute the risk management committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not formed the 'Risk Management Committee' as responsibilities of this committee are being taken care at the Board level as and when required. Therefore, a need for the separate formation of this committee does not exist.	30
4	Directors' Training Program It is encouraged that all the directors on their Boards have acquired the prescribed certification under any director training program. Further, it is encouraged to arrange DTP for head of departments and female executives every year.	Out of ten directors, only one director has not attended the DTP. The Company's management remains committed to upholding the requirements of the Director's Training Program with sincerity and humility for remaining one director and other head of departments. Moreover, no female executive are employed by the Company.	19.1 and 19.3
5	Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Since the posting of major policies on the website is voluntary, future developments may consider this requirement's compliance if needed.	35

for and on behalf of the Board of Directors


(Taqi Mohammad)
Chief Executive


(Muneer Nawaz)
Chairman

TO THE MEMBERS OF SHAHTAJ TEXTILE LIMITED

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

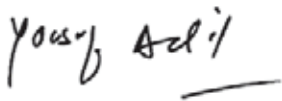
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Shahtaj Textile Limited (the Company) for the year ended June 30, 2026 in accordance with the requirements of Regulation 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.



Chartered Accountants

Karachi: October 01, 2026

UDIN: CR202610186dl2iAps0w

2025-2026 2024-2025 2024-2023 2023-2022 2022-2021 2021-2020

All figures are in Million Rupees other than where percentages and ratio sign appear.

Ratios

PROFIT AND LOSS ACCOUNT

Net turnover	5997.268	6,619.681	7953.428	8085.182	7455.486	4937.494
Gross Profit	768.931	647.734	673.309	640.937	732.981	550.265
Operating Profit	412.493	389.067	406.482	451.497	488.181	334.952
Profit before tax	279.303	199.759	88.477	237.155	401.726	287.541
Profit after tax	191.489	110.983	27.192	153.018	300.049	216.959
Earning per share (Rs.)	19.82	11.49	2.81	15.84	31.06	22.46
Cash dividend	115%	55%	10%	65%	130%	115%
Dividend payment ratio	58.02%	47.87%	35.59%	41.03%	41.85%	51.2%
Cash distribution per share in Rupees	11.50	5.50	1.00	6.50	13.00	11.50

BALANCE SHEET

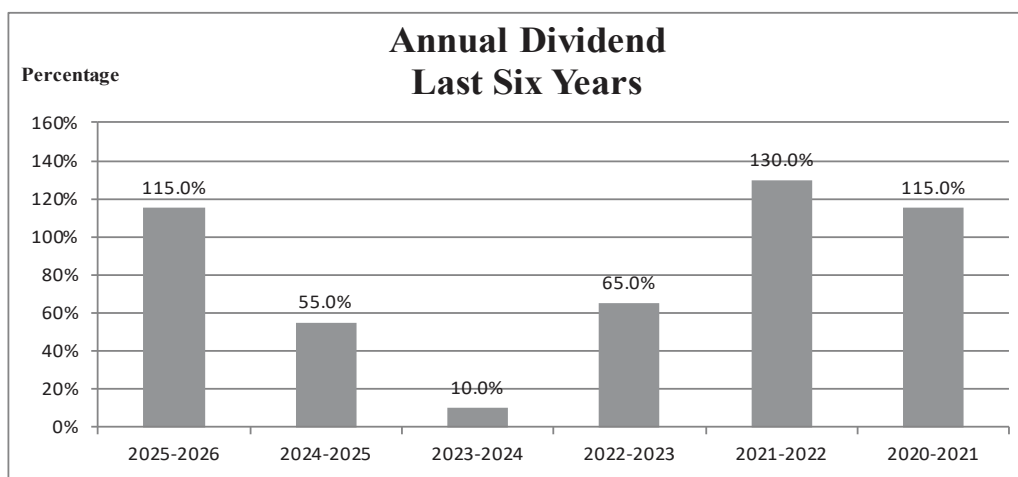
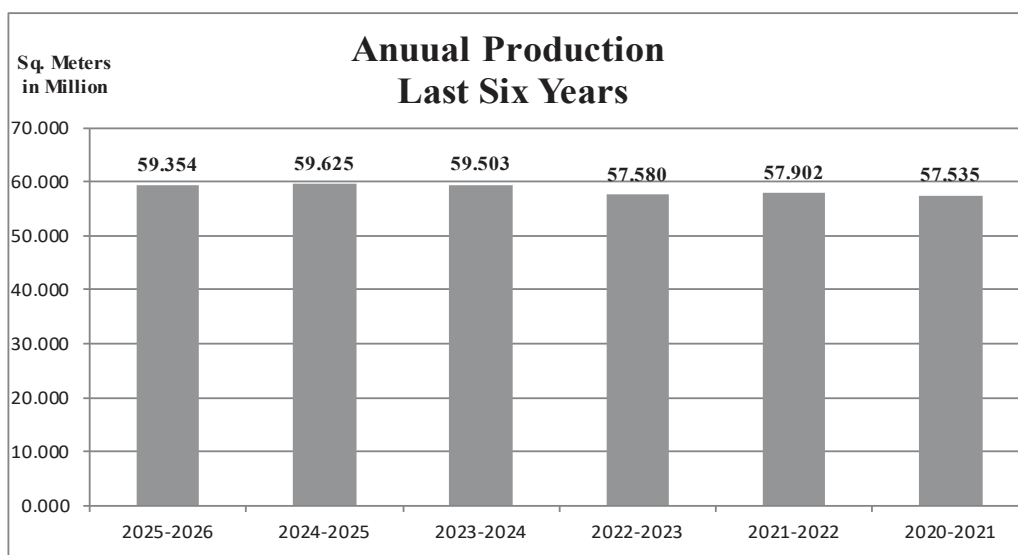
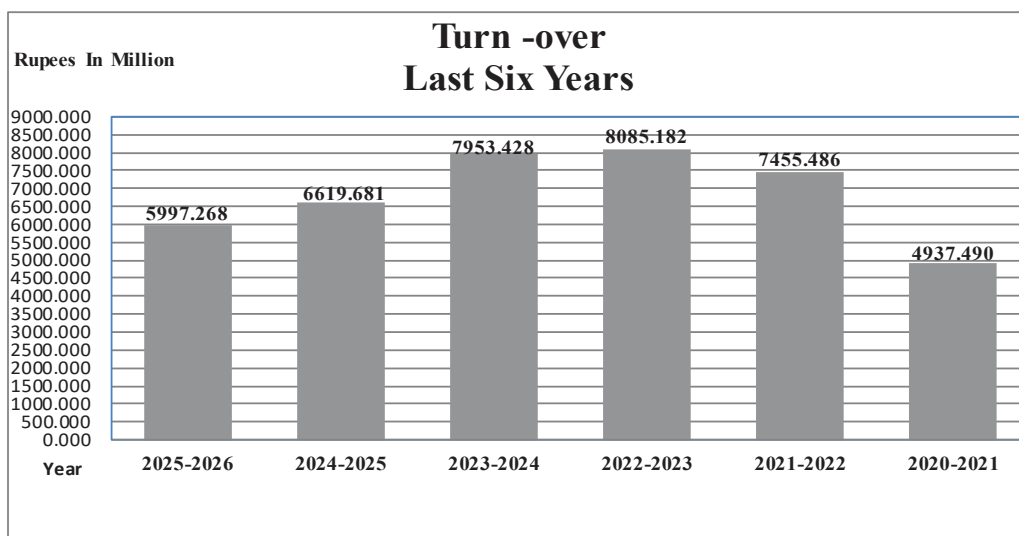
Shareholder funds	96.600	96.600	96.600	96.600	96.600	96.600
Reserves	1820.548	1610.67	1489.82	1493.776	1449.659	1228.449
Surplus on revaluation of plant & machinery	593.668	662.664	205.822	197.980	220.081	258.368
Property plant and equipment	2266.99	2193.843	1862.143	1632.173	1706.679	1409.436
Long term finance	425.518	569.228	714.003	870.496	958.625	569.753
Net current assets / liabilities	770.503	832.226	712.775	1160.199	1117.642	868.866

INVESTOR INFORMATION

Gross profit ratio	12.82%	9.78%	8.47%	7.93%	9.83%	11.14%
Profit before tax ratio	4.66%	3.02%	1.11%	2.93%	5.39%	5.82%
Return on equity	7.85%	5.33%	1.52%	8.61%	17.91%	15.61%
Long term debt to equity ratio	17%	24%	28%	49%	54%	36%
Current ratio	1.51	1.58	1.39	1.61	1.55	1.83
Interest cover ratio	3.10	2.05	1.28	2.11	5.65	7.06

STATEMENT OF VALUE ADDITION

Employees remuneration	560.697	555.661	468.892	422.211	371.495	335.083
Government as taxes	994.998	1109.352	1295.017	1215.611	1147.006	778.615
Shareholders as dividend	111.090	53.130	9.660	62.790	125.580	111.09
Retained with in business	80.399	57.800	17.522	90.228	174.469	105.87
Financial charges to providers of finance	133.190	189.308	318.005	214.342	86.455	47.411



Pattern of shares held by shareholders AS AT JUNE 30, 2026 is as under:

SERIAL NUMBER	NUMBER OF SHARE HOLDERS	S H A R E H O L D I N G S			TOTAL SHARES HELD
1	413	1	-	100	12,322
2	153	101	-	500	53,127
3	495	501	-	1,000	288,183
4	70	1,001	-	5,000	154,906
5	8	5,001	-	10,000	55,239
6	5	10,001	-	15,000	61,964
7	4	15,001	-	20,000	70,825
8	3	20,001	-	25,000	71,600
9	1	25,001	-	30,000	26,069
10	1	30,001	-	35,000	32,100
11	2	35,001	-	40,000	74,225
12	4	40,001	-	45,000	166,693
13	3	45,001	-	50,000	149,500
14	2	50,001	-	55,000	104,100
15	1	75,001	-	80,000	75,912
16	1	105,001	-	110,000	107,743
17	2	110,001	-	115,000	227,500
18	1	115,001	-	120,000	118,000
19	1	145,001	-	150,000	149,585
20	1	175,001	-	180,000	177,872
21	1	195,001	-	200,000	199,500
22	1	235,001	-	240,000	239,655
23	1	270,001	-	275,000	271,584
24	1	290,001	-	295,000	294,821
25	1	295,001	-	300,000	300,000
26	1	310,001	-	315,000	311,904
27	1	320,001	-	325,000	320,964
28	1	345,001	-	350,000	350,000
29	1	350,001	-	355,000	352,243
30	1	395,001	-	400,000	396,750
31	1	475,001	-	480,000	475,726
32	1	555,001	-	560,000	555,200
33	1	590,001	-	595,000	591,736
34	1	830,001	-	835,000	834,670
35	1	835,001	-	340,000	837,782
36	1	1,145,001	-	1,150,000	1,150,000
	1,187		-		9,660,000

The slabs with nil olding have been ommitted.

