

SUNRAYS TEXTILE MILLS LIMITED



ANNUAL REPORT
2026

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COMPANY PROFILE
BOARD OF DIRECTORS

- | | |
|----------------------------|-----------------|
| 1. Mian Imran Ahmed | Chairman |
| 2. Mr. Kashif Riaz | Chief Executive |
| 3. Mr. Naveed Ahmed | |
| 4. Mian Shahzad Ahmed | |
| 5. Mrs. Fadia Kashif | |
| 6. Mr. Shahwaiz Ahmed | |
| 7. Ms. Mehr-un-Nisa Kashif | |
| 8. Mr. Shafqat Masood | |
| 9. Mr. Faisal Hanif | |
| 10. Ms. Azra Yaqub Vawda | |
| 11. Mr. Farooq Hassan | |

AUDIT COMMITTEE

- | | |
|-----------------------|------------|
| 1. Mr. Faisal Hanif | (Chairman) |
| 2. Mr. Shahwaiz Ahmed | (Member) |
| 3. Mr. Shafqat Masood | (Member) |

HUMAN RESOURCES AND REMUNERATION COMMITTEE

- | | |
|----------------------------|------------|
| 1. Mr. Faisal Hanif | (Chairman) |
| 2. Mrs. Fadia Kashif | (Member) |
| 3. Ms. Mehr-un-Nisa Kashif | (Member) |

CHIEF FINANCIAL OFFICER

Mr. Shabbir Kausar

CHIEF INTERNAL AUDITOR

Mr. Imran Iftikhar

COMPANY SECRETARY

Mr. Ahmed Faheem Niazi

LEGAL ADVISOR

Mr. Yousuf Naseem

Advocates & Solicitors

REGISTERED OFFICE

5th floor, Office # 508, Beaumont Plaza,
Beaumont Road, Civil Lines Quarters, Karachi

SYMBOL OF THE COMPANY

SUTM

WEBSITE

<http://www.Indus-group.com>

REGISTRAR & SHARE TRANSFER OFFICE

JWAFFS REGISTRAR SERVICES (PVT) LTD

Office # 20, 5th Floor, Arkay Square Extension,
New Chali, Shahrah-e-Liaquat, Karachi

Tel. 35662023 – 24

Fax. 35221192

FACTORY LOCATION

Khanpur Shomali Bagga Sher M.M. Road Muzaffar Garh

AUDITORS

Yousuf Adil

Chartered Accountants

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting of Sunrays Textile Mills Limited will be held at Indus Dyeing & Manufacturing Company Limited, Plot No. 3 & 7, Sector No. 25, Korangi Industrial Area, Karachi on Tuesday, October 27, 2026 at 4:30 P.M. to transact the following business:

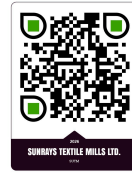
ORDINARY BUSINESS:

- 1.To confirm minutes of the Annual General Meeting held on October 28, 2025.
- 2.To receive, consider, approve and adopt the audited consolidated and un consolidated financial statements of the Company for the financial year ended June 30, 2026,together with the Directors' and Auditors' Reports thereon and Chairman's Review Report;
- 3.In accordance with Section 223 of the Companies Act, 2017 and pursuant to the S.R.O. 389(I)2023 dated March 21, 2023, the annual report the Company, including the annual audited financial statements, auditor's report, Directors' report, Chairman's review report and other reports contained therein, can be accessed through the following web link and QR enabled code.

Weblink

<https://indus-group.com/financial-information-sutm/>

QR Enabled Code



- 4.To appoint the Statutory Auditors for the year ending June 30, 2027 and to fix their remuneration. The Board of Directors on the recommendation of Audit Committee has recommended the appointment of retiring auditors, Messers Yousuf Adil, Chartered Accountants who being eligible have offered themselves for re-appointment;

SPECIAL BUSINESS:

5. To ratify the transactions carried out by the Company with related parties disclosed in the Financial Statements for the year ended June 30, 2026 by passing the following resolution with or without modification:
Resolved That all related parties transactions carried out by the Company as disclosed in Note No. 40 of the Financial Statements of the Company for the year ended June 30, 2026 be and are hereby noted, ratified and approved.
- 6.To approve potential transactions with related parties intended to be carried out in the financial year 2026-2027 and to authorize the Board of Directors of the Company to carry out such related party transactions at its discretion from time to time, irrespective of the composition of the Board of Directors affected due to majority of Board members are interested in any agenda item.

The resolutions to be passed in this respect (with or without modification) as special resolutions are as under:

Resolved Further That in accordance with the policy approved by the Board and subject to such conditions as may be specified from time to time, the Company be and is hereby authorized to carry out transactions with the related parties for the fiscal year 2026-27.

Resolved Further That the board of directors of the Company may, at its discretion, approves specific related party/parties transaction(s) from time to time, irrespective of the composition of the Board, affected due to majority of Board members are interested in any agenda item till the next Annual General Meeting. However, in order to ensure transparency in these transactions.

All such transactions shall be placed before the shareholders in the next Annual General Meeting for their noting/ratification/approval.

- 7.To transact any other business with the permission of the chair.

**By Order of the Board
Ahmed Faheem Niazi**

Karachi

Date : October 2, 2026

Company Secretary

1. The Share Transfer Books of the Company will remain closed for the period from October 21, 2026 to October 27, 2026 (both days inclusive). Transfers received in order at the Office of Company's Share Registrar **M/s. Jwaffs Registrar Services (Pvt) Ltd, Office # 20, 5th floor, Arkay Square Extension, New Chali, Shahrah e Liaquat, Karachi.** ('Registrar') at the close of business on October 20, 2026 will be considered in time to attend and vote at the Meeting.

2. Availability of Financial Statements and Reports on the Website

The Annual Report of the Company for the year ended June 30, 2026 has been placed on the Company's website <https://www.indus-group.com>. The Annual Reports and quarterly financial statements of prior periods are also available. <https://indus-group.com/download/>

3. Pursuant to Section 223 of the Companies Act, 2017, the Company is allowed to send audited financial statements and reports to its members electronically. Members are therefore requested to provide their valid email IDs. For convenience, a Standard Request Form has also been made available on the Company's website www.indus-group.com

4. Access and Transmission of Annual Report

In accordance with the provision of section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389 (1) 2023 dated March 21, 2023, the Company has circulated the notice of AGM along with QR enabled code and web link to view and download the audited financial statements of the Company for the year ended June 30, 2026.

5. Transmission of Annual Report through Email

Pursuant to the SRO No. 787(I)/2024 dated: September 08, 2014, issued by the Securities and Exchange Commission of Pakistan, permitted the Company to circulate its Annual Balance Sheet, Profit and Loss Account, Auditor's Report and Directors' Report etc., ("Annual Report") along with the notice of Annual General Meeting ("Notice"), to its shareholders by email. Shareholders of the Company, who wish to receive the Company's Annual Report and Notice by email, are requested to provide complete Electronic Communication details to the Share Registrar of the Company. However, the Company may provide a hard copy of the Annual Report and Notice to such members on their request, free of cost, within seven days of receipt of such request.

6. Members (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company **M/s. Jwaffs Registrar Services (Pvt) Ltd, Office # 20, 5th floor, Arkay Square Extension, New Chali, Shahrah-e-Liaquat Karachi.**

A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding 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 accounts holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his original CNIC or Passport at the time of attending the Meeting.

ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. FOR APPOINTING PROXIES:

i. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC 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 the passport of the beneficial owner 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 meeting.

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

7. Members are requested to notify Change in their addresses, if any; in case of book entry securities in CDS to their respective participants/investor account services and in case of physical shares to the Registrar of the Company by quoting their folio numbers and name of the Company at the above mentioned address, if not earlier notified/submitted.

8. Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001

Pursuant to the provisions of the Finance Act 2019 effective July 1, 2019, the rates of deduction of income tax from dividend payments under the income Tax Ordinance, have been revised as follows:

(a)	Rate of tax deduction for filer of income tax returns	15%
(b)	Rate of deduction for non-filer of income tax returns	30%

The income tax is deducted from the payment of dividend according to Active Tax -Payers List (ATL) provided on the website of FBR. All those shareholders who are filers of income tax returns are therefore advised to ensure that their names are entered into ATL to enable the Company to withhold income tax from payment of cash dividend @ 15% instead of 30%.

Further, according to clarification received from FBR, withholding tax will be determined separately on 'Filer /Non Filer' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions in case of joint accounts held by the shareholders.

In this regard, all shareholders who hold shares jointly are requested to provide the shareholding proportions of Principal Shareholder and Joint-holders in respect of shares held by them to our Shares Registrar, in writing. The joint accounts information must reach to our Shares Registrar within 10 days of this notice. In case of non-receipt of the information, it will be assumed that the shares are equally held by Principal Shareholder and the Joint-holder(s).

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be.

9. Dividend Mandate and Payment of Cash Dividend through Electronic Mode

The provisions of Section 242 of the Companies Act, 2017 require that the dividend payable in cash shall only be paid through electronic mode directly into the bank accounts designated by the entitled shareholders. Therefore, for making compliance to the provisions of the law, all those physical shareholders who have not yet submitted their IBAN bank account details to the Company are requested to provide the same on the Dividend Mandate Form available on Company website at www.indus-group.com.

Non CDC shareholders are requested to send valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity) to the Registrar of the Company. Please note that CNIC number is mandatory for issuance of dividend warrants and in the absence of this information payment of dividend shall be withheld.

CDC shareholders who have also not provided their IBAN bank account details are also requested to provide the same to their Participants in CDC and ensure that their IBAN bank account details are updated. In case of unavailability of IBAN, the Company would be constrained to withhold dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

10. Video-Link Arrangement for online Participation in the 35th Annual General Meeting of the Company

Shareholders interested in attending the Annual General Meeting (AGM) through video link facility are requested to get themselves registered with the Company Secretary office at least two working days before the holding of the time of AGM at corporate.affairs@indus-group.com by providing the following details:-

Name of Shareholder	CNIC NO	Folio CDC No.	Cell No.	Email address

- The Login facility will remain open from 04:00 P.M. till the end of the meeting.
- Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.
- Shareholders will be able to login and participate in AGM proceedings through their smart phone or computer devices from their home after completing all the facilities required for the identification and verification of the Shareholders.

The Company will follow the best practices and comply with the instructions of the Government and SECP to ensure protective measure are in place for the well-being of its members.

11. Video Conference Facility

Members may avail video conference facility for this Annual General Meeting other than Karachi, provided the Company receives consent (standard format is given below) atleast 07 days prior to the date of the Meeting from members holding in aggregate 10% or more shareholding residing at respective city.

The Company will intimate respective members regarding venue of the video-link facility before the date of Meeting along with complete information necessary to enable them to access the facility.

I/we _____ of _____ being member(s) of Sunrays Textile Mills Limited, holder of _____ Ordinary Share(s) as per Registered Folio No./CDC Account No. _____ hereby opt for video conference facility at _____ in respect of 35th Annual General Meeting of the Company.

Signature of Member

12. Deposit of Physical Shares into Central Depository

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. Further SECP vide Letter dated March 26, 2021 has advised to comply Section 72 of the Act and encourage shareholders to convert their shares in book-entry form.

In light of above, shareholders holding physical share certificates are requested to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into scripless form. This will facilitate the shareholders to streamline their information in member's Register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in scripless form allows for swift sale / purchase.

13. Unclaimed Dividends and Bonus Shares

Shareholders, who for any reason, could not claim their dividend and/or bonus shares are advised to contact our Shares Registrar M/s. Jwaffs Registrar Services (Pvt) Limited to collect/enquire about their unclaimed dividends and/or bonus shares if any.

14. Postal Ballot

Pursuant to companies (Postal Ballot) Regulations, 2018 for the agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through e-voting, in accordance with the requirements and procedure contained in the aforesaid regulations.

15. Prohibition of Gifts

In compliance with Section 185 of the Act Read with circular 2 of 2018. Dated February 09. 2018, and S.R.O. 452(I)/2025 dated March 17, 2025 of SECP has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (token/coupons/lunches/takeaway/packages) in any form or manner to the shareholder at or in connection with General Meetings.

Statement of Material facts concerning special business pursuant to section 134 (3) of the Companies Act, 2017

This statement sets out the material facts concerning the Special Business given in agenda item(s) No.5 to 6 of this Notice of AGM, which will be considered to be transacted in the AGM of the Company. The purpose of this statement is to set forth the material facts concerning such Special Businesses:

Agenda Item No. 5 & 6 of the Notice –

The related parties transactions carried out in normal course of business with associated companies and related parties were being approved by the Board of Directors as recommended by the Audit Committee on quarterly basis pursuant to Section 208 of the Companies Act, 2017 and Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the group companies, the quorum of directors could not be formed for approval of these transactions pursuant to Section 207 of the Companies Act, 2017 and therefore, these transactions have to be approved by the shareholders in General Meeting as a special resolution in terms of section 208 of the said Act.

In view of the above, the normal business transaction(s) / agreement(s) / contract(s) conducted for the period from 01 July 2025 to 30 June 2026 with related parties as disclosed in Note No. 40 of the Financial Statements of the Company for the year ended June 30, 2026, are being placed before the shareholders of the Company for their consideration and approval/ratification.

Likewise, since related party transactions are an ongoing process and a restriction to carry out business with related parties merely due to absence of valid quorum would adversely affect the business of the Company. Therefore, shareholders are being approached to grant the broad approval for such transactions to be entered into by the Company, from time to time, at the discretion of the Board (and irrespective of its composition affected due to majority of Board members are interested in any agenda item). The Company shall comply with its policy pertaining to transactions with related parties as stated above to ensure that the same continue to be carried out in a fair and transparent manner and on an arm's length basis. This would also ensure compliance with the Section 208(1) of the Companies Act, 2017 of which requires that shareholders' approval shall be required where the majority directors are interested in any related party transactions and regulation 4 of the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 which sets out the conditions for transactions with related parties to be characterized as "arm's length transactions" and states that the parties to the transaction must be unrelated in any way.

Further; it is not possible for the Company or the directors to accurately predict the nature of the related party transaction(s) or the specific related party(ies) with which the transaction(s) shall be carried out. In view of the same and in order to ensure smooth supply during the year, the Company seeks the broad approval of the shareholders that the Board may cause the Company to enter into transactions with related party / parties from time to time in its wisdom and in accordance with the policy of the Company for the fiscal year 2026-27.

All such transactions will be clearly stipulated at the end of the next financial year in the company's Annual Report. In addition to this all such transactions shall also be placed before the shareholders in the next General Meeting for their noting approval/ ratification.

The Directors are interested in these resolutions only to the extent of their common directorship and shareholding in the associated companies.

Directors Interest:

The Directors do not have any interest in the Special Business, whether directly or indirectly, except to the extent of their shareholding in the Company.

BALLOT PAPER FOR VOTING THROUGH POST SUNRAYS TEXTILE MILLS LIMITED

Registered Office: 508, 5th Floor, Beaumont Plaza, Beaumont Road, Civil Lines Quarters, Karachi .

Contact: (92-21) 111-404-404 & 35693641 – 3660 | **Website:** www.indus-group.com

For poll to be held at the Annual General Meeting of Sunrays Textile Mills Limited “Company” will be held on **Tuesday October 27, 2026** at 4:30 PM at Indus Dyeing & Manufacturing Company Limited, Plot No. 3 & 7, Sector No. 25, Korangi Industrial Area, Karachi.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent at corporate.affairs@indus-group.com

Name of shareholder/joint shareholder(s):	
Registered Address of the Shareholder(s):	
Folio No., CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC, NICOP/Passport No. (In case of foreigner) (Copy to be attached)	
<u>Additional Information and enclosures</u> (In case of representative of body corporates and corporations and Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

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

Special Resolution
Agenda Item 5. To ratify the transactions carried out by the Company with related parties disclosed in the Financial Statements for the year ended June 30, 2026 by passing the following resolution with or without modification as a special resolution: Resolved That all related parties transactions carried out by the Company as disclosed in Note No. 40 of the Financial Statements of the Company for the year ended June 30, 2026 be and are hereby noted, ratified and approved. Agenda Item 6. To approve potential transactions with related parties intended to be carried out in the financial year 2026-2027 and to authorize the Board of Directors of the Company to carry out such related party transactions at its discretion from time to time, irrespective of the composition of the Board of Directors affected due to majority of Board members are interested in any agenda item. The resolutions to be passed in this respect (with or without modification) as special resolutions are as under: Resolved Further That in accordance with the policy approved by the Board and subject to such conditions as may be specified from time to time, the Company be and is hereby authorized to carry out transactions with the related parties for the fiscal year 2026-27. Resolved Further That the board of directors of the Company may, at its discretion, approves specific related party/parties transaction(s) from time to time, irrespective of the composition of the Board, affected due to majority of Board members are interested in any agenda item till the next Annual General Meeting. However, in order to ensure transparency in these transactions. All such transactions shall be placed before the shareholders in the next Annual General Meeting for their noting/ratification/approval.

I/we hereby exercise my/our vote in respect of above mentioned special resolutions through postal ballot by conveying my/our assent or dissent to the said resolutions by placing tick () mark in the appropriate box below:

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1.	Special Resolution as per the Agenda Item No. 05 (as given above)			
2.	Special Resolution as per the Agenda Item No. 06 (as given above)			

NOTES:

1. Duly filled in postal ballot should be addressed to the Chairman of AGM at Sunrays Textile Mills Limited, 5th floor, Office No. 508, Beaumont Plaza, Beaumont Road, Civil Lines Quarters, Karachi or through email at: corporate.affairs@indus-group.com to the company in business hours on or before October 26, 2026, i.e. one day before the AGM to be held on October 27, 2026. Any Postal Ballot paper received after this date, will not be considered for voting;
2. The signature on the Ballot Paper shall match with signature on the CNIC;
3. This Postal Ballot paper containing the Special Resolutions to be passed at the AGM and is also available on the website of the Company i.e. www.indus-group.com
4. Copy of CNIC, NICOP/Passport No. (In case of foreigner) should be enclosed with the postal ballot form;
5. Postal Ballot paper should reach the Chairman on or before October 25, 2026. Signature on postal poll paper should match with signature on CNIC, NICOP/Passport (In case of foreigner); and
6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

Shareholder/Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Place: _____
Date: _____

VISION

To be a most successful company in terms of quality products, services & financial

MISSION

To provide quality products & services to our customers and handsome return to the shareholders.

CHAIRMAN'S REVIEW

FOR THE YEAR ENDED JUNE 30, 2026

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Chairman's Review on the performance of the Board and the Company for the year ended June 30, 2026, together with the annual results, and to cordially invite you to attend the **35th Annual General Meeting** of the Company.

FY2026 was a year of resilience, disciplined execution and strategic focus. Despite global economic uncertainties, geopolitical developments and challenges facing the textile industry, the Company remained focused on operational efficiency, strengthening its competitive position and creating sustainable value for stakeholders.

Review of the Board's Performance

The Eleven-member Board comprised three Independent Directors, seven Non-Executive Directors and one Executive Director, with women representing three of the eleven positions. The Board's diverse skills, experience and independent judgment enabled effective oversight of business performance, governance, risk management and sustainability.

The Board continued to work closely with Management in reviewing strategic priorities, key investments and emerging risks and opportunities. Board Committees effectively discharged their responsibilities in accordance with their approved Terms of Reference, particularly in financial reporting, internal controls, risk management, governance, human capital and sustainability. The Board also reviewed the effectiveness of the internal control and internal audit functions, while the annual self-assessment confirmed the Board's continued effectiveness.

Review of the Company's Performance

The business environment remained challenging, particularly for the spinning segment, due to rising operating costs, higher power tariffs, constrained availability and quality of domestic cotton, and disruptions in international supply chains resulting from regional geopolitical developments.

Despite these challenges, the Company maintained a substantial share of its revenue through prudent management, operational efficiency and cost control. This reflects the effectiveness of the Board's strategic direction and the continued dedication of Management.

ESG considerations remained an important part of the Board's deliberations. The Company continued to monitor sustainability and climate-related risks and advance its sustainability and diversity, equity and inclusion priorities. Investment in renewable energy, together with community development and employee engagement initiatives, further reflects the Company's commitment to sustainable growth and responsible business practices.

Future Outlook

Looking ahead, the Company will continue to focus on cost optimization, operational efficiency, process improvement and sustainable growth while responding prudently to evolving market conditions. The Board remains committed to providing effective strategic oversight and supporting Management in strengthening the Company's resilience and long-term competitiveness.

I am satisfied with the overall performance of the Board during FY2026 and its effectiveness in providing strategic direction and oversight. On behalf of the Board, I sincerely appreciate my fellow Directors for their commitment and valuable contribution, and extend my gratitude to our shareholders, customers, employees, business partners and regulators for their continued trust and support.

October 2, 2026



Mian Imran Ahmed
Chairman

DIRECTORS REPORT TO SHAREHOLDERS

FOR THE YEAR ENDED JUNE 30, 2026

The Directors of Sunrays Textile Mills Limited are pleased to present the Annual Report together with the audited Financial Statements for the year ended June 30th, 2026 before the 34th Annual General Meeting of the Company.

COMPOSITION OF BOARD

The composition of the Board is in compliance with the requirements of the Code of Corporate Governance regulations, 2019 applicable on listed entities which is given below:

Total Number of Directors

Male 08

Female 03

Composition

Executive Director 01

Independent Director 03

Non-Executive Director 07

Category	Names
Independent Directors	Mr. Faisal Hanif Ms. Azra Yaqub Vawda Mr. Farooq Hassan
Executive Directors	Mr. Kashif Riaz (CEO)
Non-Executive Directors	Mr. Naveed Ahmed Mian Shahzad Ahmed Mian Imran Ahmed Mrs. Fadia Kashif Mr. Shahwaiz Ahmed Ms. Mehr-un-Nisa Kashif Mr. Sheikh Shafqat Masood
Female Director	Ms. Azra Yaqub Vawda Mrs. Fadia Kashif Ms. Mehr-un-Nisa Kashif

Financial and operational result

The Company earned pretax profit of Rs. 483.626 Million for the year ended June 30, 2026.

	Rs.000	
Highlights:	2026	2025
Pretax profit for the year	765,141	308,532
Taxation	(393,159)	(232,760)
Profit after taxation	371,982	75,772
Deferred tax and others	342	634
Un-appropriated profit brought forward	495,987	351,733
Profit available for appropriations	868,311	428,139
Transfer from surplus on revaluation of fixed assets	117,814	67,848
Un-appropriated profit carried forward	986,125	495,987

DIVIDEND

The Board of Directors have not declared any dividend for the year ended June 30, 2026

BUSINESS OVERVIEW

Your company reported a profit after tax of Rs. 371.982 million, increased from Rs. 75.772 million in the same period last year. The primary reason for the increase in profit after tax is because of decrease in finance cost. During this period, the company invested Rs.224.326 million in fixed assets. This is part of the company's plan to improve the quality and increased its solar power generation capacity as part of its ongoing efforts to reduce electricity costs, improve energy efficiency, and reduce the manufacturing cost. These investments were financed through retained earnings.

FUTURE OUTLOOK

The outlook for Pakistan's spinning industry remains challenging, with opportunities emerging alongside significant structural and cost-related pressures. The industry is expected to remain sensitive to the availability and cost of quality cotton, energy tariffs, interest rates, exchange-rate movements, international demand and increasing competition from regional textile-producing countries. Recent improvement in textile exports and growth in cotton yarn exports indicate that international demand for Pakistani textile products continues to provide opportunities for the spinning sector. However, declining domestic cotton production remains a major concern and may increase reliance on imported raw cotton, thereby exposing manufacturers to international commodity prices, freight costs and exchange-rate fluctuations. In this environment, the Company remains focused on prudent cost management, process optimization, product quality and efficient utilization of resources. The Company will continue to explore opportunities for producing high-quality and value-added products while maintaining operational flexibility to respond to changing market conditions. The US–Iran conflict can have a significant indirect impact on Pakistan's spinning industry, mainly through energy prices, shipping costs and overall inflation rather than through direct disruption to cotton production. Current reporting shows that the conflict has already affected Gulf energy supplies and shipping routes. Despite the prevailing challenges, the management remains cautiously optimistic about the long-term prospects of the spinning sector. Continued improvement in operational efficiency, supply-chain management, product diversification and market development is expected to support sustainable growth and create long-term value for shareholders and other stakeholders.

CORPORATE SOCIAL RESPONSIBILITY

The Company always committed to prioritize its social responsibilities in the best interest of all stakeholders and overall business environment. This being a continuous process, the conservation of natural resources, reduction in wastages, enhancement of recycling, improvement of energy efficiency and enhancement of environmental performance by reducing spills and releases were the top priorities while observing the “Corporate Social Responsibility”. Like prior years targets were set for reduction in the natural gas consumption and use of water based on the achievements made in prior years. The continued initiatives includes ;

- Waste water treatment
- conservation of natural resources
- reduction in wastages
- enhancement of recycling, improvement of energy efficiency, and
- enhancement of environmental performance by reducing spills and releases

POST BALANCE SHEET EVENTS

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's report.

RELATED PARTY TRANSACTIONS

In accordance with the requirement of Code of Corporate Governance, the company presented all related party transactions before the audit committee and the board for the review and approval. The details of all related Party transactions have been provided in Note 40 of the annexed financial statements for the year ended June 30, 2026

CORPORATE GOVERNANCE, FINANCIAL REPORTING AND INTERNAL CONTROL SYSTEM

The Director confirms compliance with corporate and financial reporting framework as per the Listing Regulations of the Stock Exchange as follows:

- The financial statements, prepared by the management of the company present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There has been no deviation from the best practice of corporate governance, as mentioned in the listing regulations.

- Key operating and financial data for the last six year is annexed and Gender pay Gap as at 30 June 2026 is annexed.
- There are no statutory payments on account of taxes, duties, levies and charge which are outstanding as on June 30th 2019 except for those disclosed in financial statements.
- There has been no trading of shares by Chief Executive, Director, Financial Officer, Company Secretary, their spouses and minor children, during the year.

BOARD & SUB COMMITTEE MEETINGS

- During the year meetings of the Board were held Attendance by each director is as follows.

Name of Directors	Board of Directors 4 - Meetings	Audit Committee 4 – Meetings	HR & R 1 - Meeting
	Attended	Attended	Attended
Mian Imran Ahmed	4/4		
Mr. Kashif Riaz	4/4		
Mian Shahzad Ahmed	4/4		
Mr. Naveed Ahmed	4/4		
Mrs. Fadia Kashif	4/4		1/1
Mr. Shahwaiz Ahmed	4/4	4/4	
Ms. Mehr-Un-Nisa Kashif	4/4		1/1
Mr. Sheikh Shafqat Masood	3/4	4/4	
Mr. Farooq Hassan	4/4		
Mr. Faisal Hanif	4/4	4/4	1/1
Ms. Azra Yaqub Vawda	4/4		

BOARD OF DIRECTORS

- During the period under the review received in shares through gift of the company by the CEO, Directors, spouses and Minors

N / A

DIRECTORS REMUNERATION

The directors have a formal remuneration policy for its directors (Executive/Non-Executive) duly approved by the Board of Directors. The policy has been designed as a component of HR strategy and both are required to support business strategy. The Board believes that the policy is appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the company as well as to create congruence between Directors, executives and shareholders.

