

mtm

Masood Textile Mills

STITCHING
EXCELLENCE,

SHAPING
TOMORROW

ANNUAL REPORT
2025

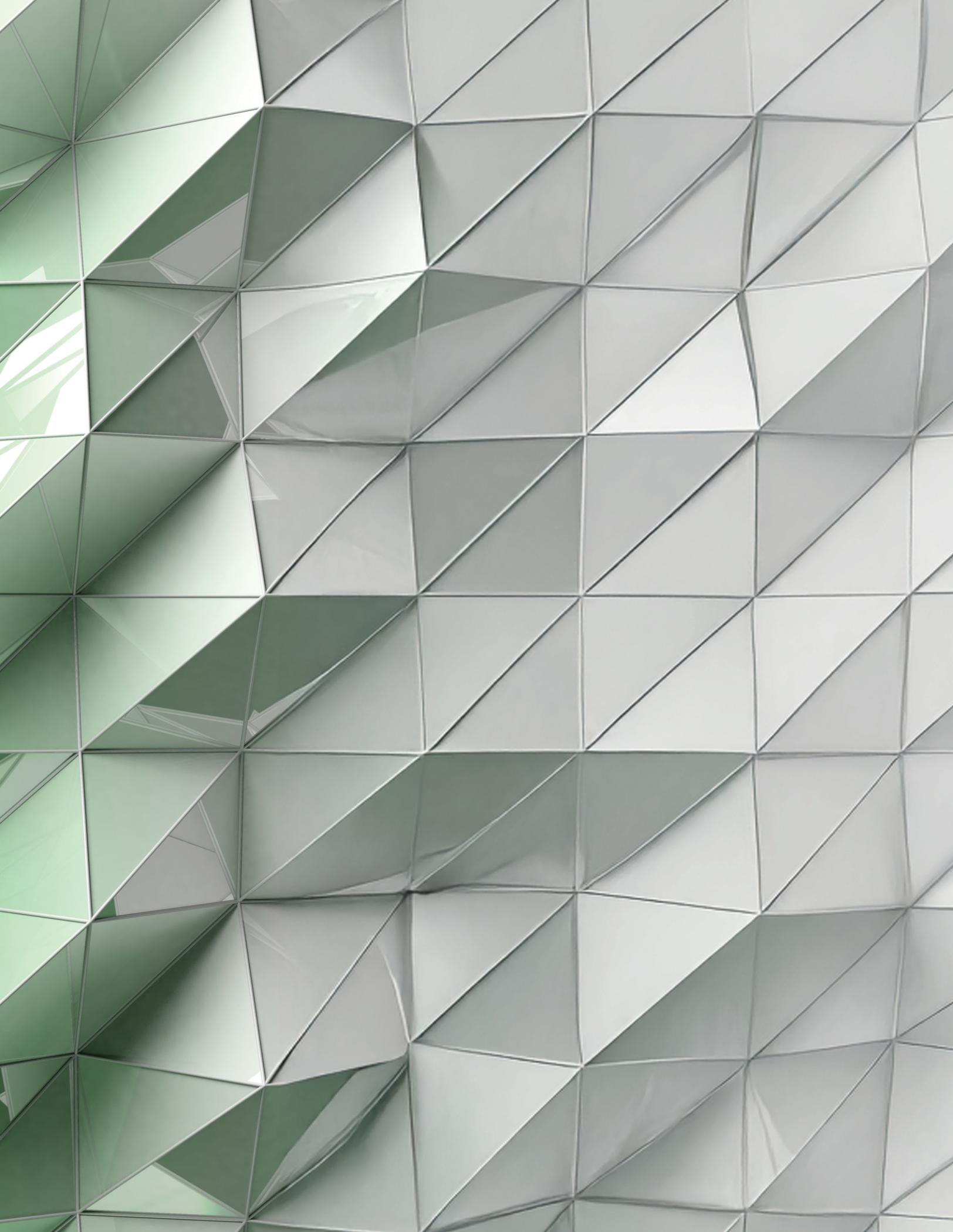


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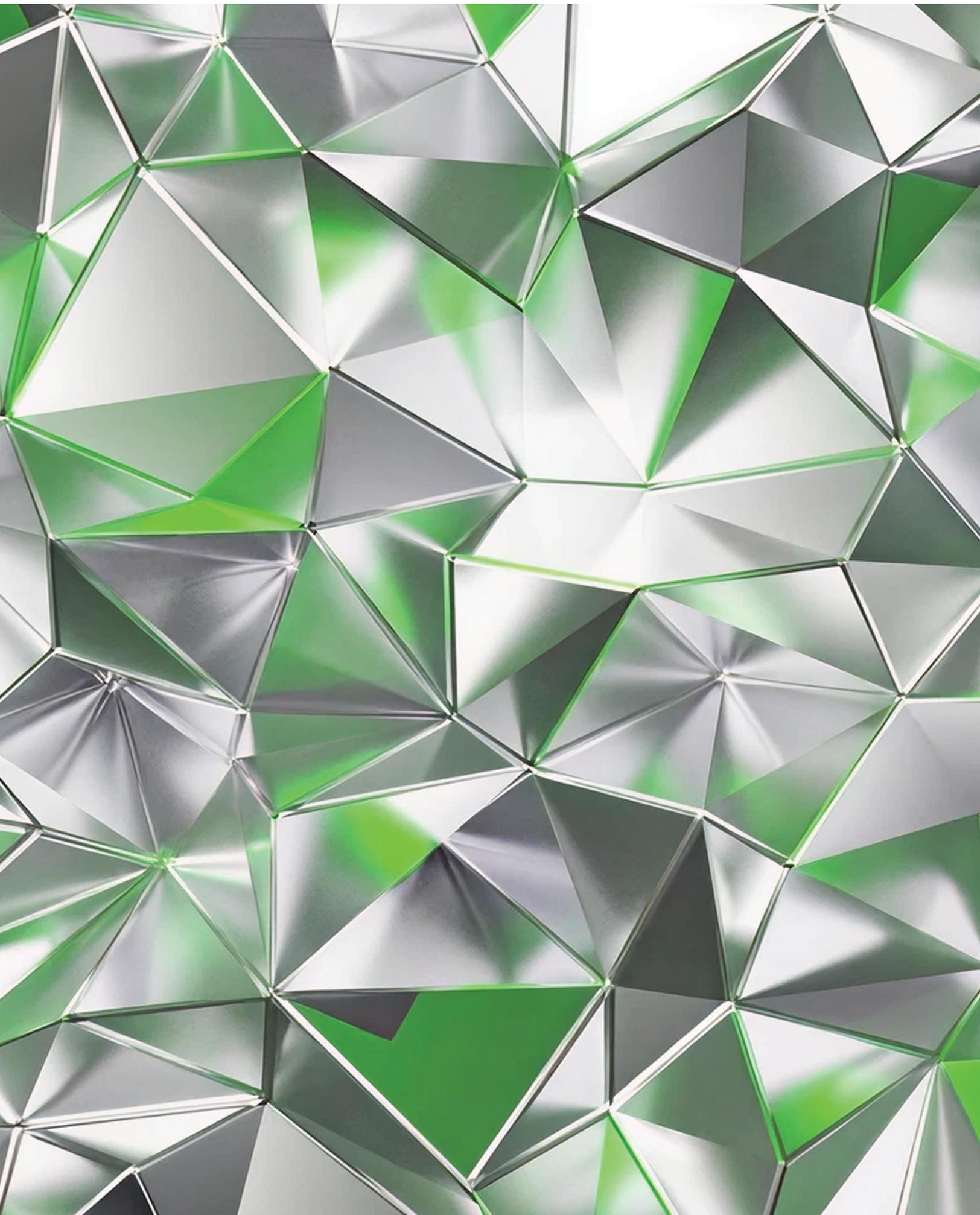
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01

**Company
Overview**

corporate information

Board of Directors

Mr. Naseer Ahmad Shah
Chairman

Mr. Shahid Nazir Ahmad
Chief Executive Officer

Malik Shahid Mehmood
Independent Director

Mr. Shahid Iqbal
Independent Director

Mr. Shoaib Ahmad Khan
NIT-Nominee

Ms. Chen Yan
Nominee-Shanghai Challenge
Textile Co. Ltd.

Mr. Shibin Yang
Nominee-Shanghai Challenge
Textile Co. Ltd.

Chief Financial Officer

Mr. Tanveer Ahmad Siddiqui

Company Secretary

Mr. Nisar Ahmad Alvi

Audit Committee

Malik Shahid Mehmood
Chairman

Mr. Naseer Ahmad Shah
Member

Mr. Shahid Iqbal
Member

HR & Remuneration & Sustainability Committee

Mr. Shahid Iqbal
Chairman

Mr. Shahid Nazir Ahmad
Member

Malik Shahid Mehmood
Member

Risk Management Committee

Mr. Shahid Nazir Ahmad
Chairman

Mr. Naseer Ahmad Shah
Member

Mr. Shahid Iqbal
Member

Nomination Committee

Mr. Naseer Ahmad Shah
Chairman

Malik Shahid Mehmood
Member

Mr. Shahid Iqbal
Member

Auditors

Riaz Ahmad & Company
Chartered Accountants

Registered Office

Universal House, 17/1, New Civil Lines
Bilal Road, Faisalabad
Phone: 041-2600176-276
Fax: 041-2600976
Web: www.masoodtextile.com

Mills

Masood Textile Mills Limited
32-KM, Sheikhpura Road Faisalabad

Share Registrar

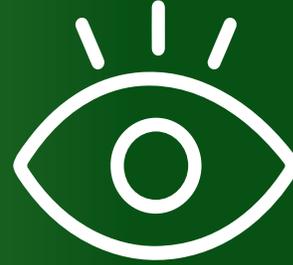
CorpTec Associates (Private) Limited
503-E, Johar Town, Lahore
Phone: 042-35170336-7
Fax: 042-35170338
Web: www.corptec.com.pk



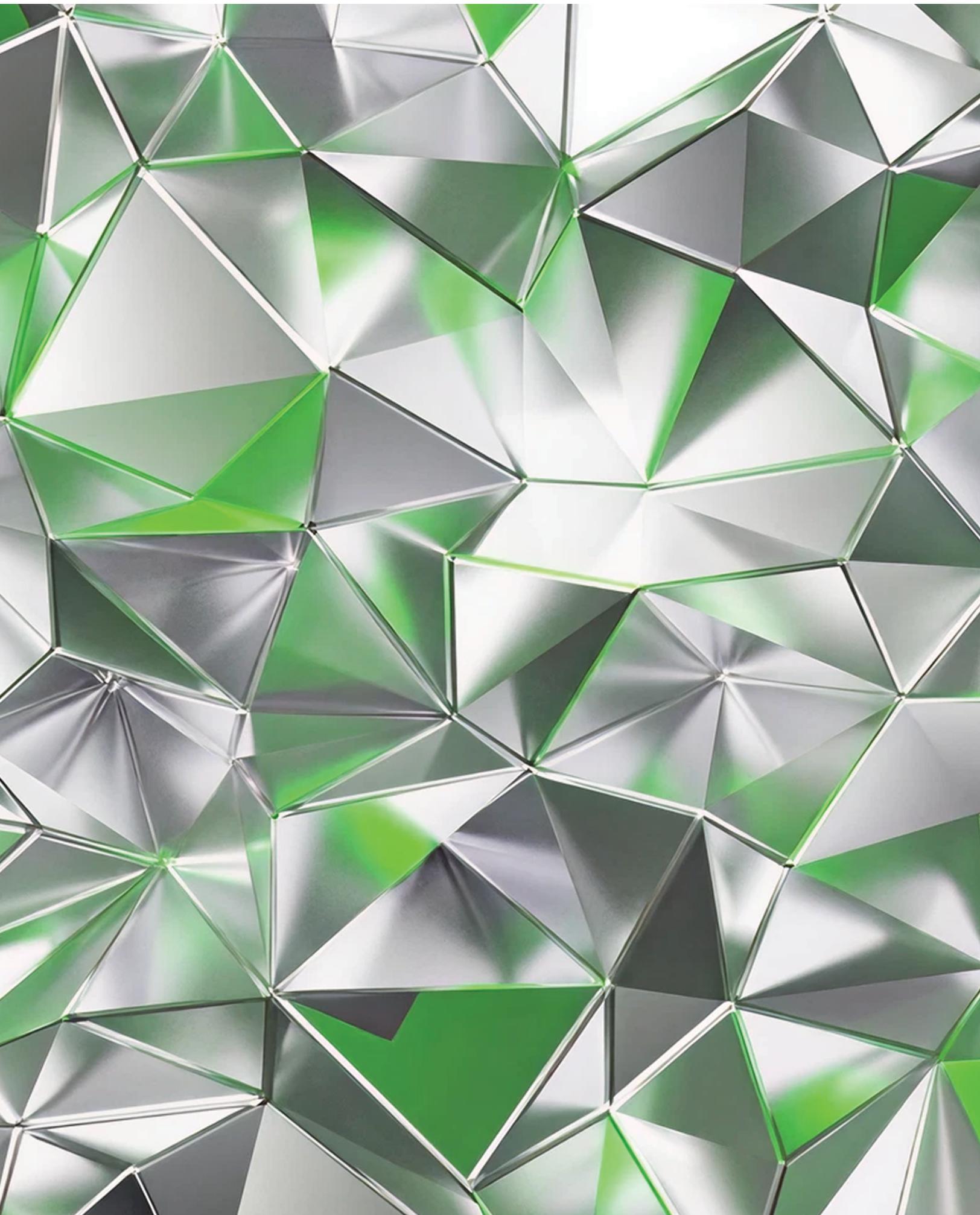
our mission

Our mission is to be dynamic, profitable and growth oriented company by Providing good return on investment to its shareholders and investors, quality products to its customers, a secured and friendly environment place of work to its employees and to project Pakistan's image in the international market.

our vision



- A leading producer of textile products by providing the highest quality of product and service to its customers.
- To strive excellence through commitment, integrity, honesty and team work.
- Highly ethical company and be respected corporate citizen to continue playing due role in the social and environmental sectors of the company.
- To develop and extremely motivated and professional trained work force. Which would drive growth through innovation and renovation.
- Sustained growth in earning in real terms.





