UN-AUDITED QUARTERLY REPORT SEPTEMBER 30, 2026

SURAJ
سورج

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Company Information

Board of Directors

Mr. Khalid Bashir (Chairman)
Mr. Adil Bashir
Mr. Ahsan Bashir
Mr. Asif Bashir
Ms. Maheen Hisham Adamjee
Mr. Mohammad Iqbal
Mr. Shams Rafi

Chief Executive Officer

Mr. Nadeem Maqbool

Chief Financial Officer

Mr. Naeem Sheikh

Audit Committee

Mr. Shams Rafi (Chairman)
Mr. Asif Bashir
Mr. Mohammad Iqbal

HR, Nomination & Remuneration Committee

Ms. Maheen Hisham Adamjee (Chairperson)
Mr. Khalid Bashir
Mr. Nadeem Maqbool

Risk Management & Sustainability Committee

Ms. Maheen Hisham Adamjee (Chairperson)
Mr. Adil Bashir
Mr. Ahsan Bashir
Mr. Shams Rafi

Share Registrar

Corptec Associates (Pvt.) Ltd.
503-E, Johar Town, Lahore

Auditors

Riaz Ahmad & Co.
Chartered Accountants

Company Secretary

Ms. Maria Atif

Bankers

Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
MCB Islamic Bank Limited
United Bank Limited
Habib Metropolitan Bank Limited
Samba Bank Limited
ABHI Microfinance Bank Limited
Meezan Bank Limited
Bank Alfalah Limited

Registered Office

Tricon Corporate Center, 8th Floor, 73-E, Main Jail Road, Gulberg II, Lahore
Ph: 042-35760379, 35760381
Fax: 042-35760376
Email: corp.info@suraj.com
Web: www.suraj.com

Project Locations

Nooriabad, District Dadu, Sindh.
Kotla Kahloon, District Nankana Sahib, Punjab.
Bhaikot, Raiwind, District Lahore, Punjab.

Directors' Report

On behalf of the Board of Directors, I am pleased to present the Un-Audited Financial Statements of Suraj Cotton Mills Limited for the First Quarter ended 30 September 2026.

Overview

The Company delivered a strong performance during the period under review despite a challenging business environment. For the first quarter ended 30 September 2026, net profit stood at Rs. 451 million, compared to Rs. 396 million in the same period last year, reflecting a growth of 13.76 percent. Earnings per share (EPS) rose to Rs. 9.24 from Rs. 8.12, showing continued financial strength.

The improvement in profitability was driven mainly by core operations. Gross profit rose 33.5 percent to Rs. 652 million from Rs. 488 million, and the gross margin improved to 11.5 percent from 7.5 percent, driven by lower raw material costs and a significant reduction in fuel and power costs. Other income declined to Rs. 161 million from Rs. 303 million, as the corresponding period last year included higher unrealised gains on investments; other income for the current quarter includes a gain of Rs. 84 million on disposal of property, plant and equipment.

The Company's sales for the quarter stood at Rs. 5.68 billion, compared to Rs. 6.49 billion in the corresponding period last year, representing a decline of 12.5%. Export sales amounted to Rs. 251 million, against Rs. 372 million in the same period last year, indicating a decrease in export revenue amid challenging market conditions. Finished goods inventory increased to Rs. 2.95 billion from Rs. 2.66 billion at 30 June 2026. Distribution and administrative expenses remained under control, while finance costs declined by 12.5 percent owing to lower short-term borrowings. During the quarter, the Company incurred capital expenditure of Rs. 1.87 billion, mainly on new plant and machinery, which is presently shown under capital work in progress. This was financed largely through long-term financing of Rs. 1.80 billion obtained during the period. Shareholders' equity increased to Rs. 15.94 billion from Rs. 15.58 billion at 30 June 2026.

Financial Performance

The Company's financial performance for the period ended September 30, 2026, as compared to the corresponding period last year, is presented below;

Brief Income Statement	2026	2025	% Change
		(PKR in Million)	
Sales	5,679	6,490	(12.49%)
Gross profit	652	488	33.53%
Operating profit	617	607	1.50%
Finance cost	34	39	(12.47%)
Profit before levy and taxation	582	568	2.47%
Levy and taxation	131	172	(23.60%)
Net Profit	451	396	13.76%
Earnings per Share (EPS)	9.24	8.12	

Future Outlook

Global cotton markets remained volatile during the quarter, with international prices easing as mill demand stayed cautious and harvest supplies improved in major producing countries. Domestically, cotton arrivals have been higher than last year; however, adverse weather and yield concerns may keep the final crop below initial expectations, and the industry is expected to remain reliant on imported cotton to meet its requirements. Softer cotton prices, together with the reduction in industrial electricity tariffs, helped lower the Company's raw material and energy costs during the quarter, contributing to the improvement in gross margin.