APPOINTMENT OF AUDITORS

Messer's Yousaf Adil, Chartered Accountants, a reputable Chartered Accountants Firm completed its tenure of appointment with the company and being eligible has offered its services for another term. The Board of Directors of Company, based on the recommendation of the audit committee of the board, has proposed Yousuf Adil for reappointment as auditors of the company for the ensuring year.

AUDIT COMMITTEE

The Board of Directors constituted a fully functional Audit Committee comprising three members, one is Independent Director and two are non-executive Director. The terms of reference of the committee, interalia, consists of ensuring transparent internal audits, accounting and control systems, adequate reporting structure as well as determining appropriate measure to safeguard the Company's assets.

PATTERN OF SHAREHOLDING

The pattern of share holding as at June 30th, 2026 as required under the Companies Act 2017, and the code of Corporate Governance, is annexed to this report.

INTERNAL AUDIT FUNCTION

The board have setup efficient and energetic internal control system with operational, financial and compliance controls to carry on the business of the company. Internal audit findings are reviewed by the Audit Committee, and where necessary, action is taken in the basis of recommendations contained in the internal audit reports.

WEB PRESENCE

Annual and periodic financial statements of the company are also available on the website of the company <http://indus-group.com> for information of the shareholders and others.

ACKNOWLEDGEMENT

The directors are pleased to place on record their appreciation for the contribution made by employees of the company and look forward for same cordial relationship in coming years. In addition, management also acknowledges the role of all the financial institutions, customers, suppliers and other stakeholders for their continued support.

On Behalf of the Board of Directors


Chief Executive Officer
Karachi

Dated: October 02, 2026


Director

SIX YEAR KEY OPERATING AND FINANCIAL DATA

FROM 2021 TO 2026

(Rupees in 000)

	2026	2025	2024	2023	2022	2021
OPERATING DATA						
Sales	19,601,219	19,257,156	20,148,888	9,654,366	9,757,682	8,640,883
Cost of Goods Sold	17,811,363	17,754,041	18,544,262	8,829,381	7,156,924	7,059,086
Gross Profit	1,789,856	1,503,115	1,604,626	824,985	2,600,758	1,581,797
Profit Before Taxation	763,491	309,546	482,950	415,891	2,062,363	1,239,043
Profit After Taxation	370,496	76,623	177,194	287,817	1,909,806	1,150,164
FINANCIAL DATA						
Paid Up Capital	207,000	207,000	207,000	207,000	207,000	207,000
Fixed Assets	7,872,432	8,397,974	7,670,516	7,338,745	4,226,358	1,663,452
Current Assets	13,467,133	11,513,260	7,547,016	4,864,831	5,496,620	4,296,801
Current Liabilities	9,081,011	7,676,275	4,019,550	1,279,970	858,078	547,933
KEY RATIOS						
Gross Margin	9.13%	7.81%	7.96%	8.55%	26.65%	18.31%
Net Profit	1.89%	0.40%	0.88%	2.98%	19.57%	13.31%
Current Ratio	1.48	1.50	1.88	3.80	6.41	7.84
Earning Per Share(Rupees)	17.90	3.70	8.56	13.90	92.26	55.56
STATISTICS						
Number Of Spindle	33625	32550	34550	33882	34802	34792
Number of Rooters	5905	5951	5355			
Production in to						
20/S Count(in 000 Kgs)	19515	18826	18408	9980	11430	11882

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2026

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

1. Total number of directors are 11 as per follows ;

- a) Male 8
- b) Female 3

2. The composition of board is as follows ;

Category	Names
Independent Directors	Ms. Azra Yaqub Vawda Mr. Farooq Hassan Mr. Faisal Hanif
Executive Directors	Mr. Kashif Riaz (CEO)
Non-Executive Directors	Mian Imran Ahmed Mr. Naveed Ahmed Mian Shahzad Ahmed Mrs. Fadia Kashif Mr. Shahwaiz Ahmed Ms. Mehr-Un-Nisa Kashif Mr. Sheikh Shafqat Masood
Female Director	Ms. Azra Yaqub Vawda Mrs. Fadia Kashif Ms. Mehr-Un-Nisa Kashif

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 supporting policies and procedures;

5.The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6.All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7.The 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 of Directors have a formal policy and transparent procedures for the remuneration of the Directors in accordance with the Act and these Regulations;

9.Majority of the Directors of the Company are exempt from the requirement of the directors training program or has obtained the exemption certificate.

10.No new appointment of Head of Internal Audit, Company Secretary and Chief Financial Officer (CFO) has been made during the year except their remuneration and terms and conditions of employment which was approved by the Board and the Board complied with relevant requirements of the Regulations;

11.The Financial Statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board;

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

a) Audit Committee

Chairman	Mr. Faisal Hanif
Members	Mr. Shahwaiz Ahmed Mr. Shafqat Masood

b) HR and Remuneration Committee

Chairman	Mr. Faisal Hanif
Member	Mrs. Fadia Kashif Ms. Mehr-Un-Nisa Kashif

13. The terms of the reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of the meeting of the committee were as per following:
- Audit Committee (Quarterly)
 - HR and Remuneration Committee (yearly)
15. The board has set up an effective internal audit function headed by the Head of Internal Audit. The staff is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company and is involved in the internal audit function on a full time basis.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (Spouses, parents, dependents and non-dependents children) of the Chief Executive officer, Chief Financial Officer, head of Internal Audit, Company Secretary or Directors 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 regards;
18. We confirm that all requirements of Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with except following;
- As per regulation 6, it is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as Independent Directors and currently, there are three Independent Directors in a Board of Eleven Directors. With regard to compliance with Regulation 6 pertaining to fraction contained in one-third number and not rounded up as one, Management believes that three Independent Directors are sufficient to represent minority shareholders which are only 12.69% of total shareholders.
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33, and 36 are below:
On behalf of the board of directors

S. No.	Non-Mandatory Requirement	Reg. No.	Explanation
1.	Disclosure of Significant Policies The Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (1)/2024 dated 12 June 2024.	35 (1,3,4) and 10 (4)	Currently, the Company has voluntarily disclosed its CSR policy on its website. However, the Company is committed to comply with this requirement and is planning to place other significant policies as per requirement of the regulation including policies for DE&I and anti-harassment.
2.	Directors Training Program for Female Executive and Head of Departments It is encouraged to obtain DTP certification for female executive and one head of department every year starting from July 2020 and July 2022 respectively.	19(3)	The Company has not arranged any training under Directors' Training Program for female executives and head of the department during the year. However, the Company plans to arrange such trainings in the near future.

3.	Sustainability Risks and Opportunities The Board has been made responsible to consider Sustainability Risks and Opportunities and make policies to promote diversity, equity and inclusion (DE&I) and make strategies, priorities and targets. Also board is required to periodically review and monitor and disclose the assessment of risks and disclose measures taken.	10(A.1)	On June 12, 2024, the SECP has amended the Regulations, and added these requirements. Board will assess the requirement and will make policies in due course of time.
4.	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors as it may deem appropriate in its circumstances.	29(1)	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee.
5.	Risk Management Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors as it may deem appropriate in its circumstances.	30(1)	Currently, the Board has not constituted a risk management committee and the Company's Internal Auditor, performs the requisite functions and apprises the board accordingly.



Chairman

Karachi

October 2, 2026



Director

INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Sunrays 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 **Sunrays 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.

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



Chartered Accountants

Lahore

Date: October 5, 2026

UDIN: CR202610180za4lwIDUb

INDEPENDENT AUDITOR'S REPORT

To the Members of Sunrays Textile Mills Limited Report on the Audit of the Unconsolidated Financial Statement

Opinion

We have audited the annexed unconsolidated financial statements of Sunrays Textile Mills Limited (the Company) which comprise the statement of unconsolidated financial position as at June 30, 2026, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements including a summary of significant accounting policies 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 and its comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
. Revenue Recognition	
The Company is engaged in manufacturing and sale of yarn. Revenue recognition policy has been explained in note 4.14 and the related amounts of revenue recognized during the year are disclosed in note 27 to the unconsolidated financial statements. The Company generates revenue from sale of goods to domestic as well as export customers. Revenue from the sale is recognized when control of goods is transferred to the customer and the performance obligation is satisfied. We identified revenue recognition as key audit matter since it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized on point in time basis i.e. when control of goods is transferred to the customer, in line with the accounting policy adopted and may not have been recognized in the appropriate period.	Our audit procedures to address the Key Audit Matter included the following: • Obtained an understanding of revenue from contracts with customers and assessed the design and implementation of controls around recognition of revenue; • Assessed the appropriateness of the Company's accounting policies for revenue recognition in light of IFRS -15 'Revenue from contracts with customer • On a sample basis, we agreed recorded sales transactions to sales invoices and delivery documents to verify the occurrence of sales and transfer of goods to customers. We also checked the transaction dates to confirm that sales were recorded in the appropriate accounting period. • The timeliness of revenue recognition tested by comparing individual sales transactions before and after the year end to underlying documents.

2. Valuation of stock in trade

Stock-in-trade has been valued following an accounting policy as stated in note 4.9 to the unconsolidated financial statements and stock in trade is disclosed in note 9 to the unconsolidated financial statements. Stock in trade forms material part of the Company's assets comprising around 21.31% of total assets.

The stock in trade is carried at lower of cost or net realizable value. The cost of finished goods and work in process is determined by using the average manufacturing costs including production overhead, which includes judgement in relation to the allocation of overheads, which incurred in bringing the finished goods to its present location and condition. Judgements are also involved in determining the net realizable value (NRV) (estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale) of stock in trade in line with accounting policy adopted.

Due to the above factors, we have considered the valuation of stock in trade as key audit matter.

Our audit procedures to address the Key Audit Matter included the following:

- Tested on sample basis purchases and directly attributable costs with underlying supporting documents i.e, IGPs, purchase orders and purchase invoices.
- Verified on test basis, the moving average calculation of raw material as per accounting policy;
- Verified the calculation of the actual overhead costs and checked allocation labor and overhead costs to the finished goods and work in process; and
- Checked the calculation of NRV of itemized list of stock in trade, on selected sample and compared the NRV with the cost to ensure that valuation of stock in trade is in line with the accounting policy.

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

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

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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.

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

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

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

The Board of Directors 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 unconsolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated 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 unconsolidated 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 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 unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 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 unconsolidated 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 unconsolidated financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 Muhammad Sufyan.

Young Adil

Chartered Accountants

Lahore

Date: October 5, 2026

UDIN: AR2026101808KHU2TLDa

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

ASSETS		2026	2025
Non-current assets	Note	----- Rupees -----	
Property, plant and equipment	5	7,872,380,174	8,360,937,311
Long term investment	6	190,850,000	190,850,000
Long term advances	7	52,213	37,036,826
Long term deposits		6,991,200	6,991,200
		8,070,273,587	8,595,815,337
Current assets			
Stores and spares	8	369,729,062	297,664,297
Stock in trade	9	4,249,141,218	4,250,339,067
Trade debts	10	5,447,789,404	4,441,878,054
Loans and advances	11	112,598,017	78,082,239
Advance income tax		370,916,789	307,644,358
Trade deposits and other receivables	12	246,871,935	188,038,002
Short term investments	13	1,065,812,352	748,311,298
Taxes refundable	14	1,538,386,041	1,122,554,712
Cash and bank balances	15	65,888,155	78,747,915
		13,467,132,973	11,513,259,942
Total assets		21,537,406,560	20,109,075,279
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	16	207,000,000	207,000,000
Share premium		3,600,000	3,600,000
Surplus on revaluation of property, plant and equipment	17	2,222,177,709	2,339,991,652
Reserves	18	6,112,000,000	6,112,000,000
Unappropriated profit		977,598,236	488,946,068
		9,522,375,945	9,151,537,720
Non-current liabilities			
Long term financing	19	2,067,258,128	2,500,327,267
Deferred taxation	20	711,596,866	637,810,279
Deferred liabilities	21	155,164,189	143,125,378
		2,934,019,183	3,281,262,924
Current liabilities			
Trade and other payables	22	1,292,379,581	1,214,663,015
Accrued markup	23	176,776,079	219,598,634
Short term borrowings	24	6,798,720,809	5,474,378,533
Current portion of non current liabilities	19	452,760,079	418,053,579
Unclaimed dividend		20,528,792	22,523,062
Provision for taxation	25	339,846,092	327,057,813
		9,081,011,432	7,676,274,635
Contingencies and commitments	26		
Total equity and liabilities		21,537,406,560	20,109,075,279

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer

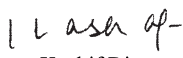

Mian Imran Ahmed
Chairman

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

		2026	2025
	Note	----- Rupees -----	
Revenue from contracts with customers	27	19,601,219,347	19,257,155,909
Cost of sales	28	17,811,362,599	(17,754,040,561)
Gross profit		1,789,856,748	1,503,115,348
Distribution cost	29	(180,116,232)	(140,268,503)
Administrative expenses	30	(373,752,031)	(359,291,580)
Other expenses	31	(72,337,622)	(97,121,267)
Finance cost	32	(730,893,641)	(1,060,768,884)
Other income	33	330,733,930	463,880,432
		(1,026,365,596)	(1,193,569,802)
Profit before final taxes, revenue taxes and income tax		763,491,152	309,545,546
Profit before revenue taxes and income tax		763,491,152	309,545,546
Revenue taxes	34	(80,084,763)	(150,654,284)
Profit before income tax		683,406,389	158,891,262
Income tax	35	(312,910,670)	(82,268,065)
Profit for the year		370,495,719	76,623,197
Earnings per share - basic and diluted	36	17.90	2.89

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

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

	Note	2026 ----- Rupees -----	2025 -----
Profit for the year		370,495,719	76,623,197
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation - gratuity	21.1.1	543,660	946,615
Related tax thereon		(201,154)	(312,383)
Impact on change in tax rate		-	-
		342,506	634,232
Revaluation surplus on property, plant and equipment	17	-	1,150,373,719
Related tax thereon		-	(279,520,155)
		-	870,853,564
Total comprehensive income for the year		<u>370,838,225</u>	<u>948,110,992</u>

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

	Share capital	Capital reserves			Revenue reserves		Total
		Share premium	Investment and bonus reserve	Surplus on revaluation of fixed assets	General reserve	Unappropriated profit	
----- Rupees -----							
Balance as at June 30, 2024	207,000,000	3,600,000	2,500,000,000	1,536,985,734	3,612,000,000	343,840,993	8,203,426,727
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	76,623,197	76,623,197
Other comprehensive income	-	-	-	870,853,564	-	634,232	871,487,796
Total comprehensive income for the year	-	-	-	870,853,564	-	77,257,429	948,110,993
Transfer from surplus on revaluation of property, plant and account of incremental depreciation							
Balance as at June 30, 2025	207,000,000	3,600,000	2,500,000,000	2,339,991,652	3,612,000,000	488,946,068	9,151,537,720
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	370,495,719	370,495,719
Other comprehensive income	-	-	-	-	-	342,506	342,506
Total comprehensive income for the year	-	-	-	-	-	370,838,225	370,838,225
Transfer from surplus on revaluation of property, plant and account of incremental depreciation							
Balance as at June 30, 2026	207,000,000	3,600,000	2,500,000,000	2,222,177,709	3,612,000,000	977,598,236	9,522,375,945

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	----- Rupees -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	683,406,389	158,891,262
Adjustments for:		
Depreciation on property, plant and equipment	741,808,501	690,642,300
Unrealized (gain) / loss on re-measurement of other financial assets-net	(182,200,173)	(217,242,032)
Realized gain on disposal of other financial assets-net	(50,091,978)	(694,262)
Provision for staff retirement benefits - gratuity	49,942,255	53,995,391
Gain on sale of property, plant and equipment- net	(9,480,272)	(6,731,722)
Dividend income	(31,698,346)	(26,765,122)
Interest income	(12,785,249)	(182,040,595)
Finance cost	730,893,641	1,060,768,884
Revenue taxes	80,084,763	150,654,284
Operating cash flows before changes in working capital	1,999,879,531	1,681,478,388
Changes in working capital		
(Increase) / decrease in current assets		
Stores and spares	(72,064,765)	(49,958,013)
Stock in trade	1,197,849	(1,854,938,841)
Trade debts	(1,005,911,350)	(1,373,418,780)
Loans and advances (excluding advance income tax)	(34,515,778)	24,070,874
Trade deposits and other receivables	(58,833,933)	(153,272,101)
Sales tax refundable	(411,945,799)	(225,672,266)
Increase in current liabilities		
Trade and other payables	77,716,566	238,377,867
	(1,504,357,210)	(3,394,811,260)
Cash used in operations	495,522,321	(1,713,332,872)
Finance cost paid	(773,716,196)	(1,016,958,774)
Staff retirement benefits - gratuity paid	(17,668,845)	(15,393,375)
Income taxes paid	(369,663,164)	(374,455,446)
Net cash used in operating activities	(665,525,884)	(3,120,140,467)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(224,326,480)	(196,010,272)
Additions to capital work in progress	-	(134,206,654)
Proceeds from disposal of property, plant and equipment	17,540,000	69,222,034
Payment for purchase of short term investments	(232,982,545)	(25,811,206)
Proceeds from disposal of short term investments	143,657,130	27,230,244
Dividend income received	31,698,346	26,765,122
Interest income received	12,785,249	182,040,595
Net cash used in investing activities	(251,628,300)	(50,770,137)

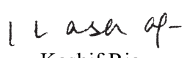
	Note	2026 ----- Rupees -----	2025 ----- Rupees -----
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances obtained		-	256,374,540
Repayment of long term finances		(418,053,582)	(279,690,644)
Short term borrowings - excluding running finance		2,212,711,572	1,324,555,815
Dividends paid		(1,994,270)	-
Net cash generated from financing activities		1,792,663,720	1,301,239,711
Net decrease in cash and cash equivalents (A+B+C)		875,509,536	(1,869,670,893)
Cash and cash equivalents at beginning of the year		(2,072,448,979)	(202,778,086)
Cash and cash equivalents at end of the year		(1,196,939,443)	(2,072,448,979)

CASH AND CASH EQUIVALENTS

Cash and bank balances	15	65,888,155	78,747,915
Running finance	24	(1,262,827,598)	(2,151,196,894)
Net cash and cash equivalents at end of the year		(1,196,939,443)	(2,072,448,979)

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED JUNE 30, 2026**

1. GENERAL INFORMATION

- 1.1** Sunrays Textile Mills Limited "the Company" was incorporated in Pakistan on August 27, 1987 as a public limited company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is principally engaged in trade, manufacture and sale of yarn. The registered office of the Company is situated at Office no. 508, 5th floor, Beaumont Plaza, Beaumont Road, Civil Lines Quarters, Karachi. The mill site is located at Khanpur Shumali khewat no. 359, District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab having area of 727 Kanal and 10 Marlas
- 1.2** These financial statements are the Unconsolidated financial statements of the Company in which investment in subsidiary company is accounted for on the basis of actual cost incurred to acquire subsidiary. Consolidated financial statements are prepared separately.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These unconsolidated 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 Basis of measurement

These unconsolidated financial statements have been prepared under historical cost convention except indicated in note 4.1, 4.2, 4.4, 4.5, 4.10, 4.11 and 4.12.

2.3 Functional and presentation currency

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

2.4 Significant accounting estimates and judgments

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

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

In preparing these unconsolidated financial statements, the significant judgement made by the management in applying accounting policies include:

- useful life and residual values of depreciable assets (note 4.5 and 5.1)
- allowance for expected credit losses;
- provision for current tax and deferred tax (note 4.2, 34, 35 and 36)
- revaluation of assets pertaining to freehold land, building on freehold land and land and
- staff retirement benefits (note 4.1 and 21.1)
- net realizable value of stock-in-trade (note 4.9 and 9)

3. Adoption of new and revised accounting standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates

3.1 New amendments that are effective for the year ended June 30, 2026

The following amendments are effective for the year ended June 30, 2026. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants

Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements

3.2 Standard and amendments to IFRS that are not yet effective

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

Effective from accounting period beginning on or after:

Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements	January 01, 2026
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

- 3.3 Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan
- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 – Regulatory Assets and Regulatory Liabilities

4. MATERIAL ACCOUNTING POLICY INFORMATION

The company has consistently applied the following accounting policies to all periods presented in these unconsolidated financial statements.

4.1 Staff retirement benefits

The Company operates an unfunded gratuity scheme covering all its employees. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation. Actuarial gains and losses are recognized immediately as they arise in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested. Otherwise it is amortized on a straight line basis over the average period until the amended benefits become vested.

Details of the scheme are given in the note 21.11 to these unconsolidated financial statements.

4.2 Taxation / Revenue Taxes / Final Taxes

Current

Charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, as per Income Tax Ordinance, Revenue Taxes

Revenue taxes includes amount representing excess of :

- a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation; and
- b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax stream taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as revenue taxes.

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

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

(a) those outflows of resources that are within the scope of other standards.

(b) fines or other penalties that are imposed for breaches of the legislation.

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

Final Taxes

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

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

Deferred

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

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.

4.3 Dividend distribution

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

4.4 Foreign currencies

Transactions in currencies other than Pakistani Rupees 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 Gains and losses arising on retranslation are included in profit or loss for the period.

4.5 Property, plant and equipment

Property, plant and equipment except free hold land, building on freehold land, plant and machinery, electric installations and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses.

Revaluation

Free hold land, building on free hold land, plant and machinery and electric installations are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the statement of financial position date. Any revaluation increase arising on the revaluation of such assets is credited in 'Surplus on revaluation of property, plant and equipment'. A decrease in the carrying amount arising surplus on revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation account relating to previously revalued assets. To the extent of incremental depreciation charged on revalued assets, on disposal of revalued assets and the related surplus on revaluation (net of deferred tax) is transferred directly to unappropriated profit.

Depreciation is charged to income applying reducing balance method to write-off the cost over the estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Rates of depreciation are stated in note 6. In respect of additions and disposals during the year, depreciation is charged from the month when the assets is available for use and ceased from the month of disposal, to the statement of profit or loss applying the reducing balance method Gains / losses on disposal of operating assets, if any, are recognized in unconsolidated statement of profit and loss account, as and when incurred. Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal.

Normal repairs and maintenance are charged to unconsolidated statement of profit and loss account as and when incurred. Major renewals and improvements are capitalized and assets replaced, if any, other than those kept as stand-by are retired.

Capital work-in-progress

Capital work-in-progress (CWIP) is stated at cost less any recognized impairment loss. All expenditures connected to the specific assets incurred during installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are available for use.

4.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss.

Any gain or loss on disposal of investment property, calculated as difference between the proceeds from disposal and the carrying amount is recognised in the unconsolidated statement of profit and loss.

4.7 Long term investment

Investment in subsidiary company

Investment in subsidiary is initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investment are adjusted accordingly. Impairment losses are recognized as an expense in the unconsolidated statement of profit and loss. Where impairment losses are subsequently reversed, the carrying amounts of investments are increased to revise recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the unconsolidated statement of profit and loss.

4.8 Stores and spares

These are valued at lower of cost or net realizable value, cost is determined on the basis of moving average cost less allowance for obsolete and slow moving items, except for items in transit which are valued at cost incurred to the statement of financial position.

4.9 Stock in trade

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

Raw material

- At mills

- In transit

Work in process

Finished goods

Waste

Weighted average cost

At cost incurred to the statement of financial position

Average manufacturing cost

Average manufacturing cost

Net realizable value

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

4.10 Trade debts

Trade debts and other receivables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method less allowance for expected credit losses.

4.11 Impairment of non-financial assets

The Company assesses at each statement of financial position date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amount and the resulting impairment loss is recognized in unconsolidated statement of profit and loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised recoverable amount but limited to the extent of carrying amount that would have been determined had no impairment loss been recognized in prior periods. Reversal of impairment loss is recognized as income.

4.12 Financial Instruments

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

4.12.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

a) Debt instruments measured at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised

- the financial asset is 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.

Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. As at reporting date, the Company carries cash and cash equivalents, trade receivables and term finance certificate at amortized cost.

b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments that meet specified conditions and are measured subsequently at fair value through other comprehensive income (FVTOCI).

As at reporting date, the Company does not hold any debt instrument classified as at FVTOCI.

c) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

As at reporting date, the Company does not hold any equity instrument classified as at FVTOCI.

d) Financial assets measured subsequently at fair value through profit or loss (FVTPL)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

As at reporting date, the Company carries investments in shares of listed companies and units of mutual funds classified as at FVTPL.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost or at FVTPL, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Definition of default:

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Write-off policy

The Company writes off financial assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognised in profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

4.12.2 Financial liabilities

Subsequent measurement of financial liabilities

Financial liabilities that are not

- contingent consideration of an acquirer in a business combination,
- held for trading, or
- designated as at FVTPL, are measured subsequently at amortised cost using the effective interest

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

4.12.3 Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4.12.4 Off setting of financial assets and financial liabilities

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 current legal enforceable right to set off the recognized amount and the Company also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.13 Trade and other payables

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

4.14 Revenue recognition

The Company is in the business of sale of goods. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer and the performance obligation is satisfied under the contract at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

- Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.
- Export rebate is recognized on accrual basis at the time of making the Export sales.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., right of returns, volume rebates). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

4.15 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash and cheques in hand, balances with banks on current, saving and deposit accounts and short-term running finance. Running finances under mark-up arrangements are shown with short term borrowings on the balance sheet date.

4.16 Borrowing cost

Borrowings are initially recorded at the proceeds received. They are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of borrowings using the effective interest method. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are charged to income in the period in which these are incurred.

4.17 Borrowings

Loans and borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance cost is accounted for on an accrual basis and are included in mark-up accrued on loans to the extent of amount remaining unpaid, if any.

