

Vision

To maintain an excellent level of ethical and Professional standards

Mission Statement

To become a quality manufacturer of textile products



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COMPANY INFORMATION

BOARD OF DIRECTORS : Aamer Hameed (Chairman/Non Executive Director)
Mohammad Hameed (Chief Executive/Executive Director)
Murtaza Hameed (Executive Director)
Usman Hamid Malik (Independent Director)
Sara Aqeel (Independent Director)
Tariq Hameed (Non Executive Director)
Sadiah Hamid (Non Executive Director)

CHIEF FINANCIAL OFFICER : M. Muddasar Shahzad

COMPANY SECRETARY : Usman Khalid

AUDIT COMMITTEE : Usman Hamid Malik (Chairman)
Sara Aqeel (Member)
Aamer Hameed (Member)

HUMAN RESOURCE & REMUNERATION COMMITTEE : Sara Aqeel (Chairperson)
Tariq Hameed (Member)
Usman Hamid Malik (Member)

BANKERS : Meezan Bank Limited
MCB Bank Limited
Bank Alfalah Limited

AUDITORS : Crowe Hussain Chaudhury & Co.,
Chartered Accountants

INTERNAL AUDITOR : Awan & Co.
Chartered Accountants

REGISTERED OFFICE : 38-Empress Road, Lahore
Telephones: (92-42) 36304561-3, 36367861-3
Telefax: (92-42) 3636 7861
E-mail: info@prime-service.com

MILLS : Rehman Shaheed Road, Gujrat
Telephone: (92-53) 3514065, 3535085
Telefax: (92-53) 3513700

Web Reference : www.sitl.com.pk

Share Registrar : Corplink (Pvt) Ltd.
Wings Arcade, 1-K Commercial
Model Town, Lahore
Tel: (92-42) 35839182, 35916719



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 65th Annual General Meeting of shareholders of Service Industries Textiles Limited will be held on Wednesday, October 28, 2026 at 09:30 a.m. at Registered Office, 38-Empress Road, Lahore to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of 64th Annual General Meeting held on October 28, 2025
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Directors' and Auditors' reports thereon and Chairman's Review Report.
3. To appoint statutory auditors of the Company for the year ending June 30, 2027 and to fix their remuneration. The present auditors, M/s Crowe Hussain Chaudhury & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment as auditors of the Company.

SPECIAL BUSINESS

4. To consider and, if thought fit, approve the circulation of the Company's annual audited financial statements, together with the reports and documents required to be annexed thereto, to the members through QR-enabled code and weblink, in accordance with Section 223(6) of the Companies Act, 2017 and S.R.O. 389(I)/2023 dated March 21, 2023, by passing the following Ordinary Resolution:

"RESOLVED THAT pursuant to Section 223(6) and other applicable provisions of the Companies Act, 2017, read with S.R.O. 389(I)/2023 dated March 21, 2023 issued by the Securities and Exchange Commission of Pakistan, approval of the members be and is hereby accorded for circulation of the Company's annual audited financial statements, together with the reports and documents required to be annexed thereto, through QR-enabled code and weblink, in the manner prescribed by the Securities and Exchange Commission of Pakistan."

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

BY ORDER OF THE BOARD

(USMAN KHALID)
Company Secretary

LAHORE
06 October, 2026

BOOK CLOSURE:

The Members' Register will remain closed from October 22, 2026 to October 28, 2026 (both days inclusive).

Notes:

1. Transfer received in order at the Registered Office by the close of business hours on October 21, 2026 will be treated in time.
2. A member eligible to attend and vote at this Meeting may appoint another member as his/her proxy to attend and vote instead of him/her.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be received by the Company at the Registered Office not later than 48 hours before the time for holding the Meeting.
4. CDC account holders will further have to follow the under mentioned guidelines as laid down by Securities & Exchange Commission of Pakistan:

For Attending the Meeting:

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

**For Appointing Proxies:**

- i. In case of individuals, the account holder or sub-account holder and whose registration details are uploaded as per the Regulations, shall submit the proxy form as per above requirement
- ii. Attested copies of valid CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- iii. The proxy shall produce his/her original valid CNIC or original passport at the time of the meeting.
- iv. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be produced (unless it has been provided earlier) at the time of meeting.

VOTING ON SPECIAL BUSINESS THROUGH POSTAL BALLOT

In accordance with the Companies (Postal Ballot) Regulations, 2018, as amended, and applicable SECP requirements, members shall be entitled to vote on the Special Business set out at Agenda Item No. 4 through electronic voting and voting by post. The required information and procedure for e-voting shall be communicated to members, and the postal ballot paper shall be published and uploaded on the Company's website, within the timelines prescribed under the applicable regulations. Members attending the meeting who have not cast their vote electronically or by post before the meeting may cast their vote on the day of the meeting in accordance with applicable law.

CONSENT FOR VIDEO CONFERENCE FACILITY

Members can also avail video conference facility. In this regard please fill the following and submit to registered address of the Company 7 days before the general meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, to participate in the meeting through video conference at least 7 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

I/We _____ of _____,

being a member of Service Industries Textiles Limited, holder of _____ Ordinary shares as per Register Folio / CDC account No. _____ hereby opt for video conference facility at _____.

Signature of Member

Virtual Participation in the AGM

Shareholders interested in attending the AGM virtually are hereby advised to get themselves registered with the Company by providing the following information through email at info@prime-service.com:

Name of Shareholder	CNIC No.	Folio / CDC Account No	Contact No.	Email Address

Online meeting link and login credentials will be shared with only those shareholders whose emails, containing all the required particulars, are received at the given email address by the end of business on Saturday, October 24, 2026.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017**Agenda Item No. 4 - Circulation of Annual Audited Financial Statements through QR-enabled Code and Weblink**

The Securities and Exchange Commission of Pakistan ("SECP"), through S.R.O. 389(I)/2023 dated March 21, 2023, has allowed listed companies to circulate their annual audited financial statements to members through QR-enabled code and weblink, subject to obtaining approval of the shareholders in a general meeting and compliance with the conditions prescribed by SECP.



The Board of Directors has recommended that approval of the members be obtained to enable the Company to circulate its annual audited financial statements, together with the reports and documents required to be annexed thereto, through QR-enabled code and weblink in accordance with the applicable regulatory requirements. This will facilitate timely and convenient access to the annual report and reduce printing and distribution costs.

Following approval, the notice of the relevant general meeting will be dispatched to members in accordance with the Companies Act, 2017 and applicable SECP requirements and will contain the QR code and weblink through which the annual audited financial statements may be viewed and downloaded. Where a member has provided an email address to the Company, the annual audited financial statements will also be circulated through email without requiring separate consent.

Any member may request the Company to provide the complete annual audited financial statements and related documents in hard copy at his/her registered address, free of cost, and the Company shall provide the same within one week of receipt of the request, in accordance with S.R.O. 389(I)/2023.

None of the Directors of the Company has any direct or indirect interest in the above Special Business, except to the extent of their respective shareholding, if any, in the Company.

AVAILABILITY OF ANNUAL AUDITED FINANCIAL STATEMENTS

In accordance with the provisions of sections 223 and 237 of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2026 are available on the Company's website at www.sitl.com.pk/financial-statements.

Prohibition of Gifts Distribution

In accordance with applicable regulatory requirements, no gifts will be distributed at the Annual General Meeting.

Conversion of Physical Shares to Electronic

Those Shareholders having physical shareholding are encouraged to open a CDC Sub - Account with any Broker or Investor Account directly with CDC to place their physical shares into scrip less form.

Change of Particulars

Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses or other particulars. Shareholders maintaining their shares in electronic form should have their address and particulars updated with their participant or CDC Investor Accounts Service

**BALLOT PAPER FOR VOTING THROUGH POST**

For voting through post for the Special Business at the Annual General Meeting of Service Industries Textiles Limited to be held on Wednesday, October 28, 2026 at 09:30 a.m. at Registered Office, 38-Empress Road, Lahore.

Registered Office: 38-Empress Road, Lahore, Pakistan

Website: www.sitl.com.pk

Designated email address of the Chairman at which the duly filled in postal ballot paper may be sent: meeting_chairman@sitl.com.pk

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No	
Number of shares held	
CNIC, NICOP/Passport No. (in case of foreigner) (Copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below (delete as appropriate);

Ordinary Resolution
Agenda Item No. 4 To consider and, if thought fit, approve the circulation of the Company's annual audited financial statements, together with the reports and documents required to be annexed thereto, to the members through QR-enabled code and weblink, in accordance with Section 223(6) of the Companies Act, 2017 and S.R.O. 389(I)/2023 dated March 21, 2023, by passing the following Ordinary Resolution: “RESOLVED THAT pursuant to Section 223(6) and other applicable provisions of the Companies Act, 2017, read with S.R.O. 389(I)/2023 dated March 21, 2023 issued by the Securities and Exchange Commission of Pakistan, approval of the members be and is hereby accorded for circulation of the Company's annual audited financial statements, together with the reports and documents required to be annexed thereto, through QR-enabled code and weblink, in the manner prescribed by the Securities and Exchange Commission of Pakistan.”

I/We hereby exercise my/our vote in respect of the above-mentioned Ordinary Resolution through postal ballot by conveying my/our assent or dissent to the said resolution by placing a tick (✓) mark in the appropriate box below:				
Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	Ordinary Resolution as per Agenda Item No. 4 (as given above)			

Signature of Shareholder(s) / Authorized Signatory
(In case of Corporate entity, please affix company stamp)

Place: _____

Date: _____



NOTES:

1. Duly filled postal ballot should be sent to the Chairman, Service Industries Textiles Limited at Registered Office, 38-Empress Road, Lahore, Pakistan or through email at meeting_chairman@sitl.com.pk.
2. Copy of CNIC, NICOP/Passport No. (In case of foreigner) should be enclosed with the postal ballot form
3. Duly completed postal ballot forms must reach the Chairman of the Meeting on or before 5:00 p.m. on October 27, 2026. Any postal ballot received after the prescribed time shall not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten ballot paper will be rejected.



REVIEW REPORT BY THE CHAIRMAN

I am pleased to present my review of the overall performance and effectiveness of the Board of Directors of the Company for the financial year ended June 30, 2026.

During the year, the annual performance evaluation of the Board was carried out through the evaluation mechanism adopted by the Company. The evaluation covered key areas including the Board's role in strategic planning and policy formulation, oversight of the Company's business and financial affairs, risk management and internal controls, Board procedures and the effectiveness of its committees.

Based on the evaluation, the overall performance and effectiveness of the Board was assessed as satisfactory. Despite the challenging operating environment faced by the textile industry during the year, the Board continued to provide appropriate oversight and guidance to management in addressing the challenges faced by the Company.

The Board and its committees were provided with appropriate agendas and supporting information in a timely manner to enable the directors to effectively discharge their responsibilities. The Board met with sufficient frequency during the year, and the non-executive and independent directors actively participated in Board deliberations and the decision-making process.

The Board remains committed to maintaining sound corporate governance practices and keep providing appropriate strategic direction and oversight of the Company's affairs. The Company also continues its efforts to provide a safe, healthy and conducive working environment for its employees.

Lahore
06 October, 2026

Aamer Hameed
Chairman



چیرمین کی جائزہ رپورٹ

سروس انڈسٹریز ٹیکسٹائلز لمیٹڈ کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017ء کے تحت کیا گیا۔

مجھے 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے کمپنی کے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور مؤثریت کے بارے میں اپنا جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے۔

سال کے دوران، کمپنی کی جانب سے اختیار کردہ جائزہ جاتی طریقہ کار کے تحت بورڈ کی سالانہ کارکردگی کا جائزہ لیا گیا۔ اس جائزے میں اہم شعبوں کا احاطہ کیا گیا، جن میں تزییناتی منصوبہ بندی اور پالیسی سازی میں بورڈ کا کردار، کمپنی کے کاروباری اور مالی امور کی نگرانی، رسک مینجمنٹ اور داخلی کنٹرولز، بورڈ کیٹر لیکچر اور اس کی کمیٹیوں کی مؤثریت شامل ہیں۔

جائزے کی بنیاد پر بورڈ کی مجموعی کارکردگی اور مؤثریت کو تسلی بخش قرار دیا گیا۔ سال کے دوران ٹیکسٹائل صنعت کو درپیش مشکل کاروباری حالات کے باوجود، بورڈ نے کمپنی کو درپیش چیلنجز سے نمٹنے کے لیے انتظامیہ کو مناسب نگرانی اور رہنمائی فراہم کرنے کا سلسلہ جاری رکھا۔

ڈائریکٹرز کو اپنی ذمہ داریاں مؤثر طور پر ادا کرنے کے قابل بنانے کے لیے بورڈ اور اس کی کمیٹیوں کو مناسب ایجنڈا اور معاون معلومات بروقت فراہم کی گئیں۔ سال کے دوران بورڈ کے اجلاس مناسب تعداد میں منعقد ہوئے، جبکہ نان ایگزیکٹو اور آزاد ڈائریکٹرز نے بورڈ کی مشاورت اور فیصلہ سازی کے عمل میں فعال طور پر حصہ لیا۔

بورڈ مؤثر کارپوریٹ گورننس کے طریقوں کو برقرار رکھنے اور کمپنی کے امور کے لیے مناسب تزییناتی سمت اور نگرانی فراہم کرنے کے لیے پرعزم ہے۔ کمپنی اپنے ملازمین کے لیے محفوظ، صحت مند اور سازگار کام کا ماحول فراہم کرنے کی کوششیں بھی جاری رکھے ہوئے ہے۔

عامر حمید
چیرمین

لاہور

مورخہ 06 - اکتوبر 2026



DIRECTORS' REPORT

The directors are pleased to present the 65th Annual Report of the Company together with the audited financial statements for the year ended June 30, 2026.

Operating & Financial Results:

During the year under review, the Company recorded net sales of Rs. 1.276 billion as compared to Rs. 1.371 billion in the preceding year. The Company incurred a gross loss of Rs. 35.227 million as against a gross profit of Rs. 5.594 million in the previous year. Consequently, the loss after taxation increased to Rs. 111.355 million as compared to Rs. 72.900 million in the preceding year.

The spinning sector continued to face challenging conditions during the year, with pressures intensifying in the last quarter. Punjab-based spinning mills were affected by high energy and other input costs, subdued yarn margins and increasing competitive pressures. The situation was further aggravated by limited availability and higher cost of domestic cotton, together with comparatively cheaper imported yarn and fabric under the Export Facilitation Scheme (EFS). Industry concerns regarding dumping and misuse of the Scheme further pressured demand and pricing for locally produced yarn, adversely affecting spinning margins and capacity utilization.