SHARE HOLDER'S CATEGORY

	Number of Share Held	Percentage of shareholding
(i) Directors, Chief Executive Officer, and their spouse(s) and minor children (name wise details);		
1 Mr. Muneer Nawaz (Chairman)	591,736	
Mrs. Abida Muneer Nawaz (Wife)	396,750	
2 Mr. M. Naeem	662,943	
Mrs. Amtul Bari Naeem (Wife)	835,670	
3 Mr. Taqi Mohammad (CEO)	500	
4 Mrs. Sadia Muhammad (Wife)	302,500	
5 Mr. Abid Nawaz	177,872	
6 Mr. Toqueer Nawaz	374,964	
7 Mr. Muhammad Usman Khalid	280,005	
8 Mr. Farooq Hassan	500	
9 Mr. Syed Nadeem Ali Kazmi	500	
	3,623,940	37.51%
(ii) Associated Companies, undertaking & related parties (name wise details);		
Shahtaj Sugar Mills Limited	1,150,000	
Shahnawaz (Private) Limited	350,000	
	1,500,000	15.53%
(iii) NIT and ICP		
CDC-Trustee National Investment (Unit) Trust (Represented on Board of Directors)	475,726 475,726	4.92%
(iv) Banks, Development Finance Institutions, Non Banking Financial Institution	15,342	0.16%
(v) Insurance Companies	-	-
(vi) Modarabas and Mutual Funds	-	-
(vii) General Public		
Local	3,994,967	
Foreign	-	
	3,994,967	41.36%
(viii) Others		
Joint Stock Companies	5,006	
Provident / Pension Funds and Miscellaneous	45,019	
	50,025	0.52%
	9,660,000	100.00%
Shareholder holding 10% or more voting rights in the listed company (name wise details);		
Shahtaj Sugar Mills Limited	1,150,000	11.90%
	1,150,000	11.90%

TO THE MEMBERS OF SHAHTAJ TEXTILE LIMITED
Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How our audit addressed the key audit matter
Revenue recognition from contract with consumers	
The Company is engaged in manufacturing and sales of textile goods. Revenue recognition policy has been explained in note 3.11 to the financial statements, and the related amounts of revenue recognized during the year are disclosed in note 25 to the financial statements. The Company's revenue for the year ended June 30, 2026 was Rs. 5,997 million. The Company generates revenue by exporting and selling locally.	Our audit procedures to address the revenue recognition amongst others included the following: - Assessed the appropriateness of revenue recognition policy and compared it with the applicable accounting and reporting standards; - Obtained an understanding, assessed the design and implementation of controls established for recognition of revenue;

Key audit matter	How our audit addressed the key audit matter
We considered revenue recognition as key audit matter as it is one of the key performance indicators of the Company. In addition, given the volume and timing of transactions, the correct application of the point of revenue recognition for export sales, and the occurrence and recognition of revenue in the correct accounting period, were considered significant risks and an area of significant audit effort.	Inspected on sample basis relevant supporting documents (sales contracts, delivery challans / bill of lading, invoices) for ensuring that management has complied with the revenue recognition criteria as per the accounting policy and recorded in correct accounting period.

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 of the Company for the year ended June 30, 2026, 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 not received such information yet.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

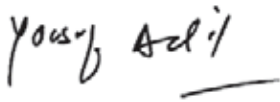
Based on our audit, we further report that in our opinion:

- 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 Shafqat Ali.



Chartered Accountants

Place: Karachi

Date: October 01, 2026

UDIN: AR202610186pXLB8EIFG

		June 30, 2026	June 30, 2025			June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----			Note	----- (Rupees in '000) -----	
EQUITY AND LIABILITIES				ASSETS			
Share capital and reserves				Non-current assets			
Share capital	4	96,600	96,600	Property, plant and equipment	13	2,266,990	2,193,843
Revenue reserves	5	1,820,548	1,610,670	Long-term loans	14	-	489
Surplus on revaluation of plant and machinery	5	593,668	662,664	Long-term deposits	15	35,762	35,757
Total equity		2,510,816	2,369,934			2,302,752	2,230,089
LIABILITIES				Current assets			
Non-current liabilities				Stores, spares and loose tools	16	70,179	96,571
Long-term finance	6	425,518	569,228	Stock-in-trade	17	1,265,148	1,037,549
Employee retirement benefits	7	136,921	123,153	Trade debts	18	618,033	872,819
		562,439	692,381	Loans and advances	19	9,614	15,162
Current liabilities				Trade deposits and prepayments	20	3,275	2,586
Trade and other payables	8	884,367	786,620	Taxation - net	21	94,789	71,433
Contract liability - advance from customers	9	27,851	21,578	Other receivables	22	6,196	6,062
Unclaimed dividend		42,618	41,026	Short term investment	23	51,013	51,013
Interest accrued	10	13,359	13,666	Sales tax refundable		104,159	81,931
Short-term borrowings	11	407,264	426,356	Cash and bank balances	24	67,266	30,056
Current portion of long-term finance	6	143,710	143,710			2,289,672	2,265,182
		1,519,169	1,432,956				
Contingencies and Commitments							
							</

The annexed notes from 1 to 48 form an integral part of these financial statements.

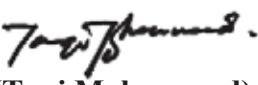

(Taqi Mohammad)
Chief Executive


(Amir Ahmed)
Chief Financial Officer

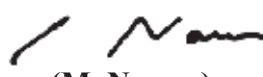

(M. Naeem)
Director

		June 30, 2026	June 30, 2025
	Note	(Rupees in '000)	
Revenue from contract with customers - net	25	5,997,268	6,619,681
Cost of goods sold		(5,228,337)	(5,971,947)
Gross profit	26	768,931	647,734
Distribution expenses	27	(107,441)	(108,088)
Administrative expenses	28	(193,304)	(178,156)
Other operating expenses	29	(71,680)	(16,203)
Finance cost	30	(133,190)	(189,308)
		(505,615)	(491,755)
		263,316	155,979
Other income	31	15,987	43,780
Profit before levies and taxation		279,303	199,759
Levies	32	(87,814)	(88,776)
Profit before taxation		191,489	110,983
Taxation	32	-	-
Profit for the year		191,489	110,983
		Rupees	
Earnings per share - basic and diluted	33	19.82	11.49

The annexed notes from 1 to 48 form an integral part of these financial statements.


(Taqi Mohammad)
Chief Executive


(Amir Ahmed)
Chief Financial Officer


(M. Naeem)
Director

	Note	June 30, 2026 (Rupees in '000)	June 30, 2025
Profit for the year		191,489	110,983
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Surplus on revaluation of plant and machinery		-	477,577
Gain / (loss) on remeasurement of defined benefit obligation		2,523	(1,208)
Other comprehensive income for the year	7.5	2,523	476,369
Total comprehensive income for the year		194,012	587,352

The annexed notes from 1 to 48 form an integral part of these financial statements.


(Taqi Mohammad)
Chief Executive


(Amir Ahmed)
Chief Financial Officer


(M. Naeem)
Director

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		191,489	110,983
Adjustments for:			
Depreciation	13.2	228,220	184,084
Finance cost	30	133,190	189,308
Gain on disposal of property, plant and equipment	31	(7,265)	(3,945)
Provision for leave encashment	8.4	8,101	7,275
Unrealised exchange loss / (gain)	29.1	3,538	(13,423)
Provision for gratuity	7.3	35,842	35,889
Sales tax refundable written off	29	29,675	-
Sales tax refundable provision	29	8,447	-
Stores and spares written off	29	2,200	1,140
Equipment written off	29	170	-
Interest income	31	(6,133)	(6,660)
Levies	32	87,814	88,776
Operating cash flows before movements in working capital		715,288	593,427
(Increase) / decrease in current assets			
Stores, spares and loose tools		24,192	(32,265)
Stock-in-trade		(227,599)	74,753
Trade debts		251,703	207,598
Loans and advances		5,548	1,856
Trade deposits and prepayments		(689)	519
Other receivables		(84)	154
Sales tax refundable		(60,350)	77,985
		(7,279)	330,600
(Decrease) / increase in current liabilities			
Trade and other payables		97,224	(46,600)
Contract liability - advance from customers		6,273	(4,923)
		103,497	(51,523)
Cash generated from operations		811,506	872,504
Gratuity paid	7.1	(19,551)	(17,311)
Leave encashment paid	8.4	(7,578)	(6,526)
Finance cost paid		(133,497)	(225,857)
Income taxes and levies paid		(111,170)	(110,597)
Net cash generated from operating activities		539,711	512,213
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(313,153)	(39,900)
Proceeds from disposal of property, plant and equipment		18,881	5,638
Long-term deposits		(5)	(1,323)
Long-term loans		489	(229)
Interest received during the year		6,083	7,262
Investment made during the year		-	(13,013)
Net cash used in investing activities		(287,705)	(41,565)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long-term finance		(143,710)	(142,645)
Short term borrowings obtained/ (paid) - net		115,025	(128,687)
Dividend paid		(51,538)	(9,052)
Net cash used in financing activities		(80,223)	(280,384)
Net increase in cash and cash equivalents		171,783	190,264
Cash and cash equivalents at the beginning of the year		(339,566)	(530,089)
Unrealised exchange (loss) / gain on cash and cash equivalent		(456)	259
Cash and cash equivalents at the end of the year		(168,239)	(339,566)

The annexed notes from 1 to 48 form an integral part of these financial statements.


