



ZAHIDJEE TEXTILE MILLS LIMITED

Annual Report

FOR THE YEAR ENDED June 30,2026



Mission, Vision, Values

- To add value to shareholders and the economy by engaging profitably in textile products.
- To be and remain quality leader and competitive in the international market.
- To conduct business as socially responsible corporate citizen.

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COMPANY INFORMATION

Board of Directors

Mr. Ahmad Zahid	Chairman
Mr. Muhammad Zahid	Chief Executive
Mrs. Mehreen Fahad	Director
Mr. Muhammad Ali	Independent Director
Mr. Sajjad Hussain Shah	Independent Director
Mr. Faisal Masood Afzal	Independent Director
Mr. Shahbaz Haider Agha	Independent Director

Audit Committee

Mr. Sajjad Hussain Shah	Chairman
Mr. Faisal Masood Afzal	Member
Mr. Muhammad Ali	Member

HR & Remuneration Committee

Mr. Shahbaz Haider Agha	Chairman
Mr. Muhammad Ali	Member
Mr. Ahmad Zahid	Member
Mr. Muhammad Zahid	Member

Nomination Committee

Mr. Shahbaz Haider Agha	Chairman
Mrs. Mehreen Fahad	Member
Mr. Faisal Masood Afzal	Member

Risk Management Committee

Mr. Sajjad Hussain Shah	Chairman
Mr. Muhammad Zahid	Member
Mr. Ahmad Zahid	Member

Sustainability Committee

Mr. Faisal Masood Afzal	Member
Mr. Muhammad Zahid	Member
Mr. Ahmad Zahid	Member

Chief Financial Officer

Mr. Muhammad Asif.

Company Secretary

Mr. Shahab ud Din Khan

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accounts

Bankers of the Company

Askari Bank Limited
Bank Al-Falah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank
Habib Bank Limited
JS Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

Registered Office

131-A, P-Street Upper Mall,
Lahore.
Tel: 042-35777291-5
NTN: 0804274-8

Plant site

- 28-KM, Sheikhpura Road,
Faisalabad
- 32-KM, Tandlian wala Road,
Faisalabad
- M-3 Industrial City,
Sahianwala, Faisalabad

Share Reistrar

Corptec Associates (Private) Limited
503-E, Johar Town, Lahore
Tel: 042-35170335-6
Fax 042-35170338
E-mail: info@corptec.com.pk

NOTICE OF 37TH ANNUAL GENERAL MEETING

Notice is hereby given that the **37th Annual General Meeting (AGM)** of the shareholders of **Zahidjee Textile Mills Limited** (the “Company”) will be held on **Tuesday, October 28, 2026 at 03:00 P.M.** at **Office No. 131-A, Upper Mall, Lahore**, to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the last 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 Chairman’s Review, Directors’ Report and Auditors’ Report thereon.

In accordance with Section 223 of the Companies Act, 2017 and S.R.O. 389(I)/2023 dated March 21, 2023, the Annual Audited Financial Statements of the Company have been uploaded on the Company’s website and can be accessed and downloaded from the following weblink and **QR-enabled code**:

<https://zahidjee.com.pk/wpm/financial-year-2025-2026/>



3. To appoint Auditors of the Company for the financial year ending June 30, 2027 and to fix their remuneration. The present Auditors, M/s RSM Avais Hyder Liaquat Nauman, Chartered Accountants, retire and, being eligible, have offered themselves for reappointment.
4. To transact any other business with the permission of the Chair.

By order of the Board

Shahab ud Din Khan

Company Secretary

NOTES:

1. CLOSURE OF SHARE TRANSFER BOOKS

The Share Transfer Books of the Company will remain closed from **October 22, 26 to October 28, 26 (both days inclusive)** for attending and voting at the AGM. Transfers, physical/CDS, received in order by the Company’s Share Registrar, **M/s CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore**, up to the close of office timings on **5:30 PM** will be treated in time for the purpose of attending and voting at the AGM.

2. PARTICIPATION IN THE ANNUAL GENERAL MEETING

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. The instrument appointing proxy must be duly stamped and signed and must be received at the Registered Office of the Company not later than **48 hours before the meeting**.

CDC Account Holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting:

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account, and 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 original passport at the time of attending the meeting.

(ii) In case of a 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 the meeting.

B. For Appointing Proxies:

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account, and whose registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirements.

(ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

(iii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.

(iv) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.

(v) In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted, unless it has been provided earlier, along with the proxy form to the Company.

3. CHANGE OF ADDRESS

Members are requested to notify any change in their addresses immediately.

Shareholders are requested to provide the requisite information/documents to:

(i) the respective Central Depository System (CDS) Participants, in case of shares held in book-entry form; and

(ii) the Share Registrar of the Company, in case of physical securities.

4. MANDATORY SUBMISSION OF CNIC

Individual shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier, to the Company's Share Registrar.

In case of non-availability of a valid CNIC in the records of the Company, the Company shall withhold dividend in accordance with the applicable provisions of the Companies Act, 2017, which shall be released by the Share Registrar upon submission of a valid copy of the CNIC.

5. CONVERSION OF PHYSICAL SHARES INTO CDS

In compliance with the requirements of **Section 72 of the Companies Act, 2017**, every existing listed company is required to replace physical shares with book-entry form in the manner and from the date notified by the SECP.

Members having physical share certificates are encouraged to convert their shares from physical form into book-entry form as early as possible. Conversion into book-entry form facilitates safe custody of shares, eliminates the risk of loss of physical certificates and avoids the formalities associated with issuance of duplicate share certificates.

6. FINANCIAL STATEMENTS AND REPORTS PUBLISHED ON COMPANY'S WEBSITE

The Company has placed the **Annual Audited Financial Statements for the year ended June 30, 2026**, together with the Auditors' and Directors' Reports, Chairman's Review and Notice of AGM on its website:

<https://www.zahidjee.com.pk>

The Annual Report may also be accessed through the following weblink:

<https://zahidjee.com.pk/wpm/financial-year-2025-2026/>

or by scanning the QR-enabled code provided in the Notice.

7. PROHIBITION OF GIFTS

In compliance with **Section 185 of the Companies Act, 2017** and the applicable SECP directives, including **S.R.O. 452(I)/2025 dated March 17, 2025**, the Company shall not provide or distribute any gifts, giveaways, incentives, tokens, coupons, lunch/dinner or takeaway packages, or any other complimentary items to shareholders at or in connection with the AGM.

8. VIDEO CONFERENCE FACILITY

Pursuant to Section 134(1)(b) of the Companies Act, 2017, if the Company receives consent from shareholders holding, in aggregate, 10% or more shareholding, residing at a geographical location, to participate in the meeting through video conference at least seven days prior to the date of the meeting, the Company will arrange a video conference facility in that city, subject to availability of such facility.

Shareholders intending to avail this facility are requested to provide the following information to the Registered Office of the Company or through email at company.secretary@zahidjee.com.pk:

Name of Shareholder **Folio/CDC account no** **Shareholding** **CNIC no.** **Cell no.**

زابدجی ٹیکسٹائل ملز لمیٹڈ سالانہ عام اجلاس

اس امر کا بذریعہ ہذا اعلان کیا جاتا ہے کہ زابدجی ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے حصص یافتگان کا سالانہ عام اجلاس بروز منگل، 28 اکتوبر 2026ء، سہ پہر 3:00 بجے، دفتر نمبر 131-اے، اپر مال، لاہور میں منعقد ہوگا، جس میں درج ذیل امور زیر غور لائے جائیں گے:

معمول کے امور

1. 28 اکتوبر 2025ء کو منعقد ہونے والے گزشتہ سالانہ عام اجلاس کی کارروائی کی توثیق کرنا۔
2. 30 جون 2026ء کو اختتام پذیر ہونے والے مالی سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے، بمعہ چیئرمین کا جائزہ، ڈائریکٹرز کی رپورٹ اور آڈیٹرز کی رپورٹ، وصول کرنا، ان پر غور کرنا اور انہیں منظور کرنا۔
- کمپنیز ایکٹ، 2017ء کی دفعہ 223 اور ایس۔آر۔او۔ 389(1)/2023 مورخہ 21 مارچ 2023ء کے تقاضوں کے مطابق، کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ پر فراہم کر دیے گئے ہیں، جہاں سے انہیں درج ذیل ویب لنک اور فراہم کردہ کیو آر کوڈ کے ذریعے ملاحظہ اور ڈاؤن لوڈ کیا جا سکتا ہے:

<https://zahidjee.com.pk/wpm/financial-year-2025-2026/>



سالانہ رپورٹ اور مالیاتی گوشوارے

3. 30 جون 2027ء کو اختتام پذیر ہونے والے مالی سال کے لیے کمپنی کے آڈیٹرز کی تقرری کرنا اور ان کے معاوضے کا تعین کرنا۔ موجودہ آڈیٹرز، آر ایس ایم اویس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس، اپنی مدت پوری ہونے پر سبکدوش ہو رہے ہیں اور اہل ہونے کی بنا پر دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔

4. چیئر کی اجازت سے کوئی دیگر کاروباری امور انجام دینا۔

بورڈ آف ڈائریکٹرز کے حکم سے

شہاب الدین خان
کمپنی سیکریٹری

نوٹس

1. حصص کی منتقلی کی کتابوں کی بندش

(AGM) کمپنی کی شیئر ٹرانسفر بکس 22 اکتوبر 2026 سے 28 اکتوبر 2026 تک (دونوں دنوں سمیت) بند رہیں گی، تاکہ سالانہ جنرل میٹنگ (میں شرکت اور ووٹ دینے کے لیے ضروری انتظامات کیے جا سکیں۔

، جوہر ٹاؤن، لاہور کو موصول ہونے والی تمام شیئر E-، 503 M/s CorpTec Associates (Private) Limited کمپنی کے شیئر رجسٹرار، میں AGM کے ذریعے ہوں، اگر دفتری اوقات کے اختتام یعنی شام 5:30 بجے تک موصول ہو جائیں تو انہیں CDS ٹرانسفرز، خواہ فزیکل یا شرکت اور ووٹ دینے کے مقصد کے لیے بروقت تصور کیا جائے گا۔

2. سالانہ عام اجلاس میں شرکت

وہ رکن جو اجلاس میں شرکت اور ووٹ دینے کا اہل ہو، اپنے علاوہ کسی دوسرے رکن کو اپنا نمائندہ مقرر کر سکتا ہے تاکہ وہ اس کی جانب سے اجلاس میں شرکت اور ووٹ دے سکے۔ نمائندہ مقرر کرنے کا دستاویز مناسب طور پر اسٹامپ شدہ اور دستخط شدہ ہونا چاہیے اور اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں موصول ہو جانا چاہیے۔

مرکزی ڈیپازٹری نظام کے کھاتہ داروں کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے مقرر کردہ درج ذیل ہدایات پر بھی عمل کرنا ہوگا:

الف. اجلاس میں شرکت کے لیے

(الف) 1. انفرادی صورت میں کھاتہ دار یا ذیلی کھاتہ دار اور/یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں موجود ہوں اور جس کی رجسٹریشن کی تفصیلات متعلقہ ضوابط کے مطابق فراہم کی گئی ہوں، اجلاس میں شرکت کے وقت اپنی شناخت کے لیے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا۔

(الف) 2. کسی ادارے یا کمپنی کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد یا مختار خاص، بمعہ نامزد نمائندے کے دستخط کا نمونہ، اجلاس کے وقت پیش کرنا ہوگا، بشرطیکہ یہ دستاویز پہلے جمع نہ کرائی گئی ہو۔

ب. نمائندہ مقرر کرنے کے لیے

- (ب) 1. انفرادی صورت میں کھاتہ دار یا ذیلی کھاتہ دار اور/یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں موجود ہوں اور جس کی رجسٹریشن کی تفصیلات متعلقہ ضوابط کے مطابق فراہم کی گئی ہوں، مذکورہ بالا تقاضوں کے مطابق نمائندگی کا فارم جمع کرائے گا۔
- (ب) 2. نمائندگی کے فارم کی گواہی دو افراد سے تصدیق شدہ ہونی چاہیے، جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبرز فارم پر درج ہوں۔
- (ب) 3. اصل حصص یافتگان اور نمائندے کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول نمائندگی کے فارم کے ساتھ جمع کرانا ہوں گی۔

(ب) 4. نمائندے کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(ب) 5. کسی ادارے یا کمپنی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا مختار خاص، بمعہ دستخط کے نمونے، اگر پہلے جمع نہ کرایا گیا ہو، تو نمائندگی کے فارم کے ساتھ کمپنی کو جمع کرانا ہوگا۔

4. پتے میں تبدیلی

اراکین سے درخواست ہے کہ اپنے پتے میں کسی بھی تبدیلی کی صورت میں کمپنی کو فوری طور پر مطلع کریں۔

حصص یافتگان سے درخواست ہے کہ مطلوبہ معلومات اور دستاویزات حسب ذیل فراہم کریں:

(الف) کتابی اندراج کی صورت میں رکھے گئے حصص کے لیے متعلقہ مرکزی ڈیپازٹری نظام کے شریک ادارے کو؛ اور

(ب) فزیکل سیکیورٹیز کی صورت میں کمپنی کے حصص کے رجسٹرار کو۔

5. قومی شناختی کارڈ جمع کرانا لازمی ہے

انفرادی حصص یافتگان کو ایک بار پھر یاد دہانی کرائی جاتی ہے کہ اگر پہلے فراہم نہیں کیا گیا تو اپنے درست کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل کمپنی کے حصص کے رجسٹرار کو جمع کرائیں۔

اگر کمپنی کے ریکارڈ میں درست قومی شناختی کارڈ دستیاب نہ ہو تو کمپنی، کمپنیز ایکٹ، 2017ء کی قابل اطلاق دفعات کے مطابق، منافع حصص روک دے گی۔ درست قومی شناختی کارڈ کی نقل جمع کرانے کے بعد حصص کے رجسٹرار کی جانب سے منافع حصص جاری کر دیا جائے گا۔

6. فزیکل حصص کو مرکزی ڈیپازٹری نظام میں تبدیل کرنا

کمپنیز ایکٹ، 2017ء کی دفعہ 72 کے تقاضوں کی تعمیل میں ہر موجودہ فہرست شدہ کمپنی کے لیے لازم ہے کہ وہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے مقرر کردہ طریقہ کار اور تاریخ کے مطابق فزیکل حصص کو کتابی اندراج کی صورت میں تبدیل کرے۔

فزیکل شیئر سرٹیفکیٹس رکھنے والے اراکین کو ترغیب دی جاتی ہے کہ وہ اپنے حصص کو جلد از جلد فزیکل صورت سے کتابی اندراج کی صورت میں تبدیل کرائیں۔ کتابی اندراج کی صورت میں تبدیلی سے حصص کی محفوظ تحویل میں سہولت حاصل ہوتی ہے، فزیکل سرٹیفکیٹس کے ضائع یا گم ہونے کا خطرہ کم ہوتا ہے اور متبادل شیئر سرٹیفکیٹس کے اجرا سے متعلق رسمی کارروائیوں سے بھی بچا جا سکتا ہے۔

7. کمپنی کی ویب سائٹ پر مالیاتی گوشواروں اور رپورٹس کی اشاعت

کمپنی نے 30 جون 2026ء کو اختتام پذیر ہونے والے مالی سال کے سالانہ آڈٹ شدہ مالیاتی گوشوارے، بمعہ آڈیٹرز اور ڈائریکٹرز کی رپورٹس، چیئرمین کا جائزہ اور سالانہ عام اجلاس کا نوٹس، اپنی ویب سائٹ پر فراہم کر دیے ہیں:

زابدجی ٹیکسٹائل ملز لمیٹڈ کی ویب سائٹ

سالانہ رپورٹ درج ذیل ویب لنک کے ذریعے بھی ملاحظہ کی جا سکتی ہے:

سالانہ رپورٹ 2026ء

یا نوٹس میں فراہم کردہ کیو آر کوڈ اسکین کر کے حاصل کی جا سکتی ہے۔

8. تحائف کی ممانعت

کمپنیز ایکٹ، 2017ء کی دفعہ 185 اور قابل اطلاق سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات، بشمول ایس۔آر۔او۔ 452(1)/2025 مورخہ 17 مارچ 2025ء، کی تعمیل میں کمپنی سالانہ عام اجلاس کے موقع پر یا اس کے سلسلے میں حصص یافتگان کو کسی بھی قسم کے تحائف، اعزازی اشیاء، مراعات، یادگاری اشیاء، کوپن، ظہرانہ، عشائیہ، کھانے کے پیکٹ یا کسی بھی دوسری بلا معاوضہ اشیاء فراہم یا تقسیم نہیں کرے گی۔

ویڈیو کانفرنس کی سہولت

کمپنیز ایکٹ، 2017ء کی دفعہ 134(1)(ب) کے تحت، اگر کسی جغرافیائی مقام پر مقیم حصص یافتگان، جو مجموعی طور پر کمپنی کے 10 فیصد یا اس سے زائد حصص کے مالک ہوں، کی جانب سے اجلاس میں ویڈیو کانفرنس کے ذریعے شرکت کی رضامندی اجلاس کی تاریخ سے کم از کم سات دن قبل کمپنی کو موصول ہو جائے تو کمپنی، ایسی سہولت کی دستیابی سے مشروط، مذکورہ شہر میں ویڈیو کانفرنس کی سہولت فراہم کرے گی۔

اس سہولت سے استفادہ کرنے کے خواہش مند حصص یافتگان سے درخواست ہے کہ درج ذیل معلومات کمپنی کے رجسٹرڈ دفتر یا برقی ڈاک پر فراہم کریں: company.secretary@zahidjee.com.pk کے ذریعے

حصص یافتہ کا نام فولیو/مرکزی ڈیپازٹری اکاؤنٹ نمبر حصص داری قومی شناختی کارڈ نمبر موبائل نمبر

Chairman's Review Report

I am pleased to present the Annual Report and audited financial statements of Zahidjee Textile Mills Limited (the "Company") for the year ended June 30, 2026 to our valued shareholders. During the year under review, the Company operated in a challenging business environment marked by volatility in cotton prices, increased reliance on imported cotton, subdued demand in the yarn market and elevated financial costs. Despite these challenges, the Company demonstrated resilience and maintained its competitiveness. This performance reflects the Board's effective oversight and the management team's efficient execution, enabling the Company to sustain profitability in a difficult operating environment.

The composition of the Board provides an appropriate balance of executive and non-executive Directors, including independent Directors, with diverse professional and academic backgrounds, who provide exceptional oversight throughout the year under review. The representation of women on the Board is appropriate and reflects the Company's commitment to inclusivity, equity, and good governance.

Pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors conducted its annual performance evaluation, including that of its Committees, at its meeting held on April 25, 2026. I am pleased to report that the overall performance of the Board and its Committees remained satisfactory against the established criteria and was assessed in accordance with Board-approved standards and sound corporate governance practices.

Directors devote sufficient time to the Company's affairs, actively contributing to meetings and decision-making. They remain informed of corporate governance and regulatory requirements through orientation and ongoing training. Conflicts of interest are avoided and, where arising, transparently disclosed and managed in accordance with best practices.

The Board holds regular, well-documented meetings where all significant matters are discussed in detail. It ensures full compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("CCG 2019") and remains continuously updated on evolving regulatory developments.

The Board sets corporate objectives and long-term strategy while overseeing financial and operational performance, reporting integrity, risk management, regulatory compliance, and internal controls. It evaluates major investments, ensures compliance with share trading regulations, and promotes transparency through timely disclosure of price-sensitive information.

I extend my sincere appreciation to the Board of Directors and its Committees for their commitment to strong governance. I am equally grateful to our shareholders, customers, employees, and all stakeholders whose trust and support continue to strengthen the Company.



Ahmad Zahid

Chairman

Lahore

October 5, 2026

چیرمین کی جانب سے جائزہ رپورٹ

مجھے یہ امر باعث مسرت ہے کہ میں زابدی ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کی 30 جون 2026 کو اختتام پذیر ہونے والے سال کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی بیانات اپنے معزز حصص یافتگان کی خدمت میں پیش کر رہا ہوں۔

زیر جائزہ سال کے دوران کمپنی کو ایک ایسے مشکل کاروباری ماحول کا سامنا رہا جس میں روئی کی قیمتوں میں اتار چڑھاؤ، درآمدی روئی پر بڑھتا ہوا انحصار، یارن مارکیٹ میں طلب کی کمی اور بلند مالیاتی اخراجات نمایاں عوامل رہے۔ ان چیلنجز کے باوجود، کمپنی نے بھرپور استقامت کا مظاہرہ کرتے ہوئے اپنی مسابقتی حیثیت برقرار رکھی اور منافع بخش کارکردگی کو برقرار رکھنے میں کامیاب رہی۔ یہ کارکردگی بورڈ آف ڈائریکٹرز کی مؤثر نگرانی اور انتظامیہ کی مستعد اور مؤثر حکمت عملی پر مبنی عمل درآمد کی عکاس ہے، جس کے نتیجے میں کمپنی ایک مشکل کاروباری ماحول میں بھی اپنی منافع بخش حیثیت برقرار رکھنے میں کامیاب رہی۔

بورڈ آف ڈائریکٹرز کی تشکیل ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز، بشمول آزاد ڈائریکٹرز، کے درمیان مناسب توازن پر مبنی ہے۔ بورڈ کے اراکین مختلف پیشہ ورانہ اور تعلیمی پس منظر رکھتے ہیں اور زیر جائزہ سال کے دوران کمپنی کے معاملات پر مؤثر نگرانی فراہم کرتے رہے۔ بورڈ میں خواتین کی مناسب نمائندگی کمپنی کی شمولیت، مساوات اور مؤثر کارپوریٹ گورننس کے عزم کی عکاسی کرتی ہے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کے مطابق، بورڈ آف ڈائریکٹرز نے 25 اپریل 2026 کو منعقدہ اجلاس میں اپنی سالانہ کارکردگی کا خود جائزہ لیا، جس میں بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ بھی شامل تھا۔ مجھے یہ بتاتے ہوئے خوشی ہے کہ سال کے لیے مقرر کردہ معیارات کے مطابق بورڈ کی مجموعی کارکردگی تسلی بخش رہی۔ یہ جائزہ بورڈ کی جانب سے وضع کردہ معیارات کے مطابق اور مؤثر کارپوریٹ گورننس کے تسلیم شدہ اصولوں سے ہم آہنگ طریقہ کار کے تحت انجام دیا گیا۔

ڈائریکٹرز کمپنی کے امور کے لیے مناسب وقت مختص کرتے ہیں، اجلاسوں کی مکمل تیاری کرتے ہیں اور مباحثوں اور فیصلہ سازی کے عمل میں فعال طور پر حصہ لیتے ہیں۔ وہ کارپوریٹ گورننس کے اصولوں اور متعلقہ قوانین و ضوابط سے بخوبی آگاہ رہتے ہیں، جبکہ ضرورت کے مطابق تعارفی اجلاسوں اور مسلسل تربیتی پروگراموں کے ذریعے اپنی معلومات اور صلاحیتوں کو مزید بہتر بناتے ہیں۔ مفادات کے تصادم سے حتی الامکان گریز کیا جاتا ہے اور اگر ایسی صورت حال پیدا ہو تو اسے شفاف انداز میں ظاہر کرتے ہوئے بہترین طرز حکمرانی کے اصولوں کے مطابق مناسب طور پر نمٹایا جاتا ہے۔

بورڈ باقاعدگی سے اجلاس منعقد کرتا ہے، جن کی مکمل دستاویزات مرتب کی جاتی ہیں، اور تمام اہم امور پر تفصیلی غور و خوض کیا جاتا ہے۔ " کے تقاضوں کی مکمل تعمیل کو یقینی بناتا ہے اور بدلتے CCG 2019 بورڈ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (" کے ہونے قانونی و ضابطہ جاتی تقاضوں سے مسلسل باخبر رہتا ہے۔

بورڈ کمپنی کے کارپوریٹ مقاصد کے تعین، طویل مدتی حکمت عملی کی تشکیل اور اہم مالی و عملیاتی کارکردگی کے اشاریوں کی نگرانی میں کلیدی کردار ادا کرتا ہے۔ بورڈ مالیاتی رپورٹنگ کی درستگی اور شفافیت کو یقینی بناتا ہے، اکاؤنٹنگ پالیسیوں کا جائزہ لیتا ہے اور مالی و غیر مالیاتی خطرات، بشمول ضابطہ جاتی تقاضوں کی تعمیل، کی فعال نگرانی کرتا ہے۔ مزید برآں، بورڈ ایک مضبوط اندرونی کنٹرول کے نظام کو برقرار رکھنے، اہم سرمایہ کاری کے فیصلوں کا جائزہ لینے اور حصص کی خرید و فروخت سے متعلق ضوابط کی پابندی کو یقینی بنانے کے لیے مؤثر نگرانی فراہم کرتا ہے۔ اسی طرح، شفافیت کے تقاضوں کو مدنظر رکھتے ہوئے قیمت پر اثر انداز ہونے والی حساس معلومات کی بروقت متعلقہ ریگولیٹری حکام کو فراہمی کو بھی یقینی بنایا جاتا ہے۔

میں بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کے اراکین کا مضبوط کارپوریٹ گورننس کے لیے ان کے عزم، رہنمائی اور مسلسل تعاون پر دلی شکر ادا کرتا ہوں۔ میں اپنے معزز حصص یافتگان، صارفین، ملازمین اور تمام دیگر اسٹیک ہولڈرز کا بھی تہ دل سے شکر گزار ہوں، جن کا اعتماد، تعاون اور وابستگی کمپنی کی ترقی اور استحکام کو مسلسل مضبوط بنانے میں اہم کردار ادا کر رہے ہیں۔



احمد زابد

چیرمین

لاہور

۵ اکتوبر، ۲۰۲۶

Director's Report to Shareholders

The Directors of Zahidjee Textile Mills Limited ("the Company") are pleased to present the Annual Report of the Company for the year ended June 30, 2026, along with the audited financial statements and auditors report thereon.

Economic Review

The global economy navigated a challenging environment in the second half of 2026, amid heightened geopolitical tensions and the conflict in the Middle East, which disrupted energy supplies, caused volatility and elevation in oil and gas prices and renewed inflationary pressures. At the same time, accelerated momentum in the global technology cycle driven by advances in the Artificial Intelligence (AI) and sustained technology-led investments have partly offset the downward effects of energy shocks. The global economy, as a result, demonstrated relative resilience, absorbing the shock better than initially anticipated, although the impact remained uneven across the countries.

Pakistan's economy remained on a positive trajectory during FY26 despite the challenges arising from the geopolitical environment. The overall performance was supported by stable currency conditions, robust external inflows, improving industrial activity, and continued advancement in structural reforms and commitments with multilateral institutions.

Economic activity strengthened across most key sectors during the year. Real GDP recorded growth of 3.7% YoY, while Large Scale Manufacturing (LSM) posted a 5.8% YoY increase during FY26. Several major sectors also registered notable improvements. Automobile sales increased by 39% YoY, reaching 206,345 units, while cement dispatches rose 8% YoY to 50,581k tons. The banking sector also experienced healthy deposit growth of 15% YoY, taking total deposits to PKR 40,886bn. Similarly, urea offtake increased by 17% YoY to 6,889k tons, while domestic oil production grew 4% YoY to 23.6mn bbl.

The external sector remained relatively stable throughout FY26. The current account posted a small annual deficit of USD 139mn, mainly reflecting an 8% YoY increase in imports as domestic demand recovered. Export performance remained largely stable, although services exports performed particularly well, increasing 19% YoY to USD 10,034mn. Remittance inflows also strengthened, rising 9% YoY to USD 41,585mn and helping support the country's external financing position. Meanwhile, net foreign direct investment (FDI) contributed USD 1,637mn to the capital account during the year.

