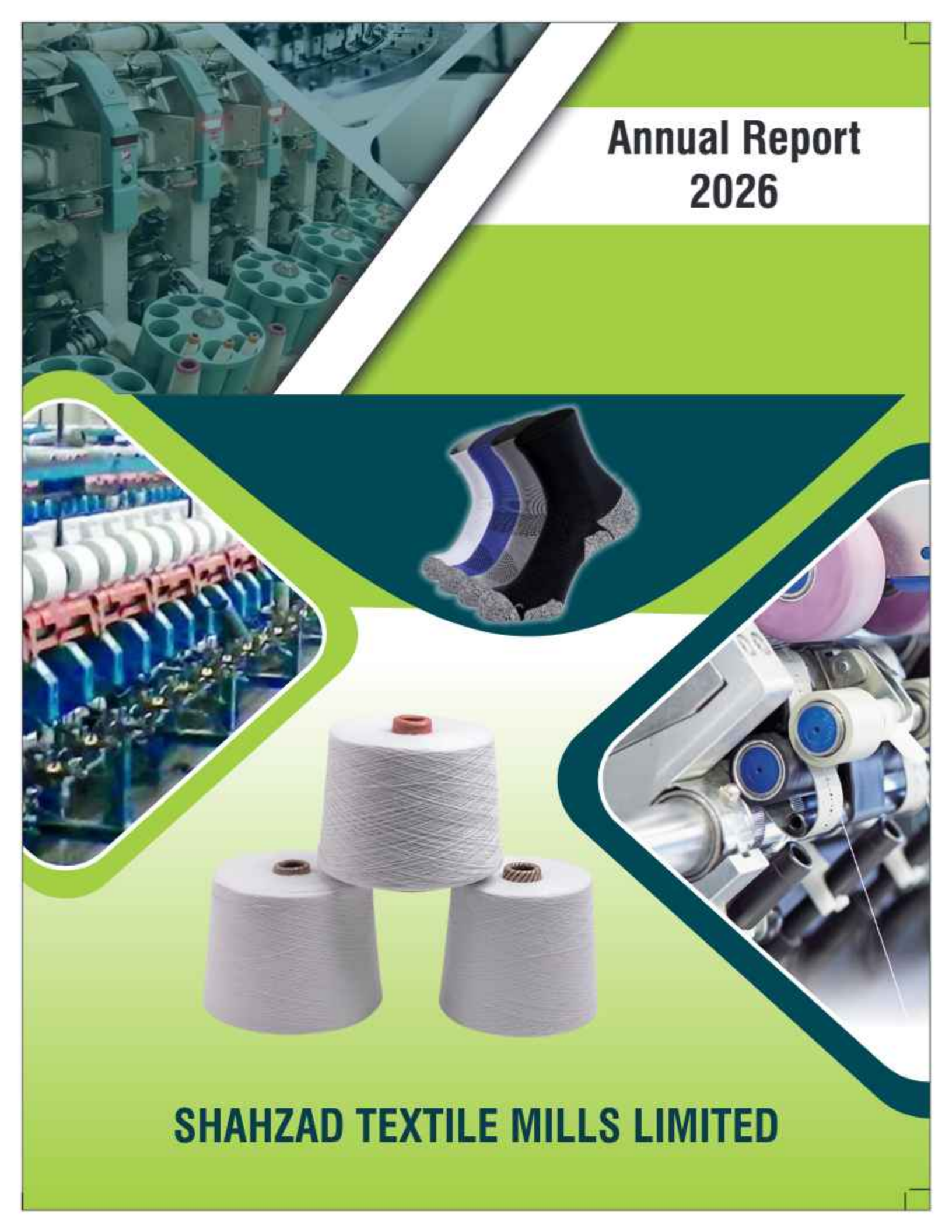


The cover features a vibrant green background with white and dark teal geometric shapes. It includes several images: a textile machine with spools in the top left, a row of colorful socks in the center, three large spools of white thread in the bottom center, a textile machine with a pink spool in the bottom right, and a row of spools on the left side.

Annual Report 2026

SHAHZAD TEXTILE MILLS LIMITED

Certificate PK24/00000104

The management system of

Shahzad Textile Mills Limited**SGS**

Head Office: 19-A, Off Zafar Ali Road, Gulberg - V, Lahore, Pakistan
 has been assessed and certified as meeting the requirements of
ISO 9001:2015

For the following activities:

Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn

This certificate is valid from 09 May 2024 until 09 May 2027 and remains valid subject to satisfactory surveillance audits.
 Issue 1. Certified since 09 May 2024

Certified activities performed by additional sites are listed on subsequent pages.

Jonathan H. Hall

Authorised by
 Jonathan Hall
 Global Head - Certification
 Services

SGS United Kingdom Ltd
 Rossmore Business Park, Ellesmere Port, Cheshire, CH65 3EN, UK
 t +44 (0)151 360-6666 - www.sgs.com



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Certificate PK24/00000104, continued

Shahzad Textile Mills Limited**SGS****ISO 9001:2015**

Issue 1

Sites

Shahzad Textile Mills Limited

Head Office: 19-A, Off Zafar Ali Road, Gulberg - V, Lahore, Pakistan

Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn

Shahzad Textile Mills Limited

Site 01 : 34th Km, Sheikhupura Road, Sheikhupura, Pakistan

Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn

Shahzad Textile Mills Limited

Site 02 : 7th Km Sheikhupura-Faisalabad Road, Sheikhupura, Pakistan

Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn



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Page 2 / 2

BUREAU
VERITAS

Bureau Veritas Certification



SHAHZAD TEXTILE MILLS LTD

34-KM, Lahore Sheikhupura Road, Punjab, sheikhupura-39350- Punjab, Pakistan

- Bureau Veritas Certification Holding SAS - UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 45001:2018

Scope of certification

Manufacturing of socks

Original cycle start date:	03-04-2026
Expiry date of previous cycle:	NA
Certification / Recertification Audit date:	25-02-2026
Certification / Recertification cycle start date:	03-04-2026
Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on:	02-04-2029
Certificate No.: PK004774	Version: 1
Issue date:	03-04-2026



0008

Signed on behalf of BVCH SAS UK Branch

Certification Body Address: 5th Floor, 100 Lower Thames Street, London, EC3R 6DL, United Kingdom

Local office: BUREAU VERITAS CERTIFICATION HOLDING - DUBAI BRANCH, Al Hudaiba Awards Building, Block C, 2nd Floor, Jumeirah Road, 2nd December Interchange, P.O.Box. 9110, Dubai, United Arab Emirates.

Further clarifications regarding the scope and validity of this certificate, and the applicability of the management system requirements, please call: +971 (0) 4 3074400

CER CERTIF ALL TPL 001 Rev 4.3

4 Nov 2024

BUREAU
VERITAS

Bureau Veritas Certification



SHAHZAD TEXTILE MILLS LTD

34-KM, Lahore Sheikhupura Road, Punjab, sheikhupura-39350- Punjab, Pakistan

- Bureau Veritas Certification Holding SAS - UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 14001:2015

Scope of certification

Manufacturing of socks

Original cycle start date:	03-04-2026
Expiry date of previous cycle:	NA
Certification / Recertification Audit date:	25-02-2026
Certification / Recertification cycle start date:	03-04-2026
Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on:	02-04-2029
Certificate No.: PK004775	Version: 1
Issue date: 03-04-2026	



0008

Signed on behalf of BVCH SAS UK Branch

Certification Body Address: 5th Floor, 100 Lower Thames Street, London, EC3R 6DL, United Kingdom

Local office: BUREAU VERITAS CERTIFICATION HOLDING - DUBAI BRANCH, Al Hudaiba Awards Building, Block C, 2nd Floor, Jumeirah Road, 2nd December Interchange, P.O.Box. 9110, Dubai, United Arab Emirates.

Further clarifications regarding the scope and validity of this certificate, and the applicability of the management system requirements, please call: +971 (0) 4 3074400

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4 Nov 2024

1/1

BUREAU
VERITAS

Bureau Veritas Certification

SHAHZAD TEXTILE MILLS LTD

34-KM, Lahore Sheikhpura Road, Punjab, sheikhpura-39350- Punjab, Pakistan

Bureau Veritas Certification Holding SAS - UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 9001:2015

Scope of certification

Manufacturing of socks

Original cycle start date:	03-04-2026
Expiry date of previous cycle:	NA
Certification / Recertification Audit date:	25-02-2026
Certification / Recertification cycle start date:	03-04-2026
Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on:	02-04-2029
Certificate No.: PK004773	Version: 1
	Issue date: 03-04-2026



Signed on behalf of BVCH SAS UK Branch

Certification Body Address: 3th Floor, 100 Lower Thames Street, London, EC3R 6DL, United Kingdom

Local office: BUREAU VERITAS CERTIFICATION HOLDING - DUBAI BRANCH, Al Hudaiba Awards Building, Block C, 2nd Floor, Jumeirah Road, 2nd December Interchange, P.O.Box. 9110, Dubai, United Arab Emirates.

Further clarifications regarding the scope and validity of this certificate, and the applicability of the management system requirements, please call: +971 (0) 4 3074400

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4 Nov 2024

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Contents

Company Information	2
Vision and Mission Statement	3
Code of Conduct	4-5
Six Year Financial Summary	6
Statement of Compliance with the Corporate Governance.....	7-8
Review Report to the Members	9
Notice of Annual General Meeting	10-15
Ballot Paper	16-17
Chairman's Review	18
Directors' Report (English).....	19-29
Gender Gap Statement	30
Auditors' Report to the Members	31-35
Statement of Financial Position.....	36-37
Statement of Profit or Loss.....	38
Statement of Comprehensive Income.....	39
Statement of Changes in Equity.....	40
Statement of Cash Flow.....	41
Notes to and Forming Parts of the Financial Statements	42-76
Pattern of Shareholding	77
Directors' Report (Urdu)	78-92
Proxy Form (English, Urdu)	93-96
Important Notice (English, Urdu)	97-98
Request Form for Annual Accounts (English, Urdu)	99-102
Consent for Video Conference Facility	103

COMPANY INFORMATION

Board of Directors

Mr. Irfan Aslam
Mr. Imran Aslam
Mr. Irfan Aslam

Chairman
Chief Executive Officer

Syed Raza Ali Bokhari
Dr. Ali Raza Khan
Mrs. Nazish Imran
Ms. Sadaf Parvez

Chief Financial Officer

Syed Imran Haider

Company Secretary

Mr. Muhammad Amjad Tayyab

Auditors

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Audit Committee

Syed Raza Ali Bokhari
Mr. Irfan Aslam
Ms. Sadaf Parvez

Chairman
Member
Member

Human Resources & Remuneration Committee

Dr. Ali Raza Khan
Mr. Danish Aslam
Mrs. Nazish Imran

Chairman
Member
Member

Bankers

Habib Metropolitan Bank Ltd
JS Bank Limited
Meezan Bank Limited
Soneri Bank Limited,

Share Registrar

Corplink (Pvt) Ltd
Wings Arcade, 1-K,
Commercial, Model Town,
Lahore.

Registered Office

Tricon Corporate Centre
Office No. 701, 7th, Floor,
73-E, Main Jail Road,
Gulberg-II, Lahore.
Ph: +92(042)35754024-27
Fax: +92(042) 35712313
E-mail: info@shahzadtex.com
Web: www.shahzadtex.com

Mills

Unit # 1, 4 & Socks Hosiery Unit
34th KM Lahore Sheikhpura
Raod, Sheikhpura.

Unit # 2

7th KM Sheikhpura Faisalabad
Road, Sheikhpura.

VISION STATEMENT

VISION STATEMENT

We aim at seeing our mills to be a model manufacturing unit producing high quality yarn by complying with the requirements of Quality management System and continuously improving its effectiveness for total customers' satisfaction. We wish to play a leading role in the spinning sector by keeping a substantial presence in the export and local markets.

MISSION STATEMENT

1. To install state of the art machinery and to acquire sophisticated process technology to achieve maximum growth in a competitive quality environment.
2. To make strenuous efforts to enhance profitability of the mills ensuring a fair return to the investors, shareholders and employees of the company.
3. To exercise maximum care for improvement of quality of our products by employing a team of highly skilled technicians and professional managers.
4. To strive hard to explore new customers for the sale of our products in export and local markets.
5. To improve customers' satisfaction level by adhering strictly to quality requirements of our customers in local and export markets and by improving communications with customers for receiving prompt feed backs about quality of our products.
6. To attend and prompt resolution of customers' quality complaints by taking timely corrective measures.
7. To improve logistic facilities for our customers dispatch programme and issue all shipments / delivery documents well in time.
8. To make comprehensive arrangements for the training of our workers / technicians.
9. To promote team work, sense of transparency, creativity in our professionals and technical people

CODE OF CONDUCT

Shahzad Textile Mills Limited, has laid down the following code of conduct, the observance of which is compulsory for all the directors and staff members of the company in the conduct of company's business in order to protect and safeguard the reputation and integrity of the company at all levels of its operations. Any contravention of these ethics is regarded as misconduct. The company will ensure that all the executives and subordinate staff members are fully aware of these standards and principles.

1. Conflict of interest

All staff member are expected not to engage in any activity which can cause conflict between their personal interests and company's interests, such as:

- a. In effecting the purchases for the company and selling its products the directors and the staff members are forbidden from holding any personal interest in any organization supplying goods or services to the company or buying its products.
- b. The staff members should not engage in any outside business while serving the company.
- c. Staff members are not permitted to conduct personal business in company's premises or use company's facilities for the same.
- d. If a staff member has direct or indirect relationship with an outside organization dealing with the company he must disclose the same to the management.

2. Confidentiality

All staff members are required not to divulge any secrets / informations of the company to any outsider even after leaving the service of the company unless it is so required by a court of law. During the course of service in the company they should not disseminate any information relating to business secrets of the company without the consent of management.

3. Kickbacks

All staff members are strictly forbidden not to accept any favour, gifts or kick backs from any organization dealing with the company. In case if such a favour is considered, in the interest of the company, the same should be disclosed clearly to the management.

4. Proper Books of Account

All funds, receipts and disbursements should be properly recorded in the books of accounts of the company. No false or fictitious entries should be made or misleading statement pertaining to the company or its operations should be issued. All agreements with agents, dealers and consultants should be made in writing supported with required evidence.

5. Relationship with government officials suppliers, agents etc.

The dealings of the company with Government officials, suppliers, buyers, agents and consultants of the company should always be such that the integrity of the company and reputation is not damaged. Members having queries in connection with how to deal with these requirements should consult the management.

6. Health and Safety

Every staff member is required to take care of his health and safety and of those working with him. The management is responsible for keeping its staff members insured as per government rules and regulations.

7. Environment

To preserve and protect the environment all staff members are required to operate the company's facilities and processes so as to ensure maximum safety of the adjoining communities, and strive continuously to improve environmental awareness and protections.

8. Alcohol, Drugs

All types of gambling and betting at the company's work places are strictly forbidden. Also bringing alcohols or drugs inside the work places are not allowed. If any staff member, not abiding by these prohibitions will attract disciplinary as well as penal action.

9. Coordination among staff members to maintain discipline

All staff members will work in close coordination with their co-workers, seniors and colleagues. Every member will cooperate with other members so that the company's work could be carried out effectively and efficiently. All cases of non-cooperation among staff members should be reported to the management for necessary and suitable action. Strict disciplinary action will be taken against those staff members who violate the rules and regulations of the company.

10. Workplace harassment

All staff members will be provided an environment that is free from harassment and in which all employees are equally respected. Work place harassment means any action that creates an intimidating, hostile or offensive environment which may include sexual harassment, disparaging remarks based on gender, religious, race or ethnicity.

SIX YEARS FINANCIAL SUMMARY

	2026	2025	2024	2023	2022	2021
Rupees in Thousands						
Sales	12,341,776	11,371,016	11,014,646	8,398,630	9,382,850	6,927,057
Gross Profit	1,058,932	695,208	517,466	234,365	1,074,383	729,399
Profit/(Loss) before tax	456,566	351,232	82,454	(187,875)	598,787	438,760
Provision for tax	(199,165)	(193,207)	(181,237)	(81,365)	(221,323)	(133,106)
Profit/(Loss) after tax	257,401	158,025	(98,783)	(269,240)	377,464	305,654
Total Assets	6,673,617	6,327,685	5,869,937	5,144,953	5,306,707	4,648,956
Current liabilities	(2,150,030)	(2,152,218)	(1,881,325)	(1,445,681)	(1,308,453)	(1,169,234)
	4,523,587	4,175,467	3,988,612	3,699,272	3,998,254	3,479,722
Represented By:						
Equity and Surplus	3,869,463	3,532,556	3,326,628	3,011,047	3,143,683	2,790,450
Long Term Loans and leases	114,854	144,357	221,437	298,518	351,053	267,150
Deffered Liabilities	539,270	498,554	440,547	389,707	503,518	422,123
	4,523,587	4,175,467	3,988,612	3,699,272	3,998,254	3,479,722

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: **SHAHZAD TEXTILE MILLS LIMITED**
 Year Ending: **June 30, 2026**

Shahzad Textile Mills Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

- The total number of directors are seven (07) as per the following;

- Male: 05
- Female: 02

- The composition of the Board is as follows:

CATEGORY	NAMES
Independent Directors	Dr. Ali Raza Khan Mr. Syed Raza Ali Bokhari*
Executive Directors	Mr. Imran Aslam Mr. Danish Aslam
Non-Executive Directors	Mr. Irfan Aslam Mrs. Nazish Imran Ms. Sadaf Parvez
Female Director	Mrs. Nazish Imran Ms. Sadaf Parvez

* For a Board comprising seven members, one-third equates to 2.33, requiring the Company to maintain at least two or one third of the Board, whichever is higher, as independent directors. Mr. Syed Raza Ali Bokhari did not meet the criteria of independence during the year; resultantly, the Board contained only one independent director during the year ending June 30, 2026. Subsequent to the year end, Mr. Syed Raza Ali Bokhari has resigned from the Board and a casual vacancy has been created that shall be filled in due course of time.

- The directors have confirmed that none of them is serving as a director on more than seven listed Companies, including this Company.
- 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.
- The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 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 meetings of the Board;
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- Two members of the Board are exempted from the Directors' Training Program by virtue of their requisite qualification and experience of serving on the Board of Listed Company, while the remaining five Directors have not acquired the prescribed certification under the Directors' Training Program;
- The Board has approved the appointment of Chief Financial Officer, Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

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

a) Audit Committee:**

Dr. Ali Raza Khan	Chairman*
Mr. Irfan Aslam	Member
Ms. Sadaf Parvez	Member

* During the year, all Audit Committee meetings were chaired by Mr. Syed Raza Ali Bokhari, who did not meet the criteria of independence. Subsequent to the year end, the Company has replaced him with the other independent director as Chairman of the Audit Committee.

** The Audit Committee is also assigned the responsibilities of the Sustainability Committee.

HR & Remuneration Committee

Dr. Ali Raza Khan	Chairman
Mr. Danish Aslam	Member
Mrs. Nazish Imran	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/ yearly) of the committee were as per following, -

a) Audit Committee (1st quarter: 2 2nd quarter: 1 3rd quarter: 3 4th quarter: 1)

b) HR and Remuneration Committee (2 meetings in the financial year)

15. The Board has set up an effective internal audit function, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

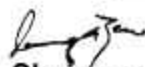
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary, or Director of the Company;

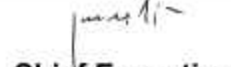
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations, or any other regulatory requirement, and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of Regulations 3, 7, 8, 32, 33, and 36 of the Regulations have been complied with, except for Regulation 6(1) and 27(1) as explained in SOC 2 and 12 above.

19. Explanation for Non-Compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33, and 36, are below;

Sr. No.	Reg. Ref.	Requirement	Future Course of Action
1.	19	By June 30, 2022, all directors shall acquire certification under Directors' Training Program.	The Board shall take steps to arrange Directors' Training Certification for the remaining four directors by the end of 2026


Chairman


Chief Executive

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

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

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

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

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

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

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Sr. No.	Paragraph Reference	Description
1	SOC – 2 & 18 and section 166 of the Companies Act, 2017	The Company does not have at least 2 Directors or 1/3rd of the Board, whichever is higher, as Independent as one of the Independent Directors did not meet the criteria of independence notified under the Companies Act, 2017, during the year.
2	SOC – 12 & 18 and section 166 of the Companies Act, 2017	During the year, all Audit Committee meetings were chaired by Mr. Syed Raza Ali Bokhari, who did not meet the criteria of Independence. Subsequent to the year-end, the Company replaced him with the other independent director as the Chairman of the Audit Committee.
3	SOC – 9 & 19	Five Directors out of Seven have not acquired the prescribed certification under the Directors' Training Program as required under clause 19 of the Regulations.

Lahore
Dated: October 06, 2026
UDIN: CR2026108320JPBgn1b8


CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 48th Annual General Meeting ("AGM") of the Shareholders of SHAHZAD TEXTILE MILLS LIMITED (the "Company") will be held at Company's Registered Office, Tricon Corporate Centre, Office No. 701, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore on Wednesday, October 28, 2026 at 12:30 p.m. and via video link to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt Annual Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Directors' and Auditors' Report thereon and Chairman's Review Report.

The Annual Report, including the Notice of Meeting and Financial Statements of the Company for the financial year ended June 30, 2026, have been made transmitted to the members and other entitled persons and uploaded on the website of the Company, which can be downloaded from the following link and/or QR-enabled code:

Weblink: <https://www.shahzadtex.com>



2. To appoint auditors of the Company and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors of the Company have recommended the reappointment of M/s Crowe Hussain Chaudhry & Co., Chartered Accountants, as auditors of the Company.

SPECIAL BUSINESS

3. To ratify and approve transactions carried out with Related Parties during the financial year ended June 30, 2026, under the authority of the special resolution passed in the last annual general meeting held on October 28, 2025, and to authorize the Chief Executive of the Company to approve all transactions with Related Parties carried out and to be carried out in the ordinary course of business during the financial year ending June 30, 2027, and till the date of next Annual General Meeting and to pass the resolutions as proposed in the statement of material facts as special resolutions..

Attached to this Notice is the Statement of Material Facts covering the above-mentioned special businesses, as required under Section 134(3) of the Companies Act 2017.

By order of the Board

(MUHAMMAD AMJAD TAYYAB)
Company Secretary

Place: Lahore

Dated: October 06, 2026

NOTES:**1. Closure of Share Transfer Books**

The Members' Register and Share Transfer Books of the Company will remain closed from October 21, 2026, to October 28, 2026 (both days inclusive). Transfers received in order at the Company's Independent Share Registrar's Office, Corplink (Pvt) Limited, Wings Arcade 1-K, Commercial Model Town, Lahore by the close of business on October 20, 2026, will be treated in time for the purpose of attending, speaking, and voting at the annual general meeting.

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her, and a proxy so appointed shall have the same rights, as respects attending, speaking, and voting at the AGM, as are available to the members.

3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed, or a notarial attested copy of the power of attorney, must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.

4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No. 1 dated 26 January, 2000.

5. Change of Address

The shareholders are requested to promptly notify any change in their address, if any, to the Company's Share Registrar

6. CNIC/IBAN for E-Dividend Payment

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, an electronic dividend mandate on E-Dividend Form provided in the annual report and also available on the website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission of CNIC / IBAN, all future dividend payments may be withheld.

7. Zakat Declarations:

The shareholders of the Company are required to submit a Declaration for Zakat exemption in terms of the Zakat and Ushr Ordinance, 1980.

8. Circulations of Annual Reports through E-mail

The shareholders are requested to provide their email addresses for the transmission of the annual report containing financial statements and other documents.

9. Tax Deductions from Filer and Non-Filers

The deduction of income tax from dividend payments shall be made on the basis of filers and non-filers

S.No.	Nature of Shareholders	Rate of deduction
1	Filers	15.0 %
2	Non-Filers	30.0 %

Tax deduction will be made on the basis of the Active Taxpayers List provided on the website of the Federal Board of Revenue.

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

The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately, and in such a particular situation, each account holder is to be treated as either a Filer or a Non-Filer, and tax will be deducted according to their shareholding. If the share is not ascertainable, then each account holder will be assumed to hold an equal proportion of shares, and the deduction will be made accordingly. Therefore, to avoid the deduction of tax at a higher rate, the joint account holders are requested to provide the details below of their shareholding to the Share Registrar of the Company, latest by the AGM date.

Folio /CDC Account No.	Name of shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholder
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10. Placement of Financial Statements

The Company has placed the Notice of AGM and Audited Annual Financial Statements for the year ended June 30, 2026, along with Auditors, Directors, and Chairman's Reports thereon on its website: www.shahzadtex.com

11. Unclaimed Dividend and Bonus Shares

Shareholders, who for any reason could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar, M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, to enquire about their unclaimed dividend or pending shares, if any.

12. Online Participation in the Annual General Meeting:

As per the instructions of the Securities and Exchange Commission of Pakistan, the Company has arranged a video link facility for online participation of members in the AGM. To attend the meeting through video link, the members are requested to register themselves by providing the following information, along with a valid copy of CNIC / passport/ certified copy of board resolution/power of attorney in case of corporate shareholders, with the subject "Registration for Shahzad Textile Mills Limited AGM" through email corporate@shaheencotton.com on or before 26th October 2026.

Name of member	CNIC No.	CDC Account No./ Folio No.	Cell Number.	Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they used to email the Company. The login facility will remain open from the start of the meeting till its proceedings are concluded.

13. Deposit of Physical Shares in CDC account

As per Section 72 of the Companies Act, 2017, every existing 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 SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017, i.e., May 31, 2017.

The shareholder having physical shareholding may open a CDC sub-account with any of the brokers or an investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways, including safe custody and sale of shares, at any time they want, as the trading of physical shares is not permitted as per the existing regulations of the Stock Exchange.

14. Voting through Postal Ballot (electronic voting and by ballot paper)

The members of the Company shall be provided the right to vote through e-voting and voting by post in respect of all Special Business in the manner and subject to the conditions contained in the Companies (Postal Ballot) Regulations, 2018.