02

**Corporate
Governance**

notice of annual general meeting

Notice is hereby given that 41st Annual General Meeting of the members, holding Ordinary Shares of Masood Textile Mills Limited, will be held at its Registered Office, Universal House, 17/1 New Civil Lines, Bilal Road, Faisalabad on Tuesday, 28th October, 2025 at 11.00 A.M. to transact the following business:

1. To confirm the minutes of the last Extraordinary General Meeting held on 27th March, 2025.
2. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with Audited Annual Financial Statements of the Company for the year ended 30th June, 2025.

In accordance with section 223 of the Companies Act, 2017 and pursuant to SRO 389 (I)/2023 dated 21 March, 2023, the Annual Report of the Company for the year ended June 30, 2025, including the annual audited financial statements have been uploaded on the website of the company which can be accessed through the following web link and QR enabled code;

Web link	QR Enabled code
https://masoodtextile.com/wp-content/uploads/2025/10/Annual-Financial-Statement-for-the-Year-ended-30-06-2025.pdf	

3. To appoint Auditors and to fix their remuneration for the financial year ending 30th June, 2026. M/s Riaz Ahmad & Company, Chartered Accountants, retire and being eligible offer themselves for their re-appointment.
4. To consider any other business that may be placed before the meeting with the permission of the chair.

FOR AND ON BEHALF OF THE BOARD



(Nisar Ahmad Alvi FCA)
Company Secretary

Faisalabad
04th October, 2025

NOTES:

1. Share Transfer Books for Ordinary Shares of the Company will remain closed from 21st to 28th October, 2025 (both days inclusive). Physical transfers / CDS Transactions IDs, received in order at Registered Office of the Company or our Share Registrar, by the close of business on 20th October, 2025 will be treated in time.
2. Share Transfer Books for Preference Shares of the Company will remain closed from 21st to 28th October, 2025 (both days inclusive) for determining the entitlement of Preferred Dividend calculated at average six months KIBOR+200 bps p.a. Rs. 1.82 per share. Physical transfers / CDS Transactions IDs, received in order at Registered Office of the Company or our Share Registrar, by the close of business on 20th October, 2025 will be treated in time.
3. A shareholder entitled to attend and vote at this meeting may appoint another shareholder as his / her proxy to attend and vote on his/her behalf. The instrument appointing a Proxy and Power of Attorney or other authority under which it is signed or notarially certified copy of the Power of Attorney must be received at the Registered Office of the Company, duly stamped, signed and witnessed not later than 48 hours before the meeting. An instrument of Proxy applicable for meeting is attached herewith. However, Preference Shareholders are not entitled to attend the meeting, since Preference Shares carry no voting rights.
4. The AGM can be attended by shareholders using smart phones/tablets/computers. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at waqasahmad@mtmho.com by October 25, 2025.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

5. The members who are registered after the necessary verification shall be provided with a video link by the Company at the same email address that they emailed the Company with. The Login facility will remain open from the start of the meeting till its proceedings are concluded.
6. Shareholders whose shares are deposited with Central Depository System (CDS) are requested to bring their Computerized National Identity Card (CNIC) along with their Account Number in CDS for verification. In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signatures of the nominee shall be produced (unless provided earlier) at the time of the meeting.
7. Pursuant to Finance Act, 2025, the Company is liable to withhold Income Tax @ 15 % from the Filers and 30 % from the Non-Filers under the provisions of Section 150 of the Income Tax Ordinance, 2001. Kindly ensure your status from Active Tax Payer's List, available at FBR's website, before disbursement of Dividend by the Company. Individuals without CNIC(s) will be treated Non-Filers, since their status cannot be verified from FBR.

8. The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980. Moreover, the shareholders who have not yet submitted their Computerized National Identity Cards to the Company are requested once again to send attested copies thereof at their earliest. Otherwise, their Dividend will be withheld for lack of complete information.
9. The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.
10. Shareholders who have not collected their Dividend / Physical shares so far are advised to contact our Share Registrar to collect / enquire about their Unclaimed Dividend or Share, if any.
11. As per Section 72 of The Companies Act, 2017 every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by The SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017. The shareholders holding shares in physical form are requested to please convert their shares in the book entry form. For this purpose, the shareholders may open CDC Sub-account with any of the brokers or investors account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares at any time they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange Limited.
12. Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the AGM. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least (7) days prior to the date of the meeting on the Standard Form available on the Company's website: www.masoodtextile.com
13. Pursuant to the provision of Section 223(6) of the Companies Act, 2017, the Companies are permitted to circulate their annual financial statements, along with the Auditor's report, director review report etc. ("Annual Report") and the notice of Annual General Meeting ("Notice") to its shareholders by email. Shareholders of the Company who wish to receive the Company's Annual Report and Notice of Annual General Meeting by E-mail are requested to provide the complete Electronic Consent Form (available at the Company's Website) to the Company's Share Registrar.
14. In pursuance of Section 185(1) of the Companies Act, 2017, and S.R.O.452(I)/2025 dated March 17, 2025, no gifts will be distributed at the meeting.

chairman's review report

Dear Shareholders

The year under review tested the resilience of businesses across Pakistan, and the textile sector was no exception. Volatile markets, rising costs, and shifting global trade dynamics continue to reshape the industry landscape. Yet, within every challenge lies an opportunity and it is this belief that guides our vision for the future.

At your Company, we view change not as a hurdle but as a catalyst for transformation. With a forward-looking mindset, we implemented disciplined cost management, operational efficiencies and a renewed focus on strengthening customer relationships and delivering value. Looking forward, our priorities will include improving productivity, expanding into new markets, and embedding more sustainable practices into our operations, enhancing efficiencies, and adopting sustainable practices that align with evolving global standards. Our focus remains on strengthening our competitive position in export markets, diversifying our product base, and creating long-term value for all stakeholders.

The Board of Directors has provided steadfast oversight, ensuring that our governance framework remains anchored in transparency, accountability, and ethical business conduct. We have placed special emphasis on risk management and sustainability, recognizing that true success lies not only in profitability but also in our responsibility to people, communities, and the environment.

Looking ahead, we are determined to accelerate our journey of innovation and operational excellence. By embracing technology, nurturing talent, and expanding our market reach, we aim to build a stronger, more agile organization that can thrive amidst uncertainty and capture new opportunities in the global textile value chain.

On behalf of the Board, I extend my heartfelt gratitude to our shareholders, employees, and partners for their trust and support. Together, we will continue to pursue excellence, unlock potential, and shape a future defined by growth, resilience, and sustainability.

FAISALABAD
04th October, 2025



CHAIRMAN

چیرمین کا جائزہ

محترم حصص یافتگان:-

جائزہ سال کے دوران پاکستان بھر میں کاروباروں کی صلاحیت کو کڑی آزمائش کا سامنا رہا، اور ٹیکسٹائل سیکٹر بھی اس سے مستثنیٰ نہیں رہا۔ غیر مستحکم مارکیٹس، بڑھتی ہوئی لاگتیں، اور بدلتی ہوئی عالمی تجارتی حرکیات اس صنعت کے منظر نامے کو مسلسل تبدیل کر رہی ہیں۔ تاہم، ہر چیلنج کے اندر ایک موقع پوشیدہ ہوتا ہے، اور یہی یقین ہمارے مستقبل کے وژن کی بنیاد ہے۔

آپ کی کمپنی میں ہم تبدیلی کو رکاوٹ نہیں بلکہ تبدیلی کے لیے ایک محرک سمجھتے ہیں۔ ایک مستقبل بین نقطہ نظر کے ساتھ ہم نے نظم و ضبط پر مبنی لاگت کے انتظام، عملی کارکردگی میں بہتری، اور صارفین کے ساتھ تعلقات کو مضبوط بنانے اور قدر فراہم کرنے پر توجہ دی۔ آگے بڑھتے ہوئے، ہماری ترجیحات میں پیداواریت کو بہتر بنانا، نئی منڈیوں میں توسیع کرنا، اور اپنے آپریٹرز میں پائیدار طریقے اپنانا شامل ہے تاکہ کارکردگی میں بہتری آئے اور ہم عالمی معیار کے مطابق اپنے آپ کو ہم آہنگ کر سکیں۔ ہمارا زور برآمدی منڈیوں میں اپنی مسابقتی پوزیشن کو مضبوط کرنے، اپنی مصنوعات کے دائرے کو وسیع کرنے، اور تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے پر ہے۔

بورڈ آف ڈائریکٹرز نے مستقل اور مضبوط نگرانی فراہم کی، جس سے ہمارا کارپوریٹ گورننس فریم ورک شفافیت، جوابدہی، اور اخلاقی کاروباری طرز عمل پر قائم رہا۔ ہم نے رسک مینجمنٹ اور پائیداری پر خصوصی زور دیا ہے، اس بات کو تسلیم کرتے ہوئے کہ اصل کامیابی صرف منافع میں نہیں بلکہ لوگوں، معاشرے، اور ماحول کے حوالے سے ہماری ذمہ داری میں بھی مضمر ہے۔

مستقبل کی طرف دیکھتے ہوئے، ہم جدت اور عملی مہارت کے اپنے سفر کو تیز کرنے کے لیے پرعزم ہیں۔ ہم ٹیکنالوجی کو اپناتے ہوئے، صلاحیتوں کو پروان چڑھاتے ہوئے، اور اپنی منڈی تک رسائی کو وسعت دیتے ہوئے ایک مضبوط، زیادہ مستعد تنظیم کی تعمیر کرنا چاہتے ہیں جو غیر یقینی صورتحال کے باوجود ترقی کر سکے اور عالمی ٹیکسٹائل ویلیو چین میں نئے مواقع حاصل کر سکے۔

بورڈ کی جانب سے، میں اپنے تمام شیئر ہولڈرز، ملازمین، اور شراکت داروں کا دل کی گہرائیوں سے شکریہ ادا کرتا ہوں کہ انہوں نے ہم پر اعتماد کیا اور ہمارا ساتھ دیا۔ ہم سب مل کر عہدگی کی تلاش جاری رکھیں گے، ممکنات کو حقیقت میں بدلیں گے، اور ایک ایسا مستقبل تشکیل دیں گے جو ترقی، چلک، اور پائیداری سے عبارت ہو۔

چیرمین
فیصل آباد

04 اکتوبر 2025

director's report to the members

On behalf of the Board, we are pleased to present the Annual Report for the year ended June 30, 2025, which includes the Audited Financial Statements and other necessary information in compliance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Companies Act, 2017.

Market Overview

economic outlook

The government's ongoing reform measures under the International Monetary Fund (IMF) program, aimed at achieving macroeconomic stabilization, are expected to improve investor confidence and business sentiment. Macroeconomic fundamentals of Pakistan's economy are continuously strengthening, with some growth in real GDP. It is further supported by improved external balances and sound fiscal management. Prices of utilities including food, transport and energy are reduced resulting a significant decrease in inflation to 3.5% in May 2025 from 11.8% a year earlier. The country improved current account balance to a surplus of US\$1.81 billion and a primary surplus of 3.2% of GDP during Jul-Apr FY2025. This was driven by the increase in tax collections and non-tax revenues.

Global economic growth remained modest with manufacturing under pressure and varying inflation rates across regions. In Pakistan, despite a mix trend in Large Scale Manufacturing (LSM), textile manufacturing has demonstrated resilience and posted a recovery, especially in value-added garments such as knitwear, readymade garments and bedding. This recovery is being driven by a more favorable global trade outlook, continued investment in innovation, efficiency and value added product line. With supportive policies and recovering global demand, the Company is well-positioned to achieve sustainable growth in the coming years.

company's performance

The company's revenue grew by 0.89%, increasing from Rs. 58.677 billion to Rs. 59.202 billion for the fiscal year ending June 30, 2025. The Company recorded a profit before tax of Rs. 393.341 million, as compared to a loss before tax of Rs. (394.682) million in the previous financial year. Similarly, profit after tax increased to Rs. 131.279 million, as compared to a loss after tax of Rs. (470.030) million last year. This turnaround from loss to profit reflects a notable improvement in the overall performance of the Company during the financial year 2025. As a result, earnings per share (EPS) increased to Rs. 1.20, as compared to a loss per share of Rs. (7.95) in the previous year.