(Taqi Mohammad)
 Chief Executive


(Amir Ahmed)
 Chief Financial Officer


(M. Naeem)
 Director

	Issued, Subscribed and Paid up Capital	Revenue reserve		Capital reserve	Total
		General	Unappropriated profit	Surplus on revaluation of plant and machinery	
		(Rupees in '000)			
Balance as at July 01, 2024	96,600	1,135,000	354,820	205,822	1,792,242
Total comprehensive income for the year ended June 30, 2025					
Profit for the year	-	-	110,983	-	110,983
Other comprehensive income	-	-	(1,208)	477,577	476,369
	-	-	109,775	477,577	587,352
Transferred from surplus on revaluation of plant and machinery on account of:					
- incremental depreciation	-	-	20,575	(20,575)	-
- disposal	-	-	160	(160)	-
Transferred to general reserve	-	15,000	(15,000)	-	-
Transactions with owners					
Final dividend for the year ended June 30, 2024 @ Rs. 1.00 per share	-	-	(9,660)	-	(9,660)
Balance as at June 30, 2025	96,600	1,150,000	460,670	662,664	2,369,934
Total comprehensive income for the year ended June 30, 2026					
Profit for the year	-	-	191,489	-	191,489
Other comprehensive income	-	-	2,523	-	2,523
	-	-	194,012	-	194,012
Transferred from surplus on revaluation of plant and machinery on account of:					
- incremental depreciation	-	-	66,147	(66,147)	-
- disposal	-	-	2,849	(2,849)	-
Transferred to general reserve	-	40,000	(40,000)	-	-
Transactions with owners					
Final dividend for the year ended June 30, 2025 @ Rs. 5.50 per share	-	-	(53,130)	-	(53,130)
Balance as at June 30, 2026	96,600	1,190,000	630,548	593,668	2,510,816

The annexed notes from 1 to 48 form an integral part of these financial statements.


(Taqi Mohammad)
Chief Executive


(Amir Ahmed)
Chief Financial Officer


(M. Naeem)
Director

1 STATUS AND NATURE OF BUSINESS

Shahtaj Textile Limited (the Company) is limited by shares, incorporated in Pakistan on January 24, 1990 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public limited Company. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The principal business of the Company is manufacture and sale of textile goods.

Following are the geographical locations and addresses of the Company:

Head Office

Shahnawaz Building, 19 - Dockyard Road, West Wharf, Karachi, Sindh, Pakistan.

Manufacturing Facility/Plant

46 KM, Lahore/Multan Road, Chunian Industrial Estate, Bhai Pheru, Distt. Kasur, Punjab, Pakistan.

Registered Office

27-C, Abdalian Cooperative Housing Society Limited, Opposite Expo Center, Lahore, Pakistan.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

These financial statements have been prepared on historical cost basis modified by:

- revaluation of plant and machinery; and
- obligation under defined benefit plan at net present value.

2.3 Presentation and functional currency

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

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Provision for gratuity (notes 3.7 and 7)

- Provision for levies and taxation (notes 3.12, 3.13 and 32);
- Contingencies and commitments (notes 12)
- Useful lives and residual values of property, plant and equipment (notes 3.1 and 13.1)
- Revaluation of plant and machinery (notes 3.1 and 13.1)
- Net realizable value of stores, spares and loose tools (notes 3.2 and 16) and stock in trade (notes 3.3 and 17) ;
- Impairment of financial assets (notes 3.5.4 and 18)
- Impairment of non financial assets (notes 3.20)

2.5 NEW ACCOUNTING STANDARD AND AMENDMENTS TO PUBLISHED ACCOUNTING STANDARDS

2.5.1 Amendments that are effective for the year ended June 30, 2026

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability is effective for the year ended June 30, 2026. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

2.5.2 New standards and amendments to IFRS that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. Standards 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 except those mentioned in note 2.5.3.

	Effective from accounting period beginning on or after
- IFRS 17 – 'Insurance Contracts' (including the amendments made in June 2020 and December 2021)	January 01, 2027
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments; Disclosures' - Classification and measurement of financial instruments	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments; Disclosures' - Regarding power purchase arrangements	January 01, 2026
- IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
- IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

2.5.3 IFRS 18 'Presentation and Disclosure in Financial Statements', issued by the IASB and replaces IAS 1 'Presentation of Financial Statements'. The standard introduces significant changes to the presentation of financial information as follows:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

2.5.4 Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Property, plant and equipment

Property, plant and equipment, except plant and machinery, are stated at cost less accumulated depreciation and impairment loss, if any.

Plant and machinery is stated at revalued amount, being the fair value at the date of revaluation, less subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the reporting date. At the date of revaluation, the gross carrying amount of plant and machinery is restated proportionately to the change in the carrying amount, with accumulated depreciation adjusted accordingly after considering any impairment losses.. Any revaluation increase arising on the revaluation of such assets is recognised, net of tax, in statement of comprehensive income and presented as a separate component of equity as "Revaluation surplus on plant and machinery" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognised in statement of profit or loss, in which case the increase is first recognised in statement of profit or loss to the extent of the decrease previously charged. Any decreases that reverse previous increases of the same asset are first recognised in statement of comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to statement of profit or loss. The revaluation reserve is not available for distribution to the Company's shareholders. The Company has adopted the following accounting treatment of depreciation on revalued assets.

- a) depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the statement of profit or loss; and
- b) an amount equal to incremental depreciation for the year net of deferred tax is transferred from "Surplus on revaluation of plant and machinery" to unappropriated profits through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rate specified in note 12.1, whereby the cost of the asset is written over its useful life. Depreciation on all additions in property, plant and equipment is charged from the month in which the asset is available for use and on disposals up to the month preceding the month of disposal.

Assets' residual values, if significant, and their useful lives are reviewed and adjusted, if appropriate, at each reporting date.

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. All other repairs and maintenance are charged to statement of profit or loss during the financial year in which they are incurred.

An item of operating fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on derecognition of the assets (calculated as difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing cost, if applicable). Transfers are made to relevant asset category as and when assets are available for intended use.

3.2 Stores, spares and loose tools

These are valued at lower of cost and net realizable value, determined on moving average basis. The carrying value is adjusted for allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon unto reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost to be incurred for its sale.

The Company writes off stores and spares which at the end of the financial year have remained in stocks from the date of purchase for a period as prescribed under:

Stores general held over 5 years

Spares held over 10 years

The above write off is charged to statement of profit or loss in the period such items are written off.

3.3 Stock-in-trade

These are valued at lower of cost and net realizable value. Methods used for determining costs are as follows:

Raw material and packing	On moving average basis
Work-in-process	Average manufacturing cost
Finished goods	Average manufacturing cost

Raw material-in-transit and finished goods-in-transit are valued at cost comprising of cost and freight value plus other charges incurred thereon up to the reporting date.

Average cost in relation to work-in-process and finished goods signifies average manufacturing cost including a portion of related direct overheads.

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

The Company writes off raw material which at close of the financial year have remained in stocks for more than 3 years from the date of purchase. The write off is charged to statement of profit or loss in the period such stocks are held for more than 3 years.

3.4 Trade debts, loans, deposits and other receivables

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss (refer note 3.5.4).

3.5 Financial instruments

3.5.1 Classification of financial assets

The Company classifies its financial assets into following three categories:

- At amortized cost ("AC");
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 2) 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.

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

Financial assets at FVOC

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) 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, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognised in statement of profit or loss. This election is made on an investment-by-investment basis.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI.

Financial assets at FVTPL

All other financial assets are classified at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, 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.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

3.5.2 Recognition and initial measurement of financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of assets and liabilities when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit or loss.

3.5.3 Subsequent measurement of financial assets
Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured at amortised cost. Amortised cost is calculated using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Financial assets at FVOCI

All financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in statement of other comprehensive income.

For debt instruments classified as financial assets at FVOCI, the amounts in statement of other comprehensive income are reclassified to statement of profit or loss on derecognition of financial assets. This treatment is in contrast to equity instruments classified as financial assets at FVOCI, where there is no reclassification on derecognition.

Financial assets at FVTPL

All financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the statement of profit or loss.

3.5.4 Impairment

Impairment of financial assets

Under expected credit loss (ECL) model of IFRS 9, the Company recognises loss allowances for ECLs on financial assets other than debt securities. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

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

3.5.5 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

3.5.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

3.5.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

3.6 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments and short-term running finance under mark-up arrangements.

3.7 Defined benefit plan - staff gratuity

The Company operates an unfunded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined under the scheme. Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation. The valuation is carried out using the "Project Unit Credit Method" at each reporting period. The most recent valuation of the scheme was carried out as at June 30, 2025.

All actuarial gains and losses are recognized in 'statement of other comprehensive income'. Current service costs and any past service costs together with net interest cost are charged to statement of profit or loss.

3.8 Compensated absences

The Company provides for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned.

3.9 Trade and other payabl

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised cost.

3.10 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation 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 of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.11 Revenue recognition

The Company manufactures and contracts with customers for the sale of greige fabric which generally include single performance obligation. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the asset is transferred to the customer, which is when the goods are dispatched to the customer in case of local sales and date of bill of lading in case of export sales.

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the applicable effective interest rate.

Export rebate is recognized on accrual basis at the time of recognizing export sale.

Gain / (loss) on sale of fixed assets is recognized when the ownership is transferred to the buyer.

3.12 Levies

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

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

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

i. Revenue taxes

Revenue taxes includes amount representing :

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

taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

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

The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'.

ii. Final Taxes

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

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

3.13 Taxation

i. Current

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

ii. Deferred

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

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at average tax rate that are expected to apply to the period when the asset is realised or the liability is settled.

3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of the respective assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

3.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added in the carrying amount of the borrowing.

3.16 Dividend and appropriation to/ from reserves

Dividend distribution to the Company's shareholders and appropriation to/ from reserves are recognized as a liability in the financial statements in the period in which these are approved by the appropriate authority.

3.17 Foreign currency transactions and translation

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated into reporting currency equivalents using foreign currency rates ruling on the reporting date. Exchange differences on foreign currency transactions and translation are included in the statement of profit or loss.

3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Company considers the Board of Directors as the CODM, who is responsible for allocating resources and assessing performance of the operating segments. Management has determined that the Company has a single reportable segment, as the Board of Directors views the Company's operations as one reportable segment because of the similarity in nature of the products, nature of the production processes, type or class of customers for the products and the methods used to distribute the products.

3.20 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

3.21 Contract liabilities

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

4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2026	2025		Note	2026	2025
Number of shares				----- (Rupees in '000) -----	
10,000,000	10,000,000	Authorised capital		100,000	100,000
		Ordinary shares of Rs. 10 each			
		Issued, subscribed and paid-up capital			
		Ordinary shares of Rs.10 each			
8,400,000	8,400,000	- fully paid in cash		84,000	84,000
1,260,000	1,260,000	- Issued as bonus shares		12,600	12,600
9,660,000	9,660,000			96,600	96,600

4.1 Shahtaj Sugar Mills Limited and Shah Nawaz (Private) Limited (associated companies) held 1,150,000 (2025: 1,150,000) and 350,000 (2025: 350,000) respectively fully paid ordinary shares of Rs. 10 each at year end.