15. Procedure for E-Voting

- i. Details of the e-voting facility (including web address, login details, and password) will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company, not later than the close of business on October 20, 2026.
- ii. The security codes will be communicated to members through SMS from the web portal of Corplink (Pvt) Limited (being the e-voting service provider).
- iii. Identity of the members intending to cast a vote through e-voting shall be authenticated through an electronic signature or authentication for login.
- iv. E-voting lines will start from October 24, 2026, at 09:00 a.m. and shall close on October 27, 2026, at 05:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for voting through a ballot paper

- i. The members may alternatively opt for voting through a postal ballot. The ballot paper in the prescribed form is attached to this Notice and is also available on the Company's website, shahzadtex.com, to download.
- ii. The members must ensure that the duly filled and signed ballot paper, along with the computerized national identity card (CNIC), should reach the Chairman of the meeting through post at the address Shahzad Textile Mills Limited, Office No. 701, 7th Floor, Tricon Corporate Centre, Main Jail Road, Gulberg-II, Lahore, or by email at chairman@shahzad.com by 5:00 pm, October 27, 2026. Postal ballot received after this time/date shall not be considered for voting. The signature on the ballot paper shall match the signature on the CNIC.

16. No gift shall be distributed at the meeting as prohibited under the Companies Act, 2017.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2026.

Agenda Item No. 3**Ratification/approval of Related Party Transactions**

The Company carried out transactions with its related parties in the ordinary course of business at arms' length basis in accordance with the Policy of related party transactions approved by the Board of Directors and under the authority of a special resolution passed by the shareholders in the last Annual General Meeting held on October 28, 2025. All the related party transactions summarized below were presented before the Board of Directors for their review and consideration as recommended by the Board Audit Committee on a quarterly basis pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Name of Related Party	Name of Interested Directors	Nature of relationship	Description of transaction	Pricing Policy	Terms & Conditions	Amount (Rs.)
Sargodha Jute Mills Ltd	Mr. Imran Aslam	Director & shareholder	Purchase Twine Jute 20/3 & Viscose	—		116,537,472
	Mr. Irfan Aslam	Chief Executive / Director/Shareholder				
	Mrs. Nazish Imran	Shareholder				
Sargodha Jute Mills Ltd	Mr. Imran Aslam	Director	Sales Hard Waste PC	Arm's length basis		6,618,253
	Mr. Irfan Aslam	Chief Executive/ Director				
	Mrs. Nazish Imran	Shareholder				
Sargodha Jute Mills Ltd	Mr. Imran Aslam	Director	Sale of Investment Property	Arm's length basis		172,000,000
	Mr. Irfan Aslam	Chief Executive/ Director				
	Mrs. Nazish Imran	Shareholder				
STML Provident Fund			Contribution paid	Arm's length basis		205,187,999
Mr. Imran Aslam	Mr. Imran Aslam	Director/CEO	Office Premises Rent Free	Non Arm's length basis		NIL

The following resolution is proposed to be passed as a Special Resolution with or without any modification:

“Resolved that the following transactions carried out in the ordinary course of business at arm's length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors of Shahzad Textile Mills Limited, during the financial year ended June 30, 2026, be and are hereby ratified, approved, and confirmed.

Name of Related Party	Description of transaction	Amount (Rs)
Sargodha Jute Mills Ltd	Purchase: Twine Jute 20/3	116,537,472
Sargodha Jute Mills Ltd	Sales: Hard Waste PC	6,618,253
Sargodha Jute Mills Ltd	Sale of investment Property	172,000,000
STM-Provident Fund	Contribution paid	205,187,999
Mr. Imran Aslam	Rent-free office premises	NIL

Authorization to the Company to transact with certain related parties

The Company will continue to carry out transactions with its Related Parties in its ordinary course of business at arms' length basis during the financial year ending June 30, 2027, and till the next annual general meeting. The majority of directors are interested in the above transactions as disclosed above, therefore, such related party transactions need approval of the members under the provisions of the Companies Act, 2017. Accordingly, these transactions shall be placed before the shareholders in the next annual general meeting for their formal approval/ratification.

The following resolutions are proposed to be passed as Special Resolutions with or without modification:

“Resolved that the Shahzad Textile Mills Limited (the **“Company”**) be and is hereby authorized to carry out the transactions with its any or all Related Parties, as and when required in the ordinary course of business at arm's length basis during the year ending June 30, 2027, and till the next Annual General Meeting, without any limitation on the amounts of the transactions.

Further Resolved that the Chief Executive of the Company be and is hereby authorized to undertake the transaction and take all necessary steps and to sign/execute any purchase order/document/agreement on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement the aforesaid Resolution(s).

The Director's interest in this business is disclosed hereinabove.

BALLOT PAPER FOR VOTING IN 48TH ANNUAL GENERAL MEETING

(Through post for poll to be held on October 28, 2026, at
SHAHZAD TEXTILE MILLS LIMITED
 Tricon Corporate Center Office No. 701, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore.

Phone No. 042-36407340, 36407341

Email: chairman@shahzad.com

Website: www.shahzadtext.com

For voting through the post for the Special Business agenda item Nos. 3 at the Annual General Meeting of Shahzad Textile Mills Limited, to be held on October 28, 2026, at 12:30 p.m. Tricon Corporate Center Office No. 701, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore.

Name of shareholder/joint shareholders	
Registered Address	
Number of Shares held and Folio number	
CNIC Number (copy to be attached)	
Additional information and enclosures (In case of representative of body corporate, Corporation and Federal Government)	

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

Sr. No.	Nature and Description of Resolution	No. of Ordinary shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Resolution for Agenda Item No. 3 as proposed in the statement of material fact to be passed as a special resolution. “Resolved that the Shahzad Textile Mills Limited (the “Company”) be and is hereby authorized to carry out the transactions with its Related Parties (detailed hereunder) as and when required in the ordinary course of business at arm’s length basis during the year ending June 30, 2026, and till the next Annual General Meeting, without any limitation on the amounts of the transactions. I. Purchase: Twine Jute 20/3 II. Sales: Hard Waste PC III. Sale of investment Property IV. STML Provident Fund Contribution V. Rent-free office Further Resolved that the Chief Executive/Company Secretary of the Company be and is hereby authorized to undertake the transaction and take all necessary steps and to sign/execute any purchase order/document/agreement on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement the aforesaid Resolution(s)”.			

Signature of the Shareholder(s)

Place:

Date:

NOTES:

1. Duly filled postal ballot should be sent to the following business address and email ID: Tricon Corporate Centre, Office No. 701, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore, chairman@shahzad.com.
2. A copy of CNIC should be enclosed with the postal ballot form.
3. Postal Ballot forms should reach the chairman of the meeting on or before October 27, 2026 (last date of receiving postal ballots). Any postal ballot received after this date will not be considered for voting.
4. Signature on the Postal Ballot should match the signature on the CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, or overwritten ballot papers will be rejected. The ballot paper has also been placed on the website of the Company, www.shahzadtex.com, for download.

CHAIRMAN'S REVIEW REPORT

On behalf of the Board of Directors, I am pleased to present the Chairman's Review Report of Shahzad Textile Mills Limited for the financial year ended June 30, 2026, in compliance with Section 192 of the Companies Act, 2017.

Before discussing our performance, I wish to pay respectful tribute to our outgoing Chairman, the late Mian Parvez Aslam. His visionary leadership, steadfast dedication, and invaluable contributions laid a strong foundation for the Company. The Board and management remain deeply grateful for his enduring legacy.

During financial year 2025–26, Pakistan's textile sector faced significant macroeconomic headwinds, driven by persistent inflation, surging energy tariffs, foreign exchange volatility, and subdued global demand. Despite these challenging conditions, the Company demonstrated remarkable resilience, achieving strong operational growth and a solid financial turnaround.

This successful turnaround was driven by management's strategic focus on strict cost discipline, process optimization, and prudent debt consolidation. Looking ahead, the Company will continue to expand its value-added textile segments, diversify its market presence, and maintain robust governance and risk management frameworks to drive sustainable, long-term profitability.

In accordance with statutory requirements, a formal annual evaluation of the Board of Directors was conducted to assess the Board's effectiveness in fulfilling its governance and strategic oversight obligations.

During the year under review, the Board met regularly to review operations, strategy, and risk. Board members were provided with detailed agendas and comprehensive supporting materials well in advance of meetings to facilitate thorough deliberation and informed decision-making. Non-Executive and Independent Directors actively contributed to all key governance and operational decisions. I am pleased to report that the overall performance and effectiveness of the Board during financial year 2026 remained highly satisfactory.

The Board remains committed to upholding the highest standards of corporate governance, fully adhering to the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, and the listing requirements of the Pakistan Stock Exchange. Transparency, integrity, and ethical business practices remain central to our operations, guided by our comprehensive Code of Conduct, Whistle-Blowing Policy, and Business Ethics policies.

Acknowledgment

I extend my sincere gratitude to our shareholders, clients, banking partners, and regulatory authorities for their continued trust and confidence. I also commend the dedication and hard work of our management team and employees throughout the year.

Lahore:

Dated: October 06, 2026

IRFAN ASLAM

Chairman

DIRECTORS' REPORT

The Board of Directors of Shahzad Textile Mills Limited is pleased to present the 48th Annual Directors' Report to the shareholders, accompanied by the performance review, auditors' report, and the audited financial statements for the financial year ended June 30, 2026.

Particulars	2026 (Rs.)	2025 (Rs.)
Sales	12,341,775,849	11,371,016,350
Gross Profit	1,058,931,676	695,207,728
Operating Profit	486,448,877	190,561,285
Profit before Levy and Taxation	456,565,511	351,232,410
Levy and Taxation	(199,164,759)	(193,207,066)
Net Profit for the year	257,400,752	158,025,344

During the financial year 2026, the Company achieved notable sales growth of 8.54%, with sales increasing to Rs. 12.342 billion compared to Rs. 11.371 billion in the previous year. Profit after tax increased by 62.89% to Rs. 257.401 million from Rs. 158.025 million in 2025. This strong performance reflects enhanced revenue generation, improved operational efficiency, and margin expansion during the year.

Export sales from the socks division reached Rs. 1,706.16 million, representing a robust increase of 18.82% over the previous year's export sales of Rs. 1,435.977 million. However, the spinning unit recorded no export sales during the year due to reduced global competitiveness arising from high energy costs and continued economic uncertainty in international markets.

The Company's Employees' Provident Fund Scheme was established under the Punjab Trust Act, 2020 and was duly registered on October 1, 2025. The Company has prudently deposited all provident fund contributions into a separate savings bank account and invested them in mutual funds. Returns earned on these investments are regularly credited to employees' provident fund accounts. In addition, comprehensive and independently maintained records of all provident fund transactions are maintained by the Company. M/s Anwar Tariq & Co. have been appointed as auditors of the Fund.

FUTURE OUTLOOK

The Company's 3.6 MW solar energy system at the mill premises represents a significant strategic investment aimed at enhancing operational efficiency, reducing energy costs, and strengthening long-term business sustainability. This initiative directly addresses key industry challenges, including escalating energy tariffs, grid supply uncertainties, and global geopolitical volatility, thereby supporting the Company's resilience and future growth prospects.

The textile industry in Pakistan continues to face considerable pressure from rising energy costs, which constitute a substantial portion of conversion and manufacturing expenses. By replacing a significant share of grid electricity and costly thermal or diesel-based backup generation with solar self-generation during daylight hours, the Company expects to achieve meaningful reductions in per-unit energy costs. These savings will contribute directly to improved operating margins and enhanced profitability.

The solar project is expected to recover its capital cost within an estimated payback period of approximately 1.75 years. Thereafter, the energy generated will effectively serve as a low-cost overhead, resulting in recurring cash savings and strengthening the Company's liquidity position. Furthermore, improved energy reliability will help mitigate production disruptions caused by grid load shedding and voltage fluctuations, thereby supporting uninterrupted operations, reducing machinery stress, and minimizing wastage of raw materials.

The project also provides a natural hedge against future increases in utility tariffs and volatility in international fuel prices. By generating renewable energy on-site, the Company reduces its exposure to external energy market risks and enhances cost predictability. The resulting savings are expected to create additional internal resources that can be reinvested into technological advancements, capacity enhancement, machinery modernization, product development, and human capital initiatives.

In addition to its financial and operational benefits, the 3.6 MW solar power system reinforces the Company's commitment to environmental sustainability and responsible corporate citizenship. By generating clean and renewable energy on-site, the project significantly reduces reliance on conventional fossil fuel-based electricity, thereby lowering the Company's carbon footprint and reducing greenhouse gas emissions. This initiative supports national and global efforts to combat climate change while contributing to a cleaner and more sustainable industrial environment.

The adoption of renewable energy is also expected to strengthen the Company's Environmental, Social and Governance (ESG) profile, which is increasingly valued by international customers, investors and other stakeholders. As global textile and apparel supply chains place greater emphasis on sustainable sourcing practices, the Company's investment in renewable energy enhances its reputation as a responsible manufacturer and improves its competitiveness in export markets. The project is expected to support compliance with evolving buyer requirements relating to environmental stewardship and sustainable production.

Despite global trade disruptions, supply chain challenges, commodity price volatility and geopolitical uncertainties, including regional conflicts and economic instability, the Company remains focused on maintaining operational excellence and improving competitiveness. Management continues to pursue strategic initiatives aimed at cost optimization, productivity enhancement, quality improvement and market diversification.

The combination of prudent financial management, investment in renewable energy, operational efficiency initiatives and a continued focus on value-added products positions the Company favorably to capitalize on emerging opportunities in both domestic and international markets. The Board remains confident that these initiatives will contribute positively to long-term growth, profitability and shareholder value.

Management remains optimistic about the Company's future prospects and is committed to creating sustainable value for shareholders through innovation, responsible business practices, prudent risk management and environmental stewardship. The Board believes that the Company's strategic investments, particularly in renewable energy and operational modernization, will support sustainable growth, enhance resilience and deliver improved returns to shareholders in the years ahead.

EARNING PER SHARE

For the financial year ended June 30, 2026, the Company reported earnings per share (EPS) of **Rs. 14.32**, compared to **Rs. 8.79** in the preceding year, representing an increase of approximately **62.91%**. This substantial improvement reflects the Company's enhanced operational performance, higher profitability, improved capacity utilization, and effective cost management initiatives undertaken during the year. The increase in EPS demonstrates Management's continued focus on creating value for shareholders through operational efficiency, prudent financial management, and sustainable business growth.

DIVIDEND

After careful consideration of the Company's financial position, future capital requirements, and long-term strategic objectives, the Board of Directors has decided **not to recommend any dividend** for the financial year ended June 30, 2026.

While the Company's profitability improved significantly during the year, the Board believes that retaining earnings at this stage will further strengthen the Company's financial position and support ongoing strategic initiatives. The retained funds will be utilized to enhance working capital, reduce borrowing levels, lower financing costs, and support investments in operational modernization, energy efficiency projects, and future growth opportunities.

ISO CERTIFICATIONS

The Company remains committed to maintaining the highest standards of quality, environmental management, and occupational health and safety across its operations. During the year, the Company successfully maintained the following internationally recognized certifications:

- **ISO 9001:2015** – Quality Management System for Yarn Manufacturing.
- **ISO 45001:2018** – Occupational Health and Safety Management System for the Manufacturing of Socks.
- **EN ISO 14001:2015** – Environmental Management System for the Manufacturing of Socks.
- **EN ISO 9001:2015** – Quality Management System for the Manufacturing of Socks.

These internationally recognized certifications reflect the Company's unwavering commitment to product quality, environmental stewardship, workplace safety, and continuous improvement. The successful completion of the triennial surveillance and recertification audits demonstrates the effectiveness of the Company's management systems and its adherence to global best practices.

Maintaining these certifications enhances the Company's credibility and strengthens confidence among customers, business partners, and other stakeholders in both domestic and international markets. Furthermore, the certifications support the Company's efforts to improve operational efficiency, ensure regulatory compliance, minimize environmental impact, promote employee well-being, and meet the increasingly stringent quality and sustainability requirements of global buyers.

The Board and Management remain committed to continually strengthening these management systems to support sustainable growth, operational excellence, and long-term value creation for shareholders.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

The Board of Directors has established a comprehensive risk management framework to identify, assess, monitor, and mitigate the principal risks and uncertainties facing the Company. Management regularly reviews risk exposure and implements appropriate controls to safeguard the Company's assets, profitability, and long-term sustainability.

Foreign Exchange Risk:

The Company is exposed to foreign currency fluctuations arising from export sales, import purchases, and foreign currency receivables and payables. This risk is continuously monitored through effective treasury management, timing matching of foreign currency inflows and outflows, and the evaluation of appropriate hedging strategies where considered necessary.

Liquidity Risk:

Liquidity risk is managed through proactive cash flow forecasting, disciplined working capital management, and maintaining adequate banking facilities. Management continuously monitors cash flow requirements to ensure the Company can meet its financial obligations as they fall due while supporting operational and capital expenditure requirements.

Credit Risk:

Credit risk arises from the possibility that customers may fail to meet their contractual obligations. The Company manages this risk through stringent customer credit assessments, established credit approval procedures, exposure limits, and continuous monitoring of outstanding receivables. Where considered necessary, appropriate provisions are recognized against doubtful or long-outstanding balances.

Interest Rate Risk:

The Company is exposed to interest rate risk on its borrowings and deposits due to fluctuations in benchmark interest rates. Management closely monitors interest rate movements and seeks to maintain an optimal balance between floating-rate and fixed-rate financing arrangements to minimize the impact of interest rate volatility on financial performance.

Energy and Utility Cost Risk:

The textile industry remains highly sensitive to changes in energy and utility tariffs. To mitigate this risk, the Company has invested in a 3.6 MW solar power system, which is expected to reduce dependence on grid electricity, improve energy cost predictability, and enhance operational resilience against future tariff increases.

Market and Economic Risk:

The Company operates in a business environment affected by global economic conditions, geopolitical developments, commodity price fluctuations, supply chain disruptions, and changes in customer demand. Management continues to focus on operational efficiency, product quality, cost optimization, and market diversification to strengthen competitiveness and manage these external uncertainties effectively.

SUSTAINABILITY COMMITTEE

In compliance with Regulation 10A(5) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has assigned the responsibilities of the Sustainability Committee to Audit Committee.

The Committee is responsible for overseeing the Company's Environmental, Social, and Governance (ESG) strategy and ensuring the integration of sustainability principles into business operations and long-term decision-making. Its key responsibilities include monitoring environmental performance, promoting occupational health and safety, supporting social responsibility initiatives, overseeing climate-related opportunities and risks, and reviewing sustainability-related disclosures and compliance requirements.

The Committee also provides strategic guidance on resource efficiency, renewable energy adoption, carbon footprint reduction, employee welfare, stakeholder engagement, and responsible business practices. Through regular oversight and monitoring, the Sustainability Committee supports the Company's commitment to sustainable growth, long-term value creation, and responsible corporate citizenship.

CHANGES DURING THE FINANCIAL YEAR CONCERNING THE NATURE OF THE BUSINESS OF THE COMPANY

There were no changes in the nature of the Company's principal business activities during the financial year ended June 30, 2026. Shahzad Textile Mills Limited continued to operate in its established business segments of yarn spinning and socks manufacturing, maintaining its existing operational scope and business model throughout the year under review.

MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE, AND POSITION OF THE COMPANY'S BUSINESS

The Board is pleased to report that the Company achieved satisfactory financial results during the year despite operating in a challenging economic environment. Nevertheless, the business continues to face various external factors that may influence its future performance and growth prospects, including exchange rate volatility, inflationary pressures, rising energy costs, fluctuations in raw material prices, changing global demand patterns, and geopolitical uncertainties affecting international trade.

The Company's future development will largely depend upon economic stability, competitive energy pricing, export market conditions, and the Government's policies aimed at supporting industrial growth and exports. The Board believes that sustained efforts toward political and economic stability, exchange rate management, and the reduction of fiscal and current account deficits will contribute positively to industrial development and strengthen the overall business environment in Pakistan.

During the year, the Company successfully commissioned and operationalized a 3.6 MW solar energy system at its mill premises. This strategic investment is expected to substantially reduce energy costs, improve operational efficiency, enhance energy security, and support the Company's sustainability objectives. The anticipated cost savings and environmental benefits from this project are expected to strengthen the Company's competitiveness and profitability in the years ahead.

The Board further confirms that, other than the installation and commissioning of the solar energy system, there have been no material changes, commitments, or events occurring between June 30, 2026, and the date of this report that could have a significant effect on the Company's financial position, business operations, or future prospects.

IMPACT OF COMPANY BUSINESS ON THE ENVIRONMENT

The Company recognizes its responsibility to conduct business operations in an environmentally responsible manner and remains committed to minimizing the environmental impact of its activities.

A range of measures has been implemented across the manufacturing facilities to maintain a safe, clean, and pollution-free working environment. Advanced dust and fluff extraction systems have been installed to improve air quality within production areas and to protect employees from exposure to airborne contaminants generated during the manufacturing process.

During the year, the Company further strengthened its commitment to environmental sustainability through the commissioning of a 3.6 MW solar energy system. The project enables the generation of clean and renewable energy, reducing dependence on conventional fossil fuel-based electricity and contributing to lower greenhouse gas emissions. In addition to reducing the Company's carbon footprint, the project supports national efforts to promote renewable energy and environmental conservation.

The Company also maintains an Environmental Management System certified under **EN ISO 14001:2015**, reflecting its commitment to continuous improvement in environmental performance, resource efficiency, regulatory compliance, and sustainable business practices.

Management remains committed to further enhancing environmental stewardship through energy conservation initiatives, efficient utilization of natural resources, waste reduction measures, and the adoption of sustainable technologies wherever economically feasible.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has established and maintains an effective system of internal financial controls that is commensurate with the nature, size, and complexity of its operations. Comprehensive policies, procedures, and control mechanisms have been implemented across all key business functions to safeguard assets, ensure the reliability of financial reporting, promote operational efficiency, and support compliance with applicable laws and regulations.

These controls are supported by clearly defined authority levels, segregation of duties, documented operating procedures, and regular management reviews. The internal control framework is periodically assessed and updated to address evolving business requirements and emerging risks.

The Internal Audit Department independently evaluates the adequacy and effectiveness of the Company's internal control systems and governance processes. Its findings and recommendations are regularly reported to the Audit Committee and the Board of Directors, which oversee the implementation of corrective actions where required.

Based on the reviews conducted during the year, the Board is satisfied that adequate internal financial controls are in place and operating effectively, providing reasonable assurance regarding the integrity of financial reporting, the safeguarding of Company assets, and compliance with the requirements of the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and other applicable regulatory requirements.

RELATED PARTY TRANSACTIONS

Related party transactions undertaken during the financial year ended June 30, 2026, included transactions conducted in the ordinary course of business, including purchases and sales, which were carried out on an arm's length basis using an appropriate pricing method, including the Comparable Uncontrolled Price (CUP) Method, where applicable. The sale of investment property to a related party, being outside the ordinary course of business, was separately reviewed and approved in accordance with the applicable legal and regulatory requirements. The Company also occupied office premises provided rent-free by a director; although this arrangement involved no rental consideration and was therefore not on an arm's length basis, it was disclosed as a related party transaction. All such transactions were reviewed by the Audit Committee and placed before the Board of Directors. Details are disclosed in Note 38 to the Audited Financial Statements and will be placed before the shareholders at the forthcoming Annual General Meeting for approval or endorsement, as applicable.

CODE OF CONDUCT FOR PROTECTION AGAINST HARASSMENT AT THE WORKPLACE

The Company is committed to providing a safe, respectful, and inclusive working environment for all employees. In accordance with applicable laws and its internal policies, Shahzad Textile Mills Limited maintains a Code of Conduct and a framework for the prevention of harassment at the workplace, promoting dignity, mutual respect, and equal opportunity.

Employees are regularly informed of their rights and responsibilities through awareness and training initiatives. Any complaints received are dealt with through established procedures and are reviewed in a fair, confidential, and impartial manner. Appropriate disciplinary action may be taken where misconduct is established.

The Board and Management remain committed to fostering a workplace culture that supports employee well-being, professional development, and ethical conduct.

ANTI-CORRUPTION

The Company is committed to conducting its business with integrity, transparency, and accountability. The Company

does not tolerate bribery, corruption, facilitation payments, or any other improper business practices and expects all employees, officers, and associated persons to comply with applicable laws, regulations, and internal policies. Management promotes ethical business conduct through established governance procedures, internal controls, and compliance mechanisms designed to safeguard the Company's interests and uphold high standards of corporate behavior. The Board remains committed to maintaining a culture of honesty, fairness, and responsible business practices across all levels of the organization.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of its commitment to sustainable and responsible business practices, the Company continued to undertake various Corporate Social Responsibility (CSR) initiatives during the year. Total expenditure under CSR activities amounted to approximately **PKR 14.7 million**, focusing primarily on employee welfare, educational support, healthcare assistance, workplace safety, and community development.

The Company remains fully compliant with its statutory obligations relating to employee welfare, including regular contributions to the **Employees' Old-Age Benefits Institution (EOBI)** and the **Punjab Employees Social Security Institution (PESSI)**. In addition, the Company maintains various health, safety, and environmental protection measures to ensure the well-being of its workforce and the surrounding community.

I. Health, Safety and Environment

The health, safety, and well-being of employees remain a key priority of the Company. Shahzad Textile Mills Limited is committed to providing a safe working environment and maintaining high standards of environmental stewardship across its operations.

To strengthen workplace safety and environmental management, the Company has implemented and maintained the following systems and facilities:

- **Integrated Fire Alarm System** to provide timely warning and emergency response capabilities.
- **First Aid Facilities** strategically located throughout the premises to ensure immediate medical assistance when required.
- **Fire Hydrant System** maintained to support emergency firefighting preparedness.
- **Effluent Treatment Plant (ETP)** to facilitate responsible treatment and disposal of industrial wastewater.
- **Waste Heat Recovery System** designed to improve energy efficiency and reduce environmental impact.
- **Fire Control and Refiltering System** to enhance workplace safety, reduce airborne contaminants, and support environmental sustainability.
- **Solar Energy System** commissioned during the year to generate clean and renewable energy, reduce dependence on grid electricity, and contribute to lower greenhouse gas emissions.

II. Work-Life Balance

The Company recognizes the importance of maintaining a healthy work-life balance for its employees. Standard working hours and human resource policies are designed to promote employee well-being, productivity, and work-life harmony. Management remains committed to providing a supportive working environment that enables employees to effectively balance their professional and personal responsibilities.