4.18 Earning Per share

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2026 ----- Rupees -----	2025
Operating assets	5.1	<u>7,872,380,174</u>	<u>8,360,937,311</u>
		<u>7,872,380,174</u>	<u>8,360,937,311</u>

5.1 Operating assets

Particulars	Cost / revalued amount				Accumulated depreciation				Written down value at end of year	Rate
	At start of year	Additions / (disposal)	Revaluation adjustment	At end of year	At start of year	For the year / (on disposal)	Revaluation adjustment	At end of year		
-----Rupees-----										
Owned										
Freehold land	1,286,725,000	-	-	1,286,725,000	-	-	-	-	1,286,725,000	-
Building on freehold land	1,513,000,000	-	-	1,513,000,000	-	151,300,000	-	151,300,000	1,361,700,000	10%
Plant and machinery	4,574,970,000	62,908,407	-	4,637,878,407	-	459,158,477	-	459,158,477	4,178,719,930	10%
Electric installations	735,300,000	178,914,958	-	914,214,958	-	80,008,851	-	80,008,851	834,206,107	10%
Factory equipments	4,465,496	1,560,000	-	6,025,496	3,255,245	196,692	-	3,451,937	2,573,559	10%
Office equipments	5,066,546	359,788	-	5,426,334	4,344,332	81,216	-	4,425,548	1,000,786	10%
Electric appliances	4,617,405	-	-	4,617,405	3,767,871	84,953	-	3,852,824	764,581	10%
Furniture and fittings	17,480,564	-	-	17,480,564	8,818,289	866,228	-	9,684,517	7,796,047	10%
Vehicles	372,299,177	17,567,940	-	356,162,617	132,801,140	49,977,872	-	157,268,453	198,894,164	10%
		(33,704,500)				(25,510,559)				
2026	8,513,924,188	261,311,093	-	8,741,530,781	152,986,877	741,674,289	-	869,150,607	7,872,380,174	
		(33,704,500)				(25,510,559)				
Owned										
Freehold land	983,382,055	-	303,342,945	1,286,725,000	-	-	-	-	1,286,725,000	-
Building on freehold land	1,858,132,655	4,547,434	(349,680,089)	1,513,000,000	214,364,962	164,679,932	(379,044,894)	-	1,513,000,000	10%
Plant and machinery	5,227,661,906	334,832,175	(987,524,081)	4,574,970,000	1,073,579,024	441,117,887	(1,514,696,911)	-	4,574,970,000	10%
Electric installations	245,026,774	310,242,367	180,030,859	735,300,000	65,763,927	44,698,354	(110,462,281)	-	735,300,000	10%
Factory equipments	4,255,496	210,000	-	4,465,496	3,128,550	126,695	-	3,255,245	1,210,251	10%
Office equipments	5,066,546	-	-	5,066,546	4,264,086	80,246	-	4,344,332	722,214	10%
Electric appliances	4,617,405	-	-	4,617,405	3,673,478	94,393	-	3,767,871	849,534	10%
Furniture and fittings	17,480,564	-	-	17,480,564	7,855,814	962,475	-	8,818,289	8,662,275	10%
Vehicles	302,647,583	152,047,910	-	372,299,177	113,824,826	38,882,318	-	132,801,140	239,498,037	10%
		(82,396,316)				(19,906,004)				
2025	8,648,270,984	801,669,886	(853,830,366)	8,513,924,188	1,486,454,667	690,642,300	(2,004,204,086)	152,986,877	8,360,937,311	
		(82,396,316)				(19,906,004)				

5.2 Disposal of property, plant and equipment of book value exceeding Rs. 500,000

Particulars	Cost	Accumulated Depreciation	Carrying value	Sale proceeds	Gain	Mode of Disposal	Relationship	Particulars of buyers
Rupees								
For the year ended June 30, 2026								
Vehicle								
Honda City	2,560,000	1,845,104	714,896	750,000	35,104	Negotiation	Third party	Faisal Khalil
Honda City	2,502,500	1,838,512	663,988	750,000	86,012	Negotiation	Third party	Muhammad Zahid
Honda City	2,522,500	1,802,693	719,807	800,000	80,193	Negotiation	Third party	Muhammad Umer
Civic	3,762,500	2,820,704	941,796	1,050,000	108,204	Negotiation	Third party	Ishtiaq Ahmed
Grand Carnival	7,699,000	5,300,931	2,398,069	3,500,000	1,101,931	Negotiation	Third party	Farooq Hussain
Civic	3,762,500	2,873,103	889,397	1,050,000	160,603	Negotiation	Third party	Nida Amir
Toyota Fortuner	6,230,500	5,141,641	1,088,859	8,600,000	7,511,141	Insurance Claim	Third party	Adamjee Insurance
	29,039,500	21,622,688	7,416,812	16,500,000	9,083,188			
For the year ended June 30, 2025								
Vehicle								
Toyota Hilux	1,569,000	1,482,144	86,856	250,000	163,144	Negotiation	Third party	Mehmood Aziz
BMW	60,325,988	1,499,771	58,826,217	59,322,034	495,817	Negotiation	Third party	Hum Network
Honda Civic	3,904,500	2,837,867	1,066,633	1,150,000	83,367	Negotiation	Third party	Maryam Bibi
BMW	13,829,758	11,880,105	1,949,653	7,500,000	5,550,347	Insurance claim	Third party	EFU General Insurance
Toyota Alphard	2,767,070	2,206,117	560,953	1,000,000	439,047	Negotiation	Third party	Nadeem Ahmad
	82,396,316	19,906,004	62,490,312	69,222,034	6,731,722			

Note	2026		2025	
	Rupees		Rupees	
5.3 Depreciation for the year has been allocated as under:				
Cost of sales	28	690,664,020	650,622,864	
Administrative expenses	30	51,144,481	40,019,436	
		741,808,501	690,642,300	

5.4 The Company has its freehold land, building on freehold land and plant and machinery revalued on June 30, 2025 by Joseph Lobo (Private) Limited & M.Y.K Associate (Private) Limited, independent valuers. The basis used for the revaluation of these assets were as follows:

Freehold land

Fair market value of the land was assessed through inquiries in the vicinity of land, recent market deals and information obtained through estate agents and property dealers of the area.

Building on freehold land

Fair market value of the building was assessed mainly through new construction value, depreciation cost factors, state of infrastructure, current trends in prices of real estate in the vicinity.

Plant and machinery and electric installations

Fair market value of the plant and machinery and electric Installations was assessed through inquiries of local authorized dealers who deal in old and new similar type of plant and machineries. Replacement value was then ascertained from competitive rates of the plant and machinery and thereafter, an average depreciation factor was applied on the replacement value of the plant and machinery and electric installation.

Forced sale value of the above items of property, plant and equipment is as follows:

	Rupees
Freehold land	976,380,000
Building on freehold land	1,134,750,000
Plant and machinery	3,431,452,500
Electric installations	551,250,000
	<u>6,093,832,500</u>

- 5.5 Had there been no revaluation the related figures of freehold land, building on freehold land and plant and machinery as at the statement of financial position date would have been as follows;

	Note	2026	2025
		----- Rupees -----	
Freehold land		124,872,785	124,872,785
Building on freehold land		1,031,871,787	1,146,524,207
Plant and machinery		3,187,416,606	3,473,521,863
Electric installation		572,762,282	444,806,861
		<u>4,916,923,460</u>	<u>5,189,725,716</u>

6. LONG TERM INVESTMENTS

Investment in subsidiary company - at cost

Embee Industries (Private) Limited	6.1	<u>190,850,000</u>	<u>190,850,000</u>
------------------------------------	-----	---------------------------	---------------------------

- 6.1 As at the reporting date, the Company holds 100 percent shares (173,500 issued, subscribed and paid up share of Rs. 100 each) of Embee Industries Private Limited which was engaged in the business of manufacturing and sale of ice.

7. LONG TERM ADVANCES

This represents advances provided to suppliers for the acquisition of capital nature items.

8. STORES AND SPARES

Stores	192,831,816	164,256,113
Spares	176,897,246	133,408,184
	<u>369,729,062</u>	<u>297,664,297</u>

9. STOCK IN TRADE

Raw material	2,605,276,726	2,955,173,389
Work in process	117,113,302	120,000,081
Finished goods	482,531,534	632,053,600
Raw material in - transit	1,044,219,656	543,111,997
	<u>4,249,141,218</u>	<u>4,250,339,067</u>

10. TRADE DEBTS

Foreign - secured and considered good		1,693,892,341	771,091,927
Local - unsecured	10.1	3,800,200,291	3,712,635,350
		5,494,092,632	4,483,727,277
Allowance for expected credit losses	10.2	(46,303,228)	(41,849,223)
		<u>5,447,789,404</u>	<u>4,441,878,054</u>

- 10.1** It includes due from associated undertakings relating to sale of yarn in normal course of business. Detail of balances due is as follows:

	Note	2026	2025
		Rupees	
Indus Dying & Manufacturing Company Limited		1,351,671	-
Indus Home Limited	10.5 & 40	95,600,928	608,222

10.2 Allowance for expected credit losses

Opening balance	41,849,223	17,138,646
Expected credit losses	4,454,005	24,710,577
Closing balance	46,303,228	41,849,223

- 10.3** Trade debts are generally on 60 to 90 days credit terms.

- 10.4** As at year end, trade receivables of Rs. 46.30 million (2025: Rs. 41.85 million) were past due.

- 10.5** The maximum outstanding balance during the year due from Indus Home Limited is Rs. 150.83 million (2025: Rs. 119.04 million).

11. LOANS AND ADVANCES

Considered good

Loans to employees	11.1	23,950,989	22,938,277
Advances :			
To suppliers / services		62,220,349	43,102,324
Letter of credit margin		26,426,679	12,041,638
		112,598,017	78,082,239

- 11.1** These are interest free loans, secured against gratuity.

12. TRADE DEPOSITS AND OTHER RECEIVABLES

Bank guarantee margin	211,139,226	161,341,830
Cotton claims - considered good	34,936,699	25,069,397
Rebate claims	-	972,863
Other	796,010	653,912
	246,871,935	188,038,002

13. SHORT TERM INVESTMENTS

At fair value through profit or loss

Investments in units of mutual funds	13.1	182,273	240,496
Investment in ordinary shares of listed companies	13.2	965,630,079	643,070,802

At amortized cost

Investment in term finance certificate	13.3	100,000,000	100,000,000
Term deposit receipts	13.4	-	5,000,000
		1,065,812,352	748,311,298

13.1 Investments in units of mutual funds

2026		2025	
Number of units			
7	7	Alfalah GHP Money Market Fund	682
117	110	Faysal Islamic Cash Fund	11,013
6	6	HBL Money Market Fund	593
181	169	MCB Cash Management Optimizer	17,332
1	1	NBP Islamic Energy Fund	25
13,288	12,423	NBP Money Market Fund	124,636
375	364	NBP Stock Fund	11,745
-	97	UBL Cash Fund	9,700
-	314	UBL Stock Advantage Fund	64,770
13,975	13490		240,496

13.2 Investment in ordinary shares of listed companies

2026	2025		2026	2025
Number of shares			Rupees	
-	116,600	Bank Al Falah Limited	-	9,355,984
-	73,875	Engro Holding Limited	-	13,486,620
45,500	-	Fauji Fertilizer Company Limited	26,093,340	-
14,700	-	Haleon Pakistan Limited	11,836,440	-
-	342	Highnoon Labortaries Limited	-	337,882
-	172,140	Hub Power Company Limited	-	23,722,613
261,448	261,448	Interloop Limited	28,116,118	17,715,716
476,500	476,500	Lucky Cement Limited	223,726,280	169,271,860
202,164	159,308	Mari Energies Limited	136,440,484	99,868,592
675,676	651,600	Meezan Bank Limited	349,161,949	216,363,780
-	21,239	Mughal Iron & Steel Industries Limited	-	1,531,757
-	10,245	Mughal Iron & Steel Industries Limited (Class C)	-	430,290
104,000	104,000	Pakistan Aluminium Beverages Cans Limited	11,577,280	15,004,080
9,750	-	Sazgar Engineering Works Limited	20,119,028	-
-	510,500	Systems Limited	-	54,694,970
84,750	84,750	Tariq Glass Industries Limited	16,372,005	21,286,658
317,136	-	United Bank Limited	142,187,155	-
2,191,624	2,642,547		965,630,079	643,070,802

13.3 Investment in term finance certificate

2026	2025		2026	2025
Number of certificates		Note	Rupees	
1,000	1,000	Habib Bank Limited 13.3.1	100,000,000	100,000,000

13.3.1 This represents investment in AA+ rated, unsecured, subordinated, perpetual and non-cumulative term finance certificate of Habib Bank Limited, having face value of Rs.100,000 per certificate and carries profit at the rate of 3 Months KIBOR + 1.60% per annum.

13.4 Effective markup rate in respect of term deposit receipt ranges from 12.23% to 13.76% (2025: 9.37% to 15.24%) per annum.

	2026	2025
	Rupees	
14. TAXES REFUNDABLE		
Sales tax refundable	1,410,767,666	998,821,867
Income tax refundable	127,618,375	123,732,845
	1,538,386,041	1,122,554,712

15. CASH AND BANK BALANCES

Cash in hand	598,711	525,504
Cash at bank		
- Foreign currency accounts	14,833,905	-
- Current accounts	50,455,539	78,181,967
- Saving accounts	-	40,444
	65,289,444	78,222,411
	65,888,155	78,747,915

16. SHARE CAPITAL

	2026	2025		2026	2025
	----- Number of shares -----			----- Rupees -----	
Authorized capital					
	<u>50,000,000</u>	<u>50,000,000</u>	Ordinary shares of Rs. 10 each	<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid up capital					
			Ordinary shares of Rs. 10 each		
	<u>20,700,000</u>	<u>20,700,000</u>	fully paid in cash	<u>207,000,000</u>	<u>207,000,000</u>
16.1	205,962 ordinary shares (2025: 205,962) of Rs. 10 each are held by the associated company as follows:				
				2026	2025
			Indus Dyeing & Manufacturing Company Limited	<u>205,962</u>	<u>205,962</u>
16.2	The Company has only one class of ordinary shares which carry no right to fixed income.				
16.3	Shareholders are entitled to cast vote proportionate to the paid up value of shares carrying voting rights. All shares rank equally with regard to the Company's residual assets.				
				2026	2025
				----- Rupees -----	
17.	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT				
	Surplus on revaluation of property, plant and equipment				
			Opening balance	2,920,269,285	1,871,160,709
			Surplus arising on revaluation during the year	-	1,150,373,719
			Transferred to unappropriated profit on account of :		
			Incremental depreciation	(117,813,943)	(67,847,646)
			Related deferred tax liability due to incremental depreciation	(58,027,763)	(33,417,497)
				<u>(175,841,706)</u>	<u>(101,265,143)</u>
				2,744,427,579	2,920,269,285
	Related deferred tax liability				
			Opening balance	580,277,633	279,520,155
			Addition during the year	-	279,520,155
			Related deferred tax liability due to incremental depreciation	(58,027,763)	(33,417,497)
				<u>522,249,870</u>	<u>580,277,633</u>
			Closing balance	<u>2,222,177,709</u>	<u>2,339,991,652</u>
18.	RESERVES				
			Capital reserve - investment and bonus	2,500,000,000	2,500,000,000
			General reserve	3,612,000,000	3,612,000,000
				<u>6,112,000,000</u>	<u>6,112,000,000</u>
18.1	The Board of Director of the Company in its meeting held on February 28, 2024, decided to allocate a sum of Rs. 2.5 billion as not available for distribution by way of dividend for purposes of investment and bonus in future years.				
18.2	This represents reserve created out of profits of the Company. This reserves are not usable for profit distribution.				

19.	LONG TERM FINANCING	Note	2026	2025
	From banking companies - secured		----- Rupees -----	
	Term finance:			
	Allied Bank Limited	19.1	512,541,082	597,964,596
	Bank Al Habib Limited - TF I	19.2	31,968,900	56,336,100
	Bank Al Habib Limited - TF II	19.3	670,102,188	771,977,188
	Askari Bank Limited	19.6	19,765,156	21,809,827
			1,234,377,326	1,448,087,711
	Demand finance I (DF):			
	MCB Bank Limited - DF I	19.4	543,198,310	615,687,613
	MCB Bank Limited - DF II	19.5	256,374,540	256,374,540
			799,572,850	872,062,153
	Renewable energy finance:			
	Askari Bank Limited	19.6	134,297,347	148,190,173
	Long term finance facility (LTFF):			
	Bank Alfalah Limited	19.7	175,781,250	222,656,250
	MCB Bank Limited	19.8	138,395,087	191,897,624
	Allied Bank Limited - LTFF I	19.9	39,180,232	48,975,294
	Allied Bank Limited - LTFF II	19.10	38,942,336	46,730,802
			392,298,905	510,259,970
			2,560,546,428	2,978,600,006
	Less: Current portion		(444,052,301)	(418,053,579)
	Less: Deferred grant	21	(49,235,999)	(60,219,160)
			2,067,258,128	2,500,327,267

19.1 Allied Bank Limited - TF

This finance has been obtained from Allied Bank to finance / retire LCs established for import of plant and machinery and allied equipments and enhancement in existing capacity of spinning set-up. The loan is repayable in 16 equal half yearly installments with 2 years grace period commencing from June 14, 2024 and the date of final repayment will be February 12, 2032. This loans carry mark up at the rate of 6 Months KIBOR + 0.75%. The finance was secured against first pari passu charge for over the present and future fixed assets of the Company for Rs. 800 Million inclusive of 25% margin.

19.2 Bank Al Habib Limited - TF - I

This finance has been obtained from Bank Al Habib Limited for the payment of import documents drawn under LC Sight having Limit of Rs 150 million for import of renewable energy equipment and for the payment of local equipment having capacity of 1.64 Mega Watt and / or payment to local supplier if equipment to be purchased locally against each LC. The loan is repayable in 20 equal quarterly installments against each LC commencing from November 22, 2022 and the date of final repayment will be July 12, 2028. It carries mark up at the rate of 6 Months KIBOR + 1%.

19.3 Bank Al Habib Limited - TF - II

This finance has been obtained from Bank Al Habib Limited for the purchase of plant and machinery. The loan is repayable in 16 equal half yearly installments with 2 years grace period against each LC commencing from May 24, 2025 and the date of final repayment will be January 30, 2033 . It carries mark up at the rate of 6 Months KIBOR + 0.5%. The finance is secured against first pari passu Charge of Rs. 1,287 million (to be registered with SECP) over fixed assets (including land, building and machinery) of the Company.

19.4 MCB Bank Limited - DF I

This finance has been obtained to retire / finance imported components / equipments / machinery for setting-up new open ended Spinning unit. The loan is repayable in 16 equal half yearly installments after 2 years grace period commencing from October 20, 2025 with last repayment to be made on April 20, 2033. It carries mark up at the rate of 6 months KIBOR + 0.5% per annum. The finance is secured against first pari passu hypothecation / equitable mortgage charge of Rs 934 million with 25% margin on all fixed asset of

19.5 MCB Bank Limited - DF II

This finance has been obtained to retire / finance imported components / equipments / machinery for setting-up new open ended Spinning unit. The loan is repayable in 16 equal half yearly installments after 2 years grace period commencing from October 18, 2027 with last repayment to be made on October 18, 2034 against each LC. It carries mark up at the rate of 6 months KIBOR + 0.5% per annum. The finance is secured against first pari passu hypothecation / equitable mortgage charge of Rs 432 million with 25%

19.6 Askari Bank Limited - REFF

This finance has been obtained from Askari Bank Limited for import of solar system under LC Sight having Limit of Rs 170 million, out of which Rs. 148 million has been converted into REFF under term finance having markup at the rate of 3 month KIBOR +1.75% per annum for import of Renewable Energy Equipments (Solar Energy) having capacity of 2 Mega Watt under SBPs renewable energy refinance scheme. The loan is repayable in 32 equal quarterly installments against each LC commencing from November 25, 2025 and the date of final repayment will be August 31, 2033. During the year, markup was charged at the rate of 3 month KIBOR +1.75% for the loan not converted into REFF and at SBP + 3% on the REFF loan. The finance is secured against first pari passu charge of Rs. 227 million over present and future fixed assets of the Company with 25% security margin.

19.7 Bank Alfalah Limited - LTFF

This finance has been obtained from Bank Alfalah Limited for BMR. The loan is repayable in 32 equal quarterly installments commencing from June 18, 2021 with 2 years grace period and the date of final repayment will be March 13, 2030. It carries markup at flat rate of 3%. The finance is secured against first pari passu charge of Rs. 500 million over all present and future fixed assets of the Company with 25% margin.

19.8 MCB Bank Limited - LTFF

This finance has been obtained from MCB Bank Limited for BMR. The loan is repayable in 16 equal half yearly installments commencing from April 5, 2021 with 2 years grace period and the date of final repayment will be March 5, 2029. It carries markup at rate of 2.5%. The finance is secured against first pari passu charge of Rs. 600 million over all present and future fixed assets of the Company with 25% margin.

19.9 Allied Bank Limited - LTFF

This finance has been obtained from Allied Bank to pay salaries and wages under SBP's Refinance scheme for payment of wages & salaries. The loan is repayable in 8 equal quarterly installments commencing from December 22, 2022 and the date of final repayment will be June 22, 2030. It carries mark up at the rate of SBP + 1.25%. The finance is secured against 1st pari passu charge on fixed assets with 25% Margin.

19.10 Allied Bank Limited - LTFF

This finance has been obtained from Allied Bank to finance / retire LCs established for import / local procurement of plant and machinery and Allied equipment related to renewable captive power plant of the company. This finance had been obtained from Allied Bank to finance / retire LCs established for import / local procurement of plant & machinery and Allied equipment related to renewable captive power plant of the company. The loan is repayable in 16 equal half yearly installments commencing from May 25, 2022 with 3 months grace period and the date of last repayment will be May 27, 2031. It carries mark up at the rate of SBP + 0.50%. The finance is secured against first pari passu charge over all present and future fixed assets of the Company for Rs. 134 Million inclusive of 25% Margin.

	Note	2026 ----- Rupees -----	2025 ----- Rupees -----
20. DEFERRED TAXATION			
Taxable temporary differences	20.1	915,128,246	862,739,405
Deductible temporary differences	20.1	(203,531,380)	(224,929,126)
		711,596,866	637,810,279

20.1 Movement for the year ended June 30, 2026

	Balance at beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Balance at end of the year
	----- Rupees -----			
Taxable temporary difference:				
Operating fixed assets	224,987,001	37,641,065	-	262,628,066
Surplus on revaluation of operating fixed assets	580,277,633	(58,027,763)	-	522,249,870
Other financial assets	57,474,771	72,775,539	-	130,250,310
	862,739,405	52,388,841	-	915,128,246
Deductible temporary difference:				
Allowance for expected credit losses	(13,810,244)	(1,469,821)	-	(15,280,065)
Minimum tax paid in excess of normal tax	(183,759,830)	33,338,384	-	(150,421,446)
Provision for staff retirement benefits - gratuity	(27,359,052)	(10,671,971)	201,154	(37,829,869)
	(224,929,126)	21,196,592	201,154	(203,531,380)
June 30, 2026	637,810,279	73,585,433	201,154	711,596,866
Movement for the year ended June 30, 2025				
Taxable temporary difference:				
Operating fixed assets	419,998,416	(195,011,415)	-	224,987,001
Surplus on revaluation of operating fixed assets	334,174,975	(33,417,497)	279,520,155	580,277,633
Other financial assets	20,762,999	36,711,772	-	57,474,771
	774,936,390	(191,717,140)	279,520,155	862,739,405
Deductible temporary difference:				
Brought forward tax losses	(135,929,832)	135,929,832	-	-
Allowance for expected credit losses	-	(13,810,244)	-	(13,810,244)
Minimum tax paid in excess of normal tax	(254,899,826)	87,934,120	-	(183,759,830)
Provision for staff retirement benefits - gratuity	(14,932,770)	(12,738,665)	312,383	(27,359,052)
	(405,762,428)	197,315,043	312,383	(224,929,126)
June 30, 2025	369,173,962	5,597,903	279,832,538	637,810,279

	Note	2026 ----- Rupees -----	2025 ----- Rupees -----
21. DEFERRED LIABILITIES			
Staff retirement benefits - gratuity	21.1	114,635,968	82,906,218
Deferred grant	21.2	40,528,221	49,235,999
		155,164,189	132,142,217
21.1 Staff retirement benefits - gratuity			
Liability recognized in the statement of financial position			
Present value of defined benefit obligation		114,635,968	82,906,218
21.1.1 Movement in the net liability			
Opening balance		82,906,218	45,250,817
Charge for the year		49,942,255	53,995,391
Payment made during the year		(17,668,845)	(15,393,375)
Remeasurement gain		(543,660)	(946,615)
		114,635,968	82,906,218

21.1.2 Changes in present value of defined benefit obligation		2026	2025
		----- Rupees -----	
		82,906,218	45,250,817
Opening defined benefit obligation			
Current service cost		39,485,690	27,743,864
Past service cost		1,753,129	20,712,293
Interest cost		8,703,436	5,539,234
Benefits paid		(17,668,845)	(15,393,375)
Actuarial loss from changes in experience adjustments		(543,660)	(148,754)
Actuarial loss from changes in financial assumptions		-	(797,861)
		114,635,968	82,906,218
21.1.3 Charge for the year			
Current service cost		39,485,690	27,743,864
Past service cost		1,753,129	20,712,293
Interest cost		8,703,436	5,539,234
		49,942,255	53,995,391
21.1.4 Allocation of charge for the year			
Cost of sales	28.2	40,872,291	44,189,341
Administrative expenses	30.1	9,069,964	9,806,050
		49,942,255	53,995,391
21.1.5 Remeasurement gain/loss recognised in other comprehensive income			
Actuarial loss from changes in experience adjustments		(543,660)	(148,754)
Actuarial loss from changes in financial assumptions		-	(797,861)
Remeasurement gain/loss		(543,660)	(946,615)

As per actuarial valuation carried out as at June 30, 2026 by Nauman Associates using Projected Unit Credit Method, the following significant assumptions have been used for valuation of defined benefit obligation of the Company:

	2026	2025
Discount rate	11.75%	11.75%
Expected rate of salary increase in future years	10.75%	10.75%
Average expected remaining working life time of employees	6 years	6 years

Mortality rate was based on the State Life Corporation (SLIC) 2001-2005 ultimate mortality rates with 1 year setback as per recommendation of Pakistan Society of Actuaries ("PSOA").

21.1.6 Staff retirement benefits sensitivity analysis		Increase/(decrease) in defined benefit obligation	
		2026	2025
		----- Rupees -----	
Note			
Year end sensitivity analysis (+/- 100 bps) on defined benefit obligation:			
Discount rate + 100 bps		109,344,711	78,145,592
Discount rate - 100 bps		120,739,424	88,372,095
Salary Increase + 100 bps		121,063,045	88,602,792
Salary Increase - 100 bps		108,951,642	77,849,959
		2026	2025
Maturity Profile			
Average duration of liability		5 years	6 years

21.1.7 Expected benefit payments for next 10 years and beyond

	2026	2025
	----- Rupees -----	
FY 2027	46,330,952	
FY 2028	22,907,417	
FY 2029	20,826,516	
FY 2030	19,590,292	
FY 2031	17,637,051	
FY 2032	22,622,714	
FY 2033	17,491,207	
FY 2034	18,628,870	
FY 2035	18,194,584	
FY 2036	35,952,327	
FY 2037 onwards	1,653,950,393	

21.2 Deferred grant

	2026	2025
	----- Rupees -----	
At beginning of the year	60,219,160	70,263,847
Amortization of deferred grant	(10,983,161)	(10,044,687)
	<u>49,235,999</u>	<u>60,219,160</u>
Less: Current portion of deferred grant	(8,707,778)	(10,983,161)
	<u>40,528,221</u>	<u>49,235,999</u>

22. TRADE AND OTHER PAYABLES

Creditors	22.1	371,044,466	275,930,193
Provision for infrastructure cess	22.3	531,463,097	392,820,908
Accrued liabilities		229,249,194	220,628,895
Payable to banks under bill discounting arrangement		-	185,704,477
Provision for GIDC	22.5	51,133,001	51,133,001
Withholding provincial sales tax payable		9,302,551	19,941,612
Advances from customers	22.4	27,985,537	31,242,509
Workers' Profit Participation Fund	22.6	40,798,526	16,642,234
Workers' welfare fund		28,601,406	18,824,493
Due to employees		1,866,589	1,147,163
Income tax deducted at source		935,214	647,530
		<u>1,292,379,581</u>	<u>1,214,663,015</u>

- 22.1** It includes due to associated undertakings relating to purchase of yarn and raw material in normal course of business. Detail of balances due is as follows:

	Note	2026	2025
		----- Rupees -----	
Indus Dyeing & Manufacturing Co. Limited	22.2 & 40	<u>88,530,356</u>	<u>61,151,268</u>

- 22.2** The maximum outstanding balance during the year due to Indus Dyeing & Manufacturing Co. Limited (associated undertaking) is Rs.138.22 million (2025: Rs. 165 million).

