# 57th ANNUAL REPORT 2026




# QUETTA TEXTILE MILLS LIMITED

**QUETTA TEXTILE MILLS LIMITED**

# ANNUAL REPORT
# JUNE 30, 2026
# Index

## CONTENTS Page


| | |
|---|---|
| Company Information | 02 |
| Vision & Mission Statements | 03 |
| Notice of Annual General Meeting | 04 |
| Chairperson Review | 05-06 |
| Director's Report to the Members (English/Urdu) | 07-20 |
| Key Operating & Financial Data | 21 |
| Pattern of Shareholding | 22-23 |
| Statement of Compliance with the Code of Corporate Governance | 24-25 |
| Independent Auditor's Review Report to the Member | 26-27 |
| Auditor's Report to the Members | 28-33 |
| Statement of Other Comprehensive Income | 34 |
| Statement of Cash Flows | 35 |
| Statement of Changes in Equity | 36 |
| Notes to the Financial Statement | 37-70 |
| Form of Proxy | 71 |
| Form of Proxy (Urdu) | 72 |

# COMPANY INFORMATION

**BOARD OF DIRECTORS**

| | |
|---|---|
| Mrs. Saima Asim | Chairperson |
| Mr. Asim Khalid | Chief Executive |
| Mr. Omer Khalid | CFO/Director |
| Mr. Tariq Iqbal | Director |
| Mr. Tauqir Tariq | Director |
| Mr. Obaid Zamir | Independent Director |
| Mr. Abbas Ali | Independent Director |

**AUDIT COMMITTEE**

| | |
|---|---|
| Chairperson | Mrs. Saima Asim |
| Member | Mr. Abbas Ali |
| Member | Mr. Obaid Zamir |

**HUMAN RESOURCE & REMUNERATION COMMITTEE**

| | |
|---|---|
| Chairman | Mr. Abbas Ali |
| Member | Mrs. Saima Asim |
| Member | Mr. Obaid Zamir |

| | |
|---|---|
| **CHIEF FINANCIAL OFFICER** | Mr. Omer Khalid |
| **COMPANY SECRETARY** | Mr. Naudrat Mund Khan |
| **AUDITORS** | J.A.S.B & Associates Chartered Accountants |
| **SHARE REGISTRAR** | C & K Management Associates (Pvt) Ltd<br>M-13, Progressive Plaza, Beaumont Road,<br>Civil Lines Quarters, Near PIDC, Karachi |
| **BANKERS** | Allied Bank Limited<br>Al-Baraka Bank (Pakistan) Limited<br>Bank Alfalah Limited<br>Bank Islami (Pakistan) Limited<br>Dubai Islamic Bank (Pakistan) Limited<br>Faysal Bank Limited<br>Habib Bank Limited<br>Habib Metro Bank Limited<br>Meezan Bank Limited<br>National Bank of Pakistan<br>Soneri Bank Limited<br>Standard Chartered Bank (Pakistan) Limited<br>Summit Bank Limited<br>United Bank Limited |
| **REGISTERED OFFICE** | Nadir House (Ground Floor)<br>I. I. Chundrigar Road, Karachi |
| **MILLS** | P/3 & B/4, S.I.T.E., Kotri.<br>49 K.M., Lahore, Multan Road, Bhai Pheru |
| **WEB SITE ADDRESS** | www.quettagroup.com |

# CORPORATE VISION & MISSION STATEMENTS

## VISION

Quetta Textile Mills Limited is a manufactures of yarns & fabrics in Pakistan. The Company aims to become a market leader by producing high quality products with the help of latest technologies. The Company strives to explore new markets worldwide and at the same time tries to integrate its supply chain and diversify its customers portfolio. The Company aims to be fittest in a changing market scenario through effective balancing, Modernization & Replacement of existing machinery.

## MISSION

Our aim is to make Quetta Textile Mills Limited a secure & rewarding investment for its shareholders & investors, a reliable source of high quality yarns & fabrics at affordable prices to its customers all over the world, a secure place of work to its employees & an ethical partner to its business association.

## QUETTA TEXTILE MILLS LIMITED

NOTICE OF MEETING

Notice is hereby given that the **67th Annual General Meeting** of the Shareholders of **Quetta Textile Mills Limited** will be held on **Thursday** November **26, 2026 at 09.15 A.M.** at the Sunset Club, Jami Staff Lane 2, Phase 2, Ext, DHA**, Karachi** to transact the following business: -

**Ordinary Business**:

1. To confirm the minutes of the Annual General Meeting held on January 26, 2026.

2. "To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2026, together with the Auditors' Report, Directors' Report and Chairman's Review Report thereon."
As required under section 223(7) of the Companies Act, 2017, the Financial Statement of the Company and scam QR code have been uploaded on the following link:

http://www.quettagroup.com/index.html

3. "To appoint the auditors of the Company for the year ending June 30, 2027 and fix their remuneration. The retiring auditors, M/s. J.A.S.B. & Associates, Chartered Accountants, being eligible, have offered themselves for reappointment. The Board of Directors, on the recommendation of the Audit Committee, has recommended their reappointment."

4. To transact any other ordinary business of the Company with the permission of the Chairperson.

**By order of the Board of Directors**

Nudrat Mund Khan

**Company Secretary**

Karachi:

**Dated: November 05, 2026**

**Notes:**

1 In pursuance of SMD/SE/2(20)2021/117 to ensure the participation of members in the general meeting.
Members are advised to send their Name, Folio/CDC Account Number, CNIC Number, Valid email address and cell number for registration, at the earliest but not later than 48 hours before AGM on E-mail: sales@quettagroup.com along with a valid copy of both sides of CNIC.

2. A member entitled to attend the Annual General Meeting can appoint a proxy to attend and vote instead of him/her. Proxies in order to be valid must be received at the registered office of Company 48 hours before meeting commences. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting an attested CNIC must be attached with Proxy Form. Shareholder holding Physical share are required to bring Original CNIC and/or copy.

3. For the purpose of entitlement of dividend, the Register of the members of the Company will remain closed at registered office from November 20, 2026 to November 26, 2026 (both days inclusive) and if dividend approved will be paid to such members whose name will appear in the Company's register of member at the close of business on November 19, 2026.

4. According to Section 119 of the Company Act, 2017and Regulation 19 of the Companies Regulation, 2018 all members have physical shares are advised to provide their mandatory information such as CNIC number, address, email address, contact numbers, Bank account detail etc., to our share Registrar.

5. Members are requested to submit a copy of their Computerized National Identity Card/Smart National Identity Card (CNIC/SNIC), if not already provided and notify immediately changes, if any, in their registered address to our Shares Registrar, C&K Management Associate (Pvt) Ltd.

6. According Section 242 of Companies Act 2017 and SECP's circular no 18 dated August 1, 2017. All shareholders are requested to provide IBAN, Bank name and Branch name with address and also requested again to provide Computerized National Identity Card to Shares Registrar, CDC and sub account holder update with their brokers.

**7. Conversion Physical share into Book Entry form**

With reference of Section 72 of the Companies Act, 2017 and Further Letter No. CSD/ED/Misc./2016/-639-640 dated March 26, 2021 from Securities and Exchange Commission of Pakistan (SECP). The Shareholders of Quetta Textile Mills Limited having physical folio/share certificates are requested to convert their shares from physical form into Book Entry Form as soon as possible. In this respect kindly contact following Share Registrar of the Company. A separate notice also sent to shareholders who hold physical shares.

**Share Registrar C & K Management Associates (Pvt) Limited**
404, Trade Tower, Abdullah Haroon Road, Near
Metropole Hotel, **Karahci-75530.**

# Chairperson's Review

I, hereby define review report for the year ended June 30, 2026 on the performance of Board and effectiveness of role played by the Board of the Company

The year ending on June 30, 2026 has been extremely challenging for all businesses and industry due to high interest rates, inflation and world-wide recession. Although inflation as per SPB is tapering off, but businesses and industry continue to suffer due to extremely high electricity and gas rates which have resulted in very high costs of doing business. Residential, commercial and industry are suffering from this.

The Company has shut down some of its spinning operations due to 'back-breaking' electricity and gas rates that resulted have resulted in lower sales than last year. Because of significant decline in both the local and global market, we are currently unable to resume operation at full capacity. The Company has initiated its operation at only 30% of total capacity.

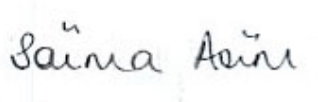
The Board during year ended June 30, 2026 played an effective role in managing the affair of Company and achieving its object in the follow manner.

The Board has applied governance standards in an efficient and transparent manner as per regulations under Code of Corporate Governance Regulations 2019(Code), guidelines and provisions of Companies Act 2017. Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange.

Essential Board agendas and the associated supporting documents were providing in a timely manner before Board and Committee Meeting. Non-executive and independent directors play an equal and integral role in crucial board decisions.

The Board has taken responsibility for the recruitment, assessment, and remuneration of essential executives, including the Chief Executive Officer, Chief Financial Officer, Company Secretary, and Head of internal Audit.

The Board's overall performance and effectiveness has assessed as satisfactory for the year financial year ended June, 30 2025. This is based on an evaluation of integral components, including vision, mission and values, engagement in strategic planning, formulation of policies, monitoring the organization's business activities, monitor financial resource management; effective fiscal oversight, equitable treatment of all employees and efficiency in carrying out the Board's business.



**Saima Asim**
**Chairperson**

Karachi
Dated: November 05, 2026

# کوئٹہ ٹیکسٹائل ملز لمیٹڈ

## چیئرپرسن کا جائزہ

میں 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے بورڈ کی کارکردگی اور اس کے ادا کردہ کردار کی مؤثریت پر یہ جائزہ رپورٹ پیش کرتی ہوں۔

30 جون 2026 کو ختم ہونے والا سال امریکہ اور ایران کی جنگ، ایندھن، گیس اور بجلی کی بلند قیمتوں، مہنگائی اور عالمی کساد بازاری کے باعث تمام کاروباری اداروں اور صنعتوں کے لیے انتہائی مشکل رہا۔ مذکورہ عوامل کے باعث کاروبار اور پیداواری صنعت بدستور مشکلات کا شکار ہیں اور کاروباری لاگت میں بہت زیادہ اضافہ ہوا ہے۔ گھریلو، تجارتی اور صنعتی شعبے ان حالات سے متاثر ہو رہے ہیں۔

بین الاقوامی ٹیکسٹائل منڈیوں میں عالمی طلب کی کمی کے باعث کمپنی کے اسپننگ آپریشنز کا کچھ حصہ تاحال بند ہے۔ مقامی اور عالمی، دونوں منڈیوں میں نمایاں مندی کی وجہ سے ہم فی الحال پوری پیداواری صلاحیت کے ساتھ آپریشنز بحال کرنے سے قاصر ہیں۔ کمپنی نے اپنی مجموعی پیداواری صلاحیت کے صرف 30 فیصد پر آپریشنز شروع کیے ہیں۔

30 جون 2026 کو ختم ہونے والے سال کے دوران بورڈ نے کمپنی کے معاملات چلانے اور اس کے مقاصد کے حصول میں درج ذیل انداز میں مؤثر کردار ادا کیا۔

بورڈ نے کارپوریٹ گورننس ریگولیشنز 2019 (کوڈ)، کمپنیز ایکٹ 2017 کی دفعات اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کے ضوابط اور رہنما اصولوں کے مطابق گورننس کے معیارات کو مؤثر اور شفاف انداز میں نافذ کیا۔

بورڈ اور اس کی کمیٹیوں کے اجلاسوں سے قبل ضروری ایجنڈے اور متعلقہ معاون دستاویزات بروقت فراہم کی گئیں۔ غیر انتظامی اور آزاد ڈائریکٹرز بورڈ کے اہم فیصلوں میں مساوی اور لازمی کردار ادا کرتے ہیں۔

بورڈ نے اہم انتظامی عہدیداروں، بشمول چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اور سربراہ داخلی آڈٹ کی تقرری، کارکردگی کے جائزے اور معاوضوں کے تعین کی ذمہ داری انجام دی۔

30 جون 2026 کو ختم ہونے والے مالی سال کے لیے بورڈ کی مجموعی کارکردگی اور مؤثریت کو اطمینان بخش قرار دیا گیا ہے۔ یہ نتیجہ اہم عناصر کے جائزے پر مبنی ہے، جن میں وژن، مشن اور اقدار، تزویراتی منصوبہ بندی میں شرکت، پالیسیوں کی تشکیل، ادارے کی کاروباری سرگرمیوں کی نگرانی، مالی وسائل کے انتظام کی نگرانی، مؤثر مالی نگرانی، تمام ملازمین کے ساتھ منصفانہ سلوک اور بورڈ کے امور کی مؤثر انجام دہی شامل ہیں۔

Saima Asim

**صائمہ عاصم**

چیئرپرسن

کراچی

مورخہ 05 نومبر 2026

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Company submit their Report together with the audited financial statements of the Company for the year ended June 30, 2026.

**Financial Results**

Summary of the company's key financial numbers are presented below:

| Particulars | 30-Jun-26 | June 30, 2025 | Variation |
|---|---|---|---|
| | (Rupees in '000) | | |
| Sales | 1,476,182 | 1,064,980 | 38.61 % |
| Cost of sales | (2,302,875) | (2,272,791) | 1.32 % |
| Gross Loss / Profit | (826,693) | (1,207,811) | (31.55) % |
| (Loss)/Profit before taxation | (849,440) | (1,623,359) | (47.67) % |
| Taxation | (18,452) | (13,387) | 37.84 % |
| Profit / (Loss) after taxation | (867,892) | (1,636,746) | (46.97) % |
| Other comprehensive Profit | 11,924 | 17,321 | (31.16) % |
| Accumulated loss brought forward | (7,357,627) | (6,530,501) | 12.67 % |

**Review of Operations:**

The above are results of the company for the year ended June 30, 2026. Turnover for the year was Rs. 1,476 million, an increase of Rs. 411 million. The company made a Loss before Tax of Rs. 867.89 million as compared to a Loss before Tax of Rs. 1,636 million last year. The primary reason for the decrease in loss was the rise in cost of sales, mainly driven by soaring energy prices, power levies, provisioning of GIDC and the overall high cost of doing business. Additionally, during the fiscal year, the Company faced challenges in achieving better pricing due to weak local and global demand for textile products.

The company's current liabilities exceed its current assets by Rs. 8,471.08 million. Current Ratio is 0.26 : 1, as compared to last year's Current Ratio of 0.35 :1.

Director and sponsors of the Company have committed that they would continue support to the company in the future.

**Chairman's Review:**

The directors' hereby endorse the Chairman's review report on the performance of the Company.

**Earning per Shares:**

The Loss share (EPS) of current year is Rs. (66.76), as compared to Earing Rs. (125.90) for the previous year.

**Dividend:**

The Board of Directors have recommended 'Nil' dividend for the year ended June 30, 2026.

**Retire Benefit Funds:**

The Company operates un-funded gratuity scheme for its employees as reflected in the financial statements.

## Economic Review

Pakistan's economy, industry and almost all manufacturing businesses are going through a tough phase due to very high electricity and gas rates and low demand for goods and services in the local and international markets.

The textile industry of Pakistan is facing multiple crisis, such as electricity and gas rates, high cost of doing business, lay-offs to lower their cost of production and cost of doing business. Many spinning and weaving manufacturing concerns have closed down or curtailed their productions. Un-employment and lay-offs are on the rise.

The persistent trend of high electricity and gas rates and levy of gas have substantially depleted the financial reserves of businesses, eroding their earnings entirely. Therefore, it is crucial for the Government to take decisive action and make concerted efforts to lower electricity and gas rates at a reasonable level in order to ensure the continued viability of the industry.

Electricity and gas tariff has jolted the trade and industries as these exorbitant costs are resulting in closures and lay-offs which are further deteriorating economic activities.

## Future Textile Outlook:

Going forward, next year is again expected to be a challenging one for Pakistan as it seeks fiscal stability while complying with the toughest IMF program conditions. The economic outlook depends on factors like political stability, IMF reforms and industry supportive monetary measures, boosting industrial activity and demand.

This year has been by far the toughest year for all businesses whether commercial or industrial due to global and domestic uncertainties and challenges for Pakistan's external economic environment.

**Related Party Transactions:**

The related parties comprise of directors and key management personnel amounts due to related parties are shown in the relevant notes to the financial statements.

**Financial Management:**

**Cash flow Management:**

The Company has an effective Cash Flow Management system in Place whereby cash inflows and outflows is projected on regular basis. Working Capital requirements are planned to be financed through internal cash generation and short-term borrowings from external resources where necessary.

**Risk Mitigation:**

The Inherent risks and un-certainties in running a business directly affect the success of business. The management of Quetta Textile Mills Limited has identified its exposure to the potential risks. As a part of our policy to produced forward looking statement we are outlining the risks which may affect our business. This exercise also helps the management focus on a strategy to mitigate risk factors.

**Credit Risk:**

All financial assets of the company except cash in hand are subject to credit risk. The company believes that it is not exposed to major concentration of credit risk. Exposure is managed through application of credit limits to its customers secured by and on the base of past experience, sales volume, consideration of financial position, past track records. and recoveries, economic conditions of particularly the textile sector and generally the industry. The company believes that it is prudent to provide Provision of doubtful debts.

**Liquidity Risk:**

Prudent liquidity risk management ensures availability of the sufficient funds for meeting contractual commitments. The Company's fund management strategy aims at managing liquidity risk through internal cash generation and committed credit lines with financial institutions.

**Interest Rate Risk:**

Majority of the interest rate exposure arises from short and long term borrowing from banks. Therefore, a change in interest rates at the reporting date would not affect the profit and loss accounts.

**Foreign Exchange Risk:**

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currencies. The company is mainly exposed to short term USD/ PKR parity on its imports of raw material and Plant and Machinery.

**Production Facilities**

Performance of our production facilities was excellent with unprecedented levels of output. Our team continued to improve efficiencies through harmonized efforts, eliminating wastage and avoidance of shutdowns on numerous occasions. The Company is determined to continue its focus on maximum capacity utilization for sustained profitability and to maintain its position as the leading Textile Manufacturer of the Country.

**Auditors:**

The present auditor's JASB & Associates, Chartered Accountants retired and being eligible offer themselves for re-appointment.

**Safety, Health and Environment:**

We maintain our commitment to higher standard of Safety, Health and Environment. All our employees undergo continuous training on all aspects of safety especially with regards to the safe production, delivery, storage and handling of the materials. In addition, we have initiated a rotation exercise at the mill whereby our aim is to ensure that all supervisors are also safety managers and are fully cognizant of all aspects of safety training. Due these controls and with the blessing of Al-Mighty Allah no major accidents or incidents took place at the mill.

**Environmental Protection Measures:**

Your company always ensures environment preservation and adopts all the possible means for environment protection. We have been taking various steps to ensure minimal dust and emission from our plant and our production lines are installed with pollutant trapping and suppression systems to control dust particles and other emissions.

**Corporate Social Responsibility**

Your Company is fully aware of its corporate social responsibility and has been working positively to raise the educational, health and environmental standards of the Country in general and local communities in particular.

Currently we are supporting following projects:

- Two Madrasa's in Kotri
- Four (04) water filtration plants - Three (03) in Kotri, Jamshoro and one (01) in Hyderabad.

We believe that the industry has the power to transform society and therefore strives to maximize the positive impact of industrialization.

**Pattern of Shareholding:**

The pattern of shareholding and relevant information thereon is annexed accordingly.

**Summary of Financial Data:**

Financial data for last six years in summarized form is annexed.

**Composition of Board:**

The composition of board is in compliance with the requirements of Code of Corporate Governance regulations 2017 applicable on listed entities which is given below:

Total number of directors:

| | | |
|---|---|---|
| a) | Male | 6 |
| b) | Female | 1 |

Composition

| | | |
|---|---|---|
| a) | Independent Directors | 02 |
| b) | Executive Directors | 02 |
| c) | Non-Executive Directors | 03 |

**Remuneration of Directors:**

The Company fixed the remuneration of the directors in the General Meeting and in future remuneration of the Directors will be determined by the Company in Board of Directors' Meeting as provided by Section 170 of the Companies Act, 2017. The remuneration of the Board of Directors is determined on the basis of standards in the market and reflects demands to competencies and efforts in light of the scope of their work and increase in responsibilities of the directors.

**Board of Directors' Meetings:**

A total of 12 meetings of the Board of Directors were held during 12 months' period from July 01, 2025 to June 30, 2026. Attendance at the Board Meetings by each Director is as follows:

| Name of Directors | Number of Meetings Attended |
|---|---|
| Mr. Tariq Iqbal | 06 |
| Mr. Asim Khalid | 12 |
| Mr. Omer Khalid | 12 |
| Mr. Tauqir Tariq | 03 |
| Mrs. Saima Asim | 11 |
| Mr. Major Rtd. Muhammad Saeed | 02 |
| Mr. Abbas Ali | 04 |
| Mr. Obaid Zameer | 03 |

Leave of absence was granted to the directors who could not attend some of the meetings.

**Board Audit Committee:**

The Board of Directors in compliance with the Code of Corporate Governance has established an Audit Committee. The name of its members is given in the company profile.

The Committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities. A total of four Board of Audit Committee meetings were held during 12 months' period from July 01, 2025 to June 30, 2026. Attendance at the Board Audit Committee Meeting by each Director / members is as follow:

| Name of Members | Number of Meetings Attended |
|---|---|
| Mr. Major Rtd. Muhammad Saeed | 02 |
| Mr. Asim Khalid | 02 |
| Mr. Tauqir Tariq | 02 |
| Mr. Abbas Ali | 03 |
| Mr. Obaid Zameer | 03 |
| Mrs. Saima Asim | 03 |

The term of reference of the Audit Committee based on the scope as defined by the Securities and Exchange Commission of Pakistan (SECP) and the guidelines given by the board of directors from time to time to improve the system and pressures. Within the frame work of term of reference determined by board of directors, the Audit Committee, among other things, will recommend appointment of external auditors and review of periodical statements

**Human Resource and Remuneration Committee:**

Human Resource planning and management is one of the essential matters and is at the spotlight at the senior management level. The Company has a Human Resource and Remuneration Committee that guides in the section evaluation, compensation and succession planning of key management personnel. Its responsibility entails recommending improvement in the company's human resource policies and procedures and their periodic review. The Committee keeps abreast with industries "Best Practices" and ensures to discuss and implement this as and when the situation arises.

