COLONY
TEXTILE MILLS
LIMITED

ANNUAL REPORT 2026





In the Name of Almighty Allah The Most Beneficient
The Most Merciful

COLONY TEXTILE MILLS LIMITED
ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2026

Vision

To explore and create opportunities, remain at the forefront of innovation and meet the expectations of stakeholders at every stage, every year, while remaining humble in perception and true to our values.

Mission

To take Colony to new heights with an eye on the future; for the business, for our employees and for our stakeholders.

Business Ethics and Practices

Our Core business is to produce and supply of Textile Products to local and international customers with best quality standards and efficient services. Customer satisfaction being our top priority, we follow the under mentioned business practices for the achievement of the desired results of customer satisfaction.

HUMAN RESOURCE DEVELOPMENT

We believe in individual respect and growth. Our employment and HR policies develop individuals without race, religion, gender or any discrimination factor. We provide equal opportunities to all the employees under a team based working environment. We provide all the possible support to all our employees to enhance their knowledge and vision keeping in view of their own limitations.

SOCIAL AND COMMUNITY COMMITMENTS

We believe in community development. We contribute our resources, both financial and ethical, in supporting all the deserving individuals of the society. We feel it is our responsibility to play our role in the development of the society and do maximum within our own limitations for the community at large.

RISK MANAGEMENT

Our risk management policies are geared to enhance share holders worth, improve credit worthiness and minimize credit risk while diversifying income, along with suppliers and customers base. We strongly believe in having an excellent relationship with our financial institutions as we take them as our business partners.

TRANSPARENT FINANCIAL POLICIES

Our financial polices are based on the principal of fairness and transparency. We are following all the applicable laws and best accounting practices while preparing the financial statements for the stakeholders.

CORPORATE GOVERNANCE

We as a responsible corporate citizen strongly adhere to the Corporate Governance principles and comply with the regulatory obligations enforced by regulatory agencies for improving corporate performance. We believe in up rightness of performance and expect it to be a fundamental responsibility of our employees to act in the best interest of the company without compromising on the rules and regulations enforced by the regulators.

MARKETING AND INDUSTRY PRACTICES

All our marketing polices are customer focused. We believe in One Window Solution and customer satisfaction. Our marketing policy is only based on these two parameters and to achieve this we ensure best quality and efficient response to customers. As a long term marketing strategy we are focusing on diversification, value addition of our products while making a close liaison with markets, customers and their needs.

Contents

Company Information	05
Notice of Annual General Meeting	07
Chairman's Review	09
Directors' Report to the Members	10
Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019	18
Independent Auditors' Review Report on Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019	20
Independent Auditors' Report	21
Statement of Financial Position	26
Statement of Profit or Loss	28
Statement of Comprehensive Income	29
Statement of Cash Flows	30
Statement of Changes in Equity	31
Notes to the Financial Statements	32
Pattern of Shareholding Report	70
Financial Highlights	74
ڈائریکٹرز رپورٹ	85
Form of Proxy (English)	87
Form of Proxy (Urud)	89

Company Information

Board Of Directors

Mr. M. Atta Ullah Khan	(Chairman)
Mr. Fareed Mughis Sheikh	(Chief Executive Officer)
Mr. Muhammad Tariq	
Mr. Muhammad Shahzad Jamil	
Syed Aftab Hussain Naqvi	
Mr. Abdul Hakeem Khan Qasuria	
Ms. Bisma Niazi	

Board Committees

Audit Committee

Mr. Abdul Hakeem Khan Qasuria	(Chairman)
Ms. Bisma Niazi	
Mr. Muhammad Shahzad Jamil	

HR & Remuneration Committee

Syed Aftab Hussain Naqvi	(Chairman)
Mr. Abdul Hakeem Khan Qasuria	
Mr. Muhammad Shahzad Jamil	

Other Management Committees

Executive Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Tariq	
Mr. Muhammad Shahzad Jamil	

Technical Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Tariq	
Mr. Noor Khan	

Social Compliance & Human Resource Committees

Mr. Fareed Mughis Sheikh	(Chairman)
Syed Aftab Hussain Naqvi	
Mr. Atta Mohyuddin Khan	

Company Information

Chief Financial Officer
Mr. Atta Mohyuddin Khan

Company Secretary
Mr. Saud Haleem

Auditors
Ilyas Saeed & Co.
Chartered Accountants

Legal Advisor
BNR
Advocates and Corporate Counsel

Registered Address
Ismail Aiwan-e-Science Building
205 Ferozepur Road, Lahore-54600
Phone : 042-35758970-2
Fax : 042-35763247
Email : corporate@colonytextiles.com
Website: www.colonytextiles.com

Share Registrar
Hameed Majeed Associates (Pvt.) Limited
HM House, 7 Bank Square
Lahore.
Phone: (042) 37235081-2, Fax: 042-37358817
Email : shares@hmaconsultants.com

Bankers
Bank Islami Pakistan Limited
Meezan Bank Limited
Faysal Bank Limited
Habib Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Silk Bank Limited
The Bank of Punjab
United Bank Limited
Bank Makramah Limited

Notice of Annual General Meeting

Notice is hereby given that the 16th Annual General Meeting of the Shareholders of **Colony Textile Mills Limited** will be held on **Friday, November 27, 2026 at 10:30 a.m.** at the Registered Office of the Company situated at Ismail Aiwan-e-Science Building, 205-Ferozepur Road, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of Extraordinary General Meeting held on October 28, 2026.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2026 together with Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the Financial Year 2026-27 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

By Order of the Board

Lahore

November 06, 2026

Company Secretary

Notice of Annual General Meeting

Notes:-

i. The Share Transfer Books of the Company will remain closed from November 20, 2026 to November 27, 2026 (both days inclusive). Transfers received in order by our Share Registrars, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, The Mall, Lahore by the close of business on November 19, 2026 will be considered in time for attending and vote in Annual General Meeting.

ii. A member of the Company entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. The proxy, in order to be effective, must be received at the registered office of the Company duly signed and stamped not less than 48 hours before the time of meeting.

iii. The CDC Account holders/sub-account holders are requested to bring with them their original CNICs or Passports along with the Participant(s) ID Number and CDC account numbers at the time of attending the Annual General Meeting for identification purpose.

iv. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting. The nominee shall produce his original CNIC at the time of attending the meeting for identification purpose.

v. We invite our shareholders to participate in the upcoming Annual General Meeting via video link facility. The interested participants are required to email their credentials including their names, folio/CDC account, CNIC, Cell number and email address at: corporate@colonytextiles.com not later than seven (07) days before Annual General Meeting. Upon authentication, the video link and login credentials will be shared to participants.

vi. Members are requested to notify the change of address immediately, if any, to Company's Shares Registrar.

vii. Under Section # 72 of the Companies Act, 2017, the shareholders who hold shares in physical form are required to replace their physical shares with book-entry form within the period to be notified by the SECP. Hence, the shareholders who hold shares in physical form are advised to convert their physical shares in electronic form at their earliest.

viii. The Annual Report for the Financial Year ended June 30, 2026 will be placed on Company's website in due course of time and can be downloaded from following weblink / QR Code:

https://colonytextiles.com/investor-information/#annual-financial-Statements

QR Code:

ix. For any query/problem/information, Members may contact the Company at email Corporate@colonytextile.com and/or the Share Registrar of the Company at (+92 42) 35758970-2, email shares@hmaconsultatnts.com Members may also visit website of the Company www.colonytextiles.com for notices/information.

x. Pursuant to Section 185 of the Companies Act, 2017, and the directive issued by the SECP vide S.R.O. 452(I)/2025 dated March 17, 2025, the distribution of gifts, cash, coupons, vouchers, or any other form of gratuity at the Annual General Meeting is strictly prohibited.

CHAIRMANS' REVIEW

It is my privilege to present this review of the overall performance and effectiveness of the Board of Directors. Over the past year, the Board has provided vital leadership in guiding the Company toward its strategic targets while maintaining an unwavering commitment to corporate governance. We have ensured rigorous adherence to the statutory framework of the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Board of Directors and its Committees provided strong leadership and diligent oversight, actively guiding strategic planning while upholding the highest standards of ethics and legal compliance. The Board's diverse composition offers a balanced mix of expertise across business, finance, banking, and human resource management. The representation of women on the Board is appropriate and reflects the Company's commitment to inclusivity, equity, and good governance. The Board acknowledges its responsibility for ensuring the integrity of the Corporate and Financial Reporting Framework and remains committed to upholding sound corporate governance practices, transparency, and accountability.

The Company proactively manages risks by regularly identifying and assessing material threats to protect our long-term strategic goals. In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, we maintain structured mechanisms to evaluate the performance of the Board, its committees, and individual Directors. Ultimately, the Board remains dedicated to steering the Company's vision and mission while driving sustainable value for all stakeholders.

The Board met regularly throughout the year to fulfill its fiduciary and oversight responsibilities. Active engagement from independent and non-executive Directors ensured balanced discussions, objective evaluations, and well-informed decisions. Key actions during the period included reviewing and approving quarterly and annual financial statements, recommending external auditors, and addressing critical corporate matters. Additionally, the Board advanced its commitment to Diversity, Equity, and Inclusion (DE&I) by adopting dedicated DE&I and anti-harassment policies. These initiatives reinforce a respectful, equitable workplace aligned with our core values of integrity, fairness, and compliance.

During the year under review, the Company conducted a Corporate Briefing Session to apprise stakeholders of its strategic direction, financial position, operational performance, and business outlook. The Board recognizes the importance of maintaining constructive and enduring relationships with all stakeholders and remains committed to fostering these relationships through effective communication, transparency, and accountability.

The textile industry, being a significant contributor to the national economy, continues to face considerable challenges, including elevated energy tariffs, dependence on expensive imported raw materials, and competitive pressures from lower-cost yarn and fabric imports. These challenges have adversely affected market demand, contributed to mill closures, and placed considerable financial and operational pressure on industry participants. The persistent escalation in production costs, driven by inflation, high energy prices, and expensive raw materials and other inputs, has significantly undermined the international competitiveness of Pakistan's textile exports. In this challenging environment, policy interventions aimed at stabilizing energy tariffs, providing targeted support to the textile sector, and introducing appropriate tax incentives are essential to improving cost competitiveness, supporting domestic manufacturers, preserving employment opportunities, and ensuring the long-term sustainability of this strategically important industry.

On behalf of the Board of Directors, I wish to place on record our sincere appreciation for the dedication, professionalism, and valuable contributions of the Company's employees at all levels. I also extend our heartfelt gratitude to our shareholders, financial institutions, customers, and suppliers for their continued confidence, trust, and unwavering support. The Board remains confident that, through the collective commitment of our employees and the continued cooperation of our valued stakeholders, the Company will strengthen its resilience, navigate the challenges ahead, and continue to create sustainable value in the years to come.

Lahore
November 06, 2026

M. Atta Ullah Khan
Chairman

Directors' Report to the Members

The Directors are pleased to present the Annual Report, together with the Audited Financial Statements of the Company for the year ended June 30, 2026, and the Auditor's Report thereon.

In accordance with the applicable Code of Corporate Governance, the financial statements have been endorsed by the Chief Executive Officer and the Chief Financial Officer, reviewed and recommended by the Audit Committee, and approved by the Board of Directors for presentation to the members.

ECONOMY OVERVIEW

Pakistan's economy continued to operate in a challenging environment during the year under review. Businesses remained exposed to high energy costs, elevated taxation, expensive financing, limited liquidity and subdued domestic purchasing power.

For manufacturing businesses, particularly those dependent on the domestic market, the combination of high utility costs, inflationary pressures and weak demand continued to adversely affect operating margins. The textile sector remained particularly exposed because energy costs represent a significant component of manufacturing costs.

The availability and cost of raw materials remained a major challenge for textile manufacturers. For companies with limited access to direct import facilities and import financing, the ability to procure raw materials at internationally competitive prices is constrained.

The Company's operations are primarily focused on the domestic textile market, where prevailing market prices remained under significant pressure and have not been sufficient to fully absorb the Company's higher raw material, energy and manufacturing costs.

The domestic market has remained highly price sensitive. Customers have increasingly focused on purchasing at the lowest possible price, while manufacturers have simultaneously faced increases in energy, labour, financing and raw material costs. This has created a substantial mismatch between the Company's cost base and the prices achievable in the domestic market.

In addition, geopolitical developments, disruption to international supply chains, fluctuations in energy prices and climate related risks continue to present downside risks to the business environment.

INDUSTRY OVERVIEW

The textile industry continued to face a combination of high manufacturing costs, weak demand, intense competition and structural challenges during the year under review.

While Pakistan's textile industry remains an important contributor to employment and foreign exchange earnings, the operating environment remained difficult for manufacturers serving the domestic market. High energy costs, expensive raw materials, financing costs and weak domestic demand continued to place pressure on margins.

The domestic textile market has remained under considerable pressure. Imported yarn, fabric and finished textile products, together with aggressive domestic pricing, have placed a ceiling on the prices that local manufacturers can obtain. At the same time, the Company's manufacturing costs have remained elevated.

A further challenge arises from the Company's limited access to direct import facilities and import financing. As a result, the Company is required to purchase raw materials locally, including raw materials that may otherwise be sourced through imports. Local procurement is frequently made at substantially higher prices than those available through direct international sourcing. In certain instances, the Company has also had to accept raw materials of comparatively inferior quality in order to maintain continuity of production. This combination of higher procurement costs and, at times, inferior quality has adversely affected production efficiency, product quality and overall margins.

The Company also faces significant constraints in maintaining and modernizing its manufacturing facilities. Limited financial resources have restricted its ability to undertake necessary upgrades and timely maintenance. As a result, certain facilities are operating below optimal capacity and with lower efficiency, contributing to higher energy consumption, greater labour requirements and lower productivity.

Directors' Report to the Members

The industry is also facing rapid changes in product requirements, technology and customer preferences. Internationally competitive textile manufacturers are increasingly investing in energy efficiency, renewable energy, automation, product development, traceability and value added manufacturing. Such investments require substantial capital, which remains difficult for financially constrained manufacturers.

FINANCIAL PERFORMANCE

During the year under review, the Company recorded net sales revenue of Rs. 20,528 million compared with Rs. 16,888 million in 2025.

The Company's financial performance remained under severe pressure. The prevailing domestic market conditions, together with high raw material, energy, manufacturing and financing costs, adversely affected margins.

The Company recorded a gross loss of Rs. 2,033 million compared with a gross loss of Rs. 1,334 million in the previous year.

The principal factors affecting gross profitability included high raw material and energy costs, limited bank financing facilities, restricted working capital and low-capacity utilization. Financial constraints have also restricted timely maintenance, upgrading and modernization of plant and machinery, resulting in higher energy consumption, greater labour requirements, lower productivity and operational inefficiencies. These factors, combined with subdued market prices and intense competition, have materially affected the Company's margins and overall operating performance.

After accounting for one-time reversal of unwinding benefit on deferred markup of Rs. 6,880 million [explained in note 16.02.2 of the financial statements], operating expenses, finance costs, other charges and taxation, the Company reported a net loss of Rs. 11,052 million compared with a net loss of Rs. 2,227 million in Year 2025.

Loss per share for the year stood at Rs. (22.19) compared with a loss of Rs. (4.47) per share in the prior year.

COMPARATIVE INDUSTRY PERFORMANCE

The difficult conditions faced by the textile industry affected companies differently depending upon their business models, product mix, export exposure, vertical integration, financial structure and operating strategy.

The Company is largely constrained to operate in the domestic market due to limited access to bank financing, direct import facilities and working capital, together with the other operational constraints discussed above. This restricts its ability to access export markets and diversify its customer base, while leaving the Company exposed to intense domestic price competition and weak market pricing. These circumstances, together with low-capacity utilization, have materially affected the Company's ability to operate its manufacturing facilities efficiently and achieve sustainable margins.

SEGMENTAL PERFORMANCE

Spinning

The spinning segment remained under considerable pressure during the year. The Company's limited access to bank financing and direct import facilities restricted its ability to procure raw materials at internationally competitive prices. As a result, raw materials were largely sourced from the local market, often at significantly higher prices and, at times, with inferior quality. The prevailing domestic market prices did not allow these additional input costs to be adequately recovered, resulting in substantial pressure on margins.

The Company's financial constraints have also affected its ability to carry out timely maintenance, replacement and modernization of plant and machinery. As a result, certain machinery and equipment are operating below their optimum efficiency, requiring greater reliance on labour, consuming more energy and generating lower productivity. These factors, together with low capacity utilization and weak domestic selling prices, have further increased the cost of production and adversely affected the segment's performance.

The segment also remained exposed to intense competition from imported yarn and other low priced textile products. In the prevailing market conditions, the Company has limited ability to pass increased manufacturing costs on to customers.

Directors' Report to the Members

Weaving

The weaving business also remained under severe pressure during the year. Due to the Company's limited access to bank financing and direct import facilities, weaving operations have been undertaken primarily on a toll manufacturing basis, which requires comparatively limited working capital and enables the Company to continue utilizing available capacity.

However, the conversion charges available under such arrangements have remained very low and, in the prevailing domestic market, have not been sufficient to cover the overall cost of operations. The segment also faces strong competition from cheaper imported fabric and depressed domestic market prices.

Low capacity utilization, resulting from the factors stated above, has further increased the cost burden on the weaving division, as fixed manufacturing costs are spread over a lower level of production. The Company's financial constraints have also limited its ability to carry out timely maintenance, upgrade and modernization of the weaving facilities. Consequently, the available machinery cannot be operated at optimum efficiency, resulting in greater labour requirements, higher energy consumption and lower productivity. These factors have further weakened the economics of the segment and contributed to its continued losses.

RAW MATERIAL PROCUREMENT

One of the Company's principal challenges is its limited ability to procure raw materials directly through imports on competitive commercial terms.

Limited access to bank financing and direct import facilities has resulted in greater reliance on local procurement. Raw materials are consequently purchased from the domestic market, often at prices substantially higher than those available through direct international sourcing.

In certain instances, the Company has also had to purchase raw materials of comparatively inferior quality in order to maintain continuity of production. This can adversely affect production efficiency, wastage, product quality and manufacturing costs.

The resulting cost disadvantage has had a direct impact on the Company's margins, particularly where domestic market prices do not provide sufficient room to recover the higher procurement cost.

Management continues to explore ways to improve procurement arrangements, strengthen banking relationships and enhance access to direct import facilities where possible.

DIRECTORS' LOAN

The Sponsor Directors remain committed to supporting the Company and its continued operations.

An interest free, subordinated loan of Rs. 120 million from an Executive Director remains outstanding to provide support to the Company in the prevailing financial circumstances.

DIVIDEND

In view of the Company's financial results for the year ended June 30, 2026 and its prevailing financial position, the Directors have not recommended any dividend for the year under review.

NON-FINANCIAL PERFORMANCE

The Company maintains a structured governance framework supported by oversight committees and policies relating to quality, environmental protection and social responsibility.

Its labour practice commitments include the prohibition of child and forced labour, provision of safe working conditions and respect for workers' rights.

The Company remains committed to regulatory compliance, pollution prevention, employee training and occupational health and safety.

The Company also recognizes the importance of improving resource efficiency and environmental performance as part of its longer term operational strategy.

FUTURE OUTLOOK

The outlook for the Company remains challenging. Management's immediate priority is to stabilize operations, improve margins and address the financial and operational constraints affecting the business.

Directors' Report to the Members

The high cost of raw materials remains a major concern. Limited access to direct import facilities and import financing continues to restrict the Company's ability to procure raw materials at internationally competitive prices. Management is therefore focused on improving procurement arrangements and strengthening access to banking facilities where possible.

Energy costs remain another significant challenge. High electricity and other utility costs continue to increase manufacturing expenses and reduce the competitiveness of locally produced textile products.

The Company also faces the challenge of operating its manufacturing facilities at low levels of capacity utilization. Limited financial resources have restricted modernization of plant and machinery, which has contributed to higher energy consumption, greater labour requirements, lower productivity and operational inefficiencies.

Improving capacity utilization and operational efficiency will therefore remain important priorities. Management will continue to evaluate production schedules, product mix and manufacturing arrangements with the objective of improving contribution margins and reducing avoidable operating costs.

The domestic market remains highly competitive, with imported textile products and weak market prices continuing to place pressure on local manufacturers. The Company will therefore remain focused on maintaining disciplined pricing and improving the profitability of its business operations.

Management will remain focused on improving capacity utilization, controlling costs, strengthening procurement arrangements and addressing the Company's financing constraints to improve operating performance.

GOING CONCERN

As stated in Note 1.1 to the financial statements, the management of the Company has firmed up a turnaround plan based on disposal of the land, buildings and plant and machinery of Weaving Unit of the Company at Riawind Lahore to secured creditors of the Company i.e. debt-asset swap. Independent fair valuation of land, buildings and plant and machinery of Weaving Unit of the Company at Riawind Lahore lead the management of the Company to believe that residual debt of the Company [post debt-asset swap] shall be sustainable. The debt-asset swap proposal of the management of the Company has been favourably considered by lenders of the Company. The management has planned to seek all required approvals in coming months for roll out of the turnaround plan.

The aforesaid would result in reduction of total debt of the Company to sustainable level, availability of adequate financial resources for the Company to sustain the continuity of its business for the foreseeable future and thus maintain its going concern status. Accordingly, the financial statements for the year under reference have been prepared on a going concern basis which assumes that the Company will continue to operate its business, realize its assets, and discharge its liabilities, in the normal course of business.

The auditors of the Company have given adverse opinion in their report to the members of the Company on the audit of the financial statements based on the single matter of management's use of the going concern basis of accounting in the preparation of the financial statements.

As stated above, the financial statements for the year under reference have been prepared on going concern basis due to reasons explained above in detail.

SAFETY, HEALTH AND ENVIRONMENT

The Company is committed to maintaining safe working conditions that protect the health and safety of its employees and the public.

Particular emphasis is placed on the safe production, delivery, storage and handling of materials. The Company also seeks to preserve the environment and implement appropriate measures for environmental protection.

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to fulfilling its corporate social responsibilities and contributing positively to the communities in which it operates.

It contributes to the national exchequer through the payment of applicable taxes, duties and levies, while its operations contribute to employment and industrial activity.

Directors' Report to the Members

The Company also upholds its commitment to equal employment opportunity and fair treatment of employees.

GENDER PAY GAP STATEMENT

The Company is an equal opportunity employer and is committed to encouraging greater female participation across the organization.