- 22.3** This comprise provision for Sindh Development and Infrastructure Cess which was levied by the Excise and Tax Department of Government of Sindh on goods entering or leaving the province through air or sea at prescribed rate under Sindh Finance Ordinance, 2001. The levy was challenged by the Company along with other companies in Sindh High Court (SHC). SHC through its interim order passed on May 31, 2011 ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure cess should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. In 2022, the Sindh High Court has passed an order on June 4, 2021, regarding the settlement of remainder of Infrastructure Cess, against which the Company has filed an appeal in the Supreme Court on September 9, 2021. The Company's legal counsel expect that the matter will be decided in favour of the Company. However, as a matter of prudence, the Company has paid infrastructure cess in cash and recorded liability for the unpaid amount which is supported by a bank guarantee.

22.4 These represent advances received by the Company from customers in respect of sales. Revenue aggregating of Rs. 3.2 million has been recognized for the preceding year advances from customers.

22.5 On August 13, 2020 the Supreme Court of Pakistan (SCP) through its order declared GIDC Act an intra vires to the constitution and directed all the industrial and commercial entities to pay the Cess that have become due up to July 31, 2020. However, as a concession, the same was allowed to be recovered in twenty four equal monthly installments starting from August 01, 2020.

In light of the above stated order of SCP, the Company opted to recognize the Cess as payable in twenty four equal monthly installments in accordance with the provision of IAS 37.

		2026	2025
		----- Rupees -----	
22.6 Workers' Profit Participation Fund	Note		
Opening balance		16,642,234	26,730,277
Payment to the fund		(16,642,234)	(26,730,277)
		-	-
Charge for the year	31	40,798,526	16,642,234
Closing balance		40,798,526	16,642,234
23. ACCURED MARKUP			
Accrued markup on			
- Short term borrowings		113,074,377	137,967,508
- Long term financings		63,701,702	81,631,126
		176,776,079	219,598,634
24. SHORT TERM BORROWINGS			
Secured - under markup arrangements from banking companies			
Running finance	24.1	1,262,827,598	2,151,196,894
Cash finance	24.2	227,825,935	618,851,903
Foreign currency loan	24.3	4,703,814,383	2,180,650,693
Finance against trust receipt	24.4	604,252,893	523,679,043
		6,798,720,809	5,474,378,533

24.1 Running finance have been obtained from commercial banks under mark up arrangements amount to Rs. 1,890 Million (2025: Rs. 3,500 million) of which facilities aggregating to Rs. 628 million (2025: Rs. 1,199 million) remained unutilized at the year end. The rate of mark up ranges from 11.13% to 23.14% per annum (2025: 12.87% to 21.64% per annum) payable on quarterly basis. These finances are secured against pledge of raw material and finished goods and charge on current assets of the Company.

24.2 Cash finance have been obtained from commercial banks under mark up arrangements amount to Rs. 1750 million (2025: Rs. 1750 million) of which facilities aggregating to Rs. 1522 million (2025: Rs. 282 million) remained unutilized at the year end. The rate of mark up ranges from 11.05% to 12.39% per annum payable on quarterly basis. These finances are secured against pledge of raw material and finished goods and charge on current assets of the Company.

24.3 Foreign currency loan have been obtained from commercial banks under mark up arrangements amount to Rs. 4,000 million (2025: Rs. 5,225 million) of which facilities aggregating to Rs. 1,820 million (2025: Rs. 3,226 million) remained unutilized at the year end. The rate of mark up ranges from 4.65% to 8.5% per annum payable on quarterly basis (2025: 4% to 14% per annum). These finances are secured against pledge of raw material, finished goods and export document and charge on current assets of the Company.

24.4 Finance against trust receipt have been obtained from commercial banks under mark up arrangements amount to Rs. 1,275 Million (2025: Rs. 1,275 million) of which facilities aggregating to Rs. 675 million (2025: Rs. 751 million) remained unutilized at the year end. The rate of mark up ranges from 11.41% to 12.34% per annum payable on quarterly basis. These finances are secured against pledge of raw material, finished goods and export document and charge on current assets of the Company.

			2026	2025
	Note		----- Rupees -----	
25. PROVISION FOR TAXATION				
Provision for revenue taxes			80,084,763	218,853,389
Provision for taxation			259,761,329	108,204,423
			<u>339,846,092</u>	<u>327,057,812</u>
26. CONTINGENCIES AND COMMITMENTS				
Contingencies				
Bank guarantees	26.1		<u>686,481,302</u>	<u>636,481,302</u>
26.1 Bank guarantees				
In favor of	Bank			
Sui Northern Gas Pipelines Limited	MCB Bank Limited		223,061,261	57,061,261
Ministry of Textile	MCB Bank Limited		599,574	599,574
Excise and taxation	United Bank Limited		110,560,000	110,560,000
Import licence fee	Habib Bank Limited		274,552	274,552
Excise and taxation	MCB Bank Limited		351,985,915	467,985,915
			<u>686,481,302</u>	<u>636,481,302</u>
26.2	The DCIR passed Order No. 17/2024-25 dated March 20, 2025, creating a demand of Rs. 23.292 million comprising default surcharge and penalty in respect of sales tax withholding for various tax periods. The Company contended the case before the Appellate Tribunal Inland Revenue (ATIR) and the case was decided against the Company vide order dated October 22, 2025. The department subsequently initiated recovery proceedings against the said demand. The Company then took the matter before Lahore High Court and obtained stay order subject to payment of 30% of the demand. Now the matter is pending at Lahore High Court for hearing.			
	As per the legal advisors of the Company it is probable that the decision shall come in favour of the Company, hence no provision is charged in this regard.			
Commitments			2026	2025
Under letters of credit for:	Note		----- Rupees -----	
- Stores and spares			7,528,498	12,682,047
- Raw material			1,598,949,083	619,311,246
- Plant and machinery			38,687,079	63,149,387
			<u>1,645,164,660</u>	<u>695,142,680</u>
27. REVENUE FROM CONTRACTS FROM CUSTOMERS				
Exports				
Yarn			5,977,188,333	3,061,484,717
Local				
Yarn			15,811,309,668	18,827,061,896
Doubling and Conversion			108,942,373	37,050,173
Waste			255,626,795	353,470,835
			<u>16,175,878,836</u>	<u>19,217,582,904</u>
Sales tax on local sales			(2,467,506,959)	(2,932,404,141)
Commission			(84,340,863)	(89,507,571)
			<u>19,601,219,347</u>	<u>19,257,155,909</u>

		2026	2025
		----- Rupees -----	
28. COST OF SALES	Note		
Raw material consumed	28.1	13,991,463,232	14,546,290,881
Yarn doubling charges		76,100,000	-
Power and fuel		1,487,541,010	1,497,596,150
Salaries, wages and benefits	28.2	861,367,802	832,414,110
Depreciation	5.3	690,664,020	650,622,864
Packing material consumed		213,037,499	240,970,037
Stores and spares consumed		258,021,551	293,302,707
Repairs and maintenance		14,701,639	16,553,447
Insurance		13,824,485	20,762,501
Others		6,099,916	7,199,552
		17,612,821,154	18,105,712,249
Work in process			
Opening stock		120,000,081	109,973,699
Closing stock		(117,113,302)	(120,000,081)
		2,886,779	(10,026,382)
Cost of goods manufactured		17,615,707,933	18,095,685,867
Finished goods			
Opening stock		632,053,600	270,852,000
Purchase of finished goods		46,132,600	19,556,295
Closing stock		(482,531,534)	(632,053,600)
		195,654,666	(341,645,305)
		17,811,362,599	17,754,040,562
28.1 Raw material consumed			
Opening stock		2,955,173,389	768,323,885
Purchases including purchase expenses		13,641,566,569	16,733,140,385
		16,596,739,958	17,501,464,270
Closing stock		(2,605,276,726)	(2,955,173,389)
		13,991,463,232	14,546,290,881
28.2	It includes Rs.43.398 million (2025: Rs. 44.189 million) in respect of staff retirement benefits - gratuity.		
		2026	2025
		----- Rupees -----	
29. DISTRIBUTION COST	Note		
Export development surcharge		3,977,941	6,758,522
Ocean freight		32,326,459	19,744,730
Forwarding expenses		33,098,549	16,086,817
Local freight		41,490,592	37,013,942
Fuel expense		65,979,274	58,594,353
Others		3,243,417	2,070,139
		180,116,232	140,268,503
30. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	30.1	117,436,868	107,949,883
Directors' remuneration	37	93,042,230	104,028,273
Depreciation	5.3	51,144,481	40,019,436
Vehicle running and maintenance		42,597,848	39,437,786
Travelling and conveyance		3,874,788	4,432,218
Postage, telephone and fax		6,341,319	5,531,981
Electricity, gas and fuel		4,104,288	5,328,414
Printing and stationery		3,358,471	3,619,868
Auditors' remuneration	30.2	3,025,000	2,150,000
Rent, rates and taxes		9,656,265	9,370,292
Donations	30.3	2,132,000	2,236,600
Insurance		4,919,871	5,007,306
Carried forward		341,633,429	329,112,057

	Note	2026	2025
		----- Rupees -----	
Brought forward		341,633,429	329,112,057
Fees, subscription and periodicals		7,721,901	8,773,322
Entertainment		1,947,500	2,500,909
Repairs and maintenance		14,757,545	12,737,942
Legal and professional		4,393,769	1,020,500
Others		3,297,887	5,146,850
		373,752,031	359,291,580
30.1	It includes Rs. 6 million (2025: Rs. 9.8 million) in respect of staff retirement benefits - gratuity.		
		2026	2025
		----- Rupees -----	
30.2 Auditors' remuneration			
Statutory audit		1,760,000	1,600,000
Review report on compliance with COCG		110,000	100,000
Half year review		275,000	250,000
Certificate for CDC and free float shares		220,000	200,000
		2,365,000	2,150,000
30.3	No donation exceeding Rs. 500,000 has been given to any donee and none of the directors or their spouses have any interest in the donee's fund.		
		2026	2025
		----- Rupees -----	
31. OTHER EXPENSES			
Workers' Profit Participation Fund	22.6	40,798,526	16,642,234
Workers' welfare fund		11,680,840	6,656,893
Exchange loss on foreign currency loans		9,773,470	49,111,563
Exchange loss on export debtors		5,630,781	-
Allowance for expected credit losses		4,454,005	24,710,577
		72,337,622	97,121,267
32. FINANCE COST			
Interest / mark up on:			
Long term financing		284,905,082	424,675,790
Short term financing		408,273,795	599,768,482
Bank charges and commission		37,714,764	36,324,612
		730,893,641	1,060,768,884
33. OTHER INCOME			
Income from financial assets			
Unrealized gain on remeasurement of short term investments		182,200,173	217,242,032
Realized gain on disposal of short term investments		50,091,978	694,262
Exchange gain on export		-	20,362,012
Exchange gain on foreign currency Loan		32,822,853	-
Interest income		12,785,249	182,040,595
Dividend income		31,698,346	26,765,122
Amortization of deferred grant	21.2	10,983,161	10,044,687
Income from non financial assets			
Gain on sale of property, plant and equipment		9,480,272	6,731,722
Yarn rebate claim		671,898	-
		330,733,930	463,880,432

	Note	2026	2025
		----- Rupees -----	
34. REVENUE TAXES			
Minimum taxes	34.1	80,084,763	221,939,072
Prior year		-	(71,284,788)
		80,084,763	150,654,284

34.1 This represents provision for minimum tax under sections 113 of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levy in these financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

35. TAXATION

Current year:

For the year		244,238,819	23,863,621
Prior		(4,913,582)	69,600,665
Deferred tax	20	73,585,433	(11,196,221)
		312,910,670	82,268,065

35.1 Relationship between tax expense and accounting profit

	2026	2025
Applicable tax rate	29%	29%
Profit before final taxes, revenue taxes and income tax	763,491,152	309,545,546
Tax on accounting profit before tax	221,412,434	89,768,208
Tax effect on lower rate tax income	(12,268,549)	(3,969,400)
Prior year adjustment	(4,913,582)	(1,684,123)
Effect of Deferred Tax	73,585,433	-
Changes in opening tax base	21,129,550	-
Others	56,224,483	48,535,753
	312,910,670	82,268,065

36. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after tax	Rupees	370,495,719	76,623,197
	Numbers		
Weighted average number of ordinary		20,700,000	20,700,000
Earnings per share - basic and diluted	Rupees	17.90	3.70

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

37. REMUNERATION TO CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	Chief executive	Director	Executives
2026	----- Rupees -----		
Remuneration	30,000,000	18,900,000	35,000,000
Housing and utilities	6,862,202	2,940,944	
Medical reimbursement	1,107,198	1,110,570	
Conveyance - cars	819,921	351,395	10,480,680
Special allowance	17,000,000	13,950,000	5,640,000
Leave encashment	-	-	3,500,000
	55,789,321	37,252,909	54,620,680

Number of persons

	1	1	15
	Chief executive	Director	Executives
	----- Rupees -----		
2025			
Remuneration	30,000,000	21,000,000	34,920,000
Housing and utilities	7,397,325	3,300,192	-
Medical reimbursement	1,502,342	875,100	-
Conveyance - cars	1,653,313	972,107	10,591,651
Special allowance	16,500,000	14,671,047	5,820,000
Leave encashment	5,333,333	2,240,000	3,104,000
	<u>62,386,313</u>	<u>43,058,446</u>	<u>54,435,651</u>
Number of persons	<u>1</u>	<u>1</u>	<u>14</u>

- 37.1** In addition, the Chief Executive and certain executives are provided with free transport subject to certain specified limits for petrol consumption, residential telephone / mobile facilities for both business and personal use and free medical facilities.

38. FINANCIAL INSTRUMENTS

- 38.1** The Company has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidity risk
Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these unconsolidated financial statement.

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

38.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from deposits, trade debts, loans and advances, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2026	2025
	----- Rupees -----	
Trade debts	5,447,789,404	4,441,878,054
Long term deposits	6,991,200	6,991,200
Trade deposits and other receivables	246,871,935	188,038,002
Short term investments	100,182,273	105,240,496
Bank balances	65,289,444	78,222,411
	<u>5,867,124,256</u>	<u>4,820,370,163</u>

The Company's credit risk exposures are categorized under the following headings:

Counterparties

The Company conducts transactions with the following major counterparties:

Trade debts

Public sectors

Banks and other financial institutions

Mutual funds

Term finance certificates

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

38.2.1 Credit risk related to trade debtors

Trade debts are essentially due from local and foreign customers against sale of yarn and waste material and the Company does not expect these counterparties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed subject to established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and any shipments to foreign customers are generally covered by letters of credit.

Trade debts are generally on 60 to 90 days credit terms.

Impairment losses

The aging of trade debts at the reporting date was:

	2026		2025	
	Gross	Impairment	Gross	Impairment
	----- Rupees -----			
Not yet due	-	-	3,027,886,501	-
Past due for:				
- more than 3 months but less than 1 year			648,630,579	6,665,314
- more than 1 year but less than 2 years	-	-	1,868,721	934,361
- more than 2 years			34,249,549	34,249,548
	-	-	3,712,635,350	41,849,223

Concentration of credit risk

Trade debts consist of a large number of diversified customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

38.2.2 Credit risk related to banks and other financial institutions

Credit risk on balances with banks is managed by management in accordance with the Company's policy. Excess funds are placed in deposits with reputable banks and financial institutions.

Bank Name	Rating Agency	Long term Loans	Short Term Loans
The Bank of Punjab	PACRA	AAA	A1+
Askari Bank Limited	PACRA	AAA	A1+
Allied Bank Limited	PACRA	AAA	A1+
BankIslami Pakistan Limited	PACRA	AA-	A1
Bank Alfalah Limited	PACRA	AAA	A1+
Bank Al Habib Limited	PACRA	AAA	A1+
Faysal Bank Limited	PACRA	AA+	A1+
Meezan Bank Limited	PACRA	AAA	A1+
Habib Bank Limited	PACRA	AA+	A1+
Soneri Bank Limited	PACRA	AA	A1+
Habib Metropolitan Bank Limited	PACRA	AAA	A1+
United Bank Limited	VIS	AA	A1+
National Bank of Pakistan	PACRA	AAA	A1+
MCB Bank Limited	PACRA	AAA	A1+

38.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

38.3.1 Liquidity risk table

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

Particulars	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years	Total
Long term financing	72,011,395	372,040,906	1,511,678,910	604,815,217	2,560,546,428
Short term borrowings	-	6,798,720,809	-	-	6,798,720,809
Trade and other payables	-	639,448,337	-	-	639,448,337
Accrued mark up	176,776,079	-	-	-	176,776,079
Unclaimed dividend	20,528,792	-	-	-	20,528,792
2026	269,316,266	7,810,210,052	1,511,678,910	604,815,217	10,196,020,445
Long term financing	52,727,706	425,545,033	2,096,556,652	604,815,217	3,179,644,608
Short term borrowings	-	5,474,378,533	-	-	5,474,378,533
Trade and other payables	-	734,594,849	-	-	734,594,849
Accrued mark up	219,598,634	-	-	-	219,598,634
Unclaimed dividend	22,523,062	-	-	-	22,523,062
2025	294,849,402	6,634,518,415	2,096,556,652	604,815,217	9,630,739,686
				2026	2025
				----- Rupees -----	
Off Statement of financial position items					
Letters of credit				1,645,164,660	695,142,680
Bank guarantees				686,481,302	636,481,302
Off Statement of financial position gap				2,331,645,962	1,331,623,982

38.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest 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

38.4.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

Exposure to currency risk

The Company is exposed to currency risk on trade debts which are denominated in currency other than the functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

	2026		2025	
	Rupees	US Dollar	Rupees	US Dollar
Trade debts	1,693,892,341	5,969,454	373,456,203	1,341,727
	<u>1,693,892,341</u>	<u>5,969,454</u>	<u>373,456,203</u>	<u>1,341,727</u>

The following US Dollar exchange rates were applied during the year:

	2026	2025
	----- Rupees -----	
Average rate	281.05	278.84
Statement of financial position rate	283.76	278.34

Sensitivity analysis - foreign currency

At June 30, 2025, if the Rupee had weakened / strengthened by 10% (2024: 10%) against the US Dollar with all other variables held constant, profit for the year would have been lower / higher by Rs. 77.10 million (2024: Rs. 37.35 million), as a result of foreign exchange gains / losses on translation of foreign currency trade debts. Profit / (loss) is less sensitive to movement in Rupee / foreign currency exchange rates in 2025 than 2024 because of high recovery from export debtors.

38.4.2 Interest rate risk

Interest / mark-up rate risk arises from the possibility that changes in interest / mark-up rates will effect the value of financial instruments. The Company has significant amount of interest based financial assets and financial liabilities which are largely based on variable interest / mark-up rates, therefore the Company has to manage the related finance cost which exposes it to the risk of 3 month and 6 month KIBOR. Since the impact on interest rate exposure is significant to the Company, management is considering the alternative arrangement to manage interest rate exposure in future.

	2026		2025	
	Effective Interest Rate	Rupees	Effective Interest Rate	Rupees
Fixed rate instruments				
Financial assets:				
- Saving accounts	9.5% - 22%	-	15.24% - 18.53%	36,941
- Term deposit receipts		5,000,000		5,000,000
- Term finance certificate	9.37% - 15.25%	100,000,000	21.76% - 23.81%	100,000,000
Variable rate instruments				
Financial liabilities:				
- Long term financing	2.5% - 13.66%	2,560,546,428	2.5% - 23.72%	2,978,600,006
- Short term borrowings	4.65% - 21.64%	6,798,720,809	4% - 23.63%	2,285,390,105
		<u>9,464,267,237</u>		<u>5,369,027,052</u>

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit / loss for the year ended June 30, 2026 would decrease / increase by Rs. 94.64 million (2025: Rs. 85.58 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate

38.4.3 Other price risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not materially exposed to other price risk on financial assets and liabilities.

38.4.4 Equity share price risk

The Company is also exposed to the equity price risk arising from the fluctuations due to change in fair value of those equity instruments. At the reporting date, the exposure to equity securities at fair value was Rs. 965.63 million (2025: 643.07 million)

Sensitivity analysis - Equity share price risk

A 1% increase / decrease in share prices at year end would have increased / decreased profit for the year as follows :

	2026	2025
	----- Rupees -----	
Effect on profit or loss	9,656,301	6,430,708

38.5 Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

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

38.5.1 Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments and non financial assets.

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

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

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

The Company does not have any other financial instruments to be classified here other than "Short term investments" as disclosed in note 15, that are classified in level 1 and level 2 as per hierarchy stated above.

The Company follows the revaluation model for its free hold land, building on free hold land, plant and machinery. The fair value measurement as at June 30, 2025 was performed by MYK Associates (Private) Limited & Joseph Lobo (Private) Limited. MYK Associates (Private) Limited & Joseph Lobo (Private) Limited both are on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on the panel of State Bank of Pakistan and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. The fair value of the assets was determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the property/project, condition, size, utilization, and other relevant factors. In estimating the fair value of free hold land, building on free hold land and plant and machinery, the highest and best use of these assets is their current use.

Since the date of last revaluation, there has been no material change in the market factors that derive fair value of these properties, therefore, management believes that the carrying value of these non financial assets approximate its fair market value.

Short term investments include quoted equity shares, mutual funds, term finance certificate and term deposit receipt. The equity share and funds are valued at each reporting date at their fair value by using the prevailing quoted prices of shares on Pakistan Stock Exchange Limited. Term finance certificate and term deposit receipt are valued at amortized cost.

June 30, 2026	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Short term investments	965,812,352	-	-	965,812,352
Free hold land	-	1,286,725,000	-	1,286,725,000
Building on free hold land	-	1,361,700,000	-	1,361,700,000
Plant and machinery	-	4,178,719,930	-	4,178,719,930
Electric installations	-	834,206,107	-	834,206,107
Total	965,812,352	7,661,351,037	-	8,627,163,389
June 30, 2025	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Short term investments	643,311,298	-	-	643,311,298
Free hold land	-	1,286,725,000	-	1,286,725,000
Building on free hold land	-	1,513,000,000	-	1,513,000,000
Plant and machinery	-	4,574,970,000	-	4,574,970,000
Electric installations		735,300,000		735,300,000
Total	643,311,298	8,109,995,000	-	8,753,306,298

There were no transfers between levels of fair value hierarchy during the period.

38.6 Financial instruments by category

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

The accounting policies for financial instruments have been applied for line items as below:

	2026	2025
	----- Rupees -----	
Assets carried at fair value through profit or loss		
carrying value of other financial assets at fair value through profit or loss	965,812,352	643,311,298
	965,812,352	643,311,298
Assets categorized at amortized cost		
Trade debts	5,447,789,404	4,441,878,054
Loan and advances	50,377,668	34,979,915
Long term deposits	6,991,200	6,991,200
Short term investments	100,000,000	105,000,000
Trade deposits and other receivables	246,871,935	188,038,002
Cash and bank balances	65,888,155	78,747,915
	5,917,918,362	4,855,635,086
Liabilities carried at amortized cost		
Trade and other payables	630,145,786	528,948,760
Long term financing	2,560,546,428	2,978,600,006
Short term borrowings	6,798,720,809	5,474,378,533
Unclaimed dividend	20,528,792	22,523,062
Accrued mark up	176,776,079	219,598,634
	10,186,717,894	9,224,048,995

39. CAPITAL MANAGEMENT

The Company 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 provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Capital comprises all components of equity (i.e. share capital, reserves and unappropriated profit). The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders or issue new shares.

The debt-to-adjusted capital ratios at June 30, were as follows:

	2026	2025
	----- Rupees -----	
Total debt	8,096,439,639	6,301,781,645
Cash and cash equivalents	1,196,939,443	2,072,448,979
Net debt	9,293,379,082	8,374,230,624
Total equity	9,522,375,945	9,151,537,720
Adjusted capital	18,815,755,027	17,525,768,344
Debt-to-adjusted capital ratio	49.39%	47.78%

40. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related group companies, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under trade debts and trade and other payable (note 10.1, 22.1) and remuneration of Chief Executive, director and executives (note 38). Indus Home Limited and Indus Dyeing & Manufacturing Co. Limited is associated undertaking based on common directorship. Other significant transactions with related parties are as follows:

	2026	2025
	----- Rupees -----	
Transactions with associated undertakings (due to common directorship)		
Indus Dyeing & Manufacturing Company Limited		
Sale of goods and services	-	5,252,420
Purchase of goods and services	1,050,345,855	867,738,953
Indus Home Limited		
Sale of goods and services	335,577,957	391,213,602
Indus Lyallpur Limited		
Purchase of goods and services	-	9,000,675

All transactions with related parties have been carried out on agreed terms and conditions duly approved by the board of directors.

41. DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278 (I) / 2024 dated August 15, 2024:

STATEMENT OF FINANCIAL POSITION

		2026	2025
		----- Rupees -----	
Liabilities	Note		
Short term borrowings as per islamic mode	24	818,214,553	964,413,690
Interest or mark-up accrued on conventional loans	23	15,982,026	191,139,673
Assets			
Shariah compliant short term investment	13	109,997,278	88,946,523
Shariah compliant bank balances	15	-	21,729,600

STATEMENT OF PROFIT OR LOSS

Revenue from contracts with customers	27	-	19,257,155,909
Profit paid on islamic mode of financing	32	-	67,607,094

Dividend Income

Shariah compliant	33	2,766,284	-
Shariah non-compliant	33	4,016,536	26,765,122

Exchange gain on export

Shariah compliant	33	-	20,362,012
Shariah non-compliant	33	-	-

Interest income

Shariah compliant	33	-	-
Shariah non-compliant	33	12,785,249	182,040,595

Exchange gain on foreign currency Loan

Shariah compliant	33	-	-
Shariah non-compliant	33	-	-

Unrealized gain on remeasurement of short term investments

Shariah compliant	33	158,946,540	16,931,383
Shariah non-compliant	33	24,194,015	200,310,650

Realized Gain on disposal of short term investments

Shariah compliant	33	49,076,250	-
Shariah non-compliant	33	1,015,855	612,521

Other income - Other

Shariah compliant	33	10,152,170	6,731,722
Shariah non-compliant	33	10,983,161	10,044,687

Relationship with Shariah-compliant financial institutions:

The Company has relationships with shariah compliant banks in respect of bank balances and availed borrowing facilities as mentioned above.

42. PLANT CAPACITY AND PRODUCTION

Number of spindles installed	34,896	34,896
Number of spindles worked	33,625	32,550
Number of rooters installed	6,000	6,000
Number of rooters worked	5,905	5,951
Number of shifts / day	3	3
Installed capacity after conversion into 20/s count Kgs	21,022,080	21,022,080
Actual production of yarn after conversion into 20/s count Kgs	19,515,142	18,826,329

Reasons for shortfall

It is difficult to describe precisely the production capacity in spinning unit since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed and twist etc. It also varies according to the pattern of production adopted in a particular year.