The overall macroeconomic environment also showed signs of gradual stabilization during FY26. The exchange rate remained broadly stable, while improved external inflows helped strengthen

the country's foreign exchange position. Inflation remained manageable on average, although pressures increased toward the end of the year due to higher energy and commodity prices. Continued fiscal consolidation and progress under the IMF programme further supported economic stability and investor confidence.

Going forward, sustained policy discipline, improved investment activity and continued structural reforms will remain important for maintaining economic momentum and achieving stronger, more sustainable growth.

Industry Review

Pakistan's textile sector remained a key pillar of the country's export-oriented manufacturing base during FY26, although growth remained subdued amid elevated production costs, softer demand in certain international markets, and external disruptions. Textile exports increased marginally by 0.26% YoY to USD 17.93 billion during FY26, compared with USD 17.89 billion during FY25, indicating broadly stable export earnings despite a challenging operating environment.

Overall, the sector demonstrated resilience in preserving export volumes and values, underscoring its importance to Pakistan's external trade. Looking ahead, the near term outlook for the textile industry remains dependent on recovery in major international markets, while the industry's ability to expand exports will depend on maintaining competitive energy costs, securing reliable cotton and other raw-material supplies, improving productivity and moving further toward higher-value products. External demand and geopolitical developments remain key risks, particularly given Pakistan's dependence on major overseas markets.

Company Overview

The Company is engaged in the business of manufacturing and sale of yarn and export of all kinds of value-added fabrics and textile made-ups. During the year under review, the Company continued to operate in a challenging business environment, characterized by a poor cotton crop, increased reliance on imported cotton, volatility in cotton prices, subdued demand in the yarn market and elevated financial costs. The competitive environment remained demanding, particularly due to the continued impact of the Export Facilitation Scheme (EFS) framework on the domestic yarn market, which placed local spinners at a competitive disadvantage against imported yarn available under export-related concessions. Despite these challenges and continued pressure on industry margins, the Company maintained prudent operational and financial management and concluded the year with a positive profit.

Financial Performance Overview

The Summary of key financial numbers are presented below:

-----Rs. in million-----		
Financial Highlights	June 30, 2026	June 30, 2025
Sales	38,305	40,608
Gross Profit	2,096	2,673
Levies	34.8	47.3
Profit Before Levies and Income Tax	1,116	1,639
Provision for Taxation	(257.9)	97.3
Profit After Taxation	1,339.6	1,494.7
Earnings Per Share – Basic and Diluted	7.00	7.81

The Company reported sales of Rs. 38.305 billion for the year ended June 30, 2026, as compared to Rs. 40.608 billion for the corresponding period last year, reflecting a decrease of 5.67%, primarily attributable to lower sales volumes and subdued market conditions. Gross profit for the current year stood at Rs. 2,096 million as against Rs. 2,673 million in the previous year, showing a decline of 21.58%. Profit before levies and income tax amounted to Rs. 1,116 million compared to Rs. 1,639 million last year, representing a decrease of 31.91%.

The Company recorded profit after taxation of Rs. 1,339.6 million during the year, compared with Rs. 1,494.7 million in the previous year, reflecting a decrease of 10.38%. Accordingly, basic and diluted earnings per share decreased to Rs. 7.00 from Rs. 7.81 in the corresponding period last year, representing a decrease of 10.37%. Levies decreased to Rs. 34.8 million from Rs. 47.3 million in the previous year. The tax position also impacted the overall earnings, with the Company recording a tax credit of Rs. 257.9 million during the current year compared with a provision for taxation of Rs. 97.3 million in the previous year.

Despite the decline in sales, gross profit and profit after taxation during the year, the Company continued to focus on effective cost management, operational efficiency and prudent financial management. The challenging market environment, lower sales volumes and pressure on margins remained key factors affecting the Company's operating performance. While the tax credit provided some support to the overall results, the Company remained focused on maintaining operational resilience, managing costs prudently and implementing measures aimed at improving profitability and strengthening performance in the coming periods.

Dividend

Keeping in view the fund requirement for working capital, the board of directors has not recommended any dividend.

Composition of the Board

The Board of Directors as of June 30, 2025, consists of:

Total number of directors:

a) Male 06 b) Female 01

Composition including the following:

a) Independent Directors 04

b) Non-Executive Directors 01

c) Executive Director 01

d) Female 01

Board of Directors

Sr.no	Name of Directors	Designation
1	Mr. Ahmad Zahid	Chairman
2	Mr. Muhammad Zahid	Chief Executive/Executive Director
3	Ms. Mehreen Fahad	Non-Executive Director
4	Mr. Shahbaz Haider Agha	Independent Director
5	Mr. Faisal Masood Afzal	Independent Director
6	Mr. Muhammad Ali	Independent Director
7	Mr. Sajjad Hussain Shah	Independent Director

Audit committee

Sr.no	Name of Member	Designation
1	Mr. Sajjad Hussain Shah	Chairman
2	Mr. Faisal Masood Afzal	Member
3	Mr. Muhammad Ali	Member

HR and Remuneration Committee

Sr.no	Name of Member	Designation
1	Mr. Shahbaz Haider Agha	Chairman
2	Mr. Muhammad Zahid	Member
3	Mr. Ahmad Zahid	Member
4	Mr. Muhammad Ali	Member

Attendance at Board Meetings and its Committee:

Name of Directors	Board of Directors	Audit Committee	HR Committee
Mr. Muhammad Zahid	4/4	N/M	1/1
Mr. Ahmad Zahid	4/4	N/M	1/1
Ms. Mehreen Fahad	3/4	N/M	N/M
Mr. Shahbaz Haider Agha	4/4	N/M	1/1
Mr. Faisal Masood Afzal	4/4	4/4	N/M
Mr. Muhammad Ali	3/4	4/4	1/1
Mr. Sajjad Hussain Shah	4/4	4/4	N/M

N/M: Not a Member

Leave of absence was granted to directors who could not attend the Board and its Committee's meetings.

Board Evaluation

During the year, the Board and its sub-committees have undertaken a formal process of evaluation of their performance. The overall Performance of the Board and its sub-committees, measured on the defined parameters for the year, was satisfactory.

Risk Management

The Company operates in an environment exposed to various financial, operational and business risks, including liquidity, market, credit, foreign exchange, commodity price, operational, legal, regulatory and reputational risks. Effective identification, assessment and management of these risks are essential to safeguarding the Company's assets, maintaining operational continuity and supporting sustainable business performance. The Board of Directors provides overall oversight of the Company's risk management framework and reviews the policies and controls established to identify and manage material risks.

The Company maintains appropriate risk management processes to monitor, evaluate and mitigate the risks arising from its operations. Particular attention is given to fluctuations in cotton and other raw material prices, foreign exchange movements, energy costs, interest rates, customer credit exposure and liquidity requirements. Internal controls, financial monitoring and management review processes are used to assess risk exposures and take timely corrective measures. The Company continues to strengthen its risk management practices in line with the changing business environment and applicable legal and regulatory requirements.

Corporate Social Responsibility

Zahidjee Textile Mills Limited recognizes its responsibility towards society and the communities in which it operates. The Company remains committed to contributing towards social welfare through its support for initiatives relating to education, healthcare, community development and other areas of public benefit.

The Company believes that responsible business practices and meaningful engagement with the community are essential to sustainable growth. It will continue to explore opportunities to contribute towards social and community welfare initiatives and fulfill its responsibilities as a socially responsible corporate entity.

The Company is committed to responsible business practices, employee well-being and environmental sustainability. Efforts are made to promote efficient use of resources, responsible waste management and a safe working environment. The Company will continue to support initiatives that contribute positively to its employees, community and other stakeholders.

Directors' Responsibility in Respect of Internal Controls

The Board of Directors of Zahidjee Textile Mills Limited acknowledges its overall responsibility for establishing and maintaining an adequate and effective system of internal controls. The internal control framework is designed to safeguard the Company's assets, minimize the risk of fraud and errors, maintain accurate and complete accounting records, and ensure the timely preparation of reliable financial information.

The Directors periodically review the effectiveness of the Company's internal control systems and consider the controls to be appropriate for the nature and scale of its operations. The internal control framework is continuously monitored and strengthened, where necessary, to address identified risks and ensure compliance with applicable laws, regulations, accounting standards and established best practices.

Remuneration of Directors

The Board itself approves the remuneration of the Board members. However, in accordance with the Code of Corporate Governance, it ensured that no director takes part in deciding his or her own remuneration. The remuneration package of the Chief Executive and other executive directors is disclosed in Note No. 35 to the financial statements.

Related Party Transactions

The Board approved all transactions with related parties, and details of all such transactions were placed before the Audit Committee. During the year, the company carried out transactions with its related parties. Details of these transactions are disclosed in note 36 to the financial statements.

Corporate and Financial Reporting Framework

The Company's Management is fully cognizant of its responsibility as recognized by the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Securities and Exchange Commission of Pakistan (SECP) and the Rule Book of Pakistan Stock Exchange (PSX). The following comments are acknowledgement of company's commitment to high standards of Corporate Governance and Continuous Improvement:

- 1** The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- 2** Proper books of accounts of the company have been maintained.
- 3** Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4** International Accounting/Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and any departure from there have been adequately disclosed.
- 5** The system of internal control is sound and has been effectively implemented and monitored.
- 6** There is no significant doubt upon the company's ability to continue as a going concern.
- 7** There has been no material departure from the best practices of Code of Corporate Governance, as detailed in Listing Regulations.
- 8** Outstanding taxes and levies are given in the Notes to the Financial Statements
- 9** Statement of compliance with the Code of Corporate Governance and Financial Highlights for the last six years are annexed.

Health, Safety, & Environment

The Company maintains working conditions which are safe and without risk to the health of all employees and public at large. Our focus remains on improving all aspects of safety specially, with regards to the safety, production, delivery, storage and handling of materials. Company always ensures environment preservation and adopts all possible means for environment protection. The company strictly complies with the standards of the safety rules and regulations. It also follows environmental friendly policies.

Impact of the Company's Business on the Environment

As a textile manufacturing company, Zahidjee Textile Mills Limited recognizes the environmental impact associated with its operations, particularly in relation to energy and water consumption, wastewater, emissions and industrial waste. The Company is committed to responsible resource utilization and continues to focus on improving operational efficiency and minimizing its environmental footprint through appropriate environmental management practices.

Pattern of shareholding

Pattern of Shareholding as at June 30, 2026, which are required to be disclosed under the reporting framework, is annexed to this report.

Appointment of Statutory Auditors

The present auditors M/s RSM Avais Hyder Liaquat Nauman, Chartered Accountants have completed their tenure for the year (FY 2025-26) and will be retiring at the conclusion of the forthcoming Annual General Meeting (AGM). Being eligible, they have offered themselves for re-appointment. The Audit Committee has recommended their re-appointment as auditors of the company for the year (FY 2026-27).

Ethics and Business Practices

In accordance with applicable Corporate Governance guidelines, Zahidjee Textile Mills Limited has established and circulated a "Code of Ethics" for compliance by its Directors and employees. The Code promotes integrity, professionalism, accountability and ethical conduct, and has been acknowledged and accepted by all Directors and employees.

Future Prospects

The future prospects of Zahidjee Textile Mills Limited remain cautiously positive, supported by the continued importance of the textile sector to Pakistan's exports and the growing demand for value-added textile products. The Company remains focused on strengthening its market position through operational efficiency, product quality and effective cost management, while responding to changing conditions in both domestic and international markets.

Management remains committed to enhancing production efficiency, optimizing the utilization of resources and improving the quality and value addition of its products. Greater emphasis will continue to be placed on exports of value-added fabrics and textile made-ups, along with maintaining strong relationships with customers in key international markets.

Going forward, the Company will continue to monitor developments in cotton prices, energy costs, exchange rates and global textile demand while adopting appropriate measures to manage associated risks. Investment in technology, productivity enhancement and efficient resource utilization is expected to support competitiveness and sustainable growth. Despite the challenges facing the industry, the Company remains committed to pursuing opportunities that create long-term value for its shareholders and other stakeholders.

Acknowledgements

We are very thankful to the customers for their support and shareholders for their confidence and trust in the management of the Company. We are also thankful to all the staff members for their hard work and commitment to the betterment of the Company.

For and on Behalf of



Muhammad Zahid

Chief Executive Officer



Ahmad Zahid

Director

October 5, 2026

Lahore

حصص یافتگان کے نام ڈائریکٹرز کی رپورٹ

زابہ جی ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز کو یہ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے کہ وہ 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ، آڈٹ شدہ مالیاتی گوشواروں اور ان پر آڈیٹرز کی رپورٹ کے ساتھ پیش کر رہے ہیں۔

اقتصادی جائزہ

سال 2026 کی دوسری ششماہی کے دوران عالمی معیشت کو ایک مشکل ماحول کا سامنا رہا، جس کی بنیادی وجوہات میں بڑھتی ہوئی جغرافیائی سیاسی کشیدگی اور مشرق وسطیٰ میں جاری تنازع شامل تھے۔ ان حالات نے توانائی کی فراہمی میں خلل پیدا کیا، تیل اور گیس کی قیمتوں میں اتار چڑھاؤ اور اضافہ ہوا اور مہنگائی کے دباؤ میں دوبارہ اضافہ دیکھنے میں آیا۔ دوسری جانب، مصنوعی ذہانت (AI) میں پیش رفت اور ٹیکنالوجی کے شعبے میں مسلسل سرمایہ کاری کے باعث عالمی ٹیکنالوجی سائیکل میں تیزی آئی، جس نے توانائی کے جھٹکوں کے منفی اثرات کو کسی حد تک کم کیا۔ نتیجتاً، عالمی معیشت نے نسبتاً مضبوط کارکردگی کا مظاہرہ کیا اور ابتدائی توقعات کے مقابلے میں ان جھٹکوں کو بہتر طور پر برداشت کیا، تاہم مختلف ممالک پر اس کے اثرات یکساں نہیں رہے۔

جغرافیائی سیاسی حالات سے پیدا ہونے والے چیلنجز کے باوجود مالی سال 2026 کے دوران پاکستان کی معیشت نے مثبت سمت میں پیش رفت جاری رکھی۔ مجموعی اقتصادی کارکردگی کو مستحکم شرح مبادلہ، بیرونی ذرائع سے مضبوط مالی آمد، صنعتی سرگرمیوں میں بہتری اور ساختی اصلاحات کے تسلسل کے ساتھ ساتھ کثیر الجہتی مالیاتی اداروں کے ساتھ کیے گئے وعدوں پر پیش رفت سے سہارا ملا۔

سال کے دوران معیشت کے بیشتر اہم شعبوں میں اقتصادی سرگرمیوں میں بہتری آئی۔ حقیقی مجموعی ملکی پیداوار میں سالانہ بنیاد پر 3.7 فیصد اضافہ ریکارڈ کیا گیا، جبکہ مالی سال 2026 کے دوران بڑے پیمانے کی صنعتی پیداوار میں سالانہ بنیاد پر 5.8 فیصد اضافہ ہوا۔ کئی اہم شعبوں نے بھی نمایاں بہتری کا مظاہرہ کیا۔ گاڑیوں کی فروخت میں سالانہ بنیاد پر 39 فیصد اضافہ ہوا اور یہ 206,345 یونٹس تک پہنچ گئی، جبکہ سیمینٹ کی ترسیلات میں 8 فیصد اضافہ ہوا اور یہ 50,581 ہزار ٹن تک پہنچ گئیں۔ بینکاری کے شعبے میں بھی ڈیپازٹس میں سالانہ بنیاد پر 15 فیصد کی صحت مند شرح سے اضافہ ہوا اور مجموعی ڈپازٹس 40,886 ارب روپے تک پہنچ گئے۔ اسی طرح یورپا کی کھپت میں سالانہ بنیاد پر 17 فیصد اضافہ ہوا اور یہ 6,889 ہزار ٹن تک پہنچ گئی، جبکہ مقامی تیل کی پیداوار میں 4 فیصد اضافہ ہوا اور یہ 23.6 ملین بیرل تک پہنچ گئی۔

مالی سال 2026 کے دوران بیرونی شعبہ مجموعی طور پر نسبتاً مستحکم رہا۔ کرنٹ اکاؤنٹ میں سالانہ بنیاد پر 139 ملین امریکی ڈالر کا معمولی خسارہ ریکارڈ کیا گیا، جس کی بنیادی وجہ ملکی طلب میں بحالی کے نتیجے میں درآمدات میں 8 فیصد سالانہ اضافہ تھا۔ برآمدات کی مجموعی کارکردگی بڑی حد تک مستحکم رہی، تاہم خدمات کی برآمدات نے خاص طور پر بہتر کارکردگی کا مظاہرہ کیا اور ان میں 19 فیصد سالانہ اضافہ ہوا، جس کے نتیجے میں یہ 10,034 ملین امریکی ڈالر تک پہنچ گئیں۔ ترسیلات زر میں بھی بہتری آئی اور ان میں 9 فیصد سالانہ اضافہ ہوا، جس کے بعد یہ 41,585 ملین امریکی ڈالر تک پہنچ گئیں اور ملک کی بیرونی مالیاتی پوزیشن کو سہارا ملا۔ اسی دوران، سال کے دوران خالص براہ راست غیر ملکی سرمایہ کاری نے کیپیٹل اکاؤنٹ میں 1,637 ملین امریکی ڈالر کا اضافہ کیا۔

مالی سال 2026 کے دوران مجموعی معاشی ماحول میں بھی بتدریج استحکام کے آثار نمایاں ہوئے۔ شرح مبادلہ مجموعی طور پر مستحکم رہی، جبکہ بیرونی ذرائع سے بہتر مالی آمد نے ملک کی زرمبادلہ کی پوزیشن کو مضبوط بنانے میں مدد دی۔ اوسطاً مہنگائی قابل انتظام سطح پر رہی، تاہم سال کے اختتام پر توانائی اور اشیائے ضروریہ کی قیمتوں میں اضافے کے باعث مہنگائی کے دباؤ میں اضافہ ہوا۔ مسلسل مالیاتی استحکام کی پالیسی اور آئی ایم ایف پروگرام کے تحت پیش رفت نے بھی معاشی استحکام اور سرمایہ کاروں کے اعتماد کو مزید تقویت دی۔

مستقبل میں پالیسیوں میں مسلسل نظم و ضبط، سرمایہ کاری کی سرگرمیوں میں بہتری اور ساختی اصلاحات کا تسلسل اقتصادی رفتار کو برقرار رکھنے اور زیادہ مضبوط اور پائیدار اقتصادی ترقی کے حصول کے لیے اہم کردار ادا کرے گا۔

صنعت کا جائزہ

مالی سال 2026 کے دوران پاکستان کا ٹیکسٹائل شعبہ ملک کی برآمدی صنعت کی بنیاد کا ایک اہم ستون رہا، تاہم بلند پیداواری لاگت، بعض بین الاقوامی منڈیوں میں طلب میں کمی اور بیرونی رکاوٹوں کے باعث شعبے کی ترقی محدود رہی۔ مالی سال 2026 کے دوران ٹیکسٹائل کی برآمدات میں سالانہ بنیاد پر معمولی 0.26 فیصد اضافہ ہوا اور یہ 17.93 ارب امریکی ڈالر تک پہنچ گئیں، جبکہ مالی سال 2025 میں یہ 17.89 ارب امریکی ڈالر تھیں۔ اس سے مشکل کاروباری ماحول کے باوجود برآمدی آمدنی کے مجموعی طور پر مستحکم رہنے کی عکاسی ہوتی ہے۔

مجموعی طور پر شعبے نے برآمدی حجم اور قدر کو برقرار رکھتے ہوئے مضبوط مزاحمت کا مظاہرہ کیا، جو پاکستان کی بیرونی تجارت میں اس کی اہمیت کو ظاہر کرتا ہے۔ مستقبل کے حوالے سے ٹیکسٹائل صنعت کے قلیل مدتی امکانات کا انحصار بڑی بین الاقوامی منڈیوں میں بحالی پر ہوگا، جبکہ برآمدات میں اضافے کے لیے صنعت کو مسابقتی توانائی کی لاگت برقرار رکھنے، کیاس اور دیگر خام مال کی قابل اعتماد فراہمی یقینی بنانے، پیداواری صلاحیت میں بہتری لانے اور زیادہ قدر رکھنے والی مصنوعات کی جانب مزید پیش رفت کرنے کی ضرورت ہوگی۔ بیرونی طلب اور جغرافیائی سیاسی حالات بدستور اہم خطرات میں شامل رہیں گے، خصوصاً پاکستان کی بڑی بیرون ملک منڈیوں پر انحصار کے باعث۔

کمپنی کا تعارف

کمپنی یارن کی تیاری اور فروخت، جبکہ ہر قسم کے ویلیو ایڈڈ کپڑوں اور ٹیکسٹائل مصنوعات کی برآمد کے کاروبار سے وابستہ ہے۔ زیر جائزہ سال کے دوران کمپنی نے ایک مشکل کاروباری ماحول میں اپنی سرگرمیاں جاری رکھیں، جس کی نمایاں خصوصیات میں کپاس کی کم پیداوار، درآمد شدہ کپاس پر بڑھتا ہوا انحصار، کپاس کی قیمتوں میں اتار چڑھاؤ، یارن کی مارکیٹ میں محدود طلب اور بلند مالیاتی اخراجات شامل رہے۔

مسابقتی ماحول بھی مشکل رہا، خصوصاً ایکسپورٹ فیسیلیٹیشن اسکیم (EFS) کے فریم ورک کے مسلسل اثرات کے باعث، جس نے مقامی یارن مارکیٹ میں مقامی اسپنرز کو ان درآمد شدہ یارن کے مقابلے میں مسابقتی نقصان سے دوچار کیا جو برآمدات سے متعلق مراعات کے تحت دستیاب تھے۔

ان چیلنجز اور صنعت کے منافع کے مارجن پر مسلسل دباؤ کے باوجود کمپنی نے محتاط آپریشنل اور مالیاتی انتظام برقرار رکھا اور سال کا اختتام مثبت منافع کے ساتھ کیا۔

مالی کارکردگی کا جائزہ

اہم مالیاتی اعداد و شمار کا خلاصہ ذیل میں پیش کیا گیا ہے:

مالیاتی کارکردگی کی نمایاں جھلکیاں	30 جون 2025	30 جون 2026
فروخت	40,608	38,305
مجموعی منافع	2,673	2,096
محاصل	47.3	34.8
محاصل اور انکم ٹیکس سے پہلے کامنافع	1,639	1,116
ٹیکس کے لیے مختص رقم	97.3	257.9
ٹیکس کے بعد منافع	1,494.7	1,339.6
فی حصص آمدنی-بنیادی اور مخفف	7.81	7.00

کمپنی نے 30 جون 2026 کو ختم ہونے والے سال کے لیے 38,305 ارب روپے کی فروخت رپورٹ کی، جبکہ گزشتہ سال کی اسی مدت میں یہ فروخت 40,608 ارب روپے تھی؛ اس میں 5.67 فیصد کی کمی بنیادی طور پر فروخت کے کم حجم اور مارکیٹ کی سست ملین روپے رہا جبکہ گزشتہ سال یہ 2,673 2,096 (gross profit) صورتحال کی وجہ سے ہوئی۔ رواں سال کے دوران مجموعی منافع اور انکم ٹیکس سے قبل منافع 1,116 ملین روپے رہا جبکہ (levies) ملین روپے تھا، جو 21.58 فیصد کی کمی کو ظاہر کرتا ہے۔ لیویز گزشتہ سال یہ 1,639 ملین روپے تھا، جو 31.91 فیصد کی کمی کی عکاسی کرتا ہے۔

کمپنی نے سال کے دوران ٹیکس کی کٹوتی کے بعد 1,339.6 ملین روپے کا منافع ریکارڈ کیا، جبکہ گزشتہ سال یہ 1,494.7 ملین روپے آمدنی گزشتہ سال کی (diluted) تھا، جس میں 10.38 فیصد کی کمی دیکھی گئی۔ اس کے نتیجے میں، فی حصص بنیادی اور ڈائلوٹڈ اسی مدت کے 7.81 روپے سے کم ہو کر 7.00 روپے رہ گئی، جو 10.37 فیصد کی کمی کو ظاہر کرتی ہے۔ لیویز کی مد میں رقم گزشتہ سال کے 47.3 ملین روپے سے کم ہو کر 34.8 ملین روپے رہ گئی۔ ٹیکس کی صورتحال نے بھی مجموعی آمدنی پر اثر ڈالا؛ کمپنی نے رواں سال کے دوران 257.9 ملین روپے کا ٹیکس کریڈٹ ریکارڈ کیا جبکہ گزشتہ سال ٹیکس کی مد میں 97.3 ملین روپے کی کمی گئی تھی۔ (provision) فراہمی

سال کے دوران فروخت، مجموعی منافع اور ٹیکس کے بعد منافع میں کمی کے باوجود، کمپنی نے مؤثر لاگت کے انتظام، آپریشنل کارکردگی اور محتاط مالیاتی انتظام پر توجہ مرکوز رکھی۔ مارکیٹ کا مشکل ماحول، فروخت کا کم حجم اور منافع کے مارجن پر دباؤ کمپنی کی آپریشنل کارکردگی پر اثر انداز ہونے والے اہم عوامل رہے۔ اگرچہ ٹیکس کریڈٹ نے مجموعی نتائج کو کچھ سہارا دیا، لیکن کمپنی آپریشنل لچک برقرار رکھنے، لاگت کا دانشمندی سے انتظام کرنے اور مستقبل میں منافع بڑھانے اور کارکردگی کو مستحکم کرنے کے لیے اقدامات پر توجہ مرکوز رکھے ہوئے ہے۔

(Dividend) منافع حصص

کے لیے فنڈز کی ضرورت کو مدنظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے کسی بھی منافع (working capital) ورکنگ کپیٹل حصص (ڈیویڈنڈ) کی سفارش نہیں کی ہے۔

ڈائریکٹرز آف بورڈ

نمبر	نام کا ڈائریکٹر	عہدہ
1	زاہد احمد مسٹر	چیئرمین
2	زاہد محمد مسٹر	ڈائریکٹر انتظامی / ایگزیکٹو چیف
3	فہد مہرین محترمہ	ڈائریکٹر انتظامی غیر
4	آغا حیدر شہباز مسٹر	ڈائریکٹر آزاد
5	افضل مسعود فیصل مسٹر	ڈائریکٹر آزاد
6	علی محمد مسٹر	ڈائریکٹر آزاد
7	شاہ حسین سجاد مسٹر	ڈائریکٹر آزاد

کمیٹی آڈٹ

نمبر	نام کارکن	عہدہ
1	شاہ حسین سجاد مسٹر	چیئرمین
2	افضل مسعود فیصل مسٹر	رکن
3	علی محمد مسٹر	رکن

کمیٹی معاوضہ اور وسائل انسانی

نمبر	نام کارکن	عہدہ
1	آغا حیدر شہباز مسٹر	چیئرمین
2	زاہد محمد مسٹر	رکن
3	زاہد احمد مسٹر	رکن
4	علی محمد مسٹر	رکن

حاضری میں کمیٹیوں اور اجلاسوں کے بورڈ

نام کا ڈائریکٹر	ڈائریکٹر ز آف بورڈ	کمیٹی آڈٹ	کمیٹی وسائل انسانی
زاہد محمد مسٹر	4/4	نہیں رکن	1/1
زاہد احمد مسٹر	4/4	نہیں رکن	1/1
فہد مہرین محترمہ	3/4	نہیں رکن	نہیں رکن
آغا حیدر شہباز مسٹر	4/4	نہیں رکن	1/1
افضل مسعود فیصل مسٹر	4/4	4/4	نہیں رکن
علی محمد مسٹر	3/4	4/4	1/1
شاہ حسین سجاد مسٹر	4/4	4/4	نہیں رکن