Directors' Report

The operating environment, however, remains challenging. Inflationary pressures have re-emerged, primarily due to higher fuel and energy prices amid geopolitical tensions in the Middle East, while interest rates remain elevated. Higher freight costs and subdued demand in key Western markets continue to weigh on export orders, with textile export growth lagging behind the overall growth in the country's exports. The local weaving sector is also facing increasing challenges due to rising production costs, intense competition, and fluctuating market demand.

These challenging market conditions are reflected in the Company's lower external yarn sales and higher finished goods inventory during the quarter.

Against this backdrop, the Company continued to invest in new plant and machinery during the quarter, financed mainly through long-term financing, to improve efficiency, product quality and cost competitiveness. Supported by a strong equity base and a sizeable investment portfolio, the Company is well positioned to benefit when demand recovers. The Board believes that regionally competitive energy prices, a stable and growth-oriented monetary policy, timely release of tax refunds, a fair and broad-based tax regime, and a level playing field against imported yarn and fabric are essential for the sustained growth of the textile sector. Suraj Cotton Mills Limited remains committed to operational efficiency, prudent financial management and creating long-term value for its shareholders.

Acknowledgements

The Board of Directors expresses its sincere appreciation to the Company's shareholders, employees, and financial partners for their continued support. The Board also acknowledges the commitment and professionalism of the management team in navigating industry challenges with diligence and foresight.

Chief Executive

Director

October 28, 2026
Lahore

ڈائریکٹرز رپورٹ

نرخوں میں کمی سے سہ ماہی کے دوران کمپنی کی خام مال اور توانائی کی لاگت کم ہوئی، جس سے مجموعی مارجن بہتر ہوا۔
تاہم کاروباری ماحول بدستور مشکل ہے۔ مشرقِ وسطیٰ میں جغرافیائی و سیاسی کشیدگی کے دوران ایندھن اور توانائی کی بڑھتی قیمتوں کے باعث افراطِ زر کا دباؤ دوبارہ ابھر آیا ہے، جبکہ شرحِ سود بدستور بلند ہے۔ مال برداری کے زیادہ اخراجات اور اہم مغربی منڈیوں میں کمزور طلب برآمدی آرڈرز پر اثرانداز ہو رہی ہے۔ ٹیکسٹائل برآمدات کی شرحِ نمو ملک کی مجموعی برآمدات کی نمو سے پیچھے ہے۔ مقامی ویونگ (بُنائی) سیکٹر کو بھی بڑھتی پیداواری لاگت، شدید مسابقت اور غیر مستحکم طلب کے باعث بڑھتے ہوئے چیلنجز کا سامنا ہے۔
یہ مشکل مارکیٹ حالات سہ ماہی کے دوران کمپنی کی دھاگے کی بیرونی فروخت میں کمی اور تیار مال کی انوینٹری میں اضافے سے ظاہر ہوتے ہیں۔
اس پس منظر میں کمپنی نے سہ ماہی کے دوران نئے پلانٹ اور مشینری میں سرمایہ کاری جاری رکھی، جس کی مالی اعانت زیادہ تر طویل مدتی فنانسنگ سے کی گئی۔ اس کا مقصد کارکردگی، مصنوعات کا معیار اور لاگت میں مسابقت بہتر بنانا ہے۔ مضبوط ایکویٹی بنیاد اور خاطر خواہ سرمایہ کاری پورٹ فولیو کی بدولت کمپنی طلب کی بحالی سے فائدہ اٹھانے کے لیے اچھی پوزیشن میں ہے۔ بورڈ سمجھتا ہے کہ ٹیکسٹائل سیکٹر کی پائیدار ترقی کے لیے علاقائی سطح پر مسابقتی توانائی کی قیمتیں، مستحکم اور ترقی پر مبنی مانیٹری پالیسی، ٹیکس ریفنڈز کی بروقت ادائیگی، منصفانہ اور وسیع البنیاد ٹیکس نظام، اور درآمدی دھاگے اور کپڑے کے مقابلے میں یکساں مواقع ناگزیر ہیں۔ سورج کاٹن ملز لمیٹڈ آپریشنل کارکردگی، محتاط مالیاتی انتظام اور اپنے حصص یافتگان کے لیے طویل مدتی قدر کی تخلیق کے لیے پُرعزم ہے۔

اظہارِ تشکر

بورڈ آف ڈائریکٹرز کمپنی کے حصص یافتگان، ملازمین اور مالیاتی شراکت داروں کا ان کے مسلسل تعاون پر تہہ دل سے شکریہ ادا کرتا ہے۔ بورڈ صنعتی چیلنجز سے لگن اور دور اندیشی کے ساتھ نمٹنے پر انتظامیہ کی ٹیم کے عزم اور پیشہ ورانہ مہارت کا بھی اعتراف کرتا ہے۔