43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Balance at beginning	Net Cash flow	Balance at end of the year
	----- Rupees -----		
Long term finances	2,978,600,006	(418,053,582)	2,560,546,424
Short term borrowings	5,474,378,533	1,324,342,276	6,798,720,809
Dividend	22,523,062	(1,994,270)	20,528,792
June 30, 2026	8,475,501,601	904,294,424	9,379,796,025
	Balance at beginning	Net Cash flow	Balance at end of the year
	----- Rupees -----		
Long term finances	3,001,916,113	(23,316,107)	2,978,600,006
Short term borrowings	2,285,390,105	3,188,988,428	5,474,378,533
Dividend	22,523,062	-	22,523,062
June 30, 2025	5,309,829,280	3,165,672,321	8,475,501,601

44. SEGMENT REPORTING

The Company's core business is manufacturing and sale of yarn and it generates more than 90% of its revenue and profit from the production and sale of yarn. Decision making process is centralized at head office led by Chief Executive who is continuously involved in day to day operations and regularly reviews operating results and assesses its performance and makes necessary decisions about resources to be allocated to the segments. Currently it has one yarn manufacturing unit. Owing to the similarity in nature of the products and services, nature of the production processes, type or class of customers for the products and services, the methods used to distribute the products, the nature of the regulatory environment all the yarn producing units are aggregated into a single operating segment and the Company's performance is evaluated by the management on an overall basis, therefore these operational segments by location are not separately reportable segments.

45. NUMBER OF EMPLOYEES

The total number of employees at the year end and average number of employees during year are as follows:

	2026	2025
Total number of employees as at June 30	818	872
Average number of employees during the year	807	946

46. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statement were authorized for issue on October 02, 2026 by the Board of Directors of the Company.

47. GENERAL

Figures have been rounded off to the nearest Rupee, except where stated otherwise.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

CONSOLIDATED ANNUAL REPORT 2026

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INDEPENDENT AUDITOR'S REPORT

To the members of Sunrays Textile Mills Limited

Opinion

We have audited the annexed consolidated financial statements of **Sunrays 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 a summary of 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 June 30, 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 Auditors' 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 is the key audit matter:

Key audit matter	How the matter was addressed in our audit
1. Revenue Recognition	
The Group is engaged in manufacturing and sale of yarn. Revenue recognition policy has been explained in note 4.13 and the related amounts of revenue recognized during the year are disclosed in note 26 to the consolidated financial statements. The Group generates revenue from sale of goods to domestic as well as export customers. We identified revenue recognition as key audit matter since it is one of the key performance indicators of the group and because of the potential risk that revenue transactions may not have been recognized on point in time basis i.e. when control of goods is transferred to the customer, in line with the accounting policy adopted and may not have been recognized in the appropriate period.	Our audit procedures to address the Key Audit Matter included the following: • Obtained an understanding of revenue from customers and assessed the design and implementation of controls around recognition of revenue; • Assessed the appropriateness of the group's accounting policies for revenue recognition in light of IFRS - 15 'Revenue from contracts with customer; • Tested on a sample basis whether the recorded sales transactions were based on transfer of goods to the customer, satisfying the performance obligation and were recorded in the appropriate accounting period; and

	• On a sample basis, we agreed recorded sales transactions to sales invoices and delivery documents to verify the occurrence of sales and transfer of goods to customers. We also checked the transaction dates to confirm that sales were recorded in the appropriate accounting period. • Tested timeliness of revenue recognition by comparing individual sales transaction before and after the year end to underlying documents.
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2. Valuation of stock in trade

Stock-in-trade has been valued following an accounting policy as stated in note 4.8 to the consolidated financial statements and stock in trade is disclosed in note 8 to the consolidated financial statements. Stock in trade forms material part of the group's assets comprising around 21.13% of total assets. The stock in trade is carried at lower of cost or net realizable value. The cost of finished goods and work in process is determined using the average manufacturing costs including production overhead, which includes judgement in relation to the allocation of overheads, which incurred in bringing the finished goods to its present location and condition. Judgement are also involved in determining the net realizable value (NRV) (estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale) of stock in trade in line with accounting policy adopted. Due to the above factors, we have considered the valuation of stock in trade as key audit matter.	Our audit procedures to address the Key Audit Matter included the following: • Tested on sample basis purchases and directly attributable costs with underlying supporting documents; • Verified on test basis, the moving average calculation of raw material as per accounting policy; • Verified the calculation of the actual overhead costs and checked allocation labor and overhead costs to the finished goods and work in process; and • Checked the calculation of NRV of itemized list of stock in trade, on selected sample and compared the NRV with the cost to ensure that valuation of stock in trade is in line with the accounting policy.
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Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance opinion 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 the 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 the accounting and reporting standards as applicable in Pakistan and the requirements of the 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 are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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:

- a) 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.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- e) 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.
- f) 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 Muhammad Sufyan.



Chartered Accountant

Lahore

Date: October 5, 2026

UDIN: AR202610180yIPkfGxzn

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

ASSETS

Non-current assets

Property, plant and equipment
Long term advances
Long term deposits

Note	2026	2025
	----- Rupees -----	
5	8,112,463,002	8,601,108,352
6	52,213	37,036,826
	6,991,200	7,000,950
	8,119,506,415	8,645,146,128

Current assets

Stores and spares
Stock in trade
Trade debts
Loans and advances
Advance income tax
Trade deposits and other receivables
Short term investments
Taxes refundable
Cash and bank balances

7	369,729,062	297,664,297
8	4,249,141,218	4,250,339,067
9	5,447,789,404	4,441,878,054
10	112,598,017	78,082,239
	370,916,789	307,644,358
11	246,871,935	188,038,002
12	1,071,095,114	752,402,765
13	1,538,768,862	1,122,665,746
14	65,906,383	78,775,361
	13,472,816,784	11,517,489,889
	21,592,323,199	20,162,636,017

Total assets

EQUITY AND LIABILITIES

Share capital and reserves

Share capital
Share premium
Surplus on revaluation of property,
plant and equipment
Reserves
Unappropriated profit

15	207,000,000	207,000,000
	3,600,000	3,600,000
16	2,264,106,681	2,381,920,624
17	6,112,000,000	6,112,000,000
	986,125,301	495,986,917
	9,572,831,982	9,200,507,541

Non-current liabilities

Long term financing
Deferred taxation
Deferred liabilities

18	2,067,258,128	2,500,327,267
19	715,980,019	642,029,099
20	155,164,189	143,125,378
	2,938,402,336	3,285,481,744

Current liabilities

Trade and other payables
Accrued markup
Short term borrowings
Current portion of non current liabilities
Unclaimed dividend
Provision for taxation

21	1,292,457,031	1,215,035,112
22	176,776,079	219,598,634
23	6,798,720,809	5,474,378,533
18	452,760,079	418,053,579
	20,528,792	22,523,062
24	339,846,092	327,057,812
	9,081,088,882	7,676,646,732

Contingencies and commitments

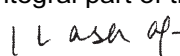
25

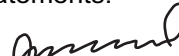
Total equity and liabilities

21,592,323,199	20,162,636,017
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The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer

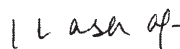

Mian Imran Ahmed
Chairman

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

		2026	2025
	Note	----- Rupees -----	
Revenue from contracts with customers	26	19,601,219,347	19,257,155,909
Cost of sales	27	(17,811,362,599)	(17,754,040,561)
Gross profit		1,789,856,748	1,503,115,348
Distribution cost	28	(180,116,232)	(140,268,503)
Administrative expenses	29	(373,029,404)	(361,253,075)
Other expenses	30	(72,337,622)	(97,121,267)
Finance cost	31	(730,896,791)	(1,060,772,384)
Other income	32	331,663,935	464,831,970
		(1,024,716,114)	(1,194,583,259)
<u>Profit before revenue taxes and income tax</u>		765,140,634	308,532,089
Revenue taxes	33	(79,991,541)	(150,654,284)
<u>Profit before income tax</u>		685,149,093	157,877,805
Income tax	34	(313,167,158)	(82,105,856)
Profit for the year		371,981,935	75,771,949
 Earnings per share - basic and diluted	35	17.97	2.89

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


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 ----- Rupees -----	2025 -----
Profit for the year		371,981,935	75,771,949
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation - gratuity	20.1.1	543,660	946,615
Related tax thereon		(201,154)	(312,383)
Impact on change in tax rate		-	-
		342,506	634,232
Revaluation surplus on property, plant and equipment	16	-	1,198,655,189
Related tax thereon		-	(283,591,191)
		-	915,063,998
Total comprehensive income for the year		372,324,441	991,470,180

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


 Shabbir Kausar
 Chief Financial Officer


 Kashif Riaz
 Chief Executive Officer


 Mian Imran Ahmed
 Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

	Attributable to owners of the parent					
	Share capital	Capital reserves		Revenue reserves		Total
		Share premium	Investment and bonus reserve	Surplus on revaluation of fixed assets	General reserve	
Rupees						
207,000,000	3,600,000	2,500,000,000	1,534,704,272	3,612,000,000	351,733,090	8,209,037,362
Comprehensive income for the year						
Profit for the year	-	-	-	-	75,771,949	75,771,949
Other comprehensive income	-	-	915,063,998	-	634,232	915,698,230
Total comprehensive income for the year	-	-	915,063,998	-	76,406,181	991,470,179
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation						
Balance as at June 30, 2025	-	-	(67,847,646)	-	67,847,646	-
207,000,000	3,600,000	2,500,000,000	2,381,920,624	3,612,000,000	495,986,917	9,200,507,541
Comprehensive income for the year						
Profit for the year	-	-	-	-	371,981,935	371,981,935
Other comprehensive income	-	-	-	-	342,506	342,506
Total comprehensive income for the year	-	-	-	-	372,324,441	372,324,441
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation						
Balance as at June 30, 2026	-	-	(117,813,943)	-	117,813,943	-
207,000,000	3,600,000	2,500,000,000	2,264,106,681	3,612,000,000	986,125,301	9,572,831,982

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


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

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

	2026	2025
	----- Rupees -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	685,149,093	157,877,805
Adjustments for:		
Depreciation on property, plant and equipment	741,762,502	693,354,325
Unrealized (gain) / loss on re-measurement of other financial assets-net	(182,208,050)	(217,246,975)
Realized gain on disposal of other financial assets-net	(50,124,762)	(694,262)
Provision for staff retirement benefits - gratuity	49,942,255	53,995,391
Gain on sale of property, plant and equipment- net	(9,480,272)	(6,731,722)
Dividend income	(32,107,690)	(26,765,122)
Interest income	(12,785,249)	1,060,772,384
Finance cost	730,896,791	-
Revenue taxes	79,991,541	150,654,284
Operating cash flows before changes in working capital	2,001,036,159	1,683,175,513
Changes in working capital		
(Increase) / decrease in current assets		
Stores and spares	(72,064,765)	(49,958,013)
Stock in trade	1,197,849	(1,854,938,841)
Trade debts	(1,005,911,350)	(1,373,418,780)
Loans and advances (excluding advance income tax)	(34,515,778)	24,070,874
Trade deposits and other receivables	(58,833,933)	(153,272,101)
Sales tax refundable	(411,945,799)	(225,672,266)
Increase in current liabilities		
Trade and other payables	77,721,916	238,378,257
	(1,504,351,860)	(3,394,810,870)
Cash used in operations	496,684,299	(1,711,635,357)
Finance cost paid	(773,719,346)	(1,016,962,274)
Staff retirement benefits - gratuity paid	(17,668,845)	(15,393,375)
Income taxes paid	(370,099,670)	(374,881,630)
Net cash used in operating activities	(664,803,562)	(3,118,872,636)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(224,326,480)	(196,010,272)
Additions to capital work in progress	-	(134,206,654)
Proceeds from disposal of property, plant and equipment	17,540,000	69,222,034
Long-term deposits	9,750	10,290
Payment for purchase of short term investments	(234,133,179)	(27,081,615)
Proceeds from disposal of short term investments	143,657,130	27,230,244
Dividend income received	32,107,690	26,765,122
Interest income received	12,785,249	182,040,595
Net cash used in investing activities	(252,359,840)	(52,030,256)

	Note	2026 ----- Rupees -----	2025
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances obtained		-	256,374,540
Repayment of long term finances		(418,053,582)	(279,690,644)
Short term borrowings - excluding running finance		2,212,711,572	1,324,555,815
Dividends paid		(1,994,270)	-
Net cash generated from financing activities		1,792,663,720	1,301,239,711
Net decrease in cash and cash equivalents (A+B+C)		875,500,318	(1,869,663,181)
Cash and cash equivalents at beginning of the year		(2,072,421,533)	(202,758,352)
Cash and cash equivalents at end of the year		(1,196,921,215)	(2,072,421,533)

CASH AND CASH EQUIVALENTS

Cash and bank balances	14	65,906,383	78,775,361
Running finance	23	(1,262,827,598)	(2,151,196,894)
Net cash and cash equivalents at end of the year		(1,196,921,215)	(2,072,421,533)

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


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1. THE GROUP AND ITS OPERATIONS

The Group consists of Sunrays Textile Mills Limited (the Holding Company) and Embee Industries (Private) Limited (Subsidiary). Brief profile of the Holding Company and Subsidiary are as follows:

1.1 Sunrays Textile Mills Limited

Sunrays Textile Mills Limited "the Company" was incorporated in Pakistan on August 27, 1987 as a public limited company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is principally engaged in trade, manufacture and sale of yarn. The registered office of the Company is situated at Office no. 508, 5th floor, Beaumont Plaza, Beaumont Road, Civil Lines Quarters, Karachi. The mill site is located at Khanpur Shumali khewat no. 359, District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab having area of 727 Kanal and 10 Marlas.

1.2 Embee Industries (Private) Limited

Embee Industries (Private) Limited (the company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as a private limited company on 16th April, 1985. The principal business of the Company is manufacturing and sale of ice. The registered office and works of the company are located at Riaz Cotton Factory, Factory Area, Faisalabad in the province of the Punjab. The company became fully owned subsidiary of Sunrays Textile Mills Limited. The company has rented out its land and building and is not in manufacturing operations.

1.3 Basis of Consolidation

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary.

Subsidiary company is fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control them is established and excluded from consolidation from the date of disposal or when the control is lost.

The financial statements of the subsidiary are prepared for the same reporting year as of the Holding Company for the purpose of consolidation, using consistent accounting policies. The accounting policies of the subsidiaries have been changed to conform with accounting policies of the Group, where required.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in these consolidated financial

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

1.4 Business combination

Acquisition of business is accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as a sum of the acquisition-date fair values of the assets transferred by the Holding Company, liabilities incurred by the Holding Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for the control of the acquiree. Acquisition-related costs are recognized in the statement of profit or loss as incurred.

At the acquisition date, the identified assets acquired and the liabilities assumed are recognized at their fair value.

Goodwill is initially measured at acquisition date as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

if, net amounts at the acquisition-date of the identifiable assets acquired and the liabilities assumed exceeds the sum of the consideration transferred and the fair value of the acquirer's previously held interest in the acquiree (if any), excess is recognized immediately in the statement of profit or loss as a bargain purchase gain.

1.5 Acquisition of Subsidiary

On July 26, 2021, the Group acquired 100% shareholding of EIL (17.35 Million Shares) against cash consideration of Rs. 190.85 Million and qualifies as a business as defined in IFRS3 Business Combinations. EIL was acquired to invest surplus funds available with the Holding Company.

For 339 days period ended June 30, 2022 EIL contributed profit of Rs. 300,393 to the Group. Management estimates if the acquisition had occurred on Jul 01, 2021 then consolidated profit would have been Rs. 1,915.67 Million.

Comparative of these consolidated financial statements are the same as per Sunrays Textile Mills Limited unconsolidated financial statements for the year ended June 30, 2021.

A Identifiable assets acquired and liabilities assumed:

	Rs.
Property, plant and equipment	197,492,977
Long term deposits	20,040
Other receivables	58,671
Cash and bank balances	383,784
Trade and other payables	(66,091)
	<u>198,021,562</u>

B Bargain purchase option (BPO):

BPO arising from the acquisition has been recognised as follows:

Consideration transferred	190,850,000
Net assets at the date of acquisition	198,021,562
	<u>(7,171,562)</u>

2 BASIS OF PRESENTATION

2.1 Statement of compliance

These consolidated 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's, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These consolidated financial statements have been prepared under historical cost convention except indicated in note 4.1, 4.4 and 4.11.

2.3 Functional and presentation currency

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

2.4 Significant accounting estimates and judgments

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

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

In preparing these consolidated financial statements, the significant judgement made by the management in applying accounting policies include:

- useful life and residual values of depreciable assets (note 4.5 and 5.1)
- allowance for expected credit losses (note 4.11 and 9.2)
- provision for current tax and deferred tax (note 4.2, 33,34 and 35)
- revaluation of assets pertaining to freehold land, building on freehold land, plant and machinery (note 16)
- staff retirement benefits (note 4.1 and 20.1)
- net realizable value of stock-in-trade (note 4.8 and 8)

3. Adoption of new and revised accounting standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following

3.1 New amendments that are effective for the year ended June 30, 2026

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

Amendments to IFRS16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants

Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS7 'Financial instruments disclosures' - Supplier Finance Arrangements

3.2 Standard and amendments to IFRS that are not yet effective

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

	Effective from accounting period beginning on or after:
Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments to IFRS9 and IFRS7 regarding power purchase arrangements	January 01, 2026
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Company has consistently applied the following accounting policies to all presented in these consolidated financial statements.

4.1 Staff retirement benefits

The Group operates an unfunded gratuity scheme covering all its employees. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation. Actuarial gains and losses are recognized immediately as they arise in other comprehensive income. Past service cost is recognized immediately to the extent that the benefits are already vested. Otherwise it is amortized on a straight line basis over the average period until the amended benefits become vested.

Details of the scheme are given in the note 20.1 to these consolidated financial statements.

4.2 Taxation / Revenue Taxes / Final Taxes

Current

Charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, as per Income Tax Ordinance,

Revenue Taxes

Revenue taxes includes amount representing excess of :

- a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation; and
- b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax stream taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as revenue taxes.

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

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

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

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

Final Taxes

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

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

Deferred

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

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.

4.3 Dividend distribution

Dividend distribution to the Group's shareholders is recognized as a liability in the consolidated financial statement in the period in which the dividends are approved by the Group's

4.4 Foreign currencies

Transactions in currencies other than Pakistani Rupees are recorded at the rates of exchange prevailing on the dates of the transactions. At each consolidated statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the consolidated 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 profit or loss for the period.

4.5 Property, plant and equipment

Property, plant and equipment except free hold land, building on freehold land, plant and machinery, electric installations and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses.

Revaluation

Free hold land, building on free hold land, plant and machinery and electric installations are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the consolidated statement of financial position date. Any revaluation increase arising on the revaluation of such assets is credited in 'Surplus on revaluation of property, plant and equipment'. A decrease in the carrying amount arising surplus on revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation account relating to previously revalued assets. To the extent of incremental depreciation charged on revalued assets, on disposal of revalued assets and the related surplus on revaluation (net of deferred tax) is transferred directly to unappropriated profit.

Depreciation is charged to income applying reducing balance method to write-off the cost over the estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Rates of depreciation are stated in note 6. In respect of additions and disposals during the year, depreciation is charged from the month when the assets is available for use and ceased from the month of disposal, to the statement of profit or loss applying the reducing balance method.

Gains or losses on disposal of operating assets, if any, are recognized in consolidated statement of profit or loss account, as and when incurred. Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal.

Normal repairs and maintenance are charged to consolidated statement of profit or loss account as and when incurred. Major renewals and improvements are capitalized and assets replaced, if any, other than those kept as stand-by are retired.

Change in accounting policy

During the year, the Company changed its accounting policy in respect of the accounting and presentation of revaluation surplus on property plant, and equipment. Previously, the Company's accounting policy was in accordance with the provision of section 235 of Repealed Companies Ordinance, 1984. Previously, the revaluation surplus on property plant and equipment was shown as a separate item below equity, in accordance with the presentation requirement of the

The Companies Act, 2017 has not retained the above mentioned specific accounting and presentation requirements for revaluation surplus on property plant and equipment.

Those provisions and resultant previous policy of the Company were not in alignment with the accounting treatment and presentation of revaluation surplus as prescribed in International Financial Reporting Standards (IFRSStandards) issued by the International Accounting Standard Board (IASB). Accordingly, the accounting policy of revaluation surplus on property plant and equipment has been changed and applied retrospectively in these consolidated financial statement to comply with the accounting and reporting standards applicable to the Company.

The change in accounting policy had no impact on accumulated surplus and net assets, as at June 30, 2018. The presentation of surplus on revaluation on property, plant and equipment has been changed. Any revaluation increase arising on the revaluation of leasehold land, plant and machinery and buildings is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" in the statement of financial position and statement of changes in equity as a capital reserve as part of net assets. The resulted impact of change in accounting policy is further explained under note

Capital work-in-progress

Capital work-in-progress (CWIP) is stated at cost less any recognized impairment loss. All expenditures connected to the specific assets incurred during installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are available for use.

4.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss.

Any gain or loss on disposal of investment property, calculated as difference between the proceeds from disposal and the carrying amount is recognised in the consolidated statement of

4.7 Long term investment

Investment in subsidiary company

Investment in subsidiary is initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investment are adjusted accordingly. Impairment losses are recognized as an expense in the consolidated consolidated statement of profit and loss. Where impairment losses are subsequently reversed, the carrying amounts of investments are increased to revise recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the consolidated consolidated statement of profit and loss.

4.7 Stores and spares

These are valued at lower of cost or net realizable value, cost is determined on the basis of moving average cost less allowance for obsolete and slow moving items, except for items in transit which are valued at cost incurred to the consolidated statement of financial position.

4.8 Stock in trade

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

Raw material

- At mills

- In transit

Work in process

Finished goods

Waste

Weighted average cost

At cost incurred to the statement of financial position

Average manufacturing cost

Average manufacturing cost

Net realizable value

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

4.9 Trade debts

Trade debts and other receivables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest method less allowance for expected credit losses.

4.10 Impairment of non-financial assets

The Group assesses at each consolidated statement of financial position date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amount and the resulting impairment loss is recognized in consolidated statement of profit or loss. The recoverable amount is the higher of an asset's fair value less

Where impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised recoverable amount but limited to the extent of carrying amount that would have been determined had no impairment loss been recognized in prior periods. Reversal of impairment loss is recognized as income.

4.11 Financial Instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group's becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.11.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regularway purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

a) Debt instruments measured at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised

- the financial asset is 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.

Amortised cost and effective interest method

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

As at reporting date, the Group carries cash and cash equivalents, trade receivables and sales tax refund bonds at amortized cost.

b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments that meet specified conditions and are measured subsequently at fair value through other comprehensive income (FVTOCI).

As at reporting date, the Group does not hold any debt instrument classified as at FVTOCI.

c) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

As at reporting date, the Group does not hold any equity instrument classified as at FVTOCI.

d) Financial assets measured subsequently at fair value through profit or loss (FVTPL)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

As at reporting date, the Group carries investments in shares of listed companies and units of mutual funds classified as at FVTPL.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost or at FVTPL, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Definition of default:

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Write-off policy

The Group writes off financial assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognised in profit or loss.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

4.11.2 Financial liabilities

Subsequent measurement of financial liabilities

Financial liabilities that are not

- contingent consideration of an acquirer in a business combination,
- held for trading, or
- designated as at FVTPL, are measured subsequently at amortised cost using the effective

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

4.11.3 Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or

4.11.4 Off setting of financial assets and financial liabilities

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

4.12 Trade and other payables

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

4.13 Revenue recognition

The Group is in the business of sale of goods. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer and the performance obligation is satisfied under the contract at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

- Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

- Export rebate is recognized on accrual basis at the time of making the Export sales.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., right of returns, volume rebates). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

4.14 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash and cheques in hand, balances with banks on current, saving and deposit accounts and short- term running finance. Running finance under mark up arrangement are shown with short term borrowings on the balance sheet date.

4.15 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are charged to income in the period in which these are incurred.

4.16 Borrowings

Loans and borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance cost is accounted for on an accrual basis and are included in mark-up accrued on loans to the extent of amount remaining unpaid, if any.

4.17 Earning Per share

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2026 ----- Rupees -----	2025
Operating assets	5.1	<u>8,112,463,002</u>	<u>8,601,108,352</u>
		<u>8,112,463,002</u>	<u>8,601,108,352</u>

5.1 Operating assets

Particulars	Cost / revalued amount				Accumulated depreciation				Written down value at end of year	Rate
	At start of year	Additions / (disposal)	Revaluation adjustment	At end of year	At start of year	For the year / (on disposal)	Revaluation adjustment	At end of year		
	Rupees									
Owned	1,500,670,000	-	-	1,500,670,000	-	-	-	-	1,500,670,000	-
Freehold land	1,539,223,935	-	-	1,539,223,935	-	151,388,108	-	151,388,108	1,387,835,827	10%
Building on freehold land	4,574,970,001	62,908,407	-	4,637,878,408	-	459,158,477	-	459,158,477	4,178,719,931	10%
Plant and machinery	735,300,000	178,914,958	-	914,214,958	-	80,008,851	-	80,008,851	834,206,107	10%
Electric installations	4,465,496	1,560,000	-	6,025,496	3,255,244	196,692	-	3,451,936	2,573,560	10%
Factory equipments	5,066,546	359,788	-	5,426,334	4,344,332	81,216	-	4,425,548	1,000,786	10%
Office equipments	4,617,405	-	-	4,617,405	3,767,871	84,953	-	3,852,824	764,581	10%
Electric appliances	17,480,564	-	-	17,480,564	8,818,646	866,333	-	9,684,979	7,795,585	10%
Furniture and fittings	372,301,759	17,567,940	-	356,165,199	132,801,261	49,977,872	-	157,268,574	198,896,625	20%
Vehicles		(33,704,500)	-			(25,510,559)	-			
	8,754,095,706	261,311,093	-	8,981,702,299	152,987,354	741,762,502	-	869,239,297	8,112,463,002	
2026		(33,704,500)				(25,510,559)				
Owned	1,161,382,055	-	339,287,945	1,500,670,000	-	-	-	-	1,500,670,000	-
Freehold land	1,876,802,745	4,547,434	(342,126,244)	1,539,223,935	216,435,679	167,391,840	(383,827,519)	-	1,539,223,935	10%
Building on freehold land	5,227,661,907	334,832,175	(987,524,081)	4,574,970,001	1,073,579,024	441,117,887	(1,514,696,911)	-	4,574,970,001	10%
Plant and machinery	245,026,774	310,242,367	180,030,859	735,300,000	65,763,926	44,698,354	(110,462,280)	-	735,300,000	10%
Electric installations	4,255,496	210,000	-	4,465,496	3,128,549	126,695	-	3,255,244	1,210,252	10%
Factory equipments	5,066,546	-	-	5,066,546	4,264,086	80,246	-	4,344,332	722,214	10%
Office equipments	4,617,405	-	-	4,617,405	3,673,478	94,393	-	3,767,871	849,534	10%
Electric appliances	17,480,564	-	-	17,480,564	7,856,054	962,592	-	8,818,646	8,661,918	10%
Furniture and fittings	302,650,165	152,047,910	-	372,301,759	113,824,947	38,882,318	-	132,801,261	239,500,498	20%
Vehicles		(82,396,316)	-			(19,906,004)	-			
	8,844,943,657	801,669,886	(810,331,521)	8,754,095,706	1,488,525,743	693,354,325	(2,008,986,710)	152,987,354	8,601,108,352	
2025		(82,396,316)				(19,906,004)				

5.2 Disposal of property, plant and equipment of book value exceeding Rs. 500,000

Particulars	Cost	Accumulated Depreciation	Carrying value	Sale proceeds	Gain	Mode of Disposal	Relationship	Particulars of buyers
Rupees								
For the year ended June 30, 2026								
Vehicle								
Honda City	2,560,000	1,845,104	714,896	750,000	35,104	Negotiation	Third party	Faisal Khalil
Honda City	2,502,500	1,838,512	663,988	750,000	86,012	Negotiation	Third party	Muhammad Zahid
Honda City	2,522,500	1,802,693	719,807	800,000	80,193	Negotiation	Third party	Muhammad Umer
Civic	3,762,500	2,820,704	941,796	1,050,000	108,204	Negotiation	Third party	Ishtiaq Ahmed
Grand Carnival	7,699,000	5,300,931	2,398,069	3,500,000	1,101,931	Negotiation	Third party	Farooq Hussain
Civic	3,762,500	2,873,103	889,397	1,050,000	160,603	Negotiation	Third party	Nida Amir
Toyota Fortuner	6,230,500	5,141,641	1,088,859	8,600,000	7,511,141	Insurance Claim	Third party	Adamjee Insurance
	29,039,500	21,622,688	7,416,812	16,500,000	9,083,188			
For the year ended June 30, 2025								
Vehicle								
Toyota Hilux	1,569,000	1,482,144	86,856	250,000	163,144	Negotiation	Third party	Mehmood Aziz
BMW	60,325,988	1,499,771	58,826,217	59,322,034	495,817	Negotiation	Third party	Hum Network
Honda Civic	3,904,500	2,837,867	1,066,633	1,150,000	83,367	Negotiation	Third party	Maryam Bibi
BMW	13,829,758	11,880,105	1,949,653	7,500,000	5,550,347	Insurance claim	Third party	EFU General Insurance
Toyota Alphard	2,767,070	2,206,117	560,953	1,000,000	439,047	Negotiation	Third party	Nadeem Ahmad
	82,396,316	19,906,004	62,490,312	69,222,034	6,731,722			

Note	2026		2025	
	Rupees		Rupees	
5.3 Depreciation for the year has been allocated as under:				
Cost of sales	27	690,664,020	650,622,864	
Administrative expenses	29	51,098,482	42,731,461	
		741,762,502	693,354,325	

5.4 The Company has its freehold land, building on freehold land and plant and machinery revalued on June 30, 2025 by Joseph Lobo (Private) Limited & M.Y.K Associate (Private) Limited, independent valuers. The basis used for the revaluation of these assets were as follows:

Freehold land

Fair market value of the land was assessed through inquiries in the vicinity of land, recent market deals and information obtained through estate agents and property dealers of the area.