III. Business Ethics

The Company conducts its operations in accordance with the highest standards of integrity, transparency, and accountability. A formal Code of Conduct approved by the Board of Directors guides the professional and ethical

behavior expected from employees at all levels of the organization. Management remains committed to ensuring compliance with applicable laws, regulations, and corporate governance requirements.

Contribution to the National Exchequer

As a responsible corporate citizen, the Company contributed approximately **PKR 846 million** to the national exchequer during the financial year 2025-26 in the form of income tax, sales tax, customs duties, levies, and other statutory payments. These contributions reflect the Company's commitment to supporting national economic development and public sector financing.

Energy Conservation

Energy conservation remains an important component of the Company's sustainability strategy. During the year, the Company successfully commissioned a **3.6 MW solar energy system**, which is expected to significantly reduce energy costs, improve operational efficiency, and decrease dependence on conventional energy sources.

In addition to renewable energy initiatives, the Company continues to encourage employees to adopt energy-efficient practices and supports awareness programs aimed at promoting environmental responsibility. Through these efforts, the Company seeks to reduce its environmental footprint while enhancing long-term business sustainability.

COMPOSITION OF THE BOARD & GOVERNANCE STRUCTURE

The composition of the Board of Directors is in compliance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Board Composition Total Directors: 7

- o Male Directors: 5
- o Female Directors: 2
- Independent Directors: 2*
- Non-Executive Directors: 3
- Executive Directors: 2

* The matter has already been explained in point 2 of the Statement of Compliance annexed in Annual report 2026.

Board Meetings and Attendance

During the financial year ended June 30, 2026, the Board of Directors held **five (5) meetings**. Attendance of Directors was as follows:

Director	Category	Meetings Attended
Mian Parvez Aslam	Non-Executive	4
Mr. Imran Aslam	Executive	5
Mr. Irfan Aslam	Non-Executive	5
Mr. Danish Aslam	Executive	5
Syed Raza Ali Bokhari	Independent	5
Dr. Ali Raza Khan	Independent	5
Mrs. Nazish Imran	Non-Executive	5
Ms. Sadaf Parvez*	Non-Executive	-

* Ms. Sadaf Parvez was appointed during the year to fill the casual vacancy arising from the sad demise of Mr. Mian Parvez Aslam.

The Board remains committed to maintaining effective corporate governance practices, ensuring appropriate oversight of the Company's affairs, and promoting transparency, accountability, and sustainable value creation for all stakeholders.

BOARD COMMITTEES

A. Audit Committee

The Audit Committee comprises the following members:

- **Syed Raza Ali Bokhari** – Chairman (Independent Director)
- **Mr. Irfan Aslam** – Member (Non-Executive Director)
- **Ms. Sadaf Parvez** – Member (Non-Executive Director)

The Committee assists the Board in fulfilling its responsibilities relating to financial reporting, internal controls, risk management, internal audit, and compliance with applicable legal and regulatory requirements. During the financial year ended June 30, 2026, the Audit Committee held **seven (7) meetings**.

B. Human Resource & Remuneration (HR&R) Committee

The Human Resource & Remuneration Committee comprises the following members:

- **Dr. Ali Raza Khan** – Chairman (Independent Director)
- **Mr. Danish Aslam** – Member (Executive Director)
- **Mrs. Nazish Imran** – Member (Non-Executive Director)

The Committee oversees matters relating to human resource policies, succession planning, performance evaluation, remuneration, and employee development. During the financial year ended June 30, 2026, the HR&R Committee held **two (2) meetings**.

CORPORATE GOVERNANCE

The Company remains committed to maintaining high standards of corporate governance and compliance with applicable regulatory requirements. A separate **Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019** forms part of this Annual Report.

The Board further notes that the Statement of Compliance contemplated under the relevant provisions of the **Companies Act, 2017** has not yet been separately notified by the relevant regulatory authorities. Accordingly, the Company has complied with the applicable reporting requirements under the Listed Companies (Code of Corporate Governance) Regulations, 2019.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES

In compliance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has established a formal mechanism for the annual evaluation of the performance of the Board of Directors and its Committees. The evaluation is conducted through a structured assessment process designed to review the effectiveness of the Board in carrying out its governance and oversight responsibilities.

The evaluation framework covers, among other matters:

- Alignment of corporate objectives with the Company's vision, mission, and strategic priorities;

- Effectiveness of strategy formulation and oversight of business operations;
- Monitoring and evaluation of organizational performance and risk management;
- Quality of Board deliberations and decision-making processes; and
- Performance of Board Committees in discharging their respective responsibilities.

The Board reviews the results of the evaluation process and, where appropriate, identifies opportunities for further strengthening governance practices and enhancing Board effectiveness.

DIRECTORS' REMUNERATION

The remuneration of Executive Directors is determined in accordance with the Company's approved remuneration policy and is reviewed by the Human Resource & Remuneration Committee before approval by the Board of Directors.

Non-Executive Directors and Independent Directors are entitled to meeting fees for attending Board and Committee meetings, as approved by the Board and in accordance with applicable legal and regulatory requirements.

BOARD'S ROLE IN DIVERSITY EQUITY & INCLUSION (DE&I)

The Board recognizes Diversity, Equity & Inclusion (DE&I) as important elements of the Company's long-term business strategy and governance framework. The Board provides oversight of the Company's environmental, social, and governance (ESG) initiatives and promotes responsible business practices that support sustainable value creation.

The Company is committed to fostering a diverse, equitable, and inclusive workplace where employees are treated with respect and provided with equal opportunities for recruitment, development, and career advancement. The Board believes that diversity strengthens organizational effectiveness, enhances decision-making, and contributes positively to innovation and long-term business performance.

The Company's human resource policies are designed to promote merit-based employment practices and to provide a work environment that supports inclusion, professional growth, and employee engagement. The Company also seeks to broaden access to employment opportunities through participation in talent development initiatives, career fairs, and engagement with educational and professional institutions.

As part of its commitment to improving workforce diversity, the Company aims to gradually increase female participation in its workforce over the coming years, subject to operational requirements and the availability of suitable talent. Progress in this area will continue to be monitored by Management and reported to the Board as appropriate.

APPOINTMENT OF AUDITORS

The external auditors, **M/s Crowe Hussain Chaudhury & Co., Chartered Accountants**, have completed the audit of the* Company's financial statements for the year ended June 30, 2026 and have expressed an unmodified opinion thereon.

Being eligible for re-appointment and having conveyed their willingness to continue in office, the Board of Directors, upon the recommendation of the Audit Committee, recommends the re-appointment of **M/s Crowe Hussain Chaudhury & Co., Chartered Accountants**, as external auditors of the Company for the financial year ending June 30, 2027, at a same remuneration as determined by the Board of Directors, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

EXECUTIVES

For the purpose of disclosures under the applicable corporate governance framework, an Executive means an employee, other than the Chief Executive Officer and Directors, whose annual basic salary exceeds **PKR 1.2 million** during the financial year.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2026 is annexed to this report in accordance with the requirements of applicable laws and regulations.

SUBSEQUENT EVENTS

The Board confirms that there have been no material events, commitments, or circumstances occurring between June 30, 2026 and the date of this report that have had, or may reasonably be expected to have, a material effect on the Company's financial position or operating performance, except as otherwise disclosed in these financial statements and the accompanying notes thereto.

ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its sincere appreciation for the dedication, commitment, and contributions of the Company's employees and management team. The Board also acknowledges the continued support of customers, business partners, financial institutions, regulatory authorities, and other stakeholders.

The Directors extend their gratitude to the shareholders for their continued confidence in the Company and look forward to their continued support in the years ahead.

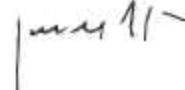
For and on behalf of the Board



DIRECTOR

Lahore:

Dated October 06, 2026



CHIEF EXECUTIVE

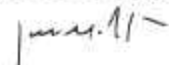
GENDER PAY GAP STATEMENT

Gender Pay Gap Statement under Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024.

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

	2026	2025
(i) Mean Gender Pay Gap:	(26.04)%	6.44%
(ii) Median Gender Pay Gap:	(2.65)%	1.33%
(iii) Any other data/details as deemed relevant:	the above ratios reflect the overall employee's gender pay gap across the organization. The Company ensures equitable compensation for female members in their respective roles, based on experience, qualifications and performance.	

on behalf of the Board of Directors



Chief Executive

October 06, 2026
Lahore

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHAHZAD TEXTILE MILLS LIMITED

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit, the 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 the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following are the key audit matters:

Key Audit Matters	How the Matter was Addressed in our Report
1. Trade Debts & Revenue Recognition	
Refer to note 3.13 & 20 to the financial statements. The Company has outstanding trade debts amounting to Rs. 397,117,534 as at June 30, 2026, against which the provision of Rs. 32,343,870 has been recognized. We identify recoverability of trade receivables as key audit matter as it involves significant management judgement in determining the recoverable amount. Refer notes 3.16 and 26 to the annexed financial statements The Company has earned revenue of Rs. 12,341.775 million for the year ending June 30, 2026. The Company is primarily engaged in manufacturing and sale of yarn and socks. We consider revenue a key audit matter due to the fact that it is one of the key performance indicators of the Company. In addition, revenue was also considered an area of significant audit risk as part of the audit process.	Our key audit procedures relating to valuation of trade receivables and revenue included: • Obtained an understanding of the Company's processes and related internal controls for revenue recognition, debt collection process and making expected credit loss for doubtful receivables and on a sample basis, testing the operating effectiveness of those controls. • Tested the accuracy of aging report, on sample basis, by comparing individual balances in the report with underlying documentation. • Assessed the appropriateness of assumptions and estimates made by management for the expected credit loss by comparing on sample basis, historic cash collection, actual write offs and cash receipts from customers subsequent to reporting date. • Assessed the appropriateness of the Company's revenue recognition policies and their compliance with applicable accounting and reporting standards. • Compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents to assess whether the revenue was recorded in accordance with the Company's revenue accounting policy and applicable financial reporting framework. • Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. • Checked receipts from customers to whom sales were made on a sample basis. • Considered the adequacy of the related disclosures and assessed whether these are in accordance with the applicable financial reporting framework.

Key Audit Matters	How the Matter was Addressed in our Report
2. Stock in trade Refer to note 3.11 & 19 to the financial statements. As at June 30, 2026, the Company holds certain items of raw materials, work in process and finished goods amounting to Rs. 1,126.090 million and stock in trade is stated at lower of cost and estimated net realizable value. We have considered this area as a key audit matter due to its size, representing 16.87% of the total assets of the Company as at June 30, 2026 and the judgment involved in valuation.	Our key audit procedures included: • Observed physical inventory count procedures and comparing, on a sample basis, physically counted inventories with valuation sheets provided by the management • Compared on a sample basis specific purchases and directly attributable costs with underlying supporting documents • Checked the accumulation of costs at different stages of production to ascertain valuation of work in process and finished goods • Compared the net realizable value, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards. • Assessed the provision for slow moving stocks as of the reporting date and assessed whether it is in accordance with the Company's policies and relevant accounting and reporting standards • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting standards.

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore

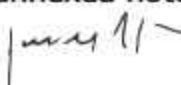
Dated: October 06, 2026

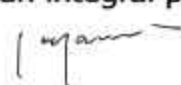
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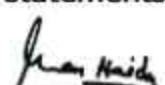
STATEMENT OF FINANCIAL POSITION

		2026	2025
	Note	Rupees	Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital: 40,000,000 (2025: 40,000,000) ordinary shares of Rs. 10 each		400,000,000	400,000,000
Issued, subscribed and paid up capital	5	179,713,720	179,713,720
Reserves	6	2,516,733,114	2,125,746,811
Surplus on revaluation of property, plant and equipment	7	1,173,015,826	1,227,095,342
		3,869,462,660	3,532,555,873
Non Current Liabilities			
Long term financing	8	114,855,000	144,357,091
Deferred tax liability	9	539,269,888	498,554,367
		654,124,888	642,911,458
Current Liabilities			
Trade and other payables	10	952,391,922	935,371,156
Unclaimed dividends		146,294	146,294
Unpaid dividends		199,348	199,348
Accrued mark up		20,338,025	18,315,179
Current portion of non-current liabilities	11	194,379,295	183,350,763
Short term borrowings	12	829,156,271	871,518,668
Provision for taxation	13	153,418,579	143,316,211
		2,150,029,734	2,152,217,619
Contingencies and Commitments	14	-	-
		6,673,617,282	6,327,684,950

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


CHIEF EXECUTIVE OFFICER

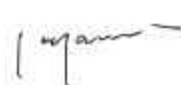

DIRECTOR

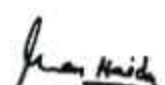

CHIEF FINANCIAL OFFICER

AS AT JUNE 30, 2026

ASSETS		2026	2025
	Note	Rupees	Rupees
Non Current Assets			
Property, plant and equipment	15	2,938,631,760	2,721,485,898
Investment in associate	16	1,177,811,815	1,054,875,759
Long term deposits	17	5,768,211	3,847,448
		4,122,211,786	3,780,209,105
Current Assets			
Stores and spares	18	207,877,636	219,573,323
Stock in trade	19	1,126,090,230	857,585,734
Trade debts	20	364,773,664	166,305,619
Advances, deposits, prepayments and other receivables	21	240,246,799	294,494,302
Short term investments	22	130,080,313	151,375,056
Tax refunds due from the Government	23	265,411,457	301,958,926
Cash and bank balances	24	216,925,397	386,232,885
		2,551,405,496	2,377,525,845
Asset held for sale	25	-	169,950,000
		6,673,617,282	6,327,684,950


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

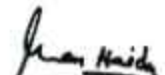
FOR THE YEAR ENDED JUNE 30, 2026

		2026	2025
	Note	Rupees	Rupees
Sales	26	12,341,775,849	11,371,016,350
Cost of sales	27	(11,282,844,173)	(10,675,808,622)
Gross Profit		1,058,931,676	695,207,728
Operating Expenses			
Selling and distribution costs	28	(204,206,540)	(182,094,546)
Administrative expenses	29	(368,276,259)	(322,551,897)
		(572,482,799)	(504,646,443)
Operating Profit		486,448,877	190,561,285
Finance cost	30	(88,450,549)	(117,875,372)
Other operating expenses	31	(59,222,168)	(18,706,067)
Other income	32	91,045,955	215,510,214
Share of net profit of associate	16	26,743,396	81,742,350
		(29,883,366)	160,671,125
Profit before Levy and Taxation		456,565,511	351,232,410
Levy / final taxation	33	(104,740,002)	(71,305,284)
Profit before Taxation		351,825,509	279,927,126
Taxation	33	(94,424,757)	(121,901,782)
Net Profit for the Year		257,400,752	158,025,344
Earning per Share - Basic and Diluted	34	14.32	8.79

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

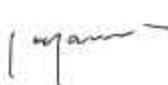

CHIEF FINANCIAL OFFICER

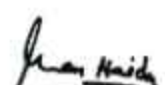
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	Rupees	Rupees
Net Profit for the Year	257,400,752	158,025,344
Other Comprehensive Income		
Items that will not be reclassified to profit or loss:		
Share in other comprehensive income of associate	80,542,173	56,356,205
Related tax impact	(12,081,326)	(8,453,431)
	68,460,847	47,902,774
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	68,460,847	47,902,774
Total Comprehensive Income for the Year	325,861,599	205,928,118

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

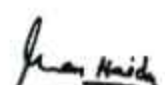
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

Particulars	Issued Subscribed and Paid up Capital	Reserves		Total	Surplus on Revaluation of Property, Plant and Equipment	Total
		Capital Reserves	Revenue Reserves			
		Share Premium	Unappropriated Profit			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2024	179,713,720	5,796,000	1,896,437,795	1,902,233,795	1,244,680,240	3,326,627,755
Net loss for the year	-	-	158,025,344	158,025,344	-	158,025,344
Other comprehensive income for the year	-	-	47,902,774	47,902,774	-	47,902,774
Total comprehensive income for the year	-	-	205,928,118	205,928,118	-	205,928,118
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earning - net of deferred tax	-	-	17,584,898	17,584,898	(17,584,898)	-
Balance as at June 30, 2025	179,713,720	5,796,000	2,119,950,811	2,125,746,811	1,227,095,342	3,532,555,873
Net profit for the year	-	-	257,400,752	257,400,752	-	257,400,752
Other comprehensive income for the year	-	-	68,460,847	68,460,847	-	68,460,847
Total comprehensive income for the year	-	-	325,861,599	325,861,599	-	325,861,599
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earning - net of deferred tax	-	-	13,931,466	13,931,466	(13,931,466)	-
Effect of deferred tax rate adjustment	-	-	-	-	(4,605,299)	(4,605,299)
Surplus on disposal of property	-	-	35,542,751	35,542,751	(35,542,751)	-
Share in equity adjustment of associate	-	-	15,650,487	15,650,487	-	15,650,487
Balance as at June 30, 2026	179,713,720	5,796,000	2,510,937,114	2,516,733,114	1,173,015,826	3,869,462,660

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


CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

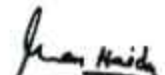
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
CASH GENERATED FROM OPERATIONS	35	260,179,051	662,026,811
Income tax paid		(173,039,306)	(202,031,413)
Finance cost paid		(78,510,428)	(123,934,178)
Security deposit against Ijarah		(1,920,763)	-
Workers' profit participation fund paid		(13,705,835)	-
Workers' welfare fund paid		(5,389,801)	(462,383)
		(272,566,133)	(326,427,974)
Net Cash (Used in) / Generated from Operating Activities		(12,387,082)	335,598,837
CASH FLOW FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(352,018,297)	(57,425,425)
Short term investments - net		21,294,743	(114,808,743)
Proceeds from disposal of property, plant and equipment		37,340,000	24,425,000
Proceeds from disposal of Investment property		172,000,000	-
Receipt of profit on saving account and TDRs		25,299,104	4,193,205
Net Cash Used in Investing Activities		(96,084,450)	(143,615,963)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term financing - net		(18,473,559)	(77,080,376)
Short term borrowings - net		(42,362,397)	62,180,237
Net Cash Used in Financing Activities	36	(60,835,956)	(14,900,139)
Net (Decrease) / Increase in Cash and Cash Equivalents		(169,307,488)	177,082,735
Cash and cash equivalents at the beginning of the year		386,232,885	209,150,150
Cash and Cash Equivalents at the End of the Year	24	216,925,397	386,232,885

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Note 1

The Company and its Operations

Shahzad Textile Mills Limited (the Company) was incorporated in Pakistan on October 24, 1978 as a Public Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The Company is engaged in manufacturing and dealing in all types of yarn and socks. The Company holds 24.94% ordinary shares in M/s Sargodha Jute Mills Limited, an associated company that is engaged in manufacturing, selling and dealing in jute products (refer to note 16).

The Company is domiciled in Pakistan. The geographical locations and addresses of the Company's business units, including manufacturing facilities are as under:

Business Unit	Geographical Location
Head Office	7th Floor, Office 701, Tricon Corporate Center, 73-E Jail Road, Gulberg - II, Lahore
3 Manufacturing	34 KM, Lahore-Sheikhupura Road, Sheikhupura
1 Manufacturing facility facilities	7 KM, Sheikhupura-Faisalabad Road, Kharianwala

Note 2

Basis of Preparation**2.1 Statement of compliance**

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

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

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

2.2 Basis of measurement

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

Certain property, plant and equipment	Note 15	Stated at revalued amount
Investment in associate	Note 16	Stated at equity method
Asset held for sale	Note 25	Stated at fair value

2.3 Functional and presentational currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

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

- Useful lives, residual values and depreciation method of property, plant and equipment - Note 3.6 & 15
- Fair value of investment property - Note 3.7 & 25
- Investment in associate under equity method - Notes 3.9 & 16
- Net realisable values of stock-in-trade & store and spares - Notes 3.10, 3.11, 18 & 19
- Provision for expected credit allowance - Note 3.14.1 & 20

- Current income tax expense, provision for current tax, recognition of deferred tax asset (for carried forward tax losses) and levies - Note 9, 13 & 33
- Estimation of contingent liabilities - Note 3.5 & 14

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

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year

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

Standard or Interpretation

Effective Date - Annual Periods

Beginning on or After

IAS 21 Amendments to lack of exchangeability

January 01, 2025

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

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

Standards, interpretations and amendments

Effective Date - Annual periods

Beginning on or After

IFRS 1, 7, 9, Annual Improvements to IFRS Accounting Standards
10 and IAS 7

January 01, 2026

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

January 01, 2026

IFRS 7, IFRS Disclosures about Uncertainties in the Financial Statements
18, IAS 1, IAS
8, IAS 36 and
IAS 37

January 01, 2026

IFRS 18 Presentation and Disclosure in Financial Statements

July 01, 2027

IFRS S1 General Requirements for Disclosure of
Sustainability-related Financial Information

July 01, 2027

IFRS S2 Climate-Related Disclosures

July 01, 2027

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

IFRS 1 First Time Adoption of IFRS

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

Note 3

Material Accounting Policy Information

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

3.1 Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses.

3.2 Staff retirement benefits**Defined contribution plan**

The Company operates a recognised provident fund for its employees. Contributions are made equally by the Company and the employee at 5.5% of gross salary in the provident fund on monthly basis. Obligation for contributions to defined contribution plan is recognised as an expense in the profit or loss.

3.3 Taxation

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

Current

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

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

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

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

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

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

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

Deferred tax

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or have been notified for subsequent enactments at the reporting date.

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

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.4 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within short period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

3.5 Contingent liabilities

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

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

3.6 Property, plant and equipment

Owned

Items of property, plant and equipment other than land-freehold, buildings on freehold land, plant and machinery and power house are stated at cost less accumulated depreciation and identified impairment losses, if any. Land-freehold, buildings on freehold land, plant and machinery and power house are stated at revalued amount less accumulated depreciation and identified impairment losses, if any. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Additions, subsequent to revaluation, are stated at cost less any identified impairment loss. Surplus on revaluation of land-freehold, building on freehold land, plant and machinery and power house is recognized in equity. On disposal of particular revalued asset the related revaluation surplus is transferred to the unappropriated profit.

Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to acquisition or construction including expenditures on material, labor and overheads directly relating to construction, erection and installation of items of property, plant and equipment. Cost in relation to certain assets may also includes cost of borrowing during construction period in respect of loans taken for specific projects.

Depreciation on property, plant and equipment, except freehold land, has been provided for using the reducing balance method at the rates specified in Note 15 and is charged to profit or loss. Depreciation on additions is charged from the date in which the asset is available for use up to the date on which the asset is disposed off. Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

Maintenance and normal repairs are charged to profit or loss as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of property, plant and equipment, if any, is shown in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Additions, subsequent to revaluation, are stated at cost less accumulated depreciation and identified impairment loss, if any.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Additions, subsequent to revaluation, are stated at cost less accumulated depreciation and identified impairment loss, if any.

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

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

Subsequent cost is included in the carrying amount of an asset or recognized as a separate asset, as appropriate, only when it is probable that future economics benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. Day to day maintenance and normal repairs are charged to profit or loss as and when incurred. Gains or losses on disposal of property, plant and equipment are included in the current year's profit or loss.

Capital work-in-progress

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

3.7 Investment property

Investment property, which is property held to earn rentals and / or for capital appreciation is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. The change in fair value is recognized in the profit or loss. The fair value of investment property is determined at each reporting date using the current market prices for comparable real estate, adjusted for any differences in nature, location and condition.

3.8 Impairment of non financial assets other than inventories

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

3.9 Investment in associate

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the investee company.

3.10 Stores and spares

These are valued at lower of moving average cost and net realizable value (NRV); whilst items considered obsolete are written off. Net realizable value is the higher of recoverable amount and fair value less cost to sell. Cost of items in transit comprises invoice value plus incidental charges paid thereon.

3.11 Stock in trade

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

Raw materials	- Monthly average cost
Material in transit	- Cost comprising invoice value plus incidental charges paid thereon
Work in process	- Estimated average manufacturing cost
Finished goods	- Average manufacturing cost

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

3.12 Cash and cash equivalents

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

3.13 Balances from contract with customers

Trade receivables

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

Contract assets

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

Contract liabilities

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

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products, if any.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

3.14 Financial instruments

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

3.14.1 Financial assets

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

a) Classification

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

b) Initial recognition and measurement

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

c) Subsequent measurement

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

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing as at the reporting date. The difference arising is charged to the profit or loss.

d) Derecognition

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

e) Impairment of financial assets

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

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

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

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

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

b) Subsequent measurement

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

3.14.3 Off-setting of financial assets and financial liabilities

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

3.15 Related party transactions

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

3.16 Revenue recognition - Sale of goods

Revenue is recognized in accordance with the following steps:

- i) Identify the contract with a customer
- ii) Identify the performance obligations in the contract
- iii) Determine the transaction price of the contract
- iv) Allocate the transaction price to each of the separate performance obligations in the contract
- v) Recognize the revenue when (or as) the Company satisfies a performance obligation

Revenue from sale of goods is measured at fair value of the consideration received or receivable. The Company records revenue from sale of goods at point in time when the performance obligation in respect of delivery of goods has been satisfied. This usually happens when control of the goods has transferred to the customer. The sale invoices are generated and revenue is recognized on delivery of products. Delivery occurs when the products have been shipped / delivered to the customers destination / specific location, the risk of the loss have been transferred to customer and the customer's have accepted the product or the Company has objective evidence that all criteria for acceptance have been satisfied whereas revenue of export sales is recognized on date of issue of bill of lading.

3.17 Segment reporting

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

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

3.18 Fair value measurement

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

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 — Unobservable inputs for the asset or liability.

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

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

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

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

3.19 Earnings per share

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

3.20 Asset held for sale

The Company presents its non-current assets and liabilities related to that asset held for sale separately from other assets in the statement of financial position. These assets and liabilities shall not be offset and presented as a single amount. The major classes of assets and liabilities classified as held for sale shall be separately disclosed either in the statement of financial position or in the notes, except as permitted by paragraph 39. The Company presents separately any cumulative income or expense recognized in profit and loss and other comprehensive income relating to a non-current asset classified as held for sale in accordance with the requirements of IFRS-5.