Against this backdrop, the Company's financial performance remained under pressure. Management continues to focus on operating efficiencies, cost rationalization, production planning in line with market demand and prudent management of working capital, while evaluating opportunities to improve utilization of available resources and broaden the Company's revenue base.

Key Operational and Financial Data

	JUNE 2026	JUNE 2025	JUNE 2024	JUNE 2023	JUNE 2022	JUNE 2021	JUNE 2020
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Sales	1,276,207	1,370,515	1,341,318	1,051,603	1,341,765	1,230,010	921,250
Gross Profit / (Loss)	(35,227)	5,594	(35,239)	(109,842)	37,645	130,246	59,146
Operating Profit/(Loss)	(93,898)	(49,271)	(79,009)	(152,406)	(8,452)	87,222	23,934
Profit/(Loss) before levy & Tax	(95,819)	(61,171)	(92,720)	(157,371)	(7,552)	80,734	(1,832)
Levy & Tax	(15,536)	(11,729)	(7,925)	(548)	(3,818)	(21,192)	(23,210)
Net (Loss) / Profit for the year	(111,355)	(72,900)	(100,644)	(15,792)	(11,370)	59,543	(25,042)
Total Assets	1,706,086	1,684,272	1,469,907	1,451,674	1,492,622	866,901	828,577
Current Liabilities	660,049	557,806	469,072	339,592	197,287	174,181	166,913
	1,046,037	1,126,466	1,000,834	1,112,081	1,295,335	692,720	661,664
Presented by:							
Equity-net	906,541	1,015,105	911,352	1,010,125	1,167,855	563,211	543,911
Long term loans	37,121	11,149	19,213	26,295	46,066	52,209	26,270
Deferred Liability	102,375	100,212	70,269	75,661	81,414	77,300	91,484
	1,046,037	1,126,466	1,000,834	1,112,081	1,295,335	692,720	661,664

EPS:

Loss per share (basic and diluted) for the year ended June 30, 2026 was Rs. (8.08) as compared to Rs. (5.29) in the preceding year.

Future Prospects:

Looking ahead, the outlook for the domestic spinning sector reflects some encouraging developments, although the pace and sustainability of improvement will depend on prevailing market and industry conditions. Improved availability of domestic cotton and recent regulatory and enforcement measures aimed at curbing misuse of the Export Facilitation Scheme (EFS) are expected to support a more balanced competitive environment for domestic manufacturers. Effective implementation of these measures could help strengthen demand for locally produced yarn and support margins of the domestic spinning industry.

The Company will continue to follow a cautious and disciplined approach while exploring opportunities for better utilization of its existing infrastructure and resources. These include potential diversification into value-added textile and garment-related activities, as well as commercial utilization of available idle space through suitable arrangements.

Any such initiative will be pursued after appropriate assessment of its commercial and financial feasibility and subject to the requisite approvals, where applicable. The Board and management remain focused on improving operating performance, optimizing asset utilization and selectively pursuing commercially viable opportunities that may broaden the Company's revenue base and support gradual improvement in its financial performance.

**Auditors' Report and Going Concern**

The statutory auditors have expressed an adverse opinion on the financial statements for the year ended June 30, 2026. In the Basis for Adverse Opinion, the auditors have referred to the net loss of Rs. 111.355 million, accumulated losses of Rs. 472.215 million and the excess of current liabilities over current assets of Rs. 461.422 million, and stated that these events indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and that the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

The Board has carefully considered these matters together with the improvement in operating results subsequent to the reporting date, management's measures to improve operating efficiencies and optimize available resources, and the continued financial support committed by the sponsors. Based on its assessment and the information presently available, the Board considers the use of the going concern basis of accounting to be appropriate.

The Board and management remain focused on improving operating performance, strengthening liquidity, prudent management of working capital and optimizing the utilization of the Company's resources, while continuing to closely monitor its financial and operational position.

Payment of Dividend:

No dividend has been declared by the Board of directors during the year due to losses.

Corporate & Financial Reporting Framework:

- a) The financial statements have been prepared by management on a going concern basis in accordance with the accounting policies and disclosures set out therein. The statutory auditors have expressed an adverse opinion regarding the appropriateness of the Company's use of the going concern basis of accounting, as more fully explained in their report.
- b) Proper books of account have been maintained by the Company & appropriate accounting policies have been adopted and consistently applied in the preparation of financial statements, except for the matter relating to the use of the going concern basis of accounting on which the statutory auditors have expressed an adverse opinion. Accounting estimates are based on reasonable and prudent judgment.
- c) The financial statements have been prepared using the accounting and reporting framework applicable in Pakistan, subject to the matter relating to the going concern basis described in the statutory auditors' adverse opinion.
- d) The system of internal control is sound in design and has been effectively implemented and monitored. The process of review will continue and any weakness in control will be removed.
- e) Six years financial summary is annexed.
- f) Pattern of shareholding as at June 30, 2026 and the disclosures required under the applicable regulatory framework are annexed with this report.
- g) The Company has adopted the applicable corporate governance practices under the Listed Companies (Code of Corporate Governance) Regulations, 2019, as amended from time to time.

Internal Control System:

The Company has always emphasized on a sound Internal Control System for the effective implementation and monitoring of Internal Control System.

Statutory Payments:

There is no outstanding statutory payment payable other than those shown in the relevant Notes to the financial statements.

Composition of the Board of Directors:

The total number of directors is seven (07) including the Chief Executive (deemed director) as per the following:

Male:	5
Female:	2

The composition is as follows:

Category	Names
Independent Director	Mr. Usman Hamid Malik Ms. Sara Aqeel
Executive Director	Mr. Muhammad Hameed Mr. Murtaza Hameed
Non-Executive	Mr. Aamer Hameed Mr. Tariq Hameed Ms. Sadia Hamid
Female Director	Ms. Sara Aqeel Ms. Sadia Hamid

**Board of Directors Meeting:**

During the year ended June 30, 2026, the Board of Directors held six meetings. Attendance of each director is given hereunder:

Mohammad Hameed	6
Aamer Hameed	6
Tariq Hameed	6
Murtaza Hameed	6
Usman Hamid Malik	6
Sara Aqeel	6
Sadia Hamid	6

Committees of the Board

To assist the smooth operations of the Board and support in sound decision making, the Board has established two committees which are chaired by independent directors. These committees are as follows

Audit Committee:

The committee comprises of three (3) members as per the following:

Usman Hamid Malik	(Chairman)
Sara Aqeel	(Member)
Aamer Hameed	(Member)

During the year four meetings of Audit Committee of the Board were held. Attendance by each director is as follows:

Sara Aqeel	4
Usman Hamid Malik	4
Aamer Hameed	4

Human Resource and Remuneration (HR & R) Committee:

The committee comprises of three (3) members as per the following:

Sara Aqeel	(Chairperson)
Tariq Hameed	(Member)
Usman Hamid Mailk	(Member)

During the year two meetings of HR & R Committee of the Board were held. Attendance by each director is as follows:

Usman Hamid Mailk	2
Tariq Hameed	2
Sara Aqeel	2

Value of Investment of Gratuity Fund:

The Company has maintained a Gratuity fund for its employees however there are no plan assets covering this liability as on June 30, 2026.

Books of Accounts:

The Company at the registered Office has maintained proper books of accounts.

Director's Remuneration:

The feature of executive director's remuneration policy prepared and recommended by human resource and remuneration committee (HRRC) has been approved by the board subject to the provisions of the Companies Act 2017, Companies' Article of Association and Code of Corporate Governance Regulations. The policy has been designed on the basis of standards in the market, and reflects demands to competencies & efforts in light of scope of their work and increase in responsibilities of the directors. No director takes part in deciding his own remuneration.

Auditors:

M/s Crowe Hussain Chaudhury & Co., Chartered Accountants, retire and, being eligible, have offered themselves for re-appointment. The Board Audit Committee has recommended their re-appointment, which has been endorsed by the Board, as statutory auditors of the Company for the year ending June 30, 2027, subject to approval of the shareholders at the Annual General Meeting.

Code of Conduct:

The code of conduct has been developed and has been communicated and acknowledged by each Director and Employee of the Company.

**Related Party Transactions:**

During the year, the Company carried out transactions with related parties in the ordinary course of business. Details of related party transactions are disclosed in the relevant note to the financial statements. Such transactions are placed before the Board Audit Committee and, on its recommendation, before the Board of Directors for review and approval in accordance with the applicable legal and regulatory requirements.

Sustainability-Related Risks

The Board recognizes the importance of environmental, social and governance (ESG) considerations and oversees sustainability-related risks and opportunities relevant to the Company's operations. Such risks, including their potential financial and operational impact, are assessed as part of the Company's overall risk management process.

The Company takes appropriate measures to manage and mitigate identified risks through regulatory compliance, responsible business practices, efficient use of resources, employee health and safety measures, and appropriate internal controls.

Diversity, Equity & Inclusion (DE&I) and Gender Pay Gap

The Company is committed to fostering an inclusive and diverse workplace and providing equal opportunities for professional growth and development. During the year, the Company continued to promote women's participation at various levels of the organization and maintained employment practices aimed at providing equal opportunities for recruitment, development and career progression. In accordance with SECP Circular No. 10 of 2024, the gender pay gap of the Company for the year ended June 30, 2026 is disclosed below:

- Mean Gender Pay Gap: 1.78%
- Median Gender Pay Gap: (0.75%)

Corporate Social Responsibility:

Your company has very distinct Corporate and Social Responsibility (CSR) policy in fulfilling its responsibilities of securing the community within which it operates. Its philanthropic activities include participation in health and environmental protection initiatives.

Safety, Health and Environment:

We maintain our commitment to high standards of safety, health and environment. We are committed in providing clean, healthy and safe conditions to our employees. All of our employees are continuously updated on relevant aspects of safety especially with regards to safe production, delivery, storage and handling of inventory items. Safety values are demonstrated in our day to day activities through lead by example approach. Due to these controls and with the blessing of Almighty Allah no major accidents or incidents took place at the mill during the year.

Pattern of Shareholding:

Pattern of shareholding and additional information regarding pattern of shareholding is attached separately. No trade in shares of the Company was carried out by the CEO, CFO and Company Secretary and their spouses and minor children

Subsequent Events:

Except for the developments considered in the Company's going concern assessment and disclosed in the financial statements, there have been no other material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

Acknowledgement:

The directors express their gratitude for the continued support of shareholders and employees of the Company during the period under review and pray to Allah for better prospects in future.

For & on behalf of the Board of Directors

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

Lahore
06 October, 2026



ڈائریکٹرز کی رپورٹ

ڈائریکٹرز کو خوشی ہے کہ وہ 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے کمپنی کی 65 ویں سالانہ رپورٹ، آڈٹ شدہ مالی بیانات کے ہمراہ، پیش کر رہے ہیں۔ آپریٹنگ اور مالی نتائج:

زیر جائزہ سال کے دوران کمپنی نے 1.276 ارب روپے کی خالص فروخت ریکارڈ کی، جبکہ گزشتہ سال یہ 1.371 ارب روپے تھی۔ کمپنی کو 35.227 ملین روپے کا مجموعی خسارہ ہوا، جبکہ گزشتہ سال 5.594 ملین روپے کا مجموعی منافع ہوا تھا۔ نتیجتاً، بعد از ٹیکس خسارہ بڑھ کر 111.355 ملین روپے ہو گیا، جبکہ گزشتہ سال یہ 72.900 ملین روپے تھا۔ سال کے دوران اسپننگ سیکٹر کو مشکل حالات کا سامنا رہا، جن میں آخری سہ ماہی کے دوران مزید شدت آئی۔ پنجاب میں قائم اسپننگ ملز بلند توانائی اور دیگر پیداواری لاگت، یارن کے کم منافع اور بڑھتے ہوئے مسابقتی دباؤ سے متاثر ہوئیں۔ مقامی کپاس کی محدود دستیابی اور زیادہ قیمت کے ساتھ ساتھ ایکسپورٹ فیسیلیٹیشن اسکیم (EFS) کے تحت نسبتاً سستے درآمدی یارن اور فیکٹرک نے صورتحال کو مزید مشکل بنا دیا۔ ڈمپنگ اور اسکیم کے مبینہ غلط استعمال سے متعلق صنعتی خدشات نے مقامی طور پر تیار کردہ یارن کی طلب اور قیمتوں پر مزید دباؤ ڈالا، جس سے اسپننگ مارجن اور پیداواری صلاحیت کے استعمال پر منفی اثر پڑا۔

اس پس منظر میں کمپنی کی مالی کارکردگی دباؤ میں رہی۔ انتظامیہ آپریشنل کارکردگی بہتر بنانے، اخراجات میں معقول کمی، مارکیٹ کی طلب کے مطابق پیداواری منصوبہ بندی اور ورکنگ کیپیٹل کے محتاط انتظام پر توجہ جاری رکھے ہوئے ہے، جبکہ دستیاب وسائل کے بہتر استعمال اور کمپنی کی آمدنی کے ذرائع میں وسعت کے مواقع کا بھی جائزہ لیا جا رہا ہے۔

کلیدی آپریشنل اور مالیاتی ڈیٹا:

جون 2026ء (روپے 000)	جون 2025ء (روپے 000)	جون 2024ء (روپے 000)	جون 2023ء (روپے 000)	جون 2022ء (روپے 000)	جون 2021ء (روپے 000)	جون 2020ء (روپے 000)
1,276,207	1,370,515	1,341,318	1,051,603	1,341,765	1,230,010	921,250
(35,227)	5,594	(35,239)	(109,842)	37,645	130,246	59,146
(93,898)	(49,271)	(79,009)	(152,406)	(8,452)	87,222	23,934
(95,819)	(61,171)	(92,720)	(157,371)	(7,552)	80,734	(1,832)
(15,536)	(11,729)	(7,925)	(548)	(3,818)	(21,192)	(23,210)
(111,355)	(72,900)	(100,644)	(15,792)	(11,370)	59,543	(25,042)
1,706,086	1,684,272	1,469,907	1,451,674	1,492,622	866,901	828,577
660,049	557,806	469,072	339,592	197,287	174,181	166,913
1,046,037	1,126,466	1,000,834	1,112,081	1,295,335	692,720	661,664
906,541	1,015,105	911,352	1,010,125	1,167,855	563,211	543,911
37,121	11,149	19,213	26,295	46,066	52,209	26,270
102,375	100,212	70,269	75,661	81,414	77,300	91,484
1,046,037	1,126,466	1,000,834	1,112,081	1,295,335	692,720	661,664

