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AHMAD HASSAN
TEXTILE MILLS LIMITED

The Thirty-Seventh
Annual
Report
2026



37th Annual Report

of

Ahmad Hassan Textile Mills Limited

for the year ended June 30, 2026

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VISION

To be a world class and leading organization continuously providing high quality textile products.

MISSION

To be a model diversified textile organization exceeding expectations of all stakeholders. We will achieve this by utilizing best blend of state-of-the-art technologies, excellent business processes, high performing people, and synergetic organizational culture.

CORE VALUES

- Our success will not be a matter of chance but of commitment to the following enduring beliefs and values that are engrained in the way we think and take actions to pursue a climate of excellence:
- **Integrity & Ethics:** Integrity, honesty and high ethical, legal & safe standards are corner stones of our business practices.
- **Quality:** We pursue quality as a way of life. It is an attitude that affects everything we do for relentless pursuit of excellence. Our aim is to achieve and sustain good reputation in both domestic and international market by manufacturing quality fabric with organized training and implementation of quality system as per our valued customers needs to ensure the achievement of our aim.
- **Social Responsibility:** We believe in respect for the community and preserving the environment for our future generations and keeping National interests paramount in all our action.
- **Learning & Innovations:** We embrace lifelong learning and innovation as an essential catalyst for our future success. We believe in continuous improvement and to seize opportunities inherent in change to shape the future.
- **Team Work:** We believe that competent and satisfied people are the company's heart, muscle and soul. We savors flashes of genius in organization's life by reinforcing attitude of teamwork and knowledge sharing based on mutual respect, trust and openness.
- **Empowerment :** We flourish under and ecosystem of shared understanding founded on the concept of empowerment, accountability and open communication in all directions.

STRATEGIC PLAN

To achieve the above objectives, the Company has made strategic plans to enhance and upgrade its installed capacity to maintain and expand its market. Further plans are to excel in social responsibilities by implementing related projects and community developments.



COMPANY PROFILE

BOARD OF DIRECTORS

*Chairperson
Directors*

Mrs. Salma Javed
Mian Muhammad Javed
Mr. Muhammad Haris
Mrs. Bushra Ali
Mr. Haseeb Haris Mughal
Mr. Ali Kamal
Mr Nazir Ahmad Khan

Non-Executive Director
Executive Director
Executive Director/Chief Executive
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director

AUDIT COMMITTEE

*Chairman
Members*

Mr. Nazir Ahmad Khan
Mr. Haseeb Haris Mughal
Mrs. Salma Javed

Independent Director
Non-Executive Director
Non-Executive Director

HR & R COMMITTEE

*Chairman
Members*

Mr. Nazir Ahmad Khan
Mr. Muhammad Haris
Mrs. Salma Javed

Independent Director
Executive Director
Non-Executive Director

CHIEF FINANCIAL OFFICER

Jamal Ahmed

HEAD OF INTERNAL AUDIT

Rao Saqib Ali

COMPANY SECRETARY

Muhammad Nafees Ahmad Rahi

AUDITORS

M/s Yousuf Adil (Chartered Accountants)

BANKERS

Bank Al-Habib Limited
Allied Bank Limited
Bank Al-Falah Limited
National Bank of Pakistan
Dubai Islamic Bank Pakistan Limited

REGISTERED OFFICE

46 - Hassan Parwana Colony,
Multan.

MILLS

M.M. Road, Chowk Sarwar Shaheed,
Distt. Muzaffargarh.

SHARES REGISTRAR

M/s Vision Consulting Limited
5-C, LDA Flats, Lawarnce Road,
Lahore.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting of the Company will be held at its Registered Office, 46-Hassan Parwana Colony, Multan, on Wednesday 28th October, 2026, at 11:00 A.M., to transact the following business..

Ordinary Business

1. To confirm the minutes of the Annual General Meeting held on 28th October, 2025.
2. To receive, consider and adopt the Audited Accounts together with Directors' and Auditors' Reports for the year ended June 30, 2026.
3. To appoint Auditors of the Company and to fix their remuneration. The present Auditors Messrs. Cown, Chartered Accountants, retire and being eligible offers themselves for re-appointment.
4. To approve a final cash dividend for the year ended June 30, 2026 at Rs.0.75 per share i.e.7.50%, as recommended by the Board.
5. To elect Seven (7) Directors of the Company as fixed by the Board of Directors, in accordance with the provisions of Section 159 of the Companies Act 2017, for a term of three years. The retiring Directors are:

(i)	Mian Muhammad Javed	(ii)	Mrs. Salma Javed
(iii)	Mr. Muhammad Haris	(iv)	Mrs. Bushra Ali
(v)	Mr. Haseeb Haris Mughal	(vi)	Mr. Ali Kamal
(vii)	Mr. Nazir Ahmad Khan		

Other Business

6. To consider any other matter with the permission of the Chair.

BY ORDER OF THE BOARD OF DIRECTORS

Multan:
Dated : 05.10.2026

(Muhammad Nafees Ahmad Rahi)
Company Secretary

Notes:

- I. The share transfer books of the Company will remain closed from 21st October, 2026 to 28th October, 2026 (both days inclusive).
- II. A Member entitled to attend and vote at the meeting may appoint another member of the Company as a proxy to attend and vote instead of him/her. Proxy forms duly completed should reach the Registered Office of the Company at least 48 hours before the time of the meeting.
- III. Any individual Beneficial Owners of CDC, entitled to attend and vote at this meeting, must bring his/her CNIC or Passport to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC or passport. Representatives of Corporate members should bring the usual documents required for such purpose.
- IV. Members are requested to notify the change of their address to our Share Registrar, M/s Vision Consulting Limited, immediately.
- V. The Audited Financial Statements for the year ended June 30, 2026 available on website of the Company which can be assessed/downloaded above link and QR enabled Code.

<https://ahtml.com.pk/financial-reports/>



- VI. The company has electronically transmitted the Annual Report 2026 via email to members whose email addresses are available with the Company's Registrar M/s Vision Consulting Ltd while printed notice of the AGM, along with the weblink and QR code to download the Annual Report have been dispatched to members whose email addresses are not available. The Company will provide hard copies of the Annual Report to any member upon request, at their registered address free of cost within one week of receiving such a request or by email at sec@ahtml.com.pk.
- VII. In term of SECP's Secular No. 10 of 2014 dated May 21, 2014 read with provisions contained under Section 134 (1)(b) of the Act, members of the company may also attend and participate in the AGM through video conference facility in a city other than Multan, if members residing in the vicinity, collectively holding 10% or more shareholding, may demand in writing, to participate in the AGM through video conference (as per the format appended below) at least seven (7) days prior to the date of AGM.

After receiving the consent of members having 10% or more shareholding in aggregate, the Company will intimate members regarding venue of video conference facility at least five (5) days before the date of AGM.

Consent for Video Conference Facility I/we, _____ of _____, being a member of Ahmad Hassan Textile Mills Limited, holders of _____ ordinary share(s) as per CDC participant ID & sub-account No. _____ hereby opt for video conference facility at _____. _____ Signature of the Member(s) (affix company stamp in case of corporate entity)

- VIII. Pursuant to Section 242 of the Companies Act, 2017, all listed companies have been mandated to pay dividend only by way of electronic mode, directly into the bank accounts to entitled members designated by them. Accordingly, all shareholders of the Company who have not yet provided their bank account details (including IBAN) to their participant/CDC Investor Account Service which maintains their CDC Account, are requested to provide the same at the earliest but not later than the first day of book closure, otherwise, the Company would be constrained to withhold their amount of dividend, if any, in accordance with the requirements of the Act and the Regulation.
- IX. As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry in a manner as may be specified and from the date notified by Commission. The shareholders have physical shareholding are encouraged to open CDC-Account to place their physical shares into book-entry-form for safe custody. Trading of shares (sale and purchase) also very simple, secure and short time.
- X. Shareholders can also exercise their right of E-voting subject to the requirement of Section 143-145 of the Companies Act 2017 and the applicable clauses of the Companies (Postal Ballot) Regulations 2018.
- XI. Pursuant to the provisions of Income Tax Ordinance, 2001, deduction of income Tax from dividend payment shall be made on basis of filer and non-filers.

No gifts will be distributed at the meeting.

STATEMENT OF MATERIAL FACTS UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017

Pursuant to the requirements of Section 166(3) of the Companies Act, 2017, independent directors will be elected through the process of election of directors as laid down under Section 159 of the Companies Act, 2017. The company shall exercise due diligence before selecting a person from the data bank that the contestant meets the independence criteria as mentioned in Section 166(2) of the Companies Act, 2017 and are competent and experienced. The candidates are requested to read the relevant provisions/requirements relating to the appointment/election of directors, as mentioned in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 and ensure compliance with the same in letter and spirit.

Chairman's Review

In the Name of ALLAH, the Most Beneficent, the Merciful

Dear Shareholders

It is my privilege to present the Chairman's Review for the financial year 2025-26. This year has been one of resilience, adaptability and measured growth in the face of a dynamic and often unpredictable operating environment.

During the year, the global economy grappled with a notable slowdown amid trade tensions, tighter monetary policies and weaker consumer demand in key markets. US retail consumption was dampened by inflationary pressures, particularly in the first half of the year, while international competition from regional exporters intensified. In this challenging environment, Pakistan's economy showed signs of stabilization yet remained fragile. GDP growth reached ~2.7%, inflation came down sharply - from hyperinflation in prior years to a multi-decade low of 4.7% - aided by tight monetary policy, stable exchange rate and improved commodity supplies.

The textile sector, however, continued to face significant challenges. High energy tariffs, rising labor costs and disruptions in raw material supply due to below average cotton output continued to create pressure. Although, inflation eased significantly and the exchange rate stabilized, tight liquidity conditions and elevated financing costs constrained working capital for exporters.

Against this backdrop, the Company's export revenues experienced downward pressure, particularly in the first two quarters. However, recovery in the latter part of the year, coupled with proactive cost management, enabled the Company to conclude the year with resilient performance. We focused on strengthening operational efficiencies, optimizing procurement and maintaining customer relationships to safeguard long term sustainability. At AHTML, we recognize the importance of stability and continuity as the Company's fundamentals continue to be enhanced with sustainable investments underpinning our cost competitiveness, while diligently delivering on UNSDGs as part of our sustainability commitments.

Our employees' resilience has been the backbone of our operations during these testing times. We continued to invest in skills development, workplace safety and community initiatives, while maintaining our compliance with international labor and ethical sourcing standards.

Looking ahead, the near-term outlook remains cautious. While US demand is expected to stabilize and global buyers are showing renewed interest in sustainable sourcing from Pakistan, headwinds such as competitive pricing pressures and volatile commodity markets will persist. The Company's strategy will remain centered on deepening customer relationships, diversifying markets, investing in innovation and pursuing operational excellence to restore growth momentum and unlock long term opportunities.

On behalf of the Board of Directors, I extend my sincere gratitude to our shareholders for their unwavering trust, to our dedicated employees for their commitment and to our valued customers and partners for their continued confidence in the Company. Together, we will continue to meet challenges with determination and build a stronger and more sustainable future.

SALMA JAVED
OCTOBER 05, 2026
MULTAN

Directors' Report

In the Name of Allah, the Most Beneficent, the Merciful

Dear Shareholders

Directors of Ahmad Hassan Textile Mills Limited ("the Company") are pleased to present 37th annual report of the Company along with the financial statements and auditors' report thereon..

PAKISTAN ECONOMY

Pakistan's economy in 2025 is showing signs of sustained recovery, with an estimated GDP growth of 2.68% to 2.7% for FY-2025, driven by macroeconomic stability from IMF Extended Fund Facility reforms and a more stable macroeconomic environment. However, growth is being challenged by adverse weather conditions affecting agriculture, which experienced low growth, and a reduction in large-scale manufacturing output. Positive developments include strong corporate earnings, declining interest rates, increased investor confidence in the stock market, and a move from a current account deficit to a surplus.

Despite these challenges, Pakistan's economy experienced a recovery in FY-2026, achieving an estimated GDP growth rate of 3.7 percent alongside improved macroeconomic stability. Real GDP growth recovered with agriculture expanding by 2.89 percent, industry by 3.51 percent, services by 4.09 percent, and construction by 5.73 percent.

The State Bank maintained a broadly measured policy stance through the year, including a rate cut in Dec'25 followed by a calibrated hike in May'26, closing FY26 at 11.5%.

The rupee demonstrated notable stability through FY26, closing Jun-26 at PKR 279.0/USD, essentially flat on a YoY basis. This helped anchor inflation expectations even as headline inflation averaged 7.0% for the year (versus 4.6% in FY25) amid oil-price-driven spike to 11.1% YoY in Jun-26.

SUMMARIZED FINANCIAL RESULTS:

Particulars	2026 (Rupees)	2025 (Rupees)
Sales	5,419,331,567	5,626,431,525
Gross Profit	375,047,750	429,756,518
Distribution cost	15,361,310	26,073,994
Administrative expenses	93,505,088	84,069,446
Finance cost	104,166,158	161,365,087
Profit before Taxation	155,755,270	149,191,278
Profit after Taxation	85,669,707	94,197,757
G. P. Ratio	6.92%	7.64%
Profit before tax ratio	2.87%	2.65%
Profit after tax ratio	1.58%	1.67%
EPS	10.11	11.12

During the year under review, the Company largely maintained its financial indicators despite facing multiple challenges. Sales revenue decreased slightly by 3.68%, while the gross profit margin declined from 7.64% to 6.92%.

Profit before tax, however, improved from 2.65% to 2.87%, primarily attributable to a 35.26% reduction in finance costs. The reduction in finance costs was mainly driven by the decline in the policy rate and improved management of customers' credit periods.

Profit after tax decreased from 1.67% to 1.58%. It is pertinent to mention that, in the preceding year, a reversal of deferred tax liability amounting to Rs. 15.89 million contributed to the reported profit after tax. In the current financial year, a reversal of deferred tax liability amounting to Rs. 200.48 million was not recognized in the statement of profit or loss in order to avoid reporting an abnormal profit. Had this reversal been recognized, profit after tax would have amounted to Rs. 286.15 million.

Distribution costs decreased primarily due to lower export sales, whereas administrative expenses increased marginally, mainly on account of inflationary pressures. Earnings per share stood at Rs. 10.11 for the current financial year, compared with Rs. 11.12 in the preceding year..

BOARD COMPOSITION:

After election of Directors during the year, the total number of directors are seven (7) as per the following-

- a. Male: Five
b. Female: Two

i. Independent Directors	Mr. Ali Kamal
	Mr. Nazir Ahmad Khan
ii. Non - executive Directors	Mrs. Salma Javed
	Mrs. Bushra Ali
	Mr. Haseeb Haris Mughal
iii. Executive Director	Mr. Muhammad Haris
	Mr. Mian Muhammad Javed

The Composition of Committees of the board is as follows:

1. AUDIT COMMITTEE

- Mr. Nazir Ahmad Khan (Chairman)
- Mrs. Salma Javed (Member)
- Mr. Haseeb Haris Mughal (Member)

2. HR & R COMMITTEE:

- Mr. Nazir Ahmad Khan (Chairman)
- Mrs. Salma Javed (Member)
- Mr. Muhammad Haris (Member)

3. NOMINATION COMMITTEE AND RISK MANAGEMENT COMMITTEE:

- Mr. Haseeb Haris Mughal (Chairman);
- Mr. Nazir Ahmad Khan (member); and
- Mrs. Salma Javed (member) *;

REMUNERATION OF THE DIRECTORS

The non-executive directors and independent director are paid remuneration for only attending the Board/Committee meetings, as per approved policy. The relevant details are disclosed in notes 46 to the financial statements for the year ended June 30, 2026.