The comparative financial results of the Company are reproduced hereunder:

financial highlights

Description	2025 (Rupees in Thousand)	2024
REVENUE	59,201,769	58,676,926
COST OF SALES	(50,181,120)	(49,151,388)
GROSS PROFIT	9,020,649	9,525,538
DISTRIBUTION COST	(3,467,922)	(3,020,812)
ADMINISTRATION EXPENSES	(1,195,895)	(1,162,792)
OTHER EXPENSES	(43,306)	(160,908)
OTHER INCOME	561,081	276,492
FINANCE COST	(3,858,226)	(4,999,501)
PROFIT BEFORE LEVY AND TAXATION	1,016,381	458,017
LEVY	(623,040)	(852,699)
PROFIT / (LOSS) BEFORE TAXATION	393,341	(394,682)
TAXATION	(262,062)	(75,348)
PROFIT / (LOSS) AFTER TAXATION	131,279	(470,030)
EARNINGS / (LOSS) PER SHARE - BASIC (RUPEES)	1.20	(7.95)
EARNINGS / (LOSS) PER SHARE - DILUTED (RUPEES)	1.11	(7.30)

There have been no material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

future outlook

The textile industry in Pakistan recovered gradually, and this recovery is driven by stabilizing input costs, improved energy availability, and government-led export facilitation measures. Global demand is projected to strengthen in the coming quarters, particularly from key markets in the United States and Europe. The recent trajectory of U.S. tariff adjustments and trade policies presents both opportunities and challenges for Pakistani exporters; however, continued focus on value-added products, compliance with international standards, and market diversification are likely to support sustainable growth. With prudent policy support and industry-wide efficiency improvements, the sector is positioned to maintain its role as the backbone of Pakistan's exports.

The outlook for textile business industry in Pakistan for FY-2025-26 remains cautiously optimistic. Devastating floods, impacting upcoming cotton harvest, high rate of taxes and high energy prices may impact the future profit margins. However, our strategic focus will remain on expanding our export base, enhancing product quality, and increasing operational efficiencies to remain competitive in a dynamic global textile landscape. While challenges persist, the Board remains confident in the Company's ability to navigate these headwinds and capitalize on emerging growth opportunities in the textile sector.

dividend preference and ordinary

The Company had issued 60,000 million Preference Shares of the value of Rupees 600,000 million, redemption of these preference shares after the expiry of their maturity is at the option of the Company. Preference dividend is payable on the basis of the average six months KIBOR+200 bps per annum. Board of Directors of the Company has proposed preference dividend on the outstanding preference shares to the preference shareholders of the Company for the year ended 30 June 2025 of Rupees 1.82 per share.

Considering the overall loss position, the Board of Directors decided not to consider any dividend for the current year.

corporate governance

The board of directors and management are aware of their responsibilities under the Listed Companies (Code of Corporate Governance) Regulation 2019 and Rule Book of Pakistan Stock Exchange. The company remains committed to the principles of good corporate governance practices with emphasis on transparency and disclosures. Your Company is cognizant to monitor its operations and performance to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

In compliance of corporate laws, the Board Members / Directors are pleased to confirm the following:

- a) The financial statement prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statement and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standard, as applicable in Pakistan, have been followed in the preparation of financial statements.
- e) The system of internal controls is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the company's ability to continue as going concern.
- g) Statement of pattern of Shareholding has been included as part of this annual report.

key operating and financial data

The key operating and financial data for last six years is given in this report.

composition of the board

In line with the requirements of the Code of Corporate Governance, the company encourages representation of independent and non-executive directors, as well as gender diversity on its Board.

The composition of the Board is as follows:

06
Male ♂

01
Female ♀

02 Independent
Directors
04 Non-Executive
Directors
01 Executive
Director

board of directors meetings

Six meetings of the Board of Directors were held during the financial year, with the following attendance:

Sr.#	Name of Directors	Designation	No. of Meetings Attended
1-	Mr. Naseer Ahmad Shah	Chairman	6
2-	Mr. Shahid Nazir Ahmad	Chief Executive Officer	4
3-	Malik Shahid Mehmood	Independent Director	2
4-	Mr. Shahid Iqbal	Independent Director	6
5-	Mr. Shoaib Ahmad Khan (Nominee- NIT)	Director	6
6-	Ms Chen Yan (Nominee- Shanghai Challenge Tex.Co.Ltd.)	Director	5
7-	Mr. Shubin Yang (Nominee- Shanghai Challenge Tex.Co.Ltd.)	Director	6
8-	Mr. Shahbir Ahmad Abid	Ex-Independent Director	4

audit committee meetings

Five meetings of the Audit Committee were held during the financial year, with the following attendance:

Sr.#	Name of Members	Designation	No. of Meetings Attended
1-	Malik Shahid Mehmood	Chairman	1
2-	Mr. Shabir Ahmad Abid	Ex-Chairman	4
3-	Mr. Naseer Ahmad Shah	Member	5
4-	Mr. Shahid Iqbal	Member	5

human resource & remuneration & sustainability committee

One meeting of the Human Resource & Remuneration Committee was held during the financial year, with the following attendance:

Sr.#	Name of Members	Designation	No. of Meetings Attended
1-	Mr. Shahid Iqbal	Chairman	1
2-	Mr. Shahid Nazir Ahmad	Member	1
3-	Malik Shahid Mehmood	Member	1

risk management committee

One meeting of the Risk Management Committee was held during the financial year, with the following attendance:

Sr.#	Name of Members	Designation	No. of Meetings Attended
1-	Mr. Shahid Nazir Ahmad	Chairman	1
2-	Mr. Naseer Ahmad Shah	Member	1
3-	Mr. Shahid Iqbal	Member	1

nomination committee

One meeting of the nomination Committee was held during the financial year, with the following attendance:

Sr.#	Name of Members	Designation	No. of Meetings Attended
1-	Mr. Naseer Ahmad Shah	Chairman	1
2-	Malik Shahid Mehmood	Member	1
3-	Mr. Shahid Iqbal	Member	1

The Board is responsible for making decisions with respect to important management matters, including the execution of important business activities and other matters as prescribed by law. These decisions are made after deliberating such matter according to the established criteria, assessing risks and giving such matters due consideration. The Board is also responsible for supervising and monitoring the conduct of duties.

director's remuneration

The Board of Directors has devised the policy for the determination of remuneration. Following are its salient features.

The Company will not pay any remuneration to its Non-Executive Directors except as meeting fee for attending the Board and its committee meetings.

The remuneration of directors and meeting fee shall be determined and approved by the Board of Directors. Remuneration package is designed to attract suitable candidate and talent on the Board.

A Director is provided or reimbursed for all travelling, boarding, lodging and other expenses incurred by him for attending meetings of the Board and its committees.

adequacy of internal & financial controls

The Board of Directors has established an effective system of Internal and Financial Controls that ensure:

- Effective and efficient conduct of operations
- Safeguarding company assets
- Compliance with applicable Laws and Regulations
- Reliable Financial Reporting

Internal audit function of the Company regularly appraises and monitors the implementation of Standard Operating Procedures and respective financial controls.

Internal audit reports are presented to the Audit Committee, as per internal audit plan. Accordingly, the Audit Committee reviews the effectiveness of the internal control framework and financial statements in its meetings.

external auditors

The present Auditors M/s Riaz Ahmad & Company Chartered Accountants retired and offered themselves for re-appointment. They have confirmed achieving satisfactory QCR rating from Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the Guidelines on the Code of Ethics of International Federation of Accountants (IFAC) as adopted by ICAP. The Board of Directors has recommended their re-appointment as auditors of the company for the year ending 30 June 2026, at a fee to be mutually agreed.

gender pay gap

The Company makes an internal analysis to check whether gender pay parity is aligned based on cadres, levels and comparable positions. Required adjustments are made to ensure that women are paid on average the same as men in the same cadres.

Furthermore, the Company believes that there is no significant disparity between what women and men are paid at comparable cadres and levels.

anti-harassment

The Company prohibits discrimination, harassment and bullying, violence, discriminatory differentiation based on sex, physical ability, sexual orientation, nationality, gender identity, race, religion, age, industry background, cultural and ethical beliefs or caste. The Company absolutely prohibits any type of discrimination, violence, threat of violence, intimidation or conduct tending to it in any of the lines of work.

health, safety, environment and CSR

Employees Health, Safety and Environmental protection are our core values and the Company regularly takes initiatives towards the improvement of environment and well-being of society. We carry out regular health and safety awareness programs. The Company has also provided firefighting equipment and vehicles at all of its manufacturing facilities. A dedicated clinic/dispensary is managed by the qualified team where 24/7 emergency services are provided. We also ensure the compliance of our production facility with all the environmental standards.

CSR is strategic, building long term relationships with neighboring communities and stakeholders. Relationships that are mutually beneficial enhance corporate reputation and respect for the Company's business and products, and provide a sustainable competitive advantage.

board's statement on strategic objectives for ESG and Sustainability Reporting

The Company reinforced its commitment to environmental, social, and governance (ESG) principles and sustainability. Our strategic objectives are deeply rooted in fostering long-term value for our stakeholders while advancing responsible business practices that line up with global sustainability standards.

Our approach to ESG and sustainability is comprehensive, driven by a commitment to ethical governance, social responsibility and environmental stewardship. We have integrated ESG considerations into our core business strategies, ensuring that these principles are not only adhered to but are central to our decision-making procedures.

This progress is informed by the latest regulatory policies and guidelines on ESG, sustainability, and climate-related risk management. We are committed to embedding ESG into every aspect of our operations, ensuring alignment with our core values and meeting the expectations of our stakeholders.

The directors remain committed to furthering these objectives, continuously adapting our strategies to meet the changing expectations of our stakeholders and to contribute positively to the broader community and environment. We believe that our efforts in ESG and sustainability not only align with our core values but also position the company as a leader in a responsible and sustainable business practices.

acknowledgement

The Board of Directors extends its sincere gratitude to the Company's shareholders and valued customers for their continued support, trust, and patronage. The Board also deeply appreciates the unwavering commitment, dedication, and teamwork demonstrated by all employees across the organization. Their hard work and loyalty have been instrumental in the Company's progress. The Board is confident that their continued dedication will further strengthen the Company's foundation and enable it to effectively respond to future challenges and opportunities.

FAISALABAD
04th October, 2025



CHIEF EXECUTIVE OFFICER



DIRECTOR

ڈائریکٹرز رپورٹ برائے حصص یافتگان

بورڈ کی جانب سے ہمیں خوشی ہے کہ ہم 30 جون 2025 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کر رہے ہیں۔ اس رپورٹ میں آڈٹ شدہ مالیاتی بیانات اور دیگر ضروری معلومات شامل ہیں، جو لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ)، 2019 اوپنیز ایکٹ، 2017 کی ضروریات کے مطابق فراہم کی گئی ہیں۔

مارکیٹ کا جائزہ۔

اقتصادی ظہور:-

حکومت کے جاری اصلاحاتی اقدامات، جو انٹرنیشنل مانیٹری فنڈ (IMF) کے پروگرام کے تحت معاشی استحکام حاصل کرنے کے لیے کیے جا رہے ہیں، سے توقع ہے کہ سرمایہ کاروں کے اعتماد اور کاروباری رجحان میں بہتری آئے گی۔ پاکستان کی معیشت کے میکرو اکنامک اشاریے مسلسل مضبوط ہو رہے ہیں، اور حقیقی جی ڈی پی میں کچھ حد تک اضافہ بھی دیکھنے میں آیا ہے۔ یہ بہتری بیرونی کھاتوں کے توازن اور محتاط مالیاتی نظم و نسق کے ذریعے مزید تقویت پارہی ہے۔ خوراک، ٹرانسپورٹ اور توانائی سمیت بنیادی ضروریات کی قیمتوں میں کمی کے باعث مہنگائی کی شرح میں نمایاں کمی آئی ہے، جو مئی 2025 میں گھٹ کر 3.5 فیصد ہو گئی ہے، جو ایک سال قبل 11.8 فیصد تھی۔ ملک کا کرنٹ اکاؤنٹ بیلنس بہتر ہو کر 1.81 ارب امریکی ڈالر کے سرپلس میں تبدیل ہوا، جب کہ جولائی تا اپریل مالی سال 2025 کے دوران پرائمری سرپلس جی ڈی پی کے 3.2 فیصد تک پہنچ گیا۔ یہ کارکردگی ٹیکس محصولات اور نان ٹیکس ریونیو میں اضافے کی بدولت ممکن ہوئی۔

عالمی معیشت میں مجموعی طور پر ترقی کی رفتار سست رہی، جب کہ مینوفیکچرنگ سیکٹر کو دباؤ کا سامنا رہا اور مختلف خطوں میں مہنگائی کی شرح میں فرق دیکھا گیا۔ پاکستان میں لارج اسکیل مینوفیکچرنگ (LSM) کے مخلوط رجحانات کے باوجود، ٹیکسٹائل مینوفیکچرنگ نے چکدار کارکردگی دکھائی اور خاص طور پر ویلیو ایڈڈ مصنوعات جیسے نٹ ویئر، ریڈی میڈ گارمنٹس اور بیڈنگ کے شعبوں میں بہتری دیکھی گئی۔ یہ بہتری عالمی تجارتی ماحول کی سازگار صورتحال، جدت، مؤثر پیداواری عمل اور ویلیو ایڈڈ مصنوعات میں سرمایہ کاری کے تسلسل کے باعث آئی ہے۔ حکومتی معاون پالیسیوں اور عالمی طلب میں بحالی کے ساتھ، کمپنی آئندہ برسوں میں پائیدار ترقی حاصل کرنے کی مضبوط پوزیشن میں ہے۔

کمپنی کی کارکردگی:-

کمپنی کی آمدنی مالی سال 2025 کے دوران 0.89% کے اضافے کے ساتھ 58.677 ارب روپے سے بڑھ کر 59.202 ارب روپے ہو گئی۔ کمپنی نے ٹیکس سے قبل منافع 393.341 ملین روپے ریکارڈ کیا، جبکہ گزشتہ مالی سال میں ٹیکس سے قبل خسارہ (394.682) ملین روپے تھا۔ اسی طرح، ٹیکس کے بعد منافع 131.279 ملین روپے تک پہنچا، جب کہ پچھلے سال ٹیکس کے بعد خسارہ (470.030) ملین روپے تھا۔ یہ خسارے سے منافع کی طرف واپسی کمپنی کی مجموعی کارکردگی میں نمایاں بہتری کو ظاہر کرتی ہے، جو مالی سال 2025 کے دوران حاصل ہوئی۔ نتیجتاً، فی حصص آمدنی (EPS) 1.20 روپے تک پہنچ گئی، جو گزشتہ سال فی حصص خسارہ (7.95) روپے تھا۔