ڈائریکٹر

چیف ایگزیکٹو
28 اکتوبر 2026ء
لاہور

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، میں 30 ستمبر 2026 کو ختم ہونے والی پہلی سہ ماہی کے لیے سورج کاٹن ملز لمیٹڈ کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتا ہوں۔

جائزہ

مشکل کاروباری ماحول کے باوجود زیر جائزہ مدت کے دوران کمپنی نے مضبوط کارکردگی دکھائی۔ 30 ستمبر 2026 کو ختم ہونے والی پہلی سہ ماہی میں خالص منافع 451 ملین روپے رہا۔ گزشتہ سال کی اسی مدت میں یہ 396 ملین روپے تھا، یعنی 13.89 فیصد اضافہ ہوا۔ فی حصص آمدنی (EPS) 8.12 روپے سے بڑھ کر 9.24 روپے ہوگئی، جو کمپنی کی مسلسل مالی مضبوطی ظاہر کرتی ہے۔

منافع میں بہتری بنیادی طور پر کمپنی کے بنیادی آپریشنز کی بدولت ہوئی۔ مجموعی منافع 33.5 فیصد اضافے کے ساتھ 488 ملین روپے سے بڑھ کر 652 ملین روپے ہوگیا۔ مجموعی منافع کا مارجن 7.5 فیصد سے بہتر ہو کر 11.5 فیصد ہوگیا، جس کی وجہ خام مال کی کم لاگت اور ایندھن و بجلی کے اخراجات میں نمایاں کمی تھی۔ دیگر آمدنی 303 ملین روپے سے کم ہو کر 161 ملین روپے رہ گئی، کیونکہ گزشتہ سال کی اسی مدت میں سرمایہ کاری پر غیر حقیقی منافع زیادہ تھا۔ رواں سہ ماہی کی دیگر آمدنی میں جائیداد، پلانٹ اور مشینری کی فروخت پر 84 ملین روپے کا منافع شامل ہے۔

سہ ماہی کے دوران کمپنی کی فروخت 5.68 ارب روپے رہی۔ گزشتہ سال کی اسی مدت میں یہ 6.49 ارب روپے تھی، یعنی 12.5 فیصد کمی ہوئی۔ برآمدی فروخت 251 ملین روپے رہی، جبکہ گزشتہ سال کی اسی مدت میں یہ 372 ملین روپے تھی۔ یہ مشکل مارکیٹ حالات میں برآمدی آمدنی میں کمی کی نشاندہی کرتی ہے۔ تیار مال کی انوینٹری 30 جون 2026 کے 2.66 ارب روپے سے بڑھ کر 2.95 ارب روپے ہوگئی۔ ترسیلی اور انتظامی اخراجات قابو میں رہے، جبکہ قلیل مدتی قرضوں میں کمی کے باعث مالیاتی لاگت میں 12.5 فیصد کمی ہوئی۔

سہ ماہی کے دوران کمپنی نے 1.87 ارب روپے کے سرمایہ جاتی اخراجات کیے۔ یہ اخراجات زیادہ تر نئے پلانٹ اور مشینری پر ہوئے اور فی الحال زیر تکمیل سرمایہ جاتی کام میں ظاہر کیے گئے ہیں۔ ان کی مالی اعانت بڑی حد تک اسی مدت میں حاصل کی گئی 1.80 ارب روپے کی طویل مدتی فنانسنگ سے کی گئی۔ حصص یافتگان کی ایکویٹی 30 جون 2026 کے 15.58 ارب روپے سے بڑھ کر 15.94 ارب روپے ہوگئی۔

مالی کارکردگی

گزشتہ سال کی اسی مدت کے مقابلے میں 30 ستمبر 2026 کو ختم ہونے والی مدت کے لیے کمپنی کی مالیاتی کارکردگی درج ذیل ہے:

آمدنی کا مختصر بیان	2026	2025	فیصد تبدیلی
	(پاکستانی روپے ملین میں)		
فروخت	5,679	6,490	(12.49٪)
مجموعی منافع	652	488	33.53٪
آپریٹنگ منافع	617	607	1.5٪
مالیاتی لاگت	34	39	(12.47٪)
ٹیکس سے قبل منافع	582	568	2.47٪
ٹیکس	131	172	(23.60٪)
خالص منافع	451	396	13.76٪
فی حصص آمدنی (روپے)	9.24	8.12	