NAME OF BOARD OF DIRECTORS/COMMITTEE, MEETINGS AND ATTENDANCE

Name of Board of Directors	Board meeting	Audit Committee meeting	HR & R Committee meeting
	4	4	2
Mian Muhammad Javed	4	-	-
Mr. Muhammad Haris	4	-	2
Mrs. Salma Javed	4	4	2
Mrs. Bushra Ali	4	-	-
Mr. Haseeb Haris Mughal	4	4	-
Mr. Ali Kamal	4	-	-
Mr. Nazir Ahmad Khan	4	4	2

DIRECTORS TRAINING PROGRAM

Three directors of the Company are exempted from the Directors Training Program on the basis of their level of education and length of experience as provided in the CCG.

INTERNAL CONTROL SYSTEM

An internal control system is designed to provide reasonable assurance that the Company ensures compliance of policies, laws, efficient use of its resources and to provide information to right persons on timely manner. Your management is much focused to comply with all applicable standards and regulations and such compliance are regularly monitored. Further, any non-compliance is timely reported and corrections are made when requires.

CORPORATE SOCIAL RESPONSIBILITIES AND ENVIRONMENTAL CARE

AHTML believes that safe, healthy and comfortable environmental conditions are backbone for quality production. We are also committed to Corporate Social Responsibilities and integrating sound social practices in our day to day business activities. We measure our success not only in terms of financial criteria but also in building customer satisfaction and supporting the communities we have.

Therefore, As a traditional norm, we are continuously providing quality food to our staff at subsidize rates, free medical camps are organized for employees and native populations, Scholarships are provided to talented children of the staff and special events are organized like sports tournaments, aftari and tree plantation campaign etc. for the betterment of the staff and nation as well.

FUTURE OUTLOOK

Textile sector continues to face three major structural challenges: high production costs, delays in implementing the expanded Export Refinance Scheme, and a deepening domestic cotton shortage.

Rising labour costs, higher mandatory employer contributions and distortions in industrial electricity tariffs have significantly increased production costs, reducing the competitiveness of Pakistani exporters.

Government's announced in the federal budget for FY2026-27 to expand the Export Refinance Scheme but the initiative has yet to become operational, forcing exporters to rely on commercial borrowing for working capital.

Cotton production has declined to around 5.5 million bales, down from a peak of 14.8 million bales in 2011-12, creating a widening gap between domestic supply and industrial demand. It attributed the decline to climate-related challenges, water shortages and weakening farmer confidence.

Textile and apparel exports remained virtually stagnant during fiscal year 2025-26, rising only 0.26% to \$17.93 billion from \$17.88 billion a year earlier. A sharp decline in exports during June 2026, which fell 16.71% year-on-year and 23% month-on-month, warning that the trend reflects worsening competitiveness in Pakistan's largest export industry.

To revive exports, it is imperative to reduce mandatory employer contributions without affecting employee benefits, issuance of direction to NEPRA to align industrial electricity tariffs with the actual cost of service on a revenue-neutral basis, immediately operationalizing the expanded Export Refinance Scheme, and adopting a comprehensive national strategy to revive cotton production.

Keeping in view of current economic scenario, management of your company has been acting proactively to reduce controllable costs. Your Company is focusing on cheaper source of electricity generation available in market with minimal financial cost. In pursuance thereof, your Company has already commissioned solar project having aggregating rated capacity of 2776 KW.

As the part of CAPEX/BMR plan, the Company has established LCs for import of 12 air jet looms from Toyota Corporation, Japan. Negotiations for purchase allied machinery & equipment is under process with the suppliers and it is expected that this process shall be completed by the end of October-2026. It is envisaged that the plan would likely to cause increase of profitability.



CORPORATE GOVERNANCE

The directors of your company state further that:

- 1-The financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- 2-Proper books of account of the listed company have been maintained.
- 3-Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4-International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- 5- The system of internal control is sound in design and has been effectively implemented and monitored.
- 6- There are no significant doubts upon the listed company's ability to continue as a going concern.
- 7- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- 8-Outstanding duties and taxes, if any, have been disclosed in the financial statements.
- 9-We have an Audit Committee, the members of which are from the Board of Directors and the Chairman is an independent director.
- 10-The Board has adopted a Mission Statement and a Statement of Overall Corporate Strategy.
- 11-The Company's Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 is attached.

AUDITORS

M/s Crowe Hussain Chaudhry & Co., Chartered Accountants, being eligible and offering themselves for re-appointment, are recommended for re-appointment as Auditors of the Company for a term of one year as suggested by the Audit Committee.

PATTERN OF SHAREHOLDING

Pattern of holding of shares by the shareholders of the Company as on June 30, 2026 is enclosed.

DIVIDEND

In view of the financial performance of the Company. The Board of Directors recommended to pay _____ dividend for the financial year ended June 30, 2026.

ACKNOWLEDGMENT

Your Directors place on record their deep appreciation for the efforts made by the workers and staff of the Company for their deep devotion to their work. Your Directors would also like to express their thanks to the Shareholders and Financial Institutions, especially Bank AL Habib Ltd; National Bank of Pakistan; Allied Bank Ltd; Bank Alfalah Ltd; BankIslami Pakistan Ltd; Askari Bank Ltd and Dubai Islamic Bank Pakistan Ltd for their support and assistance.

On behalf of the Board of Directors

CHIEFEXECUTIVE

DIRECTOR

Multan

Dated: October 05, 2026

ڈائریکٹرز کی جائزہ رپورٹ

شروع اللہ کے نام سے جو نہایت رحم کرنے والا بے حد مہربان ہے

پیارے شیئر ہولڈرز

احمد حسن ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز، کمپنی کی 37 ویں سالانہ رپورٹ، مالیاتی گوشواروں اور ان پر آڈیٹرز کی رپورٹ کے ساتھ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

پاکستان کی معیشت

مالی سال 2025-26 نمایاں بیرونی اور ملکی چیلنجوں سے عبارت رہا۔ جغرافیائی سیاسی کشیدگی، اجناس کی قیمتوں میں اتار چڑھاؤ، بین الاقوامی مالیاتی حالات کی سختی، اور عالمی تجارت و توانائی کی منڈیوں میں تعطل کے باعث عالمی معاشی حالات غیر یقینی رہے۔ مشرق وسطیٰ کے تنازعے نے تیل کی قیمتوں میں اتار چڑھاؤ، نقل و حمل اور انشورنس کے اخراجات میں اضافے اور دنیا بھر میں سرمایہ کاروں کے اعتماد کو کمزور کر کے ان چیلنجوں کو مزید شدت بخشی۔

ان چیلنجوں کے باوجود، پاکستان کی معیشت میں مالی سال 2025-26 کے دوران بحالی دیکھی گئی اور بہتر ہوتے ہوئے مجموعی معاشی استحکام کے ساتھ جی ڈی پی (GDP) کی شرح نمو کا تخمینہ 3.7 فیصد رہا۔ حقیقی جی ڈی پی کی نمو میں بحالی آئی جس میں زراعت میں 2.89 فیصد، صنعت میں 3.51 فیصد، خدمات کے شعبے میں 4.09 فیصد اور تعمیرات کے شعبے میں 5.73 فیصد اضافہ ہوا۔

اسٹیٹ بینک نے سال بھر محتاط اور متوازن پالیسی موقف برقرار رکھا، جس میں دسمبر 2025 میں شرح سود میں کمی اور اس کے بعد مئی 2026 میں ایک نئے تیلے انداز میں اضافہ شامل تھا، اور مالی سال کا اختتام 11.5 فیصد کی شرح پر ہوا۔

مالی سال 2025-26 کے دوران روپے نے نمایاں استحکام کا مظاہرہ کیا اور جون 2026 میں اس کی قدر 279.0 روپے فی امریکی ڈالر رہی، جو بنیادی طور پر سال بہ سال (YoY) کی بنیاد پر مستحکم رہی۔ اس سے افراط زر سے متعلق توقعات کو مستحکم رکھنے میں مدد ملی، حالانکہ سال کے دوران مجموعی افراط زر (ہیڈ لائن انفلیشن) کی اوسط شرح 7.0 فیصد رہی (جبکہ مالی سال 2024-25 میں یہ 4.6 فیصد تھی)؛ اس میں جون 2026 میں تیل کی قیمتوں کے باعث سال بہ سال بنیادوں پر 11.1 فیصد تک کا اضافہ بھی شامل تھا۔

خلاصہ مالیاتی نتائج

تفصیل	2026 (approx)	2025 (approx)
نہد سکل	5,419,331,567	5,626,431,525
گراس پرافٹ	375,047,750	429,756,518
تعمیر کی لاگت	15,361,310	26,073,994
انطلاق اخراجات	93,505,088	84,069,446
مالیاتی لاگت	104,166,158	161,365,087
ٹیکسیس سے قبل پرافٹ	155,755,270	149,191,278
ٹیکسیس کے بعد پرافٹ	85,669,707	94,197,757
پرافٹ ملز ادائیگی عائد	6.92%	7.64%
کی لی ٹیکس	2.87%	2.65%
پرافٹ بعد ادائیگی عائد	1.58%	1.67%
میانگین شیئر	10.11	11.12

زیر جائزہ سال کے دوران، کمپنی نے متعدد چیلنجوں کا سامنا کرنے کے باوجود اپنے مالیاتی اشاریوں کو بڑی حد تک برقرار رکھا۔ فروخت سے حاصل ہونے والی آمدنی میں 3.68 فیصد کی معمولی کمی واقع ہوئی، جبکہ مجموعی منافع کا مارجن (gross profit margin) 7.64 فیصد سے کم ہو کر 6.92 فیصد رہ گیا۔

تاہم، ٹیکس سے قبل منافع 2.65 فیصد سے بڑھ کر 2.87 فیصد ہو گیا، جس کی بنیادی وجہ مالیاتی اخراجات میں 35.26 فیصد کمی تھی۔ مالیاتی اخراجات میں یہ کمی بنیادی طور پر پالیسی ریٹ میں گراؤ اور صارفین کے لیے کریڈٹ کی مدت (ادائیگی کے وقت) کے بہتر انتظام کی وجہ سے ممکن ہوئی۔

ٹیکس کے بعد منافع 1.67 فیصد سے کم ہو کر 1.58 فیصد رہ گیا۔ یہ بات قابل ذکر ہے کہ گزشتہ سال، 15.89 ملین روپے مالیت کی 'موخر ٹیکس ذمہ داری (deferred tax liability) کی واپسی (reversal) نے ٹیکس کے بعد ظاہر کیے گئے منافع میں حصہ ڈالا تھا۔ موجودہ مالی سال میں، غیر معمولی منافع ظاہر کرنے سے بچنے کے لیے 200.48 ملین روپے مالیت کی موخر ٹیکس ذمہ داری کی واپسی کو 'منافع یا نقصان کے گوشوارے (statement of profit or loss)' میں تسلیم نہیں کیا گیا۔ اگر اس واپسی کو تسلیم کر لیا جاتا، تو ٹیکس کے بعد

منافع کی مالیت 286.15 ملین روپے ہوئی۔

تقسیم کے اخراجات میں کی بنیادی طور پر برآمدی فروخت میں کمی کی وجہ سے ہوئی، جبکہ انتظامی اخراجات میں معمولی اضافہ ہوا، جس کی اہم وجہ مہنگائی کا دباؤ تھا۔ موجودہ مالی سال کے لیے فی حصص آمدنی 10.11 (earnings per share) روپے رہی، جبکہ گزشتہ سال یہ 11.12 روپے تھی۔

بورڈ کی تشکیل

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (7) ہے۔

اے	ب	مرد	عورت	پانچ
i	آزاد ڈائریکٹر	جناب علی کمال	جناب نذیر احمد خان	
ii	ٹان ایگزیکٹو ڈائریکٹر	مسز سلٹی جاوید	مسز بشری علی	جناب حبیب حارث مغل
iii	ایگزیکٹو ڈائریکٹر	جناب محمد حارث	جناب میاں محمد جاوید	

بورڈ کی کمیٹیوں کی تشکیل حسب ذیل ہے

- 1- آڈٹ کمیٹی
جناب نذیر احمد خان (چیرمین)
جناب میاں محمد جاوید (ممبر)
مسز سلٹی جاوید (ممبر)
- 2- ایچ آر اینڈ آر کمیٹی
جناب نذیر احمد خان (چیرمین)
جناب محمد حارث (ممبر)
مسز سلٹی جاوید (ممبر)

ڈائریکٹرز کا معاوضہ

غیر انتظامی ڈائریکٹرز اور آزاد ڈائریکٹر کو منظور شدہ پالیسی کے مطابق صرف بورڈ/کمیٹی کے اجلاسوں میں شرکت کے لیے معاوضہ ادا کیا جاتا ہے۔ متعلقہ تفصیلات 30 جون 2026 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے نوٹ نمبر 46 میں درج ہیں۔

بورڈ آف ڈائریکٹرز/کمیٹی کا نام، میٹنگز اور حاضری

بورڈ آف ڈائریکٹرز کے نام	بورڈ میٹنگ	آڈٹ کمیٹی میٹنگ	ہیومن ریسورس اینڈ ریٹرنیشن کمیٹی
میٹنگز کی کل تعداد	4	4	2
میاں محمد جاوید	4	--	--
محمد حارث	4	--	2
سلٹی جاوید	4	4	2
مسز بشری علی	4	--	--
حبیب حارث مغل	4	4	--
علی کمال	4	--	--
نذیر احمد خان	4	4	2

ڈائریکٹرز کا تربیتی پروگرام

کمیٹی کے تین ڈائریکٹرز کو ان کی تعلیم کی سطح اور CCG میں فراہم کردہ تجربے کی طوالت کی بنیاد پر ڈائریکٹر ٹریننگ پروگرام سے استثنیٰ حاصل ہے۔

اندرونی کنٹرول سسٹم

اندرونی کنٹرول کا نظام اس مقصد کے لیے وضع کیا گیا ہے کہ کمیٹی کی پالیسیوں اور قوانین کی پابندی، وسائل کے مؤثر استعمال اور متعلقہ افراد کو بروقت معلومات کی فراہمی کو یقینی بنایا جاسکے۔ آپ کی انتظامیہ تمام قابل اطلاق معیارات اور ضوابط کی پابندی پر بھرپور توجہ دیتی ہے اور اس تعمیل کی باقاعدگی سے نگرانی کی جاتی ہے۔ مزید برآں، کسی بھی عدم تعمیل کی صورت میں بروقت رپورٹنگ کی جاتی ہے اور جہاں ضروری ہو اصلاحی اقدامات کیے جاتے ہیں۔

کارپوریٹ سماجی ذمہ داریاں اور ماحولیاتی تحفظ

AHTML کا یقین ہے کہ محفوظ، صحت مند اور آرام دہ ماحولیاتی حالات معیاری پیداوار کی بنیاد ہیں۔ ہم کارپوریٹ سماجی ذمہ داریوں کے لیے بھی پُر عزم ہیں اور اپنے روزمرہ کاروباری معاملات میں مثبت سماجی اقدامات کو شامل کرتے ہیں۔ ہم اپنی کامیابی کو صرف مالیاتی معیار کے لحاظ سے نہیں بلکہ صارفین کے اطمینان کے حصول اور ان کی کمیونٹی کی معاونت کے حوالے سے بھی جانچتے ہیں جن کے ساتھ ہم وابستہ ہیں۔

اسی روایت کے تحت ہم اپنے ملازمین کو مسلسل رعایتی نرخوں پر معیاری خوراک فراہم کر رہے ہیں۔ ملازمین اور مقامی آبادی کے لیے مفت طبی کیمپ منعقد کیے جاتے ہیں۔ عملے کے ہونہار بچوں کو وظائف فراہم کیے جاتے ہیں، جبکہ عملے اور ملک کی بہتری کے لیے کھیلوں کے مقابلوں، افطاری اور شجرکاری مہمات سمیت مختلف خصوصی تقریبات کا انعقاد بھی کیا جاتا ہے۔