The gender pay gap for the year ended June 30, 2026 is set out below:

(i) Mean Gender Pay Gap: -5%

(ii) Median Gender Pay Gap: -11%

(iii) Any other data: Nil

AUDIT COMMITTEE

The Audit Committee plays a key role in supporting the Board's oversight responsibilities. In accordance with its Board approved terms of reference, the Committee monitors the internal audit function, reviews risk management arrangements and oversees the effectiveness of internal controls to safeguard the Company's interests.

It also recommends the appointment of external auditors and reviews significant reports and findings issued by the internal and external auditors.

The names of members of the Audit Committee are as follows:

Name of Director	Category	Designation in Committee
Mr. Abdul Hakeem Khan Qasuria	Independent Director	Chairman
Ms. Bisma Niazi	Independent Director	Member
Mr. Muhammad Shahzad Jamil	Non-Executive Director	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

The Human Resource and Remuneration Committee determines employee compensation packages across all cadres in accordance with its terms of reference.

It is also responsible for promoting a conducive work environment founded on trust, respect, fair treatment, development opportunities and employee grooming, as well as succession planning.

The Company recognizes its human resources as a key component of its business strategy.

The names of members of the HR and Remuneration Committee are as follows:

Name of Director	Category	Designation in Committee
Syed Aftab Hussain Naqvi	Non-Executive Director	Chairman
Mr. Abdul Hakeem Khan Qasuria	Independent Director	Member
Mr. Muhammad Shahzad Jamil	Non-Executive Director	Member

SOCIAL COMPLIANCE AND HUMAN RESOURCE

The Company values its skilled and motivated workforce and recognizes its people as a key strength.

Its human resource policies are guided by fairness, merit, equal opportunity and social responsibility. These principles are reflected in recruitment, performance appraisal, training and development, health and safety and industrial relations practices.

The names of members of the Social Compliance and Human Resource Committee are as follows:

Name of Director	Designation in Company	Designation in Committee
Mr. Fareed M. Sheikh	Executive Director/CEO	Chairman
Mr. Aftab Hussain Naqvi	Non-Executive Director	Member
Mr. Atta Mohyuddin Khan	Chief Financial Officer	Member

Directors' Report to the Members

BOARD OF DIRECTORS

The Board of Directors comprises seven members and is responsible for overseeing the Company's affairs in a transparent manner, with a view to promoting sustainable business operations.

The Board currently comprises six male members and one female member.

Category wise composition of Board is as under:

Category	Number of Directors
Independent Directors*	02
Non-Executive Directors	03
Executive Directors	02

Including one Female Director

During the year under review, five meetings of the Board of Directors, five meetings of the Audit Committee and one meeting of the Human Resource and Remuneration Committee were held.

Attendance by each Director was as follows:

Directors' Name	Board of Directors	Audit Committee	HR Committee
Mr. M. Atta Ullah Khan	05	-	-
Mr. Fareed M. Sheikh	05	-	-
Mr. Muhammad Tariq	04	-	-
Mr. M. Shahzad Jamil	05	05	01
Syed Aftab Hussain Naqvi	03	-	01
Mr. Abdul Hakeem Khan Qasuria	05	05	01
Ms. Bisma Niazi	05	05	-

The Code of Ethics and Business Practices has been developed and communicated to, and acknowledged by, each Director and employee of the Company.

DIRECTORS' REMUNERATION

The Company has a formal remuneration policy for Executive and Non Executive Directors, duly approved by the Board.

The policy forms part of the Company's human resource strategy and is intended to support its overall business strategy while remaining appropriate to the Company's financial position and operating circumstances.

POLICIES AND PROCEDURES

The Board has established procedures and controls for the Company's business and support processes following the identification of relevant risks.

These procedures and controls are reviewed periodically and updated in light of evolving risk assessments and the risks facing the business.

Particular attention continues to be given to liquidity, raw material procurement, energy costs, working capital, financing costs and manufacturing efficiency.

BOARD EVALUATION

In accordance with the Listed Companies Code of Corporate Governance Regulations, 2019, the Board has approved a comprehensive mechanism for evaluating the performance of the Board and its Committees.

The relevant terms of reference have been assigned to the Human Resource and Remuneration Committee.

RELATED PARTY TRANSACTIONS

All related party transactions have been presented to the Audit Committee and the Board for review and approval and have been approved at their respective meetings.

Details of related party transactions, where applicable, are disclosed in the relevant notes to the financial statements for the year ended June 30, 2026.

Directors' Report to the Members

CODE OF CONDUCT

The Directors have established a Code of Conduct, together with procedures for its implementation. The Code has been duly acknowledged by all concerned.

STATEMENT OF COMPLIANCE

The Statement of Compliance with the Listed Companies Code of Corporate Governance Regulations, 2019, duly reviewed by the Auditors, is attached with the Annual Report.

PRINCIPAL RISKS

The principal risks to which the Company is exposed include high energy costs, high raw material prices, limited access to direct import facilities and financing, weak domestic market prices, competition from imported textile products, low capacity utilization and high finance costs.

The Company is also exposed to liquidity constraints, supply chain disruptions, climate related risks and the increasing cost of maintaining and modernizing manufacturing facilities.

Management continues to monitor these risks and implement measures aimed at mitigating their impact.

CORPORATE GOVERNANCE

Management is committed to ensuring compliance with the applicable requirements of the Code of Corporate Governance.

The Statement of Compliance with the relevant corporate governance practices is annexed to this report.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2026 is annexed.

APPOINTMENT OF EXTERNAL AUDITORS

The Company's existing auditors, M/s Ilyas Saeed & Company, Chartered Accountants, will retire at the forthcoming Annual General Meeting.

The Audit Committee and the Board of Directors have recommended their reappointment for the ensuing year.

The auditors have confirmed that they have been assigned a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and that the firm complies with the Code of Ethics issued by the International Federation of Accountants.

They have further confirmed that they are not providing any non audit related services to the Company. The auditors have also confirmed that neither the firm nor any of its partners, their spouses or minor children held or traded in the Company's shares at any time during the year.

WEB PRESENCE

Annual and periodic financial statements of the Company are also available on www.colonytextiles.com.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

In compliance with the Code of Corporate Governance, the following statements are made regarding the Corporate and Financial Reporting Framework.

The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

The Board of Directors has adopted a vision and mission statement and a statement of overall corporate strategy.

Proper books of account of the Company as per statutory requirements have been maintained.

The Code of Ethics and Business Practices has been developed and communicated to, and acknowledged by, each Director and employee of the Company.

Appropriate accounting policies have been consistently applied in the preparation of the financial statements except for the change in accounting policy as stated in Note 8 to the financial statements and accounting estimates are based on reasonable and prudent judgment.

IFRS Accounting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.

The system of internal control has been appropriately designed and is subject to periodic review and monitoring.

Directors' Report to the Members

The Statement of Compliance with the Code of Corporate Governance is enclosed with this report.

There has been no departure from the best practices of the Code of Corporate Governance, as detailed in the applicable listing regulations.

The Company complies with applicable safety rules and regulations and continues to follow environmentally responsible policies.

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the balance sheet relates and the date of the Directors' Report, except as disclosed in the financial statements.

Key operating and financial data since incorporation is annexed in summarized form.

The Directors have not recommended any dividend in view of the Company's current financial position.

Information about outstanding taxes and other government levies is given in the relevant notes to the financial statements.

SUSTAINABILITY RISKS, MANAGEMENT AND DE&I MEASURES

Risk Management and Mitigation

The Company has adopted a range of measures to manage and mitigate relevant operational and sustainability risks.

Environmental Protection

The Company applies environmental considerations to its operations and seeks to integrate measures that reduce environmental impact. Factory processes are reviewed and optimized, where practicable, to reduce resource wastage and improve energy efficiency.

Health and Safety

The Company seeks to maintain safe working conditions through appropriate equipment, safety systems and operating procedures for employees, contractors and the public.

Diversity, Equity and Inclusion

The Company is committed to promoting diversity, equity and inclusion within its workforce.

Recruitment practices emphasize equal employment opportunities and selection based on qualifications, abilities and organizational requirements without discrimination.

The Company also seeks to provide opportunities for employee development and engagement and supports community focused initiatives relating to education, health and social welfare where resources permit.

ACKNOWLEDGEMENT

The Board of Directors places on record its deep appreciation for the commitment, cooperation and hard work demonstrated by the Company's employees at all levels during another exceptionally challenging year.

The Board also extends its gratitude to financial institutions, shareholders, suppliers, customers and business partners for their continued support.

The Company continues to face substantial financial and operational challenges. Management remains focused on addressing the underlying factors affecting performance, including the cost and availability of raw materials, limited financing facilities, low capacity utilization, high energy costs, operational inefficiencies and weak domestic market prices.

Management is also pursuing measures to improve procurement arrangements, strengthen banking relationships, enhance manufacturing efficiency, improve capacity utilization and reduce the Company's financial burden.

The Board remains committed to working with all stakeholders to address the Company's current challenges and to create the conditions necessary for a sustainable improvement in its financial and operating performance.

On behalf of the Board of Directors

Lahore
November 06, 2026

Abdul Hakeem Khan Qasuria
Director

Fareed Mughis Sheikh
Chief Executive Officer

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Colony Textile Mills Limited
Year Ended: June 30, 2026

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

1. The total number of Directors is 7 as per the following:

   a. Male: 06
   b. Female : 01

2. The composition of board is as follows:

   a. ** Independent Directors (including female director) 02
   b. Non-Executive Directors 03
   c. Executive Directors 02
   d. Female Director (Independent director) 01

** The fractional requirement for independent directors has not been rounded up as one, keeping in view the requisite qualification, experience and expertise of the present Board of Directors;

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 on which they were approved or amended has been maintained by the Company;

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. The Board has complied with the requirements of Act and Regulations with respect to frequency, recording and circulating minutes of meeting of Board;

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

9. The Board Members have completed Director's Training Program (DTP) except two directors;

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 at the respective dates of appointments in past;

11. Chief Financial Officer and Chief Executive Officer have duly endorsed the Financial Statements before approval of the Board;

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

    a. **Audit Committee**

Name of Director	Category	Designation in Committee
Mr. Abdul Hakeem Khan Qasuria	Independent Director	Chairman
Mrs. Bisma Niazi	Independent Director	Member
Mr. Muhammad Shahzad Jamil	Non-Executive Director	Member

    b. **HR and Remuneration Committee**

Name of Director	Category	Designation in Committee
Mr. Muhammad Shahzad Jamil	Non-Executive Director	Chairman
Syed Aftab Hussain Naqvi	Non-Executive Director	Member
Mr. Abdul Hakeem Khan Qasuria	Independent Director	Member

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

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

14. The frequency of meetings of the committee was as per following:

    a. Audit Committee: Quarterly
    b. HR and Remuneration Committee: Once during the year

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

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

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

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

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

Sr. No.	Regulation Reference	Requirement	Explanation
1.	10A(5)	The Board may establish a dedicated sustainability committee having at least one female director.	At present, the Board provides governance and oversight in relation to the Company's initiatives on Environmental, social and Governance (EpG) matters. The Company will constitute a dedicated sustainability committee in the forthcoming year.
2.	19	The Board shall obtain certification under directors training program.	The Company will arrange the certification under directors training program for 02 remaining directors in the forthcoming year.
3.	28 (2)	The chairman of the eo and oemuneration committee shall be an independent director.	The Company shall appoint an independent director as chairman of eo and oemuneration Committee in the forthcoming year.
4.	29	The Board may constitute a separate nomination committee.	The functions of the nomination committee are being performed by the eo C o emuneration Committee. The Company will constitute a separate nomination committee in the forthcoming year.
5.	30	The Board may constitute the risk management committee.	The functions of the risk management committee are being performed by the Audit Committee. The Company will constitute a separate risk management committee in the forthcoming year.

Lahore
November 06, 2026

M. Atta ullah Khan
Chairman

Independent Auditors' Review Report of Colony Textile Mills Limited Review Report on Statement of Compliance Listed Companies contained in (Code of corporate governance) Regulations, 2019

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

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026, except for the matters highlighted in the paragraph 19 of the Statement of Compliance.

November 06, 2026
Lahore
UDIN: CR202610278aZEcRL8wx

Ilyas Saeed & Co.
Chartered Accountants

Independent Auditors' Report
To The Members of Colony Textile Mills Limited
Report on the Audit of The Financial Statements

Adverse Opinion

We have audited the annexed financial statements of COLONY TEXTILE MILLS LIMITED (the Company), which comprise the statement of financial position as at **June 30, 2026** and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy 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 the significance of the matter discussed in the "Basis for Adverse Opinion" section of our report, the accompanying statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity and 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 income, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

As disclosed in note 1.1 to the financial statements, the Company incurred a net loss of Rs. 11,052.31 million during the year ended June 30, 2026 (2025: Rs. 2,227.09 million) after reporting a gross loss of Rs. 2,033.34 million (2025: Rs. 1,333.57 million) and an operating loss of Rs. 2,552.13 million (2025: Rs. 1,951.04 million). As at that date, the Company's accumulated loss stood at Rs. 13,117.80 million (2025: Rs. 2,226.60 million) and its current liabilities exceeded its current assets by Rs. 24,661.12 million (2025: Rs. 4,899.93 million). These events and conditions indicate the existence of a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements have been prepared by management on a going concern basis. Accordingly, in our judgment, management's use of the going concern basis of accounting in the preparation of the financial statements is inappropriate in the circumstances.

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' International Code of Ethics for Professional Accountants (including International Independence Standards) as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

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

In addition to the matter described in the "Basis for Adverse Opinion" section, we have determined the matters described below to be the key audit matters to be communicated in our report. The matter giving rise to our adverse opinion is not described below, as it is addressed in the "Basis for Adverse Opinion" section.

Independent Auditors' Report
To The Members of Colony Textile Mills Limited
Report on the Audit of The Financial Statements

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	**Revenue**	
	Refer note 37 to the annexed financial statements) Revenue is recognized when control of the underlying products has been transferred to the customers. The Company primarily generates revenue from sale of yarn, fabric. During the year, the Company's revenue is Rs. 20,528.43 million which is 62.94% of the total assets. We have considered revenue as a key audit matter as it is one of the key performance indicators of the Company. Revenue is a high-risk area and there is always an inherent risk of material misstatement.	Our audit procedures in relation to the matter, amongst others, included the following: • Understood and evaluated the accounting policies with respect to revenue recognition including those related to discounts and commissions and its compliance with International Financial Reporting Standards; • Performed testing of sample on revenue transactions with underlying documentations including dispatch documents and sales invoices; and • Performed audit procedures to analyze variation in the price and quantity sold during the year; and
2.	**Inventories**	
	(Refer notes 29 and 30 to the annexed financial statements.) As at June 30, 2026, the Company held inventories i.e., stores, spares and loose tools and stock-in-trade of Rs. 2,405 million, which constitutes 7.54 % of the total assets of the Company. Several estimates and judgments are involved in the valuation of stock-in-trade, in determining the net realizable value (NRV), and in assessing the appropriate level of write-down and provision for slow-moving stock-in-trade. This includes the assessment of available facts and circumstances, the physical condition of the stock-in-trade, utilization, market selling prices, and the estimated selling cost of the stock-in-trade. We have considered this matter as key audit matter because of the significance of the balance and due to the estimates and judgments involved in the valuation.	Our audit procedures in relation to the matter, amongst others, included the following: • Obtained an understanding of the Company's policies and procedures with respect to valuation of inventories; • Observation of physical inventory count procedures and compared on a sample basis, physical count with valuations sheets; • Compared on a sample basis specific purchases and directly attributable cost with underlying supporting documents; • Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards;
3.	**Borrowings**	
	(Refer notes 14, 18, 19, 20 and 21 to the annexed financial statements) The Company has significant amounts of borrowings from Banks and other financial institutions amounting to Rs. 21,323 million, being 70% of total liabilities, as at reporting date. Given the significant level of borrowings, finance costs, significant gearing, the disclosure given by the management in financial statements and compliance with various loan covenants, this is considered to be a key audit matter	Our audit procedures in relation to the matter, amongst others, included the following: • Review of loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management for finance costs and to ensure that the borrowings have been approved at appropriate level. • Assessing procedures designed by management to comply with the debt covenants and performing covenant tests on sample basis. • Obtaining direct confirmations from Banks of the Company to confirm balances, terms & conditions stated in the facility offer letters and compliance thereof.

Independent Auditors' Report
To The Members of Colony Textile Mills Limited
Report on the Audit of The Financial Statements

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the Basis for Adverse Opinion section above, the Company should have prepared its financial statements on a basis other than going concern. We have concluded that the other information is materially misstated for the same reason with respect to the matter stated above.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report
To The Members of Colony Textile Mills Limited
Report on the Audit of The Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) except for the matter described in the 'Basis for Adverse Opinion' section, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) except for the matter described in the 'Basis for Adverse Opinion' section, the statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity and 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) except for the matter described in the 'Basis for Adverse Opinion' section, 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 Bushra Sana.

Dated: November 06, 2026
Lahore
UDIN: AR202610278dBTF2V4k1

Ilyas Syed & Co.
Chartered Accountants

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	2026 Rupees ('000')	2025 Rupees ('000') Restated	2024 Rupees ('000') Restated
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized share capital	9	**5,300,000**	5,300,000	5,300,000
Issued, subscribed and paid up capital	10	**4,980,100**	4,980,100	4,980,100
Reserve arising on amalgamation		**3,156,388**	3,156,388	3,156,388
Revaluation surplus on property, plant and equipment	11	**6,205,615**	19,594	19,594
Directors' loan	12	**120,000**	120,000	120,000
General reserves		**4,702**	4,702	4,702
Unappropriated profit / (loss)		**(13,117,808)**	(2,226,606)	23,320
Surplus on remeasurement of investments	13	**1,107**	1,101	819
		1,350,104	6,055,279	8,304,923
Non-current liabilities				
Long term financing	14	**91,673**	5,692,279	6,351,780
Deferred liabilities	16	**264,127**	3,717,887	3,628,750
		355,800	9,410,166	9,980,530
Current liabilities				
Trade and other payables	17	**8,612,375**	7,047,400	6,998,393
Short term borrowings	18	**1,483,477**	1,510,455	1,572,646
Accrued mark up	19	**828,162**	684,879	516,138
Unclaimed dividend		**94**	94	94
Deferred Mark up classified under Current Liabilities	20	**11,367,916**	-	-
Current portion of long term liabilities	21	**7,552,635**	1,978,679	1,296,174
Provision for taxation and tax levies	22	**313,674**	280,915	278,338
		30,158,333	11,502,422	10,661,783
Contingencies and commitments	23	-	-	-
		31,864,237	26,967,867	28,947,236

Chief Financial Officer

Director

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	2026 Rupees ('000')	2025 Rupees ('000') Restated	2024 Rupees ('000') Restated
ASSETS				
Non-current assets				
Property, plant and equipment	24	**23,020,020**	18,152,911	18,671,967
Right of use assets	25	**70,093**	73,782	77,665
Investment property	26	**2,838,902**	1,793,180	1,542,570
Long term investments	27	**375,471**	289,964	223,374
Long term deposits	28	**62,542**	55,541	54,465
		26,367,028	20,365,378	20,570,041
Current assets				
Stores, spare parts and loose tools	29	**281,604**	281,891	382,198
Stock in trade	30	**2,123,761**	2,919,461	4,203,953
Trade debts	31	**589,103**	149,079	201,306
Loans and advances	32	**188,458**	194,383	301,291
Trade deposits and short term prepayments	33	**102,769**	102,748	102,363
Other financial assets	34	**57**	41	22
Tax refunds due from the government	35	**2,181,228**	2,908,145	3,098,184
Cash and bank balances	36	**30,229**	46,741	87,878
		5,497,209	6,602,489	8,377,195
		31,864,237	26,967,867	28,947,236

The annexed notes from 01 to 58 form an integral part of these financial statements.

Chief Executive Officer

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees ('000')	2025 Rupees ('000') Restated
Sales - net	37	**20,528,423**	16,688,072
Cost of sales	38	**22,561,769**	18,221,646
Gross profit / (loss)		**(2,033,346)**	(1,333,574)
Operating expenses:			
Distribution cost	39	**180,450**	239,940
Administrative expenses	40	**338,342**	377,533
		518,792	617,473
Operating profit / (loss)		**(2,552,138)**	(1,951,047)
Finance cost	41	**1,285,219**	1,404,783
Other operating charges	42	**7,274,365**	2,492
		8,559,584	1,407,275
		(11,111,722)	(3,358,322)
Other income	43	**318,856**	1,346,187
Profit / (loss) before levy and taxation		**(10,792,866)**	(2,012,135)
Levy	44	**259,449**	214,961
Profit / (loss) before taxation		**(11,052,315)**	(2,227,096)
Taxation	44	**-**	-
Profit / (loss) for the year		**(11,052,315)**	(2,227,096)
Earnings/(loss) per share - basic and diluted	45	**(22.19)**	(4.47)

The annexed notes from 01 to 58 form an integral part of these financial statements.

Chief Financial Officer | Director | Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees ('000')	2025 Rupees ('000') Restated
Profit / (loss) for the year		**(11,052,315)**	(2,227,096)
Other comprehensive income:			
Items that will not be reclassified to statement of profit or loss:			
Revaluation surplus during the year	11	**6,302,777**	-
Remeasurement (loss) / gain of defined benefit obligation	16.03	**44,357**	(22,830)
		6,347,134	(22,830)
Items that may be reclassified to statement of profit or loss:			
Net fair value (loss) / gain on investment measured at FVTOCI		**6**	282
		6,347,140	**(22,548)**
Total comprehensive income/(loss) for the year		**(4,705,175)**	(2,249,644)

The annexed notes from 01 to 58 form an integral part of these financial statements.

Chief Financial Officer | Director | Chief Executive Officer

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

	Note	2026 Rupees ('000')	2025 Rupees ('000') Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	53	**821,626**	809,086
Finance cost paid		**(50,396)**	(61,434)
Staff retirement benefit paid	16.03	**(41,100)**	(217,698)
Income tax and levies paid		**(343,040)**	(191,929)
		(434,536)	(471,061)
Net cash generated from operating activities		**387,090**	338,025
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure	24.1	**(293,383)**	(352,954)
Proceeds from disposal of property, plant and equipment	24.5	**9,570**	11,505
Long term deposits		**(7,001)**	(1,076)
Net cash used in investing activities		**(290,814)**	(342,526)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net		**(85,810)**	25,555
Lease rentals - net	15	**-**	-
Short term borrowings - net	18	**(26,978)**	(62,191)
Net cash used in financing activities		**(112,788)**	(36,636)
Net increase / (decrease) in cash and cash equivalents		**(16,512)**	(41,137)
Cash and cash equivalents at beginning of the year		**46,741**	87,878
Cash and cash equivalents at end of the year		**30,229**	46,741

The annexed notes from 01 to 58 form an integral part of these financial statements.

