

ASIM TEXTILE MILLS LTD

Financial Statements

For the Year Ended June 30, 2026

COMPANY INFORMATION

BOARD OF DIRECTORS:

CHIEF EXECUTIVE:

DIRECTORS:

MR. ZAHID ANWAR
MR. IMRAN ZAHID
MR. ZEESHAN ZAHID
MS. NOORULAIN ZAHID
MR. ANWAR UL HAQ
MR. ZULQARNAIN
MR. ALI RAZA ZAFAR

AUDIT COMMITTEE:

CHAIRMAN:

MEMBER:

MEMBER:

MR. ZULQARNAIN
MR. ZEESHAN ZAHID
MR. ALI RAZA ZAFAR

HUMAN RESOURCES & REMUNERATION COMMITTEE:

CHAIRMAN:

MEMBER:

MEMBER:

MR. ANWAR UL HAQ
MS. IMRAN ZAHID
MR. ALI RAZA ZAFAR

COMPANY SECRETARY:

MR. AJMAL SHABAB

CHIEF FINANCIAL OFFICER:

MR. ABRAR MOHSIN

AUDITORS:

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

BANKS:

MEEZAN BANK
BANK OF PUNJAB
JS BANK LIMITED
UNITED BANK LIMITED
ASKARI BANK LIMITED
NATIONAL BANK OF PAKISTAN
AL BARAKA BANK (PAKISTAN) LIMITED

LEGAL ADVISOR:

MR. ZIA-UL-HAQ (ADVOCATE)

REGISTERED OFFICE:

JK HOUSE, 32-W, SUSAN ROAD,
MADINA TOWN, FAISALABAD

SHARE REGISTRAR OFFICE:

HAMEED MAJEED ASSOCIATES (PVT) LTD
1ST FLOOR, H.M HOUSE, 7-BANK SQUARE
LAHORE.

MILLS:

32-KM, SHEIKHUPURA ROAD, FAISALABAD

WEB SITE:

www.asimtextile.com

VISION

**TO TURN AROUND THE COMPANY INTO A
PROFITABLE UNDERTAKING ITS LIFE
AND TO BE A MARKET LEADER BY BEING
THE BEST LEADER BY BEING THE BEST**

MISSION

**TO PROVIDE FINE QUALITY PRODUCTS
TO ITS CUSTOMERS AND BRING THE
COMPANY INTO PROFIT TO INCREASE
SHAREHOLDERS' WEALTH**

ASIM TEXTILE MILLS LIMITED

CHAIRMAN'S REVIEW

It gives me great pleasure to provide this report to the shareholders of Asim Textile Mills Ltd. (the "Company"), which outlines the Board's overall performance and contribution to the accomplishment of the Company's strategic goals.

Throughout the year, the Board and its Committees discharged their responsibilities diligently and effectively in accordance with applicable laws, regulations and recognized best practices of corporate governance. The Audit Committee played a key role in overseeing the Company's risk management and internal control framework, while the Human Resource and Remuneration Committee reviewed and guided matters relating to performance management, staffing, compensation and employee benefits in alignment with the Company's policies and long-term objectives. The Committees also reviewed relevant matters within their respective mandates and provided appropriate recommendations to the Board. The Board remains committed to maintaining high standards of corporate governance, ensuring regulatory compliance and supporting the achievement of the Company's strategic and long-term objectives.

The Board of directors continues to play vital role in guiding the revival of business operations. An annual self-assessment of the Board of Directors is conducted to evaluate and benchmark its overall performance and effectiveness in relation to the Company's strategic goals and objectives. Based on the assessment, the performance of the Board was found to be satisfactory and in line with the Company's expectations.

As I conclude this review, I wish to place on record my sincere appreciation to my fellow Board members for their commitment, guidance, throughout the year. I also express my gratitude to our shareholders for their continued confidence, our customers for their trust, our employees for their passion and commitment and all other stakeholders for their support.

For and on behalf of the Board



MR ANWAR UL HAQ

Faisalabad.

October, 07 2026

Chairman BOD

حاصم ٹیکسٹائل ملز لمیٹڈ

چیئرمین کا جائزہ

مجھے اس بات پر دل مسرت ہے کہ میں حاصم ٹیکسٹائل ملز لمیٹڈ (جسے بعد ازاں کمپنی کہا گیا ہے) کے معزز حصّہ داران کے سامنے یہ رپورٹ پیش کر رہا ہوں جس میں بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کمپنی کے اہداف کے حصول میں اس کے کردار کو اجاگر کیا گیا ہے۔

پورے سال کے دوران بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں نے قابل اطلاق قوانین، ضوابط اور کارپوریٹ گورننس کے تسلیم شدہ بہترین طریقہ کار کے مطابق اپنی ذمہ داریاں نہایت مستعدی اور موثر انداز میں انجام دیں۔ آؤٹ کمیٹی نے کمپنی کے رسک مینجمنٹ اور اندرونی کنٹرول کے نظام کی نگرانی میں اہم کردار ادا کیا جبکہ ہیومن ریسورس اینڈ ریویژیشن کمیٹی نے کارکردگی کے انتظام، افرادی قوت، معاوضہ جات اور ملازمین کی مراعات سے متعلق امور کا جائزہ لیا اور کمپنی کی پالیسیوں اور طویل مدتی مقاصد سے ہم آہنگ رہنمائی فراہم کی۔

کمیٹیوں نے اپنے متعلقہ دائرہ کار کے تحت متعلقہ امور کا بھی جائزہ لیا اور بورڈ کو سب سفارشات پیش کیں بورڈ کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے ضابطہ جاتی تقاضوں کی تعمیل کو یقینی بنانے اور کمپنی کے ترویجیاتی اور طویل مدتی مقاصد کے حصول میں معاونت کیلئے پرعزم ہے۔

بورڈ آف ڈائریکٹرز کاروباری سرگرمیوں کی بحالی اور انہیں موثر انداز میں آگے بڑھانے کیلئے راہنمائی فراہم کرنے میں اپنا اہم کردار مسلسل ادا کر رہا ہے کمپنی کے ترویجیاتی اہداف اور مقاصد کے تناظر میں بورڈ کی مجموعی کارکردگی اور موثریت کا جائزہ لینے اور مترجمہ معیارات کے مطابق اس کی جانچ کیلئے بورڈ آف ڈائریکٹرز کی سالانہ خود تشخیصی عمل انجام دیا گیا مذکورہ تشخیص کی بنیاد پر بورڈ کی کارکردگی تسلی بخش اور کمپنی کی توقعات کے مطابق پائی گئی۔

اس جائزے کے اختتام پر میں اپنے تمام رفقاء بورڈ کا مدد سے شکریہ ادا کرنا چاہتا ہوں جنہوں نے پورے سال اپنی بھرپور دلچسپی اور راہنمائی کا مظاہرہ کیا میں اپنے معزز حصّہ داران کے مسلسل اعتماد، اپنے صارفین، اپنے ملازمین اور ان کے جذبے اور دلچسپی، اور تمام دیگر سٹیک ہولڈرز کا ان کی مسلسل معاونت پر مدد سے اظہر تشکر کرتا ہوں۔

بورڈ کی طرف سے

— اسد علی

محمد انوار الحق

7 اکتوبر 2026

فیصل آباد

چیئرمین بورڈ آف ڈائریکٹرز

ASIM TEXTILE MILLS LIMITED

KEY OPERATING & FINANCIAL DATA FOR LAST SIX YEARS

Particulars	2026	2025	2024	2023	2022	2021
Financial Position						
Paid up capital	151.770	151.770	151.770	151.770	151.770	151.770
Fixed assets	806.267	754.932	1,167.995	1,152.284	1050.010	979.778
Accumulated depreciation	58.653	23.891	552.148	523.486	496.539	472.989
Current assets	513.328	498.172	437.819	507.059	669.844	690.861
Current liabilities	762.720	736.323	712.204	722.336	761.521	744.778
Income						
Sales	2,042.149	2,181.698	1,812.690	354.678	2080.169	1726.224
Other income	13.964	19.712	27.931	32.752	16.830	10.93
Pre tax profit/(loss)	30.648	52.960	(39.299)	(41.223)	44.854	96.127
Taxation charge/(credit)	(18.566)	(33.085)	12.739	11.714	12.008	19.864
Statistics & Ratios						
Pre tax profit/(loss) to sales %	1.50	2.43	(2.17)	(11.62)	2.156	5.57
Pre tax profit/(loss) to capital %	20.19	34.89	(25.89)	(27.16)	29.554	63.3
Current ratio	1:1.67	1:1.68	1:1.61	1:1.70	1:1.87	1:1.92
Paid up value per share (Rs.)	10	10	10	10	10	10
Earnings/(loss) after tax per share (Rs.)	0.79	1.31	(1.75)	(1.94)	2.16	5.02
Cash dividend%	-	-	-	-	-	-
Break up value per share (Rs.)	13.20	11.36	8.18	9.23	10.64	7.88

DIRECTORS' REPORT

The Board of Directors of Asim Textile Mills Limited ('the Company') is delighted to present the Annual Report for the fiscal year ended on June 30, 2026, along with the audited Financial Statements and the accompanying Auditors' Report.

Industry Overview:

During FY2026, Pakistan's spinning sector continued to face significant structural challenges, including regionally uncompetitive energy costs, volatile and elevated raw cotton prices due to inadequate domestic supply, and subdued export demand. High input costs, particularly raw materials and energy are the major components of production expenses, exerting considerable pressure on operating margins. In response to these challenging conditions, industry participants focused on cost rationalization, energy efficiency, optimization of product mix towards higher-value yarns, and prudent capacity utilization to preserve liquidity and sustain operations amid a difficult business environment.

Business Overview:

Operating Indicators	June 30, 2026 Rupees in Millions	June 30, 2025 Rupees in Millions
Sales	2,042.149	2,181.698
Gross Profit	60.730	90.258
Levies	(14.165)	(11.175)
Income tax	(4.465)	(21.910)
Profit	12.017	19.875
Earning per share	0.79	1.31

In FY 2026, the company recorded sales of Rs. 2,042.149 million, as compared with Rs. 2,181.698 million in FY 2025.

Through improved capacity utilization and strict cost controls, the Company generated a gross profit of Rs. 60.730 million, compared to Rs. 90.258 million in FY 2025.

The company reported a profit after tax of Rs. 12.017 million, against a profit after tax of Rs. 19.875 million in FY 2025, and the earning per share recorded to Rs. 0.79 from Rs. 1.31 per share in the previous year.

Future Outlook:

The Company remains firmly committed to its strategic initiatives aimed at improving operating margins through enhanced operational efficiency and cost optimization across all areas of its business. Measures are being undertaken for future to strengthen the Company's financial position through the upgradation of plant and machinery, with a focus on improving product quality, operational performance and manufacturing efficiency. Despite the challenging business environment, the management remains optimistic about the Company's future prospects and is confident that the continued implementation of these initiatives will contribute towards sustainable growth and improved financial performance.

Compliance to good Governance and social requirements

Company is committed to fulfill its responsibilities towards good governance, social and environmental responsibilities. To protect health and safety of employees and environment, company provides able conditions and means to ensure compliance.

Human Resource and industrial relations

Under a defined and documented criteria in line with national and international laws people are recruited and hired. This is demonstrated at all level beyond any racism, cast, sex or religion and respects human rights, ethics and standards.

Composition of Board

In line with the requirements of the CCG Regulations, 2019, the Company encourages representation of independent and non-executive directors, as well as gender diversity on its Board. The current composition of the Board is as follows:

Total number of Directors:

Male directors 6

Female director 1

Composition:

Category	Names
Independent Directors	Mr. Zulqarnain Mr. Anwar ul Haq
Non-executive Directors	Mr. Imran Zahid Mr. Zeeshan Zahid Mr. Ali Raza Zafar
Executive Directors including female director	Mr. Zahid Anwar Ms. Noorulain Zahid

Performance Evaluation of Board of Directors:

The evaluation of the Board's role of oversight and its effectiveness is a continual process, which is appraised by the Board itself. The core areas of focus are:

- Alignment of corporate goals and objectives with the vision and mission of the Company;
- Strategy formulation and planning for sustainable operation;
- The Board's independence and effectiveness

Individual feedback was obtained and on the basis of that feedback, the average rating of the performance of the Board and role of the Chairman regarding governing the Board was found up to the mark.

Directors' Remuneration:

A formal Director's Remuneration policy approved by the Board is in place. The policy includes transparent procedure for remuneration of directors in accordance with the Companies Act, 2017 and CCG Regulations, 2019.

Internal Financial Controls;

The directors are aware of their responsibility with respect to internal financial controls. Through discussions with management and auditors (both internal and external), they confirm that adequate controls have been implemented by the Company.

Court Cases:

The company has instituted a suit in the Honorable Lahore High Court, Lahore against Faysal Bank Limited claiming damages on account of acquisition of un-remunerative agricultural land on the advice of FIBL for not providing timely cash finance facilities despite written commitments and for charging illegal profits against the principles of Islamic Banking and in contravention of the objective clause of its Memorandum of Association, Articles of Association and against circulars issued by the State Bank of Pakistan. The amount Claimed for the first two counts is Rs.141.831 million (including claims of Central Excise Duty), whereas the amount of last count has been left for the Court to determine.

The counter suit filed by the Faysal Bank for recovery of Rs. 454.502 million along with costs and cost of funds before the Honorable Lahore High Court (Single Judge), Lahore has been adjudicated on 04.06.2015 against the company. The company has filed an appeal in Honorable Lahore High Court, Lahore (Division Bench) vide R.F.A. No. 1372/2015 on various grounds including the company being condemned unheard. The learned Division Bench graciously allowed the appeal on 20.02.2020 and impugned judgment and decree dated 04.06.2015 was set aside. Consequently leave to appeal was adjudged to have been granted to the appellant company and the case is directed to be proceeded on that basis after framing issues and recording of evidences. Due to litigation, the Bank is not responding and confirming the balance of the company. Having been undeterminable at this stage, provision for cost of funds has not been accounted for.

However, in this regard directors' and the management of the company are confident that these cases are based and being contested on strong legal grounds and are likely to be decided in Company's favor.

Auditor's Observations:

The auditors have expressed unmodified opinion and give emphasis of matter on the provision for cost of fund has not been accounted for in the Financial Statements in line with the decision of Lahore High Court, Lahore in counter suit filed by Faisal bank Limited as described in the auditors' report to the members.

The management has filed an appeal in the Lahore High Court, Lahore (D.B) vide R.F.A. No. 1372/2015 on various grounds including the company being condemned unheard, in which the learned Division Bench allow the appeal on 20.02.2020 and set aside impugned judgment. The management of the company is of the opinion that this case is based and being contested on strong legal grounds and is likely to be decided in Company's favor. Therefore, no provision for cost of funds is accrued.