**Corporate Governance:**

The Board of Directors hereby declares that for the year ended June 30, 2026:

a) The Financial statements, prepared by the management of the Company, present its state of affairs fairly, the results of its operations, cash flows and change in equity.
b) Proper books of accounts of the Company have been maintained.
c) Appropriate accounting policies as stated in the notes to the financial statements have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
d) The International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
e) There is no significant doubt upon the Company's ability to continue as a going concern.
f) The system of internal control is sound in design and has been effectively implemented and monitored.
g) Key operating and financial data for the last six years in summarized from is annexed.
h) Outstanding duties, statutory charges and taxes if any, have been adequately disclosed in the annexed audited financial statements.

**Reservations in Independent Auditors' Report to the Members:**

The auditors have given their remarks over financial stability of the company by showing their concerns towards use of 'going concern' assumption. The management very briefly explains various mitigating factors that are in company's favour to be a going concern for the future in note 3.6 in these financial statements: -

(a) The main factor in the company's favour is that the company is getting complete co-operation from our bankers who have re-structured our outstanding amounts and entered into scattered and stepped-up settlement arrangements. Along-with this, mark-up rates have also been reduced to cost of fund. Mark-up amounts have been re-structured to be paid at 'tail-end', after re-payments of principal amounts. In some cases, mark-up has been waived entirely. This has been done to enable positive and retained cash flows to maintain its liquidity and will improve its Current Ratio. The company had filed "Leave to Defend" well in time to challenge their claims against those banks who have filed suits in Sindh High Court and Banking Court against the company. Negotiations with the remaining banks is also under process for settlement of claims. Our legal team is confident that they will be able to succeed in settling the due amounts with banks, and also would be able to get reductions in the claim amounts.

(b) The banks have filed cases for recovery which are exaggerated and with exorbitant mark-up and other charges, whereas, as per records of the company, the amount, if any payable, against the subject facilities, are much less than the alleged claims of the banks. In all these cases, the company has filed "Leave to Defend" applications and denied the alleged claims of the banks, which are pending before the Hon'ble Courts for adjudications. The management contesting the cases vigorously and also making efforts for amicable

settlement of claim of each bank individually as out of court settlement. The company has finalized compromise/settlement agreements in three suits. A fourth compromise/settlement agreement with another bank is presently under discussions in another suit, and will be in the final stages of mutual agreement shortly.

(c) Some banks that are in litigations have not responded to balance confirmation letter of auditors.

(d) The Board notes the observation of the external auditors in their report regarding non-compliance with certain requirements of IAS 12 Income Taxes (with respect to recognition of deferred taxation, including deferred tax on surplus arising on revaluation of fixed assets amounting to Rs. 307.62 million as at the reporting date) and IFRS 16 Leases. The Company has historically followed the accounting practices permissible under the applicable regulatory framework in Pakistan, including the treatment of surplus on revaluation of property, plant and equipment in accordance with the directives/SROs issued by the Securities and Exchange Commission of Pakistan (SECP) from time to time. The management continues to monitor developments in the application of these International Financial Reporting Standards (IFRS), particularly in the context of local regulatory requirements, taxation laws, and the Company's financial position. The Board is committed to ensuring full compliance with all applicable accounting standards and is actively reviewing these matters in consultation with financial and legal advisors. Appropriate steps will be taken in future periods to align the accounting treatment as necessary, subject to detailed evaluation of the impact and available regulatory guidance. The Directors are confident that the financial statements, taken as a whole, present fairly the state of the Company's affairs and appreciate the auditors' focus on these technical areas to strengthen financial reporting practices."

(e) The Board notes that the qualification in the report of the external auditors, J.A.S.B. & Associates, for the year ended June 30, 2026 relates to a matter arising during their audit of the preceding year and has been retained in respect of the comparative information presented in the current year's financial statements. During their first year of appointment, the auditors were unable to obtain sufficient appropriate audit evidence regarding the opening balances as at July 1, 2024.

The auditors have verified the opening balances as at July 1, 2025 for the current financial year. Accordingly, this qualification relates to the comparative information (2025) and does not represent an unresolved limitation concerning the current year's opening balances. The Board remains committed to ensuring reliable financial reporting and extending full cooperation to the auditors, including timely provision of relevant records and supporting information.

**Conclusion:**

In the end, I would like to thank the supporting financial institutions and creditors for their continued support they have shown towards the company. To the workers, staff and officers, I extend my gratitude for their dedication and honesty.

For and on behalf of the Board

**Asim Khalid**
Chief Executive

**Omer Khalid**
Director

Karachi: November 05, 2026

## کوئٹہ ٹیکسٹائل ملز لمیٹڈ

حصص یافتگان کے لیے ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے لیے اپنی رپورٹ، کمپنی کے آڈٹ شدہ مالی گوشواروں کے ساتھ پیش کرتے ہیں۔

**مالی نتائج**

کمپنی کے اہم مالی اعداد و شمار کا خلاصہ ذیل میں پیش کیا گیا ہے۔

رقوم ہزار روپے میں؛ تبدیلی فیصد میں

| تفصیل | 30 جون 2026 | 30 جون 2025 | تبدیلی % |
|---|---|---|---|
| فروخت | 1,476,182 | 1,064,980 | 38.61 |
| فروخت کی لاگت | (2,302,875) | (2,272,791) | 1.32 |
| مجموعی خسارہ / منافع | (826,693) | (1,207,811) | (31.55) |
| قبل از ٹیکس (خسارہ) / منافع | (849,440) | (1,623,359) | (47.67) |
| ٹیکس | (18,452) | (13,387) | 37.84 |
| بعد از ٹیکس منافع / (خسارہ) | (867,892) | (1,636,746) | (46.97) |
| دیگر جامع منافع | 11,924 | 17,321 | (31.16) |
| گزشتہ سال سے منتقل شدہ جمع شدہ خسارہ | (7,357,627) | (6,530,501) | 12.67 |

**کاروباری کارکردگی کا جائزہ**

مندرجہ بالا نتائج 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی کارکردگی ظاہر کرتے ہیں۔ سال کے دوران فروخت 1,476 ملین روپے رہی، جس میں 411 ملین روپے کا اضافہ ہوا۔ کمپنی کا قبل از ٹیکس خسارہ 867.89 ملین روپے رہا، جبکہ گزشتہ سال قبل از ٹیکس خسارہ 1,636 ملین روپے تھا۔ خسارے میں کمی کی بنیادی وجہ فروخت کی لاگت میں اضافہ تھا، جو بنیادی طور پر توانائی کی تیزی سے بڑھتی ہوئی قیمتوں، بجلی پر عائد لیویز، گیس انفراسٹرکچر ڈیولپمنٹ سیس (GIDC) کے لیے پرووِژن اور کاروبار کرنے کی مجموعی بلند لاگت کے باعث ہوا۔ مزید برآں، مالی سال کے دوران ٹیکسٹائل مصنوعات کی کمزور مقامی اور عالمی طلب کے باعث کمپنی کو بہتر قیمتوں کے حصول میں مشکلات کا سامنا رہا۔

کمپنی کے جاری واجبات، جاری اثاثوں سے 8,471.08 ملین روپے زیادہ ہیں۔ جاری تناسب 0.26 بہ نسبت 1 ہے، جبکہ گزشتہ سال یہ تناسب 0.35 بہ نسبت 1 تھا۔

کمپنی کے ڈائریکٹر اور اسپانسرز نے یقین دہانی کرائی ہے کہ وہ مستقبل میں بھی کمپنی کی معاونت جاری رکھیں گے۔

**چیئرمین کا جائزہ**

ڈائریکٹرز کمپنی کی کارکردگی سے متعلق چیئرمین کی جائزہ رپورٹ کی توثیق کرتے ہیں۔

**فی حصص آمدنی**

رواں سال فی حصص خسارہ 66.76 (EPS) روپے رہا، جبکہ گزشتہ سال فی حصص آمدنی منفی 125.90 روپے تھی۔

**منافع منقسمہ**

بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے کوئی منافع منقسمہ ادا نہ کرنے کی سفارش کی ہے۔

**ریٹائرمنٹ فوائد کے فنڈز**

کمپنی اپنے ملازمین کے لیے غیر فنڈ شدہ گریجویٹی اسکیم چلاتی ہے، جس کی تفصیل مالی گوشواروں میں دی گئی ہے۔

**معاشی جائزہ**

پاکستان کی معیشت، صنعت اور تقریباً تمام پیداواری کاروبار بجلی اور گیس کے انتہائی بلند نرخوں اور مقامی و بین الاقوامی منڈیوں میں اشیا اور خدمات کی کم طلب کے باعث مشکل دور سے گزر رہے ہیں۔

پاکستان کی ٹیکسٹائل صنعت کو متعدد بحرانوں کا سامنا ہے، جن میں بجلی اور گیس کے نرخ، کاروبار کی بلند لاگت اور پیداواری و کاروباری اخراجات کم کرنے کے لیے ملازمین کی چھانٹی شامل ہیں۔ اسپننگ اور ویونگ کے متعدد پیداواری ادارے بند ہو چکے ہیں یا انہوں نے اپنی پیداوار محدود کر دی ہے۔ بے روزگاری اور ملازمین کی چھانٹی میں اضافہ ہو رہا ہے۔

بجلی اور گیس کے بلند نرخوں کے مسلسل رجحان اور گیس پر لیوی کے نفاذ نے کاروباری اداروں کے مالی ذخائر کو شدید نقصان پہنچایا ہے اور ان کی آمدنی کو مکمل طور پر متاثر کیا ہے۔ لہٰذا صنعت کی بقا یقینی بنانے کے لیے ضروری ہے کہ حکومت فیصلہ کن اقدامات کرے اور بجلی و گیس کے نرخ مناسب سطح تک کم کرنے کے لیے مربوط کوششیں کرے۔

بجلی اور گیس کے نرخوں نے تجارت اور صنعت کو شدید دھچکا پہنچایا ہے، کیونکہ یہ غیر معمولی اخراجات اداروں کی بندش اور ملازمین کی چھانٹی کا سبب بن رہے ہیں، جس سے معاشی سرگرمیاں مزید متاثر ہو رہی ہیں۔

**ٹیکسٹائل صنعت کا مستقبل**

آئندہ سال بھی پاکستان کے لیے مشکل رہنے کی توقع ہے، کیونکہ ملک آئی ایم ایف پروگرام کی سخت ترین شرائط کی تعمیل کرتے ہوئے مالیاتی استحکام کے حصول کے لیے کوشاں ہے۔ معاشی امکانات کا انحصار سیاسی استحکام، آئی ایم ایف اصلاحات، صنعت کی معاونت کرنے والے زری اقدامات اور صنعتی سرگرمیوں و طلب میں اضافے جیسے عوامل پر ہے۔

عالمی اور ملکی غیر یقینی صورت حال اور پاکستان کے بیرونی معاشی ماحول کو درپیش چیلنجز کے باعث یہ سال تمام تجارتی اور صنعتی کاروباروں کے لیے اب تک کا مشکل ترین سال رہا ہے۔

**متعلقہ فریقوں کے ساتھ لین دین**

متعلقہ فریقوں میں ڈائریکٹرز اور اہم انتظامی اہلکار شامل ہیں۔ متعلقہ فریقوں کو واجب الادا رقوم مالی گوشواروں کے متعلقہ نوٹس میں ظاہر کی گئی ہیں۔

**مالی انتظام**

**نقد بہاؤ کا انتظام**

کمپنی کے پاس نقد بہاؤ کے انتظام کا مؤثر نظام موجود ہے، جس کے تحت نقد آمد اور اخراج کے تخمینے باقاعدگی سے تیار کیے جاتے ہیں۔ ورکنگ کیپیٹل کی ضروریات اندرونی طور پر پیدا ہونے والی نقد رقوم اور، جہاں ضروری ہو، بیرونی ذرائع سے قلیل مدتی قرضوں کے ذریعے پوری کرنے کی منصوبہ بندی کی جاتی ہے۔

**خطرات میں کمی**

کاروبار چلانے میں موجود بنیادی خطرات اور غیر یقینی عوامل کاروبار کی کامیابی کو براہ راست متاثر کرتے ہیں۔ کوئٹہ ٹیکسٹائل ملز لمیٹڈ کی انتظامیہ نے ممکنہ خطرات کی نشاندہی کی ہے۔ مستقبل سے متعلق بیانات پیش کرنے کی اپنی پالیسی کے تحت ہم ان خطرات کا خاکہ پیش کر رہے ہیں جو ہمارے کاروبار پر اثر انداز ہو سکتے ہیں۔ اس عمل سے انتظامیہ کو خطرات کم کرنے کی حکمت عملی پر توجہ مرکوز کرنے میں بھی مدد ملتی ہے۔

**کریڈٹ رسک**

کمپنی کے تمام مالی اثاثے، ماسوائے نقد رقم، کریڈٹ رسک سے مشروط ہیں۔ کمپنی سمجھتی ہے کہ اسے کریڈٹ رسک کے کسی بڑے ارتکاز کا سامنا نہیں ہے۔ اس خطرے کو صارفین کے لیے کریڈٹ کی حدود مقرر کرکے اور مناسب ضمانت کے ذریعے قابو میں رکھا جاتا ہے۔ اس سلسلے میں سابقہ تجربے، فروخت کے حجم، مالی حیثیت، سابقہ کارکردگی اور وصولیوں، بالخصوص ٹیکسٹائل کے شعبے اور عمومی طور پر صنعت کے معاشی حالات کو مدنظر رکھا جاتا ہے۔ کمپنی سمجھتی ہے کہ مشکوک قرضوں کے لیے پرووِیژن قائم کرنا محتاط طرز عمل ہے۔

**نقد دستیابی کا خطرہ**

نقد دستیابی کے خطرے کا محتاط انتظام معاہداتی ذمہ داریاں پوری کرنے کے لیے کافی فنڈز کی دستیابی یقینی بناتا ہے۔ کمپنی کی فنڈ مینجمنٹ حکمت عملی کا مقصد اندرونی نقد پیداوار اور مالیاتی اداروں سے طے شدہ کریڈٹ سہولتوں کے ذریعے اس خطرے کو قابو میں رکھنا ہے۔

**شرح سود کا خطرہ**

شرح سود سے متعلق زیادہ تر خطرہ بینکوں سے حاصل کردہ قلیل اور طویل مدتی قرضوں سے پیدا ہوتا ہے۔ لہٰذا رپورٹنگ کی تاریخ پر شرح سود میں تبدیلی نفع و نقصان کے حسابات پر اثر انداز نہیں ہوگی۔

**زر مبادلہ کا خطرہ**

غیر ملکی کرنسی کا خطرہ بنیادی طور پر اس وقت پیدا ہوتا ہے جب غیر ملکی کرنسی میں لین دین کے باعث قابل وصول یا قابل ادا رقوم موجود ہوں۔ کمپنی کو بنیادی طور پر خام مال اور پلانٹ و مشینری کی درآمدات پر امریکی ڈالر اور پاکستانی روپے کی قلیل مدتی شرح تبادلہ کا خطرہ درپیش ہے۔

**پیداواری سہولتیں**

ہماری پیداواری سہولتوں کی کارکردگی شاندار رہی اور پیداوار کی غیر معمولی سطح حاصل ہوئی۔ ہماری ٹیم نے مربوط کوششوں، ضیاع کے خاتمے اور متعدد مواقع پر پیداواری بندش سے بچاؤ کے ذریعے کارکردگی میں بہتری کا عمل جاری رکھا۔ کمپنی مسلسل منافع کے حصول اور ملک کے نمایاں ٹیکسٹائل صنعت کار کی حیثیت برقرار رکھنے کے لیے پیداواری صلاحیت کے زیادہ سے زیادہ استعمال پر توجہ جاری رکھنے کے لیے پُرعزم ہے۔

**آڈیٹرز**

موجودہ آڈیٹرز، جے اے ایس بی اینڈ ایسوسی ایٹس، چارٹرڈ اکاؤنٹنٹس، اپنی مدت مکمل ہونے پر سبک دوش ہو رہے ہیں اور اہل ہونے کی بنا پر دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔

**حفاظت صحت اور ماحول**

ہم حفاظت، صحت اور ماحول کے بلند معیار کے لیے اپنے عزم پر قائم ہیں۔ ہمارے تمام ملازمین حفاظت کے تمام پہلوؤں، بالخصوص مواد کی محفوظ پیداوار، ترسیل، ذخیرہ اور نقل و حرکت کے سلسلے میں مسلسل تربیت حاصل کرتے ہیں۔ مزید برآں، ہم نے مل میں ذمہ داریوں کی باری باری انجام دہی کا عمل شروع کیا ہے، جس کا مقصد یہ یقینی بنانا ہے کہ تمام سپروائزرز حفاظتی منتظمین کی ذمہ داریاں بھی انجام دیں اور حفاظتی تربیت کے تمام پہلوؤں سے پوری طرح واقف ہوں۔ ان کنٹرولز اور اللہ تعالیٰ کے فضل سے مل میں کوئی بڑا حادثہ یا واقعہ پیش نہیں آیا۔

**ماحولیاتی تحفظ کے اقدامات**

آپ کی کمپنی ہمیشہ ماحول کے تحفظ کو یقینی بناتی ہے اور اس مقصد کے لیے ہر ممکن ذریعہ اختیار کرتی ہے۔ ہم پلانٹ سے گرد و غبار اور اخراج کم سے کم رکھنے کے لیے مختلف اقدامات کرتے رہے ہیں۔ ہماری پیداواری لائنوں میں آلودہ ذرات کو روکنے اور دبانے کے نظام نصب ہیں، تاکہ گرد و غبار اور دیگر اخراج پر قابو پایا جا سکے۔

**کارپوریٹ سماجی ذمہ داری**

آپ کی کمپنی اپنی کارپوریٹ سماجی ذمہ داری سے پوری طرح آگاہ ہے اور عمومی طور پر ملک اور خصوصی طور پر مقامی آبادیوں کے تعلیمی، صحت اور ماحولیاتی معیار کو بہتر بنانے کے لیے مثبت کردار ادا کر رہی ہے۔

اس وقت ہم درج ذیل منصوبوں کی معاونت کر رہے ہیں۔

- کوٹڑی میں دو مدارس۔
- پانی صاف کرنے کے چار (04) پلانٹس، جن میں سے تین (03) کوٹڑی، جامشورو میں اور ایک (01) حیدرآباد میں ہے۔

ہم سمجھتے ہیں کہ صنعت معاشرے میں تبدیلی لانے کی صلاحیت رکھتی ہے، اس لیے ہم صنعت کاری کے مثبت اثرات کو زیادہ سے زیادہ بڑھانے کے لیے کوشاں ہیں۔

**حصص کی ملکیت کی تفصیل**

حصص کی ملکیت کی تفصیل اور اس سے متعلق معلومات منسلک ہیں۔

**مالی اعداد و شمار کا خلاصہ**

گزشتہ چھ سال کے مالی اعداد و شمار کا خلاصہ منسلک ہے۔

**بورڈ کی تشکیل**

بورڈ کی تشکیل فہرست شدہ اداروں پر لاگو ضابطۂ کارپوریٹ گورننس ریگولیشنز 2017 کے تقاضوں کے مطابق ہے، جس کی تفصیل درج ذیل ہے۔

| ڈائریکٹرز کی تعداد | تعداد |
|---|---|
| مرد | 6 |
| خواتین | 1 |
| آزاد ڈائریکٹرز | 02 |
| ایگزیکٹو ڈائریکٹرز | 02 |
| نان ایگزیکٹو ڈائریکٹرز | 03 |

**ڈائریکٹرز کا معاوضہ**

کمپنی نے جنرل میٹنگ میں ڈائریکٹرز کا معاوضہ مقرر کیا تھا، جبکہ آئندہ ڈائریکٹرز کا معاوضہ کمپنیز ایکٹ 2017 کی دفعہ 170 کے مطابق بورڈ آف ڈائریکٹرز کے اجلاس میں طے کیا جائے گا۔ بورڈ آف ڈائریکٹرز کا معاوضہ مارکیٹ کے معیارات کی بنیاد پر مقرر کیا جاتا ہے اور اس میں ان کے کام کے دائرۂ کار، بڑھتی ہوئی ذمہ داریوں اور مطلوبہ صلاحیتوں و کوششوں کو مدنظر رکھا جاتا ہے۔

**بورڈ آف ڈائریکٹرز کے اجلاس**

یکم جولائی 2025 سے 30 جون 2026 تک 12 ماہ کی مدت کے دوران بورڈ آف ڈائریکٹرز کے مجموعی طور پر 12 اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے۔

| ڈائریکٹر کا نام | شرکت کردہ اجلاس |
|---|---|
| جناب طارق اقبال | 06 |
| جناب عاصم خالد | 12 |
| جناب عمر خالد | 12 |
| جناب توقیر طارق | 03 |
| محترمہ صائمہ عاصم | 11 |
| میجر (ریٹائرڈ) محمد سعید | 02 |
| جناب عباس علی | 04 |
| جناب عبید ضمیر | 03 |

جن ڈائریکٹرز نے بعض اجلاسوں میں شرکت نہیں کی، انہیں رخصت کی اجازت دی گئی۔

**بورڈ کی آڈٹ کمیٹی**

بورڈ آف ڈائریکٹرز نے ضابطۂ کارپوریٹ گورننس کی تعمیل میں آڈٹ کمیٹی قائم کی ہے۔ اس کے ارکان کے نام کمپنی کے تعارفی خاکے میں درج ہیں۔

کمیٹی کم از کم ہر سہ ماہی میں ایک مرتبہ اجلاس منعقد کرتی ہے اور بورڈ کو اس کی نگرانی کی ذمہ داریاں پوری کرنے میں مدد دیتی ہے۔ یکم جولائی 2024 سے 30 جون 2025 تک 12 ماہ کی مدت میں بورڈ کی آڈٹ کمیٹی کے مجموعی طور پر چار اجلاس منعقد ہوئے۔ ہر ڈائریکٹر یا رکن کی حاضری درج ذیل ہے۔

| رکن کا نام | شرکت کردہ اجلاس |
|---|---|
| میجر (ریٹائرڈ) محمد سعید | 02 |
| جناب عاصم خالد | 02 |
| جناب توقیر طارق | 02 |
| جناب عباس علی | 03 |
| جناب عبید ضمیر | 03 |
| محترمہ صائمہ عاصم | 03 |