Chief Financial Officer | Director | Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

Particulars	Share capital	Capital Reserves		Directors' loan	Revenue reserves		Surplus on re-measurement of investments	Total
		Reserve arising on amalgamation	Revaluation surplus on property, plant and equipment		General reserves	Unappropriated profit/(loss)		
	Rupees ('000')							
Balance as at 30 June 2024 as previously reported	4,980,100	3,156,388	19,594	120,000	4,702	(931,685)	819	7,349,918
Effect of retrospective restatement of deferred taxation (Note 8)	-	-	-	-	-	955,005	-	955,005
Balance as at 30 June 2024 - Restated	4,980,100	3,156,388	19,594	120,000	4,702	23,320	819	8,304,923
Profit for the year	-	-	-	-	-	(2,227,096)	-	(2,227,096)
Remeasurement of defined benefit obligation	-	-	-	-	-	(22,830)	-	(22,830)
Fair value gain on investment measured at FVTOCI	-	-	-	-	-	-	282	282
Total comprehensive income for the year	-	-	-	-	-	(2,249,926)	282	(2,249,644)
Balance as at 30 June 2025	4,980,100	3,156,388	19,594	120,000	4,702	(2,226,606)	1,101	6,055,279
Profit / (loss) for the year	-	-	-	-	-	(11,652,315)	-	(11,652,315)
Remeasurement of defined benefit obligation	-	-	-	-	-	44,357	-	44,357
Revaluation surplus on PPE	-	-	6,302,777	-	-	-	-	6,302,777
Fair value gain on investment measured at FVTOCI	-	-	-	-	-	-	6	6
Total comprehensive income for the year	-	-	6,302,777	-	-	(11,607,958)	6	(4,705,175)
Transfer of incremental depreciation - net of deferred tax	-	-	(116,756)	-	-	116,756	-	-
Balance as at 30 June 2026	4,980,100	3,156,388	6,205,615	120,000	4,702	(13,117,808)	1,107	1,350,104

The annexed notes from 01 to 58 form an integral part of these financial statements.

Chief Financial Officer

Director

Chief Executive Officer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

Colony Textile Mills Limited ("the Company") is a Public Company Limited by shares having CUIN: 0074486 incorporated in Pakistan on 12 January 2011 under the provisions of the repealed Companies Ordinance, 1984 (now The Companies Act 2017). The Company is listed on Pakistan Stock Exchange Limited. The registered office of the company is located at M. Ismail Alwan-i-Science, Building Ferozepur Road, Lahore, Pakistan. The principal activity of the company is manufacturing and sale of yarn, fabric, garments made ups.

Geographical location and addresses of major business units including mills / plants of the Company are as under:

Location	Purpose
M. Ismail Alwan-i-Science Building Ferozepur Road, Lahore	Head Office
4km Raiwind Manga Road, Raiwind, District Kasur	Weaving unit
Sher Shah Road Ismailabad, Multan	Spinning unit

1.1 During the year, the Company incurred a gross loss of Rs.2,033,346 (2025:Rs.1,333,574), net loss of Rs.11,052,315 (2025: Rs.2,227,096), resulting in accumulated losses of Rs.13,117,808 (2025: Rs.2,226,606).Further, as of the date of financial statements the current liabilities of the company exceeded its current assets by 24,661,124 (2025: 4,899,932). (Amounts are in Rupees in thousand)

Moreover, the Company has overdue installments of long-term financing. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on going concern basis due to following reasons.

- The management of the Company has firmed up a turnaround plan based on disposal of the land, buildings and plant and machinery of Weaving Unit of the Company at Lahore to secured creditors of the Company i.e. debt-asset swap. Independent fair valuation of land, buildings and plant and machinery of Weaving Unit of the Company at Lahore leads the management of the Company to believe that residual debt of the Company (post debt-asset swap) shall be insignificant and sustainable. The debt-asset swap proposal of the management of the Company has been favorably considered by lenders of the Company. The management has planned to seek all required approvals in coming months for roll out of the turnaround plan.

- The sponsors of the Company have affirmed their commitment to fully support the Company, in case of any operational need.

The management considers that the measures as explained above would result in reduction of total debt of the Company to sustainable level, availability of adequate financial resources for the Company to sustain the continuity of its business for the foreseeable future and thus maintain its going concern status. Accordingly, these financial statements have been prepared on a going concern basis which assumes that the Company will continue to operate its business, realize its assets, and discharge its liabilities, in the normal course of business.

2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements. For a detailed discussion about these significant transactions and events, please refer to the Directors' report.

3 BASIS OF PREPARATION

3.1 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 ; and

- Provisions 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

3.2 Changes in accounting standards, interpretations and pronouncements

3.2.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

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

	Standard or Interpretation	Effective Date - Annual Periods Beginning on or After
IAS 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	01 January 2025

3.2.2 Standards, interpretations and amendments to existing standards that are not yet effective

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

	Standard or Interpretation	Effective Date (Period beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments		01 January 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments		01 January 2026
Amendments to IFRS 10 'Consolidated financial statements'		01 January 2026
IFRS 17	Insurance Contracts	01 January 2027
IFRS 18	Presentation and Disclosure in Financial Statements	01 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures'.	01 January 2027
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	01 January 2027
IFRS S2	Climate-Related Disclosures	01 January 2027

In addition to the above, the IASB has issued the following standards and interpretations which, as of June 30, 2026, have not been notified by the Securities and Exchange Commission of Pakistan (SECP) for local adoption. The Company will evaluate the impact of these pronouncements once they are notified for application in Pakistan.

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRIC 12 Service Concession Arrangements

4 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest Rupee, unless otherwise indicated.

5 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value, investment on equity basis, certain liabilities at amortized cost, investment property and certain other investments at fair value. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

6 JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards which requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

Significant management estimates in these financial statements relate to the useful life of property, plant and equipment, provisions for staff retirement benefits, doubtful receivables, slow moving inventory and taxation. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which such estimates are revised. Such estimates are:

- Useful life of depreciable assets;
- Provision for doubtful receivables and slow moving stores, spares and loose tools;
- Provision for current tax, tax levies and deferred tax;
- Staff retirement benefits;
- Net realizable value of stock-in-trade; and
- Expected credit losses.

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in the next year.

7 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

7.01 Staff retirement benefits

The Company operates two plans for its employees:

Defined contribution plan

The Company operates recognised defined contributory provident fund for all eligible employees to which monthly contributions are made to cover the obligation. The Company and its employees make equal monthly contributions at the rate of 8.33% of basic salary.

Defined benefit plan

The Company operates a defined benefit plan for all of its eligible employees who have completed their minimum qualifying period of service with the Company. Provisions are made in the financial statements to cover obligation on the basis of actuarial valuation using the Projected Unit Credit Method. Any actuarial gain or loss is recognised immediately in statement of comprehensive income.

7.02 Taxation

Current

Provision for current taxation is based on applicable current rates of taxation after taking into account tax credits and rebates available, if any, under the provisions of Income Tax Ordinance, 2001. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the year.

Levies

The Company recognize the charge for minimum and final taxes, calculated under the provisions of the Income Tax Ordinance, 2001, as levies. The charge for levies are not based on 'taxable profit' as defined in IAS 12 but calculated on turnover or other basis as per provisions and applicable tax rates under minimum and final tax regime. The charge for levies also includes adjustments, where considered necessary, and the tax assessed from assessments framed during the year for such years is over/under the provision of tax then made.

Deferred

Deferred tax liability is accounted for in respect of all taxable temporary differences at the statement of financial position date arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in computation of taxable profits. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses, provisions and tax credits to that extent it is probable that taxable profit will be available in future against which the deductible temporary differences can be utilized. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release – 27 of Institute of Chartered Accountants of Pakistan.

The Company accounts for the tax consequences of transactions and other events in the same way that it accounts for the transactions and other events themselves. Thus, for transactions and other events recognized in statement of profit or loss, any related tax effects are also recognized in statement of profit or loss. For transactions and other events recognized outside statement of profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognized outside profit and loss (either in other comprehensive income or directly in equity, respectively). Based on the revised policy as stated above, the management determined that the recognition of deferred tax is no longer required as the minimum taxes paid by the Company may not be released / adjustable and the management expects the Company to remain subject to the minimum tax regime.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

7.03 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by independent professional valuers. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present market and depreciated replacement values. Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which is determined using fair value at the end of reporting period.

7.04 Property, plant and equipment

Operating fixed assets

Operating fixed assets other than freehold land, buildings on freehold land and plant and machinery are stated at cost less accumulated depreciation and any accumulated impairment losses. Fully depreciated assets are carried at their residual value. Cost includes expenditure that is directly attributable to the acquisition of the asset. Freehold land, buildings on freehold land and plant and machinery are stated at revalued amount, being their fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Freehold land is not depreciated.

Depreciation is charged to statement of profit or loss by applying reducing balance method to write off the cost over estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from property, plant and equipment. Depreciation on addition to property, plant and equipment is charged from the date when asset is available for use up to the date of its de-recognition.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains / losses on disposal of fixed assets are included in current year's statement of profit or loss.

Subsequent costs included in the asset's carrying amount are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost of the item can be measured reliably. All other repair and maintenance cost are charged to the statement of profit or loss during the year in which these are incurred.

7.05 Leases as 'lessee'

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for the short-term leases and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

A right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Subsequent to initial recognition, a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognized using straight-line method over the shorter of lease term and useful life of the right-of-use asset, unless the lease transfers ownership of the underlying asset to the Company by the end of lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as those of operating fixed assets.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in measurement of lease liability comprise:

- Fixed lease payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

Subsequent to initial recognition, lease liability is measured at amortized cost using effective interest method whereby the carrying amount of lease liability is increased to reflect the interest thereon and decreased to reflect lease payments made. Interest is recognized in statement of income and expenditure.

Lease liability is remeasured whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate, unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the related right-of-use asset, except where the carrying amount of right-of-use asset is reduced to zero. In that case, any adjustment exceeding the carrying amount of the right-of use asset is recognized in statement of income and expenditure.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs.

Short term lease

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

7.06 Deferred Assets

Interest-free loans are initially recognized at their fair value, determined by discounting future cash flows at the prevailing market rate of interest on the date of disbursement. The difference between the fair value and the face value of the loan is recognized as a deferred asset. The deferred asset is subsequently amortized over the loan term using the effective interest rate method. The amortization (unwinding of the discount) is directly adjusted against the carrying amount of the related interest-free loans in the statement of financial position.

7.07 Intangible assets

Intangible assets with finite useful lives that are acquired separately or in a business combination are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in statement of income and expenditure, using amortization methods, over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately or in a business combination are carried at cost less accumulated impairment losses.

7.08 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

7.09 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of income and expenditure and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in statement of income and expenditure as required or permitted by accounting and reporting standards as applicable in Pakistan, and is presented in 'statement of comprehensive income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

7.10 Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the expenditures on material, labor and appropriate overheads directly relating to the construction, erection or installation of an item of property, plant and equipment. These costs are transferred to property, plant and equipment as and when related items become available for intended use.

7.11 Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

Where the Company determines that the lease term of identified lease contracts is short term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognised and payments made in respect of these leases are expensed in the statement of profit or loss.

7.12 Investment property

Property held to earn rentals and/or for capital appreciation is classified as investment property. Investment properties are initially measured at cost, including transaction cost. Subsequent to initial recognition, investment properties are stated at fair value, which effect market conditions at reporting date. Gains and losses arising from the change in fair value of properties are included in statement of profit or loss in the year in which they arise. Fair values are determined based on an annual revaluation performed by an independent valuer.

In case of change in use of property from owner occupied property to investment property that will be carried at fair value, Company has applied IAS 16 up to the date of change in use. The difference at that date between carrying amount and fair value has been accounted for in the same way as a revaluation surplus in accordance with IAS-16.

7.13 Financial instruments

Recognition

A financial instrument is recognised when the Company becomes a party to the contractual provisions of the instrument.

a) Financial assets

(i) Initial Measurement

The Company classifies its financial assets in to following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

(ii) Subsequent Measurement

Debt Investments at FVOCI:

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in the statement of comprehensive income. On de-recognition, gains and losses accumulated in the statement of comprehensive income are reclassified to the statement of profit or loss.

Equity Investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in the statement of comprehensive income and are never reclassified to the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognised in the statement of profit or loss.

Financial assets measured at amortized cost:

These assets are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

b) Financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit or loss. Any gain or loss on de-recognition is also recognised in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

c) Offsetting of financial assets and financial liabilities

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

d) Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention on the market place. Regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis.

e) Derivatives

Derivative instruments held by the Company comprise of future and forward contracts in the capital and money markets. These are stated at fair value at the date of statement of financial position. The fair value of the derivatives is equivalent to the unrealized gain or loss from marking the derivatives using prevailing market rates at the date of statement of financial position. The unrealized gains are included in other assets while unrealized losses are included in other liabilities in the statement of financial position. The corresponding gains and losses are included in the statement of profit or loss.

7.14 Contingent liability

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

7.15 Stores, spares and loose tools

These are valued at lower of cost and net realizable value. Cost is calculated using moving average method except for items in transit which are valued at cost comprising invoice value plus other charges paid thereon till the statement of financial position date. Provision is made against obsolete items.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

7.16 Stock in trade

Basis of valuation are as follows:

Particulars	
Raw materials:	
At mills	At weighted average cost
In-transit	At cost accumulated to the statement of financial position date
Work in process	At average manufacturing cost
Finished goods	At average manufacturing cost
Waste	At net realizable value
Real estate	At cost

Stock in valued at lower of cost or net realizable value.

Cost in relation to work in process and finished goods represents the average manufacturing cost which consists of prime cost and attributable production overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

7.17 Trade debts and other receivables

Financial assets

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

7.18 Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position. Cash and cash equivalents comprise of cash in hand and balances with banks.

7.19 Borrowings

Loans and borrowings are recorded at the time of proceeds received. Financial charges are accounted for on the accrual basis. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to statement of profit or loss in the period in which these are incurred.

7.20 Trade and other payables

Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognised in the statement of profit or loss.

Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

7.21 Provisions

Provisions are recognised when the Company has a legal and constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle these obligations and a reliable estimate of the amounts can be made.

7.22 Impairment

Financial assets

The Company recognizes loss allowances for expected credit losses in respect of financial assets measured at amortized cost on date of initial recognition. The amount of expected credit loss is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

7.23 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. Revenue from operations of the Company are recognised when the goods are provided, and thereby the performance obligations are satisfied. The Company's contract performance obligations are fulfilled at the point in time when the goods are dispatched to the customer. Invoices are generated and revenue is recognised at that point in time, as the control has been transferred to the customers and is reduced for allowances such as taxes, duties, commissions, sales returns and discounts. Revenue from other sources is recognised on the following basis:

- Interest income on deposits with banks and other financial assets is recognised on accrual basis.
- Dividend income is recognised when the Company's right to receive dividend has been established.

7.24 Related parties

a) Employees Provident Fund
b) Directors and key management personnel

7.25 Related party transactions

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

7.26 Dividend

Dividend is recognised as liability in the period in which it is declared. Movement in reserves is recognized in the year in which it is approved.

Final dividend distributions to the Company's shareholders are recognized as a liability in the unconsolidated financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are declared by the Board of Directors.

7.27 Foreign currency translations

Transactions in foreign currencies are accounted for in Pak rupees at the rates of exchange prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at rates of exchange prevailing at the statement of financial position date and in case of forward exchange contracts at the committed rates. Gains or losses on exchange are charged to the statement of profit or loss.

7.28 Earnings per share (EPS)

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

7.29 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 business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has two reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibers) and Weaving (Producing different quality of fabric using yarn).

Transaction among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

7.30 Share capital

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

8 Restatement due to change in accounting policy and reversal of Deferred Tax.

During the year, the Company revised its accounting policy for the recognition and measurement of income taxes and levies in accordance with the Application Guidance on IAS 12 – Accounting for Minimum and Final Taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP) vide Circular No. 07 of 2024 dated May 15, 2024.

Under the revised accounting policy, amounts calculated on the gross amount of revenue or other prescribed bases (such as receipts or other values specified under the applicable tax legislation) are classified as levies within the scope of IFRIC 21, read in conjunction with IAS 37, and are recognized as operating expenses. Any amount of tax exceeding the amount classified as a levy is recognized as current income tax expense within the scope of IAS 12, 'Income Taxes'.

Following the adoption of the revised accounting policy, the Company reassessed the recognition and measurement of deferred tax balances previously recognized in its financial statements, taking into consideration the guidance issued by ICAP, the relevant amendments to the Income Tax Ordinance, 2001, including changes in the tax treatment of export income introduced through the Finance Act, 2025, and management's assessment of the Company's projected taxable income and applicable tax regime.

Based on this reassessment, management expects that the Company will remain subject to the minimum tax regime for the foreseeable future. Accordingly, management concluded that the taxable temporary differences previously considered in determining the deferred tax liability would not result in income tax consequences within the scope of IAS 12, while the deductible temporary differences are not expected to be utilized against taxable profits in the foreseeable future. Consequently, the deferred tax liability previously recognized in the financial statements was no longer considered appropriate and has been reversed.

In accordance with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', the effects of the change in accounting policy have been applied retrospectively, with the corresponding adjustments recognized in the opening balances of retained earnings and revaluation surplus, as appropriate, and in the related components of profit or loss and other comprehensive income.

Accordingly, the comparative financial information has been restated to reflect the effects of the revised accounting policy and the reversal of the previously recognized deferred tax liability. The impact of the restatement on the Company's financial statements is summarized below:

	As previously reported	Restatement	As restated
		---- Rupees.(000) ----	
As at June 30, 2025			
Effect on statement of financial position			
Deferred liabilities (deferred taxation)	955,307	(955,307)	-
Unappropriated profit - revenue reserves	(3,181,912)	955,307	(2,226,606)
Effect on statement of profit or loss			
Deferred tax	6,923	(6,923)	-
Earnings per share (Rupees)	(4.49)	0.01	(4.47)
Effect on comprehensive income			
Deferred tax on defined benefit obligation	(6,621)	6,621	-
As at June 30, 2024			
Effect on statement of financial position			
Deferred liabilities (deferred taxation)	955,005	(955,005)	-
Unappropriated profit - revenue reserves	(931,685)	955,005	23,320

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

9 AUTHORISED SHARE CAPITAL	Note	2026 Rupees ('000')	2025 Rupees ('000')
185,000,000 (2025: 185,000,000) ordinary shares of Rs. 10/- each		1,850,000	1,850,000
Capital of merged companies			
345,000,000 (2025: 345,000,000) ordinary shares of Rs. 10/- each		3,450,000	3,450,000
		5,300,000	5,300,000

10 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
20,000 (2025: 20,000) ordinary shares of Rs. 10/- each issued as fully paid in cash shares		200	200
497,989,959 (2025: 497,989,959) fully paid in cash ordinary shares of Rs. 10/- each issued to the shareholders of amalgamated entities		4,979,900	4,979,900
		4,980,100	4,980,100

Fully paid ordinary shares, which have a par value of Rs. 10/-, carry one vote per share and carry right to dividends.

There are no rights, preferences and restrictions attached to any class of shares including restrictions on the distribution of the dividends and the repayment of capital.

- There are no shares reserved for issue under options and contracts for the sale of shares.

-There were no bonus shares or treasury shares issued during the year.

11. REVALUATION SURPLUS ON PROPERTY, PLANT & EQUIPMENT	Note	2026 Rupees ('000')	2025 Rupees ('000')
Land		3,172,929	19,594
Building		2,958,383	-
Plant & Machinery		163,682	-
Revaluation surplus on transfer of building to investment property		27,377	-
		6,322,371	19,594
Incremental depreciation on revalued assets		(116,756)	-
		6,205,615	19,594

12. DIRECTORS' LOAN			
Directors' loan	12.01	120,000	120,000

12.01 This represents interest free loans from directors of the Company, payable at the discretion of the entity. They do not pass the liability test and thus recorded as equity at face value. They will not be re-measured subsequently. The decision by the entity at any time in future to deliver cash or any other financial asset to settle the directors' loan would be a direct debit to equity. The Company has applied TR-32 'Accounting Directors' Loan' issued by Institute of Chartered Accountants of Pakistan whose compliance was mandatory with effect from period beginning on or after 01 January 2016. Out of total loan, loan of Rs. 120 million is subordinated to the liabilities of banking companies/financial institutions.

13. SURPLUS ON REMEASUREMENT OF INVESTMENTS	Note	2026 Rupees ('000')	2025 Rupees ('000')
Opening balance		1,101	819
Fair value gain / (loss) during the year	13.1	6	282
Closing Balance		1,107	1,101

13.1 This represents fair value gain on Investments in Colony Woolen Mills Limited, Azgard Nine Limited and Colony Thal Textile Mills Limited (quoted equity shares) that are not held for trading. Management has made an irrevocable election, at initial recognition, to present subsequent changes in fair value of these equity instruments in Other Comprehensive Income. These are accordingly classified as Fair Value through Other Comprehensive Income (FVOCI).

14. LONG TERM FINANCING	Note	2026 Rupees ('000')	2025 Rupees ('000')
From banking companies-Secured			
Name of the Bank			
The Bank of Punjab	14.01	6,048,299	6,048,299
National Bank of Pakistan	14.02	709,642	709,642
Habib Bank Limited	14.03	72,927	72,927
Faysal Bank Limited	14.04	173,090	183,090
Balance carried forward		7,003,959	7,013,958

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees ('000')	2025 Rupees ('000')
Balance brought forward		**7,003,959**	7,013,958
Silk Bank Limited	14.05	**263,742**	245,876
Soneri Bank Limited	14.06	**11,099**	24,189
Bank Islami Pakistan Limited	14.07	**71,597**	31,089
Standard Chartered Bank Limited	14.08	**133,440**	133,440
Bank Makramah Limited	14.09	**160,473**	222,405
		7,644,308	7,670,958
Less: Current portion	21	**7,552,635**	1,978,679
		91,673	5,692,279

14.01 This loan includes two facilities Term Finance-1 (TF-1) & Term Finance-3 (TF-3) amounting to Rs. 5365.87 million and Rs. 682.42 million respectively. This loan facility was restructured on 23 May 2024. (TF-1) is repayable from 30 September 2024 to 31 December 2032. Markup is charged at cost of funds less administrative cost (2025: cost of funds less administrative cost) of the preceding quarter effective from 1 January 2023 and onwards. (TF-3) is repayable from 30 September 2024 to 31 December 2031. Markup is charged at cost of funds less administrative cost (2025: cost of funds less administrative cost) to be accrued and payable as per repayment schedule. This facility is secured by joint pari passu charge on fixed assets and current assets of the company, registered with SECP.