Note 4

Other Accounting Policies

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

4.1 Foreign currency transactions

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gains and losses on translation are recognized in profit or loss. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

4.2 Borrowing costs

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

4.3 Dividend distribution

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

4.4 Ijarah Contracts

The Company has entered into Ijarah contracts under which it obtains usufruct of an asset for an agreed period for an agreed consideration. The Ijarah contracts are undertaken in compliance with the Shariah essentials for such contracts prescribed by the State Bank of Pakistan.

The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Company as a Mustaj'ir (lessee) in the Ijarah contract recognizes the Ujah (lease) payments as an expense in the profit and loss on straight line basis over the Ijarah term.

Note 5

Issued, Subscribed and Paid Up Capital

2026	2025		2026	2025
			Rupees	Rupees
12,240,569	12,240,569	Number of shares		
		Ordinary shares of Rs. 10 each fully paid in cash	122,405,690	122,405,690
4,418,803	4,418,803	Ordinary shares of Rs. 10 each issued for consideration otherwise than in cash - shares issued on amalgamation	44,188,030	44,188,030
1,312,000	1,312,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	13,120,000	13,120,000
<u>17,971,372</u>	<u>17,971,372</u>		<u>179,713,720</u>	<u>179,713,720</u>

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

5.2 Shares held by related parties are as follows:

	2026	2025	2026	2025
	Percentage		Number of Shares	
Directors and close relatives	91.73%	78.56%	16,485,373	14,118,981
Executives	0.00%	0.0028%	500	500
Sargodha Jute Mills Limited	0.00%	0.12%	-	21,090
			<u>16,485,873</u>	<u>14,140,571</u>

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

Note 6

Reserves

	2026	2025
	Rupees	Rupees
Capital		
Share premium reserve	5,796,000	5,796,000
Revenue		
Unappropriated profits	2,510,937,114	2,119,950,811
	<u>2,516,733,114</u>	<u>2,125,746,811</u>

Note 7

Surplus on Revaluation of Property, Plant and Equipment

	2026	2025
	Rupees	Rupees
Land - freehold	964,740,670	964,740,670
Buildings on freehold land	164,038,238	172,671,830
Plant and machinery	79,180,866	83,348,280
Power house	19,135,568	23,919,460
	<u>1,227,095,342</u>	<u>1,244,680,240</u>
Surplus realized on disposal of property	(35,542,751)	-
Depreciation - net of deferred tax	(13,931,466)	(17,584,898)
Effect of rate of change in tax rate	(4,605,299)	-
	<u>1,173,015,826</u>	<u>1,227,095,342</u>

- 7.1** Latest revaluation of operating fixed assets was carried out as on June 30, 2024 by an independent valuer that resulted in revaluation surplus of Rs. 430.964 million. The following basis were used for revaluation of property, plant and equipment:

Land	Market Value
Buildings	Market Value / Depreciated Value
Plant and machinery	Market Value / Depreciated Value
Power house	Market Value / Depreciated Value

- 7.2** Incremental depreciation charged on revalued operating fixed assets has been transferred to retained earnings to record realization of surplus to the extent of incremental depreciation. Incremental depreciation represents the difference between actual depreciation based on revalued carrying amount of the asset and equivalent depreciation based on the original carrying amount of the asset.

Note 8

Long Term Financing

		2026	2025
	Note	Rupees	Rupees
Secured			
Habib Metropolitan Bank Limited - SBP LTFF	8.1	128,648,000	191,696,000
Meezan Bank Limited - Diminishing Musharka	8.2	15,709,091	29,741,467
Soneri bank limited	8.3	58,606,817	-
		<u>202,963,908</u>	<u>221,437,467</u>
Less: Current portion	11	(88,108,908)	(77,080,376)
		<u>114,855,000</u>	<u>144,357,091</u>

- 8.1** This long term finance facility was availed to retire documents of import LC that were established for import of machinery for socks unit of the Company. The sanctioned limit amounted to Rs. 228 million (2025: Rs. 291 million) and was secured by way of creating charge of Rs. 560 million (2025: Rs. 560 million) registered with SECP on complete socks unit installed with 25% margin and personal guarantee of sponsoring directors. This facility is repayable in 24 equal quarterly installments latest by February 2029 and carries markup at SBP rate plus 3% (2025: SBP rate plus 3%) per annum, payable on quarterly basis.

- 8.2** This represents shariah compliant borrowing (diminishing musharka facility) utilised from Meezan Bank Limited amounting to Rs. 15.709 million (2025: Rs. 29.741 million) for purchase of machinery. The sanctioned limit amounts to Rs. 31.573 million (2025: Rs. 100 million) and is secured by way of exclusive charge over imported machinery with 15% margin and personal guarantee of sponsoring directors. This facility is repayable in 16 equal quarterly instalments, latest by July 2027. It carries markup at 3 months KIBOR plus 1.25% (2025: 3 months KIBOR plus 1.25%) per annum.
- 8.3** This long term finance facility was availed for purchase of vehicles for the use of business. The sanctioned limit amounted to Rs. 70 million (2025: Rs. Nil) and was secured by way of creating charge over the financed vehicles. This facility is repayable in 60 monthly instalments latest by July 2030 and carries markup at KIBOR plus 1% (2025: Nil) per annum, payable on monthly basis.

Note 9

Deferred Tax Liability

	Note	2026 Rupees	2025 Rupees
Deferred tax liability - net	9.1	539,269,888	498,554,367
9.1 Deferred tax liability - net			
Taxable temporary differences:			
- Share of net assets in associate		166,831,772	148,391,364
- Accelerated tax depreciation		352,009,324	261,508,023
- Investment property		-	46,321,387
- Surplus on revaluation of property, plant and equipment		75,586,444	89,035,775
		594,427,540	545,256,549
Deductible temporary differences:			
- Allowance for doubtful debts and advances		(13,633,080)	(11,652,540)
- Unused tax credits available		(28,468,837)	(27,068,731)
- Others		(13,055,735)	(7,980,911)
		(55,157,652)	(46,702,182)
		539,269,888	498,554,367
9.2 Reconciliation of deferred tax liability			
Opening balance		498,554,367	440,547,106
Tax effect recognized in profit or loss	33	24,028,896	49,553,830
Recognized in other comprehensive income		12,081,326	8,453,431
Rate adjustment on revaluation surplus taken directly to equity - net		4,605,299	-
Closing balance		539,269,888	498,554,367

- 9.3** Deferred tax assets / liabilities on temporary differences are measured at effective rate of 30.5% (2025: 29%).

9.4 Analysis of change of deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2026	2025	2026	2025
	Rupees	Rupees	Rupees	Rupees
Share of net assets in associate	166,831,772	148,391,364	6,359,082	12,261,352
Accelerated tax depreciation	352,009,324	261,508,023	90,501,301	(23,874)
Investment property	-	46,321,387	(46,321,387)	18,251,346
Surplus on revaluation of property, plant and equipment	75,586,444	89,035,775	(18,054,630)	(5,937,686)
Allowance for doubtful debts and advances	(13,633,080)	(11,652,540)	(1,980,540)	(3,093,340)
Unused tax credits available	(28,468,837)	(27,068,731)	(1,400,106)	32,856,439
Others	(13,055,735)	(7,980,911)	(5,074,824)	(4,760,407)
	539,269,888	498,554,367	24,028,896	49,553,830

- 9.5** Being prudent the Company has decided not to recognize deferred tax asset on minimum tax amounting to Rs. 109.051 million (2025: Rs. 165.945 million) is set to expire as per the following detail:

Expiry in Tax Year	2026	2025
	Rupees	Rupees
2026	-	123,878,423
2027	42,066,614	42,066,614
2028	66,984,079	-
	<u>109,050,693</u>	<u>165,945,037</u>

Note 10

Trade and Other Payables

	Note	2026	2025
		Rupees	Rupees
Creditors for:			
- Goods supplied	10.1	238,649,732	187,105,421
- Services		24,092,526	27,285,325
Accrued liabilities		415,303,300	400,208,771
Contract liabilities	10.2	114,704,575	21,187,789
Provident fund payable	10.3	20,393,152	152,139,247
Workers' (profit) participation fund	10.4	24,337,214	12,728,913
Workers' welfare fund	10.5	18,468,474	14,791,470
Sales tax payable	10.6	89,230,226	112,898,887
Unclaimed wages		<u>7,212,723</u>	<u>7,025,333</u>
		<u>952,391,922</u>	<u>935,371,156</u>

10.1 This includes balance of Rs. 72.412 million (2025: Rs. Nil) payable to Sargodha Jute Mills Limited - an associated company.

10.2 An amount of Rs. 17.477 million (2025: Rs. 166.06 million) was recognized as revenue from opening balance of contract liabilities.

10.2.1 Contract liabilities include an amount of Rs. Nil (2025: 0.060 million) received from Sargodha Jute Mills Limited - an associated company as advance.

10.3 During the year, the Company has established a separate provident fund trust and has transferred funds to provident fund trust. All investments out of provident fund have been made in the collective investment schemes, listed equity and debt securities in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

10.4 Workers' (profit) participation fund

Opening balance		12,728,913	1,241,134
Markup on workers' (profit) participation fund	30	976,922	273,049
Provision for the year	31	<u>24,337,214</u>	<u>11,214,730</u>
		38,043,049	12,728,913
Payments made during the year		<u>(13,705,835)</u>	-
Closing balance		<u>24,337,214</u>	<u>12,728,913</u>

10.5 Workers' welfare fund

Opening balance		14,791,470	9,864,052
Provision for the year	31	<u>9,066,805</u>	<u>5,389,801</u>
		23,858,275	15,253,853
Payments made during the year		<u>(5,389,801)</u>	<u>(462,383)</u>
Closing balance		<u>18,468,474</u>	<u>14,791,470</u>

10.6 This includes Rs. 48.967 million (2025: Rs. 48.967 million) on account of provision for further sales tax.

Note 11

Current Portion of Non-Current Liabilities

		2026	2025
	Note	Rupees	Rupees
Long term financing	8	88,108,908	77,080,376
Deferred liability - GIDC	11.1	106,270,387	106,270,387
		<u>194,379,295</u>	<u>183,350,763</u>

11.1 This represents Gas Infrastructure Development Cess (GIDC) payable by the Company to Sui Northern Gas Pipelines Limited (SNGPL) in 24 monthly instalments in accordance with the Supreme Court of Pakistan's decision dated August 13, 2020. However, the Company has challenged the decision and the case is pending adjudication.

Note 12

Short Term Borrowings

		2026	2025
	Note	Rupees	Rupees
From banking companies - Secured			
Cash / running / packing finances		455,255,717	434,149,931
Istisna / Musawama - shariah compliant		52,900,554	116,368,737
	12.1	508,156,271	550,518,668
Loan from directors	12.2	321,000,000	321,000,000
		<u>829,156,271</u>	<u>871,518,668</u>

12.1 The Company obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 2,281 million (2025: Rs. 2,216 million) towards working capital requirements, retirement of local and foreign LCs and discounting of local bills / receivables. These facilities shall expire on various dates latest by June 30, 2026. Mark up on these facilities is charged from 1 to 6 months KIBOR plus a spread of 1% to 1.25% (2025: 1 to 6 months KIBOR plus a spread of 1% to 1.25%) payable quarterly. These facilities are secured by ranking and hypothecation charge on property, plant and equipment, stocks and receivables of the Company; lien over export and import documents and personal guarantee of sponsoring directors of the Company. The above balance represents the utilized portion of funded facilities. The Company has also utilized un-funded facilities amounting to Rs. 419.041 million (2025: Rs. 387.064 million). Unutilized amount of funded and unfunded facilities is Rs. 1,353.803 million (2025: Rs. 1,278.418 million) as on reporting date.

12.2 This represents short term borrowings provided by the directors of the Company to support the working capital requirements. The loan is unsecured, interest free and re-payable on demand.

Note 13

Provision for Taxation - Net

	2026	2025
	Rupees	Rupees
Opening balance	143,316,211	134,922,150
Charge for the year	153,418,579	143,316,211
Prior year adjustment	21,717,284	337,025
	175,135,863	143,653,236
Payments / adjustments against advance tax	(165,033,495)	(135,259,175)
	<u>153,418,579</u>	<u>143,316,211</u>

13.1 The provision for current year is based on turnover tax @ 1.25% on local sales, @1% on export sales and 1.5% super tax (2025: turnover tax @ 1.25% on local sales and @ 1% on export sales).

Note 14

Contingencies and Commitments

	2026	2025
	Rupees	Rupees
14.1 Contingencies		
14.1.1 The Company has provided bank guarantee in favor of the following:		
- Sui Northern Gas Pipelines Limited (SNGPL)	163,566,042	163,566,042
- Lahore Electric Supply Company (LESCO)	10,430,000	10,430,000
- Excise and Taxation Office, Karachi	69,400,000	58,400,000
	243,396,042	232,396,042
14.1.2 The Company is contingently liable for Rs. 55.448 million (2025: Rs. 55.141 million) on account of electricity duty on self generation. The Company has obtained stay order by filing petition on August 10, 2010 in Lahore High Court, Lahore against LESCO and has not admitted the said duty. The case is pending hearing before the Lahore High Court, Lahore.		
14.1.3 Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice dated March 22, 2022, raising a demand of sales tax amounting to Rs. 1,422,344. After the Company's response was deemed unsatisfactory, an assessment order (No. 50/2022) was passed on May 12, 2022, upholding the demand. The Company filed an appeal, and the learned CIR Appeals-V partially accepted the appeal by modifying the assessment order through Appellate Order 16/A-V dated July 25, 2022. The Company, being aggrieved by the decision, has filed a second appeal with the Appellate Tribunal Inland Revenue. However, as the matter is still under litigation, the demand remains contingent upon the final decision of the Appellate Tribunal. The Company on the basis of opinion of the tax advisor is hopeful of favorable outcome of the case, accordingly no provision has been recorded in these financial statements.		
14.1.4 Deputy Commissioner Inland Revenue (DCIR) issued an assessment order (No. 13/2025) dated March 10, 2025, raising sales tax demand amounting to Rs. 79,077,463 related to tax period from December 2021 to June 2024. A penalty amounting to Rs. 79,077,463 was also imposed in addition to the default surcharge. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), Lahore against the order. The ATIR vide order dated April 29, 2025 remanded the case back to the case to DCIR. The remand back proceedings were initiated vide hearing notice 4163 dated October 21, 2025. The Company filed a reply vide letter no. ST/2025-2026 dated November 21, 2025. DCIR deleted the sales tax demand, penalty and default surcharge vide appeal affect order no. 23742 dated June 29, 2026. Hence, the matter stands concluded in favor of taxpayer.		
14.1.5 The learned DCIR vide Order u/s 170(3) bearing barcode no. 10060274213717 dated April 02, 2026 to adjust the refund of Tax Year 2025 against the impugned demand of Tax Year 2001-2002. Refund of TY-2025 are amounting to Rs. 16,254,829/-, while the impugned demand of Tax Year 2001-2002 is amounting to Rs. 9,329,303/-. It is pertinent to mention that the Tax Year 2001-2002 case had already attained finality; pursuant to the appellate order, the learned DCIR passed an Appeal Effect Order bearing DCR No. e/21,22,23,24 dated January 03, 2005, whereby a refundable tax of Rs. 3,609,289/- was conclusively determined, leaving no outstanding demand for that year. Rectification application u/s 221 was filed vide letter dated July 06, 2026, requesting restoration of the refund. Being aggrieved with the delay, a complaint was also filed with the Federal Tax Ombudsman (FTO) on April 13, 2026, bearing Complaint No. 06875. The hearing was held on 28.07.2026, and the order is pending. We are hopeful of a favourable outcome of the case. Subsequent to the year end, this case has been closed in the favour of the Company.		
14.1.6 The learned DCIR vide Order C.No.2372 dated August 28, 2020 created a tax demand amounting to Rs. 46,406,756 under various issues and sales tax periods. Being aggrieved with the order of learned DCIR, an appeal was filed before Honorable Commissioner Inland Revenue Appeals-V dated September 10, 2020. The learned CIR (A) issued vide Order no. 16 dated November 30, 2020 deleting the demand of issue no. 1,2 and 4 furthermore, partially deleting the demand of issue no. 3 amounting to Rs. 12,785,420 while confirming the rest of amount. The Company being aggrieved with the order of learned CIR (A), has filed an appeal before Honorable Attributable Tribunal Inland Revenue (ATIR) against the order of learned CIR (A) dated October 28, 2021. Honorable ATIR vide order STA No. 177/LB/2021 dated January 22, 2026 upheld the order of learned CIR (A) in issue no. 1,3 and 4 while confirming the demand in issue no.2. However, input tax on packaging material was neither adjusted against output tax nor its refund was issued. The same was deferred while processing refund. Therefore, no demand exists.		
14.1.7 The Company is a party to legal proceedings before the Lahore High Court, the Supreme Court of Pakistan and the Federal Constitutional Court concerning GIDC, gas tariffs, additional security demanded by SNGPL, and recovery of RLNG arrears. The recovery of RLNG arrears has been suspended by the Lahore High Court (W.P. No. 1277/2026), and the Federation's appeal (F.C.P.L.A. No. 96/2026) is pending. Based on the opinion of the Company's legal advisor, no unfavourable outcome is expected.		

14.1.8 The Company is involved in legal proceedings concerning amendments introduced through the Finance Act, 2025, relating to the installation of production monitoring systems under Section 40C of the Sales Tax Act, 1990, and the related provisions of the Sales Tax Rules, 2006 under W.P. No. 3470/2026, titled Ghazi Fabrics International Limited and Others vs. Federation of Pakistan and Others, pending before the Honourable Islamabad High Court, challenging amendments relating to the installation of production monitoring systems under Section 40C of the Sales Tax Act, 1990, along with the relevant Sales Tax Rules, 2006, S.R.O. 364(I)/2025, and S.T.G.O. No. 8 of 2025. The Company is a party to the proceedings. Subsequent to the year, the Honourable Court, vide order dated 21 July 2026, admitted the petition, issued notices, and granted interim relief. Based on the legal advisor's opinion that the potential financial impact cannot presently be reliably estimated and may include the installation and subsequent maintenance costs of the Production Monitoring System, the Company has not recognised any provision in its financial statements. The matter remains pending adjudication.

14.2 Commitments

The Company's outstanding commitments as at the reporting date are as under:

	2026	2025
	Rupees	Rupees
Letters of credits	175,644,726	154,668,470
Ijarah Rentals	8,961,110	-
	<u>184,605,836</u>	<u>154,668,470</u>

Note 15

Property, Plant and Equipment

Year Ended June 30, 2026

Description	Cost / Revalued Amounts			Depreciation				Book Value as at June 30, 2026
	As at July 01, 2025	Additions	Disposals	As at June 30, 2026	Rate	As at July 01, 2025	For the year	As at June 30, 2026
	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees
Owned								
Land - freehold	971,812,500	-	-	971,812,500	-	-	-	971,812,500
Buildings on freehold land	350,793,907	-	-	350,793,907	5	17,539,695	16,662,711	34,202,406
Plant and machinery	1,302,889,678	1,065,434	-	1,303,955,112	5	65,086,872	61,910,358	126,997,230
Power house	86,393,000	-	-	86,393,000	20	17,278,600	13,818,760	31,097,360
Solar panel equipment	26,639,188	248,866,469	-	275,505,657	10	12,600,009	3,517,578	16,117,597
Furniture and fixtures	10,681,195	-	-	10,681,195	10	7,889,839	279,136	8,166,975
Vehicles	124,645,328	96,844,976	(29,930,029)	193,560,275	20	76,771,617	24,001,526	78,096,255
Electric installations	65,122,054	-	-	65,122,054	10	46,425,607	1,869,645	48,295,252
Computers and equipment	18,481,200	3,241,418	-	21,722,618	20	12,143,487	1,617,197	13,760,584
Leasehold improvement	19,679,500	-	-	19,679,500	20	10,783	3,933,743	3,944,526
Arms and ammunition	410,775	-	-	410,775	7	315,918	6,640	322,558
Total as at June 30, 2026	2,977,548,325	352,018,297	(29,930,029)	3,299,636,593		256,062,427	127,617,294	361,004,833
								2,938,631,760

Year Ended June 30, 2025

Description	Cost / Revalued Amounts			Depreciation				Book Value as at June 30, 2025
	As at July 01, 2024	Additions	Disposals	As at June 30, 2025	Rate	As at July 01, 2024	For the year	As at June 30, 2025
	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees
Owned								
Land - freehold	971,812,500	-	-	971,812,500	-	-	-	971,812,500
Buildings on freehold land	350,793,907	-	-	350,793,907	5	-	17,539,695	333,254,212
Plant and machinery	1,301,088,001	1,801,677	-	1,302,889,678	5	-	65,086,872	1,237,802,806
Power house	86,393,000	-	-	86,393,000	20	-	17,278,600	69,114,400
Solar panel equipment	26,639,188	-	-	26,639,188	10	11,040,100	1,559,909	12,600,009
Furniture and fixtures	10,681,195	-	-	10,681,195	10	7,579,688	310,151	7,889,839
Vehicles	131,521,789	33,897,309	(40,773,770)	124,645,328	20	93,545,768	11,206,829	76,771,617
Electric installations	65,122,054	-	-	65,122,054	10	44,348,224	2,077,383	46,425,607
Computers and equipment	16,434,261	2,046,939	-	18,481,200	20	10,833,312	1,310,175	12,143,487
Leasehold improvement	-	19,679,500	-	19,679,500	20	-	10,783	10,783
Arms and ammunition	410,775	-	-	410,775	7	308,766	7,152	315,918
Total as at June 30, 2025	2,960,896,670	57,425,425	(40,773,770)	2,977,548,325		169,655,858	116,387,549	256,062,427
								2,721,485,898

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

	2026	2025
	Rupees	Rupees
Cost of sales	95,909,406	104,473,463
Administrative expenses	31,707,888	11,914,086
	127,617,294	116,387,549

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

Location / Address	Usage of Immovable Property	Total Area
34-KM, Lahore-Sheikupura Road, Sheikupura	Manufacturing facility	104 Kanals and 3 Marlas
7-KM, Sheikupura-Faisalabad Road, Kharianwala	Manufacturing facility	128 Kanals and 7 Marlas

15.3 Fair value hierarchy

The Company measured its land; buildings on freehold land; plant and machinery and power house under level 2 of fair value hierarchy. Details of such revalued assets as at the reporting date are as follows:

Level 2	Land		Buildings		Plant and Machinery		Power House	
	Rupees		Rupees		Rupees		Rupees	
For the year ending June 30, 2026	971,812,500		316,591,501		1,176,957,882		55,295,640	
For the year ending June 30, 2025	971,812,500		333,254,212		1,237,802,806		69,114,400	

Assumptions used in fair value calculation have been given in note 7 of these financial statements. No other assets are measured under level 1 and level 3 of the fair value hierarchy.

15.4 Detail of disposals of operating fixed assets

The details of operating fixed assets disposed off during the year having individual book value exceeding Rs. 500,000 or more are as follows:

Particulars of Assets	Cost	Carrying Amount	Sale Proceeds	Gain	Particulars of the Buyer	Mode of Disposal	Relationship with the Purchaser
	Rupees	Rupees	Rupees	Rupees			
Vehicles							
Honda Civic	2,983,010	937,606	3,800,000	2,862,394	Mr. Muhammad Irfan	Negotiation	Third Party
Honda Civic	3,646,300	1,041,785	4,000,000	2,958,215	Mr. Ray Imtiaz Ahmad	Negotiation	Third Party
Honda City	1,964,310	531,685	2,500,000	1,968,315	Mr. Muhammad Usama	Negotiation	Third Party
Mini Truck	2,553,965	840,514	2,400,000	1,559,486	Mr. Saeed Wail	Negotiation	Third Party
Toyota Corolla Altis	3,397,820	1,301,633	4,200,000	2,898,367	Mrs. Razia Tariq	Negotiation	Third Party
Toyota Corolla XLI	2,198,550	519,919	2,700,000	2,180,081	Mr. Safdar Hussain	Negotiation	Third Party
2026	16,743,955	5,173,142	19,600,000	14,426,858			
2025	37,974,275	10,336,293	21,196,945	10,860,652			

15.5 Security

The property, plant and equipment of the Company are subject to first and joint pari passu charge as security for certain financing by banks (Note 8 and Note 12).

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

	2026	2025
	Rupees	Rupees
Land	7,071,830	7,071,830
Building on freehold land	153,942,588	113,478,748
Plant and machinery	1,076,126,770	1,131,664,793
Power house	34,914,064	43,637,430
	<u>1,272,055,252</u>	<u>1,295,852,801</u>

15.7 Forced sales value of revalued assets as at June 30, 2024, as determined by the independent valuer, were as follows:

	Market Value	Forced Sale Factor	Forced Sales Value
	Rupees	Percentage	Rupees
Freehold land	971,812,500	15%	826,040,625
Buildings on freehold land	350,793,907	15%	298,174,822
Plant and machinery	1,301,088,001	15%	1,105,924,801
Power house	86,393,000	15%	73,434,050

15.8 The management believes that there is no significant change in forced sales value of the revalued operating fixed assets as at the reporting date.