کمپنی کے تقابلی مالیاتی نتائج ذیل میں پیش کیے گئے ہیں۔
مالی سرخیاں :-

2024 روپے ہزاروں میں	2025 روپے ہزاروں میں	تفصیل
58,676,926	59,201,769	آمدنی
(49,151,388)	(50,181,120)	لاگت سیلز
9,525,538	9,020,649	مجموعی نفع
(3,020,812)	(3,467,922)	ڈسٹری بیوٹن خرچہ
(1,162,792)	(1,195,895)	کاروبار کے انتظامی اخراجات
(160,908)	(43,306)	دیگر اخراجات
276,492	561,081	دیگر آمدن
(4,999,501)	(3,858,226)	مالی لاگت
458,017	1,016,381	نفع ٹیکس اور لیوی سے پہلے
(852,699)	(623,040)	لیوی
(394,682)	393,341	نفع / (نقصان) ٹیکس کی ادائیگی سے پہلے
(75,348)	(262,062)	ٹیکسز
(470,030)	131,279	نفع / (نقصان) ٹیکس کی ادائیگی کے بعد
(7.95)	1.20	آمدن / (نقصان) فی حصص بنیادی (روپیہ)
(7.30)	1.11	آمدن / (نقصان) فی حصص ڈائیویڈنڈ کمی کر کے (روپیہ)

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی اہم تبدیلی یا پابندی واقع نہیں ہوئی ہے۔

مستقبل کا جائزہ :-

پاکستان کی ٹیکسٹائل صنعت نے بتدریج بحالی کا عمل شروع کیا، جو کہ ان پٹ لاگت میں استحکام، توانائی کی بہتر دستیابی، اور حکومت کی طرف سے برآمدات کے فروغ کے اقدامات کی بدولت ممکن ہوا۔ عالمی سطح پر طلب کے آئندہ چند ماہ میں مضبوط ہونے کی توقع ہے، خاص طور پر امریکہ اور یورپ جیسے اہم بازاروں سے حالیہ امریکی ٹریف کی ایڈجسٹمنٹ اور تجارتی پالیسیوں میں تبدیلیاں پاکستانی برآمد کنندگان کے لیے دونوں مواقع اور چیلنجز فراہم کرتی ہیں۔ تاہم، ویلیو ایڈڈ مصنوعات پر توجہ مرکوز رکھنا، بین الاقوامی معیار کے مطابق ہونا، اور مارکیٹ کی تنوع صنعت کی پائیدار ترقی کے لیے معاون ثابت ہو سکتا ہے۔ محتاط پالیسی حمایت اور صنعت میں کارکردگی میں بہتری کے ساتھ، یہ شعبہ پاکستان کی برآمدات کے لیے ایک اہم ستون کے طور پر اپنا کردار برقرار رکھنے کے لیے تیار ہے۔

پاکستان میں ٹیکسٹائل انڈسٹری کے لیے مالی سال 2025-26 کے دوران منظر نامہ احتیاطی طور پر پرامید نظر آتا ہے۔ تباہ کن سیلابوں کی وجہ سے آئندہ کپاس کی فصل پر اثرات، ٹیکسوں کی بلند شرح اور توانائی کی مہنگی قیمتیں مستقبل کے منافع کے مارجنز کو متاثر کر سکتی ہیں۔ تاہم، ہماری حکمت عملی کا مرکز اپنی برآمدات کا دائرہ بڑھانا، مصنوعات کے معیار کو بہتر بنانا، اور آپریشنل کارکردگیوں میں اضافہ کرنا رہے گا تاکہ ہم عالمی ٹیکسٹائل مارکیٹ میں مسابقتی رہ سکیں۔ اگرچہ چیلنجز موجود ہیں، بورڈ کو کمپنی کی صلاحیت پر مکمل اعتماد ہے کہ وہ ان مشکلات کا مقابلہ کرتے ہوئے ٹیکسٹائل سیکٹر میں ابھرتے ہوئے ترقی کے مواقع سے فائدہ اٹھا سکے گا۔

حصہ / منافع :-

کمپنی نے 600.000 ملین روپے کی مالیت کے 60.000 ملین ترجیحی حصص جاری کیے تھے ان ترجیحی حصص کی مدت پوری ہونے کے بعد ان کی واپسی کمپنی کے اختیار میں ہے۔ ترجیحی منافع سالانہ اوسط چھ ماہ کے KIBOR+200BPS کی بنیاد پر قابل ادائیگی ہے کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لئے بقایا ترجیحی حصص یافتگان کو 1.82 روپے فی حصص منافع تجویز کیا۔ مجموعی نقصان کی پوزیشن کو دیکھتے ہوئے بورڈ آف ڈائریکٹرز نے موجودہ سال کے لئے کسی بھی ڈیویڈنڈ پر غور نہ کرنے کا فیصلہ کیا ہے۔

کارپوریٹ گورننس :-

بورڈ آف ڈائریکٹرز اور انتظامیہ، انسٹیڈ پیمنٹرز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور رول بک آف پاکستان اسٹاک ایکسچینج کے تحت اپنی ذمہ داریوں سے آگاہ ہیں۔ کمپنی شفافیت اور انکشافات پر زور دینے کے ساتھ کارپوریٹ انتظامیہ کی اچھی پریکٹس کے اصولوں کی پابندی ہے آپ کی کمپنی مالی اور غیر مالی معاملات کی درستگی، جامعیت اور شفافیت کو بڑھانے کے لئے اپنے کاموں اور کارکردگی کی نگرانی کرنے میں سنجیدہ ہے۔

کارپوریٹ قوانین کی تعمیل میں بورڈ ممبر / ڈائریکٹرز نیچے بیان کیے گئے بیانات پر عمل پیرا رہتی ہے۔

1- کمپنی کی انتظامیہ کے پیش کردہ مالیاتی بیانات کی صورت حال، کاروباری سرگرمیوں کے نتائج، کیش فلوز اور ایکویٹی میں بدلاؤ کے بارے میں ایک عمدہ نظریہ پیش کرتے ہیں۔

2- اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔

3- مالیاتی بیانات کی تیاری میں اکاؤنٹنگ کی پالیسیاں مستقل طور لاگو ہوتی ہیں۔ اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔

4- مالیاتی بیانات کی تیاری کے سلسلے میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات جو پاکستان میں قابل اطلاق ہیں، عمل کیا گیا ہے۔

5- انٹرنل کنٹرول کا نافذ نظام، بہترین انداز سے بنایا گیا ہے اور اسے موثر انداز میں لاگو کیا گیا ہے۔

6- کمپنی کے کاروبار کے روال دواں رکھنے کی صلاحیت شکوک و شبہات سے بالاتر ہے۔

7- حصص یافتگان کا طریقہ کار کو بھی اس سالانہ رپورٹ میں شامل کیا گیا ہے۔

کلیدی آپریٹنگ اور مالیاتی اعداد شمار :-

اس رپورٹ میں پچھلے 6 سالوں کے اہم آپریٹنگ اور مالی اعداد شمار دیے گئے ہیں۔

بورڈ کی تشکیل:-

کوڈ آف کارپوریٹ گورننس کی ضروریات کے مطابق کمپنی اپنے بورڈ میں آزاد اور نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کے ساتھ ساتھ صنعتی تنوع کی بھی حوصلہ افزائی کرتی ہے۔

بورڈ کی تشکیل کی پیروی:-

کل ڈائریکٹرز کی تعداد - 07

01 عورت ♀

06 مرد ♂

بورڈ کی تشکیل:-

02 آزاد ڈائریکٹرز

04 نان ایگزیکٹو ڈائریکٹرز

01 ایگزیکٹو ڈائریکٹرز

ڈائریکٹرز کا اجلاس:-

ڈائریکٹرز کی چھ میٹنگز مالی سال کیلئے منعقد ہوئی جو درج ذیل ہیں۔

نمبر شمار	ڈائریکٹر کا نام	عہدہ	اجلاس حاضری کی تعداد
1	جناب نصیر احمد شاہ	چیئرمین	6
2	جناب شاہد نذیر احمد	چیف ایگزیکٹو آفیسر	4
3	ملک شاہد محمود	آزاد ڈائریکٹر	2
4	جناب شاہد اقبال	آزاد ڈائریکٹر	6
5	جناب شعیب احمد خان (منتخب NIT)	ڈائریکٹر	6
6	مس چن یان (منتخب شنگھائی چیلیج ٹیکسٹائل کمپنی لمیٹڈ)	ڈائریکٹر	5
7	جناب شیا بن یا نگ (منتخب شنگھائی چیلیج ٹیکسٹائل کمپنی لمیٹڈ)	ڈائریکٹر	6
8	جناب شبیر احمد عابد	سابق آزاد ڈائریکٹر	4

آڈٹ کمیٹی کا اجلاس :-

مالی سال کے دوران آڈٹ کمیٹی کے پانچ اجلاس منعقد ہوئے جس کی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ممبرز کے نام	عہدہ	اجلاس حاضری کی تعداد
1	ملک شاہد محمود	چیئر مین	1
2	جناب شبیر احمد عابد	سابق چیئر مین	4
3	جناب نصیر احمد شاہ	ممبر	5
4	جناب شاہد اقبال	ممبر	5

انسانی وسائل اور معاوضے کی کمیٹی :-

مالی سال کے دوران انسانی وسائل اور معاوضے کی کمیٹی کا ایک اجلاس منعقد ہوا جس کی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ممبرز کے نام	عہدہ	اجلاس حاضری کی تعداد
1	جناب شاہد اقبال	چیئر مین	1
2	جناب شاہد نذیر احمد	ممبر	1
3	ملک شاہد محمود	ممبر	1

ریسک مینجمنٹ کمیٹی :-

مالی سال کے دوران ریسک مینجمنٹ کمیٹی کا ایک اجلاس منعقد ہوا جسکی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ممبرز کے نام	عہدہ	اجلاس حاضری کی تعداد
1	جناب شاہد نذیر احمد	چیئر مین	1
2	جناب نصیر احمد شاہ	ممبر	1
3	جناب شاہد اقبال	ممبر	1

نامزدگی کمیٹی :-

مالی سال کے دوران نامزدگی کمیٹی کا ایک اجلاس منعقد ہوا جسکی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ممبرز کے نام	عہدہ	اجلاس حاضری کی تعداد
1	جناب نصیر احمد شاہ	چیئر مین	1
2	ملک شاہ محمود	ممبر	1
3	جناب شاہد اقبال	ممبر	1

بورڈ انتظامیہ کے اہم امور کے حوالے سے فیصلہ کرنے کا ذمہ دار ہے۔ بشمول اہم کاروباری سرگرمیوں پر عمل درآمد اور دیگر معاملات جو قانون کے ذریعہ تجویز کردہ ہیں یہ فیصلے طے شدہ معیارات کے مطابق اس طرح کے معاملے پر غور و فکر، خطرات کا جائزہ لینے اور اس طرح کے معاملات پر مناسب غور کرنے کے بعد کیے جاتے ہیں۔ بورڈ فرائض کی انجام دہی کے لئے بھی نگرانی کرنے کا ذمہ دار ہے۔

ڈائریکٹرز کا معاوضہ :-

بورڈ آف ڈائریکٹرز نے معاوضے کے تعین کے لیے پالیسی مرتب کی ہے۔ اس کی نمایاں خصوصیات درج ذیل ہیں:
کمپنی نے اپنے غیر ایگزیکٹو ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے دی جانے والی میٹنگ فیس کے علاوہ کوئی معاوضہ ادا نہیں کیا۔

ڈائریکٹرز کے معاوضے اور میٹنگ فیس کا تعین بورڈ آف ڈائریکٹرز نے کیا ہے اور اس کی منظوری دی ہے۔ معاوضے کا پتہ اس انداز میں تیار کیا گیا ہے کہ وہ بورڈ کے لیے موزوں امیدواروں اور باصلاحیت افراد کو راغب کر سکے۔

کسی بھی ڈائریکٹر کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے سلسلے میں آنے والے سفری، رہائش، طعام اور دیگر اخراجات کی ادائیگی یا ان کی واپسی کی جاتی ہے

داخلی اور مالیاتی کنٹرول کی قابلیت :-

بورڈ آف ڈائریکٹرز نے اندرونی اور مالیاتی کنٹرول کا ایک موثر نظام قائم کیا ہے جس کو اس طرح یقینی بنایا جاتا ہے۔

موثر اور پائیدار طریقہ عمل کو بروئے کار لانا

کمپنی کے اثاثوں کی حفاظت

قابل اطلاق قوانین اور ضوابط کی تعمیل

قابل اعتماد مالیاتی جائزے

کمپنی کا اندرونی آڈٹ فنکشن باقاعدہ طور پر معیاری آپریٹنگ طریقہ کار اور اس سے متعلقہ مالی کنٹرول کے نفاذ کی نگرانی کرتا ہے۔
داخلی آڈٹ کی رپورٹ داخلی آڈٹ پلان کے مطابق، آڈٹ کمیٹی اپنے اجلاسوں میں اندرونی کنٹرول فریم ورک تاثیر اور مالی بیان کا جائزہ لیتی ہے۔