14.02 This loan facility was restructured on 09 April 2019. It is repayable from 01 July 2019 to 01 April 2029. Markup is chargeable at cost of funds (2025: Cost of fund). The loan is secured against first joint pari passu charge over fixed assets of the Company registered with SECP.

14.03 This loan has been restructured in 27 August 2024. It is repayable from 31 December 2024 to 31 December 2025. Markup is to be charged at cost of funds (2025: Cost of funds) provided by the bank. This loan is secured against joint pari passu hypothecation charge, existing ranking charge over plant and machinery and existing joint pari passu charge on current and fixed assets of the Company.

14.04 This loan facility was restructured on 09 November 2018. It is repayable from 30 December 2018 to 30 September 2028. Markup is charged at cost of funds (2025: Cost of funds) of the bank. The loan is secured against joint and ranking charge over present and future current assets of the Company registered with SECP.

14.05 This loan includes two facilities Term Finance-1 (TF-1) and Term Finance-2 (TF-2) amounting Rs. 225.52 million and Rs. 38.22 million respectively. Both loans were restructured on 15 January 2017. It is payable from 15 January 2018 to 15 October 2032. Markup is payable at Silk bank's cost of funds minus 2% (2025: Cost of funds minus 2%) . Term Finance-2 is interest free and was previously recognised at amortized cost by discounting using effective rate of interest and related present value gain was recognised in the statement of profit or loss, now carried at undiscounted face value under current liabilities. Both the loans are secured against first joint pari passu charge and ranking charge over the assets of the Company registered with SECP.

14.06 This loan facility was restructured on 27 December 2022. It is repayable from September 2023 to December 2025. The loan is secured against hypothecation charge over property, plant and equipment and existing joint pari passu charge over fixed assets including land of the Company, registered with SECP. This loan facility is interest free and was previously recognised at amortized cost by discounting using effective rate of interest and related present value gain was recognised in the statement of profit or loss, now carried at undiscounted face value under current liabilities.

14.07 This loan facility was restructured on 22 December 2018. The loan is repayable from 30 March 2019 and ending on 31 December 2033. The loan is secured against joint pari passu charge on the assets of the Company registered with SECP. It is interest free and was previously recognised at amortized cost by discounting using effective rate of interest and related present value gain was recognised in the statement of profit or loss, now carried at undiscounted face value under current liabilities.

14.08 This facility was created as a result of a restructuring made on 17 May 2019. The loan is repayable from 30 June 2019 and ending on 31 March 2024.This loan is secured against joint pari passu charge over current assets of the Company registered with SECP. This loan facility is interest free, and was previously recognised at amortized cost by discounting using effective rate of interest and related present value gain was recognised in the statement of profit or loss, now carried at undiscounted face value under current liabilities.

14.09 This facility is established by converting CF-1 into TF with a total amount of Rs. 222.405 million. This facility is repayable from 01 September 2020 and ending on 30 September 2026. This is secured against ranking charge over fixed assets (Plant & Machinery) of the company with 25% margin registered with SECP duly ensured in favor of Bank Makramah Limited. Mark up is charged at 3 Month Kibor plus 1% per annum with quarterly installments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

The Company could not fulfill the terms of repayment of its financing obligations due to the above-mentioned banks/financial institutions except for Bank Makramah Limited as disclosed in note 14.09. Consequently, the lenders have the right to demand repayments therefore, relevant long term financing facilities have been classified under current liabilities as at 30 June 2026 in accordance with IAS 1 'Presentation of Financial Statements'.

15 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

- Lease liability has been paid off, while markup thereon has been deferred which is payable in future periods.

16 DEFERRED LIABILITIES	Note	2026 Rupees ('000')	2025 Rupees ('000') Restated
Deferred taxation	16.01	-	-
Deferred mark up	16.02	-	3,455,948
Staff retirement benefits	16.03	**264,127**	261,939
		264,127	3,717,887

16.01 Deferred taxation

Refer contents of Note 8 to the financial statements.

16.02 Deferred mark up

Opening balance		**10,276,376**	9,101,768
Provision during the year		**1,091,540**	1,174,608
		11,367,916	10,276,376
Less: Paid / adjusted during the year		**-**	-
		11,367,916	10,276,376
Present value adjustment	**16.02.1**	**-**	(6,820,428)
		11,367,916	3,455,948
Less: Current portion of Deferred mark up	**16.02.2**	**(11,367,916)**	-
		-	**3,455,948**

16.02.1 It represents markup deferred by Bank of Punjab, Silk Bank Limited, National Bank of Pakistan, Habib Bank Limited, Faysal Bank Limited and First Punjab Modaraba. It is payable starting from 16 September 2023 and maturing on 31 December 2040. Previously, deferred markup was discounted using effective rate of interest and classified separately in non-current liabilities and related present value gain or loss was recognised in statement of profit or loss.

16.02.2 The Company has violated the terms of repayment of its financing obligations due to the above-mentioned banks/financial institutions. Consequently, the lenders have the right to demand repayments, and the entire deferred markup amount has been classified as a current liability as at 30 June 2026 in accordance with IAS 1 'Presentation of Financial Statements'. Further, the previously recognised present value adjustment (gain or loss) has been reversed and the deferred markup is now carried at its undiscounted amount.

16.03 Staff retirement benefits - unfunded gratuity scheme	Note	2026 Rupees ('000')	2025 Rupees ('000')
(a) Amounts recognised in the statement of financial position:			
Present value of defined benefit obligation		**264,127**	261,939
Net liability at the end of the year		**264,127**	261,939
(b) Movement in net liability			
Net liability at beginning of the year		**261,939**	414,527
Charge for the year		**87,645**	42,280
		349,584	456,807
Remeasurements chargeable in other comprehensive income		**(44,357)**	22,830
Benefits paid during the year		**(41,100)**	(217,698)
Net liability at end of the year		**264,127**	261,939
(c) Changes in the present value of defined benefit obligation			
Defined benefit obligation at beginning of the year		**261,939**	414,527
Current service cost		**60,164**	113,747
Past Service cost		**-**	-
Gains and losses arising on plan settlements		**-**	(110,028)
Interest cost		**27,481**	38,560
Remeasurements chargeable in OCI		**(44,357)**	22,830
Benefits paid during the year		**(41,100)**	(217,698)
Present value of defined benefit obligation at end of the year		**264,127**	261,939

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

		2026 Rupees ('000')	2025 Rupees ('000')
(d)	**Charge for the year**		
	Current service cost	**60,164**	113,747
	Past service cost	**-**	-
	Gains and losses arising on plan settlements	**-**	(110,028)
	Interest cost	**27,481**	38,560
		87,645	42,280

	Note		
The principal assumptions used in the actuarial valuation are as follows:			
Discount rate used for interest cost in P&L charge		**11.75%**	14.75%
Discount rate used for year end obligation		**11.75%**	11.75%
Expected rate of increase per annum in future salaries		**10.75%**	10.75%
Expected average remaining working life of employees		**4.7 years**	4.5 years
Expected mortality rate		**SLIC 2001 - 2005 Setback 1 Year**	SLIC 2001 - 2005 Setback 1 Year
Withdrawal Rates		**Age Based (Per Appendix)**	Age Based (Per Appendix)
Retirement assumptions		**60 years**	60 years

Sensitivity analysis for actuarial assumptions

The following table summarizes how the net defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of change in respective assumptions.

	Change in assumptions	Increase Rupees ('000') 2026	Decrease Rupees ('000') 2026
Discount rate	1.00%	**244,999**	282,935
Increase in future salaries	1.00%	**283,670**	244,021

A change in expected remaining working lives of employees is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated by using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognised in these financial statements.

16.04	**Expected benefit payments for next years**	**Rupees**
	FY 2027	44,374,791
	FY 2028	45,620,102
	FY 2029	43,884,785
	FY 2030	42,721,550
	FY 2031	48,411,459
	FY 2032	49,400,599
	FY 2033	53,848,789
	FY 2034	49,631,716
	FY 2035	55,329,069
	FY 2036	66,896,427
	FY 2037 onwards	3,475,574,501

Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on Pakistan Investment Bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease in the defined benefit liability.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

Longevity risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of the employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

Salary risk: The present value of defined benefit obligation is calculated by reference to future salaries of plan participants. An increase in salary of plan participants will increase the defined benefit obligation.

17 TRADE AND OTHER PAYABLES	Note	2026 Rupees ('000')	2025 Rupees ('000')
Trade creditors		3,850,896	2,580,930
Accrued liabilities		1,130,307	1,070,712
Security deposits		-	193
Advances from customers - Contract liability	17.01	2,419,812	1,930,223
Balance carried forward		7,401,015	5,582,058

	Note	2026 Rupees ('000')	2025 Rupees ('000')
Balance brought forward		7,401,015	5,582,058
Withholding tax payable		445,162	403,987
Sales tax payable		26,417	365,623
Worker's welfare fund	17.02	42,286	42,286
Cheques issued but not presented		697,357	653,306
Others		138	140
		8,612,375	7,047,400

17.01 Advances from customers at the beginning of each year are recognised as revenue in the ordinary course of business.

17.02 Worker's welfare fund	Note	2026 Rupees ('000')	2025 Rupees ('000')
Opening balance		42,286	42,286
Provision for the year		-	-
		42,286	42,286
Payment during the year		-	-
Closing balance		42,286	42,286

18 SHORT TERM BORROWINGS			
Banking companies - secured	18.01	1,483,477	1,510,455

18.01 Conventional short term borrowings are available from banking companies under markup arrangements. The rates of markup range from 9.38% to 16.35% per annum (2025: 13.06% to 21.22%). These are secured against pledge / hypothecation of stock-in-trade, hypothecation of stores and spares, lien over import / export documents, pari passu charge over present and future current assets and ranking charge over fixed assets of the company.

18.02 From the total approved aggregate short term facilities of Rs. 2,420.09 million (2025: 2,420.09 million), an amount of Rs. 936.61 million related to trade lines (2025: Rs. 909.64 million) remained unutilized as at 30 June 2026.

19 ACCRUED MARK UP	Note	2026 Rupees ('000')	2025 Rupees ('000')
Accrued mark up on:			
Liabilities against assets subject to finance lease		21,264	21,264
Long term financing		12,743	20,513
Short term borrowings		794,156	643,102
		828,162	684,879

20 DEFERRED MARKUP CLASSIFIED UNDER CURRENT LIABILITIES			
Deferred Markup	16.02	11,367,916	-
		11,367,916	-

21 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term financing	21.01	7,552,635	1,978,679
		7,552,635	1,978,679

21.01 Current portion of long term financing includes principal installments amounting to Rs. 1,855 million (2025: Rs. 1,163.62 million) which were overdue as at June 30, 2026.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

		Note	2026 Rupees ('000')	2025 Rupees ('000')
22	**PROVISION FOR TAXATION AND LEVIES**			
	Opening balance		**280,915**	278,338
	Add: Taxation and Levies - current	44	**257,031**	209,272
			537,946	487,610
	Less: Tax / levies payments / adjustments during the year		**(224,272)**	(206,695)
	Closing Balance		**313,674**	280,915
23	**CONTINGENCIES AND COMMITMENTS**			
	Contingencies			
	23.01 Bank guarantees amounting to Rs. 233.79 million (2025: Rs. 403.78 million).			
	Commitments			
	Under letters of credit for imports		-	-
24	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating assets	24.1	**23,014,882**	18,141,516
	Capital work in progress	24.4	**5,137**	11,395
			23,020,020	18,152,911

24.1 Operating fixed assets (tangible):

	Freehold land	Building on freehold land	Plant & Machinery	Factory tools and equipment	Furniture & fixtures	Office and hospital equipment	Library books	Vehicles	Leased Plant and Machinery	Leased Vehicles	TOTAL
					Rupees						
As at 30 June 2024											
Cost	1,464,335	4,389,657	24,380,112	488,014	76,527	79,014	44	243,100	-	-	31,109,603
Accumulated depreciation	-	(1,996,414)	(12,134,342)	(230,336)	(34,567)	(39,309)	(44)	(127,520)	-	-	(12,454,531)
Net book value	1,464,335	2,501,243	14,245,770	257,678	40,960	39,705	-	115,580	-	-	18,655,271
Year ended 30 June 2025											
Additions	-	290	83,666	180	2,144	503	-	-	-	-	86,783
Transfers from CWIP	-	10,262	261,210	-	-	-	-	-	-	-	271,472
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
Disposals / transfers											
Cost	-	-	-	-	-	(60)	-	(6,964)	-	-	(7,024)
Depreciation	-	-	-	-	-	30	-	3,405	-	-	3,436
Net book value	-	-	-	-	-	(30)	-	(3,559)	-	-	(3,588)
Depreciation charge for the year	-	(125,078)	(712,865)	(12,690)	(2,103)	(4,004)	-	(11,484)	-	-	(868,423)
Elimination of accumulated depreciation on revaluation	-	-	-	-	-	-	-	-	-	-	-
Net book value as at 30 June 2025	1,464,335	2,386,716	13,677,781	244,868	41,001	36,175	-	100,538	-	-	18,141,516
Year ended 30 June 2026											
Additions	-	-	**275,379**	**2,912**	**2,025**	**1,989**	-	**11,178**	-	-	**293,383**
Transfers from CWIP	-	-	**6,258**	-	-	-	-	-	-	-	**6,258**
Revaluation surplus	**3,153,335**	**2,956,383**	**163,682**	-	-	-	-	-	-	-	**6,275,400**
Adjustment for Surplus	-	**(2,043,326)**	**(11,020,665)**	-	-	-	-	-	-	-	**(13,063,991)**
Disposals / transfers:											
Cost	**(119,550)**	**(648,542)**	-	-	-	-	-	**(6,121)**	-	-	**(774,213)**
Accumulated Depreciation	-	**24,254**	-	-	-	-	-	**2,863**	-	-	**27,117**
Net book value	**(119,550)**	**(624,288)**					-	**(3,258)**	-	-	**(747,097)**
Depreciation charge for the year	-	**(228,610)**	**(697,037)**	**(12,363)**	**(2,100)**	**(3,767)**	-	**(10,681)**	-	-	**(954,578)**
Elimination of accumulated depreciation on revaluation	-	**2,043,326**	**11,020,665**	-	-	-	-	-	-	-	**13,063,991**
Net book value as at 30 June 2026	**4,488,120**	**4,492,203**	**13,626,063**	**235,517**	**40,927**	**34,277**	-	**97,777**	-	-	**23,014,882**

	Freehold land	Building on freehold land	Plant & Machinery	Factory tools and equipment	Furniture & fixtures	Office and hospital equipment	Library books	Vehicles	Leased Plant and Machinery	Leased Vehicles	TOTAL
						Rupees					
At 30 June 2025											
Cost/revalued amount	1,454,335	4,400,209	24,724,988	488,194	77,671	79,457	44	236,136	-	-	31,461,034
Accumulated depreciation	-	(2,013,492)	(10,847,206)	(243,226)	(36,670)	(43,282)	(44)	(135,598)	-	-	(13,319,518)
Net book value in Rupees	1,454,335	2,386,718	13,877,781	244,968	41,001	36,175	-	100,538	-	-	18,141,516
Annual rates (%) of depreciation	-	5	5	5	5	10	15	10	5	10	
At 30 June 2026											
Cost/revalued amount	**4,488,120**	**4,566,720**	**14,149,642**	**491,106**	**79,898**	**81,348**	**44**	**241,193**	**-**	**-**	**24,197,871**
Accumulated depreciation	**-**	**(174,522)**	**(523,576)**	**(255,589)**	**(38,770)**	**(47,070)**	**(44)**	**(143,416)**	**-**	**-**	**(1,182,989)**
Net book value in Rupees	**4,488,120**	**4,492,203**	**13,626,063**	**235,517**	**40,927**	**34,277**	**-**	**97,777**	**-**	**-**	**23,014,882**
Annual rates (%) of depreciation	-	5	5	5	5	10	15	10	5	10	

24.2 The revaluation of property, plant and equipment was carried out by an independent valuer named ArifEvaluators on September 20, 2025. Had there been no revaluation, the cost, accumulated depreciation and written down value of the revalued assets would have been as follows:

Particulars	As on June 30, 2026			As on June 30, 2025		
	Cost	Accumulated depreciation	WDV	Cost	Accumulated depreciation	WDV
Freehold Land	**1,334,785**	**-**	**1,334,785**	1,454,335	-	1,454,335
Building	**3,751,667**	**(2,107,213)**	**1,644,454**	4,400,209	(2,013,492)	2,386,718
Plant and Machinery	**25,006,625**	**(11,538,122)**	**13,468,503**	24,724,988	(10,847,206)	13,877,781
Total	30,093,077	(13,645,335)	16,447,742	30,579,532	(12,860,698)	17,718,834

24.3 **Depreciation charge for the year has been allocated as follows:**

	Note	2026 Rupees ('000')	2025 Rupees ('000')
Cost of sale		931,859	856,148
Administrative expenses		26,408	16,158
		958,267	872,306
Property, plant and equipment		954,578	868,422
Right of use asset		3,689	3,883
		958,267	872,305

24.3.1 No impairment relating to operating fixed assets has been recognised in the current year.

24.4 **Capital work in progress**

	Note	2026 Rupees ('000')	2025 Rupees ('000')
Plant and machinery		3,137	11,395
Civil work		-	-
		3,137	11,395

24.4.1 **Movement in capital work in progress**

	2026	2025
Opening	11,395	18,896
Additions during the year	-	266,171
	11,395	282,667
Transferred to operating assets	(8,258)	(271,472)
	3,137	11,395

	Note	2026 Rupees ('000')	2025 Rupees ('000')
23.4.2 Transfer to property, plant and equipment are represented by:			
Building		-	10,262
Plant and machinery		6,258	261,210
		6,258	271,472

24.5 Disposal of property, plant and equipment

The following operating fixed assets were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Relationship of purchaser with the Company	Mode of disposal	Buyer's name
	RUPEES							
Vehicles								
LE -20 - 9736	2,626,933	1,276,652	1,548,081	4,350,000	2,801,919	Third party	Negotiation	Nadeem Shahbaz
APW -19 - 903	3,294,485	1,584,120	1,710,365	5,220,000	3,509,635	Third party	Negotiation	Haroon rafique
Total	6,121,418	2,862,972	3,258,446	9,570,000	6,311,554			

24.6 Charge / mortgage on fixed assets has been disclosed in respective notes.

24.7 The Company's obligation under finance lease are secured by lessor's title to the leased assets, which have a carrying amount of Rs. 70.1 million (2025: Rs. 73.782 million).

24.8 Addition in property, plant & equipment includes capitalization of borrowing cost of Rs. 0.874 million (2025: Rs. 42.310 million).

24.9 Particulars of immovable assets of the Company are as follows:

Location	Addresses	Usage of immovable property	Total Area (Sq. ft.)	Covered Area (Sq. ft.)
Multan	Mouza Junglebhaera and mouza Muzafarabad Multan	Production Unit	6,917,232	2,993,436
Kasur	4km Raiwind Manga road, Raiwind, district Kasur	Production Unit	1,638,528	1,054,761

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

		Note	2026 Rupees ('000')	2025 Rupees ('000')
25	**RIGHT OF USE ASSET**			
	Present value of future lease payments		**73,782**	77,665
	Net book value as at the beginning of the year		**73,782**	77,665
	Depreciation charged during the year		**(3,689)**	(3,883)
	Balance as at the end of the year		**70,093**	73,782
26	**INVESTMENT PROPERTY**			
	Opening balance		**1,793,180**	1,542,570
	Transferred from Stock in trade	26.01	**190,125**	-
	Transfer from owner occupied property	26.02	**771,216**	-
	Revaluation gain / (loss) recognised through statement of profit or loss	26.03	**84,382**	250,610
	Closing Balance		**2,838,902**	1,793,180

26.01 During the year 2026, a property having carrying amount of Rs. 165 million is transferred from Stock in trade to investment property giving rise to fair value gain of Rs. 25.13 million.

26.02 During the year 2026, a property having carrying amount of Rs. 743.83 million is transferred from owner occupied property to investment property giving rise to fair value gain of Rs. 27.4 million which is recognized in other comprehensive income .

26.03 As of reporting date, the fair value of such investment property was determined by an independent external property valuer, Arif Evaluators, having appropriate recognised qualification and relevant experience. Forced sale value of above investment as at reporting date is Rs. 2,403.56 million.

		Note	2026 Rupees ('000')	2025 Rupees ('000')
27	**LONG TERM INVESTMENTS**			
	At fair value through other comprehensive income	27.1	**1,581**	1,575
	At fair value through statement of profit or loss	27.2	**373,890**	288,389
			375,471	289,964

27.1 Investment - at fair value through other comprehensive income

	2026	2025	2026	2025
	No. of Shares / Bonds		Rupees ('000')	Rupees ('000')
Quoted - at fair value				
Colony Woolen Mills Limited	70,506	70,506	**282**	282
Azgard Nine Limited	80,948	80,948	**899**	893
Colony Thal Textile Mills Limited	6	6	-	-
Unquoted - at cost	151,460	151,460	**1,181**	1,175
Government Compensation Bonds	400	400	**400**	400
	151,860	151,860	**1,581**	1,575

Government Compensation Bonds for Rs. 0.4 million (2025: Rs. 0.4 million) are receivable from the Federal Government in respect of shares held by the Company in the share capital of Multan Electric Supply Company Limited. The Company had challenged the withholding of these Bonds through writ petition filed in the Lahore High Court, Lahore, which is still pending for final adjudication.