Note 16

Investment in Associate**Associates - Unquoted**

Sargodha Jute Mills Limited:

8,120,000 (2025: 8,120,000) fully paid ordinary shares of Rs. 10 each

Equity held 24.94% (2025: 24.94%)

Cost of investment Rs. 65,600,000 (2025: Rs. 65,600,000)

Carrying amount of investment

2026	2025
Rupees	Rupees
<u>1,177,811,815</u>	<u>1,054,875,759</u>

16.1 Reconciliation of the above information to the carrying amount of interest in Sargodha Jute Mills Limited (The Associate) is as under:

Net assets of the Associate	<u>4,722,581,455</u>	<u>4,229,654,199</u>
Percentage of shareholding in Associate	<u>24.94%</u>	<u>24.94%</u>
Carrying amount of investment	<u>1,177,811,815</u>	<u>1,054,875,759</u>

16.2 The Company accounts for its investment in Sargodha Jute Mills Limited (the Associate) under equity method as prescribed in IAS 28 (Investments in Associates). Information extracted from the audited financial statements of the Associate is as follows:

	2026	2025
	Rupees	Rupees
Current assets	3,862,355,561	4,202,668,658
Non-current assets	2,188,280,546	1,974,373,842
Current liabilities	960,857,768	1,499,740,187
Non-current liabilities	367,196,884	447,648,114
Equity	4,722,581,455	4,229,654,199
Total assets	6,050,636,107	6,177,042,500
Revenue	3,123,989,201	3,380,036,708
Net profit for the year	107,230,940	327,756,015
Other comprehensive income	322,943,758	225,967,140
Total comprehensive income for the year	<u>430,174,698</u>	<u>553,723,155</u>

Note 17

Long Term Deposits

		2026	2025
		Rupees	Rupees
Lahore Electric Supply Company		1,597,430	1,597,430
Sui Northern Gas Pipelines Limited		1,928,612	1,928,612
Ijara rentals		1,920,763	-
Others		321,406	321,406
		5,768,211	3,847,448

Note 18

Stores and Spares

		2026	2025
	Note	Rupees	Rupees
Stores and spares	18.1	207,877,636	219,573,323

18.1 This includes stores in transit amounting to Rs. 8.232 million (2025: 40.210 million) as at the reporting date.

Note 19

Stock in Trade

		2026	2025
	Note	Rupees	Rupees
Raw materials	19.1	364,512,172	349,701,607
Work in process		138,406,269	157,062,061
Finished goods	19.2	623,171,789	350,822,066
		1,126,090,230	857,585,734

19.1 This includes raw material in transit amounting to Rs. 57.629 million (2025: Rs. Nil).

19.1.1 Stocks amounting to Rs. 228.202 million (2025: Rs. 190.97 million), are pledged against short term borrowings obtained by certain banks (Note 12).

19.2 This includes stocks in transit amounting to Rs. 141.259 million (2025: Rs. 55.496 million).

Note 20

Trade Debts

		2026	2025
	Note	Rupees	Rupees
Local debtors:			
- Considered good		259,092,642	127,740,315
- Considered doubtful		7,102,622	2,585,169
		266,195,264	130,325,484
Foreign debtors:			
- Considered good		105,681,022	38,565,304
- Considered doubtful		25,241,248	25,241,248
		130,922,270	63,806,552
		397,117,534	194,132,036
Less: Allowance for expected credit losses (ECL)	20.1	(32,343,870)	(27,826,417)
		364,773,664	166,305,619
20.1 Allowance for expected credit losses (ECL)			
Opening balance		27,826,417	29,514,484
Add: Charge for the year		5,503,157	-
		33,329,574	29,514,484
Less: Bad debts written off		(985,704)	(1,688,067)
Closing balance		32,343,870	27,826,417

20.2 Detail of trade receivables from export sales

Jurisdiction	Export Sales During the Year	Gross Receivables at Year End	Default Amount	Names of Defaulting Parties
	Rupees	Rupees	Rupees	
Europe	1,392,981,698	122,763,612	25,241,248	M/S Insane International
United State of America	313,178,602	8,158,658	-	No default
	<u>1,706,160,300</u>	<u>130,922,270</u>	<u>25,241,248</u>	

20.2.1 As of the reporting date, the outstanding balance due from M/s Insane International amounts to Rs. 25.24 million (2025: Rs. 25.24 million). Provision for doubtful receivables was recorded in previous years as Insane International had not settled the outstanding amounts within the agreed terms. No further sales were made to M/s Insane International during the current year.

Note 21**Advances, Deposits, Prepayments and Other Receivables**

		2026	2025
	Note	Rupees	Rupees
Advances (Unsecured - considered good):			
- Employees	21.1	8,483,099	7,480,503
- Letter of credit		2,328,392	5,042,704
- Suppliers and others:	21.2		
Considered good		21,924,858	58,835,545
Considered doubtful		12,354,755	12,354,755
		34,279,613	71,190,300
Income tax deducted at source / advance tax		156,698,075	153,722,722
Margins with banks against letters of guarantee and other		37,078,000	50,378,000
Prepayments		3,001,613	3,825,221
Duty draw back on export		-	3,976,962
Insurance claims receivable		5,407,920	4,260,532
Profit receivable on short term investments and saving accounts		5,324,842	6,972,113
		252,601,554	306,849,057
Less: Provision for doubtful advances and other receivables		(12,354,755)	(12,354,755)
		<u>240,246,799</u>	<u>294,494,302</u>

21.1 No amount was due from chief executive, directors and executives as at the reporting date (2025: nil).

21.2 Provision for doubtful advances and other receivables

	2026	2025
	Rupees	Rupees
Opening balance	12,354,755	12,354,755
Provision charged during the year	3,426,723	-
Bad debt written off	(3,426,723)	-
Closing balance	<u>12,354,755</u>	<u>12,354,755</u>

Note 22**Short Term Investments**

		2026	2025
	Note	Rupees	Rupees
At fair value through profit or loss			
Investment in un-quoted shares		650,000	650,000
Less: Provision for impairment against investment		(650,000)	(650,000)
		-	-
Investment in mutual funds	22.1	-	20,294,743
At amortized cost			
Investment in term deposit receipts (TDR)	22.2 & 22.3	130,080,313	131,080,313
		<u>130,080,313</u>	<u>151,375,056</u>

- 22.1** This represented investment in 196,364 units of HBL Cash Fund having cost of Rs. 20.29 out of the provident fund balance (Note 10.3). This balance has been redeemed and utilized for purpose as mentioned in note 10.3.
- 22.2** This investment is lien marked by JS Bank Limited and Soneri Bank Limited against guarantees issued by the Company to LESCO, SNGPL and Excise and Taxation Office, Karachi on behalf of the Company. These TDRs yield profit at rates ranging from 6.98% to 13.68% (2025: 6.98% to 13.68%) per annum.
- 22.3** This also included TFCs amounting to Rs. 20 million invested against provident fund balance. These funds have been utilised for purpose as mentioned in note 10.3.

Note 23

Tax Refunds Due from the Government

	2026	2025
	Rupees	Rupees
Sales tax	207,550,862	249,128,789
Income tax	57,860,595	52,830,137
	<u>265,411,457</u>	<u>301,958,926</u>

Note 24

Cash and Bank Balances

		2026	2025
	Note	Rupees	Rupees
Cash in hand		1,266,605	1,246,355
Cash at banks:			
- Local currency current accounts		111,749,652	131,434,390
- Foreign currency current account	24.1	64,681,563	66,786,535
- Local currency savings accounts	24.2	39,227,577	186,765,605
		<u>216,925,397</u>	<u>386,232,885</u>

- 24.1** This represents foreign currency amounting to USD 232,532 (2025: USD 235,359) as at the reporting date.
- 24.2** These saving accounts yield profit at rates ranging from 6.15% to 7.5% (2025: 9% to 19%) per annum, approximately.
- 24.2.1** It included an amount of Rs. 107.07 million which related to the provident fund payable to employees. These funds have been utilized for purpose as mentioned in note 10.3.
- 24.3** This includes shariah compliant bank deposits in Meezan Bank Limited amounting to Rs. 50.683 million (2025: Rs. 61.131 million).
- 24.4** The above figures reconcile with the amount of cash and cash equivalents shown in the statement of cash flow.

Note 25

Asset Held For Sale

	2026	2025
	Rupees	Rupees
Investment property	-	169,950,000

- 25.1** Assets held for sale comprised office No. 703 situated on 7th floor of Tricon Corporate Center, Gulberg II, Lahore. The Company has completed its sale transfer during the year.

Note 26

Sales - Net

	2026	2025
	Rupees	Rupees
Yarn sales		
- Local	12,469,125,997	11,679,220,047
Socks sales		
- Local	24,741,637	329,592
- Export	1,706,160,300	1,435,977,516
Waste sales yarn	43,847,435	42,584,386
Waste sales socks	19,391,336	25,513,477
	<u>14,263,266,705</u>	<u>13,183,625,018</u>
Sales tax	<u>(1,921,490,856)</u>	<u>(1,812,608,668)</u>
	<u>12,341,775,849</u>	<u>11,371,016,350</u>

26.1 All the revenue is recognised at point in time.

26.2 The Company's revenue based on geographical location is given as under:

	2026	2025
	Rupees in Thousand	
Pakistan	10,635,615	9,935,039
Europe	1,392,982	1,186,538
United State of America	313,179	249,439
	<u>12,341,776</u>	<u>11,371,016</u>

Note 27

Cost of Sales

		2026	2025
	Note	Rupees	Rupees
Raw materials consumed		7,901,434,688	7,475,506,477
Stores and spares consumed		329,324,968	256,617,558
Packing materials consumed		327,306,643	290,858,390
Salaries, wages and other benefits	27.1	1,190,837,674	961,498,139
Fuel and power		1,637,080,384	1,687,031,339
Insurance		17,006,426	18,673,230
Repairs and maintenance		18,419,075	9,890,053
Other manufacturing expenses		19,218,840	18,135,130
Depreciation	15.1	95,909,406	104,473,463
		<u>11,536,538,104</u>	<u>10,822,683,779</u>
Opening work in process		157,062,061	127,105,312
Closing work in process		(138,406,269)	(157,062,061)
		<u>18,655,792</u>	<u>(29,956,749)</u>
Cost of goods manufactured:		<u>11,555,193,896</u>	<u>10,792,727,030</u>
- Opening finished goods		350,822,066	233,903,658
- Closing finished goods		(623,171,789)	(350,822,066)
		<u>(272,349,723)</u>	<u>(116,918,408)</u>
		<u>11,282,844,173</u>	<u>10,675,808,622</u>

27.1 This includes Rs. 59.333 million (2025: Rs. 35.29 million) in respect of staff retirement benefits.

Note 28

Selling and Distribution Costs

	2026	2025
	Rupees	
Salaries, wages and other benefits	36,322,120	35,894,559
Commission to selling agents	67,490,300	60,432,508
Freight and octroi	60,065,299	48,863,621
Export sale expenses	18,808,775	16,265,883
Travelling and conveyance	20,754,295	13,541,549
Discounts on sales	-	6,460,591
Entertainment	765,751	635,835
	<u>204,206,540</u>	<u>182,094,546</u>

Note 29

Administrative Expenses

		2026	2025
	Note	Rupees	Rupees
Salaries and benefits	29.1	189,320,810	166,107,342
Printing and stationery		1,336,496	1,135,699
IT and communication		10,331,773	11,285,561
Travelling and conveyance		13,834,132	2,564,549
Repairs and maintenance		11,118,879	7,553,386
Vehicles' running and maintenance	29.2	42,291,403	42,348,997
Rent, rates and taxes		4,213,116	14,750,107
Ijarah rental expense		786,544	-
Insurance		3,181,004	4,088,950
Legal and professional charges		3,731,000	3,247,481
Socks certifications		2,634,840	2,759,998
Fees and subscription		9,560,290	9,284,666
Utilities		34,556,247	33,815,217
Entertainment		8,722,114	10,460,253
Advertisement		499,870	565,750
Donation	29.3	20,000	37,000
Miscellaneous		429,853	632,855
Depreciation	15.1	31,707,888	11,914,086
		368,276,259	322,551,897

29.1 This includes Rs. 3.979 million (2025: Rs. 5.277 million) in respect of staff retirement benefits.

29.2 This includes Rs. 3.846 million (2025: Rs. 12.10 million) incurred on repairs of Director's vehicles.

29.3 No director or spouse of director of the Company has any interest in donee.

Note 30

Finance Cost

	2026	2025
	Rupees	Rupees
Interest / mark-up on		
- Short term borrowings	63,404,505	91,003,440
- Long term financing	17,128,769	16,242,101
	80,533,274	107,245,541
Bank charges	4,160,590	5,763,869
Commission on bank guarantees	2,779,763	4,592,913
Markup on workers' (profit) participation fund	976,922	273,049
	88,450,549	117,875,372

Note 31

Other Operating Expenses

		2026	2025
	Note	Rupees	Rupees
Auditors' remuneration	31.1	2,300,000	1,950,000
Provision for workers' (profit) participation fund	10.4	24,337,214	11,214,730
Provision for workers' welfare fund	10.5	9,066,805	5,389,801
Loss on sale of raw materials		1,604,443	-
Stores written off		-	151,536
Balances written off		6,799,278	-
Allowance for expected credit loss	20.1	5,503,157	-
Exchange loss		9,611,271	-
		59,222,168	18,706,067
31.1 Auditors' remuneration			
- Statutory audit		2,000,000	1,650,000
- Limited scope review and other attestation services		250,000	250,000
- Out of pocket expense		50,000	50,000
		2,300,000	1,950,000

Note 32

Other Income

		2026	2025
	Note	Rupees	Rupees
Profit on sale of raw materials		-	22,083,283
Gain on disposal of property, plant and equipment - net		30,084,859	13,632,210
Gain on disposal of investment property held of sale		2,050,000	-
Toll manufacturing income		13,686,607	73,899,373
Profit on saving accounts		23,651,833	8,894,799
Profit on term deposit receipts		13,678,483	12,826,595
Reversal of allowance for doubtful debts	20.1	-	203,686
Fair value gain on investment property		-	61,800,000
Exchange gain		-	1,983,220
Income from steam		7,894,173	12,740,164
Rental income		-	7,446,884
		91,045,955	215,510,214

Note 33

Levy and Taxation

		2026	2025
	Note	Rupees	Rupees
Levy / final tax	33.1	104,740,002	71,305,284
Taxation	33.2	94,424,757	121,901,782
		199,164,759	193,207,066
33.1 Levy			
Minimum tax / final tax		83,022,718	70,968,259
Prior period adjustment		21,717,284	337,025
		104,740,002	71,305,284
33.2 Taxation			
Current year		66,984,079	67,579,501
Super tax		3,411,782	4,768,451
		70,395,861	72,347,952
Deferred tax		24,028,896	49,553,830
		94,424,757	121,901,782

33.3 The current tax expense for the year is calculated using turnover tax @ 1.25% (2025: 1.25%) on local sales, 1% (2025: 1%) on export sales and super tax @ 1.5% (2025: Nil). Therefore, no tax reconciliation has been given.

33.4 Reconciliation of Levy and Income tax under IAS-12

		2026	2025
		Rupees	Rupees
Current tax liability as per applicable tax laws		175,135,863	143,653,236
Portion of current tax liability representing			
- Income tax as per IAS -12	33.2	70,395,861	72,347,952
- Levy as per IFRIC 21 / IAS 37	33.1	104,740,002	71,305,284
Difference		-	-

Note 34

Earning per Share - Basic and Diluted

		2026	2025
		Rupees	Rupees
Profit for the year attributable to ordinary shareholders	Rupees	257,400,752	158,025,344
Weighted average number of ordinary shares outstanding during the year	Number	17,971,372	17,971,372
Earning per share - Basic	Rupees	14.32	8.79

34.1 Diluted Earnings per Share

There is no dilutive effect on the basic earnings per share of the Company as the Company has no such commitments that would result in dilution of earnings of the Company.

Note 35

Cash Generated from Operations

	Note	2026 Rupees	2025 Rupees
Cash Flows from Operating Activities			
Profit before taxation		456,565,511	351,232,410
Adjustments for:			
- Depreciation	15.1	127,617,294	116,387,549
- Share of net profit of associate	16	(26,743,396)	(81,742,350)
- Gain on disposal of property, plant and equipment - net	32	(30,084,859)	(13,632,210)
- Gain on disposal of investment property held of sale	32	(2,050,000)	-
- Balances written off	31	6,799,278	-
- Profit on saving account and term deposit receipts	32	(23,651,833)	(8,894,799)
- Loss on sale of raw material	31	1,604,443	-
- Exchange loss / (gain)	31	9,611,271	(1,983,220)
- Reversal of allowance for doubtful debts		-	(203,686)
- Allowance for expected credit loss	20.1	5,503,157	-
- Stores written off		-	151,536
- Provision for workers' (profit) participation fund	10.4	24,337,214	11,214,730
- Provision for workers' welfare fund	10.5	9,066,805	5,389,801
- Interest on workers' (profit) participation fund	30	976,922	273,049
- Fair value gain on investment property		-	(61,800,000)
- Finance cost	30	80,533,274	107,245,541
		183,519,570	72,405,941
Operating profit before working capital changes		640,085,081	423,638,351
Decrease / (increase) in current assets:			
- Stores and spares		11,695,687	(35,792,289)
- Stock in trade		(270,108,939)	(102,278,343)
- Trade debts		(213,582,473)	137,694,341
- Advances, deposits, prepayments and other receivables		48,776,307	(17,326,604)
- Tax refunds due from the Government - sales tax		41,577,927	55,499,660
Increase / (Decrease) in current liabilities:			
- Trade and other payables		1,735,461	200,591,695
		(379,906,030)	238,388,460
Cash Generated from Operations		260,179,051	662,026,811

Note 36

Reconciliation of Liabilities arising from Financing Activities

	As at July 01, 2025 Rupees	Non-cash changes Rupees	Cash flows - net Rupees	As at June 30, 2026 Rupees
Long term financing	221,437,467	-	(18,473,559)	202,963,908
Short term borrowings	871,518,668	-	(42,362,397)	829,156,271
Total liabilities from financing activities	1,092,956,135	-	(60,835,956)	1,032,120,179
	As at July 01, 2024 Rupees	Non-cash changes Rupees	Cash flows - net Rupees	As at June 30, 2025 Rupees
Long term financing	298,517,843	-	(77,080,376)	221,437,467
Short term borrowings	809,338,431	-	62,180,237	871,518,668
Total liabilities from financing activities	1,107,856,274	-	(14,900,139)	1,092,956,135

Note 37

Balances and Transactions with Related Parties

Related parties comprise associated company, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Transactions during the year

Related party	Basis of Relationship	Aggregate Shareholding	Nature of Transaction	2026 Rupees	2025 Rupees
Sargodha Jute Mills	Associate	24.94%	Purchase of materials, goods and services from Associate	116,537,472	793,550
			Amount paid	44,125,421	793,550
			Sales of materials, goods and services from Associate	6,618,253	2,646,259
				-	12,740,164
			Sale of investment property	172,000,000	-
			Amount received	178,557,800	15,446,876
			Share of associate	26,743,396	81,742,350
Directors		68.91%	Amount paid	123,505	-
STML Provident Fund			Contributions made	205,187,999	-

Balances receivable / (payable) as at June 30,

Sargodha Jute Mills Limited (note 10, 16)	Nil. (2025 : 24.94%)	Long term investment - Carrying value	1,177,811,815	1,054,875,759
		Trade payables	72,412,051	-
		Contract liabilities	-	-
Directors	68.91%	Loan outstanding	321,000,000	321,000,000
		Markup payable	-	123,505
STML Provident Fund	0.00%	Provident fund payable	20,393,152	60,453

- 37.1** There were no transactions with key management personnel other than those undertaken as per terms of their employment that have been disclosed in Note 38.
- 37.2** Sales and purchase transactions have been carried out on commercial terms and conditions under comparable uncontrolled price method.
- 37.3** The office premises are owned by the directors of the Company and have been provided to the Company on a rent-free basis. Accordingly, no rental expense has been incurred or recognized in the financial statements in respect of these premises.
- 37.4** Following are the details of the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

S. No.	Related Party	Basis of Relationship	% of Shareholding
1	Sargodha Jute Mills Limited	Associate	24.94%
2	Mian Imran Aslam	Director	24.96%
3	Mian Parvez Aslam	Director	19.24%
4	Irfan Aslam	Director	24.71%
5	Danish Aslam	Director	0.01%
6	Nazish Imran	Director	1.11%
7	Syed Raza Ali Bokhari	Director	0.00%
8	Ali Raza Khan	Director	0.00%
9	Syed Imran Haider	Key management personnel	0.00%
10	Abdul Majeed	Key management personnel	0.00%
11	STML Provident Fund	Retirement benefit fund	0.00%

Note 38

Chief Executive Officer's, Directors' and Executives' Remuneration

Aggregate amounts charged in the financial statements for the year as remuneration and benefits to the Chief Executive Officer, Directors and Executives of the Company are as follows:

	2026			2025		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	13,090,909	4,636,364	74,907,185	13,090,909	3,000,000	52,584,894
Medical	1,309,091	463,636	7,490,719	1,309,091	300,000	5,258,489
Utilities	2,413,121	11,251,570	-	4,410,934	14,087,637	-
Provident fund	792,000	280,500	4,531,885	792,000	181,500	3,181,385
	17,605,121	16,632,070	86,929,789	19,602,934	17,569,137	61,024,768
Number of persons	1	1	31	1	1	25

38.1 The Chief Executive Officer, Directors, and Executives are provided with free use of the Company maintained vehicles in accordance with the Company's policy.

38.2 An Executive is defined as an employee, other than the Chief Executive Officer and Directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 39

Segment Information

For management purposes, the activities of the Company are recognized into two operating segments, i.e. sales of yarn and sock. The Company operates in the said reportable operating segments based on the nature of the product, risk and return, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements relate to the Company's reportable segments of yarn and socks. Entity-wide disclosures regarding reportable segments are as follows:

39.1 Segment Results for the period ended June 30, 2026

	Yarn	Socks	Total
	Rupees in Thousand		
Revenue	10,591,483	1,750,293	12,341,776
Operating profit	478,383	8,066	486,449
Finance cost	(75,909)	(12,542)	(88,451)
Other income	-	21,581	21,581
Other operating expense			(59,222)
Other income			69,465
Share of net profit from associate			26,743
Profit before taxation			456,566
Segment Results for the period ended June 30, 2025			
Revenue	9,909,195	1,461,821	11,371,016
Operating profit	184,438	6,123	85,812
Finance cost	(102,716)	(15,159)	(192,537)
Other income	8,084	100,638	108,722
Other operating expense			(18,706)
Other income			106,788
Share of net profit from associate			81,742
Profit before taxation			351,232

39.2 Segment financial position for the year ended June 30, 2026**Assets**

Property, plant and equipment
Store and spares
Stock in trade
Trade debts
Advances to suppliers

Unallocated Assets

Long term investments
Long term deposits
Advances, deposits, prepayments and other receivables
Short term investments
Tax refunds due from the Government
Cash and bank balances

Total assets**Liabilities**

Long term financing
Trade creditors
Short term borrowings
Accrued mark up

Unallocated liabilities

Deferred tax liability - net
Gas infrastructure development cess
Other payables
Unclaimed dividends
Unpaid dividends
Provision for taxation - net

Yarn	Socks	Total
Rupees in Thousand		
1,618,204	1,320,428	2,938,632
116,923	90,955	207,878
897,034	229,056	1,126,090
227,195	137,579	364,774
30,601	3,679	34,280
2,889,957	1,781,697	4,671,654
		1,177,812
		5,768
		205,967
		130,080
		265,411
		216,925
		6,673,617
74,316	128,648	202,964
146,313	116,430	262,743
829,155	-	829,155
11,066	9,272	20,338
1,060,850	254,350	1,315,200
		539,270
		106,270
		689,651
		146
		199
		153,419
		2,804,155

Segment financial position for the year ended June 30, 2025**Assets**

Property, plant and equipment
Store and spares
Stock in trade
Trade debts
Advances to suppliers

Unallocated Assets

Investment property
Long term investments
Long term deposits
Advances, deposits, prepayments and other receivables
Short term investments
Tax refunds due from the Government
Cash and bank balances

Total assets**Liabilities**

Long term financing
Trade creditors
Short term borrowings
Accrued mark up

1,452,477	1,269,009	2,721,486
157,844	61,729	219,573
554,450	303,136	857,586
83,080	83,226	166,306
47,422	23,768	71,190
2,295,273	1,740,868	4,036,141
		169,950
		1,054,876
		3,847
		223,304
		151,375
		301,959
		386,233
		6,327,686
29,741	191,696	221,437
173,428	40,962	214,390
871,518	-	871,518
7,995	10,320	18,315
1,082,682	242,978	1,325,660

TotalRupees in
Thousand**Unallocated liabilities**

Deferred tax liability - net	498,554
Gas infrastructure development cess	106,270
Other payables	720,984
Unclaimed dividends	146
Unpaid dividends	199
Provision for taxation - net	143,316
	<u>2,795,129</u>

39.3 Information about products:

	2026	2025
	Percentage	Percentage
Yarn	85.82%	87.14%
Socks	14.18%	12.86%

39.4 Major customers:

There is no individual customer to whom sales are more than 10% of total revenue (2025: Nil).

39.5 Geographical Information:

The Company's revenue from external customers and geographical location is given as under:

	2026	2025
	Rupees in	Thousand
Pakistan	10,635,615	9,935,039
Europe	1,392,982	1,186,538
United State of America	313,179	249,439
	<u>12,341,776</u>	<u>11,371,016</u>

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

Note 40

Plant Capacity and Production

		2026	2025
Yarn			
Plant capacity converted into 20/S count	Kilograms	41,732,689	41,732,689
Actual production converted into 20/S count	Kilograms	40,878,072	35,447,433
Socks			
Plant capacity dozen pairs	Dozen pairs	2,398,387	2,398,387
Actual production dozen pairs	Dozen pairs	1,593,063	1,443,077

40.1 The underutilization of optimal production capacity is primarily attributed to lower demand.

Note 41

Financial Risk Management**41.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the financial performance.

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

(a) Market risk**(i) Currency risk**

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

The Company is exposed to foreign currency risk on foreign trade debts, foreign currency bank accounts and outstanding letters of credit that are denominated primarily in Swiss Franc (CHF), U.S Dollars (USD), Euro and Japanese Yen. As at the reporting date, the Company's exposure to currency risk was as follows:

2026				
	CHF	USD	Euro	JPY
On balance sheet:				
Foreign debtors	-	294,824	154,342	-
Foreign currency bank balances	-	232,532	-	-
	-	527,356	154,342	-
Off balance sheet:				
Outstanding commitments against letters of credit	(34,853)	(570,969)	-	(2,835,050)
	<u>(34,853)</u>	<u>(43,613)</u>	<u>154,342</u>	<u>(2,835,050)</u>
2025				
	CHF	USD	Euro	JPY
On balance sheet:				
Foreign debtors	-	224,861	-	-
Foreign currency bank balances	-	235,359	-	-
	-	460,220	-	-
Off balance sheet:				
Outstanding commitments against letters of credit	(40,182)	(481,930)	(5,662)	(850,132)
	<u>(40,182)</u>	<u>(21,710)</u>	<u>(5,662)</u>	<u>(850,132)</u>

Exchange rate applied during the year

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2026	2025	2026	2025
USD to PKR	280.96	281.05	278.16	283.76
Euro to PKR	324.79	315.17	316.92	332.66
JPY to PKR	1.84	1.85	1.71	1.97
CHF to PKR	349.48	332.37	343.62	355.33

Sensitivity analysis

As at the reporting date, if the PKR had strengthened or weakness by 1% against the foreign currencies with all other variables held constant, profit before tax for the year would have been higher / (lower) by the amount shown below, mainly as a result of net foreign exchange loss on translation of foreign debtors and foreign currency bank account.