آڈیٹر :-

موجودہ آڈیٹرزمیسرز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے اور خود کو دوبارہ تقرری کے لئے پیش کیا۔ انہوں نے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) سے قابل اطمینان QCR ریٹنگ حاصل کرنے اور ICAP کی طرف سے اپنائے گئے کوڈ آف ایتھکس آف انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے رہنما خطوط کی تعمیل کی تصدیق کی ہے۔ بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔ ایک فیس پر جو کہ باہمی رضامندی سے ہو۔

صنعتی تنخواہ کا فرق :-

کمپنی یہ جانچنے کے لئے ایک داخلی تجربہ کرتی ہے۔ کہ آیا صنعتی تنخواہ کی برابری، کیڈرز، سطحوں اور تقابلی عہدوں کی بنیاد پر منسلک ہے۔ اس بات کو یقینی بنانے کے لئے ضروری ایڈجسٹمنٹ کی جاتی ہے۔ کہ خواتین کو اوسطاً اسی کیڈرز میں مردوں کے برابر تنخواہ دی جائے۔
مزید برآں، کمپنی کا خیال ہے۔ کہ تقابلی کیڈرز اور سطحوں پر خواتین اور مردوں کو جو ادائیگی کی جاتی ہے۔ اس میں کوئی خاص تفاوت نہیں ہے۔

ہر اسماں نہ کرنا :-

کمپنی جنس، جسمانی صلاحیت، جنس، رجحان، قومیت، منفی شناخت نسل، مذہب، عمر، صنعت کے پس منظر، ثقافتی اور اخلاقی عقائد یا ذات کی بنیاد پر امتیازی سلوک، ایذا رسانی اور غنڈہ گردی، تشدد کے امتیازی تفریق سے منع کرتی ہے، کمپنی کام کی کسی بھی لائن میں کسی بھی قسم کے امتیازی سلوک، تشدد کی دھمکی یا طرز عمل سے قطعی طور پر منع کرتی ہے۔

صحت، حفاظتی اور ماحولیاتی ذمہ داری :-

ملازمین کی صحت، حفاظت اور ماحولیاتی ذمہ داری ہماری بنیادی قدر ہے اور کمپنی معاشرے کی فلاح و بہبود اور ماحول کی بہتری کے لئے باقاعدگی سے اقدامات کرتی رہی ہے۔ ہم صحت اور حفاظت سے متعلق آگاہی کے باقاعدہ پروگرام چلاتے رہتے ہیں۔ کمپنی نے اپنی تمام میٹالورجیکل سہولیات پر فائز فائٹنگ کا سامان اور گاڑیاں بھی فراہم کی ہیں، تعلیم یافتہ ٹیم کے ذریعہ ایک مرتبہ، کلیننگ / ڈسپنسر کی انتظام ہے۔ جہاں 24/7 ہنگامی خدمات کی جاتی ہیں۔ ہم تمام ماحولیاتی معیارات کے ساتھ اپنی پیداواری سہولت کی تعمیل کو بھی یقینی بناتے ہیں۔

کورپوریٹ سماجی ذمہ داری حکمت عملی ہے، ہمسایہ معاشروں اور اسٹیک ہولڈرز کے ساتھ طویل مدتی تعلقات استوار کرتا ہے۔ باہمی فائدہ مند ہونے والے تعلقات کارپوریٹ ساکھ میں اضافہ کے ساتھ ساتھ کمپنی کے کاروبار اور مصنوعات کے احترام میں اضافہ کرتے ہیں۔ اور ایک مستقل مسابقتی فائدہ مہیا کرتے ہیں۔

ESG اور پائیداری کی روٹینگ کیلئے اسٹریٹجک مقاصد پر بورڈ کا بیان :-

کمپنی کے ماحولیاتی، سماجی، اور گورننس (ESG) اصولوں اور پائیداری کے لئے اپنی وابستگی کو مضبوط کیا۔ ہمارے اسٹریٹجک مقاصد کی جڑیں ہمارے اسٹیک ہولڈرز کے لئے طویل مدتی اقدار کو فروغ دینے میں ہیں۔ جبکہ ذمہ دار کاروباری طریقوں کو آگے بڑھانا عالمی پائیداری کے معیارات کے مطابق ہیں۔ ESG اور پائیداری کے لئے ہمارا نقطہ نظر جامع ہے۔ جو اخلاقی حکمرانی، سماجی ذمہ داری اور ماحولیاتی ذمہ داری کے عزم سے کارفرما ہے۔ ہم نے ESG کے تحفظات کو اپنی بنیادی کاروباری حکمت عملیوں میں ضم کر دیا ہے۔ اس بات کو یقینی بناتے ہوئے کہ اصولوں پر نہ صرف عمل کیا جائے بلکہ ہمارے فیصلہ سازی کے عمل میں مرکزی حیثیت رکھتے ہیں۔

یہ ارتقاء تازہ ترین ریگولیٹری پالیسیوں اور ESG، پائیداری اور آب و ہوا سے متعلق خطرے کے انتظام سے متعلق رہنما خطوط کے ذریعے مطلع کیا گیا ہے۔ ہم اپنے کاموں کے ہر پہلو میں ESG کو شامل کرنے اپنے بنیادی اقدار کے ساتھ صف بندی کو یقینی بنانے اور اپنے اسٹیک ہولڈرز کی توقعات پر پورا اترنے کے لئے پرعزم ہیں۔

بورڈ اپنے اسٹیک ہولڈرز کی بدلتی ہوئی توقعات کو پورا کرنے اور وسیع تر کمیونٹی اور ماحول میں مثبت کردار ادا کرنے کے لئے اپنی حکمت عملیوں کو مسلسل ڈھالتے ہوئے ان مقاصد کو آگے بڑھانے کے لئے پرعزم ہے۔ ہمیں یقین ہے۔ کہ ESG اور پائیداری میں ہماری کوشش نہ صرف ہماری بنیادی اقدار کے ساتھ مطابقت رکھتی ہیں۔ بلکہ ذمہ دار اور پائیدار کاروبار طریقوں میں ایک رہنما کے طور پر کمپنی کی پوزیشن بھی ہے۔

اعتراف :-

بورڈ آف ڈائریکٹرز کمپنی کے حصص یافتگان اور معزز صارفین کا دلی شکر یہ ادا کرتا ہے جنہوں نے مسلسل اعتماد، تعاون اور سرپرستی کے ذریعے کمپنی کا ساتھ دیا۔ بورڈ ان تمام ملازمین کی بے لوث محنت، لگن اور باہمی تعاون کو بھی دل کی گہرائیوں سے سراہتا ہے جو انہوں نے تنظیم کے مختلف شعبوں میں انجام دیا۔ ان کی محنت اور وفاداری کمپنی کی ترقی میں کلیدی کردار کی حامل رہی ہے۔ بورڈ کو یقین ہے کہ ملازمین کی یہی لگن اور پیشہ ورانہ وابستگی آئندہ بھی کمپنی کی بنیاد کو مزید مضبوط کرے گی اور مستقبل میں درپیش چیلنجز اور مواقع سے مؤثر طور پر نمٹنے میں معاون ثابت ہوگی۔


چیف ایگزیکٹو آفیسر


ڈائریکٹر

فیصل آباد 4- اکتوبر 2025

statement of compliance with **listed companies**

(code of corporate governance) regulations 2019

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

Name of Company Masood Textile Mills Limited

Year Ending 30th June, 2025

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

1. The total number of directors are Seven (7) as per the following:

- a. Six (6) Male
- b. One (1) Female

2. The composition of board is as follows:

- | | |
|---------------------------|------------------------|
| 1) Malik Shahid Mehmood | Independent Director |
| 2) Mr. Shahid Iqbal | Independent Director |
| 3) Mr. Naseer Ahmad Shah | Non-executive Director |
| 4) Mr. Shubin Yang | Non-executive Director |
| 5) Mr. Shoaib Ahmad Khan | Non-executive Director |
| 6) Mr. Shahid Nazir Ahmad | Executive Director |
| 7) Ms. Chen Yan | Female Director |

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 their date of approval or updating is maintained by the Company.

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

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

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

9. Following six Board members have already completed Directors' Training Program:

- Malik Shahid Mehmood
- Mr. Shahid Iqbal
- Mr. Naseer Ahmad Shah
- Mr. Shibin Yang
- Ms. Chen Yan
- Mr. Shoaib Ahmad Khan

Moreover, one Board member, Mr. Shahid Nazir Ahmad is exempted from Directors' Training Program complying with the criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies.

The Board has arranged Directors' Training Program for one newly appointed Independent Director and one Head of Department during the year named as

- Malik Shahid Mehmood (Independent Director)
- Mr. Waqas Ahmad (Asst. Company Secretary)

Further, the Company remains committed to ensure adequate training for the Female Executive in future.

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

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

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

- | | |
|--|------------|
| a) Audit Committee | |
| i) Malik Shahid Mehmood | (Chairman) |
| ii) Mr. Naseer Ahmad Shah | (Member) |
| iii) Mr. Shahid Iqbal | (Member) |
| b) HR, Remuneration & Sustainability Committee | |
| i) Mr. Shahid Iqbal | (Chairman) |
| ii) Mr. Shahid Nazir Ahmad | (Member) |
| iii) Malik Shahid Mehmood | (Member) |
| c) Nomination Committee | |
| i) Mr. Naseer Ahmad Shah | (Chairman) |
| ii) Malik Shahid Mehmood | (Member) |
| iii) Mr. Shahid Iqbal | (Member) |
| d) Risk Management Committee | |
| i) Mr. Shahid Nazir Ahmad | (Chairman) |
| ii) Mr. Naseer Ahmad Shah | (Member) |
| iii) Mr. Shahid Iqbal | (Member) |

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

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

a) Audit Committee:

Five meetings of Audit Committee were held during the financial year ended June 30, 2025.

b) HR, Remuneration & Sustainability Committee:

One meeting of HR & Remuneration & Sustainability Committee was held during the financial year ended June 30, 2025.

c) Nomination Committee:

One meeting of Nomination Committee was held during the financial year ended June 30, 2025.

d) Risk Management Committee

One meeting of Risk Management Committee was held during the financial year ended June 30, 2025.

15. The board has set up an effective internal audit function, which 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 finance officer, head of internal audit, company secretary or director of the company;

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

18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with, except for the Independent directors in which fraction is not rounded up as one because the fraction (0.33) was less than 0.5.

Faisalabad
04th October, 2025



Chief Executive Officer



Chairman

independent auditors review report on **statement of compliance with listed companies**

(code of corporate governance) regulations 2019

To the members of Masood Textile Mills Limited

**Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Masood Textile Mills Limited (the Company) for the year ended 30 June 2025 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 30 June 2025.



RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 04 OCTOBER, 2025

UDIN: CR202510158xCqabVApi

July 28, 2025



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Secured Privately Placed Sukuk of PKR 2,000 million (Sukuk) issued by Masood Textile Mills Limited (Company).

It is the core responsibility of Masood Textile Mills Limited (Company) to Manage the Sukuk in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the Sukuk. We express our opinion based on the review of the information, provided by the issuer, to an extent where compliance with the Shariah guidelines can be objectively verified.

Keeping in view the above; we certify that:

We have reviewed all the transactions, documents, procedures adopted by the issuer as well as the operational activities of the Sukuk which included the review of all transactions and source of earning. We have found them to be in compliance with the Shariah Guidelines.

On the basis of information provided by the company, all operations and affairs have been carried out in accordance with the rules and principles of Shariah for the sukuk year ended June 2025 . The Sukuk is in compliance with the provided Shariah guidelines and there is no need to provide for any charity to purify the income. Therefore, it is resolved those investments in Secured Privately Placed Sukuk of PKR 2,000 million issued by Masood Textile Mills Limited is in accordance with Shariah principles as per the Shariah guidelines provided by the Shariah supervisory council.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited

Mufti Irshad Ahmad Aijaz
Member Shariah Council



Faraz Younus Bandukda, CFA
Chief Executive

Al-Hilal Shariah Advisors (Pvt) Limited
Suite 807, 8th Floor, Horizon Towers, Com 2/6, Khayaban-e-Saadi,
Block 03 Clifton, Karachi
Tel :+92-21-35305931-37, Web: www.alhilalsa.com

statement of compliance with the sukuk (privately placed) regulations 2017 and shariah governance regulations 2023

This statement is being presented to comply with the requirements under “Sukuk (Privately Placed) Regulations, 2017” (the Regulations) and Shariah Governance Regulations, 2023 issued by the Securities and Exchange Commission of Pakistan (SECP). This Statement of Compliance s for the year ended 30 June 2025.

Masood Textile Mills Limited entered into an arrangement for issue of 2nd Sukuk amounting Rs. 2,000 Million by way of a Sukuk issue (inclusive of green shoe option or PKR 1,000 Million), on September 27, 2025 for a period of 5 years including a grace period of 09 months. We state that the company is in compliance with the sukuk Features and Shariah Requirements in accordance with the Regulations.

We specifically confirm that:

The Company has established policies and procedures for all Sukuk related transactions to comply with Sukuk Features and Shariah Requirements.

The Company has implemented and maintained such internal control and risk management systems that are necessary to mitigate the risk of non-compliances of the Sukuk Features and Shariah Requirements, whether due to fraud or error;

The Company has a process to ensure that the management and where appropriate the Board of Directors, and personnel responsible to ensure the Company’s compliance with the Sukuk Feature and Shariah Requirements are properly trained and systems are properly updated.