27.2 Investment - at fair value through profit or loss

	2026	2025	2026	2025
	No. of Shares / Bonds		Rupees ('000')	Rupees ('000')
Quoted - at fair value				
- Investment in Imperial Limited	15,862,960	15,862,960	**373,890**	288,389
	15,862,960	15,862,960	**373,890**	288,389

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

28 LONG TERM DEPOSITS	Note	2026 Rupees ('000')	2025 Rupees ('000')
Electricity deposits		45,647	45,647
SNGPL deposits		15,147	8,146
Others	28.01	1,748	1,748
		62,542	55,541

28.01 This represents security deposits with General Post Office, Telephone and Telegram, Railways, Royal Palm Club, Suppliers etc.

29 STORES, SPARE PARTS AND LOOSE TOOLS	Note	2026 Rupees ('000')	2025 Rupees ('000')
Stores		114,748	121,589
Spares		168,244	160,657
Loose tools		27	510
		283,019	282,756
Less: Provision for slow moving items	29.01	1,415	865
		281,604	281,891
29.01 Provision for slow moving items			
Opening balance		865	1,398
Provision made during the year		1,415	865
		2,280	2,263
Less: Provision written off during the year		865	1,398
Closing balance		1,415	865

30 STOCK IN TRADE	Note	2026 Rupees ('000')	2025 Rupees ('000')
Textile			
Raw material		385,337	681,359
Work in process		201,891	265,450
Finished goods		1,536,533	1,807,652
		2,123,761	2,754,461
Real Estate Business			
Land held for development and resale	30.1	-	165,000
		2,123,761	2,919,461

30.1 During the year 2026, a property having carrying amount of Rs. 165 million is transferred from Stock in trade to investment property giving rise to fair value gain of Rs. 25.125 million.

31 TRADE DEBTS	Note	2026 Rupees ('000')	2025 Rupees ('000')
Foreign - secured:			
- Considered good		176,633	123,483
Local - unsecured:			
- Considered good		414,543	25,596
- Considered doubtful		-	1,225
		591,176	150,304
Less: Allowance for expected credit loss	31.01	2,073	1,225
		589,103	149,079
31.01 Allowance for expected credit loss			
Opening balance		1,225	1,110
ECL allowance provided during the year		2,073	1,225
		3,298	2,335
Less: ECL allowance written off during the year		1,225	1,110
Closing balance		2,073	1,225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees ('000')	2025 Rupees ('000')
32 LOANS AND ADVANCES			
Considered good:			
Secured:			
Loans to employees	32.01	**19,593**	18,319
Advances to:			
-Suppliers		**14,392**	20,466
-Letters of credit fee, margin and expenses		**154,473**	155,598
		188,458	194,383

32.01 The advances are given to employees as per company's HR policy.

	Note	2026 Rupees ('000')	2025 Rupees ('000')
33 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Deposits	33.01	**92,189**	92,189
Other receivables		**10,580**	10,559
		102,769	102,748

33.01 This represents deposits with sindh excise and taxation officer, General Post Office, margin against SNGPL guarantee, Revenue officer electricity wapda etc.

	Note	2026 Rupees ('000')	2025 Rupees ('000')
34 OTHER FINANCIAL ASSETS			
Other financial assets	34.01	**57**	41

34.01 These include shares of listed companies classified at fair value through statement of profit or loss.

2026 No. of Shares / Bonds	2025 No. of Shares / Bonds		Note	2026 Rupees ('000')	2025 Rupees ('000')
		Quoted - at fair value			
89	89	Oil and Gas Development Company Limited		**30**	20
250	250	Maple Leaf Cement Factory Limited		**27**	21
339	339			**57**	41

35 TAX REFUNDS DUE FROM THE GOVERNMENT		
Sales tax - gross	**2,366,638**	2,819,257
Less: provision for doubtful recovery	**(390,647)**	-
Sales tax - net	**1,975,990**	2,819,257
Income tax refundable / adjustable	**205,238**	88,888
	2,181,228	2,908,145

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

		Note	2026 Rupees ('000')	2025 Rupees ('000')
36	**CASH AND BANK BALANCES**			
	Cash in hand		**12,161**	12,254
	Cash at banks:			
	-in current accounts		**18,060**	34,209
	-in deposit accounts	36.01	**8**	278
			30,229	46,741

36.01 These carry profit / markup ranging from 7.00% to 13.30% (2025:7.00% to 11.30%) per annum.

		Note	2026 Rupees ('000')	2025 Rupees ('000')
37	**SALES**			
	Local:			
	Yarn and Fabric		**19,812,611**	15,700,102
	Processing fee		**52,406**	-
	Raw material sales		**-**	114,464
	Waste		**117,598**	175,212
			19,982,616	15,989,778
	Export:			
	Fabric		**579,842**	939,961
			579,842	939,961
			20,562,458	16,929,739
	Commission and duties		**(34,035)**	(41,667)
			20,528,423	16,888,072

37.01 Sales are shown net of sales tax, amounting Rs. 3,606 million (2025: 2,897 million).

		Note	2026 Rupees ('000')	2025 Rupees ('000')
38	**COST OF SALES**			
	Raw material consumed	38.01	**12,875,452**	7,535,860
	Stores consumed		**531,778**	531,883
	Staff salaries, wages and benefits	38.02	**1,385,093**	1,467,515
	Power and fuel		**6,404,397**	6,534,245
	Insurance		**41,844**	44,502
	Rent, rates and taxes		**7,580**	14,801
	Depreciation	24.3	**931,859**	856,146
	Other charges		**49,086**	60,850
			22,227,089	17,045,801
	Work in process:			
	Opening		**265,450**	420,267
	Closing		**(201,891)**	(265,450)
			63,560	154,817
	Cost of goods manufactured		**22,290,649**	17,200,618
	Finished goods:			
	Opening stock		**1,807,652**	2,828,680
	Closing stock		**(1,536,533)**	(1,807,652)
			271,119	1,021,028
	Balance brought forward		**22,561,769**	18,221,646

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees ('000')	2025 Rupees ('000')
Balance brought forward		22,561,769	18,221,646
Real estate:			
Opening stock		165,000	165,000
Closing stock		-	(165,000)
		-	-
		22,561,769	18,221,646
38.01 Raw material consumed			
Opening stock		681,359	790,006
Purchases including purchase expenses		12,579,429	7,427,213
		13,260,788	8,217,219
Closing stock		(385,337)	(681,359)
		12,875,452	7,535,860

38.02 Salaries, wages and other benefits include provision for staff retirement benefits for the year Rs. 43.29 million (2025: Rs. 48.68 million).

39 DISTRIBUTION COST	Note	2026 Rupees ('000')	2025 Rupees ('000')
Staff salaries and benefits		26,758	34,461
Freight		71,300	70,132
Rent and rates		600	595
Telecommunication		2,079	1,919
Export forwarding charges		79,681	125,452
Bank charges		1	44
Others		30	7,337
		180,450	239,940

40 ADMINISTRATIVE EXPENSES			
Staff salaries and benefits		222,267	277,683
Printing and stationery		406	664
Travelling and conveyance		15,525	15,673
Communication		3,174	3,936
Repair and maintenance		22,332	21,297
Insurance		6,937	6,686
Advertisement		68	173
Fee and subscription		5,144	5,025
Allowance for expected credit loss	31.01	2,073	1,225
Provision for slow moving stores, spares and loose tools	29.01	1,415	865
Entertainment		6,272	6,622
Auditors' remuneration	40.01	4,639	4,370
Donation	40.02	4,328	3,309
Expenses related to corporate social responsibilities		2,550	2,150
Legal and professional charges		6,445	5,470
Directors' meeting fee		450	450
Depreciation	24.30	26,408	16,159
Miscellaneous expenses		7,909	5,776
		338,342	377,533

40.01 Auditors' remuneration		
Statutory audit fee	3,928	3,700
Half yearly review fee	478	450
CCG review fee	159	150
Out of pocket expenses	74	70
	4,639	4,370

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

		Note	2026 Rupees ('000')	2025 Rupees ('000')
40.02	No director or his / her spouse had any interest in the donees' fund.			
41	**FINANCE COST**			
	Bank charges and commission		3,460	4,051
	Mark up on inland bill discounting		1,665	217
	Mark up on;			
	- Long term finance		1,112,065	1,159,985
	- Short term borrowings		168,029	240,530
			1,280,094	1,400,515
			1,285,219	1,404,783
42	**OTHER OPERATING CHARGES**			
	Exchange loss realized		4,129	2,492
	Reversal of unwinding benefit on deferred markup		6,879,588	-
	Provision for sales tax refundable	35	390,647	-
			7,274,365	2,492
43	**OTHER INCOME**			
	Income from financial assets			
	Profit on deposits with banks		4,971	18,293
	Gain on amortization of deferred mark up	16.02	-	932,882
	Gain on unwinding of loans at amortized cost		-	2,551
	Gain on remeasurement of investments		85,517	66,326
	Income from other than financial assets			
	Gain on sale of property, plant and equipment	24.5	6,312	7,917
	Gain on transfer of land		25,125	-
	Gain on revaluation of investment property	26	84,382	250,610
	Exchange gain realized		-	111
	Miscellaneous income		112,550	67,496
			318,856	1,346,187
44	**TAXATION AND LEVIES**			
	Levies - final and minimum tax:			
	-Final tax		-	-
	-Minimum tax		257,031	209,272
	Current tax levies		257,031	209,272
	-Prior years levies		2,418	5,689
			259,449	214,961
	Taxation:			
	-Current year		-	-
	-Prior years		-	-
			-	-
	Deferred Taxation		-	-
			-	-

- Income tax return has been filed to the income tax authorities up to and including tax year 2025 under the provisions of the Income Tax Ordinance, 2001.
- Provision for taxation and tax levies has been made in accordance with section 154 and 113 of the Income Tax Ordinance, 2001 ("The Ordinance"). There is no relation between aggregate tax expense and accounting profit. Accordingly, no numerical reconciliation has been presented.

		Note	2026 Rupees ('000')	2025 Rupees ('000')
45	**EARNINGS PER SHARE**			
	Basic Earnings per share:			
	Profit after taxation	Rupees ('000')	(11,052,315)	(2,227,096)
	Weighted average number of ordinary shares	Number ('000')	498,010	498,010
	Earning per share - basic and diluted	Rupees	(22.19)	(4.47)
	Diluted earnings per share:			

There is no dilutive effect on the basic earnings per share of the company because the company has no outstanding potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

46 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		EXECUTIVE DIRECTOR		NON-EXECUTIVES DIRECTORS		EXECUTIVES	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rupees ('000')	Rupees ('000')	Rupees ('000')	Rupees ('000')	Rupees ('000')	Rupees ('000')	Rupees ('000')	Rupees ('000')
Managerial remuneration	29,338	28,477	5,869	5,696	-	-	102,560	95,645
Retirement benefits	-	947	-	189	-	-	-	2,886
Medical	2,934	2,848	587	570	-	-	10,256	9,565
Meeting fee	-	-	-	-	450	450	-	-
	32,272	32,272	6,456	6,455	450	450	112,816	108,096
Number of Executives	1	1	1	1	5	5	58	65

46.01 Certain executives including Chief Executive Officer of the company are also provided with free use of Company's cars in accordance with their entitlements.

46.02 No remuneration was given to Non Executive Director except the fee paid for attending the meeting and as disclosed in note No. 40. Non Executive Directors include one independent director.

47 RELATED PARTY RELATION AND TRANSACTIONS

Following are the related parties with whom the Company had entered into transactions or had agreements and / or agreements in place during the year:

Name of Related Party	Relationship	Direct shareholding
Fareed Mughis Sheikh	CEO/ Director	41.55%
Muhammad Tariq	Director	0.00%
M. Atta Ullah Khan	Director	0.00%
Muhammad Shahzad Jamil	Director	0.00%
Syed Aftab Hussain Naqvi	Director	0.00%
Abdul Hakeem Khan Qasuria	Director	0.00%
Bisma Niazi	Director	0.00%
CTML Employees Contributory Provident Fund	Employee provident fund	

The Company in the normal course of business carries out transactions with various related parties which comprise of directors, key management personnel and post employment benefits plan. Remuneration of Chief Executive Officer is disclosed in note No. 46. Other significant transactions / balances with related parties are as follows:

Transactions with related parties:

Nature of transaction	Nature of Relationship	Note	2026 Rupees ('000')	2025 Rupees ('000')
Expense related to provident fund trust	Employees Fund	47.01	-	12,919

Balances with related parties:

Nature of Balance				
Director's Loan	Director	12	**120,000**	120,000

47.01 The related party status of outstanding balances as at 30 June 2026 related to employee provident fund trust are included in trade and other payables amounting to Rs. Nil (2025: Rs. Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

48 PLANT CAPACITY AND ACTUAL PRODUCTION		2026	2025
Installed capacity			
Spinning division:			
Ring spinning:			
Installed capacity converted into 20s count	Kgs	**124,807,256**	124,807,256
Open end spinning:			
Installed capacity converted into 20s count	Kgs	**16,665,729**	16,665,729
Weaving Division:			
Installed capacity converted into square meter @ 60 PPI	Meters	**121,824,244**	121,824,244
Actual production:			
Spinning division:			
Ring spinning:			
Production converted into 20s count	Kgs	**80,470,437**	54,609,619
Open end spinning:			
Production converted into 20s count	Kgs	**14,984,601**	10,941,145
Weaving Division:			
Production converted into square meter @ 60 PPI	Meters	**21,726,458**	23,616,036

Remarks:

It is difficult to describe precisely the production capacity in spinning / weaving mills since it fluctuates widely depending on various factors such as count of yarn spun, twist, fiber blend and fabric construction etc. It also significantly varies based on the pattern of production adopted throughout the year. Difference of actual production with installed capacity is in normal course of business.

49 NUMBER OF EMPLOYEES		2026	2025
The total and average number of employees during the year and		**Number**	Number
as at 30 June 2026 / 30 June 2025 are as follows:			
Average number of employees during the year	- factory	**1,790**	1,993
	- others	**603**	720
		2,393	2,713
Number of employees at the end of the year	- factory	**1,937**	1,642
	- others	**575**	631
		2,512	2,273

50 FINANCIAL INSTRUMENTS

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

- **Credit risk**
- **Liquidity risk**
- **Market risk**

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further, quantitative disclosures are included throughout these financial statements.

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

50.02 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from deposits, trade debts, loans, advances and other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

50.03 Exposure to credit risk

Credit risk principally arises from 'financial assets carried at amortized cost' held by the Company as at the reporting date. The maximum exposure to credit risk as at the reporting date is as follows:

Financial assets as per statement of financial position	2026 Rupees ('000')	2025 Rupees ('000')
Long term deposits	62,542	55,541
Trade debts	589,103	149,079
Loans and advances	174,066	173,917
Trade deposits and short term prepayments	102,769	102,748
Bank balances	18,068	34,487
Investment measured at fair value through other comprehensive income		
Unquoted - at cost	400	400
	946,949	516,172

The Company's credit risk exposures are categorized under the following headings:

Counter parties

The Company conducts transactions with the following major counterparties:

- Trade debtors

- Banks and other financial institutions

The Company has adopted a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Credit quality of investments and bank balances

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

Name of Bank	Rating Agency	Short term Rating	Long term rating	2026 (Rupees)	2025 (Rupees)
Bank AL Habib Limited	PACRA	A1+	AAA	739	238
National Bank of Pakistan	PACRA	A1+	AAA	197	155
Habib Metropolitan Bank Limited	PACRA	A1+	AAA	12	12
Standard Chartered Bank Limited	PACRA	A1+	AAA	41	41
United Bank Limited	VIS	A1+	AAA	101	123
Soneri Bank Limited	PACRA	A1+	AA	-	6,175
Bank Islami Pakistan Limited	PACRA	A1	AA-	8	258
Bank Alfalah Limited	PACRA	A1+	AAA	10	10
Dubai Islamic Bank	VIS	A1+	AA	244	244
The Bank of Punjab	PACRA	A1+	AAA	10,601	17,879
Bank Makramah Limited	VIS	A2	A-	200	2,521
Habib Bank Limited	VIS	A-1+	AAA	4,242	5,157
Allied Bank Limited	PACRA	A1+	AAA	-	-
Faysal Bank Limited	PACRA	A1+	AA+	1,674	1,674
				18,068	34,487

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

Credit risk related to trade debts

Trade debts are essentially due from local and foreign customers against sale of yarn, fabric and waste material and the Company does not expect these counter parties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed subject to established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on past experience with the customer. Outstanding customer receivables are regularly monitored and any shipments to foreign customers are generally covered by letters of credit.

Trade receivables are non-interest bearing and are generally on 60 to 90 days credit terms.

Impairment losses

The aging of trade debts and loans to employees at the reporting date was:

	2026 Rupees ('000')	2025 Rupees ('000')
0 to 30 days	**395,652**	133,918
31 to 180 days	**79,130**	26,784
181 to 360 days	**103,478**	5,470
Over one year	**30,435**	1,225
	608,696	167,397

Trade debts include debtors with a carrying amount of Rs. 2.225 million (2025: Rs. 1.125 million) which are past due at the reporting date but not impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Concentration of credit risk

Trade debts consist of a large number of diversified customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable where appropriate. Geographically, there is no concentration of credit risk.

Credit risk related to banks and other financial institutions

Credit risk on balances with banks is managed by management in accordance with the Company's policy. Excess funds are placed in deposits with reputable banks and financial institutions.

50.04 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer. Furthermore, support from sponsors in the form of interest free loans to meet liquidity shortfall is also contributory to minimize liquidity risk.

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note No. 18.02 is a list of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

50.04.1 Exposure to liquidity risk

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

	30 June 2026										
	Interest/mark-up bearing					Non interest/mark-up bearing					
		Contractual Cashflows					Contractual Cashflows				
	Carrying Amount	On Demand	Maturity within one year	Maturity after one year	Sub Total	Carrying Amount	On demand	Maturity within one year	Maturity after one year	Sub Total	Total
Financial Liabilities:											
- Deffered Markup	-	-	-	-	-	11,367,916	11,367,916	-	-	11,367,916	11,367,916
- Long term financing	7,644,308	7,483,835	82,103	101,463	7,667,401		-	-	-	-	7,667,401
- Director's loan	-	-	-	-	-	120,000	-	-	120,000	120,000	120,000
- Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	-
- Short-term borrowings	1,483,477	-	1,483,477	-	1,483,477	1,483,477	-		-	-	1,483,477
- Trade and other payables	-	-	-	-	-	8,612,375	-	8,612,375	-	8,612,375	8,612,375
- Unclaimed dividend	-	-	-	-	-	94		94	-	94	94
- Accrued mark up	-	-	-	-	-	828,162	-	828,162	-	828,162	828,162
	9,127,785	7,483,835	1,565,580	101,463	9,150,878	22,412,024	11,367,916	9,440,631	120,000	20,928,547	30,079,425

	30 June 2025										
	Interest/mark-up bearing					Non interest/mark-up bearing					
		Contractual Cashflows					Contractual Cashflows				
	Carrying Amount	On Demand	Maturity within one year	Maturity after one year	Sub Total	Carrying Amount	On demand	Maturity within one year	Maturity after one year	Sub Total	Total
Financial Liabilities:											
- Deffered Markup	-		-	-	-	10,276,376	-	-	10,276,376	10,276,376	10,276,376
- Long term financing	7,670,958	-	1,978,679	5,692,279	7,670,958	-	-	-	-	-	7,670,958
- Director's loan	-	-	-	-	-	120,000	-	-	120,000	120,000	120,000
- Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-	-
- Short-term borrowings	1,510,455	-	1,510,455	-	1,510,455	-	-	-	-	-	1,510,455
- Trade and other payables	-	-	-	-	-	7,047,400	-	7,047,400	-	7,047,400	7,047,400
- Unclaimed dividend	-	-	-	-	-	94	-	94	-	94	94
- Accrued mark up	-	-	-	-	-	684,879	-	684,879	-	684,879	684,879
	9,181,413	-	3,489,134	5,692,279	9,181,413	18,128,749	-	7,732,373	10,396,376	18,128,749	27,310,162

Effective markup/interest rates have been disclosed in respective notes to the financial statements.

50.05 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

50.05.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The Company is exposed to currency risk on trade debts which are denominated in currency other than the functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

Statement of financial position items

	2026		2025	
	Rupees ('000')	US $ ('000')	Rupees ('000')	US $ ('000')
Trade debts	176,633	635	123,483	435
L/C Margins	154,473	555	155,598	548

Off statement of financial position commitments

	2026		2025	
	Rupees ('000')	US $ ('000')	Rupees ('000')	US $ ('000')
Letter of credit	-	-	-	-

The following US Dollar exchange rates were applied during the year:	2026	2025
	Rupees	Rupees
Average rate	280.96	279.64
Statement of financial position date rate	278.16	283.76

Sensitivity analysis - foreign currency

A five percent appreciation in Pak Rupee against foreign currencies would have decreased surplus for the year and total funds and reserves as at the reporting date by Rs.8,832 (2025: Rs.6,174). A five percent depreciation in Pak Rupee would have had an equal but opposite effect on surplus for the year and total funds and reserves. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for taxation for the year. (Amounts are in Rupees in thousand).

50.05.2 Interest rate risk

Interest / markup rate risk arises from the possibility that changes in interest / markup rates will affect the value of financial instruments. The Company has significant amount of interest based financial assets and financial liabilities which are largely based on variable interest / markup rates, therefore the Company has to manage the related finance cost which exposes it to the risk of 1 month, 3 months and 6 months KIBOR. Since the impact on interest rate exposure is significant to the Company, management is considering the alternative arrangement to manage interest rate exposure in future.

Fixed rate instruments	Note	2026 Rupees ('000')	2025 Rupees ('000')
There are no fixed rate instruments.		-	-
Variable rate instruments			
Financial assets			
Cash in deposit accounts	36	8	278
Financial liabilities			
Long term finance	14	7,644,308	7,670,958
Short term finance	18	1,483,477	1,510,455
		9,127,785	9,181,413

Sensitivity analysis - interest rate

An increase of 100 basis points in interest rates as at the reporting date would have decreased surplus for the year and total funds and reserves as at the reporting date by Rs.91,278 (2025: Rs.91,814). A decrease of 100 basis points would have had an equal but opposite effect on surplus for the year and total funds and reserves. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year. (Amounts are in rupees in thousand).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

50.05.3 Price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to 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.

Investments exposed to price risk

The Company is exposed to equity securities price risk because of investments held by the Company and measured at fair value through profit or loss or other comprehensive income. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board. The primary goal of the Company's investment strategy is to maximise investment returns.