سبز
گراس منافع / نقصان
آپریٹنگ منافع / نقصان
منافع / نقصان ٹیکس سے پہلے
ٹیکس
منافع / نقصان ٹیکس کے بعد

نوٹس / اثاثہ جات
موجودہ واجبات

پریزنٹیشن ڈیٹا
ایکویٹی - نیٹ
لائسنس اور لیز
موثر واجبات

فی حصص آمدنی (EPS):

30 جون 2026 کو ختم ہونے والے مالی سال کے لیے فی حصص خسارہ (بنیادی اور تحلیل شدہ) 8.08 روپے رہا، جبکہ گزشتہ سال یہ 5.29 روپے تھا۔ مستقبل کے امکانات:

آئندہ کی طرف دیکھتے ہوئے، ملکی اسپننگ سیکٹر کے امکانات میں کچھ حوصلہ افزا پیش رفت نظر آرہی ہے، تاہم بہتری کی رفتار اور پائیداری کا انحصار موجودہ مارکیٹ اور صنعتی حالات پر ہوگا۔ مقامی کپاس کی بہتر دستیابی اور ایکسپورٹ فیسیلیٹیشن اسکیم (EFS) کے غلط استعمال کی روک تھام کے لیے حالیہ ریگولیٹری اور نفاذی اقدامات سے توقع ہے کہ مقامی صنعت کاروں کے لیے نسبتاً متوازن مسابقتی ماحول پیدا ہوگا۔ ان اقدامات کے مؤثر نفاذ سے مقامی طور پر تیار کردہ یارن کی طلب مضبوط ہونے اور ملکی اسپننگ صنعت کے مارجن کو سہارا ملنے کی توقع ہے۔ کمپنی محتاط اور نظم و ضبط پر مبنی حکمت عملی جاری رکھے گی اور اپنے موجودہ انفراسٹرکچر اور وسائل کے بہتر استعمال کے مواقع تلاش کرے گی۔ ان میں ویلیو ایڈڈ ٹیکسٹائل اور گارمنٹس سے متعلق سرگرمیوں میں ممکنہ تنوع کے ساتھ ساتھ دستیاب غیر استعمال شدہ جگہ کو مناسب انتظامات کے ذریعے تجارتی مقاصد کے لیے استعمال کرنا شامل ہے۔

ایسا کوئی بھی اقدام اس کی تجارتی اور مالی قابل عملیت کے مناسب جائزے کے بعد اور جہاں قابل اطلاق ہو، ضروری منظوریوں سے مشروط ہو کر کیا جائے گا۔ بورڈ اور انتظامیہ آپریٹنگ کارکردگی بہتر بنانے، اثاثوں کے استعمال کو مؤثر بنانے اور منتخب طور پر ایسے تجارتی طور پر قابل عمل مواقع اختیار کرنے پر توجہ مرکوز رکھے ہوئے ہیں جو کمپنی کی آمدنی کے ذرائع کو وسیع کر سکیں اور اس کی مالی کارکردگی میں بتدریج بہتری کی حمایت کریں۔



آڈیٹرز کی رپورٹ اور تسلسل کاروبار

قانونی آڈیٹرز نے 30 جون 2026 کو ختم ہونے والے مالی سال کے مالی بیانات پر منفی رائے (Adverse Opinion) کا اظہار کیا ہے۔ منفی رائے کی بنیاد میں آڈیٹرز نے 111.355 ملین روپے کے خالص خسارے، 472.215 ملین روپے کے جمع شدہ خساروں اور موجودہ اثاثوں کے مقابلے میں موجودہ واجبات کے 461.422 ملین روپے زائد ہونے کا حوالہ دیتے ہوئے کہا ہے کہ یہ حالات ایک ایسی اہم غیر یقینی صورتحال کی موجودگی کی نشاندہی کرتے ہیں جو کمپنی کی بطور تسلسل کاروبار جاری رہنے کی صلاحیت پر نمایاں شبہ پیدا کر سکتی ہے، اور یہ کہ کمپنی معمول کے کاروباری عمل میں اپنے اثاثوں کو وصول اور واجبات کو ادا کرنے کے قابل نہ بھی ہو سکتی ہے۔

بورڈ نے ان امور کا بغور جائزہ لیا ہے، جس میں رپورٹنگ تاریخ کے بعد آپریٹنگ نتائج میں بہتری، آپریشنل کارکردگی بہتر بنانے اور دستیاب وسائل کو مؤثر طور پر استعمال کرنے کے لیے انتظامیہ کے اقدامات، اور اسپانسرز کی جانب سے تسلسل مالی معاونت کے عزم کو بھی مد نظر رکھا گیا ہے۔ اپنے جائزے اور فی الحال دستیاب معلومات کی بنیاد پر بورڈ تسلسل کاروبار کی بنیاد پر اکاؤنٹنگ کے استعمال کو مناسب سمجھتا ہے۔

بورڈ اور انتظامیہ آپریٹنگ کارکردگی بہتر بنانے، لیکویڈیٹی مضبوط کرنے، ورکنگ کیپیٹل کے محتاط انتظام اور کمپنی کے وسائل کے مؤثر استعمال پر توجہ مرکوز رکھے ہوئے ہیں، جبکہ کمپنی کی مالی اور آپریشنل پوزیشن کی مسلسل قریب سے نگرانی بھی جاری ہے۔

منافع منقسم کی ادائیگی:

سال کے دوران خساروں کے باعث بورڈ آف ڈائریکٹرز نے کسی منافع منقسم کا اعلان نہیں کیا۔

کارپوریٹ اور مالی رپورٹنگ کا فریم ورک:

- مالی بیانات انتظامیہ نے ان میں بیان کردہ اکاؤنٹنگ پالیسیوں اور افشادات کے مطابق تسلسل کاروبار کی بنیاد پر تیار کیے ہیں۔ قانونی آڈیٹرز نے کمپنی کی جانب سے تسلسل کاروبار کی بنیاد استعمال کرنے کی موزونیت کے بارے میں منفی رائے کا اظہار کیا ہے، جس کی مزید وضاحت ان کی رپورٹ میں موجود ہے۔
- کمپنی نے حسابات کی مناسب کتب برقرار رکھی ہیں۔ مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں اختیار کی گئی ہیں اور ان پر مسلسل عمل کیا گیا ہے، سوائے تسلسل کاروبار کی بنیاد کے استعمال سے متعلق معاملے کے، جس پر قانونی آڈیٹرز نے منفی رائے کا اظہار کیا ہے۔ اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے کی بنیاد پر کیے گئے ہیں۔
- مالی بیانات پاکستان میں قابل اطلاق اکاؤنٹنگ اور رپورٹنگ فریم ورک کے مطابق تیار کیے گئے ہیں، تاہم تسلسل کاروبار کی بنیاد سے متعلق وہ معاملہ مستثنیٰ ہے جس کی وضاحت قانونی آڈیٹرز کی منفی رائے میں کی گئی ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مضبوط ہے اور اسے مؤثر طور پر نافذ اور مانیٹر کیا گیا ہے۔ جائزے کا عمل جاری رہے گا اور کنٹرول میں کسی بھی کمزوری کو دور کیا جائے گا۔
- چھ سالہ مالی خلاصہ منسلک ہے۔
- 30 جون 2026 تک شیئر ہولڈنگ کا پیٹرن اور قابل اطلاق ریگولیٹری فریم ورک کے تحت مطلوبہ افشادات اس رپورٹ کے ساتھ منسلک ہیں۔
- کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019، میں وقتاً فوقتاً کی گئی ترامیم سمیت، قابل اطلاق کارپوریٹ گورننس طریقہ کار اختیار کیے ہیں۔

اندرونی کنٹرول کا نظام:

کمپنی نے اندرونی کنٹرول کے نظام کے مؤثر نفاذ اور نگرانی کے لیے ہمیشہ ایک مضبوط اندرونی کنٹرول سسٹم پر زور دیا ہے۔

قانونی واجبات کی ادائیگیاں:

مالی بیانات کے متعلقہ نوٹس میں ظاہر کردہ رقوم کے علاوہ کوئی قانونی ادائیگی واجب الادا نہیں ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل:

چیف ایگزیکٹو (بطور تصور شدہ ڈائریکٹر) سمیت ڈائریکٹرز کی کل تعداد سات (07) ہے، جس کی تفصیل درج ذیل ہے:

مرد: 5 خواتین: 2

بورڈ کی تشکیل درج ذیل ہے:

نام	زمرہ	نام	زمرہ
مسٹر عثمان ملک	آزاد ڈائریکٹر	مسٹر طارق حمید	نان ایگزیکٹو ڈائریکٹر
محترمہ سارہ عقیل	آزاد ڈائریکٹر	محترمہ سعدیہ حمید	نان ایگزیکٹو ڈائریکٹر
مسٹر محمد حمید	ایگزیکٹو ڈائریکٹر	محترمہ سارہ عقیل	خاتون ڈائریکٹر
مسٹر مرتضیٰ حمید	ایگزیکٹو ڈائریکٹر	محترمہ سعدیہ حمید	خاتون ڈائریکٹر
مسٹر عمر حمید	نان ایگزیکٹو ڈائریکٹر		



بورڈ آف ڈائریکٹرز کے اجلاس:

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

6	محمد حمید
6	عامر حمید
6	طارق حمید
6	مرنضی حمید
6	عثمان حامد ملک
6	سارہ عقیل
6	سعدیہ حمید

بورڈ کی کمیٹیاں

بورڈ کے امور کو خوش اسلوبی سے چلانے اور مؤثر فیصلہ سازی میں معاونت کے لیے بورڈ نے دو کمیٹیاں قائم کی ہیں، جن کی سربراہی آزاد ڈائریکٹرز کرتے ہیں۔ یہ کمیٹیاں درج ذیل ہیں:

آڈٹ کمیٹی:

کمیٹی تین (3) اراکین پر مشتمل ہے، جیسا کہ درج ذیل ہے:

عثمان حامد ملک (چیئر مین)

سارہ عقیل (رکن)

عامر حمید (رکن)

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

سارہ عقیل 4

عثمان حامد ملک 4

عامر حمید 4

ہیومن ریسورس اینڈ ریمونریشن کمیٹی (R&HR):

کمیٹی تین (3) اراکین پر مشتمل ہے، جیسا کہ درج ذیل ہے:

سارہ عقیل (چیئر پرسن)

طارق حمید (رکن)

عثمان حامد ملک (رکن)

سال کے دوران بورڈ کی R&HR کمیٹی کے دو اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

عثمان حامد ملک 2

طارق حمید 2

سارہ عقیل 2

گرمیجیوٹی فنڈ میں سرمایہ کاری کی قدر:

کمپنی نے اپنے ملازمین کے لیے گرمیجیوٹی فنڈ قائم کر رکھا ہے، تاہم 30 جون 2026 تک اس واجب الادا رقم کو کور کرنے کے لیے کوئی پلان اٹھانے موجود نہیں ہیں۔

حسابات کی کتب:

کمپنی نے اپنے رجسٹرڈ دفتر میں حسابات کی مناسب کتب برقرار رکھی ہیں۔

ڈائریکٹرز کا معاوضہ:

ایگزیکٹو ڈائریکٹرز کے معاوضے کی پالیسی، جو ہیومن ریسورس اینڈ ریمونریشن کمیٹی (HRRC) نے تیار اور تجویز کی، بورڈ نے کمپنیز ایکٹ 2017، کمپنی کے آرٹیکلز آف ایسوسی ایشن اور کوڈ آف کارپوریٹ گورننس ریگولیشنز کی دفعات کے تابع منظور کی ہے۔ یہ پالیسی مارکیٹ کے معیارات کی بنیاد پر مرتب کی گئی ہے اور ڈائریکٹرز کے کام کے دائرہ کار، بڑھتی ہوئی ذمہ داریوں، مطلوبہ صلاحیتوں اور کاموں کی عکاسی کرتی ہے۔ کوئی بھی ڈائریکٹر اپنے معاوضے کے تعین میں حصہ نہیں لیتا۔

آڈیٹرز:

میسرز & Co. Crowe Hussain Chaudhury، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور اہل ہونے کی بنا پر دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔ بورڈ آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی سفارش کی ہے، جس کی بورڈ نے توثیق کر دی ہے، تاکہ انہیں 30 جون 2027 کو ختم ہونے والے مالی سال کے لیے کمپنی کے قانونی آڈیٹرز کے طور پر دوبارہ مقرر کیا جائے، بشرطیکہ



سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری حاصل ہو۔

ضابطہ اخلاق:

ضابطہ اخلاق مرتب کیا گیا ہے اور اسے کمپنی کے ہر ڈائریکٹر اور ملازم تک پہنچایا گیا ہے، جنہوں نے اس کی وصولی اور آگاہی کی تصدیق کی ہے۔ متعلقہ فریقین کے ساتھ لین دین:

سال کے دوران کمپنی نے معمول کے کاروبار کے دوران متعلقہ فریقین کے ساتھ لین دین کیا۔ متعلقہ فریقین کے ساتھ لین دین کی تفصیلات مالی بیانات کے متعلقہ نوٹ میں ظاہر کی گئی ہیں۔ ایسے لین دین کو بورڈ آڈٹ کمیٹی کے سامنے پیش کیا جاتا ہے اور اس کی سفارش پر قابل اطلاق قانونی اور ریگولیٹری تقاضوں کے مطابق جائزہ اور منظوری کے لیے بورڈ آف ڈائریکٹرز کے سامنے رکھا جاتا ہے۔ پائیداری سے متعلق خطرات

بورڈ ماحولیاتی، سماجی اور گورننس (ESG) عوامل کی اہمیت کو تسلیم کرتا ہے اور کمپنی کے آپریشنز سے متعلق پائیداری کے خطرات اور مواقع کی نگرانی کرتا ہے۔ ایسے خطرات، بشمول ان کے ممکنہ مالی اور آپریشنل اثرات، کمپنی کے مجموعی ریسک مینجمنٹ کے عمل کے حصے کے طور پر جانچے جاتے ہیں۔

کمپنی شناخت شدہ خطرات کے انتظام اور ان میں کمی کے لیے ریگولیٹری تعمیل، ذمہ دارانہ کاروباری طریقوں، وسائل کے مؤثر استعمال، ملازمین کی صحت و سلامتی کے اقدامات اور مناسب اندرونی کنٹرولز کے ذریعے موزوں اقدامات کرتی ہے۔