We confirm that:

1. Financial statements have been prepared in conformity with the requirement of the Companies Act 2017 and present fairly state of affairs, results of its operation, cash flows and changes in equity.
2. Proper books of accounts have been maintained in the manner required under Companies act 2017.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
5. The system of internal control is being implemented and monitored.
6. There has been no material departure from best practices of corporate governance, as detailed in listing regulations.
7. There are no significant doubts about the company's ability to continue as going concern.
8. The key operating and financial data of last six years is annexed to this report.
9. Outstanding duties and taxes, if any, have been disclosed in the financial statements.
10. The Chairman's review dealing with the performance of the Company during the year ended June 30, 2026 forms part of this report.
11. Value of investments of Employees Provident Fund was Rs. 24.474/- millions for the year ended June 30, 2026.
12. Statement of compliance with the Best Practices of Corporate Governance is annexed.
13. We confirm that directors and CFO and their spouse and minor children have made no transactions of the Company's shares during the year.
14. The pattern of shareholding as at June 30, 2026 is annexed with this report.

- During the fiscal year 2026, five meetings of the Board were held:-

Mr. Zahid Anwar	5	M. Ali Raza Zafar	5
Mr. Imran Zahid	5	Mr. Zulqarnain	4
Mss. Noorulain Zahid	4	Mr. Anwar ul Haq	5
Mr. Zeeshan Zahid	5		

- The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:

Mr. Zulqarnan. (Chairman)	4	Mr. Zeeshan Zahid	4	Mr. Ali Raza Zafar	3
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- The HR Committee held one (1) meeting during the year. Attendance by each member was as follows:

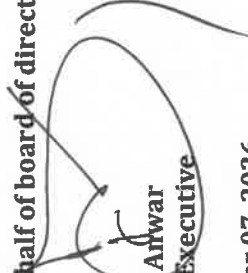
Mr. Anwar Ul Haq (Chairman)	1	Mr. Imran Zahid	1	Mr. Ali Raza Zafar	1
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- To align with market standards and lower production costs, the Company is upgrading its machinery. Consequently, the Board does not recommend a dividend for the financial year ended June 30, 2026,
- Present auditors, M/s Kreston Hyder Bhimji & Co Chartered Accountants have retired and M/s Kreston Hyder Bhimji & Co Chartered Accountants offers themselves for re-appointment. The Audit Committee has recommended the appointment of M/s Kreston Hyder Bhimji & Co as auditors for the year 2027.
- The remuneration of the Board members is approved by the Board itself. However in accordance with the code of Corporate Governance it is ensured that no Director takes part in deciding his own remuneration.
- 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.
- Transactions undertaken with related parties during the financial year have been ratified by the Audit Committee and approved by the Board.

Acknowledgement

The Board of Directors would like to thank all stakeholders of the Company including, customers, shareholders, vendors and all other business associates for their continued support during the year and hope the same spirit of devotion shall remain intact in the future as well.

On behalf of board of directors


Zahid Anwar
Chief Executive


Imran Zahid
Director

October 07, 2026.
Faisalabad

ڈائریکٹرز رپورٹ برائے ممبران

عام ٹیکسٹائل ملز لمیٹڈ (دی کمپنی) کے بورڈ آف ڈائریکٹرز کو آڈٹ شدہ مالی گوشواروں، مع آڈیٹرز رپورٹ کے ساتھ 30 جون 2026 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

انٹرنیٹری کا جائزہ
مالی سال 2026 کے دوران پاکستان کے سہتک سیکٹر کو بدستور نمایاں ساختی چیلنجز کا سامنا رہا جس میں خطے کے مقابلے میں غیر مسابقتی توانائی کے اخراجات، مقامی سطح پر خام کپاس کی ناکافی دستیابی کے باعث قیمتوں میں اتار چڑھاؤ اور برآمدی طلب میں کمی جیسے عناصر شامل ہیں۔ بلند پیداواری لاگت بالخصوص خام مال اور توانائی کے اخراجات، پیداواری اخراجات کے اہم اجزاء ہیں جن کے باعث آپریٹنگ مارجن پر نمایاں دباؤ رہا ان مشکل حالات کے پیش نظر صنعت سے وابستہ اداروں نے لاگت میں کمی کے لیے توانائی کے موثر استعمال زیادہ قدر والی یارن کی تجارتی پروڈکٹ کس کی بہتری اور محتاط انداز میں پیداواری صلاحیت کے استعمال پر توجہ مرکوز کی تاکہ مشکل کاروباری ماحول میں لیکویڈٹی کو برقرار رکھنے اور کاروباری سرگرمیوں کو جاری رکھنے کو یقینی بنایا جاسکے

کاروبار کا جائزہ

روپے (ملین میں)	اختتام مالی سال	اختتام مالی سال
سینز	30.06.2026	30.06.2025
مجموعی آمدنی	2,042.149	2,181.698
حاند شدہ ٹیکس	60.730	90.258
آگم ٹیکس	(14.165)	(11.175)
سال کی آمدنی	(4.465)	(21.910)
	12.017	19.875
	=====	=====
فی شیئر آمدنی	0.79	1.31

مالی سال 2026 میں کمپنی نے 2,042.149 ملین روپے کی فروخت ریکارڈ کی، جو مالی سال 2025 میں 2,181.698 ملین روپے کی فروخت تھی۔

بہتر پیداواری صلاحیت کے استعمال اور سخت لاگتی کنٹرول کے اقدامات کے ذریعے کمپنی نے 60.730 ملین روپے مجموعی منافع حاصل کیا جو کہ 2025 میں 90.258 ملین تھا

کمپنی نے مالی سال 2026 میں 12.017 ملین روپے کا بعد از ٹیکس منافع کیا جبکہ مالی سال 2025 میں یہ منافع 19.875 ملین روپے تھا فی شیئر آمدنی مالی سال 2026 میں 0.79 روپے رہی جو کہ مالی سال 2025 میں 1.31 روپے فی شیئر تھی

مستقبل کا نقطہ نظر

کمپنی اپنی سٹرٹجک حکمت عملی پر مضبوطی سے عمل پیرا ہے جس کا مقصد کاروبار کے تمام شعبوں میں آپریشنل کارکردگی کو بہتر بنانا اور لاگت کو موثر انداز میں کم کر کے آپریٹنگ مارجن میں بہتری لانا ہے۔ مستقبل میں کمپنی کی مالی حیثیت کو مزید مستحکم کرنے کیلئے پلانٹ اور مشینری کی اپ گریڈیشن کے اقدامات کئے جارہے ہیں جن میں مصنوعات کے معیار، آپریشنل کارکردگی اور پیداواری استعداد کو بہتر بنانے پر خصوصی توجہ دی جارہی ہے۔ مشکل کاروباری ماحول کے باوجود انتظامیہ کمپنی کے روشن مستقبل کے بارے میں پرامید ہے اور اسے یقین ہے کہ ان اقدامات پر مسلسل موثر عمل درآمد کمپنی کی پائیدار ترقی اور مالی کارکردگی میں بہتری، اہم کردار ادا کرے گا۔

کارپوریٹ سماجی ذمہ داری
آپ کی کمپنی اچھی حکمرانی، سماجی اور ماحولیاتی ذمہ داریوں کے حوالے سے اپنی ذمہ داریوں کو پورا کرنے کے لئے پرعزم ہے۔ ملازمین اور ماحولیات کی صحت اور حفاظت کے لئے ذرائع فراہم کرتی ہے۔

انسانی وسائل اور صنعتی تعلقات

کمپنی قومی اور بین الاقوامی معیار کے مطابق ملازمین کی شمولیت کیلئے اصول وضع کر رکھے ہیں یہ اصول نسل پرستی، ذات اور جنس کو خاطر میں لائے بغیر وضع کیے ہیں۔ اس کے علاوہ کمپنی میں دوستانہ ماحول میں کام کو یقینی بنانے کیلئے بھی اصول و ضوابط بنا رکھے ہیں یہی چیز روزگار کے حصول کو متاثر کرتی ہے۔

بورڈ کی ساخت:

cgg قواعد و ضوابط 2019 کی ضروریات کے پیش نظر کمپنی آزاد اداورانان ایگزیکٹوز ڈائریکٹر کی نمائندگی کے ساتھ ساتھ اپنے بورڈ میں صنعتی تنوع کی حوصلہ افزائی کرتی ہے۔ بورڈ کی موجودہ تشکیل درج ذیل ہے۔

ممبران کی کل تعداد:

مرد ڈائریکٹر ان 6
خاتون ڈائریکٹر 1

ساخت:

آزاد ڈائریکٹر ان جناب ذوالقرنین

جناب انوار الحق

جناب ذیشان زاہد

جناب عمران زاہد

جناب علی رضا ظفر

ایگزیکٹوز ڈائریکٹر ان جناب زاہد انوار

بشمول نیمیل ڈائریکٹر محترمہ نورالحین زاہد

بورڈ آف ڈائریکٹرز کی کارکردگی کا اندازہ:

بورڈ کے مگرانی کے کردار کا اندازہ اور اس کی موثرگی ایک مستقل عمل ہے جسے بورڈ خود سمجھتا کرتا ہے۔ توجہ کے بنیادی شعبے درج ذیل ہیں۔

(1) کمپنی کے ویژن اور مشن کے ساتھ کارپوریٹ اہداف کی ہم آہنگی۔

(2) پائیدار اپریشن کے لیے حکمت عملی کی تشکیل اور منصوبہ بندی۔

(3) بورڈ کی خود مختاری اور موثرگی۔

انفرادی فیڈ بیک حاصل کی گئی اور اس فیڈ بیک کی بنیاد پر بورڈ کی کارکردگی کی اوسط ریٹنگ اور بورڈ کی قیادت کے سلسلہ میں چیمبرمین کا کردار معیاری پایا گیا۔

بورڈ سے منظور شدہ ڈائریکٹرز کے مشاہرے کی ایک نئی پالیسی موجود ہے۔ پالیسی میں کمپنیز ایکٹ 2017 اور CCG ضوابط 2019 کے مطابق ڈائریکٹرز کے مشاہرے کا شفاف طریقہ کار شامل ہے۔

اعمرونی مالیاتی کنٹرولر:

ڈائریکٹر ز اعمرونی مالیاتی کنٹرول کے حوالے سے اپنی ذمہ داری سے آگاہ ہیں۔ انتظامیہ اور اعمرونی دہرونی آڈیٹرز کے ساتھ بات چیت کے ذریعے وہ یقینی بناتے ہیں کہ کمپنی نے مناسب کنٹرولز لاگو کر رکھے ہیں۔

کورٹ کمیو

کمپنی نے فیصل بینک لمیٹڈ کی تجویز پر غیر زرعی زمین خریدی اور رقم کی بروقت ادائیگی کیلئے پیشگی تحریری معاہدہ بھی کیا تاہم فیصل بینک نے بروقت رقم نہیں دی جس سے کمپنی کو نقصان پہنچا اور فیصل بینک نے اسلامی بینکنگ کے اصولوں، میمورنڈم آف ایسوسی ایشن، آرٹیکل آف ایسوسی ایشن اور سٹیٹ بینک کی جانب سے جاری کردہ سرکلز کے خلاف کمپنی سے منافع وصول کیا۔ اس بنا پر کمپنی نے نقصان کے ازالے کیلئے فیصل بینک کے خلاف لاہور ہائی کورٹ لاہور میں کیس دائر کیا ہوا ہے۔ پہلی دو شاپریوں کی رقم 141.831 ملین روپے بنتی ہے جس میں سینٹرل ایکسٹرنل ڈیپوٹی کی رقم بھی شامل ہے۔

فیصل بینک کی جانب سے بھی 454.502 ملین روپے کی وصولی کیلئے لاہور ہائی کورٹ (سنگل جج) کی عدالت میں کیس دائر کیا گیا جس کا فیصلہ مورخہ 04.06.2015 کو کمپنی کے خلاف آیا تاہم کمپنی نے لاہور ہائی کورٹ لاہور ڈویژن بج میں مختلف وجوہ بشمول کمپنی کا موقوف نہ بنانا کی بنیاد پر بحوالہ نمبر R.F.A. 1372/2015 کی رو سے کیس دائر کی جس میں فاضل ڈویژن بج نے 20-02-2020 اپیل کی اجازت دی اور 04-06-2015 کے فیصلے اور حکم نامہ کو ایک طرف رکھ دیا جس کے نتیجے پر اپیل کی اجازت مل گئی تا کہ کیس کے شواہد کی ریکارڈنگ کے بعد اس بنیاد پر آ کے بدھنے کی ہدایت کی گئی۔

آڈیٹرز کے مشاہدات

آڈیٹرز نے اپنی رپورٹ میں غیر مشروط رائے (Unmodified Opinion) کا اظہار کیا ہے زور بیان (Emphasis of Matter) کے طور پر کہے اجا کر کیا اور Fund of Cost کی رقم کو مالیاتی تفصیلات میں شامل نہیں کیا گیا جو کہ فیصل بینک کی جانب سے دائر کردہ کیس میں لاہور ہائی کورٹ لاہور کے فیصلے کے مطابق ہے جیسا کہ آڈیٹرز رپورٹ میں بیان کیا گیا ہے۔

انتظامیہ نے لاہور ہائی کورٹ لاہور میں مکمل طور پر بند بننے جانے اور مختلف وجوہات کی بنا پر اپیلی نمبر R.F.A. 1372/2015 دائر کی جس میں 20.02.2020 کو لاہور ہائی کورٹ لاہور نے تنازعہ فیصلہ کا احکم قرار دے دیا۔ کمپنی کی انتظامیہ کی رائے میں یہ مقدمہ مضبوط قاطع ثبوتی بنیادوں پر مبنی ہے اور اسے بھرپور انداز میں لڑا جاسکتا ہے۔ اور غالب امکان کہ فیصلہ کمپنی کے حق میں ہوگا۔

ہم تصدیق کرتے ہیں کہ:

(1) مالیاتی پیمائش کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق تیار کئے گئے ہیں اور معاملات کی منصفانہ حالت، اس کے آپریشن کے نتائج، نقد بہاؤ اور اکٹائی میں تبدیلیاں پیش کی گئی ہیں۔

(2) کمپنیز ایکٹ 2017 کے تحت مطلوبہ کس آف اکاؤنٹس تیار کی گئی ہیں۔

(3) مناسب حساب کتاب کی پالیسیوں کو مالی پیمائش کی تیاری میں مستقل طور پر لاگو کیا گیا ہے۔ اور حساب کتاب کا تخمینہ معقول اور سمجھدار فیصلے پر مبنی ہے۔

(4) بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی پیمائش کی تیاری میں بیرونی کی گئی ہے اور اس سے کسی بھی روایتی کو مناسب طور پر ظاہر کیا گیا ہے اور وضاحت کی گئی ہے۔

(5) اعمرونی کنٹرول کا نظام نافذ اور انٹر کیا جا رہا ہے۔

(6) کمپنی کی جاری توثیق کے طور پر جاری رکھنے کی صلاحیت کے بارے میں کوئی خاص شبہات نہیں ہیں۔

- (8) پچھلے چھ سالوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار اس رپورٹ سے منسلک ہیں۔
- (9) ہائیڈرو پاور، گیس، آگرونی، مالیاتیات میں خراب کیا گیا ہے۔
- (10) 30 جن 2026 کو ختم ہونے والے سال کے دوران کمپنی کی کارکردگی سے متعلق حتمی نتائج کا جائزہ اس رپورٹ کا حصہ ہے۔
- (11) 30 جن 2026 کو ختم ہونے والے سال میں ایملپاز پروڈیوٹ فنڈ سرمایہ کاری 24.474 - ملین روپے تھی۔
- (12) کارپوریٹ گورننس کے بہترین طریقوں کی تعمیل منسلک ہے۔
- (13) ہم تصدیق کرتے ہیں کہ ڈائریکٹرز سی آف او اور ان کے بچوں نے مذکورہ مالی سال میں کمپنی کے حصص میں کوئی کاروبار نہ کیا ہے۔
- (14) 30 جن 2026 تک شیئر ہولڈنگ کا پیرن اس رپورٹ کے ساتھ منسلک ہے۔