مستقبل کا منظر نامہ

ٹیکسٹائل کے شعبے کو بدستور تین بڑے ساختی چیلنجز کا سامنا ہے: پیداواری لاگت میں اضافہ، توسیعی 'ایکسپورٹ ری فنانس اسکیم' کے نفاذ میں تاخیر، اور ملک میں کپاس کی بڑھتی ہوئی قلت۔ مزدوری کی بڑھتی ہوئی لاگت، آج کی جانب سے لازمی ادائیگیوں (کنٹریبیوٹن) میں اضافہ اور صنعتی بجلی کے نرخوں میں تضادات نے پیداواری لاگت میں نمایاں اضافہ کیا ہے، جس سے پاکستانی برآمد کنندگان کی مسابقتی صلاحیت متاثر ہوئی ہے۔

حکومت نے مالی سال 2026-27 کے وفاقی بجٹ میں 'ایکسپورٹ ری فنانس اسکیم' کو وسعت دینے کا اعلان کیا تھا، لیکن یہ اقدام تاحال فعال نہیں ہو سکا ہے، جس کے باعث برآمد کنندگان کو اپنے کاروباری سرمائے (ورکنگ کپٹل) کے لیے تجارتی قرضوں پر انحصار کرنا پڑ رہا ہے۔

کپاس کی پیداوار 2011-12 میں 14.8 ملین گانٹھوں کی بلند ترین سطح سے کم ہو کر تقریباً 5.5 ملین گانٹھوں پر آگئی ہے، جس سے ملکی رسد اور صنعتی طلب کے درمیان خلیج بڑھ رہی ہے۔ اس کمی کی وجہ موسمیاتی چیلنجز، پانی کی قلت اور کسانوں کے اعتماد میں کمی کو قرار دیا گیا ہے۔

مالی سال 2025-26 کے دوران ٹیکسٹائل اور ملبوسات کی برآمدات تقریباً چھوڑا کر رہیں؛ یہ ایک سال قبل کے 17.88 ارب ڈالر سے صرف 0.26 فیصد بڑھ کر 17.93 ارب ڈالر تک پہنچیں۔ جون 2026 کے دوران برآمدات میں نمایاں کمی (جو سال بہ سال 16.71 فیصد اور ماہ بہ ماہ 23 فیصد کم ہوئیں) اس بات کی نشاندہی کرتی ہے کہ یہ رجحان پاکستان کی سب سے بڑی برآمدی صنعت کی مسابقتی صلاحیت میں گراؤ کو ظاہر کرتا ہے۔

برآمدات کو بحال کرنے کے لیے یہ اقدامات ناگزیر ہیں: ملازمین کے فوائد کو متاثر کیے بغیر آج کی لازمی ادائیگیوں میں کمی، نمبر (NEPRA) کو ہدایات جاری کرنا کہ وہ صنعتی بجلی کے نرخوں کو 'ریونیونیٹرل' (آمدنی کے توازن) کی بنیاد پر سروس کی اصل لاگت سے ہم آہنگ کرے، توسیعی 'ایکسپورٹ ری فنانس اسکیم' کو فوری طور پر فعال کرنا؛ اور کپاس کی پیداوار کی بحالی کے لیے ایک جامع قومی حکمت عملی اپنانا۔

موجودہ معاشی صورتحال کے پیش نظر، آپ کی کمپنی کی انتظامیہ قابو میں آنے والے اخراجات کو کم کرنے کے لیے پیشگی اور فعال اقدامات کر رہی ہے۔ آپ کی کمپنی مارکیٹ میں دستیاب بجلی کی پیداوار کے ایسے سستے ذرائع پر توجہ مرکوز کر رہی ہے جن کی مالی لاگت کم سے کم ہو۔ اسی سلسلے میں، آپ کی کمپنی نے 2776 کلو واٹ (KW) کی مجموعی صلاحیت کا حامل سولر پروجیکٹ پہلے ہی فعال کر دیا ہے۔

کچھیکس (CAPEX) اور بی ایم آر (BMR) منصوبے کے حصے کے طور پر، کمپنی نے جاپان کی ٹویٹا کارپوریشن سے '12 ایئر جیٹ لومز (air jet looms)' کی درآمد کے لیے لیٹرز آف کریڈٹ (LCs) کھلوائے ہیں۔ متعلقہ مشینری اور آلات کی خریداری کے لیے سپلائرز کے ساتھ بات چیت جاری ہے اور توقع ہے کہ یہ عمل اکتوبر 2026 کے آخر تک مکمل ہو جائے گا۔ توقع کی جارہی ہے کہ اس منصوبے کے نتیجے میں منافع میں اضافہ ہوگا۔

آڈیٹرز

M/s Crowe Hussain Chaudhry & Co., Chartered Accountants اہل ہونے کے ساتھ دوبارہ تقرری کے لیے خود کو پیش کر رہے ہیں۔ لہذا آڈٹ کمپنی کی سفارش کے مطابق انہیں ایک سال کی مدت کے لیے کمپنی کے آڈیٹرز کے طور پر دوبارہ مقرر کرنے کی سفارش کی جاتی ہے۔

حصص داری کا نمونہ

30 جون 2026 کو کمپنی کے حصص داران کی جانب سے حصص رکھنے کا نمونہ منسلک ہے۔

منافع منقسمہ (Dividend)

کمپنی کی مالیاتی کارکردگی کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے _____ منافع منقسمہ (Dividend) ادا کرنے کی سفارش کی ہے۔

اظہار تشکر

آپ کے ڈائریکٹرز کمپنی کے کارکنوں اور عملے کی جانب سے اپنے فرائض سے گہری وابستگی اور بھرپور محنت کو قدر کی نگاہ سے دیکھتے ہوئے ان کی کاوشوں پر دلی تحسین پیش کرتے ہیں۔

آپ کے ڈائریکٹرز حصص داران اور مالیاتی اداروں، بالخصوص Bank AL Habib Ltd; National Bank of Pakistan; Allied Bank Ltd; Bank Alfiah Ltd; Bank Islami Pakistan Ltd; Askari Bank Ltd اور Dubai Islamic Bank Pakistan Ltd کا بھی ان کے تعاون اور معاونت پر شکریہ ادا کرنا چاہتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈائریکٹر

چیف ایگزیکٹو

ملتان

مورخہ: 05 اکتوبر 2026

Five Years Growth at Glance (2021-2026)

Particulars	2022	2023	2024	2025	2026
OPERATIONAL PERFORMANCE:					
Weaving					
Number of Looms Installed	171	171	171	171	171
Number of Looms Worked	171	159	159	159	159
Installed Capacity after conversion into 60 picks Sq. Meter (000)	59,824	59,824	59,824	59,824	59,824
Actual Production after conversion into 60 picks Sq. Meter (000)	48,814	43,172	35,106	33,644	46,387
PROFIT AND LOSS:					
Net Sales Rs. (000)	3,798,377	5,545,460	4,327,095	5,078,315	5,626,432
Cost of Sales Rs. (000)	3,509,587	5,207,001	3,957,515	4,771,685	5,196,675
Gross Profit Rs. (000)	288,790	338,459	369,580	306,630	429,757
Operating ProfitRs. (000)	239,416	256,703	246,887	233,728	310,556
Profit /(loss) before Tax Rs. (000)	212,711	206,009	160,194	55,671	149,191
Profit /(loss) after Tax Rs. (000)	167,787	201,322	92,918	40,661	94,198
BALANCE SHEET:					
Share Capital and Reserves Rs. (000)					
Shareholders Equity Rs. (000)	1,321,687	1,725,933	1,799,790	1,834,098	2,330,908
Property Plant & Equipment Rs. (000)	1,377,375	1,691,678	1,636,465	1,705,004	2,377,006
CurrentAssets Rs. (000)	1,395,483	1,851,899	1,694,766	2,184,676	2,049,693
Current Liabilities Rs.(000)	1,028,037	1,457,429	1,199,104	1,707,385	1,472,187
Long Term Liabilities Rs. (000)	373,021	309,426	281,684	299,437	590,992
INVESTOR INFORMATION:					
Per Share (Rs.)					
Dividend announced (Rs per share)	2.05	2.25	0.75	0	1.50
Earning/(Loss) Per Share	19.81	23.76	10.97	4.80	11.12
FINANCIAL RATIOS:					
Gross Profit Ratio (%)	7.60	6.10	8.54	6.04	7.64
Net Profit Ratio (%)	4.42	3.63	2.15	0.80	1.67
Inventory Turnover (times)	4.95	4.66	2.80	4.02	4.72
Fixed Assets Turnover (times)	2.76	3.28	2.64	2.98	2.37
Total Assets Turnover (times)	1.46	1.75	1.29	3.04	2.54
Return on Capital Employed (%)	0.12	0.10	0.56	0.14	0.13
Debt to Equity Ratio (%)	1.11	1.06	0.86	1.13	0.26
Current Ratio (%)	1.36	1.27	1.41	1.28	1.39
Interest Coverage Ratio (times)	8.96	5.06	2.85	1.77	1.92

**INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF
AHMAD HASSAN 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 Ahmad Hassan 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 - 7 & 19	The Board did not have a meeting in respect of first quarter for the financial year as required under section 176 of the Companies Act, 2017.
2	SOC - 9 & 19	Four 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 05, 2026
UDIN: **CR20261083232Nbvk4IO**

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 For the Year ended June 30, 2026

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

The total number of Directors are seven (7) as per the following:-

- a. Male: Five
- b. Female: Two

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

i. Independent Directors *	Mr. Nazir Ahmad Khan Mr. Ali Kamal
ii. Non-executive Directors	Mrs. Salma Javed Mrs. Bushra Ali Mr. Haseeb Haris Mughal
iii. Executive Directors	Mian Muhammad Javed Mr. Muhammad Haris
iv. Female Directors	Mrs. Salma Javed Mrs. Bushra Ali

*For a Board comprising of seven members, one-third equates to 2.33. The independent directors meet the criteria of independence as laid down under the Code. The Board has fixed the number of independent directors at two considering the required skills set and experience. However, fractional contained in one-third number (i.e., 0.33) is not rounded up as one (1), being less than 0.5.

3. The Directors have confirmed that none of them is serving as a director on more than seven listed Companies, including this Company;

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

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

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

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency*, recording and circulating minutes of meeting of the Board;

** Board has met for the first quarter of the year on October 06, 2025. Overall, four meetings were held during the year."*

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

9. Three 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 four Directors have not acquired the prescribed certification under the Directors' Training Program;

10. The Board has approved appointment or continued service of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

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

a) Audit Committee

- Mr. Nazir Ahmad Khan (Chairman);
- Mrs. Salma Javed (member); and
- Mr. Haseeb Haris Mughal (member);

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

b) HR and Remuneration Committee

- Mr. Nazir Ahmad Khan (Chairman);
- Mr. Haseeb Haris Mughal (member); and
- Mrs. Salma Javed (member);

c) Nomination Committee and Risk Management Committee

- Mr. Haseeb Haris Mughal (Chairman);
- Mr. Nazir Ahmad Khan (member); and
- Mrs. Salma Javed (member);

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

14. The frequency of meetings of the committees were as per following:

a) Audit Committee	Quarterly
b) HR and Remuneration Committee	Half Yearly;

15. The Board has set up an effective internal audit function which comprises of professionals 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, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanations of non-compliances with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:
Sr No.Reg No.RequirementExplanation 1.SOC 7 & Section 176 of the Companies Act, 2017Board Meeting is required to be held during each quarter.The Board did not have a meeting in respect of first quarter until as later as October 06, 2025.2.SOC 9 & Regulation 19 of Code of Corporate Governance Regulations, 2019By 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.

Sr No.	Reg No.	Requirement	Explanation
1.	SOC 7 & Section 176 of the Companies Act, 2017	Board Meeting is required to be held during each quarter.	The Board did not have a meeting in respect of first quarter until as later as October 06, 2025.
2.	SOC 9 & Regulation 19 of Code of Corporate Governance Regulations, 2019	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.

Muhammad Haris
Chief Executive

Salma Javed
Chairperson

INDEPENDENT AUDITOR'S REPORT

To the members of Ahmad Hassan Textile Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **AHMAD HASSAN 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. Revenue and Trade Debts	
Refer to notes 3.12, 3.14, 10 & 32 to the financial statements..	Our key audit procedures included:

Key Audit Matters	How the Matter was Addressed in our Report
During the year ended June 30, 2026, the Company earned revenue of Rs. 5,419.331 million. As at June 30, 2026, gross trade debts amounted to Rs.382.883 million (8.26% of the total assets of the Company). The Company is principally engaged in the manufacturing and sale of fabric.. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and has increased over the prior year. The variety of textile products, including different types and specifications of yarn and fabric, each with different pricing and sales terms, adds complexity to the revenue recognition process and gives rise to an inherent risk of material misstatement. Trade debts are significant to the financial statements due to their magnitude and the volume of outstanding customer balances. The determination of the ageing of trade debts involves the classification of outstanding balances into appropriate ageing categories based on their respective due dates. Accordingly, there is an inherent risk of material misstatement relating to the accuracy and classification of trade debt balances within the ageing analysis. Given the size of revenue and trade debts relative to the financial statements as a whole, we considered this to be a key audit matter	Obtaining an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, testing the operating effectiveness of those controls. Assessing the appropriateness of the Company's revenue recognition policies and their compliance with applicable accounting and reporting standards. Comparing a sample of revenue transactions recorded during the year with customers' orders, sales invoices, delivery orders and other relevant underlying documents. Checking receipts from customers to whom sales were made Performing cut-off procedures on sales to ensure revenue has been recorded in the correct period Assessing the appropriateness and adequacy of disclosed information in the financial statements in accordance with the relevant accounting and reporting standards Obtained an understanding of the Company's processes and internal controls relating to credit approval, monitoring of receivables and estimation of expected credit losses. Checked appropriateness of ageing on sample basis Circularized balance confirmation request for trade debts on sample basis and evaluated responses received Checked subsequent clearance of balances due as of June 30, 2026 on sample basis Assessed financial impacts and appropriateness of disclosures made in the financial statements to determine whether they are compliant with the accounting and reporting standards as applicable in Pakistan
2. Stock in trade	
Refer to note 3.3 & 9 to the financial statements	Our key audit procedures included:

Key Audit Matters	How the Matter was Addressed in our Report
which reflects stock in trade amounting to Rs. 1,309.194 million as at the reporting date. We identified this area as a key audit matter because stock in trade constitute a significant portion of the total assets of the Company; comprising raw materials, work-in-process and finished goods. Further, determining write-down, if any, as a result of lower net realizable value (NRV) and provision for slow-moving stock in trade involve management judgment and estimation.	Inquired and assessed the design and operating effectiveness of the Company's internal controls over inventories Observed physical inventory count procedures as at the year end and compared physically counted inventories with closing inventory reports provided by the management Inspected purchase documents on sample basis to check quantity and value of certain closing stock Assessed the appropriateness of the costing methodology applied by the Company and tested the mathematical accuracy of inventory valuation 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 at the reporting date and assessed whether it is in accordance with the Company's policy and relevant accounting and reporting standards. Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

We communicate with the board of directors regarding, among other matters, the planned scope and

timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section of that Ordinance.

Other Matter

The financial statements of the Company for the year ended June 30, 2025 were audited by another auditor who expressed an unmodified opinion on those financial statements on October 7, 2025.

