SHAHZAD TEXTILE MILLS LIMITED

1st Quarterly Report
September 30, 2026

Certificate PK24/00000104

The management system of

Shahzad Textile Mills Limited

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

has been assessed and certified as meeting the requirements of

ISO 9001:2015

For the following activities

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

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

Issue 1. Certified since 09 May 2024

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

Authorised by

Jonathan Hall
Global Head - Certification Services

SGS United Kingdom Ltd
Rossmore Business Park, Ellesmere Port, Cheshire, CH65 3EN, UK
t +44 (0)151 350-6666 - www.sgs.com

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Certificate PK24/00000104, continued

Shahzad Textile Mills Limited

ISO 9001:2015

Issue 1

Sites

Shahzad Textile Mills Limited
Head Office: 19-A, Off Zafar Ali Road, Gulberg - V, Lahore, Pakistan
Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn

Shahzad Textile Mills Limited
Site 01 : 34th Km, Sheikhupura Road, Sheikhupura, Pakistan
Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn

Shahzad Textile Mills Limited
Site 02 : 7th Km Sheikhupura-Faisalabad Road, Sheikhupura, Pakistan
Manufacturing and export of 100% cotton, blended, pure synthetic, combed, carded and Double yarn

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BUREAU VERITAS

Bureau Veritas Certification

SHAHZAD TEXTILE MILLS LTD

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

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

ISO 45001:2018

Scope of certification

Manufacturing of socks

Original cycle start date:	03-04-2026
Expiry date of previous cycle:	NA
Certification / Recertification Audit date:	25-02-2026
Certification / Recertification cycle start date:	03-04-2026
Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on:	02-04-2029

Certificate No.: PK004774 Version: 1 Issue date: 03-04-2026

UKAS MANAGEMENT SYSTEMS 0008

Signed on behalf of BVCH SAS UK Branch

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

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

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

CER CERTIF ALL TPL 001 Rev 4.3 4 Nov 2024

1/1

BUREAU VERITAS

Bureau Veritas Certification

SHAHZAD TEXTILE MILLS LTD

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

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

ISO 14001:2015

Scope of certification

Manufacturing of socks

Original cycle start date:	03-04-2026
Expiry date of previous cycle:	NA
Certification / Recertification Audit date:	25-02-2026
Certification / Recertification cycle start date:	03-04-2026
Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on:	02-04-2029

Certificate No.: PK004775 Version: 1 Issue date: 03-04-2026

UKAS MANAGEMENT SYSTEMS
0008

Signed on behalf of BVCH SAS UK Branch

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

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

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BUREAU VERITAS

Bureau Veritas Certification

SHAHZAD TEXTILE MILLS LTD

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

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

ISO 9001:2015

Scope of certification

Manufacturing of socks

Original cycle start date:	03-04-2026
Expiry date of previous cycle:	NA
Certification / Recertification Audit date:	25-02-2026
Certification / Recertification cycle start date:	03-04-2026
Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on:	02-04-2029

Certificate No.: PK004773 Version: 1 Issue date: 03-04-2026

UKAS MANAGEMENT SYSTEMS 0008

Signed on behalf of BVCH SAS UK Branch

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

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

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1/1

Contents

Company Information ---- 2

Directors' Report (English) ---- 3

Directors' Report (Urdu) ---- 4

Statement of Financial Position ---- 5

Statement of Profit or Loss ---- 6

Statement of Comprehensive Income ---- 7

Statement of Changes in Equity ---- 8

Statement of Cash Flow ---- 9

Notes to and Forming Parts of the Financial Statements ---- 10-15

COMPANY INFORMATION

Board of Directors

Mr. Irfan Aslam	Chairman
Mr. Imran Aslam	Chief Executive Officer
Mr. Danish Aslam	
Syed Raza Ali Bokhari	
Dr. Ali Raza Khan	
Mrs. Nazish Imran	
Ms. Sadaf Parvez	

Chief Financial Officer
Syed Imran Haider

Company Secretary
Mr. Muhammad Amjad Tayyab

Auditors
Crowe Hussain Chaudhury & Co.
Chartered Accountants

Audit Committee

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

Human Resources & Remuneration Committee

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

Bankers

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

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

Registered Office
Tricon Corporate Centre
Office No. 701, 7th, Floor,
73-E, Main Jail Road,
Gulberg-II, Lahore.
Ph: +92(042)36407340, 36407341
E-mail:info@shahzadtex.com
Web:www.shahzadtex.com

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

Unit # 2
7th KM Sheikhupura Faisalabad
Road, Sheikhupura.