At the reporting date, the Company's investment in quoted equity securities held at fair value is as follows:

	2026	2025
	Rupees ('000')	Rupees ('000')
Investment in equity securities	**374,845**	289,323

The above investments in equity instruments are publicly traded on the Pakistan Stock Exchange Limited.

The table below summarises the impact of increases / decreases of the KSE-100 index on the Company's equity. The analysis is based on the assumption that the KSE-100 index had increased / decreased by 10% with all other variables held constant and all the Company's equity investments moved according to the historical correlation with the index:*

Impact on profit & loss		**Impact on other components of equity**	
2026	2025	**2026**	2025
Rupees ('000')	Rupees ('000')	**Rupees ('000')**	Rupees ('000')
37,395	28,843	**90**	89

Price risk management

The Company manages price risk by monitoring exposure in quoted equity securities and implementing strict discipline in internal risk management and investment policies. The carrying value of investments subject to equity price risk are based on quoted market prices as at reporting date. Market prices are subject to fluctuation and consequently, the amount realized in the subsequent sale of an investment may significantly differ from reported market value. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized on the sale of a particular security may be affected by the relative quantity of the security being sold.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

50.05.4 Financial instruments by category

The following table shows the carrying amounts of financial assets and financial liabilities by categories:

Particulars	2026				2025			
	At amortised cost	Fair Value through profit or loss	Fair Value through OCI	Total	At amortised cost	Fair Value through profit or loss	Fair Value through OCI	Total
	Rupees ('000')				Rupees ('000')			
Long term investments	-	373,890	1,581	375,471	-	288,389	1,575	289,964
Long term deposits	62,542	-	-	62,542	55,541	-	-	55,541
Trade debts	589,183	-	-	589,183	149,079	-	-	149,079
Loans and advances	174,066	-	-	174,066	20,466	-	-	20,466
Trade deposits and short term prepayments	102,769	-	-	102,769	102,748	-	-	102,748
Other financial assets	-	57	-	57	-	41	-	41
Cash and bank balances	30,229	-	-	30,229	46,741	-	-	46,741
	958,789	373,947	1,581	1,334,237	374,575	288,430	1,575	664,580
Long term financing	7,644,308	-	-	7,644,308	7,670,958	-	-	7,670,958
Trade and other payables	5,678,698	-	-	5,678,698	7,047,400	-	-	7,047,400
Short term borrowings	1,483,477	-	-	1,483,477	1,510,455	-	-	1,510,455
Accrued mark up	828,162	-	-	828,162	684,879	-	-	684,879
Unclaimed dividend	94	-	-	94	94	-	-	94
Deferred Mark up	11,367,916	-	-	11,367,916	3,455,948	-	-	3,455,948
	27,002,656	-	-	27,002,656	20,369,734	-	-	20,369,734

50.06 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirements to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

50.06.1 Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	2026			
	Level 1	Level 2	Level 3	Total
Financial assets:	Rupees ('000')			
- Other Financial assets	57	-	-	57
- Long Term Investment through profit & loss - Imperial Limited	373,890	-	-	373,890
- Long Term Investment through other comprehensive income	899	-	282	1,181
Non Financial asset at Fair Value				
- Property Plant and Equipment	-	22,606,386	-	22,606,386
- Investment Property	-	2,838,902	-	2,838,902
	374,845	25,445,288	282	25,820,415

	2025			
	Level 1	Level 2	Level 3	Total
Financial assets:	Rupees ('000')			
- Other Financial assets	41	-	-	41
- Long Term Investment through profit & loss	288,389	-	-	288,389
- Long Term Investment through other comprehensive income	893	-	282	1,175
Non Financial asset at Fair Value				
- Property Plant and Equipment	-	-	-	-
- Investment Property	-	1,793,180	-	1,793,180
	289,323	1,793,180	564	2,083,067

51 CAPITAL MANAGEMENT

The Company's objectives, policies and processes for managing capital are as follows:

- The Company is not subject to any externally imposed capital requirements.
- The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
- Consistently with others in the industry, the company monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e., share capital, reserves and unappropriated profit).
- The Company's strategy is to maintain its debt-to-adjusted capital ratio between 40% to 60%. The debt-to-adjusted capital ratios at 30 June 2026 and 30 June 2025 were as follows:

	Note	2026 Rupees ('000')	2025 Rupees ('000') Restated
Total debt		**9,127,785**	9,181,413
Less: Cash and cash equivalents		**30,229**	46,741
Net debt		**9,097,556**	9,134,671
Total equity		**1,350,104**	6,055,279
Total capital employed		**10,447,660**	15,189,950
Gearing ratio (%)		**87.08%**	60.14%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

52 NON ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There were no non-adjusting events after the statement of financial position date.

	Note	2026 Rupees ('000')	2025 Rupees ('000')
53 CASH GENERATED FROM OPERATIONS			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation and levies		(10,792,866)	(2,012,134)
Adjustments for:			
Provision for staff retirement benefits		87,645	42,280
Depreciation		958,267	872,305
Finance cost		1,285,219	1,404,783
Share of (gain) / loss from investment in IML		(85,501)	(66,307)
Loss/(gain) on remeasurement of short term investments		(16)	(19)
Reversal of unwinding benefit on deferred markup		6,879,588	-
Revaluation loss / (gain) on investment property		(84,382)	(250,610)
Provision for slow moving stores, spares and loose tools		1,415	865
Provision for sales tax refundable		390,647	-
Loss allowance for doubtful trade debts		2,073	1,225
Revaluation gain on transfer of property to investment property		(25,125)	-
Amortization of deferred mark up		-	(932,882)
Gain on amortization of long term loan		-	(2,551)
(Gain)/loss on disposal of property, plant and equipment		(6,312)	(7,917)
		9,403,518	1,061,171
Operating cash flows before working capital changes carried forward		(1,389,348)	(950,963)
Changes in working capital:			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(1,128)	100,307
Stock-in-trade		638,700	1,284,492
Trade debts		(442,097)	52,227
Loans and advances		5,925	106,908
Sales tax refund due from government		452,619	169,584
Trade deposits and short term prepayments		(21)	(385)
Increase / (decrease) in current liabilities:			
Trade and other payables		1,564,975	46,916
		2,210,974	1,760,049
Cash generated from operations		821,626	809,086

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

54 DISCLOSURE REQUIREMENT FOR SHARIAH COMPLIANT COMPANIES

	Note	2026 Rupees ('000')	2025 Rupees ('000')
Statement of Financial Position - Liability Side			
Financing - Obtained as per Islamic mode			
- Long term borrowings		**71,597**	31,089
Interest or mark-up accrued on any Islamic financing		**-**	-
Interest or mark-up accrued on any conventional loan		**828,162**	684,879
Statement of Financial Position - Asset Side			
Long-term and short-term Shariah compliant Investments			
- Long term investments		**899**	893
- Other financial assets		**57**	41
Shariah-compliant bank deposits, bank balances, and TDRs			
- Bank Balances		**-**	-
Statement of Profit or Loss			
Revenue earned from Shariah-compliant business segment		**20,528,423**	16,888,072
Sources and detailed breakup of other income			
Shariah complaint income:			
Gain on sale of property, plant and equipment		**6,312**	7,917
Gain on revaluation of investment property		**84,382**	250,610
Gain on Transfer of Land to investment property		**25,125**	-
Exchange gain - realized		**-**	111
Miscellaneous income		**112,550**	67,496
		228,368	326,134
Non - shariah compliant:			
Profit on deposits with banks (conventional)		**4,971**	18,293
Gain on amortization of deferred mark up		**-**	932,882
Gain on unwinding of loans at amortized cost		**-**	2,551
Gain on remeasurement of investments		**85,517**	66,326
		90,488	1,020,053
	43	**318,856**	1,346,187

54.1 Relationship with Shariah-compliant financial institutions:

Name	Relationship
Bank Islami Pakistan Limited	Long term financing

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

55 SEGMENT REPORTING

	Spinning		Weaving		Real estate		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rupees ('000')							
Sales:								
Total	19,233,378	15,220,794	1,295,045	1,731,284	-	-	20,528,423	16,952,078
Intersegment	-	(64,006)	-	-	-	-	-	(64,006)
	19,233,378	15,156,788	1,295,045	1,731,284	-	-	20,528,423	16,888,072
Cost of Sales	20,982,445	15,670,616	1,579,324	2,551,030	-	-	22,561,769	18,221,646
Gross profit / (loss)	(1,749,067)	(513,828)	(284,279)	(819,746)	-	-	(2,033,346)	(1,333,574)
Distribution Cost	167,818	191,952	12,631	47,988	-	-	180,450	239,940
Administrative expenses	314,658	294,475	23,684	83,057	-	-	338,342	377,532
	482,476	486,427	36,315	131,045	-	-	518,792	617,472
	(2,231,543)	(1,000,255)	(320,594)	(950,791)	-	-	(2,552,138)	(1,951,046)
Finance cost	1,028,175	913,109	257,044	491,674	-	-	1,285,219	1,404,783
Profit / (loss) before unallocated income and expenses	(3,259,719)	(1,913,363)	(577,638)	(1,442,465)	-	-	(3,837,357)	(3,355,829)
Unallocated income and expenses								
Other operating charges							7,274,365	2,492
Other income							318,856	1,346,187
Profit before tax							(10,792,866)	(2,012,134)
Taxation							259,449	214,961
Profit after tax for the year							(11,052,315)	(2,227,096)
Other comprehensive income:								
Revaluation surplus during the year							6,302,777	-
Remeasurement (loss) / gain of defined benefit obligation							44,357	(22,830)
Net fair value gain / (loss) on investment through FVOCI							6	282
Total comprehensive profit for the year							(4,705,175)	(2,249,644)

Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Total	
	2026	2025	2026	2025	2026	2025
	Rupees ('000')					
Total assets for reportable segments	12,468,661	9,842,414	10,621,452	8,384,279	23,090,113	18,226,693
Unallocated assets:						
Investment property					2,838,902	1,793,180
Long term investments					375,471	289,964
Cash and bank balances					30,229	46,741
Other corporate assets					5,529,522	6,611,289
Total assets as per statement of financial position					31,864,237	26,967,867
Unallocated liabilities:						
Directors' loan					120,000	120,000
Provision for taxation					313,674	280,915
Other corporate liabilities					31,430,563	26,566,952
Total liabilities as per statement of financial position					31,864,237	26,967,867

Geographical information

The Company's revenue from external customers by geographical locations is detailed below:

	Spinning		Weaving		Total	
	2026	2025	2026	2025	2026	2025
	Rupees ('000')					
Europe	-	-	107,572	373,539	107,572	373,539
USA	-	-	460,906	496,616	460,906	496,616
Africa	-	-	11,364	34,820	11,364	34,820
Asia	-	-	-	39,381	-	39,381
	-	-	579,842	944,356	579,842	944,356

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

56 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

57 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved and authorized for issue on 06 November 2026 by the Board of Directors of the Company.

58 GENERAL

- Figures have been rounded off to the nearest Rupees in thousand except where stated otherwise.
- Corresponding figures have been rearranged/reclassified, wherever necessary, to facilitate comparison.

Chief Financial Officer | Director | Chief Executive Officer

PATTERN OF SHAREHOLDING REPORT

AS ON JUNE 30, 2026

Number of ShareHolders	Shareholding		Total Number of Share Held	Percentage of Total Capital
	From	To		
243	1 -	100	6,635	0.00
401	101 -	500	126,524	0.03
417	501 -	1000	333,638	0.07
864	1001 -	5000	2,340,103	0.47
333	5001 -	10000	2,555,362	0.51
99	10001 -	15000	1,246,541	0.25
93	15001 -	20000	1,696,396	0.34
43	20001 -	25000	1,002,149	0.20
32	25001 -	30000	902,890	0.18
32	30001 -	35000	1,053,275	0.21
24	35001 -	40000	915,394	0.18
16	40001 -	45000	679,811	0.14
24	45001 -	50000	1,175,678	0.24
7	50001 -	55000	364,749	0.07
15	55001 -	60000	869,352	0.17
6	60001 -	65000	376,662	0.08
9	65001 -	70000	610,799	0.12
5	70001 -	75000	368,615	0.07
9	75001 -	80000	712,685	0.14
4	80001 -	85000	338,500	0.07
5	85001 -	90000	439,074	0.09
4	90001 -	95000	371,357	0.07
9	95001 -	100000	891,574	0.18
4	100001 -	105000	409,234	0.08
3	105001 -	110000	325,889	0.07
3	110001 -	115000	337,471	0.07
4	115001 -	120000	467,067	0.09
1	120001 -	125000	123,290	0.02
2	125001 -	130000	256,500	0.05
3	130001 -	135000	402,069	0.08
2	135001 -	140000	276,184	0.06
1	140001 -	145000	140,464	0.03
2	145001 -	150000	293,000	0.06
3	155001 -	160000	473,640	0.10
2	160001 -	165000	325,916	0.07

PATTERN OF SHAREHOLDING REPORT

AS ON JUNE 30, 2026

Number of ShareHolders	Shareholding		Number of Share Held	% of Capital
	From	To		
1	165001 -	170000	165,091	0.03
2	170001 -	175000	345,000	0.07
1	175001 -	180000	180,000	0.04
1	180001 -	185000	180,485	0.04
1	185001 -	190000	189,000	0.04
1	190001 -	195000	193,427	0.04
5	195001 -	200000	999,000	0.20
1	205001 -	210000	206,000	0.04
1	215001 -	220000	215,054	0.04
2	220001 -	225000	447,500	0.09
1	240001 -	245000	241,123	0.05
2	245001 -	250000	498,500	0.10
2	265001 -	270000	536,500	0.11
1	270001 -	275000	274,297	0.06
1	295001 -	300000	300,000	0.06
1	305001 -	310000	307,000	0.06
2	325001 -	330000	656,600	0.13
1	335001 -	340000	340,000	0.07
1	340001 -	345000	342,605	0.07
1	350001 -	355000	352,500	0.07
1	355001 -	360000	357,704	0.07
1	370001 -	375000	370,945	0.07
2	395001 -	400000	796,351	0.16
1	445001 -	450000	447,373	0.09
1	450001 -	455000	452,508	0.09
1	465001 -	470000	467,909	0.09
1	470001 -	475000	471,316	0.09
1	480001 -	485000	483,404	0.10
1	495001 -	500000	500,000	0.10
2	510001 -	515000	1,026,626	0.21
1	515001 -	520000	516,717	0.10
1	540001 -	545000	540,600	0.11
1	625001 -	630000	626,558	0.13
1	635001 -	640000	637,500	0.13
1	705001 -	710000	705,758	0.14

PATTERN OF SHAREHOLDING REPORT

AS ON JUNE 30, 2026

Number of ShareHolders	Shareholding		Number of Share Held	% of Capital
	From	To		
2	725001 -	730000	1,454,272	0.29
1	895001 -	900000	897,000	0.18
1	1065001 -	1070000	1,069,498	0.21
1	1755001 -	1760000	1,760,000	0.35
1	1975001 -	1980000	1,979,000	0.40
1	2035001 -	2040000	2,039,500	0.41
1	2365001 -	2370000	2,368,863	0.48
1	2410001 -	2415000	2,413,500	0.48
1	3050001 -	3055000	3,054,000	0.61
1	6825001 -	6830000	6,828,342	1.37
1	7120001 -	7125000	7,124,400	1.43
1	12250001 -	12255000	12,251,186	2.46
1	12640001 -	12645000	12,644,702	2.54
1	15855001 -	15860000	15,858,576	3.18
1	19950001 -	19955000	19,950,652	4.01
1	24280001 -	24285000	24,282,881	4.88
1	24295001 -	24300000	24,298,517	4.88
1	33895001 -	33900000	33,895,628	6.81
1	48340001 -	48345000	48,344,892	9.71
1	49750001 -	49755000	49,754,204	9.99
1	55710001 -	55715000	55,713,402	11.19
1	131445001 -	131450000	131,447,506	26.39
2,793	**Total**		**498,009,959**	**100.00**

PATTERN OF SHAREHOLDING REPORT

AS ON JUNE 30, 2026

CATEGORIES OF SHAREHOLDERS
AS ON JUNE 30, 2026

	CATEGORIES OF SHAREHOLDERS		NO. OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE
A)	Directors/Chief Executive Officer and their spouse and minor Children				
	1	Fareed Mughis Sheikh	5	206,944,010	41.55
	2	Muhammad Tariq	2	6,337	0.00
	3	Muhammad Atta Ullah Khan	1	1,000	0.00
	4	Muhammad Shahzad Jamil	1	1,000	0.00
	5	Abdul Hakeem Khan Qasuria	1	1,000	0.00
	6	Syed Aftab Hussain Naqvi	1	500	0.00
	7	Bisma Niazi	1	1,000	0.00
		SPOUSE			
	8	Mahnaz Fareed Sheikh	2	74,347	0.01
		TOTAL: -	14	207,029,194	41.57
B)	Executives				
		N/A	-	-	0.00
C)	Associated Companies, Undertakings and related parties		-	-	0.00
D)	Public Sectors Companies & Corporations		-	-	0.00
E)	NIT and IDBP (ICP UNIT)		-		0.00
F)	Banks, Development Financial Institutions & Non-Banking Financial Institutions		11	1,750,944	0.35
G)	Insurance Companies		6	170,888	0.03
H)	Modarabas & Mutual Funds		2	1,469,498	0.30
I)	*Shareholding 10% or more		1	206,944,010	41.55
J)	Joint Stock Companies		25	2,658,439	0.53
K)	Investment Companies		4	3,150,792	0.63
L)	Others		2	113,984	0.02
M)	General Public		2,729	281,666,220	56.56
		TOTAL: -	2,793	498,009,959	100.00

* Shareholders having 10% or above shares exist in other categories therefore not included in total.

Shareholding Detail of 10% or more

Name of Shareholder	Shares held	%Age
Fareed Mughis Sheikh	206,944,010	41.55
TOTAL :-	206,944,010	41.55

Financial Highlights

	Year Ended June 30, 2026 (Rupees 000)	Year Ended June 30, 2025 (Rupees 000)	Year Ended June 30, 2024 (Rupees 000)	Year Ended June 30, 2023 (Rupees 000)	Year Ended June 30, 2022 (Rupees 000)	Year Ended June 30, 2021 (Rupees 000)
Operating performance						
Sales-net	20,528,423	16,888,072	16,764,028	20,852,724	30,817,244	25,468,528
Gross profit	(2,033,346)	(1,333,574)	(2,386,589)	(603,464)	2,883,998	2,229,023
Profit/(Loss) before taxation	(11,052,315)	(2,012,134)	(3,427,658)	650,917	962,034	1,121,325
Profit/(Loss) after taxation	(11,052,315)	(2,234,018)	(3,641,199)	824,377	286,311	748,256
Financial position						
Property, plant & equipment						
Property, plant and equipment-net	23,084,976	18,215,298	18,732,936	19,054,709	18,885,685	18,211,729
Capital work in progress	5,137	11,395	16,696	104,230	569,050	527,287
	23,090,113	18,226,693	18,749,632	19,158,938	19,454,735	18,739,015
Current assets						
Stores, spare parts, loose tools and stock in trade	261,604	3,201,352	4,586,151	4,846,909	5,361,942	5,160,871
Other current assets	5,185,376	3,354,396	3,703,166	4,335,258	4,111,737	2,911,549
Cash and cash equivalents	30,229	46,741	87,878	90,916	21,053	54,796
	5,497,209	6,602,489	8,377,195	9,273,083	9,494,732	8,127,216
Current liabilities						
Short term bank borrowings	1,483,477	1,510,455	1,572,646	2,881,132	3,597,762	2,993,518
Current portion of long term financing	11,367,916	1,978,679	1,296,174	1,005,992	969,475	830,584
Other current liabilities	17,306,940	8,013,287	7,792,963	4,460,461	3,313,508	2,373,206
	30,158,333	11,502,421	10,661,783	8,347,585	7,880,745	6,197,309
Number of shares	498,010	498,010	498,010	498,010	498,010	498,010
Ratios						
Gross profit ratio	-9.91%	-7.90%	-14.24%	-2.89%	9.36%	8.75%
Net profit ratio	-53.84%	-13.23%	-21.72%	3.95%	0.93%	2.94%
Earning per share	(22.19)	(4.49)	(7.31)	1.66	0.57	1.50
Current ratio	0.18	0.57	0.79	1.11	1.20	1.31
Captial structure ratio						
Debt to equity	0.96	0.60	0.51	0.41	0.41	0.44

ماحولیاتی تحفظ

کمپنی اپنے آپریشنز میں ماحولیاتی پہلوؤں کو ملحوظ رکھتی ہے اور ماحول پر اثرات کم کرنے والے اقدامات کو شامل کرنے کی کوشش کرتی ہے۔ جہاں عملاً ممکن ہو، وسائل کے ضیاع میں کمی اور توانائی کی کارکردگی بہتر بنانے کے لیے فیکٹری کے عمل کا جائزہ لے کر انہیں بہتر بنایا جاتا ہے۔

صحت اور حفاظت

کمپنی ملازمین، ٹھیکیداروں اور عوام کے لیے مناسب آلات، حفاظتی نظاموں اور عملی طریقہ کار کے ذریعے محفوظ کام کے حالات برقرار رکھنے کی کوشش کرتی ہے۔

تنوع، مساوات اور شمولیت

کمپنی اپنی افرادی قوت میں تنوع، مساوات اور شمولیت کے فروغ کے لیے پر عزم ہے۔ بھرتی کے طریقوں میں مساوی روزگار کے مواقع اور بغیر کسی امتیاز کے قابلیت، صلاحیتوں اور ادارہ جاتی ضروریات کی بنیاد پر انتخاب پر زور دیا جاتا ہے۔ کمپنی ملازمین کی ترقی اور شمولیت کے مواقع فراہم کرنے کی بھی کوشش کرتی ہے اور جہاں وسائل اجازت دیں تعلیم، صحت اور سماجی بہبود سے متعلق کمیونٹی پر مبنی اقدامات کی معاونت کرتی ہے۔