تنوع، مساوات و شمولیت (DE&I) اور صنفی اجرت کا فرق

کمپنی ایک جامع اور متنوع کام کی جگہ کو فروغ دینے اور پیشہ ورانہ ترقی کے مساوی مواقع فراہم کرنے کے لیے پرعزم ہے۔ سال کے دوران کمپنی نے ادارے کی مختلف سطحوں پر خواتین کی شرکت کو فروغ دینا جاری رکھا اور بھرتی، ترقی اور کیئر میں پیش رفت کے مساوی مواقع فراہم کرنے کے مقصد سے روزگار کے طریقہ کار برقرار رکھے۔

SECP سرکلر نمبر 10 برائے 2024 کے مطابق، 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے کمپنی کے صنفی اجرت کے فرق کی تفصیل درج ذیل ہے:

• اوسط صنفی اجرت کا فرق: 1.78%

• میڈین صنفی اجرت کا فرق: (0.75%)

کارپوریٹ سماجی ذمہ داری:

آپ کی کمپنی کیونٹی، جس کے اندر وہ کام کرتی ہے، کے تحفظ سے متعلق اپنی ذمہ داریوں کی تکمیل کے لیے ایک واضح کارپوریٹ سماجی ذمہ داری (CSR) پالیسی رکھتی ہے۔ اس کی فلاحی سرگرمیوں میں صحت اور ماحولیاتی تحفظ کے اقدامات میں شرکت شامل ہے۔

سلامتی، صحت اور ماحول:

ہم سلامتی، صحت اور ماحول کے اعلیٰ معیارات کے لیے اپنے عزم کو برقرار رکھتے ہیں۔ ہم اپنے ملازمین کو صاف، صحت مند اور محفوظ کام کا ماحول فراہم کرنے کے لیے پرعزم ہیں۔ تمام ملازمین کو سلامتی کے متعلقہ پہلوؤں، بالخصوص محفوظ پیداوار، ترسیل، ذخیرہ اور انوینٹری اشیاء کی ہینڈلنگ کے حوالے سے مسلسل آگاہ رکھا جاتا ہے۔ سلامتی کی اقدار کو روزمرہ سرگرمیوں میں عملی مثال کے ذریعے نمایاں کیا جاتا ہے۔ ان کنٹرولز اور اللہ تعالیٰ کے فضل و کرم سے سال کے دوران مل میں کوئی بڑا حادثہ یا واقعہ پیش نہیں آیا۔

شیئر ہولڈنگ کا پیٹرن:

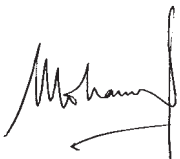
شیئر ہولڈنگ کا پیٹرن اور اس سے متعلق اضافی معلومات علیحدہ منسلک ہیں۔ کمپنی کے CEO، CFO اور کمپنی سیکریٹری، نیز ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں کوئی لین دین نہیں کیا۔

بعد از رپورٹنگ واقعات:

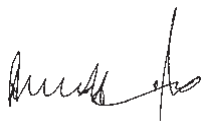
کمپنی کے تسلسل کاروبار کے جائزے میں زیر غور لائی گئی اور مالی بیانات میں ظاہر کی گئی پیش رفت کے علاوہ، مالی سال کے اختتام سے اس رپورٹ کی تاریخ تک کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی دوسری اہم تبدیلی یا وابستگی واقع نہیں ہوئی۔

اظہار تشکر:

ڈائریکٹرز، جائزہ مدت کے دوران شیئر ہولڈرز اور کمپنی کے ملازمین کی مسلسل حمایت پر ان کا شکریہ ادا کرتے ہیں اور اللہ تعالیٰ سے مستقبل میں بہتر امکانات کے لیے دعا گو ہیں



محمد حمید
چیف ایگزیکٹو



عامر حمید
ڈائریکٹر

لاہور

مورخہ 6 - اکتوبر 2026



**STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019
FOR THE YEAR ENDED 30 June 2026**

Service Industries Textile Limited (“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 7 as per the following:

a)	Male:	5
b)	Female:	2

2. The composition of the Board is as follows:

Category	Names
Independent Director *	Mr. Usman Hamid Malik Ms. Sara Aqeel
Executive Director	Mr. Muhammad Hameed Mr. Murtaza Hameed
Non-Executive Director	Mr. Aamer Hameed Mr. Tariq Hameed Ms. Sadia Hamid
Female Director	Ms. Sara Aqeel Ms. Sadia Hamid

*For a Board comprising of seven members, one-third equates to 2.33. Two independent directors have been appointed; hence it fulfills the requirement of minimum two (2) independent directors. Furthermore, the two independent directors have the requisite skills and knowledge to take independent decisions. Therefore, the fraction of 0.33 in such one-third is not rounded up as one this time.

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
4. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these regulations.
7. The meeting of the Board was presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to the frequency, recording and circulation of minutes of meetings of the Board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Out of Seven Directors, three members of the Board are exempt from the Directors' Training Program by virtue of their requisite qualification and experience, while three directors have obtained the prescribed certification. The remaining one director, appointed on October 28, 2025, will obtain certification within the one-year period provided under Regulation 19(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
10. The Board has approved appointment of CFO, Company Secretary, and Internal Auditor including their remuneration and terms and conditions of employment and complied with relevant requirements of Regulations.
11. CFO and CEO duly endorsed the financial statements before the approval of the Board.



12. The Board has formed committees comprising of the members given below:

a) Audit Committee*

i)	Usman Hamid Malik	Chairman
ii)	Aamer Hameed	Member
iii)	Sara Aqeel	Member

*The Audit Committee has also assigned the responsibilities of the Risk Management Committee and Sustainability Committee.

b) HR & Remuneration Committee**

i)	Sara Aqeel	Chairperson
ii)	Tariq Hameed	Member
iii)	Usman Hamid Malik	Member

**The Human Resources and Remuneration Committee has also assigned the responsibilities of the Nomination Committee.

13. The terms of reference of the aforesaid committees have been determined, documented and communicated to the respective committees for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees was as per following:

a)	Audit Committee:	4
b)	HR and Remuneration Committee:	2

15. The Board has outsourced the internal audit function to Awan & Co., Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

17. The statutory auditors or persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are given below: N/A

For & on behalf of the Board of Directors

(AAMER HAMEED)
Chairman

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
SERVICE INDUSTRIES TEXTILE LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Service Industries Textiles 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.



(CROWE HUSSAIN CHAUDHURY & CO.)
Chartered Accountants

Lahore
06 October, 2026
UDIN: CR202610832nhKVzL165

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SERVICE INDUSTRIES TEXTILES LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Adverse Opinion

We have audited the annexed financial statements of SERVICE INDUSTRIES TEXTILES LIMITED (the Company), which comprise the statement of financial position as at June 30, 2026 and the statement of profit or loss, the statement of comprehensive income, the statement of 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, because of the significance of the matters discussed in the "Basis for Adverse Opinion" section of our report, the accompanying statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017) in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the loss, the other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

As disclosed in note 1.3 of the financial statements, the Company has incurred a net loss of Rs. 111.355 million (2025: Rs. 72.900 million) during the year ended June 30, 2026, which has resulted in accumulated losses of Rs. 472.215 million (2025: Rs. 381.899 million) and reduced the total equity by Rs. 108.563 million (2025: Rs. (103.7530) million). Further, as of that date the current liabilities of the Company exceeded its current assets by Rs. 461.422 million (2025: Rs. 392.494 million). These events indicate a material uncertainty exists that may cast significant doubts on the Company's ability to continue as a going concern, therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

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 adverse opinion.

Key Audit Matters

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

In addition to the matters described in the "Basis for Adverse Opinion", we have determined the following to be the key audit matter to be communicated in our report:

Following are the key audit matters:

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1. Revenue		
	Refer to note 21 to the financial statements. The Company has recognised revenue amounting to Rs. 1,276.207 million for the year ending June 30, 2026.	Our key audit procedures related to revenue included: ● Obtained an understanding of the Company's process and related internal controls for revenue recognition and on a sample basis, testing the operating effectiveness of those controls.

Sr. No.	Key audit matter	How the matter was addressed in our audit
1. Revenue		
	The Company is primarily engaged in manufacturing and sale of yarn. We identified recognition of revenue as a key audit matter due to revenue being one of the key performance indicators of the Company and decrease in revenue from last year.	- Assessed the appropriateness of the Company's revenue recognition policies and their compliance with applicable accounting and reporting standards. - Compared a sample of revenue transaction recorded during the year with customer's orders, sales invoices, delivery orders and other relevant underlying documents. - Reviewed contracts with customers and comparing the revenue transactions to the relevant sales orders, sales invoices, and other relevant underlying documents to assess whether the revenue was recorded in accordance with Company's revenue accounting policy and applicable financial reporting framework. - Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. - Examined the customer receipts for sales made during the year. - Assessed the appropriateness and adequacy of disclosed information in the financial statements in accordance with the relevant accounting and reporting standards

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

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis of Adverse Opinion section above, the Company should have prepared its financial statements on a basis other than going concern.

We have concluded that the other information is materially misstated with respect to the matter stated above.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of 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) except for the matters described in 'Basis for Adverse Opinion' paragraph, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) except for the matters described in the 'Basis for Adverse Opinion' paragraph the statement of financial position, statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) except for the matters described in 'Basis for Adverse Opinion' paragraph, investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Zain ul Arfeen.



STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
20,000,000 (2025: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
Issued, subscribed and paid up capital	5	137,875,670	137,875,670
Share premium reserve		18,676,816	18,676,816
Accumulated loss		(472,215,577)	(381,898,671)
Surplus on revaluation of property, plant and equipment	6	1,222,204,247	1,240,450,974
		906,541,156	1,015,104,789
Non Current Liabilities			
Long term financing	7	37,120,627	11,149,370
Post employment benefit obligations	8	32,200,169	30,760,054
Deferred tax liability	9	70,174,555	69,452,037
		139,495,351	111,361,461
Current Liabilities			
Trade and other payables	10	643,180,677	493,942,499
Unclaimed dividends		232,987	232,987
Unpaid dividends		683,162	683,629
Short term borrowings	11	-	21,543,000
Current portion of long term financing	7	-	12,258,575
Accrued markup		-	12,013,439
Provision for taxation	12	15,952,584	17,131,434
		660,049,410	557,805,563
Contingencies and Commitments			
	13	-	-
Total Equity and Liabilities		1,706,085,917	1,684,271,813
ASSETS			
Non Current Assets			
Property, plant and equipment	14	1,479,836,420	1,491,622,657
Long term deposits	15	27,622,243	27,337,243
		1,507,458,663	1,518,959,900
Current Assets			
Stores and spares	16	3,428,585	3,705,447
Stock in trade	17	102,401,107	67,879,793
Trade debts	18	7,437,867	7,112,902
Advances and prepayments	19	55,200,785	66,952,927
Cash and bank balances	20	30,158,910	19,660,844
		198,627,254	165,311,913
Total Assets		1,706,085,917	1,684,271,813

The annexed notes from 1 to 41 form an integral part of these financial statements.

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

M. Muddasar Shahzad
Chief Financial Officer



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

	Note	2026 Rupees	2025 Rupees
Revenue	21	1,276,206,746	1,370,514,683
Cost of sales	22	(1,311,434,216)	(1,364,920,948)
Gross Profit / (Loss)		(35,227,470)	5,593,735
Operating expenses:			
- Distribution cost	23	(8,898,153)	(9,507,231)
- Administrative expenses	24	(49,772,224)	(45,357,515)
		(58,670,377)	(54,864,746)
Operating Loss		(93,897,847)	(49,271,011)
Finance cost	25	(13,920,271)	(10,583,512)
Other operating expenses	26	(1,350,000)	(1,420,862)
Other income	27	13,348,695	103,904
		(1,921,576)	(11,900,470)
Loss before Levy and Taxation		(95,819,423)	(61,171,481)
Levy	28	(15,953,882)	(17,131,434)
Loss before Taxation		(111,773,305)	(78,302,915)
Taxation	29	417,817	5,402,842
Net Loss for the Year		(111,355,488)	(72,900,073)
Loss per Share - Basic and Diluted	30	(8.08)	(5.29)

The annexed notes from 1 to 41 form an integral part of these financial statements.

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

M. Muddasar Shahzad
Chief Financial Officer



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

	2026 Rupees	2025 Rupees
Net Loss for the Year	(111,355,488)	(72,900,073)
Other Comprehensive Income for the Year		
Items that may be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	-	-
Surplus on revaluation of property, plant and equipment	-	207,621,367
Less: Related deferred tax impact	-	(29,528,196)
	-	178,093,171
Experience adjustment on remeasurement of post employment benefits obligation	3,932,190	(2,028,779)
Less: Related deferred tax impact	(1,140,335)	588,346
	2,791,855	(1,440,433)
	2,791,855	176,652,738
Total Comprehensive income / (Loss) for the Year	(108,563,633)	103,752,665

The annexed notes from 1 to 41 form an integral part of these financial statements.

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

M. Muddasar Shahzad
Chief Financial Officer



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

Particulars	Issued, Subscribed and Paid up Capital	Reserve		Surplus on Revaluation of Property, Plant and Equipment	Total
		Share Premium Reserve	Accumulated Loss		
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2024	137,875,670	18,676,816	(318,533,836)	1,073,333,474	911,352,124
Net loss for the year	-	-	(72,900,073)	-	(72,900,073)
Other comprehensive income for the year	-	-	(1,440,433)	178,093,171	176,652,738
Total comprehensive loss for the year	-	-	(74,340,506)	178,093,171	103,752,665
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current year - net of deferred tax	-	-	10,975,671	(10,975,671)	-
Balance as at June 30, 2025	137,875,670	18,676,816	(381,898,671)	1,240,450,974	1,015,104,789
Net loss for the year	-	-	(111,355,488)	-	(111,355,488)
Other comprehensive income for the year	-	-	2,791,855	-	2,791,855
Total comprehensive income for the year	-	-	(108,563,633)	-	(108,563,633)
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current year - net of deferred tax	-	-	18,246,727	(18,246,727)	-
Balance as at June 30, 2026	137,875,670	18,676,816	(472,215,577)	1,222,204,247	906,541,156

The annexed notes from 1 to 41 form an integral part of these financial statements.