Directors' Report

On behalf of the Board of Directors of Shahzad Textile Mills Limited, I am pleased to present the Company's unaudited condensed interim financial statements for the first quarter ended September 30, 2026.

During the quarter under review, the Company recorded sales of Rs. 3.095 billion, compared with Rs. 3.355 billion in the corresponding period of the previous year. Pre-tax profit stood at Rs. 49.985 million, compared with Rs. 117.069 million in the corresponding period of the previous year.

FUTURE PROSPECTS

The local textile sector continues to face challenges arising from elevated energy tariffs, fluctuations in power supply, raw material price volatility, and macroeconomic uncertainty. To address these challenges, management remains committed to rigorous cost control, operational resilience, and market diversification.

To address rising fuel and power costs and grid instability, the Company has undertaken the installation of a 3.7 MW solar power system at the mill premises. The Company intends to expand the system and anticipates access to financing at preferential rates from financial institutions and through forthcoming government schemes.

The self-generation project has an estimated capital payback period of 1.75 years and will provide immediate reductions in per-unit energy costs, supporting operating margins and liquidity in a challenging competitive environment. On-site renewable generation reduces exposure to power disruptions and voltage instability, helping to safeguard machinery and minimize production waste.

The initiative reduces the Company's carbon footprint, strengthens its environmental, social, and governance (ESG) compliance, and enhances export competitiveness.

In view of the growth of its export unit, the Company is focusing on expanding its socks unit by adding new machinery, funded through internal resources and government financing under forthcoming schemes.

The Board remains confident that disciplined financial management, energy self-reliance, and a focus on value-added products will protect core earnings and sustain long-term shareholder value.

Earnings per share (EPS) for the quarter stood at Rs. 0.92, compared with Rs. 3.67 in the corresponding period of the previous year.'

Acknowledgments

The Board extends its sincere gratitude to our valued shareholders, bankers, and customers for their continued trust and confidence. We also express our deep appreciation to all management staff and workers for their dedication, hard work, and efforts in maintaining uninterrupted operations.

For and on behalf of the board

Irfan Aslam
(Director)

Danish Aslam
(Director)

Lahore.
Dated: October 29, 2026

ڈائریکٹرز کی رپورٹ

شہزاد ٹیکسٹائل ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، مجھے یہ رپورٹ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے جو 30 ستمبر 2026 کو ختم ہونے والی پہلی سہ ماہی کے لیے غیر تصدیق شدہ مختصر عبوری مالیاتی بیانات پر مشتمل ہے۔

اس سہ ماہی کے دوران کمپنی نے قبل از ٹیکس منافع 117.069 ملین روپے ریکارڈ کیا، جو کہ گزشتہ سال کی اسی مدت میں 117.069 ملین روپے کے منافع کے مقابلے میں نمایاں بہتری کو ظاہر کرتا ہے۔ سہ ماہی کی خالص فروخت 3,095,991 ملین روپے رہی، جو گزشتہ سال کی اسی مدت میں حاصل شدہ 3,354,647 ملین روپےکے مقابلے میں واضح اضافہ ہے۔

مستقبل کے امکانات

یہ مجوزہ سرمایہ کاری، جس کی متوقع واپسی کی مدت تقریباً 1.75 سال ہے، آئندہ برسوں میں منافع میں پائیدار بہتری کا باعث بنے گی۔ "فروخت کے لیے رکھے گئے اثاثے" کی فروخت کمپنی کی پیداواری صلاحیت پر کسی قسم کے منفی اثرات نہیں ڈالے گی۔