آڈٹ کمیٹی کے ضوابطِ کار سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے مقرر کردہ دائرۂ کار اور نظام و طریقہ ہائے کار کی بہتری کے لیے بورڈ آف ڈائریکٹرز کی وقتاً فوقتاً جاری کردہ ہدایات پر مبنی ہیں۔ بورڈ کے مقرر کردہ ضوابطِ کار کے تحت آڈٹ کمیٹی، دیگر امور کے علاوہ، بیرونی آڈیٹرز کی تقرری کی سفارش اور دورانیہ وار مالی گوشواروں کا جائزہ لیتی ہے۔

**انسانی وسائل اور معاوضہ کمیٹی**

انسانی وسائل کی منصوبہ بندی اور انتظام اہم معاملات میں شامل ہیں اور اعلیٰ انتظامیہ کی خصوصی توجہ کا مرکز ہیں۔ کمپنی کی انسانی وسائل اور معاوضہ کمیٹی اہم انتظامی اہلکاروں کے انتخاب، کارکردگی کی جانچ، معاوضے اور جانشینی کی منصوبہ بندی میں رہنمائی کرتی ہے۔ اس کی ذمہ داریوں میں کمپنی کی انسانی وسائل سے متعلق پالیسیوں اور طریقہ ہائے کار میں بہتری کی سفارش اور ان کا وقتاً فوقتاً جائزہ شامل ہے۔ کمیٹی صنعت کے بہترین طریقوں سے باخبر رہتی ہے اور ضرورت کے مطابق ان پر تبادلہ خیال اور عمل درآمد یقینی بناتی ہے۔

**کارپوریٹ گورننس**

بورڈ آف ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے لیے اعلان کرتا ہے کہ:

- کمپنی کی انتظامیہ کے تیار کردہ مالی گوشوارے کمپنی کی مالی حالت، کاروباری نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
- کمپنی کی مناسب حسابی کتب برقرار رکھی گئی ہیں۔
- مالی گوشواروں کے نوٹس میں بیان کردہ مناسب حسابی پالیسیوں کا مالی گوشواروں کی تیاری میں مستقل اطلاق کیا گیا ہے اور حسابی تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں۔
- مالی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کی پیروی کی گئی ہے اور کسی بھی انحراف کو مناسب طور پر ظاہر اور واضح کیا گیا ہے۔

- کمپنی کی جاری کاروبار کے طور پر کام جاری رکھنے کی صلاحیت کے بارے میں کوئی اہم شبہ نہیں ہے۔
- داخلی کنٹرول کا نظام اپنی ساخت کے اعتبار سے مضبوط ہے اور اس کا مؤثر نفاذ اور نگرانی کی گئی ہے۔
- گزشتہ چھ سال کے اہم عملی اور مالی اعداد و شمار کا خلاصہ منسلک ہے۔
- واجب الادا ڈیوٹیز، قانونی واجبات اور ٹیکسز، اگر کوئی ہیں، منسلک آڈٹ شدہ مالی گوشواروں میں مناسب طور پر ظاہر کیے گئے ہیں۔

**اراکین کے نام آزاد آڈیٹرز کی رپورٹ میں تحفظات**

آڈیٹرز نے جاری کاروبار کے مفروضے کے استعمال پر تحفظات ظاہر کرتے ہوئے کمپنی کے مالی استحکام پر اپنی آرا دی ہیں۔ انتظامیہ نے ان مالی گوشواروں کے نوٹ 3.6 میں ایسے مختلف معاون عوامل کی مختصر وضاحت کی ہے جو مستقبل میں کمپنی کے جاری کاروبار کے طور پر برقرار رہنے کے حق میں ہیں۔

کمپنی کے حق میں بنیادی عامل یہ ہے کہ اسے اپنے بینکوں کا مکمل تعاون حاصل ہے۔ بینکوں نے ہماری واجب الادا رقوم کی تنظیم نو کرکے مختلف اوقات میں اور بتدریج بڑھتی ہوئی اقساط کے ذریعے ادائیگی کے انتظامات کیے ہیں۔ اس کے ساتھ مارک اپ کی شرحیں بھی فنڈز کی لاگت تک کم کی گئی ہیں۔ مارک اپ کی رقوم کی تنظیم نو اس طرح کی گئی ہے کہ ان کی ادائیگی اصل زر کی واپسی کے بعد، آخر میں ہوگی۔ بعض صورتوں میں مارک اپ مکمل طور پر معاف کر دیا گیا ہے۔ ان اقدامات کا مقصد مثبت نقد بہاؤ پیدا کرنا اور نقد رقوم کمپنی میں برقرار رکھنا ہے، تاکہ نقد دستیابی برقرار رہے اور جاری تناسب میں بہتری آئے۔ جن بینکوں نے کمپنی کے خلاف سندھ ہائی کورٹ اور بینکنگ کورٹ میں مقدمات دائر کیے ہیں، ان کے دعووں کو چیلنج کرنے کے لیے کمپنی نے بروقت اجازتِ دفاع کی درخواستیں دائر کی ہیں۔ باقی بینکوں کے ساتھ دعووں کے تصفیے کے لیے مذاکرات بھی جاری ہیں۔ ہماری قانونی ٹیم کو یقین ہے کہ وہ بینکوں کے ساتھ واجب الادا رقوم کے تصفیے اور دعویٰ کردہ رقوم میں کمی حاصل کرنے میں کامیاب ہوگی۔

بینکوں نے وصولی کے لیے ایسے مقدمات دائر کیے ہیں جن میں مبالغہ آمیز رقوم، غیر معمولی مارک اپ اور دیگر چارجز شامل ہیں، جبکہ کمپنی کے ریکارڈ کے مطابق متعلقہ سہولتوں کے تحت واجب الادا رقم، اگر کوئی ہو، بینکوں کے دعویٰ کردہ مبالغہ آمیز مطالبات سے کہیں کم ہے۔ ان تمام مقدمات میں کمپنی نے اجازتِ دفاع کی درخواستیں دائر کرکے بینکوں کے مبینہ دعووں کی تردید کی ہے۔ یہ معاملات فیصلے کے لیے معزز عدالتوں میں زیر سماعت ہیں۔ انتظامیہ بھرپور انداز میں مقدمات کا دفاع کر رہی ہے اور ہر بینک کے دعوے کا الگ الگ، عدالت سے باہر، باہمی رضامندی سے تصفیہ کرنے کی کوشش بھی کر رہی ہے۔ کمپنی نے تین مقدمات میں مصالحت یا تصفیے کے معاہدے مکمل کر لیے ہیں۔ ایک اور مقدمے میں ایک دوسرے بینک کے ساتھ چوتھے مصالحت یا تصفیے کے معاہدے پر بات چیت جاری ہے، جو جلد باہمی اتفاق کے آخری مراحل میں پہنچ جائے گا۔

بعض بینکوں نے، جن کے ساتھ مقدمات زیر سماعت ہیں، آڈیٹرز کے بیلنس کی تصدیق کے خطوط کا جواب نہیں دیا۔

بورڈ بیرونی آڈیٹرز کی رپورٹ میں IAS 12 انکم ٹیکسز کے بعض تقاضوں کی عدم تعمیل سے متعلق مشاہدے کا نوٹس لیتا ہے۔ یہ معاملہ مؤخر ٹیکس کو تسلیم کرنے سے متعلق ہے، جس میں رپورٹنگ کی تاریخ پر مستقل اثاثوں کی ازسرنو قدر پیمائی کے فاضل پر 307.62 ملین روپے کا مؤخر ٹیکس بھی شامل ہے۔ بورڈ IFRS 16 لیزز سے متعلق مشاہدے کا بھی نوٹس لیتا ہے۔ کمپنی تاریخی طور پر پاکستان کے قابل اطلاق ضابطہ جاتی نظام کے تحت جائز حسابی طریقوں پر عمل کرتی رہی ہے، جن میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی وقتاً فوقتاً جاری کردہ ہدایات اور ایس آر اوز کے مطابق جائیداد، پلانٹ اور آلات کی ازسرنو قدر پیمائی کے فاضل کا حسابی برتاؤ شامل ہے۔ انتظامیہ ان بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کے اطلاق میں ہونے والی پیش رفت کا مسلسل جائزہ لے رہی ہے، بالخصوص مقامی ضابطہ جاتی تقاضوں، ٹیکس قوانین اور کمپنی کی مالی حالت کے تناظر میں۔ بورڈ تمام قابل اطلاق حسابی معیارات کی مکمل تعمیل یقینی بنانے کے لیے پُرعزم ہے اور مالی و قانونی مشیروں کی مشاورت سے ان معاملات کا فعال جائزہ لے رہا ہے۔ اثرات کی تفصیلی جانچ اور دستیاب ضابطہ جاتی رہنمائی کی روشنی میں آئندہ ادوار میں، حسب ضرورت، حسابی برتاؤ کو ہم آہنگ کرنے کے لیے مناسب اقدامات کیے جائیں گے۔ ڈائریکٹرز کو یقین ہے کہ مالی گوشوارے مجموعی طور پر کمپنی کے معاملات کی منصفانہ عکاسی کرتے ہیں، اور وہ مالی رپورٹنگ کے طریقوں کو مضبوط بنانے کے لیے ان تکنیکی امور پر آڈیٹرز کی توجہ کو سراہتے ہیں۔

بورڈ نوٹ کرتا ہے کہ 30 جون 2026 کو ختم ہونے والے سال کے لیے بیرونی آڈیٹرز، جے اے ایس بی اینڈ ایسوسی ایٹس، کی رپورٹ میں مشروط رائے کا تعلق ایک ایسے معاملے سے ہے جو گزشتہ سال کے آڈٹ کے دوران پیدا ہوا تھا، اور اسے رواں سال کے مالی گوشواروں میں پیش کردہ تقابلی معلومات کے حوالے سے برقرار رکھا گیا ہے۔ اپنی تقرری کے پہلے سال میں آڈیٹرز یکم جولائی 2024 کے ابتدائی بیلنس کے بارے میں کافی اور مناسب آڈٹ شواہد حاصل نہیں کر سکے تھے۔

آڈیٹرز نے رواں مالی سال کے لیے یکم جولائی 2025 کے ابتدائی بیلنس کی تصدیق کر لی ہے۔ لہٰذا یہ مشروط رائے تقابلی معلومات (2025) سے متعلق ہے اور رواں سال کے ابتدائی بیلنس کے بارے میں کسی غیر حل شدہ آڈٹ محدودیت کی نمائندگی نہیں کرتی۔ بورڈ قابل اعتماد مالی رپورٹنگ یقینی بنانے اور متعلقہ ریکارڈ و معاون معلومات کی بروقت فراہمی سمیت آڈیٹرز کے ساتھ مکمل تعاون کے لیے پُرعزم ہے۔

**اختتامیہ**

آخر میں، میں معاون مالیاتی اداروں اور قرض خواہوں کا کمپنی کے ساتھ مسلسل تعاون پر شکریہ ادا کرنا چاہتا ہوں۔ کارکنوں، عملے اور افسران کی لگن اور دیانت داری پر بھی میں ان کا شکر گزار ہوں۔

بورڈ کی جانب سے اور اس کی طرف سے

عاصم خالد — چیف ایگزیکٹو

عمر خالد — ڈائریکٹر

کراچی: 05 نومبر 2026

**QUETTA TEXTILE MILLS LIMITED**

| | | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|---|
| OPERATING DATA | | | | | | | |
| Sales | Rs. '000' | 1,476,182 | 1,064,980 | 888,780 | 3,392,968 | 5,027,979 | 4,982,224 |
| Cost of Good Sold | Rs. '000' | (2,302,875) | (2,272,791) | (1,534,687) | (4,371,024) | (4,849,928) | 5,151,705 |
| Gross Profit/(Loss) | Rs. '000' | (826,692) | (1,207,811) | (645,906) | (978,056) | 178,051 | (169,481) |
| Profit / (Loss) Before Taxation | Rs. '000' | (849,440) | (1,623,359) | (692,504) | (942,626) | 76,978 | (300,026) |
| Profit / (Loss) after Taxation | Rs. '000' | (867,892) | (1,636,746) | (703,851) | (985,068) | 33,443 | (368,304) |
| | | | | | | | |
| **FINANCIAL DATA** | | | | | | | |
| Equity Balance | Rs. '000' | (6,248,148) | (5,421,023) | (3,834,670) | (3,191,341) | (2,358,760) | (2,441,451) |
| Property, Plant & Equipment | Rs. '000' | 9,699,684 | 9,912,147 | 10,317,030 | 10,492,542 | 10,644,951 | 5,599,759 |
| Current Assets | Rs. '000' | 2,972,005 | 4,265,328 | 4,531,678 | 4,518,236 | 5,442,374 | 3,365,025 |
| current Liabilities | Rs. '000' | 11,439,200 | 12,029,863 | 10,964,374 | 10,417,079 | 10,453,054 | 8,355,212 |
| | | | | | | | |
| **PROFITABILITY RATIOS** | | | | | | | |
| Gross Profit Margin | % | (0.56) | (1.13) | (0.73) | (28.83) | 3.54 | (3.40) |
| Operating Profit Margin | % | (0.57) | (1.54) | (0.81) | (32.90) | 2.96 | (6.43) |
| Net Profit Margin | % | (0.59) | (1.54) | (0.79) | (29.03) | 0.67 | (7.39) |
| | | | | | | | |
| **LIQUIDITY RATIOS** | | | | | | | |
| Current Ratio | Times | 0.26 | 0.35 | 0.41 | 0.43:1 | 0.52:1 | 0.40:1 |
| Quick Ratio | Times | 0.15 | 0.14 | 0.08 | 0.09 | 0.09 | 0.09 |
| | | | | | | | |
| **ACTIVITY / TURNOVER RATIOS** | | | | | | | |
| Days in Receivables | Days | 109.30 | 87.41 | 57.08 | 20.36 | 13.74 | 13.49 |
| Accounts Receivables Turnover | Times | 3.34 | 3.92 | 6.01 | 17.92 | 26.56 | 27.05 |
| Inventory Turnover | Times | 1.80 | 0.42 | 0.31 | 1.28 | 1.60 | 2.91 |
| Total Assets Turnover | Times | 0.12 | 0.08 | 0.06 | 0.23 | 0.31 | 0.56 |
| Return on Total Assets | % | (6.83) | (0.12) | (0.05) | (0.07) | 0.002 | (0.04) |
| Return on Equity | % | (116.29) | (1.01) | (0.22) | (0.25) | 0.01 | 1.36 |
| | | | | | | | |
| **LEVERAGE RATIOS** | | | | | | | |
| Long Term Debts to Equity | Times | (0.41) | (0.29) | (0.15) | (0.19) | (0.31) | (0.36) |
| Total Debts Equity | Times | (1.92) | (2.32) | (3.02) | (3.45) | (4.74) | (3.78) |
| Long Term Debts to Total Assets | Times | 0.20 | 0.18 | 0.04 | 0.04 | 0.05 | 0.10 |
| Total Debts to Total Assets | Times | 0.35 | 0.89 | 0.78 | 0.73 | 0.70 | 1.03 |
| Equity to Total Assets | Times | 0.06 | 0.11 | 0.22 | 0.27 | 0.30 | (0.03) |
| Interest Coverage Ratio | Times | (257.28) | (228) | (97.09) | (32.02) | 2.17 | (8.82) |
| | | | | | | | |
| **OTHERS** | | | | | | | |
| Earning / (Loss) Per Share | Rs | (66.76) | (125.91) | (54.14) | (75.77) | 2.57 | (28.33) |
| Breakup Value of Share w/o Revaluation Surplus | Rs | (480.63) | (417.00) | (294.97) | (245.49) | (181.44) | (187.80) |
| Breakup Value of Share with Revaluation Surplus | Rs | 57.41 | 125.09 | 251.55 | 306.73 | 376.61 | (20.77) |
| Cash Dividende | % | NIL | NIL | NIL | NIL | NIL | NIL |

# QUETTA TEXTILE MILLS LIMITED

## PATTERN OF SHAREHOLDING ( FORM - A)

**Pattern of holding of the shares held by the shareholders as at 30-06-2026 is given below**

| No of Shareholders | Shareholding | | | | | Total Share Held |
|---|---|---|---|---|---|---|
| 219 | From | 1 | To | 100 | Shares | 4,263 |
| 83 | From | 101 | To | 500 | Shares | 21,849 |
| 43 | From | 501 | To | 1,000 | Shares | 37,971 |
| 63 | From | 1,001 | To | 5,000 | Shares | 170,514 |
| 22 | From | 5,001 | To | 10,000 | Shares | 190,749 |
| 9 | From | 10,001 | To | 15,000 | Shares | 115,286 |
| 1 | From | 15,001 | To | 20,000 | Shares | 20,000 |
| 2 | From | 20,001 | To | 25,000 | Shares | 44,106 |
| 7 | From | 25,001 | To | 30,000 | Shares | 196,118 |
| 3 | From | 30,001 | To | 35,000 | Shares | 99,576 |
| 2 | From | 40,001 | To | 45,000 | Shares | 90,000 |
| 1 | From | 55,001 | To | 60,000 | Shares | 58,250 |
| 3 | From | 95,001 | To | 125,000 | Shares | 314,775 |
| 2 | From | 130,001 | To | 150,000 | Shares | 278,300 |
| 3 | From | 200,000 | To | 350,000 | Shares | 861,973 |
| 3 | From | 450,001 | To | 550,000 | Shares | 1,489,825 |
| 5 | From | 550,001 | To | 600,000 | Shares | 2,904,766 |
| 2 | From | 650,001 | To | 700,000 | Shares | 1,348,081 |
| 2 | From | 700,001 | To | 900,000 | Shares | 1,681,998 |
| 2 | From | 900,001 | To | 950,000 | Shares | 1,832,046 |
| 1 | From | 950,001 | To | 1,250,000 | Shares | 1,239,554 |
| **478** | | | **Total** | | | **13,000,000** |

| Categories of Shareholders | No of Sharehoders | Share Held | Perentage % |
|---|---|---|---|
| Directors, Chief Executive Office, their Spous and Minor childern | 10 | 5,021,895 | 38.63 |
| Individuals | 455 | 7,843,025 | 60.33 |
| Investment Corporation of Pakistan | 1 | 250 | 0.00 |
| Insurance Companies | 1 | 364 | 0.00 |
| Joint Stock Companies | 7 | 122,970 | 0.95 |
| Financial Institutions | 2 | 9,697 | 0.07 |
| Others | 2 | 1,799 | 0.01 |
| **Total** | **478** | **13,000,000** | **100.00** |

# Quetta Textile Mills LIMITED

Registered Office : Nadir House, G/Fl, I. I. Chundrigar Road, Karachi – 74000, Pakistan
Phones: +92 (21) 32414334~6 Email: sales@QuettaGroup.com W: www.QuettaGroup.com


## DETAIL OF PATTERN OF SHAREHOLDING AS PER REQUIREMENT OF CODE OF CORPORATE GOVERNANCE AS AT 30TH JUNE 2026

| | Name of shareholders | | No of Shareholders | Share held | Percentage |
|---|---|---|---|---|---|
| 1 | **Directors, CEO their Spouse and Minor Childern** | | 10 | | |
| | Mr. Tariq Iqbal | ( Director & CEO ) | | 563,139 | 4.33 |
| | Mr. Asim Khalid | ( Director ) | | 1,238,297 | 9.53 |
| | Mr. Omer Khalid | ( Director ) | | 1,189,308 | 9.15 |
| | Mrs. Saima Asim | ( Director ) | | 8,700 | 0.07 |
| | Mr. Tauqir Tariq | ( Director ) | | 797,726 | 6.14 |
| | Mr. Muhammad Obaid | ( Director ) | | 508 | 0.00 |
| | Mr. Abbas Ali | ( Director ) | | 500 | 0.00 |
| | Mrs. Tabbasum Tariq | ( W/o Director ) | | 694,353 | 5.34 |
| | Mrs. Sadaf Khalid | ( W/o Director ) | | 44,159 | 0.34 |
| | Mrs. Tahmina Tauqir | ( W/o Director ) | | 485,205 | 3.73 |
| 2 | **Associates Companies, undertakings and Related Parties** | | | - | - |
| 3 | **NIT and ICP** | | 1 | 250 | 0.00 |
| 4 | **Executive** | | | Nil | |
| 5 | **Public Sector Companies & Corporations** | | | Nil | |
| 6 | **Bank Development Finance Institution, Non-Banking Finance Institution, Insurance Companies, Modarabas & Mutual Fund** | | 3 | | |
| | National Industries Co-operate Finance Corpration Ltd | | | 364 | 0.00 |
| | National Bank Of Pakistan | | | 9,697 | 0.07 |
| 7 | **Others** | | 9 | 124,769 | 0.96 |
| 8 | **General Public** | | 455 | 7,843,025 | 60.33 |
| | **Total** | | **478** | **13,000,000** | **100.00** |

| | **Shareholders Hoding 05% or More** | | |
|---|---|---|---|
| | | - | |
| 1 - | Mr. Asim Khalid | 1,238,297 | 9.53 |
| 2 - | Mr. Omer Khalid | 1,189,308 | 9.15 |
| 3 - | Mrs. TabbasumTariq | 694,353 | 5.34 |
| 4 - | Mr. Tauqir Tariq | 797,726 | 6.14 |
| 5 - | Mr. Muhammad Khalid | 903,649 | 6.95 |
| 6 - | Mrs. Amna Javed | 1,239,554 | 9.54 |
| 7 - | Mrs. Saadia Tanvir | 884,272 | 6.80 |
| 8 - | Mr. Javed Iqbal | 928,397 | 7.14 |

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

**Name of Company: Quetta Textile Mills Limited**
**Year ended June 30, 2026.**

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

1. The total numbers of directors are (07) as per the following
   a) Male 6
   b) Female 1

2. The Composition of board is as follows:

| | |
|---|---|
| a) Independent Director | Mr. Abbas Ali |
| | Mr. Obaid Zamir |
| b) Non-executive | Mr. Tariq Iqbal |
| | Mr. Tauqir Tariq |
| c) Executive | Mr. Asim Khalid |
| | Mr. Omer Khalid |
| d) Female Director/ Non-Executive | Mrs. Saima Asim |

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 significant policies along with the dates of approval or amended has been maintained;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by 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 and, in his absence, by a director elected by the Board for this purpose. 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;

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

9. All the directors, except one director meet the requirements of Director training program under code of Corporate Governance Regulation 2019.
   (Explanation given below for not meet by one director)

10. The Board has approved appointment of Chief Financial Officer. Company Secretary and Head of Internal Audit. Including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

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

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

Audit Committee

| | |
|---|---|
| Mrs. Saima Asim | Chairman / Non-Executive Director |
| Mr. Abbas Ali | Member / Independent Director |
| Mr. Obaid Zamir | Member / Independent Director |

a) HR and Remuneration Committee

| | |
|---|---|
| Mr. Abbas Ali | Chairman / Independent Director |
| Mrs. Saima Asim | Member / Non-Executive Director |
| Mr. Obaid Zamir | Member / Independent Director |

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

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

| | |
|---|---|
| a) Audit Committee | Four quarterly meeting |
| b) HR and Remuneration Committee | Once a year |

15. The Board has set up an effective internal audit function, which has suitable, qualified and experienced staff.

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 Accountant 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 Auditor, Company Secretary or Director of the Company.