مستقبل کا نقطہ نظر

سہ ماہی کے دوران عالمی کپاس منڈیوں میں اتار چڑھاؤ رہا۔ ملوں کی محتاط طلب اور بڑے پیداواری ممالک میں فصل کی بہتر رسد کے باعث بین الاقوامی قیمتوں میں نرمی آئی۔ ملکی سطح پر کپاس کی آمد گزشتہ سال سے زیادہ رہی ہے۔ تاہم ناموافق موسم اور فی ایکڑ پیداوار سے متعلق خدشات کے باعث حتمی فصل ابتدائی توقعات سے کم رہ سکتی ہے، اور صنعت کو اپنی ضروریات پوری کرنے کے لیے درآمدی کپاس پر انحصار کرنا پڑے گا۔ کپاس کی کم قیمتوں اور صنعتی بجلی کے

Financial Statements

FOR THE PERIOD ENDED 30 SEPTEMBER 2026

Condensed Interim Statement of Financial Position

AS AT 30 SEPTEMBER 2026

	Note	Un-Audited Sep 30 - 2026 (Rupees in thousand)	Audited June 30-2026
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 100,000,000 (30 June 2026: 100,000,000) ordinary shares of Rupees 10 each		1,000,000	1,000,000
Issued, subscribed and paid up share capital		488,094	488,094
Reserves	4	15,453,116	15,094,079
TOTAL EQUITY		15,941,210	15,582,173
LIABILITIES			
NON CURRENT LIABILITIES			
Long term financing	5	3,485,781	1,866,470
Deferred liabilities		1,521,319	1,545,745
		5,007,100	3,412,215
CURRENT LIABILITIES			
Trade and other payables		5,116,183	4,579,435
Contract liabilities - unsecured		124,751	96,366
Accrued mark-up		30,695	6,642
Short term borrowings		94,567	145,444
Current portion of non current liabilities		1,151,317	1,149,741
Provision for taxation - net		558,983	525,996
Unclaimed dividend		8,577	8,577
		7,085,073	6,512,201
TOTAL LIABILITIES		12,092,173	9,924,416
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		28,033,383	25,506,589

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

	Note	Un-Audited Sep 30 - 2026 (Rupees in thousand)	Audited June 30-2026
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	9,844,720	8,186,583
Investment properties		472,690	472,690
Long term investments		2,271,392	2,091,870
Long term deposits		129,284	129,284
		12,718,086	10,880,427
CURRENT ASSETS			
Stores, spares and loose tools		426,216	466,778
Stock in trade		5,379,554	5,170,261
Trade debts		3,676,221	3,324,841
Loans and advances		77,244	57,767
Short term deposits and prepayments		230,258	213,665
Other receivables		19,936	92,935
Short term investments	8	5,180,129	5,068,534
Cash and bank balances		217,170	109,173
		15,206,728	14,503,954
Non-current assets classified as held for sale		108,569	122,208
		15,315,297	14,626,162
TOTAL ASSETS		28,033,383	25,506,589

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Profit or Loss (Un-Audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Note	Sep 30 - 2026	Sep 30 - 2025
		(Rupees in thousand)	
Revenue from Contracts with Customers	9	5,679,370	6,489,899
Cost of Sales	10	(5,027,128)	(6,001,421)
Gross Profit		652,242	488,478
Distribution Cost		(64,033)	(56,946)
Administrative Expenses		(78,669)	(80,893)
Other Expenses		(53,910)	(46,218)
		(196,612)	(184,057)
		455,630	304,421
Other Income		160,993	303,069
Profit from Operations		616,623	607,490
Finance Cost		(34,354)	(39,249)
Profit before Levy and Taxation		582,269	568,241
Levy		(11,976)	(27,186)
Profit before Taxation		570,293	541,055
Taxation		(119,239)	(144,559)
Profit after Taxation		451,054	396,496
Earnings per Share - Basic and diluted (Rupees)	11	9.24	8.12

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Comprehensive Income (Un-Audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Sep 30 - 2026	Sep 30 - 2025
	(Rupees in thousand)	
PROFIT AFTER TAXATION	451,054	396,496
Other comprehensive income / (Loss):		
Items that will not be reclassified to profit or loss:		
Fair value adjustment arising on remeasurement of investments at fair value through other comprehensive income - net of tax	(92,017)	401,894
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income / (loss) for the period - net of tax	(92,017)	401,894
Total comprehensive income for the period	359,037	798,390