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

Lahore
Dated: October 05, 2026
UDIN: AR202610832Pw3p7GaeZ

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants



STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

ASSETS

Non Current Assets

Property, plant and equipment	5	2,334,550,112	2,377,006,297
Long term loans	6	-	15,448,012
Long term deposits	7	13,739,322	13,739,322
		2,348,289,434	2,406,193,631

Current Assets

Stores and spares	8	63,915,073	51,040,507
Stock in trade	9	1,309,194,735	1,124,897,157
Trade debts	10	382,883,953	442,847,252
Loans and advances	11	14,146,057	10,936,121
Advance tax	12	76,850,588	77,630,020
Due from Government	13	289,203,418	303,155,760
Short term investments	14	70,056	16,249,998
Other receivables	15	18,721,283	400,115
Cash and bank balances	16	95,057,845	22,535,912
		2,250,043,008	2,049,692,842

Total Assets

4,598,332,442 4,455,886,473

EQUITY AND LIABILITIES

Share Capital and Reserves

Authorized share capital:

20,000,000 (2025: 20,000,000) ordinary shares of Rs. 10 each

20,000,000 20,000,000

Issued, subscribed and paid up capital	17	84,715,354	84,715,354
Share premium	18	32,746,284	32,746,284
Surplus on revaluation of property, plant and equipment - net of deferred tax	19	844,327,029	884,620,129
Unappropriated profit		1,441,283,086	1,328,126,155
Subordinated loans	20	62,500,000	62,500,000

Shareholders' Equity

2,465,571,753 2,392,707,922

Non Current Liabilities

Long term financing	21	158,054,633	208,019,971
Lease liabilities	22	1,742,737	12,161,063
Deferred taxation	23	348,094,973	348,135,235
Staff retirement benefits - gratuity	24	8,273,881	22,675,386
		516,166,224	590,991,655

Current Liabilities

Trade and other payables	25	835,528,687	940,300,474
Short term borrowings	26	524,300,480	282,222,750
Current portion of non-current liabilities	27	139,355,590	129,667,482
Accrued mark up	28	18,897,240	18,446,832
Gas infrastructure development cess	29	25,928,021	25,928,021
Unclaimed dividend		4,299,092	4,110,591
Provision for taxation	30	68,285,355	71,510,746
		1,616,594,465	1,472,186,896

Contingencies and Commitments

31 - -

4,598,332,442 4,455,886,473

The annexed notes from 1 to 54 form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer

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

		2026	2025
	Note	Rupees	Rupees
Sales - Net	32	5,419,331,567	5,626,431,525
Cost of sales	33	(5,044,283,817)	(5,196,675,007)
Gross Profit		375,047,750	429,756,518
Operating Expenses			
Distribution costs	34	(15,361,310)	(26,073,994)
Administrative expenses	35	(93,505,088)	(84,069,446)
		(108,866,398)	(110,143,440)
Operating Profit		266,181,352	319,613,078
Finance cost	36	(104,466,158)	(161,365,087)
Other operating expenses	37	(14,409,578)	(11,833,472)
Other income	38	8,449,654	2,776,759
		(110,426,082)	(170,421,800)
Profit before Levy and Taxation		155,755,270	149,191,278
Levy / final taxation	39	(65,642,143)	(44,706,012)
Profit before Taxation		90,113,127	104,485,266
Taxation	40	(4,443,420)	(10,287,509)
Net Profit for the Year		85,669,707	94,197,757
Earnings per Share - Basic and Diluted		10.11	11.12

The annexed notes from 1 to 54 form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer

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

	2026	2025
	Rupees	Rupees
Net Profit for the Year	85,669,707	94,197,757
Other Comprehensive Income		
<i>Items that will not be re-classified subsequently to profit or loss</i>		
Revaluation surplus on property, plant and equipment	-	682,138,079
Related deferred tax thereon	-	(196,329,022)
Effect of change in tax rate on opening revaluation surplus	-	(83,896,505)
	-	401,912,552
Re-measurement of post employment benefits	(138,835)	-
Related deferred tax impact	40,262	-
	(98,573)	-
<i>Items that may be re-classified subsequently to profit or loss</i>	-	-
Other Comprehensive (loss) / income for the Year	(98,573)	401,912,552
Total Comprehensive Income for the Year	85,571,134	496,110,309

The annexed notes from 1 to 54 form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer

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

Particulars	Issued Subscribed and Paid up Capital	Capital Reserves		Revenue Reserve	Subordinated Loans	Total
		Share Premium	Surplus on Revaluation of Property, Plant and Equipment			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2024	84,715,354	32,746,284	508,050,844	1,208,585,131	62,500,000	1,896,597,613
Net profit for the year	-	-	-	94,197,757	-	94,197,757
Other comprehensive income for the year	-	-	401,912,552	-	-	401,912,552
Total comprehensive income for the year	-	-	401,912,552	94,197,757	-	496,110,309
Transfer from revaluation surplus on account of incremental depreciation - net of deferred tax	-	-	(25,343,267)	25,343,267	-	-
Balance as at June 30, 2025	84,715,354	32,746,284	884,620,129	1,328,126,155	62,500,000	2,392,707,922
Net profit for the year	-	-	-	85,669,707	-	85,669,707
Other comprehensive loss for the year	-	-	-	(98,573)	-	(98,573)
Total comprehensive income for the year	-	-	-	85,571,134	-	85,571,134
Transfer from revaluation surplus on account of incremental depreciation - net of deferred tax	-	-	(40,293,100)	40,293,100	-	-
Transactions with owners						
Final cash dividend of Rs. 1.50 per share for the year ended June 30, 2025	-	-	-	(12,707,303)	-	(12,707,303)
Balance as at June 30, 2026	84,715,354	32,746,284	844,327,029	1,441,283,086	62,500,000	2,465,571,753

The annexed notes from 1 to 54 form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer

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

CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2026 Rupees	2025 Rupees
Profit before taxation		90,113,127	104,485,266
Adjustments for:			
- Depreciation	5	121,005,838	99,393,402
- Finance cost	36	104,466,158	161,365,087
- Provision for workers' (profit) participation fund	25.3	8,502,842	10,384,003
- Provision for workers' welfare fund	25.4	3,178,680	3,610,400
- Provision for gratuity	24	31,758,248	27,852,679
- Minimum taxes		65,642,143	44,706,012
- Gain on disposal of short term investment	38	(2,549,110)	(262,108)
- Unrealized (gain) / loss on remeasurement of short term investments	38	(70,056)	35,757
- Gain on disposal of property, plant and equipment	38	(175,779)	(281,850)
		331,758,964	346,803,382
Operating profit before working capital changes		421,872,091	451,288,648

Decrease / (Increase) in current assets:

- Stores and spares	8	(12,874,566)	13,392,165
- Stock in trade	9	(184,297,578)	132,570,233
- Trade debts	10	59,963,299	(75,396,636)
- Loans and advances	11	(3,209,936)	(4,685,738)
- Due from government	13	21,049,548	83,878,932
- Other receivables	15	(18,321,168)	2,897,682

(Decrease) / Increase in current liabilities:

- Trade and other payables	25	(80,879,672)	188,688,009
		(218,570,073)	341,344,647

Net Cash Generated from Operations

		203,302,018	792,633,295
Workers' (profit) participation fund paid		(18,219,502)	(9,661,713)
Income tax paid		(79,628,728)	(77,899,077)
Finance cost paid		(101,049,729)	(175,090,719)
Gratuity paid		(30,850,576)	(5,177,293)
Workers' welfare fund paid		(18,293,646)	-
		(248,042,181)	(267,828,802)

Net Cash (Used in) / Generated from Operating Activities

(44,740,163) 524,804,493

CASH FLOWS FROM INVESTING ACTIVITIES

Payment for acquisition of property, plant and equipment	5.1	(5,201,855)	(86,340,710)
Payment for additions in capital work in progress	5.9	(73,370,519)	(7,284,734)
Proceeds from short term investments - net		-	12,209,310
Proceeds of disposal of short term investments	38	18,799,108	-
Long term loans	6		(15,448,012)
Proceeds from disposal of property, plant and equipment	38	198,500	4,650,000
Net Cash Used in Investing Activities		(59,574,766)	(92,214,146)

Net cash used in investing activities

B (92,214,146) (160,758,312)



CASH FLOWS FROM FINANCING ACTIVITIES

48

Dividend paid		(12,518,802)	-
Long term finance obtained		100,000,000	185,315,600
Long term finances repaid		(142,164,476)	(179,470,307)
Lease liability paid	22.1	(10,557,590)	(7,561,378)
Short term borrowings - net	26	74,922,819	(123,798,677)
Net Cash Generated from / (Used in) Financing Activities		9,681,951	(125,514,762)
Net (Decrease) / Increase in Cash and Cash Equivalents During the Year		(94,632,978)	307,075,585
Cash and cash equivalents at the beginning of the year	41	(41,933,233)	(349,008,818)
Cash and Cash Equivalents at the End of the Year	41	(136,566,211)	(41,933,233)

The annexed notes from 1 to 54 form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer

NOTES OF AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

Note 1

The Company and its Operations

- 1.1 Ahmad Hassan Textile Mills Limited (the Company) was incorporated in Pakistan on December 03, 1989 as a Public Limited Company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the manufacturing and sale of fabric.
- 1.2 The Information on geographical location and address of the Company's business is as under:

Business unit	Geographical location
Head / Registered office	The Company's registered office is situated at 46 Hassan Parwana Colony, Multan
Manufacturing units	M.M. Road, Chowk Sarwar Shaheed, District Muzaffargarh, Pakistan

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. The accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- 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 5	Stated at revalued amount
Short term investments	Note 14	Stated at fair value
Lease liabilities	Note 22	Stated at present value
Post employment benefit obligations	Note 24	Stated at present value

2.3 Functional and presentation 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 Rupee, unless otherwise stated.

2.4 Key judgements and estimates

The preparation of these financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period 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 3.1 & 5
- Impairment loss of non-financial assets other than inventories - Note 3.5
- Net realisable values of stock-in-trade & store and spares - Notes 3.2, 3.3, 8 & 9
- Provision for expected credit losses - Note 3.10 (e) & 10
- Provision for employees' retirement benefits - Note 3.9 & 24
- Current income tax expense, provision for current tax and recognition of deferred tax - Note 3.7, 39 & 40
- Estimation of provisions - Note 3.6
- Estimation of contingent liabilities - Note 4.3 & 31

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

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.

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
IFRS 1, 7, 9, 10	Annual Improvements to IFRS Accounting Standards	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 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about Uncertainties in the Financial Statements	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
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The management believes that adoption of the new standards, amendments and interpretations, which are in issue but not yet effective, is not likely to have any material impact, on the recognition, measurement, presentation and disclosure of items in these 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 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment losses, if any, except for the freehold land and buildings on freehold, which are stated at revalued amounts being its fair value at date of revaluation less any subsequent accumulated depreciation and subsequent 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. On disposal of particular revalued asset, the related revaluation surplus is transferred to unappropriated profits.

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, labour and overheads directly relating to construction, erection and installation of items of property, plant and equipment. Cost in relation to certain assets may also include 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 5 and is charged to the profit or loss. Depreciation on additions is charged from the date at which the asset is available for use up to the date at 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.

The management reviews market value of revalued assets at each reporting date to ascertain whether the fair value of revalued assets has differed materially from the carrying value of revalued assets, thus necessitating further revaluation. The management engages independent professional valuers to value its property, plant and equipment every three to five years in line with the industry norms.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is adjusted to the revalued amount of the asset.

Any revaluation increase arising on the revaluation of leasehold land, freehold land, buildings on freehold land and leasehold land, are recognised 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 recognised in profit or loss, in which case the increase is credited to the profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of freehold land, leasehold land and building on freehold land and leasehold land 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 (the depreciation charged to the statement of profit or loss) and depreciation based on the asset's original cost - incremental depreciation on revalued assets is transferred from surplus on revaluation of property, plant and equipment 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 economic benefits 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 the statement of 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. Major renewals and improvements are capitalized.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss, if any. 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 property, plant and equipment as and when these are available for use.

3.2 Store and Spares

These are valued at lower of weighted average cost and net realizable value (NRV) while items considered obsolete if any are written off. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made for obsolete and slow moving stores and spares based on management estimate. NRV is estimated as recoverable amount which is fair value less cost to sell.

3.3 Stock in trade

These are stated at lower of cost and estimated net realizable value.

Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing inventories to their present location and condition, the valuation has been determined as follows:

Raw materials	- Weighted average cost
Material in transit	- Cost accumulated up to statement of financial position date.
Work in process	- Average manufacturing cost
Finished goods	- Average manufacturing cost
Wastes	- Net realizable value

Manufacturing cost in relation to work in process and finished goods comprises cost of material, labour 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. If the net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management estimate.

3.4 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, cheque in transit, deposit with banks in current and savings accounts and netted with running finance.

3.5 Impairment of non financial assets

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 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.

3.6 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources shall be required to settle the obligation and the amount has been reliably estimated. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses.

3.7 Taxation

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

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 year end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternate 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.

Alternate 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 recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, the entity 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 less than tax calculated on taxable profits, excess amount is recognised as income tax and minimum tax is recognized as levy under IFRIC 21. Further, the Company shall also charged tax expense under levy when tax is calculated under minimum tax regime.

Deferred

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, unused tax losses and tax credits to the extent that future taxable profits will be available against which the assets may be utilized.

Carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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.

3.8 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. Exchange gain and losses arising on translation in respect of liabilities in foreign currency are added to carrying amount of respective liabilities

3.9 Staff benefit

Defined benefit plan

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

3.10 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.

Financial assets - Classification and measurement

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. 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. The management determines the classification of its financial assets at the time of initial recognition. The Company currently measures financial assets at amortized cost and at fair value through profit or loss.

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 receivables. Trade receivables are initially measured at transaction price. Trade receivables are initially measured at the 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 profit or loss.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing 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 statement of 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 amortised 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 for 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 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 trade debts and the economic environment.

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 the profit or loss. Difference between carrying amount and consideration paid is recognized in the profit or loss, when the liabilities are derecognized.

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.

3.11 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party or between two or more segments of the Company 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.

3.12 Revenue recognition

Revenue is recognized when performance obligation is satisfied by applying the following five steps of revenue recognition:

- i) Identify the contract with a customer
- ii) Identify the performance obligation 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 entity satisfies a performance obligation

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services provided to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised when goods are dispatched from the mill to customer whereas revenue of export sales is recognized on date of issue of bill of lading.

3.13 Earnings per share - basic and diluted

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.14 Balances from contracts with customers**Trade receivables**

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

Contract assets

A contract asset is the right to receive in exchange for goods transferred to the customer against which no invoice has been raised.

Contract liabilities

A contract liability is the obligation to transfer goods or services 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.

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.

3.15 Leases

For contracts entered into, or modified, on or after January 1, 2019, the Company assesses whether a contract contains a lease or not at the inception of a contract. The Company reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified.

The Company determines the lease term as non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain to not to exercise that option.

The Company reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Company as a lessee**Recognition**

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company).

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

Initial measurement**Lease liability**

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Right-of-use asset

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

Lease liability

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in profit or loss, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between finance charges and reduction of lease liability using the incremental borrowing rate to achieve a constant rate of interest on the remaining balance of the liability.

Subsequent measurement

Lease liability payable in foreign currency is translated to local currency of the Company i.e. Pak Rupees at the reporting date. Any foreign exchange differences arising on translation of lease liability are recognized in profit or loss.

Right-of-use asset

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of right-of-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Depreciation is charged to profit or loss at the same rates as used for owned asset.

Note 4

Other Accounting Policy Information

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

4.1 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.