The Sukuk Feature and Shariah Requirements in accordance with issue of the Regulations comprises of the following:

- a. Requirements of Shariah Structure and Transaction Documents to issuance of Sukuk:
 - Musharka Agreements
 - Sukuk Issuance Agreement
 - Sukuk Subscription and Agency Agreement
 - Asset Purchase Agreement
 - Purchase Undertaking
 - Payment Agreement
 - Sale Undertaking
 - Collection arrangement Agreement
 - Security Documents
- b. Guideline of the relevant Shariah Standards, issued by the Accounting and Auditing Organization of the Islamic Financial Institutions, as notified by the SECP;
- c. Requirements of the relevant Islamic Financial Accounting Standard as notified by the SECP; and
- d. Other compliance specified in the Regulations as issued by the SECP; and
- e. Payments were made on time and there was no delay.

The above Statement has been duly endorsed by the Board of Directors of the Company.

Faisalabad
04th October, 2025



Chief Executive Officer



Director

independent auditor's assurance report on statement of compliance **with the sukuk (privately placed) regulations 2017 and shariah governance regulations 2023**

To the Board of Directors of Masood Textile Mills Limited

On the Statement of Compliance with Privately Placed Sukuk Features and
Shariah Requirements

Introduction

We were engaged by the Board of Directors (the Board) of Masood Textile Mills Limited (the Company) to express an opinion on the annexed Statement of Compliance (Statement) prepared by the management for the year ended 30 June 2025, with Sukuk (Privately Placed) Regulations, 2017 (the Regulations), Shariah Governance Regulations, 2023 and Shariah Opinion (Fatwa) as issued by the Shariah Advisor and to the extent applicable, the guidelines of Shariah Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), in all material respects.

Applicable Criteria

The criteria against which the subject matter information (the statement) is assessed comprises of the provisions of the Regulations and Shariah Opinion (Fatwa) as issued by the Shariah Advisor.

Company's Responsibilities for Shariah Compliance

The Board and management of the Company are responsible for the preparation of the annexed Statement and to ensure that it is free from material misstatement. It is the responsibility of the Company's Board and management to ensure that all Sukuk

related financial arrangements, contracts and transactions are in substance and in their legal form, in compliance with the Sukuk Features and Shariah Requirements as specified above. The Company's Board and management are also responsible for prevention and detection of fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its Sukuk related activities and also for designing, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant records and such risk management system as the management determines is necessary to mitigate the risk of non-compliance of Sukuk Features and Shariah requirements whether due to fraud or error. They are also responsible for ensuring that personnel involved with the compliance with the Sukuk Features and Shariah Requirements are properly trained and systems are properly updated.

Our Independence and Quality Control

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. The firm applies International Standard on Quality Management 1 "Quality Management for firms that perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to examine the annexed Statement prepared by management and to report thereon in the form of independent assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standards on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants. This Standard requires that we plan and perform the engagement to obtain reasonable assurance regarding the subject matter i.e. about whether the annexed Statement presents fairly the status of compliance with Sukuk Features and Shariah Requirements as required under the Regulation and Shariah Opinion (Fatwa) issued by Shariah Advisor and to the extent applicable, the guidelines of Shariah Standards issued by AAOIFI, in all material respects.

The procedures selected depend on our professional judgement including the assessment of the risk of the Company's non-compliance with the Sukuk Features and Shariah Requirements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to ensure compliance with Sukuk Features and Shariah Requirements, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Company's internal control over ensuring compliance with Sukuk Features and Shariah Requirements.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Sukuk Features and Shariah Requirements, and consequently cannot provide absolute assurance that the objective of compliance with Sukuk Features and Shariah Requirement will be met.

The procedures performed included;

- Evaluation of the systems, procedures and practices in place with respect to compliance of Sukuk related transactions against the Features and Shariah Requirements;
- Verification that payments were made on time and there was no delay;
- Test for a sample of transactions to help ensure that these are carried out in accordance with the laid down procedures and practices; and
- Review of the Statement based on our procedures performed and conclusion reached.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in the report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis of our conclusion.

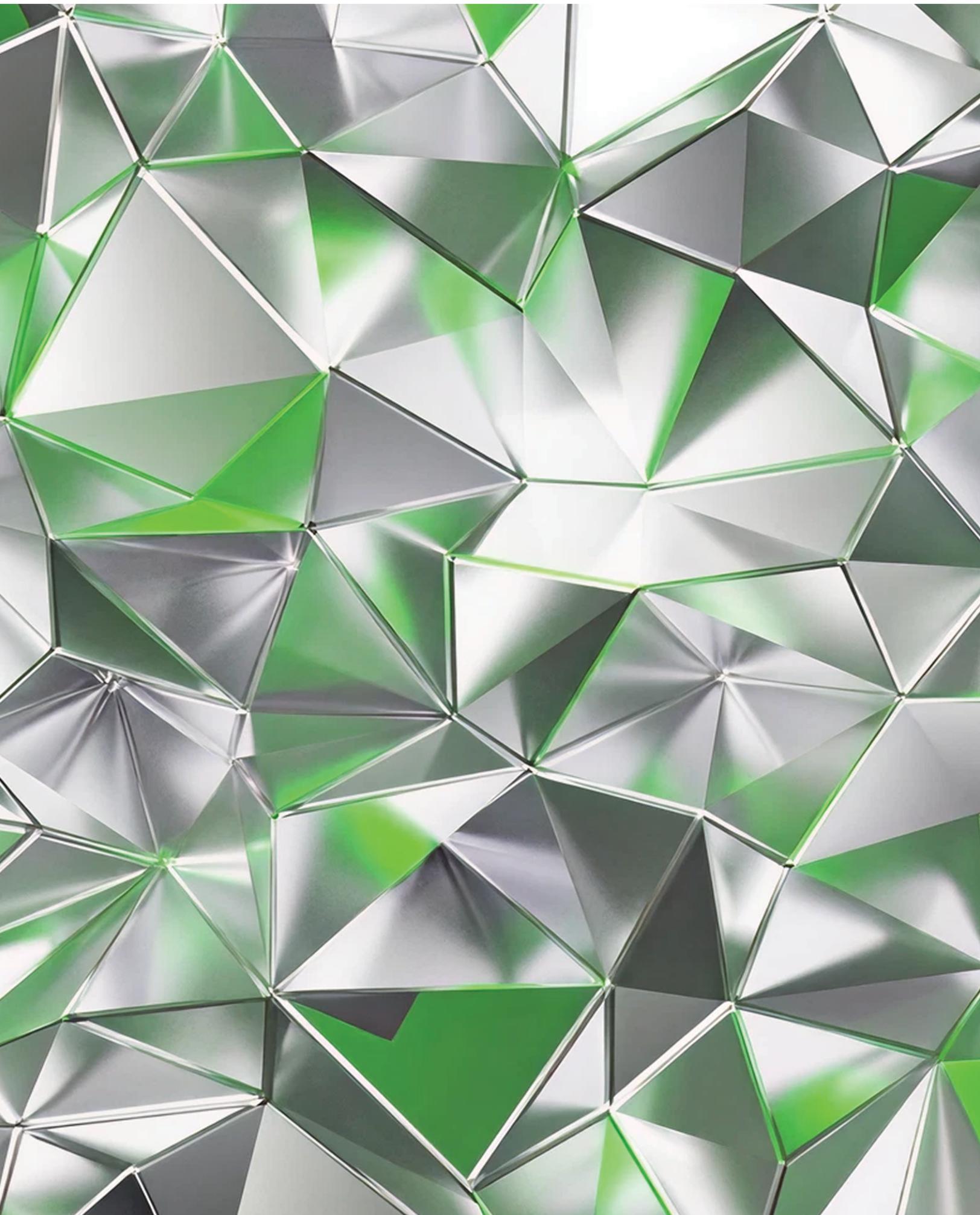
In our opinion, the annexed Statement prepared by management, for the year ended 30 June 2025, presents fairly the status of compliance with Sukuk Features and Shariah Requirements as required under the Regulations and Shariah Opinion (Fatwa) issued by Shariah Advisor, and to the extent applicable, the guidelines of Shariah Standards issued by AAOIFI, in all material respects.

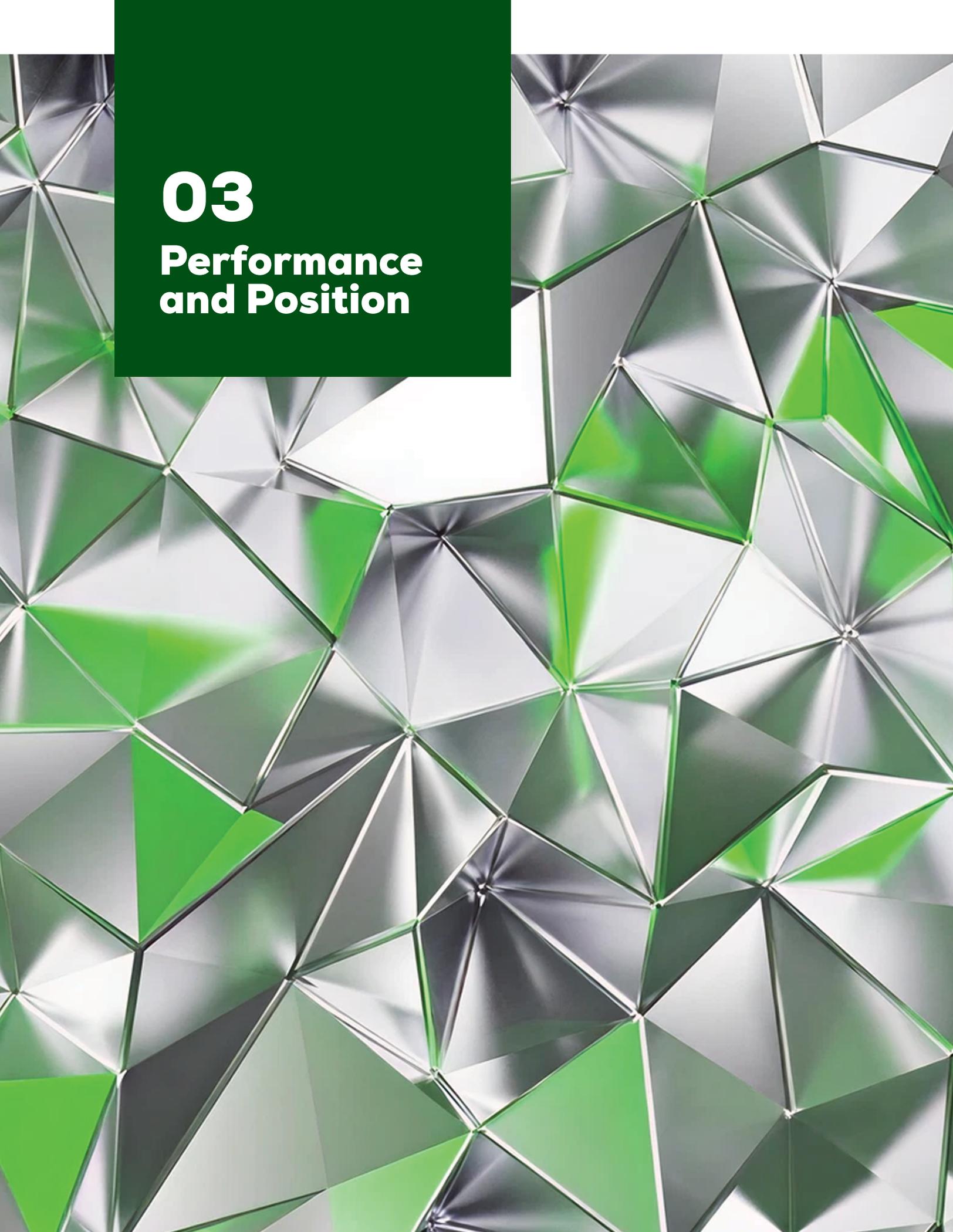


RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 04 October 2025



The background of the entire page is a complex, abstract geometric pattern. It consists of numerous overlapping triangles of various sizes and orientations. The color palette is primarily shades of green, ranging from a vibrant, saturated green to a lighter, almost white-green, and a metallic silver or grey. The triangles are arranged in a way that creates a sense of depth and movement, with some appearing to be in the foreground and others receding into the background. The overall effect is a dynamic, crystalline structure that resembles a molecular lattice or a faceted gemstone.