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Changes in Equity (Un-Audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Share Capital	Reserves							Total Equity
		Capital Reserves			Revenue Reserves			Total	
		Share premium reserve	Fair value reserve on FVTOCI investments	Sub total	General Reserve	Unapprop-riated profit	Sub total		
	(Rupees in thousand)								
Balance as at 30 June 2025 - (Audited)	488,094	29,000	423,631	452,631	3,714,000	8,891,070	12,605,070	13,057,701	13,545,795
Transactions with owners:									
Final dividend for the year ended 30 June 2025 @ Rupees 5.00 per Share	-	-	-	-	-	(244,048)	(244,048)	(244,048)	(244,048)
Transfer of gain on disposal of FVTOCI investments to retained earnings	-	-	(134,445)	(134,445)	-	134,445	134,445	-	-
Profit for the year	-	-	-	-	-	1,800,967	1,800,967	1,800,967	1,800,967
Other comprehensive income for the year	-	-	479,459	479,459	-	-	-	479,459	479,459
Total comprehensive income for the year	-	-	479,459	479,459	-	1,800,967	1,800,967	2,280,426	2,280,426
Balance as at 30 June 2026 - (Audited)	488,094	29,000	768,645	797,645	3,714,000	10,582,434	14,296,434	15,094,079	15,582,173
Profit for the period	-	-	-	-	-	451,054	451,054	451,054	451,054
Other comprehensive loss for the period	-	-	(92,017)	(92,017)	-	-	-	(92,017)	(92,017)
Total comprehensive income for the period	-	-	(92,017)	(92,017)	-	451,054	451,054	359,037	359,037
Balance as at 30 September 2026 - (Un-Audited)	488,094	29,000	676,628	705,628	3,714,000	11,033,488	14,747,488	15,453,116	15,941,210

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Cash Flows (Un-Audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Note	Sep 30 - 2026	Sep 30 - 2025
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levy and taxation		582,269	568,241
Adjustment for non-cash and other items:			
Depreciation		177,184	185,740
Gain on disposal of property, plant and equipment		(84,263)	(4,355)
Reversal of allowance for expected credit loss		(12,688)	(9,272)
Unrealised (gain) / loss on remeasurement of investments at FVTPL		(6,495)	(239,125)
Provision for Workers' Profit Participation Fund		31,271	30,490
Provision for Workers' Welfare Fund		11,881	6,076
Profit on bank deposits		(15,871)	(5,344)
Dividend income		(23,662)	(29,790)
Exchange (gain) / loss		148	(2,822)
Loss on trading in shares future contracts - net		1,790	-
Finance cost		34,354	39,249
Cash flows from operating activities before working capital changes		695,918	539,088
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		40,562	137,000
Stock in trade		(209,293)	107,073
Trade debts		(351,528)	132,437
Loans and advances		(19,477)	72,198
Short term deposits and prepayments		(16,593)	(78,064)
Other receivables		72,999	1,560
Increase in current liabilities:			
Trade and other payables		627,299	504,022
Net cash from /(used in) working capital		143,969	876,226
CASH GENERATED FROM /(USED IN) OPERATIONS		839,887	1,415,314
Finance cost paid		(10,301)	(40,231)
Workers' profit participation fund paid		(129,744)	(107,978)
Profit on bank deposits received		15,871	5,344
Income tax paid		(98,228)	(172,629)
NET CASH FROM /(USED IN) OPERATING ACTIVITIES		617,485	1,099,820

Condensed Interim Statement of Cash Flows (Un-Audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Note	Sep 30 - 2026	Sep 30 - 2025
		(Rupees in thousand)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,865,126)	(44,255)
Proceeds from disposal of property, plant and equipment		100,200	3,000
Investments - net		(338,234)	(423,452)
Dividend received		23,662	29,790
NET CASH USED IN INVESTING ACTIVITIES		(2,079,498)	(434,917)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance obtained		1,802,823	-
Long term finance paid		(181,936)	(171,110)
(Decrease)/ increase in short term borrowings - net		(50,877)	(563,321)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES		1,570,010	(734,431)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		107,997	(69,528)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		109,173	163,444
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		217,170	93,916

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

1. THE COMPANY AND ITS OPERATIONS

1.1 Suraj Cotton Mills Limited (the Company) is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at Office No. 802, Tricon Corporate Center, 73-E, Main Jail Road, Gulberg II, Lahore. The Company is engaged in manufacturing, sale, trading and dealing in yarn and cloth.

2. BASIS OF PREPARATION

2.1 These condensed interim financial statements 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; and
- 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.