Building on freehold land

Fair market value of the building was assessed mainly through new construction value, depreciation cost factors, state of infrastructure, current trends in prices of real estate in the vicinity.

Plant and machinery and electric installations

Fair market value of the plant and machinery and electric Installations was assessed through inquiries of local authorized dealers who deal in old and new similar type of plant and machineries. Replacement value was then ascertained from competitive rates of the plant and machinery and thereafter, an average depreciation factor was applied on the replacement value of the plant and machinery and electric installation.

Forced sale value of the above items of property, plant and equipment is as follows:

	Rupees
Freehold land	976,380,000
Building on freehold land	1,134,750,000
Plant and machinery	3,431,452,500
Electric installations	551,250,000
	<u>6,093,832,500</u>

- 5.5 Had there been no revaluation the related figures of freehold land, building on freehold land and plant and machinery as at the statement of financial position date would have been as follows;

	2026	2025
Note	----- Rupees -----	
Freehold land	516,817,785	302,872,785
Building on freehold land	1,073,134,600	1,162,693,134
Plant and machinery	3,187,416,607	3,473,521,863
Electric installation	572,762,282	444,806,861
	<u>5,350,131,275</u>	<u>5,383,894,643</u>

6. LONG TERM ADVANCES

This represents advances provided to suppliers for the acquisition of capital nature items.

7. STORES AND SPARES

Stores	192,831,816	164,256,113
Spares	176,897,246	133,408,184
	<u>369,729,062</u>	<u>297,664,297</u>

8. STOCK IN TRADE

Raw material	2,605,276,726	2,955,173,389
Work in process	117,113,302	120,000,081
Finished goods	482,531,534	632,053,600
Raw material in - transit	1,044,219,656	543,111,997
	<u>4,249,141,218</u>	<u>4,250,339,067</u>

9. TRADE DEBTS

	2026	2025
Note	----- Rupees -----	
Foreign - secured and considered good	1,693,892,341	771,091,927
Local - unsecured	3,800,200,291	3,712,635,350
	<u>5,494,092,632</u>	<u>4,483,727,277</u>
Allowance for expected credit losses	(46,303,228)	(41,849,223)
	<u>5,447,789,404</u>	<u>4,441,878,054</u>

- 9.1 It includes due from associated undertakings relating to sale of yarn in normal course of business. Detail of balances due is as follows:

	Note	2026 ----- Rupees -----	2025 -----
Indus Dying & Manufacturing Company Limited		1,351,671	-
Indus Home Limited	10.5 & 40	95,600,928	608,222

9.2 **Allowance for expected credit losses**

Opening balance	41,849,223	17,138,646
Expected credit losses	4,454,005	24,710,577
Closing balance	<u>46,303,228</u>	<u>41,849,223</u>

- 9.3 Trade debts are generally on 60 to 90 days credit terms.

- 9.4 As at year end, trade receivables of Rs. 46.30 million (2025: Rs. 41.85 million) were past due.

- 9.5 The maximum outstanding balance during the year due from Indus Home Limited is Rs. 150.83 million (2025: Rs. 119.04 million).

	Note	2026 ----- Rupees -----	2025 -----
10. LOANS AND ADVANCES			
Considered good			
Loans to employees	10.1	23,950,989	22,938,277
Advances :			
To suppliers / services		62,220,349	43,102,324
Letter of credit margin		26,426,679	12,041,638
		<u>112,598,017</u>	<u>78,082,239</u>

- 10.1 These are interest free loans, secured against gratuity.

11. **TRADE DEPOSITS AND OTHER RECEIVABLES**

Bank guarantee margin	211,139,226	161,341,830
Cotton claims - considered good	34,936,699	25,069,397
Rebate claims	-	972,863
Other	796,010	653,912
	<u>246,871,935</u>	<u>188,038,002</u>

12. **SHORT TERM INVESTMENTS**

	Note	2026 ----- Rupees -----	2025 -----
At fair value through profit or loss			
Investments in units of mutual funds	12.1	5,465,035	4,331,963
Investment in ordinary shares of listed companies	12.2	965,630,079	643,070,802
At amortized cost			
Investment in term finance certificate	12.3	100,000,000	100,000,000
Term deposit receipts	12.4	-	5,000,000
		<u>1,071,095,114</u>	<u>752,402,765</u>

12.1 Investments in units of mutual funds

2026	2025		2026	2025
Number of units			----- Rupees -----	
7	7	Alfalah GHP Money Market Fund	682	682
117	110	Faysal Islamic Cash Fund	11,748	11,013
6	6	HLB Money Market Fund	622	593
181	169	MCB Cash Management Optimizer	18,607	17,332
1	1	NBP Islamic Energy Fund	33	25
525,152	406,787	NBP Money Market Fund	5,288,182	4,091,467
12,423	12,423	NBP Mahana Amadhi Fund	128,392	124,636
375	364	NBP Stock Fund	16,769	11,745
-	97	UBL Cash Fund	-	9,700
-	314	UBL Stock Advantage Fund	-	64,770
538,262	420,278		5,465,035	4,331,963

12.2 Investment in ordinary shares of listed companies

2026	2025		2026	2025
Number of shares			----- Rupees -----	
-	116,600	Bank Al Falah Limited	-	9,355,984
-	73,875	Engro Holding Limited	-	13,486,620
45,500	-	Fauji Fertilizer Company Limited	26,093,340	-
14,700	-	Haleon Pakistan Limited	11,836,440	-
-	342	Highnoon Laboratories Limited	-	337,882
-	172,140	Hub Power Company Limited	-	23,722,613
261,448	261,448	Interloop Limited	28,116,118	17,715,716
476,500	476,500	Lucky Cement Limited	223,726,280	169,271,860
202,164	159,308	Mari Energies Limited	136,440,484	99,868,592
675,676	651,600	Meezan Bank Limited	349,161,949	216,363,780
-	21,239	Mughal Iron & Steel Industries Limited	-	1,531,757
-	10,245	Mughal Iron & Steel Industries Limited (Class C)	-	430,290
104,000	104,000	Pakistan Aluminium Beverages Cans Limited	11,577,280	15,004,080
9,750	-	Sazgar Engineering Works Limited	20,119,028	-
-	510,500	Systems Limited	-	54,694,970
84,750	84,750	Tariq Glass Industries Limited	16,372,005	21,286,658
317,136	-	United Bank Limited	142,187,155	-
2,191,624	2,642,547		965,630,079	643,070,802

12.3 Investment in term finance certificate

2026	2025		2026	2025
Number of certificates		Note	----- Rupees -----	
1,000	1,000	Habib Bank Limited 12.3.1	100,000,000	100,000,000

12.3.1 This represents investment in AA+ rated, unsecured, subordinated, perpetual and non-cumulative term finance certificate of Habib Bank Limited, having face value of Rs.100,000 per certificate and carries profit at the rate of 3 Months KIBOR + 1.60% per annum.

12.4 Effective markup rate in respect of term deposit receipt ranges from 12.23% to 13.76% (2025: 9.37% to 15.24%) per annum.

		2026	2025
		----- Rupees -----	
13. TAXES REFUNDABLE			
Sales tax refundable		1,410,767,666	998,821,867
Income tax refundable		128,001,196	123,843,879
		<u>1,538,768,862</u>	<u>1,122,665,746</u>
14. CASH AND BANK BALANCES			
Cash in hand		616,939	531,211
Cash at bank			
- Foreign currency accounts		14,833,905	-
- Current accounts		50,455,539	78,203,706
- Saving accounts		-	40,444
		<u>65,289,444</u>	<u>78,244,150</u>
		<u>65,906,383</u>	<u>78,775,361</u>
15. SHARE CAPITAL			
	2026	2025	
	----- Number of shares -----	----- Rupees -----	
Authorized capital			
<u>50,000,000</u>	50,000,000	Ordinary shares of Rs. 10 each	<u>500,000,000</u>
Issued, subscribed and paid up capital			
		Ordinary shares of Rs. 10 each	
<u>20,700,000</u>	20,700,000	fully paid in cash	<u>207,000,000</u>
15.1	205,962 ordinary shares (2025: 205,962) of Rs. 10 each are held by the associated company as follows:		
		2026	2025
	Indus Dyeing & Manufacturing Company Limited	205,962	205,962
15.2	The Group has only one class of ordinary shares which carry no right to fixed income.		
15.3	Shareholders are entitled to cast vote proportionate to the paid up value of shares carrying voting rights. All shares rank equally with regard to the Company's residual assets.		
		2026	2025
		----- Rupees -----	
16. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	Note		
Surplus on revaluation of property, plant and equipment			
Opening balance		2,966,269,293	1,868,879,247
Surplus arising on revaluation during the year			1,198,655,189
Transferred to unappropriated profit on account of :			
Incremental depreciation		(117,813,943)	(67,847,646)
Related deferred tax liability due to incremental depreciation		(58,027,763)	(33,417,497)
		<u>(175,841,706)</u>	<u>(101,265,143)</u>
		<u>2,790,427,587</u>	<u>2,966,269,293</u>
Related deferred tax liability			
Opening balance		584,348,669	234,520,935
Addition during the year		-	283,591,191
Related deferred tax liability due to incremental depreciation		(58,027,763)	(33,417,497)
		<u>526,320,906</u>	<u>584,348,669</u>
Closing balance		<u>2,264,106,681</u>	<u>2,381,920,624</u>
17. RESERVES			
Capital reserve - investment and bonus	17.1	2,500,000,000	2,500,000,000
General reserve	17.2	3,612,000,000	3,612,000,000
		<u>6,112,000,000</u>	<u>6,112,000,000</u>

17.1 The Board of Director of the Company in its meeting held on February 28, 2024, decided to allocate a sum of Rs. 2.5 billion as not available for distribution by way of dividend for purposes of investment and bonus in future years.

17.2 This represents reserve created out of profits of the Company. This reserves are not usable for profit distribution.

		2026	2025
		----- Rupees -----	
18. LONG TERM FINANCING	Note		
From banking companies - secured			
Term finance:			
Allied Bank Limited	18.1	512,541,082	597,964,596
Bank Al Habib Limited - TF I	18.2	31,968,900	56,336,100
Bank Al Habib Limited - TF II	18.3	670,102,188	771,977,188
Askari Bank Limited	18.6	19,765,156	21,809,827
		1,234,377,326	1,448,087,711
Demand finance I (DF):			
MCB Bank Limited - DF I	18.4	543,198,310	615,687,613
MCB Bank Limited - DF II	18.5	256,374,540	256,374,540
		799,572,850	872,062,153
Renewable energy finance:			
Askari Bank Limited	18.6	134,297,347	148,190,173
Long term finance facility (LTFF):			
Bank Alfalah Limited	18.7	175,781,250	222,656,250
MCB Bank Limited	18.8	138,395,087	191,897,624
Allied Bank Limited - LTFF I	18.9	39,180,232	48,975,294
Allied Bank Limited - LTFF II	18.10	38,942,336	46,730,802
		392,298,905	510,259,970
		2,560,546,428	2,978,600,006
Less: Current portion		(444,052,301)	(418,053,579)
Less: Deferred grant	20	(49,235,999)	(60,219,160)
		2,067,258,128	2,500,327,267

18.1 Allied Bank Limited - TF

This finance has been obtained from Allied Bank to finance / retire LCs established for import of plant and machinery and allied equipments and enhancement in existing capacity of spinning set-up. The loan is repayable in 16 equal half yearly installments with 2 years grace period commencing from June 14, 2024 and the date of final repayment will be February 12, 2032. This loans carry mark up at the rate of 6 Months KIBOR+ 0.75%. The finance was secured against first pari passu charge for over the present and future fixed assets of the Company for Rs. 800 Million inclusive of 25% margin.

18.2 Bank Al Habib Limited - TF - I

This finance has been obtained from Bank Al Habib Limited for the payment of import documents drawn under LC Sight having Limit of Rs 150 million for import of renewable energy equipment and for the payment of local equipment having capacity of 1.64 Mega Watt and / or payment to local supplier if equipment to be purchased locally against each LC. The loan is repayable in 20 equal quarterly installments against each LC commencing from November 22, 2022 and the date of final repayment will be July 12, 2028. It carries mark up at the rate of 6 Months KIBOR + 1%.

18.3 Bank Al Habib Limited - TF - II

This finance has been obtained from Bank Al Habib Limited for the purchase of plant and machinery. The loan is repayable in 16 equal half yearly installments with 2 years grace period against each LC commencing from May 24, 2025 and the date of final repayment will be January 30, 2033 . It carries mark up at the rate of 6 Months KIBOR+ 0.5%. The finance is secured against first pari passu Charge of Rs. 1,287 million (to be registered with SECP) over fixed assets (including land, building and machinery) of the Company.

18.4 MCB Bank Limited - DF I

This finance has been obtained to retire / finance imported components / equipments / machinery for setting-up new open ended Spinning unit. The loan is repayable in 16 equal half yearly installments after 2 years grace period commencing from October 20, 2025 with last repayment to be made on April 20, 2033. It carries mark up at the rate of 6 months KIBOR+ 0.5% per annum. The finance is secured against first pari passu hypothecation / equitable mortgage charge of Rs 934 million with 25% margin on all fixed asset of

18.5 MCB Bank Limited - DF II

This finance has been obtained to retire / finance imported components / equipments / machinery for setting-up new open ended Spinning unit. The loan is repayable in 16 equal half yearly installments after 2 years grace period commencing from October 18, 2027 with last repayment to be made on October 18, 2034 against each LC. It carries mark up at the rate of 6 months KIBOR+ 0.5% per annum. The finance is secured against first pari passu hypothecation / equitable mortgage charge of Rs 432 million with 25%

18.6 Askari Bank Limited - REFF

This finance has been obtained from Askari Bank Limited for import of solar system under LC Sight having Limit of Rs 170 million, out of which Rs. 148 million has been converted into REFF under term finance having markup at the rate of 3 month KIBOR+1.75% per annum for import of Renewable Energy Equipments (Solar Energy) having capacity of 2 Mega Watt under SBPs renewable energy refinance scheme. The loan is repayable in 32 equal quarterly installments against each LC commencing from November 25, 2025 and the date of final repayment will be August 31, 2033. During the year, markup was charged at the rate of 3 month KIBOR+1.75% for the loan not converted into REFF and at SBP + 3% on the REFF loan. The finance is secured against first pari passu charge of Rs. 227 million over present and future fixed assets of the Company with 25% security margin.

18.7 Bank Alfalah Limited - LTFF

This finance has been obtained from Bank Alfalah Limited for BMR. The loan is repayable in 32 equal quarterly installments commencing from June 18, 2021 with 2 years grace period and the date of final repayment will be March 13, 2030. It carries markup at flat rate of 3%. The finance is secured against first pari passu charge of Rs. 500 million over all present and future fixed assets of the Company with 25% margin.

18.8 MCB Bank Limited - LTFF

This finance has been obtained from MCB Bank Limited for BMR. The loan is repayable in 16 equal half yearly installments commencing from April 5, 2021 with 2 years grace period and the date of final repayment will be March 5, 2029. It carries markup at rate of 2.5%. The finance is secured against first pari passu charge of Rs. 600 million over all present and future fixed assets of the Company with 25% margin.

18.9 Allied Bank Limited - LTFF

This finance has been obtained from Allied Bank to pay salaries and wages under SBP's Refinance scheme for payment of wages & salaries. The loan is repayable in 8 equal quarterly installments commencing from December 22, 2022 and the date of final repayment will be June 22, 2030. It carries mark up at the rate of SBP + 1.25%. The finance is secured against 1st pari passu charge on fixed assets with 25% Margin.

18.10 Allied Bank Limited - LTFF

This finance has been obtained from Allied Bank to finance / retire LCs established for import / local procurement of plant and machinery and Allied equipment related to renewable captive power plant of the company. This finance had been obtained from Allied Bank to finance / retire LCs established for import / local procurement of plant & machinery and Allied equipment related to renewable captive power plant of the company. The loan is repayable in 16 equal half yearly installments commencing from May 25, 2022 with 3 months grace period and the date of last repayment will be May 27, 2031. It carries mark up at the rate of SBP + 0.50%. The finance is secured against first pari passu charge over all present and future fixed assets of the Company for Rs. 134 Million inclusive of 25% Margin.

		2026	2025
	Note	----- Rupees -----	
19. DEFERRED TAXATION			
Taxable temporary differences	19.1	919,511,399	862,739,405
Deductible temporary differences	19.1	(203,531,380)	(224,929,126)
		<u>715,980,019</u>	<u>637,810,279</u>

19.1 Movement for the year ended June 30, 2026

	<u>Balance at beginning of the year</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Balance at end of the year</u>
	----- Rupees -----			
<u>Taxable temporary difference:</u>				
Operating fixed assets	225,134,786	37,859,740	-	262,994,526
Surplus on revaluation of operating fixed assets	580,277,633	(54,011,070)	-	526,266,563
Other financial assets	57,474,771	72,775,539	-	130,250,310
	862,887,190	56,624,209	-	919,511,399
<u>Deductible temporary difference:</u>				
Allowance for expected credit losses	(13,810,244)	(1,469,821)	-	(15,280,065)
Minimum tax paid in excess of normal tax	(183,759,830)	33,338,384	-	(150,421,446)
Provision for staff retirement benefits - gratuity	(27,359,052)	(10,671,971)	201,154	(37,829,869)
	(224,929,126)	21,196,592	201,154	(203,531,380)
June 30, 2026	637,958,064	77,820,801	201,154	715,980,019

Movement for the year ended June 30, 2025

<u>Taxable temporary difference:</u>				
Operating fixed assets	419,998,416	(195,011,415)	-	224,987,001
Surplus on revaluation of operating fixed assets	334,174,975	(33,417,497)	279,520,155	580,277,633
Other financial assets	20,762,999	36,711,772	-	57,474,771
	774,936,390	(191,717,140)	279,520,155	862,739,405
<u>Deductible temporary difference:</u>				
Brought forward tax losses	(135,929,832)	135,929,832	-	-
Allowance for expected credit losses	-	(13,810,244)	-	(13,810,244)
Minimum tax paid in excess of normal tax	(254,899,826)	87,934,120	-	(183,759,830)
Provision for staff retirement benefits - gratuity	(14,932,770)	(12,738,665)	312,383	(27,359,052)
	(405,762,428)	197,315,043	312,383	(224,929,126)
June 30, 2025	369,173,962	5,597,903	279,832,538	637,810,279

19.1.2 Year wise breakup of tax credit

Tax year	Note	2026	2025
Recognized tax credit		----- Rupees -----	
2024		-	113,423,147
2025		70,336,683	70,336,683
2026		80,084,763	-
Unrecognized tax credit			
2025		80,317,601	9,980,918
2024		254,899,826	141,476,679

20. DEFERRED LIABILITIES

Staff retirement benefits - gratuity	20.1	114,635,968	82,906,218
Deferred grant	20.2	40,528,221	49,235,999
		<u>155,164,189</u>	<u>132,142,217</u>
20.1 Staff retirement benefits - gratuity			
Liability recognized in the statement of financial position			
Present value of defined benefit obligation		<u>114,635,968</u>	<u>82,906,218</u>

		2026	2025
		----- Rupees -----	
20.1.1 Movement in the net liability	Note		
Opening balance		82,906,218	45,250,817
Charge for the year		49,942,255	53,995,391
Payment made during the year		(17,668,845)	(15,393,375)
Remeasurement gain		(543,660)	(946,615)
		<u>114,635,968</u>	<u>82,906,218</u>
20.1.2 Changes in present value of defined benefit obligation			
Opening defined benefit obligation		82,906,218	45,250,817
Current service cost		39,485,690	27,743,864
Past service cost		1,753,129	20,712,293
Interest cost		8,703,436	5,539,234
Benefits paid		(17,668,845)	(15,393,375)
Actuarial loss from changes in experience adjustments		(543,660)	(148,754)
Actuarial loss from changes in financial assumptions		-	(797,861)
		<u>114,635,968</u>	<u>82,906,218</u>
20.1.3 Charge for the year			
Current service cost		39,485,690	27,743,864
Past service cost		1,753,129	20,712,293
Interest cost		8,703,436	5,539,234
		<u>49,942,255</u>	<u>53,995,391</u>
20.1.4 Allocation of charge for the year			
Cost of sales	27.2	40,872,291	44,189,341
Administrative expenses	29.1	9,069,964	9,806,050
		<u>49,942,255</u>	<u>53,995,391</u>
20.1.5 Remeasurement gain/loss recognised in other comprehensive income			
Actuarial loss from changes in experience adjustments		(543,660)	(148,754)
Actuarial loss from changes in financial assumptions		-	(797,861)
Remeasurement gain/loss		<u>(543,660)</u>	<u>(946,615)</u>

As per actuarial valuation carried out as at June 30, 2026 by Nauman Associates using Projected Unit Credit Method, the following significant assumptions have been used for valuation of defined benefit obligation of the Company:

	2026	2025
Discount rate	11.75%	11.75%
Expected rate of salary increase in future years	10.75%	10.75%
Average expected remaining working life time of employees	6 years	6 years

Mortality rate was based on the State Life Corporation (SLIC) 2001-2005 ultimate mortality rates with 1 year setback as per recommendation of Pakistan Society of Actuaries ("PSOA").

20.1.6 Staff retirement benefits sensitivity analysis

	Increase/(decrease) in defined benefit obligation	
	2026	2025
Note	----- Rupees -----	
Year end sensitivity analysis (+/- 100 bps) on defined benefit obligation:		
Discount rate + 100 bps	109,344,711	78,145,592
Discount rate - 100 bps	120,739,424	88,372,095
Salary Increase + 100 bps	121,063,045	88,602,792
Salary Increase - 100 bps	108,951,642	77,849,959
	2026	2025
Maturity Profile		
Average duration of liability	5 years	6 years

20.1.7 Expected benefit payments for next 10 years and beyond

FY 2027	46,330,952
FY 2028	22,907,417
FY 2029	20,826,516
FY 2030	19,590,292
FY 2031	17,637,051
FY 2032	22,622,714
FY 2033	17,491,207
FY 2034	18,628,870
FY 2035	18,194,584
FY 2036	35,952,327
FY 2037 onwards	1,653,950,393

20.2 Deferred grant

At beginning of the year	60,219,160	70,263,847
Amortization of deferred grant	(10,983,161)	(10,044,687)
	49,235,999	60,219,160
Less: Current portion of deferred grant	(8,707,778)	(10,983,161)
	40,528,221	49,235,999

21. TRADE AND OTHER PAYABLES

Creditors	21.1	371,044,466	275,930,193
Provision for infrastructure cess	21.3	531,463,097	392,820,908
Accrued liabilities		229,326,644	221,000,992
Payable to banks under bill discounting arrangement		-	185,704,477
Provision for GIDC	21.5	51,133,001	51,133,001
Withholding provincial sales tax payable		9,302,551	19,941,612
Advances from customers	21.4	27,985,537	31,242,509
Workers' Profit Participation Fund	21.6	40,798,526	16,642,234
Workers' welfare fund		28,601,406	18,824,493
Due to employees		1,866,589	1,147,163
Income tax deducted at source		935,214	647,530
		1,292,457,031	1,215,035,112

21.1 It includes due to associated undertakings relating to purchase of yarn and raw material in normal course of business. Detail of balances due is as follows:

Note	2026 2025	
	----- Rupees -----	
Indus Dyeing & Manufacturing Co. Limited	22.2 & 40	88,530,356 61,151,268

21.2 The maximum outstanding balance during the year due to Indus Dyeing & Manufacturing Co. Limited (associated undertaking) is Rs.138.22 million (2025: Rs. 165 million).

21.3 This comprise provision for Sindh Development and Infrastructure Cess which was levied by the Excise and Tax Department of Government of Sindh on goods entering or leaving the province through air or sea at prescribed rate under Sindh Finance Ordinance, 2001. The levy was challenged by the Company along with other companies in Sindh High Court (SHC). SHC through its interim order passed on May 31, 2011 ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure cess should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. In 2022, the Sindh High Court has passed an order on June 4, 2021, regarding the settlement of remainder of Infrastructure Cess, against which the Company has filed an appeal in the Supreme Court on September 9, 2021. The Company's legal counsel expect that the matter will be decided in favour of the Company. However, as a matter of prudence, the Company has paid infrastructure cess in cash and recorded liability for the unpaid amount which is supported by a bank guarantee.

21.4 These represent advances received by the Company from customers in respect of sales. Revenue aggregating of Rs. 3.2 million has been recognized for the preceding year advances from customers.

21.5 On August 13, 2020 the Supreme Court of Pakistan (SCP) through its order declared GIDCA Act an intra vires to the constitution and directed all the industrial and commercial entities to pay the Cess that have become due up to July 31, 2020. However, as a concession, the same was allowed to be recovered in twenty four equal monthly installments starting from August 01, 2020.

In light of the above stated order of SCP, the Company opted to recognize the Cess as payable in twenty four equal monthly installments in accordance with the provision of IAS 37.