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.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- | | |
|---|---------|
| - Certain property, plant and equipment under revaluation model | Note 5 |
| - Short term investments | Note 14 |
| - Financial instruments (including those carried at amortized cost) | Note 47 |

4.2 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees by applying the foreign exchange rate ruling on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated into Pak Rupees

4.3 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 liabilities is also disclosed when the present obligation arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.4 Borrowing costs

Borrowing costs directly attributable to 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, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in profit or loss as incurred.

4.5 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

4.6 Dividend distribution

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

4.7 Intangible assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably. Accordingly, the Company has recognized software as intangible assets.

Note 5

Property, Plant and Equipment

	Note	2026 Rupees	2025 Rupees
Operating fixed assets			
Right of use assets	5.1 & 5.2	2,251,591,332	2,350,408,103
Capital work-in-progress	5.1 & 5.2	15,450,768	19,313,460
	5.9	67,508,012	7,284,734
		2,334,550,112	2,377,006,297

Year Ended June 30, 2026
5.1 Operating fixed assets

Particulars	Cost / Revalued amount				Accumulated depreciation				Written down Value as at June 30, 2026	Rate		
	At July 01, 2025	Additions	Disposal	Revaluation adjustment	At June 30, 2026	At July 01, 2025	Charge during the year	Adjustment on disposal			Revaluation adjustment	At June 30, 2026
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%
Land - freehold	109,536,000	-	-	-	109,536,000	-	-	-	-	-	109,536,000	-
Buildings on freehold land												
- Factory building	312,468,000	-	-	-	312,468,000	5,207,799	15,363,010	-	-	20,570,809	291,897,191	5
- Residential building	89,434,000	-	-	-	89,434,000	1,490,567	4,397,172	-	-	5,887,739	83,546,261	5
	401,902,000				401,902,000	6,698,366	19,760,182			26,458,548	375,443,452	
Plant and machinery -												
including generator	1,799,022,665	16,911,645	-	-	1,815,934,310	28,998,307	89,207,800	-	-	118,206,107	1,697,728,203	5
Power grid station	100,516,512	-	-	-	100,516,512	66,626,246	1,694,513	-	-	68,320,759	32,195,753	5
Electric installations	23,423,006	-	-	-	23,423,006	19,878,491	354,452	-	-	20,232,943	3,190,063	10
Gas installations	18,739,816	-	-	-	18,739,816	9,306,801	471,651	-	-	9,778,452	8,961,364	5
Factory equipment	3,657,194	-	-	-	3,657,194	2,364,279	129,292	-	-	2,493,571	1,163,623	10
Office equipment	3,822,753	734,400	-	-	4,557,153	2,311,225	151,428	-	-	2,462,653	2,094,500	10
Computer equipment	2,980,528	181,000	-	-	3,161,528	2,307,613	306,844	-	-	2,614,457	547,071	33
Furniture & fixtures	1,198,947	24,700	-	-	1,223,647	952,274	27,124	-	-	979,398	244,249	10
Telephone installations	616,224	-	-	-	616,224	537,986	7,824	-	-	545,810	70,414	10
Tube well	45,000	-	-	-	45,000	40,745	426	-	-	41,171	3,829	10
Arms & ammunitions	27,800	-	-	-	27,800	25,126	267	-	-	25,393	2,407	10
Vehicles	53,094,565	497,350	(534,425)	-	53,057,490	28,127,447	5,031,343	(511,704)	-	32,647,086	20,410,404	20
	2,518,583,010	18,349,095	(534,425)	-	2,536,397,680	168,174,906	117,143,146	(511,704)	-	284,806,348	2,251,591,332	
Right of use asset												
Vehicles	35,997,500	-	-	-	35,997,500	16,684,040	3,862,692	-	-	20,546,732	15,450,768	20
	2,554,580,510	18,349,095	(534,425)	-	2,572,395,180	184,858,946	121,005,838	(511,704)	-	305,353,080	2,267,042,100	

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

	Note	2026 Rupees	2025 Rupees
Freehold land		30,777,867	30,777,867
Buildings on freehold land		43,311,992	45,591,570
Plant and machinery		951,593,612	984,619,524
		<u>1,025,683,471</u>	<u>1,060,988,961</u>

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

Cost of sales	33	107,221,954	84,713,505
Administrative expenses	35	13,783,884	14,679,897
		<u>121,005,838</u>	<u>99,393,402</u>

5.5 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
District Kot Addu	Freehold land	83 Kanals and 04 Marlas
District Multan	Freehold land	32 Kanals

5.6 Latest revaluation was carried out as on February 17 2025 by an independent valuer, resulting in net revaluation surplus of Rs. 485.809 million. Forced sales values of revalued assets, as determined by the independent valuer, were as follows:

	June 30, 2025 Rupees
Freehold land	93,105,600
Building on freehold land	341,616,700
Plant and machinery including generator	1,461,664,250
	<u>1,896,386,550</u>

Forced sale values of revalued assets are assumed to be same as of the reporting date.

5.7 Fair value hierarchy

The Company revalued and measured its land and buildings under level 2 of fair value hierarchy. Details of carrying value of such revalued assets as at the reporting date are as follows:

Level 2	Freehold Land Rupees	Buildings on Freehold Land Rupees	Plant and Machinery including Generator Rupees
For the year ending June 30, 2026	109,536,000	375,443,452	1,697,728,203
For the year ending June 30, 2025	109,536,000	395,203,634	1,770,024,357

Assumptions used in fair value calculations are given in note 19 of these financial statements. No other assets are measured / transferred under level 1 and level 3 of the fair value hierarchy during the year.

5.8 Security

The property, plant and equipment of the Company are subject to first, joint pari passu and hypothecation charge as security for certain financing by banks (Note 21).

5.9 Capital Work in Process

	Buildings Rupees	Plant and Machinery Rupees	Vehicles Rupees	Total Rupees
Balance as at June 30, 2024	-	-	-	-
Additions during the year	-	7,284,734	-	7,284,734
Transferred to operating fixed assets	-	-	-	-
Balance as at June 30, 2025	-	7,284,734	-	7,284,734
Additions during the year	49,359,624	16,101,815	7,909,080	73,370,519
Transferred to operating fixed assets	-	(13,147,241)	-	(13,147,241)
Balance as at June 30, 2026	49,359,624	10,239,308	7,909,080	67,508,012



Note 6

Long Term Loans

		2026	2025
	Note	Rupees	Rupees
Loans to employees - considered good	6.1	-	15,448,012

6.1 These interest-free loans were provided as per Company policy and secured against gratuity. The outstanding balances were fully settled against gratuity upon termination of employee during the year and, accordingly, no amount remains outstanding as at June 30, 2026.

Note 7

Long Term Deposits

		2026	2025
	Note	Rupees	Rupees
Security deposits against:			
Utilities	7.1	6,975,000	6,975,000
Margin deposit against bank guarantee	7.2	6,200,000	6,200,000
Others		564,322	564,322
		<u>13,739,322</u>	<u>13,739,322</u>

7.1 These represents security deposits against electric connections at mills.

7.2 This amount represents cash margin against a bank guarantee issued in favour of Sui Northern Gas Pipelines Limited (SNGPL).

Note 8

Stores, Spares and Loose Tools

		2026	2025
		Rupees	Rupees
Stores and spares		60,840,392	48,106,277
Packing material		3,199,813	3,059,362
		<u>64,040,205</u>	<u>51,165,639</u>
Provision for slow moving items		(125,132)	(125,132)
		<u>63,915,073</u>	<u>51,040,507</u>

Note 9

Stock in Trade

		2026	2025
	Note	Rupees	Rupees
Raw materials		316,689,987	268,470,235
Work in process		98,756,814	107,231,863
Finished goods	9.1	893,747,934	749,195,059
		<u>1,309,194,735</u>	<u>1,124,897,157</u>

9.1 This includes waste amounting to Rs. 1,216,326 (2025: Rs. 164,145).

9.2 The stock-in-trade of the Company is subject to pledge and first pari passu charge as security for certain financing by banks (refer to Note 26).

Note 10

Trade Debts

		2026	2025
		Rupees	Rupees
Foreign debtors (Considered good)		-	99,743,148
Local debtors (Unsecured - considered good)		382,883,953	343,104,104
		<u>382,883,953</u>	<u>442,847,252</u>

10.1 Local trade debts are non-interest bearing and are generally on 61 to 89 day terms.

10.2 Local trade debts include debtors with a carrying amount of Rs. 14.53 million (2025: Rs. 12.84 million) which are past due at the reporting date but not impaired as there has not been any significant change in credit quality and the amounts are still considered recoverable.

Note 11

Loans and Advances

		2026	2025
	Note	Rupees	Rupees
Advance to suppliers - considered good		12,837,883	9,319,500
Advances to employees - considered good	11.1	1,308,174	1,616,621
		<u>14,146,057</u>	<u>10,936,121</u>

11.1 These are interest free advances provided to employees which is recoverable within 12 month. These advances are not impaired and aged more than one year.



Note 12

Advance Tax

	2026	2025
	Rupees	Rupees
Levy	14,869,642	15,493,445
Income tax	61,980,946	62,136,575
	<u>76,850,588</u>	<u>77,630,020</u>

Note 13

Due from Government

	2026	2025
	Rupees	Rupees
Sales tax recoverable	243,607,803	264,657,351
Income tax refundable	45,595,615	38,498,409
	<u>289,203,418</u>	<u>303,155,760</u>

Note 14

Short term Investments

	2026	2025
	Rupees	Rupees
Fair value through profit or loss		
	Number of units	
-	611	
-	1,672,515	
6.79	-	
<u>6.79</u>	<u>1,673,126</u>	
NIT Islamic MMF	-	15,438,582
NIT Islamic income fund	69,365	12,793,870
NIT Islamic	691	-
	<u>70,056</u>	<u>16,249,998</u>

14.1 Investments in quoted units are measured at fair value through profit or loss. The quoted market value in an active market is considered as the fair value of investment. The resulting difference between cost and fair value of investment is taken to profit or loss.

Note 15

Other Receivables

		2026	2025
	Note	Rupees	Rupees
Tax deposited under protest	15.1	10,580,146	286,516
Insurance claim receivable and others		322,503	113,599
SIDC receivable from M/s Ahmad Hassan Spinning Limited	15.2	7,818,634	-
		<u>18,721,283</u>	<u>400,115</u>

15.1 Tax paid under protest represents an amount of Rs. 10.293 million recovered by the Punjab Revenue Authority (PRA) in respect of Punjab Sales Tax liability under Section 70(1)(c) of the Punjab Sales Tax on Services Act, 2012.

15.2 The Company issued post-dated cheques aggregating to Rs. 10.439 million to the Excise, Taxation and Narcotics Control Department, Government of Sindh, against settlement of outstanding Sindh Infrastructure Development Cess (SIDC). Out of this amount, Rs. 7.819 million pertains to Ahmad Hassan Spinning Limited and was paid by the Company on its behalf, as the total SIDC liability related to the period prior to the demerger of Ahmad Hassan Textile Mills Limited and Ahmad Hassan Spinning Limited. Accordingly, this has been recognized as a receivable from Ahmad Hassan Spinning Limited.

Note 16

Cash and Bank Balances

		2026	2025
	Note	Rupees	Rupees
Cash in hand		385,432	335,454
Cash at banks			
- Current accounts	16.1	89,138,865	22,200,458
- Saving accounts	16.2	5,533,548	-
		<u>94,672,413</u>	<u>22,200,458</u>
		<u>95,057,845</u>	<u>22,535,912</u>

16.1 This includes shariah compliant bank deposits amounting to Rs. 61.482 million (2025: Rs. 4.618 million).

16.2 This represents amounts in saving account yielding profit at rates ranging from 5.39% to 9.38% (2025: Nil) per annum, approximately.

Note 17

Issued, Subscribed and Paid Up Capital

2026	2025		2026	2025
Number of shares			Rupees	Rupees
8,471,535	8,471,535	Ordinary shares of Rs. 10 each fully paid in cash	84,715,354	84,715,354

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

17.2 Shares held by related parties are as follows:

	2026	2025	2026	2025
	(Percentage)	(Percentage)	(Number of Shares)	
Directors	57.06%	57.06%	4,833,875	4,833,875

17.3 There are no agreements with shareholders for any specific voting rights, board selection, rights of first refusal and block voting etc.

17.4 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 18

Share Premium

	2026	2025
	Rupees	Rupees
This includes share premium received during the previous years as detailed below:		
Rs. 4 per share on 2,989,920 ordinary shares of Rs. 10 each issued during the year 2001	11,959,680	11,959,680
Rs. 10 per share on 1,138,992 ordinary shares of Rs. 10 each issued during the year 2004	11,389,920	11,389,920
Rs. 5 per share on 1,879,336 ordinary shares of Rs. 10 each issued during the year 2007	9,396,684	9,396,684
	32,746,284	32,746,284

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

Note 19

Surplus on Revaluation of Property, Plant and Equipment

	2026	2025
	Rupees	Rupees
Opening balance	1,213,775,029	567,331,692
Addition during the year	-	682,138,079
On account of incremental depreciation charged during the year	(40,293,100)	(25,343,267)
Related deferred tax liability	(16,457,745)	(10,351,475)
	(56,750,845)	(35,694,742)
As at June 30,	1,157,024,184	1,213,775,029
Less: Related deferred tax liability		
Opening balance	329,154,900	59,280,848
Addition during the year	-	196,329,022
Deferred tax liability on incremental depreciation	(16,457,745)	(10,351,475)
Deferred tax due to rate change	-	83,896,505
	312,697,155	329,154,900
	844,327,029	884,620,129

19.1 Latest revaluation of property, plant and equipment was carried out as on February 17, 2025 by an independent valuer that resulted in revaluation surplus of Rs. 485.809 million. The following basis were used for revaluation of property, plant and equipment:

Freehold land	Market Value
Factory building	Market Value / Depreciated Value
Residential building	Market Value / Depreciated Value
Plant and machinery	Market Value / Depreciated Value

19.2 The surplus on revaluation of property, plant and equipment is not available for distribution to shareholders in accordance with Section 241 of the Companies Act, 2017.

19.3 Incremental depreciation charged on revalued property, plant and equipment shall be 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 20

Subordinated Loan
Unsecured- from directors

Mian Muhammad Javed

Mr. Muhammad Haris

	2026	2025
	Rupees	Rupees
	27,500,000	27,500,000
	35,000,000	35,000,000
	<u>62,500,000</u>	<u>62,500,000</u>

20.1 These interest free loans were obtained during the years ended June 30, 2008 and 2009. These loans are subordinated to finances from the banks. These are repayable at the discretion of the Company after the repayments of related long term and short term finances and clearance from the banks.

Note 21

Long Term Financing

	Note	2026	2025
		Rupees	Rupees
Allied Bank Limited			
- Long term finance facility IV	21.1	25,349,421	36,615,821
- Term Finance	21.2	56,205,971	61,315,607
- Term Finance	21.3	83,333,333	50,000,000
		164,888,725	147,931,428
National Bank of Pakistan			
- Demand Finance	21.4	75,078,960	88,729,675
- Long term finance facility II / DF II	21.5	20,755,614	48,429,771
		95,834,574	137,159,446
Bank Al Habib Limited			
- Term Finance	21.6	20,400,000	24,000,000
- Term Finance	21.7	6,630,000	8,970,000
		27,030,000	32,970,000
Bank Al Falah Limited			
- Term Finance	21.8	-	11,856,901
		287,753,299	329,917,775
		(129,698,666)	(121,897,804)
		<u>158,054,633</u>	<u>208,019,971</u>

Less: current portion of long term loans

21.1 Allied Bank Limited - long term finance facility IV

This facility has been obtained to finance plant and machinery relating to the 988.90 KW solar power plant system. The facility limit amounts to Rs. 33.799 million (2025: Rs. 50.689 million) and carries markup at SBP rate plus 2% per annum (2025: SBP rate plus 2% per annum). The facility is repayable in quarterly instalments. The facility is secured by joint pari passu charge over the fixed assets of the Company.