4.2 Directors held 2,391,520 (2025: 2,441,520) fully paid ordinary shares of Rs. 10 each at year end.

4.3 The Company has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
5. RESERVES			
REVENUE RESERVES			
General reserve	5.1	1,190,000	1,150,000
Unappropriated profit		630,548	460,670
		<u>1,820,548</u>	<u>1,610,670</u>
CAPITAL RESERVE			
Surplus on revaluation of plant and machinery	5.2	593,668	662,664
		<u>2,414,216</u>	<u>2,273,334</u>

5.1 This represents a reserve created from retained earnings to strengthen the equity base and meet future requirements at the Company's discretion.

	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
5.2 Surplus on revaluation of plant and machinery		
Surplus on revaluation of plant and machinery as at July 01	662,664	205,822
Impact of revaluation during the year	-	477,577
Transfer to unappropriated profit on account of:		
- incremental depreciation	(66,147)	(20,575)
- disposal of property, plant and equipment	(2,849)	(160)
	<u>(68,996)</u>	<u>(20,735)</u>
Surplus on revaluation of property, plant and equipment as at June 30	<u>593,668</u>	<u>662,664</u>

	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
6 LONG-TERM FINANCE		
Secured		
- Conventional		
From banking companies	569,228	712,938
Less: Current portion shown under current liabilities	(143,710)	(143,710)
	<u>425,518</u>	<u>569,228</u>

6.1 Details and movement are as follows:

	The Bank of Punjab Term Finance	Bank Alfalah Limited			United Bank Limited Term Finance	2026 Total	2025 Total
		Term Finance 1	Term Finance 2	Term Finance 3			
		(Rupees in '000)					
Balance at July 01	117,368	80,560	57,218	406,523	51,269	712,938	855,583
Repaid during the year	(22,481)	(31,739)	(10,403)	(62,542)	(16,545)	(143,710)	(142,645)
	94,887	48,821	46,815	343,981	34,724	569,228	712,938
Payable within one year	(22,481)	(31,739)	(10,403)	(62,542)	(16,545)	(143,710)	(143,710)
	72,406	17,082	36,412	281,439	18,179	425,518	569,228
"Mark up rate (per annum)"	SBP rate + 80 bps	SBP rate + 75 bps	SBP rate + 150 bps	SBP rate + 130 bps	SBP rate + 50 bps		
	(June 2025: SBP rate + 80 bps)	(June 2025: SBP rate + 75 bps)	(June 2025: SBP rate + 150 bps)	(June 2025: SBP rate + 130 bps)	(June 2025: SBP rate + 50 bps)		
Installment repayable	Bi-annually	Bi-annually	Bi-annually	Bi-annually	Quarterly		
Mark up payable	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly		
Loan period	10 years	10 years	10 years	10 years	10 years		
Grace period	2 years from last drawn date	2 years from last drawn date	2 years from last drawn date	2 years from last drawn date	2 years from last drawn date		
Sub-note	6.2	6.3	6.3	6.3	6.4		

- 6.2 The loan is secured by way of first pari passu hypothecation charge over present and future fixed assets of the Company (including land, building, plant and machinery) for Rs. 253 million with 25% margin.
- 6.3 These loans are secured by way of first pari passu charge over fixed assets of the Company (including land, building, plant and machinery) for Rs. 1,121 million with 25% margin.
- 6.4 The loan is secured by way of first pari passu charge over plant and machinery of the Company for an amount of Rs. 177 million with 25% margin.

	Note	2026 ----- (Rupees in '000) -----	2025
7 EMPLOYEE RETIREMENT BENEFITS			
Defined benefit plan - staff gratuity	7.1	136,921	123,153

7.1 Movement in liability during the year

Balance as at July 01	123,153	103,367
Charge for the year	35,842	35,889
Remeasurement (gain) / loss recognized in statement of comprehensive income	(2,523)	1,208
Payments made during the year	(19,551)	(17,311)
Balance as at June 30	136,921	123,153

	Note	2026 ----- (Rupees in '000) -----	2025
7.2 Changes in present value of defined benefit obligation			
Present value of defined benefit obligation on July 1		123,153	103,367
Current service cost for the year	7.3	22,520	21,919
Interest cost for the year	7.3	13,322	13,970
Benefits paid during the year		(19,551)	(17,311)
Actuarial (gain) / loss arised during the year	7.5	(2,523)	1,208
Present value of defined benefit obligation on June 30		136,921	123,153

7.3 Expense recognized in statement of profit or loss

Current service cost		22,520	21,919
Interest cost		13,322	13,970
	7.4	35,842	35,889

7.4 Allocation of expense is as follows:

Cost of sales		20,417	22,302
Distribution expense		4,314	3,243
Administration expense		11,111	10,344
		35,842	35,889

7.5 Remeasurement (gain) / loss recognized in statement of comprehensive income

Actuarial (gain) / loss arised during the year			
Changes in financial assumptions		-	(973)
Experience adjustments		(2,523)	2,181
		(2,523)	1,208

7.6 The principal assumptions used in the actuarial valuations carried out as of June 30, 2026 using the 'Projected Unit Credit' method, are as follows:

	2026	2025
Discount rate per annum %	11.75%	14.75%
Expected annum rate of increase in future salaries %	10.75%	11.75%
Expected average remaining working lives	7 years	7 years
Expected mortality rate	SLIC (2001-2005) Setback 1 year Age based Age 60	SLIC (2001-2005) Setback 1 year Age based Age 60
Expected withdrawal rate		
Retirement Assumption		

7.7 Sensitivity analysis for actuarial assumptions

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

	Change in assumption	2026	
		Increase / (decrease) in defined benefit obligation	
		Increase in assumption	Decrease in assumption
		----- (Rupees in '000) -----	
Discount rate	1%	(8,734)	9,768
Salary increase rate	1%	10,003	(9,130)

	Change in assumption	2025	
		Increase / (decrease) in defined benefit obligation	
		Increase in assumption	Decrease in assumption
		----- (Rupees in '000) -----	
Discount rate	1%	(8,155)	9,157
Salary increase rate	1%	9,417	(8,536)

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

7.8 The Scheme exposes the Company to the actuarial risks such as:
Salary risk

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risk

The risk that the actual mortality / withdrawal experience is different. The effect depends upon the beneficiaries' service / age distribution and the benefit.

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.

7.9 Expected gratuity expense for the year ending June 30, 2027 is Rs. 35,841,676.
7.10 The weighted average duration of the defined benefit obligation for the year ended June 30, 2026 is 7 years (2025: 7 years).

	Note	2026 ----- (Rupees in '000) -----	2025
8 TRADE AND OTHER PAYABLES			
Creditors		519,299	433,051
Accrued liabilities	8.1, 8.2 & 8.3	286,821	280,735
Leave encashment	8.4	8,181	7,658
Workers' Profit Participation Fund	8.5	15,057	10,741
Workers' Welfare Fund		39,297	32,521
Retention payable		4,455	4,436
Sales tax payable		5,572	6,727
Others		5,685	10,751
		884,367	786,620

- 8.1** This includes amount payable to Sui Northern Gas Pipelines Limited (SNGPL) in respect of Gas Infrastructure Development Cess (GIDC). The Federal Government issued GIDC Acts in the years 2011, 2014 and 2015. All GIDC Acts have been subject of thorough debate and consideration at different High Courts of the Country as well as the Supreme Court of Pakistan (SCP).

On August 12, 2020, the SCP issued its verdict and held that "the levy imposed under Gas Infrastructure Development Cess Act, 2015 (the Act) is in accordance with the Provisions of the Constitution". The Supreme Court also held that "the Provisions of Section 8 of the Act, which give retrospective effect to the charge and recovery of GIDC levied from the year 2011 are also declared to be valid being within the legislative competence of the Parliament." However, since the Company is an industrial concern and it did not pass on the burden of GIDC to its consumers prior to the GIDC Act, 2015 (or even thereafter), management believes that the Company is entitled to the exemption under the first proviso to Section 8(2) of the GIDC Act, 2015 from payment of the GIDC levied under the GIDC Act, 2011 and GIDC Ordinance, 2014. As such, arrears due from the Company may only include amounts levied under the GIDC Act, 2015 from the date of its commencement, i.e., May 22, 2015.

Subsequent to the Order passed by the SCP on August 13, 2020, SNGPL issued bills to the industry, including the Company, claiming arrears of first Instalment in deference to the said Judgement of the SCP. The bills of arrears were calculated for monthly instalment on the basis of entire payable amount from 2011 to July 2020 by charging cess at the higher rate of tariff applicable to Captive Connections. Further, the implication of Section 8 of the said Act, 2015 was not taken into consideration whereby it was provided that the industry, which has not collected the cess from the Customers prior to 2015 shall not be liable to the payment of GIDC for the said period from 2011 to 2015. Accordingly, during the year ended June 30, 2021, a writ petition was filed by All Pakistan Textile Mills Association (APTMA) (where the Company is also a party to the petition) before Lahore High Court (LHC) against imposition of GIDC Act, 2015 and the recovery of cess from December 2011 to May 2015. Further, during the year ended June 30, 2021, SNGPL started billing for GIDC to the Company against which certain payments have been made by the Company based on the order issued by Lahore High Court against the aforementioned writ petition. Pursuant to the order, Lahore High Court restrained SNGPL from charging the cess at the higher tariff rate of captive connection and directed to issue revised bill calculated at the rate applicable to industrial connection and ordered the Companies to make payment based on industrial tariff and for the difference between the amount charged to industrial consumers and captive power consumers, post-dated cheques be issued. Accordingly, the Company made certain payments at tariff rate that is applicable to industrial consumers and also issued post-dated cheques for the differential amount in favour of SNGPL. Further, pursuant to the order of the Lahore High Court, the payment for the period from 2011 to 2015 was also suspended in view of the implication of the said provision of law.

On September 27, 2021, the Lahore High Court issued a judgment on writ petition No. 42716 / 2020 whereby it was concluded that all the parties to the petition (including the Company) fall under the category of Industrial Consumers rather than Captive Power Plant and shall remain liable to the tariff applicable to Industrial Consumers.