رکن نہیں: N/M

ان ڈائریکٹرز کو غیر حاضری کی اجازت دی گئی جو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت نہیں کر سکے۔

بورڈ کا جائزہ (Board Evaluation)

سال کے دوران، بورڈ اور اس کی ذیلی کمیٹیوں نے اپنی کارکردگی کے جائزے کا ایک باضابطہ عمل مکمل کیا۔ سال کے لیے مقرر کردہ معیارات کی روشنی میں بورڈ اور اس کی ذیلی کمیٹیوں کی مجموعی کارکردگی تسلی بخش رہی۔

رسک مینجمنٹ (خطرات کا انتظام)

کمپنی ایسے ماحول میں کام کرتی ہے جہاں اسے مختلف مالی، آپریشنل اور کاروباری خطرات کا سامنا رہتا ہے؛ ان میں لیکویڈیٹی (نقد سے (reputational) بہاؤ)، مارکیٹ، کریڈٹ، غیر ملکی کرنسی کے تبادلے، اجناس کی قیمتوں، آپریشنل، قانونی، ریگولیٹری اور ساکھ متعلق خطرات شامل ہیں۔ کمپنی کے اثاثوں کے تحفظ، آپریشنز کے تسلسل کو برقرار رکھنے اور پائیدار کاروباری کارکردگی کو سہارا دینے کے لیے ان خطرات کی مؤثر شناخت، جانچ اور انتظام انتہائی اہم ہے۔ بورڈ آف ڈائریکٹرز کمپنی کے رسک مینجمنٹ فریم ورک کی مجموعی نگرانی کرتا ہے اور اہم خطرات کی شناخت اور انتظام کے لیے وضع کردہ پالیسیوں اور کنٹرولز کا جائزہ لیتا ہے۔

کمپنی اپنے آپریشنز سے پیدا ہونے والے خطرات کی نگرانی، جانچ اور ان میں کمی لانے کے لیے مناسب رسک مینجمنٹ کے عمل کو برقرار رکھتی ہے۔ کپاس اور دیگر خام مال کی قیمتوں میں اتار چڑھاؤ، غیر ملکی کرنسی کے نرخوں میں تبدیلی، توانائی کی لاگت، شرح سود، صارفین کے حوالے سے کریڈٹ ایکسپوژر اور لیکویڈیٹی کی ضروریات پر خصوصی توجہ دی جاتی ہے۔ خطرات کی سطح کا اندازہ لگانے اور بروقت اصلاحی اقدامات کرنے کے لیے اندرونی کنٹرولز، مالیاتی نگرانی اور انتظامی جائزے کے عمل کو بروئے کار لایا جاتا ہے۔ کمپنی بدلتے ہوئے کاروباری ماحول اور قابل اطلاق قانونی و ریگولیٹری تقاضوں کے مطابق اپنے رسک مینجمنٹ کے طریقوں کو مسلسل مضبوط بنا رہی ہے۔

کارپوریٹ سماجی ذمہ داری

زاہد جی ٹیکسٹائل ملز لمیٹڈ معاشرے اور ان کمیونٹیز کے تنیں اپنی ذمہ داری کو تسلیم کرتی ہے جن میں وہ کام کرتی ہے۔ کمپنی تعلیم، صحت کی دیکھ بھال، کمیونٹی کی ترقی اور عوامی مفاد کے دیگر شعبوں سے متعلق اقدامات کی حمایت کے ذریعے سماجی بہبود میں اپنا حصہ ڈالنے کے لیے پرعزم ہے۔

کمپنی کا ماننا ہے کہ ذمہ دارانہ کاروباری طریقوں اور کمیونٹی کے ساتھ بامعنی روابط کا قیام پائیدار ترقی کے لیے ناگزیر ہے۔ کمپنی سماجی اور کمیونٹی بہبود کے اقدامات میں حصہ لینے کے مواقع تلاش کرتی رہے گی اور ایک سماجی طور پر ذمہ دار کارپوریٹ ادارے کے طور پر اپنی ذمہ داریاں پوری کرتی رہے گی۔

کمپنی ذمہ دارانہ کاروباری طریقوں، ملازمین کی فلاح و بہبود اور ماحولیاتی پائیداری کے لیے پرعزم ہے۔ وسائل کے موثر استعمال، فضلے کے ذمہ دارانہ انتظام اور کام کی محفوظ جگہ (ورکنگ انوائرنمنٹ) کو فروغ دینے کی کوششیں کی جاتی ہیں۔ کمپنی ایسے اقدامات کی حمایت جاری رکھے گی جو اس کے ملازمین، کمیونٹی اور دیگر اسٹیک ہولڈرز کے لیے مثبت کردار ادا کرتے ہیں۔

اندرونی کنٹرولز کے حوالے سے ڈائریکٹرز کی ذمہ داری

زاہد جی ٹیکسٹائل ملز لمیٹڈ کا بورڈ آف ڈائریکٹرز اندرونی کنٹرولز کے ایک مناسب اور موثر نظام کے قیام اور اسے برقرار رکھنے کی اپنی مجموعی ذمہ داری کو تسلیم کرتا ہے۔ اندرونی کنٹرول کا فریم ورک کمپنی کے اثاثوں کے تحفظ، دھوکہ دہی اور غلطیوں کے خطرے کو کم کرنے، درست اور مکمل اکاؤنٹنگ ریکارڈز کو برقرار رکھنے، اور قابل اعتماد مالیاتی معلومات کی بروقت تیاری کو یقینی بنانے کے لیے تشکیل دیا گیا ہے۔

ڈائریکٹرز وقتاً فوقتاً کمپنی کے اندرونی کنٹرول سسٹمز کی افادیت کا جائزہ لیتے ہیں اور ان کنٹرولز کو کمپنی کے آپریشنز کی نوعیت اور وسعت کے لحاظ سے مناسب سمجھتے ہیں۔ نشاندہی شدہ خطرات سے نمٹنے اور قابل اطلاق قوانین، ضوابط، اکاؤنٹنگ کے معیارات اور قائم شدہ بہترین طریقوں کی تعمیل کو یقینی بنانے کے لیے اندرونی کنٹرول فریم ورک کی مسلسل نگرانی کی جاتی ہے اور جہاں ضروری ہو اسے مزید مضبوط بنایا جاتا ہے۔

ڈائریکٹرز کا معاوضہ

بورڈ خود اپنے اراکین کے معاوضے کی منظوری دیتا ہے۔ تاہم، 'کوڈ آف کارپوریٹ گورننس' کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کے تعین کے عمل میں حصہ نہ لے۔ چیف ایگزیکٹو اور دیگر ایگزیکٹو ڈائریکٹرز کے معاوضے کے پیکج کی تفصیلات مالیاتی گوشواروں کے نوٹ نمبر 35 میں ظاہر کی گئی ہیں۔

متعلقہ فریقین کے ساتھ لین دین

بورڈ نے متعلقہ فریقین کے ساتھ ہونے والے تمام لین دین کی منظوری دی، اور ایسے تمام لین دین کی تفصیلات آڈٹ کمیٹی کے سامنے پیش کی گئیں۔ سال کے دوران، کمپنی نے اپنے متعلقہ فریقین کے ساتھ لین دین کیا۔ ان لین دین کی تفصیلات مالیاتی گوشواروں کے نوٹ نمبر 36 میں ظاہر کی گئی ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

کمپنی کی انتظامیہ اپنی ان ذمہ داریوں سے بخوبی آگاہ ہے جن کا تعین کمپنیز ایکٹ 2017، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی رول بک (PSX) کے جاری کردہ لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ضوابط 2019 اور پاکستان اسٹاک ایکسچینج (SECP) میں کیا گیا ہے۔ ذیل میں دیے گئے نکات کارپوریٹ گورننس کے اعلیٰ معیارات اور مسلسل بہتری کے لیے کمپنی کے عزم کا اظہار ہیں۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔

کمپنی کے کھاتوں کی صحیح کتابیں رکھی گئی ہیں۔

مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

بین الاقوامی اکاؤنٹنگ/مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور وہاں سے کسی بھی روانگی کو مناسب طور پر ظاہر کیا گیا ہے۔

اندرونی کنٹرول کا نظام درست ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔

کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی خارج نہیں ہوا ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔

بقایا ٹیکس اور محصولات مالیاتی گوشواروں کے نوٹس میں دیے گئے ہیں۔

کوڈ آف کارپوریٹ گورننس کے ساتھ تعین کا بیان اور پچھلے چھ سالوں سے مالیاتی جھلکیاں منسلک ہیں۔

صحت، حفاظت اور ماحولیات

کمپنی کام کے ایسے حالات برقرار رکھتی ہے جو محفوظ ہوں اور تمام ملازمین نیز عوام کی صحت کے لیے کسی خطرے کا باعث نہ ہوں۔ ہماری توجہ حفاظت کے تمام پہلوؤں کو بہتر بنانے پر مرکوز رہتی ہے، خاص طور پر مواد کی حفاظت، پیداوار، ترسیل، ذخیرہ اندوزی اور ہینڈلنگ کے حوالے سے۔ کمپنی ہمیشہ ماحولیاتی تحفظ کو یقینی بناتی ہے اور ماحول کی حفاظت کے لیے تمام ممکنہ اقدامات کرتی ہے۔ کمپنی حفاظتی اصولوں اور ضوابط کے معیارات کی سختی سے پابندی کرتی ہے۔ یہ ماحول دوست پالیسیوں پر بھی عمل پیرا ہے۔

ماحول پر کمپنی کے کاروبار کے اثرات

اپنی سرگرمیوں (Zahidjee Textile Mills Limited) ٹیکسٹائل کی تیاری کرنے والی کمپنی کی حیثیت سے، زاہد جی ٹیکسٹائل ملز لمیٹڈ سے وابستہ ماحولیاتی اثرات کا ادراک رکھتی ہے، خاص طور پر توانائی اور پانی کے استعمال، گندے پانی کے اخراج، گیسوں کے اخراج اور صنعتی فضلے کے حوالے سے۔ کمپنی وسائل کے ذمہ دارانہ استعمال کے لیے پرعزم ہے اور مناسب ماحولیاتی انتظامیہ کو کم سے کم کرنے (environmental footprint) طریقوں کے ذریعے آپریشنل کارکردگی کو بہتر بنانے اور اپنے ماحولیاتی اثرات پر توجہ مرکوز رکھے ہوئے ہے۔

جون 2026 تک شینئر ہولڈنگ کا نمونہ، جسے رپورٹنگ کے فریم ورک کے تحت ظاہر کرنا ضروری ہے، اس رپورٹ کے ساتھ 30 منسلک ہے۔

کی تقرری (Statutory Auditors) قانونی آڈیٹرز

، چارٹرڈ اکاؤنٹنٹس نے سال (مالی) (RSM Avasi Hyder Liaquat Nauman) موجودہ آڈیٹرز، میسرز آر ایس ایم اویس حیدر لیاقت نعمان کے اختتام پر سبکدوش ہو جائیں (AGM) سال 2025-26 کے لیے اپنی مدت ملازمت مکمل کر لی ہے اور وہ آئندہ سالانہ عام اجلاس گئے۔ اہل ہونے کی بنا پر، انہوں نے دوبارہ تقرری کے لیے اپنی رضامندی ظاہر کی ہے۔ آڈٹ کمیٹی نے سال (مالی سال 2026-27) کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

اخلاقیات اور کاروباری طریقہ کار

کارپوریٹ گورننس کے قابل اطلاق رہنما اصولوں کے مطابق، زاہد جی ٹیکسٹائل ملز لمیٹڈ نے اپنے ڈائریکٹرز اور ملازمین کی جانب وضع اور جاری کیا ہے۔ یہ ضابطہ دیانتداری، پیشہ ورانہ مہارت، احتساب (Code of Ethics) سے عمل درآمد کے لیے "ضابطہ اخلاق اور اخلاقی رویے کو فروغ دیتا ہے، اور تمام ڈائریکٹرز اور ملازمین نے اسے تسلیم اور قبول کیا ہے۔

مستقبل کے امکانات

زاہد جی ٹیکسٹائل ملز لمیٹڈ کے مستقبل کے امکانات محتاط انداز میں مثبت ہیں، جس کی وجہ پاکستان کی برآمدات میں ٹیکسٹائل کے شعبے کی مسلسل اہمیت اور ویلیو ایڈڈ (اضافی قدر والی) ٹیکسٹائل مصنوعات کی بڑھتی ہوئی طلب ہے۔ کمپنی مقامی اور بین الاقوامی منڈیوں میں بدلتے ہوئے حالات سے ہم آہنگ رہتے ہوئے، آپریشنل کارکردگی، مصنوعات کے معیار اور لاگت کے مؤثر انتظام کے ذریعے اپنی مارکیٹ پوزیشن کو مستحکم کرنے پر توجہ مرکوز رکھے ہوئے ہے۔

انتظامیہ پیداواری کارکردگی بڑھانے، وسائل کے بہترین استعمال اور اپنی مصنوعات کے معیار اور ویلیو ایڈیشن کو بہتر بنانے کے لیے پرعزم ہے۔ اہم بین الاقوامی منڈیوں میں صارفین کے ساتھ مضبوط تعلقات برقرار رکھنے کے ساتھ ساتھ، ویلیو ایڈڈ فیبرکس (کپڑے) اور ٹیکسٹائل میڈ-اپس (تیار شدہ مصنوعات) کی برآمدات پر مزید زور دیا جاتا رہے گا۔

مستقبل میں، کمپنی کپاس کی قیمتوں، توانائی کی لاگت، شرح مبادلہ اور عالمی سطح پر ٹیکسٹائل کی طلب میں ہونے والی پیش رفت پر نظر رکھے گی اور اس سے وابستہ خطرات سے نمٹنے کے لیے مناسب اقدامات کرے گی۔ ٹیکنالوجی میں سرمایہ کاری، پیداواری صلاحیت میں اضافہ اور وسائل کا مؤثر استعمال کمپنی کی مسابقتی صلاحیت اور پائیدار ترقی میں معاون ثابت ہوگا۔ صنعت کو درپیش چیلنجز کے باوجود، کمپنی ایسے مواقع تلاش کرنے کے لیے پرعزم ہے جو اس کے شینئر ہولڈرز اور دیگر اسٹیک ہولڈرز کے لیے طویل مدتی قدر (ویلیو) پیدا کریں۔

اظہارِ تشکر

ہم صارفین کے تعاون اور کمپنی کی انتظامیہ پر اعتماد و بھروسہ کرنے پر شینئر ہولڈرز کے بے حد مشکور ہیں۔ ہم تمام عملے کے ارکان کی سخت محنت اور کمپنی کی بہتری کے لیے ان کے عزم کے بھی شکر گزار ہیں۔



احمد زاہد

ڈائریکٹر



محمد زاہد

چیف ایگزیکٹو آفیسر

Disclosure

Recently, the Securities and Exchange Commission of Pakistan (SECP) has introduced Environmental, Social and Governance (ESG) disclosure guidelines for listed companies for issues like promoting gender diversity, environmental protection and a paperless environment. Since the size of the company is big and passing through a phase of survival and stability, it has a big number of employees which are male and female. However, the vision of the company is to enhance gender diversity as soon as the company grows to a substantial level.

GENDER PAY GAP STATEMENT

As per the requirement of Circular 10 of 2024 of the Securities & Exchange Commission of Pakistan (SECP) the gender pay gap calculation for the year ending June 30, 2026 is given below:

a)	Mean gender pay Gap:	18.5%
b)	Median gender pay Gap:	18.5%
c)	Any other data / details as deemed relevant:	nill

For Zahidjee Textile Mills Limited



Chief Executive Officer

FINANCIAL HIGHLIGHTS

Particulars	2026	2025	2024	2023	2022	2021
(Rupees in '000')						
Net Assets Employed						
Fixed assets	18,441,126	19,174,380	15,641,317	13,608,051	14,362,509	8,115,970
Intangible assets	-	-		-	-	-
Investment in subsidiary	-	-		-	-	-
Long term deposits	4,976	4,976	8,476	20,476	27,976	35,976
Current assets	17,558,655	17,782,783	13,690,826	13,194,534	12,381,238	6,298,233
Non current assets- held for sale	-	-	-	-	-	359,200
Current liabilities	(10,098,922)	(10,839,466)	(7,616,687)	(6,383,552)	(6,289,933)	(3,981,464)
	46,103,679	47,801,605	36,957,306	6,810,982	6,091,305	2,675,969
Long term liabilities	(3,171,604)	(5,257,149)	(5,711,786)	(4,677,117)	(5,790,442)	(2,983,193)
Net Assets	22,734,231	20,865,524	16,012,145	15,762,392	14,691,348	7,844,722
Represented By						
Paid up capital	1,914,211	1,914,211	1,914,211	1,914,211	1,914,211	1,914,211
Reserves	14,219,316	12,377,093	10,606,139	9,963,782	8,700,490	4,833,889
Revaluation surplus	6,600,233	6,574,220	3,491,795	3,884,399	4,076,647	1,096,622
Non-Controlling Interest	471	-	-	-	-	-
	22,734,231	20,865,524	16,012,145	15,762,392	14,691,348	7,844,722
Operating Results						
Sales	38,302,112	40,608,063	37,741,817	32,317,373	27,935,802	16,614,520
Gross profit	2,042,779	2,673,246	1,832,802	2,611,169	5,631,999	2,381,227
Operating profit	2,666,108	3,455,510	2,934,204	3,161,854	5,769,563	2,434,054
Profit before taxation	1,282,172	1,639,516	830,140	1,597,288	4,272,277	1,718,983
Financial Ratios						
Gross profit	%	5.33	6.58	4.86	8.08	20.16
Operating profit	%	6.96	8.51	7.77	9.78	20.65
Profit/(loss) before taxation	%	3.35	4.04	2.20	4.94	15.29
Earning / (Loss) per share	Rs	8.04	8.04	3.32	6.34	20.78
Current ratio	Times	1.74	1.64	1.80	2.07	1.97
Fixed assets turnover	Times	2.08	2.12	2.41	2.37	1.95
Total Debt to Capital	%	58	77	83	70	82
Book value per share	Rs	84.28	74.66	65.41	62.05	55.45
Plant capacity and production						
Spinning						
Spindles installed/worked	150,084	150,084	133,284	133,344	133,344	93,024
Actual production converted into						
20/s count	67,112,887	62,051,838	55,105,922	54,453,588	57,347,935	41,050,604
Weaving						
Number of looms installed/worked	262	262	280	280	280	280
Actual production converted into						
60 picks	13,340,719	36,065,443	38,543,222	37,787,473	35,679,338	35,252,938

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZAHIDJEE TEXTILE MILLS LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

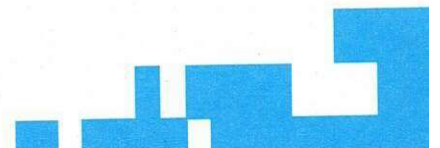
Opinion

We have audited the annexed consolidated financial statements of Zahidjee Textile Mills Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2026 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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



Key Audit Matters

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

Following are the Key audit matters:

Key Audit Matters	How our audit addressed the key audit matter
Capitalization of Property, plant and equipment	
Refer notes 4 to the annexed consolidated financial Statements During the year, the Group has incurred significant capital expenditure. There are number of areas where significant management judgement is involved in connection with the above activities. These include: • Determining which costs meet the criteria for capitalisation as per International Accounting Standard - 16, 'Property, Plant and Equipment'; • Determining the date on which assets under construction are transferred to operating fixed assets and the respective dates from which their depreciation should commence; and We consider the above as a key audit matter being significant transactions and events for the Group during the year having significant impact on the consolidated financial position of the Group.	In response to this matter, our audit procedures included: • Examination on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices. • Assessment whether the costs capitalised met the relevant criteria for capitalization as per the applicable accounting and reporting framework. • Verification of the copies of contracts of construction and letters of credit for determining amount of further commitment by the company for expansion project. • Verification of the date of transferring capital work in progress to operating fixed assets by examining the completion certificates. • Checked whether the disclosures are made in accordance with the financial reporting framework.

Key Audit Matters	How our audit addressed the key audit matter
Trade debts Refer notes 8 to the annexed financial statements. The Parent's trade debts were Rs. 3799.08 million. We identified recoverability of trade receivables as key audit matter as it involves significant management judgement in determining the expected credit loss.	In response to this matter, our audit procedures included: • Obtained an understanding of the Company's processes and design and implementation of internal controls relating to credit control processes (credit limits), debt collection process and making provision for expected credit loss for doubtful receivables. • Tested the accuracy of aging report, on sample basis, by comparing individual balances in the report with underlying documentation. • Circulated external confirmations and performed alternative audit procedures. • Assessed the application of ECL methodology applied to meet the requirement of IFRS 9. • Assessed the adequacy of disclosures made in the financial statements related to credit risk and trade debts.

Key Audit Matters	How our audit addressed the key audit matter
Revenue recognition	
The principal activity of the Parent is manufacturing and sale of yarn. Revenue from sale of goods is recognised as or when performance obligations are satisfied by transferring control of promised goods to customer, and control is transferred at a point in time. Revenue is measured at fair value of the consideration received or receivable and the payment is typically due on the satisfaction of performance obligation. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Parent. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.	In response to this matter, our audit procedures included: • We obtained an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • We assessed the appropriateness of the Parent's accounting policies for recording of sales and compliance of those policies with applicable accounting standards; • We tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period; • We performed audit procedures to analyze variation in the price and quantity sold during the year. • We assessed the adequacy of disclosures made in the financial statements related to revenue.

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

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

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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.

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

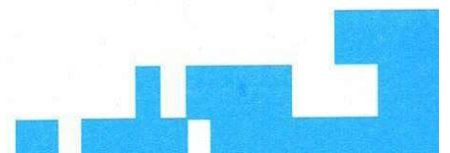
AHLN

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Faisalabad

Date: October 5, 2026

UDIN: AR202610497DlrKw6zS5



ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	4	18,441,126,614	19,174,379,964
Long term security deposits	5	4,975,784	4,975,784
		18,446,102,398	19,179,355,748
CURRENT ASSETS			
Stores, spares and loose tools	6	376,317,396	383,364,754
Stock in trade	7	6,028,266,789	6,905,732,976
Trade debts	8	3,799,083,417	3,869,618,724
Loans, advances and deposit	9	458,364,010	549,999,800
Prepayments	10	227,367,124	271,242,785
Other receivables	11	238,007,164	416,541,050
Short term investment	12	281,830,892	225,474,638
Tax refunds due from Government	13	985,620,134	1,090,117,589
Cash and bank balances	14	5,163,798,914	4,070,690,472
		17,558,655,840	17,782,782,788
CURRENT LIABILITIES			
Trade and other payables	15	4,203,591,175	3,555,601,002
Interest / mark up payable	16	92,731,245	186,572,329
Short term borrowings	17	5,047,903,140	5,316,693,264
Unclaimed dividend		12,873,679	12,873,679
Current portion of long term finance	18	561,615,239	1,017,143,779
Provision for taxation - income tax	36	180,208,071	750,581,810
		10,098,922,549	10,839,465,863
		25,905,835,689	26,122,672,673
NON - CURRENT LIABILITIES			
Long term finance	18	621,073,089	2,482,101,050
Advance for investment	19	143,750,000	-
Deferred liability			
Staff retirement gratuity	20	-	35,886,523
Deferred taxation	21	2,406,781,231	2,739,161,405
		3,171,604,320	5,257,148,978
CONTINGENCIES AND COMMITMENTS			
	22	-	-
Net worth		22,734,231,369	20,865,523,695
Represented by :			
Share capital	23	1,914,210,990	1,914,210,990
Loan from director	24	900,000	-
Capital reserves			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment	25	6,600,233,543	6,574,220,175
Revenue reserves	26	13,852,156,599	12,010,834,017
		22,733,759,645	20,865,523,695
Non-controlling interest		471,724	-
		22,734,231,369	20,865,523,695

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Sales	27	38,304,881,634	40,608,062,590
Cost of sales	28	36,208,843,032	37,934,816,604
Gross profit		<u>2,096,038,602</u>	<u>2,673,245,986</u>
Trading profit	29	17,695,052	43,685,784
Other income	30	561,939,766	738,578,547
		<u>2,675,673,420</u>	<u>3,455,510,317</u>
Distribution cost	31	213,811,255	321,159,358
Administrative expenses	32	432,262,440	258,022,798
Other operating expenses	33	138,481,118	164,617,903
Finance cost	34	774,524,639	1,072,193,766
		<u>1,559,079,452</u>	<u>1,815,993,825</u>
Profit for the year before levies and income tax		<u>1,116,593,968</u>	<u>1,639,516,492</u>
Levies	35	34,887,357	47,345,739
Profit for the year before taxation		<u>1,081,706,611</u>	<u>1,592,170,753</u>
Provision for taxation	36	(257,915,468)	97,389,964
Profit for the year		<u><u>1,339,622,079</u></u>	<u><u>1,494,780,789</u></u>
Attributable to:			
Shareholders of the Parent		1,339,350,355	1,494,780,789
Non-controlling interest		271,724	-
		<u><u>1,339,622,079</u></u>	<u><u>1,494,780,789</u></u>
Earnings per share - Basic and diluted	37	<u><u>7.00</u></u>	<u><u>7.81</u></u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees
Profit for the year	1,339,622,079	1,494,780,789
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss :		
Surplus on revaluation of property, plant and equipment arisen during the year	-	4,988,696,347
Related deferred tax	-	(1,317,370,673)
	-	3,671,325,674
Total comprehensive income for the year	<u>1,339,622,079</u>	<u>5,166,106,463</u>
Attributable to:		
Shareholders of the Parent	1,339,350,355	5,166,106,463
Non-controlling interest	271,724	-
	<u>1,339,622,079</u>	<u>5,166,106,463</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	Loan From Director	CAPITAL RESERVES			REVENUE RESERVES			Total	Non- Controlling interest
			Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropriated profit	Sub total		
----- R u p e e s -----										
Balance as at July 01, 2024	1,914,210,990	-	366,258,513	3,491,794,897	3,858,053,410	300,000,000	9,939,880,679	10,239,880,679	16,012,145,079	-
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	1,494,780,789	1,494,780,789	635,071,912	-
Other comprehensive income										
Surplus on revaluation of property, plant and equipment arisen during the year	-	-	-	4,988,696,347	4,988,696,347	-	-	-	4,988,696,347	-
Related deferred tax	-	-	-	(1,317,370,673)	(1,317,370,673)	-	-	-	(1,317,370,673)	-
Incremental depreciation on	-	-	-	3,671,325,674	3,671,325,674	-	1,494,780,789	1,494,780,789	5,166,106,463	-
revalued assets for the year-net of deferred tax	-	-	-	(260,565,640)	(260,565,640)	-	260,565,640	260,565,640	-	-
Surplus realised on disposal of property, plant and equipment - net of deferred tax	-	-	-	(15,606,909)	(15,606,909)	-	15,606,909	15,606,909	-	-
Adjustment of deferred tax for the year	-	-	-	(312,727,847)	(312,727,847)	-	-	-	(312,727,847)	-
Balance as at June 30, 2025	1,914,210,990	-	366,258,513	6,574,220,175	6,940,478,688	300,000,000	11,710,834,017	12,010,834,017	20,865,523,695	-
Transaction with owners										
Loan obtained from director	-	900,000	-	-	-	-	-	-	900,000	-
Issuance of shares by subsidiary	-	-	-	-	-	-	-	-	-	200,000
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	1,339,350,355	1,339,350,355	1,339,350,355	271,724
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Incremental depreciation on	-	-	-	-	-	-	1,339,350,355	1,339,350,355	1,339,350,355	271,724
revalued assets for the year - net of deferred tax	-	-	-	(465,385,947)	(465,385,947)	-	465,385,947	465,385,947	-	-
Surplus realised on disposal of property, plant and equipment - net of deferred tax	-	-	-	(36,586,280)	(36,586,280)	-	36,586,280	36,586,280	-	-
Adjustment of deferred tax for the year	-	-	-	527,985,595	527,985,595	-	-	-	527,985,595	-
Balance as at June 30, 2026	1,914,210,990	900,000	366,258,513	6,600,233,543	6,966,492,056	300,000,000	13,552,156,599	13,852,156,599	22,733,759,645	471,724