17. The statutory auditors or 0ther persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

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

    1) The calculation of minimum number of Independent Directors as per regulation no 6(1), is calculated on basis of general rule only number exceeding 0.5 shall be rounded to next number,

| | | |
|---|---|---|
| Role of board to address sustainability risk and opportunities. | 10A | Newly introduced regulation by SECP during June, 2026. Being reviewed by the board for compliance in future. |
| Requirement to attain DTP Certification. | 19 | Except one directors, two directors are exempt from training program. The remaining directors have been completed their director training certification. |
| Nomination Committee | 35 | Currently, the board has not constituted a separate NC. The function is being performed by the board. |
| Risk Management Committee. | 30 (1) | The board intends to constitute RMC. Currently the board is performing these duties. |

Saima Asim

Karachi:
**Dated 05, November 2026**

**Mrs. Saima Asim**
**Chairperson**

J.A.S.B. & Associates
Chartered Accountants

1104,Uni Tower
I.I. Chundrigar Road
Karachi.
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# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF QUETTA TEXTILE MILLS LIMITED

### Report on the Audit of the Financial Statements

### Adverse Opinion

We have audited the annexed financial statements of **Quetta Textile Mills Limited**, which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss and 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, because of significance of inappropriateness of going concern assumption & other factors as described in basis for adverse opinion paragraph below, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

### Basis for Adverse Opinion

a) As described in Note **2.6** to the financial statement the company has incurred net loss of **Rs. 867.893 million** during the year ended June 30, 2026 and as of that date, reported accumulated losses of **Rs. 7,357.63 million**. The company's current liabilities exceed its current assets by **Rs. 8,471.08 million**. These conditions along with adverse key financial ratios and litigation with banks indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future and therefore, the company may be unable to realize its assets and discharge its liabilities in the normal course of business. The management has prepared financial statements on going concern basis, but in our judgment, management's use of going concern assumption in these financial statements is inappropriate.

b) The company has not accounted for markup for the year ended June 30, 2026 on outstanding balances in respect of short-term borrowings, long term financing from banks. Therefore, we are unable to ascertain the financial impact of the same on the financial statements.

c) As disclosed in notes to the financial statements, balance payable to various banks in respect of short-term financing, long-term financing, sukuk, margin with bank guarantee and balance payable to Orix leasing amounting to **Rs. 1,317.31 million, Rs. 1,752.92 million, Rs. 611.34 million, Rs. 5.1 million and Rs. 4.87 million** respectively remains unconfirmed. All the balances payable are in litigation. We were also unable to satisfy ourselves as to the correctness and terms and conditions of the reported balances by performing other alternate auditing procedures.

d) As disclosed in **note 12**, the cash and bank balance amounting to **Rs. 8.57 million** unconfirmed as we have not received confirmation as required by ISA 505, therefore, we were unable to satisfy ourselves as to the correctness of the reported balance.

e) The company does not comply with the requirements of IAS-12 with respect to deferred taxation and IFRS 16. Further, the Deferred Tax on Surplus on Revaluation of Fixed Assets has not been recognized in the financial statement amounting to **Rs. 307.62 million** as on reporting date and accordingly impact of deferred tax on incremental depreciation (current year & prior years) and on disposed items of Property, Plant & Equipment has not been properly recognized in the income statement.

f) We had been appointed as auditor for the year ended June 30, 2025 and accordingly as required under ISA-510, we had requested the outgoing auditor to allow access to review working papers to verify opening balances of the financial statements for the year ended June 30, 2025, however, we have not received any response from the predecessor auditor.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 adverse opinion and after due verification we report as above.

**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:

| S.No. | Key Audit Matter | How the Matter Was Addressed in Our Audit |
|---|---|---|
| 1. | **Valuation of Stock in Trade** *(Refer to notes 7 to the financial statement)* | |
| | Stock in trade amounted to Rs. 1,278.14 million as at the reporting date. The valuation of stock in trade at cost has different components, which includes judgment in relation to the allocation of labor and overheads which are incurred in bringing the stock to its present location and condition. Judgment has also been applied by the management in determining the Net Realizable Value [NRV] of stock in trade.<br><br>The estimates and judgments applies by the management are influenced by the amount of direct cost incurred historically, expectations of repeat orders to utilize the stock in trade, sales contract in hand and historically realized sales prices.<br><br>The significance of the balance coupled with the judgment involved has resulted in the valuation of stock in trade being identified as a key audit matter. | Our audit procedures in respect of valuation of stock in trade, amongst others, included the following;<br><br>• Assessing historical cost recorded in the stock in trade valuation; testing on a sample basis with purchase invoices.<br><br>• Obtaining an understanding of management's process for allocating raw material, labor, and overhead costs to stock of finished goods and work in process and evaluating the appropriateness and consistency of the allocation bases used.<br><br>• Testing the reasonability of the assumptions applies by the management in allocating direct labor and direct overhead costs to stock in trade. And<br><br>• Assessing management's determination of the net realizable value of stock in trade by performing tests on the sales prices secured by the company for similar or comparable items of stock in trade. |
| 2. | **Revenue recognition** *(refer to notes 28 to the annexed financial statements)* | |
| | The amount of revenue is the most significant class of transaction on the statement of profit or loss. Net revenue is reported at Rs. 1,476.18 million.<br><br>We identified revenue recognition as a key audit matter since it is a key performance measure for the Company and gives rise to the risk associated with the judgment in determining the timing of satisfaction of performance obligations as well as creates an incentive for fraudulently overstating revenue by recognizing revenue before such performance obligations are satisfied. | Our audit procedures in respect of recognition of revenue, amongst others, included the following:<br>• Assessing the appropriateness of the Company's revenue recognition accounting policies by comparing with accounting standards;<br>• Obtaining understanding of and testing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period and testing, on a sample basis, invoices and credit notes, recorded before and after the reporting period with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and<br>• Critically assessing manual journals posted to revenue to identify unusual or irregular items. |

**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 Company's Annual Report for 2026, but does not include the financial statements and our auditors' 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, except mentioned in basis for adverse opinion paragraph.

**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 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 is responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

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

We also provided 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 except for the effects of the matters discussed in the basis for adverse opinion section of our report:

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 and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mr. Basharat Rasool, FCA.

**Chartered Accountants**
**Karachi**
Dated: 05 NOV 2026
UDIN: AR202610452kzuh37fgF

J.A.S.B. & Associates
Chartered Accountants

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**Independent Auditors' Review Report**
**To the Members of Quetta Textile Mills Limited**
**Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulation, 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 Quetta Textile Mills Limited ("the Company") for the year ended 30 June 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, except for the below mentioned instances of non-compliance, 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.

**Following instances of non-compliance with the requirements of the Code were observed which are stated as under:**

| Requirement | Regulation | Non-Compliances |
|---|---|---|
| Role of board to address sustainability risk and opportunities. | 10A | Noted for Compliance. |
| Requirement to attain Director's Training Program Certification. | 19 | Except one director, two directors are exempt from training program, four directors have completed their director training certification. |
| Nomination Committee | 29(1) | Currently, the board has not constituted a separate Nomination Committee. The function is being performed by the board. |
| Risk Management Committee | 30(1) | The board intends to constitute Risk Management Committee. Currently the board is performing these duties. |

Chartered Accountants
Karachi
Date: 05 NOV 2026
Engagement Partner: Basharat Rasool, FCA
UDIN: CR202610452H7rqLgRTw



Member of KS International

**QUETTA TEXTILE MILLS LIMITED**
**STATEMENT OF FINANCIAL POSITION**
**AS AT JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **ASSETS** | | | |
| **NON CURRENT ASSETS** | | | |
| Property, plant and equipment | 4 | 9,699,684,386 | 9,848,683,087 |
| Long term deposits | 5 | 45,463,427 | 63,463,433 |
| | | 9,745,147,813 | 9,912,146,520 |
| **CURRENT ASSETS** | | | |
| Stores and spares & loose tools | 6 | 555,644,417 | 577,383,240 |
| Stock in trade | 7 | 1,278,139,308 | 2,563,064,391 |
| Trade debts | 8 | 442,032,713 | 271,413,807 |
| Other financial assets | 9 | 50,269,622 | 66,659,336 |
| Advances, deposits, prepayments and other receivables | 10 | 68,904,244 | 68,215,289 |
| Tax refund due from government | 11 | 567,104,758 | 710,237,493 |
| Cash and bank balances | 12 | 9,910,713 | 8,354,836 |
| | | 2,972,005,775 | 4,265,328,392 |
| **TOTAL ASSETS** | | 12,717,153,588 | 14,177,474,912 |
| **EQUITY AND LIABILITIES** | | | |
| **SHARE CAPITAL AND RESERVES** | | | |
| **Authorized capital** | | | |
| 20,000,000 (June 30, 2025: 20,000,000) ordinary shares of Rs. 10 each | | 200,000,000 | 200,000,000 |
| 15,000,000 (June 30, 2025: 15,000,000) preference shares of Rs. 10 each | | 150,000,000 | 150,000,000 |
| | | 350,000,000 | 350,000,000 |
| Issued, subscribed and paid-up capital | 13 | 130,000,000 | 130,000,000 |
| **Capital reserve** | 14 | | |
| Share premium | | 651,751,200 | 651,751,200 |
| Revaluation surplus on property, plant and equipment | 16 | 6,994,473,048 | 7,047,164,552 |
| | | 7,646,224,248 | 7,698,915,752 |
| **Revenue reserve** | 14 | | |
| General reserves | | 115,000,000 | 115,000,000 |
| Accumulated loss | | (7,357,627,364) | (6,530,501,789) |
| | | (7,242,627,364) | (6,415,501,789) |
| | | 533,596,884 | 1,413,413,963 |
| Loan from directors and others | 15 | 212,728,470 | 212,728,470 |
| | | 746,325,354 | 1,626,142,433 |
| **NON CURRENT LIABILITIES** | | | |
| Long term finances | 17 | 466,396,254 | 468,343,338 |
| Liabilities against assets subject to finance lease | 19 | - | 3,249,994 |
| Deferred liabilities | 20 | 61,349,817 | 49,875,715 |
| | | 527,746,071 | 521,469,047 |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 21 | 6,105,228,708 | 6,667,875,023 |
| Accrued mark-up | 22 | 1,033,771,528 | 1,033,771,528 |
| Short term borrowings | 23 | 1,730,801,025 | 1,743,068,909 |
| Loan from directors and others | 24 | 109,316,357 | 109,316,357 |
| ***Current portion of:*** | | | |
| Long term finances | 17 | 1,495,849,521 | 1,509,606,437 |
| Redeemable capital - Sukuk | 18 | 611,335,643 | 611,335,643 |
| Liabilities against assets subject to finance lease | 19 | 4,874,684 | 8,124,676 |
| Unclaimed dividend | | 36,468 | 36,468 |
| Provision for GIDC | 33 | 333,515,000 | 333,515,000 |
| Provision for taxation | 26 | 18,353,230 | 13,213,389 |
| | | 11,443,082,163 | 12,029,863,430 |
| **CONTINGENCIES AND COMMITMENTS** | 27 | - | - |
| | | 12,717,153,588 | 14,177,474,912 |

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

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

**QUETTA TEXTILE MILLS LIMITED**
**STATEMENT OF PROFIT OR LOSS**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Sales | 28 | 1,476,182,783 | 1,064,980,446 |
| Cost of sales | 29 | (2,302,875,112) | (2,272,791,810) |
| **Gross (Loss)** | | (826,692,329) | (1,207,811,364) |
| Other income | 30 | 50,946,209 | 15,146,745 |
| Distribution cost | 31 | (2,182,467) | (3,446,431) |
| Administrative expenses | 32 | (33,618,544) | (39,306,067) |
| Other operating expenses | 33 | (34,604,562) | (380,859,466) |
| | | (70,405,573) | (423,811,964) |
| **(Loss) from operations** | | (846,151,693) | (1,616,276,583) |
| Finance cost | 34 | (3,288,788) | (7,082,708) |
| **(Loss) before Taxation** | | (849,440,481) | (1,623,359,291) |
| Taxation | 35 | (18,452,097) | (13,387,425) |
| **(Loss) after taxation** | | (867,892,578) | (1,636,746,916) |
| **Earnings per share - basic and diluted** | 36 | (66.76) | (125.90) |

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

| CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER |
|---|---|---|

**QUETTA TEXTILE MILLS LIMITED**
**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **(Loss) for the year** | | **(867,892,578)** | (1,636,746,716) |
| ***Other comprehensive Income / (Loss)*** | | | |
| Items that may not be reclassified to statment of profit or loss subsequently: | | | |
| Re-measurement of defined benefits liability | | **(11,924,501)** | (17,321,341) |
| Effect of surplus on revalaution of PPE with respect to incremental depreciaton-net of tax | | **52,691,504** | 67,715,864 |
| **Total comprehensive (loss) for the year** | | **(827,125,575)** | (1,586,352,193) |

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

**CHIEF EXECUTIVE** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

**QUETTA TEXTILE MILLS LIMITED**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| (Loss) before Taxation | | (849,440,481) | (1,623,359,291) |
| **Adjustment for non-cash charges and other items:** | | | |
| Depreciation | | 148,998,701 | 183,804,017 |
| Financial charges | | 3,288,788 | 7,082,708 |
| (Profit) / loss on disposal of plant | | - | 20,601,094 |
| Provision for gratuity | | 14,411,677 | 11,347,873 |
| Provision for diminution/ (appreciation) in the value of investment | | (343,401) | (150,875) |
| Provision for GIDC | | - | 333,515,000 |
| Provision for expected credit loss | | 23,264,880 | 18,347,011 |
| **(Loss) before working capital changes** | | (659,819,836) | (1,048,812,463) |
| **WORKING CAPITAL CHANGES** | | | |
| ***(Increase)/decrease in current assets:*** | | | |
| Stocks, stores and spares | | 1,306,663,906 | 362,936,366 |
| Trade debts | | (193,883,785) | (141,859,019) |
| Tax refund due from government | | 164,044,455 | (16,491,811) |
| Advances, deposits, prepayments and other receivable | | (688,955) | (3,545,358) |
| | | 1,276,135,621 | 201,040,178 |
| ***Increase in current liabilities:*** | | | |
| Trade and other payables | | (562,646,315) | 871,080,264 |
| Accrude markup | | - | (2,481,456) |
| | | (562,646,315) | 868,598,808 |
| Cash generated from operating activities | | 53,669,470 | 20,826,523 |
| Interest paid | | (3,288,788) | (7,082,708) |
| Gratuity paid | | (14,862,076) | (10,841,916) |
| Taxation paid | | (34,223,976) | (38,745,858) |
| | | (52,374,839) | (56,670,482) |
| **Net cash (used in)/generated from operating activities** | | 1,294,631 | (35,843,959) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Long term deposits | | 18,000,001 | (2,794,000) |
| Purchase of property, plant and equipment | | - | (6,018,000) |
| Other financial assets | | 16,733,115 | 51,499,031 |
| **Net cash generated from investing activities** | | 34,733,116 | 42,687,031 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Long term finances | | (15,704,000) | (3,239,999) |
| Loan from directors and others - subordinated | | - | 250,000 |
| Liabilities against assets subject to finance lease | | (6,499,986) | (1,141,882) |
| Short term borrowings | | (12,267,884) | (136,355) |
| **Net cash used in financing activities** | | (34,471,870) | (4,268,236) |
| **Net (decrease) in cash and cash equivalents** | | 1,555,877 | 2,574,836 |
| Cash and cash equivalent at the beginning of the year | | 8,354,836 | 5,779,998 |
| **Cash and cash equivalent at the end of the year** | 12 | 9,910,713 | 8,354,836 |

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

| CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER |
|---|---|---|

**QUETTA TEXTILE MILLS LIMITED**
**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Share Capital | Capital Reserves | | Revenue Reserves | | Total equity |
|---|---|---|---|---|---|---|
| | | Share premium | Revaluation surplus on property, plant and equipment | Accumulated (loss) | General reserve | |
| | Rupees | | | | | |
| Balance as at July 01, 2024 | 130,000,000 | 651,751,200 | 7,104,771,534 | (4,944,149,596) | 115,000,000 | 3,057,373,138 |
| (Loss) for the year | - | - | - | (1,636,746,716) | - | (1,636,746,716) |
| **Other comprehensive loss** | | | | | | |
| Re-measurement of defined benefits liability | - | - | - | (17,321,341) | - | (17,321,341) |
| Revaluation loss on property, plant and equipment | - | - | - | - | - | - |
| Effect of Surplus on Revalaution of PPE with respect to incremental depreciaton-net of tax | - | - | 10,108,882 | - | - | 10,108,882 |
| **Total comprehensive (loss) for the year** | - | - | 10,108,882 | (1,654,068,057) | - | (1,643,959,175) |
| Surplus transferred to accumulated loss on account of incremental depreciation charged during the year-net of tax | - | - | (67,715,864) | 67,715,864 | - | - |
| **Balance as at June 30, 2025** | **130,000,000** | **651,751,200** | **7,047,164,552** | **(6,530,501,789)** | **115,000,000** | **1,413,413,963** |
| (Loss) for the year | - | - | - | (867,892,578) | - | (867,892,578) |
| **Other comprehensive loss** | | | | | | |
| Re-measurement of defined benefits liability | - | - | - | (11,924,501) | - | (11,924,501) |
| Revaluation loss on property, plant and equipment | - | - | - | - | | - |
| Effect of Surplus on Revalaution of PPE with respect to incremental depreciaton-net of tax | - | - | - | - | - | - |
| **Total comprehensive Income/(loss) for the year** | - | - | - | (879,817,079) | - | (879,817,079) |
| Surplus transferred to accumulated loss on account of incremental depriciation charged during the year-net of tax | - | - | (52,691,504) | 52,691,504 | - | - |
| **Balance as at June 30, 2026** | **130,000,000** | **651,751,200** | **6,994,473,048** | **(7,357,627,364)** | **115,000,000** | **533,596,884** |

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

## 1 THE COMPANY AND ITS OPERATIONS

1.1 The Company was incorporated in Pakistan as a public limited Company in January 29, 1970 under the Companies Act, 1913 (repealed) (now The Companies' Act 2017) as a public limited company. The shares of the Company are listed on Pakistan Stock Exchange. The registered office of the company is situated at ground floor Nadir House I.I Chundrigarh road Karachi. The company is principally engaged in manufacturing and sale of Yarn and Fabric.

### 1.2 Geographical location and address of business units

| | |
|---|---|
| Registered Office | Nadir House, Ground Floor, I.I. Chundrigar Road, Karachi. |
| Sub Office | 7-8/A, Justice Sardar Iqbal Road, Gulberg V, Lahore. |
| Mills | P/3, S.I.T.E., Kotri. |
| Mills | B/4, S.I.T.E., Kotri. |
| Mills | 49 K.M., Lahore, Multan Road, Bhai Pheru. |

## 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:

- International Financial Reporting Standards (IFRS) 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 notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

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

### 2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention except :

- Obligations under the defined benefit plan are stated at Present Value.
- Investment in Associates are accounted for using equity method.

### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest rupee.

### 2.4 Accounting Estimates, judgements and financial risk management.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

**Critical Judgements**

Management has made the following Judgements, apart from those involving estimates, which has the most significant effect on the amounts recognized in the financial statements.

The areas where various assumptions and estimates are significant to the company's financial statements or where judgement was excercised in application of accounting policies are as follows:

a) Determining the residual values and useful lives of property, plant and equipment
b) Valuation of biological assets
c) Provisions for slow moving stores, spares and loose tools
d) Valuation of stock in trade at lower of cost and NRV
e) Impairment of financial assets and provisions for loss allowance
f) Impairment of non financial assets
g) Provision for taxation including deferred tax
h) Accounting for retirement benefit obligation
i) Provisions against liabilities and contingencies

**2.5 Changes in Accounting Standards, Interpretations and Pronouncements**

**a) Amendments to published accounting and reporting standards and interpretation / guidance that became effective during the year**

There were certain amendments to accounting and reporting standards that became applicable to the Company during the year. These do not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated financial statements.

**b) Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:**

**i) Amendment to IFRS 9 and IFRS 7- Classification and Measurement of Financial Instruments (effective January 1, 2026):**

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)

**ii) IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective January 1, 2027):**

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The management is in process of assessing the impact of above changes.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 01, 2026. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these financial statements.

## 2.6 Going concern assumptions

During the year, the Company incurred net loss amounting to Rs. 867.893 million ( 2025: loss of Rs. 1,636.75 million) and has reported accumulated losses amounting to Rs.7,357.63 million (2025: Rs. 6,530.51 million) at the year end. Accordingly, it resulted in reduction of equity to Rs. 746.33 million (2025: Rs. 1,626.14 million). In addition, the Company's current liabilities exceeded its current assets by Rs. 8,471.08 million (2025: Rs. 7,764.53 million) at the year end. The main reason of losses was due to significant decline in both the local and global market, The Company is currently unable to resume operation at full capacity. The Company has initiated its operation at only 30% of total capacity.

These financial statements have been prepared by the management on going concern basis on the grounds that the Company will be able to achieve satisfactory levels of growth in the future based on the plans drawn up by the management for this purpose.

**To substantiate its going concern assumption:**

**2.6.1** The management has prepared five years future plan showing positive growth in operation and business of the company which is supported by increase in production of yarn during the year. Management believes that, company will be able to achieve satisfactory levels of profitability in the future based on the plans drawn up by the management for this purpose.

**2.6.2** The company's weaving mills sales suffered due to adverse market conditions. However, the management continue operations to conversion by doing job work. Now we have orders and are continuing operations on mostly conversion basis. Based on the availability of conversion market and orders. The management anticipates better operational efficiencies and plant utilization.

**2.6.3** The directors and sponsors of the company had injected amounting to Rs. Nil (2025: Rs 0.25 million) for financial support. They have committed that they would also continue such support in future.