		2026	2025
		----- Rupees -----	
21.6 Workers' Profit Participation Fund	Note		
Opening balance		16,642,234	26,730,277
Payment to the fund		(16,642,234)	(26,730,277)
		-	-
Charge for the year	30	40,881,000	16,642,234
Closing balance		40,881,000	16,642,234
22. ACCURED MARKUP			
Accrued markup on			
- Short term borrowings		113,074,377	137,967,508
- Long term financings		63,701,702	81,631,126
		176,776,079	219,598,634
23. SHORT TERM BORROWINGS			
Secured - under markup arrangements from banking companies			
Running finance	23.1	1,262,827,598	2,151,196,894
Cash finance	23.2	227,825,935	618,851,903
Foreign currency loan	24.3	4,703,814,383	2,180,650,693
Finance against trust receipt	24.4	604,252,893	523,679,043
		6,798,720,809	5,474,378,533

23.1 Running finance have been obtained from commercial banks under mark up arrangements amount to Rs. 1,890 Million (2025: Rs. 3,500 million) of which facilities aggregating to Rs. 628 million (2025: Rs. 1,199 million) remained unutilized at the year end. The rate of mark up ranges from 11.13% to 23.14% per annum (2025: 12.87% to 21.64% per annum) payable on quarterly basis. These finances are secured against pledge of raw material and finished goods and charge on current assets of the Company.

23.2 Cash finance have been obtained from commercial banks under mark up arrangements amount to Rs. 1750 million (2025: Rs. 1750 million) of which facilities aggregating to Rs. 1522 million (2025: Rs. 282 million) remained unutilized at the year end. The rate of mark up ranges from 11.05% to 12.39% per annum payable on quarterly basis. These finances are secured against pledge of raw material and finished goods and charge on current assets of the Company.

- 23.3** Foreign currency loan have been obtained from commercial banks under mark up arrangements amount to Rs. 4,000 million (2025: Rs. 5,225 million) of which facilities aggregating to Rs. 1,820 million (2025: Rs. 3,226 million) remained unutilized at the year end. The rate of mark up ranges from 4.65% to 8.5% per annum payable on quarterly basis (2025: 4% to 14% per annum). These finances are secured against pledge of raw material, finished goods and export document and charge on current assets of the Company.
- 23.4** Finance against trust receipt have been obtained from commercial banks under mark up arrangements amount to Rs. 1,275 Million (2025: Rs. 1,275 million) of which facilities aggregating to Rs. 675 million (2025: Rs. 751 million) remained unutilized at the year end. The rate of mark up ranges from 11.41% to 12.34% per annum payable on quarterly basis. These finances are secured against pledge of raw material, finished goods and export document and charge on current assets of the Company.

		2026	2025
	Note	----- Rupees -----	
24. PROVISION FOR TAXATION			
Provision for revenue taxes		79,991,541	218,853,389
Provision for taxation		259,761,329	108,204,423
		339,752,870	327,057,812

25. CONTINGENCIES AND COMMITMENTS

Contingencies

Bank guarantees	25.0	686,481,302	636,481,302
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25.0 Bank guarantees

In favor of	Bank		
Sui Northern Gas Pipelines Limited	MCB Bank Limited	223,061,261	57,061,261
Ministry of Textile	MCB Bank Limited	599,574	599,574
Excise and taxation	United Bank Limited	110,560,000	110,560,000
Import licence fee	Habib Bank Limited	274,552	274,552
Excise and taxation	MCB Bank Limited	351,985,915	467,985,915
		686,481,302	636,481,302

- 25.1** The DCIR passed Order No. 17/2024-25 dated March 20, 2025, creating a demand of Rs. 23.292 million comprising default surcharge and penalty in respect of sales tax withholding for various tax periods. The Company contended the case before the Appellate Tribunal Inland Revenue (ATIR) and the case was decided against the Company vide order dated October 22, 2025. The department subsequently initiated recovery proceedings against the said demand. The Company then took the matter before Lahore High Court and obtained stay order subject to payment of 30% of the demand. Now the matter is pending at Lahore High Court for hearing.

As per the legal advisors of the Company it is probable that the decision shall come in favour of the Company, hence no provision is charged in this regard.

Commitments

Under letters of credit for:

- Stores and spares	7,528,498	12,682,047
- Raw material	1,598,949,083	619,311,246
- Plant and machinery	38,687,079	63,149,387
	1,645,164,660	695,142,680

26. REVENUE FROM CONTRACTS FROM CUSTOMERS

Exports

Yarn	5,977,188,333	3,061,484,717
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Local

Yarn	15,811,309,668	18,827,061,896
Doubling and Conversion	108,942,373	37,050,173
Waste	255,626,795	353,470,835
	16,175,878,836	19,217,582,904
Sales tax on local sales	(2,467,506,959)	(2,932,404,141)
Commission	(84,340,863)	(89,507,571)
	19,601,219,347	19,257,155,909

		2026	2025
		----- Rupees -----	
27. COST OF SALES	Note		
Raw material consumed	27.1	13,991,463,232	14,546,290,881
Yarn doubling charges		76,100,000	-
Power and fuel		1,487,541,010	1,497,596,150
Salaries, wages and benefits	27.2	861,367,802	832,414,110
Depreciation	5.3	690,664,020	650,622,864
Packing material consumed		213,037,499	240,970,037
Stores and spares consumed		258,021,551	293,302,707
Repairs and maintenance		14,701,639	16,553,447
Insurance		13,824,485	20,762,501
Others		6,099,916	7,199,552
		17,612,821,154	18,105,712,249
Work in process			
Opening stock		120,000,081	109,973,699
Closing stock		(117,113,302)	(120,000,081)
		2,886,779	(10,026,382)
Cost of goods manufactured		17,615,707,933	18,095,685,867
Finished goods			
Opening stock		632,053,600	270,852,000
Purchase of finished goods		46,132,600	19,556,295
Closing stock		(482,531,534)	(632,053,600)
		195,654,666	(341,645,305)
		17,811,362,599	17,754,040,562
27.1 Raw material consumed			
Opening stock		2,955,173,389	768,323,885
Purchases including purchase expenses		13,641,566,569	16,733,140,385
		16,596,739,958	17,501,464,270
Closing stock		(2,605,276,726)	(2,955,173,389)
		13,991,463,232	14,546,290,881
27.2	It includes Rs.43.398 million (2025: Rs. 44.189 million) in respect of staff retirement benefits - gratuity.		
28. DISTRIBUTION COST			
Export development surcharge		3,977,941	6,758,522
Ocean freight		32,326,459	19,744,730
Forwarding expenses		33,098,549	16,086,817
Local freight		41,490,592	37,013,942
Fuel expense		65,979,274	58,594,353
Others		3,243,417	2,070,139
		180,116,232	140,268,503
29. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	29.1	118,121,468	108,571,723
Directors' remuneration	36	93,042,230	104,028,273
Depreciation	5.3	51,098,482	42,731,461
Vehicle running and maintenance		42,597,848	39,437,786
Travelling and conveyance		3,878,778	4,432,718
Postage, telephone and fax		6,358,009	5,547,931
Electricity, gas and fuel		4,118,995	5,350,904
Printing and stationery		3,365,838	3,623,908
Auditors' remuneration	29.2	2,440,000	2,220,000
Rent, rates and taxes		8,160,963	7,849,997
Donations	29.3	2,132,000	2,236,600

	Note	2026 Rupees	2025
Insurance		4,919,871	5,007,306
Fees, subscription and periodicals		7,721,901	8,773,322
Entertainment		1,948,420	2,523,394
Repairs and maintenance		14,757,545	12,737,942
Legal and professional		4,393,769	1,020,500
Others		3,973,287	5,159,310
		373,029,404	361,253,075
29.1	It includes Rs. 6 million (2025: Rs. 9.8 million) in respect of staff retirement benefits - gratuity.		
29.2	Auditors' remuneration		
Statutory audit		1,760,000	1,370,000
Component Fee		75,000	300,000
Half year review		275,000	100,000
Review report on compliance with COCG		110,000	250,000
Certificate for CDC and free float shares		220,000	200,000
		2,440,000	2,220,000
29.3	No donation exceeding Rs. 500,000 has been given to any donee and none of the directors or their spouses have any interest in the donee's fund.		
30.	OTHER EXPENSES		
Workers' Profit Participation Fund	21.6	40,798,526	16,642,234
Workers' welfare fund		11,680,840	6,656,893
Exchange loss on foreign currency loans		9,773,470	49,111,563
Exchange loss on export debtors		5,630,781	-
Allowance for expected credit losses		4,454,005	24,710,577
		72,337,622	97,121,267
31.	FINANCE COST		
Interest / mark up on:			
Long term financing		284,905,082	424,675,790
Short term financing		408,273,795	599,768,482
Bank charges and commission		37,717,914	36,324,612
		730,896,791	1,060,768,884
32.	OTHER INCOME		
Income from financial assets			
Unrealized gain on remeasurement of short term investments		182,208,050	217,246,975
Realized gain on disposal of short term investments		50,124,762	694,262
Exchange gain on export		-	20,362,012
Exchange gain on foreign currency Loan		32,822,853	-
Interest income		12,785,249	182,040,595
Dividend income		32,107,690	27,231,717
Amortization of deferred grant	20.2	10,983,161	10,044,687
Income from non financial assets			
Gain on sale of property, plant and equipment		9,480,272	6,731,722
Yarn rebate claim		671,898	-
Rental Income		480,000	480,000
		331,663,935	464,831,970
33.	REVENUE TAXES		
Minimum taxes	33.1	79,991,541	221,939,072
Prior year		-	(71,284,788)
		79,991,541	150,654,284
33.1	This represents provision for minimum tax under sections 113 of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levy in these financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.		

34. TAXATION	Note	2026 ----- Rupees -----	2025
Current year:			
For the year		244,495,307	24,132,773
Prior		(4,913,582)	69,600,665
Deferred tax	19	73,585,433	(11,627,582)
		<u>313,167,158</u>	<u>82,105,856</u>

34.1 Reconciliation of Current Tax

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

	Note	2026 ----- Rupees -----	2025
Current tax liability for the year as per applicable tax laws		324,486,848	246,071,845
Portion of current tax liability as per tax laws, representing income tax under IAS 12	34	244,495,307	24,132,773
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37:			
Minimum tax differential	33	79,991,541	221,939,072
Difference		<u>-</u>	<u>-</u>

The aggregate of minimum / final tax and income tax, amounting to Rs 324,486,848 represents tax liability of the company calculated under the relevant provisions of the income tax ordinance, 2001.

34.2 Relationship between tax expense and accounting profit

	2026	2025
Applicable tax rate	29%	29%
Profit before revenue taxes and income tax	765,140,634	309,545,546
Tax on accounting profit before tax	221,890,784	89,768,208
Tax effect on lower rate tax income	(12,334,868)	(3,969,400)
Prior year adjustment	(4,913,582)	(1,684,123)
Revenue taxes	23,197,547	-
Others	85,621,872	48,535,753
	<u>313,461,753</u>	<u>82,105,856</u>

35. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after tax	Rupees	371,981,935	75,771,949
	Numbers		
Weighted average number of ordinary		20,700,000	20,700,000
Earnings per share - basic and diluted	Rupees	17.97	3.66

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

36. REMUNERATION TO CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	Chief executive	Director	Executives
2026	----- Rupees -----		
Remuneration	30,000,000	18,900,000	35,000,000
Housing and utilities	6,862,202	2,940,944	
Medical reimbursement	1,107,198	1,110,570	
Conveyance - cars	819,921	351,395	10,480,680
Special allowance	17,000,000	13,950,000	5,640,000
Leave encashment	-	-	3,500,000
	<u>55,789,321</u>	<u>37,252,909</u>	<u>54,620,680</u>

Number of persons

	1	1	15
	Chief executive	Director	Executives

----- Rupees -----

2025

Remuneration	30,000,000	21,000,000	34,920,000
Housing and utilities	7,397,325	3,300,192	-
Medical reimbursement	1,502,342	875,100	-
Conveyance - cars	1,653,313	972,107	10,591,651
Special allowance	16,500,000	14,671,047	5,820,000
Leave encashment	5,333,333	2,240,000	3,104,000
	62,386,313	43,058,446	54,435,651

Number of persons

	1	1	14
--	---	---	----

- 36.1** In addition, the Chief Executive and certain executives are provided with free transport subject to certain specified limits for petrol consumption, residential telephone / mobile facilities for both business and personal use and free medical facilities.

37. FINANCIAL INSTRUMENTS

- 37.1** The Company has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidity risk
Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these unconsolidated financial statement.

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

37.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from deposits, trade debts, loans and advances, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2026	2025
	----- Rupees -----	
Trade debts	5,447,789,404	4,441,878,054
Long term deposits	6,991,200	7,000,950
Trade deposits and other receivables	246,871,935	188,038,002
Short term investments	105,465,035	109,331,963
Bank balances	65,289,444	78,244,150
	5,872,407,018	4,824,493,119

The Company's credit risk exposures are categorized under the following headings:

Counterparties

The Company conducts transactions with the following major counterparties:

Trade debts
Public sectors
Banks and other financial institutions
Mutual funds
Term finance certificates

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

37.2.1 Credit risk related to trade debtors

Trade debts are essentially due from local and foreign customers against sale of yarn and waste material and the Company does not expect these counterparties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed subject to established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and any shipments to foreign customers are generally covered by letters of credit.

Trade debts are generally on 60 to 90 days credit terms.

Impairment losses

The aging of trade debts at the reporting date was:

	2026		2025	
	Gross	Impairment	Gross	Impairment
	----- Rupees -----			
Not yet due	4,611,959,894	-	3,027,886,501	-
Past due for:				
- more than 3 months but less than 1 year	835,839,510	-	648,630,579	6,665,314
- more than 1 year but less than 2 years	-	-	1,868,721	934,361
- more than 2 years	46,303,228	46,303,228	34,249,549	34,249,548
	5,494,102,632	46,303,228	3,712,635,350	41,849,223

Concentration of credit risk

Trade debts consist of a large number of diversified customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

37.2.2 Credit risk related to banks and other financial institutions

Credit risk on balances with banks is managed by management in accordance with the Company's policy. Excess funds are placed in deposits with reputable banks and financial institutions.

Bank Name	Rating Agency	Long term Loans	Short Term Loans
The Bank of Punjab	PACRA	AAA	A1+
Askari Bank Limited	PACRA	AAA	A1+
Allied Bank Limited	PACRA	AAA	A1+
BankIslami Pakistan Limited	PACRA	AA-	A1
Bank Alfalah Limited	PACRA	AAA	A1+
Bank Al Habib Limited	PACRA	AAA	A1+
Faysal Bank Limited	PACRA	AA+	A1+
Meezan Bank Limited	PACRA	AAA	A1+
Habib Bank Limited	PACRA	AA+	A1+
Soneri Bank Limited	PACRA	AA	A1+
Habib Metropolitan Bank Limited	PACRA	AAA	A1+
United Bank Limited	VIS	AA	A1+
National Bank of Pakistan	PACRA	AAA	A1+
MCB Bank Limited	PACRA	AAA	A1+

37.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

37.3.1 Liquidity risk table

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

Particulars	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years	Total
Long term financing	72,011,395	372,040,906	1,511,678,910	604,815,217	2,560,546,428
Short term borrowings	-	6,798,720,809	-	-	6,798,720,809
Trade and other payables	-	639,525,787	-	-	639,525,787
Accrued mark up	176,776,079	-	-	-	176,776,079
Unclaimed dividend	20,528,792	-	-	-	20,528,792
2026	269,316,266	7,810,287,502	1,511,678,910	604,815,217	10,196,097,895
Long term financing	52,727,706	425,545,033	2,096,556,652	604,815,217	3,179,644,608
Short term borrowings	-	5,474,378,533	-	-	5,474,378,533
Trade and other payables	-	734,594,849	-	-	734,594,849
Accrued mark up	219,598,634	-	-	-	219,598,634
Unclaimed dividend	22,523,062	-	-	-	22,523,062
2025	294,849,402	6,634,518,415	2,096,556,652	604,815,217	9,630,739,686

	2026	2025
	----- Rupees -----	
Off Statement of financial position items		
Letters of credit	1,645,164,660	695,142,680
Bank guarantees	686,481,302	636,481,302
Off Statement of financial position gap	2,331,645,962	1,331,623,982

37.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest 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

37.4.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

Exposure to currency risk

The Company is exposed to currency risk on trade debts which are denominated in currency other than the functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

	2026		2025	
	Rupees	US Dollar	Rupees	US Dollar
Trade debts	1,693,892,341	5,969,454	771,091,927	2,717,409
	1,693,892,341	5,969,454	771,091,927	2,717,409

The following US Dollar exchange rates were applied during the year:

	2026	2025
	----- Rupees -----	
Average rate	281.05	281.05
Statement of financial position rate	283.76	283.76

Sensitivity analysis - foreign currency

At June 30, 2025, if the Rupee had weakened / strengthened by 10% (2025: 10%) against the US Dollar with all other variables held constant, profit for the year would have been lower / higher by Rs. 77.10 million (2025: Rs. 37.35 million), as a result of foreign exchange gains / losses on translation of foreign currency trade debts. Profit / (loss) is less sensitive to movement in Rupee / foreign currency exchange rates in 2026 than 2025 because of high recovery from export debtors.

37.4.2 Interest rate risk

Interest / mark-up rate risk arises from the possibility that changes in interest / mark-up rates will effect the value of financial instruments. The Company has significant amount of interest based financial assets and financial liabilities which are largely based on variable interest / mark-up rates, therefore the Company has to manage the related finance cost which exposes it to the risk of 3 month and 6 month KIBOR. Since the impact on interest rate exposure is significant to the Company, management is considering the alternative arrangement to manage interest rate exposure in future.

2026		2025	
Effective Interest Rate	Rupees	Effective Interest Rate	Rupees

Fixed rate instruments

Financial assets:

- Saving accounts	9.5% - 22%	-	15.24% - 18.53%	36,941
- Term deposit receipts		5,000,000		5,000,000
- Term finance certificate	9.37% - 15.25%	100,000,000	21.76% - 23.81%	100,000,000

Variable rate instruments

Financial liabilities:

- Long term financing	2.5% - 13.66%	2,560,546,428	2.5% - 23.72%	2,978,600,006
- Short term borrowings	4.65% - 21.64%	6,798,720,809	4% - 23.63%	2,285,390,105
		<u>9,464,267,237</u>		<u>5,369,027,052</u>

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit / loss for the year ended June 30, 2026 would decrease / increase by Rs. 94.64 million (2025: Rs. 85.58 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate

37.4.3 Other price risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not materially exposed to other price risk on financial assets and liabilities.

37.4.4 Equity share price risk

The Company is also exposed to the equity price risk arising from the fluctuations due to change in fair value of those equity instruments. At the reporting date, the exposure to equity securities at fair value was Rs.965.63 million (2025: 643.07 million)

Sensitivity analysis - Equity share price risk

A 1% increase / decrease in share prices at year end would have increased / decreased profit for the year as follows :

	2026	2025
	----- Rupees -----	
Effect on profit or loss	9,656,301	6,430,708

37.5 Fair values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

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

37.5.1 Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments and non financial assets.

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

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

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

The Company does not have any other financial instruments to be classified here other than "Short term investments" as disclosed in note 15, that are classified in level 1 and level 2 as per hierarchy stated above.

The Company follows the revaluation model for its free hold land, building on free hold land, plant and machinery. The fair value measurement as at June 30, 2025 was performed by MYK Associates (Private) Limited & Joseph Lobo (Private) Limited. MYK Associates (Private) Limited & Joseph Lobo (Private) Limited both are on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on the panel of State Bank of Pakistan and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. The fair value of the assets was determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the property/project, condition, size, utilization, and other relevant factors. In estimating the fair value of free hold land, building on free hold land and plant and machinery, the highest and best use of these assets is their current use.

Since the date of last revaluation, there has been no material change in the market factors that derive fair value of these properties, therefore, management believes that the carrying value of these non financial assets approximate its fair market value.

Short term investments include quoted equity shares, mutual funds, term finance certificate and term deposit receipt. The equity share and funds are valued at each reporting date at their fair value by using the prevailing quoted prices of shares on Pakistan Stock Exchange Limited. Term finance certificate and term deposit receipt are valued at amortized cost.

June 30, 2026	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Short term investments	971,095,114	-	-	971,095,114
Free hold land	-	1,500,670,000	-	1,500,670,000
Building on free hold land	-	1,387,835,827	-	1,387,835,827
Plant and machinery	-	4,178,719,931	-	4,178,719,931
Electric installations	-	834,206,107	-	834,206,107
Total	971,095,114	7,901,431,865	-	8,872,526,979
June 30, 2025	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Short term investments	647,402,765	-	-	647,402,765
Free hold land	-	1,286,725,000	-	1,286,725,000
Building on free hold land	-	1,513,000,000	-	1,513,000,000
Plant and machinery	-	4,574,970,000	-	4,574,970,000
Electric installations	-	735,300,000	-	735,300,000
Total	647,402,765	8,109,995,000	-	8,757,397,765

There were no transfers between levels of fair value hierarchy during the period.

37.6 Financial instruments by category

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

The accounting policies for financial instruments have been applied for line items as below:

	2026	2025
	----- Rupees -----	
Assets carried at fair value through profit or loss		
carrying value of other financial assets at fair value through profit or loss	971,095,114	647,402,765
	971,095,114	647,402,765
Assets categorized at amortized cost		
Trade debts	5,447,789,404	4,441,878,054
Loan and advances	50,377,668	34,979,915
Long term deposits	6,991,200	7,000,950
Short term investments	100,000,000	105,000,000
Trade deposits and other receivables	246,871,935	188,038,002
Cash and bank balances	65,906,383	787,775,361
	5,917,936,590	5,564,672,282
Liabilities carried at amortized cost		
Trade and other payables	630,223,236	529,320,857
Long term financing	2,560,546,428	2,978,600,006
Short term borrowings	6,798,720,809	5,474,378,533
Unclaimed dividend	20,528,792	22,523,062
Accrued mark up	176,776,079	219,598,634
	10,186,795,344	9,224,421,092

38. CAPITAL MANAGEMENT

The Company 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 provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Capital comprises all components of equity (i.e. share capital, reserves and unappropriated profit). The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders or issue new shares.

The debt-to-adjusted capital ratios at June 30, were as follows:

	2026	2025
	----- Rupees -----	
Total debt	8,096,439,639	6,301,781,645
Cash and cash equivalents	1,196,921,215	2,072,421,533
Net debt	9,293,360,854	8,374,203,178
Total equity	9,572,831,982	9,200,507,541
Adjusted capital	18,866,192,836	17,574,710,719
Debt-to-adjusted capital ratio	49.26%	47.65%

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related group companies, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under trade debts and trade and other payable (note 10.1, 22.1) and remuneration of Chief Executive, director and executives (note 38). Indus Home Limited and Indus Dyeing & Manufacturing Co. Limited is associated undertaking based on common directorship. Other significant transactions with related parties are as follows:

	2026	2025
	----- Rupees -----	
Transactions with associated undertakings (due to common directorship)		
Indus Dyeing & Manufacturing Company Limited		
Sale of goods and services	-	5,252,420
Purchase of goods and services	1,050,825,855	868,218,953
Indus Home Limited		
Sale of goods and services	335,577,957	391,213,602
Indus Lyallpur Limited		
Purchase of goods and services	-	9,000,675

All transactions with related parties have been carried out on agreed terms and conditions duly approved by the board of directors.

**40. DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH
NON-PERMISSIBLE BUSINESS ACTIVITIES**

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278 (I) / 2024 dated August 15, 2024:

STATEMENT OF FINANCIAL POSITION

		2026	2025
Liabilities	Note	----- Rupees -----	
Short term borrowings as per islamic mode	23	818,214,553	964,413,690
Interest or mark-up accrued on conventional loans	22	15,982,026	191,139,673

Assets

Shariah compliant short term investment	12	109,997,278	88,946,523
Shariah compliant bank balances	14	-	21,729,600

STATEMENT OF PROFIT OR LOSS

Revenue from contracts with customers	26	-	19,257,155,909
Profit paid on islamic mode of financing	31	-	67,607,094

Dividend Income

Shariah compliant	32	2,766,284	-
Shariah non-compliant	32	4,425,880	26,765,122

Exchange gain on export

Shariah compliant	32	-	20,362,012
Shariah non-compliant	32	-	-

Interest income

Shariah compliant	32	-	-
Shariah non-compliant	32	12,785,249	182,040,595

Exchange gain on foreign currency Loan

Shariah compliant	32	-	-
Shariah non-compliant	32	-	-

Unrealized gain on remeasurement of short term investments

Shariah compliant	32	158,946,540	16,931,383
Shariah non-compliant	32	24,194,015	200,310,650

Realized Gain on disposal of short term investments

Shariah compliant	32	49,076,250	-
Shariah non-compliant	32	1,048,639	612,521

Other income - Other

Shariah compliant	32	10,632,170	6,731,722
Shariah non-compliant	32	10,983,161	10,044,687

Relationship with Shariah-compliant financial institutions:

The Company has relationships with shariah compliant banks in respect of bank balances and availed borrowing facilities as mentioned above.

41. PLANT CAPACITY AND PRODUCTION

Number of spindles installed	34,896	34,896
Number of spindles worked	33,625	32,550
Number of rooters installed	6,000	6,000
Number of rooters worked	5,905	5,951
Number of shifts / day	3	3
Installed capacity after conversion into 20/s count Kgs	21,022,080	21,022,080
Actual production of yarn after conversion into 20/s count Kgs	19,515,142	18,826,329

Reasons for shortfall

It is difficult to describe precisely the production capacity in spinning unit since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed and twist etc. It also varies according to the pattern of production adopted in a particular year.

42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Balance at beginning	Net Cash flow	Balance at end of the year
	----- Rupees -----		
Long term finances	2,978,600,006	(418,053,582)	2,560,546,424
Short term borrowings	5,474,378,533	1,324,342,276	6,798,720,809
Dividend	22,523,062	(1,994,270)	20,528,792
June 30, 2026	8,475,501,601	904,294,424	9,379,796,025
	Balance at beginning	Net Cash flow	Balance at end of the year
	----- Rupees -----		
Long term finances	3,001,916,113	(23,316,107)	2,978,600,006
Short term borrowings	2,285,390,105	3,188,988,428	5,474,378,533
Dividend	22,523,062	-	22,523,062
June 30, 2025	5,309,829,280	3,165,672,321	8,475,501,601

43. SEGMENT REPORTING

The Company's core business is manufacturing and sale of yarn and it generates more than 90% of its revenue and profit from the production and sale of yarn. Decision making process is centralized at head office led by Chief Executive who is continuously involved in day to day operations and regularly reviews operating results and assesses its performance and makes necessary decisions about resources to be allocated to the segments. Currently it has one yarn manufacturing unit. Owing to the similarity in nature of the products and services, nature of the production processes, type or class of customers for the products and services, the methods used to distribute the products, the nature of the regulatory environment all the yarn producing units are aggregated into a single operating segment and the Company's performance is evaluated by the management on an overall basis, therefore these operational segments by location are not separately reportable segments.

44. NUMBER OF EMPLOYEES

The total number of employees at the year end and average number of employees during year are as follows:

	2026	2025
Total number of employees as at June 30	818	872
Average number of employees during the year	807	946

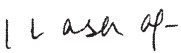
45. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statement were authorized for issue on October 02, 2026 by the Board of Directors of the Company.