زیر جائزہ سال کے دوران پانچ اجلاس منعقد ہوئے ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے۔

نام ڈائریکٹر	تعداد حاضری
جناب زاہد انوار (CEO)	5
جناب عمران زاہد	5
محترمہ نور العین زاہد	4
جناب فہیمان زاہد	5
جناب انوار الحق	5
جناب علی رضا ظفر	5
جناب ذقرنین	4

آؤٹ کٹ کی طرے سے سال کے دوران چار اجلاس منعقد ہوئے ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے۔

جناب ذقرنین	4
جناب فہیمان زاہد	4
جناب علی رضا ظفر	3

ایچ آر کمپنی کی طرے سے سال کے دوران ایک اجلاس منعقد ہوا ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے۔

جناب انوار الحق	1
جناب عمران زاہد	1
جناب علی رضا ظفر	1

معلومات کے معیار کو بہتر بنانے اور اگست میں کی گئی تھی مشینری میں جدت لاری ہے جس کو مد نظر رکھتے ہوئے کمپنی نے کسی قسم کے ڈیوڈ کی منظوری نہیں دی۔

موجودہ آؤٹ زیمس کر سٹیلن حیدر عظیم جی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے تاہم دوبارہ تعیناتی کی پیشکش کی گئی جنہیں دوبارہ تعیناتی کیلئے آؤٹ کٹ کمپنی نے تجویز بھی دی ہے۔

بورڈ ممبران کے معاوضے کی منظوری بورڈ خود کرتا ہے۔ تاہم کارپوریٹ گورننس کے مطابق یہ یعنی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں خود حصہ نہ لے۔

میلنس شیٹ ڈیٹ اور ڈائریکٹر رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی اہم تبدیلیاں نہیں ہوئی۔

مالی سال کے دوران متعلقہ فریقوں کے ساتھ کیے گئے لین دین کی آؤٹ کٹ کمپنی نے توثیق کی اور بورڈ نے ان کی منظوری دی ہے۔

اعتراف
بورڈ آف ڈائریکٹر کمپنی کے تمام اسٹیک ہولڈر، بشمول صارفین، شیئرز ہولڈرز، وینڈرز، سرکاری ادارے اور دیگر تمام کاروباری شراکت داروں کا سال بھر تعاون پر شکریہ ادا کرتا ہے۔ بورڈ کمپنی کی خدمت کرنے والی ایک انتہائی محنت پسند کی کاوشوں کو بھی سراہتا ہے، جنہوں نے بھرپور جوش و جذبے کے ساتھ کمپنی کی خدمت کی، اور امید کرتا ہے کہ یہی جذبہ آئندہ بھی برقرار رہے گا۔


عمران زاید
ڈائریکٹر

بورڈ کی جانب سے

چیف ایگزیکٹو آفیسر
تاریخ: 7 اکتوبر 2026
فیصل آباد

STATEMENT OF COMPLIANCE

LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Asim Textile Mills Limited

Year Ending: June 30, 2026

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

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

- a. Male: Six (6)
b. Female: One (1)

2. The composition of the board is as follows:

Category	Names
Independent Directors	Mr. Zulqarnain
	Mr. Anwar ul Haq
Non-executive Directors	Mr. Zeeshan Zahid
	Mr. Imran Zahid
	Mr. Ali Raza Zafar
Executive Directors including female director	Mr. Zahid Anwar
	Ms. Noorulain Zahid

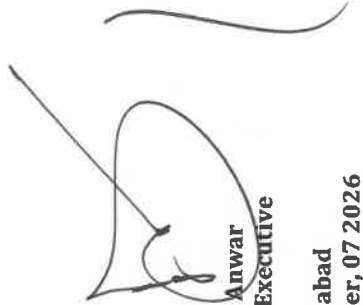
Note: -

For a Board comprising of seven members, one-third equates to 2.33. Two independent directors have been appointed, however, the fraction of 0.33 in such one-third is not rounded up as one since the fractions is below half (0.5);

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 Board/ shareholders as empowered by the relevant provisions of the Company Act 2017 (the "Act") and the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;

9. The directors were apprised about the changes in the Code, applicable laws and their duties and responsibilities to effectively manage the affairs of the Company for and on behalf of the shareholders. Four directors of the Company having 14 years of education and 15 years of experience are exempt from the requirement of directors' training program, under purview of regulation 19(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019. Further two directors have obtained Directors' Training Program certification from PICG, However one board member neither qualify for exemption nor obtained Directors' Training Program certification. The Company will arrange the training program for remaining director as provided under the Regulations in future.
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and Chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below;
- a) Audit Committee**
1. Mr. Zulqarnain (Chairman) 2. Mr. Zeeshan Zahid (Member) 3. Mr. Ali Raza Zafar (Member)
- b) HR and Remuneration Committee**
1. Mr. Anwar ul Haq (Chairman) 2. Ms. Imran Zahid (Member) 3. Mr. Ali Raza Zafar (Member)
13. The terms of reference of the audit committee and HR and Remuneration Committee have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee was as follows:
- a) Audit Committee - Quarterly**
b) HR and Remuneration - On requirement basis
15. The Board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below.

Sr. No.	Non-Mandatory Requirement	Reg. No.	Explanation
1	Directors' Orientation Program. All companies shall make appropriate arrangements to carry out orientation for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.	19	Four directors of the Company having 14 years of education and 15 years of experience are exempt from the requirement of directors' training program, under purview of regulation 19(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019. Further two directors have obtained Directors' Training Program certification from PICG, However one board member neither qualify for exemption nor obtained Directors' Training Program certification. The Company will arrange the training program for remaining directors as provided under the Regulations in future.


Zahid Anwar
 Chief Executive
 Faisalabad
 October, 07 2026


Imran Zahid
 Director

**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) Regulation, 2019 (the Regulations) prepared by the Board of Directors of Asim 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 system 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 recommendations of the Audit Committee place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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


Kreston Hyderabad Bhimji & Co.
KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

DATED: October 7, 2026
PLACE: FAISALABAD
UDIN: CR202610199IW9r9QqL2b

Engagement Partner: Khan Muhammad-FCA

Independent Auditors' Report to the Members of Asim Textile Mills Limited
Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with 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, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 22 and 23 to the financial statements, which state that bank borrowings include Morabaha Finance obtained from Faysal Bank Limited amounting to Rs. 417.590 million on 31st October 1999 in respect of which the Company has filed suit against the bank for charging illegal profits against principal of Islamic Banking and against circulars issued by State Bank of Pakistan and in contravention of objective clause of its Memorandum & Article of Association. Faysal Bank Limited has also filed a counter suit which has been adjudicated on 04th June 2015 against the Company as a result of which the Company has to settle the loan along with costs and cost of fund. Profit on these loans amounting to Rs. 194.161 million have already been provided for; however, provision for cost of funds has not been accounted for, having been undeterminable at this stage by the management. Being aggrieved, the Company has filed an appeal in Honorable Lahore High Court, Lahore (Division Bench) vide R.F.A No. 1372/2015 based on infield favorable judgments of Honorable Lahore High Court, Lahore, which is pending adjudication. Consequent to the litigation, the bank account balance

maintained with the concerned bank remained unverified. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our audit report.

Following are the Key Audit Matter(s):

S. No	Key Audit Matter(s)	How the Matter was addressed in audit
1.	Contingencies: (Refer notes 25 to the financial statements) There are certain legal, taxation and regulatory matters which are beyond the control of the Company. Consequently, the management makes judgments about the incidence and quantum of such liabilities arising from litigation, taxation and regulatory claims which leads to the impacts for the future outcome of legal or regulatory processes. There is an inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis. Importantly, the decision to recognize a provision and the basis of measurement are judgmental.	- We assessed and tested the design and operating effectiveness of the controls over the identification, evaluation, provisioning and reporting of legal, tax and regulatory matters. We determined that we could rely on these controls for the purposes of our audit. - In view of the significant judgements required, we evaluated the Company's assessment of the nature and status of litigation, claims and provision assessments, and discussed with management to understand the legal position and the basis of material risk positions. We received legal letters from the Company's external counsel setting out their views in major cases. - Specifically, we challenged the timing of recognition for cases where there was potential exposure but it was not clear that a provision should be raised e.g. where obtaining reliable estimates are not considered possible. - As set out in the financial statements, the

		outcome of litigation and regulatory claim is dependent on the future outcome of continuing legal and regulatory processes and consequently the calculation of the provision is subject to inherent uncertainty.
2.	Revenue recognition: (Refer note 26 to the financial statements)	
	We identified recognition of revenue of the Company as a key audit matter because revenue is one of the key performance indicators and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. Revenue is recorded in accordance with the requirements of IFRS-15 which provides a comprehensive model of revenue recognition and requires the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying the model to contracts with customers. The Company's material accounting policy information on revenue recognition is disclosed in note 5.12 to the financial statements.	We performed a range of audit procedures in relation to revenue including the following: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; • We performed analytical review procedures and other test of details over various revenue streams including the cut-off procedures to check that revenue has been recognized in the appropriate accounting period; • We assessed the adequacy of the disclosures as per the guidelines set out in the applicable financial reporting requirements.
3.	Inventory existence and valuation: (Refer notes 8 and 9 to the financial statements)	
	The Company has significant levels of inventories amounting to Rs. 190.711 million as at the reporting date, being 14.72% of the total assets of the Company. There is a risk in estimating the eventual NRV of items held, as well as assessing	Our audit procedures over existence and valuation of inventory included, but were not limited to: • To test the quantity of inventories, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we

	which items may be slow-moving or obsolete. The Company's principal accounting policy on stores and spares and stock in trade are disclosed in notes - 5.3 and 5.4 to the financial statements. The significance of the balance coupled with the judgments and estimates involved on their valuation has resulted in the inventories being considered as a key audit matter.	performed test counts and compared the quantities counted by us with the results of the counts of the management; • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets; • We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice; • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any; • We also made enquiries from management, and considered the results of our testing above to determine whether any specific write downs were required.
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Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements:

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Khan Muhammad - FCA.

Date: October 7, 2026
Place: Faisalabad
UDIN: AR202610199jvek3xu6T


KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

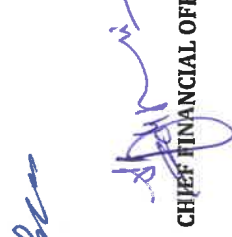


ASIM TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	747,614,492	731,040,806
Long term deposits	7	34,494,012	34,494,012
		782,108,504	765,534,818
CURRENT ASSETS			
Stores and spares	8	26,474,551	21,006,040
Stock in trade	9	164,236,794	120,334,695
Trade debts	10	38,569,212	8,205,921
Advances, deposit and prepayments	11	10,630,137	13,918,023
Short term investment	12	22,012,779	20,493,559
Accrued income	13	2,210,267	2,575,916
Tax refunds due from the Government	14	71,053,483	55,532,281
Cash and bank balances	15	178,140,611	256,105,503
		513,327,834	498,171,938
TOTAL ASSETS		1,295,436,338	1,263,706,756
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		175,000,000	175,000,000
17,500,000 ordinary shares of Rs.10 each			
Issued, subscribed and paid up share capital	16	151,770,000	151,770,000
Unappropriated profit		48,503,051	20,638,273
Surplus on revaluation of property, plant and equipment	17	256,133,050	271,980,543
		456,406,101	444,388,816
NON CURRENT LIABILITIES			
Long term payable	18	941,585	-
Deferred taxation	19	75,368,317	82,988,320
		76,309,902	82,988,320
CURRENT LIABILITIES			
Trade and other payables	20	97,824,125	104,014,565
Contract Liabilities	21	49,377,749	20,562,926
Accrued markup	22	194,161,422	194,161,422
Bank borrowings	23	417,590,707	417,590,707
Current portion of long term payable	24	3,766,332	-
		762,720,335	736,329,620
CONTINGENCIES AND COMMITMENTS	25	-	-
TOTAL EQUITY AND LIABILITIES		1,295,436,338	1,263,706,756

The annexed notes 1 to 45 form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

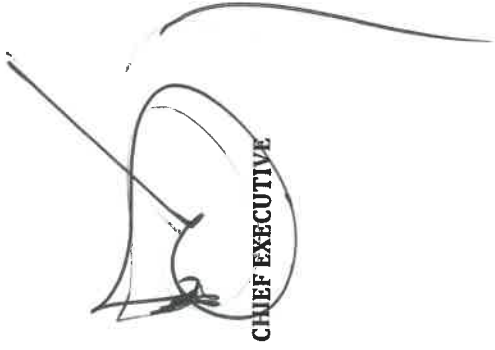

DIRECTOR

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

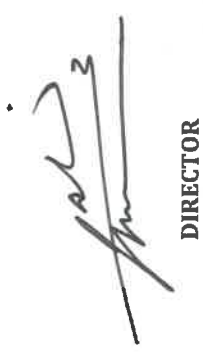
	Note	2026 Rupees	2025 Rupees
Revenue from contracts with customers - net	26	2,042,149,286	2,181,698,425
Cost of sales	27	(1,981,418,836)	(2,091,440,055)
Gross profit		<u>60,730,450</u>	<u>90,258,370</u>
Operating expenses			
Distribution cost	28	-	(932,550)
Administrative expenses	29	(41,284,456)	(36,126,805)
Other operating expenses	30	(2,519,552)	(19,633,882)
		<u>(43,804,008)</u>	<u>(56,693,237)</u>
Profit from operations		<u>16,926,442</u>	<u>33,565,133</u>
Finance cost	31	(241,835)	(316,710)
Other income	32	13,963,857	19,711,632
Profit before levies and income tax		<u>30,648,464</u>	<u>52,960,055</u>
Levies	33	(14,165,691)	(11,175,263)
Profit before income tax		<u>16,482,773</u>	<u>41,784,792</u>
Income tax	34	(4,465,488)	(21,909,642)
Profit for the year		<u>12,017,285</u>	<u>19,875,150</u>
Earnings per share - basic and diluted	35	<u>0.79</u>	<u>1.31</u>

The annexed notes 1 to 45 form an integral part of these financial statements.

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CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

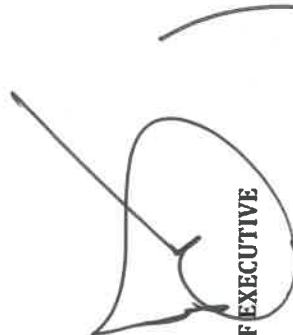

DIRECTOR

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

	2026 Rupees	2025 Rupees
Profit for the year	12,017,285	19,875,150
Other comprehensive income for the year		
Items that will not be reclassified subsequently to profit or loss		
Surplus on revaluation of property, plant and equipment	-	127,126,151
Related effect of deferred tax liability	-	(32,310,394)
	-	94,815,757
Total comprehensive income for the year	12,017,285	114,690,907

The annexed notes 1 to 45 form an integral part of these financial statements.




CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

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

	Share capital	Unappropriated profit	Surplus on revaluation of property, plant and equipment	Total
	[R u p e e s]			
Balance as at July 01, 2024	151,770,000	(27,675,302)	205,603,211	329,697,909
Profit for the year	-	19,875,150	-	19,875,150
Other comprehensive income for the year	-	-	94,815,757	94,815,757
Total comprehensive income for the year	-	19,875,150	94,815,757	114,690,907
Incremental depreciation on revalued property, plant and equipment	-	12,105,266	(12,105,266)	-
Related effect of deferred tax liability	-	(3,510,527)	3,510,527	-
	-	8,594,739	(8,594,739)	-
Surplus realized on disposal of property, plant and equipment	-	27,948,854	(27,948,854)	-
Related effect of deferred tax liability	-	(8,105,168)	8,105,168	-
	-	19,843,686	(19,843,686)	-
Balance as at June 30, 2025	151,770,000	20,638,273	271,980,543	444,388,816
Profit for the year	-	12,017,285	-	12,017,285
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	12,017,285	-	12,017,285
Incremental depreciation on revalued property, plant and equipment	-	16,867,733	(16,867,733)	-
Related effect of deferred tax liability	-	(4,891,643)	4,891,643	-
	-	11,976,090	(11,976,090)	-
Surplus realized on disposal of property, plant and equipment	-	5,452,680	(5,452,680)	-
Related effect of deferred tax liability	-	(1,581,277)	1,581,277	-
	-	3,871,403	(3,871,403)	-
Balance as at June 30, 2026	151,770,000	48,503,051	256,133,050	456,406,101

The annexed notes 1 to 45 form an integral part of these financial statements.



CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

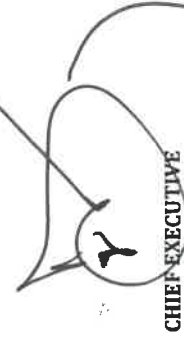


DIRECTOR

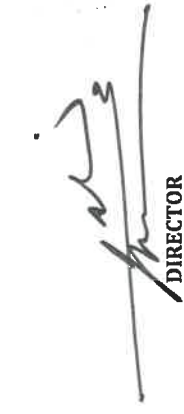
ASIM TEXTILE MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	Rupees	Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies and income tax	30,648,464	52,960,055
Adjustments for non cash and other items:		
Depreciation	40,237,938	32,296,968
Profit on deposit accounts	(8,816,283)	(15,615,735)
Profit on deposit with SNGPL	(1,228,682)	(1,228,682)
(Gain)/loss on disposal of property, plant and equipment	(560,082)	15,151,545
Balances written back	(1,240,836)	(253,295)
Workers' profit participation fund	1,663,010	2,872,120
Workers' welfare fund	850,492	1,610,217
Exchange loss / (gain) on foreign currency translation	6,050	(5,850)
Un-realized gain on investment in mutual funds	(53,307)	(23,517)
Finance cost	241,835	316,710
Operating cash flows before working capital changes	61,748,599	88,080,536
Changes in working capital		
(Increase)/decrease in current assets		
Stores and spares	(5,468,511)	5,907,419
Stock in trade	(43,902,099)	13,284,248
Trade debts	(30,363,291)	14,810,023
Advances, deposit and prepayments	3,287,886	14,348,243
Short term investment in mutual funds - net	(1,465,913)	(1,938,415)
Tax refunds due from the Government	(13,343,734)	9,859,729
Increase/(decrease) in current liabilities		
Trade and other payables	(4,590,986)	18,548,445
Contract liabilities	28,814,823	2,045,830
	(67,031,825)	76,865,522
Cash (used in)/generated from operations	(5,283,226)	164,946,058
Profit on deposit with SNGPL received	1,228,608	632,020
Finance cost paid	(143,597)	(316,710)
Workers' profit participation fund paid	(2,970,358)	-
Workers welfare fund paid	-	(836,295)
Income tax and levies paid	(28,428,650)	(37,818,795)
Exchange (loss)/gain on foreign currency translation	(6,050)	5,850
Long term deposit paid	-	(537,217)
Net cash (used in)/generated from operating activities	(35,603,273)	126,074,911
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(69,363,517)	(52,866,336)
Proceeds from disposal of property, plant and equipment	18,761,475	17,350,000
Profit on deposit accounts received	9,182,006	16,767,960
Net cash used in investing activities	(41,420,036)	(18,748,376)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term payable	(941,583)	-
Net cash used in financing activities	(941,583)	-
Net (decrease)/increase in cash and cash equivalents	(a+b+c)	107,326,535
Cash and cash equivalents at the beginning of the year	256,105,503	148,778,968
Cash and cash equivalents at the end of the year	15	256,105,503

The annexed notes 1 to 45 form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

ASIM TEXTILE MILLS LIMITED

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

1. THE COMPANY AND ITS OPERATIONS

Asim Textile Mills Limited ("the Company") was incorporated in Pakistan on 29 July, 1990 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange limited. The registered office of the Company is situated at JK House, 32-W, Susan Road, Madina Town, Faisalabad and the Mill is situated at 32 - KM, Main Sheikhpura Road, Tehsil Jaranwala, District, Faisalabad in the province of Punjab. The principal business activity of the Company is manufacturing and sale of yarn.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policy information notes.

2.3 Functional and presentation currency

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

3. NEW AND REVISED STANDARDS, INTERPRETATIONS, AMENDMENTS AND IMPROVEMENTS

3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

There are certain amendments to the accounting and reporting standards which became effective during the year and are adopted by the Company for the financial year beginning on July 01, 2025. However, these amendments do not have any significant impact on the Company's financial reporting.

- Amendments to IAS 21 - 'The Effects of Changes in Foreign Exchange Rates'
Lack of exchangeability
(Effective for annual periods beginning on or after January 1, 2025)

These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

The application of these amendments did not have any impact on the Company's financial statements, as the Company did not have any transactions or balances denominated in currencies for which exchangeability was lacking.

3.2 Standards, interpretations, amendments and improvements to approved accounting standards that are issued but not yet effective and have not been early adopted by the Company

The following standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below and have not been early adopted by the Company:

Standards	Effective date (Annual periods beginning on or after)	
	Standards, Interpretations, Amendments and Improvements	beginning on or after)
IFRS 9	'Financial instruments: Disclosures', To address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 — (Amendments)	01 January 2026
IFRS 7	'Financial Instruments' and 'Financial instruments: Disclosures',	01 January 2026
IFRS 9	Classification and Measurement of Financial Instruments — (Amendments)	—
IFRS 7	'Financial Instruments' and 'Financial instruments: Disclosures',	01 January 2026
IFRS 9	Contracts Referencing Nature-dependent Electricity — (Amendments)	—
IAS 7	Statement of Cash Flows', Adjustments resulting from adoption of IFRS 18 Presentation and Disclosure in Financial Statements — (Amendments)	01 January 2027
IAS 21	'The effects of changes in foreign exchange rates', Translation to a Hyperinflationary Presentation Currency — (Amendments)	01 January 2027
IFRS 17	'Insurance contracts'	01 January 2026
IFRS 18	'Presentation and Disclosure in Financial Statements'	01 January 2027
IFRS 19	'Subsidiaries without Public Accountability: Disclosures'	01 January 2027
Annual Improvements	Annual Improvements to IFRS Accounting Standards — Volume 11 (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	01 January 2026

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

Standards	
IFRS 1	First-time adoption of International Financial Reporting Standards
IFRS 20	Regulatory Assets and Regulatory Liabilities

The management expects that the adoption of above standards, amendments and improvements will not have any material impact on the Company's financial statements except for presentation and disclosures.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the approved accounting standards require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and 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 the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgments made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy notes. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Estimate of useful life of property, plant and equipment - note 5.1
- Impairment of non financial assets - note 5.2
- Stores and spares - note 5.3
- Stock in trade - note 5.4
- Provisions - note 5.10
- Contingencies - note 5.11
- Taxation - note 5.14

5. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Property, plant and equipment

5.1.1 Operating fixed assets

Property, plant and equipment except free hold land, building on freehold land, plant and machinery and electric installations are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Building on freehold land, plant and machinery and electric installations are stated at revalued amounts less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at revalued amount.

Cost in relation to operating fixed assets signifies historical cost. Historical cost includes expenditures that are directly attributable to the acquisition or construction of assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the entity and its cost can be reliably measured. Cost incurred to replace a component of an item of operating fixed assets is capitalized and the asset so replaced is retired from use. Normal repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

Depreciation is charged to statement of profit or loss applying the reducing balance method so as to write off the historical cost of the assets over their expected useful life at the rates mentioned in note 6.1 of these financial statements. Depreciation on additions during the year is charged for the full month in which the asset is available for use while no depreciation is charged in the month in which the asset is disposed off. The residual values and useful lives are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant.

Any gain or loss on disposal of assets is included in statement of profit or loss in the year in which the assets are derecognized.

5.1.2 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss and represents direct cost of material, labour, applicable overheads and borrowing costs on qualifying assets. Transfers are made to relevant operating fixed assets category as and when assets are available for its intended use.

5.2 Impairment of non financial assets

The carrying amounts of the Company's non-financial assets, other than stock in trade and stores and spares, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognized in profit and loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets of the unit on a pro-rata basis. Impairment losses on goodwill shall not be reversed.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

5.3 Stores and spares

These are valued at moving average cost except items-in-transit which are valued at cost accumulated to the balance sheet date. Store and spares are regularly reviewed by the management to assess their net realizable value (NRV). Provision is made for slow moving and obsolete store items when so identified.

5.4 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Raw material	- At factory	Monthly average cost.
	- In Transit	Invoice value plus direct charges in respect thereof.

Work in process and finished goods

Prime cost including a proportion of production overheads.

Wastes are valued at net realizable value.

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

5.5 Trade debts and other receivables

Trade debts are initially recognized at fair value and subsequently carried at amortized cost which approximate fair value of the consideration receivable, less any allowance for expected credit losses.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

5.6 Cash and cash equivalents

For the purpose of cash flow statement cash and cash equivalents comprise of cash and cheques in hand and at banks and include short term highly liquid investments. The cash and cash equivalents are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

5.7 Surplus on revaluation of property, plant and equipment

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognized, net of tax, in other comprehensive income and accumulated in equity under the heading 'Surplus on revaluation of property, plant and equipment'. However the increase is recognized in statement of profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in statement of profit or loss.

Decreases in the carrying amounts arising on revaluation of property, plant and equipment are recognized, net of tax, in profit or loss. However revaluation decrease that reverse previous increases of the same asset is recognized in other comprehensive income to the extent of the remaining surplus attributable to that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading 'Surplus on revaluation of property, plant and equipment'.

Following amounts are transferred directly to retained earnings from equity under the heading 'Surplus on revaluation of property, plant and equipment' through the Statement of Changes in Equity:

- an amount equal to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the original cost of that asset; or
- an amount equal to carrying amount of revaluation surplus of the asset on its disposal.

All transfers to / from the account of 'surplus on revaluation of property, plant and equipment' are net of applicable deferred income tax. Surplus on revaluation of property, plant and equipment reported under equity is not available for distribution of dividend.

5.8 Staff retirement benefits

Defined contribution plan

There is a contributory provident fund for all employees of the Company for which contributions are charged to profit or loss as and when incurred.

The Company makes monthly contribution to the fund at the rate of 8.33% whereas employees of the Company also make monthly contributions to the fund at the rate of 8.33% of basic salary. The assets of the fund are held separately under the control of trustees.

5.9 Trade and other payables

Liabilities for trade and other payables are carried at their amortized cost, which approximate fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

5.10 Provisions

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

5.11 Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

5.12 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for rendering of services to a customer. For each contract with a customer, the Company;

- (i) identifies the contract with a customer;
- (ii) identifies the performance obligations in the contract;
- (iii) determines the transaction price;
- (iv) allocates the transaction price to the separate performance obligations in the contract; and
- (v) recognizes revenue when each performance obligation is satisfied.

Variable consideration within the transaction price is estimates and determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognized as deferred revenue in the form of a separate refund liability.

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

b) Interest income

Profit on bank balances in deposit accounts and interest income on deposit with Sul Northern Gas Pipelines Limited (SNGPL) are recognized on a time proportion basis on the principal amount outstanding and at the applicable rate.

c) Profit on fair value through profit or loss investments

Gains / (losses) arising on disposal of investments are included in income currently and are recognized on the date when the transaction takes place.

Unrealized gains / (losses) arising on fair value measurements of investments classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.

d) Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

5.13 Foreign currency translation

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into rupees at exchange rates prevailing at the date when fair values are determined. Exchange gains and losses are included in the statement of profit or loss immediately.

5.14 Taxation

Income tax

The charge for current income tax is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any. The charge for current tax also includes adjustments, where considered necessary, and the tax assessed from assessments framed during the year for such years is over/under the provision of tax then made.

The Company designates the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

Levies

The Company recognise the charge for minimum and final taxes, calculated under the provisions of the Income Tax Ordinance, 2001, as levies. The charge for levies are not based on 'taxable profit' as defined in IAS 12 but calculated on turnover or other basis as per provisions and applicable tax rates under minimum and final tax regime. The charge for levies also includes adjustments, where considered necessary, and the tax assessed from assessments framed during the year for such years is over/under the provision of tax then made.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax is calculated by using the tax rates enacted at the reporting date.

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

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Sales tax

Revenues, expenses and assets are recognized net of amount of sales tax except:

- Where the sales tax incurred on purchase of assets or services is not recoverable from Federal Board of Revenue and respective provincial tax authorities, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of sales tax.

The net amount of sales tax recoverable from, or payable to, the taxation authority is recorded as part of sales tax receivables or payables in the statement of financial position accordingly.

5.15 Related party transactions

All transactions with related parties are carried out at arm's length. The prices are determined in accordance with comparable uncontrolled price method.

5.16 Dividend and other appropriations

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

5.17 Events after the reporting period

If the Company receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, the Company will assess if the information affects the amounts that it recognizes in the financial statements.

The Company will adjust the amounts recognized in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Company does not change the amounts recognized in its financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

5.18 Earnings per share

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

5.19 Financial instruments

5.19.1 Financial assets

A financial asset is measured at amortized cost if it is held in order to collect contractual cash flows which arise on specified dates and that are 'solely payment of principal and interest (SPPI)' on the principal amount outstanding. A debt investment is measured at fair value through other comprehensive income if it is held in order to collect contractual cash flows which arise on specified dates that are solely principal and interest and as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

A. Classification and measurement of financial assets

Investments and other financial assets

Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- **Fair value through other comprehensive income (FVTOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

- **Fair value through profit or loss (FVTPL)**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVTOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

B.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

The rights to receive cash flows from the asset have expired, or

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

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

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

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

C. Impairment:

The Company record an allowance for a forward-looking expected credit loss (ECL) approach for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

5.19.2 Financial liabilities

A. Classification and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

- **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

This category generally applies to interest-bearing loans and borrowings.