Further, during the year ended June 30, 2022, the Company filed an appeal before the High Court of Sindh (SHC) on the ground that no burden of GIDC had been passed to its customers / clients and thus the Company is not liable to pay GIDC under GIDC Act 2015. The SHC granted stay order on August 31, 2021 against recovery of GIDC payable by the Company till the finalization of matter by SHC. The matter is currently pending in the SHC. However, as a matter of abundant caution and without prejudice to the suits filed, the Company has made aggregate provision of Rs. 18.384 million (2025: Rs. 18.384 million) in respect of GIDC up to June 30, 2026.

- 8.2** In June 2017, the Oil and Gas Regulatory Authority (OGRA) revised the RLNG tariff retrospectively. Based on the retrospective tariff determination, the Company received demand notices from Sui Northern Gas Pipelines Limited (SNGPL) in respect of RLNG tariff

arrears. During the year, the Company received fresh demand notices from SNGPL in respect of RLNG tariff arrears for the period from July 2015 to March 2024. The Company has challenged the said demands before the Lahore High Court through its legal counsel, and the matter is presently pending adjudication. However, management on prudent basis has recognized provision of Rs. 37.681 million (2025: Rs. 27.026 million) in this respect, which is included in accrued liabilities.

- 8.3** During the year ended June 30, 2025, the Government imposed a Grid Transition Levy on gas consumed for captive power generation, pursuant to which the Company received a demand from SNGPL in respect of the captive gas levy. The Company challenged the levy and related recovery proceedings before the Lahore High Court.

During the current year, the Lahore High Court, vide its judgment dated February 12, 2026, decided the matter in favour of the petitioners and set aside the impugned notifications and demands relating to retrospective recovery of the levy. The said judgment has subsequently been challenged by the Federation of Pakistan before the Federal Constitutional Court, where the matter is pending adjudication.

In view of the ongoing litigation, management, on a prudent basis, has recognized provision amounting to Rs. 27.272 million (2025: Rs. 24.116 million) in respect of the captive gas levy, which is included in accrued liabilities.

	2026	2025
	----- (Rupees in '000) -----	
8.4 Leave encashment		
Balance as at July 01	7,658	6,909
Provision during the year	8,101	7,275
Paid during the year	(7,575)	(6,526)
Balance as at June 30	<u>8,181</u>	<u>7,658</u>

8.5 Workers' Profit Participation Fund

Balance as at July 01		10,741	4,752
Interest on funds utilized in the Company's business	30	704	192
		<u>11,445</u>	4,944
Payments made during the year		(11,445)	(4,944)
Allocation for the year	29	15,057	10,741
Balance as at June 30		<u>15,057</u>	<u>10,741</u>

9 CONTRACT LIABILITY - ADVANCE FROM CUSTOMERS

Opening balance		21,578	26,501
Received during the year		87,942	93,257
Advance realized against sales		(81,669)	(98,180)
Closing balance		<u>27,851</u>	<u>21,578</u>

- 9.1** Revenue recognised from amounts included in contract liabilities at the beginning of the year amounted to Rs. 19.630 million (2025: Rs 25.201 million).

	2026	2025
	----- (Rupees in '000) -----	
10 INTEREST ACCRUED		
Interest accrued on:		
- Long-term finance	3,759	4,690
- Running finance	5,064	5,469
- Musharaka finance	4,536	3,507
	<u>13,359</u>	<u>13,666</u>

	Note	2026 ----- (Rupees in '000) -----	2025
11 SHORT-TERM BORROWINGS			
Secured - From Banking Companies			
- Conventional			
Running finances under markup arrangement	11.1	235,505	369,622
- Shariah Compliant			
Musharaka finance	11.2	171,759	56,734
Istisna financing	11.3	-	-
		<u>407,264</u>	<u>426,356</u>

- 11.1** The Company can avail finance facilities from various banks aggregating to Rs. 875 million (2025: Rs. 875 million). The unavailed facilities as at year end were Rs. 639.495 million (2025: Rs. 505.38 million). The facilities are secured by hypothecation of stocks and book debts. These are subject to mark-up ranging from 1 month KIBOR plus 0.75% to 1.5% per annum (2025: 1 month KIBOR plus 0.75% to 2% per annum).
- 11.2** The Company can avail finance facility under Musharaka of Rs. 200 million (2025: Rs. 200 million). The unavailed facility as at year end was Rs. 28.241 million (2025: Rs. 143.266 million). This finance facility is secured by first pari passu hypothecation of stocks and receivables with 25% margin. These are subject to mark-up rate of 1 month KIBOR plus 0.65% per annum (2025: 1 month KIBOR plus 0.65% per annum).
- 11.3** Short term Istisna Financing was obtained under shariah arrangement to finance the manufacturing of finished goods. The bank has approved a facility of Rs. 100 million (2025: Rs 175 million). The mark-up rate on the financing is 6 months KIBOR + 1% per annum (2025: 6 months KIBOR + 1% per annum). The facility is secured against first pari passu hypothecation of stocks / receivables with 25% margin. The maximum tenor of the Istisna Financing is 180 days. The facility remained unavailed at year end.

	Note	2026 ----- (Rupees in '000) -----	2025
12 CONTINGENCIES AND COMMITMENTS			
Contingencies			
12.1 Guarantees issued by banks on behalf of the Company in favor of Sui Northern Gas Pipelines Limited (SNGPL)		<u>87,537</u>	<u>87,537</u>
12.2 There are no contingencies other than those disclosed in Note 8.1, 8.2 & 8.3.			
Commitments			
Letter of credits against			
- Raw material		-	12,551
- Stores and spares		-	53,574
Capital commitments		<u>10,920</u>	<u>-</u>



13 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress

	Note	2026 (Rupees in '000)	2025 (Rupees in '000)
Operating fixed assets	13.1	2,266,990	2,176,038
Capital work in progress	13.6	-	17,805
		2,266,990	2,193,843

13.1 Operating fixed assets

Year ended June 30, 2026

As at July 01, 2025

	Freehold land	Mills building	Labour colony	Marketing office and others	Plant and machinery *	Furniture and fixtures	Equipment and installations	Computer equipment	Vehicles	Others - arms	Total
Cost / revalued amount	31,121	287,568	35,952	21,007	4,363,460	13,243	12,965	14,037	56,289	80	4,835,722
Accumulated depreciation	-	(182,154)	(30,940)	(12,533)	(2,376,881)	(8,856)	(5,526)	(9,626)	(33,091)	(77)	(2,659,684)
Net book value	31,121	105,414	5,012	8,474	1,986,579	4,387	7,439	4,411	23,198	3	2,176,038

Additions / transfers from CWIP

Disposal / write off

Cost / revalued amount	-	-	-	-	(68,523)	-	(289)	(28)	(13,847)	-	(82,688)
Accumulated depreciation	-	-	-	-	59,982	-	133	27	10,760	-	70,902

Depreciation charge for the year

	-	(10,541)	(501)	(424)	(208,527)	(446)	(772)	(1,600)	(5,408)	(1)	(228,220)
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Closing net book value

	31,121	94,873	4,511	8,050	2,087,375	4,011	7,726	4,340	24,981	2	2,266,990
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As at June 30, 2026

Cost / revalued amount

	31,121	287,568	35,952	21,007	4,612,801	13,313	13,891	15,539	52,720	80	5,083,992
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Accumulated depreciation

	-	(192,695)	(31,441)	(12,957)	(2,525,426)	(9,302)	(6,165)	(11,199)	(27,739)	(78)	(2,817,002)
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Net book value

	31,121	94,873	4,511	8,050	2,087,375	4,011	7,726	4,340	24,981	2	2,266,990
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Depreciation rate

	-	10%	10%	5%	10%	10%	10%	30%	20%	10%	
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* Carried at revalued amount



Buildings on freehold land

For comparative period

Year ended June 30, 2025

As at July 01, 2024

Cost / revalued amount

Accumulated depreciation

Net book value

Additions / transfers from CWP

Disposal

Cost / revalued amount

Accumulated depreciation

Revaluation during the year

-revalued amount

-accumulated depreciation

Depreciation charge for the year

Closing net book value

As at June 30, 2025

Cost / revalued amount

Accumulated depreciation

Net book value

Depreciation rate

* Carried at revalued amount

13.1.1 Details of assets sold, having net book value in excess of Rs. 500,000 are as follows:

Description	(Rupees in '000)					Mode of disposal	Relationship of purchaser with Company	Particulars of purchaser
	Cost / revalued amount	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)			
Plant and machinery								
Benninger sizing machine	47,299	41,594	5,705	8,000	2,295	Negotiation	None	Akbar Ali Weaving Factory
Machinery & scrap lot	19,599	16,932	2,667	2,090	(577)	Negotiation	None	Muhammad Pervaiz
Vehicles								
Toyota Altis 1.6	3,289	2,211	1,078	1,504	426	Company policy	Employee	Tahir Ahmed Hammad
Others								
	10,875	8,708	2,167	7,287	5,120	Negotiation	None	Various

	Note	2026 ----- (Rupees in '000) -----	2025 -----
13.2 The depreciation charge for the year has been allocated as follows:			
Cost of goods sold	26	219,637	177,186
Distribution expenses	27	356	375
Administrative expenses	28	8,227	6,523
		228,220	184,084

13.3 The Company had its plant and machinery revalued by independent valuer M/s Asif Associates (Private) Limited in June 2025 on the basis of depreciated replacement value. The revaluation surplus, is recognized in statement of comprehensive income and accumulated in equity under the heading of 'Surplus on revaluation of plant and machinery'. The forced sale value of plant and machinery based on valuation conducted in June 2025 was Rs. 1,490 million.

An amount equal to incremental depreciation for the year is transferred from "Surplus on revaluation of plant and machinery" to "Unappropriated profit" for recording realization of surplus to the extent of incremental depreciation charged during the year.