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before levies and income tax		1,116,593,968	1,639,516,492
Adjustment for:			
Depreciation of property, plant and equipment	4.2	1,666,809,753	1,440,987,956
Provision for staff retirement gratuity	20.2	-	35,886,523
Profit on deposits	30	(483,425,264)	(633,703,220)
Dividend income	30	(28,292,248)	(27,442,248)
Loss on disposal of operating assets - net	33	55,767,308	25,202,300
Provision for doubtful debts	29	191,975,216	15,000,000
Plot cancellation charges	30	-	17,332,028
Loss / (gain) on disposal of short term investment	30	539,696	(9,000)
Balances written (back) - net	30	(3,620,279)	(10,223,324)
Fair value (gain) on short term investments	30	(45,859,354)	(66,587,494)
Finance cost	34	774,524,639	1,072,193,766
Operating cash flows before working capital changes		3,245,013,435	3,508,153,779
Changes in working capital			
Decrease / (increase) in current assets			
Stores, spares and loose tools		7,047,358	(30,172,057)
Stock in trade		877,466,187	(2,919,258,440)
Trade debts		(121,439,909)	(443,712,035)
Loans, advances and deposit		127,322,547	28,348,518
Prepayments		445,350	1,554,491
Other receivables		255,907,711	106,255,334
Tax refunds due from Government- sales tax		482,083,785	(585,949,898)
Increase in current liabilities			
Trade and other payables		651,610,452	900,477,943
		2,280,443,481	(2,942,456,144)
Cash generated from operating activities		5,525,456,916	565,697,635
Finance cost paid		(868,365,723)	(1,132,350,475)
Gratuity paid		(35,886,523)	-
Income tax paid		(521,582,983)	(376,131,252)
Net cash generated from / (used in) operating activities		4,099,621,687	(942,784,092)

	Note	2026 Rupees	2025 Rupees
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(749,202,896)	(287,873,426)
Capital work in progress	4.7	(246,228,956)	-
Advance for purchase of land received back		-	254,515,284
Proceeds from disposal of operating assets		6,108,141	5,468,792
Long term security deposits refunded		-	3,500,000
Addition in short term investment		(25,872,125)	-
Proceeds from disposal of short term investment		14,835,529	986,000
Profit on deposits		406,051,439	503,651,228
Dividend received		28,292,248	27,442,248
Net cash (used in) / generated from investing activities		<u>(566,016,620)</u>	<u>507,690,126</u>
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term finance	18.1	(2,316,556,501)	(1,940,423,324)
(Decrease) / increase in short term borrowings - net		(268,790,124)	2,307,280,488
Shares Issued during the year		200,000	-
Loan from director		900,000	-
Advance for investment		143,750,000	-
Dividend paid		-	(196,655)
Net cash (used in) / generated from financing activities		<u>(2,440,496,625)</u>	<u>366,660,509</u>
Net increase / (decrease) in cash and cash equivalents (a+b+c)		1,093,108,442	(68,433,457)
Cash and cash equivalents at the beginning of the year		4,070,690,472	4,139,123,929
Cash and cash equivalents at the end of the year		<u><u>5,163,798,914</u></u>	<u><u>4,070,690,472</u></u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

1. GENERAL INFORMATION

- 1.1** The Group consists of Zahidjee Textile Mills Limited (the Parent) and RK Fibres (Private) Limited (the Subsidiary).
- 1.2** The Parent is incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act 2017 on May 30, 2017). The registered office of the Company is situated at 131-A, Street-P, Scotch Corner, Upper Mall Scheme, Lahore in the province of Punjab. The Company is listed on Pakistan Stock Exchange Limited. The principal business of the Company is export of all kinds of value added fabrics and textile made-ups. The Company is also engaged in the business of manufacturing and sale of yarn. The weaving unit is located at 32-KM, Tandlianwala Road, Satyana, District Faisalabad and spinning units are located at 32-KM, Sheikhpura Road, Faisalabad and M-3 Industrial Estate, Faisalabad, in the province of Punjab.
- The Subsidiary is incorporated in Pakistan as a private limited company under the Companies Act 2017. The principal line of business of RK Fibres (Private) Limited shall be to carry on the businesses of spinning, open end spinning, sizing, pressing, doubling, packing of yarn, synthetic fibre and any fibrous material used for production of yarn and of importing, buying, selling and dealing in yarn synthetic fibre and any fibrous materials. Registered office of the subsidiary is situated at 20 Bilal Road, Civil Lines, Faisalabad in the province of Punjab.
- 1.3** The financial statements are presented in Pakistani Rupee, which is the Group's functional and presentation currency.

2. BASIS OF CONSOLIDATION

The financial statements of the Parent and Subsidiary are combined on a line by line basis. The financial statements of the Subsidiary are consolidated from the date on which more than 50% voting rights are transferred to or power to control the Subsidiary is established and are excluded from consolidation from the date of disposal or reduction of control.

All intra-company balances, transactions and resulting unrealised profits, if any, are eliminated.

Non-controlling interest is that part of the net results of the operations and net assets of the Subsidiary attributable to interest which are not owned by the Parent.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

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

3.2 Application of new and revised International Financial Reporting Standards (IFRSs)

3.2.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Group for the periods beginning on or after July 01, 2025 and therefore, have been applied in preparing these financial statements.

- **Amendments to IAS 21 - Lack of exchangeability**

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date.

The amendments have no material impact on the group's financial statements.

- **IFRS S1 and IFRS S2**

IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures require entities to disclose material sustainability-related and climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term. The standards provide requirements relating to governance, strategy, risk management, and metrics and targets, with IFRS S2 specifically addressing climate-related disclosures, including greenhouse gas emissions and climate-related risks and opportunities.

The Standards are effective for annual periods beginning on or after January 1, 2024; however, their applicability in Pakistan has been phased in accordance with the order issued by the Securities and Exchange Commission of Pakistan (SECP) on December 31, 2024.

Companies falling under Phase I of the Sustainability Disclosure Standards are permitted, under the SECP Order dated December 31, 2024, to issue their Sustainability Report within nine months from the close of the financial year. The company has opted to issue report within this time period.

The amendments have no material impact on the company's financial statements except additional disclosures.

3.2.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the Group beginning on or after July 01, 2025 but are considered not to be relevant to the Group's operations and are, therefore, not disclosed in these financial statements.

3.2.3 Standards, amendments to standards and interpretations becoming effective in future periods

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after July 1, 2026 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these financial statements, except for the following:

- **Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments**

The amendments clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features

The amendments clarify the treatment of non-recourse assets and contractually linked instruments

The amendments require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for the annual periods beginning on or after January 01, 2026.

The amendments are not expected to have any material impact on the group's financial statements.

- **Annual Improvements to IFRS accounting standards Volume - II**

The amendments to IFRS – 1, 7, 9, 10 and IAS 7 are introduced to remove obsolete cross references, replacements, make the working consistent, clarifications and certain additions.

The amendments are effective for the annual reporting periods beginning on or after January 01, 2026.

The amendments are not expected to have any material impact on the group's financial statements.

- **IFRS 18 – Presentation and Disclosure in Financial Statements**

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations.

IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM.

IFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes.

IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics.

The amendments are effective for the annual periods beginning on or after January 01, 2027.

The amendments may have a material impact on the group's financial statements in future periods.

- **IFRS 19 - Subsidiaries without Public Accountability: Disclosures**

IFRS 19, allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

The amendments are effective for the annual periods beginning on or after January 01, 2027.

The amendments are not expected to have any material impact on the group's financial statements.

- **Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments deal with situation where there is a sale or contribution of assets between investor and its associate or joint venture.

The amendments states that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

The effective date of the amendments have yet to be set by the Board, however earlier application of the amendments is permitted. The amendments are not expected to have any material impact on the group's financial statements.

3.2.4 Standards, amendments to standards and interpretations becoming effective in future period but not relevant

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Group's operations, therefore, not disclosed in these financial statements.

3.3 Basis of preparation

The financial statements have been prepared under the historical cost convention except: -

- Certain property, plant and equipment carried at valuation.
- Short term investments measured at fair value.

MATERIAL ACCOUNTING POLICY INFORMATION

3.4 Property, plant and equipment

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost / valuation less accumulated depreciation and impairment in value, if any. Freehold land and capital work in progress are stated at valuation, cost less accumulated impairment in value, if any.

Depreciation is charged to income applying the reducing balance method at the rates specified in property, plant and equipment note 4.

Assets' residual values, if significant and their useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition or capitalisation and upto the month preceding the disposal respectively.

When parts of an item of property, plant and equipment have different useful lives, they are recognised as a separate item of property, plant and equipment.

Normal repair and maintenance costs are charged to income during the period in which they are incurred. Major renewals and improvements are capitalised.

Gains or losses on disposal of assets, if any, are recognised as and when incurred.

Capital work-in-progress is stated at cost less accumulated depreciation and impairment in value, if any.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

Any revaluation increase arising on freehold land, building on freehold land and plant and machinery is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on 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 of freehold land, building on freehold land and plant and machinery improvements is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Group's shareholders. The surplus on revaluation of building on freehold land and plant and machinery improvements to the extent of incremental depreciation charged is transferred to unappropriated profit.

Non-operating land and building is stated at cost.

3.5 Intangible assets

These are stated at cost less accumulated amortisation and impairment in value, if any. Intangible assets are amortised over a period of five years using straight line method.

Amortisation on additions during the year is charged from the month in which an asset is acquired or capitalised.

All costs / expenditure connected with software implementation are collected in computer softwares under implementation. These are carried at cost less impairment in value, if any and are transferred to specific assets as and when assets are available for intended use.

3.6 Investments

Investments are initially recognised / derecognised on trade date at cost being the fair value of consideration given including cash transaction. Trade date is the date that the Group commits to purchase or sell the investment. After initial recognition these are recognised and accounted for as follows:

Investments at fair value through profit or loss

These are the investments which are classified as held for trading and are acquired principally for the purpose of generating profit from short term fluctuation in price. Investments designated at fair value through profit or loss upon initial recognition also include those group of investments which are managed and their performance evaluated on fair value basis in accordance with the Group's documented investment strategy.

After initial recognition, such investments are remeasured at fair value determined with reference to the year end quoted rates (equity shares and investments in units of closed end funds at respective stock exchange rates, while the units of open end funds at their declared net asset value per unit). Gains or losses on remeasurments of these investments are recognised in the statement of profit or loss.

Derecognition

All investments are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Gain / loss on sale of investments is taken to income in the period in which it arises.

3.7 Impairment

The Group assesses at each statement of financial position date whether there is any indication that assets except deferred tax assets may be impaired. If such indications exist, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in statement of profit or loss, unless the relevant assets are carried at revalued amounts, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognised for the assets in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant assets are carried at revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.9 Stores, spares and loose tools

These are valued at moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice value plus other charges incurred thereon.

3.10 Stock in trade

Stock in trade except wastes are valued at the lower of cost and net realisable value. Cost is determined as follows:

Raw material	Weighted average cost except items in transit which are valued at cost accumulated upto the statement of financial position date.
Work in process	Average manufacturing cost.
Finished goods	Average manufacturing cost.

Wastes are valued at net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sales. Average manufacturing cost represents cost of direct materials, labour and appropriate manufacturing overheads.

3.11 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified. Other receivables are carried at nominal amount which is the fair value of the consideration to be received in future.

3.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

3.13 Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether billed to the Group or not.

3.14 Staff retirement benefits

The group discontinued its defined benefit plan - unfunded gratuity scheme from April 2026 and continue to operate defined contribution plan - unrecognized provident fund scheme for all its eligible employees. Equal monthly contributions are made by the Group and the employees to the fund at the rate of 6.75% of basic salary.

3.15 Provisions

Provisions are recognised when the Group has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

3.16 Provision for taxation

Tax Liability is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher in accordance with the provisions of Income Tax Ordinance 2001.

Current tax

The charge for current taxation is calculated on taxable income using the notified rate of taxation after taking into account tax credits and rebates available, if any is recognized as "current income tax expense".

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income and based on revenue or basis other than taxable income is classified as levy. Minimum taxes in excess of the amount designated as income tax is recognized as levy falling under the scope of IFRIC 21/IAS 37.

Deferred taxation

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

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax is charged or credited in the income statement, except in case of items charged or credited to equity in which case it is included in equity.

3.17 Dividend and other appropriations

Dividend is recognised as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

3.18 Foreign currency translation

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in net profit or loss for the period.

3.19 Financial Instruments

3.19.1 Financial assets

The Group classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

- Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

- Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets are measured at fair value at initial recognition and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Group.

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

3.19.2 Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

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

3.20 Offsetting of financial asset and financial liability

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position, if the Group has a legal enforceable right to offset the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. For this purpose, the Group:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration, if any, and the time value of money;
- allocates the transaction price to the separate performance obligations, if applicable, on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer of control of the goods or services promised to the customer.
- Determining the timing of the transfer of control – at a point in time or over time – requires judgment. Revenue is recognized by the Group on the following basis:

Sale of goods is recognised at a point in time when control of goods is transferred to customers.

Revenue from conversion receipts is recognised when services are rendered.

Interest income is recognized on time proportionate basis.

Dividend income from investments is recognised when the Group's right to receive payment has been established except dividend from associate accounted for using equity method which is recognised as a reduction of the carrying value of investment when the Group's right to receive payment has been established.

3.22 Related party transactions

Transactions with related parties are priced on arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

3.23 Critical accounting estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables and slow moving inventory, staff retirement gratuity, fair value of short term investment, revaluation and taxation. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

Note	2026 Rupees	2025 Rupees
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4.2 Depreciation for the year has been allocated as under:

Cost of sales	28.1	1,654,740,220	1,426,535,119
Administrative expenses	32	12,069,533	14,452,837
		<u>1,666,809,753</u>	<u>1,440,987,956</u>

4.3 Had there been no revaluation, the carrying values of freehold land, building on freehold land and plant and machinery at June 30, 2026 and 2025 would have been as follows:

	Carrying value	
	2026 Rupees	2025 Rupees
Freehold land	205,079,486	205,079,486
Building on freehold land	1,781,288,532	1,977,254,769
Plant and machinery	7,183,796,621	7,533,763,867
	<u>9,170,164,639</u>	<u>9,716,098,122</u>

4.4 The forced sale value of revalued freehold land, building on freehold land and plant and machinery was Rs. 15,618,326,152/- (2025: 15,618,326,152/-) at the date of revaluation.

4.5 Detail of disposal of operating assets :

-----2026-----							
Description	Cost / Revalued Amount	Accumulated depreciation	Written down value	Sale proceeds	(Loss)/Gain	Relationship	Particulars of buyers
----- Rupees -----							
Plant and Machinery (by negotiation)	63,656,024	2,262,828	61,393,196	5,158,641	(56,234,555)	None	M/s EW Trading, P- 4 Street 1 Ahmad Town Opposite Aspire College, Khurianwala.
Electric installations (by negotiation)	2,102,318	1,649,299	453,019	845,000	391,981	None	Khuram Shahzad S/o Muhammad Bashir, P-122 Muhalah Barkat pura Faisalabad.
Office equipment (by negotiation)	16,500	10,090	6,410	4,500	(1,910)	None	A.K Computer, Mcloed Road, Shop # 4 Patiala Ground, Lahore.
Vehicles (by negotiation)	1,267,000	1,244,176	22,824	100,000	77,176	None	Shahid Umer S/o Umer Rafeeq, Sultan Bahu Street, Alhamdulillah Park, Iqbal Town, Lahore.
	<u>67,041,842</u>	<u>5,166,393</u>	<u>61,875,449</u>	<u>6,108,141</u>	<u>(55,767,308)</u>		

2025

Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/(Loss)	Relationship	Particulars of buyers
----- Rupees -----							
Plant and Machinery (by negotiation)	7,400,000	1,705,699	5,694,301	1,400,000	(4,294,301)	None	M/s Al-Fateh Weaving, P-70, 2nd Floor, Usman Plaza, Gole Cloth, Faisalabad.
	25,900,000	5,969,950	19,930,050	1,400,000	(18,530,050)	None	Muhammad Imran S/o Talib Hussain Chak No. 139, Tehsil Arifwala, District Pakpattan.
	3,600,000	829,800	2,770,200	185,291	(2,584,909)	None	Iqbal Khan S/o Abdul Hameed, House No. 1899-D, Ghulam Muhammad Abad, Faisalabad.
Office equipment (by negotiation)	170,676	128,377	42,299	19,500	(22,799)	None	Ihtsham Habib S/o Habib Rehman, P-225, Baghdadi Chowk, Faisalabad.
Electric appliances(by negotiation)	95,352	71,404	23,948	150,000	126,052	None	Ali Raza S/o Nafees Ahmad, P-168, Kaleem Shaheed Colony, Faisalabad.
Vehicles (as per group policy)	2,789,390	1,611,152	1,178,238	1,309,000	130,762	Employee	Anwar Ul Haq S/o Muhammad Shafi, House No. 99-A, Phase 2, Lalazar Garden, Lahore.
	1,179,500	885,589	293,911	309,000	15,089	Employee	Naveed Ashraf S/o Muhammad Ashraf, House No. 184, Rehmanpura, Sheikhpura.
	647,000	552,925	94,075	100,000	5,925	Employee	Imran Rashad S/o Muhammad Rashad, House 17-D, Garden Town, Lahore.
	1,045,000	503,459	541,541	482,000	(59,541)	Employee	Muhammad Jamshaid S/o Muhammad Yousaf, P-194, Street No. 6, Ashrafabad, Faisalabad.
	1,250,000	1,147,473	102,527	114,000	11,473	Employee	Shahab Ud Din Khan S/o Abdul Majeed Khan, House No. 13-X-5, Madina Town, Faisalabad.
	44,076,918	13,405,827	30,671,091	5,468,791	(25,202,300)		

4.6 Particulars of immovable properties (i.e. land and building) in the name of the Group are as follows:

Location	Usage of immovable property	Total Area (in square foot)
a) 32-KM, Sheikhpura Road, Faisalabad.	Spinning unit and power house	660,752
b) 32-KM, Tandlianwala Road, Faisalabad.	Weaving unit	628,899
c) Raja Bolay, Tehsil Cantt, District Lahore.	Godown	1,971,094
d) Plot # 6, M-3 Industrial Estate, Faisalabad.	Spinning unit and power house	756,856
e) 20, Bilal Road, Civil Lines, Faisalabad.	Office	49,550
f) Small industrial Estate Road, Faisalabad.	Export house	11,707

4.7 Capital work in progress

	Civil work	Plant and machinery	Solar System	Total
	-----Rupees-----			
Balance as at July 1, 2024	1,122,245,700	3,538,509,784	-	4,660,755,484
Additions	82,429,210	101,767,531	-	184,196,741
Transfer to operating assets	(1,204,674,910)	(3,532,735,425)	-	(4,737,410,335)
Balance as at June 30, 2025	-	107,541,890	-	107,541,890
Additions	-	16,016,461	230,212,495	246,228,956
Transfer to operating assets	-	(123,558,351)	(114,433,382)	(237,991,733)
Balance as at June 30, 2026	-	-	115,779,113	115,779,113

4.8 It represents land held for future expansion, and the particulars of such immovable property (i.e., non-operating land) in the name of the Group are as follows:

Location	Usage of immovable property	Total Area (in square foot)
a) Raja Bolay, Tehsil Cantt, District Lahore.	Land held for future expansion	69,404
b) Deve Khurd Kalan, Tehsil Model Town, District Lahore.	Land held for future expansion	14,974

	Note	2026 Rupees	2025 Rupees
5. Long term security deposits			
Against Utilities		<u>4,975,784</u>	<u>4,975,784</u>

6. Stores, spares and loose tools

Stores in hand		190,552,808	142,427,866
Spares	6.1	185,487,273	240,668,876
Loose tools		<u>277,315</u>	<u>268,012</u>
		<u>376,317,396</u>	<u>383,364,754</u>

6.1 Stores and spares include items that may result in fixed capital expenditure but are not distinguishable.

	Note	2026 Rupees	2025 Rupees
7. Stock in trade			
Raw materials			
in hand	7.1	3,981,036,308	5,171,850,795
In transit	7.1	1,202,464,616	743,206,887
		5,183,500,924	5,915,057,682
Work in process		323,774,069	368,363,944
Finished goods	7.1	481,696,654	574,995,107
Waste		<u>39,295,142</u>	<u>47,316,243</u>
		<u>6,028,266,789</u>	<u>6,905,732,976</u>

7.1 Stock in trade amounting to Rs. 5,138.88 million (2025: Rs. 5,334.92 million) was pledged as security with the banking companies.

	Note	2026 Rupees	2025 Rupees
8. Trade debts			
Considered good			
Secured			
Foreign	8.1	17,356,134	34,742,860
Unsecured			
Foreign	8.1	664,835,583	556,793,016
Local		<u>3,116,891,700</u>	<u>3,278,082,848</u>
		3,781,727,283	3,834,875,864
Considered doubtful			
Unsecured			
Foreign	8.1	36,921,388	22,600,585
Less: Provision for doubtful debts		<u>(36,921,388)</u>	<u>(22,600,585)</u>
		-	-
Local		<u>262,239,589</u>	<u>84,585,176</u>
Less: Provision for doubtful debts		<u>(262,239,589)</u>	<u>(84,585,176)</u>
		-	-
		<u>3,799,083,417</u>	<u>3,869,618,724</u>

8.1 Following are the details of debtors in relation to export sales:

Jurisdiction	Category	2026 Rupees	2025 Rupees
Europe	Letter of credit	17,356,134	34,742,860
North America	Cash against documents	622,041,593	482,108,846
South America	Cash against documents	79,715,378	97,284,755
		<u>719,113,105</u>	<u>614,136,461</u>

Note	2026 Rupees	2025 Rupees
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9. Loans, advances and deposit

Considered good			
Advances			
Employees	-	589,709	
Suppliers	233,876,853	211,165,386	
Income tax	206,753,285	171,066,528	
Letters of credit fee and expenses	17,733,872	167,178,177	
	<u>458,364,010</u>	<u>549,999,800</u>	

10. Prepayments

Prepaid tax	226,491,572	269,921,883
Prepaid Insurance	875,552	1,320,902
	<u>227,367,124</u>	<u>271,242,785</u>

11. Other receivables

Considered good			
Export rebate / duty drawback	29,781,348	31,173,775	
Receivable from Associated Undertaking	800,000	800,000	11.1
Profit on deposit	207,425,816	130,051,991	
Other	-	254,515,284	
	<u>238,007,164</u>	<u>416,541,050</u>	

11.1 It represents receivable in respect of expenses incurred for Zahidjee Towers (Private) Limited, a related party. It is unsecured.

	Note	2026 Rupees	2025 Rupees
12. Short term investment			
Investment in ordinary shares	12.1	<u>281,830,892</u>	<u>225,474,638</u>

		2026 Rupees	2025 Rupees
12.1	Financial assets at fair value through profit or loss		
	Quoted securities		
	Habib Metropolitan Bank Limited		
	2,022,854 (2025: 2,022,854) Ordinary shares of Rs.10/- each	200,100,718	138,909,384
	MCB Bank Limited		
	88,000 (2025: 88,000) Ordinary shares of Rs.10/- each	25,373,920	19,977,760
	Bank Alfalah Limited		
	200,000 Ordinary shares of Rs.5/- each	<u>10,496,900</u>	<u>-</u>
		235,971,538	158,887,144
	Adjustment in fair value - net	<u>45,859,354</u>	<u>66,587,494</u>
		<u>281,830,892</u>	<u>225,474,638</u>

12.2 The fair value of short term investment is based on prices quoted in active markets which is level 1 of fair value hierarchy.

	Note	2026 Rupees	2025 Rupees
13. Tax refunds due from Government			
Income tax		638,556,483	260,970,153
Sales tax		<u>347,063,651</u>	<u>829,147,436</u>
		<u>985,620,134</u>	<u>1,090,117,589</u>

14. Cash and bank balances

Cash in hand		75,652,094	11,483,032
Cash at banks			
In current accounts		123,270,109	91,566,435
In PLS accounts	14.1	184,387,544	58,579,666
In Deposit accounts	14.2	<u>4,780,489,167</u>	<u>3,909,061,339</u>
		<u>5,163,798,914</u>	<u>4,070,690,472</u>

14.1 Effective profit rate in respect of PLS accounts was 5.08% to 10.08% per annum (2025 : 8.39% to 16.27% per annum).

14.2 It represents the investment in term deposit receipts carrying profit at the rates ranging from 7.11% to 20.03% per annum (2025: 6.89% to 21.79% per annum).

	Note	2026 Rupees	2025 Rupees
15. Trade and other payables			
Creditors		2,319,819,117	2,158,322,586
Accrued liabilities		209,743,900	664,651,512
Advance from customers	15.1	363,860,542	456,514,216
Sindh Infrastructure Development Cess Payable	15.2	1,066,926,000	-
Payable to provident fund		7,381,900	763,435
Workers' profit participation fund	15.3	59,869,712	88,946,605
Workers' welfare fund		85,841,262	63,536,860
Withholding taxes		90,148,742	122,865,788
		<u>4,203,591,175</u>	<u>3,555,601,002</u>

15.1 Advance from customers at the beginning of the year were converted into revenue during the year.

15.2 Subsequently the company has requested Secretary Exise and Taxation Sindh to allow extension of settlement date, due to lapse of due date, to execute settlement agreement in terms of Maintenance of Infrastructure Cess (Amendment) Bill 2026.

	Note	2026 Rupees	2025 Rupees
15.3 Workers' profit participation fund			
Opening balance		88,946,605	44,583,265
Interest on funds utilised in the Group's business		<u>4,034,033</u>	<u>3,583,566</u>
		92,980,638	48,166,831
Paid to workers on behalf of the fund		<u>(92,980,638)</u>	<u>(48,166,831)</u>
		-	-
Allocation for the year		<u>59,869,712</u>	<u>88,946,605</u>
		<u>59,869,712</u>	<u>88,946,605</u>

16. Interest / mark up payable

Interest / mark up payable on:			
Short term borrowings		79,737,856	98,217,305
Long term finance		<u>12,993,389</u>	<u>88,355,024</u>
		<u>92,731,245</u>	<u>186,572,329</u>

17. Short term borrowings

Secured			
From banking companies			
Cash finances	17.2	5,047,903,140	5,170,868,264
Un-secured			
From directors and associates		-	145,825,000
		<u>5,047,903,140</u>	<u>5,316,693,264</u>

17.1 The aggregate unavailed short term borrowing facilities available to the Group are Rs. 17,942.10 million (2025 : Rs. 16,193.31 million).

17.2 These are secured against pledge of cotton, polyester, manmade fibers, yarn and grey cloth. These are further secured by personal guarantee of directors of the Group. These are subject to mark up at the rates of one month KIBOR plus 0.5% to 1.5% per annum, three months KIBOR plus 0.4% to 0.5% per annum and six month KIBOR plus 0.4% to 0.5% (2025: one month KIBOR plus 0.5% to 1% per annum, three months KIBOR plus 0.5% to 1% per annum and six month KIBOR plus 0.5% to 0.75%).