**2.6.4** The management has also undertaken adequate steps towards the reduction of fixed cost and expenses which are at various stages of implementation. Such steps include, but not limited to, rightsizing of the men power, resource conservation, close monitoring of other fixed cost etc. The management is certain to generate sufficient savings as consequences of adapting all such measures.

The management anticipates that above steps will not only bring the Company out of the existing financial crisis but also contribute significantly towards the improvement of the company financial position in the foreseeable future.

## 2.7 Significant accounting judgments and estimates

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates, assumptions and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

### 2.7.1 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available to the Company. Any change in the estimates in the future might affect the carrying amount of respective item of operating property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

### 2.7.2 Stock in trade and stores, spares and loose tools

The Company reviews the net realizable value (NRV) of stock-in-trade and stores and spares to assess any diminution in the respective carrying values. NRV is estimated with reference to the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

### 2.7.3 Taxation

In applying the estimate for income tax payable, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past. Instance where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent Liabilities.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

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

### 3.1 Borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

### 3.2 Employee benefits

### 3.2.1 Defined benefit plans

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Liability is adjusted annually to cover the obligation and the adjustment is charged to profit or loss. The determination of the Company's obligation under the scheme requires assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration, expected average remaining working lives of employees and discount rate used to derive present value of defined benefit obligation.

There is risk that the final salary at the time of cessation of service is greater than what the entity has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Amounts recognized in the balance sheet represent the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

Actuarial gains and losses are recognized in comprehensive income for the period in which these arise.

### 3.3 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid /payable in excess of the calculation based on taxable income or any minimum tax, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

### 3.3.1 Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or minimum of turnover. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

### 3.3.2 Levy

A levy is an outflow of resouces embodying economic benefits that is imposed by Government on entities in accordance with the legislation other than:

a) those outflows of resouces that are within the scope of other standards.

b) fines or other penalties that are imposed for breach of regulation.

In these financial statements, levy includes revenue taxes, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid has been netted off and the net position is shown in the Statement of financial position

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid /payable in excess of the calculation based on taxable income or any minimum tax, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

### 3.3.3 Deferred

Deferred tax is accounted for using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates expected to apply to temporary differences when they reverse, based on laws enacted or substantively enacted at the reporting date. A deferred tax liability is recognized for all taxable temporary differences, while a deferred tax asset is recognized for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

However, no deferred tax has been recognized in these financial statements, as the effective tax rate is zero percent, in accordance with approach (a) of the ICAP Guidance on IAS 12, "Application Guidance on Accounting for Minimum Taxes and Final Taxes," and IFRIC 21, "Levies."

### 3.4 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### 3.5 Trade and other payables

Liabilities for trade and other amounts payable are recognized and carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

### 3.6 Dividend

Dividend is recognized as a liability in the period in which it is approved by shareholders.

### 3.7 Property, plant and equipment and depreciation

**Owned assets**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment loss (if any). Cost comprises of acquisition cost and other directly attributable cost. Except land, building and plant and machinery which are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses (if any).

Revaluation is performed with sufficient regularity so that the fair value and carrying value don't differ materially at the end of reporting period.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation is charged to income on reducing balance method over its estimated useful life at the rates specified in property, plant and equipment note. Depreciation on additions to and disposal of property, plant and equipment is charged on pro rata basis.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

The gain or loss on disposal of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Where the carrying amount of asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance lease. Asset acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of minimum lease payments at the inception of the lease less accumulated depreciation and impairment losses, if any. Depreciation is charged on the same basis as used for owned assets.

Financial charges are allocated to accounting period in a manner so as to provide a constant rate of charge on outstanding liability.

### 3.8 Capital work in process

Capital work in progress and stores held for capital expenditure are stated at cost and represents expenditure incurred on property, plant and equipment during construction and installation. Cost includes borrowing cost as referred in accounting policy of borrowing cost. Transfers are made to relevant property, plant and equipment category as and when assets are available for intended use.

### 3.9 Investments

### 3.9.1 Investments in associate - Equity Method

Investment in associates is accounted for using the equity method. These are entities in which the company has significant influence which is neither a subsidiary nor a joint venture of the company.

### 3.9.2 Derivative financial instruments

The Company uses derivative financial instruments such as forward exchange contracts and interest rate swaps to hedge its risks associated with foreign currency borrowings and effects on cash flow of any fluctuations in interest rates. Such derivative financial instruments are stated at fair value.

### 3.9.3 Financial assets at fair value through profit or loss

Financial assets classified as held for trading and those designed as such are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near item. Gains or losses on such investments are recognized in profit and loss account.

### 3.9.4 Available for sale

Other investments not covered in any of the above categories including investments in associates in which the Company has no significant influence are classified as being available for sale are stated at fair value, with any resultant gain or loss being recognized directly in equity. Gains or losses on available for sale investments are recognized directly in equity until the investments are sold or disposed off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously reported in the equity is included in current year's profit and loss account.

### 4.10 Derivative financial instruments

The Company uses derivative financial instruments such as interest rate swaps and cross currency swaps to hedge its risk associated with interest rate fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from change in fair value of derivatives that do not qualify for hedge accounting are taken directly to profit and loss account.

### 3.10 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to profit and loss account currently. Financial assets are stated at their nominal value as reduced by the appropriate allowances for estimating irrecoverable amount. Mark up bearing financial liabilities are recorded at the gross proceeds received. Other financial liabilities are stated at their nominal value.

### 3.11 Stores and spares

Stores and spares are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

### 3.12 Stock-in-trade

Stock-in-trade is stated at the lower of cost and net realizable value except waste which is valued at net realizable value. Cost is determined as follows;

| | |
|---|---|
| Raw material | At weighted average cost |
| Work in progress | At average manufacturing cost |
| Finished goods | At average manufacturing cost or net realizable value which ever is lower |
| Waste | Net realizable value |

Raw material in transit is stated at invoice price plus other charges paid thereon upto the balance sheet date.

Average manufacturing cost in relation to work in process and finished goods, consist of direct material and proportion of manufacturing overheads based on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses.

**3.13 Trade debts**

Trade debts originated by the Company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

**3.14 Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, cash in transit and balances with bank for the purpose of cash flow statement.

**3.15 Revenue recognition**

According to the core principles of IFRS-15, the company recognizes the revenue from sale when the company satisfies a performance obligation (at a point of time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts.

- Interest income is recognized on the basis of constant periodic rate of return.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.

**3.16 Borrowing costs**

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the profit and loss account currently.

**3.17 Impairment**

All company's assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. If any such indication exists, the assets' recoverable amount is estimated. Impairment losses are recognized in the profit and loss account currently.

**3.18 Foreign currency translation**

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are retranslated into Pak Rupees at the rates of exchange prevailing at the balance sheet date.

Exchange differences, if any, are taken to profit and loss account.

**3.19 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

**3.20 Segment reporting**

Segment reporting is based on the operating (business) segments of the company. An operating segment is a component of the company that engages in a business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the company's other components. An operating segment's operating results are reviewed by the CEO to make decision about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

### 3.21 Financial instruments

#### 3.21.1 Financial assets

**Classification**

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) **Financial assets at fair value through profit or loss**
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

b) **Loans and receivables**
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

c) **Held to maturity financial assets**
These are securities with fixed or determinable payments and fixed maturity in respect of which the Company has the positive intent and ability to hold to maturity. There were no held to maturity investments as at balance sheet date.

d) **Available-for-sale financial assets**
Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose off within 12 months of the end of the reporting date.

#### 3.21.2 Recognition

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase or sell the asset. All financial assets are initially recognized at fair value plus transaction costs except for those financial assets which are designated as 'financial assets at fair value through profit or loss'. 'Financial assets carried at fair value through profit or loss' are initially recognized at fair value and transaction costs are charged to the profit and loss account. Financial assets are derecognized when the right to receive cash flows from such assets has expired or have been transferred and the Company has transferred substantially all risks and rewards, incidental to the ownership of such financial assets.

Dividend income from 'financial assets at fair value through profit or loss' and 'available-for-sale financial assets' is recognized in the profit and loss account when the Company's right to receive payments is established.

Equity instruments that do not have a quoted market price in an active market and whose fair values cannot be reliably measured or determined are stated at cost.

#### 3.21.3 Measurement

Available-for-sale financial assets' and 'financial assets at fair value through profit or loss' are subsequently measured at fair value whereas 'held to maturity financial assets' and 'loans and receivables' are subsequently measured at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' are recognized in the profit and loss account in the period in which they arise.

Changes in the fair value of 'available-for-sale financial assets' are recognized in other comprehensive income. When financial assets classified as available-for-sale are sold or impaired, the accumulative fair value adjustments recognized in other comprehensive income till the time of disposal or impairment are charged to the profit and loss account.

#### 3.21.4 Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. If such evidence is identified to exist, the said financial asset or group of financial assets are impaired and an impairment loss is recognized in the profit and loss account for the amount by which the assets' carrying amount exceed their recoverable amount. Impairment losses of equity instruments, once recognized, are not reversed through the profit and loss account.

### 3.21.5 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle either on a net basis, or to realize the asset and settle the liability simultaneously.

### 3.21.6 Derivative financial instruments

The Company designates derivative financial instruments as either fair value hedge or cash flow hedge.

**a) Cash flow Hedges**

Cash flow hedge represents hedges of a highly probable forecast transaction. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the profit and loss account. Amounts accumulated in equity are reclassified to the profit and loss account in the periods in which the hedged item will affect the profit and loss account.

**b) Fair value hedge and other non-trading derivatives**

Fair value hedge represents hedges of the fair value of recognized assets or liabilities or a firm commitment. Changes in the fair value of derivate that are designated and qualify as fair value hedges are recorded in the profit and loss account, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The carrying value of the hedged item is adjusted accordingly. When a derivative financial instrument is not designated in a qualifying hedge relationship, it is accounted for as held for trading and accordingly is categorized as 'financial asset at fair value through profit or loss'.

### 3.21.6 Financial liabilities

These are initially recognized at cost, which is the fair value of the consideration expected to be paid. All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the obliging instrument/ contract.

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

### 3.22 Earnings per share - basic and diluted

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

### 3.23 Related party transactions

All transactions with related parties are carried out by the Company at arms' length price using the method.

Nature of the related party relationship as well as information about the transactions and outstanding balances are disclosed in the relevant notes to the financial statements.

### 3.24 Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year. Further, the company is not subject to externally imposed capital requirements.

## 4. PROPERTY, PLANT AND EQUIPMENT

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Operating fixed assets | 4.1 | 9,699,684,386 | 9,848,683,087 |

### 4.1 Operating fixed assets

| | 2026 | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freehold Land | Leasehold Land | Building on Freehold Land | Building on Leasehold Land | Labor Colony Freehold Land | Labor Colony Leasehold Land | Plant and Machinery | Electrical Fittings | Factory Equipment | Office Premises | Office Equipment | Furniture and Fixtures | Vehicles Owned | Leased- Plant Leased | Total |
| | (Rupees) | | | | | | | | | | | | | | |
| **At June 30, 2025** | | | | | | | | | | | | | | | |
| Cost | 2,001,690,000 | 2,157,610,205 | 2,028,207,455 | 1,110,573,109 | 726,996,831 | 287,448,647 | 7,243,928,416 | 139,975,964 | 42,807,224 | 40,143,767 | 27,142,777.00 | 17,732,779 | 76,307,393 | 11,282,165 | 15,911,846,732 |
| Accumulated depreciation | - | (17,610,205) | (692,820,255) | (353,911,028) | (139,713,800) | (65,956,023) | (4,485,513,026) | (133,171,215) | (40,934,489) | (21,828,004) | (25,244,478.00) | (16,439,301) | (63,150,603) | (6,871,218) | (6,063,163,645) |
| Net book value | 2,001,690,000 | 2,140,000,000 | 1,335,387,200 | 756,662,081 | 587,283,031 | 221,492,624 | 2,758,415,390 | 6,804,749 | 1,872,735 | 18,315,763 | 1,898,299 | 1,293,478 | 13,156,790 | 4,410,947 | 9,848,683,087 |
| **Year ended June 30, 2025** | | | | | | | | | | | | | | | |
| Opening net book value | 2,001,690,000 | 2,140,000,000 | 1,335,387,200 | 756,662,081 | 587,283,031 | 221,492,624 | 2,758,415,390 | 6,804,749 | 1,872,735 | 18,315,763 | 1,898,299 | 1,293,478 | 13,156,790 | 4,410,947 | 9,848,683,087 |
| Additions /disposal | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Disposals - cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Disposals - Acc. Dep. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation charge | - | (906,147) | (33,384,680) | (18,916,552) | (14,682,076) | (5,537,316) | (68,960,385) | (1,020,712) | (280,910) | (2,747,364) | (284,745) | (194,022) | (1,973,519) | (110,274) | (148,998,701) |
| Closing net book value | 2,001,690,000 | 2,139,093,853 | 1,302,002,520 | 737,745,529 | 572,600,955 | 215,955,308 | 2,689,455,005 | 5,784,037 | 1,591,825 | 15,568,399 | 1,613,554 | 1,099,456 | 11,183,272 | 4,300,673 | 9,699,684,386 |
| **At June 30, 2026** | | | | | | | | | | | | | | | |
| Cost | 2,001,690,000 | 2,157,610,205 | 2,028,207,455 | 1,110,573,109 | 726,996,831 | 287,448,647 | 7,243,928,416 | 139,975,964 | 42,807,224 | 40,143,767 | 27,142,777 | 17,732,779 | 76,307,393 | 11,282,165 | 15,911,846,732 |
| Accumulated depreciation | - | (18,516,352) | (726,204,936) | (372,827,579) | (154,395,876) | (71,493,339) | (4,554,473,411) | (134,191,927) | (41,215,399) | (24,575,368) | (25,529,223.00) | (16,633,322) | (65,124,122) | (6,981,492) | (6,212,162,346) |
| Net book value | 2,001,690,000 | 2,139,093,853 | 1,302,002,519 | 737,745,530 | 572,600,955 | 215,955,308 | 2,689,455,005 | 5,784,037 | 1,591,825 | 15,568,399 | 1,613,554 | 1,099,457 | 11,183,271 | 4,300,673 | 9,699,684,386 |
| Depreciation rates | - | 99 Years | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 15% | 15% | 15% | 15% | 15% | 15% | 2.5% | |

| | 2025 | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freehold Land | Leasehold Land | Building on Freehold Land | Building on Leasehold Land | Labor Colony Freehold Land | Labor Colony Leasehold Land | Plant and Machinery | Electrical Fittings | Factory Equipment | Office Premises | Office Equipment | Furniture and Fixtures | Vehicles | Leased- Plant and Machinery | Total |
| | | | | | | | | | | | | | Owned | Leased | |
| | (Rupees) | | | | | | | | | | | | | | |
| **At June 30, 2024** | | | | | | | | | | | | | | | |
| Cost | 1,353,535,000 | 2,014,891,750 | 1,968,198,405 | 1,104,066,694 | 628,622,331 | 267,859,344 | 8,446,194,601 | 139,975,964 | 42,807,224 | 27,739,936 | 27,142,777.00 | 17,732,779 | 76,307,393 | 20,645,650 | 16,135,719,848 |
| Accumulated depreciation | | | | | | | | | | | | | | | |
| Net book value | 1,353,535,000 | 2,014,891,750 | 1,968,198,405 | 1,104,066,694 | 628,622,331 | 267,859,344 | 8,446,194,601 | 139,975,964 | 42,807,224 | 27,739,936 | 27,142,777 | 17,732,779 | 76,307,393 | 20,645,650 | 16,135,719,848 |
| **Year ended June 30, 2024** | | | | | | | | | | | | | | | |
| Opening net book value | 1,353,535,000 | 2,014,891,750 | 1,968,198,405 | 1,104,066,694 | 628,622,331 | 267,859,344 | 8,446,194,601 | 139,975,964 | 42,807,224 | 27,739,936 | 27,142,777 | 17,732,779 | 76,307,393 | 20,645,650 | 16,135,719,848 |
| Additions / disposal | - | - | - | - | - | - | 6,018,000 | - | - | - | - | - | - | - | 6,018,000 |
| Revaluation | 648,155,000 | 142,718,455 | 60,009,049 | 6,506,415 | 98,374,499 | 19,589,303 | (968,284,185) | - | - | 12,403,831 | - | - | - | (9,363,485) | 10,108,882 |
| Disposals - cost | - | - | - | - | - | - | (240,000,000) | - | - | - | - | - | - | - | (240,000,000) |
| Disposals - Acc. Dep. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation charge | - | (906,147) | (32,831,231) | (19,130,804) | (13,056,797) | (5,260,535) | (106,372,948) | (1,200,838) | (330,483) | (1,537,190) | (334,994) | (228,261) | (2,321,786) | (292,004) | (183,804,017) |
| Closing net book value | 2,001,690,000 | 2,156,704,058 | 1,995,376,223 | 1,091,442,305 | 713,940,034 | 282,188,112 | 7,137,555,468 | 138,775,126 | 42,476,741 | 38,606,576 | 26,807,783 | 17,504,518 | 73,985,607 | 10,990,161 | 15,728,042,712 |
| **At June 30, 2025** | | | | | | | | | | | | | | | |
| Cost | 2,001,690,000 | 2,157,610,205 | 2,028,207,454 | 1,110,573,109 | 726,996,830 | 287,448,647 | 7,243,928,416 | 139,975,964 | 42,807,224 | 40,143,767 | 27,142,777 | 17,732,779 | 76,307,393 | 11,282,165 | 15,911,846,730 |
| Accumulated depreciation | - | (17,610,205) | (692,820,255) | (353,911,028) | (139,713,800) | (65,956,023) | (4,485,513,026) | (133,171,215) | (40,934,489) | (21,828,004) | (25,244,478.00) | (16,439,301) | (63,150,603) | (6,871,218) | (6,063,163,645) |
| Net book value | 2,001,690,000 | 2,140,000,000 | 1,335,387,199 | 756,662,081 | 587,283,030 | 221,492,624 | 2,758,415,390 | 6,804,749 | 1,872,735 | 18,315,763 | 1,898,299 | 1,293,478 | 13,156,790 | 4,410,947 | 9,848,683,087 |
| Depreciation rates | - | 99 Years | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 15% | 15% | 15% | 15% | 15% | 15% | 2.5% | |

* Depreciation on plant & machinery is charged using unit prodiction method.



**4.1.1 Depreciation for the year has been allocated as under:**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Cost of sales - spinning | 29 | 86,627,847 | 106,863,658 |
| Cost of sales - weaving | 29 | 43,940,031 | 46,899,980 |
| | | 130,567,878 | 153,763,638 |
| Cost of sales - power plant | 29.3.1 | 16,375,869 | 27,505,399 |
| Administrative expenses | 32 | 2,054,954 | 2,534,980 |
| | | 148,998,701 | 183,804,017 |

**4.1.2 Disposal of property, plant and equipment:**

| Particulars | Cost | Accumulated depreciation | Net Written down value | Sales proceeds | Gain / (Loss) | Mode of disposal | Particulars of buyer |
|---|---|---|---|---|---|---|---|
| **June 30, 2026** | - | - | - | - | - | | |
| **June 30, 2025** | 992,043,386 | 752,043,386 | 240,000,000 | 219,398,906 | (20,601,094) | Trade in with Creditor | Al Basit Cotton Ginners |

**4.1.3 Particular of Immovable Asset in the name of the Company are as follows:**

| Location | Addresses | Total Area (In Acres) |
|---|---|---|
| Kotri | P/3, S.I.T.E., Kotri. | 20 |
| Kotri | B/4, S.I.T.E., Kotri. | 10 |
| Bhai Pheru | 49 K.M., Lahore, Multan Road, Bhai Pheru. | 41.18 |
| Lahore | 7-8/A, Justice Sardar Iqbal Road, Gulberg V, Lahore. | 0.375 |

**4.1.4** The Company's land and buildings (both freehold and leasehold), plant and machinery, and power house were revalued by M/s. SIPRA & Company (Private) Limited, an independent professional valuer, as of April 2, 2025. The valuation, based on a professional assessment of current market values, resulted in an increase in revaluation surplus of Rs. 220.393 million. The Market Value determined by the valuer for the revalued assets - including land and buildings (freehold and leasehold), plant and machinery, and power house amounted to Rs.10,322.212 million.

**4.1.5 Had there been no revaluation the related figures of land, building and plant and machinery as at June 30, 2026 would have been as follows:**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Freehold Land | | 75,752,071 | 75,752,071 |
| Leasehold land | | 3,245,952 | 4,152,099 |
| Building on freehold land | | 229,000,615 | 234,872,426 |
| Building on leasehold land | | 67,173,326 | 68,895,719 |
| Building on freehold land [Grid] | | 26,073,610 | 26,742,164 |
| Labour colony on freehold land | | 19,337,021 | 19,832,842 |
| Labour colony on leasehold land | | 17,225,874 | 17,667,563 |
| Plant and machinery | | 2,239,090,243 | 2,296,502,813 |
| Plant and machinery [Grid] | | 76,305,730 | 78,262,287 |
| | | 2,753,204,442 | 2,822,679,984 |

**4.1.6** Leased Plant and Machinery has not been classified as "Right of Use Asset" in accordance with IFRS16.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| 5 | **LONG TERM DEPOSITS** | | | |
| | **Security deposits:** | | | |
| | -WAPDA | | 7,893,190 | 7,893,190 |
| | - Gas companies | | 36,233,069 | 54,233,075 |
| | - Others | | 1,337,168 | 1,337,168 |
| | | | 45,463,427 | 63,463,433 |

5.1 These deposits do not carry any interest or mark-up and are not recoverable within one year. IFRS 9 requires long-term non interest bearing financial assets to be discounted at average borrowing rate of the company. The impact of discounting is considered insignificant by the management.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| 6 | **STORES, SPARES AND LOOSE TOOLS** | | | |
| | **Spinning:** | | | |
| | - Stores | | 102,536,888 | 104,883,277 |
| | - Spares and accessories | | 190,425,650 | 194,783,228 |
| | - Loose tools | | 16,037,081 | 16,404,063 |
| | | | 308,999,619 | 316,070,568 |
| | **Weaving:** | | | |
| | - Stores | | 152,994,335 | 156,495,359 |
| | **Power plant:** | | | |
| | - Oil and stores | | 104,990,145 | 107,392,672 |
| | | | 566,984,099 | 579,958,599 |
| | Less: Provision for slow moving stores, spares and loose tools | | (11,339,682) | (2,575,359) |
| | | | 555,644,417 | 577,383,240 |

6.1 Stores,spares and loose tools cost Rs: 566.984 Million (2025: 579.958 Million) have been valued at Rs: 555.644 Million (2025: 577.383 Million) being the replacement cost of stores,spares and loose tools. The amount charge to profit and loss in respect of stores,spares and loose tools down to net realizable value is Rs: 11.34 Million (2025: 2.575 Million).