اظہارِ تشکر

بورڈ آف ڈائریکٹرز ایک اور انتہائی مشکل سال کے دوران کمپنی کے تمام سطحوں کے ملازمین کی لگن، تعاون اور محنت کو دل کی گہرائیوں سے سراہتا ہے اور اسے ریکارڈ پر لاتا ہے۔ بورڈ مالیاتی اداروں، حصص یافتگان، سپلائرز، صارفین اور کاروباری شراکت داروں کا بھی ان کی مسلسل معاونت پر شکریہ ادا کرتا ہے۔ کمپنی کو بدستور اہم مالی اور عملی چیلنجوں کا سامنا ہے۔ انتظامیہ کارکردگی کو متاثر کرنے والے بنیادی عوامل، بشمول خام مال کی لاگت اور دستیابی، محدود فنانسنگ سہولیات، کم صلاحیتی استعمال، توانائی کی بلند لاگت، عملی ناکارگیوں اور کمزور ملکی مارکیٹ قیمتوں، کے حل پر توجہ مرکوز رکھے ہوئے ہے۔ انتظامیہ خریداری کے انتظامات بہتر بنانے، بینکوں کے ساتھ تعلقات مضبوط کرنے، میتو فیکچرنگ کی کارکردگی بڑھانے، صلاحیتی استعمال بہتر بنانے اور کمپنی کے مالی بوجھ میں کمی کے اقدامات پر بھی کام کر رہی ہے۔ بورڈ تمام اسٹیک ہولڈرز کے ساتھ مل کر کمپنی کے موجودہ چیلنجوں کے حل اور اس کی مالی و عملی کارکردگی میں پائیدار بہتری کے لیے ضروری حالات پیدا کرنے کے لیے پر عزم ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

فرید مغیث شیخ
چیف ایگزیکٹو آفیسر

عبدالحکیم خان قصوریہ
ڈائریکٹر

لاہور: 06 نومبر 2026ء

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کوڈ آف کارپوریٹ گورننس کی تعمیل میں، کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے بارے میں درج ذیل بیانات دیے جاتے ہیں۔

کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے اس کے معاملات کی صورتحال، عملی نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز نے وژن اور مشن کا بیان اور مجموعی کارپوریٹ حکمت عملی کا بیان اختیار کیا ہے۔

قانونی تقاضوں کے مطابق کمپنی کے حسابات کی مناسب کتب رکھی گئی ہیں۔

ضابطہ اخلاق و کاروباری طرز عمل مرتب کر کے کمپنی کے ہر ڈائریکٹر اور ملازم تک پہنچایا جا چکا ہے اور ان سب نے اس کی تصدیق کی ہے۔

مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل بنیادوں پر اطلاق کیا گیا ہے، سوائے اکاؤنٹنگ پالیسی میں اس تبدیلی کے جو مالیاتی گوشواروں کے نوٹ 8 میں بیان کی گئی ہے، اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔

مالیاتی گوشواروں کی تیاری میں آئی ایف آر ایس اکاؤنٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں لاگو ہیں، کی پیروی کی گئی ہے۔

اندرونی کنٹرول کا نظام مناسب طور پر وضع کیا گیا ہے اور اس کا وقتاً فوقتاً جائزہ اور نگرانی کی جاتی ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان اس رپورٹ کے ساتھ منسلک ہے۔

لاگو لسٹنگ ریگولیشنز میں بیان کردہ کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں سے کوئی انحراف نہیں کیا گیا۔

کمپنی حفاظتی قواعد و ضوابط کی تعمیل کرتی ہے اور ماحول دوست پالیسیوں پر عمل پیرا رہتی ہے۔

اس مالی سال کے اختتام، جس سے بیلنس شیٹ متعلق ہے، اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور واقعے وقوع پذیر نہیں ہوئے، سوائے ان کے جو مالیاتی گوشواروں میں ظاہر کیے گئے ہیں۔

کمپنی کے قیام سے اب تک کے اہم عملی اور مالیاتی اعداد و شمار خلاصے کی صورت میں منسلک ہیں۔

کمپنی کی موجودہ مالی حالت کے پیش نظر ڈائریکٹرز نے کسی ڈیویڈنڈ کی سفارش نہیں کی۔

واجب الادا ٹیکسوں اور دیگر سرکاری محصولات کے بارے میں معلومات مالیاتی گوشواروں کے متعلقہ نوٹس میں دی گئی ہیں۔

پائیداری کے خطرات، انتظام اور ڈی ای اینڈ آئی (تنوع، مساوات و شمولیت) اقدامات

رسک مینجمنٹ اور تدارک

کمپنی نے متعلقہ عملی اور پائیداری کے خطرات کے انتظام اور تدارک کے لیے متعدد اقدامات اختیار کیے ہیں۔

ضابطہ اخلاق

ڈائریکٹرز نے ضابطہ اخلاق مرتب کیا ہے، ساتھ ہی اس پر عمل درآمد کے طریقہ کار بھی وضع کیے ہیں۔ تمام متعلقہ افراد اس کی تصدیق کر چکے ہیں۔

تعمیل ضوابط کا بیان

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل کا بیان، جس کا آڈیٹرز نے باقاعدہ جائزہ لیا ہے، سالانہ رپورٹ کے ساتھ منسلک ہے۔

بنیادی خطرات

جن بنیادی خطرات سے کمپنی دوچار ہے ان میں توانائی کی بلند لاگت، خام مال کی بلند قیمتیں، براہ راست درآمدی سہولیات اور فنانسنگ تک محدود رسائی، ملکی منڈی کی کمزور قیمتیں، درآمدی ٹیکسٹائل مصنوعات کی مسابقت، کم صلاحیتی استعمال اور بلند مالی اخراجات شامل ہیں۔ کمپنی لیکویڈیٹی کی رکاوٹوں، سپلائی چین میں خلل، موسمیاتی خطرات اور مینوفیکچرنگ سہولیات کی دیکھ بھال اور جدیدکاری کی بڑھتی ہوئی لاگت سے بھی دوچار ہے۔ انتظامیہ ان خطرات کی نگرانی جاری رکھے ہوئے ہے اور ان کے اثرات کم کرنے کے لیے اقدامات پر عمل پیرا ہے۔

کارپوریٹ گورننس

انتظامیہ کوڈ آف کارپوریٹ گورننس کے لاگو تقاضوں کی تعمیل یقینی بنانے کے لیے پرعزم ہے۔ متعلقہ کارپوریٹ گورننس طریقوں کی تعمیل کا بیان اس رپورٹ کے ساتھ منسلک ہے۔

حصص داری کا انداز (پیٹرن آف شیئر ہولڈنگ)

30 جون 2026 تک حصص داری کا انداز منسلک ہے۔

بیرونی آڈیٹرز کی تقرری

کمپنی کے موجودہ آڈیٹرز، میسرز الیاس سعید اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، آئندہ سالانہ اجلاس عام میں ریٹائر ہو جائیں گے۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے آئندہ سال کے لیے ان کی دوبارہ تقرری کی سفارش کی ہے۔ آڈیٹرز نے تصدیق کی ہے کہ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام کے تحت انہیں اطمینان بخش درجہ بندی دی گئی ہے اور یہ فرم انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کے جاری کردہ ضابطہ اخلاق کی پاسداری کرتی ہے۔ انہوں نے مزید تصدیق کی ہے کہ وہ کمپنی کو آڈٹ سے غیر متعلق کوئی خدمات فراہم نہیں کر رہے۔ آڈیٹرز نے یہ بھی تصدیق کی ہے کہ سال کے دوران کسی بھی وقت نہ فرم اور نہ ہی اس کے کسی پارٹنر، ان کے شریک حیات یا نابالغ بچوں نے کمپنی کے حصص رکھے یا ان کی خرید و فروخت کی۔

ویب پر موجودگی

کمپنی کے سالانہ اور وقتاً فوقتاً جاری ہونے والے مالیاتی گوشوارے www.colonytextiles.com پر بھی دستیاب ہیں۔

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	ایچ آر کمیٹی
جناب ایم شہزاد جمیل	05	05	01
سید آفتاب حسین نقوی	03		01
جناب عبدالحکیم خان قصوریہ	05	05	01
محترمہ بسمہ نیازی	05	05	

ضابطہ اخلاق وکاروباری طرزِ عمل مرتب کر کے کمپنی کے ہر ڈائریکٹر اور ملازم تک پہنچایا جا چکا ہے اور ان سب نے اس کی تصدیق کی ہے۔

ڈائریکٹرز کا مشاہرہ

کمپنی کے پاس ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے لیے ایک باضابطہ مشاہرہ پالیسی موجود ہے جو بورڈ سے منظور شدہ ہے۔ یہ پالیسی کمپنی کی ہیومن ریسورس حکمتِ عملی کا حصہ ہے اور اس کا مقصد کمپنی کی مجموعی کاروباری حکمتِ عملی کی معاونت کرنا ہے، جبکہ اسے کمپنی کی مالی حیثیت اور عملی حالات کے مطابق رکھا گیا ہے۔

پالیسیاں اور طریقۂ کار

متعلقہ خطرات کی نشاندہی کے بعد بورڈ نے کمپنی کے کاروباری اور معاون عمل کے لیے طریقۂ کار اور کنٹرولز قائم کیے ہیں۔ ان طریقۂ کار اور کنٹرولز کا وقتاً فوقتاً جائزہ لیا جاتا ہے اور خطرات کے بدلتے ہوئے تخمینوں اور کاروبار کو درپیش خطرات کی روشنی میں انہیں اپ ڈیٹ کیا جاتا ہے۔ لیکویڈیٹی، خام مال کی خریداری، توانائی کی لاگت، ورکنگ کیپیٹل، فنانسنگ کی لاگت اور پیداواری کارکردگی پر خصوصی توجہ دی جاتی رہتی ہے۔

بورڈ کی کارکردگی کا جائزہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019ء کے مطابق، بورڈ نے بورڈ اور اس کی کمیٹیوں کی کارکردگی کے جائزے کے لیے ایک جامع طریقۂ کار کی منظوری دی ہے۔ اس سے متعلق ضابطہ کار ہیومن ریسورس اور مشاہرہ کمیٹی کو تفویض کیا گیا ہے۔

متعلقہ فریقوں کے ساتھ لین دین

متعلقہ فریقوں کے ساتھ تمام لین دین آڈٹ کمیٹی اور بورڈ کے سامنے جائزے اور منظوری کے لیے پیش کیے گئے اور ان کے متعلقہ اجلاسوں میں منظور کیے گئے ہیں۔ متعلقہ فریقوں کے ساتھ لین دین کی تفصیلات، جہاں لاگو ہوں، 30 جون 2026ء کو ختم ہونے والے سال کے مالیاتی گوشواروں کے متعلقہ نوٹس میں ظاہر کی گئی ہیں۔

سماجی تعمیل اور ہیومن ریسورس

کمپنی اپنی ہنر مند اور پر عزم افرادی قوت کی قدر کرتی ہے اور اپنے لوگوں کو اپنی کلیدی طاقت تسلیم کرتی ہے۔ اس کی ہیومن ریسورس پالیسیاں انصاف، میرٹ، مساوی مواقع اور سماجی ذمہ داری کے اصولوں پر مبنی ہیں۔ ان اصولوں کا اظہار بھرتی، کارکردگی کے جائزے، تربیت و ترقی، صحت و حفاظت اور صنعتی تعلقات کے طریقوں میں ہوتا ہے۔ سماجی تعمیل اور ہیومن ریسورس کمیٹی کے ارکان کے نام درج ذیل ہیں:

ڈائریکٹر کا نام	کمپنی میں عہدہ	کمیٹی میں عہدہ
جناب فرید ایم شیخ	ایگزیکٹو ڈائریکٹر اور سی ای او	چیئرمین
جناب آفتاب حسین نقوی	نان ایگزیکٹو ڈائریکٹر	رکن
جناب عطا محی الدین خان	چیف فنانشل آفیسر	رکن

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز سات ارکان پر مشتمل ہے اور پائیدار کاروباری سرگرمیوں کے فروغ کے مقصد سے کمپنی کے امور کی شفاف انداز میں نگرانی کا ذمہ دار ہے۔ بورڈ اس وقت چھ مرد اور ایک خاتون رکن پر مشتمل ہے۔

زمرہ	ڈائریکٹرز کی تعداد
آزاد ڈائریکٹرز	02
نان ایگزیکٹو ڈائریکٹرز	03
ایگزیکٹو ڈائریکٹرز	02

جن میں ایک خاتون ڈائریکٹر شامل ہیں۔ زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس، آڈٹ کمیٹی کے پانچ اجلاس اور ہیومن ریسورس اور مشاہرہ کمیٹی کا ایک اجلاس منعقد ہوا۔ ہر ڈائریکٹر کی حاضری درج ذیل رہی:

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	ایچ آر کمیٹی
جناب ایم عطاء اللہ خان	05		
جناب فرید ایم شیخ	05		
جناب محمد طارق	04		

(i) اوسط صنفی اجرتی فرق: منفی 5 فیصد

(ii) وسطانی (میڈین) صنفی اجرتی فرق: منفی 11 فیصد

(iii) کوئی دیگر ڈیٹا: کوئی نہیں

آڈٹ کمیٹی

آڈٹ کمیٹی بورڈ کی نگرانی کی ذمہ داریوں کی معاونت میں کلیدی کردار ادا کرتی ہے۔ بورڈ سے منظور شدہ اپنے ضابطہ کار کے مطابق، کمیٹی اندرونی آڈٹ کے شعبے کی نگرانی کرتی ہے، رسک مینجمنٹ کے انتظامات کا جائزہ لیتی ہے اور کمپنی کے مفادات کے تحفظ کے لیے اندرونی کنٹرولز کی افادیت کی نگرانی کرتی ہے۔ کمیٹی بیرونی آڈیٹرز کی تقرری کی سفارش بھی کرتی ہے اور اندرونی و بیرونی آڈیٹرز کی جانب سے جاری کردہ اہم رپورٹس اور نتائج کا جائزہ لیتی ہے۔ آڈٹ کمیٹی کے ارکان کے نام درج ذیل ہیں:

ڈائریکٹر کا نام	زمرہ	کمیٹی میں عہدہ
جناب عبدالحکیم خان قصوریہ	آزاد ڈائریکٹر	چیئرمین
محترمہ بسمہ نیازی	آزاد ڈائریکٹر	رکن
جناب محمد شہزاد جمیل	نان ایگزیکٹو ڈائریکٹر	رکن

ہیومن ریسورس اور مشاہرہ کمیٹی

ہیومن ریسورس اور مشاہرہ کمیٹی اپنے ضابطہ کار کے مطابق تمام درجوں کے ملازمین کے معاوضے کے پیکجز کا تعین کرتی ہے۔ یہ کمیٹی اعتماد، احترام، منصفانہ سلوک، ترقی کے مواقع اور ملازمین کی تربیت پر مبنی سازگار کام کے ماحول کے فروغ، نیز جانشینی کی منصوبہ بندی کی بھی ذمہ دار ہے۔ کمپنی اپنے انسانی وسائل کو اپنی کاروباری حکمتِ عملی کا کلیدی جزو تسلیم کرتی ہے۔ ہیومن ریسورس اور مشاہرہ کمیٹی کے ارکان کے نام درج ذیل ہیں:

ڈائریکٹر کا نام	زمرہ	کمیٹی میں عہدہ
سید آفتاب حسین نقوی	نان ایگزیکٹو ڈائریکٹر	چیئرمین
جناب عبدالحکیم خان قصوریہ	آزاد ڈائریکٹر	رکن
جناب محمد شہزاد جمیل	نان ایگزیکٹو ڈائریکٹر	رکن

کارکردگی بہتر بنانے کے لیے صلاحیتی استعمال میں بہتری، اخراجات پر کنٹرول، خریداری کے انتظامات کی مضبوطی اور کمپنی کی مالی رکاوٹوں کے حل پر توجہ مرکوز رکھے گی۔

گوئنگ کنسرن (تسلسل کاروبار)

جیسا کہ مالیاتی گوشواروں کے نوٹ 1.1 میں بیان کیا گیا ہے، کمپنی کی انتظامیہ نے ایک ٹرن اراؤنڈ پلان مرتب کیا ہے جس کی بنیاد کمپنی کے ویونگ یونٹ، رائے ونڈ لاہور، کی زمین، عمارات اور پلانٹ و مشینری کو کمپنی کے محفوظ قرض خواہوں کے حوالے کرنے، یعنی ڈیبٹ-ایسیٹ سوپ (قرض کے بدلے اثاثہ جات کی منتقلی)، پر ہے۔ ویونگ یونٹ، رائے ونڈ لاہور، کی زمین، عمارات اور پلانٹ و مشینری کی آزادانہ منصفانہ قدر پیمائی نے کمپنی کی انتظامیہ کو یہ یقین دلایا ہے کہ کمپنی کا بقایا قرض [ڈیبٹ-ایسیٹ سوپ کے بعد] پائیدار رہے گا۔ انتظامیہ کی ڈیبٹ-ایسیٹ سوپ کی تجویز پر کمپنی کے قرض دہندگان نے مثبت انداز میں غور کیا ہے۔ انتظامیہ نے آنے والے مہینوں میں ٹرن اراؤنڈ پلان کے نفاذ کے لیے تمام مطلوبہ منظوریاں حاصل کرنے کا منصوبہ بنایا ہے۔ مذکورہ اقدام کے نتیجے میں کمپنی کا مجموعی قرض پائیدار سطح تک کم ہو جائے گا، کمپنی کو مستقبل قریب میں اپنے کاروبار کا تسلسل برقرار رکھنے کے لیے مناسب مالی وسائل دستیاب ہوں گے اور یوں اس کی گوئنگ کنسرن حیثیت برقرار رہے گی۔ اسی بنا پر زیر حوالہ سال کے مالیاتی گوشوارے گوئنگ کنسرن کی بنیاد پر تیار کیے گئے ہیں، جو یہ فرض کرتی ہے کہ کمپنی اپنا کاروبار جاری رکھے گی، اپنے اثاثے وصول کرے گی اور کاروبار کے معمول کے مطابق اپنی ذمہ داریاں ادا کرے گی۔ کمپنی کے آڈیٹرز نے کمپنی کے ارکان کے نام اپنی رپورٹ میں مالیاتی گوشواروں کے آڈٹ پر منفی رائے دی ہے، جس کی بنیاد صرف ایک معاملہ ہے، یعنی مالیاتی گوشواروں کی تیاری میں انتظامیہ کی جانب سے گوئنگ کنسرن بنیاد اکاؤنٹنگ کا استعمال۔ جیسا کہ اوپر بیان کیا گیا، زیر حوالہ سال کے مالیاتی گوشوارے گوئنگ کنسرن کی بنیاد پر تیار کیے گئے ہیں، جس کی وجوہات اوپر تفصیل سے بیان کی جا چکی ہیں۔

حفاظت، صحت اور ماحول

کمپنی محفوظ کام کے حالات برقرار رکھنے کے لیے پر عزم ہے جو اس کے ملازمین اور عوام کی صحت و حفاظت کا تحفظ کریں۔ مواد کی محفوظ پیداوار، ترسیل، ذخیرہ اور ہینڈلنگ پر خصوصی زور دیا جاتا ہے۔ کمپنی ماحول کے تحفظ اور ماحولیاتی حفاظت کے مناسب اقدامات پر عمل درآمد کی بھی کوشش کرتی ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی اپنی کارپوریٹ سماجی ذمہ داریاں پوری کرنے اور جن معاشروں میں وہ کام کرتی ہے ان میں مثبت کردار ادا کرنے کے لیے پر عزم ہے۔ کمپنی لاگو ٹیکسوں، ڈیوٹیز اور محصولات کی ادائیگی کے ذریعے قومی خزانے میں حصہ ڈالتی ہے، جبکہ اس کی سرگرمیاں روزگار اور صنعتی عمل میں اپنا حصہ ڈالتی ہیں۔ کمپنی مساوی روزگار کے مواقع اور ملازمین کے ساتھ منصفانہ سلوک کے عزم پر بھی قائم ہے۔

صنفی اجرتی فرق کا بیان

کمپنی مساوی مواقع فراہم کرنے والی آجر ہے اور پورے ادارے میں خواتین کی زیادہ شرکت کی حوصلہ افزائی کے لیے پر عزم ہے۔ 30 جون 2026ء کو ختم ہونے والے سال کا صنفی اجرتی فرق درج ذیل ہے:

گنجائش فراہم نہیں کرتیں۔ انتظامیہ خریداری کے انتظامات کو بہتر بنانے، بینکوں کے ساتھ تعلقات کو مضبوط کرنے اور جہاں ممکن ہو براہ راست درآمدی سہولیات تک رسائی بڑھانے کے طریقے تلاش کرتی رہتی ہے۔

ڈائریکٹرز کا قرض

اسپانسر ڈائریکٹرز کمپنی اور اس کے جاری آپریشنز کی معاونت کے لیے پر عزم ہیں۔ موجودہ مالی حالات میں کمپنی کی معاونت کے لیے ایک ایگزیکٹو ڈائریکٹر کی جانب سے 120 ملین روپے کا بلاسود، ماتحت (سب آرڈینیٹڈ) قرض بدستور واجب الادا ہے۔

منافع منقسمہ (ڈیویڈنڈ)

30 جون 2026ء کو ختم ہونے والے سال کے مالی نتائج اور کمپنی کی موجودہ مالی پوزیشن کے پیش نظر، ڈائریکٹرز نے زیر جائزہ سال کے لیے کسی ڈیویڈنڈ کی سفارش نہیں کی۔

غیر مالیاتی کارکردگی

کمپنی نگران کمیٹیوں اور معیار، ماحولیاتی تحفظ اور سماجی ذمہ داری سے متعلق پالیسیوں کی معاونت سے ایک منظم گورننس فریم ورک برقرار رکھتی ہے۔ اس کی لیبر پریکٹس کی پاسداریوں میں بچوں اور جبری مشقت کی ممانعت، محفوظ کام کے حالات کی فراہمی اور کارکنوں کے حقوق کا احترام شامل ہے۔ کمپنی قواعد و ضوابط کی تعمیل، آلودگی کی روک تھام، ملازمین کی تربیت اور پیشہ ورانہ صحت و حفاظت کے لیے پر عزم ہے۔ کمپنی اپنی طویل مدتی عملی حکمت عملی کے حصے کے طور پر وسائل کی کارکردگی اور ماحولیاتی کارکردگی کو بہتر بنانے کی اہمیت کو بھی تسلیم کرتی ہے۔