21.2 Allied Bank Limited - term finance

This facility has been obtained to finance the purchase of / retire LC established for the import of plant and machinery of the solar power plant. The facility limit amounts to Rs. 61.316 million (2025: Rs. 65 million) and carries markup at 3-month KIBOR plus 1% per annum (2025: 3-month KIBOR plus 1% per annum). The facility is repayable in 24 equal quarterly instalments. The facility is secured by first joint pari passu charge over the fixed assets (land, building, plant and machinery) of the Company at 25% margin.

21.3 Allied Bank Limited - term finance

This facility has been obtained to finance the permanent working capital requirements of the Company. The facility limit amounts to Rs. 100 million (2025: Rs. 100 million) and carries markup at 1-month KIBOR plus 1% per annum (2025: same). The facility is repayable in 18 equal monthly instalments and is secured by a first joint pari passu charge of Rs. 467 million, inclusive of 25% margin, over the present and future fixed assets of the Company.

21.4 National Bank of Pakistan - demand finance

These facilities have been obtained to finance textile BMR/CAPEX, including the addition of air-jet looms. The facility limit amounts to Rs. 107 million (2025: Rs. 107 million) and carries markup at 6 month Kibor plus 1.5% per annum with rebate-based pricing (2025: 6 month Kibor plus 1.5% per annum). The facilities are repayable in 28 equal quarterly instalments. The facilities are secured by first joint pari passu charge of Rs. 200 million over fixed assets, registered with SECP (2025: first exclusive charge of Rs. 107 million registered with SECP).

21.5 National Bank of Pakistan - LTFF II / DF II

These facilities have been obtained to finance textile BMR/CAPEX, including the addition of air-jet looms. The facility limit amounts to Rs. 185 million (2025: Rs. 185 million) and carries markup at 6-month SBP rate + 1.5% per annum with rebate-based pricing (2025: SBP rate + 1.5% per annum). The facilities are repayable in 24 equal quarterly instalments. The facility is secured by joint pari passu charge over the fixed assets of the Company.

21.6 Bank AL Habib Limited - term finance

This facility has been obtained to retire LC for BMR. The facility limit amounts to Rs. 22.8 million (2025: Rs. 24 million) and carries markup at 6-month KIBOR plus 1% per annum (2025: 6-month KIBOR plus 1% per annum). The facility is repayable in 20 quarterly instalments and is secured by an exclusive hypothecation charge of Rs. 36 million over the 365.76 KW solar system (2025: Rs. 36 million).

21.7 Bank AL Habib Limited - term finance

This facility has been obtained for the purchase of a Hyundai Santa Fe Signature for the official use of a director. The facility limit amounts to Rs. 7.8 million (2025: Rs. 11.7 million) and carries markup at 6-month KIBOR plus 1% per annum (2025: 6-month KIBOR plus 1% per annum). The facility is repayable in 60 equal monthly instalments and is secured by a hypothecation charge of Rs. 14.7 million over the vehicle (2025: Rs. 14.7 million).

21.8 Bank Alfalah Limited - term finance

This facility has been obtained to retire LC for BMR. The facility limit amounts to Rs. 3.95 million (2025: Rs. 32 million) and carries markup at 3-month KIBOR plus 1.5% per annum (2025: 3-month KIBOR plus 1.5% per annum). The facility is repayable in 8 quarterly instalments commencing three months after disbursement.

Note 22

Lease Liabilities

	2026 Rupees	2025 Rupees
Opening balance	19,930,741	27,492,119
Add: Interest expense during the year	2,026,510	4,561,116
Less: Payments made during the year	(10,557,590)	(12,122,494)
	11,399,661	19,930,741
Less: current portion	(9,656,924)	(7,769,678)
	1,742,737	12,161,063

22.1 Summary of amounts relating to leases charged in different line items of the financial statements is as follows:

Description	Included in	Note	2026	2025
Carrying amount of right of use assets	Statement of financial position	5	15,450,768	19,313,460
Depreciation charge	Statement of profit or loss	35	3,862,692	4,828,365
Finance cost	Statement of profit or loss	36	2,026,510	4,561,116
Payments made	Statement of cash flows	22	(10,557,590)	(7,561,378)

Maturity analysis of lease liabilities

	Undiscounted Cash Flows		Discounted Cash Flows	
	2026	2025	2026	2025
	Rupees	Rupees	Rupees	Rupees
Within one year	10,630,776	10,557,590	9,656,924	7,769,678
Between two to five years	1,773,244	12,404,020	1,742,737	12,161,063
Later than five years	-	-	-	-
	12,404,020	22,961,610	11,399,661	19,930,741

22.2 The Company has entered into lease agreement with Bank Al-Falah Limited to acquire land cruiser. Total limit available during the current financial year was Rs. 20.51 million (2025: Rs. 33 million). These lease finance facilities are secured against the title, insurance of the leased vehicle is in the name of the Bank.

22.3 The minimum lease payments have been discounted at implicit rate of 3 months KIBOR plus 1.5% (2025: 3 month KIBOR plus 1.5%). Lease rentals are payable in equal monthly instalments for vehicles. Remaining lease term of existing lease contracts of which lease liability recorded is up to 2 years (2025: up to 3 years)

Note 23

Deferred Tax Liability

	2026	2025
	Rupees	Rupees
Deferred tax liability	348,094,973	348,135,235
23.1 Deferred tax liability - net		
<i>Taxable temporary difference</i>		
Surplus on revaluation of property, plant and equipment and accelerated tax depreciation	360,870,527	454,142,997
Short term investments	20,316	-
<i>Deductible temporary difference</i>		
Lease Liability	-	-
Stores and spares	(72,577)	(36,288)
Staff retirement benefits - gratuity	(2,399,425)	(6,575,862)
Provisions and other liabilities	(10,323,868)	(5,011,197)
Carry forward of minimum tax	-	(69,264,511)
Carry forward of loss	-	(25,119,904)
	348,094,973	348,135,235
23.2 Reconciliation of deferred tax liability		
Opening balance	348,135,235	83,802,504
Deferred tax effects during the year recognised in profit or loss	-	(15,892,796)
Deferred tax effects during the year recognised in other comprehensive income	(40,262)	280,225,527
	348,094,973	348,135,235

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

23.4 Being prudent, the Company has decided not to record deferred tax asset on the following:

		2026	2025
	Note	Rupees	Rupees
Minimum tax paid in excess of normal tax	23.4.1	127,377,922	-
On certain temporary differences		76,247,067	202,809,975
		203,624,989	202,809,975

23.4.1 Minimum tax includes an amount of Rs. 124.668 million (2025: Nil) representing minimum tax paid in excess of normal tax liability, which will expire as follows:

	Expiry in Tax Year	2026	2025
		Rupees	Rupees
Minimum tax paid in excess of normal tax	2027	63,917,135	-
Minimum tax paid in excess of normal tax	2028	63,460,787	-
		127,377,922	-

Note 24

Staff Retirement Benefits

	2026	2025
	Rupees	Rupees
Gratuity	8,273,881	22,675,386
24.1 Movement in liability		
Opening balance	22,675,386	-
Charge for the year	31,758,248	27,852,679
Remeasurement losses	138,835	-
Benefits paid during the year	(46,298,588)	(5,177,293)
	8,273,881	22,675,386
24.2 Charge for the year		
The amounts recognized in the statement of profit or loss against defined benefit scheme are as follows:		
Current service cost	19,628,887	18,233,255
Past service cost	-	9,619,424
(Gain)/Loss on settlement	12,185,045	-
Interest cost	(55,684)	-
	31,758,248	27,852,679

24.3 Allocation of charge for the year

Cost of revenue
Administrative expenses

2026	2025
Rupees	Rupees
29,084,000	23,987,797
2,674,248	3,864,882
31,758,248	27,852,679

24.4 Actuarial assumptions

Discount rate - per annum
Expected rate of increase in salary level - per annum
Expected year of services
Actuarial valuation method
Expected mortality rate for active employees

11.75%	11.75%
10.75%	10.75%
6 Years	6 Years
Projected Unit Credit Method	
SLIC (2001-2005) Mortality rates with 1 year set back as per recommendation of Pakistan Society of Actuaries	

24.5 The comparative statement of present value of defined benefit obligations is as under:

	2026	2025	2024	2023	2022
	Rupees	Rupees	Rupees	Rupees	Rupees
Present value of defined benefit obligations	8,273,881	22,675,386	-	-	-
Fair value of plan assets	-	-	-	-	-
Net liability	8,273,881	22,675,386	-	-	-

24.6 Estimate of cost to be recognized in the statement of profit or loss for the year ending June 30, 2027

Current service cost
Interest cost
Amount chargeable to statement of profit or loss

2027
Rupees
8,971,354
938,014
9,909,368

24.7 Year end sensitivity analysis on defined benefit obligations

Reasonably possible changes as at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in present value of defined benefit obligations as stated below:

	2026	2025
	Rupees	Rupees
Discount rate + 1%	7,793,978	21,350,232
Discount rate - 1%	8,782,784	24,070,083
Salary increase + 1%	8,783,343	24,110,314
Salary increase - 1%	7,794,330	21,320,893

24.8 Risk associated with scheme

The Company faces the following risks on account of staff gratuity scheme:

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

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

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

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

24.9 Maturity profile

	2026	2025
	Rupees	Rupees
1 year	581,566	1,593,838
2 year	1,052,254	2,883,807
3 year	1,518,219	4,160,828
4 year	1,957,955	5,365,968
5 year	2,460,078	6,742,085
6-10 years	19,504,586	53,454,240

Note 25

Trade and other payables

		2026	2025
	Note	Rupees	Rupees
Creditors		606,209,841	667,566,850
Contract liability	25.1	64,276,331	7,142,119
Accrued liabilities		103,094,470	121,073,467
Payable to banks under bill discounting arrangement	25.2	25,728,000	94,027,368
Tax deducted at source		12,020,163	12,837,363
Workers' (profit) participation fund	25.3	8,502,842	17,279,991
Workers' welfare fund	25.4	5,258,350	20,373,316
Sindh Infrastructure Development Cess (SIDC) payable	25.5	10,438,690	-
		<u>835,528,687</u>	<u>940,300,474</u>

25.1 This represents consideration received in advance from customers for future sale of goods. Revenue recognized from amounts included in contract liabilities at the beginning of the year amounted to Rs. 6.09 million (2025: Rs. 40.81 million).

25.2 These bills are secured against securities.

25.3 Workers' (profit) participation fund

		2026	2025
	Note	Rupees	Rupees
Opening balance		17,279,991	16,557,701
Provision recognised during the year	37	8,502,842	8,161,072
Interest on workers' (profit) participation fund		939,511	2,222,931
		<u>26,722,344</u>	<u>26,941,704</u>
Payments made during the year		(18,219,502)	(9,661,713)
Closing balance		<u>8,502,842</u>	<u>17,279,991</u>

25.4 Workers' welfare fund

Opening balance		20,373,316	16,762,916
Provision recognised during the year	37	3,178,680	3,610,400
		<u>23,551,996</u>	<u>20,373,316</u>
Payments made during the year		(18,293,646)	-
Closing balance		<u>5,258,350</u>	<u>20,373,316</u>

25.5 Sindh Infrastructure Development Cess (SIDC) payable

The Company entered into a settlement agreement with the Excise, Taxation and Narcotics Control Department, Government of Sindh, for settlement of outstanding Sindh Infrastructure Development Cess (SIDC). Under the agreement, the Company made an initial payment of Rs. 1.842 million and issued post-dated cheques aggregating to Rs. 10.439 million, maturing up to April 15, 2040. In accordance with IAS 37, the Company assessed the effect of the time value of money on the outstanding liability; however, considering the amount involved, the impact of discounting is considered immaterial and, accordingly, the liability has not been discounted.

Note 26

Short Term Borrowing

		2026	2025
	Note	Rupees	Rupees
From banking companies - secured			
- Cash finance	26.1	212,503,409	165,557,409
- Running finance	26.2	231,624,056	64,469,145
- Finance against packing credit	26.3	-	44,683,196
- Finance against imported merchandise	26.4	80,173,015	7,513,000
		<u>524,300,480</u>	<u>282,222,750</u>

26.1 Cash finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs. 350 million (2025: Rs. 350 million). These finance facilities, during the current financial year, carried mark-up at rates ranging from 12.03% to 21.83% (2025: 20.85% to 22.53%) per annum, effectively. The aggregate finance facilities are secured against pledge of yarn, grey fabric and dyed yarn at stipulated margins and joint pari passu charge over the present and future current assets of the Company, where applicable. These facilities shall be expiring on various dates, latest by August 31, 2029.

26.2 Running finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs. 650 million (2025: Rs. 575 million). These finance facilities, during the current financial year, carried mark-up at rates ranging from 12.03% to 21.83% (2025: 20.85% to 22.53%) per annum, effectively. The aggregate finance facilities are secured against joint pari passu / pari passu charge over the present and future current assets and fixed assets of the Company, inclusive of stipulated margins, where applicable. These facilities shall be expiring on various dates, latest by August 31, 2029.

Note 26, Short Term Borrowing - Continued ...

26.3 Finance against packing credit facility available from a commercial bank under mark-up arrangement aggregates to Rs. 50 million (2025: Rs. 50 million). The facility, during the current financial year, carried mark-up at rates ranging from 12.03% to 21.83% (2025: 20.85% to 22.53%) per annum, effectively. The facility is secured against lien over export bills drawn under letters of credit and export contracts, including DP/DA arrangements, together with joint pari passu charge of Rs. 134 million over all present and future current assets of the Company, inclusive of 25% margin, registered with SECP. The facility shall expire latest by March 31, 2027.

26.4 Finance against import of merchandise facilities available from various commercial banks under mark-up arrangements aggregate to Rs. 150 million (2025: Rs. 150 million). These finance facilities, during the current financial year, carried mark-up at rates ranging from 12.03% to 21.83% (2025: 20.85% to 22.53%) per annum, effectively. The aggregate finance facilities are secured against pledge of imported stock, including yarn, lying in open and/or inside godowns at the Company's mill premises under the control of banks' approved muddadams and an exclusive charge in favour of the bank, where applicable. These facilities shall be expiring on various dates, latest by August 31, 2029

Note 27

Current Portion of Non-Current Liabilities

	2026	2025
	Rupees	Rupees
Long term financing	129,698,666	121,897,804
Lease liabilities	9,656,924	7,769,678
	<u>139,355,590</u>	<u>129,667,482</u>

Note 28

Accrued Markup

	2026	2025
	Rupees	Rupees
- Long term financing	5,215,070	8,660,987
- Short term borrowings	13,682,170	9,785,845
	<u>18,897,240</u>	<u>18,446,832</u>

Note 29

Gas Infrastructure Development Cess

On August 13, 2020, the Supreme Court of Pakistan (SCP) through its order declared GIDC Act an intra vires to the constitution and directed all the industrial and commercial entities to pay the Cess that have become due up to July 31, 2020. However, as a concession, the same was allowed to be recovered in twenty four equal monthly instalments started from September 01, 2020. The Company has recognized a liability for GIDC on the amounts billed in accordance with applicable legal interpretations and accounting guidance. The matter is currently under litigation, and a stay has been granted

Note 30

Provision for Taxation

	2026	2025
	Rupees	Rupees
Opening balance	71,510,746	62,831,865
Add: provision made during the year		
- Current tax / Levy	67,656,022	70,881,413
- Prior year adjustments	2,429,541	4,904
Tax expense for the year	70,085,563	70,886,317
Less: payments / adjustments made during the year	(73,310,954)	(62,207,436)
	<u>68,285,355</u>	<u>71,510,746</u>

30.1 Income tax assessments of the Company have been finalized by the Income Tax Department or deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (the Ordinance) upto tax year 2025.