13.4 Had there been no revaluation, the carrying amount of the plant and machinery would have been as follows:

	2026 ----- (Rupees in '000) -----	2025 -----
Cost	2,917,265	2,660,089
Accumulated depreciation	(1,423,558)	(1,336,174)
Written down value	1,493,707	1,323,915

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

Location	Total Area (in Kanals)	Usage of immovable property
46 KM. Lahore/Multan Road, Chunian Industrial Estate, Bhai Pheru, Distt. Kasur, Punjab	189.45	Manufacturing facility and Labour Colony
27-C, Abdalian Cooperative Housing Society Limited, Opposite Expo Center, Lahore, Punjab.	1.5	Marketing Office

13.6 Capital work in progress	Note	Equipment and installations ----- (Rupees in '000) -----	Plant and machinery -----	Total -----
As at July 1, 2024		-	140,596	140,596
Additions		4,300	22,553	26,853
Transferred to operating fixed assets	13.1	(4,300)	(145,344)	(149,644)
As at June 30, 2025		-	17,805	17,805
Additions		-	221,126	221,126
Transferred to operating fixed assets	13.1	-	(238,931)	(238,931)
As at June 30, 2026		-	-	-

	Note	2026 ----- (Rupees in '000) -----	2025 -----
14 LONG-TERM LOANS			
Considered good - secured			
Loan to employees	14.1	409	1,211
Less: Recoverable within one year shown under current assets	19	(409)	(722)
		-	489

14.1 Reconciliation of carrying amount of long term loans given is as follows:

Balance at July 1,	1,211	446
Disbursements during the year	-	1,070
	1,211	1,516
Received during the year	(802)	(305)
Balance at June 30,	409	1,211
Current portion of long term loans	(409)	(722)
	-	489

14.2 These are non-interest bearing loans given for miscellaneous purposes and are recoverable in monthly installments, the number of which varies depending on the specific loan arrangement. These loans are secured against gratuity.

	Note	2026 ----- (Rupees in '000) -----	2025 -----
15 LONG-TERM DEPOSITS			
Security deposits against:			
Utilities		35,737	35,732
Others		25	25
		35,762	35,757

16 STORES, SPARES AND LOOSE TOOLS

Stores	16.1	36,321	61,721
Spares		29,516	30,604
Loose tools		4,342	4,246
Provision made during the year		2,200	1,140
Written off during the year	29	(2,200)	(1,140)
		-	-
Balance as at June 30		70,179	96,571

16.1 This includes stores in transit amounting to Rs. Nil (June 30, 2025: Rs. 28.923 million).

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
17 STOCK-IN-TRADE			
Raw and packing materials			
in hand	26.1	520,593	436,892
in transit		-	81,414
Work-in-process	17.2 & 26	84,723	101,527
Finished goods, including goods-in-transit	17.1, 17.2 & 26	659,832	417,716
		1,265,148	1,037,549

17.1 This includes finished goods amounting to Rs. 17.414 million (2025: Rs. Nil) that had been dispatched to customers but not reached at destination and performance obligation is not satisfied.

17.2 This includes items costing Rs. 72.934 million (2025: Rs. 70.057 million) valued at net realizable value of Rs. 19.981 million (2025: Rs. 18.168 million).

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
18 TRADE DEBTS			
Secured			
Foreign debtors	18.1	205,269	274,479
Local debtors	18.1	31,245	172,989
Unsecured			
Local debtors	18.2	467,146	510,978
		703,660	958,446
Allowance for expected credit loss		(85,627)	(85,627)
		618,033	872,819

18.1 These amounts are secured against letters of credit in favor of the Company.

18.2 The aging of unimpaired trade debts is disclosed in note 38.4.

18.3 Trade debts are non-interest bearing and are generally on 7 days to 180 days credit terms.

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
19 LOANS AND ADVANCES			
Advances - considered good			
Employees		621	1,180
Suppliers and contractors		8,584	13,260
Current portion of long-term loans	14.1	409	722
		9,614	15,162

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
20 TRADE DEPOSITS AND PREPAYMENTS			
Deposits against container		430	300
Prepayments			
LC margin and others		543	
Subscription		2,302	242
		2,845	2,044
		3,275	2,286
			2,586
21 TAXATION - NET			
Advance income tax	21.1	94,789	71,433
21.1 Movement			
Balance as at July 01		71,433	49,612
Taxes and levies paid / deducted during the year		111,170	110,597
		182,603	160,209
Provision for levies and taxation	32.1 & 32.3	87,814	(88,776)
Balance as at June 30		94,789	71,433
22 OTHER RECEIVABLES			
Considered good			
Export rebate		4,475	4,391
Interest accrued on Term Deposit Receipts		1,721	1,671
		6,196	6,062
23 SHORT TERM INVESTMENT			
Amortised cost			
Conventional			
-Term Deposit Receipts	23.1	51,013	51,013

- 23.1** This represents deposit with a banking company, having a maturity period of 6 months, against bank guarantee and carry return at rate of 9.4% (2025: 10.05%) per annum.

	Note	2026 ----- (Rupees in '000) -----	2025 -----
24 CASH AND BANK BALANCES			
Cash at bank - current accounts			
- Local currency			
- conventional		55,561	20,148
- shariah compliant		272	171
- Foreign currency - conventional	24.1	10,901	8,956
Cash in hand		532	781
		67,266	30,056

- 24.1** The Company holds the following cash at bank in foreign currency:

Cash at bank

USD 10,027 (2025: 9,614)	2,788	2,726
EURO 25,598 (2025: 18,730)	8,113	6,230

25 REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Export	1,026,092	1,013,290
Indirect export	-	1,722,363
Local	5,926,935	4,945,984
	6,953,027	7,681,637
Export rebate	612	357
Waste sales	20,159	22,100
	6,973,798	7,704,094
Commission		
- Local	(35,151)	(35,449)
- Export	(34,195)	(28,388)
	(69,346)	(63,837)
Sales tax	(907,184)	(1,020,576)
	5,997,268	6,619,681

	Note	2026 ----- (Rupees in '000) -----	2025 -----
26 COST OF GOODS SOLD			
Raw and packing materials	26.1	3,823,054	4,098,598
Stores and spares and loose tools	26.2	107,129	93,295
Manufacturing expenses			
Salaries, wages and benefits	26.3	374,164	383,331
Fuel and power		893,214	1,063,297
Repairs and maintenance		17,422	12,374
Insurance		7,203	10,068
Depreciation	13.2	219,637	177,186
Others		1,503	999
		5,443,326	5,839,148
Work-in-process			
Opening stock		101,527	106,743
Closing stock	17	(84,723)	(101,527)
		16,804	5,216
Cost of goods manufactured		5,460,130	5,844,364
Finished goods			
Opening stock		417,716	532,101
Closing stock	17	(659,832)	(417,716)
		(242,116)	114,385
		5,218,014	5,958,749
Outside processing charges		10,323	13,198
		5,228,337	5,971,947
26.1 Raw and packing materials consumed			
Opening stock		436,892	473,458
Purchases		3,906,755	4,062,032
		4,343,647	4,535,490
Closing stock	17	(520,593)	(436,892)
		3,823,054	4,098,598
26.2 Stores, spares and loose tools consumed			
Opening stock		96,571	65,446
Purchases and related expenses		80,737	124,420
		177,308	189,866
Closing stock	16	(70,179)	(96,571)
		107,129	93,295

26.3 Salaries, wages and benefits include Rs 20.417 million (2025 Rs 22.302 million) in respect of staff retirement gratuity.

		2026 ----- (Rupees in '000) -----	2025
27 DISTRIBUTION EXPENSES	Note		
Export related			
Ocean freight		32,607	35,196
Insurance		406	422
Forwarding		50	39
Export duty		5,499	5,393
Entertainment		-	88
Postage and courier		4	370
Fees and subscription		58	1,221
Travelling and conveyance		2,786	4,041
Others		660	1,211
		42,070	47,981
Local			
Salaries and benefits	27.1	45,449	40,430
Local freight		12,695	8,372
Travelling and conveyance		1,541	1,922
Sales promotion		513	596
Marketing office		3,895	3,649
Depreciation	13.2	356	375
Insurance		67	54
Claim from buyers		303	2,754
Others		552	1,955
		65,371	60,107
		107,441	108,088

27.1 Salaries and benefits include Rs 4.314 million (2025 Rs 3.243 million) in respect of staff retirement gratuity.

		2026 ----- (Rupees in '000) -----	2025
28 ADMINISTRATIVE EXPENSES	Note		
Salaries and benefits	28.1	113,939	105,860
Director's remuneration		27,145	26,040
Travelling and conveyance		1,540	1,255
Vehicles running and maintenance		10,560	9,139
Telephone and fax		900	1,010
Postage and courier		432	267
Printing and stationery		1,858	1,961
Computer expenses		3,310	2,909
Rent, rates and taxes		4,800	5,100
Repairs and maintenance		3,273	2,050
Insurance		1,588	1,208
Auditor's remuneration	28.2	1,782	1,485
Legal and professional		2,192	1,902
Advertising		283	127
Entertainment		998	880
Fees and subscription		6,566	7,042
Donations	28.3	-	100
Depreciation	13.2	8,227	6,523
Share registrar services		421	345
Others		3,490	2,953
		193,304	178,156

28.1 Salaries and benefits include Rs 11.111 million (2025 Rs 10.344 million) in respect of staff retirement gratuity.

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
28.2 Auditor's remuneration			
Audit fee		1,200	1,000
Half yearly review fee		240	200
Review of statement of compliance with COCG and other certifications		180	150
Out of pocket expenses		162	135
		<u>1,782</u>	<u>1,485</u>

28.3 None of the directors and their spouses had any interest in the donee's fund.

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
29 OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund	8.5	15,057	10,741
Workers Welfare Fund		6,776	4,322
Exchange loss	29.1	9,355	-
Stores, spares and loose tools written off	16	2,200	1,140
Salex tax redundant written off		29,675	-
Salex tax redundant provision		8,447	-
Equipment written off		170	-
		<u>71,680</u>	<u>16,203</u>

29.1 It includes unrealized loss amounting to Rs 3.538 million (2025: Rs Nil).

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
30 FINANCE COST			
Mark-up on:			
Long-term finance		16,566	20,146
Running finance under markup arrangement		38,002	76,848
Musharaka finance		12,337	25,715
Discounting charges		59,911	63,125
Interest on Workers' Profit Participation Fund	8.5	704	192
Bank charges and commission		5,670	3,282
		<u>133,190</u>	<u>189,308</u>

31 OTHER INCOME

Net income from trading	31.1	2,589	3,314
Exchange gain	31.2	-	29,861
Interest income on TDR		6,133	6,660
Gain on disposal of property, plant and equipment		7,265	3,945
		<u>15,987</u>	<u>43,780</u>

31.1 Net income from trading

Sales - Local	2,589	3,338
Cost - Purchases and related expenses	-	(24)
	<u>2,589</u>	<u>3,314</u>

31.2 It includes unrealized gain amounting to Rs Nil (2025: Rs 13.423 million).

	Note	2026 ----- (Rupees in '000) -----	2025
32 LEVIES AND TAXATION			
32.1 Levies			
Revenue Tax	32.2	87,814	88,776

32.2 This represents minimum tax provision under section 113 of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levies in these financial statements as per the requirement of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and guide on IAS 12 'Income Taxes' issued by Institute of Chartered Accountants of Pakistan.