مستقبل کا منظر نامہ

کمپنی کے لیے منظر نامہ بدستور چیلنجنگ ہے۔ انتظامیہ کی فوری ترجیح آپریشنز کو مستحکم کرنا، مارجن بہتر بنانا اور کاروبار کو متاثر کرنے والی مالی و عملی رکاوٹوں کو دور کرنا ہے۔ خام مال کی بلند لاگت ایک بڑی تشویش بنی ہوئی ہے۔ براہ راست درآمدی سہولیات اور درآمدی فنانسنگ تک محدود رسائی کمپنی کی بین الاقوامی سطح پر مسابقتی قیمتوں پر خام مال حاصل کرنے کی صلاحیت کو بدستور محدود کر رہی ہے۔ لہٰذا انتظامیہ خریداری کے انتظامات کو بہتر بنانے اور جہاں ممکن ہو بینکنگ سہولیات تک رسائی مضبوط کرنے پر توجہ دے رہی ہے۔ توانائی کی لاگت ایک اور اہم چیلنج ہے۔ بجلی اور دیگر یوٹیلیٹیز کی بلند لاگت پیداواری اخراجات میں اضافہ اور مقامی طور پر تیار کردہ ٹیکسٹائل مصنوعات کی مسابقت میں کمی کا باعث بن رہی ہے۔ کمپنی کو اپنی مینوفیکچرنگ سہولیات کو صلاحیتی استعمال کی کم سطح پر چلانے کے چیلنج کا بھی سامنا ہے۔ محدود مالی وسائل نے پلانٹ اور مشینری کی جدید کاری کو محدود کیا ہے، جس کے نتیجے میں توانائی کی زیادہ کھپت، افرادی قوت کی زیادہ ضرورت، کم پیداواریت اور عملی ناکارگیاں پیدا ہوئی ہیں۔ چنانچہ صلاحیتی استعمال اور عملی کارکردگی میں بہتری بدستور اہم ترجیحات رہیں گی۔ انتظامیہ کنزرویشن مارجن بہتر بنانے اور قابل اجتناب عملی اخراجات کم کرنے کے مقصد سے پیداواری شیڈول، پروڈکٹ مکس اور مینوفیکچرنگ انتظامات کا جائزہ لیتی رہے گی۔ ملکی منڈی انتہائی مسابقتی ہے، جہاں درآمدی ٹیکسٹائل مصنوعات اور کمزور مارکیٹ قیمتیں مقامی مینوفیکچررز پر دباؤ ڈالتی رہتی ہیں۔ لہٰذا کمپنی منظم قیمتوں کا تعین برقرار رکھنے اور اپنے کاروباری آپریشنز کی منافع بخشی بہتر بنانے پر توجہ مرکوز رکھے گی۔ انتظامیہ عملی

شعبہ وار کارکردگی

اسپننگ

اسپننگ کا شعبہ سال کے دوران خاصے دباؤ میں رہا۔ بینک فنانسنگ اور براہ راست درآمدی سہولیات تک کمپنی کی محدود رسائی نے بین الاقوامی سطح پر مسابقتی قیمتوں پر خام مال کے حصول کی صلاحیت کو محدود کیا۔ نتیجتاً خام مال زیادہ تر مقامی منڈی سے، اکثر نمایاں طور پر زیادہ قیمتوں پر اور بعض اوقات کمتر معیار کے ساتھ حاصل کیا گیا۔ ملکی منڈی کی مروجہ قیمتیں ان اضافی ان پٹ اخراجات کی مناسب وصولی کی اجازت نہیں دیتی تھیں، جس سے مارجن پر شدید دباؤ پڑا۔ کمپنی کی مالی رکاوٹوں نے پلانٹ اور مشینری کی بروقت دیکھ بھال، تبدیلی اور جدید کاری کی صلاحیت کو بھی متاثر کیا۔ نتیجتاً بعض مشینری اور آلات اپنی مثالی کارکردگی سے کم پر چل رہے ہیں، جن میں افرادی قوت پر زیادہ انحصار، زیادہ توانائی کی کھپت اور کم پیداواریت پائی جاتی ہے۔ یہ عوامل، کم صلاحیتی استعمال اور ملکی فروخت کی کمزور قیمتوں کے ساتھ مل کر، پیداواری لاگت میں مزید اضافے اور شعبے کی کارکردگی پر منفی اثر کا باعث بنے۔ یہ شعبہ درآمدی دھاگے اور دیگر کم قیمت ٹیکسٹائل مصنوعات کی شدید مسابقت کا بھی سامنا کرتا رہا۔ مروجہ مارکیٹ حالات میں کمپنی کے پاس بڑھتی ہوئی پیداواری لاگت کو صارفین کو منتقل کرنے کی صلاحیت محدود ہے۔

ویونگ

ویونگ کا کاروبار بھی سال کے دوران شدید دباؤ میں رہا۔ بینک فنانسنگ اور براہ راست درآمدی سہولیات تک کمپنی کی محدود رسائی کے باعث ویونگ کی سرگرمیاں بنیادی طور پر ٹول مینوفیکچرنگ کی بنیاد پر انجام دی گئیں، جس میں نسبتاً کم ورکنگ کیپیٹل درکار ہوتا ہے اور کمپنی کو دستیاب صلاحیت کا استعمال جاری رکھنے کا موقع ملتا ہے۔ تاہم، ایسے انتظامات کے تحت دستیاب کنورژن چارجز بہت کم رہے اور مروجہ ملکی منڈی میں آپریشنز کی مجموعی لاگت پوری کرنے کے لیے ناکافی ثابت ہوئے۔ یہ شعبہ سستے درآمدی کپڑے اور ملکی منڈی کی گری ہوئی قیمتوں سے بھی سخت مسابقت کا سامنا کرتا ہے۔ اوپر بیان کردہ عوامل کے نتیجے میں کم صلاحیتی استعمال نے ویونگ ڈویژن پر لاگت کا بوجھ مزید بڑھا دیا ہے، کیونکہ مستقل پیداواری اخراجات کم پیداوار پر تقسیم ہوتے ہیں۔ کمپنی کی مالی رکاوٹوں نے ویونگ سہولیات کی بروقت دیکھ بھال، اپ گریڈیشن اور جدید کاری کو بھی محدود کیا ہے۔ نتیجتاً دستیاب مشینری مثالی کارکردگی پر نہیں چلائی جا سکتی، جس سے افرادی قوت کی زیادہ ضرورت، توانائی کی زیادہ کھپت اور کم پیداواریت پیدا ہوتی ہے۔ ان عوامل نے شعبے کی معاشی افادیت کو مزید کمزور کیا ہے اور اس کے مسلسل نقصانات میں حصہ ڈالا ہے۔

خام مال کی خریداری

کمپنی کے بنیادی چیلنجوں میں سے ایک مسابقتی تجارتی شرائط پر براہ راست درآمد کے ذریعے خام مال حاصل کرنے کی اس کی محدود صلاحیت ہے۔ بینک فنانسنگ اور براہ راست درآمدی سہولیات تک محدود رسائی کے نتیجے میں مقامی خریداری پر انحصار بڑھ گیا ہے۔ چنانچہ خام مال ملکی منڈی سے خریدا جاتا ہے، اکثر براہ راست بین الاقوامی ذرائع سے دستیاب قیمتوں کی نسبت کافی زیادہ قیمتوں پر۔ بعض مواقع پر پیداوار کا تسلسل برقرار رکھنے کے لیے کمپنی کو نسبتاً کمتر معیار کا خام مال بھی خریدنا پڑا ہے۔ یہ پیداواری کارکردگی، ضیاع، مصنوعات کے معیار اور پیداواری لاگت پر منفی اثر ڈال سکتا ہے۔ اس کے نتیجے میں پیدا ہونے والا لاگت کا نقصان کمپنی کے مارجن پر براہ راست اثر انداز ہوا ہے، خصوصاً وہاں جہاں ملکی منڈی کی قیمتیں زیادہ خریداری لاگت کی وصولی کی مناسب

کمپنی کو اپنی مینوفیکچرنگ سہولیات کی دیکھ بھال اور جدید کاری میں بھی نمایاں رکاوٹوں کا سامنا ہے۔ محدود مالی وسائل نے ضروری اپ گریڈ اور بروقت مرمت و دیکھ بھال کی صلاحیت کو محدود کر دیا ہے۔ نتیجتاً بعض سہولیات مثالی صلاحیت سے کم اور کم کارکردگی کے ساتھ چل رہی ہیں، جس سے توانائی کی کھپت، افرادی قوت کی ضرورت زیادہ اور پیداواریت کم ہو رہی ہے۔ صنعت کو مصنوعات کے تقاضوں، ٹیکنالوجی اور صارفین کی ترجیحات میں تیزی سے آنے والی تبدیلیوں کا بھی سامنا ہے۔ بین الاقوامی سطح پر مسابقتی ٹیکسٹائل مینوفیکچررز توانائی کی بچت، قابلِ تجدید توانائی، آٹومیشن، پروڈکٹ ڈویلپمنٹ، ٹریس ریبلٹی اور ویلیو ایڈڈ مینوفیکچرنگ میں مسلسل سرمایہ کاری کر رہے ہیں۔ ایسی سرمایہ کاری کے لیے خاطر خواہ سرمایہ درکار ہوتا ہے جو مالی دشواریوں کے شکار مینوفیکچررز کے لیے بدستور مشکل ہے۔

مالی کارکردگی

زیرِ جائزہ سال کے دوران کمپنی نے 20,528 ملین روپے کی خالص فروخت آمدن حاصل کی، جو 2025ء میں 16,888 ملین روپے تھی۔ کمپنی کی مالی کارکردگی شدید دباؤ میں رہی۔ ملکی منڈی کے مروجہ حالات کے ساتھ ساتھ خام مال، توانائی، پیداوار اور فنانسنگ کی بلند لاگت نے مارجن کو منفی طور پر متاثر کیا۔ کمپنی کو 2,033 ملین روپے کا مجموعی نقصان ہوا، جبکہ گزشتہ سال مجموعی نقصان 1,334 ملین روپے تھا۔ مجموعی منافع کو متاثر کرنے والے بنیادی عوامل میں خام مال اور توانائی کی بلند لاگت، بینک فنانسنگ کی محدود سہولیات، محدود ورکنگ کیپیٹل اور کم صلاحیتی استعمال شامل تھے۔ مالی رکاوٹوں نے پلانٹ اور مشینری کی بروقت دیکھ بھال، اپ گریڈیشن اور جدید کاری کو بھی محدود کیا، جس کے نتیجے میں توانائی کی زیادہ کھپت، افرادی قوت کی زیادہ ضرورت، کم پیداواریت اور عملی ناکارگیاں پیدا ہوئیں۔ یہ عوامل، کمزور مارکیٹ قیمتوں اور شدید مسابقت کے ساتھ مل کر، کمپنی کے مارجن اور مجموعی عملی کارکردگی کو نمایاں طور پر متاثر کرتے رہے۔

مؤخر شدہ مارک اپ پر انوائنڈنگ فائدے کی 6,880 ملین روپے کی ایک بار کی ریورسل [جس کی وضاحت مالیاتی گوشواروں کے نوٹ 16.02.2 میں کی گئی ہے]، عملی اخراجات، مالی اخراجات، دیگر چارجز اور ٹیکس کو مدِ نظر رکھنے کے بعد، کمپنی کو 11,052 ملین روپے کا خالص نقصان ہوا، جبکہ سال 2025ء میں خالص نقصان 2,227 ملین روپے تھا۔ سال کے لیے فی حصص نقصان (22.19) روپے رہا، جبکہ گزشتہ سال فی حصص نقصان (4.47) روپے تھا۔

صنعت کی تقابلی کارکردگی

ٹیکسٹائل صنعت کو درپیش مشکل حالات نے مختلف کمپنیوں کو ان کے کاروباری ماڈل، مصنوعات کے امتزاج، برآمدی انحصار، ورٹیکل انٹیگریشن، مالی ڈھانچے اور عملی حکمتِ عملی کے لحاظ سے مختلف انداز میں متاثر کیا۔ بینک فنانسنگ، براہِ راست درآمدی سہولیات اور ورکنگ کیپیٹل تک محدود رسائی، نیز اوپر بیان کردہ دیگر عملی رکاوٹوں کے باعث کمپنی زیادہ تر ملکی منڈی میں کام کرنے پر مجبور ہے۔ یہ صورتِ حال برآمدی منڈیوں تک رسائی اور صارفین کے دائرے کو وسیع کرنے کی اس کی صلاحیت کو محدود کرتی ہے، جبکہ کمپنی کو ملکی سطح پر شدید قیمتوں کی مسابقت اور کمزور مارکیٹ قیمتوں کے سامنے بے نقاب چھوڑ دیتی ہے۔ یہ حالات، کم صلاحیتی استعمال کے ساتھ مل کر، اپنی مینوفیکچرنگ سہولیات کو مؤثر طریقے سے چلانے اور پائیدار مارجن حاصل کرنے کی کمپنی کی صلاحیت کو نمایاں طور پر متاثر کر چکے ہیں۔

ڈائریکٹرز کی ممبران کو رپورٹ

ڈائریکٹرز 30 جون 2026ء کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں اور ان پر آڈیٹرز کی رپورٹ کے ہمراہ سالانہ رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔ لاگو کوڈ آف کارپوریٹ گورننس کے مطابق، مالیاتی گوشواروں کی توثیق چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے کی ہے، آڈٹ کمیٹی نے ان کا جائزہ لے کر سفارش کی ہے، اور بورڈ آف ڈائریکٹرز نے انہیں ارکان کے سامنے پیش کرنے کی منظوری دی ہے۔

معیشت کا جائزہ

زیر جائزہ سال کے دوران پاکستان کی معیشت مشکل ماحول میں کام کرتی رہی۔ کاروباری ادارے توانائی کی بلند لاگت، بھاری ٹیکسوں، مہنگی فنانسنگ، محدود لیکویڈیٹی اور گھریلو قوتِ خرید میں کمی کے دباؤ کا شکار رہے۔ مینوفیکچرنگ کے شعبے، خصوصاً ان اداروں کے لیے جن کا انحصار ملکی منڈی پر ہے، یوٹیلیٹیز کی بلند لاگت، مہنگائی کے دباؤ اور کمزور طلب کے مجموعی اثرات نے آپریٹنگ مارجن کو بدستور متاثر کیا۔ ٹیکسٹائل کا شعبہ خاص طور پر زیادہ متاثر رہا کیونکہ توانائی کی لاگت پیداواری اخراجات کا ایک بڑا حصہ ہے۔ ٹیکسٹائل مینوفیکچررز کے لیے خام مال کی دستیابی اور قیمت ایک بڑا چیلنج رہی۔ جن کمپنیوں کو براہِ راست درآمد اور درآمدی فنانسنگ کی سہولیات تک محدود رسائی حاصل ہے، ان کے لیے خام مال بین الاقوامی سطح پر مسابقتی قیمتوں پر حاصل کرنا مشکل ہو جاتا ہے۔ کمپنی کی سرگرمیاں بنیادی طور پر ملکی ٹیکسٹائل مارکیٹ پر مرکوز ہیں، جہاں مروجہ قیمتیں شدید دباؤ میں رہیں اور کمپنی کے خام مال، توانائی اور پیداواری اخراجات میں ہونے والے اضافے کو مکمل طور پر جذب کرنے کے لیے کافی نہیں تھیں۔ ملکی منڈی انتہائی قیمت حساس رہی ہے۔ خریداروں نے کم سے کم ممکنہ قیمت پر خریداری پر زیادہ توجہ دی، جبکہ اسی دوران مینوفیکچررز کو توانائی، محنت، فنانسنگ اور خام مال کی لاگت میں اضافے کا سامنا رہا۔ اس سے کمپنی کی لاگت اور ملکی منڈی میں حاصل ہونے والی قیمتوں کے درمیان نمایاں عدم توازن پیدا ہو گیا۔ مزید برآں، جغرافیائی و سیاسی پیش رفت، بین الاقوامی سپلائی چینز میں خلل، توانائی کی قیمتوں میں اتار چڑھاؤ اور موسمیاتی خطرات کاروباری ماحول کے لیے منفی خطرات کا باعث بنے ہوئے ہیں۔

صنعت کا جائزہ

زیر جائزہ سال کے دوران ٹیکسٹائل صنعت کو پیداواری لاگت کی زیادتی، کمزور طلب، شدید مسابقت اور ساختی مسائل کے مجموعے کا سامنا رہا۔ اگرچہ پاکستان کی ٹیکسٹائل صنعت روزگار اور زرمبادلہ کی آمدن میں اہم کردار ادا کر رہی ہے، تاہم ملکی منڈی کو فراہمی کرنے والے مینوفیکچررز کے لیے آپریٹنگ ماحول مشکل رہا۔ توانائی کی بلند لاگت، مہنگا خام مال، فنانسنگ کے اخراجات اور کمزور گھریلو طلب مارجن پر دباؤ ڈالتے رہے۔ ملکی ٹیکسٹائل مارکیٹ خاصے دباؤ میں رہی۔ درآمدی دھاگا، کپڑا اور تیار ٹیکسٹائل مصنوعات، نیز ملکی سطح پر جارحانہ قیمتوں نے مقامی مینوفیکچررز کو ملنے والی قیمتوں پر ایک حد مقرر کر دی ہے۔ اس کے ساتھ ساتھ کمپنی کی پیداواری لاگت بدستور بلند رہی۔ ایک اور چیلنج براہِ راست درآمدی سہولیات اور درآمدی فنانسنگ تک کمپنی کی محدود رسائی ہے۔ نتیجتاً کمپنی کو خام مال، بشمول وہ خام مال جو بصورتِ دیگر درآمد کیا جا سکتا تھا، مقامی طور پر خریدنا پڑتا ہے۔ مقامی خریداری اکثر براہِ راست بین الاقوامی ذرائع کی نسبت کافی زیادہ قیمتوں پر کرنا پڑتی ہے۔ بعض مواقع پر پیداوار کا تسلسل برقرار رکھنے کے لیے کمپنی کو نسبتاً کمتر معیار کا خام مال بھی قبول کرنا پڑا ہے۔ زیادہ خریداری لاگت اور بعض اوقات کمتر معیار کے اس امتزاج نے پیداواری کارکردگی، مصنوعات کے معیار اور مجموعی مارجن کو منفی طور پر متاثر کیا ہے۔


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COLONY TEXTILE MILLS LIMITED
FORM OF PROXY

I/We _____

of _____

being a member of **COLONY TEXTILE MILLS LIMITED** and holder of _____ Ordinary Shares as per Register Folio / CDC Participant No. _____ hereby appoint Mr./Mrs./Miss. _____ of _____ or failing him / her Mr./Mrs./Miss. _____ of _____ who is also a member of the **COLONY TEXTILE MILLS LIMITED** vide Registered Folio / CDC Participant I.D. No. _____ as my proxy to vote for me and on my behalf at the 16th Annual General Meeting of the Company to be held on Friday the November 27, 2026 at 10:30 a.m. at the Registered Office of the Company situated at Ismail Aiwan-e-Science Building, 205-Ferozepur Road, Lahore.

Signed this _____ day of November 2026.

Revenue Stamp(s) of Rs. Fifty

Signature
(As registered with the company)

Witness: 1		**Witness: 2**	
Signature:	_____	Signature:	_____
Name:	_____	Name:	_____
Address:	_____	Address:	_____
	_____		_____
CNIC or	_____	CNIC or	_____
Passport #	_____	Passport #	_____

NOTES:-

- This proxy form, duly completed and signed, must be received at the Registered Office of the company not later than 48 hours before the time of holding the Meeting.
- Attested copies of the CNIC or the passport of beneficial owners, proxy holder and witnesses shall be furnished with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished along with proxy form to the Company.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Colony Textile Mills Limited
Ismail Aiwan-e-Science Building
205 Ferozepur Road Lahore - 54600

AFFIX
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کمپنی سیکرٹری
کالونی ٹیکسٹائل ملز لمیٹڈ
اسماعیل ایوان سائنس فاؤنڈیشن
205 فیروز پور لاہور۔

کالونی ٹیکسٹائل ملز لمیٹڈ

تشکیل نیابت داری برائے سالانہ اجلاس عام

میں/ہم _____

ساکن _____ کالونی ٹیکسٹائل ملز لمیٹڈ کا / کی / کے حصص دار ہوں/ ہیں اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر کے تحت _____ عمومی حصص کا / کی / کے مالک ہوں/ ہیں۔ اپنی جگہ پر حق رائے دہی کے لیے _____ رہائشی _____ اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر _____ کو یا اس کے نہ آنے کی صورت میں رہائشی _____ اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر کو جو کہ کالونی ٹیکسٹائل ملز لمیٹڈ کا / کی / کے حصہ دار ہے ہیں۔ کو اپنی جگہ بروز جمعہ بتاریخ 27 نومبر 2026 بوقت صبح 10:30 بجے بمقام اسماعیل ایوان سائنس بلڈنگ 205 فیروز پور لاہور میں منعقد ہونے والے 16 ویں سالانہ اجلاس عام یا کسی متبادل دن جو بھی ہوگا میں رائے دہندگی کے لئے نمائندہ مقرر کرتا / کرتی / کرتے ہوں/ ہیں۔

بتاریخ _____ نومبر 2026 کو دستخط کیا گیا

دستخط۔

رسیدی ٹکٹ

کمپنی ریکارڈ کے مطابق دستخط

گواہ نمبر: 1	گواہ نمبر: 2
دستخط _____	دستخط _____
نام _____	نام _____
پتہ _____	پتہ _____
شناختی کارڈ نمبر یا _____	شناختی کارڈ نمبر یا _____
پاسپورٹ نمبر _____	پاسپورٹ نمبر _____

نوٹ: 1۔ یہ مختار نامہ مکمل اور دستخط شدہ، ہمراہ شناختی کارڈ کی تصدیق شدہ کاپیوں، کمپنی کے رجسٹرڈ آفس کے پتے پر اجلاس کے شروع ہونے سے 48 گھنٹے پہلے پہنچ جانا چاہیئے۔

2۔ کوئی بھی فرد مختار نامہ اس وقت تک استعمال نہیں کر سکتا جب تک وہ کمپنی کا حصص دار نا ہو۔ علاوہ اس کے کہ کوئی ایک کمپنی کسی فرد کو نمائندہ مقرر کرے جو کمپنی کا حصص دار نا ہو۔

COLONY
TEXTILE MILLS
LIMITED

Colony Textile Mills Limited
Ismail Aiwan-e-Science Building
205 Ferozepur Road Lahore - 54600
Phone: 042-35758970-2
Fax: 042-35763247