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2026. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2026.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2026.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Note	Un-Audited Sep 30 - 2026	Audited Jun 30-2026
		(Rupees in thousand)	
4.	RESERVES		
	Capital reserves:		
	Share premium reserve	29,000	29,000
	Fair value reserve on FVTOCI investments - net of deferred income tax	676,628	768,645
		705,628	797,645
	Revenue reserves:		
	General reserve	3,714,000	3,714,000
	Un-appropriated profit	11,033,488	10,582,434
		14,747,488	14,296,434
		15,453,116	15,094,079
5.	LONG TERM FINANCING - SECURED		
	Opening balance	2,473,108	3,202,545
	Obtained during the period / year	1,802,823	-
	Repaid during the period / year	(181,936)	(729,437)
		4,093,995	2,473,108
	Less: Current portion shown under current liabilities	(608,214)	(606,638)
		3,485,781	1,866,470

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

6. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

i) There is no significant change in the status of contingencies as disclosed in the preceding published financial statements of the Company for the year ended 30 June 2026.

ii) Guarantees of Rupees 976.350 million (2026: Rupees 976.350 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Lahore Electricity Supply Company Limited against electricity connections and Director Excise and Taxation, Karachi against infrastructure cess and others.

COMMITMENTS

i) Contracts for capital expenditure amount to approximately Rupees 124.115 million (2026: Rupees 2,014.945 million).

ii) Letters of credit other than for capital expenditure are of Rupees 1,135.983 million (2026: Rupees 2,499.454 million).

		Note	Un-Audited Sep 30 - 2026	Audited Jun 30-2026
			(Rupees in thousand)	
7.	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets - tangible	7.1	7,981,949	8,175,463
	Capital work in progress	7.2	1,862,771	11,120
			9,844,720	8,186,583
7.1	OPERATING FIXED ASSETS - TANGIBLE			
	Opening book value		8,175,463	8,410,684
	Add: Additions during the period / year -cost	7.1.1	13,475	710,602
			8,188,938	9,121,286
	Less: Deletions during the period / year		(29,805)	(15,960)
	Less: Assets transferred to held for sale		-	(171,532)
			8,159,133	8,933,794
	Less: Depreciation during the period / year		(177,184)	(758,331)
	Book value at the end of the period / year		7,981,949	8,175,463
7.1.1	ADDITIONS DURING THE PERIOD / YEAR - COST			
	Factory building		-	-
	Office premises		-	-
	Plant and machinery		4,485	654,349
	Electric installation		-	29,536
	Factory equipment		-	-
	Vehicles		8,990	26,717
			13,475	710,602

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

		Note	Un-Audited Sep 30 - 2026	Audited Jun 30-2026
			(Rupees in thousand)	
7.2	CAPITAL WORK IN PROGRESS			
	Buildings on freehold land		21,271	-
	Plant and machinery		1,841,500	11,120
	Office premises		-	-
			1,862,771	11,120
8.	SHORT TERM INVESTMENTS			
	Equity investments		1,068,996	1,191,168
	Mutual funds		3,600,248	3,366,481
	Debt instruments - term deposit receipts		510,885	510,885
			5,180,129	5,068,534

		Un-Audited					
		Sep 30 - 2026			Sep 30 - 2025		
		Spinning	Weaving	Total	Spinning	Weaving	Total
		---------- (Rupees in Thousand) ----------					
9.	REVENUE FROM CONTRACTS WITH CUSTOMERS						
	Local	4,171,235	3,434,604	7,605,839	4,603,876	3,178,505	7,782,381
	Export	-	251,495	251,495	-	372,024	372,024
	Inter Segments	(2,177,964)	-	(2,177,964)	(1,664,506)	-	(1,664,506)
		1,993,271	3,686,099	5,679,370	2,939,370	3,550,529	6,489,899
9.1	Disaggregation of the Company's revenue from contracts with customers is as follows:						
	Segments						
	Sale of yarn	3,812,218	-	3,812,218	4,123,177	-	4,123,177
	Sale of fabric	-	3,675,578	3,675,578	-	3,533,231	3,533,231
	Sale of waste	359,017	10,521	369,538	480,699	17,298	497,997
	Inter-segment eliminations	(2,177,964)	-	(2,177,964)	(1,664,506)	-	(1,664,506)
	Total revenue from contracts with customers	1,993,271	3,686,099	5,679,370	2,939,370	3,550,529	6,489,899
	Geographic markets						
	Pakistan	4,171,235	3,434,604	7,605,839	4,603,876	3,178,505	7,782,381
	Italy	-	10,252	10,252	-	8,342	8,342
	Lithuania		37,184	37,184	-	-	-
	Oman	-	7,516	7,516	-	-	-
	Portugal	-	196,543	196,543	-	341,654	341,654
	Spain	-	-	-	-	22,028	22,028
	Inter-segment eliminations	(2,177,964)	-	(2,177,964)	(1,664,506)	-	(1,664,506)
	Total revenue from contracts with customers	1,993,271	3,686,099	5,679,370	2,939,370	3,550,529	6,489,899
	Timing of revenue recognition						
	Goods transferred at a point in time	1,993,271	3,686,099	5,679,370	2,939,370	3,550,529	6,489,899
	Total revenue from contracts with customers	1,993,271	3,686,099	5,679,370	2,939,370	3,550,529	6,489,899