03

**Performance
and Position**

LAST SIX YEARS STATEMENT OF FINANCIAL POSITION

Particulars	2025	2024	2023	2022	2021	2020
	-----Rupees in Thousand-----					
Assets						
Non-Current Assets						
Property, plant and equipment	15,744,392	15,246,533	15,343,727	13,997,802	13,589,405	13,612,031
Right-of-use assets	73,677	107,965	58,605	128,998	204,109	320,505
Long term advances	10,171	10,076	17,174	13,744	7,469	8,060
Long term security deposits	78,785	84,719	75,560	105,601	97,881	98,775
Total non-current assets	15,907,025	15,449,293	15,495,066	14,246,145	13,898,864	14,039,371
Current Assets						
Stores, spare parts and loose tools	3,257,637	3,684,606	3,936,547	2,870,433	2,244,531	2,247,674
Stock in trade	14,976,626	16,037,907	12,703,259	13,251,629	11,283,501	8,125,166
Trade debts	15,718,209	14,121,535	16,726,515	12,424,837	7,435,280	7,763,851
Loans and advances	536,171	601,703	744,733	782,884	634,462	537,886
Income tax	298,732	-	110,484	1,003,167	883,994	933,016
Short term deposits and prepayments	315,072	289,261	298,453	254,007	226,054	139,727
Other receivables	2,622,751	2,699,557	3,252,398	2,903,378	3,163,017	1,834,186
Short term investments	11,226	10,192	8,630	7,572	106,771	203,218
Cash and bank balances	667,348	257,688	1,013,991	708,885	530,931	1,173,014
Total current assets	38,403,772	37,702,449	38,795,010	34,206,792	26,508,541	22,957,738
Total Assets	54,310,797	53,151,742	54,290,076	48,452,937	40,407,405	36,997,109
Equity and Liabilities						
Equity						
Issued, subscribed and paid up capital	950,000	950,000	950,000	950,000	986,666	986,666
Capital reserves	6,886,783	7,004,771	7,077,651	5,950,885	5,450,885	3,950,885
Revenue reserves	9,302,548	8,726,842	9,187,819	6,596,089	4,467,730	3,872,614
Total Equity	17,139,331	16,681,613	17,215,470	13,496,974	10,905,281	8,810,165
Non current liabilities						
Long term financing	2,381,884	1,563,984	2,356,062	4,006,065	5,007,611	7,254,526
Lease liabilities	68,071	91,577	11,438	44,718	94,777	210,712
Deferred liabilities	2,299,136	2,108,467	1,722,219	1,395,252	1,087,926	964,354
Total Non current liabilities	4,749,091	3,764,028	4,089,719	5,446,035	6,190,314	8,429,592
Current liabilities						
Trade and other payables	7,946,643	10,357,152	9,675,309	8,660,234	4,958,142	2,430,344
Unclaimed dividend	8,937	8,938	8,944	10,900	11,146	65,262
Unpaid dividend	-	-	-	-	47,682	-
Accrued mark up	499,777	818,018	787,782	222,858	160,164	394,784
Short term borrowings	22,688,212	22,154,929	20,607,236	17,821,275	15,011,000	15,835,860
Current portion of non-current liabilities	1,278,806	1,364,707	1,905,616	2,061,764	2,733,292	662,473
Provision for taxation	-	2,357	-	732,897	390,384	368,629
Total current liabilities	32,422,375	34,706,101	32,984,887	29,509,928	23,311,810	19,757,352
Total equity and liabilities	54,310,797	55,151,742	54,090,076	48,452,937	40,407,405	36,997,109

LAST SIX YEARS

STATEMENT OF PROFIT OR LOSS & CASH FLOWS

Particulars	2025	2024	2023	2022	2021	2020
	-----Rupees in Thousand-----					
Sales	59,201,769	58,676,926	60,105,873	54,146,811	37,089,359	28,668,642
Gross Profit	9,020,649	9,525,538	8,088,095	6,541,610	5,306,910	1,365,752
Operating expenses - Net of other income	4,146,042	4,068,020	1,398,626	2,057,294	2,986,911	3,418,116
Profit / (Loss) from operations	4,874,607	5,457,518	6,689,469	4,484,316	2,319,999	(2,052,364)
Finance cost	3,858,226	4,999,501	3,198,821	1,473,334	1,281,812	1,699,286
Profit / (Loss) before taxation	1,016,381	458,017	3,490,648	3,010,982	1,038,187	(3,751,650)
Taxation	885,102	928,047	839,459	734,942	397,652	368,629
Profit / (Loss) for the year	131,279	(470,030)	2,651,189	2,276,040	640,535	(4,120,279)

Horizontal Analysis

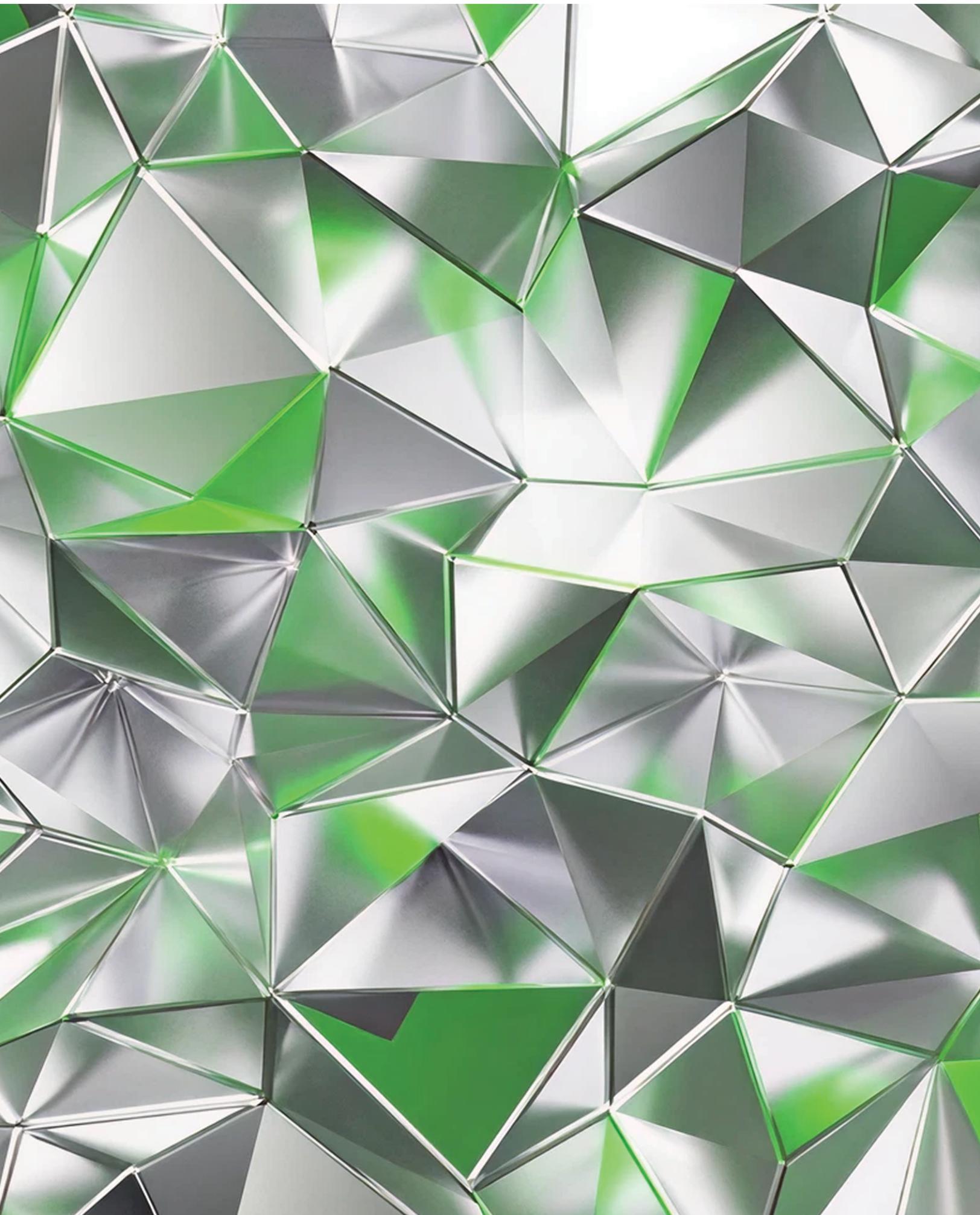
Particulars	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
	Percentage					
Sales	1%	-2%	11%	46%	29%	-16%
Gross Profit	-5%	18%	24%	23%	289%	-64%
Operating expenses - Net of other income	2%	191%	-32%	-31%	-13%	306%
Profit / (Loss) from operations	-11%	-18%	49%	93%	213%	-170%
Finance cost	-23%	56%	117%	15%	-25%	41%
Profit / (Loss) before taxation	122%	-87%	16%	190%	128%	-315%
Taxation	-5%	11%	14%	85%	8%	-11%
Profit / (Loss) for the year	128%	-118%	16%	255%	116%	-409%

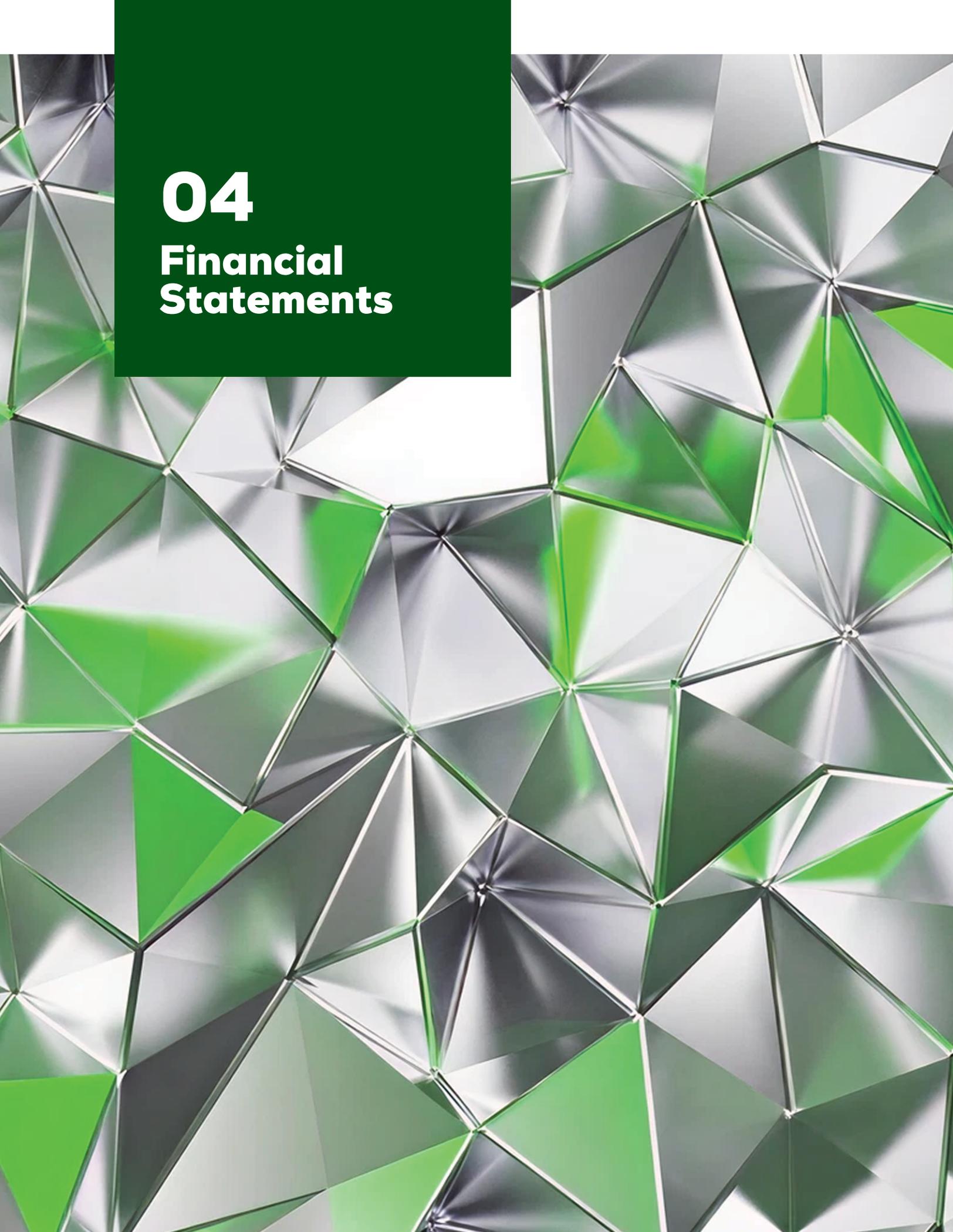
Vertical Analysis

Particulars	2025	2024	2023	2022	2021	2020
	Percentage					
Sales	100%	100%	100%	100%	100%	100%
Gross Profit	15.24%	16.23%	13.46%	12.08%	14.31%	4.76%
Operating expenses - Net of other income	7.00%	6.93%	2.33%	3.80%	8.05%	11.92%
Profit/(Loss) from operations	8.23%	9.30%	11.13%	8.28%	6.26%	-7.16%
Finance cost	6.52%	8.52%	5.32%	2.72%	3.46%	5.93%
Profit/(Loss) before taxation	1.72%	0.78%	5.81%	5.56%	2.80%	-13.09%
Taxation	1.50%	1.58%	1.40%	1.36%	1.07%	1.29%
Profit/(Loss) for the year	0.22%	-0.80%	4.41%	4.20%	1.73%	-14.37%

Statement of cash flows

Particulars	2025	2024	2023	2022	2021	2020
	-----Rupees in Thousand-----					
Cash flows from operating activities	(1,516,693)	2,004,561	487,983	(37,709)	(165,817)	(526,685)
Cash flows from investing activities	361,357	(2,932,913)	(1,106,479)	(1,263,809)	(819,031)	(1,892,733)
Cash flows from financing activities	1,564,505	172,049	923,602	1,479,472	342,765	3,211,969
Net increase/(decrease) in cash & cash equivalents	409,169	(756,303)	305,106	177,954	(642,083)	792,551





04

**Financial
Statements**

INDEPENDENT AUDITOR'S REPORT

To the members of **Masood Textile Mills limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Masood Textile Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2025 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	<p>Inventory existence and valuation</p> <p>Inventories as at 30 June 2025 amounting to Rupees 18,234.263 million, break up of which is as follows:</p> <ul style="list-style-type: none"> - Stores, spare parts and loose tools of Rupees 3,257.637 million - Stock-in-trade of Rupees 14,976.626 million 	<p>Our procedures over existence and valuation of inventories included, but were not limited to:</p> <p>To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management.</p>