مزید برآں، انتظامیہ انسانی وسائل کی ترقی کے لیے تربیتی پروگراموں اور پیشہ ورانہ تربیت کے اقدامات پر توجہ دے رہی ہے، تاکہ ملازمین کی صلاحیتوں کو بہتر بنایا جا سکے اور ان کی کارکردگی کو کمپنی کے طویل المدتی اہداف کے ساتھ ہم آہنگ کیا جا سکے۔

کمپنی اپنے کلیدی شراکت داروں سپلائرز، صارفین اور سروس پارٹنرز کے ساتھ تعلقات کو مزید مضبوط بنا رہی ہے تاکہ مارکیٹ میں اپنی موجودگی کو وسعت دے، جدت کو فروغ دے، اور طویل مدتی پائیدار ترقی کو یقینی بنائے۔

فی حصص آمدنی پہلی سہ ماہی کے لیے 0.92 روپے رہی، جو گزشتہ سال کی اسی مدت میں فی حصص نقصان 3.67 روپے کے مقابلے میں نمایاں بہتری ظاہر کرتی ہے۔

بورڈ اپنےمعزز صارفین، بینکاروں اور حصص یافتگان کا ان کے اعتماد اور تعاون پر شکریہ ادا کرتا ہے، اور تمام ملازمین کی محنت، لگن اور پرامن و پیداواری ماحول کے قیام میں کردار پر خلوصِ دل سے تعریف کرتا ہے۔

بورڈ کی جانب سے

عرفان اسلم
(ڈائریکٹر)

دانش اسلم
(ڈائریکٹر)

لاہور
مورخہ: 29 اکتوبر، 2026

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2026

	Note	September 30, 2026 (Un-audited)	June 30, 2026 (Audited)
		---------- Rupees in thousand ---------	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital:			
40,000,000 (June 30, 2026: 40,000,000)			
ordinary shares of Rs. 10 each		400,000	400,000
Issued, subscribed and paid up capital			
17,971,372 (June 30, 2026: 17,971,372)			
ordinary shares of Rs. 10 each		179,714	179,714
Reserves		2,536,368	2,516,733
Surplus on revaluation of property, plant and equipment		1,169,848	1,173,016
		3,885,930	3,869,463
Non Current Liabilities			
Long term financing	5	94,302	114,855
Deferred tax liability		535,696	539,270
		629,998	654,125
Current Liabilities			
Trade and other payables		1,000,899	952,392
Unclaimed dividend		146	146
Unpaid dividend		199	199
Accrued mark up		28,338	20,338
Current portion of non-current liabilities	6	192,948	194,379
Short term borrowings	7	1,078,931	829,156
Provision for taxation		190,510	153,419
		2,491,971	2,150,030
Contingencies and Commitments	8	-	-
		7,007,899	6,673,617
ASSETS			
Non Current Assets			
Property, plant and equipment	9	2,915,521	2,938,632
Long term investment in associate		1,178,560	1,177,812
Long term deposits		9,038	5,768
		4,103,119	4,122,212
Current Assets			
Stores and spares		277,650	207,878
Stock in trade		1,118,190	1,126,090
Trade debts		570,497	364,774
Advances, trade deposits, prepayments and other receivables		318,202	240,247
Short term investments		130,080	130,080
Tax refunds due from the Government		257,030	265,411
Cash and bank balances		233,131	216,925
		2,904,780	2,551,405
Asset held for sale		-	-
		7,007,899	6,673,617

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements (un-audited).

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Note	Quarter Ended	
		September 30, 2026	September 30, 2025
		---- Rupees in thousand ----	
Sales		3,095,991	3,354,647
Cost of sales	10	(2,873,243)	(3,072,412)
Gross Profit		222,748	282,236
Operating expenses:			
- Selling and distribution		(54,213)	(65,416)
- Administrative expenses		(118,832)	(89,315)
		(173,044)	(154,731)
Operating Profit		49,704	127,505
Finance cost		(27,269)	(22,134)
Other operating expenses		(6,782)	(604)
Other income		33,584	11,305
Share of net profit of associate		748	998
		281	(10,436)
Profit before Levy and Taxation		49,985	117,069
Levy / final taxation		(17,534)	(5,906)
Profit before Taxation		32,450	111,163
Taxation		(15,983)	(45,155)
Net Profit for the Period		16,467	66,008
Earnings per Share - Basic		0.92	3.67

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements (un-audited).