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

		Un-Audited	
		Sep 30 - 2026	Sep 30 - 2025
		-----(Rupees in Thousand)-----	
10.	COST OF SALES		
	Raw material consumed	3,785,980	4,793,610
	Sizing expenses	46,365	42,394
	Stores, spares and loose tools consumed	81,548	81,946
	Packing materials consumed	49,664	52,794
	Salaries, wages and other benefits	409,822	446,790
	Fuel and power	707,749	989,866
	Repairs and maintenance	64,705	69,719
	Insurance	10,665	11,186
	Depreciation	169,237	177,766
	Other factory overheads	10,231	10,682
		5,335,966	6,676,753
	Work-in-process:		
	Opening stock	380,457	342,632
	Closing stock	(413,815)	(363,298)
		(33,358)	(20,666)
	Cost of goods manufactured	5,302,608	6,656,087
	Finished goods:		
	Opening stock	2,683,448	3,272,914
	Closing stock	(2,958,928)	(3,927,580)
		(275,480)	(654,666)
		5,027,128	6,001,421
11	EARNINGS PER SHARE - BASIC AND DILUTED		
	There is no dilutive effect on the basic earnings per share which is based on:		
	Profit attributable to ordinary shareholders (Rupees in thousand)	451,054	396,496
	Weighted average number of ordinary shares Numbers	48,809,515	48,809,515
	Earnings per share - Basic and diluted (Rupees)	9.24	8.12

12. OPERATING SEGMENT INFORMATION

12.1 The Company has two reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Spinning: Production of different quality of yarn using natural and artificial fibres.

Weaving: Production of different quality of greige fabric using yarn.

Transactions between operating segments are recorded on arm's length basis in a manner similar to transactions with third parties. Inter segment sales and purchases have been eliminated from the total.

12.2

	Spinning		Weaving		Elimination of Inter-segment transactions		Total-Company	
	Un-Audited							
	Sep 30 - 2026	Sep 30 - 2025	Sep 30 - 2026	Sep 30 - 2025	Sep 30 - 2026	Sep 30 - 2025	Sep 30 - 2026	Sep 30 - 2025
	(Rupees in thousand)							
SALES								
External	1,993,271	2,939,370	3,686,099	3,550,529	-	-	5,679,370	6,489,899
Inter-segment	2,177,964	1,664,506	-	-	(2,177,964)	(1,664,506)	-	-
	4,171,235	4,603,876	3,686,099	3,550,529	(2,177,964)	(1,664,506)	5,679,370	6,489,899
COST OF SALES								
External	(1,553,123)	(2,768,965)	(3,474,005)	(3,232,456)	-	-	(5,027,128)	(6,001,421)
Inter-segment	(2,177,964)	(1,664,506)	-	-	2,177,964	1,664,506	-	-
	(3,731,087)	(4,433,471)	(3,474,005)	(3,232,456)	2,177,964	1,664,506	(5,027,128)	(6,001,421)
Gross profit	440,148	170,405	212,094	318,073	-	-	652,242	488,478
Distribution cost	(9,674)	(7,049)	(54,359)	(49,897)	-	-	(64,033)	(56,946)
Administrative expenses	(56,683)	(60,052)	(21,986)	(20,841)	-	-	(78,669)	(80,893)
	(66,357)	(67,101)	(76,345)	(70,738)	-	-	(142,702)	(137,839)
Profit before taxation and unallocated income and expenses	373,791	103,304	135,749	247,335	-	-	509,540	350,639
Unallocated income and expenses:								
Operating expenses							(53,910)	(46,218)
Other income							160,993	303,069
Finance cost							(34,354)	(39,249)
							72,729	217,602
Profit Before Levy And Taxation							582,269	568,241
Levy							(11,976)	(27,186)
Profit Before Taxation							570,293	541,055
Taxation							(119,239)	(144,559)
Profit for the period							451,054	396,496

Inter segment sales and purchases have been eliminated from the total.