6.2 No item of stores, spares and loose tools is pledged as security as at reporting date.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| 7 | **STOCK IN TRADE** | | | |
| | **Spinning:** | | | |
| | - Raw material - in hand | | - | 200,950,500 |
| | - Finished goods | | 1,048,080,742 | 2,207,280,921 |
| | - Waste | | - | - |
| | | | 1,048,080,742 | 2,408,231,421 |
| | **Weaving:** | | | |
| | - Finished goods | | 230,058,566 | 154,832,970 |
| | | | 1,278,139,308 | 2,563,064,391 |

7.1 No item of stock in trade is pledged as security as at reporting date.

7.2 The stated waste stock is valued at NRV.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| 8 | **TRADE DEBTS** | | | |
| | **Considered good** | | | |
| | - Local debts - unsecured | 8.1 | 502,935,106 | 309,051,320 |
| | - Less: Allowance for Expected Credit Loss | 8.2 | (60,902,393) | (37,637,513) |
| | | | 442,032,713 | 271,413,807 |

8.1 At the year end, there is no receivable from export customer.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **8.2 Particulars of allowance for Expected Credit Loss** | | | |
| Balance at beginning of the year | | 37,637,513 | 19,290,502 |
| Charge during the year | 33 | 23,264,880 | 18,347,011 |
| Balance at the end of the year | | 60,902,393 | 37,637,513 |

The Company applies the IFRS 9 simplified approach to measure expected credit losses (ECL) on trade debts, recognising a lifetime loss allowance. Owing to limited historical credit loss experience, the Company has applied a flat ECL rate of 5% to closing trade debts, which represents management's best estimate. The rate is reassessed at each reporting date as loss experience develops.

## 9 OTHER FINANCIAL ASSETS

| | | | |
|---|---|---|---|
| Term Deposit Certificates "TDRs" | 9.1 | 49,648,366 | 66,381,481 |
| Investment in equity instrument (listed) | 9.2 | 621,256 | 277,855 |
| | | 50,269,622 | 66,659,336 |

9.1 These TDRs were deposited as margin against bank guarantees issued by different banks as disclosed in note No 26.1. During the year interest rate ranged from 8.50% to 10.50% (2025: 9.00% to 19.5%) per annum.The maturity period of the TDRs in one year from the date of original issue.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **9.2 Investment in equity instrument** | | | |
| In listed companies | 9.3 | 277,855 | 126,980 |
| Fair value adjustment | | 343,401 | 150,875 |
| | | 621,256 | 277,855 |

9.3 Details are as under:

| Name of securities | No. of shares | Cost | Fair value adjustments | Fair value |
|---|---|---|---|---|
| | | (Rupees) | | |
| Askari Bank Limited | 5,636 | 277,855 | 343,401 | 621,256 |
| **Total - 30.06.2026** | | 277,855 | 343,401 | 621,256 |
| Total - 30.06.2025 | | 126,980 | 150,875 | 277,855 |

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **10 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES** | | | |
| Loans to Employees - Secured | 10.1 | 17,486,974 | 16,798,019 |
| Collector of Customs for Import and Export | | 4,936,902 | 4,936,902 |
| Margin with Banks against Guarantees | | 5,195,614 | 5,195,614 |
| Advance for Reservation Contract | 27.2 | 39,222,641 | 39,222,641 |
| Prepaid expenses | | 478,446 | 478,446 |
| Letter of credit | | 1,508,556 | 1,508,556 |
| Others | | 75,111 | 75,111 |
| | | 68,904,244 | 68,215,289 |
| Less: Allowance for Expected Credit Loss | 10.2 | - | - |
| | | 68,904,244 | 68,215,289 |

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

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **10.2 Movement of Allowance for expected credit loss** | | | |
| Opening balance | | - | - |
| Expected credit loss | | - | - |
| Closing Balance | | - | - |

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| **11** | **TAX REFUND DUE FROM GOVERNMENT** | | | |
| | Income tax refundable | | 44,179,796 | 23,268,077 |
| | Sales tax refundable | | 522,924,962 | 686,969,417 |
| | | | 567,104,758 | 710,237,493 |
| **12** | **CASH AND BANK BALANCES** | | | |
| | With banks on: | | | |
| | - currents accounts | | 8,417,506 | 4,108,955 |
| | - saving accounts | 12.1 | 1,304,753 | 3,571,158 |
| | | | 9,722,259 | 7,680,113 |
| | Cash in hand | | 188,454 | 674,723 |
| | | | 9,910,713 | 8,354,836 |

**12.1** Effective rates of profit on Savings accounts, during the year, ranged from 8.5% to 10.5% (2025: 9% to 19.5%) per annum.

**13 ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

| 2026 | 2025 | | Note | 2026 | 2025 |
|---|---|---|---|---|---|
| Number of shares | | | | (Rupees) | |
| 13,000,000 | 13,000,000 | Ordinary shares of Rs. 10 each fully paid-up in cash | | 130,000,000 | 130,000,000 |

**13.1 Movement in Share Capital**

| | 2026 | |
|---|---|---|
| | No of Shares | Amount |
| Opening | 13,000,000 | 130,000,000 |
| Shares Issued During the Year | - | - |
| Closing | 13,000,000 | 130,000,000 |

**13.2 Major Shareholders**

| Name of Shareholders | Position | Percentage |
|---|---|---|
| **Directors, CEO, Spouse and Minior Children** | | |
| Mr. Asim Khalid | Director and CEO | 9.53% |
| Mr. Tariq Iqbal | Director | 4.33% |
| Mr. Omer Khalid | Director | 9.15% |
| Mr Tauqir Tariq | Director | 6.14% |
| Mrs. Tabbasum Tariq | W/O Director | 5.34% |

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| **14** | **RESERVES** | | | |
| | Capital reserve | 14.1 | 7,646,224,248 | 7,698,915,752 |
| | Revenue Reserve | 14.2 | (7,242,627,364) | (6,415,501,789) |
| | | | 403,596,884 | 1,283,413,963 |
| **14.1** | Capital reserve | | | |
| | Share premium | 14.1.1 | 651,751,200 | 651,751,200 |
| | Revaluation surplus | 16 | 6,994,473,048 | 7,047,164,552 |
| | | | 7,646,224,248 | 7,698,915,752 |

**14.1.1** This reserve can be utilised by the company only for the purpose specified in section 81 of the companies Act, 2017.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| **14.2** | Revenue Reserve | | | |
| | General reserves | | 115,000,000 | 115,000,000 |
| | Accumulated loss | | (7,357,627,364) | (6,530,501,789) |
| | | | (7,242,627,364) | (6,415,501,789) |

**14.2.1** A revenue reserve being maintained to have adequate resources for future requirements and business operations.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| 15 | **LOAN FROM DIRECTORS AND OTHERS - SUBORDINATED** | | | |
| | Loan from directors and others | | 212,728,470 | 212,728,470 |

15.1 These are unsecured and interest-free loans repayable at the discretion of the Company. In compliance with TR-32 issued by the Institute of Chartered Accountants of Pakistan, these loans have been treated as part of equity.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| 16 | **SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT** | | | |
| | **Balance as at July 01, 2025** | | 7,376,309,243 | 7,461,574,818 |
| | Add: Surplus on revaluation of land, building and plant & machinery-net | | - | 10,108,882 |
| | Less: Transferred from surplus on revaluation of Property Plant Equipment on account of incremental depreciation | | (52,691,504) | (67,715,864) |
| | Less: Deferred Tax | | (21,521,882) | (27,658,592) |
| | | | 7,302,095,857 | 7,376,309,243 |
| | **Less: Related to deferred tax effect:** | 16.2 | | |
| | Balance as at July 01, 2025 | | 329,144,691 | 356,803,283 |
| | Deffered tax liability on revaluation surplus | | - | - |
| | Recognition of deferred tax liability due to the transfer of incremental depreciation to equity from surplus on revaluation | | (21,521,882) | (27,658,592) |
| | | | 307,622,809 | 329,144,691 |
| | **Closing balance** | | 6,994,473,048 | 7,047,164,552 |

16.1 On 27 July 2017, 28 to 29 June 2018 ,16 to 24 June 2022 and 2 april 2025 , further revaluation was made of the Land, Building, Labour Colony, Grid station and plant & machinery by M/s. SIPRA & Company (Private) Limited, registered Valuers and Surveyors, on the basis of market value which resulted in net revaluation surplus of Rs. 10,108,882/-.

16.2 Represents disclosure from memorendum records. Deferred tax liability with respect to surplus on revaluation of Property, Plant and Equipment has not been recognized in these financial statements.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| 17 | **LONG TERM FINANCES** | | | |
| | **Loans from banking companies - secured** | | | |
| | Al-Barka Bank (Pakistan) Limited | 17.1 | 467,877,177 | 471,777,177 |
| | Bank Al Falah Limited | 17.2 | 18,881,717 | 18,881,717 |
| | First Al Noor Modaraba | 17.3 | 18,676,000 | 19,980,000 |
| | Faysal Bank Limited | 17.4 | 178,715,000 | 178,715,000 |
| | Habib Bank Limited | 17.4 | 235,665,204 | 235,665,204 |
| | Habib Bank Limited | 17.4 | 8,129,727 | 8,129,727 |
| | Meezan Bank Limited - [Bai Muajjal] | 17.4 | 12,759,074 | 12,759,074 |
| | National Bank of Pakistan-[ LTF-II Frozen Markup] | 17.4 | 61,850,000 | 61,850,000 |
| | National Bank of Pakistan - [LTF] | 17.4 | 50,746,000 | 50,746,000 |
| | National Bank of Pakistan - [LTF-I] | 17.4 | 139,907,100 | 139,907,100 |
| | Soneri Bank Limited | 17.4 | 471,567,000 | 481,567,000 |
| | Standard Chartered Bank | 17.4 | 116,978,416 | 116,978,416 |
| | Allied Bank Limited [LTF] | 17.4 | 180,493,360 | 180,993,360 |
| | | | 1,962,245,775 | 1,977,949,775 |
| | Less: Current maturity shown under current liabilities | 17.5 | (1,495,849,521) | (1,509,606,437) |
| | | | 466,396,254 | 468,343,338 |

17.1 Previously, the bank AL Baraka had restructured its existing outstanding balances in istisna amounting to Rs. 300 million, local modarba amounting to Rs.197 million and diminishing musharakah of Rs.0.890 million. Total amount merged into Istisna Facility is Rs. 497.890 million.

**Securities/ Margins**

1st pari passu Equitable mortgage and hypothecation (each) charge dated March 17, 2006 registered vide supplemental letter of hypothecation of Plant, Machinery and equipment dated march 08, 2006 for PKR 420 million on present and future fixed assets of the company inclusive of 25% margin.

17.2 Previously, Bank Alfalah had approved a settlement of entire principal of CF Hypo facility of Rs. 28.49 million along with overdue markup and future markup @7.00% or cost of funds (whichever is higher). The bank had approved stepped-up repayment plan for 6 years. 1st Pari Passu charge on stocks & book debts for Rs. 40 million to cover CF - Hypo facility of Rs. 30 million with 25% margin. Ranking charge of Rs. 120 million [is ranked 2nd on receivables and 7th on stocks up to Rs. 32 million and 2nd on receivables and 9th over stocks for the rest of Rs. 88 million] over stocks including furnace oil and book debts.

17.3 The Company had been availing finance facility from First Al-Noor Modaraba for many years however, dispute arose between the parties which led them to file cases against each other.

The modaraba filed Suit No. 2/2016 for recovery of Rs.25,678,083 and a Criminal Complaint No. 31/2016 for dishonored cheques. The company also filed Suit No. 146/2017 for recovery of Rs. 76,898,349. Both the parties were pleading their respective cases for recovery of amounts.

During the financial period under audit, both the parties arrive at conclusion to settle their dispute out of the court. The agreed amount of full and final settlement is Rs. 25 million which will be fully repaid in seven years.

17.4 The banks have filed cases for recovery which are exaggerated and exorbitant upon unauthorized and unlawful mark-up and other charges, whereas as per records of the company, the amount, if any payable, against the subject facilities, are much lesser than the alleged claims of the banks. In all these cases, the company has filed leave to defend applications and denied the alleged claims of the banks, which are pending before the Hon'ble Courts for adjudications. The management contesting the cases vigorously and also making efforts for amicable settlement of claim of each bank individually as out of court settlement and has succeeded to compromise two suits in previous period.

17.5 Current maturity includes Rs. 1,495.849 million in respect of overdue.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **18 REDEEMABLE CAPITAL - SUKUK** | | | |
| **Islamic mode of financing** | | | |
| Diminishing musharaka Sukuk certificate | | **611,335,643** | 611,335,643 |
| Less: Current portion shown under current liabilities | **18.4** | **(611,335,643)** | (611,335,643) |
| | | - | - |

18.1 The company had issued privately placed Sukuk Certificates of Rs. 1,385,000,000 divided into 277,000 certificates of Rs. 5,000 each. The significant terms and conditions and security of the Sukuk / certificates are as follows:

| | | |
|---|---|---|
| Tenure | **7 years** | 7 years |
| Date of first installment | **March 31, 2010** | March 31, 2010 |
| Date of last installment | **March 20, 2020** | March 20, 2020 |
| Rate of return per annum | **6 M KIBOR + 1.75%** | 6 M KIBOR + 1.75% |
| Convertible/non convertible | **Non Convertible** | Non Convertible |
| Redeemable/perpetual | **Redeemable** | Redeemable |

18.2 **Security:**

First Pari Passu charge of Rs. 1.846 billion (June 30, 2025 Rs. 1.846 billion) on all fixed assets of the company.

18.3 The banks have filed cases for recovery which are exaggerated and exorbitant upon unauthorized and unlawful mark-up and other charges, whereas as per records of the company, the amount, if any payable, against the subject sukkuks, are much lesser than the alleged claims of the banks. In all these cases, the company has filed leave to defend applications and denied the alleged claims of the banks, which are pending before the Hon'ble Courts for adjudications. The management contesting the cases virogously and also making efforts for amicable settlement of claim of each bank individually as out of court settlement and has succeeded to compromise two suits in previous period.

18.4 Current maturity includes Rs. 611.336 million in respect of overdue.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **19 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE** | | | |
| Payable within one year | | 4,874,684 | 8,124,676 |
| Payable after one year but not more than five years | | - | 3,249,994 |
| | | 4,874,684 | 11,374,670 |
| Less: deferred finance cost | | - | - |
| | | 4,874,684 | 11,374,670 |
| Add: security deposit | 5 | - | - |
| Less: Current portion shown under current liabilities | 19.5 | (4,874,684) | (8,124,676) |
| Present value of minimum lease payments | | - | 3,249,994 |

**19.1** The Company has entered into lease agreement for Plant & Machinery and Vehicles with various leasing companies and financial institutions on monthly, quarterly and half yearly payment basis. The lease contains bargain purchase option. During the year, the company entered into a final settlement with Orix Leasing amounting to Rs. 23 Million, vide Agreement No. LIT/4556/2024 dated 18 November 2024. As per the agreement, the company is required to pay Rs. 5 Million each in November and December 2024 with the remaining balance payable in twent-four equal monthly installments of Rs. 541,667.

**19.2** The lease is secured by personal guarantees of two directors and security deposit equivalent to 0.1% to 10% of the facility amount.

**19.3** Implicit rate of return on lease varies ranging from NIL ( 2025: NIL).

**19.4** Taxes, repairs and maintenance, insurance and other cost relating to the lease assets are borne by the Company.

**19.5** Current maturity includes Rs. 4,874,684 in respect of overdue.

| | | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **20 DEFERRED LIABILITIES** | | | |
| Deferred taxation | 20.1 | - | - |
| Staff retirement benefits - gratuity | 20.3 | 61,349,817 | 49,875,715 |
| | | 61,349,817 | 49,875,715 |

**20.1** No Deferred Tax has been recognized as the effective rate is zero percent as per the approach (a) of ICAP Guidance IAS 12 "Application Guidance on accounting for minimum taxes and final taxes" and IFRIC 21 "Levies".

**20.2** The deferred liability arises at the year end as stated in note 20.1, however Managment decides to adopt approach (a) as per the guideline of "IAS 12 application guidance on accounting for Minimum taxes and final tax" & the effective rate used for the calculation of deferred tax is zero (0%).

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **20.3 Staff retirement benefits - gratuity** | | | |
| Movement in the net liability recognized in the Balance sheet: | | | |
| Opening net liability | | 49,875,715 | 32,048,417 |
| Expense for the year in profit and loss account | | 14,411,677 | 11,347,873 |
| Remeasurement recognized in other comprehensive income | | 11,924,501 | 17,321,341 |
| | | 76,211,893 | 60,717,631 |
| Tranferred to Current Liability | | - | - |
| Benefits paid during the year | | (14,862,076) | (10,841,916) |
| Closing Balance of Defined Benefit Obligation | | 61,349,817 | 49,875,715 |
| **20.4 Expense for the year in profit and loss account** | | | |
| Current service cost | | 8,896,445 | 6,820,851 |
| Interest cost | | 5,515,231 | 4,527,021 |
| Net actuarial (gain) / loss recognized in the year | | | |
| | | 14,411,677 | 11,347,873 |

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| **20.5** | **Historical information** | | | |

| | 2026 | 2025 | 2024 |
|---|---|---|---|
| | (Rupees) | | |
| Present value of defined benefit obligation | 61,349,817 | 49,875,715 | 32,048,417 |

**20.6 General description**

The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charges is made using the actuarial technique of Projected Unit Credit Method.

| | | 2026 | 2025 |
|---|---|---|---|
| **20.7** | **Principal actuarial assumption** | | |
| | Following are a few important actuarial assumption used in the valuation. | | |
| | | % | % |
| | Discount rate | 11.75 | 11.75 |
| | Expected rate of increase in salary | 10 | 10 |

**20.8** Expected gratuity expenses for the year ending June 30, 2027 works out Rs. 15,445,822/-

| | | 2026 | 2025 |
|---|---|---|---|
| **20.9** | Expected year of services (years) | 9 | 9 |

**20.10 Sensitivity analysis for actuarial assumption**

The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / decreased as a result of change in respective assumption by 100.

| | 2026 | |
|---|---|---|
| | Increase in assumptions | Decrease in assumptions |
| Discount rate | (1,950,792) | 2,043,837 |
| Increase in future salaries | 2,057,976 | (1,998,854) |

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **21** | **TRADE AND OTHER PAYABLES** | | |
| | Trade Creditors | 5,720,913,407 | 6,232,680,747 |
| | Accrued liabilities | 329,188,223 | 391,653,699 |
| | Payable against letter of credit | 8,525,249 | 8,525,249 |
| | Unearned rental income | 2,363,931 | 2,149,029 |
| | Sales tax payable | 4,381,343 | 3,868,590 |
| | Gratuity Payable | 20,757,085 | 20,757,085 |
| | Withholding income tax payable | 4,824,159 | 3,397,683 |
| | Others | 1,000,000 | 1,000,000 |
| | Audit fee payable | 32.3 1,647,170 | 1,592,300 |
| | Sindh worker's welfare fund | 21.1 2,250,641 | 2,250,641 |
| | Security deposit | 9,377,500 | - |
| | | 6,105,228,708 | 6,667,875,023 |

**21.1 Sindh worker's welfare fund**

| | | |
|---|---|---|
| Balance at the beginning of the Year | 2,250,641 | 2,250,641 |
| Interest on fund utilized in company's business | - | - |
| | 2,250,641 | 2,250,641 |
| Paid during the year | - | - |
| | 2,250,641 | 2,250,641 |
| Allocation for the year | - | - |
| Balance at the end of the year | 2,250,641 | 2,250,641 |

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| 22 | **ACCRUED INTEREST / MARK-UP** | | | |
| | Accrued interest / mark-up on secured: | | | |
| | - long term finances | | 62,710,555 | 62,710,555 |
| | - redeemable capital - Sukuk | | 233,045,065 | 233,045,065 |
| | - short term borrowings | | 738,015,908 | 738,015,908 |
| | | | 1,033,771,528 | 1,033,771,528 |

22.1 Markup on Long Term financing, Short term borrowings, Sukuks for the year as well as for the previous years has not been accrued by the company.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| 23 | **SHORT TERM BORROWINGS** | | | |
| | Secured - Banking companies | | | |
| | - Finances under mark-up arrangement | 23.1 | 1,730,801,025 | 1,741,822,893 |
| | - Book overdraft | 23.3 | - | 1,246,016 |
| | | | 1,730,801,025 | 1,743,068,909 |

23.1 Aggregate facilities amounting to Rs. 1,730.801 million (June 30, 2025: Rs. 1,743.068 million) were available to the Company from banking companies. These were secured against hypothecation charge of stock in trade, book debts, plant & machinery, export bills under collection.

23.2 The banks have filed cases for recovery which are exaggerated and exorbitant upon unauthorized and unlawful mark-up and other charges, whereas as per records of the company, the amount, if any payable, against the subject facilities, are much lesser than the alleged claims of the banks. In all these cases, the company has filed leave to defend applications and denied the alleged claims of the banks, which are pending before the Hon'ble Courts for adjudictions. The management contesting the cases virogously and also making efforts for amicable settlement of claim of each bank individually as out of court settlement and has succeeded to compromise two suits.

23.3 This represents Cheques issued in excess of bank balance. Since there was no banking facility, this has been grouped under Book overdraft.

| | | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| 24 | **LOAN FROM DIRECTORS AND OTHERS** | | |
| | - Loan from Directors | 103,462,298 | 103,462,298 |
| | - Loan from Others | 5,854,059 | 5,854,059 |
| | | 109,316,357 | 109,316,357 |

24.1 These are interest free, unsecured and repayable on demand.

24.2 The loan has been taken for the fulfillment of working capital requirement.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| 25 | **UNCLAIMED DIVIDEND** | | | |
| | Unclaimed dividend | | 36,468 | 36,468 |
| | | | 36,468 | 36,468 |
| 26 | **PROVISION FOR TAXATION** | | | |
| | Provision for taxation | | 18,353,230 | 13,213,389 |
| | | | 18,353,230 | 13,213,389 |

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| 27 | **CONTINGENCIES AND COMMITMENTS** | | | |
| 27.1 | Contingencies | | | |
| | Guarantees issued by banks on behalf of the Company | | 83,706,145 | 104,073,007 |

27.2 Company has filed a suit No. 202 of 2011 against Enshaa NLC Development (Pvt) Limited before the Honorable Sindh High Court, Sindh seeking declarations, possession, permanent injunction and/or recession and damage in respect of the reservation contract followed by an agreement executed between parties whereby the defendants are liable to construct the project. The matter is at the stage of hearing and opinion of the legal advisor of the company is favorable and there is no likelihood of unfavorable outcome or any potential loss.