The effective rate of mark up charged during the year ranges from 10.86% to 20.00% per annum (2025: 10.98% to 21.66%).

	Note	2026 Rupees	2025 Rupees
18. Long term finance			
Secured			
From banking companies			
Under mark up arrangements			
Term finances	18.2	124,312,671	1,568,350,634
Demand finances		-	157,219,951
Temporary Economic Refinance Facility (TERF)	18.2	1,058,375,657	1,773,674,244
		<u>1,182,688,328</u>	<u>3,499,244,829</u>
Less : Current portion			
Payable within one year		(561,615,239)	(1,017,143,779)
		<u>621,073,089</u>	<u>2,482,101,050</u>

18.1 Reconciliation of long term financing:

Opening balance	3,499,244,829	5,439,668,153
Paid during the year	(1,017,143,779)	(858,822,983)
Prepaid during the year	(1,299,412,722)	(1,081,600,341)
Closing balance	<u>1,182,688,328</u>	<u>3,499,244,829</u>

18.2 The terms of repayment of finances are as under;

Nature of loans	Balance Rupees	Number of installments		Payment rests	Commencemen date	Ending date	Markup rate
		Total	Balance				
Term finances							
I	53,036,000	24	8	Quarterly	30-Jun-21	7-Jun-28	SBP+1.75%
II	71,276,671	24	8	Quarterly	14-Jun-21	7-Jun-28	SBP+1.75%
	124,312,671						
TERF							
I	204,682,500	20	9	Quarterly	30-Dec-23	30-Sep-28	SBP+ 3%
II	20,317,500	20	9	Quarterly	7-Oct-23	7-Jul-28	SBP+ 3%
III	15,524,986	20	9	Quarterly	20-Sep-21	20-Sep-28	SBP+ 2%
IV	29,614,444	20	9	Quarterly	29-Jul-21	29-Jul-28	SBP+ 2%
V	60,103,319	20	9	Quarterly	13-Aug-21	13-Aug-28	SBP+ 2%
VI	2,547,643	20	9	Quarterly	14-Jul-21	14-Jul-28	SBP+ 2%
VII	29,199,137	20	9	Quarterly	14-Jul-21	14-Jul-28	SBP+ 2%
VIII	43,716,376	20	9	Quarterly	15-Jul-21	15-Jul-28	SBP+ 2%
IX	44,067,652	20	9	Quarterly	19-Jul-21	19-Jul-28	SBP+ 2%
X	181,960,175	20	11	Quarterly	1-Dec-22	1-Mar-29	SBP+ 3.5%
XI	727,697	20	11	Quarterly	1-Apr-22	1-Jan-29	SBP+ 3.5%
XII	24,358,950	20	11	Quarterly	1-Apr-22	1-Apr-29	SBP+ 3.5%
XIII	14,214,750	20	11	Quarterly	1-Apr-22	1-Jan-29	SBP+ 3.5%
XV	1,464,250	20	5	Quarterly	29-Sep-21	29-Sep-27	SBP+2.5%
XVI	1,108,729	20	5	Quarterly	13-Aug-21	13-Aug-27	SBP+2.5%
XVII	2,392,800	20	4	Quarterly	31-May-21	31-May-27	SBP+2.5%
XVIII	13,093,200	20	4	Quarterly	15-Jun-21	15-Jun-27	SBP+2.5%
XIX	41,645,800	20	4	Quarterly	15-Jun-21	15-Jun-27	SBP+2.5%
XX	2,489,200	20	8	Quarterly	26-Aug-21	7-Jun-28	SBP+2.75%
XXI	339,200	20	8	Quarterly	26-Aug-21	7-Jun-28	SBP+2.75%
XXII	43,800,000	20	8	Quarterly	6-Aug-21	7-Jun-28	SBP+2.75%
XXIII	6,464,000	20	8	Quarterly	19-Jul-21	7-Jun-28	SBP+2.75%
XXIV	8,391,600	20	8	Quarterly	19-Jul-21	7-Jun-28	SBP+2.75%
XXV	8,635,600	20	8	Quarterly	19-Jul-21	7-Jun-28	SBP+2.75%
XXVI	5,253,200	20	8	Quarterly	7-Jul-21	7-Jun-28	SBP+2.75%
XXVII	4,722,000	20	8	Quarterly	30-Jun-21	7-Jun-28	SBP+2.75%
XXVIII	12,122,800	20	8	Quarterly	22-Jun-21	7-Jun-28	SBP+2.75%
XXIX	13,860,400	20	8	Quarterly	7-Jun-21	7-Jun-28	SBP+2.75%
XXX	10,899,600	20	8	Quarterly	7-Jun-21	7-Jun-28	SBP+2.75%
XXXI	43,626,331	20	8	Quarterly	3-May-21	3-May-28	SBP+2.75%
XXXII	77,806,125	20	8	Quarterly	13-Aug-21	13-May-28	SBP+2.75%
XXXIII	21,665,880	20	8	Quarterly	12-Aug-21	12-May-28	SBP+2.75%
XXXIV	3,064,541	20	8	Quarterly	16-Jul-21	3-May-28	SBP+2.75%
XXXV	64,495,272	20	8	Quarterly	26-May-21	26-May-28	SBP+2.75%
	1,058,375,657						

The loans are secured against first joint parri passu charge and ranking charge over present and future fixed assets of the Parent company. These are further secured by the personal guarantee of directors of the Parent company.

Effective markup rates charged during the year ranges from 3.00% to 12.74% per annum (2025: 3.00% to 21.36% per annum).

	2026 Rupees	2025 Rupees
19. Advance for investment	<u>143,750,000</u>	<u>-</u>

19.1 This represents advance received against investment convertible into share deposit money.

20. Staff retirement gratuity

20.1 The amount included in the statement of financial position is as follows:

Present value of defined benefits obligation	-	35,886,523
	2026	2025
	Rupees	Rupees

20.2 Movement in the net liability recognised

Opening liability	35,886,523	-
Net expenses recognised	-	35,886,523
Paid during the year	(35,886,523)	-
Closing liability	-	35,886,523

20.3 The Parent company was operating an unfunded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined under the scheme. The parent company discontinued the staff retirement gratuity in April 2025 and started the provident fund scheme in replacement.

2026
Rupees

2025
Rupees

21. Deferred taxation

Opening balance	2,739,161,405	1,130,940,629
Provision/(Reversal) of deferred tax related to:		
Surplus arisen on revaluation	-	1,317,370,673
Incremental depreciation on revalued assets	(190,087,218)	(153,030,614)
Surplus realised on disposal of revalued assets	(14,943,692)	(9,165,963)
(Reversal) / provision of deferred tax on surplus	(527,985,595)	312,727,847
Provided during the year	400,636,331	140,318,833
	2,406,781,231	2,739,161,405

21.1 It represents the following:

Deferred tax liability:		
Difference between accounting and tax bases of assets	2,495,599,275	2,803,766,205
Deferred tax asset:		
Carry forward tax credits and losses	(88,818,044)	(51,326,787)
Staff retirement gratuity	-	(13,278,013)
	2,406,781,231	2,739,161,405

22. CONTINGENCIES AND COMMITMENTS

Contingencies

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
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Sales tax

Lahore High Court, Lahore	The assessing officer of Inland Revenue passed order in respect of tax period July-2011 to June-2016 and created demand of Rs. 9,405,301/- (2025 : Rs. 9,405,301/-). The case was pending for adjudication before ATIR and the honorable Tribunal vide its order dated 04-12-2024 decided the appeal against the Group. Being aggrieved by the order the Group filed appeal before the Honorable High Lahore court against the said order which is pending for adjudication. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Group. Pending the outcome of the matter, no provision has been made in these financial statements.	Parent company vs. Federal Board of Revenue	November 10, 2017
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Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Appellate Tribunal Inland Revenue	The assessing officer of Inland Revenue passed orders in original in respect of tax periods from August-2013 to July-2015 and July-2010 to June-2011 and created demand of Rs. 8,806,053/- (2025: Rs. 8,806,053/-). Being aggrieved by the orders the Group filed appeals before the CIR(A) against the ONOs. The CIR(A) partially set aside the demand of Rs. 1,545,923/- (2025: Rs. 1,545,923/-) and disposed off the appeals. The Group filed the appeals before ATIR for the remaining demand. Currently the case is pending for adjudication before ATIR. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the Group. Pending the outcome of the matter, no provision has been made in these financial statements.	Parent company vs. Federal Board of Revenue	March 22, 2014 August 22, 2016
Appellate Tribunal Inland Revenue	The assessing officer of Inland Revenue passed order in respect of tax period July-2021 to November-2021 and created a sales tax demand of Rs. 20,773,259/- (2025: Rs. 20,773,259/-) and also imposed penalty of Rs.1,038,663/- (2025: Rs.1,038,663/-). CIR (Appeals) partially set aside demand of Rs. 7,949,830/- (2025: Rs.7,949,830/-) and dispose off the appeals. The Group filled the appeal before Appellate Tribunal Inland Revenue (ATIR) for remaining demand. Currently the case is pending before ATIR. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Group. Pending the outcome of the matter, no provision has been made in these financial statements.	Parent company vs Federal Board of Revenue	22-Mar-22
Appellate Tribunal Inland Revenue	Deputy Commissioner Inland Revenue passed order in respect of tax period July 2016 to November 2021 and created a sales tax demand of Rs. 254,552,830/- (2025: Rs. 254,552,830/-) along with default surcharge and penalty amounting to Rs. 12,727,642/- (2025: Rs. 12,727,642/-). Currently the case is pending for adjudication before ATIR. This matter has been decided in favour of the company under the order of Appellate Tribunal Inland Revenue.	Parent company vs Federal Board of Revenue	31-Oct-22

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
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Other

Appellate Tribunal Lahore	The Director Social Security issued an order based on reassessment of number of employees and demanded Rs. 4,192,808/- (2025: Rs. 4,192,808/-) contribution regarding prior years. Currently the case is pending for adjudication before Appellate Tribunal Lahore. This matter has been decided in favour of the company under the order of Appellate Tribunal Lahore.	Parent company vs. Director Social Security	October 25, 2016
Custom Appellate Tribunal Lahore	The custom officer of Excise and Customs department passed order in respect of year ended June 30, 2019 and created demand of Rs. 7,997,509/- which includes penalty of Rs. 100,000/- and default surcharge of Rs. 25,000/- (2025: Rs.7,997,509/- which includes penalty of Rs. 100,000/- and default surcharge of Rs. 25,000/-). Currently the case is pending for adjudication before Custom Appellate Tribunal Lahore. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Group. Pending the outcome of the matter, no provision has been made in these financial	Parent company vs. Assistant collector (DTRE) MCC. Faisalabad	June 26, 2018
		2026 Rupees	2025 Rupees
Bank guarantees issued in favour of :			
Sui Northern Gas Pipelines Limited for supply of gas.		248,627,000	248,627,000
Faisalabad Electric Supply Company Limited for supply of electricity.		72,748,000	72,748,000
Excise and taxation department against imposition of infrastructure cess		-	588,300,000
Indemnity bonds issued in favour of collector of customs / sales tax, Faisalabad to avail exemption of sales tax and custom duty on imported raw material / machinery.		700,000,000	700,000,000
Commitments			
Under letters of credit for:			
Plant and machinery		-	235,772,845
Raw material and spare parts		1,276,696,118	2,892,607,035
Under contracts for capital expenditure		376,482,440	-
Under contracts for civil work		-	55,633,932

23. Share capital

23.1 Authorised capital

2026 Number of shares	2025 Number of shares	2026 Rupees	2025 Rupees
<u>220,000,000</u>	<u>220,000,000</u>	<u>2,200,000,000</u>	<u>2,200,000,000</u>
Ordinary shares of Rs. 10/- each.			

23.2 Issued, subscribed and paid up capital

2026 Number of shares	2025 Number of shares		2026 Rupees	2025 Rupees
89,462,580	89,462,580	Ordinary shares of Rs. 10/- each fully paid in cash.	894,625,800	894,625,800
23,041,604	23,041,604	Ordinary shares of Rs.10/- each issued as fully paid shares as per scheme of arrangement for amalgamation sanctioned by the Court.	230,416,040	230,416,040
78,916,915	78,916,915	Ordinary shares of Rs.10/- each issued as fully paid bonus shares.	789,169,150	789,169,150
<u>191,421,099</u>	<u>191,421,099</u>		<u>1,914,210,990</u>	<u>1,914,210,990</u>

23.3 All ordinary shares rank equally with regard to the Group's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

	2026 Rupees	2025 Rupees
24. Loan from director	<u>900,000</u>	<u>-</u>

24.1 This loan is accounted for under Technical Release - 32 "Accounting Directors' Loan" issued by the Institute of Chartered Accountants of Pakistan effective for the financial statements for the period beginning on or after January 01, 2016. The loans are interest free and payable at the discretion of the subsidiary.

	2026 Rupees	2025 Rupees
25. Surplus on revaluation of property, plant and equipment		
Surplus on revaluation of property, plant and equipment at the beginning of the year	9,012,891,077	4,462,563,856
Surplus arisen on revaluation carried out during the year	-	4,988,696,347
Transferred to unappropriated profit in respect of :		
Incremental depreciation	(655,473,165)	(413,596,254)
Surplus realised on disposal	(51,529,972)	(24,772,872)
	(707,003,137)	(438,369,126)
Surplus on revaluation of property, plant and equipment as at June 30,	<u>8,305,887,940</u>	<u>9,012,891,077</u>
Related deferred tax liability :		
At the beginning of the year	2,438,670,902	970,768,959
Deferred tax relating to:		
Incremental depreciation	(190,087,218)	(153,030,614)
Surplus realised on disposal	(14,943,692)	(9,165,963)
Surplus arisen during the year	-	1,317,370,673
Deferred tax (reversal) / provided during the year	(527,985,595)	312,727,847
	<u>1,705,654,397</u>	<u>2,438,670,902</u>
	<u>6,600,233,543</u>	<u>6,574,220,175</u>

25.1 Latest revaluation of freehold land, building on freehold land and plant and machinery was carried out by independent valuers M/s BFA Private Limited as at February 21, 2025. Freehold land, building on freehold land and plant and machinery were revalued on market value basis. The valuation is based on unobservable inputs which is Level 3 of fair value hierarchy.

	Note	2026 Rupees	2025 Rupees
26. Revenue reserves			
General reserve		300,000,000	300,000,000
Unappropriated profit		13,552,156,599	11,710,834,017
	26.1	<u>13,852,156,599</u>	<u>12,010,834,017</u>

26.1 These reserves are available for distribution to shareholders.

27. Sales

Export			
Cloth / made ups	27.2	2,984,765,041	3,557,119,241
Local			
Yarn		32,983,372,722	34,612,796,874
Cloth		2,965,994	30,678,278
Waste and left over		2,422,865,211	2,514,413,619
Conversion receipts		184,110,135	221,526,327
		<u>35,593,314,062</u>	<u>37,379,415,098</u>
		38,578,079,103	40,936,534,339
Add: Export rebate / duty drawback		20,991,580	12,632,897
		<u>38,599,070,683</u>	<u>40,949,167,236</u>
Less: Commission and claims		294,189,049	341,104,646
		<u>38,304,881,634</u>	<u>40,608,062,590</u>

27.1 Local sales are exclusive of sales tax of Rs. 6,422,455,253/- (2025: Rs. 6,780,276,705/-).

27.2 It includes exchange gain of Rs. 11,712,375/- (2025: Rs. 36,037,627/-).

	Note	2026 Rupees	2025 Rupees
28. Cost of sales			
Cost of goods manufactured	28.1	36,107,523,478	37,784,959,897
Finished goods			
Opening stock		622,311,350	772,168,057
Closing stock		(520,991,796)	(622,311,350)
		<u>101,319,554</u>	<u>149,856,707</u>
		<u>36,208,843,032</u>	<u>37,934,816,604</u>

	Note	2026 Rupees	2025 Rupees
28.1 Cost of goods manufactured			
Raw material consumed	28.1.1	27,373,136,247	29,523,370,817
Packing material consumed		349,387,676	299,619,382
Salaries, wages and benefits		1,540,803,065	1,490,032,810
Retirement benefits		25,885,837	48,400,169
Stores and spares consumed		742,947,292	648,503,794
Fuel and power		4,310,873,439	4,319,785,118
Repairs and maintenance		26,438,003	26,886,628
Insurance		27,363,567	31,240,384
Depreciation	4.2	1,654,740,220	1,426,535,119
Others		11,358,257	12,154,951
		<u>36,062,933,603</u>	<u>37,826,529,172</u>
Work in process			
Opening stock		368,363,944	326,794,669
Closing stock		(323,774,069)	(368,363,944)
		<u>44,589,875</u>	<u>(41,569,275)</u>
		<u>36,107,523,478</u>	<u>37,784,959,897</u>

28.1.1 Raw material consumed

Opening stock	5,171,850,795	1,277,122,997
Purchases including purchase expenses	<u>26,182,321,760</u>	<u>33,418,098,615</u>
	31,354,172,555	34,695,221,612
Closing stock	<u>(3,981,036,308)</u>	<u>(5,171,850,795)</u>
	<u>27,373,136,247</u>	<u>29,523,370,817</u>

29. Trading profit

Sale of cotton / polyester	101,114,582	249,633,050
Cost of sales	<u>83,419,530</u>	<u>205,947,266</u>
	<u>17,695,052</u>	<u>43,685,784</u>

30. Other income

Income from financial assets:		
Profit on deposits	483,425,264	633,703,220
Dividend	28,292,248	27,442,248
Gain on disposal of short term investment	-	9,000
Adjustment in fair value of short term investment - net	45,859,354	66,587,494
Income from Non financial assets:		
Balances written back-net	3,620,279	10,223,324
Scrap Sale	742,621	613,261
	<u>561,939,766</u>	<u>738,578,547</u>

	Note	2026 Rupees	2025 Rupees
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31. Distribution cost

Ocean freight	89,452,467	172,580,282
Local freight	90,975,422	95,529,472
Clearing and forwarding	31,947,196	43,186,147
Export development surcharge	1,186,711	8,509,776
Insurance	163,656	1,292,437
Others	85,803	61,244
	<u>213,811,255</u>	<u>321,159,358</u>

32. Administrative expenses

Directors' remuneration		6,800,000	6,800,000
Staff salaries and benefits		132,095,600	121,330,852
Retirement benefits		2,924,326	4,182,526
Postage and telecommunication		3,361,765	3,268,811
Vehicles running and maintenance		29,441,690	35,917,770
Travelling and conveyance		3,049,408	3,127,953
Printing and stationery		1,358,512	1,853,055
Electricity and gas		4,649,075	6,821,182
Fees, subscriptions and periodicals		11,193,875	14,368,403
Insurance		1,795,552	1,372,144
Auditors' remuneration	32.1	2,250,560	2,150,560
Legal and professional		2,791,413	4,008,039
Rent, rates and taxes		11,865,323	8,235,329
Entertainment		13,503,548	13,205,424
Depreciation	4.2	12,069,533	14,452,837
Provision for doubtful debts		191,975,216	15,000,000
Others		1,137,044	1,927,913
		<u>432,262,440</u>	<u>258,022,798</u>

32.1 Auditors' remuneration

Audit fee	1,697,200	1,597,200
Fee for the review of half yearly financial information	399,300	399,300
Other Certifications	20,960	20,960
Out of pocket expenses	133,100	133,100
	<u>2,250,560</u>	<u>2,150,560</u>

33. Other operating expenses

Workers' profit participation fund	59,869,712	88,946,605
Workers' welfare fund	22,304,402	33,136,970
Loss on disposal of short term investment	539,696	-
Loss on disposal of operating assets-net	55,767,308	25,202,300
Plot cancellation charges	-	17,332,028
	<u>138,481,118</u>	<u>164,617,903</u>

34. Finance cost

Interest / mark up on:			
Long term finance		112,444,286	390,347,554
Short term borrowings		636,508,139	649,662,699
Workers' profit participation fund		4,034,033	3,583,566
Bank charges and commission		21,538,181	28,599,947
		<u>774,524,639</u>	<u>1,072,193,766</u>
		2026	2025
	Note	Rupees	Rupees

35. Levies

Minimum tax differential	35.1	30,643,520	43,228,052
Final taxes	35.2	4,243,837	4,117,687
		<u>34,887,357</u>	<u>47,345,739</u>

35.1 This represents portion of minimum tax paid under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

35.2 This represents final taxes paid under section 150 and 37 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

	2026 Rupees	2025 Rupees
36. Provision for taxation		
Current		
for the year	145,320,714	156,666,217
for prior year	(598,841,603)	(37,398,510)
Deferred	195,605,421	(21,877,743)
	<u>(257,915,468)</u>	<u>97,389,964</u>

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

	2026 Rupees	2025 Rupees
Current tax liability for the year as per applicable tax laws	180,208,071	204,011,956
Portion of current tax liability as per tax laws:		
representing income tax under IAS 12	(145,320,714)	(156,666,217)
representing levy in terms of requirements of IFRIC 21/IAS 37	(34,887,357)	(47,345,739)
Difference	<u>-</u>	<u>-</u>

36.2 Relationship between tax expense and accounting profit

	2026 Rupees	2025 Rupees
Accounting profit for the year before Levies and income tax	1,116,593,968	1,639,516,492
Tax on accounting profit		
at the applicable tax rate of 29%	323,812,251	475,459,783
Tax on inadmissible expenses	240,207,411	188,442,672
Tax on admissible expenses	(97,277,789)	(204,476,387)
Tax effect of super tax	31,432,302	35,595,044
Tax effect of worker welfare fund	(6,465,146)	(9,609,721)
Tax effect of final tax/exempt income	(342,144,478)	(324,627,487)
Minimum tax - levy	30,643,520	43,228,052
Levies and income tax	<u>180,208,071</u>	<u>204,011,956</u>

36.3 The aggregate of minimum / final tax and income tax, amounting to Rs. 180,208,071/- (2025: Rs. 204,011,956/-) represents tax liability of the Group calculated under the relevant provisions of the Income Tax Ordinance, 2001.

	2026	2025
37. Earnings per share - Basic and diluted		
Profit for the year attributable to shareholders of the Parent (Rupees)	<u>1,339,350,355</u>	<u>1,494,780,789</u>
Weighted average number of ordinary shares outstanding during the year	<u>191,421,099</u>	<u>191,421,099</u>
Earnings per share - Basic and diluted (Rupees)	<u>7.00</u>	<u>7.81</u>

37.1 There is no dilutive effect on basic earnings per share of the Group.

38. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

	2026			2025		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
Remuneration	2,176,000	2,176,000	59,845,761	2,176,000	2,176,000	62,730,195
House						
Rent allowance	979,200	979,200	26,930,592	979,200	979,200	28,228,587
Medical allowance	217,600	217,600	5,984,576	217,600	217,600	6,273,019
Utilities allowance	27,200	27,200	748,072	27,200	27,200	784,127
	<u>3,400,000</u>	<u>3,400,000</u>	<u>93,509,001</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>98,015,928</u>
Number of persons	1	1	34	1	1	35

38.1 Chief Executive Officer is entitled to free use of the Group maintained vehicle. The monetary value of running and maintenance is Rs. 663,210/- (2025: Rs. 1,643,115/-). The Directors have waived off their meeting fee.

39. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Group in the normal course of business carries out transactions with various related parties which comprise of, associated undertakings, key management personnel and provident fund. Amounts due to / from related parties are shown under the relevant notes to the financial statements. Remuneration to Chief Executive Officer, Director and Executives is disclosed in Note 38. Other significant transaction with related parties are as follows.

Name of the related party	Relationship and Percentage	Transactions during the year	2026 Rupees	2025 Rupees
Muhammad Zahid	Director	Loan obtained	900,000	148,225,000
		Loan repaid	148,225,000	84,700,000
		Share issued	100,000	-
Zahidjee Textile Mills Limited Staff Provident Fund Trust	Other related party	Contribution for the year	28,810,163	16,696,172
Mehreen Fahad	Director	Security Deposits adjusted with rent	-	3,500,000
		Rent Expense	6,600,000	-
		Share Issued	50,000	-
Haji Sharif	Related Party	Loan repaid	-	100,000,000
Muhammad Qasim	Related Party	Loan repaid	-	78,000,000
Ahmad Zahid	Director	Share Issued	50,000	-

2026
Rupees

2025
Rupees

40. SHARIAH COMPLIANCE STATUS DISCLOSURE**Disclosures in relation to the statement of financial position - Liability**

Long term financing as per Islamic mode	613,067,202	-
Short term financing as per Islamic mode	3,978,388,289	2,657,362,000
Accrued mark-up on conventional loans	79,986,225	92,765,290

Disclosures in relation to the statement of financial position - Assets

Bank balances that are Shariah compliant	353,670,136	53,819,340
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**Disclosures in relation to the
statement of Comprehensive Income**

1. Revenue earned from shariah compliant business	38,304,881,634	40,608,062,590
2. Source and detailed breakup of other income		
Shariah compliant Income		
Profit on deposits	18,644,709	21,122,450
Balances written back-net	3,620,279	10,223,324
Scrap Sale	742,621	613,261
Earned from non-shariah compliant transactions		
Profit on deposits	464,780,555	612,580,770
Dividend	28,292,248	27,442,248
Adjustment in fair value of short term investment- net	45,859,354	66,587,494

Relationship with Shariah-compliant financial institutions

<u>Name of institution</u>	<u>Relationship with institution</u>
Dubai Islamic Bank Limited	Bank balance and Borrowings
BankIslami Pakistan Limited	Bank balance and Borrowings
Meezan Bank Limited	Bank balance and Borrowings
United Bank Limited	Bank balance and Borrowings

41. DISCLOSURE WITH REGARD TO PROVIDENT FUND

		2026	2025
Size of the fund	(Rupees)	28,810,163	24,366,394
Cost of investment made	(Rupees)	28,810,163	24,366,394
Percentage of investment made	(Percentage)	100%	100%
Fair value of investment	(Rupees)	28,810,163	24,366,394

41.1 The company re-introduced provident fund from April 2026 covering all permanent employees. The figures for 2026 are based on the un-audited financial statements of the provident fund trust. The comparative figures for 2025 represent the provident fund position for the period from July 2024 to November 2024 and have been presented for comparative purposes.

42. NUMBER OF EMPLOYEES

	2026	2025
Total number of employees as at June 30:		
Permanent	1023	1163
Temporary	1105	1421
	2128	2584
Average number of total employees during the year	2165	2573

	2026 Rupees	2025 Rupees
Long term deposits	4,975,784	4,975,784
Trade debts	3,799,083,417	3,869,618,724
Loans, advances and deposit	-	589,709
Other receivables	208,225,816	385,367,275
Short term investment	281,830,892	225,474,638
Bank balances	5,088,146,820	4,059,207,440
	<u>9,382,262,729</u>	<u>8,545,233,570</u>

Due to Parent company's long standing relations with counterparties and after giving due consideration to their financial standing, the management does not expect non performance by these counter parties on their obligations to the Parent except trade debts considered doubtful.

For trade debts credit quality of the customer is assessed, taking into consideration its financial position and previous dealings. Individual credit limits are set. The management regularly monitor and review customers credit exposure. The aging of trade debts as at statement of financial position date is as under:

	2026 Rupees	2025 Rupees
Not past due	3,753,879,939	3,778,906,047
Past due	344,364,455	197,898,438
Less: Provision for doubtful debts	(299,160,977)	(107,185,761)
	<u>45,203,478</u>	<u>90,712,677</u>
	<u>3,799,083,417</u>	<u>3,869,618,724</u>

Appropriate provision has been made in respect of past due trade debts considered doubtful. The credit risk exposure is limited in respect of bank balances and short term investment as these are placed with local banks having good credit rating from international and local credit rating agencies.