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

M. Muddasar Shahzad
Chief Financial Officer



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

	Notes	2026 Rupees	2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before levy and taxation		(95,819,423)	(61,171,481)
Adjustments for:			
- Depreciation	14	47,414,982	35,237,249
- Post employment benefit obligations	8	9,839,300	10,760,354
- Asset written off		-	220,862
- Finance cost	25	13,920,271	10,583,512
		71,174,553	56,801,977
Operating loss before working capital changes		(24,644,870)	(4,369,504)
(Increase) / decrease in current assets:			
- Stores and spares		276,862	(136,329)
- Stock in trade		(34,521,314)	(2,312,455)
- Trade debts		(324,965)	(3,873,649)
- Advances and prepayments		12,397,674	(697,206)
Increase in current liabilities:			
- Trade and other payables		161,544,569	84,073,994
		139,372,826	77,054,355
Cash Generated from Operations		114,727,956	72,684,851
Income tax paid		(17,778,264)	(17,822,331)
Finance cost paid		(35,834,066)	(61,547)
Long term deposits paid		(285,000)	(3,773,160)
Post employment benefit obligations paid	8	(4,466,995)	(6,383,080)
Net Cash Generated from Operating Activities		56,363,631	44,644,733
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	14	(35,628,745)	(34,819,345)
Net Cash Used in Investing Activities		(35,628,745)	(34,819,345)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - paid to related parties		(4,621,750)	(9,335,390)
Dividened Paid		(467)	-
Short term borrowings - net	31	(5,614,603)	(5,177,000)
Net Cash Used in Financing Activities		(10,236,820)	(14,512,390)
Net (Decrease) / Increase in Cash and Cash Equivalents		10,498,066	(4,687,002)
Cash and cash equivalents at the beginning of the year		19,660,844	24,347,846
Cash and Cash Equivalents at the End of the Year		30,158,910	19,660,844

The annexed notes from 1 to 41 form an integral part of these financial statements.

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

M. Muddasar Shahzad
Chief Financial Officer



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

Note 1

The Company and its Operations

- 1.1 Service Industries Textiles Limited (the Company) was incorporated in Pakistan in 1962 as a Private Limited Company under the repealed Companies Act 1913, (now the Companies Act, 2017) and was subsequently converted into a Public Limited Company in 1970. The Company is domiciled in Pakistan and listed on the Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of yarn made from raw cotton and synthetic fibre.

- 1.2 The Company is domiciled in Pakistan and its geographical location and addresses are as under:

Business unit	Geographical location
Head / Registered office	38 - Empress Road, Lahore.
Manufacturing unit	Rehman Shaheed Road, Gujrat.

- 1.3 The Company has accumulated losses of Rs. 472,215,577 (2025: Rs. 381,898,671) as at the reporting date has incurred a net loss for the period under audit of Rs. 111,355,488 (2025: Rs. 72,900,073) during the year. Furthermore, current liabilities exceeded current assets by Rs. 461,422,156 (2025: Rs. 392,493,650). These factors raise doubts about the Company being a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

In assessing the appropriateness of the going concern basis, the Board has considered the improvement in the Company's operating results subsequent to the reporting date, together with better domestic cotton availability and encouraging trends in cotton yarn exports. The sponsors have also committed to provide continued financial support to the Company as and when required. Management remains focused on improving operating efficiencies and optimizing the utilization of available resources. The Company is also evaluating value-added textile activities and alternative commercial utilization of available infrastructure, together with further investment in solar energy to reduce energy costs, subject to commercial feasibility and necessary approvals.

Considering the improvement in post-reporting operating results, continued support of the sponsors and the measures being pursued by management, the Board considers the going concern basis of accounting to be appropriate. Accordingly, these financial statements have been prepared on a going concern basis.

Note 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. The accounting and reporting standards applicable in Pakistan comprise of:

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

*Note 2, Basis of Preparation - Continued...***2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except to the extent of following:

Long term financing	Note 7	(stated at present value)
Post employment benefit obligations	Note 8	(stated at present value)
Certain property, plant and equipment	Note 14	(stated at revalued / fair value)

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires 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 the historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the year in which such revisions are made. Significant management estimates in these financial statements relate primarily to:

- Useful lives, residual values, depreciation method and fair value of property, plant and equipment – Note 3.6 & 14
- Impairment loss of non-financial assets other than inventories – Note 4.2
- Obligation of post employment benefits - Note 3.2 & 8
- Current income tax expense, provision for current tax and recognition of deferred tax - Note 3.5, 9, 12 & 29

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

2.5 Changes in Accounting Standards, Interpretations and Pronouncements**2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year**

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

Standard or Interpretation	Effective Date - Annual Periods Beginning on or After
IAS 21 Amendments to lack of exchangeability	January 01, 2025

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the 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.

*Note 2, Basis of Preparation - Continued...*

Standard or Interpretation		Effective Date - Annual Periods Beginning on or After
IFRS 1, 7, 9, 10	Annual Improvements to IFRS Accounting Standards	January 01, 2026
IFRS 7 & 9	Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 1, 2026
IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about Uncertainties in the Financial Statements	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	July 01, 2027
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 01, 2027
IFRS S2	Climate-Related Disclosures	July 01, 2027

Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at the reporting date:

IFRS 1 First Time Adoption of IFRS

The management believes that adoption of the new standards, amendments and interpretations, which are in issue but not yet effective, are not likely to have any material impact, on the recognition, measurement, presentation and disclosure of items in the financial statements for current and future periods and foreseeable future transactions.

Note 3**Material Accounting Policy Information**

Material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented unless stated otherwise.

3.1 Provisions

A provision is recognized in statement of financial position when the Company has a present legal or constructive obligation as a result of a past event and 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. Provisions are not recognized for future operating losses.

3.2 Post employment benefits obligation

The Company operates a unfunded gratuity scheme covering all eligible employees. The unfunded gratuity scheme is a defined benefit plan. The liability recognised in the statement of financial position is the present value of the defined benefit obligations at the end of the reporting period. The defined benefit obligations under the defined benefit plan is determined using the "Projected Unit Credit Method" of actuarial valuation, which is carried out by an independent valuer. Under this plan, gratuity is paid to retiring employees on the basis of their last drawn gross salary for each completed year of service.

Actuarial gains / (losses) arising from experience adjustments and changes in actuarial assumptions for the defined benefits plan are charged or credited to other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the profit or loss.

Provisions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out at each reporting date.

3.3 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

*Note 3, Material Accounting Policy Information - Continued...***3.4 Contingent liabilities**

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.5 Taxation

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

Current

"Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date."

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternate corporate tax. Super tax applicable on the Company is also as per the applicable rates as per the Income Tax Ordinance, 2001. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternate corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments. Current tax for current and prior periods, to the extent unpaid is recognized as a liability. If the amount already paid, irrespective of current and prior period, exceeds the amount due to those periods the excess recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, it has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

When minimum tax is higher than tax calculated on taxable profits, excess amount is recognized as levy under IFRIC 21. Further, the Company also charges tax expense under levy when tax is calculated under final tax regime.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

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

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

*Note 3, Material Accounting Policy Information - Continued...*

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

3.6 Property, plant and equipment

Property, plant and equipment except freehold land, building on freehold land, plant and machinery and electrical equipments which are stated at revalued amount, are stated at cost less accumulated depreciation and identified impairment losses, if any. Revaluation is carried out with sufficient regularity to ensure that the carrying amounts of assets do not differ materially from their fair values. Cost of property, plant and equipment consists of historical cost and directly attributable costs of bringing assets to their working condition. Subsequently assets except freehold land are stated at cost less accumulated depreciation and identified impairment loss, if any.

"Depreciation on property, plant and equipment, except freehold land, is charged to profit or loss on reducing balance method at the rates specified in note 14 of the financial statements. Depreciation on additions is charged from the day on which the asset is available for use up to the day in which the asset is disposed off.

Where an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life.

Depreciation method, residual value and useful lives of assets are reviewed at least at each financial year end and adjusted if impact on depreciation is significant."

Any revaluation increase arising on the revaluation is recognised in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of property, plant and equipment relating to a previous revaluation of that asset.

Each year, the incremental depreciation and its related deferred taxation, the difference between depreciation based on revalued carrying amount of the asset and depreciation based on the asset's original cost, is transferred from surplus on revaluation of property, plant and equipment to retained earnings. All transfers from surplus on revaluation of property, plant and equipment are net of applicable deferred taxation. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Subsequent cost is included in the carrying amount of an asset 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. Day to day maintenance, normal repairs and gains or losses on disposal of property, plant and equipment are included in the current year's profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to operating fixed assets as and when these are available for use.

3.7 Stores and spares

These are valued at lower of moving average cost and net realizable value (NRV) while items considered obsolete, if any, are carried at nil value. Cost is determined using the weighted average pricing method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made for obsolete and slow moving stores and spares based on management's best estimate of NRV. NRV is accessed as higher of recoverable amount and fair value less cost to sell if any.

*Note 3, Material Accounting Policy Information - Continued...***3.8 Stock in trade**

These are valued at lower of cost and net realizable value. The cost is determined by using the following basis:

Raw and packing materials	Moving average cost
Materials in transit	Invoice value plus incidental charges
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost

Manufacturing cost in relation to work in process and finished goods comprises cost of materials, labor and appropriate manufacturing overheads. Net realizable value signifies estimated selling price in the ordinary course of business less necessary costs to make the sale.

3.9 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand and deposit with banks in current and savings accounts, which are free of encumbrances.

3.10 Financial instruments

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

Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at transaction price if these do not contain a significant financing component in accordance with IFRS 15.

Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method (EIR). The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from assets have expired. The difference between the carrying amount and the consideration received is recognized in the profit or loss.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

*Note 3, Material Accounting Policy Information - Continued...*

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

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

Financial liabilities**a) Initial recognition and measurement**

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc. The Company does not reclassify any of its financial liabilities.

b) Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortization is included as finance costs in profit or loss. Difference between carrying amount and consideration paid is recognized in profit or loss when the liabilities are derecognized.

Off-setting of financial assets and financial liabilities

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

3.11 Balances from contract with customers**Contract assets**

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

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Contract liabilities

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

3.12 Revenue recognition

Revenue is to be recognised in accordance with the aforementioned principle by applying the following steps:

- i) Identify the contract with a customer.
- ii) Identify the performance obligation in the contract.

*Note 3, Material Accounting Policy Information - Continued...*

- iii) Determine the transaction price of the contract.
- iv) Allocate the transaction price to each of the separate performance obligations in the contract.
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation.

The Company is in the business of sale of goods. Revenue from contracts with customers is recognised at a point in time when control of the goods is transferred to the customers which is usually at the time of delivery of goods, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Control is transferred when the goods are dispatched to the customers. The transaction price is fixed and decided mostly through internal and external factors. The contracts do not contain the right of return as the goods are dispatched to the customer after their inspection and acceptance.

3.13 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related parties are at arm's length prices determined using the comparable uncontrolled price method, except in circumstances where it is not in the interest of the Company to do so.

3.14 Earnings per share

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

3.15 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (the Chief Executive Officer of the Company) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly administrative and other operating expenses, and income tax assets and liabilities.

Note 4 Other Accounting Policies

Other accounting policies adopted in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the periods presented unless stated otherwise.

4.1 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Company has access at that date. There are three levels of fair value measurement which are as under:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

*Note 4, Other Accounting Policies - Continued...***Level 3**

Unobservable inputs for the asset or liability.

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

When there is no quoted price in an active market, the Company determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

"The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer."

4.2 Impairment on non - financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

4.3 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak rupees at exchange rates prevailing at the date of transaction. Exchange gains and losses are included in the statement of profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

4.4 Borrowing cost

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

4.5 Unclaimed dividend

The Company recognises unclaimed dividend which was declared and remained unclaimed by the shareholder from the date it was due and payable.



Note 4, Other Accounting Policies - Continued...

4.6 Dividend and other appropriations

Dividend to the shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

Note 5

Issued, Subscribed and Paid up Capital

	2026	2025		2026	2025
	Number of shares			Rupees	Rupees
	12,222,988	12,222,988	Ordinary shares of Rs. 10 each	122,229,880	122,229,880
	23,400	23,400	Ordinary shares of Rs. 10 each issued for consideration other than cash	234,000	234,000
	1,541,179	1,541,179	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	15,411,790	15,411,790
	<u>13,787,567</u>	<u>13,787,567</u>		<u>137,875,670</u>	<u>137,875,670</u>

5.1 23,400 shares of Rs. 10 each have been issued to Pakistan Industrial Credit and Investment Corporation (PICIC) for consideration other than cash.

5.2 All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

5.3 No shares were cancelled or further issued during the year (2025: Nil).

Note 6

Surplus on Revaluation of Property, Plant and Equipment

	2026	2025
	Rupees	Rupees
Land - freehold		
Opening balance	1,057,983,702	952,183,702
Add: Surplus on revaluation arisen during the year	-	105,800,000
Land - freehold	1,057,983,702	1,057,983,702
Factory buildings on freehold land		
Opening balance	89,356,924	52,154,130
Add: Surplus on revaluation arisen during the year	-	59,142,707
Less: Related deferred taxation	-	(17,151,385)
Less: Incremental depreciation	(8,935,692)	(4,788,528)
Factory buildings on freehold land	80,421,232	89,356,924
Plant and machinery		
Opening balance	85,010,843	59,996,897
Add: Surplus on revaluation arisen during the year	-	42,678,660
Less: Related deferred taxation	-	(12,376,811)
Less: Incremental depreciation	(8,501,084)	(5,287,903)
Plant and machinery	76,509,759	85,010,843
Electric fittings, equipment and appliances		
Opening balance	8,099,505	8,998,745
Less: Incremental depreciation	(809,951)	(899,240)
Electric fittings, equipment and appliances	7,289,554	8,099,505
	<u>1,222,204,247</u>	<u>1,240,450,974</u>

*Note 6, Surplus on Revaluation of Property, Plant and Equipment - Continued...*

- 6.1 This represents surplus over book value resulting from the revaluation of above-mentioned assets, adjusted by incremental depreciation and related deferred tax arising on revaluation of the above-mentioned assets except freehold land. Latest revaluation was carried out by an approved, independent valuer on June 30, 2025 that resulted in additional revaluation surplus of Rs. 207.621 million. Following basis were used for revaluation:
- | | |
|---|------------------------------|
| - Freehold land | Market value |
| - Factory building on freehold Land | Depreciated replacement cost |
| - Plant and machinery | Depreciated replacement cost |
| - Electric fittings, equipment and appliances | Depreciated replacement cost |
- 6.2 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.
- 6.3 Incremental depreciation charged on revalued property, plant and equipment has been transferred to retained earnings to record realization of surplus to the extent of incremental depreciation. Incremental depreciation represents the difference between actual depreciation based on revalued carrying amount of the asset and equivalent depreciation based on the original carrying amount of the asset.