	2026	2025
	Rupees	Rupees
Effect on statement of profit or loss		
US Dollar	(121,314)	(61,604)
Euro	489,141	(18,835)
JPY	(48,479)	(16,748)
CHF	(119,762)	(142,779)
	<u>199,586</u>	<u>(239,966)</u>

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on loss before tax.

(ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is exposed to price risk in respect of certain investments amounting to Rs. Nil (2025: Rs. 20.294 million).

Sensitive Analysis for price risk

A change of 1% in the value of investment at fair value through profit or loss would have increase / decrease profit or loss by Rs. Nil. (2025: 0.203) on the basis that other variables remain constant.

(iii) Interest rate risk

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

As at the reporting date the interest rate profile of the Company's interest bearing financial instruments are as follows:

	2026	2025
	Rupees in thousand	
Fixed rate instruments - Financial liabilities		
Long term financing	187,255	191,696
Floating rate instruments - Financial liabilities		
Long term financing	15,709	29,741
Short term borrowings	508,156	550,519
Fixed rate instruments - Financial assets		
Short term investment	130,080	131,080
Floating rate instruments - Financial assets		
Bank balances in saving's account	39,228	186,766

Sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Effect on statement of profit or loss

	4,846	3,935
--	-------	-------

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Long term investment	16	1,177,812	1,054,876
Trade debts	20	364,774	166,306
Short term investments	22	130,080	151,375
Other receivables	21	10,733	15,210
Bank balances	24	215,659	384,987
		1,899,058	1,772,754
The aging of trade debts as at the reporting date is as follows:			
Past due 1 - 30 days		352,983	148,248
Past due 31 - 60 days		24,223	14,316
Past due 61 - 90 days		7,934	3,401
More than 91 days		11,978	28,167
		397,118	194,132
Allowance for expected credit loss		(32,344)	(27,826)
		364,774	166,306

The Company's exposure relating to credit risk relating to trade debt is disclosed in relevant notes to the financial statement. There are no significant trade debts that are past due as at the reporting date.

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

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are operated in largely independent markets. The credit risk on liquid funds is limited because the counter parties are either banks (with reasonably high credit ratings) and trade receivables for which the exposure is spread over a large number of counter parties.

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

	Rating		Rating Agency	2026	2025
	Short term	Long term			
Rupees in thousand					
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	62,864	35,121
MCB Bank Limited	A1+	AAA	PACRA	41,152	35,826
Habib Bank Limited	A1+	AAA	JCR-VIS	6,527	1,877
Allied Bank Limited	A1+	AAA	PACRA	498	3,745
Meezan Bank Limited	A1+	AAA	JCR-VIS	50,683	61,132
National Bank of Pakistan	A1+	AAA	PACRA	736	736
United Bank Limited	A1+	AAA	JCR-VIS	112	112
Bank Alfalah Limited	A1+	AAA	PACRA	104	6,358
Faysal Bank Limited	A1+	AA+	PACRA	10,762	1,732
Soneri Bank Limited	A1+	AA	PACRA	748	158,317
JS Bank Limited	A1+	AA	PACRA	41,371	80,031
Samba Bank Limited	A1+	AA	PACRA	102	-
				215,659	384,987

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

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages its liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As at the reporting date, the Company has Rs. 1,353.803 million (2025: Rs. 1,278.418 million) worth unavailed limits (both funded and unfunded) from financial institutions and Rs. 216.925 million (2025: Rs. 386.232 million) cash and bank balances. Following are the contractual maturities of financial liabilities:

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

	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Year	2-5 Years	More than 5 years
----- Rupees in thousand -----						
Long term financing	202,964	229,215	101,713	72,888	54,614	-
Trade and other payables	685,258	685,258	685,258	-	-	-
Accrued interest	20,338	20,338	20,338	-	-	-
Short term borrowings	829,156	829,156	829,156	-	-	-
	1,737,716	1,763,967	1,636,465	72,888	54,614	-

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

	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Year	2-5 Years	More than 5 years
----- Rupees in thousand -----						
Long term financing	221,437	254,045	88,677	84,316	81,052	-
Trade and other payables	621,625	621,625	621,625	-	-	-
Accrued interest	18,315	18,315	18,315	-	-	-
Short term borrowings	871,519	871,519	871,519	-	-	-
	1,732,896	1,765,504	1,600,136	84,316	81,052	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these financial statements.

(d) Fair value of financial instruments

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

As at the reporting date, the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values.

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

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

	Total	Level 1	Level 2	Level 3
	--- Rupees in Thousands ---			
Short term investment - 2026	-	-	-	-
Short term investment - 2025	20,295	20,295	-	-

41.2 Financial instruments by categories

Fair value through profit or loss	At amortized cost	Fair value through other comprehensive income	Total
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--- Rupees in Thousands ---

Financial assets as at June 30, 2026

Long term investment	-	1,177,812	-	1,177,812
Short term investments	-	130,080	-	130,080
Trade debts	-	364,774	-	364,774
Other receivable	-	10,733	-	10,733
Cash and bank balances	-	216,925	-	216,925
	-	1,900,324	-	1,900,324

Financial assets as at June 30, 2025

Long term investment	-	1,054,876	-	1,054,876
Short term investments	20,295	131,080	-	151,375
Trade debts	-	166,306	-	166,306
Other receivable	-	15,210	-	15,210
Cash and bank balances	-	386,233	-	386,233
	20,295	1,753,705	-	1,774,000

Financial liabilities at amortized cost

	2026	2025
	--- Rupees in Thousands ---	
Long term financing	202,964	221,437
Trade and other payables	685,258	621,625
Accrued mark-up	20,338	18,315
Short term borrowings	829,156	871,519
	1,737,716	1,732,896

41.3 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Note 42

Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchasing shares, if possible, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with 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 less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

As at the reporting date, the gearing ratio of the Company was as under:

	Note	2026 Rupees in thousand	2025 Rupees in thousand
Total borrowings	8 & 12	1,032,120	1,092,956
Cash and bank balances	24	(216,925)	(386,233)
Net Debt		815,195	706,723
Equity		3,869,463	3,532,556
Total capital employed		4,684,658	4,239,279
Gearing Ratio		17.40%	16.67%

Note 43

Shariah Disclosures Under Clause VII Of Part I Of Schedule IV Of The Companies Act, 2017

	Note	2026 Rupees	2025 Rupees
Statement of the Financial Position - Liability Side			
Financing (long term and short term) obtained as per Islamic mode	8.3 & 12.3	68,609,645	146,110,204
Interest or mark-up accrued on any conventional loan or advance		19,090,721	17,293,750
Statement of the Financial Position - Asset Side			
Shariah compliant bank deposits / bank balances	24.3	50,683,045	61,131,622
Long-term and short term shariah compliant investments		-	-
Statement of Comprehensive Income			
Revenue earned from a shariah compliant business segment	26	12,341,775,849	11,371,016,350
Late payments and any liquidated charges		-	-
Gain / loss or dividend earned from shariah compliant investments		-	-
Profit paid on Islamic mode of financing	43.1	26,246,968	40,613,259
Profit earned from shariah compliant bank deposits/bank balances	32	23,651,833	8,894,799
Exchange (loss) / gain earned from actual currency		(9,611,271)	1,983,220
Interest paid on any conventional loan or advance		52,263,460	83,320,919
Exchange gains earned using conventional derivative financial instruments		-	-
Shariah compliant miscellaneous income		-	-

Names of the Company's shariah compliant financial institutions

Meezan Bank Limited

Relationship

Short-Term Borrowings, Long-Term
Borrowings & Bank Balances

Note 44

Number of Employees

	2026	2025
	Number	Number
Total number of employees as at June 30,	1665	1698
Average number of employees during the year	1682	1704

Note 45

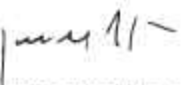
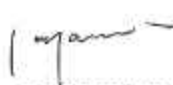
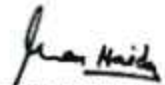
Authorization of Financial Statements

These financial statements were approved and authorized by the Board of Directors of the Company for issuance on October 06, 2026.

Note 46

General

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


CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

FORM 20

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

1.1 Name of the Company **SHAHZAD TEXTILE MILLS LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2026

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
557	1	100	14,354
244	101	500	60,464
63	501	1,000	49,302
63	1,001	5,000	144,136
11	5,001	10,000	89,546
7	10,001	15,000	95,903
7	15,001	20,000	127,711
3	20,001	25,000	69,228
1	25,001	30,000	30,000
2	30,001	35,000	65,809
2	35,001	40,000	76,303
1	40,001	45,000	43,500
1	50,001	55,000	55,000
1	70,001	75,000	75,000
1	105,001	110,000	106,684
1	115,001	120,000	115,311
1	125,001	130,000	126,730
1	195,001	200,000	200,000
1	265,001	270,000	270,000
1	295,001	300,000	300,000
2	495,001	500,000	1,000,000
1	615,001	620,000	618,005
1	745,001	750,000	746,556
1	1,105,001	1,110,000	1,105,907
1	3,455,001	3,460,000	3,458,182
1	4,440,001	4,445,000	4,441,370
1	4,485,001	4,490,000	4,486,371
977			17,971,372

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	9,929,891	55.2539%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	9,310	0.0518%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	2,200	0.0122%
2.3.5 Insurance Companies	600	0.0033%
2.3.6 Modarabas and Mutual Funds	122	0.0007%
2.3.7 Shareholders holding 10% or more	12,385,923	68.9203%
2.3.8 General Public		
a. Local	7,981,421	44.4119%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
- Joint Stock Companies	47,828	0.2661%

ایگزیکٹوز

قابل اطلاق کارپوریٹ گورننس فریم ورک کے تحت انکشافات کے مقصد کے لیے، ایگزیکٹو سے مراد چیف ایگزیکٹو آفیسر اور ڈائریکٹرز کے علاوہ ایسا ملازم ہے جس کی مالی سال کے دوران سالانہ بنیادی تنخواہ 1.2 ملین پاکستانی روپے سے زائد ہو۔

شیر ہولڈنگ کا پیٹرن

30 جون 2026 کے مطابق شیر ہولڈنگ کا پیٹرن قابل اطلاق قوانین اور ضوابط کے تقاضوں کے مطابق اس رپورٹ کے ساتھ منسلک ہے۔

بعد از مالی سال واقعات

بورڈ تصدیق کرتا ہے کہ 30 جون 2026 اور اس رپورٹ کی تاریخ کے درمیان کوئی ایسا مادی واقعہ، وعدہ یا صورت حال پیش نہیں آئی جس نے کمپنی کی مالی پوزیشن یا آپریٹنگ کارکردگی پر مادی اثر ڈالا ہو، یا جس کے مادی اثر ڈالنے کی معقول توقع کی جا سکتی ہو، سوائے اس کے جو ان مالیاتی گوشواروں اور ان کے ساتھ منسلک نوٹس میں بصورت دیگر ظاہر کیا گیا ہے۔

اظہارِ تشکر

بورڈ آف ڈائریکٹرز کمپنی کے ملازمین اور انتظامی ٹیم کی لگن، عزم اور خدمات کے لیے اپنی دلی قدردانی ریکارڈ پر لانا چاہتا ہے۔ بورڈ صارفین، کاروباری شراکت داروں، مالیاتی اداروں، ریگولیٹری حکام اور دیگر اسٹیک ہولڈرز کی مسلسل معاونت کا بھی اعتراف کرتا ہے۔

ڈائریکٹرز شیر ہولڈرز کا کمپنی پر مسلسل اعتماد کے لیے شکریہ ادا کرتے ہیں اور آنے والے برسوں میں ان کی مسلسل معاونت کے منتظر ہیں۔

— سید سہیل

چیف ایگزیکٹو

— محمد امجد

ڈائریکٹر

لاہور

مورخہ: 06 اکتوبر 2026

ڈائریکٹرز کا معاوضہ

ایگزیکٹو ڈائریکٹرز کا معاوضہ کمپنی کی منظور شدہ ریمیونریشن پالیسی کے مطابق طے کیا جاتا ہے اور بورڈ آف ڈائریکٹرز کی منظوری سے قبل ہیومن ریسورس اینڈ ریمیونریشن کمیٹی اس کا جائزہ لیتی ہے۔

نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز بورڈ اور کمیٹی اجلاسوں میں شرکت پر، بورڈ کی منظوری اور قابل اطلاق قانونی و ریگولیٹری تقاضوں کے مطابق، اجلاس کی فیس کے حق دار ہیں۔

تنوع، مساوات اور شمولیت (DE&I) میں بورڈ کا کردار

بورڈ تنوع، مساوات اور شمولیت (DE&I) کو کمپنی کی طویل مدتی کاروباری حکمت عملی اور گورننس فریم ورک کے اہم عناصر کے طور پر تسلیم کرتا ہے۔ بورڈ کمپنی کے ماحولیاتی، سماجی اور گورننس (ESG) اقدامات کی نگرانی کرتا ہے اور ایسے ذمہ دارانہ کاروباری طریقوں کو فروغ دیتا ہے جو پائیدار قدر کی تخلیق میں معاون ہوں۔

کمپنی ایک متنوع، منصفانہ اور جامع کام کی جگہ کو فروغ دینے کے لیے پرعزم ہے جہاں ملازمین کے ساتھ احترام سے پیش آئے جاتے اور بھرتی، ترقی اور کیریئر میں پیش رفت کے لیے مساوی مواقع فراہم کیے جاتیں۔ بورڈ کا ماننا ہے کہ تنوع تنظیمی مؤثریت کو مضبوط کرتا ہے، فیصلہ سازی کو بہتر بناتا ہے اور جدت اور طویل مدتی کاروباری کارکردگی میں مثبت کردار ادا کرتا ہے۔

کمپنی کی انسانی وسائل کی پالیسیاں میرٹ پر مبنی ملازمت کے طریقوں کو فروغ دینے اور ایسا کام کا ماحول فراہم کرنے کے لیے وضع کی گئی ہیں جو شمولیت، پیشہ ورانہ ترقی اور ملازمین کی وابستگی کی معاونت کرے۔ کمپنی ٹیلنٹ ڈویلپمنٹ کے اقدامات، کیریئر میلوں اور تعلیمی و پیشہ ورانہ اداروں کے ساتھ روابط میں شرکت کے ذریعے روزگار کے مواقع تک رسائی کو وسعت دینے کی بھی کوشش کرتی ہے۔

افراد کی قوت کے تنوع کو بہتر بنانے کے اپنے عزم کے حصے کے طور پر، کمپنی کا مقصد آنے والے برسوں میں، آپریشنل ضروریات اور موزوں صلاحیت کی دستیابی سے مشروط، اپنی افرادی قوت میں خواتین کی شمولیت کو بھرپور بڑھانا ہے۔ اس شعبے میں پیش رفت کی انتظامیہ نگرانی جاری رکھے گی اور مناسب ہونے پر بورڈ کو رپورٹ کرے گی۔

آڈیٹرز کی تقرری

بیرونی آڈیٹرز، میسرز کرو حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کا آڈٹ مکمل کر لیا ہے اور اس پر غیر ترمیم شدہ (ان موڈیفائیڈ) رائے کا اظہار کیا ہے۔

اہل ہونے اور عہدے پر برقرار رہنے کی آمادگی ظاہر کرنے پر، بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر، میسرز کرو حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، کی 30 جون 2027 کو ختم ہونے والے مالی سال کے لیے کمپنی کے بیرونی آڈیٹرز کے طور پر دوبارہ تقرری کی سفارش کی ہے، اسی معاوضے پر جو بورڈ آف ڈائریکٹرز طے کرے، اور یہ آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

یہ کمیٹی مالی رپورٹنگ، اندرونی کنٹرول، رسک مینجمنٹ، انٹرنل آڈٹ اور قابل اطلاق قانونی و ریگولیٹری تقاضوں کی تعمیل سے متعلق بورڈ کی ذمہ داریوں کی ادائیگی میں اس کی معاونت کرتی ہے۔ 30 جون 2026 کو ختم ہونے والے مالی سال کے دوران آڈٹ کمیٹی کے سات (7) اجلاس منعقد ہوئے۔

سب۔ ہیومن ریسورس اینڈ ریمیو نریشن (HR&R) کمیٹی
 ہیومن ریسورس اینڈ ریمیو نریشن کمیٹی درج ذیل اراکین پر مشتمل ہے:

- ڈاکٹر علی رضا خان۔ چیئرمین (آزاد ڈائریکٹر)
- جناب دانش اسلم۔ رکن (ایگزیکٹو ڈائریکٹر)
- محترمہ نازش عمران۔ رکن (نان ایگزیکٹو ڈائریکٹر)

یہ کمیٹی انسانی وسائل کی پالیسیوں، جانشینی کی منصوبہ بندی، کارکردگی کی جانچ، معاوضے اور ملازمین کی ترقی سے متعلق امور کی نگرانی کرتی ہے۔ 30 جون 2026 کو ختم ہونے والے مالی سال کے دوران HR&R کمیٹی کے دو (2) اجلاس منعقد ہوئے۔

کارپوریٹ گورننس

کمپنی کارپوریٹ گورننس کے اعلیٰ معیارات اور قابل اطلاق ریگولیٹری تقاضوں کی تعمیل برقرار رکھنے کے لیے پرعزم ہے۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی تعمیل کا ایک علیحدہ اسٹیٹمنٹ اس سالانہ رپورٹ کا حصہ ہے۔ بورڈ مزید نوٹ کرتا ہے کہ کمپنیز ایکٹ 2017 کی متعلقہ شقوں کے تحت متصور اسٹیٹمنٹ آف کیپٹالنس تاحال متعلقہ ریگولیٹری حکام کی جانب سے علیحدہ طور پر نوٹیفائی نہیں کیا گیا۔ چنانچہ کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت قابل اطلاق رپورٹنگ تقاضوں کی تعمیل کی ہے۔

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی کارکردگی کا جائزہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تقاضوں کی تعمیل میں، بورڈ نے بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کے سالانہ جائزے کے لیے ایک باضابطہ نظام قائم کیا ہے۔ یہ جائزہ ایک منظم تشخیصی عمل کے ذریعے کیا جاتا ہے جس کا مقصد بورڈ کی گورننس اور نگرانی کی ذمہ داریوں کی ادائیگی میں اس کی مؤثریت کا جائزہ لینا ہے۔

جائزے کے فریم ورک میں، دیگر امور کے علاوہ، درج ذیل شامل ہیں:

- کارپوریٹ مقاصد کی کمپنی کے وژن، مشن اور اسٹریٹجک ترجیحات سے ہم آہنگی؛
- حکمت عملی کی تشکیل اور کاروباری آپریشنز کی نگرانی کی مؤثریت؛
- تنظیمی کارکردگی اور رسک مینجمنٹ کی نگرانی اور جانچ؛
- بورڈ کے مباحث اور فیصلہ سازی کے عمل کا معیار؛ اور
- بورڈ کمیٹیوں کی اپنی متعلقہ ذمہ داریوں کی ادائیگی میں کارکردگی۔

بورڈ جائزے کے عمل کے نتائج کا مطالعہ کرتا ہے اور مناسب ہو تو گورننس کے طریقوں کو مزید مضبوط بنانے اور بورڈ کی مؤثریت بڑھانے کے مواقع کی نشاندہی کرتا ہے۔

بورڈ کی تشکیل

• کل ڈائریکٹرز: 7

○ مرد ڈائریکٹرز: 5

○ خواتین ڈائریکٹرز: 2

• آزاد ڈائریکٹرز: 2+

• نان ایگزیکٹو ڈائریکٹرز: 3

• ایگزیکٹو ڈائریکٹرز: 2

* اس معاملے کی وضاحت سالانہ رپورٹ 2026 کے ساتھ منسلک اسٹیٹمنٹ آف کیپٹالس کے نکتہ نمبر 2 میں پہلے ہی کی جا چکی ہے۔

بورڈ کے اجلاس اور حاضری

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے۔ ڈائریکٹرز کی حاضری درج ذیل رہی:

ڈائریکٹر	زمرہ	شریک ہونے والے اجلاس
میاں پرویز اسلم (مروجہ)	نان ایگزیکٹو	4
جناب عمران اسلم	ایگزیکٹو	5
جناب عرفان اسلم	نان ایگزیکٹو	5
جناب دانش اسلم	ایگزیکٹو	5
سید رضا علی بخاری	آزاد	5
ڈاکٹر علی رضا خان	آزاد	5
محترمہ نازش عمران	نان ایگزیکٹو	5
محترمہ صدف پرویز*	نان ایگزیکٹو	-

* محترمہ صدف پرویز کو سال کے دوران جناب میاں پرویز اسلم کے افسوسناک انتقال سے پیدا ہونے والی اتفاقی خالی نشست پر مقرر کیا گیا۔

بورڈ مؤثر کارپوریٹ گورننس کے طریقوں کو برقرار رکھنے، کمپنی کے امور کی مناسب نگرانی یقینی بنانے، اور تمام اسٹیک ہولڈرز کے لیے شفافیت، جوابدہی اور پائیدار قدر کی تخلیق کو فروغ دینے کے لیے پرعزم ہے۔

بورڈ کمیٹیاں

الف۔ آڈٹ کمیٹی

آڈٹ کمیٹی درج ذیل اراکین پر مشتمل ہے:

- سید رضا علی بخاری - چیئرمین (آزاد ڈائریکٹر)
- جناب عرفان اسلم - رکن (نان ایگزیکٹو ڈائریکٹر)
- محترمہ صدف پرویز - رکن (نان ایگزیکٹو ڈائریکٹر)

• سولر انرجی سسٹم جو سال کے دوران صاف اور قابل تجدید توانائی پیدا کرنے، گرڈ بجلی پر انحصار کم کرنے اور گرین ہاؤس گیسوں کے اخراج میں کمی کے لیے فعال کیا گیا۔

II. کام اور زندگی میں توازن

کمپنی اپنے ملازمین کے لیے صحت مند کام اور زندگی کے توازن کی اہمیت کو تسلیم کرتی ہے۔ کام کے معیاری اوقات اور انسانی وسائل کی پالیسیاں ملازمین کی فلاح بہبود اور صلاحیت اور کام و زندگی کی ہم آہنگی کو فروغ دینے کے لیے وضع کی گئی ہیں۔ انتظامیہ ایسا معاون کام کا ماحول فراہم کرنے کے لیے پرعزم ہے جو ملازمین کو اپنی پیشہ ورانہ اور ذاتی ذمہ داریوں میں موثر توازن قائم رکھنے کے قابل بنائے۔

III. کاروباری اخلاقیات

کمپنی اپنے آپریشنز دیانت، شفافیت اور جوابدہی کے اعلیٰ ترین معیارات کے مطابق چلاتی ہے۔ بورڈ آف ڈائریکٹرز کا منظور کردہ باضابطہ ضابطہ اخلاق تنظیم کی تمام سطحوں پر ملازمین سے متوقع پیشہ ورانہ اور اخلاقی طرز عمل کی رہنمائی کرتا ہے۔ انتظامیہ قابل اطلاق قوانین، ضوابط اور کارپوریٹ گورننس کے تقاضوں کی تعمیل یقینی بنانے کے لیے پرعزم ہے۔

قومی خزانے میں حصہ

ایک ذمہ دار کارپوریٹ شہری کے طور پر، کمپنی نے مالی سال 2025-26 کے دوران انکم ٹیکس، سیلز ٹیکس، کسٹم ڈیوٹیز، لیویز اور دیگر قانونی ادائیگیوں کی صورت میں قومی خزانے میں تقریباً 846 ملین پاکستانی روپے کا حصہ ڈالا۔ یہ شراکتیں قومی معاشی ترقی اور سرکاری شعبے کی مالکاری کی معاونت کے لیے کمپنی کے عزم کی عکاس ہیں۔

توانائی کی بچت

توانائی کی بچت کمپنی کی پائیداری کی حکمت عملی کا ایک اہم جزو ہے۔ سال کے دوران کمپنی نے 3.6 میگاواٹ کا سولر انرجی سسٹم کامیابی سے فعال کیا، جس سے توانائی کے اخراجات میں نمایاں کمی، آپریشنل استعداد میں بہتری اور رولیتی توانائی کے ذرائع پر انحصار میں کمی متوقع ہے۔

قابل تجدید توانائی کے اقدامات کے علاوہ، کمپنی ملازمین کو توانائی کی بچت کے طریقے اپنانے کی ترغیب دیتی رہتی ہے اور ماحولیاتی ذمہ داری کو فروغ دینے والے آگاہی پروگراموں کی معاونت کرتی ہے۔ ان کوششوں کے ذریعے کمپنی اپنے ماحولیاتی نقش کو کم کرنے کے ساتھ ساتھ طویل مدتی کاروباری پائیداری کو بہتر بنانے کی کوشش کرتی ہے۔

بورڈ کی تشکیل اور گورننس ڈھانچہ

بورڈ آف ڈائریکٹرز کی تشکیل لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تقاضوں کے مطابق ہے۔

بورڈ اور انتظامیہ ایسے کام کے کلچر کو فروغ دینے کے لیے پرعزم ہیں جو ملازمین کی فلاح و بہبود، پیشہ ورانہ ترقی اور اخلاقی طرز عمل کی معاونت کرے۔

انسدادِ بدعنوانی

کمپنی دیانت، شفافیت اور جوابدہی کے ساتھ اپنا کاروبار چلانے کے لیے پرعزم ہے۔ کمپنی رشوت، بدعنوانی، سہولت کاری کی ادائیگیوں یا کسی بھی دیگر نامناسب کاروباری عمل کو برداشت نہیں کرتی اور تمام ملازمین، افسران اور وابستہ افراد سے توقع رکھتی ہے کہ وہ قابل اطلاق قوانین، ضوابط اور اندرونی پالیسیوں کی تعمیل کریں۔