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Quarter Ended	
	September 30, 2026	September 30, 2025
	---- Rupees in thousand ----	
Net Profit for the Period	16,467	66,008
Other Comprehensive Income for the Period		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Total Comprehensive Income for the Period	16,467	66,008

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements (un-audited).

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Quarter Ended	
	September 30, 2026	September 30, 2025
	--- Rupees in thousand ---	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	49,985	117,069
Adjustments for:		
- Depreciation	34,427	30,947
- Profit on saving account and term deposit receipts	(3,176)	-
- Share of net profit of associate	(748)	(998)
- Exchange loss	2,542	2,604
- Provision for workers' profit participation fund	2,801	-
- Provision for workers' welfare fund	1,439	-
- Finance cost	24,567	22,134
	61,852	54,687
Operating Profit before Working Capital Changes	111,837	171,756
Decrease / (Increase) in current assets		
- Stores and spares	(69,772)	(58,674)
- Stock in trade	7,900	(70,207)
- Trade debts	(208,266)	(144,695)
- Advances, trade deposits, prepayments, and other receivables	(34,855)	(46,817)
- Short term investment	-	(1,000)
- Tax refunds due from the Government	8,381	48,707
Increase in current liabilities		
- Trade and other payables	44,287	101,496
	(252,324)	(171,190)
Net Cash (used) / generated in Operations	(140,487)	566
Income tax paid	(40,293)	(33,868)
Security deposit against Ijarah	(3,290)	-
Finance cost paid	(16,567)	(14,424)
Net Cash (Used) in Operating Activities	(200,638)	(47,726)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(1,160)	(30,721)
Capital work in progress	(10,156)	-
Receipt of profit on saving account and TDRs	370	
Net Cash Used in Investing Activities	(10,946)	(30,721)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing	(21,985)	(20,194)
Short term borrowings	249,775	203,786
Net Cash generated from Financing Activities	227,790	183,592
Net increase in Cash and Cash Equivalents	16,206	105,145
Cash and cash equivalents at the beginning of the period	216,925	386,233
Cash and Cash Equivalents at the End of the period	233,131	491,378

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements (un-audited).

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2026

Particulars	Share Capital	Share Premium Reserve	Unappropriated Profit	Surplus on Revaluation	Total Equity
	---------- Rupees in thousand ----------				
Balance as at June 30, 2025	179,714	5,796	2,119,951	1,227,095	3,532,556
Net Profit for the period	-	-	66,008	-	66,008
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	66,008	-	66,008
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	3,997	(3,997)	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	-	-
Balance as at September, 2025	179,714	5,796	2,189,956	1,223,098	3,598,564
Balance as at June 30, 2026	179,714	5,796	2,510,937	1,173,016	3,869,463
Net profit for the period	-	-	16,467	-	16,467
Other comprehensive income	-	-	-	-	-
Total comprehensive profit for the period	-	-	16,467	-	16,467
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	3,168	(3,168)	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	-	-
Balance as at September 30, 2026	179,714	5,796	2,530,572	1,169,848	3,885,930

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements (un-audited).

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

Note 1
The Company and its Operations

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

Company's business units including its manufacturing facilities are located as under:

- 7th Floor, Office 701, Tricon Corporate Center, 73-E Jail Road, Gulberg - II, Lahore
- Three units of manufacturing facilities are situated at 34 KM, Lahore-Sheikhupura Road, Sheikhupura
- One unit of manufacturing facility is situated at 7 KM, Sheikhupura-Faisalabad Road, Kharianwala

Note 2
Basis of Preparation

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim financial statements comprise of the condensed interim statement of financial position of the Company, as at September 30, 2026 and the related condensed interim (unaudited) statement of profit or loss, condensed interim (unaudited) statement of comprehensive income, condensed interim (unaudited) statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof.