Note 7

Long Term Financing

	Note	2026 Rupees	2025 Rupees
Related parties - Unsecured			
Opening balance	7.1	23,407,945	30,963,153
Unwinding of discount		2,406,035	1,780,182
Repayment		(4,621,750)	(9,335,390)
		21,192,230	23,407,945
Restructured loan		15,928,397	-
	7.2	37,120,627	23,407,945
Less: Current portion		-	(12,258,575)
		<u>37,120,627</u>	<u>11,149,370</u>

- 7.1 This represented loan obtained from directors from time to time, to meet the liquidity requirements of the Company. The loan was repayable in equal monthly installments of Rs. 1 million each. This loan was unsecured and carried markup @ 10% per annum (2025: 10% per annum). During the year, this loan has been restructure as mentioned in note 7.2.
- 7.2 During the year, the Company has entered into agreement with directors for restructuring of long term and short term borrowing. Under this agreement, previous long term loan and short term loan amounting to Rs. 21.192 million and 15.928 million respectively were restructure during the year. Now, this restructured loan is repayable over a period of five years including grace period of two years, i.e. from June 30, 2026. The loan is unsecured and carries markup at the rate of 3-month Kibor per annum. Further, the directors of the Company have also decided to waive off all previously charged accrued markup on the loan under this agreement.

Note 8

Post Employment Benefit Obligations

	Note	2026 Rupees	2025 Rupees
Post employment benefit obligations	8.4	<u>32,200,169</u>	<u>30,760,054</u>

- 8.1 As stated in note 3.2, the Company operates an approved unfunded gratuity scheme for its permanent employees. Actuarial valuation of the scheme is carried out annually by an independent actuary and the latest actuarial valuation was carried out at June 30, 2026.
- 8.2 On the basis of the information included in the latest actuarial report, the actuarial valuation of the scheme has resulted in post employment benefit obligations in current year as presented in the following notes.
- 8.3 Actuarial assumptions

The present value of defined benefit obligations and charge for the current year has been determined on the basis of actuarial estimates provided by the actuary as under:



Note 8, Post Employment Benefit Obligations - Continued...

	Note	2026 Rupees	2025 Rupees
Discount rate for year end obligation		11.75%	11.75%
Discount rate for interest cost in Profit or Loss		11.75%	14.75%
Expected rate of increase in salary level - per annum		10.75%	10.75%
Average duration of the defined benefit obligation		2 Years	2 Years
Expected mortality rate for active employees		SLIC (2001-2005) Mortality Table	
Actuarial valuation method		Projected Unit Credit Method	
8.4	Changes in net liability for defined benefit obligations		
Opening balance		30,760,054	24,354,001
Charge for the year	8.5	9,839,300	10,760,354
Remeasurements chargeable in other comprehensive income	8.6	(3,932,190)	2,028,779
Benefits paid		(4,466,995)	(6,383,080)
		<u>32,200,169</u>	<u>30,760,054</u>
8.5	Charge for the year		
Current service cost		6,487,430	6,556,766
Past service cost		-	1,082,125
Interest cost		3,351,870	3,121,463
		<u>9,839,300</u>	<u>10,760,354</u>
8.6	Remeasurements chargeable in other comprehensive income		
Actuarial gains from the changes in financial assumptions		-	(387,342)
Experience adjustments		(3,932,190)	2,416,121
		<u>(3,932,190)</u>	<u>2,028,779</u>
8.7	The charge for the year has been allocated as follows:		
Cost of sales	22	8,461,798	9,253,904
Distribution cost	23	196,785	215,206
Administrative expenses	24	1,180,717	1,291,243
		<u>9,839,300</u>	<u>10,760,354</u>
8.8	Year end sensitivity analysis on defined benefit obligations		
Reasonably possible changes as at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in defined benefit obligations as stated below:			
Discount rate + 100 bps		31,569,696	30,158,427
Discount rate - 100 bps		32,860,745	31,390,839
Salary increase + 100 bps		32,993,289	31,517,329
Salary increase - 100 bps		31,430,041	30,025,223



Note 8, Post Employment Benefit Obligations - Continued...

	Note	2026 Rupees	2025 Rupees
8.9	Maturity profile		
	1 year	13,690,879	13,164,703
	2 year	10,458,515	10,044,250
	3 year	9,203,047	7,554,385
	4 year	7,687,919	6,796,329
	5 year	6,162,730	5,860,402
	6 year	4,834,752	5,008,957
	7 year	3,025,236	3,601,722
	8 year	2,308,584	2,171,074
	9 year	1,831,306	1,652,076
	10 year	1,782,348	1,342,151
	onwards	3,130,260	3,347,196
8.10	Estimated charge for the next year:	2027 Rupees	
	Current service cost	7,329,682	
	Interest cost	2,979,181	
		<u>10,308,863</u>	

8.11 The Company does not have any plan assets covering its post employment benefit obligations payable. The comparative statement of present value of defined benefit obligations is as under:

	2026 Rupees	2025 Rupees	2024 Rupees	2023 Rupees	2022 Rupees
Fair value of plan asset	-	-	-	-	-
Present value of defined benefit obligations	32,200,169	30,760,054	24,354,001	21,668,309	14,758,772
Net liability for defined benefit obligations	<u>32,200,169</u>	<u>30,760,054</u>	<u>24,354,001</u>	<u>21,668,309</u>	<u>14,758,772</u>

8.12 Risks on account of defined benefit plans

The Company faces the following risks on account of defined benefit plans:

Final Salary Risk

The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Mortality Risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal Risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.



Note 9

Deferred Tax Liability

		2026	2025
	Note	Rupees	Rupees
Deferred tax liability - net	9.1	70,174,555	69,452,037
9.1 Breakup of deferred tax liability			
Taxable temporary differences			
Accelerated tax depreciation on property, plant and equipment		16,100,684	17,554,336
Surplus on revaluation of property, plant and equipment		67,075,998	74,528,886
		83,176,682	92,083,222
Deductible temporary differences			
Provision for workers' (profit) participation fund		(3,258,992)	(13,305,683)
Provision for workers' welfare fund		(405,086)	(405,086)
Post employment benefit obligations		(9,338,049)	(8,920,416)
		(13,002,127)	(22,631,185)
		70,174,555	69,452,037
9.2 Reconciliation of deferred tax liability - net			
Opening balance		69,452,037	45,915,029
Charged to the profit or loss		(417,817)	(5,402,842)
Charged to other comprehensive income		1,140,335	28,939,850
Closing balance		70,174,555	69,452,037

9.3 Deferred tax assets and liabilities on temporary differences are measured at tax rate of 29% (2025: 29%).

9.4 Analysis of deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2026	2025	2026	2025
Deferred tax Liability	Rupees	Rupees	Rupees	Rupees
Accelerated tax depreciation on property, plant and equipment	16,100,684	17,554,336	(1,453,652)	3,730,627
Surplus on revaluation of property, plant and equipment	67,075,998	74,528,886	(7,452,888)	(6,265,972)
Provision for Workers' (profit) participation fund	(3,258,992)	(13,305,683)	10,046,691	(1,598,087)
Provision for Workers' welfare fund	(405,086)	(405,086)	-	-
Post employment benefit obligations	(9,338,049)	(8,920,416)	(1,557,968)	(1,269,410)
	70,174,555	69,452,037	(417,817)	(5,402,842)

9.5 Being prudent, the Company has decided not to recognize deferred tax asset on the following:

		2026	2025
	Note	Rupees	Rupees
Unused tax business losses	9.5.1	66,318,906	52,735,350
Unused tax depreciation losses		24,479,947	19,636,142
Minimum tax	9.5.2	33,085,316	33,897,904
		123,884,169	106,269,396



Note 9, Deferred Tax Liability - Continued...

- 9.5.1 Deferred tax asset on unused business losses amounting to Rs. 66.362 million (2025: Rs. 52.735 million) on business losses amounting to Rs. 228.686 million (2025: Rs. 181.846 million) are set to expire as per the following:

Expiry in Tax Year	2026	2025
	Rupees	Rupees
2029	107,453,785	107,453,785
2030	49,814,360	49,814,360
2031	21,356,958	24,577,889
2032	50,060,779	-
	<u>228,685,882</u>	<u>181,846,034</u>

- 9.5.2 Deferred tax asset on minimum tax amounting to Rs. 33.085 million (2025: Rs. 33.898 million) is set to expire as per the following:

2026	-	16,766,470
2027	17,132,732	17,131,434
2028	15,952,584	-
	<u>33,085,316</u>	<u>33,897,904</u>

Note 10

Trade and Other Payables

	Note	2026	2025
		Rupees	Rupees
Trade creditors	10.1	236,251,959	135,949,897
Accrued liabilities		60,436,782	45,833,991
Contract liabilities	10.2	322,662,027	259,428,174
Workers' (profit) participation fund	10.3	11,237,903	45,881,664
Workers' welfare fund	10.4	1,396,849	1,396,849
Income tax withheld		6,381,259	720,497
Sales tax payable		4,813,898	4,731,427
		<u>643,180,677</u>	<u>493,942,499</u>

- 10.1 This does not include any amount payable to any related party of the Company.

- 10.2 These contract liabilities are expected to be satisfied during the year ended June 30, 2027 (2025: June 30, 2026).

10.3	Worker's (profit) participation fund	2026	2025
		Rupees	Rupees
	Opening balance	45,881,664	40,371,020
	Interest on worker's profit participation fund	6,262,847	5,510,644
		<u>52,144,511</u>	<u>45,881,664</u>
	Payment made during the year	(40,906,608)	-
	Closing balance	<u>11,237,903</u>	<u>45,881,664</u>

- 10.4 Worker's welfare fund

Opening balance	1,396,849	1,396,849
Provision for the year	-	-
	<u>1,396,849</u>	<u>1,396,849</u>
Payments made during the year	-	-
Closing balance	<u>1,396,849</u>	<u>1,396,849</u>



Note 11

Short Term Borrowings

		2026	2025
	Note	Rupees	Rupees
Related parties - unsecured - considered good	11.1	-	21,543,000

- 11.1 This represented unsecured, interest free loan given by the directors and related parties to meet the liquidity requirements of the Company. These loans were repayable on demand. This loan has been restructured during the year as mentioned in Note 7.2.

Note 12

Provision for Taxation

		2026	2025
		Rupees	Rupees
Opening balance		17,131,434	16,766,470
Prior year tax expense	28	1,298	-
Provision for current year		15,952,584	17,131,434
		33,085,316	33,897,904
Payments / adjustments made during the year		(17,132,732)	(16,766,470)
		15,952,584	17,131,434

- 12.1 Income tax assessments are deemed finalized up to the Tax Year 2025 as returns were filed under self assessment scheme.

- 12.2 The provision for current year tax represents minimum tax on revenue @ 1.25% (2025: minimum tax on revenue @ 1.25%).

Note 13

Contingencies and Commitments

13.1 Contingencies

There are no material contingencies outstanding as at the reporting date. (2025: Nil).

13.2 Commitments

There are no material commitments outstanding as at the reporting date (2025: Nil) except for the post dated cheques issued in favour of IGI General Insurance Limited against full year fire insurance policy amounting to Rs. 729,323 (2025: Rs. 720,000).



Note 14
Property, Plant and Equipment

Year Ended June 30, 2026										
Particulars	Cost / Revalued Amount			Rate	Depreciation				Written Down Value as at June 30, 2026	
	As at July 01, 2025	Additions / (Disposals)	Revaluation Surplus/ (Revaluation adjustment)		Total as at June 30, 2026	As at July 01, 2025	For the year	(Revaluation adjustment)	Total as at June 30, 2026	Written Down Value as at June 30, 2026
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land - freehold	1,058,000,000	-	-		105,800,000	-	-	-	-	1,058,000,000
Factory building on freehold land	128,667,000	-	-	10	128,667,000	-	12,866,700	-	12,866,700	115,800,300
Plant and machinery	235,350,000	4,250,000	-	10	239,600,000	-	23,785,548	-	23,785,548	215,814,452
Power plant	24,222,841	-	-	12.5	24,222,841	13,322,363	1,362,559	-	14,684,922	9,537,919
Solar panel	50,879,266	13,316,570	-	10	64,195,836	7,053,760	4,666,607	-	11,720,367	52,475,469
Electric fittings, equipment and appliances	17,685,000	-	-	10	17,685,000	4,743,514	1,294,149	-	6,037,663	11,647,337
Furniture and fixtures	7,582,842	-	-	10	7,582,842	7,362,623	22,022	-	7,384,645	198,197
Vehicles	9,118,158	18,062,175	-	20	27,180,333	7,795,720	3,318,514	-	11,114,234	16,066,099
Leasehold improvement	1,904,874	-	-	25	1,904,874	1,509,344	98,883	-	1,608,227	296,647
Library books	11,856	-	-	10	11,856	11,856	-	-	11,856	-
Balance as at June 30, 2026	1,533,421,837	35,628,745	-		1,569,050,582	41,799,180	47,414,982	-	89,214,162	1,479,836,420
Year Ended June 30, 2025										
Particulars	Cost / Revalued Amount			Rate	Depreciation				Written Down Value as at June 30, 2025	
	As at July 01, 2024	Additions / (Disposals)	Revaluation Surplus/ (Revaluation adjustment)		Total as at June 30, 2025	As at July 01, 2024	For the year	(Revaluation adjustment)	Total as at June 30, 2025	Written Down Value as at June 30, 2025
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Land - freehold	952,200,000	-	105,800,000		105,800,000	-	-	-	-	1,058,000,000
Factory building on freehold land	95,369,400	-	59,142,707	10	128,667,000	18,120,186	7,724,921	-	-	128,667,000
Plant and machinery	263,722,000	-	(25,845,107)	10	235,350,000	49,642,733	21,407,927	(25,845,107)	-	235,350,000
			(71,050,660)					(71,050,660)		
Power plant	24,222,841	-	-	12.5	24,222,841	11,765,152	1,557,211	-	13,322,363	10,900,478
Solar panel	16,244,921	34,634,345	-	10	50,879,266	4,412,006	2,641,754	-	7,053,760	43,825,506
Electric fittings, equipment and appliances	17,500,000	185,000	-	10	17,685,000	3,325,000	1,418,514	-	4,743,514	12,941,486
Furniture and fixtures	7,582,842	-	-	10	7,582,842	7,338,154	24,469	-	7,362,623	220,219
Vehicles	9,118,158	-	-	20	9,118,158	7,465,111	330,609	-	7,795,720	1,322,438
Leasehold improvement	1,904,874	-	-	25	1,904,874	1,377,500	131,844	-	1,509,344	395,530
Library books	11,856	-	-	10	11,856	11,856	-	-	11,856	-
Balance as at June 30, 2025	1,387,876,892	34,819,345	110,725,600		1,533,421,837	103,457,698	35,237,249	(96,895,767)	41,799,180	1,491,622,657



Note 14, Property, Plant and Equipment - Contd...