46. GENERAL

Figures have been rounded off to the nearest Rupee, except where stated otherwise.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

آڈیٹرز کا تقرر:-

آڈیٹرز میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹ نے کمپنی کے ساتھ اپنی تقرری کی معیاد مکمل کی اور اہل ہونے کے ناطے اپنی خدمات کو ایک اور مدت کے لئے پیش کیا۔ بورڈ آف ڈائریکٹرز نے بورڈ کی آڈٹ کمیٹی کی سفارش پر مبنی، اس فرم کو اگلے سال کے لئے کمپنی کے آڈیٹر کی حیثیت سے دوبارہ تقرری کے لئے تجویز کیا ہے۔

آڈٹ کمیٹی:-

بورڈ آف ڈائریکٹرز نے ایک مکمل باضابطہ آڈٹ کمیٹی تشکیل دی جس میں تین ممبران شامل ہیں۔ ایک آزاد ڈائریکٹر اور دو غیر فعال ڈائریکٹرز ہیں۔ کمیٹی کے حوالے سے شرائط شفاف داخلی آڈٹ، اکاؤنٹنگ اور کنٹرول سسٹم، رپورٹنگ کے مناسب ڈھانچے کے ساتھ ساتھ کمپنی کے اثاثوں کی حفاظت کے لئے مناسب اقدام کا تعین کرنے پر مشتمل ہیں۔

ممبران کی ترتیب:-

کمپنی ایکٹ 2017 اور کوڈ آف کارپوریٹ گورننس کے مطابق جون ۲۰۲۶ کے اختتام پر ممبران کی ترتیب کے خاکہ سے متعلق معلومات اس رپورٹ کیساتھ علیحدہ سے منسلک ہے۔

اندرونی آڈٹ کنٹرول:-

بورڈ کے پاس کمپنی کے کاروبار کو چلانے کے لئے آپریشنل، مالی اور تعمیل کنٹرول کے ساتھ موثر اور مضبوط اندرونی کنٹرول سسٹم موجود ہے۔ اندرونی آڈٹ کے نتائج کا آڈٹ کمیٹی کے ذریعے جائزہ لیا جاتا ہے۔ اور جہاں ضروری ہو، ان آڈٹ رپورٹس میں شامل سفارشات کی بنیاد پر کارروائی کی جاتی ہے۔

ویب پر موجودگی:

کمپنی کے سالانہ اور مختلف مدت کے مالیاتی بیانات کو کمپنی کی ویب سائٹ <http://www.indus-group.com> پر موجود ہیں جہاں سے شیئر ہولڈر اور دوسرے لوگ معلومات حاصل کر سکتے ہیں۔

اظہار تشکر:-

ادارے کے ڈائریکٹرز تمام ملازمین کی کوششوں کا اعتراف کرتے ہیں۔ اور انے والے سالوں میں اسی طرح کے تعلقات دیکھتے ہیں۔ ہم اپنے ان تمام گاہکوں کا شکریہ ادا کرتے ہیں۔ جنہوں نے ہماری مصنوعات پر اعتماد کیا اور وہ تمام بینکرز جنہوں نے تسلسل کے ساتھ ہماری معاونت کی۔ ہم اپنے تمام حصہ داروں کے شکر گزار ہیں جنہوں نے انتظامیہ پر اپنے اعتماد کا اظہار کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے

-ashar

کاشف ریاض

چیف ایگزیکٹو آفیسر

ڈائریکٹر

02 اکتوبر 2026

بیلنس شیٹ بنانے کے بعد کے معاملات :-

بیلنس شیٹ کے اختتامی مراحل میں اور بیلنس شیٹ بنانے کے بعد کوئی ایسا مادی یا معاملاتی معاہدہ نہیں کیا گیا جس سے بیلنس شیٹ کے اعداد و شمار میں کسی طرح کی کوئی تبدیلی واقع ہو۔ اور وہ منفی طور پر متاثر ہو۔

متعلقہ فریقین سے لین دین :-

کارپوریٹ گورننس کی ضروریات کے مطابق کمپنی نے تمام متعلقہ پارٹی ٹرانزیکشنز 11 اڈٹ کمیٹی اور بورڈ کے سامنے جائزہ اور منظوری کے لئے پیش کیے۔

۳۰ جون ۲۰۲۶ کو ختم ہونے والے سال کے لئے ملحق شدہ مالی گوشوارے نوٹ 40 میں تمام متعلقہ لین دین کی تفصیلات فراہم کی گئی ہیں۔

ڈائریکٹرز کی ذمہ داریوں کی تفصیل :-

ڈائریکٹرز اسٹاک ایکسچینج کی فہرست سازی کے مطابق کارپوریٹ اور مالیہ پرنگ کے فریم ورک کے مطابق عمل کرتے ہیں۔

کمپنی کے مالیاتی گوشوارے جو کہ کمپنی کی انتظامیہ نے تیار کئے ہیں۔ اس میں تمام لین دین کو شفافیت کے ساتھ درج کیا گیا ہے۔ اس کے ساتھ ساتھ نتائج اور کمپنی کی آمد و رفت کا بھی واضح اظہار ہے۔

حساب نویسی سے متعلق تمام پالیسیوں کو ملکی اور بین الاقوامی قوانین کے مطابق تیار کیا گیا ہے۔ اور جہاں ضرورت محسوس کی گئی وہاں وضاحتیں بھی پیش کی گئی ہیں۔

اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے۔ جس پر عمل درآمد کیا جاتا ہے۔

جولسٹنگ قواعد و ضوابط میں بیان کیا گیا ہے اس سے انحراف نہیں کیا جاتا۔

پچھلے چھ سالوں کے متعلق اعداد و شمار بھی منسلک کیئے گئے ہیں۔

ٹیکس ڈیوٹیوں اور ادا طلب ادائیگیوں کو ۳۰ جون ۲۰۲۶ کے لئے نہیں روکا گیا۔ سوائے ان کے جن کا اظہار Financial Statement برائے سال 30 جون 2026 میں کیا گیا ہے۔

بورڈ آف ڈائریکٹرز اور مینجنگز :-

سال کے دوران بورڈ کے اجلاس منعقد ہوئے تھے۔ ہر ڈائریکٹر کی حاضری مندرجہ ذیل ہے۔

بورڈ آف ڈائریکٹرز کی 7 مینٹنگز	آڈٹ کمیٹی کی 5 مینٹنگز	انسانی وسائل اور معاوضہ کمیٹی کی 1 مینٹنگز
حاضری	حاضری	حاضری
عمران احمد	4/4	-
کاشف ریاض	4/4	-
شہزاد احمد	4/4	-
نوید احمد	4/4	-
مسز فادیہ کاشف	4/4	1/1
شاوین احمد	4/4	4/4
مہر النساء کاشف	4/4	1/1
شیخ شفقت مسعود	3/4	4/4
فاروق حسن	4/4	-
فیصل حنیف	4/4	1/1
عذرار یعقوب واڈا	4/4	-

ڈائریکٹرز کے مشاہرے :-

کمپنی ڈائریکٹران (فعال و غیر فعال) مشاہروں کے بارے میں کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے منظور شدہ پالیسی پر عمل درآمد کیا جاتا ہے۔ اس پالیسی کو اس طرح سے تیار کیا گیا ہے۔ کہ جو انسانی

وسائل اور کاروباری ضروریات دونوں کی حکمت عملی کو ساتھ لے کر چلے۔ بورڈ اس بات پر یقین رکھتا ہے کہ پالیسی اس قدر پر اثر ہوئی چاہیے کہ جو ڈائریکٹر انکو اپنی جانب راغب کرے اور ان کو اس بات پر آمادہ

کرے کہ وہ کمپنی کو معاملات کو اپنی بہترین صلاحیتوں کے مطابق سرانجام دے سکیں۔

منافع برائے تصرفات	868,311	428,139
فلسفہ اثاثہ جات کے ریویژن سرپلس سے منتقل	117,811	67,848
آگے کیا گیا جمع شدہ منافع	986,125	495,987
فی حصص آمدنی	17.97	3.66

ڈیویڈنڈ:-

بورڈ آف ڈائریکٹرز نے ۳۰ جون ۲۰۲۶ کو ختم ہونے والے سال کیلئے کسی ڈیویڈنڈ کا اعلان نہیں کیا۔

کاروباری تجزیہ:-

آپ کی کمپنی نے اس عرصہ میں بعد از ٹیکس منافع 371.982 ملین رہا۔ جو کہ گذشتہ اس عرصہ میں 75.772 ملین تھا۔ ٹیکس کے بعد منافع میں اضافہ کی بنیادی وجہ مالیاتی اخراجات میں کمی ہے۔ اس مدت کے دوران کمپنی نے مقررہ اثاثوں میں 224.326 ملین روپے کی سرمایہ کاری کی۔ یہ کمپنی کے اس منصوبے کا حصہ ہے جس کا مقصد بجلی کے اخراجات کو کم کرنے، توانائی کی کارکردگی کو بہتر بنانے اور مینوفیکچرنگ کی لاگت کو کم کرنے کی جاری کوششوں کے تحت معیار کو بہتر بنانا اور اپنی سولر پاور جرنیشن کی صلاحیت کو بڑھانا ہے۔

مستقبل کی صورتحال:

پاکستان کی اسپینگ انڈسٹری مستقبل کے امکانات بدستور چیلنجز سے دوچار ہیں۔ تاہم اسکے ساتھ ساتھ ترقی اور کاروباری مواقع کے نئے امکانات بھی پیدا ہو رہے ہیں۔ صنعت کی کارکردگی آئندہ بھی معیاری کپاس کی دستیابی اور قیمت، توانائی کے نرخوں، شرح سود، شرح مبادلہ میں اتار چڑھاؤ، بین الاقوامی طلب اور خطے کے دیگر ٹیکسٹائل پیدا کرنے والے ممالک سے بڑھتے ہوئے مسابقت جیسے عوامل سے نمایاں طور پر متاثر ہونے کا امکان ہے۔

حالیہ عرصہ میں ٹیکسٹائل برآمدات میں بہتری اور کاشن یارن کی برآمدات میں اضافے سے ظاہر ہوتا ہے کہ پاکستانی ٹیکسٹائل مصنوعات کی بین الاقوامی طلب بدستور موجود ہے۔ جو اسپینگ سیکٹر کے لئے کاروباری مواقع فراہم کرتی ہے۔

تاہم ملک میں کپاس کی پیداوار میں مسلسل کمی ایک اہم تشویش کا باعث ہے۔ اس صورتحال کے نتیجے میں درآمدی خام کپاس پر انحصار میں اضافہ ہو سکتا ہے۔ جس سے اسپینگ ٹیکسٹائل کو بین الاقوامی اجناس کی قیمتوں، مال برداری کے اخراجات اور شرح مبادلہ میں اتار چڑھاؤ جیسے عوامل کے اثرات کا سامنا کرنا پڑ سکتا ہے۔

اس صورتحال میں کمپنی کی توجہ جتنا لاگت منجھٹ، پیداواری عمل کو بہتر بنانے، مصنوعات کے معیار کو برقرار رکھنے اور وسائل کے موثر استعمال پر مرکوز ہے۔ کمپنی اعلیٰ معیاری حامل اور پلیو ایڈڈ مصنوعات کی تیاری کے مواقع تلاش کرنے کا سلسلہ جاری رکھے گی۔ جبکہ بدلتے ہوئے مارکیٹ حالات کے مطابق رد عمل دینے کے لئے آپریشنل چلک کو بھی برقرار رکھا جائے گا۔

امریکہ، ایران، تاجیکستان کی اسپینگ انڈسٹری پر بالواسطہ طور پر نمایاں اثرات مرتب کر سکتا ہے۔ جن میں بنیادی طور پر توانائی کی قیمتوں، شینگ اول مال برداری کے اخراجات اور مجموعی افراط زر کے اثرات شامل ہیں۔ جبکہ کپاس کی پیداوار میں براہ راست غلغل کا امکان نسبتاً محدود ہے۔ موجودہ اطلاعات کے مطابق اس تنازع کے نتیجے میں طبعی خطے میں توانائی کی فراہمی اور شینگ کے راستے پہلے ہی متاثر ہوئے ہیں۔ موجودہ چیلنجز کے باوجود، انتظامیہ اسپینگ سیکٹر کے طویل مدتی امکانات کے حوالے سے محتاط طور پر پڑا امید ہے۔

آپریشنل کارکردگی میں تسلسل بہتری، سپلائی چین منجھٹ کو مزید مؤثر بنانا، مصنوعات میں تنوع پیدا کرنا اور نئی مارکیٹس کی ترقی ایسے عوامل ہیں۔ جو پائیدار ترقی کے فروغ اور شیئر ہولڈرز سمیت دیگر اسٹیک ہولڈرز کے لئے طویل مدتی قدر پیدا کرنے میں معاون ثابت ہونے کی توقع ہے۔

کمپنی کی سماجی ذمہ داریاں:

کمپنی نے ہمیشہ اپنے سماجی ذمہ داریوں کو تمام حصول داروں اور مجموعی طور پر کاروباری ماحول پر ترجیح دی ہے۔ یہ ایک مسلسل عمل ہے۔ کمپنی قدرتی وسائل کے تحفظ، ضیاع میں کمی، ری سائیکلنگ کو بہتر بنانے، توانائی کی کارکردگی میں بہتری اور ماحولیاتی کارکردگی کو بہتر بنانے میں کوشاں ہے۔ پچھلے سال کی طرح اس سال بھی ہم نے قدرتی گیس کی کھپت اور پانی کے استعمال میں کمی کے اہداف مقرر کئے ہیں۔ ہماری طرف سے مندرجہ ذیل کوششیں جاری ہیں۔

- گندے پانی کی صفائی

- قدرتی وسائل کے تحفظ

- مال کے ضائع ہونے میں کمی

- ری سائیکلنگ میں اضافہ توانائی کی کارکردگی میں بہتری اور ماحولیاتی کارکردگی میں اضافہ

سن ریز ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز رپورٹ جون ۳۰، ۲۰۲۶

سن ریز ٹیکسٹائل ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز 35 ویں سالانہ اجلاس ۳۰ جون ۲۰۲۶ کے مالی سال کے اختتام کی سالانہ رپورٹ ہمراہ آڈٹ شدہ مالیاتی گوشوارہ مسرت کے ساتھ پیش کرتے ہیں۔

بورڈ کی تشکیل:-

بورڈ کی تشکیل کارپوریٹ گورننس کے ضابطہ اخلاق، 2017 کے تحت اصولوں کے مطابق درج ذیل ہے۔

الف-	مرد	8
ب-	خاتون	3
تشکیل:-		
i-	فعال ڈائریکٹر	1
ii-	آزاد ڈائریکٹر	3
iii-	غیر فعال ڈائریکٹر	7

نام	کمپنی
فیصل حفیظ مس عذرا بیگم فاروق حسن	آزاد ڈائریکٹر
کاشف ریاض (چیف ایگزیکٹو آفیسر)	فعال ڈائریکٹر
میاں نوید احمد میاں شہزاد احمد میاں عمران احمد مسز فادیہ کاشف شاہد یز احمد مہر النساء کاشف شیخ شفقت مسعود	غیر فعال ڈائریکٹر
مس عذرا بیگم مسز فادیہ کاشف مہر النساء کاشف	نوابین ڈائریکٹر

مالی اور آپریشنل نتائج:

آپ کی کمپنی کا قبل از ٹیکس منافع سال ۲۰۲۶ کے اختتام پر 765.141 ملین روپے رہا۔

2025	2026	
000 روپے	000 روپے	
308,532	765,141	قبل از ٹیکس منافع
(232,760)	(393,159)	ٹیکس
75,772	371,982	بعد از ٹیکس منافع
634	342	دیگر
351,733	495,987	ابتدائی جمع شدہ منافع

چیرمین کا جائزہ

برائے سال اختتام 30 جون 2026

معزز حصص یافتگان

بورڈ آف ڈائریکٹرز کی جانب سے مجھے 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی اور بورڈ کی کارکردگی پر چیرمین کا جائزہ اور سالانہ نتائج پیش کرتے ہوئے خوشی ہو رہی ہے۔ اور میں آپ کو کمپنی کے 35 ویں سالانہ اجلاس عام میں شرکت کی پر خلوص دعوت دیتا ہوں۔

مالی سال 2026 استقامت، نظم و ضبط کے ساتھ امور کی انجام دہی اور ترقیاتی (اسٹریٹجک) توجہ کا سال رہا۔ عالمی معاشی غیر یقینی صورتحال، جغرافیائی و سیاسی پیشرفت اور ٹیکنالوجی کی صنعت کو درپیش چیلنجز کے باوجود کمپنی آپریشنل کارکردگی، اپنی مسابقتی پوزیشن کو مستحکم کرنے اور اسٹیک ہولڈرز کے لیے پائیدار قدر پیدا کرنے پر مرکوز رہی۔

بورڈ کی کارکردگی کا جائزہ

گیارہ کئی بورڈ تین آزاد ڈائریکٹرز، سات (نان ایگزیکٹو) ڈائریکٹرز اور ایک (ایگزیکٹو) ڈائریکٹر پر مشتمل ہے۔ خواتین کی گیارہ میں سے تین نشستوں پر نمائندگی ہے۔ بورڈ کی محنت، مہارتوں، تجربے اور آزادانہ فیصلے کی صلاحیت نے کاروباری کارکردگی، گورننس، رسک مینجمنٹ اور پائیداری کی مؤثر نگرانی کو ممکن بنایا۔

بورڈ نے اسٹریٹجک ترجیحات، اہم سرمایہ کاری اور ابھرتے ہوئے خطرات و مواقع کا جائزہ لینے کے لیے انتظامیہ کے ساتھ قریبی تعاون جاری رکھا۔ بورڈ نے اپنی ذمہ داریاں مؤثر طریقے سے ادا کیں۔ خاص طور پر مالیاتی رپورٹنگ (Terms of Reference)، داخلی کنٹرول، رسک مینجمنٹ، گورننس، انسانی سرمائے اور پائیداری کے شعبہ جات۔ بورڈ نے داخلی کنٹرول اور داخلی آڈٹ کے افعال کی افادیت کا بھی جائزہ لیا، جبکہ خود تشخیصی عمل نے بورڈ کی مسلسل کارکردگی اور افادیت کی تصدیق کی۔

کمپنی کی کارکردگی کا جائزہ

کاروباری ماحول، خاص طور پر اسپینگ (سوت سازی) کے شعبے کے لئے چیلنجنگ رہا۔ اسکی وجوہات میں بڑھتے ہوئے آپریٹنگ اخراجات، بجلی کے زیادہ نرخ، مقامی کپاس کی محدود دستیابی اور معیار، نیز علاقائی، جغرافیائی و سیاسی حالات کے باعث بین الاقوامی سپلائی چین میں خلل شامل ہیں۔

ان چیلنجز کے باوجود، کمپنی نے دانشمندانہ انتظام، آپریشنل کارکردگی اور اخراجات پر قابو پانے کے ذریعے اپنی آمدنی کا نمایاں حصہ برقرار رکھا۔ یہ بورڈ کی اسٹریٹجک سمت کے درست ہونے اور انتظامیہ کی مسلسل محنت و لگن کی عکاسی کرتا ہے۔

ماحولیاتی، سماجی اور گورننس سے متعلق امور بورڈ کے غور و خوض کا اہم حصہ رہے۔ کمپنی نے پائیداری اور آب و ہوا سے متعلق خطرات کی ESG سے متعلق اپنی ترجیحات کو آگے بڑھایا۔ قابل تجدید توانائی میں سرمایہ کاری، نیز کیوئی (DEI) نگرانی جاری رکھی۔ اور پائیداری، تنوع، مساوات اور شمولیت کی ترقی اور ملازمین کی شمولیت کے اقدامات، پائیدار ترقی اور ذمہ دارانہ کاروباری طریقوں کے لئے کمپنی کے عزم کی مزید عکاسی کرتے ہیں۔

مستقبل کا منظر نامہ

مستقبل کی طرف دیکھتے ہوئے، کمپنی مارکیٹ کے بدلنے ہوئے حالات سے دانشمندی سے نمٹنے ہوئے اخراجات کو بہترین سطح پر لانے، آپریشنل کارکردگی کے عمل میں بہتری اور پائیدار ترقی پر توجہ مرکوز رکھے گی۔ بورڈ مؤثر اسٹریٹجک نگرانی فراہم کرنے اور کمپنی کی (Cost Optimization) اور طویل مدتی مسابقتی صلاحیت کو مضبوط بنانے میں انتظامیہ کی معاونت فراہم کرنے کے لئے پرعزم ہے۔

میں مالی سال 2026 کے دوران بورڈ کی مجموعی کارکردگی اور اسٹریٹجک سمت اور نگرانی فراہم کرنے میں اسکی افادیت سے مطمئن ہوں۔ بورڈ کی جانب سے میں اپنے ساتھی ڈائریکٹرز کی وابستگی اور قیمتی خدمات کو سراہتا ہوں۔ اور اپنے شیئر ہولڈرز، صارفین، ملازمین، کاروباری شراکت داروں اور ریگولیٹرز کا اگلے مسلسل اعتماد اور تعاون پر شکریہ ادا کرتا ہوں۔



چیرمین

میاں عمران احمد

02 اکتوبر 2026

**PROXY FORM
ANNUAL GENERAL MEETING**

Shareholder's Folio No-----Number of shares held-----I /

We. -----Of (full address)-----

----- being a member of **SUNRAYS TEXTILE MILLS**

LIMITED hereby appoint

Mr. / Mrs. / Ms -----of (full address)-----

-----or failing him/her/ Mr. / Ms:-----of

(full address)-----

as my / our proxy in my/our absence to attend and vote for me/us on my/our behalf at the **Annual General Meeting** of the Company to be held on 27th day of October, 2026 at 04:30 p.m. plot # 3 & 7, Sector-25 Korangi industrial Area, Karachi and at any adjourned meeting thereof.

WITNESSES	
WITNESS # 1	WITNESS # 2
SIGNATURE	SIGNATURE
NAME CNIC #	NAME CNIC#

Signature on

Rs. 5/-

Revenue Stamp

1. Proxies in order to be effective, must be received at the Company's Registered Office/ Shares Registrar not less than 48 hours before the meeting and must be duly stamped, signed and witnessed.
2. CDC shareholders and their proxies are requested to attach an attested photocopy of their CNIC or passport with this proxy form before submission to the Company.

AFFIX
CORRECT
POSTAGE

The Company Secretary
SUNRAYS TEXTILE MILLS LIMITED
5th Floor 508 Beaumont Plaza Beaumont Road
Civil Lines Qtrs Karachi

**PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS
OF SUNRAYS TEXTILE MILLS LIMITED
June 30, 2026**

No. of Shareholders	Shareholding		Total Shares Held	Percentage of Total Capital
	From	To		
1,030	1	100	29,308	0.14
255	101	500	73,741	0.36
499	501	1,000	422,796	2.04
237	1,001	5,000	450,884	2.18
30	5,001	15,500	261,532	1.26
3	15,501	34,995	57,970	0.28
4	35,001	200,000	271,935	1.31
7	205,001	1,150,000	4,286,244	20.71
4	1,155,001	2,090,000	5,630,102	27.20
2	2,095,001	2,400,000	4,356,519	21.05
2	2,410,001	2,500,000	4,858,969	23.47
2,073			20,700,000	100.00

CATEGORIES OF SHAREHOLDERS	
As at June 30, 2026	

Shareholders	No. of Shareholders	Shares Held	Percentage
Individuals	2,046	7,385,086	35.68
Associated Companies	1	205,962	0.99
Financial Institutions	1	72,729	0.35
Mutual Fund	2	1,043,976	5.04
Joint Stock Companies	8	18,296	0.09
Directors, CEO their Spouses & Minor Children	15	11,973,951	57.85
	2,073	20,700,000	100

DETAIL OF CATEGORIES OF SHAREHOLDERS	
As at June 30, 2026	

Name	Number of Shareholders	Shares Held
INDIVIDUALS	2,046	7,385,086
ASSOCIATED COMPANIES	1	
M/s. Indus Dyeing & Manufacturing Company Limited		205,962
		205,962
FINANCIAL INSTITUTIONS	1	
NATIONAL BANK OF PAKISTAN		72,729
		72,729

JOINT STOCK COMPANIES

8

MANAGEMENT AND EDUCATIONAL SERVICES (PRIVATE) LIMITED	1,600
TARIQ CAPITAL (PRIVATE) LIMITED	500
FIKREES (PRIVATE) LIMITED	4,500
MRA SECURITIES LIMITED - MF	693
BAWA SECURITIES (PVT) LTD. - MF	7,700
Y.S. SECURITIES & SERVICES (PVT) LTD.	2,100
S.H. BUKHARI SECURITIES (PVT) LIMITED	1,200
MAPLE LEAF CAPITAL LIMITED	3
	18,296

MUTUAL FUND

2

CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	956,526
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	87,450
	1,043,976

DIRECTORS, CEO, THEIR SPOUSES & MINOR CHILDREN

15

Mr. Shahzad Ahmed	1	2,445,613
Mr. Naveed Ahmed	2	1,655,310
Mr. Kashif Riaz	3	2,095,536
Mr. Imran Ahmed	4	1,659,912
Mr. Shafqat Masood	5	13,719
Mr. Shahwaiz Ahmed	6	594
Mr. Faisal Hanif	7	300
Ms. Azra Yaqub Vawda	8	30
Mr. Farooq Hassan	9	15
Mrs. Fadia Kashif	10	2,413,356
Ms. Mehr-un Nisa	11	726,200
Mrs. Aisha Irfan	12	565,671
Mrs. Lozina Shahzad	13	380,085
Mrs. Shahzia Naveed	14	13,446
Mrs. Tahia Imran	15	4,164
GRAND TOTAL	2,073	11,973,951
		20,700,000

Shareholders holding 10% or more voting interest in the company as at June 30, 2026

DIRECTORS, CEO, THEIR SPOUSES AND MINOR CHILDREN	SHARES HELD	PERCENTAGE %
Mr. Kashif Riaz	2,095,536	10.12
Mrs. Fadia Kashif	2,413,356	11.66
Mr. Shahzad Ahmed	2,445,613	11.81
Mr. Irfan Ahmed (substantial shareholder)	2,260,984	10.92

Detail of purchase / sale of shares by Directors, Company Secretary, Head of Internal Audit Department, Chief Finance Officer, Chief Executive Office and their spouses, minor children during 2025-2026

DIVIDEND MANDATE FORM

The Company Secretary,

Subject Bank account details for payment of Dividend through electronic mode

Dear Sir,

I/we/Messrs., _____ being the shareholder(s) of Sunrays Textile Mills Limited [the "Company"], hereby, authorize the Company, to directly credit cash dividend declared by it, my bank account as detailed below:

(i) Shareholder's details:	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. / CDC IAS	
CNIC/NICOP/Passport/NTN No. (Please attach copy)	
Contact Number (landline & Cell Nos.)	
Shareholder's Address	
(ii) Shareholder's Bank account details:	
Title of Bank Account	
IBAN (see Note 1 below)	
Bank's Name	
Branch Name & Code No.	
Branch Address	

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours Sincerely

Signature of Shareholder

(Please affix Company stamp in case of corporate entity)

Notes:

- (i) Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.
- (ii) **This letter must be sent to shareholder's participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of banks account details for credit of cash dividend declared by the Company from time to time.**



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