	Note	2026 ----- (Rupees in '000) -----	2025
32.3 Taxation			
Current tax	31.5	-	-
		-	-

32.4 Relationship between income tax expense and accounting profit

The numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate as required by IAS 12 'Income Taxes' has not been presented in these financial statements since Company's income subject to taxation under the normal tax regime has attracted the provisions of Minimum tax of the Income Tax Ordinance, 2001.

32.5 The Company has an unutilized minimum tax credit of Rs. 36.763 million under Section 113 of the Income Tax Ordinance, 2001, which has not been recognized, as its utilization is not certain.

		2026	2025
33 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit for the year	Rupees in '000	191,489	110,983
Weighted average number of ordinary shares in issue	Number	9,660,000	9,660,000
Earnings per share - basic and diluted	Rupees	19.82	11.49

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

34 CHANGES ARISING FROM FINANCING ACTIVITIES

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

	June 30, 2025	Financing cash inflows	Financing cash outflows	Non cash changes - Transfer current portion	June 30, 2026
	(Rupees in '000)				
Non-current liabilities					
- Long-term finance	712,938	-	(143,710)	-	569,228
Current liabilities					
- Unclaimed dividend	41,026	-	(51,538)	53,130	42,618
- Musharaka finance	56,734	171,759	(56,734)	-	171,759

	June 30, 2024				June 30, 2025
	(Rupees in '000)				
Non-current liabilities					
- Long-term finance	855,583	-	(142,645)	-	712,938
Current liabilities					
- Unclaimed dividend	40,418	-	(9,052)	9,660	41,026
- Musharaka finance	10,421	229,643	(183,330)	-	56,734
- Istisna financing	175,000	175,000	(350,000)	-	-

	Note	2026 ----- (Rupees in '000) -----	2025
35 CASH AND CASH EQUIVALENTS			
Short term borrowings - Running finances under markup arrangement	11	(235,505)	(369,622)
Cash and bank balances	24	67,266	30,056
		<u>(168,239)</u>	<u>(339,566)</u>

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	2026			2025		
	Chief Executive	Executive Director	Executives	Chief Executive	Executive Director	Executives
	(Rupees in '000)					
Remuneration	6,399	5,040	57,662	6,399	5,040	49,479
Bonus	800	930	6,391	370	930	5,330
Retirement benefits	800	930	7,008	800	930	6,186
House rent	1,921	2,520	17,307	1,921	2,520	14,851
Ex-gratia	-	-	-	-	-	-
Medical	640	1,800	5,766	640	1,800	4,948
Utilities	640	1,800	5,766	640	1,800	4,948
Leave encashment	-	-	1,866	-	-	1,630
	<u>11,200</u>	<u>13,020</u>	<u>101,766</u>	<u>10,770</u>	<u>13,020</u>	<u>87,372</u>
Number of persons	1	1	21	1	1	20

36.1 The Chief Executive is provided with Company's owned and maintained car for personal and official use.

36.2 The Executive Director and Executives are provided with Company's owned and maintained cars for official use.

36.3 Meeting fee paid to 8 (2025: 8) non-executive directors during the year amounted to Rs. 2.92 million (2025: Rs. 2.25 million).

37 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, directors and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms duly approved by board of directors. Amounts due from and to related parties have been disclosed in the notes to the financial statement as follows:

- Remuneration of key management personnel is disclosed in note 36;

Other significant transactions with related parties are as follows:

Relationship with the Company	% of Shareholding / Other basis of Relationship	Name	Nature of transactions	2026 ----- (Rupees in '000) -----	2025
Associated undertakings	3.62% / Common Directorship	Shahnawaz (Private) Limited	Services received for office facility	5,196	5,214
			Software maintenance charges	2,400	2,400
			Payment made against services	7,596	11,127
			Dividend paid	1,925	350
	11.9% / Common Directorship	Shahtaj Sugar Mills Limited	Dividend paid	6,325	1,150
	Nil / Common Directorship	Shezan International Limited	Purchase of goods	507	511
			Payment made against goods	507	511
Other related parties	Nil / Close family member	Lionsmill Trading LLC	Commission on sales	6,969	3,413
			Payment against commission	5,514	4,397
Directors			Dividend paid	13,425	2,442

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

	2026	2025
	----- (Rupees in '000) -----	
38.1 Financial instruments by category		
Financial assets as per statement of financial position		
At amortized cost		
Long-term loans including current portion	409	1,211
Long-term deposits	35,762	35,757
Trade debts	618,033	872,819
Loans and advances	621	1,180
Trade deposits	430	300
Other receivables	1,721	1,671
Short term investment	51,013	51,013
Cash and bank balances	67,266	30,056
	775,255	994,007
Financial liabilities as per statement of financial position		
At amortized cost		
Long-term financing	569,228	712,938
Trade and other payables	824,441	736,631
Unclaimed dividend	42,618	41,026
Interest accrued	13,359	13,666
Short-term borrowings	407,264	426,356
	1,856,910	1,930,617

38.2 Financial risk factors

Introduction and overview

The Company has exposure to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk
- operational risk

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

The Company's overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is inherent in Company's activities but it is managed through monitoring and controlling activities which are based on internal controls set on different activities of the Company by the Board of Directors. These controls reflect the business strategy and market environment of the Company as well as the level of the risk that the Company is willing to accept.

The Board along with the Company's finance department oversees the management of the financial risks reflecting changes in the market conditions and also the Company's risk taking activities providing assurance that these activities are governed by appropriate procedures and that the financial risk are identified, measured and managed in accordance with the Company risk appetite.

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

38.3.1 Market risk

Market risk is the risk that the value of cash flows of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and bank balances in foreign currency. The Company's exposure to foreign currency risk is as follows:

	2026 ----- (Rupees in '000) -----	2025
Trade debts		
USD	24,580	9,214
EURO	180,689	265,265
Cash and bank balances		
USD	2,788	2,726
EURO	8,113	6,230
Trade and other payables		
USD	(1,444)	(80,714)
EURO	-	(11,567)
Net exposure	<u>214,726</u>	<u>191,154</u>

	Average rate		Reporting date rate	
	2026	2025	2026	2025
	----- (Rupees in '000) -----			
USD	280.65	279.34	278.16	283.76
EURO	327.00	303.95	316.92	332.66

At June 30, 2026, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollar and Euro with all other variables held constant, profit for the year would have been lower / higher by Rs.21.47 million (2025: Rs.19.12 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar and Euro - denominated trade debts and trade payables.

(b) Interest rate risk management

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

The Company's interest rate risk arises from Short term investment, long term loans, long term finance and short term borrowings. These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

Carrying amount
2026 2025
----- (Rupees in '000) -----

Variable rate instruments

Financial liabilities

- Short term borrowings

407,264	426,356
---------	---------

Cash flow sensitivity analysis for variable rate instrument

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit for the year by Rs. 4.07 million (2025: Rs. 4.26 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2025.

	Interest rate		Carrying amount	
	2026	2025	2026	2025
	----- % -----		----- (Rupees in '000) -----	
<i>Fixed rate instruments</i>				
Financial asset - TDR	9.40%	10.05%	51,013	51,013
Financial liabilities - long term finances				
	2.75%	2.75%	48,821	80,560
	2.50%	2.50%	34,724	51,269
	2.80%	2.80%	94,887	117,368
	2.30%	2.30%	343,981	406,523
	3.50%	3.50%	46,815	57,218
Net financial liabilities at fixed interest rates			518,215	661,925

Cash flow sensitivity analysis for fixed rate instrument

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

(c) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at year end, there are no financial instruments of the Company which are subject to equity price risk.

38.4 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Out of the total financial assets of Rs. 775.255 million (2025: Rs. 994.007 million), the financial assets which are subject to credit risk amounted to Rs. 774.723 million (2025: Rs. 993.226 million).

The Company is exposed to credit risk from its operating activities (primarily for trade debts and loans and advances) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The credit risk on liquid funds (cash and bank balances) is limited because the counter parties are banks with a reasonably high credit rating.

The analysis below summarises the credit quality of the Company's bank balances as at June 30, 2026:

Name	Balances held as at June 30, 2026	Latest available published rating as at June 30, 2026	Rating Agency
------	-----------------------------------	---	---------------

--(Rupees in '000)--

Bank balances

United Bank Limited	284	AAA	VIS
The Bank of Punjab	2,921	AAA	PACRA
Habib Bank Limited	54,959	AAA	VIS
Bank Al Falah Limited	8,145	AAA	PACRA
MCB Bank Limited	-	AAA	PACRA
Habib Metropolitan Bank Limited	153	AAA	PACRA
Faysal Bank Limited	272	AA+	PACRA

Credit risk related to receivables

The Company's main credit exposure is with trade receivables. The Company has adopted a policy of only dealing with creditworthy counterparties and majority of the transactions are made through post dated cheques. Further, the Company's credit exposure is continuously monitored and the aggregate value of transactions are spread amongst approved counterparties, and overdue counterparties are pursued efficiently by the management for recovery. 38% (2025: 51%) of the credit exposure of the Company at year end is secured against letters of credit or other form of security.

Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate. The major credit exposure of the Company from its top 10 customers is 87.00% (2025: 95.44%) of the total trade receivables as at year end.

The total exposure of the Company in trade debts is Rs. 703.660 million (2025: Rs. 958.446 million), which has been discussed as follows:

The Company has the policy to grant credit of 7 days to 180 days to their customers. The exposure of the Company in trade receivables, which are neither overdue nor impaired, is Rs. 551.101 million (2025: Rs. 786.150 million).

Trade receivables, which have crossed their credit days limits, amounting to Rs. 152.559 million (2025: Rs. 172.295 million) for which the Company has provided Rs. 85.627 million (2025: Rs. 85.627 million) and the remaining amounts are still considered recoverable.

	2026 ----- (Rupees in '000) -----	2025
The aging of such overdue but not impaired trade receivables is as follows:		
Less than 1 month	48,103	35,352
1 - 3 months	17,118	46,211
4 - 6 months	167	5,011
7 months - 1 year	402	44
1 - 3 years	1,142	50
	66,932	86,668
The aging of overdue and impaired trade receivables is as follows:		
1 - 3 years	-	-
Over 3 Years	85,627	85,627

38.5 Liquidity risk management

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and long-term loans. 56% of the Company's long-term and short-term debt will mature in less than one year at June 30, 2026 (2025: 50%) based on the carrying value of borrowings as given below.