انتظامیہ کمپنی کے مفادات کے تحفظ اور کارپوریٹ طرز عمل کے اعلیٰ معیارات برقرار رکھنے کے لیے وضع کردہ گورننس کے طریقہ کار، اندرونی کنٹرولز اور تعمیلی میکانزم کے ذریعے اخلاقی کاروباری طرز عمل کو فروغ دیتی ہے۔ بورڈ تنظیم کی تمام سطحوں پر دیانت داری، انصاف اور ذمہ دارانہ کاروباری طریقوں کے کلچر کو برقرار رکھنے کے لیے پرعزم ہے۔

کارپوریٹ سماجی ذمہ داری (CSR)

پائیدار اور ذمہ دارانہ کاروباری طریقوں کے اپنے عزم کے حصے کے طور پر، کمپنی نے سال کے دوران مختلف کارپوریٹ سماجی ذمہ داری (CSR) کے اقدامات جاری رکھے۔ CSR سرگرمیوں پر کل اخراجات تقریباً 8 ملین پاکستانی روپے رہے، جن کا بنیادی مرکز ملازمین کی فلاح، تعلیمی معاونت، صحت کی سہولیات، کام کی جگہ کی حفاظت اور کمیونٹی کی ترقی تھا۔

کمپنی ملازمین کی فلاح سے متعلق اپنی قانونی ذمہ داریوں، بشمول ایمپلائز اولڈ ایج بینیفٹس انسٹی ٹیوشن (EOBI) اور پنجاب ایمپلائز سوشل سیکیورٹی انسٹی ٹیوشن (PESSI) میں باقاعدہ کنٹری بیوشنز کی مکمل تعمیل کر رہی ہے۔ مزید برآں، کمپنی اپنی افرادی قوت اور گروونواح کی کمیونٹی کی فلاح و بہبود کو یقینی بنانے کے لیے مختلف صحت، حفاظت اور ماحولیاتی تحفظ کے اقدامات برقرار رکھتی ہے۔

I. صحت، تحفظ اور ماحول

ملازمین کی صحت، تحفظ اور فلاح و بہبود کمپنی کی کلیدی ترجیح ہے۔ شہزاد ٹیکسٹائل ملز لمیٹڈ محفوظ کام کا ماحول فراہم کرنے اور اپنے تمام آپریشنز میں ماحولیاتی نگہداشت کے اعلیٰ معیارات برقرار رکھنے کے لیے پرعزم ہے۔

کام کی جگہ کی حفاظت اور ماحولیاتی انتظام کو مضبوط بنانے کے لیے کمپنی نے درج ذیل نظام اور سہولیات نافذ اور برقرار رکھی ہیں:

- مربوط فائر الارم سسٹم تاکہ بروقت انتباہ اور ہنگامی رد عمل کی صلاحیت فراہم کی جاسکے۔
- ابتدائی طبی امداد کی سہولیات جو احاطے میں حکمت عملی کے ساتھ مختلف مقامات پر موجود ہیں تاکہ ضرورت پڑنے پر فوری طبی امداد میسر ہو۔
- فائر ہائیڈرنٹ سسٹم جو آگ بجھانے کی ہنگامی تیاری کی معاونت کے لیے برقرار رکھا گیا ہے۔
- ایفلوئنٹ ٹریٹمنٹ پلانٹ (ETP) جو صنعتی آلودہ پانی کی ذمہ دارانہ صفائی اور نکاسی میں معاون ہے۔
- ویسٹ ہیٹ ریکوری سسٹم جو توانائی کی استعداد بہتر بنانے اور ماحولیاتی اثرات کم کرنے کے لیے تیار کیا گیا ہے۔
- فائر کنٹرول اور ری فلٹرنگ سسٹم تاکہ کام کی جگہ کی حفاظت بہتر ہو، فضائی آلودہ ذرات کم ہوں اور ماحولیاتی پائیداری کو سہارا ملے۔

ان کنٹرولز کو واضح طور پر متعین اختیارات کی سطحیں، فرائض کی علیحدگی، دستاویزی آپریٹنگ طریقہ کار اور انتظامیہ کے باقاعدہ جائزے سہارا دیتے ہیں۔ اندرونی کنٹرول فریم ورک کا وقتاً فوقتاً جائزہ لیا جاتا ہے اور اسے بدلتی کاروباری ضروریات اور ابھرتے ہوئے خطرات کے مطابق اپ ڈیٹ کیا جاتا ہے۔

انٹرنل آڈٹ ڈیپارٹمنٹ کمپنی کے اندرونی کنٹرول سسٹمز اور گورننس کے عمل کی مناسبت اور مؤثریت کا آزادانہ جائزہ لیتا ہے۔ اس کے نتائج اور سفارشات باقاعدگی سے آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کو رپورٹ کی جاتی ہیں، جو ضرورت پڑنے پر اصلاحی اقدامات پر عمل درآمد کی نگرانی کرتے ہیں۔

سال کے دوران کیے گئے جائزوں کی بنیاد پر بورڈ مطمئن ہے کہ مناسب اندرونی مالی کنٹرولز موجود ہیں اور مؤثر طور پر کام کر رہے ہیں، جو مالی رپورٹنگ کی سالمیت، کمپنی کے اثاثوں کے تحفظ، اور کمپنیز ایکٹ 2017، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور دیگر قابل اطلاق ریگولیٹری تقاضوں کی تعمیل کے بارے میں معقول یقین دہانی فراہم کرتے ہیں۔

متعلقہ فریقین کے ساتھ لین دین

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران متعلقہ فریقین کے ساتھ کیے گئے لین دین میں کاروبار کے عام دھارے میں ہونے والے لین دین شامل تھے، بشمول خریداری اور فروخت، جو جہاں قابل اطلاق ہو، موازنہ پذیر غیر کنٹرول شدہ قیمت (CUP) طریقہ سمیت مناسب قیمت کے تعین کے طریقہ کے استعمال سے آرمز لینتھ (برابری کی) بنیاد پر انجام دیے گئے۔ متعلقہ فریق کو انویسٹمنٹ پراپٹی کی فروخت، جو کاروبار کے عام دھارے سے باہر تھی، کا قابل اطلاق قانونی و ریگولیٹری تقاضوں کے مطابق علیحدہ جائزہ لیا گیا اور منظوری دی گئی۔ کمپنی نے ایک ڈائریکٹر کی جانب سے بلا کرایہ فراہم کردہ دفتری احاطہ بھی استعمال کیا؛ اگرچہ اس انتظام میں کوئی کرایہ ادا نہیں کیا گیا اور اس لیے یہ آرمز لینتھ بنیاد پر نہیں تھا، تاہم اسے متعلقہ فریق کے لین دین کے طور پر ظاہر کیا گیا ہے۔ ان تمام لین دین کا آڈٹ کمیٹی نے جائزہ لیا اور انہیں بورڈ آف ڈائریکٹرز کے سامنے رکھا گیا۔ تفصیلات آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 38 میں ظاہر کی گئی ہیں، اور انہیں آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز کے سامنے، جیسا کہ قابل اطلاق ہو، منظوری یا توثیق کے لیے پیش کیا جائے گا۔

کام کی جگہ پر ہر اسانی سے تحفظ کا ضابطہ اخلاق

کمپنی تمام ملازمین کو محفوظ، باوقار اور جامع کام کا ماحول فراہم کرنے کے لیے پرعزم ہے۔ قابل اطلاق قوانین اور اپنی اندرونی پالیسیوں کے مطابق، شہر اوٹیکسٹائل ملز لینڈ ایک ضابطہ اخلاق اور کام کی جگہ پر ہر اسانی کی روک تھام کا فریم ورک برقرار رکھتی ہے، جو وقار، باہمی احترام اور مساوی مواقع کو فروغ دیتا ہے۔

ملازمین کو آگاہی اور تربیتی اقدامات کے ذریعے باقاعدگی سے ان کے حقوق اور ذمہ داریوں سے آگاہ کیا جاتا ہے۔ موصول ہونے والی کسی بھی شکایت کو قائم شدہ طریقہ کار کے ذریعے نمٹایا جاتا ہے اور اس کا منصفانہ، رازدارانہ اور غیر جانبدارانہ انداز میں جائزہ لیا جاتا ہے۔ جہاں بد عملی ثابت ہو جائے وہاں مناسب تادیبی کارروائی کی جا سکتی ہے۔

سال کے دوران کمپنی نے اپنے احاطہ مل میں 3.6 میگاواٹ کا سولر انرجی سسٹم کامیابی سے نصب کر کے فعال کر دیا۔ اس اسٹریٹجک سرمایہ کاری سے توانائی کے اخراجات میں خاطر خواہ کمی، آپریشنل استعداد میں بہتری، توانائی کے تحفظ میں اضافے اور کمپنی کے پائیداری کے مقاصد کی معاونت متوقع ہے۔ اس منصوبے سے متوقع لاگت کی بچت اور ماحولیاتی فوائد آنے والے برسوں میں کمپنی کی مسابقت اور منافع بخشی کو مضبوط کریں گے۔

بورڈ مزید تصدیق کرتا ہے کہ سولر انرجی سسٹم کی تنصیب اور کمیشننگ کے علاوہ، 30 جون 2026 اور اس رپورٹ کی تاریخ کے درمیان کوئی ایسی مادی تبدیلی، وعدہ یا واقعہ پیش نہیں آیا جو کمپنی کی مالی پوزیشن، کاروباری آپریشنز یا مستقبل کے امکانات پر نمایاں اثر ڈال سکتا ہو۔

کمپنی کے کاروبار کا ماحول پر اثر

کمپنی ماحول دوست انداز میں کاروباری آپریشنز چلانے کی اپنی ذمہ داری کو تسلیم کرتی ہے اور اپنی سرگرمیوں کے ماحولیاتی اثرات کو کم سے کم رکھنے کے لیے پرعزم ہے۔

محفوظ، صاف ستھرا اور آلودگی سے پاک کام کا ماحول برقرار رکھنے کے لیے تمام مینوفیکچرنگ سہولیات میں متعدد اقدامات کیے گئے ہیں۔ پیداواری شعبوں میں ہوا کا معیار بہتر بنانے اور مینوفیکچرنگ کے عمل کے دوران پیدا ہونے والے فضائی آلودہ ذرات کے اثرات سے ملازمین کو بچانے کے لیے جدید گرد و روئیں (ڈسٹ اینڈ غلف) نکالنے کے نظام نصب کیے گئے ہیں۔

سال کے دوران کمپنی نے 3.6 میگاواٹ کے سولر انرجی سسٹم کی کمیشننگ کے ذریعے ماحولیاتی پائیداری کے اپنے عزم کو مزید مضبوط کیا۔ یہ منصوبہ صاف اور قابل تجدید توانائی کی پیداوار ممکن بناتا ہے، روایتی فوسل فیول پر مبنی بجلی پر انحصار کم کرتا ہے اور گرین ہاؤس گیسوں کے کم اخراج میں معاون ہے۔ کمپنی کے کاربن فٹ پرنٹ میں کمی کے علاوہ، یہ منصوبہ قابل تجدید توانائی کے فروغ اور ماحولیاتی تحفظ کی قومی کوششوں کی بھی حمایت کرتا ہے۔

کمپنی EN ISO 14001:2015 کے تحت سرٹیفائیڈ ایک ماحولیاتی مینجمنٹ سسٹم بھی برقرار رکھتی ہے، جو ماحولیاتی کارکردگی، وسائل کی استعداد، قانونی تعمیل اور پائیدار کاروباری طریقوں میں مسلسل بہتری کے اس کے عزم کی عکاسی کرتا ہے۔ انتظامیہ توانائی کی بچت کے اقدامات، قدرتی وسائل کے مؤثر استعمال، فضلے میں کمی کے اقدامات، اور جہاں معاشی طور پر ممکن ہو پائیدار ٹیکنالوجیز اپنانے کے ذریعے ماحولیاتی نگہداشت کو مزید بہتر بنانے کے لیے پرعزم ہے۔

اندرونی مالی کنٹرولز کی مناسبت

کمپنی نے اپنے آپریشنز کی نوعیت، حجم اور پیچیدگی کے مطابق اندرونی مالی کنٹرولز کا ایک مؤثر نظام قائم کیا ہے اور اسے برقرار رکھتی ہے۔ اثاثوں کے تحفظ، مالی رپورٹنگ کی قابل اعتمادی کو یقینی بنانے، آپریشنل استعداد کو فروغ دینے اور قابل اطلاق قوانین و ضوابط کی تعمیل میں معاونت کے لیے تمام اہم کاروباری شعبوں میں جامع پالیسیاں، طریقہ کار اور کنٹرول میکانزم نافذ کیے گئے ہیں۔

یہ کمیٹی کمپنی کی ماحولیاتی، سماجی اور گورننس (ESG) حکمت عملی کی نگرانی اور پائیداری کے اصولوں کو کاروباری آپریشنز اور طویل مدتی فیصلہ سازی میں شامل کرنے کو یقینی بنانے کی ذمہ دار ہے۔ اس کی کلیدی ذمہ داریوں میں ماحولیاتی کارکردگی کی نگرانی، پیشہ ورانہ صحت و تحفظ کا فروغ، سماجی ذمہ داری کے اقدامات کی معاونت، موسمیاتی مواقع اور خطرات کی نگرانی، اور پائیداری سے متعلق انکشافات اور تعمیلی تقاضوں کا جائزہ شامل ہیں۔

کمیٹی وسائل کی استعداد، قابل تجدید توانائی کے استعمال، کاربن فٹ پرنٹ میں کمی، ملازمین کی فلاح، اسٹیک ہولڈرز سے روابط اور ذمہ دارانہ کاروباری طریقوں پر اسٹریٹجک رہنمائی بھی فراہم کرتی ہے۔ باقاعدہ نگرانی کے ذریعے پائیداری کمیٹی پائیدار ترقی، طویل مدتی قدر کی تخلیق اور ذمہ دار کارپوریٹ شہریت کے کمپنی کے عزم کو تقویت دیتی ہے۔

مالی سال کے دوران کمپنی کے کاروبار کی نوعیت میں تبدیلیاں

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران کمپنی کی بنیادی کاروباری سرگرمیوں کی نوعیت میں کوئی تبدیلی نہیں آئی۔ شہزاد ٹیکسٹائل ملز لمیٹڈ نے اپنے قائم شدہ کاروباری شعبوں، یعنی یارن سپننگ اور موزوں کی تیاری، میں کام جاری رکھا اور زیر جائزہ سال کے دوران اپنا موجودہ آپریشنل دائرہ کار اور کاروباری ماڈل برقرار رکھا۔

وہ اہم رجحانات اور عوامل جو کمپنی کے کاروبار کی مستقبل کی ترقی، کارکردگی اور پوزیشن پر اثر انداز ہو سکتے ہیں

بورڈ یہ بتاتے ہوئے مسرت محسوس کرتا ہے کہ کمپنی نے مشکل معاشی ماحول میں کام کرنے کے باوجود سال کے دوران تسلی بخش مالی نتائج حاصل کیے۔ تاہم کاروبار کو بدستور مختلف بیرونی عوامل کا سامنا ہے جو اس کی مستقبل کی کارکردگی اور ترقی کے امکانات پر اثر انداز ہو سکتے ہیں، جن میں شرح مبادلہ کا اتار چڑھاؤ، مہنگائی کا دباؤ، توانائی کی بڑھتی ہوئی لاگت، خام مال کی قیمتوں میں اتار چڑھاؤ، عالمی طلب کے بدلتے رجحانات اور بین الاقوامی تجارت کو متاثر کرنے والی جیو پالیٹیکل غیر یقینی صورتحال شامل ہیں۔

کمپنی کی مستقبل کی ترقی کا زیادہ تر انحصار معاشی استحکام، توانائی کی مسابقتی قیمتوں، برآمدی منڈی کے حالات، اور صنعتی ترقی و برآمدات کی معاونت کے لیے حکومت کی پالیسیوں پر ہوگا۔ بورڈ کا ماننا ہے کہ سیاسی و معاشی استحکام، شرح مبادلہ کے انتظام اور مالیاتی و جاری کھاتے کے خساروں میں کمی کی پائیدار کوششیں صنعتی ترقی میں مثبت کردار ادا کریں گی اور پاکستان میں مجموعی کاروباری ماحول کو مضبوط بنائیں گی۔

غیر ملکی زرمبادلہ کا خطرہ:

کمپنی کو برآمدی فروخت، درآمدی خریداری اور غیر ملکی کرنسی کی قابل وصول و قابل ادا رقوم سمیٹا ہونے والے غیر ملکی کرنسی کے اتار چڑھاؤ کا خطرہ لاحق ہے۔ اس خطرے کی مسلسل نگرانی موثر ٹریڈری میجنمنٹ، غیر ملکی کرنسی کی آمد و اخراج کے اوقات کی مطابقت، اور جہاں ضروری سمجھا جائے مناسب ہینجنگ حکمت عملیوں کے جائزے کے ذریعے کی جاتی ہے۔

لیکویڈیٹی کا خطرہ:

لیکویڈیٹی رسک کو فعال نقد بہاؤ کی پیش گوئی، منظم ورکنگ کیپٹل میجنمنٹ اور مناسب بینکنگ سہولیات کی دستیابی کے ذریعے سنبھالا جاتا ہے۔ انتظامیہ نقد بہاؤ کی ضروریات کی مسلسل نگرانی کرتی ہے تاکہ کمپنی اپنی مالی ذمہ داریاں واجب الادا ہونے پر پوری کر سکے، اور ساتھ ہی آپریشنل اور سرمایہ جاتی اخراجات کی ضروریات کو بھی پورا کیا جاسکے۔

کریڈٹ کا خطرہ:

کریڈٹ رسک اس امکان سے پیدا ہوتا ہے کہ صارفین اپنی معاہداتی ذمہ داریاں پوری کرنے میں ناکام رہیں۔ کمپنی اس خطرے کو صارفین کی سخت کریڈٹ جانچ، مقررہ کریڈٹ منظور کی طریقہ کار، نمائش کی حدود اور بقایا قابل وصول رقوم کی مسلسل نگرانی کے ذریعے سنبھالتی ہے۔ جہاں ضروری سمجھا جائے، مشکوک یا طویل عرصے سے بقایا رقوم کے مقابل مناسب پروویژن رکھے جاتے ہیں۔

شرح سود کا خطرہ:

کمپنی کو اپنے قرضوں اور ڈپازٹس پر ہینج مارک شرح سود میں اتار چڑھاؤ کے باعث شرح سود کا خطرہ لاحق ہے۔ انتظامیہ شرح سود کی نقل و حرکت کی قریبی نگرانی کرتی ہے اور مالی کارکردگی پر شرح سود کے اتار چڑھاؤ کے اثر کو کم کرنے کے لیے فلوئنگ اور فکسڈ ریٹ فنانسنگ کے درمیان بہترین توازن برقرار رکھنے کی کوشش کرتی ہے۔

توانائی اور یوٹیلیٹی لاگت کا خطرہ:

یکسٹرنل صنعت توانائی اور یوٹیلیٹی ٹیرف میں تبدیلیوں کے لیے انتہائی حساس ہے۔ اس خطرے کو کم کرنے کے لیے کمپنی نے 3.6 میگا واٹ کے سولر پاور سسٹم میں سرمایہ کاری کی ہے، جس سے گرو بجلی پر انحصار کم ہونے، توانائی کی لاگت کی دیش کوئی بہتر ہونے اور مستقبل میں ٹیرف بڑھنے کے مقابل آپریشنل چھک میں اضافہ ہونے کی توقع ہے۔

منڈی اور معاشی خطرہ:

کمپنی ایسے کاروباری ماحول میں کام کرتی ہے جو عالمی معاشی حالات، جیو پالیٹیکل پیش رفت، اجناس کی قیمتوں میں اتار چڑھاؤ، سہلائی چین کی رکاوٹوں اور صارفین کی طلب میں تبدیلیوں سے متاثر ہوتا ہے۔ انتظامیہ ان بیرونی غیر یقینی عوامل کو موثر طور پر سنبھالنے کے لیے آپریشنل استعداد، مصنوعات کے معیار، لاگت کی اصلاح اور منڈیوں کے تنوع پر توجہ مرکوز رکھے ہوئے ہے تاکہ مسابقت کو مضبوط بنایا جاسکے۔

پائیداری کمیٹی

لسنڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ضابطہ 10A(5) کی تعمیل میں، بورڈ نے پائیداری کمیٹی کی ذمہ داریاں آڈٹ کمیٹی کو تفویض کی ہیں۔

کمپنی کے 3.6 میگاواٹ سولر پاور منصوبے میں سرمایہ کاری سے خاطر خواہ لاگت کی بچت اور طویل مدتی منافع بخشی میں بہتری متوقع ہے۔ آپریشنز کو بہتر بنانے اور نقد بہاؤ مضبوط کرنے کی مسلسل کوششوں کے ساتھ، یہ اقدامات کمپنی کی مالی لچک اور مسابقت میں اضافہ کریں گے۔

بورڈ طویل مدتی شیئر ہولڈر ویلیو کو زیادہ سے زیادہ کرنے کے لیے پرعزم ہے اور پرامید ہے کہ آپریٹنگ کارکردگی، منافع بخشی اور مالی استحکام میں مسلسل بہتری کمپنی کو، آمدن کی کارکردگی، نقد بہاؤ کی ضروریات اور موجودہ کاروباری حالات سے مشروط، مستقبل میں منافع منقسمہ کی ادائیگی دوبارہ شروع کرنے کے قابل بنائے گی۔

آئی ایس او سرٹیفیکیشنز

کمپنی اپنے تمام آپریشنز میں معیار، ماحولیاتی انتظام اور ہمیشہ ورانہ صحت و تحفظ کے اعلیٰ ترین معیارات برقرار رکھنے کے لیے پرعزم ہے۔ سال کے دوران کمپنی نے درج ذیل بین الاقوامی سطح پر تسلیم شدہ سرٹیفیکیشنز کامیابی سے برقرار رکھیں:

- ISO 9001:2015 - یارن کی تیاری کے لیے کوالٹی مینجمنٹ سسٹم۔
- ISO 45001:2018 - موزوں کی تیاری کے لیے ہمیشہ ورانہ صحت و تحفظ کا مینجمنٹ سسٹم۔
- EN ISO 14001:2015 - موزوں کی تیاری کے لیے ماحولیاتی مینجمنٹ سسٹم۔
- EN ISO 9001:2015 - موزوں کی تیاری کے لیے کوالٹی مینجمنٹ سسٹم۔

یہ بین الاقوامی سطح پر تسلیم شدہ سرٹیفیکیشنز مصنوعات کے معیار، ماحولیاتی نگہداشت، کام کی جگہ کی حفاظت اور مسلسل بہتری کے لیے کمپنی کے غیر متزلزل عزم کی عکاسی کرتی ہیں۔ سہ سالہ نگرانی (سر ویلنس) اور از سر نو سرٹیفیکیشن آڈٹس کی کامیاب تکمیل کمپنی کے مینجمنٹ سسٹمز کی موثریت اور عالمی بہترین طریقوں کی پابندی کو ثابت کرتی ہے۔

ان سرٹیفیکیشنز کو برقرار رکھنے سے کمپنی کی ساکھ بڑھتی ہے اور مقامی و بین الاقوامی منڈیوں میں صارفین، کاروباری شراکت داروں اور دیگر اسٹیک ہولڈرز کا اعتماد مضبوط ہوتا ہے۔ مزید برآں، یہ سرٹیفیکیشنز آپریشنل استعداد بہتر بنانے، قانونی تعمیل یقینی بنانے، ماحولیاتی اثرات کم کرنے، ملازمین کی فلاح و بہبود کو فروغ دینے اور عالمی خریداروں کے تیزی سے سخت ہوتے معیار اور پائیداری کے تقاضوں کو پورا کرنے کی کمپنی کی کوششوں میں معاون ہیں۔

بورڈ اور انتظامیہ پائیدار ترقی، آپریشنل بہترین کارکردگی اور شیئر ہولڈرز کے لیے طویل مدتی قدر کی تخلیق کی خاطر ان مینجمنٹ سسٹمز کو مسلسل مضبوط بنانے کے لیے پرعزم ہیں۔

کمپنی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال

بورڈ آف ڈائریکٹرز نے کمپنی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال کی شناخت، جائزہ، نگرانی اور تدارک کے لیے ایک جامع رسک مینجمنٹ فریم ورک قائم کیا ہے۔ انتظامیہ باقاعدگی سے خطرات کی نمائش کا جائزہ لیتی ہے اور کمپنی کے اثاثوں، منافع بخشی اور طویل مدتی پائیداری کے تحفظ کے لیے مناسب کنٹرولز نافذ کرتی ہے۔

معاون ہوگا۔

عالمی تجارتی رکاوٹوں، سپلائی چین کے چیلنجز، اجناس کی قیمتوں میں اتار چڑھاؤ اور علاقائی تنازعات اور معاشی عدم استحکام سمیت جیو پالیٹیکل غیر یقینی صورتحال کے باوجود، کمپنی آپریشنل بہترین کارکردگی برقرار رکھنے اور مسابقت بہتر بنانے پر مرکوز ہے۔ انتظامیہ لاگت میں کمی پیداواری صلاحیت میں اضافے، معیار میں بہتری اور منڈیوں کے تنوع کے اسٹریٹجک اقدامات پر عمل پیرا ہے۔

محتاط مالی نظم و نسق، قابل تجدید توانائی میں سرمایہ کاری، آپریشنل استعداد کے اقدامات اور ویلیو ایڈڈ مصنوعات پر مسلسل توجہ کا امتزاج کمپنی کو مقامی اور بین الاقوامی دونوں منڈیوں میں ابھرتے ہوئے مواقع سے فائدہ اٹھانے کے لیے موزوں پوزیشن میں رکھتا ہے۔ بورڈ پر اعتماد ہے کہ یہ اقدامات طویل مدتی ترقی، منافع بخشی اور شیئر ہولڈرز کی قدر میں مثبت کردار ادا کریں گے۔