2.1.3 These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended June 30, 2025.

2.1.4 These condensed interim financial statements comprise of the condensed interim statement of financial position of the Company, as at September 30, 2025 and the related condensed interim (unaudited) statement of profit or loss, condensed interim (unaudited) statement of comprehensive income, condensed interim (unaudited) statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof.

2.1.5 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act"); these are however, subject to limited scope review by external auditors as required by the Act and Listed Companies (Code of Corporate Governance) Regulations, 2019.

2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

Note 3
Judgments and Estimates

The preparation of these condensed interim financial statements (un-audited) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Note 4
Significant Accounting Policies

The Company's accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements (un-audited) are the same as those applied in the 'the preparation of preceding annual financial statements of the Company for the year ended June 30, 2026.

Note 5
Long Term Financing

		September 30, 2026	June 30, 2026
		(Un-audited)	(Audited)
Loan from banking companies - Secured		Rupees in thousand	
Habib Metro Bank Limited - SBP LTFF	5.1	112,886	128,648
Meezan Bank Limited - Diminishing Musharka	5.2	12,201	15,709
Soneri Bank - Demand Finance for Vehicles	5.3	55,893	58,607
		180,980	202,964
Less: Current portion		(86,678)	(88,109)
		94,302	114,855

5.1 This long term finance facility was availed to retire documents of import LC that were established for import of machinery for socks unit of the Company. The sanctioned limit amounted to Rs. 128.6 million (2026: Rs. 228 million) and was secured by way of creating charge of Rs. 560 million (2026: Rs. 560 million) registered with SECP on complete socks unit installed with 25% margin and personal guarantee of sponsoring directors. This facility is repayable in 24 equal quarterly installments latest by February 2029 and carries markup at SBP rate plus 3% (2026: SBP rate plus 3%) per annum, payable on quarterly basis.

5.2 This represents shariah compliant borrowing (diminishing musharka facility) utilised from Meezan Bank Limited amounting to Rs. 12.201 million (2026: Rs. 15.709 million) for purchase of machinery. The sanctioned limit amounts to Rs. 17.540 million (2026: Rs. 31.573 million) and is secured by way of exclusive charge over imported machinery with 15% margin and personal guarantee of sponsoring directors. This facility is repayable in 16 equal quarterly instalments, latest by July 2027. It carries markup at 3 months KIBOR plus 1.25% (2026: 3 months KIBOR plus 1.25%) per annum.

5.3 This long term finance facility was availed for purchase of vehicles for the use of business. The sanctioned limit amounted to Rs. 70 million (2026: Rs. 70 million) and was secured by way of creating charge over the financed vehicles. This facility is repayable in 60 monthly installments latest by July 2030 and carries markup at KIBOR plus 1% (2026: KIBOR plus 1%) per annum, payable on monthly basis.

Note 6

Current Portion of Non-Current Liabilities

	September 30, 2025	June 30, 2026
	(Un-audited)	(Audited)
	---------- Rupees in thousand --------	
Long term financing	86,678	88,109
Deferred liability - GIDC	106,270	106,270
	192,948	194,379

Note 7

Short Term Borrowings

	Note	September 30, 2025	June 30, 2026
		(Un-audited)	(Audited)
		---------- Rupees in thousand -------	
From banking companies - Secured			
Cash / packing finances	7.1	510,758	455,256
Istisna / Musawama - shariah compliant		247,173	52,901
From related parties - Unsecured			
Loan from directors	7.2	321,000	321,000
		1,078,931	829,156

7.1 The Company obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 2,281 million (June 30, 2026: Rs. 2,216 million) towards working capital requirements, retirement of local and foreign LCs and discounting of local bills / receivables. Mark up on these facilities is charged @ 1 to 6 months KIBOR plus a spread of upto 1.25% (June 30, 2026: 1 to 6 months KIBOR plus a spread of upto 1.25%) payable quarterly. These facilities are secured by ranking and hypothecation charge on property, plant and equipment; stocks and receivables of the Company; lien over export and import documents and personal guarantee of sponsoring directors of the Company. The Company has utilized un-funded facilities amounting to Rs. 234.813 million (June 30, 2026: Rs. 306.910 million) as at reporting date. Unutilized amount of funded and unfunded facilities is Rs. 1,288.26 million (June 30, 2026: Rs. 1,158.520 million).