14.1 Cost, accumulated depreciation and book value of revalued assets

Had there been no revaluation, book values of revalued assets would have been as follows:

	2026	2025
	Rupees	Rupees
Land	16,298	16,298
Factory building	2,530,960	2,812,178
Plant and machinery	108,054,226	115,616,417
Electric fittings, equipment and appliances	1,380,360	1,533,733
	111,981,844	119,978,626

14.2 Depreciation charge for the year has been allocated as under:

	Note	2026 Rupees	2025 Rupees
Cost of sales	22	45,044,233	33,475,387
Administrative expenses	24	2,370,749	1,761,862
		47,414,982	35,237,249

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

Location / Address	Usage of immovable property	Total Area (Kanals)
Rehman Shaheed Road, Industrial Area G.T Road, Gujrat.	Production and warehouse	52.9

14.4 All assets are held in the name of the Company/ in the possession and control of the Company.

	30 June, 2025 Rupees
Land	846,400,000
Factory building	102,933,600
Plant and machinery	188,280,000
Electric fittings, equipment and appliances	10,353,189
	1,147,966,789

14.5 All assets held in the name of Company are in the possession and control of the Company.

14.6 No assets were disposed off during the year having book value more than Rs. 500,000 (2025:Nil).

14.7 The significant inputs used in the fair value measurements categorized within Level 1, Level 2 and Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at June 30, 2026 is shown below:

Description	Valuation Technique	Significant Observable Inputs	Fair value Hierarchy	Quantitative Data / Range (weighted average)
Land	Sales value comparison approach	Market enquiries and survey as per kanal/marla for land	Level 2	N/A
Factory building		Market survey	Level 2	
Plant and machinery		Market value of machinery considering condition, manufacturing date, country of manufacturing and replacement value	Level 2	
Power plant		Market and replacement value	Level 2	
Electric fittings, equipment and appliances			Level 2	

14.8 There are no Level 1 and Level 3 assets or any transfers between Level 1, 2 and 3 during the year.

14.9 Property, plant and equipment contains fully depreciated assets, that are in use as at the reporting date amounting to Rs. 11,856 (2025:Rs.11,856).



Note 15
Long Term Deposits

	2026	2025
	Rupees	Rupees
Pakistan State Oil - PSO	285,000	-
Sui Northern Gas Pipelines Limited - SNGPL	21,377,243	21,377,243
Water and Power Development Authority - WAPDA	5,960,000	5,960,000
	<u>27,622,243</u>	<u>27,337,243</u>

Note 16
Stores and Spares

	2026	2025
	Rupees	Rupees
Stores and spares	2,290,637	2,514,905
Packing materials	1,137,948	1,190,542
	<u>3,428,585</u>	<u>3,705,447</u>

Note 17
Stock in Trade

	2026	2025
	Rupees	Rupees
Raw materials	80,106,133	43,600,521
Work in process	17,780,313	18,896,387
Finished goods	3,347,645	4,094,353
Waste	1,167,016	1,288,532
	<u>102,401,107</u>	<u>67,879,793</u>

Note 18
Trade Debts

		2026	2025
	Note	Rupees	Rupees
Local debts (Unsecured - considered good)	18.1	<u>7,437,867</u>	<u>7,112,902</u>

18.1 Trade debts do not include any amount receivable from related parties of the Company (2025: Rs. Nil).

18.2 For the age analysis of trade debts refer to note 35.2.

Note 19
Advances and Prepayments

	2026	2025
	Rupees	Rupees
Advances to employees (Unsecured - considered good)	1,623,182	1,760,192
Advance to suppliers	28,226,159	40,486,823
Advance income tax	24,885,282	24,239,750
Prepayments	466,162	466,162
	<u>55,200,785</u>	<u>66,952,927</u>



Note 20

Cash and Bank Balances

		2026	2025
	Note	Rupees	Rupees
Cash in hand		305,586	451,827
Cash at banks	20.1	29,853,324	19,209,017
		<u>30,158,910</u>	<u>19,660,844</u>
20.1	This includes balance of Rs. 1.431 million (2025: 1.362 million) in saving account that yields profit at floating rates based on daily bank deposit rates ranging from 9% to 10% (2025: 8% to 10%) per annum.		
20.2	This includes deposit in current account of Shariah compliant bank amounting to Rs. 24.823 million (2025: Rs. 15.672 million).		
20.3	The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.		

Note 21

Revenue

	2026	2025
	Rupees	Rupees
Local:		
- Yarn	1,497,153,035	1,628,585,478
-Wastes	17,748,649	13,808,920
	<u>1,514,901,684</u>	<u>1,642,394,398</u>
Less: Sales tax	(238,694,938)	(271,879,715)
	<u>1,276,206,746</u>	<u>1,370,514,683</u>

21.1 All the revenue is recognized at a point in time.

Note 22

Cost of Sales

	2026	2025
	Rupees	Rupees
Raw materials consumed	798,460,982	814,623,192
Stores and spares consumed	4,679,134	5,553,432
Packing materials consumed	13,522,461	11,727,183
Fuel and power	307,139,732	360,755,943
Salaries, wages and other benefits	137,587,300	133,455,277
Insurance	1,866,876	2,090,650
Repairs and maintenance	1,149,200	2,353,069
Depreciation	45,044,233	33,475,387
	<u>1,309,449,918</u>	<u>1,364,034,133</u>
Work in process:		
- Opening stock	18,896,387	19,769,551
- Closing stock	(17,780,313)	(18,896,387)
	<u>1,116,074</u>	<u>873,164</u>
	<u>1,310,565,992</u>	<u>1,364,907,297</u>
Finished goods including waste:		
- Opening stock	5,382,885	5,396,536
- Closing stock	(4,514,661)	(5,382,885)
	<u>868,224</u>	<u>13,651</u>
	<u>1,311,434,216</u>	<u>1,364,920,948</u>

22.1 This includes Rs. 8.461 million (2025: Rs. 9.254 million) in respect of post employment benefit obligations.



Note 23

Distribution Cost

	Note	2026 Rupees	2025 Rupees
Salaries and benefits	23.1	1,412,385	1,364,306
Commission		7,485,768	8,142,925
		<u>8,898,153</u>	<u>9,507,231</u>

23.1 This includes Rs. 0.197 million (2025: Rs. 0.215 million) in respect of post employment benefit obligations.

Note 24

Administrative Expenses

	Note	2026 Rupees	2025 Rupees
Salaries, wages and other benefits	24.1 & 24.2	35,510,004	32,167,000
Utilities		1,815,791	1,675,462
Printing and stationery		706,568	541,106
Communication		798,920	688,755
Travelling and conveyance	24.3	1,911,158	1,778,934
Repairs and maintenance		210,770	308,080
Rent, rates and taxes		1,034,776	788,010
Vehicle running and maintenance		266,940	1,243,351
Fees and subscription		1,524,518	1,493,243
Legal and professional charges		1,375,395	1,329,802
Entertainment		1,223,355	991,948
Advertisement		192,107	108,411
Newspapers and periodicals		60,870	66,000
Donations and employees welfare	24.4	480,000	200,000
Gardening expenses		242,300	154,490
Miscellaneous		48,003	61,061
Depreciation	14.2	2,370,749	1,761,862
		<u>49,772,224</u>	<u>45,357,515</u>

24.1 This includes Rs. 1.181 million (2025: Rs. 1.291 million) in respect of post employment benefit obligations.

24.2 This includes salaries paid to directors of the Company amounting to Rs. 9.0 million (2025: Rs. 9.0 million).

24.3 This includes travelling expense related to directors of the Company amounting to Rs. 1.164 million (2025: Rs. 1.285 million).

24.4 This includes the amount of Rs. 480,000 (2025: 200,000) paid to M/s Gujranwala Welfare Clinic, which is related party due to common directorship.

Note 25

Finance Cost

	Note	2026 Rupees	2025 Rupees
Markup on financing		7,464,648	5,011,321
Interest on workers' (profit) participation fund	10.3	6,262,847	5,510,644
Bank charges		192,776	61,547
		<u>13,920,271</u>	<u>10,583,512</u>



Note 26

Other Operating Expenses

	2026	2025
	Rupees	Rupees
Asset written off	-	220,862
Auditors' remuneration	1,350,000	1,200,000
	<u>1,350,000</u>	<u>1,420,862</u>

Note 27

Other Income

	Note	2026	2025
		Rupees	Rupees
Miscellaneous income		86,986	103,904
Accrued markup waived off	7.2	13,261,709	-
		<u>13,348,695</u>	<u>103,904</u>

Note 28

Levy

	Note	2026	2025
		Rupees	Rupees
Minimum tax	28.1	15,952,584	17,131,434
Prior year tax expense		1,298	-
		<u>15,953,882</u>	<u>17,131,434</u>

- 28.1 This represents portion of minimum tax paid under section 113 of Income tax Ordinance, 2001 ("the Ordinance"), representing levy in terms of requirements of IFRIC 21/IAS 37.

Note 29

Taxation

	2026	2025
	Rupees	Rupees
Current tax	-	-
Deferred tax	(417,817)	(5,402,842)
	<u>(417,817)</u>	<u>(5,402,842)</u>

- 29.1 Reconciliation of tax charge for the year:

The current tax expense for the year is calculated using minimum tax @ 1.25% (2025: 1.25%). Therefore no tax reconciliation has been given.

- 29.2 Reconciliation of levy and income tax under IAS-12:

Current tax liability as per applicable tax laws	15,952,584	17,131,434
Portion of current tax liability representing income tax as per IAS-12	-	-
Portion of current tax liability representing levy as per IFRIC-21 / IAS-37	(15,952,584)	(17,131,434)
Difference	<u>-</u>	<u>-</u>



Note 30
Loss per Share

		2026	2025
Net loss for the year attributable to ordinary shareholders	Rupees	(111,355,488)	(72,900,073)
Weighted average number of ordinary shares	Number	13,787,567	13,787,567
Loss per share - Basic and diluted	Rupees	<u>(8.08)</u>	<u>(5.29)</u>

30.1 Diluted earnings per share

There is no dilution effect on the earnings per share of the Company as the Company does not have any convertible instruments in issue as at the reporting date (2025: Nil) that would have any effect on the earnings per share if the option to convert is exercised.

Note 31
Liabilities Arising from Financing Activities

	Note	As at June 30, 2025 Rupees	Non-cash changes Rupees	Cash flows (Net) Rupees	As at June 30, 2026 Rupees
Unclaimed dividends		232,987	-	-	232,987
Unpaid dividends		683,629	-	(467)	683,162
Short term borrowings	11	21,543,000	(15,928,397)	(5,614,603)	-
Long term financing	7	23,407,945	18,334,432	(4,621,750)	37,120,627
		<u>45,634,574</u>	<u>2,406,035</u>	<u>(10,236,820)</u>	<u>37,803,789</u>
		As at June 30, 2024 Rupees	Non-cash changes Rupees	Cash flows (Net) Rupees	As at June 30, 2025 Rupees
Unclaimed dividends		232,987	-	-	232,987
Unpaid dividends		683,629	-	-	683,629
Short term borrowings	11	26,720,000	-	(5,177,000)	21,543,000
Long term financing	7	30,963,153	1,780,182	(9,335,390)	23,407,945
		<u>58,366,782</u>	<u>1,780,182</u>	<u>(14,512,390)</u>	<u>45,634,574</u>



Note 32

Remuneration of Chief Executive Officer, Directors and Executives

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

	Chief Executive Officer	Executive Director	Executives	Total	Chief Executive Officer	Executive Director	Executives	Total
	2026 Rupees				2025 Rupees			
Managerial remuneration	4,800,000	4,200,000	11,128,800	20,128,800	4,800,000	4,200,000	11,152,400	20,152,400
Medical allowance / reimbursement	283,504	195,233	-	478,737	1,616,737	802,015	-	2,418,752
	5,083,504	4,395,233	11,128,800	20,607,537	6,416,737	5,002,015	11,152,400	22,571,152
Number of persons	1	1	4		1	1	4	

- 32.1 Apart from the above, the chief executive officer and executives are provided with Company maintained cars.
- 32.2 No meeting fee has been paid to any director of the Company.
- 32.3 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 33

Balances and Transactions with Related Parties

Related parties comprise directors and associates of the Company, close relatives and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties and balances due to / from them are as under:

Transactions during the year			2026 Rupees	2025 Rupees
Related party	Relationship	Nature of transaction		
Directors and close relatives thereof	Associated persons	Long term financing repaid	(4,621,750)	(9,335,390)
		Markup charged on long term financing	7,464,648	5,011,321
		Restructuring of loan	15,928,397	-
		Short term borrowings repaid	(5,614,603)	(5,177,000)
		Accrued markup waived off	13,261,709	-
M/S Gujranwala Welfare Clinic	Common Directorship	Donation paid during the year	480,000	200,000
Balance outstanding as at June 30,			Rupees	Rupees
Payable to directors and close relatives thereof	Long term financing		37,120,627	23,407,945
	Accrued markup on long term financing		-	12,013,439
	Short term borrowing		-	21,543,000

*Note 33, Balances and Transactions with Related Parties - Contd...*

- 33.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

Sr. No.	Name of Related Party	Basis of Relationship	Aggregate % of Shareholding
1	Mr. Muhammad Hameed	Chief Executive Officer	20.24
2	Mr. Aamer Hameed	Executive Director	16.65
3	Ms. Uzma Hameed	Related party close relationship of Director	14.70
4	Ms. Saima Hameed	Related party close relationship of Director	9.08
5	Mr. Tariq Hameed	Non Executive Director	10.37

Note 34**Plant Capacity and Production**

	2026	2025
	Kgs	Kgs
100% plant capacity converted into 20/S (2025: 20/S) count based on three shifts per day for 1080 shifts (2025: 1080 shifts)	7,036,705	7,036,705
Actual production for the year converted into 20/S (2025: 20/S)	3,915,273	4,495,941

Plant capacity is determined on the basis of management estimates as it is difficult to calculate precisely the production capacity of spinning unit. The production capacity fluctuates widely depending on various factors such as count of yarn spun, spindle speed, twist, maintenance of machinery, power shutdown and raw materials used, and the pattern of production adopted in any particular year. Production is driven by customer sales orders, aligning with the company's objective to meet market demand.



Note 35 Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

35.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

(a) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As there are no foreign currency receivables / payables of the Company, the Company is not exposed to this risk (2025 : Rs. Nil).

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from deposits in saving accounts and long term financing.