27.3 The Company has filed Suit No. 287 of 2015 against Sui Gas Bill tariff rate is charged under the heading of Captive Power while the Company does not fall under the said heading/tariff. Case was decreed in favor of the company. Appeal in the High Court has been filed against the order.

27.4 Summit Bank Limited, National Bank of Pakistan, Allied Bank Limited, HBL Bank Limited, Meezan Bank Limited, United Bank Limited, Faysal Bank Limited, Soneri Bank Limited, Dubai Islamic Bank, Silk Bank and Standard Chartered Bank (Pakistan) Limited have filed recovery suits in the High Court of Sindh and in banking court for Rs 3,456,287,848/- for the loans. The company is defending the cases in the High Court and Banking Court. The Company has not recognized the disputed estimated markup in the account. Till the finalization of accounts, the management is actively pursuing settlement of dispute through rescheduling of its liabilities.

27.5 Suit No. 505/2019 filed by Golden Sindh Cotton Mill in the High Court of Sindh against the company for the recovery of amount Rs. 25.994 million. The company is defending the case in the High Court.

27.6 The company has filed a W.P No. 60663/2021 in which company has challenged the show cause notice issued by SECP for appointment of inspector U/Sec 256 of the Companies Act, 2017. This W.P is still pending for adjudicaion before Honorable High Court Lahore.

27.7 The last year, a Judicial Companies Misc. Application J.C.M 17/2023 was filed by United Bank Limited in the High Court of Sindh against the company for winding up of the company. This matter is prejudice in the Court. The company is defending the case.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| 28 | **SALES** | | | |
| | **Local sale** | | | |
| | Yarn | | 1,333,689,289 | 747,046,377 |
| | Fabric | | 190,522,800 | 50,329,124 |
| | Waste | | 128,974,237 | 56,293,366 |
| | Processing | | 88,709,358 | 403,008,059 |
| | | | 1,741,895,684 | 1,256,676,926 |
| | **Less : sales tax** | | | |
| | Yarn | | (203,444,129) | (113,956,227) |
| | Fabric | | (29,062,800) | (7,677,324) |
| | Waste | | (19,674,036) | (8,587,124) |
| | Processing | | (13,531,936) | (61,475,806) |
| | | | (265,712,901) | (191,696,480) |
| | | | 1,476,182,783 | 1,064,980,446 |

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| **29** | **COST OF SALES** | | | |
| | Raw material consumed | **29.1** | **200,950,500** | 290,689,889 |
| | Salaries, wages and benefits | **29.2** | **333,802,914** | 480,385,287 |
| | Stores and spares consumed | | **15,864,311** | 18,469,760 |
| | Fuel, power and water | **29.3** | **368,288,749** | 896,276,637 |
| | Rent, rates and taxes | | **526,135** | 1,437,510 |
| | Insurance expenses | | **1,073,410** | 500,342 |
| | Repairs and maintenance | | **2,474,157** | 1,386,545 |
| | Vehicle running and maintenance | | **5,864,336** | 8,869,499 |
| | Entertainment expenses | | **1,435,821** | 4,351,504 |
| | Communication expenses | | **306,180** | 558,330 |
| | Printing and stationery | | **29,073** | 140,725 |
| | Subscription | | **89,207** | 297,958 |
| | Travelling | | **173,706** | 609,356 |
| | Other expenses | | **386,153** | 528,709 |
| | Depreciation expenses | **4.1.1** | **130,567,878** | 153,763,638 |
| | | | **1,061,832,529** | 1,858,265,689 |
| | Work in process | | | |
| | Opening stock | | **-** | 70,874,321 |
| | Closing stock | | **-** | - |
| | Cost of goods manufactured | | **1,061,832,529** | 1,929,140,010 |
| | Finished goods | | | |
| | Opening balance | | **2,362,113,891** | 2,705,765,691 |
| | Purchases | | **157,068,000** | - |
| | Closing stock | | **(1,278,139,308)** | (2,362,113,891) |
| | | | **2,302,875,112** | 2,272,791,810 |
| **29.1** | **Raw material consumed** | | | |
| | Opening balance | | **200,950,500** | 132,774,650 |
| | Purchases | | **-** | 358,865,739 |
| | | | **200,950,500** | 491,640,389 |
| | Less: closing stock | | **-** | (200,950,500) |
| | | | **200,950,500** | 290,689,889 |

**29.2** Salaries, wages and benefits include Rs. 12,837,027- (2025: Rs. 9,706,109-) in respect of staff retirement benefits.

| **29.3** | **Fuel, power and water** | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | Electricity purchase from out-side | | **34,163,677** | 21,520,645 |
| | Electricity produced by self | **29.3.1** | **330,554,178** | 860,584,813 |
| | Water charges | | **1,404,826** | 378,199 |
| | Gas charges | | **2,166,068** | 13,792,980 |
| | | | **368,288,749** | 896,276,637 |

| **29.3.1** | **Electricity produced by self** | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| | Salaries and wages | **29.3.2** | **9,016,141** | 12,975,386 |
| | Gas consumed | | **298,931,928** | 812,133,953 |
| | Stores and spares consumed | | **5,536,411** | 6,445,674 |
| | Repair and maintenance | | **164,943** | 92,436 |
| | Insurance expenses | | **18,785** | 8,756 |
| | Vehicle running and maintenance | | **130,691** | 197,664 |
| | Subscription | | **308,328** | 1,029,841 |
| | Communication expenses | | **2,874** | 5,241 |
| | Printing and stationery | | **447** | 2,165 |
| | Entertainment expenses | | **57,492** | 174,241 |
| | Other expenses | | **10,267** | 14,058 |
| | Depreciation | **4.1.1** | **16,375,869** | 27,505,399 |
| | | | **330,554,178** | 860,584,813 |

**29.3.2** Salaries, wages and benefits include Rs. 346,732- (2025: Rs. 262,165-) in respect of staff retirement benefits.

| 30 | OTHER INCOME | Note | 2026 (Rupees) | 2025 |
|---|---|---|---|---|
| | Income from financial assets | | | |
| | - Interest Income on saving accounts/ term deposit receipt | | 5,368,067 | 13,055,184 |
| | Income from assets other than financial assets | | | |
| | - Rental income | | 42,747,684 | 1,907,485 |
| | - Appreciation in the fair value of investment | | 343,401 | 150,875 |
| | - Exchange gain/(loss) | | (15,044) | 16,293 |
| | - Dividend Income | | 25,433 | 16,908 |
| | - Interest on security deposit | | 2,476,668 | - |
| | | | 50,946,209 | 15,146,745 |

30.1 Sales are shown net of sales & further tax, amounting Rs. NIL (2025: Rs. NIL-).

| 31 | DISTRIBUTION COST | Note | 2026 (Rupees) | 2025 |
|---|---|---|---|---|
| | Salaries and wages | | 2,182,467 | 3,446,431 |
| | | | 2,182,467 | 3,446,431 |

31.1 Salaries, wages and benefits include Rs. 92,097- (2025: Rs. 69,634-) in respect of staff retirement benefits.

| 32 | ADMINISTRATIVE EXPENSES | Note | 2026 (Rupees) | 2025 |
|---|---|---|---|---|
| | Director's remuneration | 32.1 | 9,605,000 | 6,780,000 |
| | Salaries and benefits | 32.2 | 12,680,818 | 16,480,566 |
| | Meeting fee | | 100,000 | 100,000 |
| | Printing and stationery | | 640,420 | 286,420 |
| | Communication | | 755,959 | 1,050,037 |
| | Travelling | | 264,685 | 816,838 |
| | Vehicle running and maintenance | | 2,075,384 | 3,412,576 |
| | Legal and professional charges | | 708,594 | 50,000 |
| | Auditors' remuneration | 32.3 | 1,832,300 | 1,777,430 |
| | Rent, rates and taxes | | 75,112 | 1,290,033 |
| | Entertainment | | 671,693 | 383,685 |
| | Electricity, gas and water charges | | 784,741 | 1,555,218 |
| | Fees and subscription | | 802,727 | 1,591,335 |
| | Repairs and maintenance | | 9,000 | 697,400 |
| | Insurance | | - | 7,543 |
| | Security, gardening and sanitation | | 57,470 | 102,630 |
| | Advertisement | | 2,000 | 17,280 |
| | Bed debt expenses | | - | 95,969 |
| | Miscellaneous | | 497,687 | 276,126 |
| | Depreciation | 4.1.1 | 2,054,954 | 2,534,980 |
| | | | 33,618,544 | 39,306,067 |

32.1 The Chief Executive and Directors of the company have waived off their remuneration and meeting fee.

32.2 Salaries, wages and benefits include Rs. 1,135,821- (2025: Rs. 1,309,963-) in respect of staff retirement benefits.

| 32.3 | Auditors' remuneration | Note | 2026 (Rupees) | 2025 |
|---|---|---|---|---|
| | Audit fee | | 1,537,300 | 1,537,300 |
| | Half yearly review fee | | 185,130 | 185,130 |
| | Code of corporate governance review fee | | 50,000 | 30,000 |
| | Out of pocket expenses | | 59,870 | 25,000 |
| | | | 1,832,300 | 1,777,430 |

| 33 | OTHER OPERATING EXPENSES | | | |
|---|---|---|---|---|
| | Provision for slow moving stores, spares and loose tools | | 11,339,682 | 2,575,359 |
| | Provision for GIDC | 33.1 | - | 333,515,000 |
| | Donations | 33.2 | - | 49,000 |
| | Loss on disposal | | - | 20,601,096 |
| | Allowance for expected credit loss | 8.2 | 23,264,880 | 18,347,011 |
| | Orix leasing settlement account | | - | 5,772,000 |
| | | | 34,604,562 | 380,859,466 |

33.1 Represents provision for GIDC recognized in light of decision by Honourable Supreme Court of Pakistan.

33.2 No director or his spouse had any interest in the donee.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **34 FINANCE COST** | | | |
| Mark-up on : | | | |
| - short term finances | | 3,219,519 | 4,104,774 |
| - lease finances | | - | 2,229,996 |
| Bank charges, commission and others charges | | 69,268 | 747,939 |
| | | 3,288,788 | 7,082,708 |
| **35 TAXATION** | | | |
| **Current year** | | | |
| For the year | | 18,452,097 | 13,312,256 |
| Prior year | | - | 75,169 |
| | | 18,452,097 | 13,387,425 |
| **35.1 Tax Reconciliation** | | | |
| Loss Before Tax | | (849,440,481) | (1,623,359,292) |
| Tax Rate | | 29% | 29% |
| **Estimated Tax** | | (246,337,739) | (470,774,195) |
| Effect of Prior Year Taxes | | - | 75,169 |
| Effect of Turnover Tax due to taxable losses | | 264,789,836 | 484,086,450 |
| | | 18,452,097 | 13,387,425 |
| **36 EARNINGS PER SHARE - BASIC AND DILUTED** | | | |
| (Loss) after taxation | | (867,892,578) | (1,636,746,716) |
| | | Number of shares | |
| Weighted average number of ordinary shares | | 13,000,000 | 13,000,000 |
| Earnings per share - basic and diluted | | (66.76) | (125.90) |

36.1 There is no dilutive effect on basic earnings per share.

**37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES**

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive, Directors and Executives of the company is as follows:

| | Chief Executive | | Directors | | Executives | |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| **Remuneration** | 2,825,000 | - | 6,780,000 | 6,780,000 | 18,127,920 | 6,780,000 |
| | 2,825,000 | - | 6,780,000 | 6,780,000 | 18,127,920 | 6,780,000 |
| **Number of persons** | 1 | - | 1 | 1 | 12 | 43 |

37.1 In addition, some of the above persons have been provided with the company maintained cars.

**38 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprises directors and key management personnel. Amounts due to related parties are shown in the relevant notes to the financial statements. Transactions with related parties are disclosed below:

| Nature of transaction | Relationship | 2026 | 2025 |
|---|---|---|---|
| | | Rupees | |
| Loan received | Directors | - | 250,000 |
| Salaries and other benefits | Directors | 9,605,000 | 6,780,000 |

The Company continues to have a policy whereby all transactions with related parties are entered at arm's length price using admissible valuation method and expenses are charged on actual basis. No related party transactions were incurred into during the year.

## 39 SEGMENT ANALYSIS

The segment information for the reportable segments for the year ended June 30, 2026 is as follows:

### 39.1 Operating results

| | Note | Spinning | | Weaving | | Power Generation | | Company | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2026 Rupees | 2025 Rupees | 2026 Rupees | 2025 Rupees | 2026 Rupees | 2025 Rupees | 2026 Rupees | 2025 Rupees |
| **Sales** | | | | | | | | | |
| Export | | - | - | - | - | - | - | - | - |
| Yarn | | 1,130,245,160 | 633,090,150 | - | - | - | - | 1,130,245,160 | 633,090,150 |
| Fabrics | | - | - | 161,460,000 | 42,651,800 | - | - | 161,460,000 | 42,651,800 |
| Waste | | 109,300,201 | 47,706,242 | - | - | - | - | 109,300,201 | 47,706,242 |
| Processing | | 67,275,203 | 47,208,116 | 7,902,219 | 294,324,137 | - | - | 75,177,422 | 341,532,253 |
| Steam income | | - | - | - | - | - | - | - | - |
| | | 1,306,820,564 | 728,004,509 | 169,362,219 | 336,975,937 | - | - | 1,476,182,783 | 1,064,980,446 |
| Inter - segment sales | | - | - | - | - | 330,554,178 | 860,584,813 | 330,554,178 | 860,584,813 |
| **Total sales** | | 1,306,820,564 | 728,004,509 | 169,362,219 | 336,975,937 | 330,554,178 | 860,584,813 | 1,806,736,961 | 1,925,565,259 |
| Cost of sales | 40 | (1,849,422,715) | (1,546,104,708) | (453,452,397) | (726,687,140) | (330,554,178) | (860,584,813) | (2,633,429,290) | (3,133,376,623) |
| **Gross loss** | | (542,602,151) | (818,100,200) | (284,090,178) | (389,711,203) | - | - | (826,692,329) | (1,207,811,364) |
| Distribution cost | 41 | - | (1,629,558) | (2,182,467) | (1,816,873) | - | - | (2,182,467) | (3,446,431) |
| Administrative expenses | 42 | (29,761,493) | (34,711,529) | (3,857,050) | (4,498,568) | - | - | (33,618,544) | (39,210,098) |
| | | (29,761,493) | (36,341,087) | (6,039,517) | (6,315,441) | - | - | (35,801,011) | (42,656,529) |
| **Operating results** | | (572,363,644) | (854,441,287) | (290,129,695) | (396,026,645) | - | - | (862,493,339) | (1,250,467,893) |
| 39.2 Segment assets | | 9,026,974,476 | 10,073,018,316 | 2,083,960,496 | 2,325,449,386 | 864,565,851 | 107,392,672 | 11,975,500,824 | 12,505,860,373 |
| 39.3 Unallocated assets | | | | | | | | 741,652,764 | 916,930,387 |
| | | | | | | | | 12,717,153,588 | 14,177,474,912 |
| 39.4 Segment liabilities | | 5,342,075,120 | 5,834,390,645 | 564,733,655 | 616,778,440 | 198,419,933 | 216,705,938 | 6,105,228,708 | 6,667,875,023 |
| 39.5 Unallocated liabilities | | | | | | | | 5,865,599,526 | 5,883,457,453 |
| | | | | | | | | 11,970,828,234 | 12,551,332,476 |
| 39.6 Depreciation | | 89,358,210 | 105,232,953 | 41,209,668 | 48,530,685 | 16,375,869 | 27,505,399 | 146,943,747 | 181,269,037 |

### 39.7 Inter-segment pricing

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

39.8 Sales to major customer whose revenue exceeds 10% of gross sales is Rs. 317.181 million (2025: Nil).

| | | Spinning | | Weaving | | Power Generation | | Company | |
|---|---|---|---|---|---|---|---|---|---|
| | Note | 2026 Rupees | 2025 Rupees | 2026 Rupees | 2025 Rupees | 2026 Rupees | 2025 Rupees | 2026 Rupees | 2025 Rupees |
| **40 COST OF SALES** | | | | | | | | | |
| Raw material consumed | 40.1 | 200,950,500 | 290,689,889 | - | - | - | - | 200,950,500 | 290,689,889 |
| Stores and spares consumed | | 7,348,921 | 8,555,859 | 8,515,390 | 9,913,901 | 5,536,411 | 6,445,674 | 21,400,722 | 24,915,434 |
| Salaries, wages and benefits | | 42,273,249 | 339,669,962 | 291,529,665 | 140,715,325 | 9,016,141 | 12,975,386 | 342,819,055 | 493,360,673 |
| Fuel, power and water: | | | | | | | | | |
| Inter-segment | | 146,991,368 | 382,686,251 | 183,562,810 | 477,898,562 | - | - | 330,554,178 | 860,584,813 |
| Others | | 37,734,571 | 35,691,824 | - | - | 298,931,928 | 812,133,953 | 336,666,499 | 847,825,777 |
| Repairs and maintenance | | 1,649,244 | 924,255 | 824,913 | 462,290 | 164,943 | 92,436 | 2,639,100 | 1,478,981 |
| Insurance expenses | | 581,139 | 270,883 | 492,271 | 229,459 | 18,785 | 8,756 | 1,092,195 | 509,098 |
| Rent, rates and taxes | | 526,135 | 1,437,510 | - | - | - | - | 526,135 | 1,437,510 |
| Vehicle running and maintenance | | 4,532,826 | 6,855,661 | 1,331,509 | 2,013,838 | 130,691 | 197,664 | 5,995,027 | 9,067,163 |
| Entertainment expenses | | 642,868 | 1,948,324 | 792,952 | 2,403,180 | 57,492 | 174,241 | 1,493,313 | 4,525,745 |
| Communication expenses | | 37,537 | 68,450 | 268,643 | 489,880 | 2,874 | 5,241 | 309,054 | 563,571 |
| Printing and stationery | | 3,089 | 14,953 | 25,984 | 125,772 | 447 | 2,165 | 29,520 | 142,890 |
| Subscription | | 53,524 | 178,775 | 35,683 | 119,183 | 308,328 | 1,029,841 | 397,535 | 1,327,799 |
| Travelling | | 168,055 | 589,533 | 5,651 | 19,823 | - | - | 173,706 | 609,356 |
| Other expenses | | 303,299 | 415,267 | 82,854 | 113,441 | 10,267 | 14,058 | 396,420 | 542,767 |
| Depreciation expenses | | 89,358,210 | 105,232,953 | 41,209,668 | 48,530,685 | 16,375,869 | 27,505,399 | 146,943,747 | 181,269,037 |
| | | 533,154,536 | 1,175,230,349 | 528,677,993 | 683,035,340 | 330,554,178 | 860,584,813 | 1,392,386,707 | 2,718,850,502 |
| **Work in process** | | | | | | | | | |
| Opening stock | | - | 70,874,321 | - | - | - | - | - | 70,874,321 |
| Closing stock | | - | - | - | - | - | - | - | - |
| | | - | 70,874,321 | - | - | - | - | - | 70,874,321 |
| **Cost of goods manufactured** | | 533,154,536 | 1,246,104,670 | 528,677,993 | 683,035,340 | 330,554,178 | 860,584,813 | 1,392,386,707 | 2,789,724,823 |
| Cost of other material | | - | - | - | - | - | - | - | - |
| Cost of other material sold | | - | - | - | - | - | - | - | - |
| | | 533,154,536 | 1,246,104,670 | 528,677,993 | 683,035,340 | 330,554,178 | 860,584,813 | 1,392,386,707 | 2,789,724,823 |
| **Finished goods** | | | | | | | | | |
| Opening balance | | 2,207,280,921 | 2,507,280,921 | 154,832,970 | 198,484,770 | - | - | 2,362,113,891 | 2,705,765,691 |
| Finished goods purchase: | | | | | | | | | |
| Purchase | | - | - | - | - | - | - | - | - |
| Yarn purchase | | 157,068,000 | - | - | - | - | - | 157,068,000 | - |
| | | 157,068,000 | - | - | - | - | - | 157,068,000 | - |
| Closing stock | | (1,048,080,742) | (2,207,280,921) | (230,058,566) | (154,832,970) | - | - | (1,278,139,308) | (2,362,113,891) |
| | | 1,849,422,715 | 1,546,104,708 | 453,452,397 | 726,687,140 | 330,554,178 | 860,584,813 | 2,633,429,290 | 3,133,376,623 |

| | Note | Spinning | | Weaving | | Power Generation | | Company | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| | | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| **40.1 Raw material consumed** | | | | | | | | | |
| Opening balance | | 200,950,500 | 132,774,633 | - | - | - | - | 200,950,500 | 132,774,633 |
| **Purchases:** | | | | | | | | | |
| Inter-segment | | - | - | - | - | - | - | - | - |
| Other | | - | 35 8,85,79 | - | - | - | - | - | 358,865,739 |
| | | - | 358,865,739 | - | - | - | - | - | 358,865,739 |
| Closing stock | | - | (200,950,500) | - | - | - | - | - | (200,950,500) |
| | | 200,950,500 | 290,689,872 | - | - | - | - | 200,950,500 | 290,689,872 |
| **41 DISTRIBUTION COST** | | | | | | | | | |
| Salaries and wages | | - | 1,629,558 | 2,182,467 | 1,816,873 | - | - | 2,182,467 | 3,446,431 |
| | | - | 1,629,558 | 2,182,467 | 1,816,873 | - | - | 2,182,467 | 3,446,431 |

| | Spinning | | Weaving | | Power Generation | | Company | |
|---|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 | 2026 | 2025 |
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| **42 ADMINISTRATIVE EXPENSES** | | | | | | | | |
| Director's remuneration | 8,503,020 | 6,002,132 | 1,101,980 | 777,868 | - | - | 9,605,000 | 6,780,000 |
| Salaries and benefits | 11,225,950 | 14,589,753 | 1,454,868 | 1,890,813 | - | - | 12,680,818 | 16,480,566 |
| Meeting fee | 88,527 | 88,527 | 11,473 | 11,473 | - | - | 100,000 | 100,000 |
| Printing and stationery | 566,945 | 253,559 | 73,475 | 32,861 | - | - | 640,420 | 286,420 |
| Communication | 669,228 | 929,567 | 86,731 | 120,471 | - | - | 755,959 | 1,050,037 |
| Travelling | 234,318 | 723,122 | 30,367 | 93,716 | - | - | 264,685 | 816,838 |
| Vehicle running and maintenance | 1,837,276 | 3,021,052 | 238,108 | 391,524 | - | - | 2,075,384 | 3,412,576 |
| Legal and professional charges | 627,297 | 44,264 | 81,297 | 5,736 | - | - | 708,594 | 50,000 |
| Auditors' remuneration | 1,622,081 | 1,573,506 | 210,219 | 203,924 | - | - | 1,832,300 | 1,777,430 |
| Rent, rates and taxes | 66,494 | 1,142,028 | 8,618 | 148,005 | - | - | 75,112 | 1,290,033 |
| Entertainment | 594,630 | 339,665 | 77,063 | 44,020 | - | - | 671,693 | 383,685 |
| Electricity, gas and water charges | 694,708 | 1,376,788 | 90,033 | 178,430 | - | - | 784,741 | 1,555,218 |
| Fees and subscription | 710,630 | 1,408,761 | 92,097 | 182,574 | - | - | 802,727 | 1,591,335 |
| Repairs and maintenance | 7,967 | 617,387 | 1,033 | 80,013 | - | - | 9,000 | 697,400 |
| Insurance | - | 6,678 | - | 865 | - | - | - | 7,543 |
| Security, gardening and sanitation | 50,876 | 90,855 | 6,594 | 11,775 | - | - | 57,470 | 102,630 |
| Advertisement | 1,771 | 15,297 | 229 | 1,983 | - | - | 2,000 | 17,280 |
| Miscellaneous | 440,588 | 244,446 | 57,100 | 31,680 | - | - | 497,687 | 276,126 |
| Depreciation | 1,819,189 | 2,244,142 | 235,765 | 290,838 | - | - | 2,054,954 | 2,534,980 |
| | 29,761,493 | 34,711,529 | 3,857,050 | 4,498,568 | - | - | 33,618,544 | 39,210,098 |