B. Derecognition:

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

5.19.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

Operating fixed assets

6.1 OPERATING FIXED ASSETS

Owned		2025							2026		
DESCRIPTION	July 1, 2024	COST / REVALUED AMOUNT					COST / REVALUED AMOUNT				
		As at	Additions	(Disposals)	Revaluation Surplus	Revaluation Adjustment	As at	For the year	(Disposals)	Revaluation Adjustment	As at
Freehold land	63,754,000	-	-	-	-	15,711,000	79,465,000	-	-	-	-
Building on freehold land	202,427,414	-	37,544,336	(39,400,000)	37,175,004	(420,633,552)	420,500,000	408,942,589	32,411,240	2,621,342	(8,779,316)
Plant and machinery	805,814,212	58,624,662	-	-	-	26,407,920	50,000,000	343,373	1,238	-	(35,032,582)
Electric installations	355,750	-	-	-	-	-	355,750	2,280,856	92,527	-	-
Factory equipment	3,206,122	-	-	-	-	-	659,633	561,664	9,797	-	-
Office equipment	659,633	-	-	-	-	-	41,135,909	22,841,329	3,218,755	(5,458,131)	-
Furniture and fixtures	33,152,901	15,322,000	(7,338,992)	-	-	-	-	-	-	-	-
Vehicles	33,152,901	15,322,000	(7,338,992)	-	-	-	-	-	-	-	-
Total	1,167,994,694	52,866,336	(46,738,992)	127,126,151	(546,315,975)	754,932,214	552,147,862	32,296,968	(14,237,447)	(546,315,975)	23,891,408
DESCRIPTION	July 1, 2025	COST / REVALUED AMOUNT					COST / REVALUED AMOUNT				
		As at	Additions	(Disposals)	Revaluation Surplus	Revaluation Adjustment	As at	For the year	(Disposals)	Revaluation Adjustment	As at
Freehold land	79,465,000	-	-	-	-	-	79,465,000	-	-	-	-
Building on freehold land	159,609,800	-	-	-	-	-	159,609,800	7,980,490	-	-	-
Plant and machinery	420,500,000	22,272,119	(8,619,092)	-	-	-	434,153,027	21,682,096	(395,042)	-	-
Electric installations	50,000,000	-	-	-	-	-	50,000,000	5,000,000	-	-	-
Factory equipment	355,750	-	-	-	-	-	344,611	1,114	-	-	-
Office equipment	3,206,122	-	-	-	-	-	2,373,383	83,274	-	-	-
Furniture and fixtures	659,633	-	-	-	-	-	571,461	8,817	-	-	-
Vehicles	41,135,909	52,740,898	(15,058,650)	-	-	-	78,818,157	5,482,147	(5,081,307)	-	-
Total	754,932,214	75,013,017	(23,677,742)	-	-	-	806,267,489	23,891,408	(5,476,349)	58,652,997	747,614,492
DESCRIPTION	July 1, 2025	COST / REVALUED AMOUNT					COST / REVALUED AMOUNT				
		As at	Additions	(Disposals)	Revaluation Surplus	Revaluation Adjustment	As at	For the year	(Disposals)	Revaluation Adjustment	As at
Freehold land	79,465,000	-	-	-	-	-	79,465,000	-	-	-	-
Building on freehold land	159,609,800	-	-	-	-	-	159,609,800	7,980,490	-	-	-
Plant and machinery	420,500,000	22,272,119	(8,619,092)	-	-	-	434,153,027	21,682,096	(395,042)	-	-
Electric installations	50,000,000	-	-	-	-	-	50,000,000	5,000,000	-	-	-
Factory equipment	355,750	-	-	-	-	-	344,611	1,114	-	-	-
Office equipment	3,206,122	-	-	-	-	-	2,373,383	83,274	-	-	-
Furniture and fixtures	659,633	-	-	-	-	-	571,461	8,817	-	-	-
Vehicles	41,135,909	52,740,898	(15,058,650)	-	-	-	78,818,157	5,482,147	(5,081,307)	-	-
Total	754,932,214	75,013,017	(23,677,742)	-	-	-	806,267,489	23,891,408	(5,476,349)	58,652,997	747,614,492
DESCRIPTION	July 1, 2026	COST / REVALUED AMOUNT					COST / REVALUED AMOUNT				
		As at	Additions	(Disposals)	Revaluation Surplus	Revaluation Adjustment	As at	For the year	(Disposals)	Revaluation Adjustment	As at
Freehold land	79,465,000	-	-	-	-	-	79,465,000	-	-	-	-
Building on freehold land	159,609,800	-	-	-	-	-	159,609,800	7,980,490	-	-	-
Plant and machinery	420,500,000	22,272,119	(8,619,092)	-	-	-	434,153,027	21,682,096	(395,042)	-	-
Electric installations	50,000,000	-	-	-	-	-	50,000,000	5,000,000	-	-	-
Factory equipment	355,750	-	-	-	-	-	344,611	1,114	-	-	-
Office equipment	3,206,122	-	-	-	-	-	2,373,383	83,274	-	-	-
Furniture and fixtures	659,633	-	-	-	-	-	571,461	8,817	-	-	-
Vehicles	41,135,909	52,740,898	(15,058,650)	-	-	-	78,818,157	5,482,147	(5,081,307)	-	-
Total	754,932,214	75,013,017	(23,677,742)	-	-	-	806,267,489	23,891,408	(5,476,349)	58,652,997	747,614,492
DESCRIPTION	July 1, 2026	COST / REVALUED AMOUNT					COST / REVALUED AMOUNT				
		As at	Additions	(Disposals)	Revaluation Surplus	Revaluation Adjustment	As at	For the year	(Disposals)	Revaluation Adjustment	As at
Freehold land	79,465,000	-	-	-	-	-	79,465,000	-	-	-	-
Building on freehold land	159,609,800	-	-	-	-	-	159,609,800	7,980,490	-	-	-
Plant and machinery	420,500,000	22,272,119	(8,619,092)	-	-	-	434,153,027	21,682,096	(395,042)	-	-
Electric installations	50,000,000	-	-	-	-	-	50,000,000	5,000,000	-	-	-
Factory equipment	355,750	-	-	-	-	-	344,611	1,114	-	-	-
Office equipment	3,206,122	-	-	-	-	-	2,373,383	83,274	-	-	-
Furniture and fixtures	659,633	-	-	-	-	-	571,461	8,817	-	-	-
Vehicles	41,135,909	52,740,898	(15,058,650)	-	-	-	78,818,157	5,482,147	(5,081,307)	-	-
Total	754,932,214	75,013,017	(23,677,742)	-	-	-	806,267,489	23,891,408	(5,476,349)	58,652,997	747,614,492
DESCRIPTION	July 1, 2026	COST / REVALUED AMOUNT					COST / REVALUED AMOUNT				
		As at	Additions	(Disposals)	Revaluation Surplus	Revaluation Adjustment	As at	For the year	(Disposals)	Revaluation Adjustment	As at
Freehold land	79,465,000	-	-	-	-	-	79,465,000	-	-	-	-
Building on freehold land	159,609,800	-	-	-	-	-	159,609,800	7,980,490	-	-	-
Plant and machinery	420,500,000	22,272,119	(8,619,092)	-	-	-	434,153,027	21,682,096	(395,042)	-	-
Electric installations	50,000,000	-	-	-	-	-	50,000,000	5,000,000	-	-	-
Factory equipment	355,750	-	-	-	-	-	344,611	1,114	-	-	-
Office equipment	3,206,122	-	-	-	-	-	2,373,383	83,274	-	-	-
Furniture and fixtures	659,633	-	-	-	-	-	571,461	8,817	-	-	-
Vehicles	41,135,909	52,740,898	(15,058,650)	-	-	-	78,818,157	5,482,147	(5,081,307)	-	-
Total	754,932,214	75,013,017	(23,677,742)	-	-	-	806,267,489	23,891,408	(5,476,349)	58,652,997	747,614,492
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		As at	Additions	(Disposals)	Revaluation Surplus	Revaluation Adjustment	As at	For the year	(Disposals)	Revaluation Adjustment	As at
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Building on freehold land	159,609,800	-	-	-	-	-	159,609,800	7,980,490	-	-	-
Plant and machinery	420,500,000	22,272,119	(8,619,092)	-	-	-	434,153,027	21,682,096	(395,042)	-	-
Electric installations	50,000,000	-	-	-	-	-	50,000,000	5,000,000	-	-	-
Factory equipment	355,750	-	-	-	-	-	344,611	1,114	-	-	-
Office equipment	3,206,122	-	-	-	-	-	2,373,383	83,274	-	-	-
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Factory equipment	355,750	-	-	-	-	-	344,611	1,114	-	-	-
Office equipment	3,206,122	-	-	-	-	-	2,373,383	83,274	-	-	-
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Plant and machinery	420,500,000	22,272,119	(8,619,092)	-	-	-	434,153,027	21,682,096	(395,042)	-	-
Electric installations	50,000,000	-	-	-	-	-	50,000,000	5,000,000	-	-	-
Factory equipment	355,750	-	-	-	-	-	344,611	1,114	-	-	-
Office equipment	3,206,122	-	-	-	-	-	2,373,383	83,274	-	-	-
Furniture and fixtures	659,633	-	-	-	-	-	571,461	8,817	-	-	-
Vehicles	41,135,909	52,740,898	(15,058,650)	-	-	-	78,818,157	5,482,147	(5,081,307)	-	-
Total	754,932,214	75,013,017	(23,677,742)	-	-	-	806,267,489	23,891,408	(5,476,349)	58,652,997	747,614,492
DESCRIPTION	July 1, 2026	COST / REVALUED AMOUNT					COST / REVALUED AMOUNT				
		As at	Additions	(Disposals)	Revaluation Surplus	Revaluation Adjustment	As at	For the year	(Disposals)	Revaluation Adjustment	

6.2 The detail of operating fixed asset disposed off during the year are as follows:

Description	Cost / Revalued Amount	Accumulated Depreciation	Book Value	Sale Proceeds	Gain /(Loss)	Mode of Disposal	Relationship with Buyer	Particulars of Buyers
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[R e p e s e n t a t i v e]

Assets having book value exceeding Rs. 500,000/- each

Plant and machinery

Ring Frames

5,542,169	254,016	5,288,153	3,241,475	(2,046,678)	Negotiation	Independent Third Party	Mr. Ghulam Rasool, Chak No. 152/RB Chak Jhumra
3,076,923	141,026	2,935,897	520,000	(2,415,897)	Negotiation	Independent Third Party	Mr. Ghulam Rasool, Chak No. 152/RB Chak Jhumra

Vehicles

Haval H6 Turbo SUV

12,196,490	2,317,333	9,879,157	10,000,000	120,843	Negotiation	Independent Third Party	Mr. Hafiz Muhammad Rehan Khurshid, House No. 115C, Ghulam Muhammad Abad.
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Assets having book value below Rs. 500,000/- each

2026	2025
23,677,742	46,738,992
5,476,349	14,237,447
18,201,393	32,501,545
18,761,475	17,350,000
560,082	(15,151,545)

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

Cost of sales

Administrative expenses

2026	2025	Note
34,663,700	28,975,889	27
5,574,238	3,321,079	29
40,237,938	32,296,968	

6.4 Had there been no revaluation, the related figures of freehold land, building on freehold land, plant and machinery and electric installations as at June 30 would have been as follows:

2026			
Cost		[R u p e e s]	
Accumulated depreciation	Written down value		
2025			
4,061,667	-	4,061,667	4,061,667
58,068,771	38,388,679	19,680,092	314,422,096
692,710,576	378,288,480	314,422,096	4,681,251
22,543,028	17,861,777	4,681,251	774,384,042
434,538,936	342,845,106		

Freehold land
Building on freehold land
Plant and machinery
Electric installations

2025			
Cost		[R u p e e s]	
Accumulated depreciation	Written down value		
2025			
4,061,667	-	4,061,667	4,061,667
58,068,771	37,352,885	20,715,886	311,160,268
679,238,457	368,078,189	311,160,268	5,201,390
22,543,028	17,341,638	5,201,390	763,911,923
422,772,712	341,139,211		

Freehold land
Building on freehold land
Plant and machinery
Electric installations

6.5 Forced sale values of revalued assets

The forced sale values of revalued assets are based on fair value measurement as at June 30, 2025.

Forced Sale Values			
2026		2025	
[Rupees]			
Freehold land	67,545,250	135,668,330	67,545,250
Building on freehold land	135,668,330	336,400,000	135,668,330
Plant and machinery	329,504,726	40,000,000	336,400,000
Electric installations	40,000,000	579,613,580	40,000,000
	572,718,306		579,613,580

Freehold land
Building on freehold land
Plant and machinery
Electric installations

6.6 Details of immovable property in the name of the Company:

Usage	Location	Area
Production unit	Chak # 69 - R.B, 32 - KM, Main Sheikhpura Road, Tehsil Jaranwala, District, Faisalabad.	56 Kanals 18 Marlas 4 Sarsai

	Note	2026 Rupees	2025 Rupees
7. LONG TERM DEPOSITS			
Security deposits	7.1		
- Sui gas		24,573,634	24,573,634
- FESCO		2,734,078	2,734,078
- WASA		8,550	8,550
- CDC		37,500	37,500
Bank guarantee margin		27,353,762	27,353,762
		7,140,250	7,140,250
		<u>34,494,012</u>	<u>34,494,012</u>
7.1 This represents the security deposit with Sui Northern Gas Pipelines Limited (SNGPL) against supply of natural gas to the Company. It is subject to mark up at the rate of 1 year KIBOR minus 3% per annum or fixed rate of 5% per annum whichever is lower.			
8. STORES AND SPARES			
Stores		8,612,372	7,109,692
Spares		17,862,179	13,896,348
		<u>26,474,551</u>	<u>21,006,040</u>
9. STOCK IN TRADE			
Raw materials	9.1		
- Cotton		54,338,949	67,400,701
- Polyester		5,091,504	14,683,899
Work in process		59,430,453	82,084,600
Finished goods		22,651,433	22,313,323
		82,154,908	15,936,772
		<u>164,236,794</u>	<u>120,334,695</u>
9.1 It includes waste stock amounting to Rs. 3,502,210/- (2025: Rs. 1,537,500/-) measured at net realizable value.			
10. TRADE DEBTS			
Considered good:			
Local - unsecured		38,569,212	8,205,921
11. ADVANCES, DEPOSIT AND PREPAYMENTS			
Advances - considered good			
Advances to suppliers		8,036,166	12,743,119
Advances to employees		250,000	250,000
Deposit			
Letter of credit		2,185	-
Prepayments			
Prepaid insurance		426,143	367,367
Other		1,915,643	557,537
		<u>10,630,137</u>	<u>13,918,023</u>
12. SHORT TERM INVESTMENT			
Fair value through profit or loss:			
NBP Islamic Money Market Fund	12.1	22,012,779	20,493,559
12.1 These have been valued using published net asset value (NAV) as at reporting date. The number of units held by the Company are 2,158,771.6735 units (June 30, 2025: 2,014,702.9577 units).			
13. ACCRUED INCOME			
Interest on SNGPL deposit	7.1	2,062,123	2,062,049
Interest on bank deposit		148,144	513,867
		<u>2,210,267</u>	<u>2,575,916</u>

14. TAX REFUNDS DUE FROM GOVERNMENT

	2026	2025
	Rupees	Rupees
Sales tax refundable	44,734,934	31,391,200
Income tax refundable	26,318,549	24,141,081
	<u>71,053,483</u>	<u>55,532,281</u>

15. CASH AND BANK BALANCES

Cash in hand	1,084,811	2,728,648
Cash at bank		
Islamic banking		
- In current accounts	475,808	150,031,498
- In deposit accounts	56,419,168	69,390,275
	<u>56,894,976</u>	<u>219,421,773</u>
Conventional banking		
- In current accounts	118,064,876	32,112,548
- In deposit accounts	2,095,948	1,842,534
	<u>120,160,824</u>	<u>33,955,082</u>
	<u>178,140,611</u>	<u>256,105,503</u>

15.1 It includes foreign currency amounting to USD 1,000/- (2025: USD 1,000/-).

15.2 The rate of profit on deposit accounts is ranging from 5.61% to 10% per annum (2025: 2.78% to 19% per annum).

16. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2026	2025
Number of shares	
15,177,000	15,177,000 Ordinary shares of Rs. 10 each fully paid in cash
	<u>151,770,000</u>

16.1 There has been no movement in the ordinary share capital of the Company.

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

17. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Opening balance	271,980,543	205,603,211
Add: Surplus arise on revaluation of property, plant and equipment	-	127,126,151
Less: Related effect of deferred tax liability	-	(32,310,394)
		94,815,757
Less: Incremental depreciation on revalued property, plant and equipment transferred to unappropriated profit	(16,867,733)	(12,105,266)
Add: Related effect of deferred tax liability	4,891,643	3,510,527
	<u>(11,976,090)</u>	<u>(8,594,739)</u>
Less: Surplus realized on disposal of revalued property, plant and equipment	(5,452,680)	(27,948,854)
Add: Related effect of deferred tax liability	1,581,277	8,105,168
	<u>(3,871,403)</u>	<u>(19,843,686)</u>
Closing balance	<u>256,133,050</u>	<u>271,980,543</u>

- First revaluation of the Company's building on freehold land and plant and machinery was carried out as on September 30, 1995 by an independent valuer M/s Iqbal A. Nanjee & Co. Lahore on the basis of depreciated replacement values.

- Second revaluation of the Company's freehold land, building on freehold land and plant and machinery was carried out on September 30, 2000 by an independent valuer Inspectorates Corporation International (Pvt) Ltd., Lahore and the same was verified by SBP's approved auditors on the basis of depreciated replacement values.

- Third revaluation of the Company's freehold land, building on freehold land, plant and machinery and electric installations was carried out on June 30, 2012 by an independent valuer M/s Nizamy Associates, Faisalabad on the basis of depreciated replacement values.

- Fourth revaluation of the Company's freehold land, building on freehold land, plant and machinery and electric installations was carried out on Sep 30, 2015 by an independent valuer M/s Amir Evaluators & Consultants, Peshawar on basis of depreciated replacement values.

- Fifth revaluation of the Company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on June 30, 2020 by an independent valuer M/s S.A. Associates, Lahore on basis of depreciated replacement values.

- Sixth revaluation of the Company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on June 30, 2025 by an independent valuer M/s S.A. Associates, Lahore on basis of depreciated replacement values.

The fair valuation of the revalued assets are considered to represent a level 2 valuation based on significant non-observable inputs being the location and condition of the assets. The fair value are subject to change owing to change in input. However, the management does not expect there to be a material sensitivity to the fair values arising from the non-observable inputs. The basis of revaluation for items of these fixed assets were as follows:

Freehold land

Property brokers, dealers and estate agents were contacted to ascertain the asking and selling prices for properties of the same nature in the immediate neighbourhood and adjoining areas. Neighbouring properties which have been recently sold or purchased, were investigated to ascertain a reasonable selling / buying price. Properties that were up for sale were examined for asking price. An average of the above values was then assigned to the property.

Building on freehold land

Construction specifications were noted for each factory and residential building / structure and current construction rates were used to obtain replacement values of building, to which a depreciation formula was applied, based upon the Company's estimates of balance life to arrive at the current assessed value.

Plant and machinery

Plant and machinery have been evaluated / assessed by keeping in view their present physical condition, the remaining useful life / economic life and technological obsolescence. Further, new replacement values were arrived by using current local and foreign market values for the similar type of plant and machinery. These current local and foreign market values were taken into account on the basis of technical obsolescence, efficiency, maintenance, replacement and other related factors involved.

Electric installations

These were evaluated / assessed by keeping in view their present physical condition and the remaining useful life / economic life. Further, new replacement values were arrived by using current market values for the similar type of assets. These current market values were taken into account on basis of efficiency, maintenance, replacement and other related factors involved.

18. LONG TERM PAYABLE

	2026	2025
	Rupees	Rupees
Payable against purchase of vehicle	5,649,500	-
Payments during the year	(941,583)	-
	4,707,917	-
Less: Current portion shown under current liabilities	(3,766,332)	-
	941,585	-

18.1 The Company has entered into an agreement for purchase of vehicle on instalments. The liability under the arrangement is payable in 18 monthly instalments starting from April 2026, which has been recorded at the equivalent cash value of the vehicle on the date of purchase. Annual interest is charged at the rate of 6.61% per annum (being the effective rate computed as a difference between the equivalent cash value of the vehicle on the date of purchase and the total amount payable).

19. DEFERRED TAXATION

Opening balance	82,988,320	45,720,945
(Adjusted)/provided during the year	(7,620,003)	37,267,375
Closing balance	75,368,317	82,988,320

19.1 Movement in deferred tax liability is as follows;

Opening balance	82,988,320	45,720,945
Deferred tax credit recognized in profit or loss	(7,620,003)	4,956,981
Deferred tax expense recognized in other comprehensive income	-	32,310,394
Closing balance	(7,620,003)	37,267,375
	75,368,317	82,988,320

19.1.1 This comprise of following:

Taxable temporary differences arising in respect of;

Accelerated tax depreciation allowance	49,303,152	41,332,236
Short term investments	36,591	21,132
Surplus on revaluation of property, plant and equipment	89,982,126	96,455,046

Deductible temporary differences arising in respect of;

Minimum tax	(46,994,950)	(37,861,492)
Taxable loss	(16,958,602)	(16,958,602)
	75,368,317	82,988,320

19.1.2 The liability of deferred tax has been computed by applying the tax rate of 29%.

20. TRADE AND OTHER PAYABLES

	Note	2026 Rupees	2025 Rupees
Trade creditors	20.1	22,457,206	17,579,224
Accrued expenses		55,278,841	64,220,083
Provident fund trust	20.2	789,250	712,504
Withholding tax payable		528,184	631,805
Due to related parties	20.3	8,423,123	10,164,810
Workers' profit participation fund	20.4	1,663,010	2,872,120
Workers' welfare fund	20.5	7,684,511	6,834,019
Other payables		1,000,000	1,000,000
		<u>97,824,125</u>	<u>104,014,565</u>

20.1 This includes amount of Rs. 14,526,463/- (2025: Rs. 9,807,917/-) payable to Zeeshan Energy Limited- a related party against purchase of electricity.

20.2 This represents amount due to provident fund trust for the month of June - 2026 for which payment was made at July 15, 2026 (2025: July 11, 2025).

The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and conditions specified thereunder.

20.3 This represents chief executive and directors current account balances maintained with the Company and is payable on

20.4 Workers' profit participation fund

Opening balance		2,872,120	-
Interest on funds utilized in the Company's business	31	98,238	-
Allocation for the year		<u>2,970,358</u>	<u>-</u>
		1,663,010	2,872,120
Payments made during the year	30	4,633,368	2,872,120
Closing balance		<u>(2,970,358)</u>	<u>-</u>
		<u>1,663,010</u>	<u>2,872,120</u>

20.5 Workers' welfare fund

Opening balance		6,834,019	6,060,097
Provision for the year	30	850,492	1,610,217
		<u>7,684,511</u>	<u>7,670,314</u>
Paid during the year		-	(836,295)
Closing balance		<u>7,684,511</u>	<u>6,834,019</u>

21. CONTRACT LIABILITIES

Advances from customers	21.1	<u>49,377,749</u>	<u>20,562,926</u>
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21.1 The contract liabilities primarily relate to the advance consideration received from customers for sale of goods, for which revenue is recognized at point in time when goods are transferred. Out of Rs. 20.562 million recognized in contract liabilities as on June 30, 2025, amount of Rs. 20.291 million has been adjusted and recognized as revenue during the year.

22. ACCRUED MARKUP

Accrued markup on secured morabaha finance	22.1	<u>194,161,422</u>	<u>194,161,422</u>
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22.1 The Company has ceased the payment of markup since July 01, 2006, as it has filed a suit against Paysal Bank Limited in the Honorable Lahore High Court, Lahore. The facts of the litigation are explained in note 25.1.1.

23. BANK BORROWINGS**From banking company****Secured**

Morabaha I	{	340,901,898	340,901,898
Morabaha II		74,145,100	74,145,100

Unsecured

Interest free bank overdraft	23.2	<u>2,543,709</u>	<u>2,543,709</u>
		<u>417,590,707</u>	<u>417,590,707</u>

23.1 Morabaha I represents secured finance by converting various morabaha finances into long term finance at interest rate of 13% per annum, whereas, the Morabaha II represents an interest free morabaha finance by converting various unpaid markups. These loans are secured against first charge of Rs. 505 million on fixed assets and personal guarantees of directors and Chief Executive of the Company.

23.1.1 The Company is not repaying the morabaha finances as it has filed a suit against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The bank has also filed a counter suit praying for a decree to be passed in its favor for a sum of Rs. 454,502 million against the defendants jointly and severally, with cost of funds at the rate of 20% or as certified by State Bank of Pakistan from date of default and 20% liquidated damages plus service charges and all costs, charges, expenses payable or to be incurred by the plaintiff bank till the final payment / realization of the afore-mentioned amount. The facts and status of the litigations are further explained in note 25.1.1.

23.2 The Company has obtained interest free bank overdraft facility from Faysal Bank Limited but ceased the repayment of the overdraft due to litigation in courts. The facts of the litigation are explained in note 25.1.1.

24. CURRENT PORTION OF LONG TERM PAYABLE

	Note	2026 Rupees	2025 Rupees
Long term payable	18	3,766,332	-

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 The Company has instituted a suit in the Honorable Lahore High Court, Lahore against Faysal Bank Limited (FBL) claiming damages on account of acquisition of un-remunerative agricultural land on the advice of FBL for not providing timely cash finance facilities despite written commitments and for charging illegal profits against the principles of Islamic Banking and circulars issued by the State Bank of Pakistan in addition to contravention of the objective clause of its Memorandum & Articles of Association. The amount claimed for the first two counts is Rs. 141.831 million (including claims of Central Excise Duty), whereas the amount of last count has been left for the Court to determine.

The counter suite filed by the Faysal Bank for recovery of Rs. 454,502 million along with costs and cost of funds before the Honorable Lahore High Court (Single Judge), Lahore has been adjudicated on 04.06.2015 against the Company. The Company has filed an appeal in Honorable Lahore High Court, Lahore (Division Bench) vide R.F.A. No. 1372/2015 on various grounds including the Company being condemned unheard. The learned Division Bench graciously allowed the appeal on 20.02.2020 and impugned judgment and decree dated 04.06.2015 was set aside. Consequently leave to appeal was adjudged to have been granted to the appellant Company and the case is directed to be proceeded on that basis after framing issues and recording of evidences. Due to litigations, the Bank is not responding and confirming the balance to the Company. Having been undeterminable at this stage, provision for cost of funds has not been accounted for.

25.2 Commitments

There are no significant commitments at the reporting date which need to be disclosed in the financial statements.

26. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	Note	2026 Rupees	2025 Rupees
Local sales		2,400,274,551	2,563,526,459
Yarn sales		9,461,606	10,877,683
Waste sales		2,409,736,157	2,574,404,142
		(367,586,871)	(392,705,717)
Less: Sales tax		2,042,149,286	2,181,698,425

27. COST OF SALES

Raw material consumed	27.1	1,266,323,393	1,274,256,252
Stores and spares consumed		24,399,724	32,149,075
Packing material consumed		20,189,370	23,098,399
Salaries, wages and benefits	27.2	147,351,695	131,102,776
Fuel and power		547,990,709	590,037,371
Repairs and maintenance		316,984	563,432
Postage and telecommunication		91,870	84,550
Insurance		5,814,315	5,942,282
Depreciation	6.3	34,663,700	28,975,889
Others		833,322	1,296,366
		2,047,975,082	2,087,506,392

Work in process

Opening balance		22,313,323	18,387,580
Closing balance		(22,651,433)	(22,313,323)
		(338,110)	(3,925,743)
		2,047,636,972	2,083,580,649

Cost of goods manufactured

Finished goods			
Opening balance		15,936,772	23,796,178
Closing balance		(82,154,908)	(15,936,772)
		(66,218,136)	7,859,406
		1,981,418,836	2,091,440,055

		Note	2026 Rupees	2025 Rupees
27.1	Raw material consumed			
	Opening balance		82,084,600	91,435,185
	Purchases		1,243,669,246	1,264,905,667
			<u>1,325,753,846</u>	<u>1,356,340,852</u>
	Closing balance		<u>(59,430,453)</u>	<u>(82,084,600)</u>
			<u>1,266,323,393</u>	<u>1,274,256,252</u>
27.2	Salaries, wages and benefits include Rs. 3,973 million (2025: Rs. 5,578 million) in respect of the provident fund contribution.			
28. DISTRIBUTION COST				
	Selling commission		-	932,550
29. ADMINISTRATIVE EXPENSES				
	Salaries and benefits	29.1	19,049,224	20,267,658
	Postage and telecommunication		777,343	708,571
	Electricity and water		831,695	1,400,843
	Printing and stationery		6,610	100,908
	Traveling and conveyance		136,610	29,049
	Fee and subscriptions		1,446,917	1,281,381
	Rent, rates and taxes		5,994,956	796,584
	Legal and professional		553,160	308,507
	Entertainment		69,554	48,778
	Repairs and maintenance		28,690	55,720
	Vehicle running and maintenance		4,566,417	5,509,147
	Auditors' remuneration	29.2	900,000	900,000
	Insurance		1,266,745	1,232,226
	Advertisement		64,350	97,500
	Depreciation	6.3	5,574,238	3,321,079
	Others		17,947	68,854
			<u>41,284,456</u>	<u>36,126,805</u>
29.1	Salaries, wages and benefits include Rs. 0.640 million (2025: Rs. 0.621 million) in respect of the provident fund contribution.			
29.2	Auditors' remuneration			
	Statutory audit fee		850,000	850,000
	Half yearly review		50,000	50,000
			<u>900,000</u>	<u>900,000</u>
30. OTHER OPERATING EXPENSES				
	Workers' profit participation fund	20.4	1,663,010	2,872,120
	Workers' welfare fund	20.4	850,492	1,610,217
	Exchange loss on foreign currency translation		6,050	-
	Loss on disposal of property, plant and equipment		-	15,151,545
			<u>2,519,552</u>	<u>19,633,882</u>
31. FINANCE COST				
	Interest on workers' profit participation fund		98,238	-
	Mark up on long term payable	20.4	50,000	-
	Bank charges and commission		93,597	316,710
			<u>241,835</u>	<u>316,710</u>
32. OTHER INCOME				
	Income from financial assets			
	Profit on deposit accounts		8,816,283	15,615,735
	Dividend income on investment in mutual funds		2,064,667	2,584,553
	Unrealized gain on investment in mutual funds		53,307	23,517
	Exchange gain on foreign currency translation		-	5,850
	Profit on deposit with SNGPL		1,228,682	1,228,682
	Income from non-financial assets			
	Gain on disposal of property, plant and equipment		560,082	-
	Balances written back		1,240,836	253,295
			<u>13,963,857</u>	<u>19,711,632</u>

33. LEVIES

	Note	2026 Rupees	2025 Rupees
Minimum tax differential		13,566,937	10,529,125
Final tax		598,754	646,138
	33.1 & 34.11	14,165,691	11,175,263

33.1 These represent minimum tax under section 113, over and above the amount calculated on taxable income using the notified tax rate, and final tax under section 150 of the Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.