The short term investment and bank balances alongwith credit rating is as follows.

43. PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning

Number of spindles installed	150,084	150,084
Number of spindles worked	150,084	150,084
Number of shifts per day	3	3
Installed capacity after conversion into 20/s count (Kgs)	64,548,127	64,548,127
Actual production of yarn after conversion into 20/s count (Kgs)	60,271,632	62,051,838

Weaving

Number of looms installed	262	262
Number of looms worked	262	262
Number of shifts per day	3	3
Annual production capacity converted into 60 picks (Square Meters)	39,801,902	39,801,902
Actual production converted into 60 picks (Square Meters)	30,273,613	36,065,443

43.1 Reasons for shortfall:

- It is difficult to determine precisely the production / rated capacity since it fluctuates widely depending on various factors such as speed, width and quality etc.
- The actual production is planned to meet the market demand.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group finances its operations through the mix of equity, debt and working capital management with a view to maintain an appropriate mix between various sources of finance to minimise risk. The overall risk management is carried out by the finance department under the oversight of Board of Directors in line with the policies approved by the Board.

	2026 Rupees	2025 Rupees
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44.1 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets at amortised cost:

Long term deposits	4,975,784	4,975,784
Trade debts	3,799,083,417	3,869,618,724
Loans, advances and deposit	-	589,709
Other receivables	208,225,816	385,367,275
Cash and bank balances	5,163,798,914	4,070,690,472
	<u>9,176,083,931</u>	<u>8,331,241,964</u>

Financial asset at fair value:

Short term investments	<u>281,830,892</u>	<u>225,474,638</u>
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Financial liabilities at amortised cost:

Trade and other payables	3,603,870,917	2,823,737,533
Interest / mark up payable	92,731,245	186,572,329
Short term borrowings	5,047,903,140	5,316,693,264
Unclaimed dividend	12,873,679	12,873,679
Long term finance	1,182,688,328	3,499,244,829
	<u>9,940,067,309</u>	<u>11,839,121,634</u>

44.2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Group's activities expose it to a variety of financial risks (credit risk, liquidity risk and market risk). Risks measured and managed by the Group are explained below:

44.2.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The maximum exposure to credit risk at the reporting date is as follows:

	2026 Rupees	2025 Rupees
Credit Rating		
Short term investment		
A-1+	281,830,892	225,474,638
Bank balances		
AAA	180,632,535	129,188,818
AA+	-	8,864,275
AA	4,905,355,202	3,911,450,722
Others	2,159,083	9,703,625
	<u>5,088,146,820</u>	<u>4,059,207,440</u>

44.2.2 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

i) Interest rate risk

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

Majority of interest rate risk arises from borrowings from banks and deposits in bank. The interest rate profile of the Group's interest bearing financial instruments is presented in relevant notes to the financial statements.

Sensitivity analysis

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period.

Fair value sensitivity analysis for fixed rate

The Group has no fixed rate financial assets and liabilities at fair value through profit and loss, therefore a change in interest rates at the reporting date would not effect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

Had the interest rate been increased / decreased by 1% at the reporting date with all other variables held constant, profit for the year and equity would have been lower / higher by Rs.75.23 million (2025: Rs. 86.33 million).

44.2.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group's approach to manage liquidity risk is to maintain sufficient level of liquidity by holding highly liquid assets and maintaining adequate reserve borrowing facilities. This includes maintenance of financial position liquidity ratios through working capital management. Following are the contractual maturities of financial liabilities including interest payments as at June 30, 2026 and June 30, 2025:

		2026				
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years	
-----Rupees in thousand-----						

Financial liabilities:

Trade and other payables	2,736,745	2,736,745	2,736,745	-	-	-
Interest / mark up payable	92,731	92,731	92,731	-	-	-
Short term borrowings	5,047,903	5,776,251	5,776,251	-	-	-
Unclaimed dividend	12,874	12,874	12,874	-	-	-
Long term finance	1,182,688	1,221,954	292,149	292,149	637,656	-
	9,072,941	9,840,555	8,910,750	292,149	637,656	-

		2025				
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years	
-----Rupees in thousand-----						

Financial liabilities:

Trade and other payables	2,823,738	2,823,738	2,823,738	-	-	-
Interest / mark up payable	186,572	186,572	186,572	-	-	-
Short term borrowings	5,316,693	6,037,850	6,037,850	-	-	-
Unclaimed dividend	12,874	12,874	12,874	-	-	-
Long term finance	3,499,245	3,925,452	553,906	553,906	2,758,759	58,882
	11,839,122	12,986,486	9,614,940	553,906	2,758,759	58,882

The contractual cash flows relating to mark up have been determined on the basis of weighted average mark up rates on borrowings. The Group will manage the liquidity risk from its own source through working capital management. As at the year end, the Group has liquid assets of Rs.10,825.79 million (2025: Rs. 10,052.70 million) and unavailed borrowing facilities of Rs. 17,942.10 million (2025: Rs. 16,193.31 million).

ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Group is exposed to currency risk on foreign debtors. The total foreign currency risk exposure on reporting date amounted to Rs.719.11 million (2025: Rs. 614.14 million).

At June 30, 2026, had the currency been weakened / strengthened by 5% against the U.S dollar and Euro, with all other variables held constant, profit for the year and equity would have been higher / lower by Rs.35.96 million (2025: Rs.31.48 million).

iii) Equity price risk

Trading and investing in equity securities give rise to equity price risk. At the financial position date the Group is exposed to equity price risk in respect of investments. The total equity price risk exposure on reporting date amounted to Rs. 281.83 million (2025: Rs. 225.47 million).

At June 30, 2026, had the quoted securities prices been increased / decreased by 5%, with all other variables held constant, short term investments and equity would have been higher / lower by Rs. 14.09 million (2025: Rs. 11.27 million).

44.3 Fair values of financial instruments

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

44.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay financing from / to financial institutions.

Consistent with others in the industry, the Group manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total of long term finance and short term borrowings. Total capital comprises shareholders' equity as shown in the financial position under 'share capital and reserves' and net debt (net of cash and cash equivalent).

The salient information relating to capital risk management of the group as of June 30, 2026 and 2025 were as follows:

	Note	2026 Rupees	2025 Rupees
Total Debt	16 & 17	6,230,591,468	8,815,938,093
Less: Cash and bank balances	14	5,163,798,914	4,070,690,472
Net Debt		1,066,792,554	4,745,247,621
Total equity		22,733,759,645	20,865,523,695
Total capital		23,800,552,199	25,610,771,316
Gearing ratio		4.48%	18.53%

45. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 5, 2026 by the Board of Directors of the Group.

46. GENERAL

46.1 Figures have been rounded off to the nearest Rupees except where mentioned in Rupees in thousands.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



RSM Avasi Hyder Liaquat Nauman
Chartered Accountants

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**Independent Auditor's Review Report
to the members of Zahidjee Textile Mills Limited**

**Review Report on the statement of Compliance contained in Listed Companies (Code of
Corporate Governance) Regulations, 2019**

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

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

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

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

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

ANW

**RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS**

Place: Faisalabad

Date: October 5, 2026

UDIN: CR2026104977ytVzkl5s

**THE POWER OF BEING UNDERSTOOD
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Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Zahidjee Textile Mills Limited

Year Ended: June 30, 2026

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

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

Gender	Number
Male	Six (6)
Female	One (1)

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

Category	Names
Independent Directors	Mr. Sajjad Hussain Shah Mr. Faisal Masood Afzal Mr. Muhammad Ali Mr. Shahbaz Haider Agha
Non-Executive Directors	Mrs. Mehreen Fahad Mr. Ahmad Zahid
Executive Director	Mr. Muhammad Zahid

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its
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 is maintained by the Company;
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Currently, Six directors meet the criteria of the directors training program (DTP). The remaining one female director will complete her training in due course.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed the following committees comprising of the following members :
 - a. **Audit Committee**

• Mr. Sajjad Hussain Shah	Chairman	Independent Director
• Mr. Faisal Masood Afzal	Member	Independent Director
• Mr. Muhammad Ali	Member	Independent Director
 - b. **Human Resource & Remuneration Committee**

• Mr. Shahbaz Haider Agha	Chairman	Independent Director
• Mr. Muhammad Ali	Member	Independent Director
• Mr. Ahmad Zahid	Member	Non-Executive Director
• Mr. Muhammad Zahid	Member	Chief Executive Officer
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committees were as follows:
 - a. Audit Committee: Quarterly
 - b. Human Resource & Remuneration Committee: Annual
15. The Board has set up an effective internal audit function experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with certain requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are given below:

S.No	Reg. No.	Explanation
1	19	Currently, Six directors meet the criteria of the directors training program (DTP). Remaining director is well aware of her role and responsibilities as a member of the Board, however, she will complete her training in due course.
2	35(1)	As per regulations, the Company has disclosed key elements of it's significant policies and intends to add list of it's policy on DE&I and protection against harassment at the workplace.
3	29	The responsibilities as prescribed for the nomination committee are being addressed at Board level as and when needed so a separate committee is not formed.
4	30	The Board has tasked the Board Audit Committee to oversee risk management related matters of the Company.
5	10(A)	The Board is currently managing the sustainability aspect. Formation of a separate committee is under consideration.

For and on behalf of the Board of Directors

Dated: October 5, 2026
Lahore



Ahmad Zahid
Chairman



Muhammad Zahid
Chief Executive Officer



RSM Awaiz Hyder Liaquat Nauman
Chartered Accountants

478-D, Peoples Colony No. 1
Faisalabad - Pakistan

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZAHIDJEE TEXTILE MILLS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

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

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Key Audit Matters

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

Following are the Key audit matters:

Key Audit Matters	How our audit addressed the key audit matter
Capitalization of Property, plant and equipment	
Refer notes 3 to the annexed financial Statements During the year, the Company has incurred significant capital expenditure. There are number of areas where significant management judgement is involved in connection with the above activities. These include: • Determining which costs meet the criteria for capitalisation as per International Accounting Standard - 16, 'Property, Plant and Equipment'; • Determining the date on which assets under construction are transferred to operating fixed assets and the respective dates from which their depreciation should commence; and We consider the above as a key audit matter being significant transactions and events for the Company during the year having significant impact on the financial position of the Company.	In response to this matter, our audit procedures included: • Examination on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices. • Assessment whether the costs capitalised met the relevant criteria for capitalization as per the applicable accounting and reporting framework. • Verification of the copies of contracts of construction and letters of credit for determining amount of further commitment by the company for expansion project. • Verification of the date of transferring capital work in progress to operating fixed assets by examining the completion certificates. • Checked whether the disclosures are made in accordance with the financial reporting framework.

Trade debts

Refer notes 8 to the annexed financial statements.

The Company's trade debts were Rs. 3,799.08 million. We identified recoverability of trade receivables as key audit matter as it involves significant management judgement in determining the expected credit loss.

In response to this matter, our audit procedures included:

- Obtained an understanding of the Company's processes and design and implementation of internal controls relating to credit control processes (credit limits), debt collection process and making provision for expected credit loss for doubtful receivables.
- Tested the accuracy of aging report, on sample basis, by comparing individual balances in the report with underlying documentation.
- Circulated external confirmations and performed alternative audit procedures.
- Assessed the application of ECL methodology applied to meet the requirement of IFRS 9.
- Assessed the adequacy of disclosures made in the financial statements related to credit risk and trade debts.

Revenue recognition

The principal activity of the Company is manufacturing and sale of yarn. Revenue from sale of goods is recognised as or when performance obligations are satisfied by transferring control of promised goods to customer, and control is transferred at a point in time. Revenue is measured at fair value of the consideration received or receivable and the payment is typically due on the satisfaction of performance obligation.

We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.

In response to this matter, our audit procedures included:

- We obtained an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;
- We assessed the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards;
- We tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period;
- We performed audit procedures to analyze variation in the price and quantity sold during the year.
- We assessed the adequacy of disclosures made in the financial statements related to revenue.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Faisalabad

Date: October 5, 2026

UDIN: AR202610497oLhYyEjRn

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	18,394,279,467	19,174,379,964
Investment in subsidiary	4	800,000	-
Long term security deposits	5	4,975,784	4,975,784
		18,400,055,251	19,179,355,748
CURRENT ASSETS			
Stores, spares and loose tools	6	376,317,396	383,364,754
Stock in trade	7	6,028,266,789	6,905,732,976
Trade debts	8	3,799,083,417	3,869,618,724
Loans, advances and deposit	9	457,945,576	549,999,800
Prepayments	10	227,367,124	271,242,785
Other receivables	11	237,766,851	416,541,050
Short term investment	12	281,830,892	225,474,638
Tax refunds due from Government	13	985,620,134	1,090,117,589
Cash and bank balances	14	5,063,541,262	4,070,690,472
		17,457,739,441	17,782,782,788
CURRENT LIABILITIES			
Trade and other payables	15	4,203,391,175	3,555,601,002
Interest / mark up payable	16	92,731,245	186,572,329
Short term borrowings	17	5,047,903,140	5,316,693,264
Unclaimed dividend		12,873,679	12,873,679
Current portion of long term finance	18	561,615,239	1,017,143,779
Provision for taxation - income tax	34	179,653,143	750,581,810
		10,098,167,621	10,839,465,863
		25,759,627,071	26,122,672,673
NON - CURRENT LIABILITIES			
Long term finance	18	621,073,089	2,482,101,050
Deferred liability			
Staff retirement gratuity	19	-	35,886,523
Deferred taxation	20	2,406,781,231	2,739,161,405
		3,027,854,320	5,257,148,978
CONTINGENCIES AND COMMITMENTS			
	21	-	-
Net worth		22,731,772,751	20,865,523,695
Represented by :			
Share capital	22	1,914,210,990	1,914,210,990
Capital reserves			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment	23	6,600,233,543	6,574,220,175
Revenue reserves	24	13,851,069,705	12,010,834,017
		22,731,772,751	20,865,523,695
		22,731,772,751	20,865,523,695

The annexed notes from 1 to 44 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Sales	25	38,304,881,634	40,608,062,590
Cost of sales	26	36,208,843,032	37,934,816,604
Gross profit		<u>2,096,038,602</u>	<u>2,673,245,986</u>
Trading profit	27	17,695,052	43,685,784
Other income	28	559,607,282	738,578,547
		<u>2,673,340,936</u>	<u>3,455,510,317</u>
Distribution cost	29	213,811,255	321,159,358
Administrative expenses	30	431,843,937	258,022,798
Other operating expenses	31	138,481,118	164,617,903
Finance cost	32	774,524,204	1,072,193,766
		<u>1,558,660,514</u>	<u>1,815,993,825</u>
Profit for the year before levies and income tax		<u>1,114,680,422</u>	<u>1,639,516,492</u>
Levies	33	34,887,357	47,345,739
Profit for the year before taxation		<u>1,079,793,065</u>	<u>1,592,170,753</u>
Provision for taxation	34	(258,470,396)	97,389,964
Profit for the year		<u><u>1,338,263,461</u></u>	<u><u>1,494,780,789</u></u>
Earnings per share - Basic and diluted	35	<u><u>6.99</u></u>	<u><u>7.81</u></u>

The annexed notes from 1 to 44 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees
Profit for the year	1,338,263,461	1,494,780,789
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss :		
Surplus on revaluation of property, plant and equipment arisen during the year	-	4,988,696,347
Related deferred tax	-	(1,317,370,673)
	-	3,671,325,674
Total comprehensive income for the year	<u>1,338,263,461</u>	<u>5,166,106,463</u>

The annexed notes from 1 to 44 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVES			REVENUE RESERVES			Total
		Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropriated profit	Sub total	
----- R u p e e s -----								
Balance as at July 01, 2024	1,914,210,990	366,258,513	3,491,794,897	3,858,053,410	300,000,000	9,939,880,679	10,239,880,679	16,012,145,079
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	1,494,780,789	1,494,780,789	635,071,912
Other comprehensive income								
Surplus on revaluation of property, plant and equipment arisen during the year	-	-	4,988,696,347	4,988,696,347	-	-	-	4,988,696,347
Related deferred tax	-	-	(1,317,370,673)	(1,317,370,673)	-	-	-	(1,317,370,673)
Incremental depreciation on	-	-	3,671,325,674	3,671,325,674	-	1,494,780,789	1,494,780,789	5,166,106,463
revalued assets for the year-net of deferred tax	-	-	(260,565,640)	(260,565,640)	-	260,565,640	260,565,640	-
Surplus realised on disposal								
of property, plant and equipment - net of deferred tax	-	-	(15,606,909)	(15,606,909)	-	15,606,909	15,606,909	-
Adjustment of deferred tax for the year	-	-	(312,727,847)	(312,727,847)	-	-	-	(312,727,847)
Balance as at June 30, 2025	1,914,210,990	366,258,513	6,574,220,175	6,940,478,688	300,000,000	11,710,834,017	12,010,834,017	20,865,523,695
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	1,338,263,461	1,338,263,461	1,338,263,461
Other comprehensive income	-	-	-	-	-	-	-	-
Incremental depreciation on	-	-	-	-	-	1,338,263,461	1,338,263,461	1,338,263,461
revalued assets for the year - net of deferred tax	-	-	(465,385,947)	(465,385,947)	-	465,385,947	465,385,947	-
Surplus realised on disposal	-	-	(36,586,280)	(36,586,280)	-	36,586,280	36,586,280	-
of property, plant and equipment - net of deferred tax	-	-	(36,586,280)	(36,586,280)	-	36,586,280	36,586,280	-
Adjustment of deferred tax for the year	-	-	527,985,595	527,985,595	-	-	-	527,985,595
Balance as at June 30, 2026	1,914,210,990	366,258,513	6,600,233,543	6,966,492,056	300,000,000	13,551,069,705	13,851,069,705	22,731,772,751

The annexed notes from 1 to 44 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before levies and income tax		1,114,680,422	1,639,516,492
Adjustment for:			
Depreciation of property, plant and equipment	3.2	1,666,809,753	1,440,987,956
Provision for staff retirement gratuity	19.2	-	35,886,523
Profit on deposits	28	(481,092,780)	(633,703,220)
Dividend income	28	(28,292,248)	(27,442,248)
Loss on disposal of operating assets - net	31	55,767,308	25,202,300
Provision for doubtful debts	29	191,975,216	15,000,000
Plot cancellation charges	30	-	17,332,028
Loss / (gain) on disposal of short term investment	28	539,696	(9,000)
Balances written (back) - net	28	(3,620,279)	(10,223,324)
Fair value (gain) on short term investments	28	(45,859,354)	(66,587,494)
Finance cost	32	774,524,204	1,072,193,766
Operating cash flows before working capital changes		3,245,431,938	3,508,153,779
Changes in working capital			
Decrease / (increase) in current assets			
Stores, spares and loose tools		7,047,358	(30,172,057)
Stock in trade		877,466,187	(2,919,258,440)
Trade debts		(121,439,909)	(443,712,035)
Loans, advances and deposit		127,322,547	28,348,518
Prepayments		445,350	1,554,491
Other receivables		255,907,711	106,255,334
Tax refunds due from Government- sales tax		482,083,785	(585,949,898)
Increase in current liabilities			
Trade and other payables		651,410,452	900,477,943
		2,280,243,481	(2,942,456,144)
Cash generated from operating activities		5,525,675,419	565,697,635
Finance cost paid		(868,365,288)	(1,132,350,475)
Gratuity paid		(35,886,523)	-
Income tax paid		(521,164,549)	(376,131,252)
Net cash generated from / (used in) operating activities		4,100,259,059	(942,784,092)

	Note	2026 Rupees	2025 Rupees
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(702,355,749)	(287,873,426)
Capital work in progress	3.7	(246,228,956)	-
Advance for purchase of land received back		-	254,515,284
Investment in subsidiary	4	(800,000)	-
Proceeds from disposal of operating assets		6,108,141	5,468,792
Long term security deposits refunded		-	3,500,000
Addition in short term investment		(25,872,125)	-
Proceeds from disposal of short term investment		14,835,529	986,000
Profit on deposits		403,959,268	503,651,228
Dividend received		28,292,248	27,442,248
Net cash (used in) / generated from investing activities		<u>(522,061,644)</u>	<u>507,690,126</u>
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term finance	18.1	(2,316,556,501)	(1,940,423,324)
(Decrease) / increase in short term borrowings - net		(268,790,124)	2,307,280,488
Dividend paid		-	(196,655)
Net cash (used in) / generated from financing activities		<u>(2,585,346,625)</u>	<u>366,660,509</u>
Net increase / (decrease) in cash and cash equivalents (a+b+c)		992,850,790	(68,433,457)
Cash and cash equivalents at the beginning of the year		4,070,690,472	4,139,123,929
Cash and cash equivalents at the end of the year		<u><u>5,063,541,262</u></u>	<u><u>4,070,690,472</u></u>

The annexed notes from 1 to 44 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1. GENERAL INFORMATION

- 1.1** Zahidjee Textile Mills Limited (the Company) is incorporated in Pakistan on July 17, 1990 as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act 2017 on May 30, 2017). The registered office of the Company is situated at 131-A, Street-P, Scotch Corner, Upper Mall Scheme, Lahore in the province of Punjab. The Company is listed on Pakistan Stock Exchange Limited. The principal business of the Company is export of all kinds of value added fabrics and textile made-ups. The Company is also engaged in the business of manufacturing and sale of yarn. The weaving unit is located at 32-KM, Tandlianwala Road, Satyana, District Faisalabad and spinning units are located at 32-KM, Sheikhpura Road, Faisalabad and M-3 Industrial Estate, Faisalabad, in the province of Punjab.
- 1.2** Pursuant to scheme of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Zahidjee Fabrics Limited were merged with the assets, liabilities and reserves of Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.3** The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2025 and therefore, have been applied in preparing these financial statements.

- Amendments to IAS 21 - Lack of exchangeability

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date.

The amendments have no material impact on the company's financial statements.

- **IFRS S1 and IFRS S2**

IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures require entities to disclose material sustainability-related and climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term. The standards provide requirements relating to governance, strategy, risk management, and metrics and targets, with IFRS S2 specifically addressing climate-related disclosures, including greenhouse gas emissions and climate-related risks and opportunities.

The Standards are effective for annual periods beginning on or after January 1, 2024; however, their applicability in Pakistan has been phased in accordance with the order issued by the Securities and Exchange Commission of Pakistan (SECP) on December 31, 2024.

Companies falling under Phase I of the Sustainability Disclosure Standards are permitted, under the SECP Order dated December 31, 2024, to issue their Sustainability Report within nine months from the close of the financial year. The company has opted to issue report within this time period.

The amendments have no material impact on the company's financial statements except additional disclosures.

2.2.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2025 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

2.2.3 Standards, amendments to standards and interpretations becoming effective in future periods

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after July 1, 2026 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

- **Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments**

The amendments clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features

The amendments clarifies the treatment of non-recourse assets and contractually linked instruments

The amendments requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for the annual periods beginning on or after January 01, 2026.

The amendments are not expected to have any material impact on the company's financial statements.

- **Annual Improvements to IFRS accounting standards Volume - II**

The amendments to IFRS – 1, 7, 9, 10 and IAS 7 are introduced to remove obsolete cross references, replacements, make the working consistent, clarifications and certain additions.

The amendments are effective for the annual reporting periods beginning on or after January 01, 2026.

The amendments are not expected to have any material impact on the company's financial statements.

- **IFRS 18 – Presentation and Disclosure in Financial Statements**

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial

An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations.

IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM.

IFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes.

IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics.

The amendments are effective for the annual periods beginning on or after January 01, 2027.

The amendments may have a material impact on the company's financial statements in future periods.

- **IFRS 19 - Subsidiaries without Public Accountability: Disclosures**

IFRS 19, allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

The amendments are effective for the annual periods beginning on or after January 01, 2027.

The amendments are not expected to have any material impact on the company's financial statements.

- **Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments deal with situation where there is a sale or contribution of assets between investor and its associate or joint venture.

The amendments states that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

The effective date of the amendments have yet to be set by the Board, however earlier application of the amendments is permitted. The amendments are not expected to have any material impact on the company's financial statements.

2.2.4 Standards, amendments to standards and interpretations becoming effective in future period but not relevant

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

2.3 Basis of preparation

The financial statements have been prepared under the historical cost convention except: -

- Certain property, plant and equipment carried at valuation.
- Short term investments measured at fair value.

MATERIAL ACCOUNTING POLICY INFORMATION

2.4 Property, plant and equipment

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost / valuation less accumulated depreciation and impairment in value, if any. Freehold land and capital work in progress are stated at valuation, cost less accumulated impairment in value, if any.

Depreciation is charged to income applying the reducing balance method at the rates specified in property, plant and equipment note 3.

Assets' residual values, if significant and their useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition or capitalisation and upto the month preceding the disposal respectively.

When parts of an item of property, plant and equipment have different useful lives, they are recognised as a separate item of property, plant and equipment.

Normal repair and maintenance costs are charged to income during the period in which they are incurred. Major renewals and improvements are capitalised.

Gains or losses on disposal of assets, if any, are recognised as and when incurred.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

Any revaluation increase arising on freehold land, building on freehold land and plant and machinery is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on 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 of freehold land, building on freehold land and plant and machinery improvements is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation of building on freehold land and plant and machinery improvements to the extent of incremental depreciation charged is transferred to unappropriated profit.

2.5 Intangible assets

These are stated at cost less accumulated amortisation and impairment in value, if any. Intangible assets are amortised over a period of five years using straight line method.

Amortisation on additions during the year is charged from the month in which an asset is acquired or capitalised.

All costs / expenditure connected with software implementation are collected in computer softwares under implementation. These are carried at cost less impairment in value, if any and are transferred to specific assets as and when assets are available for intended use.

2.6 Investments

Investments are initially recognised / derecognised on trade date at cost being the fair value of consideration given including cash transaction. Trade date is the date that the Company commits to purchase or sell the investment. After initial recognition these are recognised and accounted for as follows:

Investments at fair value through profit or loss

These are the investments which are classified as held for trading and are acquired principally for the purpose of generating profit from short term fluctuation in price. Investments designated at fair value through profit or loss upon initial recognition also include those group of investments which are managed and their performance evaluated on fair value basis in accordance with the Company's documented investment strategy.

After initial recognition, such investments are remeasured at fair value determined with reference to the year end quoted rates (equity shares and investments in units of closed end funds at respective stock exchange rates, while the units of open end funds at their declared net asset value per unit). Gains or losses on remeasurments of these investments are recognised in the statement of profit or loss.

Derecognition

All investments are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Gain / loss on sale of investments is taken to income in the period in which it arises.

2.7 Impairment

The Company assesses at each statement of financial position date whether there is any indication that assets except deferred tax assets may be impaired. If such indications exist, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in statement of profit or loss, unless the relevant assets are carried at revalued amounts, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognised for the assets in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant assets are carried at revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Stores, spares and loose tools

These are valued at moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice value plus other charges incurred thereon.

2.10 Stock in trade

Stock in trade except wastes are valued at the lower of cost and net realisable value. Cost is determined as follows:

Raw material	Weighted average cost except items in transit which are valued at cost accumulated upto the statement of financial position date.
Work in process	Average manufacturing cost.
Finished goods	Average manufacturing cost.

Wastes are valued at net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sales. Average manufacturing cost represents cost of direct materials, labour and appropriate manufacturing overheads.

2.11 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified. Other receivables are carried at nominal amount which is the fair value of the consideration to be received in future.

2.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

2.13 Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether billed to the Company or not.

2.14 Staff retirement benefits

The company discontinued its defined benefit plan - unfunded gratuity scheme from April 2026 and continue to operate defined contribution plan - unrecognized provident fund scheme for all its eligible employees. Equal monthly contributions are made by the Company and the employees to the fund at the rate of 6.75% of basic salary.