7.2 This represents unsecured short term borrowing obtained from Chief Executive Officer / Directors of the company to meet its working capital requirements and is repayable on demand. The loan is unsecured, interest free (June 30, 2026: Nil) per annum.

Note 8

Contingencies and Commitments

8.1 Contingencies

8.1.1 The Company has provided bank guarantees in favour of following parties:

		September 30, 2026	June 30, 2026
		(Un-audited)	(Audited)
		---------- Rupees in thousand --------	
-	Sui Northern Gas Pipelines Limited	163,566	163,566
-	Lahore Electric Supply Company	10,430	10,430
-	Excise and Taxation Office	69,400	69,400
		243,396	243,396

8.1.2 The Company is contingently liable for Rs. 55.489 million (2026: Rs. 55.448 million) on account of electricity duty on self generation. The Company has obtained stay order by filing petition on August 10, 2010 in Lahore High Court, Lahore against LESCO and has not admitted the said duty. The case is pending hearing before the Lahore High Court, Lahore.

8.2 Commitments

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

	September 30, 2026	June 30, 2026
	(Un-audited)	(Audited)
	---------- Rupees in thousand --------	
Letters of credit	158,439	175,645
Ijarah Rentals	27,170	8,961
	185,609	184,606

Note 9

Property, Plant and Equipment

	September 30, 2026	June 30, 2026
	(Un-audited)	(Audited)
	---- Rupees in thousand ----	
Operating fixed assets	2,905,366	2,938,632
Capital work in progress	10,155	-
	2,915,521	2,938,632
9.1 Operating fixed assets		
Opening written down value	2,938,632	2,721,486
Additions during the period / year (at cost)		
Owned	1,161	352,018
Leased	-	-
	1,161	352,018
Revaluation adjustment	-	-
	2,939,793	3,073,504
Disposals during the period / year (at written down value)	-	(7,255)
	2,939,793	3,066,249
Revaluation adjustment	-	-
Depreciation charged for the period / year	(34,427)	(127,617)
	2,905,366	2,938,632

Note 10

Cost of Sales

	Quarter Ended	
	September 30, 2026	September 30, 2025
	---- (Un-audited) ----	
	---- Rupees in thousand ----	
Raw materials consumed	1,781,914	1,942,205
Stores and spares consumed	81,134	66,773
Packing materials consumed	59,790	75,771
Salaries, wages and other benefits	217,949	313,023
Fuel and power	278,989	447,300
Insurance	3,721	4,029
Repairs and maintenance	4,928	3,424
Other manufacturing expenses	4,729	5,567
Depreciation	27,982	24,896
	2,461,134	2,882,988
Opening work in process	138,406	157,062
Closing work in process	(148,383)	(183,560)
	(9,976)	(26,498)
Cost of goods manufactured	2,451,158	2,856,490
Opening finished goods	623,172	350,822
Closing finished goods	(201,086)	(134,900)
	422,085	215,922
	2,873,243	3,072,413

Note 11

Transactions with Related Parties

Related parties comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties and associated companies, other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

Transaction during the period			September 30, 2026	September 30, 2025
Related party	Relationship	Nature of Transaction	---- (Un-audited) ---- ---- Rupees in thousand ----	
Sargodha Jute Mills Limited	Associate 24.94%	Purchase of materials, goods and services	156	481
		Sale of materials and goods	-	3,638

Note 12

FinancialRisk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2026.