The interest rate profile of the Company's interest_bearing financial instruments as at the reporting date is as follows:

	2026	2025
	Rupees	Rupees
Floating rate instruments		
Long term loans	37,120,627	-
Cash at bank in saving accounts	(1,431,082)	(1,361,959)
	<u>35,689,545</u>	<u>(1,361,959)</u>
Fixed rate instruments		
Long term financing	-	23,407,945

Cash flow sensitivity analysis for variable rate instruments

As at June 30, 2026, if interest rates had been 1% higher / lower with all other variables held constant, profit before levy and tax for the year would have been higher / lower by Rs. 356,895 (2025: 13,620), mainly as the Company has no variable rate borrowings as at the reporting date.

Cash flow sensitivity analysis for fixed rate instruments

The Company has financial liabilities at fixed rate. Therefore, no impact on profit or loss of the Company is expected.

(c) Price risk

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. The Company is not exposed to any market price risk (2025: Nil).



Note 35, Financial Risk Management - Contd...

35.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

As at the reporting date, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	Note	2026 ----- Rupees -----	2025
Trade debts	18	7,437,867	7,112,902
Bank balances	20	29,853,324	19,209,017

The aging of trade debts as at the reporting date is as follows:

Past due 1 - 30 days	7,437,867	7,112,902
Past due 31 - 60 days	-	-
Past due 61 - 120 days	-	-
More than 120 days	-	-
	<u>7,437,867</u>	<u>7,112,902</u>

Customer credit risk is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties.

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

	Rating		Rating Agency	2026	2025
	Short term	Long term		Rupees	Rupees
Askari Bank Limited	A-1+	AAA	PACRA	300	200
Bank Alfalah Limited	A-1+	AAA	PACRA	5,021,216	3,528,802
Faysal Bank Limited	A-1+	AA+	VIS	1,434,609	1,365,456
Habib Metropolitan Bank Limited	A-1+	AAA	PACRA	4,608	4,508
JS Bank Limited	A-1+	AA	PACRA	1,299	1,200
MCB Bank Limited	A-1+	AAA	PACRA	5,104,854	81,236
Meezan Bank Limited	A-1+	AAA	VIS	18,283,950	14,225,127
National Bank of Pakistan	A-1+	AAA	PACRA	2,488	2,488
				<u>29,853,324</u>	<u>19,209,017</u>



Note 35, Financial Risk Management - Contd...

35.3 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring reporting date liquidity ratios and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Contractual maturities of financial liabilities as at June 30, 2026:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Over 5 years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Long term financing	37,120,627	55,872,174	-	-	39,518,753	16,353,421
Trade and other payables	296,688,741	296,688,741	296,688,741	-	-	-
	<u>333,809,368</u>	<u>352,560,915</u>	<u>296,688,741</u>	<u>-</u>	<u>39,518,753</u>	<u>16,353,421</u>

Contractual maturities of financial liabilities as at June 30, 2025:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Over 5 years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Long term financing	23,407,945	35,421,384	12,000,000	12,000,000	11,421,384	-
Short term borrowings	21,543,000	21,543,000	21,543,000	-	-	-
Trade and other payables	181,783,888	181,783,888	181,783,888	-	-	-
Accrued markup	12,013,439	12,013,439	12,013,439	-	-	-
	<u>238,748,272</u>	<u>250,761,711</u>	<u>227,340,327</u>	<u>12,000,000</u>	<u>11,421,384</u>	<u>-</u>

35.4 Financial instruments by categories

		2026	2025
Financial assets as at amortized cost	Note	Rupees	Rupees
Trade debts	18	7,437,867	7,112,902
Cash and bank balances	20	30,158,910	19,660,844
		<u>37,596,777</u>	<u>26,773,746</u>

The Company did not possess any financial assets designated as fair value through profit or loss and fair value through other comprehensive income categories.

Financial liabilities at amortized cost

Long term financing	37,120,627	23,407,945
Short term borrowings	-	21,543,000
Trade and other payables	296,688,741	181,783,888
Accrued markup	-	12,013,439
	<u>333,809,368</u>	<u>238,748,272</u>



Note 35, Financial Risk Management - Contd...

35.5 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The management believes that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

The Company has no such instruments.

Note 36

Disclosures under clause VII of part I of Schedule IV of the Companies Act , 2017

		2026 Rupees	2025 Rupees
Financing (long term, short term or lease financing) obtained as per Islamic mode		-	-
Balance as at the reporting date			
Loans / advances obtained as per Islamic mode		-	-
Interest or mark up accrued on any conventional loan or advances		-	-
Shariah compliant bank deposits / bank balances	20	24,823,413	15,671,819
Long term and short term shariah compliant investments		-	-
Transactions during the period			
Revenue earned from a shariah compliant business segment	21	1,276,206,746	1,370,514,683
Late payments and any liquidated charges		-	-
Gain / loss or dividend earned from shariah compliant investments		-	-
Profit earned from shariah compliant bank deposits / bank balances	27	13,348,695	103,904
Exchange (loss) / gain from actual currency		-	-
Exchange gains earned using conventional derivative financial instruments		-	-
Profit paid on Islamic mode of financing		-	-
Interest paid on any conventional loan or advance		-	-
Shariah compliant miscellaneous income		-	-

Names of the Company's shariah compliant financial institutions

Relationship

MCB Bank Limited
Meezan Bank Limited
Faysal Bank Limited

Bank balance
Bank balance
Bank balance



Note 37 Capital Risk Management

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

The Company's objectives when managing capital are:

- a) to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- b) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, if possible, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with the industry norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

The gearing ratio of the Company is calculated as follows:

	2026	2025
	Rupees	Rupees
Total borrowings	37,120,627	44,950,945
Cash and bank balances	(30,158,910)	(19,660,844)
Net debt	6,961,717	25,290,101
Equity	906,541,156	1,015,104,789
Total capital employed	913,502,873	1,040,394,890
Gearing ratio	0.76%	2.43%

Note 38 Segment Information

Operating segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision Maker. The Chief Executive Officer (CEO) of the Company has been identified as the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments.

The CEO is responsible for the management of the Company's entire business which is considered as a single operating segment. The Company's assets allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis.

The internal reporting provided to the CEO for the Company's assets, liabilities and performance is prepared on a basis consistent with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

The Company is domiciled in Pakistan. All of the Company's income is from the entities incorporated in Pakistan. The Company has only one reportable segment.



Note 38, Segment Information - Contd...

38.1 Entity-wide disclosures regarding reportable segment are as follows:

- Information about major customers

One customer of the Company accounts for 19% (2025: 18%) of total sales for the year. Revenue from such customer is Rs. 240,723,835 (2025: Rs. 302,591,657).

- Information about geographical areas

All non-current assets of the Company are located in Pakistan as at the reporting date.

- Information about product

The major products of the company are Cotton Yarn 52/single, 30/single and 32/single.

Note 39

Number of Employees

	2026 Number	2025 Number
Total number of employees as at June 30,		
- Permanent	227	245
- Contractual	1	5
Average number of employees during the year		
- Permanent	236	255
- Contractual	3	5

Note 40

Date of Authorization for Issue

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on 6th October 2026.

Note 41

General

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material re-arrangements / reclassifications have been made in these financial statements.

Mohammad Hameed
Chief Executive

Aamer Hameed
Director

M. Muddasar Shahzad
Chief Financial Officer



THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

FORM 20

1.1 Name of the Company Service Industries Textiles Limited

2.1. Pattern of holding of the shares held by the shareholders as at 30-06-2026

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
802	1	100	20,140
555	101	500	137,815
163	501	1,000	133,053
185	1,001	5,000	411,444
38	5,001	10,000	277,068
12	10,001	15,000	147,019
4	15,001	20,000	73,276
1	20,001	25,000	20,678
2	25,001	30,000	58,000
5	30,001	35,000	164,066
2	35,001	40,000	79,220
6	45,001	50,000	293,980
1	50,001	55,000	50,560
1	65,001	70,000	65,424
1	80,001	85,000	84,603
3	85,001	90,000	269,239
1	95,001	100,000	97,500
1	100,001	105,000	101,601
1	110,001	115,000	110,946
2	120,001	125,000	243,683
1	140,001	145,000	141,601
2	160,001	165,000	325,603
1	195,001	200,000	199,420
1	225,001	230,000	225,701
1	270,001	275,000	270,833
1	425,001	430,000	429,890
1	430,001	435,000	431,703
1	1,150,001	1,155,000	1,155,000
1	1,340,001	1,345,000	1,340,614
2	1,860,001	1,865,000	3,727,272
1	2,700,001	2,705,000	2,700,615
1,799			13,787,567

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	7,995,695	57.9921%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	273,854	1.9862%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	73,654	0.5342%
2.3.5 Insurance Companies	233,920	1.6966%
2.3.6 Modarabas and Mutual Funds	7,000	0.0508%
2.3.7 Shareholders holding 10% or more	7,111,998	51.5827%
2.3.8 General Public		
a. Local	5,151,647	37.3644%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
- Joint Stock Companies	45,021	0.3265%
- Others	6,776	0.0491%



Service Industries Textiles Limited
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2026

Sr. No.	Name	No. of Shares Held	Percentage
---------	------	--------------------	------------

Associated Companies, Undertakings and Related Parties (Name Wise Detail):

- -

Mutual Funds (Name Wise Detail)

- -

Directors and their Spouse and Minor Children (Name Wise Detail):

1	MR. AAMER HAMEED	2,295,339	16.6479%
2	MRS. SADIA HAMID	500	0.0036%
3	MR. MUHAMMAD HAMEED	2,790,328	20.2380%
4	MR. TARIQ HAMEED	1,430,327	10.3740%
5	MR. MURTAZA HAMEED	225,701	1.6370%
6	MR. USMAN HAMID MALIK	500	0.0036%
7	MRS. SARA AQEEL	500	0.0036%
8	MRS. SAIMA HAMEED W/O AAMER HAMEED	1,252,500	9.0843%

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance

314,574 2.2816%

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

1	MR. MUHAMMAD HAMEED (CDC)	2,790,328	20.2380%
2	MR. AAMER HAMEED (CDC)	2,295,339	16.6479%
3	MST. UZMA HAMEED (CDC)	2,026,331	14.6968%
4	MRS. SAIMA HAMEED W/O AAMER HAMEED (CDC)	1,252,500	9.0843%
5	MR. TARIQ HAMEED (CDC)	1,430,327	10.3740%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	NAME	SALE	PURCHASE
1	MR. MUHAMMAD HAMEED (CDC)	480,834	-
2	MR. TARIQ HAMEED (CDC)	-	480,834



SERVICE INDUSTRIES TEXTILES LIMITED

FORM OF PROXY

Please quote Folio Number

I / We _____

of _____

being a member of SERVICE INDUSTRIES TEXTILES LIMITED hereby appoint

Mr. _____

of _____

another member of the Company or failing him

Mr. _____

of _____

another member of the Company as my proxy to attend, act and vote for me and on my behalf at the Annual General Meeting of the Company to be held on Wednesday October 28, 2026 at 09:30 a.m at the Registered Office, 38-Empress Road, Lahore, and at any adjournment thereof.

Signature
on
Five Rupees
Revenue
Stamp

(Signatures should agree with the specimen signatures registered with the Company).

Witness _____

Date _____

NOTE:-

The proxy must be signed across a Five Rupees Revenue Stamp and it should be deposited in the Office of the Company not later than 48 hours before the time of holding the meeting.



پراکسی فارم (مختارنامہ)

رجسٹر فو لیونمبر

سیکرٹری

سروس انڈسٹریز ٹیکسٹائل لمیٹڈ

38-ایمپرس روڈ، لاہور

میں اہم

ساکن

بیشیت رکن حامل

عام حصص بمطابق شیئر رجسٹر فو لیونمبر _____
(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر _____ پارٹیشن (شرکت) آئی ڈی نمبر _____)

بذریعہ ہذا

محترم! محترمہ

ساکن

جو کمپنی کا ممبر ہے بمطابق چیئر رجسٹر فو لیونمبر _____

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

یا اسکی غیر موجودگی میں محترم! محترمہ _____ ساکن _____

جو کمپنی کا ممبر ہے بمطابق چیئر رجسٹر فو لیونمبر _____

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

موردہ 28 اکتوبر 2026ء کو منعقد ہونے والے کمپنی کے 65 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا اہارا بطور مختار (پراکسی) مقرر

کرتا ہوں کرتے ہیں۔

5 روپے کارسیدی ٹکٹ

چسپاں کریں

دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے

مطابق ہونے چاہئیں

دستخط _____ آج بروز _____ بتاریخ _____ ء

نوٹ:

1- اگر ایک ممبر اجلاس میں شرکت کے قابل نہیں ہے تو وہ اس فارم پر دستخط کرے اور سیکرٹری کو اس طور اسل کردے کہ اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہیے۔

2- سی ڈی سی کے ذریعے حصص یافتگان پراکسیز تقرر کرتے ہوئے پراکسی فارم کے ہمراہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی مصدقہ کاپی منسلک کریں۔

3- سی ڈی سی کے ذریعے حصص یافتگان جو سالانہ اجلاس میں شرکت کرنا چاہتے ہوں سے التماس ہے کہ شناخت کے مقصد کیلئے اصل کمپیوٹرائزڈ قومی شناختی کارڈ بعد اپنے نیکرز سے اسکی مصدقہ کاپی، اکاؤنٹ نمبر اور پارٹیشن آئی ڈی نمبر ہمراہ لائیں۔

4- کارپوریٹ ایسٹبلشمنٹ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / مختارنامہ کی مصدقہ کاپی مع نمونہ دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختارنامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔



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SECP کی جانب سے پیش ہے "جمع پونجی" ایک ایسا ویب پورٹل جو آپ کو سرمایہ کاری سے متعلق ہر قسم کی معلومات فراہم کرتا ہے، تاکہ آپ ایک اچھی سرمایہ کاری کا فیصلہ کر سکیں۔ جمع پونجی میوچل فنڈز، فنانسنگ، سٹاک ایکسچینج، کیپٹل مارکیٹ، لیزنگ کمپنیز اور انویسٹمنٹ بینک وغیرہ میں سرمایہ کاری سے متعلق آپ کے سوالات کے جوابات فراہم کرتا ہے، اور ساتھ ہی آن لائن نوٹس کے ذریعے کیل ی کیل میں منافع بخش سرمایہ کاری کے سلسلے میں آپ کو رہنمائی بھی فراہم کرتا ہے۔

مفت آن لائن نوٹس:

- سکیم مینر
- ٹریڈنگ
- رسک پروفاکٹر
- ہالڈ سٹاک
- کیلکولیٹر
- انڈیکس سسٹم

کھیل ہی کھیل
میں سیکھیں
سرمایہ کاری کا ہنر



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan