



INDUS DYEING & MANUFACTURING
COMPANY LIMITED

ANNUAL REPORT 2026

BUILDING VALUE
THROUGH SUSTAINABLE
TEXTILE SOLUTIONS



PREMIUM
QUALITY PRODUCTS



OPERATIONAL
EXCELLENCE



SUSTAINABLE
GROWTH



STRONGER
COMMUNITIES

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COMPANY PROFILE

Board of Directors

- | | | |
|----|----------------------|-------------------------|
| 1. | Mr. Naveed Ahmed | Chairman |
| 2. | Mian Shahzad Ahmed | Chief Executive Officer |
| 3. | Mian Imran Ahmed | |
| 4. | Mr. Kashif Riaz | |
| 5. | Mr. Irfan Ahmed | |
| 6. | Mrs. Fadia Kashif | |
| 7. | Mr. Faisal Hanif | |
| 8. | Mr. Aamir Amin | |
| 9. | Ms. Azra Yaqub Vawda | |

Audit Committee

- | | | |
|----|------------------|------------|
| 1. | Mr. Faisal Hanif | (Chairman) |
| 2. | Mr. Naveed Ahmed | (Member) |
| 3. | Irfan Ahmed | (Member) |

Human Resources and Remuneration Committee

- | | | |
|----|-----------------------|------------|
| 1. | Mr. Faisal Hanif | (Chairman) |
| 2. | Mrs. Azra Yaqub Vawda | (Member) |
| 3. | Mr. Irfan Ahmed | (Member) |

Company Secretary

Mr. Ahmed Faheem Niazi

Chief Financial Officer

Mr. Yasir Anwar

Chief Internal Auditor

Mr. Muhammad Moiz Dossani

Legal Advisor

Mr. M. Yousuf Naseem
(Advocates & Solicitors)

Auditors

M/s. Yousuf Adil
Chartered Accountants.

Registrar & Share Transfer Office

JWAFFS REGISTRAR SERVICES (PVT) LTD
Office # 20, 5th Floor, Arkay Square Extension,
New Chali, Shahrah-e-Liaquat, Karachi.

Tel. (+92-21) 32440974-75

Factory Location

- | | | |
|---|---|--|
| 1 | P 1 & P 5 S.I.T.E.,
Hyderabad, Sindh. | Tel. 0223 - 886281 & 84 |
| 2 | Plot No. 3 & 7, Sector-25
Korangi Industrial Area, Karachi. | Tel: 021 – 35061577-9 |
| 3 | Muzaffargarh, Bagga Sher,
District Multan. | Tel. 0662 - 490202 – 205 |
| 4 | Indus Lyallpur Limited.
38th Kilometer, Shaikhupura Road,
District Faisalabad. | Tel: 041-4689235-6 |
| 5 | Indus Home Limited.
2.5 Kilometer,
Off Manga Raiwind Road,
Manga Mandi, Lahore. | UAN 111-404-405
Tel. 042-35385021-7 |
| 6 | Indus Wind Energy Limited.
Deh Kohistan 7/3 & 7/4,
Tapo Jangshahi,
Taluka & District Thatta. | UAN 111-404-404
Tel 021-3569654 (Ext – 177) |

INDUS DYEING & MFG. CO. LIMITED

VISION

To be leading and diversified company, offering a wide range of quality products and services.

MISSION

We aim to provide superior products, financial security, performance and service quality that fully meet the needs of our customers and to maintain the financial strength of the company.

CHAIRMAN'S REVIEW

FOR THE YEAR ENDED JUNE 30, 2026

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Chairman's Review on the overall performance of the Board and the effectiveness of its role in achieving the Company's objectives during FY2026, together with the Company's annual results for the year ended June 30, 2026, and to cordially invite you to attend the 69th Annual General Meeting of the Company.

FY2026 was a year of resilience, disciplined execution, and strategic progress. Despite an evolving global economic landscape and geopolitical uncertainties, the Company remained focused on delivering sustainable value while strengthening its competitive position, with the Board providing strategic guidance and effective oversight in close collaboration with Management.

Review of the Board's Performance

The nine-member Board comprised three Independent Directors, three Non-Executive Directors and three Executive Directors, with women representing two of the nine positions. Through a balanced mix of skills, experience and independent judgment, the Board maintained effective oversight of business performance, governance, risk management and long-term sustainability, working closely with Management on strategic priorities, key investments and the balancing of risks and opportunities. The Board Committees continued to discharge their responsibilities effectively in line with their approved Terms of Reference, covering financial reporting, corporate governance, enterprise risk management, internal controls, human capital and sustainability. The Board also reviewed the adequacy of internal controls and the internal audit function, and the annual self-assessment confirmed the Board continues to operate effectively.

Review of the Company's Performance

The year under review witnessed positive macroeconomic signals; however, the broader business landscape remained challenging, particularly within the spinning segment. Rising operational expenses, increasing power tariffs, substandard and decreasing domestic raw cotton supplies, and international supply chain issues arising from regional geopolitical conflicts posed significant challenges for local manufacturers. Despite these pressures, the Company successfully preserved a substantial share of its revenue, underscoring the effectiveness of the Board's strategic direction and the dedication of our management team.

ESG remained integral to the Board's deliberations throughout FY2026, with close review of material sustainability and climate-related risks, and progress against sustainability and DE&I priorities. Our strategic investment in renewable energy reflects the Board's commitment to sustainable growth, complemented by deepened corporate social responsibility efforts through community development and employee engagement initiatives.

Future Outlook

Based on my assessment, I conclude that the overall performance of the Board during FY2026 was satisfactory, and that it played an effective role in providing strategic direction and oversight. The Board remains confident in the Company's future prospects and will continue working with Management to deliver sustainable long-term value to all stakeholders.

On behalf of the Board, I place on record my sincere appreciation to my fellow Board members for their commitment and stewardship, and extend my gratitude to our shareholders, customers, employees, business partners and regulators for their continued trust and support.

October 02, 2026
Chairman



Naveed Ahmed

Director's Review

The Directors of Indus Dyeing and Manufacturing Company Limited are pleased to present the Annual Report together with the audited Financial Statements for the year ended June 30, 2026 before the Sixty-Nine Annual General Meeting of the Company.

The consolidated financial highlights of the Company are as under:

For the year ended June 30	2026	2025
	(Rupees in 000)	
Sales	112,895,771	106,623,158
Gross profit	10,858,366	7,651,217
Other operating income	2,102,602	897,332
Finance cost	(4,458,579)	(3,970,100)
Provision for taxation	(2,274,889)	(543,453)
Profit for the year after taxation	2,757,379	575,347
Earnings per share—e basic and diluted (net)	50.85	10.61

DIVIDEND

Considering the overall current situation, the Board has opted not to declare a dividend for the year ended June 30, 2026.

EARNING PER SHARE

The Company reported consolidated earnings per share (EPS) of Rs. 50.85 for the current year, reflecting an increase from Rs. 10.61 in the previous year. On a stand-alone basis, EPS rose significantly to Rs. 26.28, compared to Rs. 8.77 recorded last year.

CHANGE IN NATURE OF BUSINESS

No change occurred in the nature of Company's business during the period.

BUSINESS OVERVIEW

During the year under review, the spinning division performance improved during the year. The Company's revenue registered a increase, rising to Rs. 112.895 billion from Rs. 106.623 billion in the same period last year. Nonetheless, the Company exhibited resilience in navigating these headwinds. Benefiting from a favourable reduction in interest rates, it delivered a commendable net profit of Rs. 2,757 million an improvement over the Rs. 575 million recorded in the corresponding period of the previous year.

FUTURE OUTLOOK

The global economy is expected to regain momentum in FY2027, with world GDP growth projected to improve from 3.0% in 2026 to 3.4% in 2027, while global inflation is forecast to moderate from 4.7% to 3.9%. This should gradually strengthen real incomes and ease financial conditions, though the outlook remains exposed to geopolitical and trade-related risks. The US–Iran conflict and the disruption to the Strait of Hormuz have heightened energy and logistics risks, and may prolong volatility in oil prices, freight rates and supply chains. That said, the global economy has so far shown resilience, supported by technology-led investment, improving financial conditions and wider energy diversification.

For the textile value chain, easing inflation and rising real incomes should support consumer demand, but elevated living costs, tariff-driven price pressures and lingering uncertainty will keep buyers value-conscious. Demand is therefore likely to favor brands and retailers that offer competitive pricing alongside quality, functionality, innovation and sustainability, while continued diversification of sourcing will remain a key factor in buyers' decisions.

For the spinning sector, the principal concern is the limited availability of domestic cotton, compounded by price volatility and logistical disruption in imported cotton supplies amid prevailing uncertainty. Raw material security and cost management will therefore remain central to our operations.

On the domestic front, the IMF projects real GDP growth of 4.1% for Pakistan in FY2027, with average inflation of 7.0%. Improving macroeconomic stability and stronger external buffers provide a more supportive backdrop, although energy tariffs, exchange-rate movements and global trade conditions will continue to determine the competitiveness of Pakistan's textile exports.

Against this complex and evolving environment, Management remains focused on strengthening the Company's resilience and long-term competitive position. Cost efficiency, process optimization, supply-chain agility and disciplined customer and resource management will continue to underpin operational stability and sustainable value creation. Through sustained focus on execution, innovation, productivity and strategic investment, the Company aims to navigate market volatility, capture emerging opportunities and deliver sustainable long-term growth and value for all stakeholders.

CORPORATE SOCIAL RESPONSIBILITY

The Company remains committed to conducting its business in a socially responsible and sustainable manner. We recognize that our long-term success is closely linked to the well-being of the communities in which we operate, the preservation of the environment, and the ethical standards we uphold.

Key to this approach, we continued to invest in health and safety measures across our spinning units, including regular medical check-ups, provision of protective gear, and awareness sessions on occupational hazards.

POST BALANCE SHEET EVENTS

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

RELATED PARTY TRANSACTION

The company has presented all related party transactions before the audit committee and the Board for their review and approval. These transactions have been approved by the Audit Committee and Board in their respective meetings. The details of all related party transactions have been provided in Note 41 of the annexed financial statements for the year ended June 30, 2026.

CORPORATE GOVERNANCE, FINANCIAL REPORTING AND INTERANAL CONTROL SYSTEM

The Company remains firmly committed to upholding strong corporate governance and adhering to best practices. It has fully complied with the Code of Corporate Governance as outlined by the Pakistan Stock Exchange in its Listing Regulations. A formal statement confirming this compliance is attached to the Report.

We are pleased to confirm the following:

- The financial statements prepared by the Company's management accurately reflect its financial position, operational results, cash flows, and changes in equity.
- The Company has maintained proper and complete books of accounts.
- Consistent application of appropriate accounting policies has been ensured in the preparation of the financial statements. Any deviations have been clearly disclosed and explained.

INDUS DYEING & MANUFACTURING COMPANY LIMITED

- The internal control system is well-designed, effectively implemented, and regularly monitored. Special emphasis is placed on ensuring adherence to Company policies, with timely rectification of any irregularities.
- The Board is confident in the Company's status as a going concern. While the auditors have highlighted this matter in their report, the financial statements have been prepared on a going concern basis, with supporting details provided therein.
- Key operating and financial data for the past six years and Gender Pay Gap Statement under SECP Circular No. 10 of 2024 is included as an annexure.
- As of June 30, 2026, there are no outstanding statutory payments related to taxes, duties, levies, or charges, except those disclosed in the financial statements.

COMPOSITION OF BOARD

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

TOTAL NUMBER OF DIRECTORS

Total Number of Directors		
1	Male	07
2	Female	02

COMPOSITION OF BOARD

S.No	Composition	No. of Director
1	Independent Director	03
2	Executive Director	03
3	Non-Executive Director	03

The names of the directors as at June 30, 2026 are as follows:

S.No	Name	Position
1	Mr. Naveed Ahmed	Chairman
2	Mian Shahzad Ahmed	Chief Executive
3	Mian Imran Ahmed	Director
4	Mr. Irfan Ahmed	Director
5	Mr. Kashif Riaz	Director
6	Mrs. Fadia Kashif	Director
7	Mr. Faisal Hanif	Independent Director
8	Ms. Azra Yaqub Vawda	Independent Director
9	Mr. Aamir Amin	Independent Director

BOARD OF DIRECTORS

During the period under the review received in shares through gift of the company by the CEO, Directors spouses and Minor as follows:

Board & Sub Committee Meetings

During the year meetings of the Board were held and attendance by each director is as follows.

INDUS DYEING & MANUFACTURING COMPANY LIMITED

S.No	Name of Directors	Attended
1	Mr. Naveed Ahmed	4/4
2	Mian Shahzad Ahmed	4/4
3	Mian Imran Ahmed	4/4
4	Mr. Irfan Ahmed	4/4
5	Mr. Kashif Riaz	4/4
6	Mr. Sheikh Shafqat Masood *	3/4
7	Mrs. Fadia Kashif	4/4
8	Mr. Faisal Hanif	4/4
9	Ms. Azra Yaqub Vawda	4/4
10	Mr. Aamir Amin	4/4

Mr. Sheikh Shafqat Masood Retired from the Board of Directors on June 15, 2026

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Committee constitutes of

S.No	Name	Position
1	Mr. Faisal Hanif	Chairman
2	Mrs. Fadia Kashif	Member
3	Mr. Naveed Ahmed	Member

One (1) Meeting were held during the financial year from July 2025 to June 2026. All three members were present in the meeting.

NOMINATION COMMITTEE

Committee constitutes of

S.No	Name	Position
1	Mian Shahzad Ahmed	Chairman
2	Mr. Naveed Ahmed	Member
3	Mian Imran Ahmed	Member

One (1) Meeting were held during the financial year from July 2025 to June 2026. All three members were present in the meeting.

RISK MANAGEMENT COMMITTEE

Committee constitutes of

S.No	Name	Position
1	Mr. Naveed Ahmed	Chairman
2	Mr. Faisal Hanif	Member
3	Mian Shahzad Ahmed	Member

One (1) Meeting were held during the financial year from July 2025 to June 2026. All three members were present in the meeting.

Mr. Sheikh Shafqat Masood Retired from the Board of Directors on June 15, 2026 and Mr. Naveed Ahmed become a member of the Audit Committee from 15-June-2026

AUDIT COMMITTEE

The Board of Directors constituted a fully functional Audit Committee comprising three members: One being an Independent Director and two being Non-Executive Directors. The term of reference of the committee, inter alia,

consists of ensuring transparent internal audits, accounting and control system, adequate reporting structure as well as determining appropriate measures to safeguard the Company's assets.

AUDIT COMMITTEE

Four (4) meetings were held during year. All of the members are Non- Executive Directors including the Chairman. Committee constitutes of and status of attendance during the year by:

S.No	Name of Directors	Attended
1	Mr. Faisal Hanif	4/4
2	Mr. Irfan Ahmed	4/4
3	Mr. Sheikh Shafqat Masood *	4/4

Mr. Sheikh Shafqat Masood Retired from the Board of Directors on June 15, 2026 and Mr. Naveed Ahmed become a member of the Audit Committee from 15-June-2026

APPOINTMENT OF AUDITORS

Messer's Yousaf Adil Chartered Accountants, a distinguished and reputable firm, has successfully concluded its tenure as the company's statutory auditors. Being eligible for reappointment, the firm has expressed its willingness to continue providing audit services for the forthcoming financial year. Upon the recommendation of the Audit Committee, the Board of Directors has proposed the reappointment of Yousaf Adil as the company's external auditors for the ensuing year.

ENVIRONMENT, HEALTH AND SAFETY.

Your Company is committed towards protecting a sound climate for everyone by complying with all environmental policies at the production facilities.

INTERNAL AUDIT FUNCTION

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

SHAREHOLDING PATTERN

The shareholding pattern as at June 30th, 2026 is annexed.

WEB PRESENCE

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

ACKNOWLEDGEMENT

We acknowledge the contribution of each and every employee of the Company. We would like to express our thanks to our customers for the trust shown in our products and the bankers for continued support to the Company. We are also grateful to our shareholders for their confidence in our management.
On Behalf of Board of Directors



Mian Shahzad Ahmed
Chief Executive Officer
Dated: October 2, 2026
Karachi.



Director

Key operating and financial results

	2021	2022	2023	2024	2025	2026
	Rupees in "000"					
Operating data		Restated	Restated			
Turn over	33,337,610	49,913,263	49,730,688	68,181,724	66,706,232	72,210,082
Less : commission	(272,251)	(452,147)	(412,149)	(473,940)	(470,035)	(434,795)
Sales (net)	33,065,359	49,461,116	49,318,539	67,707,784	66,236,197	71,775,287
Gross profit	4,955,614	10,360,461	3,679,328	4,076,832	3,610,843	5,664,331
Profit before tax	3,834,554	8,164,629	1,188,976	439,138	665,410	3,093,169
Profit after tax	3,212,295	7,687,322	707,952	72,995	475,330	1,424,893
Financial data						
Gross assets	26,496,314	38,358,374	45,461,504	43,860,421	49,159,864	59,364,509
Return on equity	20.26%	33.05%	2.97%	0.31%	1.95%	5.54%
Current assets	13,331,374	22,026,240	26,274,353	24,221,402	29,454,212	40,114,516
Shareholders equity	15,853,051	23,261,639	23,832,204	23,849,176	24,314,535	25,732,857
Long term debts and deferred liabilities	4,360,130	5,490,477	6,878,150	6,076,354	5,144,192	4,090,764
Current liabilities	6,283,133	9,606,258	14,751,150	13,934,891	19,701,137	29,540,888
Key ratios						
Gross profit ratio	14.99%	20.95%	7.46%	6.02%	5.45%	7.89%
Net profit	9.71%	15.54%	1.44%	0.11%	0.72%	1.99%
Debt / equity ratio	29:71	30:70	41:59	37:67	44:56	50:50
Current ratio	2.08	2.08	1.78	1.73	1.50	1.36
Earning per share (basic and diluted)	59.24	141.78	13.06	1.35	8.77	26.28
Dividend (percentage)						
- Cash	100%	50%	20%	-	-	-
	Interim	Interim	Interim	-	-	-
- Bonus	200%	-	-	-	-	-
Statistics						
Production (tons)	48,452	50,701	47,878	62,644	62,740	58,278

INDUS DYEING & MANUFACTURING COMPANY LIMITED

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS OF INDUS DYEING & MANUFACTURING CO. LIMITED June 30, 2026

No. of Shareholders	Shareholding From	To	Total Shares Held	Percentage of Total Capital
1,200	1	100	43,310	0.08
656	101	500	169,147	0.31
234	501	1,000	186,735	0.34
322	1,001	5,000	788,800	1.45
90	5,001	50,000	1,187,374	2.19
4	50,001	100,000	255,212	0.47
7	100,001	500,000	1,699,253	3.13
2	500,001	1,300,000	2,219,148	4.09
5	1,300,001	25,00,000	8,653,671	15.96
3	2,500,001	4,000,000	10,143,814	18.71
3	4,000,001	6,500,000	14,545,147	26.83
2	6,500,001	10,771,000	14,329,585	26.43
2,528			54,221,196	100.00

Categories of Shareholding

Shareholders	No. of Share Holders	Shares Held	Percentage
Individuals	2,487	16,211,917	29.90
Joint Stock Companies	20	151,622	0.28
Financial Institutions	4	1,497,147	2.76
Mutual Fund	4	1,727,215	3.19
Directors, CEO their Spouses & Minor Children	12	34,583,295	63.78
Charitable trust	1	50,000	0.09
	2,528	54,221,196	100.00

INDIVIDUALS	2,487	16,211,917
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JOINT STOCK COMPANIES	20	
S.H. BUKHARI SECURITIES (PVT) LIMITED		1,575
KAMAL FACTORY (PVT) LTD		4200
UNITED CAPITAL SECURITIES (PVT) LTD		51
KTRADE SECURITIES (PVT) LTD		3
TARIQ CAPITAL (PVT) LTD		500
MRA SECURITIES (PVT) LTD		7,500
ASDA SECURITIES (PVT) LTD		27,546
CREATIVE CAPITAL SECURITIES (PRIVATE) LIMITED - MF		12,000
DALAL SECURITIES (PVT) LTD.		10,000
GARIBSONS (PVT) LTD		50,000
INTERMARKET SECURITIES LTD		5,000
MIAN NAZIR SONS INDUSTRIES (PVT) LTD		5,500
TS SECURITIES (PVT) LTD		10,000
NCC - PRE SETTLEMENT DELIVERY ACCOUNT		456
RAFI SECURITIES (PRIVATE) LIMITED - MF		12,998
SM Saeed Associated (Pvt.) Ltd.		3,000
Deputy Administrator, Abandoned Properties Organization		126
Blackstone Equities Ltd		318
Habib & Sons Ltd		255
M/s Azeem services Ltd		594
		151,622

FINANCIAL INSTITUTIONS	4	
National Bank of Pakistan		416,535
United Bank Limited Trading Port Folio		1,079,700
M/s First Capital Equities Ltd.		786
Investment Corporation of Pakistan (ICP)		126
		1,497,147

INDUS DYEING & MANUFACTURING COMPANY LIMITED

CHARITABLE TRUST	1	
TRUSTEES BEG. AISHA BAWANY TALEEMUL QURAN		50,000
		50,000
MUTUAL FUND	4	
Trustee National Bank of Pakistan Emp Benevolent Fund		5,055
Trustee National Bank of Pakistan Emp Pension Fund		144,075
CDC-Trustee National Investmet (UNIT) Trust		1,575,885
Provident Fund Trust – Husein Sugar Mills		2,200
		1,727,215
DIRECTORS AND THEIR SPOUSES	12	
Mr. Shahzad Ahmed		5,174,370
Mr. Naveed Ahmed		4,141,984
Mr. Kashif Riaz		5,293,215
Mr. Imran Ahmed		3,911,589
Mr. Irfan Ahmed		7,366,678
Mr. Aamir Amin		1
Mr. Faisal Hanif		12
Ms. Azra Yaqub Vawda		30
Mrs. Lozina Shahzad		1,189,848
Mrs. Shazia Naveed		9,417
Mrs. Fadia Kashif		7,000,401
Mrs. Tahia Imran		495,750
		34,583,295
		54,221,196

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

Name	Holding	Percentage
Mrs. Fadia Kashif	7,000,401	12.91
Mr. Irfan Ahmed	7,366,678	13.59

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

GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 OF 2026

INDUS DYEING AND MANUFACTURING COMPANY LIMITED

Following is the gender pay gap calculated for the year ended June 30,2026

1. Mean Gender Pay Gap:	-17.12%
2. Median Gender Pay Gap:	-17.46%
3. Any other data/details as deemed relevant:	Nil

Note: The above pay gap measures the difference in pay between women and men performing jobs that are either similar or comparable. It shows that the mean pay is 17.12% higher in women whereas the median pay is 17.46% higher in women.



(Signed by CEO/ Director on behalf of Board of Directors of the Company)

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Indus Dyeing and Manufacturing Company Limited For the year ended June 30, 2026

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are 9 as per the following:

- a) Male: Seven
- b) Female: Two

2. The composition of the Board is as follows:

	Category	Names
i.	Independent Directors	Mr. Faisal Hanif
		Mr. Aamir Amin
		Ms. Azra Yaqub Vawda
ii.	Non-Executive Directors	Ms. Fadia Kashif
		Mr. Irfan Ahmed
		Mr. Naveed Ahmed
iii.	Executive Directors	Mian Shahzad Ahmed (CEO)
		Mian Imran Ahmed
		Mr. Kashif Riaz
iv.	Female Directors	Ms. Azra Yaqub Vawda
		Ms. Fadia Kashif

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies for the Company. The Board has ensured that a complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board;
8. The Board have formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations;
9. Five out of nine directors are exempt from the Directors' Training Program due to having more than 15 years of relevant experience. Three directors have obtained certification under the Directors' Training Program. The remaining one director will complete the training program;
10. No new Company Secretary and Chief Financial Officer (CFO) were appointed during the year; however, the Board approved their remuneration and terms of employment, ensuring compliance with the relevant regulatory requirements. The Board approved the appointment of the Head of Internal Audit

11. The 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

- | | |
|----------------------------|------------|
| i. Mr. Faisal Hanif | - Chairman |
| ii. Mr. Irfan Ahmed | - Member |
| iii. Mr. Mian Naveed Ahmed | - Member |

b) HR and Remuneration Committee

- | | |
|----------------------------|------------|
| i. Mr. Faisal Hanif | - Chairman |
| ii. Ms. Fadia Kashif | - Member |
| iii. Mr. Mian Naveed Ahmed | - Member |

c) Nomination Committee

- | | |
|---------------------------|------------|
| i. Mr. Mian Shahzad Ahmed | - Chairman |
| ii. Mr. Mian Naveed Ahmed | - Member |
| iii. Mr. Mian Imran Ahmed | - Member |

d) Risk Management Committee

- | | |
|----------------------------|------------|
| i. Mr. Faisal Hanif | - Chairman |
| ii. Mr. Irfan Ahmed | - Member |
| iii. Mr. Mian Naveed Ahmed | - Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committee was as follows:

Committee

No. of Meetings

- | | |
|--|-----------------------|
| a) Audit Committee | 04 quarterly meetings |
| b) Human Resource and Remuneration Committee | 01 annual meeting |
| c) Nomination Committee | 01 annual meeting |
| d) Risk Management Committee | 01 annual meeting |

15. The Board has set up an effective internal audit function, 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 (ICAP) and registered with the 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 ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except, in accordance with the Act, these Regulations, or any other regulatory requirement, and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied;

INDUS DYEING & MANUFACTURING COMPANY LIMITED

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

S. No.	Non-Mandatory Requirement	Reg. No.	Explanation
1.	Directors' Training Program It is encouraged that all the directors on the Board have acquired the prescribed certification under any director training program.	19.1	The Company's management remains committed to upholding the requirements of the Director's Training Program for remaining one director.
2.	Directors Training Program for Female Executive and Head of Departments It is encouraged for companies to arrange Director's training program for female executive and one head of department every year.	19.3	The Company has not arranged any training under Directors' Training Program for female executives or head of the department during the year. However, the Company plans to arrange such trainings in the near future.
3.	Sustainability Risks and opportunities and Diversity, Equity and Inclusion (DE&I) The Board has been made responsible to consider Sustainability risks and opportunities and make policies to promote DE&I and make strategies, priorities and targets to create long term corporate value. The board is also required to periodically review and monitor and disclose the assessment of risks and disclose measures taken. The board may establish a dedicated sustainability committee.	10A	The Board is committed to diligently overseeing and addressing sustainability risks and opportunities as laid down in Regulation 10A of the Code introduced by the SECP. The Board is in process to meet the requirements.
4.	Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	35	Since the posting of key elements of significant policies, a brief synopsis of the TOR of Board committees, and key elements of the directors' remuneration policy on the Company's website is voluntary in nature, no non-compliance is being reported. The Company may consider adopting these practices in future to further enhance transparency and corporate governance disclosures.

ON BEHALF OF THE BOARD OF DIRECTORS



MR. NAVEED AHMED
CHAIRMAN



MIAN SHAHZAD AHMED
DIRECTOR

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 69th Annual General Meeting of **Indus Dyeing & Manufacturing Company Limited** will be held at Indus Dyeing & Manufacturing Company Limited, Plot No. 3 & 7, Sector No. 25, Korangi Industrial Area, Karachi on Tuesday, October 27, 2026 at 4:00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To confirm minutes of the Extra Ordinary General Meeting held on June 15, 2026.
2. To receive, approve and adopt the audited consolidated and un consolidated financial statements of the Company for the financial year ended June 30, 2026, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.
3. In accordance with Section 223 of the Companies Act, 2017 and pursuant to the S.R.O. 389(I)2023 dated March 21, 2023, the annual report the Company, including the annual audited financial statements, auditor's report, Directors' report, Chairman's review report and other reports contained therein, can be accessed through the following web link and QR enabled code.

Weblink

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

QR Enabled Code



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

SPECIAL BUSINESS:

5. To ratify the transactions carried out by the Company with related parties disclosed in the Financial Statements for the year ended June 30, 2026 by passing the following resolution with or without modification. Resolved That all related parties' transactions carried out by the Company as disclosed in Note No. 41 of the Financial Statements of the Company for the year ended June 30, 2026 be and are hereby noted, ratified and approved.
6. To approve potential transactions with related parties intended to be carried out in the financial year 2026-2027 and to authorize the Board of Directors of the Company to carry out such related party transactions at its discretion from time to time, irrespective of the composition of the Board of Directors affected due to majority of Board members are interested in any agenda item.

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

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

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

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

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

By Order of the Board
Ahmed Faheem Niazi

Karachi

Date: October 02, 2026

Company Secretary

NOTES:

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

2. Availability of Financial Statements and Reports on the Website

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

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

4. Access and Transmission of Annual Report

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

5. Transmission of Annual Report through Email

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

6. Members (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company **M/s Jwaffs Registrar Services (Pvt) Ltd, Office # 20, 5th Floor , Arkay Square Extension, New Chali, Shahrah-e-Liaquat Karachi.**
7. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
8. CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

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

B. For Appointing Proxies

- i. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.
- v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
9. Members are requested to notify Change in their addresses, if any; in case of book entry securities in CDS to their respective participants/investor account services and in case of physical shares to the Registrar of the Company by quoting their folio numbers and name of the Company at the above mentioned address, if not earlier notified/submitted.

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

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

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

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

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

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

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

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

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

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

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

12. Video-Link Arrangement for online Participation in the 69th Annual General Meeting of the Company

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

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

- The Login facility will remain open from 03:30 P.M. till the end of the meeting.
- Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.
- Shareholders will be able to login and participate in AGM proceedings through their smart phone or computer devices from their home after completing all the facilities required for the identification and verification of the Shareholders.

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

13. Video Conference Facility

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

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

I/we _____ of _____ being member(s) of Indus Dyeing & Manufacturing Company Limited, holder of _____ Ordinary Share(s) as per Registered Folio No./CDC Account No. _____ hereby opt for video conference facility at _____ in respect of 69th Annual General Meeting of the Company.

Signature of Member

14. Deposit of Physical Shares into Central Depository

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

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

15. Unclaimed Dividends and Bonus Shares

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

16. Postal Ballot

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

17. Prohibition of Gifts

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

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

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

Agenda Item No. 5 & 6 of the Notice –

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

In view of the above, the normal business transaction(s) / agreement(s) / contract(s) conducted for the period from 01 July 2025 to 30 June 2026 with related parties as disclosed in Note No. 41 of the Financial Statements of the Company for the year ended June 30, 2026, are being placed before the shareholders of the Company for their consideration and approval/ratification.

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

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

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

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

Directors Interest:

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

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Indus Dyeing & Manufacturing Company Limited

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

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

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

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

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

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



Chartered Accountants

Place: Karachi

Date: October 06, 2026

UDIN: CR202610186uIYgZPA3j

INDEPENDENT AUDITOR'S REPORT

To the members of Indus Dyeing & Manufacturing Company Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	Revenue from Contracts with Customers	
	The Company is engaged in manufacturing and sale of yarn. The Company generates revenue by exporting and selling locally. Revenue recognition policy has been explained in note 4.14 to the unconsolidated financial statements, and the related amounts of revenue recognized during the year are disclosed in note 28 to the unconsolidated financial statements.	Our audit procedures to address this Key audit matter included the following: Obtained the entity's revenue recognition policy for sales of goods and evaluated it against IFRS 15, including identification of performance obligations, pricing terms and the timing of revenue recognition upon transfer of control of goods to customers under the agreed delivery terms;

	Revenue from local sales is recognised when the goods are delivered to the customer's premises and the customer acknowledges receipt of the goods. Revenue from export sales is recognised when the goods are loaded on board the vessel and the Bill of Lading is issued. During the year, net sales increased by 8.36% compared to the prior year, mainly due to an increase in sales volume. We considered revenue recognition as key audit matter as it is one of the key performance indicators of the Company. In addition there is a risk that sales transactions may not have occurred or revenue may have been recognised in an inappropriate period, particularly in relation to the transfer of control of goods to customers.	Local Sales: - On a sample basis, verified local sales by examining Sales Contract, delivery orders, Outward Gate Pass (OGP), Sales Tax Invoices and customer acknowledgements to confirm that goods were delivered to the customer's premises and that control was transferred at that point in time; - On a sample basis, Checked the date of delivery mentioned in the transportation note attached with copy of outward gate pass (OGP) and customer acknowledgement to confirm that revenue was recognized in the correct accounting period; - On a sample basis, for selected revenue transactions we compared related sale invoice with customer contracts, and delivery orders/ gate pass to ensure the occurrence of the transactions; Export Sales: - On a sample basis, verified export sales by examining the related Sales Contracts, delivery orders, Outward Gate Pass (OGP), Sales Tax Invoices and Bill of Lading which confirmed that goods were loaded on board the vessel and that control was transferred; - On a sample basis, inspected the date of the Bill of Lading to confirm that revenue was recognised in the correct accounting period; and - On a sample basis, for selected revenue transactions we compared related sale invoice with customer contracts and bill of lading to ensure occurrence of the transactions.
2.	Valuation of stock in trade	
	Stock-in-trade has been valued following an accounting policy as stated in note 4.5 to the unconsolidated financial statements and stock-in-trade is disclosed in note 10 to the unconsolidated financial statements. Stock-in-trade forms material part of the Company's assets comprising around 23.8% of total assets The stock in trade is carried at lower of cost or net realizable value. The cost of finished goods	Our audit procedures to address the valuation of stock-in-trade, included the following: Tested, on a sample basis, purchases and other costs included in the cost of stock-in-trade by inspecting supporting documents, such as inward gate passes, supplier invoices, landing costs and payment records, to assess whether the costs recognised in inventory were appropriately attributable to bringing the inventories to their present location and condition and related to the current period;

	and work in progress is determined using the moving average manufacturing costs including production overheads, which includes judgment in relation to the allocation of overheads, which are incurred in bringing the finished goods to its present location and condition. Judgments are also involved in determining the net realizable value (NRV) (estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale) of stock-in-trade items. Due to the above factors, we have considered the valuation of stock in trade as key audit matter.	- Recalculated, on a sample basis, the moving weighted-average cost per unit of raw materials to assess the mathematical accuracy and consistent application of the inventory costing methodology; - Verified the allocation of actual overhead costs and assessed the basis and method used to allocate labour and overhead costs to finished goods and work in progress based on the stage of completion, including the consistency of the allocation method; - Recalculated the NRV for itemised list of stock-in-trade and compared it with the corresponding cost per unit of finished goods to ensure that inventory was valued at the lower of cost and NRV in accordance with IAS 2; and - Verified selling prices used in the NRV calculation by inspecting subsequent sales invoices on a sample basis.
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Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes 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 **Shafqat Ali**.



Chartered Accountants

Place: Karachi

Date: October 06, 2026

UDIN: AR202610186Jhq79Ain0

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

ASSETS	Note	2026 ----- (Rupees in '000) -----	2025 -----
Non-current assets			
Property, plant and equipment	5	12,064,744	12,510,298
Intangibles	6	1,196	1,709
Deferred taxation	7	777,171	786,763
Long-term investments	8	6,399,992	6,399,992
Long-term deposits		6,890	6,890
		19,249,993	19,705,652
Current assets			
Stores, spares and loose tools	9	868,537	926,840
Stock-in-trade	10	14,087,904	13,040,698
Trade debts	11	16,913,270	13,097,955
Loans and advances	12	96,560	79,920
Trade deposits and short term prepayments	13	155,414	165,746
Other receivables	14	849,142	915,861
Other financial assets	15	4,188,211	620,376
Advance income tax and levies - net	16	64,776	338,426
Tax refundable	17	2,509,671	181,207
Cash and bank balances	18	381,031	87,183
		40,114,516	29,454,212
TOTAL ASSETS		59,364,509	49,159,864
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid up capital	19	542,211	542,211
Reserves	20	25,190,646	23,772,324
		25,732,857	24,314,535
Non-current liabilities			
Long-term financing	21	3,474,876	4,560,262
Deferred liabilities	22	615,888	583,930
		4,090,764	5,144,192
Current liabilities			
Current portion of long term financing	21	1,243,235	1,041,978
Current portion of deferred liabilities	22	1,022,523	1,031,386
Trade and other payables	23	5,020,988	3,900,307
Contract liabilities	24	129,172	88,303
Unclaimed dividend		2,011	2,370
Interest / mark-up payable	25	410,544	396,099
Short-term borrowings	26	21,712,415	13,240,694
		29,540,888	19,701,137
TOTAL EQUITY AND LIABILITIES		59,364,509	49,159,864

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 52 form an integral part of these unconsolidated financial statements.


Chief Financial Officer


Chief Executive Officer


Director

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

	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
Revenue from contract with customers	28	71,775,287	66,236,197
Cost of goods sold	29	(66,110,956)	(62,625,354)
Gross profit		5,664,331	3,610,843
Other income	30	1,306,037	486,881
Distribution cost	31	(729,539)	(615,474)
Administrative expenses	32	(758,549)	(979,335)
Provision against expected credit loss	11.3	(95,900)	(23,962)
Other operating expenses	33	(240,068)	(114,376)
Finance cost	34	(2,053,143)	(1,699,167)
		(3,877,199)	(3,432,314)
Profit before levies and taxation		3,093,169	665,410
Levies	35	(370,329)	(775,230)
Profit / (loss) before taxation		2,722,840	(109,820)
Taxation	36	(1,297,947)	585,150
Profit for the year		1,424,893	475,330
		----- (Rupees) -----	
Earnings per share - basic and diluted	37	26.28	8.77

The annexed notes from 1 to 52 form an integral part of these unconsolidated financial statements.


Chief Financial Officer


Chief Executive Officer


Director

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

	Note	2026 ----- (Rupees in '000) -----	2025 -----
Profit for the year		1,424,893	475,330
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	22.1.6	(9,255)	(14,043)
Less: tax thereon		2,684	4,072
		(6,571)	(9,971)
Total comprehensive income for the year		1,418,322	465,359

The annexed notes from 1 to 52 form an integral part of these unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

	Reserves						
	Capital (note 20)				Revenue		Total
	Issued, subscribe d and paid up capital	Share premium	Merger reserve	Investments and bonus	General reserve	Unappropri- ated profits	
----- (Rupees in '000) -----							
Balance as at June 30, 2024	542,211	10,920	11,512	6,000,000	16,977,568	306,965	23,849,176
Profit for the year	-	-	-	-	-	475,330	475,330
Other comprehensive income							
Remeasurement of defined benefit liability	-	-	-	-	-	(9,971)	(9,971)
Total comprehensive income for the year	-	-	-	-	-	465,359	465,359
Balance as at June 30, 2025	542,211	10,920	11,512	6,000,000	16,977,568	772,324	24,314,535
Profit for the year	-	-	-	-	-	1,424,893	1,424,893
Other comprehensive income							
Remeasurement of defined benefit liability	-	-	-	-	-	(6,571)	(6,571)
Total comprehensive income for the year	-	-	-	-	-	1,418,322	1,418,322
Balance as at June 30, 2026	542,211	10,920	11,512	6,000,000	16,977,568	2,190,646	25,732,857

The annexed notes from 1 to 52 form an integral part of these unconsolidated financial statements.


Chief Financial Officer


Chief Executive Officer


Director

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

		2026	2025
	Note-----	(Rupees in '000)	-----
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	38	(689,446)	(747,130)
Levies and taxes paid		(1,546,824)	(1,078,648)
Finance cost paid		(1,801,695)	(1,385,723)
Gratuity paid	22.1.4	(108,186)	(79,285)
Net cash used in operating activities		(4,146,151)	(3,290,786)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment - net of transfer of CWIP		(709,977)	(720,509)
Proceeds from disposal of operating fixed assets		40,567	6,110
Investment in other financial assets		(4,659,303)	(1,061,628)
Proceeds from redemption of investments in other financial assets		1,859,127	549,311
Dividend received		314,866	247,452
Net cash used in investing activities		(3,154,720)	(979,264)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance obtained	21.1	257,364	86,501
Repayments of long-term finance	21.1	(1,203,121)	(978,687)
Repayment of lease liabilities		-	(22,867)
Short term borrowings (excluding running finance)		9,544,770	(599,701)
Dividend paid		(359)	(13)
Net cash generated from / (used in) financing activities		8,598,654	(1,514,767)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		1,297,783	(5,784,817)
Cash and cash equivalents at beginning of the year		(5,824,031)	(39,747)
Effect of exchange rate changes on cash and cash equivalents		43,703	533
Cash and cash equivalents at end of the year	39	(4,482,545)	(5,824,031)

The annexed notes from 1 to 52 form an integral part of these unconsolidated financial statements.


Chief Financial Officer


Chief Executive Officer


Director

Notes to the Unconsolidated Financial Statements For the year ended June 30, 2026

1. LEGAL STATUS AND NATURE OF BUSINESS

Indus Dyeing & Manufacturing Company Limited (the Company) was incorporated in Pakistan on July 23, 1957 as a public limited company under the repealed Companies Act, 1913 (subsequently replaced by the Companies Ordinance, 1984 and now Companies Act, 2017). Registered office of the Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Company is currently listed on the Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn. The manufacturing facilities of the Company are located in Karachi, Hyderabad and Muzaffargarh. The addresses of these facilities are as follows:

Manufacturing unit	Address
Hyderabad	P-1, P-5 S.I.T.E, Hyderabad, Sindh.
Karachi	Plot Number 03 & 07, Sector 25, Korangi Industrial Area, Karachi.
Muzaffargarh	Muzaffargarh, Baggar Sher, District Multan.

- 1.1** The Company has opted for Group Taxation under section 59AA. The SECP registered Group (the company and Indus Wind Energy Limited) under Regulation 8 of the Companies Registration Regulations, 2008 and issued the designation letters for Group Taxation.
- 1.2** These are separate unconsolidated financial statements wherein subsidiaries and associates are measured at cost.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Functional and presentation currency

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These

financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest thousand unless otherwise indicated.

2.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except otherwise stated.

2.4 New accounting standards and amendments to published accounting standards

2.4.1 Amendments to accounting standard that are effective for the year ended June 30, 2026

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

2.4.2 New accounting standard and amendments to accounting standard that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated financial statements other than certain additional disclosures except those mentioned in note 2.4.3.

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

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

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

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

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of unconsolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires management to make estimates, assumptions and judgment that affect the application of policies and the reported amount of assets, liabilities, income and expenses.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the unconsolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- Depreciation rates of property, plant and equipment (note 4.1 and 5.1)
- Useful lives of intangibles (note 4.2 and 6)
- Provision for slow moving and obsolete items (note 4.4 and 9)
- Net realizable value of stock-in-trade (note 4.5 and 10)
- Provision for impairment of trade debts and other receivables (note 4.6.5, 11 and 14)
- Classification and impairment of investments (note 4.6.1, 4.6.5, 8 and 15)
- Provision for levies, current and deferred taxation (note 4.8, 7, 35 and 36)
- Provision for gratuity (note 4.9 and 22)

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Property, plant and equipment**4.1.1 Operating fixed assets**

Property, plant and equipment except freehold land, leasehold land and capital work in progress are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land, lease hold land and capital work in progress are stated at cost, less impairment, if any.

Assets' residual values and their useful lives are reviewed and adjusted at each financial year end, if significant.

Depreciation is charged to income applying the reducing balance method at the rates specified in the note 5.1. Depreciation on all additions is charged from the month on which the asset is available for use and no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the unconsolidated statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Assets are derecognised when disposed or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of assets, if any, are recognised in the unconsolidated statement of profit or loss and other comprehensive income, as and when incurred.

4.1.2 Capital work in progress

These are stated at cost less accumulated impairment losses, if any. All expenditures connected with specific assets incurred and advances made during installation and construction period are carried under this head. These are transferred to specific asset as and when the asset is available for its intended use.

4.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment loss if any. Amortization is charged to unconsolidated statement of profit or loss using the reducing balance method at the rates given in note 6. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on prospective basis.

4.3 Investments in associate and subsidiaries

Associate is an entity over which the Company has significant influence but not control, generally represented by shareholding of 20% to 50% of the voting rights or common directorship.

Subsidiary is an entity which is controlled by the Company when it is exposed, or has rights, to variable returns from its involvement with such entity and has the ability to affect those returns through its power over the investee entity.

The investments in subsidiary and associate are stated at cost less any impairment losses in these unconsolidated financial statements. Subsequently, the recoverable amount is estimated to determine the extent of impairment losses, if any, and carrying amounts are adjusted accordingly. Impairment losses are recognised as expense in the unconsolidated statement of profit or loss. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. Reversal of impairment loss is recognised in the statement of profit or loss adjusted for impairment, if any, in the recoverable amounts of such investments.

4.4 Stores, spares and loose tools

These are valued at lower of moving average cost less impairment, if any, for obsolete items. Items in transit are valued at cost incurred up to the reporting date.

4.5 Stock-in-trade

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

Basis of valuation

Raw material	Moving average cost
Work-in-progress	Moving average cost of material and share of applicable overheads
Finished goods	Moving average cost of material and share of applicable overheads
Packing material	Moving average cost
Waste	Net realizable value
Stock in transit	Accumulated cost till reporting date

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

4.6 Financial instruments

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

4.6.1 Financial assets**Classification**

The Company classifies its financial assets into following three categories:

IFRS 9 contains three principal classification categories for financial assets at:

- i) Amortised cost,
- ii) Fair value through other comprehensive income (FVTOCI) and
- iii) Fair value through profit or loss (FVTPL).

i) Financial assets at amortised cost

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in Other Comprehensive Income

iii) Financial assets at fair value through profit or loss (FVTPL)

All other financial assets are classified as FVTPL (for example: equity held for trading and debt securities not classified either as amortised cost or FVTOCI).

In addition, on initial recognition, the Company may designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

Derecognition of financial assets

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

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

4.6.2 Subsequent measurement of financial assets**Financial assets at amortised cost**

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

Financial assets at FVTOCI

All financial assets at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in Other Comprehensive Income (OCI).

For debt instruments classified as financial assets at FVTOCI, the amounts in other comprehensive income are reclassified to income statement on derecognition of financial

assets. This treatment is in contrast to equity instruments classified as financial assets at FVTOCI, where there is no reclassification on derecognition.

Financial assets at FVTPL

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

4.6.3 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

4.6.4 Financial liabilities

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

Derecognition of financial liabilities

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

4.6.5 Impairment

Financial assets

The Company recognizes a loss allowance for expected credit loss "(ECL)" on trade receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company always recognizes lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been 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 recognised.

4.6.6 Offsetting of financial assets and financial liabilities

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

4.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Short term finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cashflows.

4.8 Taxation and levies**Current**

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits and rebates available, whichever is higher. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise due to assessment framed / finalised during the year. The Company has exercised the option for group taxation under section 59AA of the Ordinance.

Deferred

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

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

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

Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income is classified as levies in the unconsolidated statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

As per the guide issued by ICAP, the Company has selected Approach B, according to which, designate 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 levies falling under the scope of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. For calculation of deferred tax, enacted rate of tax is required to be used.

4.9 Staff retirement benefits**Defined benefit plan**

The Company operates an unfunded gratuity scheme for its confirmed employees who have completed the minimum qualifying period of service as defined under the scheme. The Company's obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method. The most recent valuation of the scheme was carried out as at June 30, 2026.

Remeasurements which comprise actuarial gains and losses on defined benefit obligations are recognised immediately in other comprehensive income.

4.10 Deferred government grant

The benefit of interest rate lower than market rate on borrowings obtained under Temporary Economic Refinance Facility (TERF) for setting up imported and locally manufactured plants and machinery for new projects, is accounted for as a government grant which is the difference between loan received and the fair value of the loan. The differential amount is recognised and presented in statement of financial position as deferred government grant.

In subsequent periods, the grant shall be amortised over the period of loan and amortization shall be recognised and presented as reduction of related interest expense.

4.11 Borrowings

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

4.11.1 Borrowing cost

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

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

4.12 Provisions

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

4.13 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Exchange differences are included in the statement of profit or loss and other comprehensive income.

All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

4.14 Revenue recognition

Revenue from contracts with customers is recognised at the point in time when the performance obligation is satisfied. This occurs when control of the goods is transferred to the customer. The amount of revenue recognized reflects the consideration the company expects to be entitled to in exchange for those goods.

For each sale transaction, purchase order forms a contract between the Company and a customer and the goods to be delivered under that contract are the Company's identified performance obligation, the contract contains determined and allocated transaction price.

For local sales, the performance obligation is satisfied when the goods are delivered to the customer's premises, at which point control of the goods is transferred to the customer and revenue is recognised.

For export sales, the performance obligation is satisfied when the goods are loaded on board the vessel in accordance with the agreed shipping terms and the bill of lading is issued, at which point control of the goods is transferred to the customer and revenue is recognised.

Dividend income is recognised on the date on which the Company's right to receive the dividend is established.

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

Gains / losses arising on sale of investments are included in the period in which they arise.

4.15 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the board of directors/ shareholders of the Company.

4.16 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.17 Segment Reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker (CODM). The Company considers Chief Executive as its CODM who is responsible for allocating resources and assessing performance of the operating segments.

On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however, certain information about the Company's products, as required by the accounting and reporting standards, is presented in note 46 to these financial statements.

	Note	2026 ----- (Rupees in '000) -----	2025 -----
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	11,969,522	12,393,684
Capital work-in-progress	5.4	95,222	116,614
		12,064,744	12,510,298

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5.1 Operating fixed assets

Particulars	2026								
	Cost at July 01, 2025	Additions / (disposal) during the year	Transfer from CWIP	Cost at June 30, 2026	Accumulated depreciation at July 01, 2025	Depreciation / (disposals) for the year	Accumulated depreciation at June 30, 2026	Carrying value at June 30, 2026	Depreciation rate
	(Rupees in '000)								%
Freehold land	845,144	-	-	845,144	-	-	-	845,144	-
Leasehold land	137,799	-	-	137,799	-	-	-	137,799	-
Factory buildings on leasehold land	2,492,125	23,954	42,114	2,558,193	921,844	79,886	1,001,730	1,556,463	5
Non-factory buildings on leasehold land	181,618	-	-	181,618	146,982	3,464	150,446	31,172	10
Office building	98,415	-	-	98,415	42,279	2,807	45,086	53,329	5
Plant and machinery	16,034,010	209,894 (186,012)	31,712	16,089,604	8,400,586	775,458 (177,809)	8,998,235	7,091,369	10
Electric installations	618,687	-	918	619,605	268,614	35,035	303,649	315,956	10
Solar panels	1,106,593	309,880 (27,804)	86,786	1,475,455	196,269	111,155 (695)	306,729	1,168,726	10
Power generators	1,355,468	- (15,192)	-	1,340,276	710,663	64,181 (11,295)	763,549	576,727	10
Office equipment	44,842	4,192	-	49,034	14,466	3,166	17,632	31,402	10
Furniture and fixtures	38,381	2,120	-	40,501	20,995	1,848	22,843	17,658	10
Vehicles	434,957	19,799 (41,756)	-	413,000	271,657	34,264 (36,698)	269,223	143,777	20
	23,388,039	569,839 (270,764)	161,530	23,848,644	10,994,355	1,111,264 (226,497)	11,879,122	11,969,522	

Particulars	2025								
	Cost at July 01, 2024	Additions / (disposal) during the year	Transfer from CWIP	Cost at July 01, 2025	Accumulated depreciation at July 01, 2024	Depreciation / (disposals) for the year	Accumulated depreciation at June 30, 2025	Carrying value at June 30, 2025	Depreciation rate
	(Rupees in '000)								%
Freehold land	845,144	-	-	845,144	-	-	-	845,144	-
Leasehold land	137,799	-	-	137,799	-	-	-	137,799	-
Factory buildings on leasehold land	2,430,732	8,189	53,204	2,492,125	840,295	81,549	921,844	1,570,281	5
Non-factory buildings on leasehold land	181,618	-	-	181,618	143,133	3,849	146,982	34,636	10
Office building	98,415	-	-	98,415	39,325	2,954	42,279	56,136	5
Plant and machinery	15,594,831	379,465	59,714	16,034,010	7,582,527	818,059	8,400,586	7,633,424	10
Electric installations	614,921	3,766	-	618,687	232,129	36,485	268,614	350,073	10
Solar panels	821,418	114,072	171,103	1,106,593	110,080	86,189	196,269	910,324	10
Power generators	1,301,126	15,025	39,317	1,355,468	640,553	70,110	710,663	644,805	10
Office equipment	31,419	13,423	-	44,842	12,260	2,206	14,466	30,376	10
Furniture and fixtures	37,966	415	-	38,381	19,053	1,942	20,995	17,386	10
Vehicles	443,529	21,565 (30,137)	-	434,957	258,104	38,318 (24,765)	271,657	163,300	20
	22,538,918	555,920 (30,137)	323,338	23,388,039	9,877,459	1,141,661 (24,765)	10,994,355	12,393,684	

	Note	2026	2025
		----- (Rupees in '000) -----	-----
Cost of goods sold	29.3	1,072,360	1,098,380
Administrative expenses	32	38,904	43,281
		1,111,264	1,141,661

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Disposals of operating fixed assets

Particulars	Cost	Accumulated depreciation	Carrying value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers	Relationship of purchaser with the Company
(Rupees in '000)								
Land Cruiser Parado	12,058	(11,104)	954	1,500	546	Negotiation	Mr. Usman Khan	None
Kia Picanto	2,420	(1,341)	1,079	1,150	71	Negotiation	Mr. Rizwan Japan Wala	None
BMW Hybrid	17,769	(16,817)	952	1,192	240	Claim	Insurance Company	None
Spindles	10,309	(9,712)	597	309	(288)	Negotiation	Mr. M. Akram	None
Spindles	10,309	(9,641)	668	346	(322)	Negotiation	Mr. M. Akram	None
Radiator 10 Kw	2,657	(1,804)	853	72	(781)	Negotiation	Mr. M. Imran	None
Radiator 7.8 Kw	2,089	(1,582)	507	43	(464)	Negotiation	Mr. M. Imran	None
Radiator 7.8 Kw	2,089	(1,582)	507	43	(464)	Negotiation	Mr. M. Imran	None
Radiator 7.8 Kw	2,089	(1,582)	507	43	(464)	Negotiation	Mr. M. Imran	None
Radiator 7.8 Kw	2,089	(1,582)	507	43	(464)	Negotiation	Mr. M. Imran	None
Radiator 7.8 Kw	2,089	(1,582)	507	43	(464)	Negotiation	Mr. M. Imran	None
Radiator 7.8 Kw	2,089	(1,582)	507	43	(464)	Negotiation	Mr. M. Imran	None
Solar Module (Panel)	27,804	(695)	27,109	30,414	3,305	Negotiation	Delta Power	Supplier
Assets having carrying value less than Rs. 500,000	174,904	(165,891)	9,013	5,326	(3,687)			
2026	270,764	(226,497)	44,267	40,567	(3,700)			
2025	30,137	(24,765)	5,372	6,110	738			

Particulars of immovable property in the name of Company are as follows:

Location	Usage of immovable property	Total area (In acres)	Total area (In sq.ft)
Korangi mill - Plot No. 3 & 7, Sector 25, Korangi, Karachi	Manufacturing facility and labour colony	12.50	544,500
Hyderabad mill - Plot No. P-1 & P-5, S.I.T.E, Hyderabad	Manufacturing facility and labour colony	29.00	1,263,240
Nooriabad land - Plot No. K-31 & K-32, Nooriabad	For future business expansion	40.00	1,742,400
Naseerpur land - Adda Pira Ghayaib, Mototly Road	Storage facility and business expansion	8.28	360,459
Muzaffargarh mill - Bagga Sher, Khan pur Shumail, District Multan	Manufacturing facility and labour colony	30.87	1,344,697
Nooriabad land- Plot No. B/77, Jhampeer road, Nooriabad	Storage facility and business expansion	31.00	1,350,360

5.4 Capital work-in-progress

	2026	2025
Note	----- (Rupees in '000) -----	
Civil works	26,623	23,568
Plant and machinery	19,879	31,712
Solar panels	48,720	61,334
5.4.1	95,222	116,614

Civil works	Plant and machiner	Solar panel	Power generator	Electric installation	Total
(Rupees '000)					

5.4.1 Capital work-in-progress

As at June 30, 2024	55,897	25,195	154,931	39,317	-	275,340
Additions during the year	20,875	66,231	77,506	-	-	164,612
Transferred to operating fixed assets	(53,204)	(59,714)	(171,103)	(39,317)	-	(323,338)
As at June 30, 2025	23,568	31,712	61,334	-	-	116,614
Additions during the year	45,169	19,879	74,172		918	140,138
Transferred to operating fixed assets	(42,114)	(31,712)	(86,786)	-	(918)	(161,530)
As at June 30, 2026	26,623	19,879	48,720	-	-	95,222

		2026	2025
6. INTANGIBLES	Note	----- (Rupees in '000) -----	
Software			
Cost		26,341	26,341
Amortization			
- Opening		24,632	23,900
- For the year	6.1	513	732
Accumulated amortization		(25,145)	(24,632)
Net book value as at June 30		1,196	1,709
Annual amortization rate		30%	30%

6.1 Amortization for the year has been charged to 'Administrative expenses' (note 32).

7. DEFERRED TAXATION

	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Movement for the year ended June 30, 2026	----- (Rupees in '000) -----			
Deductible temporary differences in respect of:				
Provision for:				
- retirement benefits	(123,717)	(21,886)	(2,684)	(148,287)
- provision of stores and spare parts	(4,741)	(1,784)	-	(6,525)
- provision of trade debts	(8,491)	(27,811)	-	(36,302)
- other financial assets	10,590	15,842	-	26,432
- short term borrowings	8,998	3,676	-	12,674
- minimum tax credits (note 7.1).	(1,267,670)	(47,419)	-	(1,315,089)
Others	(121,242)	13,709	-	(107,533)
	(1,506,273)	(65,673)	(2,684)	(1,574,630)
Taxable temporary differences in respect of:				
- accelerated tax depreciation	719,215	78,037	-	797,252
- amortization on intangibles	295	(88)	-	207
	719,510	77,949	-	797,459
Deferred tax asset	(786,763)	12,276	(2,684)	(777,171)

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	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Movement for the year ended June 30, 2025	----- (Rupees in '000) -----			

Deductible temporary differences in respect of:

Provision for:

- retirement benefits	(92,943)	(26,702)	(4,072)	(123,717)
- provision of stores and spare parts	(4,741)	-	-	(4,741)
- provision of trade debts	(2,828)	(5,663)	-	(8,491)
- other financial assets	(4,080)	14,670	-	10,590
- short term borrowings	(1,541)	10,539	-	8,998
- lease related assets and liabilities	(2,517)	2,517	-	-
- minimum tax credits	(1,052,807)	(214,863)	-	(1,267,670)
Others	(6,744)	(114,498)	-	(121,242)
	(1,168,201)	(334,000)	(4,072)	(1,506,273)

Taxable temporary differences in respect of:

- accelerated tax depreciation	890,827	(171,612)	-	719,215
- unclaimed amortization on intangibles	423	(128)	-	295
	891,250	(171,740)	-	719,510
Deferred tax asset	(276,951)	(505,740)	(4,072)	(786,763)

- 7.1** The deferred tax asset recognised for turnover tax as on June 30, 2026 comprises of Rs 230.92 million pertaining to tax year 2026 and Rs 1,084.17 million pertaining to tax year 2024 and 2025. These will expire in 2028 and 2027 respectively.

		2026	2025
8. LONG-TERM INVESTMENTS	Note	----- (Rupees in '000) -----	
At cost			
Investment in associate	8.1	13,476	13,476
Investment in subsidiaries			
- Indus Home Limited (IHL)	8.2	2,491,204	2,491,204
- Indus Lyallpur Limited (ILL)	8.3	1,635,000	1,635,000
- Indus Wind Energy Limited (IWEL)	8.4	2,260,312	2,260,312
		6,386,516	6,386,516
		6,399,992	6,399,992

- 8.1** It represents investment in Sunrays Textile Mills Limited (STML), a public limited company incorporated in Pakistan, with its principal place of business in Dera Ghazi Khan, Muzaffargarh. As of the reporting date, the Company owns 0.99% shareholding and voting rights in STML and it is considered as an associate due to common directorship. This investment is carried at cost less accumulated impairment loss in these unconsolidated financial statements.

8.2 Indus Home Limited (IHL)

IHL is a wholly owned subsidiary of the Company, the subsidiary is involved in the business of griegge, terry towel and other textile products. The subsidiary is incorporated in Pakistan as a public unlisted company, with its principal place of business in Lahore. Investment in IHL is carried at cost less accumulated impairment loss in these unconsolidated financial statements.

8.3 Indus Lyallpur Limited (ILL)

ILL is a wholly owned subsidiary of the Company, the subsidiary is involved in the business of manufacturing, export and sale of yarn. The subsidiary is incorporated in Pakistan as public unlisted company, with its principal place of business in district Faisalabad. Investment in ILL is carried at cost less accumulated impairment loss in these unconsolidated financial statements.

8.4 Indus Wind Energy Limited (IWEL)

IWEL is a wholly owned subsidiary of the Company and is involved in the business of generation and distribution of power. The subsidiary is incorporated in Pakistan as a public unlisted company, with its principal place of business in district Thatta. Investment in IWEL is carried at cost less accumulated impairment loss in these unconsolidated financial statements.

		2026	2025
9.	STORES, SPARES AND LOOSE TOOLS	----- (Rupees in '000) -----	
	Stores, spares and loose tools	891,037	943,188
	Provision for slow moving and obsolete items	(22,500)	(16,348)
		868,537	926,840
9.1	It includes stores and spares in transit amounting to Rs. 19.20 million (2025: Rs. 6.31 million).		
9.2	Movement of provision for slow moving and obsolete items	2026	2025
		----- (Rupees in '000) -----	
	Balance as at July 01	16,348	16,348
	Provision made during the year	6,152	-
	Balance as at June 30	22,500	16,348
10.	STOCK-IN-TRADE		
	Raw material		
	- in hand	4,901,105	7,051,445
	- in transit	6,665,527	2,730,933
		11,566,632	9,782,378
	Work-in-process	451,255	598,641
	Finished goods	1,660,847	2,233,539
	Packing material	150,454	133,779
	Waste	258,716	292,361
		14,087,904	13,040,698

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11. TRADE DEBTS	Note	2026 ----- (Rupees in '000)	2025 -----
Secured			
Foreign debtors		6,073,626	2,033,212
Local debtors		29,028	197,665
Unsecured			
Local debtors	11.1	10,935,794	10,896,356
	11.2	17,038,448	13,127,233
Allowance for expected credit loss	11.3	(125,178)	(29,278)
		16,913,270	13,097,955

11.1 This includes amount due from associates and related parties. Details of such balances are as follows:

	Maximum aggregate outstandi ng balance at the end of any	No past due or impaired	1 to 30 days	31 to 180 days	More than 180 days	Total as at June 30
	----- (Rupees in '000) -----					
2026						
Indus Lyallpur Limited	126,545	-	24	-	-	24
Indus Home Limited	289,036	133,712	5,645	1,778	10	141,145
Sunrays Textile Mills Limited	184,520	80,887	23,579	-	-	104,466
2025						
Indus Lyallpur Limited	178,480	7,820	781	-	-	8,601
Indus Home Limited	74,042	14,159	-	-	-	14,159
Sunrays Textile Mills Limited	71,562	61,892	9,670	-	-	71,562

11.2 Ageing of trade debts	Note	2026 ----- (Rupees in '000)	2025 -----
Not yet due		13,880,173	9,706,720
Past due within 30 days		2,263,666	1,976,809
Past due within 31 to 60 days		395,707	733,951
Past due within 61 to 90 days		179,881	275,938
Past due within 91 to 180 days		121,573	303,773
Past due within 181 to 360 days		74,832	118,941
Past due beyond 360 days		122,616	11,101
		17,038,448	13,127,233
11.3 Allowance for expected credit loss			
Balance as at July 01		29,278	5,316
Provision made during the year		95,900	23,962
Balance as at June 30		125,178	29,278

12. LOANS AND ADVANCES

Loans and advances to staff	12.1	16,130	19,946
-----------------------------	------	---------------	--------

Advances to:

- Suppliers

- Others

654	2,198
79,776	57,776
80,430	59,974
96,560	79,920

12.1 These are interest free, secured against gratuity entitlements of employees which are recoverable within a year.

	2026	2025
Note	-----	-----
	(Rupees in '000)	

13. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Deposits with Nazir High Court	-	77,236
Other deposits	56,529	11,217
Margins against letter of credit	10,000	10,000
Prepayments	88,885	67,293
	155,414	165,746

14. OTHER RECEIVABLES

Cotton claims receivables		124,312	160,145
Indus Wind Energy Limited	14.1	1,084	1,369
Others	14.2	1,262,514	1,193,347
		1,387,910	1,354,861
Provision against doubtful recovery	14.3 & 32	(538,768)	(439,000)
		849,142	915,861

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14.1 The details of other receivables from related party are as follow:

	Maximum aggregate outstanding at the end of any	No past due or impaired	1 to 30 days	31 to 180 days	More than 180 days	Total as at June 30
	(Rupees in '000)					
2026						
Indus Wind Energy Limited	1,084	1,084	-	-	-	1,084
2025						
Indus Wind Energy Limited	1,369	1,369	-	-	-	1,369

14.2 The Company identified a case of financial embezzlement involving two former employees. An initial internal investigation revealed misappropriation of Company funds amounting to Rs. 960.91 million, following which law enforcement agencies were informed and both individuals were arrested. Authorities have frozen certain assets held in the names of the individuals and their benamidars, with an estimated value of Rs. 422.15 million (2025: Rs. 522 million).

As of June 30, 2026, provision of Rs. 538.76 million (2025: Rs. 439 million) has been made in these unconsolidated financial statements. The Company is actively pursuing legal action and recovery of the misappropriated funds and is certain about its recovery.

14.3 Movement of provision for slow moving and obsolete items

	Note	2026 (Rupees in '000)	2025 (Rupees in '000)
Balance as at July 01		439,000	-
Provision made during the year	32	99,768	439,000
Balance as at June 30		538,768	439,000

15. OTHER FINANCIAL ASSETS

At fair value through profit or loss

Investment in ordinary shares of listed companies

- Conventional securities	15.1	3,314,854	390,031
- Shariah compliant securities	15.2	775,739	129,125

At amortised cost

Conventional:

Treasury bills	15.3	81,893	60,085
Term deposit receipts with banks having maturity of	15.4		
- more than three months		1,000	1,000
- three months or less		14,725	40,135
		4,188,211	620,376

15.1 Conventional securities

2026 --- (Number of shares of Rs. 10 each) ---	2025	Investee company	2026 ----- (Rupees in '000) -----	2025
4,198,070	-	Adamjee Insurance Company Limited	336,056	-
-	42,000	Bestway Cement Limited	-	17,031
5,834,738	427,869	Bank Alfalah Limited	330,655	34,330
1,540,000	1,890,000	Habib Bank Limited	450,003	338,670
12,150,000	-	Askari Bank Limited	1,339,295	-
650,000	-	Habib Metropolitan Bank Limited	75,452	-
2,800,000	-	National Bank of Pakistan	555,800	-
50,000	-	Pakistan Stock Exchange Limited	2,687	-
502,393	-	United Bank Limited	224,906	-
			3,314,854	390,031

15.1.1 During the year, the face value of the ordinary shares of Bank Alfalah Limited was split in the ratio of 1:2, i.e. Rs 5 each.

15.1.2 Shares pledged against short term borrowings

2026 --- (Number of shares of Rs. 10 each) ---	2025	Investee company	Note	2026 ----- (Rupees in '000) -----	2025
4,000,000	-	Bank Alfalah Limited	15.1.1	226,680	-
1,500,000	-	Habib Bank Limited		438,315	-
12,000,000	-	Askari Bank Limited		1,322,760	-
				1,987,755	-

15.2 Shariah compliant securities

2026 --- (Number of shares of Rs. 10 each) ---	2025	Investee company	2026 ----- (Rupees in '000) -----	2025
1,704,819	-	Air Link Communication Limited	267,554	-
2,300,000	-	Fauji Cement Company Limited	132,365	-
1,850,000	2,350,000	K-Electric Limited (share of Rs. 3.5 each)	15,799	12,338
50,000	-	Meezan Bank Limited	25,823	-
400,000	-	Oil and Gas Development Company Limited	133,949	-
-	150,000	Pioneer Cement Limited	-	34,220
200,000	-	Pakistan Petroleum Limited	48,524	-
300,450	-	Pakistan State Oil Company Limited	102,859	-
250,000	225,000	Systems Limited	36,773	24,107
-	40,000	Sazgar Engineering Works Limited	-	45,593
-	25,950	Sitara Chemical Industries Limited	-	12,867
100,000	-	Sui Northern Gas Pipelines Limited	12,093	-
			775,739	129,125

15.3 Investment in treasury bills

Particulars	Issue date	Tenor	Maturity	Face value	Cost	Profit accrued during the year	Carrying value
----- (Rupees in '000) -----							
T Bill (1 year)	11-Dec-25	12 Months	10-Dec-26	22,315	20,199	1,161	21,360
T Bill (1 year)	13-Nov-25	12 Months	12-Nov-26	62,845	56,996	3,537	60,533
As at June 30, 2026				85,160	77,195	4,698	81,893
As at June 30, 2025				63,030	56,996	3,089	60,085

15.4 Investment in term deposit receipts

Bank Name	Issue date	Tenor	Maturity	Interest rates	Carrying value	Profit accrued during the year
----- (Rupees in '000) -----						
Soneri Bank Limited	23-Feb-26	12 Months	22-Feb-27	11.00%	1,000	35
Soneri Bank Limited	25-May-26	3 Months	24-Aug-26	10.50%	14,725	157
As at June 30, 2026					15,725	192
As at June 30, 2025					41,135	193

2026 **2025**
Note ----- (Rupees in '000) -----

16. ADVANCE INCOME TAX AND LEVIES - NET

Opening	338,426	99,159
Advance income tax and levies paid / withheld	1,546,824	903,379
Income tax refundable	(164,474)	-
Provision for levies	(370,329)	(775,230)
Provision for tax	(1,285,671)	111,118
Closing	64,776	338,426

17. TAX REFUNDABLE

Sales tax refundable	2,327,051	163,061
Income tax refundable	182,620	18,146
	2,509,671	181,207

18. CASH AND BANK BALANCES

Cash with banks - in current accounts

- Local currency

- conventional

269,094

28,859

- shariah compliant

62,043

3,890

- Foreign currency - conventional 18.1

35,547

40,587

Cash with banks - in deposit accounts

- Local currency

- conventional

18.2

7,576

3,275

374,260

76,611

Cash in hand

6,771

10,572

381,031

87,183

18.1 It is a current account denominated in USD amounting to USD 127,920.12 (2025: USD 143,144.64).

18.2 Markup rates on these accounts range between 9% - 11.5% (2025: 9% - 9.5%) per annum.

19. SHARE CAPITAL

19.1 Authorised share capital

2026	2025		2026	2025
----- (Number of shares) -----			Note ----- (Rupees in '000) -----	
100,000,000	100,000,000	Ordinary shares of Rs.10 each	1,000,000	1,000,000

19.2 Issued, subscribed and paid up capital

2026	2025		2026	2025
----- (Number of shares) -----			Note ----- (Rupees in '000) -----	
		Ordinary shares of Rs.10 each		
9,637,116	9,637,116	Fully paid in cash	96,371	96,371
		Other than cash		
5,282,097	5,282,097	Issued to the shareholders of YTML 19.2.1	52,821	52,821
39,301,983	39,301,983	Issued as bonus shares	393,019	393,019
54,221,196	54,221,196		542,211	542,211

19.2.1 These shares were issued pursuant to the Scheme of Amalgamation with Yousuf Textile Mills Limited (YTML), determined as at October 01, 2004, in accordance with agreed share-swap ratio.

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

19.2.3 The Company has no reserved shares for issuance under options and sales contracts.

		2026	2025
	Note	----- (Rupees in '000) -----	
20. RESERVES			
Capital reserves			
Share premium	20.1	10,920	10,920
Merger reserve	20.2	11,512	11,512
Investments and bonus shares	20.3	6,000,000	6,000,000
		<u>6,022,432</u>	<u>6,022,432</u>
Revenue reserves			
General reserve		16,977,568	16,977,568
Unappropriated profit		2,190,646	772,324
		<u>25,190,646</u>	<u>23,772,324</u>

20.1 This represents share premium received in year 2001 in respect of the issue of 3,639,960 right shares at a premium of Rs.3 per share.

20.2 Merger reserve represents excess of (a) assets of YTML over its liabilities merged with the Company over (b) consideration to shareholders of YTML as per the Scheme of Amalgamation. (Refer note 19.2.1)

20.3 The Board of Directors of the Company in its meeting held on February 28, 2024, decided to allocate a sum of Rs. 6 billion as not available for distribution by way of dividend for purpose of investment and bonus in future years.

		2026	2025
	Note	----- (Rupees in '000) -----	
21. LONG-TERM FINANCING			
Secured			
From banking companies	21.1	4,718,111	5,602,240
Current portion shown in current liabilities		<u>(1,243,235)</u>	<u>(1,041,978)</u>
		<u>3,474,876</u>	<u>4,560,262</u>

21.1 Details and movement are as follows:

Name of banks	Cash flows					Current maturity
	As at July 01,	Acquired during the year	Repayment during the year	Amortization of government grant	As at June 30,	
	----- (Rupees in '000) -----					
Conventional	---					
Allied Bank Limited	442,362	-	(112,454)	-	329,908	112,454
Soneri Bank Limited	132,876	-	(26,134)	7,401	114,143	26,134
MCB Bank Limited	768,857	-	(196,592)	11,668	583,933	196,177
United Bank Limited	423,108	-	(96,555)	8,857	335,410	94,829
Habib Bank Limited	1,060,518	-	(234,653)	7,150	833,015	234,748
Askari Bank Limited	519,663	-	(164,906)	-	354,757	164,906
Habib Metropolitan Bank Limited	210,003	-	(33,912)	1,595	177,686	33,912
The Bank of Punjab Limited	475,499	-	(63,483)	-	412,016	63,483
National Bank of Pakistan	471,216	-	(86,104)	24,957	410,069	86,104
Bank Alfalah Limited	633,741	-	(87,171)	-	546,570	87,171
Pakistan Kuwait Investment Company Limited	86,501	257,364	(38,226)	-	305,639	66,178
Shariah compliant						
Meezan Bank Limited	377,896	-	(62,931)	-	314,965	77,139
2026	5,602,240	257,364	(1,203,121)	61,628	4,718,111	1,243,235
2025	6,411,471	86,501	(978,687)	82,955	5,602,240	1,041,978

21.2 Particulars of long-term financing

Type and nature of loan	2026		
	Amount outstanding Rupees in '000	Mark up rate per annum	Terms of repayments
Long term financing facility (LTFF)	1,732,393	2.50% to 5%	Quarterly and half
Temporary Economic Refinancing Facility (TERF)	800,157	1.75% to 2.25%	Quarterly
Renewable energy	445,854	3% to 6%	Quarterly
Term finances	1,739,707	3 months KIBOR + 0.5% to 1.25%	Quarterly and half
	4,718,111		
Type and nature of loan	2025		
	Amount outstanding Rupees in '000	Mark up rate per annum	Terms of Repayments
Long term financing facility (LTFF)	2,076,276	2.50% to 5%	Quarterly and half yearly
Temporary Economic Refinancing Facility (TERF)	936,390	1.75% to 2.25%	Quarterly
Renewable Energy	525,868	3% to 6%	Quarterly
Term finances	2,063,706	3 months KIBOR + 0.5% to 1.25%	Quarterly and half yearly
	5,602,240		

21.3 These finances are secured by Joint Pari Passu charge over Land and Building of Hyderabad unit P-1 and Plant and Machinery of all units of the Company.

21.4 Long-term financing

Name of institution	Sanctioned amount		Outstanding amount excluding government grant		Details of financing, security and repayment terms
	2026	2025	2026	2025	
	----- (Rs. in '000) -----				
Conventional					
Allied Bank Limited	795,000	795,000	329,419	442,362	The facility is secured against existing joint pari passu hypothecation charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) is being made in 32 equal quarterly instalments. Mark up rate is 2.5% on this facility and repayable on quarterly basis.
Soneri Bank Limited	216,000	216,000	133,484	159,617	The facility is secured against existing joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly instalments. Mark up rate is 2% on this facility and repayable on quarterly basis.
MCB Bank Limited	2,265,000	2,265,000	614,029	810,621	The facility is secured against existing joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly instalments with 2 years grace period of Temporary Economic Refinancing Facility, Long Term Financing Facility and Term loan. Mark up rate is 1.75% on Temporary Economic Refinancing Facility, 2.5% on Long Term Financing Facility and 3 months KIBOR + 0.75% on Term
United Bank Limited	1,565,000	1,565,000	352,958	449,512	The facility is secured against existing joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly instalments with 2 years grace period. Mark up rate is 2.25% on temporary Economic Refinancing Facility, 2.5% on Long Term Financing Facility and SBP rate +1% on Renewable Energy Financing Facility and repayable on quarterly basis.
Habib Bank Limited	2,702,000	2,702,000	849,144	1,083,798	This facility is secured against existing joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly instalments of Temporary Economic Refinancing Facility & Term loan and 16 equal half yearly Instalments with 2 years grace period of Long term Financing Facility. Mark up rate is 2% on Temporary Economic Refinancing Facility & 2.5% to 2.75% on Long Term Financing Facility and 3 month KIBOR + 0.75% on Term loan and is repayable on quarterly basis. The Company had entered into an arrangement with the bank for obtaining Solar loan. The repayment of the loan (principal amount) will be made in 28 equal quarterly instalments. Markup rate is 6% per annum.
Askari Bank Limited	1,518,000	1,518,000	354,757	519,663	The facility is secured against existing joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly instalments with 2 years grace period of Long term Financing Facility and 16 equal quarterly instalments with 1 year grace period of Term loan. Mark up rate is 2.5% to 4.75% on Long term Financing Facility and 3 month KIBOR + 1.25% on Term loan and repayable on quarterly basis.

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Habib Metropolitan Bank Limited	1,103,000	1,103,000	182,607	216,520	The facility is secured against existing joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 duly registered with the Securities and Exchange Commission of Pakistan inclusive of 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly instalments with 2 years grace period of Temporary Economic Refinancing Facility, Long Term Financing Facility and Term loan. Mark up rate is 3% on Long term Financing Facility, 2% on temporary Economic Refinancing Facility and SBP rate + 1% on Renewable Energy Financing Facility and repayable on quarterly basis.
The Bank of Punjab Limited	2,243,000	2,243,000	412,016	475,499	The facility is secured against existing joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly instalments with 2 years grace period. Mark up rate is 3 months KIBOR + 1% spread against Term loan and 5% against long term finance facility and repayable on quarterly basis.
National Bank of Pakistan	750,000	750,000	479,842	565,944	The facility is secured against first joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin duly registered with the Securities and Exchange Commission of Pakistan inclusive of 25% margin. The repayment of loan (principal amount) will be made in 32 quarterly instalments with 2 years grace period. Mark up rate is 1.8% on temporary Economic Refinancing Facility and SBP rate + 1.25% on Renewable Energy Financing Facility and repayable on quarterly basis.
Pakistan Kuwait Investment Company Limited	500,000	500,000	305,639	86,501	The facility is secured against a ranking hypothecation charge over all present and future fixed assets with a 25% margin. It carries a markup of 3-month KIBOR + 0.7% per annum, payable quarterly and semi annually on Term Loans, 7.5% to 8.5% on Long Term Finance Facility. The principal is repayable in equal quarterly installments.
Bank Alfalah Limited	850,000	850,000	546,570	633,741	The facility is secured against existing joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly instalments with 2 years grace period. Mark up rate is KIBOR + 0.9% against Term loan and 3% to 5% against long term finance facility and repayable on quarterly basis. In last financial year, the Company has entered into an arrangement with the bank for obtaining Solar loan. The repayment of loan (principal amount) will be made in 32 quarterly instalments with 2 years grace period. Markup rate for the first year is 3 month KIBOR + 0.9% spread and later will be 3% to 6% as per renewable energy facility markup rates. This is because all solar loans are first disbursed as term finance loans and later on converted into renewable
Shariah Meezan Bank Limited	1,832,000	1,832,000	314,965	377,897	The facility is secured against existing joint pari passu charge over Company's fixed assets against with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly instalments with 2 years grace period. Mark up rate is 3% against long term financing facility and repayable on quarterly basis. In last financial year, the Company has entered into an arrangement with the Bank for obtaining Term loan. This facility is secured against Joint Pari Passu charge over Plant and Machinery located at Karachi, Muzaffargarh and Hyderabad unit P-1. The repayment of loan (principal amount) will be made in 32 equal quarterly instalments with 2 years grace period. Mark up rate is 3 month kibor + 0.5% spread.
Total			4,875,430	5,821,675	

		2026	2025
	Note	----- (Rupees in '000) -----	
22. DEFERRED LIABILITIES			
Provision for gratuity	22.1.3	511,334	426,611
Deferred government grant	22.2	157,319	218,947
Gas Infrastructure Development Cess (GIDC)	22.3	969,758	969,758
		1,638,411	1,615,316
Current portion of:			
Deferred government grant	22.2	(52,765)	(61,628)
Gas Infrastructure Development Cess (GIDC)	22.3	(969,758)	(969,758)
		(1,022,523)	(1,031,386)
		615,888	583,930

22.1 Provision for gratuity

The Company operates unfunded gratuity scheme for all its confirmed employees who have completed the minimum qualifying period of service. Provision is made to cover obligations under the scheme on the basis of valuation conducted by a qualified actuary. The latest valuation was conducted on June 30, 2026 using Projected Unit Credit method. Details of assumptions used and the amounts recognised in these unconsolidated financial statements are as follows:

22.1.1 Significant actuarial assumptions and methods	2026	2025
Discount rate	11.75%	11.75%
Expected rate of increase in salary level	11.75%	11.75%
Weighted average duration of defined benefit obligation	7 years	7 years
Average duration of liability	6 years	6 years

The critical gap between the discount rate and salary growth rate is zero for both years.

22.1.2 Assumptions

Discount rate

The market of high quality corporate bonds is not deep enough in Pakistan. Therefore, discount rate is based on market yields on government bonds as at the valuation date. The discount rate used for the valuation is 11.75% per annum. This rate is consistent with the guidelines of the Pakistan Society of Actuaries on setting discount rates.

Rate of growth in salary

The gratuity benefits are calculated using the Gross Salary. In view of the market expectations and long-term monetary policy of the State Bank regarding inflation, it has

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been assumed that the average rate of long-term future Salary increases will be 11.75% per annum.

Mortality, withdrawal and disability retirement rates

The mortality rates used for active employees are based on SLIC (2001-05) Mortality Table.

The rates for withdrawal from service and retirement on ill-health grounds are based on industry/country experience.

Withdrawal rates used in this valuation are heavier than those used in the previous valuation.

	2026	2025
Note -----	(Rupees in '000) -----	
22.1.3 Present value of defined benefit obligation	511,334	426,611
22.1.4 Movement in net defined benefit liability		
Balance at the beginning of the year	426,611	320,492
Current service cost	139,883	129,936
Interest cost	43,771	41,425
Actuarial loss	9,255	14,043
Benefits paid	(108,186)	(79,285)
Balance at the end of the year	511,334	426,611
22.1.5 Expense recognised in profit or loss		
Current service cost	139,883	129,936
Net interest cost	43,771	41,425
Expense recognized in profit or loss	183,654	171,361
22.1.6 Remeasurement recognised in Other Comprehensive Income		
Experience loss	9,255	14,043
22.1.7 Net recognised liability		
Net liability at the beginning of the year	426,611	320,492
Expense recognised in profit or loss	183,654	171,361
Benefits paid during the year	(108,186)	(79,285)
Remeasurement recognised in other comprehensive income	9,255	14,043
	511,334	426,611

22.1.8 Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

	Impact on defined benefit obligation		
	Change in assumption	Increase	Decrease
		----- (Rupees in '000) -----	
Discount rate	1%	29,658	(31,451)
Salary growth rate	1%	(31,485)	29,637

22.1.9 The expected gratuity expense for the next year amounts to Rs. 208.64 million.

22.1.10 The expected maturity analysis of undiscounted retirement benefit obligation is:

	2026	2025
	Undiscounted payments	
	----- (Rupees in '000) -----	
Year 1	61,222	51,073
Year 2	70,363	58,698
Year 3	81,299	67,822
Year 4	93,179	77,732
Year 5	103,807	86,598
Year 6 and above	559,875	467,063

22.1.11 Risks to which the scheme maintained by the Company is exposed are as follows such as:

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the postemployment benefit obligations being discounted. A decrease in bond interest rates will increase the liability, and vice versa.

Salary risk

The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the liability and vice versa.

Withdrawal rate risk

The present value of the defined benefit liability is calculated by reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate may increase / decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

Mortality rate risk

The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants during employment. An improvement in the mortality rates of the participants may increase/decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

22.2 Deferred government grant

This represents deferred government grant (representing differential between borrowing obtained at concessional rate and market interest rate of 3 months KIBOR plus spread) in respect of Temporary Economic Refinancing Facility (TERF) as disclosed in note 21. There are no unfulfilled conditions or other contingencies attached to this grant.

	2026	2025
Note ----- (Rupees in '000) -----		
Opening	218,947	301,902
Amortization of deferred government grant 30	(61,628)	(82,955)
	157,319	218,947
Current portion of deferred government grant	(52,765)	(61,628)
	104,554	157,319

22.3 Gas Infrastructure Development Cess

Balance at the beginning of the year	969,758	950,795
Unwinding of interest	-	18,963
	969,758	969,758
Current portion shown in current liabilities	(969,758)	(969,758)
	-	-

21.3.1 Gas Infrastructure Development Cess (GIDC) was levied through GIDC Act, 2011 with effect from December 15, 2011 and was chargeable from industrial gas customers at different rates as prescribed by the Federal Government through OGRA notification.

On June 13, 2013, the Honourable Peshawar High Court declared the levy, imposition and recovery of the Cess unconstitutional with the direction to refund the "Cess" so far collected. Supreme Court of Pakistan examined the case and vide its findings dated August 22, 2014, concluded that GID Cess is a fee and not a tax and on either count the "Cess" could not have been introduced through a money bill under Article 73 of the Constitution and the same was, therefore, not validly levied in accordance with the

Constitution. However, on September 25, 2014, the President of Pakistan had promulgated GID Cess Ordinance 2014, which was applicable to the whole of Pakistan and has to be complied by all parties.

On September 29, 2014, the Sindh High Court gave a stay order to various parties against the promulgation of Presidential order dated September 25, 2014.

On May 22, 2015, the GID Cess Act, 2015 was passed by Parliament applicable on all consumers. Following the imposition of the said Act, many consumers filed a petition in Sindh High Court and obtained stay order against the Act passed by the Parliament.

On October 26, 2016, the High Court of Sindh held that enactment of GIDC Act, 2015 is ultra-vires to the Constitution of Pakistan. Sui Southern Gas Company Limited has filed an intra-court appeal before the Divisional Bench of High Court of Sindh. On August 13, 2020, GIDC matter is decided by the Supreme Court of Pakistan and the Court has ordered gas consumers to pay outstanding amount of GIDC upto July 31, 2020 in twenty four equal monthly instalments, starting from August 2020.

On November 2020, on review petitions filed by companies including those which had obtained the judgment from the Hon'ble Sindh High Court, the Supreme Court through its judgment dated November 03, 2020 dismissed the review petitions and allowed the recovery of the amount in forty eight equal instalments with one year grace period as oppose to twenty four equal instalments and six months grace period mentioned in the original decision dated August 30, 2020.

On September 29, 2020, we have challenged the imposition of GIDC upon us by SSGC and its quantum on various grounds including that the company had a judgment from the Hon'ble Sindh High Court which was not appealed in time, that the company had not passed on the burden of the Cess and in any event the 2015 Act could not apply with retrospective effect. Sindh High Court has passed restraining order dated September 29, 2020, due to this payment related to Karachi and Hyderabad unit has not yet paid.

		2026	2025
	Note	----- (Rupees in '000) -----	-----
23. TRADE AND OTHER PAYABLES			
Creditors	23.1	891,638	863,688
Accrued liabilities		1,314,467	1,178,591
Infrastructure cess	23.2	2,378,276	1,764,674
Workers' Profits Participation Fund	23.3	165,286	35,080
Workers' Welfare Fund	23.4	47,270	3,791
Withholding tax payable		94,012	12,278
Other payables		130,039	42,205
		5,020,988	3,900,307

23.1 This includes Rs. 40.73 million (2025: Rs. 21.09 million) due to related parties.

- 23.2** This represents Government of Sindh, provision for Sindh Development and Infrastructure Fee and Duty which was levied by the Excise and Taxation Department, on goods entering or leaving the province of Sindh, through air or sea at prescribed rate, under the Sindh Finance Ordinance, 2001. The imposition of the levy was initially challenged by the Company along with other affectees, in the High Court of Sindh, and the Court was pleased to grant an interim injunction, vide Order dated May 31, 2011, to the effect that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be deposited with the Court until the final order is passed. However, as a matter of prudence, in 2021 the Company has paid 50% of the value of infrastructure fee to the concerned department and recorded liability for the remaining amount which is supported by a bank guarantee. Starting from September 2021, the Company is providing 100% bank guarantee in accordance with the order of Supreme Court of Pakistan dated September 01, 2021.

Subsequently, the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 was amended vide the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026, assented to by the Governor of Sindh on February 19, 2026. Under the amendment, the Government of Sindh has offered existing litigants the option to withdraw pending cases and settle outstanding liabilities under a structured payment plan, comprising payment of 45% of the outstanding amount in three installments of 15% each (by July 31, 2026, October 31, 2026 and July 31, 2027), with the remaining 55% payable in installments over a 12-years period from 2028 to 2040. As the Company continues to contest the levy and is confident of a favorable outcome, based on the legal advice, the Company has not opted for the aforementioned settlement scheme and continues to pursue the matter through the Court.

		Note	2026	2025
			----- (Rupees in '000) -----	-----
23.3	Workers' Profits Participation Fund			
	Balance at beginning of the year		35,080	23,254
	Allocation for the year	33	165,286	35,080
			200,366	58,334
	Payments made during the year		(35,080)	(23,254)
	Balance at end of the year		165,286	35,080
			2026	2025
		Note	----- (Rupees in '000) -----	-----
23.4	Workers' Welfare Fund			
	Balance at beginning of the year		3,791	5,733
	Allocation for the year	33	47,270	1,116
	Payments made during the year		(3,791)	(3,058)
	Balance at end of the year		47,270	3,791
24.	CONTRACT LIABILITIES		129,172	88,303

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24.1 Revenue recognized against opening contract liabilities amounted to Rs. 88.30 million (2025: Rs. 97.56 million)

		2026	2025
		----- (Rupees in '000) -----	
25.	INTEREST / MARK-UP PAYABLE		
	- Long-term financing		
	Conventional	48,720	40,056
	Shariah compliant	7,472	28,458
		<u>56,192</u>	<u>68,514</u>
	- Short-term borrowings		
	Conventional	193,118	196,729
	Shariah compliant	161,234	130,856
		<u>354,352</u>	<u>327,585</u>
		<u>410,544</u>	<u>396,099</u>
26.	SHORT-TERM BORROWINGS		
	From banking companies - secured		
	Running finance		
	- conventional	931,587	3,307,864
	- shariah compliant	3,946,714	2,643,485
		<u>4,878,301</u>	<u>5,951,349</u>
	26.1 Foreign currency financing against export / import		
	- conventional	11,776,697	3,687,270
	- shariah compliant	1,912,417	807,075
		<u>13,689,114</u>	<u>4,494,345</u>
	26.2 Money market		
	- conventional	3,145,000	2,085,000
	- shariah compliant	-	710,000
		<u>3,145,000</u>	<u>2,795,000</u>
	26.3	<u>21,712,415</u>	<u>13,240,694</u>
	26.4		
26.1	These carry mark-up ranging from 1 month to 3 months KIBOR + 0.1% to 1% (2025: 1 month to 3 months KIBOR + 0.1% to 1%). These are secured against charge over current assets of the Company.		
26.2	These carry mark-up ranging from 3.75% to 6.60% (2025: 4.25% to 6.60%) on foreign currency borrowing amount. These arrangements are secured against charge over current assets of the Company.		
26.3	These carry mark-up ranging from 1 week to 3 month KIBOR + 0.1% to 0.35% (2025: 1 week to 3 months KIBOR + 0.05% to 0.75%) on Money Market borrowing amount. These arrangements are secured against charge over current assets of the Company.		

- 26.4** The Company has aggregated short-term borrowing facilities amounting to Rs. 30,750 million (2025: Rs. 20,775 million) from various commercial banks.

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

- 27.1.1** The Company has recognised GIDC payable amounting to Rs. 929.736 million in these unconsolidated financial statements on the basis of GIDC rate applicable to industrial consumers. However, SSGC and SNGPL has charged GIDC on the basis of GIDC tariff applicable to captive consumers resulting in differential of Rs.973.891 million. The Company has not recorded the provision representing differential arising due to use of captive connection rate instead of industrial connection rate in these financial statements, as the matter of application of captive or industrial tariff has been challenged in September 2020 before Lahore High Court, which is pending adjudication. The management of the Company expect favourable outcome in this regard.

- 27.1.2** The Company is defendant in certain sales tax related matters with aggregate demand of Rs. 1.357 million (2024. Rs. 1.357 million). Based on views of its tax advisor, management is confident of favourable outcome in these matters and accordingly no provision has been recorded in these financial statements in this respect.

- 27.1.3** Prior to certain amendments made through the Finance Acts of 2006 & 2008, Workers Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Acts, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the Ordinance in 2011. However, the Company together with other stakeholders filed the petition in the Sindh High Court which, in 2013, decided the petition against the Company and other stakeholders. Management has filed a petition before the Supreme Court of Pakistan against the decision of the Sindh High Court.

Supreme Court of Pakistan has passed an order dated November 10, 2016 that the Workers' Welfare Fund (WWF) is a fee, not a tax. Hence, the amendments made through Finance Acts, 2006 and 2008 have been declared invalid in the said order. The management has filed an application for rectification order amounting to Rs. 125.28 million for the years from 2010 to 2014 contending the fact that they had erroneously paid WWF despite of having exemption available to them.

- 27.1.4** During the year, the Additional Commissioner Inland Revenue vide order dated April 30, 2026 proceeded to amend the assessment under the provisions of section 122(5A) of the Income Tax Ordinance, 2001 in respect of tax year 2025. Through the aforesaid order, certain additions and disallowances were made, resulting in a tax demand amounting Rs 43.37 million. Being aggrieved by the order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals), which is pending adjudication. Management believes that the appeal has been filed on valid legal and factual grounds and expecting favorable outcome.

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			2026	2025
			----- (Rupees in '000) -----	
27.1.5	Claim of arrears of social security contribution not acknowledged, appeal is pending in High Court of Sindh. The management is hopeful for favourable outcome.		453	453
27.1.6	Guarantees issued by banks in favour of custom authorities on behalf of the Company		-	3,817
27.1.7	Guarantees issued by banks in favour of gas / electric / oil companies		216,655	237,686
27.1.8	Bank guarantees against payment of infrastructure cess		2,210,047	1,905,542
27.2	Commitments			
	Letters of credit for raw material and stores and spares		10,297,508	2,862,523
	Letters of credit for property, plant and equipment		42,843	14,983
	Stand by letter of credit (subsidiary)		647,934	1,082,769
	Gass levies and EFS		6,025,080	-
	Sales contracts to be executed		8,440,011	6,321,023
	Commitment to Pakistan State Oil		-	7,500
27.3	The Company has total unutilized facility limit against letter of credits aggregating to Rs. 18.40 billion (2025: Rs. 4.57 billion) as of reporting date.			
28.	REVENUE FROM CONTRACT WITH CUSTOMERS	Note	2026	2025
			----- (Rupees in '000) -----	
	Export sales		22,428,276	17,374,585
	<u>Less:</u>			
	Commission		(176,981)	(179,923)
	Sales discount		(5,000)	(2,060)
			22,246,295	17,192,602
	Local sales			
	Yarn		45,450,485	50,349,701
	Waste		3,589,467	3,858,714
	Trading		9,731,962	4,015,455
			58,771,915	58,223,870
	<u>Less:</u>			
	Brokerage on local sales		(252,814)	(287,594)
	Sales discount		-	(458)
	Sales tax on local sales:			
	- Yarn		(6,931,169)	(7,680,920)
	- Waste		(546,176)	(588,618)
	- Trading		(1,484,583)	(599,052)
			(8,961,929)	(8,868,590)
			71,803,467	66,259,830
	Other expense	28.1	(28,180)	(23,633)
			71,775,287	66,236,197

28.1 This represents realized exchange loss on export sales.

29. COST OF GOODS SOLD

Raw material consumed	29.1 & 29.2	53,808,334	49,809,585
Manufacturing expenses	29.3	11,095,469	11,954,099
Outside purchases			
yarn for processing excluding conversion cost		453,430	615,275
		65,357,233	62,378,959
Work in process			
- Opening		598,641	648,338
- Closing	10	(451,255)	(598,641)
		147,386	49,697
Finished goods			
- Opening		2,233,539	2,485,483
- Closing	10	(1,660,847)	(2,233,539)
		572,692	251,944
Waste			
- Opening		292,361	237,115
- Closing	10	(258,716)	(292,361)
		33,645	(55,246)
		66,110,956	62,625,354

29.1 Raw material consumed

Opening stock		7,051,445	5,650,140
Purchases		51,657,994	51,210,890
		58,709,439	56,861,030
Closing stock	10	(4,901,105)	(7,051,445)
		53,808,334	49,809,585

29.2 This includes cost of raw material sold amounting to Rs. 7,456.04 million (2025: Rs. 3,214.65 million).

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		2026	2025
	Note	----- (Rupees in '000) -----	-----
29.3 Manufacturing expenses			
Salaries, wages and benefits	29.3.1	3,063,222	2,840,907
Utilities		5,223,607	6,181,169
Packing material consumed		684,102	627,587
Stores and spares consumed		820,854	994,846
Repairs and maintenance		69,453	94,043
Insurance		38,092	42,100
Rates and taxes		22,001	7,648
Depreciation on operating fixed assets	5.1.1	1,072,360	1,098,380
Others		101,778	67,419
		11,095,469	11,954,099

29.3.1 It includes staff retirement benefits of Rs. 167.66 million (2025: Rs. 157.69 million).

		2026	2025
	Note	----- (Rupees in '000) -----	-----
30. OTHER INCOME			
Scrap sales		19,029	33,195
Gain on disposal of operating fixed assets	5.2	-	738
Amortization of deferred government grants	22.2	61,628	82,955
Unrealized gain on revaluation of foreign currency debtors		-	11,462
Capital gain on sale of other financial assets	30.1	592,757	-
Unrealized capital gain on other financial assets		176,211	33,428
Unrealized exchange gain on foreign currency - net		43,703	533
Interest on Pakistan Investment Bond		-	71,295
Interest on treasury bills		7,643	3,089
Interest on term deposit receipt		16,458	193
Realized exchange gain on foreign currency - net		72,174	-
Gain on lease modification		-	619
Dividend income		314,866	247,452
Profit on fixed deposits			
- Conventional		1,377	1,731
- Shariah compliant		191	191
		1,306,037	486,881

30.1 It represents capital gain from the trading of shares. The shares were acquired from the borrowed funds from banking company. The corresponding finance cost is disclosed in note 34.1.

31. DISTRIBUTION COST
Export

Ocean freight		197,034	191,843
Export development surcharge		17,097	41,449
Export charges		187,737	118,478

Local

Salaries and benefits	31.1	58,618	46,316
Freight		255,886	195,793
Insurance		8,500	8,017
Marketing expense		4,667	13,578
		729,539	615,474

31.1 It includes staff retirement benefits of Rs. 3.99 million (2025: Rs. 3.41 million).

32. ADMINISTRATIVE EXPENSES	Note	2026	2025
		----- (Rupees in '000) -----	
Salaries and benefits	32.1	299,436	268,743
Directors' remuneration other than meeting fees		124,489	87,460
Meeting fees		450	525
Repairs and maintenance		4,980	5,705
Postage and telephone		8,357	9,804
Traveling and conveyance		1,918	3,689
Vehicles running		41,278	40,235
Printing and stationery		5,771	4,853
Rent, rates and taxes		30,628	5,395
Utilities		7,666	10,826
Entertainment		5,040	4,747
Fees and subscription		29,703	19,038
Insurance		8,133	8,269
Legal and professional		27,365	2,062
Auditor's remuneration	32.2	3,569	3,245
Depreciation on operating fixed assets	5.1.1	38,904	43,281
Depreciation on right of use assets		-	14,807
Amortization on intangible assets	6	513	732
Provision against doubtful recovery	14	99,768	439,000
Others		20,581	6,919
		758,549	979,335

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32.1 It includes staff retirement benefits of Rs. 12.01 million (2025: Rs. 10.27 million)

		2026	2025
	Note	----- (Rupees in '000) -----	
32.2 Auditors' remuneration			
Audit fee		2,310	2,100
Half year review fee		605	550
Fee for certifications		110	100
Others		220	200
Out of pocket expenses		324	295
		<u>3,569</u>	<u>3,245</u>

33. OTHER OPERATING EXPENSES

Workers' Profit Participation Fund	23.3	165,286	35,080
Realized exchange loss on foreign currency - net		-	38,492
Unrealized exchange loss on foreign currency loans - net			
- Conventional		-	31,028
- Shariah compliant		-	7,971
Realized capital loss on other financial assets		-	689
Loss on disposal of operating fixed assets		3,700	-
Unrealized loss on revaluation of foreign currency debtors		23,812	-
Workers' Welfare Fund	23.4	47,270	1,116
		<u>240,068</u>	<u>114,376</u>

34. FINANCE COST

Mark-up on:			
- long-term finance			
conventional		367,981	408,502
shariah compliant		32,292	134,783
		<u>400,273</u>	<u>543,285</u>
- short-term borrowings			
conventional			
- For short term investments	34.1	350,000	-
- Others		645,978	691,202
shariah compliant		481,516	278,413
		<u>1,477,494</u>	<u>969,615</u>
Bank charges and commission		34,356	38,026
Discounting charges on letters of credit		141,020	129,278
Unwinding of Government Infrastructure Development Cess		-	18,963
		<u>2,053,143</u>	<u>1,699,167</u>

34.1 It represents finance cost on borrowed funds specifically for investment in listed shares, and related capital gain has been disclosed in the note 30.

		2026	2025
	Note	----- (Rupees in '000) -----	
35. LEVIES			
Final taxes on dividend and capital gain	35.1	139,406	3,213
Minimum taxes	35.2	230,923	772,017
		<u>370,329</u>	<u>775,230</u>

35.1 These represent final taxes paid on export sales, dividend income and capital gain account and are recognised as levies in line with the requirements of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and guide on IAS 12 'Income Taxes' issued by Institute of Chartered Accountants of Pakistan.

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

		2026	2025
	Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Current			
- For the year		903,325	15,854
- Prior year	36.1	382,346	(95,264)
Deferred		12,276	(505,740)
		<u>1,297,947</u>	<u>(585,150)</u>

36.1 This includes a prior-year adjustment relating to super tax. On January 28, 2026, a decision was rendered by the Federal Constitutional Court (FCC), whereby the levy of super tax under Section 4C, including its applicability as enacted, was upheld. The tax department had issued demand notices in respect of super tax for the tax years 2023, 2024 and 2025. In light of this development, management reassessed the Company's tax position and recognized a cumulative provision for super tax amounting to Rs. 337.99 million during the year ended June 30, 2026. The said amount was paid during the year.

	Note	2026	2025
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
36.2 Relationship between tax expense and accounting profit			
Profit / (loss) before taxation		2,722,840	(109,820)
Tax rate		29%	29%
		2026	2025
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
Tax on accounting profit		789,624	(31,848)
Effect of:			
Levies		(54,315)	153,056
Inadmissible expenses		(63,605)	(105,354)
Prior year		382,346	(95,264)
Deferred tax		12,276	(505,740)
Super tax		231,622	-
Tax charge as per accounts		<u>1,297,947</u>	<u>(585,150)</u>

37. EARNINGS PER SHARE - BASIC AND DILUTED

37.1 Basic earnings per share	2026	2025
Profit for the year (rupees in 000)	<u>1,424,893</u>	<u>475,330</u>
Weighted average number of ordinary shares outstanding during the year (number)	<u>54,221,196</u>	<u>54,221,196</u>
Earnings per share - Basic and diluted (rupees)	<u>26.28</u>	<u>8.77</u>
37.2 No diluted earnings per share have been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.		

2026 2025
Note----- (Rupees in '000) -----

38. CASH GENERATED FROM OPERATIONS

Profit / (loss) before taxation		2,722,840	(109,820)
Adjustments for non - cash and other items			
Depreciation on operating fixed assets	5.1.1	1,111,264	1,141,661
Depreciation on right of use assets		-	14,807
Amortization on intangibles	6	513	732
Provision for slow moving and obsolete stores	9.2	6,152	-
Provision for gratuity	22.1.5	183,654	171,361
Interest on treasury bills	30	(7,643)	(3,089)
Interest on term deposit receipt	30	(16,458)	(193)
Unrealized capital gain on other financial assets	30	(176,211)	(33,428)
Capital (gain) / loss on sale of other financial assets	33 & 30	(592,757)	689
Unrealized exchange gain on foreign currency - net	30	(43,703)	(533)
Gain on lease modification	30	-	(619)
Loss / (gain) on disposal of operating fixed assets	33 & 30	3,700	(738)
Dividend income	30	(314,866)	(247,452)
Amortization of deferred government grant	30	(61,628)	(82,955)
Provision against expected credit loss	11.3	95,900	23,962
Provision against doubtful recovery	32	99,768	439,000
Unrealized loss / (gain) on revaluation of foreign currency debtors	30	23,812	(11,462)
Unrealized exchange loss on foreign currency loans - net	33 & 30	-	38,999
Finance cost	34	1,877,767	1,512,900
Provision against Sindh Infrastructure Development Cess	23	613,602	573,265
Unwinding of Gas Infrastructure Development Cess	34	-	18,963
Levies	35	370,329	775,230
Cash generated before working capital changes		<u>5,896,035</u>	<u>4,221,280</u>

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		2026	2025
Working capital changes	Note	----- (Rupees in '000) -----	
Decrease in current assets			
Stores, spares and loose tools		52,151	(75,354)
Stock-in-trade		(1,047,206)	(1,876,670)
Trade debts		(3,935,027)	(2,581,740)
Loans and advances		(16,640)	(14,815)
Trade deposits and short term prepayments		10,332	(112,358)
Other receivables		(33,049)	(1,075,628)
Sales tax refundable		(2,163,990)	802,397
		(7,133,429)	(4,934,168)
Increase / (decrease) in current liabilities			
Trade and other payables		507,079	(24,983)
Contract liabilities		40,869	(9,259)
		547,948	(34,242)
Cash used in operations		(689,446)	(747,130)

39. CASH AND CASH EQUIVALENTS

Term deposit receipts	15	14,725	40,135
Cash and bank balances	18	381,031	87,183
Short-term borrowings - running finance	26	(4,878,301)	(5,951,349)
		(4,482,545)	(5,824,031)

40. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these unconsolidated financial statements for remuneration, including all benefits to chief executive officer, executives and directors of the Company are given below:

Particulars	2026			
	Chief Executive Officer	Directors		Total
		Executive	Non-Executive	
				----- (Rupees in '000) -----
Remuneration	-	64,764	96,978	124,389
Medical	-	949	1,561	3,429
Utilities	-	5,260	8,478	-
Meeting fees	-	-	450	-
Retirement benefits	-	-	-	15,210
Total	-	70,973	107,467	143,028
Number of persons	1	2	6	83

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Particulars	2025				
	Chief Executive Officer	Directors		Executives	Total
		Executive	Non- Executive		
Remuneration	-	67,915	-	187,569	255,484
Medical	-	863	-	3,408	4,271
Utilities	-	5,460	7,796	3,658	16,914
Meeting fees	-	-	525	-	525
Retirement benefits	-	-	-	8,709	8,709
Total	-	74,238	8,321	203,344	285,903
Number of persons	1	2	7	42	52

40.1 Company maintained cars are provided to chief executive officer, directors and executives.

41. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries: Indus Lyallpur Limited, Indus Home Limited, Indus Wind Energy Limited, the associate (Sunrays Textile Mills Limited) and key management personnel. The Company carries out transactions with related parties as per agreed terms. The receivables and payables are mainly unsecured in nature. Remuneration of key management personnel is disclosed in note 40 to the unconsolidated financial statements. Other related party transactions have been reported in relevant notes. Related party transactions not reported else where are as follows:

Name of related party	Basis of relationship	% of shareholding	Nature of transactions	2026 ----- (Rupees in '000) -----	2025
Indus Lyallpur Limited	Subsidiary	100%	Conversion cost paid	30,602	21,639
			Conversion cost received	282,850	294,740
			Yarn, waste and cotton sale	232,439	392
			Fiber sale	-	49,918
Name of related party	Basis of relationship	% of shareholding	Nature of transactions	2026 ----- (Rupees in '000) -----	2025
Indus Home Limited	Subsidiary	100%	Yarn, waste and cotton sale	1,295,487	416,563
			Conversion cost received	1,396,577	317,824
Sunrays Textile Mills Limited	Associate due to common directorship	0.99%	Waste and conversion sale	1,050,346	867,739
			Waste purchase	-	5,252
Indus Wind Energy Limited	Subsidiary	100%	Payment made on their behalf	1,084	1,369
			Payment received against reimbursement of	1,369	-
			Advance tax adjustment under group taxation	7,961	-
			Dividend received	-	226,031
Directors	Spouse and sons of the Directors		Rentals paid	25,210	22,867

42. FINANCIAL INSTRUMENTS BY CATEGORY	2026 ----- (Rupees in '000) -----	2025 -----
Financial assets		
At amortised cost		
Long-term investments	6,399,992	6,399,992
Long-term deposits	6,890	6,890
Trade debts	16,913,270	13,097,955
Loans and advances to staff	16,130	19,946
Other financial assets	97,618	101,220
Other receivables	849,142	915,861
Trade deposits	56,529	88,453
Cash and bank balances	381,031	87,183
	18,320,610	14,317,508
At fair value through profit or loss		
Other financial assets	4,090,593	519,156
	22,411,203	14,836,664
Financial liabilities		
At amortised cost		
Long-term financing	4,718,111	5,602,240
Trade and other payables	2,336,144	2,084,484
Unclaimed dividend	2,011	2,370
Interest / mark-up payable	410,544	396,099
Short-term borrowings	21,712,415	13,240,694
	29,179,225	21,325,887

43. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures.

The Company's principal financial liabilities comprise long-term financing, short-term borrowings, trade and other payables, interest / dividend payable and financial guarantee contracts. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans, investments, trade and other receivables, cash and bank balances and deposits that arise directly from its operations. The Company also holds long-term and short term investments.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk).

The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

43.1 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Company arises principally from trade debts, loans and advances, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2026	2025
	----- (Rupees in '000) -----	
Long-term deposits	6,890	6,890
Trade debts	16,913,270	13,097,955
Loans and advances to staff	16,130	19,946
Other financial assets	97,618	101,220
Other receivables	849,142	915,861
Trade deposits	56,529	88,453
Bank balances	374,260	86,611
	18,313,839	14,316,936

The credit quality of receivable can be assessed with reference to their historical performance with negligible defaults in recent history.

The trade debts are due from foreign and local customers for export and local sales. Trade debts from foreign customers are secured against letters of credit. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors.

Credit risk related to cash deposits

The credit risk on liquid funds (bank balances) is limited because the counter parties are banks with a reasonably high credit rating. The names and credit rating of major banks where the Company maintains its bank balances and term deposit receipt are as follows:

Name of bank	Rating agency	Credit rating	
		Long-term	Short-term
JS Bank Limited	PACRA	AA	A1+
Soneri Bank Limited	PACRA	AA	A1+
MCB Bank Limited	PACRA	AAA	A1+
Allied Bank Limited	PACRA	AAA	A1+
Habib Metropolitan Bank Limited	PACRA	AAA	A1+
Bank Alfalah Limited	PACRA	AAA	A1+
BankIslami Pakistan Limited	PACRA	AA-	A1
Askari Bank Limited	PACRA	AAA	A1+
Bank AL Habib Limited	PACRA	AAA	A1+
National Bank of Pakistan	PACRA	AAA	A1+
Standard Chartered Bank (Pakistan) Limited	VIS	AAA	A1+
The Bank of Punjab	PACRA	AAA	A1+
Dubai Islamic Bank Pakistan Limited	VIS	AA	A1+
Habib Bank Limited	VIS	AAA	A1+
United Bank Limited	VIS	AAA	A1+
Meezan Bank Limited	VIS	AAA	A1+
Faysal Bank Limited	VIS	AA+	A1+

43.2 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected working capital requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

43.2.1 Liquidity and interest risk table

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

INDUS DYEING & MANUFACTURING COMPANY LIMITED

	Interest rate (Range)	Carrying Values	Contractual Cash Flows	Upto 1 years	2 to 5 years	More than 5 years
(Rupees in '000)						
Long-term financing	1.75% to 13.67%	4,718,111	5,510,363	1,243,235	3,559,605	707,523
Trade and other payables		2,336,144	2,336,144	2,336,144	-	-
Unclaimed dividend		2,011	2,011	2,011	-	-
Interest / mark-up payable		410,544	410,544	410,544	-	-
Short-term borrowings	3.75% to 13.42%	21,712,415	21,712,415	21,712,415	-	-
2026		29,179,225	29,971,477	25,704,349	3,559,605	707,523
(Rupees in '000)						
Long-term financing	1.75% to 24%	5,602,240	6,865,916	957,131	5,062,468	846,317
Trade and other payables		2,084,484	2,084,484	2,084,484	-	-
Unclaimed dividend		2,370	2,370	2,370	-	-
Interest / mark-up payable		396,099	396,099	396,099	-	-
Short-term borrowings	3% to 22.84%	13,240,694	13,240,694	13,240,694	-	-
2025		21,325,887	22,589,563	16,680,778	5,062,468	846,317

The effective rate of interests on non-derivative financial liabilities are disclosed in respective notes.

43.3 Market risk management

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

43.3.1 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate risk arises from long and short-term borrowings from financial institutions. At the reporting date the interest rate risk profile of the Company's interest-bearing financial instruments is:

	Carrying amount	
	2026	2025
(Rupees in '000)		
Fixed rate instruments		
Financial liabilities		
Long-term financing	2,978,404	3,538,534
Financial assets		
Other financial assets	81,893	60,085
Term deposit receipts	15,725	41,135
Variable rate instruments		
Financial liabilities		
Long-term financing	1,739,707	2,063,706
Short-term borrowings	21,712,415	13,240,694
Financial assets		
Cash with banks - In deposit accounts	7,576	3,275

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates had been 50 basis points higher / lower and all other variables were held constant, profit before tax would decrease / increase by Rs. 117.22 million (2025: Rs. 76.51 million) determined on the outstanding balance at year end. This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

43.3.2 Foreign exchange risk management

Exposure to currency risk	2026		2025	
	Rupees	US Dollar	Rupees	US Dollar
	----- ('000) -----		----- ('000) -----	
Trade debts	6,073,626	21,844	2,033,212	7,171
Bank balances	35,547	128	40,587	143
Foreign currency financing against export / import	(13,689,114)	(49,233)	(4,494,345)	(15,851)
	(7,579,941)	(27,261)	(2,420,546)	(8,537)
			2026	2025
Reporting date rate			278.05	283.53
Average rate			280.79	280.94

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. Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company is exposed to foreign currency risk on sales, purchases and borrowings, which are entered in a currency other than Pak Rupees.

At June 30, 2026, if the Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 378.99 million (2025: higher / lower by Rs. 121.03 million) determined on the outstanding balance at year end.

43.3.3 Equity price risk management

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 4,090.59 million (2025: Rs. 519.16 million). A decrease / increase of 5% in market prices would have an impact of approximately Rs.204.53 million (2025: Rs. 25.96 million) on profit for the year determined based on market value of investments at year end.

43.4 Fair value estimation

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Company is current bid price.

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 Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Details of fair value hierarchy and information relating to fair value of Company's investment categorised as fair value through profit or loss is as follows:

		June 30, 2026			
	Note	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
Financial assets measured at fair value					
Other financial assets	15	<u>4,090,593</u>	<u>-</u>	<u>-</u>	<u>4,090,593</u>
		June 30, 2025			
	Note	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
Financial assets measured at fair value					
Other financial assets	15	<u>519,156</u>	<u>-</u>	<u>-</u>	<u>519,156</u>

There were no transfers amongst the levels during the current and preceding year. The Company's policy is to recognize transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

44. CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital, i.e., its shareholders' equity, is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

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

The gearing ratios at June 30, 2026 and 2025 were as follows:

	Note	2026 ----- (Rupees in '000) -----	2025 -----
Total borrowings	21 & 26	26,430,526	18,842,934
Less: cash and bank balances		(395,756)	(127,318)
Net debt		26,034,770	18,715,616
Total equity		25,732,857	24,314,535
		51,767,627	43,030,151
Gearing ratio		50%	43%

The gearing ratio of the Company is increased by 5% as the expansion in Karachi unit is completed.

45. CAPACITY AND PRODUCTION

Spinning units	2026	2025
Total number of spindles installed	207,861	216,225
Total number of spindles worked per annum (average)	183,435	204,516
Number of shifts worked per day	3	3
Installed capacity of yarn converted into 20 counts based on 365 days (lbs.)	142,254,872	146,236,350
Actual production for the year after conversion into 20 counts (lbs.)	128,478,578	138,317,370

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

46. SEGMENT REPORTING

The Company's core business is manufacturing and sale of yarn and it generates more than 80% of its revenue and profit from the production and sale of yarn. Decision making process is centralized at head office led by Chief Executive Officer who continuously is involved in day to day operations and regularly reviews operating results and assesses its performance and makes necessary decisions about resources to be allocated to the segments. Currently the Company has three yarn manufacturing units at Hyderabad, Karachi and Muzaffargarh. Owing to the similarity in nature of the products and services, nature of the production processes, type or class of customers for the products and services, the methods used to distribute the products and the nature of the regulatory environment, all the yarn producing units are aggregated into a single operating segment and the Company's performance is evaluated by the management on an overall basis, therefore these operational segments by location are not separately reportable segments.

47. NUMBER OF EMPLOYEES

	Number of employees	
	2026	2025
Average number of employees during the year	2,661	2,761
Number of employees as at June 30	2,659	2,663

47 Daily wage employees are not included in the above number of employees.

48. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Long term financing	Short term borrowings	Dividend
	----- (Rupees '000) -----		
Balance as at July 1, 2025	5,602,240	7,289,345	2,370
Non cash item	61,628	-	-
Financing cash inflows	257,364	-	-
Financing cash outflows	(1,203,121)	9,544,769	(359)
Balance as at June 30, 2026	4,718,111	16,834,114	2,011

49. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

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

INDUS DYEING & MANUFACTURING COMPANY LIMITED

		2026	2025
	Note	----- (Rupees in '000) -----	-----
Financing as per Islamic Mode			
- Long-term finances (including current portion)	21	314,965	377,896
- Short-term borrowings	26	5,859,131	4,160,560
Non - shariah compliant investment in other financial assets			
- Investment in ordinary shares of listed companies		3,314,854	390,031
- Term deposit receipts		-	-
- Treasury bills		81,893	60,085
Shariah compliant investment			
- Short term investment in ordinary shares of listed companies		775,739	129,125
- Long term investment in associate and subsidiaries		6,399,992	6,399,992
Interest accrued on conventional loans			
- Long-term finances	25	48,720	40,056
- Short-term borrowings	25	193,118	196,729
Profit paid on Islamic mode of financing			
- Long-term finances	34	53,278	134,783
- Short-term borrowings	34	451,138	278,413
Shariah Compliant bank balances			
- Bank balances	18	113,048	3,890
Shariah compliant revenue			
- Revenue from contracts with customers	28	71,775,287	66,236,197
Exchange gain / (loss) earned from actual currency			
- Realized exchange gain on foreign currency - net	33	72,174	(38,999)
- Unrealized gain / (loss) on foreign currency account	30	43,703	533
Source and detailed breakup of other income			
Non-Shariah Compliant			
- Interest on Pakistan Investment Bond	30	-	71,295
- Interest on Market Treasury Bills	30	7,643	3,089
- Interest income on term deposit receipt	30	16,458	193
- Dividend income	30	295,794	247,452
- Capital gain on sale of other financial assets	30	480,235	-
- Unrealized capital gain on sale of other financial assets	30	234,369	-
- Amortization of deferred government grants	30	61,628	82,955
- Profit on fixed deposits	30	1,377	1,731
	Note	2026	2025
		----- (Rupees in '000) -----	-----
Shariah Compliant			
- Scrap sales	30	19,029	33,195
- Capital gain on sale of other financial assets	30	112,522	-
- Unrealized capital loss on sale of other financial assets	30	(58,158)	33,428
- Dividend income	30	19,072	-
- (Loss) / gain on disposal of property, plant and equipment - net	30	(3,700)	738
- Profit on fixed deposits	30	191	191
Others not applicable disclosures			
- Break-up of late payments or liquidated damages			
- Exchange gains earned using conventional derivative financial instruments			

Relationship with Shariah-compliant financial institutions

Name	Relationship
Meezan Bank Limited	Funded and unfunded facility & bank balance
Dubai Islamic Bank Pakistan Limited	Funded and unfunded facility & bank balance
Bank of Khyber	Funded and unfunded facility & bank balance
Faysal Bank Limited	Funded and unfunded facility & bank balance
Bank Islami Pakistan Limited	Funded and unfunded facility & bank balance

50. EVENTS AFTER REPORTING PERIOD

The Board of Directors in its meeting proposed a final cash dividend of Rs. _____ per share amounting to Rs. _____ million subject to the approval of the members in the forthcoming annual general meeting of the Company.

51. GENERAL

51.1 Figures have been rounded off to the nearest rupees in thousand.

51.2 Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation.

52. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements have been authorized for issue on _____ by the Board of Directors of the Company.



Chief Financial Officer



Chief Executive Officer



Director

Consolidated Financial Results 2026

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Consolidated key operating and financial results

	2021	2022	2023	2024	2025	2026
	Rupees in "000"					
Operating data		Restated	Restated			
Turn over	49,447,226	75,925,194	82,286,210	106,428,831	107,457,277	113,714,953
Less : commission	(404,755)	(657,236)	(720,728)	(793,277)	(834,119)	(819,182)
Sales (net)	49,042,471	75,267,958	81,565,482	105,635,554	106,623,158	112,895,771
Gross profit	6,527,319	14,537,203	8,924,777	8,069,710	7,651,217	10,858,366
Profit before tax	4,727,475	10,829,919	3,014,644	1,058,421	1,118,800	5,032,268
Profit after tax	3,848,653	9,982,593	1,992,117	532,647	575,347	2,757,379
Financial data						
Gross assets	49,795,285	71,421,151	83,986,945	81,978,811	92,540,243	107,648,007
Return on equity	19.31%	33.69%	6.33%	1.67%	1.77%	7.82%
Current assets	24,340,750	38,080,529	46,310,699	42,531,616	50,615,129	68,005,518
Shareholders equity	19,931,962	29,635,026	31,481,480	31,947,595	32,509,722	35,257,397
Long term debts and deferred liabilities	15,264,269	20,452,214	22,900,141	21,093,190	21,542,648	17,917,197
Current liabilities	14,599,054	21,333,911	29,605,324	28,938,026	38,487,873	54,473,413
Key ratios						
Gross profit ratio	13.31%	19.31%	10.94%	7.64%	7.18%	9.62%
Net profit	7.85%	13.26%	2.44%	0.50%	0.54%	2.44%
Debt / equity ratio	53:47	53:47	58:42	55:45	61:39	62:38
Current ratio	1.66	1.78	1.56	1.46	1.32	1.25
Earning per share (basic and diluted)	70.98	184.11	36.74	9.82	10.61	50.85
Dividend (percentage)						
- Cash	100%	50%	20%	-	-	-
	Interim	Interim	Interim	-	-	-
- Bonus	200%	-	-	-	-	-
Statistics						
Spinning Production (tons)	60,955	63,769	70,329	75,336	74,805	70,696
Weaving Production (tons)	11,315	11,114	9,323	9,742	9,380	9,010
Power Generation Production (MWh)	-	76,600	151,860	173,135	149,475	164,105

INDEPENDENT AUDITOR'S REPORT

To the Members of Indus Dyeing & Manufacturing Company Limited

Opinion

We have audited the annexed consolidated financial statements of Indus Dyeing & Manufacturing Company Limited (the holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2026, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information (collectively referred as "consolidated financial statements").

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

Basis for opinion

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

Key audit matters

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

Following are the key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	Revenue from sale of goods	
	The Group is engaged in manufacturing and sale of yarn. Revenue recognition policy has been explained in note 4.14.2 to the consolidated financial statements, and the related amounts of revenue recognized during the year are disclosed in note 29 to the consolidated financial statements. Revenue from local sales is recognised when	Our audit procedures to address this Key audit matter included the following: Obtained the entity's revenue recognition policy for sales of goods and evaluated it against IFRS 15, including identification of performance obligations, pricing terms and the timing of revenue recognition upon transfer of control of goods to customers under the agreed delivery terms;

	the goods are delivered to the customer's premises and the customer acknowledges receipt of the goods. Revenue from export sales is recognised when the goods are loaded on board the vessel and the Bill of Lading is issued. We considered revenue recognition as a key audit matter as it is one of the key performance indicators of the Group. In addition, there is a risk that sales transactions may not have occurred or revenue may have been recognised in an inappropriate period, particularly in relation to the transfer of control of goods to customers.	Local Sales: - On a sample basis, verified local sales by examining Sales Contract, delivery orders, Outward Gate Pass (OGP), Sales Tax Invoices and customer acknowledgements to confirm that goods were delivered to the customer's premises and that control was transferred at that point in time; - On a sample basis, Checked the date of delivery mentioned in the transportation note attached with copy of outward gate pass (OGP) and customer acknowledgement to confirm that revenue was recognized in the correct accounting period; - On a sample basis, for selected revenue transactions we compared related sale invoice with customer contracts, and delivery orders/ gate pass to ensure the occurrence of the transactions; Export Sales: - On a sample basis, verified export sales by examining the related Sales Contracts, delivery orders, Outward Gate Pass (OGP), Sales Tax Invoices and Bill of Lading which confirmed that goods were loaded on board the vessel and that control was transferred; - On a sample basis, inspected the date of the Bill of Lading to confirm that revenue was recognised in the correct accounting period; and - On a sample basis, for selected revenue transactions we compared related sale invoice with customer contracts and bill of lading to ensure occurrence of the transactions.
2.	Valuation of stock in trade	
	Stock-in-trade has been valued following an accounting policy as stated in note 4.5 and the related value of stock-in-trade is disclosed in note 11 to the consolidated financial statements. Stock-in-trade forms material part of the Group's assets comprising of around 23.44% of total assets. The stock in trade is carried at lower of cost or net realizable value. The cost of finished goods and work in progress is determined using the average manufacturing costs including	Our audit procedures to address the valuation of stock-in-trade, included the following: Tested, on a sample basis, purchases and other costs included in the cost of stock-in-trade by inspecting supporting documents, such as inward gate passes, supplier invoices, landing costs and payment records, to assess whether the costs recognised in inventory were appropriately attributable to bringing the inventories to their present location and condition and related to the current period;

production overheads, which includes judgment in relation to the allocation of overheads, which are incurred in bringing the finished goods to its present location and condition. Judgments are also involved in determining the net realizable value (NRV) (estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale) of stock-in-trade items in line with accounting policy. Due to the above factors, we have considered the valuation of stock in trade as key audit matter.	- Recalculated, on a sample basis, the moving weighted-average cost per unit of raw materials to assess the mathematical accuracy and consistent application of the inventory costing methodology; - Verified the allocation of actual overhead costs and assessed the basis and method used to allocate labour and overhead costs to finished goods and work in progress based on the stage of completion, including the consistency of the allocation method; - Recalculated the NRV for itemised list of stock-in-trade and compared it with the corresponding cost per unit of finished goods to ensure that inventory was valued at the lower of cost and NRV in accordance with IAS 2; and - Verified selling prices used in the NRV calculation by inspecting subsequent sales invoices on a sample basis. - Verified selling prices used in the NRV calculation by inspecting subsequent sales invoices on a sample basis.
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Emphasis of Matter

We draw attention to note 2.1.1 to the accompanying consolidated financial statements which states about the order of Lahore High Court dated November 21, 2022. Our opinion is not modified in respect of this matter.

Information other than the consolidated financial statements and auditors' report thereon

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

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

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

Responsibilities of management and board of directors for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Shafqat Ali.



Chartered Accountants

Place: Karachi

Date: October 06, 2026

UDIN: AR2026101861ZXvhR6BO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

	Note	2026 ----- (Rupees in '000) -----	2025
ASSETS			
Non-current assets			
Property, plant and equipment	5	38,503,659	40,593,165
Intangibles	6	5,816	8,308
Long-term investments	7	95,036	90,646
Long-term deposits	8	19,359	19,359
Long-term advances		-	75,555
Deferred taxation	9	1,018,621	1,138,081
		39,642,491	41,925,114
Current assets			
Stores, spares and loose tools	10	1,673,205	1,729,338
Stock-in-trade	11	25,234,922	22,554,326
Trade debts	12	27,491,961	21,328,610
Loans and advances	13	541,350	368,758
Trade deposits and short-term prepayments	14	245,505	260,743
Other receivables	15	1,309,742	1,325,335
Other financial assets	16	4,973,306	738,218
Advance income tax and levies - net		536,253	657,919
Tax refundable	17	4,686,364	1,139,364
Cash and bank balances	18	1,312,910	512,518
		68,005,518	50,615,129
TOTAL ASSETS		107,648,009	92,540,243
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	19	542,211	542,211
Reserves	20	34,715,186	31,967,511
		35,257,397	32,509,722
Non-current liabilities			
Long-term financing	21	17,041,829	20,645,110
Deferred liabilities	22	863,309	870,381
Lease liabilities	23	12,060	27,157
		17,917,198	21,542,648
Current liabilities			
Current portion of long-term financing	21	3,616,165	3,104,182
Current portion of deferred liabilities	22	1,075,725	1,093,090
Current portion of lease liabilities	23	18,084	-
Trade and other payables	24	9,031,992	6,505,714
Unclaimed dividends		2,011	2,370
Contract liabilities	25	254,850	262,408
Interest / mark-up payable	26	702,112	825,857
Short-term borrowings	27	39,772,474	26,694,252
		54,473,413	38,487,873
TOTAL EQUITY AND LIABILITIES		107,648,007	92,540,243

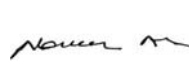
CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.


Chief Financial Officer


Chief Executive Officer


Director

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

		2026	2025
	Note	----- (Rupees in '000) -----	
Revenue	29	112,895,771	106,623,158
Directly attributable cost for generating revenue	30	(102,037,405)	(98,971,941)
Gross profit		10,858,366	7,651,217
Other income	31	2,102,602	896,096
Distribution cost	32	(1,662,359)	(1,711,856)
Administrative expenses	33	(1,387,551)	(1,553,467)
Provision against expected credit loss	12.3	(109,763)	(24,976)
Other operating expenses	34	(314,838)	(177,548)
Finance cost	35	(4,458,579)	(3,970,100)
		(7,933,090)	(7,437,947)
Share of profit from associate - net of tax	7.1	4,390	9,434
Profit before levies and taxation		5,032,268	1,118,800
Levies	36	(799,396)	(1,175,194)
Profit / (loss) before taxation		4,232,872	(56,394)
Taxation	37	(1,475,493)	631,741
Profit for the year		2,757,379	575,347
----- (Rupees) -----			
Earnings per share - basic and diluted	38	50.85	10.61

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.


Chief Financial Officer


Chief Executive Officer


Director

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

	Note	2026 ----- (Rupees in '000) -----	2025 -----
Profit for the year		2,757,379	575,347
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	22.1.6	(13,667)	(18,619)
Less: tax thereon		3,963	5,399
		(9,704)	(13,220)
		-	-
Total comprehensive income for the year		2,747,675	562,127

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Director

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

	Reserves								Total
	Issued, subscribed and paid up capital	Capital (Note 20)				Revenue		Total reserves	
		Share premium	Merger reserve	Investment and bonus shares	Exchange translation reserve	General reserve	Unappropri- d profits		
	(Rupees in '000)								
Balance at June 30, 2024	542,211	10,920	11,512	6,000,000	677	16,977,568	8,404,707	31,405,384	31,947,595
Comprehensive income for the year ended June 30, 2025									
Profit for the year	-	-	-	-	-	-	575,347	575,347	575,347
Other comprehensive income for the year	-	-	-	-	-	-	(13,220)	(13,220)	(13,220)
Total comprehensive income for the year	-	-	-	-	-	-	562,127	562,127	562,127
Balance at June 30, 2025	542,211	10,920	11,512	6,000,000	677	16,977,568	8,966,834	31,967,511	32,509,722
Comprehensive income for the year ended June 30, 2026									
Profit for the year	-	-	-	-	-	-	2,757,379	2,757,379	2,757,379
Remeasurement loss on net defined benefit liability	-	-	-	-	-	-	(9,704)	(9,704)	(9,704)
Total comprehensive income for the year	-	-	-	-	-	-	2,747,675	2,747,675	2,747,675
Balance at June 30, 2026	542,211	10,920	11,512	6,000,000	677	16,977,568	11,714,509	34,715,186	35,257,397

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.


Chief Financial Officer


Chief Executive Officer


Director

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

		2026	2025
	Note	----- (Rupees in '000) -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	39	1,587,438	352,161
Levies and taxes paid		(2,147,959)	(1,724,031)
Finance cost paid		(4,458,992)	(3,439,540)
Gratuity paid		(141,079)	(122,760)
Net cash used in operating activities		(5,160,590)	(4,934,170)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment - net of transfer of CWIP		(1,062,544)	(4,549,851)
Proceeds from disposal of property, plant and equipment		81,501	49,208
Long-term deposits paid		-	1,092
Purchase of other financial assets		(8,823,057)	(5,255,576)
Proceeds from redemption of investments in other financial assets		5,689,008	4,702,948
Dividends received		343,062	22,083
Net cash used in investing activities		(3,772,030)	(5,030,096)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance obtained	21.1	429,553	3,488,092
Short term borrowings (excluding running finance)		12,912,525	128,148
Repayments of long-term finance		(3,657,032)	(2,650,974)
Long term advances		75,555	(73,961)
Payments of lease liabilities		-	(27,913)
Dividends paid		(359)	(14)
Net cash generated from financing activities		9,760,242	863,378
Net increase / (decrease) in cash and cash equivalents (A+B+C)		827,623	(9,100,888)
Cash and cash equivalents at beginning of the year		(8,125,184)	976,237
Effect of exchange rate changes on cash and cash equivalents		43,704	(533)
Cash and cash equivalents at end of the year	40	(7,253,857)	(8,125,184)

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.


Chief Financial Officer


Chief Executive Officer


Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED June 30, 2026

1 THE GROUP AND ITS OPERATIONS

1.1 The "Group" consists of Indus Dyeing & Manufacturing Company Limited (the Holding Company), its subsidiaries and an associate.

1.1.1 Holding Company

Indus Dyeing & Manufacturing Company Limited (the Holding Company) was incorporated in Pakistan on July 23, 1957 as a public limited Company under the repealed Companies Act 1913 (subsequently replaced by repealed Companies Ordinance, 1984 and now Companies Act, 2017). Registered office of the Holding Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Holding Company is listed on Pakistan Stock Exchange Limited. The principal activity of the Holding Company is manufacturing and sale of yarn. The manufacturing facilities of the Holding Company are located in Karachi, Hyderabad and Muzaffargarh. The addresses of these facilities are as follows:

Manufacturing Unit	Address
Hyderabad	P-1 and P-5 , S.I.T.E, Hyderabad, Sindh.
Karachi	Plot Number 03 & 07, Sector 25, Korangi Industrial Area, Karachi.
Muzaffargarh	Muzaffargarh, Bagga Sher, District Multan.

1.1.2 Subsidiary companies

Indus Lyallpur Limited - 100% owned

Indus Lyallpur Limited (ILL) is an unlisted public Company limited by shares, incorporated in Pakistan on April 25, 1992 under the Companies Ordinance, 1984 (now Companies Act 2017). Principal business of the ILL is manufacturing and sale of yarn. Its manufacturing facility is located at 38th Kilometre, Shaikhupura road, District Faisalabad in the province of Punjab. Registered office of the ILL is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi.

Indus Home Limited - 100% owned

Indus Home Limited (IHL) was incorporated in Pakistan as a public limited Company on May 18, 2006 under the Companies Ordinance 1984 (now Companies Act, 2017). The registered office of the Company is located at 174 Abu Bakar Block, New Garden Town, Lahore. The principal activities of the IHL are to manufacture and export the greige and finished terry cloth and other textile products. The manufacturing facility of the Group is located at Manga Mandi, Lahore.

Indus Home USA Inc. (100% owned by Indus Home Limited)

Indus Home USA Inc. was established during the year ended June 30, 2014. Its principal business activity is to act as commission agent to generate sales order in textile sector of USA. The Subsidiary is located at 3500 South Dupont Highway Dover Delaware 19901.

Indus Wind Energy Limited - 100% owned

Indus Wind Energy Limited (IWEL) was established during the year ended June 30, 2015. Its principal business activity is to generate and sale electricity to the national grid. Registered office of the IWEL is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi.

1.1.3 Sunrays Textile Mills Limited - Associate

Sunrays Textile Mills Limited (STML) was incorporated in Pakistan on August 27, 1987 as a public limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange Limited. STML is principally engaged in trade, manufacture and sale of yarn. STML is also operating a ginning unit and an ice factory on leasing arrangements. The registered office of the STML is situated at Karachi. The mill is located at District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab. The Holding Company has 0.99% shareholding and voting rights in the Group and it is regarded as an associate due to common directorship.

1.2 Basis of Consolidation

- The consolidated financial statements include the financial statements of the Holding Company, its subsidiaries and share of profit / loss from an associate collectively referred to as "the Group" in these consolidated financial statements.
- Subsidiary companies are fully consolidated from the date on which more than 50% of voting rights are transferred to the Holding Company or power to control them is established and excluded from consolidation from the date of disposal or when the control is lost.
- The financial statements of the subsidiaries are prepared for the same reporting year as of the Holding Company for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis.
- Material inter-group balances and transactions have been eliminated.
- Non-controlling interest in equity of the subsidiary companies are measured at fair value as of the acquisition date of the subsidiaries.

2 STATEMENT OF COMPLIANCE

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

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

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

2.1.1 Exemption from applicability of IAS 21 'The Effects of Changes in Foreign Exchange Rates' and IFRS 9 'Financial Instruments' in relation to the recognition of embedded derivatives to IWEL

The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 986(I) / 2019 dated September 02, 2019 granted exemption from the application of IFRS 16 "Leases", IFRS 9 "Financial instruments" (in relation to recognition of embedded derivatives) and IAS 21 "The Effects of Changes in Foreign Exchange Rates" to all companies, which have entered into Power Purchase Agreements (PPAs) before January 1, 2019. The Company along with certain Independent Power Producer (IPP) companies having their PPAs dated after January 01, 2019 filed a petition in the Honourable Lahore High Court (LHC) to also allow the companies who entered into PPAs after January 01, 2019 on the basis that they had already achieved certain other significant milestones including determination of tariff by NEPRA, to be treated along with the power companies who entered into PPAs before January 01, 2019. The LHC through its order dated November 21, 2022 has suspended the impugned condition in S.R.O 986(I) / 2019 dated September 02, 2019 till further order. Accordingly, the Company has also availed the exemptions as per the S.R.O 986(I) / 2019 dated September 02, 2019 for the preparation of the financial statements.

2.1.2 Exemption from application of IFRS - 9 'Financial Instruments' in relation to financial assets due from the Government of Pakistan to IWEL

The SECP through S.R.O. 229 (I) / 2019 dated February 14, 2019 notified that IFRS 9, 'Financial Instruments' would be effective for reporting period / year ending on or after June 30, 2019. However, SECP through S.R.O. 985 (I) / 2019 dated September 2, 2019 granted exemption from applying Expected Credit Loss (ECL) based impairment model to financial assets due from the Government till June 30, 2021. This exemption was subsequently extended to June 30, 2022, via S.R.O. 1177(I) / 2021 dated September 13, 2021, to December 31, 2024, via S.R.O. 67(I) / 2023, and further to December 31, 2025, via S.R.O. 1784(I) / 2024 dated November 4, 2024. Consequently, there is no impact of the above mentioned change on these financial statements due to ECL model and the Company has applied the requirements of IAS 39 on financial assets due from the Government of Pakistan (GoP) for the preparation of these financial statements. The Company is in the process of assessing any potential impact when ECL is adopted.

2.2 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pakistan Rupees which is the Group's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest thousand unless otherwise indicated.

2.3 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention as modified by:

- recognition of certain employee retirement benefits at net present value;
- recognition of certain lease liabilities and right of use of assets at present value;
- recognition of certain financial instruments at fair value; and
- investment in associate accounted for under equity method.

2.4 New accounting standards and amendments to published accounting standards

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

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

2.4.2 New accounting standards and amendments to IFRS that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures except those mentioned in note 2.4.3.

	Effective from accounting period beginning on or after:
- IFRS 17 – 'Insurance Contracts' (including the amendments made in June 2020 and December 2021)	January 01, 2027
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments; Disclosures' - Classification and measurement of financial instruments	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments; Disclosures' - Contracts referencing nature-dependent electricity	January 01, 2026

Effective from accounting period beginning on or after:

- IFRS 18 – 'Presentation and Disclosure in Financial Statements' January 01, 2027
- IFRS 19 – 'Subsidiaries without Public Accountability: Disclosures' January 01, 2027

2.4.3 IFRS 18 'Presentation and Disclosure in Financial Statements', issued by the IASB introduces significant changes to the presentation of financial information as follows:

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

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

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires management to make estimates, assumptions and use of judgment that affect the application of policies and the reported amount of assets, liabilities, income and expenses.

Estimates and judgments, if any, are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the consolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- Depreciation rates of property, plant and equipment (note 4.1 & 5.1)
- Incremental borrowing rate used in discounting of future cashflows of right of use asset (note 4.11 and 5.5)
- Useful lives of intangibles (note 4.2 and 6)
- Classification of investments (note 4.3, 4.6, 7 and 16)
- Provision for slow moving stores and spares (note 4.4 and 10)
- Net realizable value of stock-in-trade (note 4.5 and 11)
- Provision for impairment of trade debts and other receivables (note 4.6.5, 12 and 15)
- Provision for levies, current and deferred taxation (note 4.8, 9, 36 and 37)
- Provision for staff retirement benefits (note 4.9 and 22.1)

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Property, plant and equipment**4.1.1 Operating fixed assets**

Property, plant and equipment except freehold land, leasehold land and capital work in progress are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land, lease hold land and capital work in progress are stated at cost, less impairment, if any

Assets' residual values and their useful lives are reviewed and adjusted at each financial year end, if significant.

Depreciation is charged to income applying the reducing balance method at the rates specified in the note 5.1. Depreciation on all additions is charged from the month on which the asset is available for use and no depreciation is charged in the month of disposal.

In case of IWEL, Exchange differences related to certain foreign currency denominated balances are added to / deducted from the cost of plant and machinery as per S.R.O. 986(I)/2019 dated September 02, 2019 as explained in note 2.1.1, which allows capitalization of exchange differences as opposed to charging the same to statement of profit or loss, as required under IAS 21 'The Effects of Changes in Foreign Exchange Rates (refer note 4.13)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial year in which they are incurred.

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

Decrease in the carrying amounts arising as a result of revaluation, that reverses previous increase of the same asset is first recognised in consolidated statement of comprehensive income to the extent of the remaining surplus attributable to the asset; all other decrease are charged to consolidated statement of profit or loss.

4.1.2 Capital work in progress

These are stated at cost less accumulated impairment losses, if any. All expenditures connected with specific assets incurred and advances made during installation and construction period are carried under this head. These are transferred to specific asset as and when the asset is available for its intended use.

4.1.3 Right-of-use assets and lease liabilities

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain re-measurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for operating fixed asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group has elected to apply the practical expedient not to recognize right-of-use asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

4.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment loss if any. Amortization is charged to consolidated statement of profit or loss using the reducing balance method at the rates given in note 6. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on prospective basis.

4.3 Investment in associate

Associate is an entity over which the Group has significant influence but not control, generally represented by shareholding of 20% to 50% of the voting rights or common directorship.

Investment in associate is accounted for using equity basis of accounting, under which the investment in associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the group's share of profit or loss of the associate after the date of acquisition. The group's share of profit or loss of the associate is recognized in the consolidated statement of profit or loss. Distributions received from associate reduce the carrying amount of the investment. Adjustments to the carrying amount are also made for changes in the group's proportionate interest in the associate arising from changes in the associates' other comprehensive income that have not been recognized in the associate's profit or loss. The group's share of those changes is recognized in consolidated statement of comprehensive income.

4.4 Stores, spares and loose tools

These are valued at lower of moving average cost and net realizable value less impairment, if any, for obsolete items. Items in transit are valued at cost incurred up to the reporting date.

4.5 Stock-in-trade

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

Basis of valuation

Raw material	Moving average cost
Work-in-progress	Moving average cost of material and share of applicable overheads
Finished goods	Moving average cost of material and share of applicable overheads
Packing material	Moving average cost
Waste	Net realizable value
Stock in transit	Accumulated cost till reporting date

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

4.6 Financial instruments

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

4.6.1 Financial assets

Classification

The Group classifies its financial assets into following three categories:

IFRS 9 contains three principal classification categories for financial assets at:

- i) Amortised cost (AC),
- ii) Fair value through other comprehensive income (FVTOCI) and
- iii) Fair value through profit or loss (FVTPL).

i) Financial assets at amortised cost

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in consolidated statement of other comprehensive income (OCI). This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in consolidated statement of other comprehensive income (OCI).

iii) Financial assets at fair value through profit or loss (FVTPL)

All other financial assets are classified as FVTPL (for example: equity held for trading and debt securities not classified either as amortised cost or FVTOCI).

In addition, on initial recognition, the Group may designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

Derecognition of financial assets

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

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

4.6.2 Subsequent measurement of financial assets

Financial assets at amortised cost

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

Financial assets at FVTOCI

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

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

Financial assets at FVTPL

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

4.6.3 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

Basis of valuation of investment in mutual funds

The fair value of units of Funds is based on the net assets value per unit announced on the basis of net assets value communicated by the Asset Management Company on daily basis.

4.6.4 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. The Group financial liability as at fair value through profit or loss includes derivative financial liabilities not designated as hedging instruments.

Derecognition of financial liabilities

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

4.6.5 Impairment**Financial assets**

The Group recognizes a loss allowance for expected credit loss "ECL" on trade debts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Group always recognizes lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-months ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the consolidated statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been 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.

4.6.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to off set the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

4.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Short term finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cashflows.

4.8 Taxation and levies**Current**

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits and rebates available, if any or on turnover at the specified rates or Alternate Corporate Tax as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise due to assessment framed / finalized during the year.

Deferred

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

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

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

Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income is classified as levies in the consolidated statement of profit or loss and consolidated other comprehensive income as these levies fall under the scope of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

4.9 Staff retirement benefits**Defined benefit plan**

The Group operates an unfunded gratuity scheme covering all its employees who have completed minimum qualifying period. Provisions are determined based on the actuarial valuation conducted by a qualified actuary using Projected Unit Credit Method. Under this method cost of gratuity is charged to consolidated statement of profit or loss so as to spread the cost over the service lives of the employees in accordance with the actuarial valuation. Past-service costs are recognized immediately in consolidated statement of profit or loss and actuarial gains and losses are recognized immediately in other comprehensive income.

4.10 Deferred government grant

The benefit of interest rate lower than market rate on borrowings obtained under Temporary Economic Refinance Facility (TERF) for setting up imported and locally manufactured plants and machinery for new projects, is accounted for as a government grant which is the difference between loan received and the fair value of the loan. The differential amount is recognised and presented in consolidated statement of financial position as deferred government grant.

In subsequent periods, the grant shall be amortised over the period of loan and amortization shall be recognised and presented as reduction of related interest expense.

4.11 Borrowings

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

4.11.1 Borrowing cost

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

All other borrowing costs are recognized in consolidated statement of profit or loss in the period in which they are incurred.

4.12 Provisions

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

4.13 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Exchange differences are included in the consolidated statement of profit or loss and other comprehensive income. However, exchange gains and losses on certain foreign currency denominated balances are capitalized in property plant and equipment (refer note 4.1).

All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

4.13.1 Foreign subsidiary

The assets and liabilities of foreign subsidiary are translated to Pakistan Rupees at exchange rates prevailing at the reporting date. The results of foreign subsidiary are translated at the average rate of exchange for the year. Resulting exchange gains and losses are recognised in consolidated statement of comprehensive income.

4.14 Revenue recognition**4.14.1 Indus Wind Energy Limited**

Performance obligation is satisfied when the electricity is transmitted to the Central Power Purchasing Agency Guarantee Limited (CPPA-G). Revenue is recognised on the basis of Net Delivered Energy and Non-Project Missed Volume at the rates approved by NEPRA.

4.14.2 Indus Dyeing & Manufacturing Company Limited and Indus Lyallpur Limited

Revenue from contracts with customers is recognised at the point in time when the performance obligation is satisfied. This occurs when control of the goods is transferred to the customer. The amount of revenue recognized reflects the consideration the company expects to be entitled to in exchange for those goods.

For each sale transaction, purchase order forms a contract between the Company and a customer and the goods to be delivered under that contract are the identified performance obligation, the contract contains determined and allocated transaction price.

For local sales, the performance obligation is satisfied when the goods are delivered to the customer's premises, at which point control of the goods is transferred to the customer and revenue is recognised.

For export sales, the performance obligation is satisfied when the goods are loaded on board the vessel in accordance with the agreed shipping terms and the bill of lading is issued, at which point control of the goods is transferred to the customer and revenue is recognised.

Dividend income is recognised on the date on which the right to receive the dividend is established.

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

Gains / losses arising on sale of investments are included in the period in which they arise.

4.14.3 Indus Home Limited

Mentioned below are different revenue streams of the IHL and their terms of recognition of revenue after satisfying all the five steps of revenue recognition in accordance with IFRS 15.

The IHL's contracts with customers for the sale of goods generally include one performance obligation for both local and export sales i.e. provision of goods to the customers.

For local sales IHL has concluded that revenue from sale of goods should be recognized at the point in time when control of the goods is transferred to the customer, generally on dispatch of products from the factory.

For export sales IHL has concluded that revenue from sale of goods should be recognized at the point in time when control of the goods is transferred to the customer, dependent on the related Inco-terms generally on date of bill of lading or delivery of the product to the port of destination.

In both cases payment is generally become due within 30 - 180 days from the date of delivery.

4.15 Dividend and other appropriations

Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders of the Group.

4.16 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.17 Segment Reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker (CODM). The Group considers Chief Executive as its CODM who is responsible for allocating resources and assessing performance of the operating segments.

On the basis of its internal reporting structure, the Group considers itself to be a single reportable segment; however, certain information about the Group's products, as required by the accounting and reporting standards, is presented in note 47 to these consolidated financial statements.

		2026	2025
5	PROPERTY, PLANT AND EQUIPMENT Note	----- (Rupees in '000) -----	-----
	Operating fixed assets	5.1 38,278,225	38,259,112
	Capital work-in-progress	5.4 206,245	2,313,905
	Right-of-use assets	5.5 19,189	20,148
		38,503,659	40,593,165

5.1 Operating fixed assets

Particulars	2026							
	Cost at July 01, 2025	Additions / (disposal) during the year	Cost at June 30, 2026	Accumulated depreciation at July 01, 2025	Depreciation / (Disposal) for the year	Accumulated depreciation at June 30, 2026	Carrying value at June 30, 2026	Depreciation rate
	----- (Rupees in '000) -----							
Freehold land	1,861,250	-	1,861,250	-	-	-	1,861,250	-
Leasehold land	142,647	-	142,647	-	-	-	142,647	-
Factory buildings on free hold & leasehold land	5,894,386	2,190,751	8,085,137	2,432,618	355,992	2,788,610	5,296,527	5
Non-factory buildings on leasehold land	181,618	-	181,618	146,982	3,464	150,446	31,172	10
Office building	158,148	-	158,148	63,464	2,807	66,271	91,877	5
Plant and machinery	43,320,451	179,455 * (457,060)	43,042,846	14,621,612	2,208,397 (379,567)	16,450,442	26,592,404	10
Electric installations	639,113	17,052	656,165	281,330	35,823	317,153	339,012	10
Solar panels	1,518,664	547,216 (27,804)	2,038,076	228,589	149,298 (695)	377,192	1,660,884	10
Power generators	1,964,017	52,743 (15,192)	2,001,568	892,793	105,224 (11,295)	986,722	1,014,846	10
Factory equipment	925,665	34,667	960,332	209,804	72,941	282,745	677,587	10
Office equipment	97,889	7,976 (185)	105,680	38,908	9,245 (75)	48,078	57,602	10
Furniture and fixtures	135,071	5,421 (1,134)	139,358	49,813	8,979 (765)	58,027	81,331	10
Vehicles and Boats	820,311	134,923 (49,104)	906,130	434,205	82,733 (41,894)	475,044	431,086	20
	57,659,230	3,170,204 (550,479)	60,278,955	19,400,118	3,034,904 (434,291)	22,000,731	38,278,225	

* This includes capitalization of exchange difference amounting to Rs. 117.81 million.

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For comparative period

Particulars	2025							Depreciation rate
	Cost at July 01, 2024	Additions / (disposal) during the year	Cost at June 30, 2025	Accumulated depreciation at July 01, 2024	Depreciation / (disposal) during the year	Accumulated depreciation at June 30, 2025	Carrying value at June 30, 2025	
	(Rupees in '000)							%
Freehold land	1,843,015	18,235	1,861,250	-	-	-	1,861,250	-
Leasehold land	142,647	-	142,647	-	-	-	142,647	-
Factory buildings on leasehold land on leasehold land	5,372,932	521,454	5,894,386	2,189,134	243,484	2,432,618	3,461,768	5
Non-factory buildings on leasehold land	181,618	-	181,618	143,133	3,849	146,982	34,636	10
Office building	158,148	-	158,148	60,510	2,954	63,464	94,684	5
Plant and machinery	40,434,543	3,068,861 (182,953)	43,320,451	12,622,135	2,152,051 (152,574)	14,621,612	28,698,839	10
Electric installations	635,347	3,766	639,113	243,967	37,363	281,330	357,783	10
Solar Panels	986,966	531,698	1,518,664	124,447	104,142	228,589	1,290,075	10
Power generators	1,774,880	189,137	1,964,017	791,557	101,236	892,793	1,071,224	10
Factory equipment	647,563	341,056 (62,955)	925,665	204,491	55,671 (50,358)	209,804	715,861	10
Office equipment	78,789	19,911 (811)	97,889	31,545	8,059 (696)	38,908	58,981	10
Furniture and fixtures	106,078	29,325 (332)	135,071	42,457	7,550 (194)	49,813	85,258	10
Vehicles and boats	758,620	114,336 (52,645)	820,311	388,381	85,666 (39,842)	434,205	386,106	20
	53,121,146	4,837,779 (299,695)	57,659,230	16,841,757	2,802,025 (243,664)	19,400,118	38,259,112	

* This includes capitalization of exchange difference amounting to Rs. 117.29 million.

		2026	2025
5.1.1 Allocation of depreciation	Note	----- (Rupees in '000) -----	
Manufacturing expenses	30.3	2,964,545	2,717,675
Administrative expenses	33	70,359	84,350
		3,034,904	2,802,025

5.2 Disposals of operating fixed assets

Particulars	Cost	Accumulated depreciation	Carrying value	Sale proceeds	Loss	Mode of disposal	Particulars of buyers	Relationship of purchaser with the
	(Rupees in '000)							
Land Cruiser Parado	12,058	(11,104)	954	1,500	546	Negotiation	Mr. Usman Khan	None
Kia Picanto	2,420	(1,341)	1,079	1,150	71	Negotiation	Mr. Rizwan Japan Wala	None
BMW Hybrid	17,769	(16,817)	952	1,192	240	Negotiation	Insurance Company	None
Spindles	10,309	(9,712)	597	309	(288)	Negotiation	Mr. M. Akram	None
Spindles	10,309	(9,641)	668	346	(322)	Negotiation	Mr. M. Akram	None
Radiator 10 Kw	2,657	(1,804)	853	72	(781)	Negotiation	Mr. M. Imran	None
Radiator 7.8 Kw	2,089	(1,582)	507	43	(464)	Negotiation	Mr. M. Imran	None
Radiator 7.8 Kw	2,089	(1,582)	507	43	(464)	Negotiation	Mr. M. Imran	None
Radiator 7.8 Kw	2,089	(1,582)	507	43	(464)	Negotiation	Mr. M. Imran	None
Radiator 7.8 Kw	2,089	(1,582)	507	43	(464)	Negotiation	Mr. M. Imran	None
Radiator 7.8 Kw	2,089	(1,582)	507	43	(464)	Negotiation	Mr. M. Imran	None
Solar Module (Panel)	27,804	(695)	27,109	30,414	3,305	Negotiation	Delta Power	Supplier
Slitting Machine	3,950	(3,402)	548	272	(276)	Negotiation	M.Shakeel	None
Heming Machine	11,964	(10,303)	1,661	816	(845)	Negotiation	M.Shakeel	None
Dornier (Dobby) 300 cm	67,134	(56,778)	10,356	6,000	(4,356)	Negotiation	Mico Medicare International	None
Dornier (Dobby) 300 cm	37,173	(31,280)	5,893	7,350	1,457	Negotiation	Sardar Tex	None
Coal Boiler	150,830	(99,992)	50,838	20,492	(30,346)	Negotiation	Abid Ali	None
Toyota Corolla	2,384	(1,859)	525	2,000	1,475	Negotiation	Khurram Shahzad	None
Honda City	2,770	(1,993)	777	2,000	1,223	Negotiation	Aatir Raza	Employee
Kia Picanto	2,132	(1,300)	832	1,500	668	Negotiation	Muhammad Nafees	None
Assets having carrying value less than Rs. 500,000	176,282	(166,778)	9,504	5,830	(3,674)	Negotiation	M. Hasan Khan	None
2026	550,479	(434,291)	116,188	81,501	(34,687)			
2025	299,696	(243,664)	56,031	49,208	(6,824)			

5.3 Particulars of lands in the name of Group are as follows:

Location	Usage of immovable property	Total Area (In acres / Kanal)	Total area (In sq.ft)
Korangi mill - Plot No. 3 & 7, Sector 25, Korangi, Karachi	Manufacturing facility and labour colony	12.50	544,500
Hyderabad mill - Plot No. P-1 & P-5, S.I.T.E, Hyderabad	Manufacturing facility and labour colony	29.00	1,263,240
Nooriabad land - Plot No. K-31 & K-32, Nooriabad	For future business expansion	40.00	1,742,400
Naseerpur land - Adda Pira Ghayaib, Mototly Road	Manufacturing facility	8.28	360,459
Muzaffargarh mill - Bagga Sher, Khan pur Shumail, District Multan	Manufacturing facility and labour colony	30.87	1,344,697
Nooriabad land- Plot No. B/77, Jhampeer road, Nooriabad	Storage facility and business expansion	31.00	1,350,360
Deh Kohistan 7/3 & 7/4, Tapo Jungshahi, District Thatta	Power plant generation	428.00	18,643,680
Chak # 61 R/B, Mouza Bedianwala, Tehsil Jaranwala at 38-Km,Sheikhpura Road, Dist. Faisalabad	Manufacturing facility	54.00	2,319,571
Raiwind Road, Manga Mandi Lahore	Manufacturing Unit	537.15	986,833
2.5 Km Off Manga Raiwind Road, Manga Mandi Lahore	Grid Station	9.00	40,500
174 - 173 Abubakar Block New Garden Town, Lahore	Labour Colony	80.50	362,250
	Head Office	8.30	36,461

	Note	2026 ----- (Rupees in '000) -----	2025
5.4 Capital work-in-progress			
Solar panels		48,720	61,334
Civil works		49,287	2,047,153
Plant and machinery		108,238	205,418
	5.4.1	206,245	2,313,905

5.4.1 Capital work-in-progress

	Solar panels	Civil works	Plant and machinery	Power generator	Total
	----- Rupees '000' -----				
As at June 30, 2024	154,931	1,953,623	336,670	39,317	2,484,541
Additions during the year	77,506	584,388	1,302,132	-	1,964,026
Transferred to operating fixed assets	(171,103)	(490,858)	(1,433,384)	(39,317)	(2,134,662)
As at June 30, 2025	61,334	2,047,153	205,418	-	2,313,905
Additions during the year	74,172	80,400	292,470	918	447,960
Transferred to operating fixed assets	(86,786)	(2,078,266)	(389,650)	(918)	(2,555,620)
As at June 30, 2026	48,720	49,287	108,238	-	206,245

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		2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
5.5	Right-of-use assets		
	Land		
	Cost	116,574	117,936
	Lease modification	-	(1,362)
	Cost after modification	116,574	116,574
	Depreciation		
	- Opening	96,426	77,750
	- For the year	959	18,676
	Accumulated depreciation	(97,385)	(96,426)
	Net book value at end of the year	19,189	20,148

5.5.1 Depreciation is charged on a useful life of 25 years.

		2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
6	INTANGIBLES		
	Software		
	Cost		
	- Opening	44,125	44,125
		44,125	44,125
	Accumulated amortization		
	- Opening	35,817	32,264
	- For the year	2,492	3,553
		(38,309)	(35,817)
	Net book value as at June 30	5,816	8,308
	Annual amortization rate	30%	30%

6.1 Amortization for the year has been charged to 'Administrative expenses' (note 33).

7 LONG-TERM INVESTMENTS

Investment in associate	7.1	95,036	90,646
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7.1 Investment in associate
- Sunrays Textile Mills Limited

Cost	1,716	1,716
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Share of post acquisition profits:

- Opening	88,930	79,496
- Share of profit from associate for the year	4,390	9,434
	93,320	88,930
	95,036	90,646

2026	2025
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Number of shares held	205,962	205,962
Ownership interest	0.995%	0.995%
Book value (rupees in '000)	94,046	91,056

7.1.1 The existence of significant influence by the Group is evidenced through common directorship in the associate.

7.1.2 Summarized financial highlights as at and for the year ended June 30 are as follows:

	2026	2025
	----- (Rupees in '000) -----	
Non-current assets	8,070,274	8,595,815
Current assets	13,467,133	11,513,260
Total assets	21,537,407	20,109,075
Non-current liabilities	3,004,356	3,281,263
Current liabilities	9,081,011	7,676,275
Total liabilities	12,085,367	10,957,538
Net assets	9,452,040	9,151,537
Net assets	9,452,040	9,151,537
Percentage holding	0.995%	0.995%
Share in net assets	94,046	91,056
Revenue	19,601,219	19,257,156
Comprehensive income for the year	441,175	948,111

8 LONG-TERM DEPOSITS

Electricity	19,346	19,346
Others	13	13
	19,359	19,359

9 DEFERRED TAXATION

	Opening balance	Recognized in consolidated statement of profit or loss	Recognized in consolidated statement of comprehensive income	Closing balance
Movement for the year ended June 30, 2026	----- (Rupees in '000) -----			
Deductible temporary differences in respect of:				
Provision for:				
- retirement benefits	(153,518)	(22,237)	(3,963)	(179,718)
- provision of stores and spare parts	(40,703)	(13,243)	-	(53,946)
- provision of trade debts	(11,160)	(27,811)	-	(38,971)
- other financial assets	10,590	20,054	-	30,644
- short term borrowings	8,998	20,109	-	29,107
- minimum tax credits	(2,026,439)	(141,235)	-	(2,167,674)
- WPPF provision for the year	(3,503)	(2,660)	-	(6,163)
Others	(211,473)	74,030	-	(137,443)
	(2,427,208)	(92,993)	(3,963)	(2,524,164)
Taxable temporary differences in respect of:				
- accelerated tax depreciation	1,297,727	220,039	-	1,517,766
- unclaimed amortisation on intangibles	295	(88)	-	207
- Short term Investments	272	-	-	272
- foreign debtors	1,957	(3,535)	-	(1,578)
- long term loan	(11,124)	-	-	(11,124)
	1,289,127	216,416	-	1,505,543
	(1,138,081)	123,423	(3,963)	(1,018,621)

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	Opening balance	Recognized in consolidated statement of profit or loss	Recognized in consolidated statement of comprehensive income	Closing balance
Movement for the year ended June 30, 2025	----- (Rupees in '000) -----			
Deductible temporary differences in respect of:				
Provision for:				
- retirement benefits	(98,133)	(49,986)	(5,399)	(153,518)
- provision of stores and spare parts	(21,773)	(18,930)	-	(40,703)
- provision of trade debts	(3,248)	(7,912)	-	(11,160)
- other financial assets	(4,080)	14,670	-	10,590
- short term borrowings	(1,541)	10,539	-	8,998
- lease related assets and liabilities	(2,517)	2,517	-	-
- minimum tax credits	(1,428,613)	(597,826)	-	(2,026,439)
- WPPF provision for the year	-	(3,503)	-	(3,503)
Others	(29,181)	(182,292)	-	(211,473)
	<u>(1,589,086)</u>	<u>(832,723)</u>	<u>(5,399)</u>	<u>(2,427,208)</u>
Taxable temporary differences in respect of:				
- accelerated tax depreciation	1,060,431	237,296	-	1,297,727
- unclaimed amortisation on intangibles	423	(128)	-	295
- Short term Investments	-	272	-	272
- foreign debtors	-	1,957	-	1,957
- long term loan	272	(11,396)	-	(11,124)
	<u>1,061,126</u>	<u>228,001</u>	<u>-</u>	<u>1,289,127</u>
	<u>(527,960)</u>	<u>(604,722)</u>	<u>(5,399)</u>	<u>(1,138,081)</u>
10 STORES, SPARES AND LOOSE TOOLS	Note	2026	2025	
		----- (Rupees in '000) -----		
Stores, spares and loose tools		1,683,842	1,796,545	
Stores in transit		87,458	17,794	
		1,771,300	1,814,339	
Provision for slow moving and obsolete items	10.1	(98,095)	(85,001)	
		1,673,205	1,729,338	
10.1 Movement of provision for slow moving and obsolete items				
Balance at beginning of the year		85,001	84,075	
Provision made during the year	30.3	13,094	926	
Balance at end of the year		98,095	85,001	
11 STOCK-IN-TRADE				
Raw material				
- in hand		7,931,748	10,801,127	
- in transit		10,403,086	4,185,225	
		18,334,834	14,986,352	
Work-in-process		2,356,762	2,140,698	
Finished goods		4,043,460	4,942,870	
Packing material		171,310	148,463	
Waste		328,556	335,943	
		25,234,922	22,554,326	

12 TRADE DEBTS
Secured

Foreign debtors		9,970,651	3,419,002
Local debtors		1,086,547	1,208,045

12.1 & 12.2	11,057,198	4,627,047
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Unsecured

Local debtors	12.2	16,583,009	16,740,046
	12.4	27,640,207	21,367,093

Allowance for expected credit loss	12.3	(148,246)	(38,483)
		27,491,961	21,328,610

12.1 These are secured against letters of credit, from credit worthy banks, in favour of the Group.

12.2 Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of credit customers, to assess their recoverability.

	2026	2025
12.3 Allowance for expected credit loss	----- (Rupees in '000) -----	
Balance as at July 01	38,483	13,507
Provision made during the year	109,763	24,976
Balance as at June 30	148,246	38,483

12.4 Aging of trade debts

Not yet due	20,223,644	15,017,084
Past due within 30 days	4,601,081	3,733,799
Past due within 31 to 60 days	1,577,079	1,723,885
Past due within 61 to 90 days	746,590	380,014
Past due within 91 to 180 days	279,175	336,711
Past due beyond 180 days	212,638	175,600
	27,640,207	21,367,093

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13	LOANS AND ADVANCES	Note	2026 ----- (Rupees in '000) -----	2025
	Loans and advances to staff	13.1	17,454	20,281
	Advances to:			
	- Suppliers		441,562	289,226
	- Employees		2,407	1,475
	- Others		79,927	57,776
			523,896	348,477
			541,350	368,758

- 13.1** These represent short-term interest free loans to employees and secured as per Holding Company's policy. These are adjustable against salaries and recoverable within a period of one year.

14	TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS	Note	2026 ----- (Rupees in '000) -----	2025
	Deposits with Nazir High Court		-	77,236
	Other deposits		70,123	25,074
	Margins against letter of credit		10,000	10,036
	Prepayments		165,382	148,397
			245,505	260,743

15 OTHER RECEIVABLES

Cotton claims receivables		124,312	160,145
Rebate refundable		335,542	165,359
Interest receivable		753	1,371
Others	15.1	1,387,903	1,437,460
		1,848,510	1,764,335
Provision against doubtful recovery	15.2	(538,768)	(439,000)
		1,309,742	1,325,335

- 15.1** The Holding company identified a case of financial embezzlement involving two former employees. An initial internal investigation revealed misappropriation of Holding company funds amounting to Rs. 960.91 million, following which law enforcement agencies were informed and both individuals were arrested. Authorities have frozen certain assets held in the names of the individuals and their benamidars, with an estimated value of Rs. 422.15 million (2025: Rs. 522 million).

As of June 30, 2026, provision of Rs. 538.76 million (2025: Rs. 439 million) has been made in these consolidated financial statements. The Holding company is actively pursuing legal action and recovery of the misappropriated funds and is certain about its recovery.

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		2026	2025
15.2	Movement of provision for slow moving and obsolete items	Note ----- (Rupees in '000) -----	
	Balance as at July 01	439,000	-
	Provision made during the year	33 99,768	439,000
	Balance as at June 30	538,768	439,000

16 OTHER FINANCIAL ASSETS

At fair value through profit or loss

Ordinary shares of listed companies

- Conventional securities	16.1	3,685,287	402,066
- Shariah compliant securities	16.2	790,549	131,178

Units of mutual funds	16.3	662	1,605
Derivative financial assets		16,690	-

At amortised cost

Treasury bills - Government of Pakistan

Term deposit receipts with banks having maturity of

- more than three months		1,000	1,000
- three months or less		397,225	142,284

16.5	398,225	143,284
	4,973,306	738,218

16.1 Conventional securities

2026	2025			2026	2025
--- (Number of shares of Rs. 10 each) ---		Investee company		----- (Rupees in '000) -----	
4,198,070	-	Adamjee Insurance Company Limited		336,056	-
-	42,000	Bestway Cement Limited		-	17,031
7,134,738	577,869	Bank Alfalah Limited	16.1.1 & 16.1.2	404,326	46,365
1,792,700	1,890,000	Habib Bank Limited	16.1.2	523,844	338,670
12,150,000	-	Askari Bank Limited	16.1.2	1,339,295	-
650,000	-	Habib Metropolitan Bank Limited		75,452	-
2,800,000	-	National Bank of Pakistan		555,800	-
50,000	-	Pakistan Stock Exchange Limited		2,687	-
502,393	-	United Bank Limited		224,906	-
1,314,078	-	Bank Al Habib		222,921	-
				3,685,287	402,066

16.1.1 During the year, the face value of the ordinary shares of Bank Alfalah Limited was split in the ratio of 1:2, i.e. Rs 5 each.

16.1.2 Shares pledged against short term borrowings

2026	2025			2026	2025
--- (Number of shares of Rs. 10 each) ---		Investee company		----- (Rupees in '000) -----	
4,000,000	-	Bank Alfalah Limited		226,680	-
1,500,000	-	Habib Bank Limited		438,315	-
12,000,000	-	Askari Bank Limited		1,322,760	-
				1,987,755	-

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16.2 Shariah compliant securities

2026 --- (Number of shares of Rs. 10 each) ---	2025	Investee company	2026 ----- (Rupees in '000) -----	2025
1,704,819	-	Air Link Communication Limited	267,554	-
2,300,000	-	Fauji Cement Company Limited	132,365	-
1,850,000	2,350,000	K-Electric Limited (share of Rs. 3.5/- each)	15,799	12,338
50,000	-	Meezan Bank Limited	25,823	-
400,000	-	Oil and Gas Development Company Limited	133,949	-
-	159,000	Pioneer Cement Limited	-	36,273
200,000	-	Pakistan Petroleum Limited	48,524	-
300,450	-	Pakistan State Oil Company Limited	102,859	-
250,000	225,000	Systems Limited	36,773	24,107
-	40,000	Sazgar Engineering Works Limited	-	45,593
-	25,950	Sitara Chemical Industries Limited	-	12,867
100,000	-	Sui Northern Gas Pipelines Limited	12,093	-
40,000	-	GlaxoSmithKline Pakistan Limited	14,810	-
			<u>790,549</u>	<u>131,178</u>

16.3 Units of mutual funds

2026 --- (Number of units) ---	2025		2026 ----- (Rupees in '000) -----	2025
6,378	15,537	HBL Cash fund	<u>661</u>	<u>1,605</u>

16.4 Investment in treasury bills

Particulars	Issue date	Tenor	Maturity	Face value	Cost	Accrued profit during the year	Carrying value as at June 30, 2025
----- (Rupees in '000) -----							
T Bill (1 year)	11-Dec-25	12 Months	10-Dec-26	22,315	20,199	1,161	21,360
T Bill (1 year)	13-Nov-25	12 Months	12-Nov-26	62,845	56,996	3,537	60,533
As at June 30, 2026				<u>85,160</u>	<u>77,195</u>	<u>4,698</u>	<u>81,893</u>
As at June 30, 2025				<u>63,030</u>	<u>56,996</u>	<u>3,089</u>	<u>60,085</u>

16.5 Investment in term deposit receipts

Banks	Issue date	Tenor	Maturity	Interest rates	Carrying value	Profit accrued during the year
----- (Rupees in '000) -----						
Soneri Bank Limited	23-Feb-26	12 Months	22-Feb-27	11.00%	1,000	35
Soneri Bank Limited	25-May-26	3 Months	24-Aug-26	10.50%	14,725	157
Bank Al-Falah Limited	20-Jun-26	1 Month	19-Jul-26	8.80%	72,500	210
Faysal Bank Limited	10-Apr-26	3 Months	10-Jul-26	10.11%	20,000	454
Habib Bank Limited	25-Jun-26	3 Months	24-Sep-26	9.15%	140,000	175
Habib Metropolotan Bank Limited	23-Jun-26	1 Month	23-Jul-26	10.00%	50,000	305
Faysal Bank Limited	4-Jun-26	3 Months	4-Sep-26	9.15%	50,000	469
Habib Bank Limited	24-Jun-26	3 Months	24-Sep-26	9.50%	50,000	637
As at June 30, 2026					<u>398,225</u>	<u>2,442</u>
As at June 30, 2025					<u>143,284</u>	<u>474</u>

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17 TAX REFUNDABLE

Sales tax refundable	4,254,684	1,011,729
Income tax refundable	431,680	127,635
	4,686,364	1,139,364

18 CASH AND BANK BALANCES

Cash with banks - in current accounts			
- Local currency			
- conventional	18.2	556,130	275,999
- shariah compliant		197,188	28,297
- Foreign currency - conventional		156,370	142,611
Cash with banks - in deposit accounts			
- Local currency			
- conventional	18.1	396,428	54,918
		1,306,116	501,825
Cash in hand		6,794	10,693
	18.3	1,312,910	512,518

18.1 Markup rates on these accounts range between 7% - 11.5% per annum (2025: 7.5% - 20%) per annum.

18.2 These include balance in foreign currency accounts aggregating to Rs. 35.55 million (USD 0.13 million) at year end (2025: Rs. 137,234 million (USD 0.48 million).

18.3 IWEL's bank accounts are marked as lien against long-term financing obtained by the IWEL.

19 SHARE CAPITAL

19.1 Authorised share capital

2026	2025		2026	2025
----- (Number of shares) -----			----- (Rupees in '000) -----	
100,000,000	100,000,000	Ordinary shares of Rs.10 each	1,000,000	1,000,000

19.2 Issued, subscribed and paid up capital

2026	2025		Note	2026	2025
----- (Number of shares) -----				----- (Rupees in '000) -----	
9,637,116	9,637,116	Ordinary shares of Rs.10 each		96,371	96,371
		Fully paid in cash			
		Other than cash			
5,282,097	5,282,097	Issued to the shareholders of YTML	19.3	52,821	52,821
39,301,983	39,301,983	Issued as bonus shares		393,019	393,019
54,221,196	54,221,196			542,211	542,211

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- 19.3** These shares were issued pursuant to the Scheme of Amalgamation with Yousuf Textile Mills Limited (YTML), determined as at October 01, 2004, in accordance with agreed share-swap ratio.
- 19.4** The Holding Company has only one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Holding Company. All shares rank equally with regard to the Holding Company's residual assets.
- 19.5** The Holding Company has no reserved shares for issuance under options and sales contracts.

20	RESERVES	Note	2026 ----- (Rupees in '000) -----	2025 -----
	Capital reserves			
	Share premium	20.1	10,920	10,920
	Merger reserve	20.2	11,512	11,512
	Exchange translation reserve	20.3	677	677
	Investments and bonus shares	20.4	6,000,000	6,000,000
			6,023,109	6,023,109
	Revenue reserves			
	General reserve	20.5	16,977,568	16,977,568
	Unappropriated profits		11,714,509	8,966,834
			34,715,186	31,967,511

- 20.1** This represents share premium received in year 2001 in respect of the issue of 3,639,960 right shares at a premium of Rs. 3 per share.
- 20.2** Merger reserve represents excess of (a) assets of YTML over its liabilities merged with the Holding Company over (b) consideration to shareholders of YTML as per the Scheme of Amalgamation (refer note 19.3).
- 20.3** This represents exchange translation reserve on translation of foreign subsidiary Indus Home USA Inc. (subsidiary of Indus Home Limited).
- 20.4** The Holding Company in its meeting held on February 28, 2024, decided to allocate a sum of Rs. 6 billion as not available for distribution by way of dividend for purpose of investments and bonus shares in future years.
- 20.5** This represents reserves created out of profits of the Holding Company.

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		2026	2025
		----- (Rupees in '000) -----	
21	LONG-TERM FINANCING		
	Secured		
	Foreign currency debt	5,350,223	6,150,379
	From banking companies	15,359,568	17,663,559
	21.1	20,709,791	23,813,938
	Payable within one year	(3,616,165)	(3,104,182)
		17,093,626	20,709,756
	Transaction cost	(64,646)	(78,588)
	Amortization	12,849	13,942
		(51,797)	(64,646)
		17,041,829	20,645,110

21.1 Details and movement are as follows:

Name of banks / institution	Note	Cash flows			Non-Cash flows	As at June 30, 2026	Current maturity
		As at July 01, 2025	Acquired during the year	Repayment during the year	Amortization of government		
		----- (Rupees in '000) -----					
Allied Bank Limited	20.4.1	2,171,593	-	(285,112)	13,972	1,900,453	285,117
Soneri Bank Limited	20.4.2	510,351	-	(86,328)	11,249	435,272	86,326
MCB Bank Limited	20.4.3	2,878,923	17,835	(443,573)	11,668	2,464,853	670,095
United Bank Limited	20.4.4	423,108	-	(96,555)	8,857	335,410	94,829
Habib Bank Limited	20.4.5	3,808,649	143,854	(729,181)	7,150	3,230,472	729,276
Askari Bank Limited	20.4.6	1,511,629	-	(324,710)	5,241	1,192,160	317,781
Habib Metropolitan Bank Limited	20.4.7	441,851	-	(71,521)	6,373	376,703	71,420
Bank Al-Habib Limited	20.4.8	842,104	-	(200,646)	33,865	675,323	200,645
The Bank of Punjab Limited	20.4.9	475,499	-	(63,483)	-	412,016	63,483
National Bank Of Pakistan	20.4.10	471,216	-	(86,104)	24,957	410,069	86,104
Bank Alfalah Limited	20.4.11	705,741	-	(87,171)	-	618,570	96,171
Meezan Bank Limited	20.4.12	2,045,681	10,500	(179,013)	-	1,877,168	226,046
Faysal Bank Limited	20.4.13	939,676	-	(113,113)	-	826,563	113,113
Pakistan Kuwait Investment Company Private Limited	20.4.14	437,693	257,364	(90,367)	-	604,690	118,319
British International Investment PLC (BII) - Foreign loan	20.4.15	6,150,224	-	(800,155)	-	5,350,069	457,442
Grand total		23,813,938	429,553	(3,657,032)	123,332	20,709,791	3,616,165

21.2 Particulars of long-term financing

Type and nature of loan	2026		
	Amount outstanding	Mark up rate	Terms of repayments
	Rupees in '000		
Long term finance facility (LTFF)	4,466,319	2.5% to 8%	Quarterly and half yearly
Term finances	6,219,618	3 months KIBOR + 0.5% to 1.5%; 6 months KIBOR + 1%	Quarterly and half yearly
Temporary Economic Refinancing Facility (TERF)	1,580,571	1.75% to 2.25%	Quarterly
Renewable Energy	3,093,059	2% to 6%; SBP rate + 1.75%	Quarterly
Foreign debt	5,350,223	3-month SOFR + 4.25% + CAS 0.26%	Quarterly
	20,709,790		

Type and nature of loan	2025		
	Amount outstanding	Mark up rate	Terms of repayments
	Rupees in '000		
Long term finance facility (LTFF)	9,434,257	2.25% to 8%	Quarterly and half yearly
Term finances	2,645,009	3 months KIBOR + 0.5% to 1.25%	Quarterly and half yearly
Temporary Economic Refinancing Facility (TERF)	1,874,355	1.75% to 3%	Quarterly
Renewable Energy	3,709,939	1.75% to 6%	Quarterly
Foreign debt	6,150,379	USD SOFR + 4.25%	Quarterly
	23,813,938		

21.3 These finances are secured by joint pari passu charge over Land and Building & Plant and Machinery of all units of the Group.

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21.4 Long-term financing

Long term financing		2026		Details of financing, security and repayment terms
Name of institution	Sanctioned amount	Outstanding amount excluding government grant		
----- (Rupees in '000) -----				
21.4.1	Allied Bank Limited	3,825,000	1,941,316	The facility is secured through a first/joint pari passu hypothecation charge over the Group's fixed assets, comprising the land and building of the Hyderabad unit and the plant and machinery of all units, with a 25% margin. The markup rate ranges from 2.25% to 3% per annum. Markup is payable on a quarterly basis, while the principal amount is repayable semi-annually over a period of seven and a half years, including a grace period of one and a half years. The outstanding balance also includes a loan of PKR 991 million, for which repayment will commence in December 2026.
21.4.2	Soneri Bank Limited	847,000	464,262	The facility is secured against existing Joint pari passu charge over Group's fixed assets (Land and Building of Hyderabad unit and Plant and Machinery of all units) with 25% margin. The repayment of loan (principal amount) will be made 32 equal quarterly installments. Mark up rate is 2% on this facility and repayable in quarterly basis.
21.4.3	MCB Bank Limited	5,565,000	2,494,823	The facility is secured against existing Joint pari passu charge of over Group's fixed assets (Land and Building of Hyderabad unit and Plant and Machinery of all units) with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments. Mark up rate is 1.75% on Temporary Economic Refinancing Facility and 2.5% on Long Term Financing Facility and 3 month KIBOR + 0.5% - 0.75% on Term Loan and repayable in quarterly basis. During the year company obtained a loan of which Outstanding instalments are repayable quarterly over the period of seven and a half year with one and half years grace period. The outstanding balance also includes a loan of PKR 991 million, for which repayment will commence in December 2026.
21.4.4	United Bank Limited	1,565,000	352,958	The facility is secured against existing Joint pari passu charge over Group's fixed assets (Land and Building of Hyderabad unit and Plant and Machinery of all units) with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments. Mark up rate is 2.25% on Temporary Economic Refinancing Facility, 2.5% on Long Term Financing Facility and SBP rate +1% on Renewable Energy Financing Facility repayable in quarterly basis.
21.4.5	Habib Bank Limited	7,452,000	3,246,602	The facility is secured against 1st Joint pari passu charge of over Group's fixed assets (Land and Building of Hyderabad unit and Plant and Machinery of all units) with 25% margin. The repayment of loan (principal amount) will be made 32 equal quarterly installments of Temporary Economic Refinancing Facility & Term loan and 16 equal half yearly Installments with 2 years grace period of Long term Financing Facility. Mark up rate is 2% on Temporary Economic Refinancing Facility & 2.5% to 2.75% on Long Term Financing Facility and 3 month KIBOR + 0.75% on Term loan and repayable on quarterly basis. During the year, the Group has entered into an arrangement with the bank for obtaining Term Loan of 143 million. The repayment of loan (principal amount) will be made in 28 equal quarterly instalments. Markup rate is 6% per annum.
21.4.6	Askari Bank Limited	3,829,000	1,207,425	The facility is against 1st Joint pari passu charge over Group's fixed assets (Land and Building of Hyderabad unit and Plant and Machinery of all units) with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments with 2 years grace period of Long term Financing Facility and 16 equal quarterly installments with 1 year grace period of Term loan. Mark up rate is 2.5% to 4.75% on Long term Financing Facility and 3 month KIBOR + 1.25% on Term loan and

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21.4.7	Habib Metropolitan Bank Limited	1,375,000	393,690	The facility is secured against existing joint pari passu charge over Group's fixed assets (Land and Building of Hyderabad unit and Plant and Machinery of all Group units) duly registered with the Securities and Exchange Commission of Pakistan inclusive of 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments. Mark up rate is SBP rate + 1% on Renewable Solar Facility, 3% on Long Term Financing Facility and 2% on Temporary Economic Refinancing Facility and repayable on quarterly basis.
21.4.8	Bank Al-Habib Limited	2,067,000	774,088	The facility is secured against existing Joint pari passu charge over Group fixed assets (Land and Building, Plant and Machinery) with 25% margin. The repayment of loan (principal amount) will be made in equal quarterly installments. Mark up rate is 2.5% to 8% on Long Term Financing Facility and one year KIBOR plus spread on Temporary Economic Refinance Facility and repayable on quarterly basis. During the year the Group has obtained loan under this facility carries markup of 3 month KIBOR + 1% (2025: 3 month KIBOR + 1%). Outstanding instalments are repayable quarterly over the period of Three years years in addition of six months grace period.
21.4.9	The Bank of Punjab Limited	2,243,000	412,016	During the last year the, Group has entered into an arrangement with Bank of Punjab for obtaining further Term loan. The facility is secured against existing joint pari passu charge over group's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments with 2 years grace period. Mark up rate is 3 months Kibor rate + 1% against Term loan and 5% against long term finance facility and repayable on quarterly basis.
21.4.10	National Bank Of Pakistan	750,000	479,842	The facility is secured against first joint pari passu charge over Group fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin duly registered with the Securities and Exchange Commission of Pakistan inclusive of 25% margin. The repayment of loan (principal amount) will be made in 32 quarterly installments with 2 years grace period. Mark up rate is 1.8% on temporary Economic Refinancing Facility and SBP rate + 1.25% on Renewable Energy Financing Facility and repayable on quarterly basis.
21.4.11	Bank Alfalah Limited	922,000	618,570	The facility is secured against existing joint pari passu charge over Group fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly instalments with 2 years grace period. Mark up rate is KIBOR + 0.90% against Term loan and 3% to 5% against Long Term Finance Facility and repayable on quarterly basis. During the year, the Group has entered into an arrangement with the bank for obtaining Solar loan. The repayment of loan (principal amount) will be made in 32 quarterly instalments with 2 years grace period. Markup rate for the first year is 3 month KIBOR + 0.9% spread and later will be 3% to 6% as per renewable energy facility markup rates. This is because all solar loans are first disbursed as term finance loans and later on converted into renewable
21.4.12	Meezan Bank Limited	3,832,000	1,877,168	The loan under this facility carries markup of 5.00%. Outstanding installments are repayable quarterly over the period of ten years with two years grace period. This loan is secured by way of Pari Passu charge over all present and future plant and machinery of the group with 25% margin. During the year the Group obtain facility carries markup 6 month KIBOR + 0.75%. (2025: month KIBOR + 1.00%) Outstanding instalments are repayable quarterly over the period of seven years with one - two years grace period.
21.4.13	Faysal Bank Limited	1,000,000	826,535	The loan under this facility carries markup of 5.00%. Outstanding installments are repayable quarterly over the period of ten years with two years grace period. This loan is secured by way of Pari Passu charge over all present and future plant and machinery of the group with 25% margin.
20.4.14	Pakistan Kuwait Investment Company Private Limited	1,100,011	604,690	The facility is secured against a ranking hypothecation charge over all present and future fixed assets with a 25% margin. It carries a markup of 3-month KIBOR + 1.75% per annum, payable quarterly. The principal is repayable in 12 equal quarterly installments over a tenor of three years, with no grace period.
20.4.15	British International Investment PLC (BII) - Foreign loan	7,831,900	5,350,223	During the last year, the long-term financing facility from BII carried mark-up at the rate of 3-month LIBOR + 4.25% per annum for the first two quarters. In accordance with NEPRA's directives and the global transition away from LIBOR, the benchmark rate was revised to Term Secured Overnight Financing Rate (SOFR) + 4.25% + Credit Adjustment Spread (CAS) of 0.26% for the last two quarters of the year. The transition was applicable in line with the indexation mechanism adopted for tariff purposes. The underlying terms of the facility were accordingly updated in consultation with the lenders.

21,044,208

22	DEFERRED LIABILITIES	Note	2026 ----- (Rupees in '000) -----	2025
	Staff retirement gratuity	22.1	634,858	535,963
	Deferred government grant	22.2	334,418	457,750
	Gas Infrastructure Development Cess (GIDC)	22.3	969,758	969,758
			1,939,034	1,963,471
	Current portion of deferred liabilities			
	Deferred government grant	22.2	(105,967)	(123,332)
	Gas Infrastructure Development Cess (GIDC)	22.3	(969,758)	(969,758)
			(1,075,725)	(1,093,090)
			863,309	870,381

22.1 Staff retirement gratuity

The Group operates an unfunded gratuity scheme for all its confirmed employees who have completed the minimum qualifying period of service. Provision is made to cover obligations under the scheme on the basis of valuation conducted by a qualified actuary. The latest valuation was conducted on June 30, 2026 using Projected Unit Credit Method.

Details of assumptions used and the amounts recognized in these consolidated financial statements are as follows:

22.1.1 Significant actuarial assumptions and methods

	2026	2025
Discount rate	11.75%	11.75%
Expected rate of increase in salary level	11.75%	11.75%
Weighted average duration of defined benefit obligation	7 years	7 years
Average duration of liability	6 years	6 years

The critical gap between the discount rate and salary growth rate is zero.

22.1.2 Assumptions

Discount rate

The market of high quality corporate bonds is not deep enough in Pakistan. Therefore, discount rate is based on market yields on government bonds as at the valuation date. The discount rate used for the valuation is 11.75% per annum. This rate is consistent with the guidelines of the Pakistan Society of Actuaries on setting discount rates.

Rate of growth in salary

The gratuity benefits are calculated using the gross salary. In view of the market expectations and long-term monetary policy of the State Bank of Pakistan regarding inflation, it has been assumed that the average rate of long-term future salary increases will be 11.75% (2025: 11.75%) per annum.

Mortality, withdrawal and disability retirement rates

The mortality rates used for active employees are based on SLIC (2001-05) Mortality Table.

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country experience.

Withdrawal rates used in this valuation are heavier than those used in the previous valuation.

The expected maturity analysis of undiscounted retirement benefit obligation is:

	2026	2025
	Undiscounted payments	
	----- (Rupees in '000) -----	
Year 1	73,401	62,621
Year 2	84,296	71,909
Year 3	97,809	83,476
Year 4	111,851	95,436
Year 5	125,573	107,235
Year 6 and above	678,083	579,143

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country experience.

	2026	2025
Note	----- (Rupees in '000) -----	
22.1.3 Present value of defined benefit obligation	634,858	535,963
22.1.4 Movement in net defined benefit liability		
Balance at the beginning of the year	535,963	425,207
Recognized in consolidated statement of profit or loss		
Current service cost	172,896	161,765
Interest cost	53,411	53,132
	226,307	214,897
Recognized in other comprehensive income		
Actuarial loss - net	13,667	18,619
Benefits paid	(141,079)	(122,760)
Balance at the end of the year	634,858	535,963

22.1.5 Expense recognise in consolidated statement of profit or loss

Current service cost	172,896	161,765
Interest cost	53,411	53,132
Expense recognise in consolidated statement of profit or loss	226,307	214,897

22.1.6 Remeasurement recognised in consolidated other comprehensive income

Loss from change in financial assumption	-	(194)
Experience loss	13,667	18,813
Net re-measurements	13,667	18,619

22.1.7 Net recognised liability

Net liability at the beginning of year	535,963	425,207
Expense recognised in profit or loss	226,307	214,897
Contribution made to the plan during the year	(141,079)	(122,760)
Remeasurement recognised in other comprehensive income	13,667	18,619
	634,858	535,963

22.1.8 Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

Impact on defined benefit obligation			
	Change in assumptions	Increase	Decrease
		----- (Rupees in '000) -----	
Discount rate	1%	22,365	(22,365)
Salary increase	1%	(23,670)	23,670

22.1.9 The expected gratuity expense for the next year amounts to Rs.207.64 million.

22.2 Deferred Government Grant

This represents deferred government grant (representing differential between borrowing obtained at concessional rate and market interest rate of 3 months KIBOR plus spread) in respect of Temporary Economic Refinancing Facility (TERF) as disclosed in note 21. There are no unfulfilled conditions or other contingencies attached to this grant.

		2026 ----- (Rupees in '000) -----	2025 -----
Balance at the beginning of the year		457,750	610,085
Amortization of government grant	31	(123,332)	(152,335)
		334,418	457,750
Current portion of deferred government grant		(105,967)	(123,332)
		228,451	334,418

22.3 Gas Infrastructure Development Cess

Balance at the beginning of the year		969,758	950,795
Unwinding of interest	35	-	18,963
		969,758	969,758
Current portion shown in current liabilities		(969,758)	(969,758)
		-	-

Gas Infrastructure Development Cess (GIDC) was levied through GIDC Act, 2011 with effect from December 15, 2011 and was chargeable from industrial gas customers at different rates as prescribed by the Federal Government through OGRA notification.

On June 13, 2013, the Peshawar High Court declared the levy, imposition and recovery of the Cess unconstitutional with the direction to refund the “Cess” so far collected. Supreme Court of Pakistan examined the case and vide its findings dated August 22, 2014, concluded that GID Cess is a fee and not a tax and on either count the “Cess” could not have been introduced through a money bill under Article 73 of the Constitution and the same was, therefore, not validly levied in accordance with the Constitution. However, on September 25, 2014, the President of Pakistan had promulgated GID Cess Ordinance 2014, which was applicable to the whole of Pakistan and has to be complied by all parties.

On September 29, 2014, the Sindh High Court gave a stay order to various parties against the promulgation of Presidential order dated September 25, 2014.

On May 22, 2015, the GID Cess Act, 2015 was passed by Parliament applicable on all consumers. Following the imposition of the said Act, many consumers filed a petition in Sindh High Court and obtained stay order against the Act passed by the Parliament.

On October 26, 2016, the High Court of Sindh held that enactment of GIDC Act, 2015 is ultra-vires to the Constitution of Pakistan. Sui Southern Gas Company Limited has filed an intra-court appeal before the Divisional Bench of High Court of Sindh. On August 13, 2020, GIDC matter is decided by the Supreme Court of Pakistan and the Court has ordered gas consumers to pay outstanding amount of GIDC upto July 31, 2020 in twenty four equal monthly installments, starting from August 2020.

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The Supreme Court, in its judgement dated November 03, 2020 allowed the recovery of the amount in 48 equal installments with one year grace period as oppose to 24 equal installments and 6 months grace period mentioned in the original decision dated August 13, 2020.

On September 29, 2020, we have challenged the imposition of GIDC upon us by SSGC and its quantum on various grounds including that the Group had a judgment from the Sindh High Court which was not appealed in time, that the Group had not passed on the burden of the Cess and in any event the 2015 Act could not apply with retrospective effect. Sindh High Court has passed restraining order dated September 29, 2020, due to this payment related to Karachi and Hyderabad unit has not yet paid.

23 LEASE LIABILITIES	Note	2026 ----- (Rupees in '000) -----	2025 ----- (Rupees in '000) -----
Balance at the beginning of the year		27,157	54,525
Modification		-	(2,146)
Interest accrued		2,987	2,691
Payments made		-	(27,913)
	23.1	<u>30,144</u>	<u>27,157</u>
Current portion of lease liabilities		<u>(18,084)</u>	<u>-</u>
		<u>12,060</u>	<u>27,157</u>

23.1 The future payments of lease liabilities are as follows:

The future minimum lease payments to which the Group is committed under the agreement will be due as follows:

	2026			2025		
	Minimum lease payment	Finance cost allocated to future lease payment	Present value of minimum lease payment	Minimum lease payment	Finance cost allocated to future lease payment	Present value of minimum lease payment
	----- (Rupees in 000) -----					
Not later than one year	21,400	-	18,084	-	-	-
Later than one year but not later than five years	-	-	-	21,400	-	17,370
Later than five years	34,240	-	12,059	34,240	-	9,787
	<u>55,640</u>	<u>-</u>	<u>30,143</u>	<u>55,640</u>	<u>-</u>	<u>27,157</u>

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		2026	2025
	Note	----- (Rupees in '000) -----	
24	TRADE AND OTHER PAYABLES		
Creditors		2,468,456	1,629,291
Accrued liabilities		2,336,201	1,931,191
Bills against gratuity scheme		1,528	3,512
Provident fund payable		4,976	-
Infrastructure cess	24.1	3,283,798	2,528,443
Workers' Profits Participation Fund	24.2	244,361	63,425
Workers Welfare Fund	24.3	51,431	8,381
Withholding tax payable		135,973	32,751
Income tax payable		408,183	222,295
Sales tax payable		21,774	31,586
Derivative financial liability		-	17,323
Others		75,309	37,516
		9,031,992	6,505,714

24.1 This represents Government of Sindh, provision for Sindh Development and Infrastructure Fee and Duty which was levied by the Excise and Taxation Department, on goods entering or leaving the province of Sindh, through air or sea at prescribed rate, under the Sindh Finance Ordinance, 2001. The imposition of the levy was initially challenged by the Group along with other affectees, in the High Court of Sindh, and the Court was pleased to grant an interim injunction, vide Order dated May 31, 2011, to the effect that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be deposited with the Court until the final order is passed. However, as a matter of prudence, in 2021 the Group has paid 50% of the value of infrastructure fee to the concerned department and recorded liability for the remaining amount which is supported by a bank guarantee. Starting from September 2021, the Group is providing 100% bank guarantee in accordance with the order of Supreme Court of Pakistan dated September 01, 2021.

Subsequently, the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 was amended vide the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026, assented to by the Governor of Sindh on February 19, 2026. Under the amendment, the Government of Sindh has offered existing litigants the option to withdraw pending cases and settle outstanding liabilities under a structured payment plan, comprising payment of 45% of the outstanding amount in three installments of 15% each (by July 31, 2026, October 31, 2026 and July 31, 2027), with the remaining 55% payable in installments over a 12-year period from 2028 to 2040. As the Group continues to contest the levy and is confident of a favorable outcome, based on the legal advice, the Group has not opted for the aforementioned settlement scheme and continues to pursue the matter through the Court.

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		2026	2025
	Note	----- (Rupees in '000) -----	-----
24.2 Workers' Profits Participation Fund			
Balance at beginning of the year		63,425	43,596
Allocation for the year	34	199,465	49,680
Interest charged during the year on the funds utilized by the Group	35	720	515
		263,610	93,791
Payments made during the year		(19,249)	(30,366)
Balance at end of the year		244,361	63,425
24.3 Workers' Welfare Fund			
Balance at beginning of the year		8,381	16,112
Allocation for the year	34	51,431	5,746
Payments made during the year		(8,381)	(13,477)
Balance at end of the year		51,431	8,381
25 CONTRACT LIABILITIES		254,850	262,408
25.1 Revenue recognized against opening contract liabilities amounted to Rs. 262.41 million (2025: Rs. 231.27 million)			
		2026	2025
	Note	----- (Rupees in '000) -----	-----
26 INTEREST / MARK-UP PAYABLE			
On secured loans from banking companies:			
- Long-term financing		150,988	315,863
- Short-term borrowings		551,124	509,994
		702,112	825,857
27 SHORT-TERM BORROWINGS			
From banking companies - secured			
Running finance	27.1	8,963,992	8,779,986
Foreign currency financing against export / import	27.2	24,961,961	12,620,602
Foreign bill discounting	27.3	200,169	104,910
Money market loan	27.4	4,135,000	3,290,000
FE 25 Import		1,511,352	1,898,754
	27.5	39,772,474	26,694,252

- 27.1** These carry mark-up ranging from 1 month to 3 months KIBOR + 0.1% to 1% (2025: 1 month to 3 months KIBOR + 0.1% to 1%). These are secured against charge over current assets of the Group with upto 25% margin.
- 27.2** These carry mark-up ranging from 3.75% to 6.60% (2025: 3% to 8.25%) on foreign currency borrowing amount. These arrangements are secured against charge over current assets of the Group, lien on export documents and registered hypothecation charge over current assets. These have original maturity period exceeding three months.
- 27.3** Foreign bill discounting facility amounting to Rs. 16,540 million (2025 : Rs. 13,840 million) at pricing of 4.1% to 4.5% (2024: 4.5% to 7.5%) per annum. The mark-up is payable at a source.
- 27.4** These carry mark-up ranging from 1 week to 3 month KIBOR + 0.1% to 0.35% (2025: 1 week to 3 months KIBOR + 0.05% to 0.75%) on Money Market borrowing amount. These arrangements are secured against charge over current assets of the Group.
- 27.5** The Group has aggregated short-term borrowing facilities amounting to Rs. 43,000 million (2025: Rs. 32,275 million) from various commercial banks.

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

- 28.1.1** The Holding Company, ILP and IHL have recognised GIDC payable amounting to Rs. 969.76 million in these consolidated financial statements on the basis of GIDC rate applicable to industrial consumers. However, SSGC and SNGPL has charged GIDC on the basis of GIDC tariff applicable to captive consumers resulting in differential of Rs. 1,059.76 million. The Holding Company, ILP and IHL has not recorded the provision representing differential arising due to use of captive connection rate instead of industrial connection rate in these consolidated financial statements, as the matter of application of captive or industrial tariff has been challenged in September 2020 before Lahore High Court, which is pending adjudication. The management of the Group expects a favourable outcome in this regard.
- 28.1.2** The Holding Company is defendant in certain sales tax related matters with aggregate demand of Rs. 1.357 million (2025. Rs. 1.357 million). Based on views of its tax advisor, management is confident of favourable outcome in these matters and accordingly no provision has been recorded in these consolidated financial statements in this respect.
- 28.1.3** The IHL has filed income tax return for the tax year 2019 declaring taxable income amounting to Rs. 6.17 million and claiming refund amounting to Rs. 55.57 million. The said return is a deemed assessment order treated to be issued by the Commissioner by considering the provisions of section 120(1)(b) of the Ordinance. The Additional Commissioner Inland Revenue ("ADCIR") amended the deemed assessment order under section 122(5A) of the Ordinance; thereby assessing taxable income at Rs. 23.51 million and refund at Rs. 25.02 million. Being aggrieved by the order of the ADCIR, the IHL, on 15 April 2023 has preferred an appeal before the learned CIR(A), Lahore. The CIR(A) annulled the order with direction to verify the stance of taxpayer, but IHL preferred an appeal before ATIR. The management expects favourable outcome and accordingly no provision has been recorded.

- 28.1.4** The IHL is a party to legal proceedings before the Honourable Lahore High Court in relation to disputed retrospective arrears / adjustments relating to RLNG / gas charges for the period from July 2022 to March 2024. The proceedings have arisen in connection with amounts included by the relevant authorities in the IHL's gas bills, which the IHL has challenged, inter alia, on the grounds that the retrospective recovery is not lawful and is inconsistent with the applicable orders and judicial directions. The IHL has sought, among other reliefs, setting aside/suspension of the disputed retrospective arrears and restraint against the relevant authorities from taking coercive measures for recovery of the disputed amounts during the pendency of the proceedings. The matter remains subject to the decision of the Honourable Court. The IHL has issued post-dated cheques amounting to Rs. 44.7 million in respect of the underlying amounts, which have already been disclosed under commitments in these financial statements. Based on the information presently available and the legal proceedings initiated by the IHL, the ultimate outcome of the matter cannot presently be determined with certainty. Accordingly, no provision has been recognized in these financial statements in respect of the disputed amount, other than amounts, if any, already recognized in the financial statements.
- 28.1.5** The IHL is a respondent in proceedings pending before the Federal Constitutional Court of Pakistan in relation to the levy imposed on captive power plants for the billing period of February and March 2025. The IHL had challenged the levy before the Lahore High Court which was allowed by the Honourable Lahore High Court vide judgment dated 29 January 2026, whereby the impugned notifications and bills relating to the levy were set aside. The Federation of Pakistan has subsequently challenged the said judgment before the Federal Constitutional Court, where the matter is presently pending. The IHL has issued post-dated cheques amounting to Rs. 20.7 million in respect of the disputed levy, which have been disclosed under Commitments in these financial statements. Based on the current status of the proceedings, the ultimate outcome of the matter cannot presently be determined with certainty. Accordingly, no provision has been recognized in these consolidated financial statements in respect of the disputed levy.
- 28.1.6** In the books of the Holding Company and ILP, prior to certain amendments made through the Finance Acts of 2006 & 2008, Workers Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Acts, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the Ordinance in 2011. However, the Group together with other stakeholders filed the petition in the Sindh High Court which, in 2013, decided the petition against the Group and other stakeholders. Management has filed a petition before the Supreme Court of Pakistan against the decision of the Sindh High Court.

Supreme Court of Pakistan has passed an order dated November 10, 2016 that the Workers' Welfare Fund (WWF) is a fee, not a tax. Hence, the amendments made through Finance Acts, 2006 and 2008 have been declared invalid in the said order. The management has filed an application for rectification order amounting to Rs. 125.28 million for the years from 2010 to 2014 contending the fact that they had erroneously paid WWF despite of having exemption available to them.

28.1.7 The Assistant Commissioner, Sindh Revenue Board (SRB) issued a show cause notice dated March 10, 2023 raising a demand of Rs. 20.90 million along with penalty under section 43 of Sindh Sales Tax on Services Act, 2011 (the SST Act) and default surcharge under section 44 of the SST Act, on account of alleged non-payment of sales tax on services received from non-resident persons under the reverse charge mechanism and non-withholding of Sindh sales tax on certain services received within the territory of Sindh, pertaining to tax years 2020 and 2021.

The IWEL provided detailed response to the show cause notice, however, the Assistant Commissioner passed an Order-in-Original dated December 18, 2025, partially considering IWEL's submissions, and raised a revised demand of Rs. 20.14 million along with penalty of Rs. 1.01 million under section 43, and default surcharge under section 44 (to be calculated at the time of payment).

The IWEL has filed an appeal before the Commissioner (Appeals), SRB, which is pending adjudication as at the reporting date.

28.1.8 The IWEL has received notices from the Ministry of Overseas Pakistanis and Human Resource Development, Government of Pakistan dated March 30, 2026 and April 20, 2026 regarding payment of leftover for years 2024 and 2025. The Company responded vide letters KST-AA-2396 dated April 6, 2026 and KST-AA-2787 dated May 5, 2026, respectively, explaining that the relevant WPF amounts had already been deposited with the Government of Sindh. After submission, no further correspondence has taken place.

28.1.9 During the year, the Additional Commissioner Inland Revenue vide order dated April 30, 2026 proceeded to amend the assessment under the provisions of section 122(5A) of the Income Tax Ordinance, 2001 in respect of tax year 2025. Through the aforesaid order, certain additions and disallowances were made, resulting in a tax demand amounting Rs 43.37 million. Being aggrieved by the order, the Holding Company and ILL filed an appeal before the Commissioner Inland Revenue (Appeals), which is pending adjudication. Management believes that the appeal has been filed on valid legal and factual grounds and expecting favorable outcome.

28.1.10 During the year, the Deputy Commissioner Inland Revenue issued a notice under section 205 read with section 137(1) of the Income Tax Ordinance, 2001, proposing the levy of default surcharge amounting to Rs. 21.02 million in respect of alleged delay in payment of super tax under section 4C for Tax Year 2022. Subsequently, the tax authorities passed an order confirming the default surcharge demand. Being aggrieved by the said order, ILL filed an appeal before the Appellate Tribunal Inland Revenue, which is currently pending adjudication. Management believes that the appeal has been filed on valid legal and factual grounds and expecting a favourable outcome.

28.1.11 During the year, the Assistant Commissioner Inland Revenue, Unit-III, Zone-V issued show cause notices dated April 8, 2026 under section 11E of the Sales Tax Act, 1990 for the periods July 2023 to June 2024 and July 2024 to June 2025, alleging inadmissible input tax claims of Rs. 60.074 million and Rs. 45.325 million, respectively. ILL submitted detailed responses to the aforesaid notices and, subsequently, furnished further information and supporting documents as required by the tax authorities. The matters are currently pending before the tax authorities and no final orders have been passed to date.

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	2026	2025
	----- (Rupees in '000) -----	
28.1.12 Claim of arrears of social security contribution not acknowledged, appeal is pending in High Court of Sindh. The management is hopeful for favourable outcome.	453	453
28.1.13 Guarantees issued by banks in favour of custom authorities on behalf of the Group	-	3,817
28.1.14 Guarantees issued by banks in favour of gas / electric distribution companies	1,041,549	1,027,250
28.1.15 Bank guarantees against payment of infrastructure cess	2,591,547	2,237,542
28.1.16 Bank guarantees against in favour of Government of Sindh	605,154	413,154
28.1.17 Bank guarantees against in favour of Pakistan State Oil Company Limited	8,750	16,250
28.1.18 Share in bank guarantees of the Associate	6,831	6,333

	2026	2025
	----- (Rupees in '000) -----	
28.2 Commitments		
Letters of credit against property, plant and equipment, stores and spares and raw cotton purchases	14,740,204	5,612,298
Sales contract to be executed	9,756,119	7,809,973
Stand by letter of credit	647,934	1,082,769
Foreign currency forward contracts - Sale	1,613,720	503,816
Gass lavies and EFS	6,025,080	-
Post dated cheques, Revenue Department - Government of Pakistan	2,587,813	7,257,632

28.3 The Group has total unutilised facility limit against letter of credits aggregating to Rs. 23.49 billion (2025: Rs. 11.80 billion) as of reporting date.

		2026	2025
	Note	----- (Rupees in '000) -----	
29 REVENUE			
29.1 Revenue from contracts with customers			
Export sales	29.4	42,680,976	38,944,530
Less:			
Commission		(223,765)	(226,768)
Sales discount		(5,000)	(2,060)
	29.6	42,452,211	38,715,702

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Local sales

- Yarn	66,356,122	69,121,771
- Cotton	9,741,105	4,016,825
- Towel	584,397	505,630
- Synthetic	115,169	160,758
- Greige Fabric	92,400	37,095
- Waste	4,092,853	4,659,132
	80,982,046	78,501,211

Less:

Brokerage on local sales	(580,263)	(543,963)
Sales discount	(15,154)	(63,388)
Sales tax on local sales:		
- Yarn	(10,535,331)	(11,532,555)
- Cotton	(1,485,944)	-
- Waste	(660,489)	(597,898)
	(12,681,764)	(12,130,453)
	110,157,076	104,479,109

29.2 Other revenue 29.5 **(39,858)** (29,997)

29.3 Revenue from sale of electricity

Energy Purchase Price (EPP)	3,197,300	2,493,692
Late Payment Interest (LPI)	14,241	13,933
Less: sales tax	(432,988)	(333,579)
	2,778,553	2,174,046
	112,895,771	106,623,158

29.5 This represents realised exchange loss on export sales.

30 DIRECTLY ATTRIBUTABLE COST FOR GENERATING REVENUE

Note ----- **2026** (Rupees in '000) **2025** -----

Raw material consumed	30.1	77,803,904	73,568,848
Manufacturing expenses	30.3	22,604,597	24,547,018
Outside purchases			
yarn for processing excluding conversion cost		938,189	934,164
		101,346,690	99,050,030

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Work in process

- Opening	2,140,698	2,339,218
- Closing	(2,356,762)	(2,140,698)
	(216,064)	198,520
	101,130,626	99,248,550

Finished goods

- Opening	4,942,852	4,721,102
- Closing	(4,043,460)	(4,942,852)
	899,392	(221,750)

Waste

- Opening	335,943	281,084
- Closing	(328,556)	(335,943)
	7,387	(54,859)
	102,037,405	98,971,941

30.1 Raw material consumed

Opening stock		10,801,127	8,920,016
Purchases		74,934,525	75,449,959
		85,735,652	84,369,975
Closing stock	11	(7,931,748)	(10,801,127)
	30.2	77,803,904	73,568,848

30.2 This includes cost of raw material sold amounting to Rs. 7,496.38 million (2025: Rs. 3,214.68 million).

		2026	2025
30.3	Note	(Rupees in '000)	
Manufacturing expenses			
Salaries, wages and benefits	30.3.1	6,028,353	6,130,878
Utilities		8,781,058	9,899,141
Stores and spares consumed		2,187,963	3,022,056
Provision made during the year	10.1	13,094	926
Packing material consumed		1,585,064	1,722,693
Repairs and maintenance		511,581	499,306
Insurance		159,152	175,523
Rates and taxes		23,231	9,980
Depreciation on operating fixed assets	5.1.1	2,964,545	2,717,675
Others		350,556	368,840
		22,604,597	24,547,018

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30.3.1 It includes staff retirement benefits Rs. 208 million (2025: Rs. 198.49 million)

		2026 ----- (Rupees in '000) -----	2025
31	OTHER INCOME		
	Scrap sales	40,140	61,981
	Duty drawback, rebates and others	292,699	143,573
	Capital gain on sale of other financial assets	632,350	1,298
	Amortization of deferred government grants	22.2 123,332	152,335
	Profit on term finance certificates	25,358	4,123
	Profit on fixed deposits	38,919	107,131
	Gain on lease modification	-	783
	Insurance claim	19	4,915
	Unrealized gain on revaluation of foreign currency debtors	-	18,209
	Exchange gain - others	202,281	212,244
	Unrealized exchange gain on foreign currency - net	43,704	533
	Interest on Pakistan Investment Bond	-	105,521
	Interest on treasury bills	7,643	3,089
	Realized exchange gain on foreign currency loans	91,750	-
	Unrealized exchange gain on foreign currency loans	18,309	-
	Unrealized capital gain on other financial assets	206,105	35,244
	Notice pay deduction gratuity	515	866
	Dividend income	343,062	22,083
	Other operating income	36,416	22,168
		2,102,602	896,096
32	DISTRIBUTION COST		
	Export		
	Ocean freight	613,895	649,025
	Export development surcharge	20,306	54,805
	Insurance expense	-	4,269
	Export charges	283,805	211,749
		918,006	919,848
	Local		
	Freight and other	370,334	314,928
	Insurance	8,500	8,017
	Salaries and wages	221,829	213,116
	Travelling and conveyance	7,033	20,489
	Telephone and postage	67,460	66,232
	Marketing and promotion	23,042	105,675
	Others	46,155	63,551
		744,353	792,008
		1,662,359	1,711,856

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32.1 It includes staff retirement benefits of Rs. 3.99 million (2025: Rs. 3.41 million).

		2026	2025
	Note	----- (Rupees in '000)	-----
33 ADMINISTRATIVE EXPENSES			
Salaries and benefits	33.1	666,070	619,967
Directors' remuneration other than meeting fees		187,336	121,942
Meeting fees		450	525
Repairs and maintenance		9,775	7,946
Postage and telephone		15,922	20,174
Traveling and conveyance		12,196	13,144
Vehicles running		61,623	61,302
Printing and stationery		6,796	7,476
Short term lease, rates and taxes		36,563	7,247
Utilities		19,909	25,680
Entertainment		7,693	7,332
Fees and subscription		48,947	38,517
Insurance		12,541	11,581
Legal and professional		52,885	42,475
Auditor's remuneration	33.3	7,617	6,844
Depreciation on operating fixed assets	5.1.1	70,359	84,350
Depreciation on right-of-use assets	5.5	959	18,676
Amortization on intangible assets	6	2,492	3,553
Provision against doubtful recovery		99,768	439,000
Others		67,650	15,736
		1,387,551	1,553,467

33.1 It includes staff retirement benefits Rs. 14.31 million (2025: Rs. 3.41 million).

		2026	2025
	Note	----- (Rupees in '000)	-----
33.3 Auditor's remuneration			
Audit fee		5,853	5,322
Interim review fee		605	550
Fee for certifications		260	100
Other		220	200
Out of pocket expenses		679	672
		7,617	6,844

34 OTHER OPERATING EXPENSES

Workers' Profits Participation Fund	24.2	199,465	49,680
Workers' Welfare Fund	24.3	51,431	5,746
Loss on disposal of operating fixed assets - net		34,687	6,823
Realized exchange loss on foreign currency		-	37,256
Unrealized loss on revaluation of foreign currency loans		-	77,354
Unrealized loss on other financial assets		1	-
Unrealized loss on revaluation of foreign currency debtors		29,254	-
Realized loss on other financial assets		-	689
		314,838	177,548

		2026	2025
	Note	----- (Rupees in '000) -----	
Mark-up on:			
- long-term finance		1,793,353	1,653,732
- short-term borrowings		2,434,226	1,998,968
- lease liability	23	2,987	2,691
Amortization of transaction cost		12,849	13,942
Bank charges and commission		83,966	102,702
Discounting charges on letters of credit		152,388	178,587
Unwinding of Government Infrastructure Development Cess	22.3	-	18,963
Interest on Workers' Profits Participation Fund	24.2	720	515
Less: profit on bank deposit		(21,910)	-
		4,458,579	3,970,100

36 LEVIES

Final taxes			
- dividend	36.1	149,543	3,254
- capital gain		1,600	325
Prior year leveis		(317)	-
Minimum taxes	36.2	648,570	1,171,615
		799,396	1,175,194

36.1 These represent final taxes paid on export sales, dividend income and capital gain account and are recognised as levies in line with the requirements of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and guide on IAS 12 'Income Taxes' issued by Institute of Chartered Accountants of Pakistan.

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

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	2026	2025
	----- (Rupees in '000) -----	
37 TAXATION		
Current		
- For the year	971,856	68,245
- Prior year	380,214	(95,264)
Deferred	123,423	(604,722)
	<u>1,475,493</u>	<u>(631,741)</u>

37.1 Relationship between tax expense and accounting profit

Accounting profit before tax	<u>4,232,872</u>	<u>(56,394)</u>
Tax rate	<u>29%</u>	<u>29%</u>
	2026	2025
	----- (Rupees in '000) -----	
Tax on accounting profit	1,227,533	(16,354)
Effect of:		
Inadmissible expenses	(169,902)	(3,213)
Prior year	380,214	(95,264)
Impact of super tax	234,516	-
Impact of minimum tax credit	(201,017)	416,724
Impact of levies	(119,274)	(328,912)
Deferred tax	123,423	(604,722)
Tax charge as per accounts	<u>1,475,493</u>	<u>(631,741)</u>

38 EARNINGS PER SHARE - BASIC AND DILUTED

	2026	2025
	----- (Rupees in '000) -----	
38.1 Basic earnings per share		
Profit for the year	<u>2,757,379</u>	<u>575,347</u>
	Number of shares	
Weighted average number of ordinary shares outstanding during the year	<u>54,221,196</u>	<u>54,221,196</u>
	2026	2025
Earnings per share - Basic and diluted	<u>50.85</u>	<u>10.61</u>

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38.2 No figures for diluted earnings per share have been presented as the Holding Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

		2026 Note ----- (Rupees in '000) -----	2025 -----
39	CASH GENERATED FROM OPERATIONS		
	Profit / (loss) before taxation	4,232,872	(56,394)
	Adjustments for non cash and other items:		
	Depreciation on operating fixed asset	5.1.1 3,034,904	2,802,025
	Depreciation on right-of-use assets	5.5.2 959	18,676
	Amortization on intangible assets	33 2,492	3,556
	Provision for gratuity	22.1.5 226,307	214,897
	Provision of allowance of expected credit loss	12.3 109,763	24,976
	Provision for slow moving and obsolete stores	10.1 13,094	926
	Capital gain on sale of other financial assets	31 & 34 (632,350)	(609)
	Unrealized exchange gain on foreign currency - net	(43,704)	533
	Interest on Pakistan Investment Bond	31 -	(105,521)
	Interest on treasury bills	31 (7,643)	(3,089)
	Unrealized capital gain on other financial assets	31 (206,105)	(35,244)
	Unrealized loss on revaluation of foreign currency debtors	34 29,254	-
	Loss on disposal of operating fixed assets	31 & 34 34,687	6,823
	Dividend income	31 (343,062)	(22,083)
	Unwinding of deferred government grant	31 (123,332)	(152,335)
	Amortization of transaction cost	12,849	-
	Finance cost	35 4,458,579	3,669,333
	Unwinding of Gas Infrastructure Development Cess	35 -	18,963
	Share of profit from associate	7.1 (4,390)	(9,434)
	Unwinding of interest of lease liabilities	2,987	-
	Gain on lease modification	-	(784)
	Unrealised (gain) / loss on foreign currency loans	(18,309)	77,354
	Levies	36 799,396	1,175,194
	Cash generated before working capital changes	11,579,247	7,627,763
	Working capital changes:		
	Decrease / (increase) in current assets		
	Stores, spares and loose tools	43,039	90,570
	Stock-in-trade	(2,680,596)	(3,664,104)
	Trade debts	(6,302,368)	(3,843,215)
	Loans and advances	(172,592)	219,516
	Sales tax refundable	(3,242,955)	414,266
	Trade deposits and short term prepayments	15,238	(108,059)
	Other receivables	15,593	(832,267)
		(12,324,641)	(7,723,293)
	Increase / (decrease) in current liabilities		
	Contract liabilities	(7,558)	31,133
	Trade and other payables	2,340,390	416,557
	Cash generated from operations	1,587,438	352,161

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		2026	2025
	Note	----- (Rupees in '000) -----	
40 CASH AND CASH EQUIVALENTS			
Term deposit receipts	16	397,225	142,284
Cash and bank balances	18	1,312,910	512,518
Short-term borrowings	27	(8,963,992)	(8,779,986)
		<u>(7,253,857)</u>	<u>(8,125,184)</u>

41 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these consolidated financial statements for remuneration, including all benefits to chief executive officer, executives and directors of the Group are given below:

Particulars	2026				
	Chief Executive Officer	Directors		Executives	Total
		Executive	Non- executive		
-----Rupees in '000-----					
Remuneration including benefits	31,950	149,351	96,978	634,427	912,706
Retirement benefits	-	5,694	-	52,885	58,579
Medical	-	949	1,561	3,429	5,939
Utilities	12,481	12,964	8,478	1,444	35,367
Travelling	3,505	2,613	-	7,738	13,856
Leave encashment	2,240	3,883	-	2,237	8,360
Vehicle running	2,382	1,171	-	-	3,553
Bonus and others	4,200	3,080	-	4,343	11,623
Meeting fees	-	-	450	-	450
Total	56,758	179,705	107,467	706,503	1,050,433
Number of persons	2	11	6	259	278
Particulars	2025				
	Chief Executive Officer	Directors		Executives	Total
		Executive	Non-executive		
-----Rupees in '000-----					
Remuneration including benefits	82,443	131,872	-	694,162	908,477
Retirement benefits	-	-	-	55,856	55,856
Medical	-	1,088	-	3,694	4,782
Utilities	3,667	7,255	7,796	5,343	24,061
Travelling	1,062	766	-	19,547	21,375
Leave encashment	2,240	1,856	-	2,116	6,212
Vehicle running	2,382	1,171	-	-	3,553
Bonus and others	4,200	3,080	-	192,077	199,357
Meeting fees	-	-	525	-	525
Total	95,994	147,088	8,321	972,795	1,224,198
Number of persons	3	11	7	228	249

- 41.1** Group maintained cars and cellular phones are provided to Chief Executive Officers, directors and executives.

42 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associate (Sunrays Textile Mills Limited), entities with common directorship, key management personnel. The Group carries out transactions with related parties on agreed terms. Remuneration of key management personnel is disclosed in note 41 to the consolidated financial statements and amount payable in respect of staff retirement benefits is disclosed in note 22. Significant transactions with related parties other than those shown elsewhere in these consolidated financial statements, are as follows:

Relationship	Nature of transactions	2026	2025
		----- (Rupees in '000) -----	
Associate (shareholding : 0.99 percent), Sunrays Textile Mills Limited	Purchase of goods and services	249,981	361,268
	Sale of goods and services	1,050,346	876,740
Spouses and sons of Directors	Payment against short term leases	25,210	22,867
Balances with related parties			
Associate - payable, Sunrays Textile Mills Limited		47,535	68,634

43 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

At amortised cost

- Long-term deposits	19,359	19,359
- Trade debts	27,491,961	21,328,610
- Loans	17,454	20,281
- Trade deposits	80,123	112,346
- Other receivables	1,309,742	1,325,335
- Other financial assets	480,118	203,369
- Cash and bank balances	1,312,910	512,518
	30,711,667	23,521,818

At fair value through profit or loss

Other financial assets	4,493,188	534,849
	35,204,855	24,056,667

Financial liabilities

At amortised cost

Long-term financing	20,657,994	23,749,292
Lease liabilities	30,144	27,157
Trade and other payables	4,886,471	3,618,833
Unclaimed dividends	2,011	2,370
Interest / mark-up payable	702,112	825,857
Short-term borrowings	39,772,474	26,694,252
	66,051,206	54,917,761

44 FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial risk management. The responsibility includes developing and monitoring the Group's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Group's financial risk exposures.

The Group's principal financial liabilities comprise long-term financing, short-term borrowings, trade and other payables, interest / dividend payable and financial guarantee contracts. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has loans and advances, trade and other receivables, cash and bank balances and deposits that arise directly from its operations. The Group also holds long-term and short term investments.

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk).

The Group's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

44.1 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. The Group's does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Group arises principally from the trade debts, loans and advances, other financial assets (mutual funds) and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2026	2025
	----- (Rupees in '000) -----	
Long-term deposits	19,359	19,359
Trade debts	27,491,961	21,328,610
Loans	17,454	20,281
Other financial assets	480,118	203,369
Other receivables	1,309,742	1,325,335
Trade deposits	80,123	112,346
Bank balances	901,553	501,825
	30,300,310	23,511,125

The credit quality of receivable can be assessed with reference to their historical performance with negligible defaults in recent history.

Trade debts are due from foreign and local customers for export and local sales respectively. Trade debts from foreign customers are secured against letters of credit. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors. Though there are few past due trade debts, however, such are not impaired as per management assessment.

Credit risk related to equity investments and cash deposits

The Group limits its exposure to credit risk of investments by only investing in listed mutual funds units having good stock exchange rating. Credit risk from balances with banks and financial institutions is managed by Finance Director in accordance with the Group's policy.

The credit risk on liquid funds (bank balances) is limited because the counter parties are banks with a reasonably high credit rating. The names and credit rating of major banks where the Group maintains its bank balances are as follows:

Name of bank	Rating agency	Credit rating	
		Long-term	Short-term
Habib Bank Limited	VIS	AAA	A1+
HBL Cash Fund	VIS	AA+(f)	AA+(f)
Soneri Bank Limited	PACRA	AA	A1+
MCB Bank Limited	PACRA	AAA	A1+
Allied Bank Limited	PACRA	AAA	A1+
Dubai Islamic Bank (Pakistan) Limited	VIS	AA	A1+
United Bank Limited	VIS	AAA	A1+
Habib Metropolitan Bank Limited	PACRA	AAA	A1+
Meezan Bank Limited	VIS	AAA	A1+
Bank Alfalah Limited	PACRA	AAA	A1+
Bank Islami Pakistan	PACRA	AA-	A1
Askari Bank Limited	PACRA	AAA	A1+
Bank Al-Habib Limited	PACRA	AAA	A1+
Standard Chartered Bank (Pakistan) Limited	VIS	AAA	A1+
The Bank of Punjab	PACRA	AAA	A1+
Faysal Bank Limited	PACRA	AA+	A1+
National Bank Of Pakistan	PACRA	AAA	A1+
JS Bank Limited	PACRA	AA	A1+

44.2 Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient cash on demand to meet expected working capital requirements. Following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

44.2.1 Liquidity and interest risk table

The following tables displays the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Carrying Values	Contractual Cash Flows	Upto 1 years	1 to 5 years	More than 5 years
-----Rupees in '000'-----					
Long-term financing	20,657,994	21,627,344	3,616,165	9,701,238	8,309,941
Trade and other payables	4,886,471	4,886,471	4,886,471	-	-
Short-term borrowings	39,772,474	39,772,474	39,772,474	-	-
Unclaimed dividends	2,011	2,011	2,011	-	-
Interest / mark-up payable	702,112	702,112	702,112	-	-
Lease liabilities	30,144	55,640	18,084	3,316	34,240
2026	66,051,206	67,046,052	48,997,317	9,704,554	8,344,181
-----Rupees in '000'-----					
	Carrying Values	Contractual Cash Flows	Upto 1 years	1 to 5 years	More than 5 years
Long-term financing	23,749,292	23,749,292	3,104,182	12,851,545	7,793,565
Trade and other payables	3,618,833	3,618,833	3,618,833	-	-
Short-term borrowings	26,694,252	26,694,252	26,694,252	-	-
Unclaimed dividends	2,370	2,370	2,370	-	-
Interest / mark-up payable	825,857	825,857	825,857	-	-
Lease liabilities	27,157	91,135	-	56,895	34,240
2025	54,917,761	54,981,739	34,245,494	12,908,440	7,827,805

The effective rate of interests on non-derivative financial liabilities are disclosed in respective notes.

44.3 Market risk management

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

44.3.1 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate risk arises from long and short-term borrowings from financial institutions. At the reporting date the interest rate risk profile of the Group's interest-bearing financial instruments is:

	Carrying amount	
	2026	2025
	----- (Rupees in '000) -----	
Fixed rate instruments		
Financial liabilities		
Long-term financing	34,302,080	27,744,062
Other financial assets	793,653	197,180
Variable rate instruments		
Financial liabilities		
Long-term financing		
- KIBOR based	20,829,961	16,613,749
- LIBOR based	5,350,223	6,150,379

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates had been 500 basis points higher / lower and all other variables were held constant, the Group's profit before tax for the year ended June 30, 2026 would decrease / increase by Rs. 1309.00 million (2025: Rs. 704.9 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings determined on outstanding balance at year end.

44.3.2 Foreign exchange risk management

Exposure to currency risk	2026		2025	
	Rupees	US Dollar	Rupees	US Dollar
	----- '000-----			
Trade debts	9,970,651	35,859	3,419,002	12,059
Bank balances	35,545	128	5,526,700	19,492
Foreign currency loans	(30,312,184)	(109,017)	(16,551,091)	(58,375)
	(20,305,988)	(73,030)	(7,605,389)	(26,824)

	2026	2025
Reporting date rate	278.05	283.53
Average rate	280.79	280.94

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. Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Group is exposed to foreign currency risk on sales, purchases and borrowings, which are entered in a currency other than Pak Rupees.

At June 30, 2026, if the Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 1,015.30 million (2025: by Rs. 621.54 million) determined on the outstanding balance at year end.

44.3.3 Equity price risk management

The Group's listed securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities including units of mutual funds are at fair value was Rs. 3,685.95 million (2025: Rs. 534.85 million). A decrease / increase of 5% in market prices or net assets value would have an impact of approximately Rs. 184.30 million (2025: Rs. 26.74 million) on profit for the year determined based on market value of investments at year end.

44.3.4 Fair value estimation

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Group is current bid price.

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 Measurements' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Details of fair value hierarchy and information relating to fair value of Group investment categorised as fair value through profit or loss is as follows:

		2026			
	Note	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
Financial assets measured at fair value					
Other financial assets	16	4,476,498	-	-	4,476,498
		2025			
	Note	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
Financial assets measured at fair value					
Other financial assets	16	534,849	-	-	534,849

45 CAPITAL RISK MANAGEMENT

The objective of the Group when managing capital, i.e., its shareholders' equity, is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders or issue new shares.

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

The gearing ratios at June 30, 2026 and 2025 were as follows:

	2026	2025
	----- (Rupees in '000) -----	
Total borrowings (note 21 and 27)	60,430,468	50,443,544
Less: cash and bank balances (note 40)	(1,710,135)	(654,802)
Net debt	<u>58,720,333</u>	49,788,742
Total equity	<u>35,257,397</u>	32,509,722
Total capital	<u>93,977,729</u>	82,298,464
Gearing ratio	<u>62%</u>	60%

46 CAPACITY AND PRODUCTION

Spinning units	2026	2025
Total number of spindles installed	<u>253,029</u>	261,393
Total number of spindles worked per annum (average)	<u>227,457</u>	247,916
Number of shifts worked per day	<u>3</u>	3
Installed capacity of yarn converted into 20 counts based on 365 days (lbs.)	<u>173,741,540</u>	177,723,018
Actual production for the year after conversion into 20 counts (lbs.)	<u>155,856,716</u>	164,914,197

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

Power Generation unit

Installed capacity (theoretical maximum output in MWh) (25 turbines of 2 MW each)	<u>438,000</u>	438,000
Actual production (MWh)	<u>164,105</u>	149,475
Capacity utilization factor	<u>37.47%</u>	34.13%

Theoretical maximum output is of 365 days. The Capacity utilization factor calculated above is total gross generation of 365 days over theoretical maximum output of 365 days. The actual production is subject to actual load demand and wind conditions.

Weaving unit	2026	2025
Normal capacity (lbs)	24,918,206	29,062,687
Actual Production (lbs)	19,862,800	20,680,072
Normal capacity - Spinning after conversion into 15/s	19,400,000	2,372,000
Actual production - Spinning after conversion into 15/s	18,526,588	18,773,470
Normal capacity - synthetic	1,257,151	-
Actual production - synthetic	967,002	-

The difference between the installed capacity and actual production is due to the annual demand variations of the Groups products.

47 SEGMENT REPORTING

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision Maker (CODM). The Chief Executive Officer of the entity has been identified as the CODM, who is responsible for allocating resources and assessing the performance of the operating segments. As per IFRS 8, "Operating Segments", Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker.

The Group has determined its operating segments based on the reports reviewed by the CODM, which are used for strategic decision-making purposes.

The CODM is responsible for the Group's overall business operations and considers the Group to have two reportable segments – Textile and Wind Power. The Group's resource allocation and performance assessment decisions are based on these operating segments. During the year, wind power has been added as a reportable operating segment. Earlier, 90% of the revenue and asset base were pertaining to Textile, therefore, no separately operating segments were reported.

The Group has a diversified business portfolio whereby resources have been allocated to each segment in accordance with their respective operational requirements.

Details of segment revenues, costs, profit, assets and liabilities are as follows:

	Textile	Wind Power	Total
	(Rupees in '000)		
Segment revenues / profits			
For the year ended June 30, 2026			
Revenue	110,117,218	2,778,553	112,895,771
Directly attributable cost for generating revenue	(100,990,157)	(1,047,248)	(102,037,405)
Reporting segment profit	9,127,061	1,731,305	10,858,366
Segment revenues / profits			
For the year ended June 30, 2025			
Revenue	104,449,112	2,174,046	106,623,158
Directly attributable cost for generating revenue	(97,996,238)	(975,703)	(98,971,941)
Reporting segment profit	6,452,874	1,198,343	7,651,217

Reconciliation of segment wise results with profit before tax and levies is as under:

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	2026 ----- (Rupees in '000) -----	2025 -----
Total results for reportable segments	10,858,366	7,651,217
Other non-operating income	2,102,602	896,096
Distribution cost	(1,662,359)	(1,711,856)
Administrative expenses	(1,387,551)	(1,553,467)
Finance cost	(4,458,579)	(3,970,100)
Provision against expected credit loss	(109,763)	(24,976)
Other non-operating expenses	(314,838)	(177,548)
Share of profit from associate - net of tax	4,390	9,434
	5,032,268	1,118,800

	Textile	Wind Power	Total
Segments assets and liabilities	-----	(Rupees in '000) -----	-----
As at June 30, 2026			
Segment assets	95,205,335	12,442,674	107,648,009
Segment liabilities	64,061,461	8,329,150	72,390,611
As at June 30, 2025			
Segment assets	80,070,626	12,469,617	92,540,243
Segment liabilities	50,757,528	9,272,993	60,030,521

47.1 Certain assets and liabilities are common to all segments and these include long term deposits, other receivables, deferred liabilities and other corporate assets and liabilities.

48 NUMBER OF EMPLOYEES

	Number of employees	
	2026	2025
Average number of employees during the year	6,398	7,174
Number of employees as at June 30	6,231	6,565

48.1 Daily wage employees are not included in the above number of employees.

49 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Long term financing	Short term borrowings	Dividend	Lease liabilities
	-----Rupees '000'-----			
Balance as at July 1	23,749,292	17,914,266	2,370	27,157
Non cash item	136,181	-	-	2,987
Financing cash inflows	429,553	12,912,525	-	-
Financing cash outflows	(3,657,032)	(18,309)	(359)	-
	20,657,994	30,808,482	2,011	30,144

50 SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

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

	2026	2025
	----- (Rupees in '000) -----	
Financing as per Islamic Mode		
- Long-term financing (including current portion)	734,412	3,806,579
- Short-term borrowings	8,857,093	8,848,174
Non - shariah compliant investment in other financial assets		
- Investment in ordinary shares of listed companies	3,685,287	402,066
- Term deposit receipts	398,225	143,284
- Treasury bills	81,893	60,085
Shariah compliant investment in other financial assets		
- Investment in ordinary shares of listed companies	790,549	131,178
Interest accrued on conventional loans		
- Long-term financing	150,988	315,863
- Short-term borrowings	551,124	509,994
Profit paid on Islamic mode of financing		
- Long-term financing	139,392	345,296
- Short-term borrowings	590,272	633,313
Interest paid on conventional loans		
- Long term financing	1,653,961	1,308,436
- Short-term borrowings	1,843,954	1,365,655
Shariah Compliant bank balances		
- Bank balances	171,759	244,236
Shariah compliant revenue		
- Revenue from contracts with customers	110,157,076	104,479,109
Exchange gain / (loss) earned from actual currency		
- Unrealized loss on foreign currency loan	18,309	(77,354)
- Unrealized gain / (loss) on foreign currency account	245,985	230,986

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	2026	2025
	----- (Rupees in '000) -----	
Source and detailed breakup of other income		
Non-Shariah Compliant		
- Interest on Pakistan Investment Bond	-	105,521
- Interest on Market Treasury Bills	7,643	3,089
- Interest income on term deposit receipt	16,458	44,053
- Profit on fixed deposits	38,919	116,839
- Amortization of deferred government grants	123,332	152,335
- Unrealized loss on foreign currency loan and revaluation of foreign currency account	-	31,028
- Dividend income	343,062	22,083
- Realized gain on revaluation of foreign currency account	17,770	1,236
- Unrealized capital gain on sale of other financial assets	264,263	35,244
- Income on short term investments	519,828	1,298
- Others	19	28,382
Shariah Compliant		
- Scrap sales	40,140	61,981
- Unrealized capital gain on sale of other financial assets	(58,158)	-
- Income on short term investments	112,522	-
- Gain on disposal of property, plant and equipment - net	(34,687)	738

Relationship with Shariah-compliant financial institutions

Name	Relationship
Meezan Bank Limited	Funded and unfunded facility & bank balance
Dubai Islamic Bank Pakistan Limited	Funded and unfunded facility & bank balance
Bank of Khyber	Funded and unfunded facility & bank balance
Faysal Bank Limited	Funded and unfunded facility & bank balance
Bank Islami Pakistan Limited	Funded and unfunded facility & bank balance

51 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements have been authorised for issue on _____ by the Board of Directors of the Group.

52 GENERAL

52.1 Corresponding figures have been reclassified in these consolidated financial statements, wherever necessary to facilitate the comparison and to conform with changes and presentation in the current year. However, no significant reclassifications were made in the consolidated financial statements.

52.2 Figures have been rounded off to the nearest rupees in thousand.


Chief Financial Officer


Chief Executive Officer


Director

شیر ہولڈرز کو ڈائریکٹرز کی رپورٹ:

انڈس ڈائنگ اینڈ مینوفیکچرنگ کمپنی لمیٹڈ کے ڈائریکٹرز کو کمپنی کی انسترویں سالانہ جنرل میٹنگ سے پہلے 30 جون 2026 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرنے پر خوشی ہے۔

کمپنی کی مجموعی مالی جھلکیاں حسب ذیل ہیں:

2026	2025	30 جون کو ختم ہونے والے سال کے لیے
	(روپے 000 میں)	
112,895,771	106,623,158	سیلز
10,858,366	7,651,217	مجموعی منافع
2,102,602	897,332	دیگر آپرینگ آمدنی
(4,458,579)	(3,970,100)	مالیاتی لاگت
(2,274,889)	(543,453)	ٹیکس کی فراہمی
2,757,379	575,347	ٹیکس کے بعد سال کا منافع
50.85	10.61	آمدنی فی شیر - بنیادی اور کمزور (خالص)

ڈیویڈنڈ:

مجموعی موجودہ صورتحال کے پیش نظر، بورڈ نے 30 جون 2026 کو ختم ہونے والے سال کے لیے ڈیویڈنڈ کا اعلان نہ کرنے کا انتخاب کیا ہے۔

فی شیر کمائی:

کمپنی نے موجودہ سال کے لیے مجموعی فی شیر آمدنی 50.85 (EPS) روپے ظاہر کی ہے، جو گزشتہ سال کے 10.61 روپے کے مقابلے میں اضافہ ہے۔ اکیلے (اسٹینڈ الون) بنیاد پر، EPS نمایاں طور پر بڑھ کر 26.28 روپے ہو گئی، جبکہ گزشتہ سال یہ 8.77 روپے ریکارڈ کی گئی تھی۔

کاروبار کی نوعیت میں تبدیلی:

اس مدت کے دوران کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں آئی۔

کاروبار کا جائزہ:

زیر نظر سال کے دوران اسپننگ ڈویژن کی کارکردگی میں بہتری آئی۔ کمپنی کی آمدنی میں اضافہ درج کیا گیا، جو گزشتہ سال کی اسی مدت کے 106.623 ارب روپے سے بڑھ کر 112.895 ارب روپے تک پہنچ گئی۔

بہر حال، کمپنی نے ان مخالف حالات سے نمٹنے میں لچک کا مظاہرہ کیا۔ شرح سود میں سازگار کمی سے فائدہ اٹھاتے ہوئے، اس نے 2,757 ملین روپے کا قابل ستائش خالص منافع فراہم کیا، جو گزشتہ سال کی اسی مدت میں ریکارڈ کیے گئے 575 ملین روپے کے مقابلے میں بہتری ہے۔

مستقبل کا منظرنامہ:

مالی سال 2027 میں عالمی معیشت کے دوبارہ رفتار پکڑنے کی توقع ہے؛ دنیا کی مجموعی ملکی پیداوار (GDP) کی شرح نمو 2026 میں 3.0 فیصد سے بہتر ہو کر 2027 میں 3.4 فیصد تک پہنچنے کا اندازہ ہے، جبکہ عالمی افراط زر 4.7 فیصد سے کم ہو کر 3.9 فیصد رہنے کی پیش گوئی ہے۔ اس سے حقیقی آمدنیوں کو بتدریج تقویت ملنی چاہیے اور مالی حالات میں نرمی آئی چاہیے، تاہم منظرنامہ جغرافیائی سیاسی اور تجارتی خطرات کی زد میں رہے گا۔ امریکہ-ایران تنازع اور آبنائے ہرمز میں خلل نے توانائی اور لاجسٹکس کے خطرات میں اضافہ کیا ہے، اور اس سے تیل کی قیمتوں، مال برداری کے کراؤں اور سپلائی چینز میں اتار چڑھاؤ طویل ہو سکتا ہے۔ اس کے باوجود، ٹیکنالوجی پر مبنی سرمایہ کاری، بہتر ہوتے مالی حالات اور توانائی کے وسیع تر ذرائع کی بدولت عالمی معیشت اب تک پکدار رہی ہے۔

ٹیکسٹائل ویلیو چین کے لیے، افراط زر میں کمی اور حقیقی آمدنیوں میں اضافہ صارفین کی طلب کو سہارا دیں گے، لیکن بلند اخراجات زندگی، ٹیرف کے باعث قیمتوں پر دباؤ اور برقرار غیر یقینی صورتحال خریداروں کو قیمت کے حوالے سے محتاط رکھے گی۔ لہذا طلب کا رجحان ان برانڈز اور ویلیویرز کی جانب رہنے کا امکان ہے جو معیار، افادیت، جرت اور پائیداری کے ساتھ مسابقتی قیمتیں پیش کریں، جبکہ خریداری کے ذرائع میں مسلسل تنوع خریداروں کے فیصلوں میں ایک کلیدی عنصر رہے گا۔

اسپیننگ کے شعبے کے لیے بنیادی تشویش مقامی کپاس کی محدود دستیابی ہے، جو قیمتوں میں اتار چڑھاؤ اور موجودہ غیر یقینی صورتحال کے دوران درآمدی کپاس کی فراہمی میں لاجسٹک رکاوٹوں کے باعث مزید بڑھ جاتی ہے۔ اس لیے خام مال کا تحفظ اور لاگت کا انتظام ہمارے آپریشنز کا مرکز رہے گا۔

ملکی محاذ پر، آئی ایم ایف کا اندازہ ہے کہ مالی سال 2027 میں پاکستان کی حقیقی جی ڈی پی کی شرح نمو 4.1 فیصد اور اوسط افراط زر 7.0 فیصد رہے گی۔ معاشی استحکام میں بہتری اور مضبوط بیرونی ذخائر ایک زیادہ معاون پس منظر فراہم کرتے ہیں، اگرچہ توانائی کے نرخ، شرح مبادلہ کی نقل و حرکت اور عالمی تجارتی حالات پاکستان کی ٹیکسٹائل برآمدات کی مسابقت کا تعین کرتے رہیں گے۔

اس پیچیدہ اور بدلتے ہوئے ماحول میں، انتظامیہ کمپنی کی چمک اور طویل مدتی مسابقتی پوزیشن کو مضبوط بنانے پر توجہ مرکوز رکھے ہوئے ہے۔ لاگت کی کارکردگی، عمل کی اصلاح (پروسیس آپٹیمائزیشن)، سپلائی چین کی چستی، اور صارفین اور وسائل کا نظم و ضبط کے ساتھ انتظام آپریشنل استحکام اور پائیدار قدر کی تخلیق کو سہارا دیتے رہیں گے۔ عمل درآمد، جرت، پیداوار اور حکمت عملی پر مبنی سرمایہ کاری پر مسلسل توجہ کے ذریعے، کمپنی کا ہدف مارکیٹ کے اتار چڑھاؤ سے نمٹنا، ابھرتے مواقع سے فائدہ اٹھانا، اور تمام اسٹیک ہولڈرز کے لیے پائیدار طویل مدتی ترقی اور قدر فراہم کرنا ہے۔

کارپوریٹ سماجی ذمہ داری:

کمپنی اپنا کاروبار سماجی طور پر ذمہ دار اور پائیدار انداز میں چلانے کے لیے پرعزم ہے۔ ہم تسلیم کرتے ہیں کہ ہماری طویل مدتی کامیابی ان برادریوں کی فلاح و بہبود، جن میں ہم کام کرتے ہیں، ماحول کے تحفظ، اور ان اخلاقی معیارات سے گہرا تعلق رکھتی ہے جن کی ہم پاسداری کرتے ہیں۔

اس طرز عمل کے کلیدی حصے کے طور پر، ہم نے اپنے اسپیننگ یونٹس میں صحت اور حفاظت کے اقدامات میں سرمایہ کاری جاری رکھی، جن میں باقاعدہ طبی معائنے، حفاظتی سامان کی فراہمی، اور پیشہ ورانہ خطرات سے متعلق آگاہی کے سیشنز شامل ہیں۔

بیلنس شیٹ کے بعد کے واقعات:

جس مالی سال سے یہ بیلنس شیٹ متعلق ہے اس کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلی یا وابستگی واقع نہیں ہوئی۔

متعلقہ فریقوں کے ساتھ لین دین:

کمپنی نے متعلقہ فریقوں کے ساتھ تمام لین دین جائزے اور منظوری کے لیے آڈٹ کمیٹی اور بورڈ کے سامنے پیش کیے ہیں۔ ان لین دین کی منظوری آڈٹ کمیٹی اور بورڈ نے اپنے اپنے اجلاسوں میں دی ہے۔ متعلقہ فریقوں کے تمام لین دین کی تفصیلات 30 جون 2026 کو ختم ہونے والے سال کے منسلک مالیاتی گوشواروں کے نوٹ 4.1 میں فراہم کی گئی ہیں۔

کارپوریٹ گورننس، مالیاتی رپورٹنگ اور اندرونی کنٹرول کا نظام:

کمپنی مضبوط کارپوریٹ گورننس اور بہترین طریقوں کی پابندی کے لیے پوری طرح پرعزم ہے۔ اس نے پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز میں بیان کردہ کوڈ آف کارپوریٹ گورننس کی مکمل تعمیل کی ہے۔ اس تعمیل کی تصدیق کا باضابطہ بیان رپورٹ کے ساتھ منسلک ہے۔

ہمیں درج ذیل کی تصدیق کرتے ہوئے خوشی ہے:

- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے اس کی مالی پوزیشن، آپریشنل نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کی درست عکاسی کرتے ہیں۔
- کمپنی نے حسابات کی مناسب اور مکمل کتابیں رکھی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق یقینی بنایا گیا ہے۔ کسی بھی انحراف کو واضح طور پر ظاہر اور بیان کیا گیا ہے۔
- اندرونی کنٹرول کا نظام اچھی طرح وضع کیا گیا ہے، موثر طریقے سے نافذ ہے اور باقاعدگی سے اس کی نگرانی کی جاتی ہے۔ کمپنی کی پالیسیوں کی پابندی کو یقینی بنانے پر خصوصی زور دیا جاتا ہے، اور کسی بھی بے قاعدگی کی بروقت اصلاح کی جاتی ہے۔
- بورڈ کو کمپنی کی گونگ کنسرن حیثیت پر اعتماد ہے۔ اگرچہ آڈیٹرز نے اپنی رپورٹ میں اس معاملے کی نشاندہی کی ہے، تاہم مالیاتی گوشوارے گونگ کنسرن کی بنیاد پر تیار کیے گئے ہیں، جس کی معاون تفصیلات ان میں فراہم کی گئی ہیں۔
- گزشتہ چھ سال کا کلیدی آپریشننگ اور مالیاتی ڈیٹا اور ایس ای سی پی سرکر نمبر 10 آف 2024 کے تحت جینیڈر پے گیپ کا بیان بطور ضمیمہ شامل ہے۔
- 30 جون 2026 تک نیکسوں، ڈیوٹیوں، محصولات یا واجبات سے متعلق کوئی قانونی ادائیگی واجب الادا نہیں ہے، سوائے ان کے جو مالیاتی گوشواروں میں ظاہر کی گئی ہیں۔

بورڈ کی تشکیل:

بورڈ کی تشکیل لسٹڈ اداروں پر لاگو کارپوریٹ گورننس ریگولیشنز 2019 کے تقاضوں کے مطابق ہے، جو ذیل میں دی گئی ہے:

ڈائریکٹرز کی کل تعداد:

نمبر شمار	ڈائریکٹرز کی کل تعداد	
1	مرد	07
2	خاتون	02

بورڈ کی ساخت:

نمبر شمار	ساخت	ڈائریکٹرز کی تعداد
1	آزاد ڈائریکٹر	03
2	ایگزیکٹو ڈائریکٹر	03
3	نان ایگزیکٹو ڈائریکٹر	03

30 جون 2026 کو ڈائریکٹرز کے نام درج ذیل ہیں:

نمبر شمار	نام	عہدہ
1	جناب نوید احمد	چیرمین
2	میاں شہزاد احمد	چیف ایگزیکٹو
3	میاں عمران احمد	ڈائریکٹر
4	جناب عرفان احمد	ڈائریکٹر
5	جناب کاشف ریاض	ڈائریکٹر
6	محترمہ فادیہ کاشف	ڈائریکٹر
7	جناب فیصل حنیف	آزاد ڈائریکٹر
8	محترمہ عدرا یعقوب وادا	آزاد ڈائریکٹر
9	جناب عامر امین	آزاد ڈائریکٹر

بورڈ آف ڈائریکٹرز:

زیر جائزہ مدت کے دوران سی ای او، ڈائریکٹرز کی شریک حیات اور نابالغ بچوں کو کمپنی کی جانب سے تحفے میں شینرز موصول ہوئے، جو درج ذیل ہیں:

لاگو نہیں

بورڈ اور ذیلی کمیٹیوں کے اجلاس:

سال کے دوران بورڈ کے اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری درج ذیل ہے:

نمبر شمار	ڈائریکٹرز کے نام	حاضری
1	جناب نوید احمد	4/4

نمبر شمار	ڈائریکٹرز کے نام	حاضری
2	میاں شہزاد احمد	4/4
3	میاں عمران احمد	4/4
4	جناب عرفان احمد	4/4
5	جناب کاشف ریاض	4/4
6	جناب شیخ شفقت مسعود *	3/4
7	محترمہ فادیہ کاشف	4/4
8	جناب فیصل حنیف	4/4
9	محترمہ عدرا یعقوب وادا	4/4
10	جناب عامر امین	4/4

* جناب شیخ شفقت مسعود 15 جون 2026 کو بورڈ آف ڈائریکٹرز سے ریٹائر ہو گئے *

ہیومن ریسورس اور معاوضہ کمیٹی:

کمیٹی درج ذیل پر مشتمل ہے:

نمبر شمار	نام	عہدہ
1	جناب فیصل حنیف	چیئرمین
2	محترمہ فادیہ کاشف	رکن
3	جناب نوید احمد	رکن

جولائی 2025 سے جون 2026 کے مالی سال کے دوران ایک (1) اجلاس منعقد ہوا۔ تینوں ارکان اجلاس میں موجود تھے۔

نامزدگی کمیٹی:

کمیٹی درج ذیل پر مشتمل ہے:

نمبر شمار	نام	عہدہ
1	میاں شہزاد احمد	چیئرمین
2	جناب نوید احمد	رکن
3	میاں عمران احمد	رکن

جولائی 2025 سے جون 2026 کے مالی سال کے دوران ایک (1) اجلاس منعقد ہوا۔ تینوں ارکان اجلاس میں موجود تھے۔

رسک مینجمنٹ کمیٹی:

کمیٹی درج ذیل پر مشتمل ہے:

نمبر شمار	نام	عہدہ
1	جناب نوید احمد	چیئرمین
2	جناب فیصل حنیف	رکن
3	میاں شہزاد احمد	رکن

جولائی 2025 سے جون 2026 کے مالی سال کے دوران ایک (1) اجلاس منعقد ہوا۔ تینوں ارکان اجلاس میں موجود تھے۔

* جناب شیخ شفقت مسعود 15 جون 2026 کو بورڈ آف ڈائریکٹرز سے ریٹائر ہو گئے اور جناب نوید احمد 15 جون 2026 سے آڈٹ کمیٹی کے رکن بن گئے *

آڈٹ کمیٹی:

بورڈ آف ڈائریکٹرز نے تین ارکان پر مشتمل ایک مکمل طور پر فعال آڈٹ کمیٹی تشکیل دی ہے: ایک رکن آزاد ڈائریکٹر اور دو نان ایگزیکٹو ڈائریکٹرز ہیں۔ کمیٹی کے شرائط کار میں، دیگر امور کے علاوہ، شفاف اندرونی آڈٹ، اکاؤنٹنگ اور کنٹرول کے نظام، مناسب رپورٹنگ ڈھانچے کو یقینی بنانا اور کمپنی کے اثاثوں کے تحفظ کے لیے مناسب اقدامات کا تعین کرنا شامل ہے۔

آڈٹ کمیٹی:

سال کے دوران چار (4) اجلاس منعقد ہوئے۔ تمام ارکان، بشمول چیئرمین، نان ایگزیکٹو ڈائریکٹرز ہیں۔ کمیٹی درج ذیل پر مشتمل ہے اور سال کے دوران حاضری کی صورتحال یہ رہی:

نمبر شمار	ڈائریکٹرز کے نام	حاضری
1	جناب فیصل حنیف	4/4
2	جناب عرفان احمد	4/4
3	جناب شیخ شفقت مسعود *	4/4

* جناب شیخ شفقت مسعود 15 جون 2026 کو بورڈ آف ڈائریکٹرز سے ریٹائر ہو گئے اور جناب نوید احمد 15 جون 2026 سے آڈٹ کمیٹی کے رکن بن گئے *

آڈیٹرز کی تقرری:

میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس، ایک ممتاز اور معروف فرم، نے کمپنی کے قانونی آڈیٹرز کے طور پر اپنی مدت کامیابی سے مکمل کر لی ہے۔ اہل ہونے کے سبب، فرم نے آئندہ مالی سال کے لیے بھی آڈٹ خدمات فراہم کرتے رہنے کی آمادگی ظاہر کی ہے۔ آڈٹ کمیٹی کی سفارش پر، بورڈ آف ڈائریکٹرز نے آئندہ سال کے لیے یوسف عادل کو کمپنی کے بیرونی آڈیٹرز کے طور پر دوبارہ مقرر کرنے کی تجویز دی ہے۔

ماحول، صحت اور تحفظ:

آپ کی کمپنی پیداواری سہولیات پر تمام ماحولیاتی پالیسیوں کی تعمیل کے ذریعے سب کے لیے ایک صحت مند ماحول کے تحفظ کے لیے پرعزم ہے۔

اندرونی آڈٹ کا شعبہ:

بورڈ نے کمپنی کا کاروبار چلانے کے لیے آپریشنل، مالیاتی اور تعمیلی کنٹرولز کے ساتھ ایک موثر اور فعال اندرونی کنٹرول نظام قائم کیا ہے۔ اندرونی آڈٹ کے نتائج کا جائزہ آڈٹ کمیٹی لیتی ہے، اور جہاں ضروری ہو، اندرونی آڈٹ رپورٹس میں شامل سفارشات کی بنیاد پر کارروائی کی جاتی ہے۔

شیئر ہولڈنگ کا نمونہ:

30 جون 2026 کے مطابق شیئر ہولڈنگ کا نمونہ منسلک ہے۔

ویب پر موجودگی:

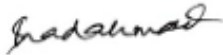
کمپنی کے سالانہ اور عبوری مالیاتی گوشوارے شیئر ہولڈرز اور دیگر کی اطلاع کے لیے کمپنی کی ویب سائٹ <http://www.indus-group.com> پر بھی دستیاب ہیں۔

اظہار تشکر:

ہم کمپنی کے ہر ملازم کی خدمات کا اعتراف کرتے ہیں۔ ہم اپنے صارفین کا ہماری مصنوعات پر اعتماد کرنے اور بینکوں کا کمپنی کے ساتھ مسلسل تعاون کرنے پر شکریہ ادا کرنا چاہتے ہیں۔

ہم اپنے شیئر ہولڈرز کے بھی شکر گزار ہیں جنہوں نے ہماری انتظامیہ پر اعتماد کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے



Mian Shahzad Ahmed
Chief Executive Officer
Dated: October 2, 2026



Director

**INDUS DYEING & MANUFACTURING COMPANY LIMITED
PROXY FORM
ANNUAL GENERAL MEETING**

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

-----Of (full address) -----

----- being a member of **INDUS DYEING &**

MANUFACTURING COMPANY LIMITED hereby appoint.

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

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

(full address) -----

as my / our proxy in my/our absence to attend and vote for me/us on my/our behalf at the **Annual General**

Meeting of the Company to be held on 27th day of October, 2026 at 04:00 p.m. plot # 3 &7, Sector-

25, Korangi Industrial Area, Karachi and at any adjourned meeting thereof.

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

Signature on

Rs. 5/-

Revenue Stamp

Note:

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

AFFIX
CORRECT
POSTAGE

The Company Secretary
INDUS DYEING & MANUFACTURING CO. LTD.
5th Floor 508 Beaumont Plaza Beaumont Road
Civil Lines Qtrs Karachi

DIVIDEND MANDATE FORM

The Company Secretary,

Subject Bank account details for payment of Dividend through electronic mode

Dear Sir,

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

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

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

Yours Sincerely

Signature of Shareholder

(Please affix Company stamp in case of corporate entity)

Notes:

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

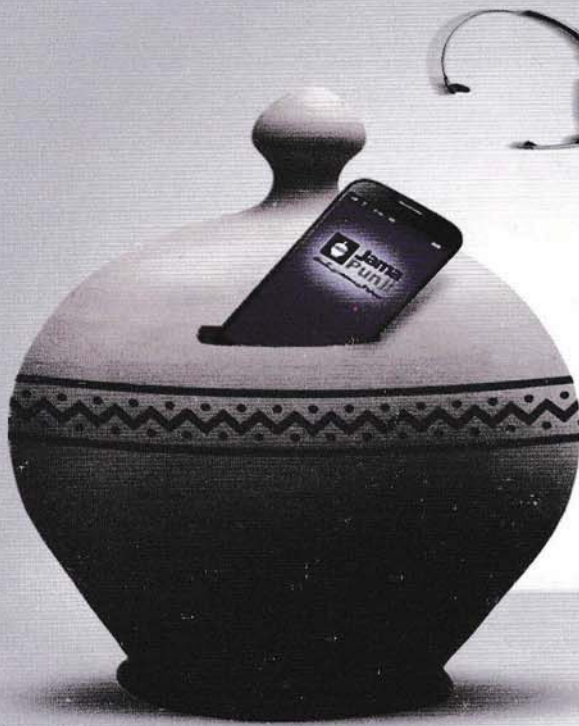
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The Company Secretary
INDUS DYEING & MANUFACTURING CO. LTD.
5th Floor 508 Beaumont Plaza Beaumont Road
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