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | (Rupees) | |
| **43** | **RECONCILIATIONS OF REPORTABLE SEGMENTS SALES, COST OF SALES, ASSETS AND LIABILITIES** | | | |
| **43.1** | **Sales** | | | |
| | Total sales for reportable segment | 39.1 | 1,806,736,961 | 1,925,565,259 |
| | Elimination of inter-segment | 39.1 | (330,554,178) | (860,584,813) |
| | Total sales | | 1,476,182,783 | 1,064,980,446 |
| **43.2** | **Cost of sales** | | | |
| | Total cost of sales for reportable segment | 40 | 2,633,429,290 | 3,133,376,623 |
| | Elimination of inter-segment | 39.1 | (330,554,178) | (860,584,813) |
| | **Total cost of sales** | | 2,302,875,112 | 2,272,791,810 |
| **43.3** | **Profit or loss** | | | |
| | Total loss for reportable segments | | (862,493,339) | (1,250,467,893) |
| | Other operating Income | | 50,946,209 | 15,146,745 |
| | Other operating expenses | | (34,604,562) | (380,859,466) |
| | Interest expense | | (3,288,788) | (7,082,708) |
| | Total (loss) before tax | | (849,440,481) | (1,623,263,323) |
| **43.4** | **Assets** | | | |
| | Total assets for reportable segments | 39.2 | 11,975,500,824 | 12,505,860,373 |
| | Long term deposits | 5 | 45,463,427 | 63,463,433 |
| | Other financial assets | 9 | 50,269,622 | 66,659,336 |
| | Advances, deposits, prepayments and other receivables | 10 | 68,904,244 | 68,215,289 |
| | Tax refund due from government | 11 | 567,104,758 | 710,237,493 |
| | Cash and bank balances | 12 | 9,910,713 | 8,354,836 |
| | Unallocated assets | 39.3 | 741,652,764 | 916,930,387 |
| | | | 12,717,153,588 | 13,422,790,760 |
| **43.5** | **Liabilities** | | | |
| | Total liabilities for reportable segments | 39.4 | 6,105,228,708 | 6,667,875,023 |
| | Long term finances | 17 | 1,962,245,775 | 1,977,949,775 |
| | Redeemable capital - Sukuk | 18 | 611,335,643 | 611,335,643 |
| | Loan from directors and others | 24 | 109,316,357 | 109,316,357 |
| | Liabilities against assets subject to finance lease | 19 | 4,874,684 | 11,374,670 |
| | Deferred liabilities | 20 | 61,349,817 | 49,875,715 |
| | Accrued interest / mark-up | 22 | 1,033,771,528 | 1,033,771,528 |
| | Short term borrowings | 23 | 1,730,801,025 | 1,743,068,909 |
| | Unclaimed dividend | | 36,468 | 36,468 |
| | Provision for taxation | 26 | 18,353,230 | 13,213,389 |
| | Provision for GIDC | 33 | 333,515,000 | 333,515,000 |
| | Unallocated liabilities | 39.5 | 5,865,599,526 | 5,883,457,454 |
| | | | 11,970,828,234 | 12,551,332,478 |

## 44 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company has exposures to the following risks from its use of financial instruments:

**44.1** Credit risk

**44.2** Liquidity risk

**44.3** Market risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

## 45 Credit risk

### 45.1 Exposure to credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the long term investments, long term deposits, trade debts, loans and advances, trade deposits and prepayments, other receivables, other financial assets and cash and bank balances. Out of total fiancial assets of Rs. 616.581 million (June 30, 2025: Rs. 478.106 million), financial assets which are subject to credit risk aggregate to Rs. 606.670 million (June 30, 2025: Rs. 469.751 million). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Long term deposits | 5 | **45,463,427** | 63,463,433 |
| Trade debts | 8 | **442,032,713** | 271,413,807 |
| Other financial assets | 9 | **50,269,622** | 66,659,336 |
| Advances, deposits, prepayments and other receivables | 10 | **68,904,244** | 68,215,289 |
| Cash and bank balances | 12 | **9,910,713** | 8,354,836 |
| | | **616,580,719** | 478,106,701 |

**45.2** The maximum exposure to credit risk for trade debts at the reporting date by geographical region is as follows:

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Domestic | | **502,935,106** | 309,051,320 |

**45.3** The maximum exposure to credit risk for debts at the reporting date by type of product is as follows:

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Yarn | | **403,424,366** | 247,902,426 |
| Fabric | | **99,510,740** | 61,148,894 |
| | | **502,935,106** | 309,051,320 |

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

| | | |
|---|---|---|
| Not past due | **218,306,290** | 134,148,216 |
| Past due less than one year | **200,738,216** | 123,352,715 |
| Past due more than year | **83,890,599** | 51,550,389 |
| | **502,935,106** | 309,051,320 |

## 46 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding trough an adequate amount of committed credits facilities. The Company's treasury department maintains flexibility in funding by maintaining availability under committed credits lines.

46.1 Financial liabilities in accordance with their contractual maturities are presented below:

| | 2026 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flow | Up to 1 year | Between 1 to 5 years | 5 years and above |
| | Rupees | | | | |
| Long term finances | 1,962,245,775 | 1,962,245,775 | - | - | - |
| Redeemable capital - Sukuk | 611,335,643 | 611,335,643 | - | - | - |
| Finance lease | 4,874,684 | 4,874,684 | 4,874,684 | - | - |
| Trade and other payables | 6,093,772,565 | 6,093,772,565 | 6,093,772,565 | - | - |
| Accrued mark-up | 1,033,771,528 | 1,033,771,528 | - | - | - |
| Short term borrowings | 1,730,801,025 | 1,730,801,025 | - | - | - |
| | 11,436,801,220 | 11,436,801,220 | 6,098,647,249 | - | - |

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flow | Up to 1 year | Between 1 to 5 years | 5 years and above |
| | Rupees | | | | |
| Long term finances | 1,977,949,775 | 1,977,949,775 | - | - | - |
| Redeemable capital - Sukuk | 611,335,643 | 611,335,643 | - | - | - |
| Finance lease | 11,374,670 | - | - | - | - |
| Trade and other payables | 6,658,358,109 | 6,658,358,109 | 6,658,358,109 | - | - |
| Accrued mark-up | 1,033,771,528 | 1,033,771,528 | - | - | - |
| Short term borrowings | 1,743,068,909 | 1,743,068,909 | - | - | - |
| | 12,035,858,633 | 12,024,483,963 | 6,658,358,109 | - | - |

46.2 The contractual cash flow relating to the above financial liabilities have been determined on the basis of mark-up / interest rates effective at the respective year-end. The rates of mark-up / interest have been disclosed in the respective notes to these financial statements.

## 47 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holding of financial instruments.

## 48 Currency risk

The company is exposed to currency risk on trade debts, borrowing and import of raw material and stores that are denominated in a currency other than the respective functional currency of the company, primarily in US Dollar and Euro. The currencies in which these transactions primarily are denominated is US Dollar and Euro. The company's exposure to foreign currency risk is as follows:

| | US Dollar | Euro | Others | Rupees |
|---|---|---|---|---|
| Trade debts 2026 | - | - | - | - |
| Trade debts 2025 | - | - | - | - |

The following significant exchange rates applied during the year:

| | Average rates | | Reporting date rates | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| US Dollar to Rupee | 280.50 | 283.97 | 278.00 | 284.10 |

## 48.1 Sensitivity analysis

5% strengthening of Pak Rupee against the following currencies at June 30, 2026 would have increased / (decreased) equity and profit and loss by the amount shown below. The analysis assumes that all other variables, in particular interest rates, remain constant. 5% weakening of Pak Rupee against the above currencies at periods ends would have had the equal but opposites effect on the above currencies to the amount shown below, on the basis that all other variables remain constant.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| US Dollar | | - | - |

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the company.

## 49 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposures arises from short and long term borrowings from bank and term deposits and deposits in PLS saving accounts with banks. At reporting date the interest rate profile of the company's interest bearing financial instrument is as follows:

| | Carrying Amount | |
|---|---|---|
| | 2026 | 2025 |
| | (Rupees) | |
| **Fixed rate instruments:** | | |
| Financial assets | 49,648,366 | 66,381,481 |
| Financial liabilities | 2,573,581,418 | 2,589,285,418 |
| **Variable rate instruments:** | | |
| Financial assets | - | - |
| Financial liabilities | 1,735,675,709 | 1,754,443,579 |

## 49.1 Other Price Risk

Other 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 instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to commodity price risk as it does not hold financial instruments based commodity prices.

## 49.2 Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit & loss. Therefore, a change in mark-up / interest rates at the reporting date would not affect profit & loss account.

## 49.3 Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for June 30, 2026.

| | Profit and loss | | Equity | |
|---|---|---|---|---|
| | 100 bps increase | 100 bps decrease | 100 bps increase | 100 bps decrease |
| | Rupees | | | |
| 2026 | 17,356,757 | (17,356,757) | - | - |
| 2025 | 17,544,436 | (17,544,436) | - | - |

## 50 Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

**Fair Value Hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to 3 based on the degree to which the fair value is observed.

Level 1 fair value measurement are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurement are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2026 other financial assets was categorized in level 1.

There were no transfers between Level 1 and 2 in the year.

| | level 1 | level 2 | level 3 | Total |
|---|---|---|---|---|
| **30-Jun-26** | | | | |
| At fair value through profit or loss | - | - | - | - |
| **30-Jun-25** | | | | |
| At fair value through profit or loss | - | - | - | - |

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **51 Off balance sheet items** | | | |
| Bank guarantees issued in ordinary course of business | | **83,706,145** | 104,073,007 |

**52 Capital risk management**

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term financing, long term financing from directors and others and short term borrowings. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

| | 2026 | 2025 |
|---|---|---|
| | (Rupees) | |
| Borrowings | **4,309,257,127** | 4,343,728,997 |
| Less: Cash and bank balances | **(9,910,713)** | (8,354,836) |
| Net Debts | **4,299,346,414** | 4,335,374,161 |
| Total equity | **746,325,354** | 1,626,142,433 |
| Total capital employed | **5,045,671,768** | 5,961,516,594 |
| Gearing ratio (%) | **0.85** | 0.73 |

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| **53 FINANCIAL INSTRUMENTS BY CATEGORY** | | | |
| **Financial assets, measured at amortized cost** | | | |
| Trade debts | 8 | 442,032,713 | 271,413,807 |
| Other financial assets | 9 | 50,269,622 | 66,659,336 |
| Advances, deposits, prepayments and other receivables | 10 | 68,904,244 | 68,215,289 |
| Cash and bank balances | 12 | 9,910,713 | 8,354,836 |
| | | 571,117,292 | 414,643,268 |
| **Financial liabilities, measured at amortized cost** | | | |
| Long term finances | 17 | 1,962,245,775 | 1,977,949,775 |
| Liabilities against assets subject to finance lease | 19 | 4,874,684 | 11,374,670 |
| Redeemable capital - Sukuk | 18 | 611,335,643 | 611,335,643 |
| Trade and other payables | 21 | 6,105,228,708 | 6,667,875,023 |
| Accrued mark-up | 22 | 1,033,771,528 | 1,033,771,528 |
| Short term borrowings | 23 | 1,730,801,025 | 1,743,068,909 |
| | | 11,448,257,363 | 12,045,375,548 |

## 54 DISCLOSURE RELATED TO SHARIAH COMPLIANCE

These Shariah compliance disclosures have been presented in accordance with the requirements of part I of schedule IV to the Companies Act, 2017, as applivable to listed companies whose nature of business has been identified as shariah-compliant. The Company being as Shariah-compliant listed entity, has disclosed the applicable statutory and regulatory requirements as follows.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | (Rupees) | |
| Loans / advances obtaind under Islamic mode of financing. | 54.1 | 1,532,872,111 | 1,538,076,111 |
| Interest or mark-up accrued on any conventional loan or advance | | - | - |
| Shariah-compliant bank deposits / bank balances | | - | - |
| Profit earned from Shariah-compliant bank deposits / bank balances | | - | - |
| Revenue earned from a Shariah-compliant business segment | | - | - |
| Gain / loss or dividend earned from Shariah-compliabnt investments | | - | - |
| Exchange gain earned from actual currency transactions | | - | - |
| Mark-up paid on Islamic modes of financing | | - | - |
| Profit earned or interest paid on any conventional loan or advance | | - | - |
| Relationship with Shartiah-compliant banks | | - | - |
| | | 1,532,872,111 | 1,538,076,111 |

### 54.1 Loans / advances obtaind under Islamic mode of financing

| | | |
|---|---|---|
| Al-Barka bank (Pakistan) limited | 467,877,177 | 471,777,177 |
| Meezan bank limited | 248,624,000 | 248,624,000 |
| First Al-Noor Modaraba | 18,676,000 | 19,980,000 |
| Bank Islami (Sukuks) | 186359291 | 186359291 |
| Dubai Islamic bank limited | 611,335,643 | 611,335,643 |
| | 1,532,872,111 | 1,538,076,111 |

## 55 PLANT CAPACITY AND PRODUCTION

| | | |
|---|---|---|
| Spinning: | | |
| Total no. of spindles installed | 73,488 | 73,488 |
| Total no. of rotors installed | 1,104 | 1,104 |
| Average no. of spindles worked | 13,458 | 13,458 |
| Average no. of rotors worked | - | - |
| Numbers of shift worked per day | 3 | 3 |
| Capacity of industrial unit after conversion into 20/s count - KGs | 29,438,125 | 29,438,125 |
| Actual production after conversion into 20/s count - KGs | 799,820 | 1,051,260 |

55.1 It is difficult to describe the production capacity in textile industry since it fluctuates widely depending upon various factors such as count of the yarn spun spindles speed twist per inch and raw material used etc.

| | 2026 | 2025 |
|---|---|---|
| Weaving | | |
| Rated capacity converted into 60 picks - Square meters | 82,734,576 | 82,734,576 |
| Actual production converted to 60 picks - Square meters | 3,152,916 | 3,291,452 |
| Total numbers of looms worked | 252 | 252 |
| Number of shifts worked per day | 3 | 3 |

It is difficult to describe the production capacity in textile industry since it fluctuates widely depending upon various factors such as production of fabric speed of looms picks per inch and raw material used etc.

## 56 SUBSEQUENT EVENTS

There is no subsequent event after the balance sheet date.

## 57 MAJOR EVENTS

No major events occurred during the year

## 58 NUMBER OF EMPLOYEES

| | 2026 Total | 2026 Factory | 2025 Total | 2025 Factory |
|---|---|---|---|---|
| Total number of employees as at June, 30 | 506 | 497 | 673 | 673 |
| Average number of employees worked during the year | 489 | 596 | 596 | 596 |

## 59 OTHER STATUTORY AND REGULATORY DISCLOSURES - GENDER PAY GAP

As at the reporting date the company did not have any female employees, accordingly, the calculation of mean and medium gender pay gap is not applicable for the reporting period.

## 60 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison, the effects of which are not material.

### RECLASSIFICATION

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions of the purposes of comparison. Significant reclassifications made the as following

60.1 Levy Amount of 2026: Nil (2025: 13,312,255) reclassified to Current Taxation.

## 61 GENERAL

The figures have been rounded off to the nearest Rupee.

## 62 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on **5th November 2026**

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

**QUETTA TEXTILE MILLS LIMITED**

## Proxy Form of Quetta Textile Mills Limited

I/We_____

Folio No._____ of_____

_____Being shareholder(s) of **Quetta Textile Mills Limited** and a holder of

_____Ordinary share does hereby appoint _____

of _____

or failing him/her _____

of _____

a member of Quetta Textile Mills Limited Registered Folio no._____as my/our proxy to act on my/our behalf at the 67th Annual General Meeting of the Company to be held on Thursday, November 26, 2026 at 9.15 a.m. at Sunset club, Jami Staff Lane 2, Phase 2 Ext, DHA**,** Karachi and/or at any adjournment thereof.

Signed this _____ day of_____ 2026.

**Revenue Stamp of Rs.5/-**

Signature _____
(Signature should agree with the specimen signature registered with the Company)

**NOTICE:**

a) No proxy shall be valid unless it is duly stamped with a revenue stamp of Rs. 5/-

b) In the case of Bank or Company, the proxy form must be executed under its common seal and signed by its authorized persons.

c) Power of Attorney or other authority (if any) under which this proxy form is signed, a certified copy of that Power of Attorney must be deposited along with this form

d) This proxy form duly completed must be deposited at the Registered Office of the Company at least 48 hours before the time of holding the meeting.

e) In case of CDC account holder

1) The proxy form shall be witnessed by two persons whose names, addresses CNIC numbers shall be mentioned on the form
2) Attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
3) The proxy shall produce his original, CNIC or passport at the time of meeting.
4) In case of corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature of the proxy holder shall be submitted (unless it has been provided earlier with proxy form to the Company)

| **Witness – 1** | **Witness - 2** |
|---|---|
| Name : _____ | Name :_____ |
| CNIC No : _____ | CNIC No:_____ |
| Address : _____ | Address : _____ |

# کوئٹہ ٹیکسٹائل ملز لمیٹڈ

QUETTA

## فارم برائے قائم مقام/متبادل

میں/ہم _____

فولیونمبر _____ ساکن _____

_____ بحیثیت حصص یافتہ کوئٹہ ٹیکسٹائل ملز لمیٹڈ جو _____

_____ عمومی حصص رکھتے ہیں

ساکن _____

کو یا ان کی عدم موجودگی میں _____

ساکن _____ کو اپنا پراکسی مقرر کرتا ہوں/کرتے ہیں۔

کوئٹہ ٹیکسٹائل ملز لمیٹڈ رجسٹرڈ فولیونمبر _____ میری/ہماری غیر موجودگی میں قائم/متبادل کمپنی کا 67 واں سالانہ جنرل میٹنگ بروز جمعرات 26 نومبر 2026 کو بوقت 09:15 بجے صبح سن سیٹ کلب، جامی اسٹاف لین 2، فیز 2، ایکسٹینشن ڈی ایچ اے، کراچی اور/یا اس کے کسی بھی التوا پر۔

مورخہ جمعرات 26، نومبر 2026 کو دستخط ہوئے۔

دستخط _____

(دستخط کمپنی کے ساتھ رجسٹرڈ نمونے کے دستخط کے مطابق ہونے چاہیں)

**نوٹس:**

1۔ کوئی بھی پراکسی اس وقت تک درست نہیں سمجھی جائے گی جب تک اس پر پانچ (5) روپے کا محصول ٹکٹ نہ لگایا جائے۔

2۔ بینک یا کمپنی ہونے کی صورت میں پراکسی فارم پر مجاز شخص کے دستخط کے ساتھ کمپنی کی مہر لازم ہے۔

3۔ مختار نامہ یا دیگر کوئی اتھارٹی (اگر کوئی ہے) جس کے پر پراکسی فارم پر دستخط ثبت ہوں، کی مصدقہ نقل اس فارم کے ساتھ جمع کرایا جانا چاہیے۔

4۔ پراکسی فارم اجلاس سے 48 گھنٹے قبل تک کمپنی کے شیئر رجسٹرار آفس میں مکمل طور پر پُر اور دستخط کے ساتھ موصول ہو جانا چاہیے۔

**5۔** سی ڈی سی اکاؤنٹ ہولڈر ہونے کی صورت میں

(i) پراکسی فارم پر دو افراد جن کے نام اور شناختی کارڈ نمبر بمع پتہ کے موجود ہوں، بطور گواہ ضروری ہیں۔

(ii) بنی فیشل اونرز اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول فارم کے ساتھ منسلک ہوں۔

(iii) پراکسی اجلاس کے موقع پر اپنا اصل شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا۔

(iv) کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ معہ پراکسی کے نمونہ دستخط (اگر پہلے فراہم نہیں کئے گئے) پراکسی فارم کے ہمراہ کمپنی کے پاس جمع کرایا جانا چاہئے

**گواہ نمبر 1**

دستخط _____

نام _____

پتہ _____

شناختی کارڈ نمبر _____

**گواہ نمبر 2**

دستخط _____

نام _____

پتہ _____

شناختی کارڈ نمبر _____

If undeliver please return to:

**Quetta Textile Mills Limited**
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I.I Chundrigar Road, Karachi-74000
Phone ; (021)32414334
Email: accounts@quettagroup.com
Web : www.quettagroup.com