34. INCOME TAX

Current year	34.1	12,085,491	16,952,661
Deferred tax			
Deferred tax relating to the origination and reversal of temporary differences		(7,620,003)	4,956,981
		4,465,488	21,909,642

34.1 The provision for current income tax is made on taxable income at standard rate of 29%, applicable for the Companies, under the provision of the Income Tax Ordinance, 2001.

34.1.1 Reconciliation of current tax as per tax laws for the year, with current tax recognized in statement of profit or loss is as follows

Current tax liability for the year as per applicable tax laws	26,251,182	28,127,924
Current tax liability as per tax laws, representing income tax under IAS 12	(12,085,491)	(16,952,661)
Current tax liability as per tax laws, representing levies in terms of requirements of IFRIC 21/IAS 37	(14,165,691)	(11,175,263)
	-	-

34.1.2 The aggregate of levies and income tax, amounting to Rs. 26,251,182/- represents tax liability of the Company calculated in terms of provision of the Income Tax Ordinance, 2001.

34.2 Relationship between income tax and profit before income tax:

Profit before income tax	16,482,773	41,784,792
Income tax rate	29%	29%
Income tax on profit before income tax	4,780,004	12,117,590

Tax effect of:

- Inadmissible expenses
- Admissible expenses
- Taxable loss
- Levies
- Deferred tax

13,819,875	16,316,676
(10,622,438)	(8,793,905)
-	(5,928,526)
4,108,050	3,240,826
(7,620,003)	4,956,981
(314,516)	9,792,052
4,465,488	21,909,642
2026	2025

35. EARNINGS PER SHARE - BASIC AND DILUTED**35.1 Earnings per share - basic**

Profit for the year (Rupees)

12,017,285	19,875,150
15,177,000	15,177,000

Weighted average number of ordinary shares outstanding during the year

0.79	1.31
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Earnings per share - basic (Rupees)

35.2 Earnings per share - diluted

A diluted earnings per share have not been presented as the Company does not have any convertible Instruments in issue as at June 30, 2026 and 2025 which would have any effect on the earnings per share if the option to convert is exercised.

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2026 [Rupees]	
	Chief Executive	Director Executives
Managerial remuneration	2,400,000	1,200,000
House rent allowance	-	-
Utilities allowance	-	-
Provident Fund	-	-
	2,400,000	1,200,000
Number of persons	1	1
		2

3,600,000	3,600,000
480,000	480,000
120,000	120,000
99,960	99,960
4,299,960	4,299,960

	2025		
	Chief Executive	Director	Executives
	[R u p e e s]		
Managerial remuneration	2,400,000	3,600,000	2,946,660
House rent allowance	-	-	1,178,660
Utilities allowance	-	-	294,680
Provident Fund	-	-	129,054
	2,400,000	3,600,000	4,549,054
Number of persons	1	2	3

37. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies and undertakings, entities under common directorship, directors, major shareholders, key management personnel and retirement benefit fund. The Company in the normal course of business carries out transactions with these related parties. Amounts due from and due to related parties, if any, are shown under relevant notes to financial statements. Remuneration to chief executive, directors and key management personnel is disclosed in note 36. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Name	Nature of transactions	2026 Rupees	2025 Rupees
Zeeshan Energy Limited	Purchase of electricity	4,718,546	-
Asim Textile Mills Limited, Employees' Provident Fund Trust	Company's contribution to the fund	4,612,879	6,199,216
CEO/directors/members	Expenses paid on behalf of related parties	7,741,687	3,594,525
Mr. Zahid Anwar - Chief Executive Officer	Sale of vehicle	5,000,000	-

37.1 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

Company Name	Basis of Relationship	Common Directorship / Percentage of shareholding	Address and Country of Incorporation
J.A. Textile Mills Limited	Associated Undertaking	Common Directors	JK House, 32-W, Susan Road, Madina Town, Faisalabad, Pakistan.
Zeeshan Energy Limited	Associated Undertaking	Common Directors	JK House, 32-W, Susan Road, Madina Town, Faisalabad, Pakistan.
Asim Textile Mills Limited, Employees' Provident Fund Trust	Trustees	N/A	JK House, 32-W, Susan Road, Madina Town, Faisalabad, Pakistan.

38. PLANT CAPACITY AND ACTUAL PRODUCTION

Installed capacity after conversion into 20/s

Actual production after conversion into 20/s

38.1 Reasons for shortfall

The decrease in actual production during the year when compared with installed capacity is mainly due to market orders and demands in hand.

	[UOM]	2026	2025
	[KGs]	11,407,803	11,407,803
	[KGs]	6,858,662	6,571,984

39. NUMBER OF EMPLOYEES

Average number of employees during the year

Number of employees at end of the year

	2026	2025
	249	246
	233	259

40. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART 1 OF SCHEDULE IV OF THE COMPANIES ACT, 2017

Statement of Financial Position - Liability Side:

Financing (long-term, short-term, or lease financing) obtained as per Islamic mode

Long term financing			
Overdue bank loans		-	-
	23	417,590,707	417,590,707
Interest or mark-up accrued on any conventional loan or advance		-	-

Statement of Financial Position - Asset Side:

Long-term and short-term Shariah compliant Investments

Short term investment	12	22,012,779	20,493,559
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Shariah-compliant bank deposits, bank balances, and TDRs

Bank balances	15	56,894,976	219,421,773
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STATEMENT OF PROFIT OR LOSS

Revenue earned from a Shariah-compliant business segment

Break-up of late payments or liquidated damages	26	2,042,149,286	2,181,698,425
---	----	---------------	---------------

Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates

	32	2,064,667	2,584,553
--	----	-----------	-----------

Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs

	32	3,284,625	8,455,400
--	----	-----------	-----------

Exchange gain earned from actual currency

	32	-	5,850
--	----	---	-------

Exchange gains earned using conventional derivative financial instruments

Profit paid on Islamic mode of financing

	-	-	-
--	---	---	---

Total Interest earned on any conventional loan or advance

	-	-	-
--	---	---	---

Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income

Shariah compliant income:

32

Profit on deposit accounts

	3,284,625	8,455,400
--	-----------	-----------

Dividend income on investment in mutual funds

	2,064,667	2,584,553
--	-----------	-----------

Unrealized gain on investment in mutual funds

	53,307	23,517
--	--------	--------

Profit on deposit with SNGPL

	1,228,682	1,228,682
--	-----------	-----------

Gain on disposal of property, plant and equipment

	560,082	-
--	---------	---

Balances written back

	1,240,836	253,295
--	-----------	---------

Non - shariah compliant income:

32

Profit on deposit accounts

	5,531,658	7,160,335
--	-----------	-----------

Exchange gain on foreign currency translation

	-	5,850
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Relationship with shariah compliant banks

Name of institutions	Relationship with institutions
Al Baraka Bank (Pakistan) Limited	Bank balance
Meezan Bank Limited	Bank balance
Faysal Bank Limited	Short term borrowings

4.1. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value hierarchy

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

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

Level 1 : Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

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

Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial assets measured at fair value	Short term investments
Financial assets not measured at fair value	Long term deposits
	Trade debts
	Accrued income
	Cash and bank balances
Financial liabilities measured at fair value	
Financial liabilities not measured at fair value	Trade and other payables
	Accrued markup
	Bank borrowings

2026							
Fair Value				Carrying Amount			
Fair value through profit or loss	Amortized cost	Cash and cash equivalents	Prepaid expenses	Level 1	Level 2	Level 3	Total
-	-	-	-	-	-	-	-
22,012,779	-	-	22,012,779	22,012,779	-	-	22,012,779
-	34,494,012	-	34,494,012	-	-	-	-
-	38,569,212	-	38,569,212	-	-	-	-
-	2,210,267	-	2,210,267	-	-	-	-
-	-	178,140,611	178,140,611	-	-	-	-
22,012,779	75,273,491	178,140,611	275,426,881	22,012,779	-	-	22,012,779
-	-	-	-	-	-	-	-
-	4,707,917	-	4,707,917	-	-	-	-
-	87,948,420	-	87,948,420	-	-	-	-
-	194,161,422	-	194,161,422	-	-	-	-
-	417,590,707	-	417,590,707	-	-	-	-
-	704,408,466	-	704,408,466	-	-	-	-
2025							
Fair Value							
Fair value through profit or loss	Amortized cost	Cash and cash equivalents	Prepaid expenses	Level 1	Level 2	Level 3	Total
20,493,559	-	-	20,493,559	20,493,559	-	-	20,493,559
-	34,494,012	-	34,494,012	-	-	-	-
-	8,205,921	-	8,205,921	-	-	-	-
-	2,575,916	-	2,575,916	-	-	-	-
-	-	256,105,503	256,105,503	-	-	-	-
20,493,559	45,275,849	256,105,503	321,874,911	20,493,559	-	-	20,493,559
-	-	-	-	-	-	-	-
-	93,676,621	-	93,676,621	-	-	-	-
-	194,161,422	-	194,161,422	-	-	-	-
-	417,590,707	-	417,590,707	-	-	-	-
-	705,428,750	-	705,428,750	-	-	-	-

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company follows an effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available. Market risks are managed by the Company through the adoption of appropriate policies to cover currency risks and interest rate risks.

The Company has exposures to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

42.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and other price risk such as equity risk. The sensitivity analysis in the following sections relate to the position as at June 30, 2026 and 2025.

42.1.1 Interest rate risk:

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from deposit with SNGPL and balances in deposit accounts.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

Variable rate instruments	2026 Rupees	2025 Rupees
Security deposit with SNGPL	24,573,634	24,573,634
Bank balances in deposit accounts	58,515,116	71,232,809

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a change in interest rates of 1%, with all other variables held constant, of the Company's profit before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting date were outstanding for the whole year.

	2026 Rupees	2025 Rupees
Effect on profit and loss of an increase in interest rate for deposit with SNGPL	228,781	228,781
Effect on profit and loss of an increase in interest rate for balances in deposit accounts	544,776	663,177
	<u>773,557</u>	<u>891,958</u>

Decrease in interest rates at June 30 would have had the equal but opposite effect of these amounts. Sensitivity analysis has been prepared on symmetric basis.

42.1.2 Currency risk / Foreign Exchange risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument, will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to foreign currency transactions.

Exposure to Currency Risk

The Company's exposure to currency risk is restricted to the balance in foreign currency bank account. The Company's exposure to currency risk is as follows:

Particulars	Currency	2026		2025	
		F.Currency	Rupees	F.Currency	Rupees
Bank balance	US \$	1,000	<u>278,400</u>	1,000	<u>283,600</u>

The following significant exchange rates have been applied as at reporting date:

Foreign Currency	2026		2025	
	Selling	Buying	Selling	Buying
	[R u p e e s]		[R u p e e s]	
US \$	278.55	278.40	284.10	283.60

Currency rate sensitivity analysis

If the functional currency, at reporting date, had weakened by 5% against the foreign currencies with all other variables held constant, the profit before taxation would have increased for the year 2026 and 2025 by the following amounts:

Foreign Currency	2026 Rupees	2025 Rupees
US \$	<u>12,960</u>	<u>13,202</u>

A 5% strengthening of the functional currency against foreign currencies at June 30 would have had the equal but opposite effect of these amounts.

Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The analysis assumes that all other variables remained constant.

42.1.3 Other price risk:

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from 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 exposed to price risk, because of the investment held by the Company in mutual funds, and classified on the statement of financial position as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio.

Short term investment include fair value through profit or loss investment of Rs. 22,012,779/- (2025: Rs. 20,493,559/-) which was subject to price risk.

If redemption price on mutual funds, at the year end date, fluctuate by 5% higher / lower with all other variables held constant, profit before tax for the year would have been Rs. 1,024,695/- (2025: Rs. 953,975/-) higher / lower, mainly as a result of higher / lower redemption price on units of mutual funds.

42.2 Credit risk:

Credit risk is the risk representing accounting loss that would be recognized at the reporting date if one party to a financial instrument will fail to discharge an obligation or its failure to perform duties under the contract as contracted. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations that is susceptible to changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry. The maximum exposure to credit risk at the reporting date is as follows :

	2026 Rupees	2025 Rupees
Long term deposits	34,494,012	34,494,012
Trade debts	38,569,212	8,205,921
Short term investments	22,012,779	20,493,559
Accrued income	2,210,267	2,575,916
Bank balances	177,055,800	253,376,855
	<u>274,342,070</u>	<u>319,146,263</u>

Long term deposits have been mainly placed with suppliers of electricity, gas and telecommunication services and bank guarantee margin. Considering the financial position and credit quality of the institutions, the Company's exposure to credit risk is not significant.

For trade debts, internal risk assessment process determines the credit quality of the customers, taking into account their financial positions, past experiences and other factors. Moreover, the management regularly monitors and reviews customers' credit exposure. Accordingly, the Company is not exposed to any significant credit risk.

Short term investments are investment in mutual funds. The credit risk on liquid funds is limited because counter party is bank with reasonably high credit ratings.

NBP Fund Management Limited

2026	2025
[Credit Ratings]	
AM1	AM1

Accrued income constitute accrued profits receivable from SNGPL and banks. Considering the financial position and credit quality of the institutions, the Company's exposure to credit risk is not significant.

The credit quality of the Company's bank balances can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

Name of Bank	Date	Long term	Short term	Outlook	Agency
Al-Baraka Bank (Pakistan) Limited	30-Jun-26	AA-	A-1	Stable	JCR-VIS
Dubai Islamic Bank Pakistan Limited	30-Jun-26	AA	A1+	Positive	JCR-VIS
Faysal Bank Limited	24-Jun-26	AA+	A1+	Stable	PACRA
Habib Bank Limited	30-Jun-26	AAA	A1+	Stable	JCR-VIS
JS Bank Limited	24-Jun-26	AA	A1+	Stable	PACRA
MCB Bank Limited	23-Jun-26	AAA	A1+	Stable	PACRA
Meezan Bank Limited	30-Jun-26	AAA	A-1+	Stable	JCR-VIS
National Bank of Pakistan	23-Jun-26	AAA	A1+	Stable	PACRA
United Bank Limited	30-Jun-26	AAA	A-1+	Stable	JCR-VIS

Due to the Company's long standing relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the risk is minimal.