2.15 Provisions

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

2.16 Provision for taxation

Tax Liability is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher in accordance with the provisions of Income Tax Ordinance 2001.

Current tax

The charge for current taxation is calculated on taxable income using the notified rate of taxation after taking into account tax credits and rebates available, if any is recognized as "current income tax expense".

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income and based on revenue or basis other than taxable income is classified as levy. Minimum taxes in excess of the amount designated as income tax is recognized as levy falling under the scope of IFRIC 21/IAS 37.

Deferred taxation

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

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax is charged or credited in the income statement, except in case of items charged or credited to equity in which case it is included in equity.

2.17 Dividend and other appropriations

Dividend is recognised as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

2.18 Foreign currency translation

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in net profit or loss for the period.

2.19 Financial Instruments

2.19.1 Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

- Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

- Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets are measured at fair value at initial recognition and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

2.19.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

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

2.20 Offsetting of financial asset and financial liability

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position, if the Company has a legal enforceable right to offset the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. For this purpose, the Company:

- identifies the contract with a customer;
 - identifies the performance obligations in the contract;
 - determines the transaction price which takes into account estimates of variable consideration, if any, and the time value of money;
 - allocates the transaction price to the separate performance obligations, if applicable, on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
 - recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer of control of the goods or services promised to the customer.
 - Determining the timing of the transfer of control – at a point in time or over time – requires judgment.
- Revenue is recognized by the Company on the following basis:

Sale of goods is recognised at a point in time when control of goods is transferred to customers.

Revenue from conversion receipts is recognised when services are rendered.

Interest income is recognized on time proportionate basis.

Dividend income from investments is recognised when the Company's right to receive payment has been established except dividend from associate accounted for using equity method which is recognised as a reduction of the carrying value of investment when the Company's right to receive payment has been established.

2.22 Related party transactions

Transactions with related parties are priced on arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

2.23 Critical accounting estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables and slow moving inventory, staff retirement gratuity, fair value of short term investment, revaluation and taxation. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3. Property, plant and equipment

	Note	2026 Rupees	2025 Rupees
Property, plant and equipment			
Operating assets	3.1	18,237,969,404	19,050,634,124
Capital work in progress	3.7	115,779,113	107,541,890
Non operating lands	3.8	16,203,950	16,203,950
Advances for capital expenditure		24,327,000	-
		<u>18,394,279,467</u>	<u>19,174,379,964</u>

3.1 Operating assets

[illegible]

Note	2026 Rupees	2025 Rupees
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3.2 Depreciation for the year has been allocated as under:

Cost of sales	26.1	1,654,740,220	1,426,535,119
Administrative expenses	30	12,069,533	14,452,837
		<u>1,666,809,753</u>	<u>1,440,987,956</u>

3.3 Had there been no revaluation, the carrying values of freehold land, building on freehold land and plant and machinery at June 30, 2026 and 2025 would have been as follows:

	Carrying value	
	2026 Rupees	2025 Rupees
Freehold land	205,079,486	205,079,486
Building on freehold land	1,781,288,532	1,977,254,769
Plant and machinery	7,183,796,621	7,533,763,867
	<u>9,170,164,639</u>	<u>9,716,098,122</u>

3.4 The forced sale value of revalued freehold land, building on freehold land and plant and machinery was Rs. 15,618,326,152/- (2025: 15,618,326,152/-) at the date of revaluation.

3.5 Detail of disposal of operating assets :

-----2026-----							
Description	Cost / Revalued Amount	Accumulated depreciation	Written down value	Sale proceeds	(Loss)/Gain	Relationship	Particulars of buyers
----- Rupees -----							
Plant and Machinery (by negotiation)	63,656,024	2,262,828	61,393,196	5,158,641	(56,234,555)	None	M/s EW Trading, P- 4 Street 1 Ahmad Town Opposite Aspire College, Khurianwala.
Electric installations (by negotiation)	2,102,318	1,649,299	453,019	845,000	391,981	None	Khuram Shahzad S/o Muhammad Bashir, P-122 Muhalah Barkat pura Faisalabad.
Office equipment (by negotiation)	16,500	10,090	6,410	4,500	(1,910)	None	A.K Computer, Mcloed Road, Shop # 4 Patiala Ground, Lahore.
Vehicles (by negotiation)	1,267,000	1,244,176	22,824	100,000	77,176	None	Shahid Umer S/o Umer Rafeeq, Sultan Bahu Street, Alhamdulillah Park, Iqbal Town, Lahore.
	<u>67,041,842</u>	<u>5,166,393</u>	<u>61,875,449</u>	<u>6,108,141</u>	<u>(55,767,308)</u>		

=====2025=====

Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/(Loss)	Relationship	Particulars of buyers
----- Rupees -----							
Plant and Machinery (by negotiation)	7,400,000	1,705,699	5,694,301	1,400,000	(4,294,301)	None	M/s Al-Fateh Weaving, P-70, 2nd Floor, Usman Plaza, Gole Cloth, Faisalabad.
	25,900,000	5,969,950	19,930,050	1,400,000	(18,530,050)	None	Muhammad Imran S/o Talib Hussain Chak No. 139, Tehsil Arifwala, District Pakpattan.
	3,600,000	829,800	2,770,200	185,291	(2,584,909)	None	Iqbal Khan S/o Abdul Hameed, House No. 1899-D, Ghulam Muhammad Abad, Faisalabad.
Office equipment (by negotiation)	170,676	128,377	42,299	19,500	(22,799)	None	Ihtsham Habib S/o Habib Rehman, P-225, Baghdadi Chowk, Faisalabad.
Electric appliances(by negotiation)	95,352	71,404	23,948	150,000	126,052	None	Ali Raza S/o Nafees Ahmad, P-168, Kaleem Shaheed Colony, Faisalabad.
Vehicles (as per company policy)	2,789,390	1,611,152	1,178,238	1,309,000	130,762	Employee	Anwar Ul Haq S/o Muhammad Shafi, House No. 99-A, Phase 2, Lalazar Garden, Lahore.
	1,179,500	885,589	293,911	309,000	15,089	Employee	Naveed Ashraf S/o Muhammad Ashraf, House No. 184, Rehmanpura, Sheikhpura.
	647,000	552,925	94,075	100,000	5,925	Employee	Imran Rashad S/o Muhammad Rashad, House 17-D, Garden Town, Lahore.
	1,045,000	503,459	541,541	482,000	(59,541)	Employee	Muhammad Jamshaid S/o Muhammad Yousaf, P-194, Street No. 6, Ashrafabad, Faisalabad.
	1,250,000	1,147,473	102,527	114,000	11,473	Employee	Shahab Ud Din Khan S/o Abdul Majeed Khan, House No. 13-X-5, Madina Town, Faisalabad.
	44,076,918	13,405,827	30,671,091	5,468,791	(25,202,300)		

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

Location	Usage of immovable property	Total Area (in square foot)
a) 32-KM, Sheikhpura Road, Faisalabad.	Spinning unit and power house	660,752
b) 32-KM, Tandlianwala Road, Faisalabad.	Weaving unit	628,899
c) Raja Bolay, Tehsil Cantt, District Lahore.	Godown	1,971,094
d) Plot # 6, M-3 Industrial Estate, Faisalabad.	Spinning unit and power house	756,856
e) 20, Bilal Road, Civil Lines, Faisalabad.	Office	49,550
f) Small industrial Estate Road, Faisalabad.	Export house	11,707

3.7 Capital work in progress

	Civil work	Plant and machinery	Solar System	Total
	-----Rupees-----			
Balance as at July 1, 2024	1,122,245,700	3,538,509,784	-	4,660,755,484
Additions	82,429,210	101,767,531	-	184,196,741
Transfer to operating assets	(1,204,674,910)	(3,532,735,425)	-	(4,737,410,335)
Balance as at June 30, 2025	-	107,541,890	-	107,541,890
Additions	-	16,016,461	230,212,495	246,228,956
Transfer to operating assets	-	(123,558,351)	(114,433,382)	(237,991,733)
Balance as at June 30, 2026	-	-	115,779,113	115,779,113

3.8 It represents land held for future expansion, and the particulars of such immovable property (i.e., non-operating land) in the name of the Company are as follows:

Location	Usage of immovable property	Total Area (in square foot)
a) Raja Bolay, Tehsil Cantt, District Lahore.	Land held for future expansion	69,404
b) Deve Khurd Kalan, Tehsil Model Town, District Lahore.	Land held for future expansion	14,974

	2026 Rupees	2025 Rupees
4. Investment in subsidiary		
RK Fibres (Private) Limited.		
8,000 ordinary shares of Rs. 100/- each		
fully paid in cash. Ownership interest 80.00%.		
Addition during the year	<u>800,000</u>	<u>-</u>

4.1 RK Fibres (Private) Limited is incorporated in Pakistan on 2 July 2025 as a private limited company under the Companies Act 2017. The principal line of business of RK Fibres (Private) Limited shall be to carry on the businesses of spinning, open end spinning, sizing, pressing, doubling, packing of yarn, synthetic fibre and any fibrous material used for production of yarn and of importing, buying, selling and dealing in yarn synthetic fibre and any fibrous materials. Registered office of the subsidiary is situated at 20 Bilal Road, Civil Lines, Faisalabad in the province of Punjab.

	Note	2026 Rupees	2025 Rupees
5. Long term security deposits			
Against Utilities		<u>4,975,784</u>	<u>4,975,784</u>

6. Stores, spares and loose tools

Stores in hand		190,552,808	142,427,866
Spares	6.1	185,487,273	240,668,876
Loose tools		<u>277,315</u>	<u>268,012</u>
		<u>376,317,396</u>	<u>383,364,754</u>

6.1 Stores and spares include items that may result in fixed capital expenditure but are not distinguishable.

	Note	2026 Rupees	2025 Rupees
7. Stock in trade			
Raw materials			
in hand	7.1	<u>3,981,036,308</u>	<u>5,171,850,795</u>
In transit	7.1	<u>1,202,464,616</u>	<u>743,206,887</u>
		5,183,500,924	5,915,057,682
Work in process		323,774,069	368,363,944
Finished goods	7.1	481,696,654	574,995,107
Waste		<u>39,295,142</u>	<u>47,316,243</u>
		<u>6,028,266,789</u>	<u>6,905,732,976</u>

7.1 Stock in trade amounting to Rs. 5,138.88 million (2025: Rs. 5,334.92 million) was pledged as security with the banking companies.

	Note	2026 Rupees	2025 Rupees
8. Trade debts			
Considered good			
Secured			
Foreign	8.1	17,356,134	34,742,860
Unsecured			
Foreign	8.1	664,835,583	556,793,016
Local		3,116,891,700	3,278,082,848
		3,781,727,283	3,834,875,864
Considered doubtful			
Unsecured			
Foreign	8.1	36,921,388	22,600,585
Less: Provision for doubtful debts		(36,921,388)	(22,600,585)
		-	-
Local		262,239,589	84,585,176
Less: Provision for doubtful debts		(262,239,589)	(84,585,176)
		-	-
		<u>3,799,083,417</u>	<u>3,869,618,724</u>

8.1 Following are the details of debtors in relation to export sales:

Jurisdiction	Category	2026 Rupees	2025 Rupees
Europe	Letter of credit	17,356,134	34,742,860
North America	Cash against documents	622,041,593	482,108,846
South America	Cash against documents	79,715,378	97,284,755
		<u>719,113,105</u>	<u>614,136,461</u>

9. Loans, advances and deposit

Considered good			
Advances			
Employees		-	589,709
Suppliers		233,876,853	211,165,386
Income tax		206,334,851	171,066,528
Letters of credit fee and expenses		17,733,872	167,178,177
		<u>457,945,576</u>	<u>549,999,800</u>

10. Prepayments

Prepaid tax	226,491,572	269,921,883
Prepaid Insurance	875,552	1,320,902
	<u>227,367,124</u>	<u>271,242,785</u>

	Note	2026 Rupees	2025 Rupees
11. Other receivables			
Considered good			
Export rebate / duty drawback		29,781,348	31,173,775
Receivable from Associated Undertaking	11.1	800,000	800,000
Profit on deposit		207,185,503	130,051,991
Other		-	254,515,284
		<u>237,766,851</u>	<u>416,541,050</u>

11.1 It represents receivable in respect of expenses incurred for Zahidjee Towers (Private) Limited, a related party. It is unsecured.

	Note	2026 Rupees	2025 Rupees
12. Short term investment			
Investment in ordinary shares	12.1	<u>281,830,892</u>	<u>225,474,638</u>
12.1 Financial assets at fair value through profit or loss			
Quoted securities			
Habib Metropolitan Bank Limited			
2,022,854 (2025: 2,022,854) Ordinary shares of Rs.10/- each		200,100,718	138,909,384
MCB Bank Limited			
88,000 (2025: 88,000) Ordinary shares of Rs.10/- each		25,373,920	19,977,760
Bank Alfalah Limited			
200,000 Ordinary shares of Rs.5/- each		10,496,900	-
		<u>235,971,538</u>	<u>158,887,144</u>
Adjustment in fair value - net		<u>45,859,354</u>	<u>66,587,494</u>
		<u>281,830,892</u>	<u>225,474,638</u>

12.2 The fair value of short term investment is based on prices quoted in active markets which is level 1 of fair value hierarchy.

	Note	2026 Rupees	2025 Rupees
13. Tax refunds due from Government			
Income tax		638,556,483	260,970,153
Sales tax		347,063,651	829,147,436
		<u>985,620,134</u>	<u>1,090,117,589</u>

14. Cash and bank balances

Cash in hand		10,652,094	11,483,032
Cash at banks			
In current accounts		121,012,457	91,566,435
In PLS accounts	14.1	184,387,544	58,579,666
In Deposit accounts	14.2	4,747,489,167	3,909,061,339
		<u>5,063,541,262</u>	<u>4,070,690,472</u>

14.1 Effective profit rate in respect of PLS accounts was 7.07% to 10.08% per annum (2025 : 8.39% to 16.27% per annum).

14.2 It represents the investment in term deposit receipts carrying profit at the rates ranging from 7.11% to 20.03% per annum (2025: 6.89% to 21.79% per annum).

	Note	2026 Rupees	2025 Rupees
15. Trade and other payables			
Creditors		2,319,819,117	2,158,322,586
Accrued liabilities		209,543,900	664,651,512
Advance from customers	15.1	363,860,542	456,514,216
Sindh Infrastructure Development Cess Payable	15.2	1,066,926,000	-
Payable to provident fund		7,381,900	763,435
Workers' profit participation fund	15.3	59,869,712	88,946,605
Workers' welfare fund		85,841,262	63,536,860
Withholding taxes		90,148,742	122,865,788
		<u>4,203,391,175</u>	<u>3,555,601,002</u>

15.1 Advance from customers at the beginning of the year were converted into revenue during the year.

15.2 Subsequently the company has requested Secretary Exise and Taxation Sindh to allow extension of settlement date, due to lapse of due date, to execute settlement agreement in terms of Maintenance of Infrastructure Cess (Amendment) Bill 2026.

	2026 Rupees	2025 Rupees
15.3 Workers' profit participation fund		
Opening balance	88,946,605	44,583,265
Interest on funds utilised in the Company's business	4,034,033	3,583,566
	<u>92,980,638</u>	<u>48,166,831</u>
Paid to workers on behalf of the fund	(92,980,638)	(48,166,831)
	<u>-</u>	<u>-</u>
Allocation for the year	59,869,712	88,946,605
	<u>59,869,712</u>	<u>88,946,605</u>

16. Interest / mark up payable

Interest / mark up payable on:		
Short term borrowings	79,737,856	98,217,305
Long term finance	12,993,389	88,355,024
	<u>92,731,245</u>	<u>186,572,329</u>

	Note	2026 Rupees	2025 Rupees
17. Short term borrowings			
Secured			
From banking companies			
Cash finances	17.2	5,047,903,140	5,170,868,264
Un-secured			
From directors and associates		-	145,825,000
		<u>5,047,903,140</u>	<u>5,316,693,264</u>

17.1 The aggregate unavailed short term borrowing facilities available to the Company are Rs. 17,942.10 million (2025 : Rs. 16,193.31 million).

17.2 These are secured against pledge of cotton, polyester, manmade fibers, yarn and grey cloth. These are further secured by personal guarantee of directors of the Company. These are subject to mark up at the rates of one month KIBOR plus 0.5% to 1.5% per annum, three months KIBOR plus 0.4% to 0.5% per annum and six month KIBOR plus 0.4% to 0.5% (2025: one month KIBOR plus 0.5% to 1% per annum, three months KIBOR plus 0.5% to 1% per annum and six month KIBOR plus 0.5% to 0.75%).

The effective rate of mark up charged during the year ranges from 10.86% to 20.00% per annum (2025: 10.98% to 21.66%).

	Note	2026 Rupees	2025 Rupees
18. Long term finance			
Secured			
From banking companies			
Under mark up arrangements			
Term finances	18.2	124,312,671	1,568,350,634
Demand finances		-	157,219,951
Temporary Economic Refinance Facility (TERF)	18.2	1,058,375,657	1,773,674,244
		<u>1,182,688,328</u>	<u>3,499,244,829</u>
Less : Current portion			
Payable within one year		(561,615,239)	(1,017,143,779)
		<u>621,073,089</u>	<u>2,482,101,050</u>

18.1 Reconciliation of long term financing:

Opening balance	3,499,244,829	5,439,668,153
Paid during the year	(1,017,143,779)	(858,822,983)
Prepaid during the year	(1,299,412,722)	(1,081,600,341)
Closing balance	<u>1,182,688,328</u>	<u>3,499,244,829</u>

18.2 The terms of repayment of finances are as under;

Nature of loans	Balance	Number of		Payment	Commencemen ¹	Ending	Markup
	Rupees	installments	rests				
		Total	Balance		date	date	rate
Term finances							
I	53,036,000	24	8	Quarterly	30-Jun-21	7-Jun-28	SBP+1.75%
II	71,276,671	24	8	Quarterly	14-Jun-21	7-Jun-28	SBP+1.75%
	124,312,671						
TERF							
I	204,682,500	20	9	Quarterly	30-Dec-23	30-Sep-28	SBP+ 3%
II	20,317,500	20	9	Quarterly	7-Oct-23	7-Jul-28	SBP+ 3%
III	15,524,986	20	9	Quarterly	20-Sep-21	20-Sep-28	SBP+ 2%
IV	29,614,444	20	9	Quarterly	29-Jul-21	29-Jul-28	SBP+ 2%
V	60,103,319	20	9	Quarterly	13-Aug-21	13-Aug-28	SBP+ 2%
VI	2,547,643	20	9	Quarterly	14-Jul-21	14-Jul-28	SBP+ 2%
VII	29,199,137	20	9	Quarterly	14-Jul-21	14-Jul-28	SBP+ 2%
VIII	43,716,376	20	9	Quarterly	15-Jul-21	15-Jul-28	SBP+ 2%
IX	44,067,652	20	9	Quarterly	19-Jul-21	19-Jul-28	SBP+ 2%
X	181,960,175	20	11	Quarterly	1-Dec-22	1-Mar-29	SBP+ 3.5%
XI	727,697	20	11	Quarterly	1-Apr-22	1-Jan-29	SBP+ 3.5%
XII	24,358,950	20	11	Quarterly	1-Apr-22	1-Apr-29	SBP+ 3.5%
XIII	14,214,750	20	11	Quarterly	1-Apr-22	1-Jan-29	SBP+ 3.5%
XV	1,464,250	20	5	Quarterly	29-Sep-21	29-Sep-27	SBP+2.5%
XVI	1,108,729	20	5	Quarterly	13-Aug-21	13-Aug-27	SBP+2.5%
XVII	2,392,800	20	4	Quarterly	31-May-21	31-May-27	SBP+2.5%
XVIII	13,093,200	20	4	Quarterly	15-Jun-21	15-Jun-27	SBP+2.5%
XIX	41,645,800	20	4	Quarterly	15-Jun-21	15-Jun-27	SBP+2.5%
XX	2,489,200	20	8	Quarterly	26-Aug-21	7-Jun-28	SBP+2.75%
XXI	339,200	20	8	Quarterly	26-Aug-21	7-Jun-28	SBP+2.75%
XXII	43,800,000	20	8	Quarterly	6-Aug-21	7-Jun-28	SBP+2.75%
XXIII	6,464,000	20	8	Quarterly	19-Jul-21	7-Jun-28	SBP+2.75%
XXIV	8,391,600	20	8	Quarterly	19-Jul-21	7-Jun-28	SBP+2.75%
XXV	8,635,600	20	8	Quarterly	19-Jul-21	7-Jun-28	SBP+2.75%
XXVI	5,253,200	20	8	Quarterly	7-Jul-21	7-Jun-28	SBP+2.75%
XXVII	4,722,000	20	8	Quarterly	30-Jun-21	7-Jun-28	SBP+2.75%
XXVIII	12,122,800	20	8	Quarterly	22-Jun-21	7-Jun-28	SBP+2.75%
XXIX	13,860,400	20	8	Quarterly	7-Jun-21	7-Jun-28	SBP+2.75%
XXX	10,899,600	20	8	Quarterly	7-Jun-21	7-Jun-28	SBP+2.75%
XXXI	43,626,331	20	8	Quarterly	3-May-21	3-May-28	SBP+2.75%
XXXII	77,806,125	20	8	Quarterly	13-Aug-21	13-May-28	SBP+2.75%
XXXIII	21,665,880	20	8	Quarterly	12-Aug-21	12-May-28	SBP+2.75%
XXXIV	3,064,541	20	8	Quarterly	16-Jul-21	3-May-28	SBP+2.75%
XXXV	64,495,272	20	8	Quarterly	26-May-21	26-May-28	SBP+2.75%
	1,058,375,657						

The loans are secured against first joint parri passu charge and ranking charge over present and future fixed assets of the Company. These are further secured by the personal guarantee of directors of the Company.

Effective markup rates charged during the year ranges from 3.00% to 12.74% per annum (2025: 3.00% to 21.36% per annum).

	2026 Rupees	2025 Rupees
19. Staff retirement gratuity	-	35,886,523
19.1 The amount included in the statement of financial position is as follows:		
Present value of defined benefits obligation	-	35,886,523

	2026 Rupees	2025 Rupees
19.2 Movement in the net liability recognised		
Opening liability	35,886,523	-
Net expenses recognised	-	35,886,523
Paid during the year	(35,886,523)	-
Closing liability	<u>-</u>	<u>35,886,523</u>

19.3 The Company was operating an unfunded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined under the scheme. The company discontinued the staff retirement gratuity in April 2026 and started the provident fund scheme in replacement.

	2026 Rupees	2025 Rupees
20. Deferred taxation		
Opening balance	2,739,161,405	1,130,940,629
Provision/(Reversal) of deferred tax related to:		
Surplus arisen on revaluation	-	1,317,370,673
Incremental depreciation on revalued assets	(190,087,218)	(153,030,614)
Surplus realised on disposal of revalued assets	(14,943,692)	(9,165,963)
(Reversal) / provision of deferred tax on surplus	(527,985,595)	312,727,847
Provided during the year	400,636,331	140,318,833
	<u>2,406,781,231</u>	<u>2,739,161,405</u>

20.1 It represents the following:

Deferred tax liability:		
Difference between accounting and tax bases of assets	2,495,599,275	2,803,766,205
Deferred tax asset:		
Carry forward tax credits and losses	(88,818,044)	(51,326,787)
Staff retirement gratuity	-	(13,278,013)
	<u>2,406,781,231</u>	<u>2,739,161,405</u>

21. CONTINGENCIES AND COMMITMENTS

Contingencies

Name of the	Description of the factual basis of the proceeding	Principal	Date instituted
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Sales tax

Lahore High Court, Lahore	The assessing officer of Inland Revenue passed order in respect of tax period July-2011 to June-2016 and created demand of Rs. 9,405,301/- (2025 : Rs. 9,405,301/-). The case was pending for adjudication before ATIR and the honorable Tribunal vide its order dated 04-12-2024 decided the appeal against the Company. Being aggrieved by the order the Company filed appeal before the Honorable High Lahore court against the said order which is pending for adjudication. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs. Federal Board of Revenue	November 10, 2017
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Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Appellate Tribunal Inland Revenue	The assessing officer of Inland Revenue passed orders in original in respect of tax periods from August-2013 to July-2015 and July-2010 to June-2011 and created demand of Rs. 8,806,053/- (2025: Rs. 8,806,053/-). Being aggrieved by the orders the Company filed appeals before the CIR(A) against the ONOs. The CIR(A) partially set aside the demand of Rs. 1,545,923/- (2025: Rs. 1,545,923/-) and disposed off the appeals. The Company filed the appeals before ATIR for the remaining demand. Currently the case is pending for adjudication before ATIR. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs. Federal Board of Revenue	March 22, 2014 August 22, 2016
Appellate Tribunal Inland Revenue	The assessing officer of Inland Revenue passed order in respect of tax period July-2021 to November-2021 and created a sales tax demand of Rs. 20,773,259/- (2025: Rs. 20,773,259/-) and also imposed penalty of Rs.1,038,663/- (2025: Rs.1,038,663/-). CIR (Appeals) partially set aside demand of Rs. 7,949,830/- (2025: Rs.7,949,830/-) and dispose off the appeals. The Company filled the appeal before Appellate Tribunal Inland Revenue (ATIR) for remaining demand. Currently the case is pending before ATIR. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs Federal Board of Revenue	22-Mar-22
Appellate Tribunal Inland Revenue	Deputy Commissioner Inland Revenue passed order in respect of tax period July 2016 to November 2021 and created a sales tax demand of Rs. 254,552,830/- (2025: Rs. 254,552,830/-) along with default surcharge and penalty amounting to Rs. 12,727,642/- (2025: Rs. 12,727,642/-). Currently the case is pending for adjudication before ATIR. This matter has been decided in favour of the company under the order of Appellate Tribunal Inland Revenue.	Company vs Federal Board of Revenue	31-Oct-22

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
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Other

Appellate Tribunal Lahore	The Director Social Security issued an order based on reassessment of number of employees and demanded Rs. 4,192,808/- (2025: Rs. 4,192,808/-) contribution regarding prior years. Currently the case is pending for adjudication before Appellate Tribunal Lahore. This matter has been decided in favour of the company under the order of Appellate Tribunal Lahore.	Company vs. Director Social Security	October 25, 2016
Custom Appellate Tribunal Lahore	The custom officer of Excise and Customs department passed order in respect of year ended June 30, 2019 and created demand of Rs. 7,997,509/- which includes penalty of Rs. 100,000/- and default surcharge of Rs. 25,000/- (2025: Rs.7,997,509/- which includes penalty of Rs. 100,000/- and default surcharge of Rs. 25,000/-). Currently the case is pending for adjudication before Custom Appellate Tribunal Lahore. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial	Company vs. Assistant collector (DTRE) MCC. Faisalabad	June 26, 2018
		2026 Rupees	2025 Rupees
Bank guarantees issued in favour of :			
Sui Northern Gas Pipelines Limited for supply of gas.		248,627,000	248,627,000
Faisalabad Electric Supply Company Limited for supply of electricity.		72,748,000	72,748,000
Excise and taxation department against imposition of infrastructure cess		-	588,300,000
Indemnity bonds issued in favour of collector of customs / sales tax, Faisalabad to avail exemption of sales tax and custom duty on imported raw material / machinery.			
		700,000,000	700,000,000
Commitments			
Under letters of credit for:			
Plant and machinery		-	235,772,845
Raw material and spare parts		1,276,696,118	2,892,607,035
Under contracts for capital expenditure		376,482,440	-
Under contracts for civil work		-	55,633,932

22. Share capital

22.1 Authorised capital

2026 Number of shares	2025 Number of shares		2026 Rupees	2025 Rupees
<u>220,000,000</u>	<u>220,000,000</u>	Ordinary shares of Rs. 10/- each.	<u>2,200,000,000</u>	<u>2,200,000,000</u>

22.2 Issued, subscribed and paid up capital

2026 Number of shares	2025 Number of shares		2026 Rupees	2025 Rupees
89,462,580	89,462,580	Ordinary shares of Rs. 10/- each fully paid in cash.	894,625,800	894,625,800
23,041,604	23,041,604	Ordinary shares of Rs.10/- each issued as fully paid shares as per scheme of arrangement for amalgamation sanctioned by the Court.	230,416,040	230,416,040
78,916,915	78,916,915	Ordinary shares of Rs.10/- each issued as fully paid bonus shares.	789,169,150	789,169,150
<u>191,421,099</u>	<u>191,421,099</u>		<u>1,914,210,990</u>	<u>1,914,210,990</u>

22.3 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

23. Surplus on revaluation of property, plant and equipment

	2026 Rupees	2025 Rupees
Surplus on revaluation of property, plant and equipment at the beginning of the year	9,012,891,077	4,462,563,856
Surplus arisen on revaluation carried out during the year	-	4,988,696,347
Transferred to unappropriated profit in respect of :		
Incremental depreciation	(655,473,165)	(413,596,254)
Surplus realised on disposal	(51,529,972)	(24,772,872)
	(707,003,137)	(438,369,126)
Surplus on revaluation of property, plant and equipment as at June 30,	<u>8,305,887,940</u>	<u>9,012,891,077</u>
Related deferred tax liability :		
At the beginning of the year	2,438,670,902	970,768,959
Deferred tax relating to:		
Incremental depreciation	(190,087,218)	(153,030,614)
Surplus realised on disposal	(14,943,692)	(9,165,963)
Surplus arisen during the year	-	1,317,370,673
Deferred tax provided during the year	(527,985,595)	312,727,847
	<u>1,705,654,397</u>	<u>2,438,670,902</u>
	<u>6,600,233,543</u>	<u>6,574,220,175</u>

23.1 Latest revaluation of freehold land, building on freehold land and plant and machinery was carried out by independent valuers M/s BFA Private Limited as at February 21, 2025. Freehold land, building on freehold land and plant and machinery were revalued on market value basis. The valuation is based on unobservable inputs which is Level 3 of fair value hierarchy.