Note 31

Contingencies and Commitments

31.1 Contingencies

- (i) In 2018, the Deputy Commissioner (DC) Punjab Revenue Authority issued a notice to the Company to explain the short deduction and deposit of Sales Tax on Services for the period from March 2015 to June 2016. The notice concerned an impugned amount of Rs. 25.427 million. The Company explained the matter to the DC contesting that the notice was based on assumptions only. The DC did not accept the arguments of the Company. The Company in 2018 challenged the notice in Lahore High Court which provided interim relief by suspending the notice of PRA. The Company expects that the impugned notice shall be withdrawn and hence has not accounted for any liability in these financial statements in this regard. As at June 30, 2026, the case is pending before the Lahore High Court.

- (ii) In 2019, the Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice to the Company regarding evasion of sales tax, further tax and undue adjustment of inadmissible input tax on account of sales/purchases from unregistered/blacklisted persons during the period from 2013 to 2016. The Company contested the case through its legal counsel. However, dissatisfied with the reply and evidences provided by the Company, the DCIR made order against the Company to raise a demand of Sales tax and further tax amounting to Rs. 1.983 million as well as penalty of Rs. 0.108 million. The Company did not accept the order and filed an appeal with the Commissioner Inland Revenue (Appeals) dated January 11, 2019 which is pending adjudication. Moreover, in order to prevent the recovery of disputed amount by FBR, the Company also paid Rs. 0.198 million being 10% of the raised demand as per section 140 of the Income Tax Ordinance, 2001. The Commissioner Inland Revenue (Appeals) has decided the case in favour of the Company and impugned order has been annulled. However, the Commissioner Inland Revenue did not accept the order and filed an appeal with the Appellate Tribunal Inland Revenue which is pending adjudication. After demerger, the contingent liability of the Company works out to Rs. 1.815 million (2025: Rs. 1.815 million). The Company expects favourable outcome and hence not accounted for any liability in these financial statements in this regard. The department's appeal remains pending before the Appellate Tribunal Inland Revenue as at June 30, 2026
- (iii) In 2023, the Deputy Commissioner Inland Revenue (DCIR) raised a demand Rs. 8.244 million regarding evasion of sales tax and further tax on account of supplies to unregistered/blacklisted person during the period from April 2017 to November 2018. The Company filed an appeal with the Commissioner Inland Revenue (CIR) (Appeals) which was decided in favour of the Company and the impugned order of the DCIR has been annulled by the CIR (Appeals). The Commissioner Inland Revenue filed an appeal with the Appellate Tribunal Inland Revenue, Lahore which is pending for adjudication. The Company expects favourable outcome and hence has not accounted for any liability in these financial statements in this regard. As at June 30, 2026, the appeal filed by the department pending before the Appellate Tribunal Inland Revenue.
- (iv) In 2020, a show cause notice has been served by the Punjab Revenue Authority (PRA) on November 11, 2019 which raised the demand of Rs. 8.294 million in respect of non deposit of Sales Tax on Services for the period from July 2018 to June 2019. The proceedings are in process, while the Honourable Lahore High Court has extended an interim relief by directing that proceedings under the impugned show cause notice will continue, however, no final order shall be passed, till the reporting date. The Company has submitted written reply and no further notice has been received by the Company. The Company expects that the impugned notice shall be withdrawn and hence has not accounted for any liability in these financial statements in this regard. As at June 30, 2026, the case is pending before the Honourable Lahore High Court.
- (v) The Deputy Commissioner Inland Revenue, Multan passed an order dated June 30, 2017 under section 121(1)(d) of the Income Tax Ordinance, 2001 raising demand of Rs. 285.655 million for tax year 2011. The Company filed an appeal with the Commissioner Inland Revenue-Appeals, Multan contending that the impugned order was barred by time limitation and was made ex-parte on the same date as the date of receipt of show cause notice. The CIR-Appeals annulled the impugned order and decided the case in favour of the Company through its order dated October 31, 2017. However, the Commissioner Inland Revenue (Multan Zone) filed an appeal with the Appellate Tribunal Inland Revenue Lahore in February, 2018. The Company expects favourable outcome hence, no provision has been made in these financial statements. The appeal of the department is pending before the Appellate Tribunal
- (vi) In 2019, the Additional Commissioner Inland Revenue passed an order for the tax year 2012 under section 122(5A) of the Income Tax Ordinance, 2001 and raised a demand of Rs. 3.743 million by disallowing the claim of tax credit under section 65B of the Income Tax Ordinance, 2001 against the minimum and final tax liabilities of the Company and difference in apportionment of expenses of local and export sales. The Company filed an appeal with the Commissioner Inland Revenue (Appeals) dated May 14, 2018. The Commissioner Inland Revenue (Appeals) decided the case against the Company vide his order dated March 01, 2019. The Company preferred an appeal with the Appellate Tribunal Inland Revenue, Lahore (ATIR). In 2020, the ATIR allowed the appeal of the Company to the extent of the tax credit under section 65B of the Ordinance vide its order dated May 01, 2020. In 2020, the Commissioner Inland Revenue preferred an appeal with the High Court. The Company expects favourable outcome, hence, no provision has been made in these financial statements. As per the latest confirmation received from the Company's tax consultant, the case is pending before the Lahore High Court.

31.2 Commitments

- (i) The Company's commitments against capital expenditure as at June 30, 2026 amount to Rs. 243.183 Million (2025: Rs. Nil).
- (ii) The Company's commitments other than capital expenditure; against letter of credit outstanding as at June 30, 2026 amount to Rs. Nil (2025: Rs. 256 million)
- (iii) As mentioned in note 7.2, bankers of the Company have given guarantees to SNGPL and Excise and Taxation amounting to Rs. 91.860 million (2025: Rs. 94.492 million) on behalf of the Company.

Note 32

Sales

	2026			2025		
	Local	Export	Total	Local	Export	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Yarn	11,399,383	-	11,399,383	2,961,406		2,961,406
Cloth	6,143,781,922	219,179,569	6,362,961,491	6,004,781,581	556,634,941	6,561,416,522
Waste	28,632,978	-	28,632,978	29,355,708		29,355,708
	6,183,814,283	219,179,569	6,402,993,852	6,037,098,695	556,634,941	6,593,733,636
Sales tax	(944,915,729)	-	(944,915,729)	(923,727,934)	-	(923,727,934)
Commission	(32,633,148)	(6,113,408)	(38,746,556)	(43,574,177)	-	(43,574,177)
	5,206,265,406	213,066,161	5,419,331,567	5,069,796,584	556,634,941	5,626,431,525

32.1 Revenue has been recognised at a point in time for both local and export sales during the year.

32.2 Detail of revenue from contracts with customers from export sales.

Jurisdiction	Export Sales during the Year	Gross Receivables at Year End	Default Amount	Name of Defaulting Parties	Legal Action Taken
	Rupees	Rupees	Rupees		
Italy	104,529,482	-	-	No default	N/A
Switzerland	5,357,248	-	-	No default	N/A
USA	19,925,202	-	-	No default	N/A
Portugal	24,622,938	-	-	No default	N/A
China	64,744,699	-	-	No default	N/A
	219,179,569	-	-		

Note 33

Cost of Sales

	Note	2026 Rupees	2025 Rupees
Raw materials consumed		4,076,781,608	4,129,968,928
Power and fuel		366,338,676	472,715,163
Salaries, wages and benefits	33.1	349,259,656	320,903,721
Depreciation	5.4	107,221,954	84,713,505
Stores consumed		149,237,922	79,448,939
Chemical consumed		85,692,893	77,166,898
Packing materials consumed		12,264,891	13,579,608
Repair and maintenance		2,940,928	8,475,921
Insurance		6,499,409	6,586,557
Rent, rates and taxes		232,636	232,970
		5,156,470,573	5,193,792,210
Work-in-process			
- Opening		107,231,863	82,193,400
- Closing		(98,756,814)	(107,231,863)
		8,475,049	(25,038,463)
Cost of goods manufactured		5,164,945,622	5,168,753,747
Cost of fabric purchased for resale / reprocessing		23,891,070	-
Finished goods			
- Opening stock		749,195,059	777,116,319
- Closing stock		(893,747,934)	(749,195,059)
		(144,552,875)	27,921,260
		5,044,283,817	5,196,675,007

33.1 This includes staff retirement benefits amounting to Rs. 29.084 million (2025: Rs. 23.987 million).

Note 34

Distribution Cost

	2026	2025
	Rupees	Rupees
Salaries, wages and other benefits	4,050,854	2,616,688
Freight expenses on export	7,000,379	17,455,535
Export development surcharge	274,493	1,157,426
Other export expense including bank charges	4,035,584	4,844,345
	<u>15,361,310</u>	<u>26,073,994</u>

Note 35

Administrative Expenses

		2026	2025
	Note	Rupees	Rupees
Directors' meeting fee		240,000	116,000
Directors' remuneration		10,875,000	9,900,000
Salaries and benefits	35.1	34,829,013	32,993,025
Depreciation	5.4	13,783,884	14,679,897
Entertainment		7,066,150	4,276,758
Vehicles running and maintenance		7,902,521	5,912,968
Fee and subscription		4,737,697	5,015,480
Communication		1,408,323	1,323,171
Legal and professional		515,000	118,000
Auditors' remuneration	35.3	1,135,000	1,020,000
Repairs and maintenance		1,513,978	475,196
Travelling and conveyance	35.2	6,443,367	5,258,433
Utilities		1,329,853	1,312,832
Printing and stationery		232,036	175,367
Advertisement		82,290	62,425
Insurance		1,410,976	1,429,894
		<u>93,505,088</u>	<u>84,069,446</u>

35.1 This includes staff retirement benefits - amounting to Rs. 2.674 million (2025: Rs. 3.864 million).

35.2 This includes directors' travelling expenses aggregating Rs. 4.331 million (2025: Rs. 4.220 million).

35.3 Auditors' remuneration

- Audit fee	775,000	700,000
- Half yearly review fee	250,000	220,000
- Certification fee	110,000	100,000
	<u>1,135,000</u>	<u>1,020,000</u>

Note 36

Finance Cost

	2026	2025
	Rupees	Rupees
Markup on:		
- Long term financing	23,943,257	29,993,359
- Short term borrowings	70,724,853	114,913,542
- Lease liabilities	2,026,510	4,561,116
Interest on workers' (profit) participation fund	939,511	2,222,931
Bank charges and commission	6,832,027	9,674,139
	<u>104,466,158</u>	<u>161,365,087</u>

Note 37

Other Operating Expenses

		2026	2025
	Note	Rupees	Rupees
Donations	37.1	108,000	62,000
Sindh Infrastructure Development Cess		2,620,056	-
Workers' (profit) participation fund		8,502,842	8,161,072
Workers' welfare fund		3,178,680	3,610,400
		<u>14,409,578</u>	<u>11,833,472</u>

37.1 Details of donations to a single party exceeding the higher of Rs. 1 million or 10% of the Company's total donation amount are as follows:

	2026 Rupees	2025 Rupees
Akmal Wainse	50,000	-
Fatimid Foundation	36,000	33,000
Idara Ishat-E-Aloom Islamia	22,000	26,000
	<u>108,000</u>	<u>59,000</u>

37.2 None of the directors or their spouses have any interest in the donees.

Note 38

Other Income

	2026 Rupees	2025 Rupees
Gain on exchange rate fluctuation - net	5,207,740	2,233,209
Unrealized gain /(loss) on remeasurement of investments	70,056	(35,757)
Realized gain on disposal of investments	2,549,110	262,108
Gain on disposal of property, plant and equipment	175,779	281,850
Profit on bank deposit	52,969	-
Agriculture income	394,000	35,349
	<u>8,449,654</u>	<u>2,776,759</u>

Note 39

Levy / Final Taxation

	2026 Rupees	2025 Rupees
For the year	<u>65,642,143</u>	<u>44,706,012</u>

39.1 This represents portion of minimum tax paid / final tax paid which is over and above the normal tax liability under different provisions of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 / IAS 37.

39.2 There is no relationship between aggregate income tax expense and accounting profit before income tax. Accordingly, no numerical reconciliation is presented.

Note 40

Taxation

	2026 Rupees	2025 Rupees
Current tax	2,013,879	26,175,401
Prior period adjustment	2,429,541	4,904
Deferred tax	-	(15,892,796)
	<u>4,443,420</u>	<u>10,287,509</u>

40.1 Reconciliation of Final tax and Income tax under IAS 12:

Current tax liability as per applicable tax laws	67,656,022	70,881,413
Portion of current tax liability representing income tax as per IAS-12	(2,013,879)	(26,175,401)
Portion of final tax liability representing final taxation as per IFRIC-21 / IAS-37	<u>(65,642,143)</u>	<u>(44,706,012)</u>
	<u>-</u>	<u>-</u>

Note 41

Cash and Cash Equivalents

		2026 Rupees	2025 Rupees
Cash and bank balances	16	95,057,845	22,535,912
Short term borrowings	26.2	<u>(231,624,056)</u>	<u>(64,469,145)</u>
		<u>(136,566,211)</u>	<u>(41,933,233)</u>

41.1 The above figures reconcile to the amount of cash and cash equivalents shown in the statement of cash flow.

Note 42

Earnings per Share

		2026	2025
Profit after taxation attributable to ordinary shareholders	Rupees	85,669,707	94,197,757
Weighted average number of ordinary shares outstanding during the year	Numbers	8,471,535	8,471,535
Earnings per share	Rupees	10.11	11.12

42.1 Diluted Earnings per Share

There is no dilution effect on the earnings per share of the Company as the Company does not have any convertible instruments in issue as at the reporting date (2025: Nil) which would have any effect on the earnings per share if the option to convert is exercised.

Note 43

Balances and Transactions with Related Parties

Related parties comprise 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
Muhammad Haris	Director	30.37%	Remuneration Expense	5,550,000	4,950,000
Mian Muhammad Javed	Director	6.15%	Remuneration Expense	5,325,000	4,950,000
Muhammad Haris	Director	30.37%	Remuneration Paid	(5,500,000)	(4,950,000)
Mian Muhammad Javed	Director	6.15%	Remuneration Paid	(5,300,000)	4,950,000

Balances Outstanding for the Year Ended

Muhammad Haris	Director	30.37%	Remuneration	475,000	425,000
Mian Muhammad Javed	Director	6.15%	Remuneration	450,000	425,000
Muhammad Haris	Director	30.37%	Subordinated Loan	35,000,000	35,000,000
Mian Muhammad Javed	Director	6.15%	Subordinated Loan	27,500,000	27,500,000

Note 44

Chief Executive's Officer, 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	5,550,000	5,325,000	6,760,000	4,950,000	4,950,000	6,360,000
Other benefits			488,000	-	-	705,000
	5,550,000	5,325,000	7,248,000	4,950,000	4,950,000	7,065,000
Number of persons	1	1	4	1	1	3

44.1 In addition to above, the Chief Executive Officer, Directors, and Executives are provided with free use of the Company maintained vehicles in accordance with the Company's policy.

44.2 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 45

Plant Capacity and Production

The production during the year is as follows:

Fabric

		2026	2025
Number of looms installed		171	171
Number of looms worked		159	159
Installed capacity after conversion into 60 picks	Sq Mtrs.	59,824,309	59,824,309
Actual production of fabric after conversion into 60 picks	Sq Mtrs.	44,646,616	46,386,677

45.1 Reasons attributable to under utilization of optimal production capacity are mainly due to various factors such as maintenance of machinery, power shutdown, demand etc.