38.5.1 Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	2026				
	Long-term finance	Short-term borrowings	Trade and other payables	Unclaimed Dividend	Interest accrued
	(Rupees in '000)				
With in 1 year	143,710	407,264	824,441	42,618	13,359
1 - 5 years	425,518	-	-	-	-
More than 5 years	-	-	-	-	-
	<u>569,228</u>	<u>407,264</u>	<u>824,441</u>	<u>42,618</u>	<u>13,359</u>
					<u>1,856,910</u>
Weighted average					
	2025				
	Long-term finance	Short-term borrowings	Trade and other payables	Unclaimed Dividend	Interest accrued
	(Rupees in '000)				
With in 1 year	143,710	426,356	736,631	41,026	13,666
1 - 5 years	465,252	-	-	-	-
More than 5 years	103,976	-	-	-	-
	<u>712,938</u>	<u>426,356</u>	<u>736,631</u>	<u>41,026</u>	<u>13,666</u>
					<u>1,930,617</u>

38.6 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behavior. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;

- ethical and business standards;
- risk mitigation, including insurance where this is effective; and
- operational and qualitative track record of the plant and equipment supplier and related service providers.

39 Fair values of financial assets and liabilities

- (a) Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

(b) Fair Value Estimation

The Company discloses the financial instruments measured in the balance sheet at fair value in accordance with the following fair value hierarchy:

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

There are no transfers between the levels during the year.

- 39.1 There are no assets or liabilities to classify under above levels except the Company's plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Company's plant and machinery carried out as at June 2025, were performed by M/s Asif Associates (Private) Limited (valuer), an independent valuer not related to the Company, using depreciated replacement cost method. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery.

Details of the Company's plant and machinery and information about the fair value hierarchy as at end of June 30, 2026 are as follows:

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Plant and machinery	-	-	2,087,375	2,087,375

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Plant and machinery	-	-	1,986,579	1,986,579

40 CAPITAL RISK MANAGEMENT

The objectives of the Company when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for stakeholders, and to maintain a strong capital base to support the sustained development of its business.

The capital structure of the Company consists of share capital and reserves as well as debts of the Company. Share capital and reserves consist of share capital, reserves and unappropriated profit and debts consist of short-term borrowings and long-term financing. The Company manages its capital structure by monitoring return on total capital employed and makes adjustments to it in the light of changes in economic conditions and monitoring its gearing ratio. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders, issue new shares or adjust its debts. The Company's overall strategy is to reduce the gearing ratio gradually. The gearing ratio analysis is as follows:

	2026 ----- (Rupees in '000) -----	2025
Total borrowings	976,492	1,139,294
Less: Cash and bank balances	(67,266)	(30,056)
Less: Terms Deposit Receipts	(51,013)	(51,013)
Net debt	858,213	1,058,225
Total equity	2,510,816	2,369,934
Total capital employed	3,369,029	3,428,159
Gearing ratio	25%	31%

The Company is not subject to any externally imposed capital requirement.

41 OPERATING SEGMENT

- 41.1 These financial statements have been prepared on the basis of single reportable segment.
- 41.2 Revenue from sale of fabric represents 99.96% (2025: 99.96%) of total revenue whereas, remaining represents revenue from trading.
- 41.3 All non current assets of the Company as at June 30, 2026 are located in Pakistan.
- 41.4 83.09% (2025: 84.85%) of sales of fabric are local and indirect export whereas 16.91% (2025: 15.15%) of sales are export / foreign sales. All sales were made to external customers.
- 41.5 Revenue from three major customers of the Company represents 63% (2025: 52%) of total revenue of the Company.

42 PLANT CAPACITY AND ACTUAL PRODUCTION	Note	2026	2025
Number of looms installed		179	179
Number of looms worked		179	179
100% Plant capacity at 60 picks (Sq. Meters)		65,303,576	65,303,576
Actual production converted to 60 picks (Sq. Meters)	42.1	59,353,585	59,624,742
Number of days worked during the year		365	365

- 42.1 Calculation of rated capacity is based on a fixed fabric width and looms speed. In actual these factors vary with the ever changing qualities under production. Further, 100% efficiency level is notional and in practice elusive, hence, actual production figure is less than the rated capacity.

43	NUMBER OF PERSONS EMPLOYED	2026	2025
	Number of employees at June 30	409	445
	Average number of employees during the year	427	453
44	SHARIAH DISCLOSURE UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF COMPANIES ACT 2017.		
	Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act ,2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:		
		2026	2025
		----- (Rupees in '000) -----	
	Disclosure Required in relation to the Statement of Financial Position - Liability Side		
	Financing as per Islamic Mode		
	Long-term or lease financing	-	-
	Short-term borrowings	171,759	56,734
	Interest accrued on conventional loans		
	Finance cost	8,823	10,159
	Disclosure required in relation to the Statement of Financial Position - Asset side		
	Long-term & short-term shariah compliant investment	-	-
	Bank balances	66,734	29,275
	Shariah compliant bank deposits and TDRs	272	171
	Disclosure required in relation to the Statement of Profit or Loss		
	Revenue earned from Shariah compliant business	5,997,268	6,619,681
	Breakup of late payments or liquidated damages	-	-
	Gain and Dividend earned on Shariah Compliant Investment	-	-
	Profit earned from Shariah Compliant bank balances	-	-
	Exchange (loss) / gain earned from actual currency	(5,817)	16,438
	Exchange gain earned using conventional derivative financial instruments	-	-
	Profit paid on Islamic mode of financing	11,308	28,944
	Total interest earned on any conventional loan or advance	-	-
	Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into shariah-compliant and non-compliant income		
	Shariah Compliant		
	Net income from trading	2,589	3,314
	Exchange gain -net	-	29,861
	Gain on disposal of property, plant and equipment	7,265	3,945
	Non-Shariah Compliant		
	Interest income on TDR	6,133	6,660

44.1 Relationship with Shariah-compliant financial institutions:

Name	Relationship
Meezan Bank Limited	Funded Facility
Faysal Bank Limited	Funded Facility

45 EVENTS AFTER THE REPORTING PERIOD

In their meeting held on September 24, 2026, the Board of Directors (the Board) of the Company have proposed a final cash dividend for the year ended June 30, 2026 of Rs. 11.50 per share . In addition, the Board has proposed a transfer of Rs. 60 million from Unappropriated Profit to General Reserve .

The Financial statements for the year ended June 30, 2026 do not include the effect of the final cash dividend nor the effect of the proposed transfer between reserves which will be accounted for in the financial statements for the year ending June 30, 2027.

46 CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged, wherever necessary.

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on September 24, 2026.

48 GENERAL

Figures have been rounded off to the nearest thousand rupees.


(Taqi Mohammad)
Chief Executive


(Amir Ahmed)
Chief Financial Officer


(M. Naeem)
Director

**GENDER PAY GAP STATEMENT UNDER SECP CIRCULAR 10 OF 2025
FOR THE YEAR ENDED JUNE 30, 2026**

There is no female worker in the company.



Taqi Mohammad
Chief Executive Officer



PROXY FORM

Folio No.

Shares held

I/We _____ of _____

a member of SHAHTAJ TEXTILE LIMITED hereby appoint _____ of

_____ a member under Folio No. _____ or failing him

_____ of _____ a

member under Folio No. _____ as my / our proxy to attend and vote for me / us on

my / our behalf at the 37th Annual General Meeting of the Company to be held on 28th October, 2026 and any adjournment thereof.

As witnessed given under my / our hand this _____ day of _____, 2026.

Witness Signature _____

Name _____

CNIC No. _____

Applicable
Revenue Stamp

Member's Signature

Notes:

1. This form of Proxy must be deposited duly completed, at the Company's Registered Office, not less than 48 hours before the meeting.
2. A Proxy of individual members must be a member of the Company.
3. In case of corporates the Board of Directors' resolution/power of attorney with the specimen signature shall be submitted along with proxy form to the Company.
4. Signature should agree with the specimen signature registered with the Company.
5. For CDC account holders / corporates in addition to the above following requirements have to be met:
 - i) Attested copy of CNIC or the passport of the beneficial owner shall be provided with proxy form.
 - ii) Proxy shall produce his / her original CNIC or original passport at the time of meeting.



پراکسی فارم

فولیو نمبر: _____

تعداد حصص: _____

میں / ہم _____ ساکن _____ بحیثیت _____

ممبر شاہ تاج ٹیکسٹائل لمیٹڈ، _____ ساکن _____ فولیو نمبر _____ اور ان کی عدم

موجودگی میں _____ ساکن _____ فولیو نمبر _____

کو مورخہ 28 اکتوبر 2026ء کو منعقد ہونے والے سینتیسویں اجلاس عام اور اس کے کسی ملتوی شدہ اجلاس کے لئے میری / ہماری جانب سے ووٹ ڈالنے کے لئے بطور نمائندہ (پراکسی) مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں۔

گواہ کی موجودگی میں مورخہ _____ 2026 کو دستخط ثبت کئے گئے۔

دستخط گواہ: _____

نام: _____

قومی شناختی کارڈ نمبر: _____

مطلوبہ ریوینیو ٹکٹ

چسپاں کریں

ممبر کے دستخط

نوٹ:

1. یہ پراکسی فارم مکمل پُر شدہ کمپنی کے رجسٹرڈ آفس میں میٹنگ سے 48 گھنٹے قبل جمع کرایا جانا لازمی ہے۔
2. ضروری ہے کہ انفرادی ممبر جس کو پراکسی دیں وہ بھی کمپنی کا ممبر ہو۔
3. کارپوریٹس ممبران کے لئے پراکسی فارم کے ساتھ پراکسی کے حق میں بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بمع دستخط کے نمونہ کا جمع کروایا جانا ضروری ہے۔
4. دستخط کمپنی کے پاس پہلے سے محفوظ دستخطی نمونہ کے مطابق ہونے ضروری ہیں۔
5. سی ڈی سی میں اکاؤنٹ رکھنے والے کارپوریٹ ممبران کے لئے مندرجہ بالا کے علاوہ درج ذیل شرائط کو پورا کرنا بھی ضروری ہے۔
I - مالک حصص کے شناختی کارڈ یا سپورٹ کی ایک تصدیق شدہ نقل پراکسی کے ساتھ لگائی جائے۔
II - جس کے حق میں پراکسی ہو وہ اجلاس میں شریک ہوتے وقت اصل شناختی کارڈ یا سپورٹ پیش کرے۔