42.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's approach to manage liquidity risk is to maintain sufficient level of liquidity by holding highly liquid assets and the availability of funding. This includes maintenance of liquidity ratios through working capital management. Further, liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board. The management believes that the Company is not exposed to any

The following are the contractual maturity analysis of financial liabilities as at June 30, 2026 and 2025:

	2026			
	Carrying amount	Contractual cash flows	Within 1 year	More than 1 year
	[R u p e e s]			
Financial Liabilities :				
Long term payable	4,707,917	4,957,920	3,966,336	991,584
Trade and other payables	87,948,420	87,948,420	87,948,420	-
Accrued markup	194,161,422	194,161,422	194,161,422	-
Bank borrowings	417,590,707	417,590,707	417,590,707	-
	<u>704,408,466</u>	<u>704,658,469</u>	<u>703,666,885</u>	<u>991,584</u>
	2025			
	Carrying amount	Contractual cash flows	Within 1 year	More than 1 year
	[R u p e e s]			
Financial Liabilities :				
Trade and other payables	93,676,621	93,676,621	93,676,621	-
Accrued markup	194,161,422	194,161,422	194,161,422	-
Bank borrowings	417,590,707	417,590,707	417,590,707	-
	<u>705,428,750</u>	<u>705,428,750</u>	<u>705,428,750</u>	<u>-</u>

43. CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern, maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, so that it can continue to provide returns for shareholders thereby maximizing their wealth, benefits for other stakeholders and reduce the cost of capital.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

As at June 30, 2026 and 2025, the Company had surplus reserves to meet its requirements.

44. GENERAL

44.1 Corresponding figures

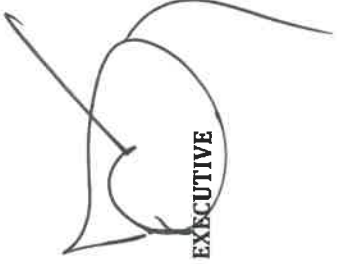
Corresponding figures have been rearranged and reclassified wherever necessary for the purpose of better presentation. During the year no reclassification is made in the corresponding figures.

44.2 Rounding

Figures have been rounded off to the nearest Rupee.

45. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on **07 OCT 2026** by the Board of Directors of the Company.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Gender Pay Gap Statement

Financial Year 2025-26

Asim Textile Mills Ltd. is committed to fair, equitable, and non-discriminatory compensation practices across all levels of the organization. For the financial year 2025-26, the Company confirms that there is no gender pay gap within its workforce.

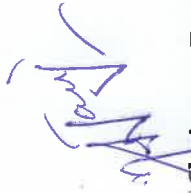
All salary structures, allowances, benefits, and increments are determined solely based on merit, job responsibilities, qualifications, and performance. A review of compensation for male and female employees performing comparable roles indicates parity in pay, with no disparity attributable to gender.

Following is gender pay calculated under circular no. 10 dated April 17, 2024 of Securities and Exchange Commission of Pakistan (SECP)

	2026	2025
1. Mean gender pay gap	Nil	Nil
2. Median gender pay gap	Nil	Nil

In compliance with applicable regulatory requirements, this Gender Pay Gap Statement has also been uploaded and made available on the Company's official website for public access.

For Asim Textile Mills Ltd.



Chairman Board of Director

ASIM TEXTILE MILLS LIMITED
PATTERN OF SHAREHOLDING
AS ON 30-JUNE-2026

NO_OF_SHAREHOLDERS	FROM	TO	SHARES	%
233	1.00	100.00	13,956.00	0.092
1657	101.00	500.00	771,570.00	5.0838
90	501.00	1,000.00	81,814.00	0.5391
136	1,001.00	5,000.00	352,121.00	2.3201
34	5,001.00	10,000.00	270,876.00	1.7848
8	10,001.00	15,000.00	98,397.00	0.6483
5	15,001.00	20,000.00	99,900.00	0.6582
5	20,001.00	25,000.00	108,425.00	0.7144
3	25,001.00	30,000.00	83,918.00	0.5529
2	30,001.00	35,000.00	62,423.00	0.4113
2	35,001.00	40,000.00	71,600.00	0.4718
1	40,001.00	45,000.00	45,000.00	0.2965
4	45,001.00	50,000.00	200,000.00	1.3178
2	60,001.00	65,000.00	125,400.00	0.8262
1	80,001.00	85,000.00	82,700.00	0.5449
2	100,001.00	105,000.00	202,300.00	1.3329
1	105,001.00	110,000.00	110,000.00	0.7248
1	145,001.00	150,000.00	150,000.00	0.9883
2	245,001.00	250,000.00	500,000.00	3.2944
1	770,001.00	775,000.00	771,300.00	5.082
1	1,130,001.00	1,135,000.00	1,130,038.00	7.4457
1	1,255,001.00	1,260,000.00	1,257,937.00	8.2884
2	2,035,001.00	2,040,000.00	4,077,350.00	26.8651
1	4,510,001.00	4,515,000.00	4,510,075.00	29.7163
2,195.00			15,177,100.00	100.00

ASIM TEXTILE MILLS LIMITED
PATTERN CATEGORY AS ON 30-JUNE-2026

Category/Title		Balance	%	
Directors, CEO their Spouse and Minor Children				
1	00307-129589 IMRAN ZAHID	101,500.00	0.67	
TOTAL:		101,500.00	0.67	
Banks, Development Financial Institutions and Non Banking Financial Institutions				
1	03798-52 THE BANK OF KHYBER	26,000.00	0.17	
2	03889-28 NATIONAL BANK OF PAKISTAN	642.00	0.00	
3	03889-77 NATIONAL BANK OF PAKISTAN	121.00	0.00	
TOTAL:		26,763.00	0.18	
Modarabas and Mutual Funds				
1	14902-21 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	771,300.00	5.08	
TOTAL:		771,300.00	5.08	
General Public (Local)				
TOTAL:		14,191,211.00	93.5	
TOTAL:		14,191,211.00	93.5	
Joint Stock Companies				
1	03525-63473 NH HOLDINGS (PVT) LTD	1,000.00	0.01	
2	03525-87235 MAPLE LEAF CAPITAL LIMITED	1.00	0.00	
3	05736-15 NCC - PRE SETTLEMENT DELIVERY ACCOUNT	35,325.00	0.23	
TOTAL:		36,326.00	0.24	
Others				
1	10629-209992 BROADAXIS TECHNOLOGIES (PRIVATE) LIMITED	50,000.00	0.33	
FINAL TOTAL:		15,177,100.00	100.00	
SHAREHOLDERS HOLDING 5% OR MORE VOTING RIGHTS				
SR_NO	FOLIO_NO	NAME	BALANCE	PERCENTAGE
1	1554	MR. IMRAN ZAHID	2,038,675.00 ✓	13.43
2	3702	MISS NOORULAIN ZAHID	1,257,937.00 ✓	8.29
3	3794	MISS Q. A. ZAHID	1,130,038.00 ✓	7.45
4	5191	MR. ZAHID ANWAR	4,510,075.00 ✓	29.72
5	5192	MR.ZEESHAN ZAHID	2,038,675.00 ✓	13.43
6	14902-21	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	771,300.00 ✓	5.08
FINAL TOTAL:		11,746,700.00	77.40	

ASIM TEXTILE MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the company will be held on Wednesday the 28th October, 2026 at 10:00 AM at its registered office, JK House, 32-W, Susan Road, Madina Town, Faisalabad to transact the following business:-

1. To confirm the minutes of the Annual General Meeting held on 28.10.2025.
2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2026 together with the Directors' and Auditor's reports thereon.
3. To appoint auditors for the year ending June 30, 2027 and fix their remuneration. The Company received a notice to appoint M/S Kreston Hyder Bhimji & Co. Chartered Accountants for appointment as auditors of the company for the next year.

Special business:

4. To consider, and if deemed appropriate, to pass the following resolutions (with or without modifications) which would enable the Company to circulate the annual audited financial statements by way of QR enabled code and weblink to its shareholders as a part of the notice for annual general meeting:
"RESOLVED THAT subject to passing of a resolution of Asim Textile Mills Limited ("Company") by way of simple majority, permission and approval to the Company be and is hereby accorded for circulation of annual audited financial statements to members through QR enabled code and weblink within and as a part of the notice of general meeting, in line with Securities and Exchange Commission of Pakistan notification number S.R.O. 389(I)/2023, and as a consequence thereof, the practice of circulation of annual audited financial statements through CD be discontinued."
"FURTHER RESOLVED THAT the company shall ensure all times the requirements given in Securities and Exchange Commission Notification S.R.O. 389 (I)/2023 dated March 21, 2023 and all other applicable laws in connection with transmission of Notice of General meeting and circulation of annual report to the members are complied with."
5. To transact any other business with the permission of the chair.

FOR AND ON BEHALF OF THE BOARD
AJMAL SHABAB
(Company Secretary)

FAISALABAD: 07.10.2026

NOTES:

1. The share transfer books of the company will remain closed from 21.10.2026 to 28.10.2026 (both days inclusive). Transfer received at the office of Share Registrar of the company, M/s. Hameed Majeed Associates (Pvt) Ltd., H. M. House, 7-Bank Square, Lahore, by the close of business on 20 October 2026 will be treated in time.
2. A member entitled to attend and vote at the meeting may appoint another member of the company as a proxy to attend and vote instead of him/her. Proxy Form duly completed should reach the Registered Office of the Company at least 48 hours before the time of meeting.
3. Any individual beneficial owner of CDC entitled to attend and vote at this meeting must bring his/her CNIC or Passport to prove his/her identity, and in case of Proxy must enclose an attested copy of his/her CNIC or Passport. Representative of Corporate Member should bring the usual documents required for such purpose.
4. Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 779(I)/2011 dated August 18, 2011 has directed all listed companies to ensure that Dividend Warrants should bear the Computerized National Identity Card (CNIC) Numbers of the registered members. Members who have not yet provided attested copies of their valid CNICs / NTN's (in case of corporate entities) are requested to send the same directly to the Share Registrar at aforementioned address.
5. In pursuance of the directions given by SECP vide SRO 787 (I)/2014 dated September 8, 2014, those shareholders who desire to receive Notice & Annual Financial Statements in future through email instead of receiving the same by Post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. www.asimtextile.com and send the said form duly filled in and signed along with copy of his/her CNIC/ Passport to the Company's Share Registrar. Please note that giving email address for receiving of Notice & annual Financial Statement instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice and, in such case, Notice & Annual Financial Statement will be sent at your registered address, as per normal practice.
6. Agenda Item No. 5: Circulation of Financial Statements Via QR Code & Weblink SECP vide SRO 389(I)/2023 dated March 21, 2023, allowed listed companies to circulate the annual audited financial statements to its members through QR-enabled code and web link subject to approval by the shareholders by simple majority. This facility will assist all members, regardless of their location, in accessing the Company's financial statements. The proposed change seeks to address technological challenges and improve accessibility while preserving members' rights and privileges. Importantly, it should be noted that this amendment does not impact the existing right of members to receive a printed version of the financial statements, which will continue to be available upon request.
Web link: <https://www.asimtextile.com/AnnualReport/AnnualReport2026.pdf>

Scan QR code for Annual Account 2026



7. Shareholders interested in attending the AGM virtually are hereby advised to get themselves registered with the Company by providing the following information through email at export@jkhouse.biz

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	No of Shares	Contact No.	Email Address
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Online meeting link and login credentials will be shared with only those Members whose emails, containing all the required particulars, are received at the given email address by the end of business on October 27, 2026. The login facility shall remain open from 10:00 am till the start of the Meeting on October 28, 2026.

8. Pursuant to section 132(2) of the Companies Act, 2017, if company receives consent from shareholders holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least 7 days prior to the date of meeting, the company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide following information and submit it to the registered office of the Company.
I/We.....-of.....being a member of ASIM

TEXTILE MILLS LIMITED, holder of Ordinary Shares as per Register Folio No./CDC A/C No.....hereby opt for Video conference facility at.....

.....
Signature of members

Members of the Company are requested to immediately notify the change of address, if any, and ask for consolidation of their folio numbers.

ASIM TEXTILE MILLS LIMITED

ANNUAL GENERAL MEETING

FORM OF PROXY

IMPORTANT

This Form of Proxy, in order to be effective, must be deposited duly completed at the Company's Registered Office JK House, 32-W, Susan Road, Madina Town, Faisalabad, not less than 48 hours before the time of holding the meeting.

A proxy must be a member of the Company. Signature should agree with the specimen registered with the company

Please quote Registered Folio Number

I/We-----
of-----
being a member of the Asim Textile Mills Limited-----and holder
of-----ordinary shares, hereby appoint
of-----

who is also a member of the company as my/our proxy in my/our absence to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held at registered office of the Company, JK House, 32-W, Susan Road, Madina Town, Faisalabad, on **28.10.2026** at 10:00 a.m or at any adjournment thereof.

As witness my/our hand this -----day of -----2026
Signed by the said-----in the presence of

Date: (Member's Signature)

Place (Witness's Signature)

Affix Rs. 5/-
revenue stamp which
must be cancelled
either by signature
over it or by some
other means

پراسی فارم (مختار عامہ)

کمپنی میکر ٹری

حامصم یمکشا امل ملز لمیڈیٹڈ

سوساں روڈ مدینہ ٹاؤن فیصل آباد W-32

میں / تم

جس

محبت کرتا ہے۔

عام تفحص برطانوی شہر رجسٹر فوڈ انکمپر

پانچھیت آئی ڈی نمبر _____

بذریعہ ہذا

محترم احترام
ساجد

ساکن _____ جو کپنی کا ہے برطانیق شیر رجسٹرفیو نمبر _____
 کپنی کا نمبر ہے برطانیق شیر رجسٹرفیو نمبر _____ یا (اکی غیر موجودگی میں محترم ارجسٹرمہ _____ کو

مورخہ 28 اکتوبر 2026 صبح 10:00 منعقد ہونے والے کمپن کے صدر دفتر W-32 سوساں روڈ مدینہ ٹاؤن فیصل آباد میں عام جلسہ میں حق رائے دی استعمال کرنے کی تقریر کی اور شرکت کرنے کیلئے اپنا ارا بطور عقار مہیا پر کسی فارم مقرر کرتا ہوں کرتے ہیں۔

بطور گواہ میرے دستخط۔۔۔۔۔ آج بروز۔۔۔۔۔ تاریخ۔۔۔۔۔ 2026

وخط کوا

ہمارے کورس

۵۶۷ کی کارسیدی

تھک چکیاں کریں

١٠

1- پراسکریاں تاکہ موہو ہو سکیں کہیں کارجرش و فشر اچھدر دتر نہیں باقاعدہ مہر، دستخط اور گواہی شدہ اجلاس سے کم از کم 48 گھنٹے قبل پہنچ جانی چاہیں۔

دستخط کمپنی کے ہاں رجسٹرڈ نمونوں دستخطوں کے مطابق ہونے چاہئیں۔



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- 📊 Risk profiler*
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- 📢 Subscription to Alerts (event notifications, corporate and regulatory actions)
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📱 Jamapunji.pk 🐦 [@jamapunji_pk](https://twitter.com/jamapunji_pk)



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

*Mobile apps are also available for download for android and ios devices