45.2 It is difficult to describe precisely the production capacity in Weaving Mills since it fluctuates widely depending on various factors such as quality and count of yarn and the width and construction of fabric woven etc. It also varies according to the pattern of production adopted in a particular year. Under utilization of capacities is due to various factors including availability of raw material and stoppages due to repair and maintenance.

Note 46

Credit Facilities Available to the Company - Short Term Borrowings

2026			2025		
Available Limit	Utilised Credit	Unavailed Credit	Available Limit	Utilised Credit	Unavailed credit
----- Rupees in million -----					
1,200	524	676	1,125	282	843
350	243	107	265	256	9
103	92	11	103	94	9
1,653	859	794	1,493	632	861

Note 47

Financial Risk Management
47.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency 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 Company's financial performance.

Risk management is carried out by the Board of Directors (the Board). The Company's finance department evaluates financial risks based on principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity provided by the board of directors. Risk management is actively reviewed to reflect changes in market conditions

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will effect the Company's income or the value of its holdings of financial instruments.

(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 import of plant & machinery, raw materials, stores & spares and export of goods mainly denominated in U.S Dollars (US \$), Euro (€) and Japanese Yen (JPY) . Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to foreign entities. As at the reporting date, the Company's exposure to currency risk was as follows:

On balance sheet:

Bills payable

2026			
Rupees	USD	Euro	JPY

(25,728,000) - - -

Off balance sheet:

Outstanding commitments
against letters of credit

243,183,100	-	-	141,965,636
217,455,100	-	-	141,965,636

On balance sheet:

Foreign debtors
Bills payable

2025			
Rupees	USD	Euro	JPY

99,743,148 230,292 103,398 -
(17,200,368) (60,616) - -
82,542,780 169,676 103,398 -

Off balance sheet:

Outstanding commitments
against letters of guarantee
Outstanding commitments
against letters of credit

94,492,000	212,926	-	-
256,000,000	902,171	-	-
177,034,780	382,602	103,398	-

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	332.65
JPY to PKR	1.84	1.85	1.71	1.97

Sensitivity analysis

If the functional currency, at reporting date, had strengthened or weakened by 1% against the foreign currencies with all other variables held constant, profit before tax for the year would have been higher / (lower) by Rs. 2.175 million (2025: 1.770 million), mainly as a result of net foreign exchange gain / (loss) on translation of foreign debtors and bills payable.

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on profit before levy and taxation.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit before levy and taxation for the year and assets/liabilities of the company.

(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 the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. The Company is not exposed to this risk.

(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 thousands	
Fixed rate instruments - Financial liabilities		
Long term financing	46,105	85,046
Floating rate instruments - Financial liabilities		
Long term financing	241,648	329,833
Lease liabilities	11,400	19,931
Short term borrowings	524,300	282,223
Floating rate instruments - Financial assets		
Bank balances in saving's account	5,534	-

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

If mark-up rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 7.718 million (2025: Rs. 6.320 million) lower / higher, mainly as a result of higher / lower mark-up expense on variable rate financial liabilities.

(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.

Credit risk of the Company arises from trade debts, trade deposits, other receivables, short term investments and bank balances. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

Exposure to credit risk

The Company exposure to credit risk is equal to the carrying amount of the financial assets. The maximum exposure to credit risk as at the reporting date:

	#	Note	2026 Rupees in thousand	2025 Rupees in thousand
Trade debts	#	10	382,884	442,847
Long term loans		6	-	15,448
Long term deposits		7	13,739	13,739
Other receivables		15	8,141	114
Short term investments		14	70	16,250
Bank balances		16	94,672	22,200
Loans and advances		11	1,308	10,936

The aging of trade debts as at the reporting date is as follows:

Not past due	368,353	430,000
Past due less than 3 months	14,195	-
Past due less than 6 months	294	-
past due more than 6 months	42	12,847
	<u>382,884</u>	<u>442,847</u>

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:

	Credit Rating		Rating Agency	2026	2025
	Short term	Long term			
Rupees in thousand					
The Bank of Punjab	AAA	A1+	PACRA	13	13
Askari Bank Limited	AAA	A1+	PACRA	10	-
Bank Al Habib Limited	A1+	AAA	PACRA	15,043	17,491
Bank Islami Pakistan Limited	AA-	A1	PACRA	20,008	80
Bank Alfalah Limited	AAA	A1+	PACRA	3,369	35
MCB Bank Limited	AAA	A1+	PACRA	5	5
Soneri Bank Limited	AA	A1+	PACRA	11	11
Dubai Islamic Bank Pakistan Limited	AA	A1+	VIS	3	1
Faysal Bank Limited	AA+	A1+	PACRA	34,214	11
Habib Bank Limited	AA+	-	VIS	14,724	5
Habib Metropolitan Bank Limited	AAA	A1+	PACRA	9	9
Meezan Bank Limited	AAA	A1+	VIS	7,257	4,526
United Bank Limited	AAA	A1+	VIS	1	4
National Bank of Pakistan	A1+	AAA	PACRA	5	8
				94,672	22,199

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.

**(c) 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. Following are the contractual maturities of financial liabilities:

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

	Carrying Amount	Contractual Cash Flows	Less than 1 Year	1-5 Years	More than 5 Years
----- Rupees in thousand -----					
Long term financing	287,753	417,452	129,699	275,018	12,735
Lease liabilities	11,400	12,404	10,631	1,773	-
Short term borrowings	524,300	524,300	524,300	-	-
Trade and other payables	735,032	735,032	735,032	-	-
Unclaimed dividend	4,299	4,299	4,299	-	-
Accrued mark-up	18,897	18,897	18,897	-	-
	<u>1,581,681</u>	<u>1,712,384</u>	<u>1,422,858</u>	<u>276,791</u>	<u>12,735</u>

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

	Carrying Amount	Contractual Cash Flows	Less than 1 Year	1-5 Years	More than 5 Years
----- Rupees in thousand -----					
Long term financing	329,918	451,816	121,898	292,913	37,005
Lease liabilities	19,931	22,962	10,558	12,404	-
Short term borrowings	282,223	282,223	282,223	-	-
Trade and other payables	795,782	795,782	795,782	-	-
Unclaimed dividend	4,111	4,111	4,111	-	-
Accrued mark-up	18,447	18,447	18,447	-	-
	<u>1,450,412</u>	<u>1,575,341</u>	<u>1,233,019</u>	<u>305,317</u>	<u>37,005</u>

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)

	June 30, 2026			June 30, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
----- Rupees in thousand -----						
Property, Plant and Short term investments	70	-	-	16,249	-	-

47.2 Financial instruments by categories

Fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
-----------------------------------	-------------------	--	-------

----- Rupees in thousand -----

Financial assets as at June 30, 2026

Long term loans	-	-	-	-
Trade debts	-	382,884	-	382,884
Long term deposits	-	13,739	-	13,739
Loans and advances	-	1,308	-	1,308
Short term investment	70	-	-	70
Other receivables	-	8,141	-	8,141
Cash and bank balances	-	95,058	-	95,058
	70	501,130	-	501,200

Financial assets as at June 30, 2025

Long term loans	-	15,448	-	15,448
Trade debts	-	442,847	-	442,847
Long term deposits	-	13,739	-	13,739
Loans and advances	-	10,936	-	10,936
Short term investment	16,250	-	-	16,250
Other receivables	-	114	-	114
Cash and bank balances	-	22,536	-	22,536
	16,250	505,620	-	521,870

Financial liabilities at amortized cost

2026 2025

Rupees in thousand

Long term financing	287,753	329,917
Lease liabilities	11,400	19,931
Trade and other payables	799,309	940,300
Unclaimed dividends	4,299	4,110
Accrued mark-up	18,897	18,446
Short term borrowings	524,300	282,222
	1,645,958	1,594,926

47.3 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 48

Reconciliation of Liabilities arising from Financing Activities

	Note	As at July 01, 2025	Non-cash changes	Cash flows - net	As at June 30, 2026
-----Rupees in thousand-----					
Long term finances	21	329,917	-	(42,164)	287,753
Short term borrowings	26	217,753	-	74,923	292,676
Lease liability	22	19,930	2,028	(10,558)	11,400
Unclaimed dividend		4,110	12,707	(12,519)	4,298
Total liabilities from financing activities		571,710	14,735	9,682	596,127
		As at July 01, 2024	Non-cash changes	Cash flows - net	As at June 30, 2025
-----Rupees in thousand-----					
Long term finances	21	324,072	-	5,845	329,917
Short term borrowings(excluding running finance)	26	341,552	-	(123,799)	217,753
Lease liability	22	27,492	-	(7,561)	19,930
Unclaimed dividend		4,110	-	-	4,110
Total liabilities from financing activities		697,226	-	(125,514)	571,710

Note 49

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 employed. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital employed 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	21, 27 & 26	812,054	612,141
Cash and bank balances	16	(95,058)	(22,536)
Net debt		716,996	589,605
Equity		2,465,572	2,392,708
Total capital employed		3,182,568	2,982,313
Gearing Ratio		22.53%	19.77%

Note 50

Operating Segments

The financial information has been prepared on the basis of a single reportable segment.

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

	2026 Percentage	2025 Percentage
Pakistan	96.23%	92%
Italy	2.00%	1.75%
Switzerland	0.08%	0%
USA	0.31%	1.98%
Portugal	0.38%	4.27%
China	1.00%	0%
	100%	100%

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

50.3 All non-current assets of the Company as at June 30, 2026 are located in Pakistan.

Note 51

Shariah Disclosures under Clause VII of Part I of Schedule IV of the Companies Act, 2017

	Note	2026 Rupees in thousand	2025 Rupees in thousand
Financing obtain as per Islamic mode;			
- Diminishing musharakah financing		-	-
- Profit Payable		-	-
- Short term borrowings	26	50,000	-
- Current portion of diminishing musharakah financing		-	-
Interest or mark-up accrued on any conventional loan or advance;		17,807	18,447
Long-term and short-term Shariah compliant investments;		-	-
Shariah-compliant bank deposits, bank balances, and TDRs;	16.1	61,482	4,619
Revenue earned from a Shariah-Compliant business segment;		-	-
Break-up of late payments or liquidated damages;		-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates;		-	-

		2026	2025
		Rupees in thousand	
Profit earned from Shariah-compliant banks deposits, bank balances, or TDRs;		53	-
Exchange gain earned from actual currency;	38	5,208	2,233
Exchange gains earned using conventional derivative financial instruments;		-	-
Profits paid on Islamic mode of financing;	36	8,264	13,233
Total interest earned on any conventional loan or advance;		-	-
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non compliant income;			
- Gain on sale of fixed asset	38	-	-
- Sale of scrap items		-	-
- Rectification charges		-	-

51.1 Relationship with Shariah-compliant financial institutions:

Name	Relationship
The Bank of Punjab	Bank Balance
Askari Bank Limited	Bank Balance
Bank Al Habib Limited	Funded / Non-funded facility & Bank Balance
Bank Islami Pakistan Limited	Funded / Non-funded facility & Bank Balance
Bank Alfalah Limited	Funded / Non-funded facility & Bank Balance
MCB Bank Limited	Bank Balance
Soneri Bank Limited	Bank Balance
Dubai Islamic Bank Pakistan Limited	Funded / Non-funded facility & Bank Balance
Faysal Bank Limited	Bank Balance
Habib Bank Limited	Bank Balance
Habib Metropolitan Bank Limited	Bank Balance
Meezan Bank Limited	Bank Balance
United Bank Limited	Bank Balance
National Bank of Pakistan	Funded / Non-funded facility & Bank Balance

Note 52

Number of Employees

	2026	2025
	Number	Number
Total number of employees as at June 30	306	351
Average number of employees during the year	311	332

Note 53

Authorization of Financial Statements

These financial statements were approved and authorized by the Board of Directors of the Company for issuance on _____.

Note 54

General

Corresponding figures are rearranged / reclassified for better presentation and comparison. No material reclassifications /rearrangements have been made in these financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer

**Pattern of Shareholding****As on 30 Jun 2026**

Number of ShareHolders	Shareholdings From	To	Total Number of Share Held	Percentage of Total
219	1 -	100	8,460	0.10
406	101 -	500	183,200	2.16
77	501 -	1000	50,021	0.59
35	1001 -	5000	67,929	0.80
2	5001 -	10000	11,040	0.13
1	10001 -	15000	11,500	0.14
1	60001 -	65000	64,000	0.76
1	65001 -	70000	70,000	0.83
2	80001 -	85000	164,339	1.94
1	95001 -	100000	99,000	1.17
1	205001 -	210000	210,000	2.48
1	350001 -	355000	350,565	4.14
1	365001 -	370000	368,000	4.34
1	405001 -	410000	408,996	4.83
1	500001 -	505000	501,739	5.92
1	505001 -	510000	509,000	6.01
1	520001 -	525000	521,400	6.15
1	580001 -	585000	582,277	6.87
1	800001 -	805000	804,540	9.50
1	910001 -	915000	913,009	10.78
1	2570001 -	2575000	2,572,520	30.37
756			8,471,535	100.00



Categories of Shareholders

As At 30-Jun-2026

Code	Category	No Of Share	Shares Held	Per% of
1	Directors/Sponsors	6	4,833,875	57.0602
2	Financial Institutions	3	5,013	0.0592
5	Joint Stock Companies	6	1,308	0.0154
10	Individual	737	2,631,604	31.0641
11	NIT & ICP	1	200	0.0024
14	Mutual Fund	1	913,009	10.7774
15	Pension Fund	1	83,593	0.9868
17	Benevolent Fund	1	2,933	0.0346
Grand Total:		756	8,471,535	100.0000



Gender Pay Gap Statement under SECP's Circular 10 of 2024

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

- i. Mean Gender Pay Gap: 8.55%
- ii. Median Gender Pay Gap: 26.71%

Chief Executive/Director

Date: October 6, 2025

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FORM OF PROXY

I/We, _____ of _____, holding Computerized National Identity Card Number _____ and being a member of Ahmad Hassan Textile Mills Limited, hereby appoint _____ of _____, holding Computerized National Identity Card Number _____ as my / our proxy to vote for me/us and on my /our behalf at the Annual General / Extraordinary Meeting of the Company, to be held on _____ and at any adjournment thereof.

As witness my / our hand/seal this _____ day of _____, 20 _____

WITNESSES:

1. Signature _____

2. Signature _____

Name _____

Name _____

Address _____

Address _____

CNIC Number _____

CNIC Number _____

CDC Account Number _____

Five Rupees
Revenue Stamp

To be signed by above named shareholder

Notes:

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



Electronic Dividend Mandate Form

In accordance with the provisions of section 242 of the Companies Act, 2017, dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. SECP vide Circular Number 18 of 2017 dated August 01, 2017, has presently waived this condition till October 31, 2017. Any dividend payable after this due date shall be paid in the manner prescribed only.

Shareholders are requested to sent the attached Form duly filled and signed, along with attested copy of their CNIC to the Company's Share Registrar, M/s Vision Consulting Ltd., 3-C, LDA Flats, 1st Floor, Lawrence Road, Lahore. CDC shareholders are requested to submit their Dividend Mandate Form and attested copy of CNIC directly to their broker (participant)/ CDC.

I hereby communicate to receive my future dividends directly in my Bank Account as detailed below:

Name of shareholder

Folio Number/CDC Account No.

Contact number of shareholder

Title of Account

IBAN (*)

Name of Bank

Bank branch

Mailing Address of Branch

CNIC No. (attach attested copy)

NTN (in case of corporate entity)

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

Shareholder's Signature

Date

NOTES:

- * Please provide complete IBAN (International Bank Account Number), after checking with your concerned Bank branch to enable electronic credit directly into your bank account.