انتظامیہ کمپنی کے مستقبل کے امکانات کے بارے میں پر امید ہے اور جدت، ذمہ دارانہ کاروباری طریقوں، محتاط رسک مینجمنٹ اور ماحولیاتی نگہداشت کے ذریعے شیئر ہولڈرز کے لیے پائیدار قدر پیدا کرنے کے لیے پرعزم ہے۔ بورڈ کا یقین ہے کہ کمپنی کی اسٹریٹجک سرمایہ کاری، بالخصوص قابل تجدید توانائی اور آپریشنل جدید کاری میں، آنے والے برسوں میں پائیدار ترقی کو سہارا دے گی، چلک میں اضافہ کرے گی اور شیئر ہولڈرز کو بہتر منافع فراہم کرے گی۔

فی حصص آمدنی

30 جون 2026 کو ختم ہونے والے مالی سال کے لیے کمپنی نے فی حصص آمدنی (EPS) 14.32 روپے رپورٹ کی، جبکہ لزشتہ سال یہ 8.79 روپے تھی، جو تقریباً 62.91 کے اضافے کو ظاہر کرتی ہے۔ یہ نمایاں بہتری کمپنی کی بہتر آپریشنل کارکردگی، زیادہ منافع بخشی، بہتر صلاحیتی استعمال اور سال کے دوران اپنائے گئے موثر لاگت کنٹرول کے اقدامات کی عکاس ہے۔ فی حصص آمدنی میں اضافہ آپریشنل استعداد، محتاط مالی نظم و نسق اور پائیدار کاروباری ترقی کے ذریعے شیئر ہولڈرز کے لیے قدر پیدا کرنے پر انتظامیہ کی مسلسل توجہ کو ظاہر کرتا ہے۔

منافع منقسمہ (ڈیویڈنڈ)

کمپنی کی مالی پوزیشن، مستقبل کی سرمایہ جاتی ضروریات اور طویل مدتی اسٹریٹجک مقاصد پر محتاط غور کے بعد، بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے کسی منافع منقسمہ کی سفارش نہ کرنے کا فیصلہ کیا ہے۔ اگرچہ سال کے دوران کمپنی کی منافع بخشی میں نمایاں بہتری آئی، تاہم بورڈ کا خیال ہے کہ اس مرحلے پر منافع کو روک رکھنے سے کمپنی کی مالی پوزیشن مزید مضبوط ہوگی اور جاری اسٹریٹجک اقدامات کو سہارا ملے گا۔ روکی گئی رقم ورکنگ کیونسل بڑھانے، قرضوں کی سطح کم کرنے، مالیاتی اخراجات گھٹانے اور آپریشنل جدید کاری، توانائی کی بچت کے منصوبوں اور مستقبل کے ترقیاتی مواقع میں سرمایہ کاری کے لیے استعمال کی جائے گی۔

مستقبل کا منظر نامہ

کمپنی کے احاطہ مل میں نصب 3.6 میگاواٹ کا سولر انرجی سسٹم ایک اہم اسٹریٹجک سرمایہ کاری ہے، جس کا مقصد آپریشنل استعداد میں اضافہ، توانائی کے اخراجات میں کمی اور طویل مدتی کاروباری پائیداری کو مضبوط بنانا ہے۔ یہ اقدام صنعت کو درجہ اول بنیادی چیلنجز، بشمول توانائی کے بڑھتے ہوئے نرخ، گرڈ سپلائی کی غیر یقینی صورتحال اور عالمی جیو پولیٹیکل اتار چڑھاؤ، کا براہ راست حل فراہم کرتا ہے، اور یوں کمپنی کی لچک اور مستقبل کے امکانات کو سہارا دیتا ہے۔

پاکستان کی ٹیکسٹائل صنعت توانائی کی بڑھتی ہوئی لاگت کے باعث نمایاں دباؤ کا سامنا کر رہی ہے، جو تبدیلی (کنورژن) اور پیداواری اخراجات کا ایک بڑا حصہ ہے۔ دن کے اوقات میں گرڈ کی بجلی اور مہنگی تھرمل یا ڈیزل پر بنی متبادل پیداوار کے ایک قابل ذکر حصے کو سولر سے خود پیدا کی گئی بجلی سے تبدیل کر کے، کمپنی فی یونٹ توانائی کی لاگت میں خاطر خواہ کمی حاصل کرنے کی توقع رکھتی ہے۔ یہ بچت براہ راست آپریٹنگ مارجن میں بہتری اور منافع میں اضافے کا باعث بنے گی۔

توقع ہے کہ سولر منصوبہ تقریباً 1.75 سال کی تعمینی مدت میں اپنی سرمایہ جاتی لاگت واپس کر دے گا۔ اس کے بعد پیدا ہونے والی توانائی عملاً کم لاگت اور ہینڈ کا کام دے گی، جس کے نتیجے میں بار بار نقد بچت حاصل ہوگی اور کمپنی کی لیکویڈیٹی لی پوزیشن مضبوط ہوگی۔ مزید یہ کہ توانائی کی بہتر دستیابی گرڈ لوڈ شیڈنگ اور دوٹیلج کے اتار چڑھاؤ سے پیدا ہونے والی پیداواری رکاوٹوں کو کم کرنے میں مدد دے گی، جس سے بلا تعطل آپریشنز، مشینری پر دباؤ میں کمی اور خام مال کے ضیاع میں کمی ممکن ہوگی۔

یہ منصوبہ مستقبل میں یوٹیلیٹی بیرف میں اضافے اور بین الاقوامی ایندھن کی قیمتوں میں اتار چڑھاؤ کے خلاف ایک قدرتی ہیج بھی فراہم کرتا ہے۔ سائٹ پر قابل تجدید توانائی پیدا کر کے کمپنی بیرونی توانائی منڈی کے خطرات سے اپنی نمائش کم کرتی ہے اور لاگت کی وحش گوئی کی صلاحیت بہتر بناتی ہے۔ توقع ہے کہ حاصل ہونے والی بچت اضافی اندرونی وسائل پیدا کرے گی جنہیں ٹیکنالوجی کی ترقی، استعداد میں اضافے، مشینری کی جدید کاری، مصنوعات کی تیاری اور انسانی سرمائے کے اقدامات میں دوبارہ لگایا جاسکے گا۔

مالی اور آپریشنل فوائد کے علاوہ، 3.6 میگاواٹ کا سولر پاور سسٹم کمپنی کے ماحولیاتی پائیداری اور ذمہ دار کارپوریٹ شہریت کے عزم کو تقویت دیتا ہے۔ سائٹ پر صاف اور قابل تجدید توانائی پیدا کر کے یہ منصوبہ رولتی فوسل فیول پر بنی بجلی پر انحصار نمایاں طور پر کم کرتا ہے، جس سے کمپنی کا کاربن فٹ پرنٹ اور گرین باؤس گیسوں کا اخراج کم ہوتا ہے۔ یہ اقدام موسمیاتی تبدیلی سے نمٹنے کی قومی اور عالمی کوششوں کی حمایت کرتا ہے اور ساتھ ہی ایک صاف ستھرے اور پائیدار صنعتی ماحول میں حصہ ڈالتا ہے۔

قابل تجدید توانائی کو اپنانے سے کمپنی کا ماحولیاتی، سماجی اور گورننس (ESG) پروفائل بھی مضبوط ہونے کی توقع ہے، جسے بین الاقوامی صارفین، سرمایہ کار اور دیگر اسٹیک ہولڈرز تیزی سے اہمیت دے رہے ہیں۔ چونکہ عالمی ٹیکسٹائل اور لمبوسات کی سپلائی چینز پائیدار سورسنگ کے طریقوں پر زیادہ زور دے رہی ہیں، اس لیے قابل تجدید توانائی میں کمپنی کی سرمایہ کاری اسے ایک ذمہ دار مینوفیکچرر کے طور پر اس کی ساکھ بہتر بناتی ہے اور برآمدی منڈیوں میں اس کی مسابقت میں اضافہ کرتی ہے۔ یہ منصوبہ ماحولیاتی نگہداشت اور پائیدار پیداوار سے متعلق خریداروں کے بدلتے ہوئے تقاضوں کی تعمیل میں بھی

شہزاد ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز کی رپورٹ

برائے مالی سال مختتم 30 جون 2026

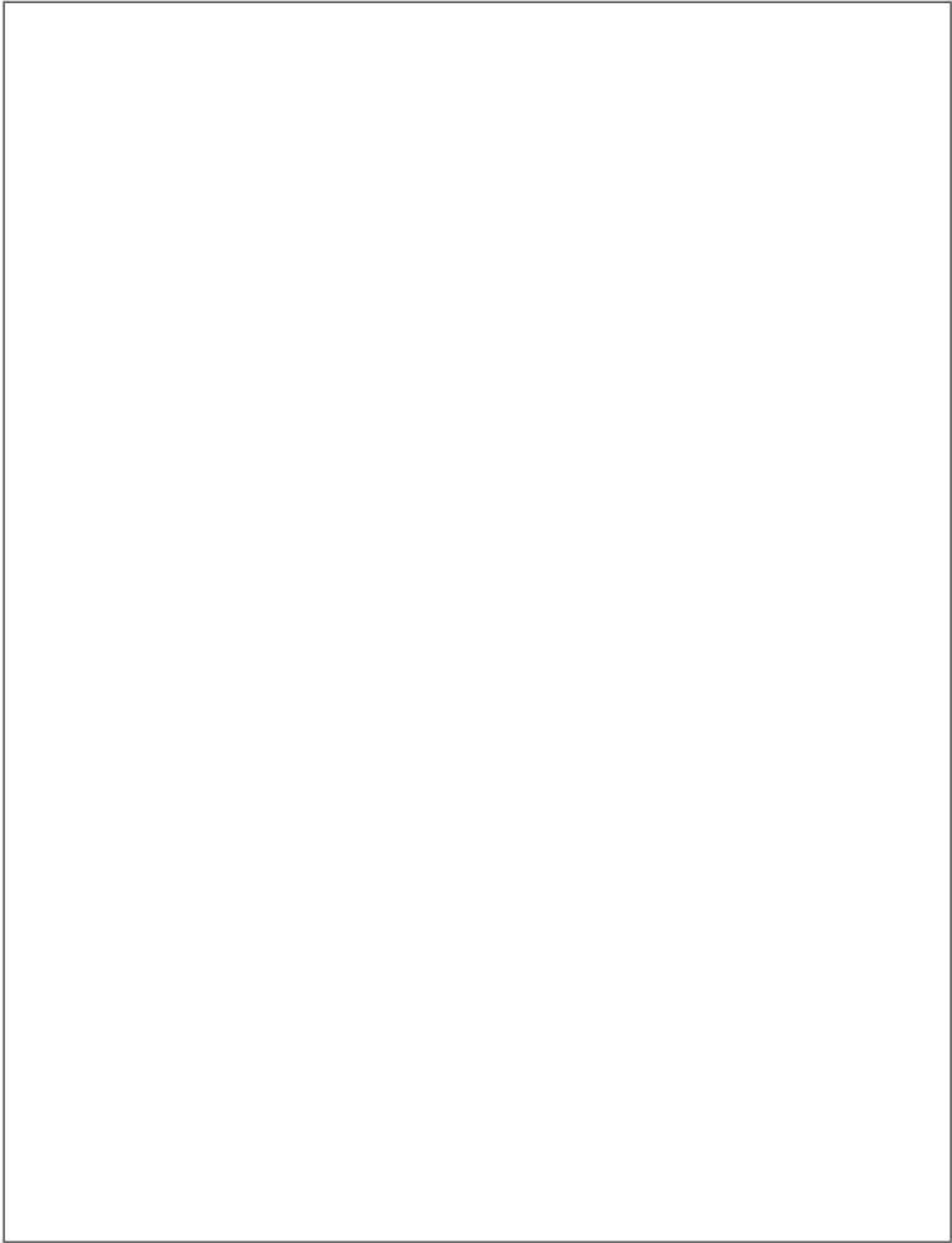
شہزاد ٹیکسٹائل ملز لمیٹڈ کا بورڈ آف ڈائریکٹرز، 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے، کارکردگی کے جائزے، آڈیٹرز کی رپورٹ اور آڈٹ شدہ مالیاتی گوشواروں کے ہمراہ، شیئر ہولڈرز کی خدمت میں اثاثہ لیسویں (48 ویں) سالانہ ڈائریکٹرز رپورٹ پیش کرتے ہوئے مسرت محسوس کرتا ہے۔

تفصیلات	2026 (روپے)	2025 (روپے)
فروخت	12,341,775,849	11,371,016,350
مجموعی منافع	1,058,931,676	695,207,728
آپریٹنگ منافع	486,448,877	190,561,285
لیوی اور ٹیکس سے قبل منافع	456,565,511	351,232,410
لیوی اور ٹیکس	(199,164,759)	(193,207,066)
سال کا خالص منافع	257,400,752	158,025,344

مالی سال 2026 کے دوران کمپنی نے فروخت میں 8.54% کا نمایاں اضافہ حاصل کیا، اور فروخت گزشتہ سال کے 11.371 ارب روپے کے مقابلے میں بڑھ کر 12.342 ارب روپے ہو گئی۔ بعد از ٹیکس منافع 62.89% اضافے کے ساتھ 2025 کے 158.025 ملین روپے سے بڑھ کر 257.401 ملین روپے ہو گیا۔ یہ شاندار کارکردگی آمدن میں بہتری، آپریشنل استعداد میں اضافے اور سال کے دوران منافع کے مارجن میں توسیع کی عکاس ہے۔

موزے بنانے والے ڈویشن کی برآمدی فروخت 1,706.16 ملین روپے تک پہنچ گئی، جو گزشتہ سال کی برآمدی فروخت 1,435.977 ملین روپے کے مقابلے میں 18.82% کا مضبوط اضافہ ہے۔ تاہم توانائی کی بلند لاگت اور بین الاقوامی منڈیوں میں جاری معاشی غیر یقینی صورتحال کے باعث عالمی سطح پر مسابقت کم ہو جانے کی وجہ سے سپینگ یونٹ نے سال کے دوران کوئی برآمدی فروخت ریکارڈ نہیں کی۔

کمپنی کی ایمپلائز پراویڈنٹ فنڈ اسکیم پنجاب ٹرسٹ ایکٹ 2020 کے تحت قائم کی گئی تھی اور یکم اکتوبر 2025 کو باضابطہ طور پر رجسٹر ہوئی۔ کمپنی نے احتیاط کے ساتھ پراویڈنٹ فنڈ کی تمام کنٹری-بوشنر ایک علیحدہ سیونگ بینک اکاؤنٹ میں جمع کرائی ہیں اور انہیں میوچل فنڈز میں سرمایہ کاری کیا ہے۔ ان سرمایہ کاریوں سے حاصل ہونے والی آمدن باقاعدگی سے ملازمین کے پراویڈنٹ فنڈ اکاؤنٹس میں جمع کی جاتی ہے۔ مزید برآں، کمپنی پراویڈنٹ فنڈ کے تمام لین دین کا جامع اور آزادانہ طور پر برقرار رکھا گیا ریکارڈ رکھتی ہے۔ فنڈ کے آڈیٹرز کے طور پر میسرز انورٹارک اینڈ کمپنی کا تقرر کیا گیا ہے۔



FORM OF PROXY

I/We _____ Son / Daughter / Wife of _____ being a member of **SHAHZAD TEXTILE MILLS LIMITED** and holder of _____ Shares Folio No. _____ CDC Participant ID # _____ and Sub Account # _____ do hereby appoint _____ of or failing him /her _____ of _____ as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General meeting of Shahzad Textile Mills Limited scheduled to be held on Wednesday October 28, 2026 at 12:30 a.m. at Tricon Corporate Center Office No. 701, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore and at any adjournment thereof.

As witness my/our hands this _____ day of _____ 2026.

1. Witnesses:

Name: _____

Signature: _____

CNIC: _____

Address: _____

Please affix here Revenue
Stamp of Rs. 50/-

Members' Signature

2. Witnesses:

Name _____

Signature _____

CNIC: _____

Address: _____

Shareholder's Folio No. _____

CDC A/c No. _____

CNIC: _____

Address: _____

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy.
2. Proxies, in order to be effective, must be received at the Company's Registered Office, Tricon Corporate Center Office No. 701, 7th Floor, 73-E, Main Jail Road, Gulberg -II, Lahore, not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
3. CDC account holders will further have to follow the under -mentioned guidelines as laid down in circular # 1, dated 26th January, 2000 of the Securities and Exchange Commission of Pakistan.
 - i) In case of individuals, the account holder and/or sub -account holder whose securities and their registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
 - ii) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - iii) In case of corporate entity, the Board's resolution/power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

The Secretary

SHAHZAD TEXTILE MILLS LIMITED

Tricon Corporate Center, Office No. 701,
7th Floor, 73 -E, Main Jail Road,
Gulberg-II, Lahore.
Ph: +92(042)36407340-41

پراکسی فارم (مختار نامہ)

میں اہم _____ ولد / دختر / زوجہ _____ بحیثیت رکن _____
 شہزاد ٹیکسٹائل ملز لمیٹڈ اور عامل _____ حصص مطابق فلیو نمبر _____
 سی ڈی سی پارٹنرس (شرکت) آنی ڈی نمبر _____ اور سب اکاؤنٹ (ذیلی کمات) نمبر _____
 محترم / محترمہ _____ کا/کی _____
 کو اپنے اجلاسے آیا ہے _____ بروز بدھ 28 اکتوبر 2026 بوقت 12:30 بجے دوپہر _____
 برائے کون کارپوریٹ سنٹر آفس نمبر 701، ساتواں فلور، E-73 مین چیل روڈ گلبرگ 11، لاہور۔
 منعقد ہونے والے شہزاد ٹیکسٹائل ملز لمیٹڈ کے سالانہ اجلاس نام میں حق رائے دی استعمال کرنے،
 کرتے ہیں۔
 آج بروز _____ تاریخ _____ 2026 کو میرے اجلاسے دستخط سے کو اجلاس کی تصدیق سے جاری ہے۔

گواہان

-1

5 روپے کی رسیدی ٹکٹ میاں چسپال کریں۔

-2

نوٹ

- 1- سالانہ اجلاس عام میں شرکت اور رائے دی کا مستحق رکن پراکسی مقرر کر سکتا ہے۔
- 2- پراکسیاں تاکہ موثر ہو سکیں کمپنی کے رجسٹرڈ دفتر برائے کون کارپوریٹ سنٹر آفس نمبر 701، ساتواں فلور، E-73 مین چیل روڈ گلبرگ 11، لاہور۔ میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے لازماً وصول ہو جانی چاہئیں اور باقاعدہ ممبر، دستخط اور گواہی شدہ ہونی چاہئیں۔
- 3- اراکین جو اپنے حصص سنٹرل ڈیپازٹری کمپنی پاکستان لمیٹڈ کے سنٹرل ڈیپازٹری سسٹم میں جمع کروا چکے ہوں، کو نیکیو ریٹیز اینڈ ایکسچینج کمیشن پاکستان کی سرکل نمبر مورخہ 26 جنوری 2000 میں دی گئی ذیل میں درج ذیل ہدایات پر عمل کرنا ہوگا۔
 - ۱- بصورت افراد اکاؤنٹ ہولڈر اور یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن تفصیلات سی ڈی سی تو انک و سواپ کے مطابق اپ لوڈ ہوں، انہیں درج بالا شرائط کے مطابق پراکسی فارم (مختار نامہ) جمع کرانا ہو گئے۔
 - ۲- بینیفیشیل آئینرز (مستفید ہونے والے افراد) اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم (مختار نامہ) کے ہمراہ جمع کرانا ہوگی۔
 - ۳- بصورت کارپوریٹ پورٹل پر ڈی قرار داد / مختار نامہ معائنہ کے دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

سیکرٹری

شہزاد ٹیکسٹائل ملز لمیٹڈ

ٹرائی کون کارپوریٹ سنٹر، آفس نمبر 701، سواتوال فلور،
73-ای، مین جیل روڈ، گلبرگ-II، لاہور۔

Tel: +92 (42) 36407340-41

IMPORTANT NOTICE

Dear Valued Shareholder(s)

Section 242 of the Companies Act 2017 and Circular No. 18/2017 dated August 01, 2017, issued by the Securities & Exchange Commission of Pakistan (SECP) has directed all listed Companies to pay dividends only through electronic mode directly into the Bank Accounts designated by the entitled shareholders with effect from November 01, 2017.

In view of the above, you are advised to provide your complete Bank Account / IBAN details as per format given below to Shahzad Textile Mills Limited Tricon Corporate Centre, Office No. 701, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore (in case of CDC Account Holder / Sub Account Holders, please provide said details to the respective member Stock Exchange, enabling us to comply with the above Section / Circular.



MUHAMMAD AMJAD TAYYAB
Company Secretary

DIVIDEND MANDATE DETIAL

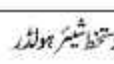
Folio Number	
Name of Shareholder	
Title of Bank Account	
Bank Account Number (Complete)	
Bank's Name Branch Name, Code And Address	
Cell Number	
Landline Number, if any	
CNIC Number (also attaché copy)	
It is stated that the above mentioned information is correct, that I/ We will intimate the changes in the above mentioned information to the Company. <u>Shareholder's Signature</u>	

محترم شیئر ہولڈر (ز)

کمپنیز ایکٹ 2017 شق 242 اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکر نمبر 18/2017 بتاریخ یکم اگست 2017 کے ذریعے SECP کی طرف سے تمام لیٹڈ کمپنیوں کو ہدایت کی گئی ہے کہ یکم نومبر 2017 کے بعد سے ادا ہونے والے ڈیویڈنڈ کی رقم الیکٹرانک طریقہ کار سے براہ راست شیئر ہولڈرز کی طرف سے فراہم کردہ بینک اکاؤنٹ میں منتقل کی جائے۔

درج بالا ہدایات کے تناظر میں، آپ سے گزارش کی جاتی ہے کہ آپ مکمل بینک اکاؤنٹ/IBAN (انٹرنیشنل بینک نمبر) کی تفصیل درج ذیل فارمیٹ کے تحت کمپنی کے شیئر رجسٹرار، شیئر ادائیگسٹائل ملز اینڈ 19-A آف ظفر علی روڈ، گلبرگ 5 لاہور کو مہیا کریں (سی ڈی سی اکاؤنٹ ہولڈر/سب اکاؤنٹ ہولڈر یہ تفصیل متعلقہ شاخ/یکسچینج کو مہیا کریں) تاکہ ہم درج بالا شق/سرکر پر عمل پیرا ہو سکیں


محمد امجد طیب
 کمپنی سیکرٹری
 شیئر ادائیگسٹائل ملز اینڈ

فولیو نمبر	
شیئر ہولڈر کا نام	
بینک اکاؤنٹ نمبر	
بینک کا نام، برانچ کا نام، کوڈ اور پتہ	
موبائل نمبر	
فون نمبر (اگر ہے)	
کمپیوٹرائزڈ شناختی کارڈ نمبر	
(کاپی منسلک کریں)	
بیان کیا جاتا ہے کہ درج بالا معلومات درست ہیں اور یہ کہ میں درج بالا معلومات میں تبدیلی کی صورت میں اور متعلقہ شیئر رجسٹرار کو مطلع کرونگا۔	
 دستخط شیئر ہولڈر	

ANNUAL ACCOUNTS**REQUEST FORM**

Consent for Circulation of Annual Audited Financial Statements through e-mail

Company Name: **Shahzad Textile Mills Limited**

Folio No. / CDC Sub-Account No. _____

e-mail Address: _____

CNIC No. _____

The above e-mail address will be recorded in the members register maintained under Section 120 of the Companies Act, 2017.

I will inform the Company or the Registrar about any change in my e-mail address immediately. Henceforth, I will receive the Audited Financial Statements along with Notice only on the above e-mail address, unless a hard copy has been specifically requested by me.

Name and Signature of Shareholder
(Attachment Copy of CNIC)

The Secretary

SHAHZAD TEXTILE MILLS LIMITED

Tricon Corporate Center, Office No. 701,
7th Floor, 73 -E, Main Jail Road,
Gulberg-II, Lahore.
Ph: +92(042)36407340-41

درخواست فارم

سالانہ مالی سال کے آڈٹ شدہ اکاؤنٹس کی بذریعہ ای میل منظوری

کمپنی کا نام: شہزاد ٹیکسٹائل ملز لمیٹڈ

فولیو: سی ڈی سی سب اکاؤنٹ نمبر

ای میل ایڈریس:

شناختی کارڈ نمبر

اوپر دیا گیا ای میل ایڈریس کا اندراج ممبر رجسٹرڈ انڈر سیکشن 120 آف کمپنیز ایکٹ 2017 ہوگا۔

میں کمپنی کو کسی بھی ای میل ایڈریس کی تبدیلی کی صورت میں فوری اطلاع دوں گا اور میں کمپنی کے مالیاتی گوشوارہ (نظر ثانی شدہ) اور نوٹس کی کاپی اوپر دیئے گئے ای میل ایڈریس پر موصول کروں گا جس کیلئے میں نے خاص طور پر درخواست کی ہے۔

شیئر ہولڈر کا نام اور دستخط

شناختی کارڈ کی کاپی منسلک شدہ ہے

سیکرٹری

شہزاد ٹیکسٹائل ملز لمیٹڈ

ٹرائی کون کارپوریٹ سنٹر، آفس نمبر 701، سواتوال فلور،
73-ای، مین جیل روڈ، گلبرگ-II، لاہور۔

Tel: +92 (42) 36407340-41

CONSENT FOR VIDEO CONFERENCE FACILITY

In compliance with Section 134(1)(b) of the Companies Act, 2017 if the Company receive consent from members holding aggregate 10 % or more shareholding residing at geographical location to participate in the meeting through video link facility at least 10 days prior to the date of general meeting. The company will arrange video link facility in that city. To avail this facility please provide following information and submit to registered address of the Company.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access the facility.

REQUEST FORM

I/We _____ of _____ being a member of Shahzad Textile Mills Limited, holder of _____ Ordinary Shares as per Register Folio No. / CDC Sub Account No. _____ hereby opt for video conference facility at _____

Signature of Member

Printed Matter
Book Post
Under Postal Certificate

If undelivered please return to

SHAHZAD TEXTILE MILLS LIMITED

Tricon Corporate Centre, Office # 701, 7th Floor,
Main Jail Road, Gulberg-II, Lahore.