Note 13

Segment Information

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

13.1	Yarn	Socks	Total
	Rupees in Thousand		
Segment Results for the period ended September 30, 2026			
Revenue	2,447,145	648,846	3,095,991
Operating profit	43,639	6,065	49,704
Finance cost	(21,554)	(5,715)	(27,269)
Other income	33,584	-	33,584
Other operating expense			(6,782)
Other income			-
Share of net profit from associate			748
Profit before taxation			49,985

	Yarn	Socks	Total
	Rupees in Thousand		
Segment Results for the period ended September 30, 2025			
Revenue	2,759,016	595,631	3,354,647
Operating profit	125,907	1,597	127,504
Finance cost	(18,204)	(3,930)	(22,134)
Other income	-	5,265	- 5,265
Other operating expense			(604)
Other income			6,040
Share of net profit from associate			998
Profit before taxation			117,069

13.2

Segment financial position for the period ended September 30, 2026

Assets			
Property plant and equipment	1,665,434	1,250,086	2,915,521
Store and spares	181,247	96,403	277,650
Stock in trade	1,063,118	55,072	1,118,190
Trade Debts	272,889	297,608	570,497
Advances to suppliers	-	-	-
	3,182,687	1,699,170	4,881,857
Unallocated Assets			
Long term Investments			1,178,560
Long term deposits			9,038
Advances, trade deposits, prepayments and other receivables			318,202
Short term investments			130,080
Tax refunds due from the Government			257,030
Cash and bank balances			233,131
Non current assets held for sale			-
			7,007,899

	Yarn	Socks	Total
	Rupees in Thousand		
Liabilities			
Long term financing	68,094	112,886	180,980
Trade creditors	182,406	98,348	280,755
Short term borrowings	1,078,931	-	1,078,931
Accrued mark up	20,819	7,519	28,338
	1,350,250	218,753	1,569,003
Unallocated liabilities			
Deferred tax liability - net			535,696
Gas infrastructure development cess			106,270
Trade and other payables			720,144
Unclaimed dividends			146
Unpaid dividends			199
Provision for taxation - net			190,510
			3,121,970

Segment financial position for the year ended June 30, 2026

Assets			
Property plant and equipment	1,618,204	1,320,428	2,938,632
Store and spares	116,923	90,955	207,878
Stock in trade	897,034	229,056	1,126,090
Trade Debts	227,195	137,579	364,774
Advances to supplier	30,601	3,679	34,280
	2,889,957	1,781,697	4,671,654
Unallocated Assets			
Asset held for sale			-
Long term investments			1,177,812
Long term deposits			5,768
Advances, deposits, prepayments and other receivables			205,967
Short term investments			130,080
Tax refunds due from the Government			265,411
Cash and bank balances			216,925
			6,673,617
Liabilities			
Long term financing	74,316	128,648	202,964
Trade creditors	146,313	116,430	262,743
Short term borrowings	829,155	-	829,155
Accrued mark	11,066	9,272	20,338
	1,060,850	254,350	1,315,200

Unallocated liabilities	
Deferred tax liability - net	539,270
Gas infrastructure development cess	106,270
Other payables	689,651
Unclaimed dividends	146
Unpaid dividends	199
Provision for taxation - net	153,419
	2,804,155

		September 30, 2026	September 30, 2025
		Percentage	Percentage
		(Un-audited)	Audited
13.3	Information about products:		
	Yarn	79.04%	82.24%
	Socks	20.96%	17.76%

13.4 Major customers:

There is no individual customer to whom sales are 10% more than of revenue.

13.5 Geographical Information:

Company's revenue from external customers on the basis of geographical location is given as under:

	September 30, 2026	September 30, 2025
	(Un-audited)	(Un-audited)
	---------- Rupees in thousand --------	
Pakistan	2,452,605	1,785,012
Europe	520,253	376,048
United State of America	123,134	66,010
	3,095,991	2,227,070

Note 14

Authorization of Interim Financial Information

These condensed interim financial statements (un-audited) are approved and authorized for issuance by the Board of Directors of the Company on October 29, 2026.

Note 15

General

Comparative figures have been re-arranged, wherever necessary, to facilitate comparison. No significant re-arrangement has been made in these condensed interim financial statements (un-audited).

DIRECTOR CHIEF FINANCIAL OFFICER DIRECTOR

SHAHZAD TEXTILE

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