	Note	2026 Rupees	2025 Rupees
24. Revenue reserves			
General reserve		300,000,000	300,000,000
Unappropriated profit		13,551,069,705	11,710,834,017
	24.1	<u>13,851,069,705</u>	<u>12,010,834,017</u>

24.1 These reserves are available for distribution to shareholders.

25. Sales

Export			
Cloth / made ups	25.2	2,984,765,041	3,557,119,241
Local			
Yarn		32,983,372,722	34,612,796,874
Cloth		2,965,994	30,678,278
Waste and left over		2,422,865,211	2,514,413,619
Conversion receipts		184,110,135	221,526,327
		<u>35,593,314,062</u>	<u>37,379,415,098</u>
		38,578,079,103	40,936,534,339
Add: Export rebate / duty drawback		20,991,580	12,632,897
		<u>38,599,070,683</u>	<u>40,949,167,236</u>
Less: Commission and claims		294,189,049	341,104,646
		<u>38,304,881,634</u>	<u>40,608,062,590</u>

25.1 Local sales are exclusive of sales tax of Rs. 6,422,455,253/- (2025: Rs. 6,780,276,705/-).

25.2 It includes exchange gain of Rs. 11,712,375/- (2025: Rs. 36,037,627/-).

	Note	2026 Rupees	2025 Rupees
26. Cost of sales			
Cost of goods manufactured	26.1	36,107,523,478	37,784,959,897
Finished goods			
Opening stock		622,311,350	772,168,057
Closing stock		(520,991,796)	(622,311,350)
		<u>101,319,554</u>	<u>149,856,707</u>
		<u>36,208,843,032</u>	<u>37,934,816,604</u>

26.1 Cost of goods manufactured

Raw material consumed	26.1.1	27,373,136,247	29,523,370,817
Packing material consumed		349,387,676	299,619,382
Salaries, wages and benefits		1,540,803,065	1,490,032,810
Retirement benefits		25,885,837	48,400,169
Stores and spares consumed		742,947,292	648,503,794
Fuel and power		4,310,873,439	4,319,785,118
Repairs and maintenance		26,438,003	26,886,628
Insurance		27,363,567	31,240,384
Depreciation	3.2	1,654,740,220	1,426,535,119
Others		11,358,257	12,154,951
		<u>36,062,933,603</u>	<u>37,826,529,172</u>
Work in process			
Opening stock		368,363,944	326,794,669
Closing stock		(323,774,069)	(368,363,944)
		<u>44,589,875</u>	<u>(41,569,275)</u>
		<u>36,107,523,478</u>	<u>37,784,959,897</u>

	Note	2026 Rupees	2025 Rupees
26.1.1 Raw material consumed			
Opening stock		5,171,850,795	1,277,122,997
Purchases including purchase expenses		<u>26,182,321,760</u>	<u>33,418,098,615</u>
		31,354,172,555	34,695,221,612
Closing stock		<u>(3,981,036,308)</u>	<u>(5,171,850,795)</u>
		<u>27,373,136,247</u>	<u>29,523,370,817</u>
27. Trading profit			
Sale of cotton / polyester		101,114,582	249,633,050
Cost of sales		<u>83,419,530</u>	<u>205,947,266</u>
		<u>17,695,052</u>	<u>43,685,784</u>
28. Other income			
Income from financial assets:			
Profit on deposits		481,092,780	633,703,220
Dividend		28,292,248	27,442,248
Gain on disposal of short term investment		-	9,000
Adjustment in fair value of short term investment - net		45,859,354	66,587,494
Income from Non financial assets:			
Balances written back-net		3,620,279	10,223,324
Scrap Sale		<u>742,621</u>	<u>613,261</u>
		<u>559,607,282</u>	<u>738,578,547</u>
29. Distribution cost			
Ocean freight		89,452,467	172,580,282
Local freight		90,975,422	95,529,472
Clearing and forwarding		31,947,196	43,186,147
Export development surcharge		1,186,711	8,509,776
Insurance		163,656	1,292,437
Others		<u>85,803</u>	<u>61,244</u>
		<u>213,811,255</u>	<u>321,159,358</u>
30. Administrative expenses			
Directors' remuneration		6,800,000	6,800,000
Staff salaries and benefits		132,095,600	121,330,852
Retirement benefits		2,924,326	4,182,526
Postage and telecommunication		3,361,765	3,268,811
Vehicles running and maintenance		29,441,690	35,917,770
Travelling and conveyance		3,049,408	3,127,953
Printing and stationery		1,349,512	1,853,055
Electricity and gas		4,649,075	6,821,182
Fees, subscriptions and periodicals		11,190,875	14,368,403
Insurance		1,795,552	1,372,144
Auditors' remuneration	30.1	2,150,560	2,150,560
Legal and professional		2,484,910	4,008,039
Rent, rates and taxes		11,865,323	8,235,329
Entertainment		13,503,548	13,205,424
Depreciation	3.2	12,069,533	14,452,837
Provision for doubtful debts		191,975,216	15,000,000
Others		<u>1,137,044</u>	<u>1,927,913</u>
		<u>431,843,937</u>	<u>258,022,798</u>

	Note	2026 Rupees	2025 Rupees
30.1 Auditors' remuneration			
Audit fee		1,597,200	1,597,200
Fee for the review of half yearly financial information		399,300	399,300
Other Certifications		20,960	20,960
Out of pocket expenses		133,100	133,100
		<u>2,150,560</u>	<u>2,150,560</u>
31. Other operating expenses			
Workers' profit participation fund		59,869,712	88,946,605
Workers' welfare fund		22,304,402	33,136,970
Loss on disposal of short term investment		539,696	-
Loss on disposal of operating assets-net		55,767,308	25,202,300
Plot cancellation charges		-	17,332,028
		<u>138,481,118</u>	<u>164,617,903</u>
32. Finance cost			
Interest / mark up on:			
Long term finance		112,444,286	390,347,554
Short term borrowings		636,508,139	649,662,699
Workers' profit participation fund		4,034,033	3,583,566
Bank charges and commission		21,537,746	28,599,947
		<u>774,524,204</u>	<u>1,072,193,766</u>
33. Levies			
Minimum tax differential	33.1	30,643,520	43,228,052
Final taxes	33.2	<u>4,243,837</u>	<u>4,117,687</u>
		<u>34,887,357</u>	<u>47,345,739</u>
33.1	This represents portion of minimum tax paid under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.		
33.2	This represents final taxes paid under section 150 and 37 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.		
34. Provision for taxation		2026 Rupees	2025 Rupees
Current			
for the year		144,765,786	156,666,217
for prior year		(598,841,603)	(37,398,510)
Deferred		195,605,421	(21,877,743)
		<u>(258,470,396)</u>	<u>97,389,964</u>
34.1	Reconciliation of current tax charge as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:		
Current tax liability for the year as per applicable tax laws		179,653,143	204,011,956
Portion of current tax liability as per tax laws:			
representing income tax under IAS 12		(144,765,786)	(156,666,217)
representing levy in terms of requirements of IFRIC 21/IAS 37		(34,887,357)	(47,345,739)
Difference		<u>-</u>	<u>-</u>

34.2 Relationship between tax expense and accounting profit

	2026 Rupees	2025 Rupees
Accounting profit for the year before Levies and income tax	1,114,680,422	1,639,516,492
Tax on accounting profit at the applicable tax rate of 29%	323,257,322	475,459,783
Tax on inadmissible expenses	240,207,412	188,442,672
Tax on admissible expenses	(97,277,789)	(204,476,387)
Tax effect of super tax	31,432,302	35,595,044
Tax effect of worker welfare fund	(6,465,146)	(9,609,721)
Tax effect of final tax/exempt income	(342,144,478)	(324,627,487)
Minimum tax - levy	30,643,520	43,228,052
Levies and income tax	<u>179,653,143</u>	<u>204,011,956</u>

34.3 The aggregate of minimum / final tax and income tax, amounting to Rs. 179,653,143/- (2025: Rs. 204,011,956/-) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

	2026	2025
35. Earnings per share - Basic and diluted		
Profit for the year (Rupees)	<u>1,338,263,461</u>	<u>1,494,780,789</u>
Weighted average number of ordinary shares outstanding during the year	<u>191,421,099</u>	<u>191,421,099</u>
Earnings per share - Basic and diluted (Rupees)	<u>6.99</u>	<u>7.81</u>

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

36. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

	2026			2025		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
Remuneration	2,176,000	2,176,000	59,845,761	2,176,000	2,176,000	62,730,195
House						
Rent allowance	979,200	979,200	26,930,592	979,200	979,200	28,228,587
Medical allowance	217,600	217,600	5,984,576	217,600	217,600	6,273,019
Utilities allowance	27,200	27,200	748,072	27,200	27,200	784,127
	<u>3,400,000</u>	<u>3,400,000</u>	<u>93,509,001</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>98,015,928</u>
Number of persons	1	1	34	1	1	35

36.1 Chief Executive Officer is entitled to free use of the Company maintained vehicle. The monetary value of running and maintenance is Rs. 663,210/- (2025: Rs. 1,643,115/-). The Directors have waived off their meeting fee.

37. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Company / Subsidiary in the normal course of business carries out transactions with various related parties which comprise of, associated undertakings, key management personnel and provident fund. Amounts due to / from related parties are shown under the relevant notes to the financial statements. Remuneration to Chief Executive Officer, Director and Executives is disclosed in Note 36. Other significant transaction with related parties are as follows.

Name of the related party	Relationship and Percentage	Transactions during the year	2026 Rupees	2025 Rupees
Muhammad Zahid	Director	Loan obtained	-	148,225,000
		Loan repaid	148,225,000	84,700,000
Zahidjee Textile Mills Limited Staff Provident Fund	Other related party	Contribution for the year	28,810,163	16,696,172
Mehreen Fahad	Director	Security Deposits adjusted with rent	-	3,500,000
		Rent Expense	6,600,000	-
RK FIBRES (PRIVATE) LIMITED	Subsidiary	Shares Purchased	800,000	-
Haji Sharif	Related Party	Loan repaid	-	100,000,000
Muhammad Qasim	Related Party	Loan repaid	-	78,000,000

2026
Rupees

2025
Rupees

38. SHARIAH COMPLIANCE STATUS DISCLOSURE

Disclosures in relation to the statement of financial position - Liability

Long term financing as per Islamic mode	613,067,202	-
Short term financing as per Islamic mode	3,978,388,289	2,657,362,000
Accrued mark-up on conventional loans	79,986,225	92,765,290

Disclosures in relation to the statement of financial position - Assets

Bank balances that are Shariah compliant	353,670,136	53,819,340
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Disclosures in relation to the statement of Comprehensive Income

1. Revenue earned from shariah compliant business	38,304,881,634	40,608,062,590
2. Source and detailed breakup of other income		
Shariah compliant Income		
Profit on deposits	18,644,709	21,122,450
Balances written back-net	3,620,279	10,223,324
Scrap Sale	742,621	613,261
Earned from non-shariah compliant transactions		
Profit on deposits	462,448,071	612,580,770
Dividend	28,292,248	27,442,248
Adjustment in fair value of short term investment- net	45,859,354	66,587,494

Relationship with Shariah-compliant financial institutions

<u>Name of institution</u>	<u>Relationship with institution</u>
Dubai Islamic Bank Limited	Bank balance and Borrowings
BankIslami Pakistan Limited	Bank balance and Borrowings
Meezan Bank Limited	Bank balance and Borrowings
United Bank Limited	Bank balance and Borrowings

39. DISCLOSURE WITH REGARD TO PROVIDENT FUND

		2026	2025
Size of the fund	(Rupees)	28,810,163	24,366,394
Cost of investment made	(Rupees)	28,810,163	24,366,394
Percentage of investment made	(Percentage)	100%	100%
Fair value of investment	(Rupees)	28,810,163	24,366,394

39.1 The company re-introduced provident fund from April 2026 covering all permanent employees. The figures for 2026 are based on the un-audited financial statements of the provident fund trust. The comparative figures for 2025 represent the provident fund position for the period from July 2024 to November 2024 and have been presented for comparative purposes.

40. NUMBER OF EMPLOYEES

	2026	2025
Total number of employees as at June 30:		
Permanent	1023	1163
Temporary	1105	1421
	2128	2584
Average number of total employees during the year	2165	2573

41. PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning

Number of spindles installed	150,084	150,084
Number of spindles worked	150,084	150,084
Number of shifts per day	3	3
Installed capacity after conversion into 20/s count (Kgs)	64,548,127	64,548,127
Actual production of yarn after conversion into 20/s count (Kgs)	60,271,632	62,051,838

Weaving

Number of looms installed	262	262
Number of looms worked	262	262
Number of shifts per day	3	3
Annual production capacity converted into 60 picks (Square Meters)	39,801,902	39,801,902
Actual production converted into 60 picks (Square Meters)	30,273,613	36,065,443

41.1 Reasons for shortfall:

- It is difficult to determine precisely the production / rated capacity since it fluctuates widely depending on various factors such as speed, width and quality etc.
- The actual production is planned to meet the market demand.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through the mix of equity, debt and working capital management with a view to maintain an appropriate mix between various sources of finance to minimise risk. The overall risk management is carried out by the finance department under the oversight of Board of Directors in line with the policies approved by the Board.

	2026 Rupees	2025 Rupees
42.1 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets at amortised cost:		
Long term deposits	4,975,784	4,975,784
Trade debts	3,799,083,417	3,869,618,724
Loans, advances and deposit	-	589,709
Other receivables	207,985,503	385,367,275
Cash and bank balances	5,063,541,262	4,070,690,472
	<u>9,075,585,966</u>	<u>8,331,241,964</u>
Financial asset at fair value:		
Short term investments	<u>281,830,892</u>	<u>225,474,638</u>
Financial liabilities at amortised cost:		
Trade and other payables	3,603,670,917	2,823,737,533
Interest / mark up payable	92,731,245	186,572,329
Short term borrowings	5,047,903,140	5,316,693,264
Unclaimed dividend	12,873,679	12,873,679
Long term finance	1,182,688,328	3,499,244,829
	<u>9,939,867,309</u>	<u>11,839,121,634</u>

42.2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's activities expose it to a variety of financial risks (credit risk, liquidity risk and market risk). Risks measured and managed by the Company are explained below:

42.2.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The maximum exposure to credit risk at the reporting date is as follows:

	2026 Rupees	2025 Rupees
Long term deposits	4,975,784	4,975,784
Trade debts	3,799,083,417	3,869,618,724
Loans, advances and deposit	-	589,709
Other receivables	207,985,503	385,367,275
Short term investment	281,830,892	225,474,638
Bank balances	5,052,889,168	4,059,207,440
	<u>9,346,764,764</u>	<u>8,545,233,570</u>

Due to Company's long standing relations with counterparties and after giving due consideration to their financial standing, the management does not expect non performance by these counter parties on their obligations to the Company except trade debts considered doubtful.

For trade debts credit quality of the customer is assessed, taking into consideration its financial position and previous dealings. Individual credit limits are set. The management regularly monitor and review customers credit exposure. The aging of trade debts as at statement of financial position date is as under:

	2026 Rupees	2025 Rupees
Not past due	3,753,879,939	3,778,906,047
Past due	344,364,455	197,898,438
Less: Provision for doubtful debts	(299,160,977)	(107,185,761)
	45,203,478	90,712,677
	<u>3,799,083,417</u>	<u>3,869,618,724</u>

Appropriate provision has been made in respect of past due trade debts considered doubtful. The credit risk exposure is limited in respect of bank balances and short term investment as these are placed with local banks having good credit rating from international and local credit rating agencies.

The short term investment and bank balances alongwith credit rating is as follows.

	2026 Rupees	2025 Rupees
Credit Rating		
Short term investment		
A-1+	281,830,892	225,474,638
Bank balances		
AAA	180,632,535	129,188,818
AA+	-	8,864,275
AA	4,870,097,550	3,911,450,722
Others	2,159,083	9,703,625
	<u>5,052,889,168</u>	<u>4,059,207,440</u>

42.2.2 Market risk

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

i) Interest rate risk

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

Majority of interest rate risk arises from borrowings from banks and deposits in bank. The interest rate profile of the Company's interest bearing financial instruments is presented in relevant notes to the financial statements.

Sensitivity analysis

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period.

42.2.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity risk is to maintain sufficient level of liquidity by holding highly liquid assets and maintaining adequate reserve borrowing facilities. This includes maintenance of financial position liquidity ratios through working capital management. Following are the contractual maturities of financial liabilities including interest payments as at June 30, 2026 and June 30, 2025:

2026						
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years	
-----Rupees in thousand-----						
Financial liabilities:						
Trade and other payables	2,536,745	2,536,745	2,536,745	-	-	-
Interest / mark up payable	92,731	92,731	92,731	-	-	-
Short term borrowings	5,047,903	5,776,251	5,776,251	-	-	-
Unclaimed dividend	12,874	12,874	12,874	-	-	-
Long term finance	1,182,688	1,221,954	292,149	292,149	637,656	-
	8,872,941	9,640,555	8,710,750	292,149	637,656	-
2025						
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years	
-----Rupees in thousand-----						
Financial liabilities:						
Trade and other payables	2,823,738	2,823,738	2,823,738	-	-	-
Interest / mark up payable	186,572	186,572	186,572	-	-	-
Short term borrowings	5,316,693	6,037,850	6,037,850	-	-	-
Unclaimed dividend	12,874	12,874	12,874	-	-	-
Long term finance	3,499,245	3,925,452	553,906	553,906	2,758,759	58,882
	11,839,122	12,986,486	9,614,940	553,906	2,758,759	58,882

The contractual cash flows relating to mark up have been determined on the basis of weighted average mark up rates on borrowings. The Company will manage the liquidity risk from its own source through working capital management. As at the year end, the Company has liquid assets of Rs.10,825.79 million (2025: Rs. 10,052.70 million) and unavailed borrowing facilities of Rs. 17,942.10 million (2025: Rs. 16,193.31 million).

Fair value sensitivity analysis for fixed rate

The Company has no fixed rate financial assets and liabilities at fair value through profit and loss, therefore a change in interest rates at the reporting date would not effect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

Had the interest rate been increased / decreased by 1% at the reporting date with all other variables held constant, profit for the year and equity would have been lower / higher by Rs.75.23 million (2025: Rs. 86.33 million).

ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Company is exposed to currency risk on foreign debtors. The total foreign currency risk exposure on reporting date amounted to Rs.719.11 million (2025: Rs. 614.14 million).

At June 30, 2026, had the currency been weakened / strengthened by 5% against the U.S dollar and Euro, with all other variables held constant, profit for the year and equity would have been higher / lower by Rs.35.96 million (2025: Rs.31.48 million).

iii) Equity price risk

Trading and investing in equity securities give rise to equity price risk. At the financial position date the Company is exposed to equity price risk in respect of investments. The total equity price risk exposure on reporting date amounted to Rs. 281.83 million (2025: Rs. 225.47 million).

At June 30, 2026, had the quoted securities prices been increased / decreased by 5%, with all other variables held constant, short term investments and equity would have been higher / lower by Rs. 14.09 million (2025: Rs. 11.27 million).

42.3 Fair values of financial instruments

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

42.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay financing from / to financial institutions.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total of long term finance and short term borrowings. Total capital comprises shareholders' equity as shown in the financial position under 'share capital and reserves' and net debt (net of cash and cash equivalent).

The salient information relating to capital risk management of the company as of June 30, 2026 and 2025 were as follows:

	Note	2026 Rupees	2025 Rupees
Total Debt	16 & 17	6,230,591,468	8,815,938,093
Less: Cash and bank balances	14	5,063,541,262	4,070,690,472
Net Debt		1,167,050,206	4,745,247,621
Total equity		22,731,772,751	20,865,523,695
Total capital		23,898,822,957	25,610,771,316
Gearing ratio		4.88%	18.53%

43. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 5, 2026 by the Board of Directors of the Company.

44. GENERAL

44.1 Figures have been rounded off to the nearest Rupees except where mentioned in Rupees in thousands.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Categories of shareholders

AS ON 30-06-2026

Categories of Shareholders	Number	Shares held	Percentage
Directors, Chief Executive and their spouse and minor children			
Mr. Muhammad Zahid	2	41,400,062	21.6
Mr. Faisal Masood Afzal	1	1,060	0.0
Mr. Ahmad Zahid	2	143,565,824	75.0
Mr. Sajjad Hussain Shah	1	499	0.0
Ms. Mehreen Zahind	1	500	0.0
Mr. Shahbaz Haider Agha.	1	500	0.0
Mr. Muhammad Ali	1	500	0.0
Associated Companies, undertakings	-	-	0.0
Related Parties	-	-	0.0
NIT AND ICP	-	-	0.0
M/S Industrial Development Bank of Pakistan	1	4,709	0.0
			0.0
Banks, Development Finance Institutions,	-	-	0.0
Non Banking Finance Companies, Insurance	-	-	0.0
Companies, Modarabas, Pension Fund	-	-	0.0
And Riet Management.	-	-	0.0
Mutual Fund	-	-	0.0
Joint Stock Companies	9	2,257,394	1.2
Ind. / General Public	-	-	0.0
Local	3,578	4,190,051	2.2
Foreign.	-	-	0.0
Total	3,597	191,421,099	100.00

Shareholders holding 5% (or more)	2	184,965,886	96.28
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Pattern of Shareholding**AS ON 30-06-2026**

No. of Shareholders	Shareholding		Total
	From	To	Shares held
372	1	100	12,120
981	101	500	279,866
600	501	1,000	430,536
1,557	1,001	5,000	1,998,164
40	5,001	10,000	302,154
23	10,001	15,000	287,278
6	15,001	20,000	110,223
2	20,001	25,000	48,339
2	25,001	30,000	53,786
1	30,001	35,000	34,891
2	35,001	40,000	79,000
1	40,001	45,000	44,599
1	45,001	50,000	50,000
1	50,001	55,000	54,238
1	95,001	100,000	100,000
1	145,001	150,000	149,381
1	175,001	180,000	176,300
1	665,001	670,000	665,434
1	1,085,001	1,090,000	1,090,000
1	2,240,001	2,245,000	2,244,338
1	40,730,001	40,735,000	40,734,628
1	142,475,001	142,480,000	142,475,824
3,597			191,421,099

FORM OF PROXY

I/We, _____ of _____, holding Computerized National Identity Card (CNIC)/Passport No. _____ and being a member of Zahidjee Textile Mills Limited, hereby appoint _____ of _____, holding CNIC/Passport No. _____, or failing him/her hereby appoint _____ of _____, holding CNIC/Passport No. _____, as my/our proxy to vote for me/us and on my/our behalf at the (Annual, Extra-ordinary, as the case may be) general meeting of company to be held on the day of and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____

WITNESS:

1. Signature _____
 Name _____
 Address _____
 CNIC No. _____

2. Signature _____
 Name _____
 Address _____
 CNIC No. _____

CDC Account No.

Revenue Stamp of Rs. 5/-

To be signed by the above named shareholder

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.
4. The proxy-holder shall produce his/her original CNIC at the time of the meeting.
5. In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

پراکسی فارم

میں / ہم ----- ساکن ----- حامل کمپیوٹرائزڈ کارڈ (CNIC) / پاسپورٹ نمبر -----

اور بطور رکن زاهد جی ٹیکسٹائل ملز لمیٹڈ ----- حامل کمپیوٹرائزڈ کارڈ (CNIC) / پاسپورٹ نمبر -----

یا اس کی عدم موجودگی میں ----- حامل کمپیوٹرائزڈ کارڈ (CNIC) / پاسپورٹ نمبر ----- کو مورخہ ----- کو

منقعد ہونے والے سالانہ اجلاس عام اور اس کے کسی ملتوی شدہ اجلاس کے لیے میری / ہماری جانب سے ووٹ ڈالنے کے لیے بطور نمائندہ (پراکسی) تقرر کرتا ہوں / کرتی ہوں / کرتے ہیں۔

گواہان کی موجودگی میں میرے / ہمارے / ہماری دستخط / مہر بروز ----- کو ثبت کئے گئے / کی گئی۔

گواہان:

1- دستخط -----	2- دستخط -----
نام -----	نام -----
پتہ -----	پتہ -----
کمپیوٹرائزڈ شناختی کارڈ نمبر -----	کمپیوٹرائزڈ شناختی کارڈ نمبر -----

پانچ روپے کی اسٹمپ

حصص یافتہ کے دستخط

سی ڈی سی اکاؤنٹ نمبر

نوٹس:

- 1- یہ پراکسی فارم، مکمل اور دستخط شدہ، کمپنی کے رجسٹرڈ دفتر میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے پراکسی کا ممبر ہونا لازمی ہے۔
- 2- پراکسی فارم پر دو گواہان کے نام، پتے اور سی این آئی سی نمبر درج ہونے چاہیے۔
- 3- پراکسی فارم کے ساتھ تقرر کرنے والے اور پراکسی کے حامل فرد کے سی این آئی سی کی تصدیق شدہ نقول جمع کی جائیں گی۔
- 4- اجلاس کے وقت پراکسی کا حامل شخص اپنا اصل شناختی کارڈ فراہم کرے گا۔
- 5- کارپوریٹ ادارے کی صورت میں، ادارے کے بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹرنی بشمول نمونہ دستخط پراکسی فارم کے ساتھ جمع ہوں گی۔

ZAHIDJEE TEXTILE MILLS LIMITED

Zahidjee House:131-A,P-Street , Upper Mall, Lahore.

Tel:042-35777291-5 URL:www.zahidjee.com.pk