12.3 Reconciliation of Reportable Segment Assets and Liabilities

	Spinning		Weaving		Total-Company	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	Sep 30 - 2026	June 30 - 2026	Sep 30 - 2026	June 30 - 2026	Sep 30 - 2026	June 30 - 2026
Total assets for reportable segment	13,620,607	11,138,601	6,379,996	6,612,686	20,000,603	17,751,287
Unallocated assets:						
Investment properties					472,690	472,690
Long term investments					2,271,392	2,091,870
Short term investments					5,180,129	5,068,534
Non-current assets classified as held for sale					108,569	122,208
Total assets as per condensed interim statement of financial position					28,033,383	25,506,589
Total liabilities for reportable segments	7,317,101	6,602,668	2,686,193	1,241,430	10,003,294	7,844,098
Unallocated liabilities:						
Deferred liability					1,521,319	1,545,745
Provision for taxation - net					558,983	525,996
Unclaimed dividend					8,577	8,577
Total liabilities as per condensed interim statement of financial position					12,092,173	9,924,416

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

13 RECOGNISED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements at 30 September 2026 - Un-Audited	Level 1	Level 2	Level 3	Total
	(Rupees in Thousand)			
Financial assets				
Fair value through other comprehensive income	2,266,207	-	-	2,266,207
Fair value through profit or loss	4,669,244	-	-	4,669,244
	6,935,451	-	-	6,935,451

Recurring fair value measurements at 30 June 2026 - Audited	Level 1	Level 2	Level 3	Total
	(Rupees in Thousand)			
Financial assets				
Fair value through other comprehensive income	2,086,685	-	-	2,086,685
Fair value through profit or loss	4,557,649	-	-	4,557,649
	6,644,334	-	-	6,644,334

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine level 1 fair values

Specific valuation technique used to value financial instruments was use of quoted market prices.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

14. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, key management personnel and provident fund trust. The Company in the normal course of business carried out transactions with various related parties. Detail of transactions with related parties are as follows:

	Un-Audited	
	Sep 30 - 2026	Sep 30 - 2025
	(Rupees in thousand)	
i) Transactions		
Associated companies		
Purchase of electricity	-	3,852
Sale of goods	78,541	9,865
Purchase of goods	1,636	1,838
Insurance expense	51,048	53,516
Key management personnel		
Remuneration paid to Chief Executive Officer, Director	20,712	19,504
Other related parties		
Company's contribution to provident fund trust	17,361	16,714

ii) Period end balances

	As At 30 September 2026 (Un-Audited)		
	Associated Companies	Other Related Parties	Total
	(Rupees in Thousand)		
Trade debts	45,496	-	45,496
Trade and other payables	28,243	-	28,243
Loans and advances	7,788	-	7,788

	As At 30 June 2026 (Audited)		
	Associated Companies	Other Related Parties	Total
	(Rupees in Thousand)		
Trade debts	33,476	-	33,476
Trade and other payables	4,767	-	4,767
Loans and advances	7,788	-	7,788

		Un-Audited Sep 30 - 2026	Audited June 30 - 2026
		-----(Rupees in Thousand)-----	
15.	DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS ACTIVITIES		
	Description		
	Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	-	-
	Interest or mark-up accrued on any conventional loan or advance	30,695	6,642
	Long-term and short-term Shariah compliant Investments	2,557,647	6,126,157
	Shariah-compliant bank deposits, bank balances, and TDRs	325,937	313,713

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Un-Audited	
	Sep 30 - 2026	Sep 30 - 2025
	-----(Rupees in Thousand)-----	
Revenue earned from a Shariah-compliant business segment	5,679,370	6,489,899
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		
Dividend income	10,350	15,076
Gain on disposal of investments at fair value through profit or loss	16,760	11,103
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	(95,528)	159,231
Gain on disposal of investments at FVTOCI	-	17,748
Unrealised (loss) / gain on re-measurement of investments at FVTOCI	(102,507)	235,980
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs		
Profit on deposits with banks	193	166
Return on term deposit receipts	6,102	1,378
Exchange gain earned from actual currency	–	2,822
Total Interest earned on any conventional loan or advance		
Return on term deposit receipts	6,085	-
Profit on deposits with banks	3,490	3,800
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income		
Shariah-compliant:		
Dividend income	10,350	15,076
Profit on deposits with banks	193	166
Return on term deposit receipts	6,102	1,378
Gain on disposal of investments at fair value through profit or loss	16,760	11,103
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	(95,528)	159,231
Net exchange gain	-	2,822
Gain on disposal of property, plant and equipment - net	84,263	4,355
Scrap sales	1,254	1,258
Non-Shariah compliant income:		
Dividend income	13,312	14,714
Return on term deposit receipts	6,085	-
Profit on deposits with banks	3,490	3,800
Gain on disposal of investments at fair value through profit or loss	-	-
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss	102,023	79,894

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Name	Relationship
Meezan Bank Limited	Bank balance and short term borrowings
MCB Islamic Bank Limited	Bank balance and short term borrowings and term deposit receipts
Dubai Islamic Bank Limited	Bank balance
National Bank of Pakistan (Aitemaad Current Account)	Bank balance

16. FINANCIAL RISK MANAGEMENT

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

17. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on October 28, 2026.

18. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangement has been made.

19. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

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