Sr. No.	Key audit matters	How the matters were addressed in our audit
	<p>Inventories are stated at lower of cost and net realizable value.</p> <p>We identified existence and valuation of inventories as a key audit matter due to its size, representing 33.57% of total assets of the Company as at 30 June 2025, and the judgment involved in valuation.</p> <p>For further information on inventories, refer to the following:</p> <ul style="list-style-type: none"> - Material accounting policy information, Inventories (Note 2.8 to the financial statements). - Stores, spare parts and loose tools (Note 18) and Stock in trade (Note 19) to the financial statements. 	<ul style="list-style-type: none"> • For a sample of inventory items, re-performed the cost calculation and compared the moving / annual average cost appearing on valuation sheets. • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents. • We also made inquiries from management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.
2.	<p>Revenue recognition</p> <p>The Company recognized net revenue of Rupees 59,201.769 million for the year ended 30 June 2025.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following:</p> <ul style="list-style-type: none"> - Material accounting policy information, Revenue recognition (Note 2.12 to the financial statements). - Revenue (Note 27 to the financial statements). 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in 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. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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 Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 04 October 2025

UDIN: AR202510158g5i184Sad

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	NOTE	2025 (RUPEES IN THOUSAND)	2024
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1 200 000 000 (2024: 1 200 000 000) ordinary shares of Rupees 10 each		12,000,000	12,000,000
60 000 000 (2024: 60 000 000) preference shares of Rupees 10 each		600,000	600,000
		<u>12,600,000</u>	<u>12,600,000</u>
Issued, subscribed and paid up share capital	3	950,000	950,000
Reserves			
Capital reserves			
Share premium	4.1	1,375,000	1,375,000
Redemption fund	4.2	128,333	128,333
Capital contribution	4.3	2,322,729	2,000,000
Surplus on revaluation of freehold land	4.4	3,060,721	3,501,438
		6,886,783	7,004,771
Revenue reserves	5	9,302,548	8,726,842
Total reserves		16,189,331	15,731,613
Total equity		<u>17,139,331</u>	<u>16,681,613</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	2,381,884	1,563,984
Lease liabilities	7	68,071	91,577
Staff retirement gratuity	8	2,239,373	2,108,467
Deferred income tax liability	9	59,763	-
		4,749,091	3,764,028
CURRENT LIABILITIES			
Trade and other payables	10	7,946,643	10,357,152
Accrued mark-up	11	499,777	818,018
Short term borrowings	12	22,688,212	22,154,929
Unclaimed dividend		8,937	8,938
Current portion of non-current liabilities	13	1,278,806	1,364,707
Taxation and levy - net		-	2,357
		32,422,375	34,706,101
TOTAL LIABILITIES		<u>37,171,466</u>	<u>38,470,129</u>
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		<u>54,310,797</u>	<u>55,151,742</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	NOTE	2025 (RUPEES IN THOUSAND)	2024
A S S E T S			
NON-CURRENT ASSETS			
Property, plant and equipment	15	15,744,392	17,246,533
Right-of-use assets	16	73,677	107,965
Long term advances	17	10,171	10,076
Long term security deposits		78,785	84,719
		<u>15,907,025</u>	<u>17,449,293</u>
CURRENT ASSETS			
Stores, spare parts and loose tools	18	3,257,637	3,684,606
Stock in trade	19	14,976,626	16,037,907
Trade debts	20	15,718,209	14,121,535
Loans and advances	21	536,171	601,703
Taxation and levy - net	22	298,732	-
Short term deposits and prepayments	23	315,072	289,261
Other receivables	24	2,622,751	2,699,557
Short term investments	25	11,226	10,192
Cash and bank balances	26	667,348	257,688
		<u>38,403,772</u>	<u>37,702,449</u>
TOTAL ASSETS		<u><u>54,310,797</u></u>	<u><u>55,151,742</u></u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



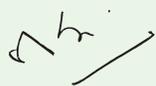
CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 (RUPEES IN THOUSAND)	2024 (RUPEES IN THOUSAND)
REVENUE	27	59,201,769	58,676,926
COST OF SALES	28	(50,181,120)	(49,151,388)
GROSS PROFIT		9,020,649	9,525,538
DISTRIBUTION COST	29	(3,467,922)	(3,020,812)
ADMINISTRATIVE EXPENSES	30	(1,195,895)	(1,162,792)
OTHER EXPENSES	31	(43,306)	(160,908)
OTHER INCOME	32	561,081	276,492
FINANCE COST	33	(3,858,226)	(4,999,501)
PROFIT BEFORE LEVY AND TAXATION		1,016,381	458,017
LEVY	34	(623,040)	(852,699)
PROFIT / (LOSS) BEFORE TAXATION		393,341	(394,682)
TAXATION	35	(262,062)	(75,348)
PROFIT / (LOSS) AFTER TAXATION		131,279	(470,030)
EARNINGS / (LOSS) PER SHARE - BASIC (RUPEES)	36	1.20	(7.95)
- DILUTED (RUPEES)	36	1.11	(7.30)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 (RUPEES IN THOUSAND)	2024
PROFIT / (LOSS) AFTER TAXATION		131,279	(470,030)
OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements arising on staff retirement gratuity	8.2	115,335	(13,810)
Related deferred tax impact	9.11	(44,981)	-
		70,354	(13,810)
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income / (loss) for the year - net of deferred tax		70,354	(13,810)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		201,633	(483,840)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

SHARE CAPITAL	RESERVES								TOTAL EQUITY	
	CAPITAL					REVENUE				TOTAL
	Share premium	Redemption fund	Capital contribution	Surplus on revaluation of freehold land	Sub total	General	Unappropriated profit	Sub total		

(RUPEES IN THOUSAND)

Balance as at 30 June 2023	950,000	1,375,000	128,333	2,000,000	3,574,318	7,077,651	714,500	8,473,319	9,187,819	16,265,470	17,215,470
Transaction with owners:											
Dividend at the rate of Rupees 1.8188 per share (Preference shares)	-	-	-	-	-	-	-	(50,017)	(50,017)	(50,017)	(50,017)
Transfer from surplus on revaluation of freehold land on disposal of freehold land (Note 4.4)	-	-	-	-	(72,880)	(72,880)	-	72,880	72,880	-	-
Loss for the year	-	-	-	-	-	-	-	(470,030)	(470,030)	(470,030)	(470,030)
Other comprehensive loss for the year	-	-	-	-	-	-	-	(13,810)	(13,810)	(13,810)	(13,810)
Total comprehensive loss for the year	-	-	-	-	-	-	-	(483,840)	(483,840)	(483,840)	(483,840)
Balance as at 30 June 2024	950,000	1,375,000	128,333	2,000,000	3,501,438	7,004,771	714,500	8,012,342	8,726,842	15,731,613	16,681,613
Transactions with owners:											
Contribution from director / shareholders	-	-	-	322,729	-	322,729	-	-	-	322,729	322,729
Dividend at the rate of Rupees 2.4234 per share (Preference shares)	-	-	-	-	-	-	-	(66,644)	(66,644)	(66,644)	(66,644)
Transfer from surplus on revaluation of freehold land on disposal of freehold land (Note 4.4)	-	-	-	-	(440,717)	(440,717)	-	440,717	440,717	-	-
Profit for the year	-	-	-	-	-	-	-	131,279	131,279	131,279	131,279
Other comprehensive income for the year	-	-	-	-	-	-	-	70,354	70,354	70,354	70,354
Total comprehensive income for the year	-	-	-	-	-	-	-	201,633	201,633	201,633	201,633
Balance as at 30 June 2025	950,000	1,375,000	128,333	2,322,729	3,060,721	6,886,783	714,500	8,588,048	9,302,548	16,189,331	17,139,331

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 (RUPEES IN THOUSAND)	2024 (RUPEES IN THOUSAND)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	4,384,496	8,331,929
Finance cost paid		(4,164,100)	(4,951,086)
Mark-up paid against lease liabilities	7.1	(12,367)	(18,179)
Income tax and levy paid		(1,171,409)	(815,206)
Workers' profit participation fund paid	10.1	(22,740)	(154,621)
Dividend paid to ordinary shareholders		(1)	(6)
Dividend paid to preference shareholders		(66,644)	(50,017)
Staff retirement gratuity paid	8	(469,767)	(335,197)
Net (increase) / decrease in long term advances		(95)	7,098
Net decrease / (increase) in long term security deposits		5,934	(9,159)
Net cash (used in) / generated from operating activities		(1,516,693)	2,005,556
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		640,148	830,833
Capital expenditure on property, plant and equipment		(312,255)	(3,853,777)
Investment made		(1,034)	(1,562)
Profit on deposits with banks received		34,498	91,593
Net cash from / (used in) investing activities		361,357	(2,932,913)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		2,076,000	554,121
Repayment of long term financing		(1,338,812)	(1,860,744)
Capital contribution	4.3	322,729	-
Repayment of lease liabilities - net		(28,695)	(69,021)
Short term borrowings - net		533,283	1,547,693
Net cash from financing activities		1,564,505	172,049
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		409,169	(755,308)
Net foreign exchange difference on translating bank balances		491	(995)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		257,688	1,013,991
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	26	667,348	257,688

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

1. THE COMPANY AND ITS OPERATIONS

Masood Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). Its registered office is situated at Universal House, P-17/1, New Civil Lines, Bilal Road, Faisalabad. The main objects of the Company are manufacturing and sale of cotton / synthetic fiber yarn, knitted / dyed fabrics and garments.

Geographical locations and addresses of all business units (except for the registered office) of the Company are as follows:

Manufacturing units and offices	Address
Spinning, Knitting and Dyeing units	32 Kilometers, Sheikhpura Road, Faisalabad
Spinning unit	3 Kilometers, Shorkot Road, Toba Tek Singh
Knitting unit	30 Kilometers, Sheikhpura Road, Faisalabad
Stitching unit	Sargodha Road, Faisalabad
Stitching units	Nishatabad, Faisalabad
Stitching unit	Chak Jhumra Road, Nishatabad, Faisalabad
Liaison office	13 Kilometers, Bhubatian Chowk, Defence Road, Lahore
Liaison office	Office No. 306 - 307, Gul Tower, I.I. Chundrigar Road, Karachi

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) 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 (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP), 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 IFRSs and IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise stated in respective accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Staff retirement gratuity

Certain actuarial assumptions have been adopted as disclosed in Note 8.4 to the financial statements for determination of present value of staff retirement gratuity. Any change in these assumptions in future years might affect the current and remeasurement gains and losses in those years.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place for many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Income tax and levy

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Deferred income tax

For the financial year ended 30 June 2025 (Tax year 2025) and onwards, income of the Company is now being taxed under normal tax regime. Hence, as on reporting date, taxable temporary differences between the accounting and tax base of fixed assets, staff retirement gratuity and others arise. This is the first time the Company is transitioning to normal tax regime. Previously, under the final tax regime, the Company was neither required nor claimed tax depreciation. As at 30 June 2025, the management estimated the tax base of fixed assets by treating their accounting written-down value as the tax base. Moreover staff retirement gratuity and other differences were also started from 01 July 2024. This accounting estimate has been applied based on the best available information.

Useful lives, patterns of economic benefits and impairments

The estimate for revalued amount of freehold land is based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, based on the Company's experience of actual credit loss in past years. These assumptions include recent sales experience and historical collection rates.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2024:

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current;
- Amendments to IAS 1 'Presentation of Financial Statements' - Comply with covenants of non-current Liabilities;
- Amendments to IFRS 16 'Leases' - Lease liability in a sale and leaseback transaction; and
- Amendments to IAS 7 and IFRS 7 'Statement of Cash flow and Financial Statements: Disclosures' - Supplier finance arrangements.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards, amendments and improvements to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, amendments and improvements to accounting standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2025 or later periods:

Classification and Measurements of Financial Instruments (Amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments') effective for annual periods beginning on or after 01 January 2026. These amendments address matters identified during the past - implementation review of the classification and measurement requirements of IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

As per the current scenario, the Company will fall in Phase-I of the criteria as per the order from Securities and Exchange Commission of Pakistan (SECP) dated 31 December 2024. Therefore the effective date of these two sustainability standards for the Company is for annual reporting periods beginning on or after 01 July 2025.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards - Volume II'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following standards relevant to the Company, as result of the IASB's annual improvements project:

- * IFRS 7 Financial Instruments: Disclosures;
- * IFRS 9 Financial Instruments; and
- * IAS 7 Statement of Cash flows.

The above standards, amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards, amendments and improvements to published approved accounting standards that are not yet effective and not considered relevant to the Company

There are other standards, amendments and improvements to published approved standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2.2 Staff retirement benefit

The Company operates an unfunded gratuity scheme for its permanent employees who have completed the minimum qualifying period of service as defined under the scheme. The Company's obligation under this scheme is determined through actuarial valuation carried under Projected Unit Credit Method. Latest actuarial valuation has been carried on 30 June 2025. The method involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of the benefit, such estimates are subject to certain uncertainties. Significant assumptions used to carry out the actuarial valuation have been disclosed in Note 8.4 to these financial statements.

Remeasurements changes which comprise actuarial gains and losses are recognized immediately in other comprehensive income.

2.3 Functional and presentation currency along with foreign currency transactions and translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss.

2.4 Taxation and levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.5 Property, plant, equipment and depreciation

a) Operating fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss except freehold land which is stated at cost / revalued amount less any identified impairment loss. Cost of property, plant and equipment consists of historical cost, revalued amount, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the assets to working condition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Increases in the carrying amounts arising on revaluation of freehold land are recognized in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to the statement of profit or loss during the period these are incurred.

b) Depreciation

Depreciation on property, plant and equipment is charged to the statement of profit or loss applying the reducing balance method at the rates given in Note 15.1 to write off the cost over their expected useful life. The Company charges depreciation on additions from the date when the asset is available for use and on deletions up to the date when asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

c) De-recognition

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is recognized in the statement of profit or loss in the year the asset is derecognized.

d) Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.6 Leases

Right-of-use assets

The right-of-use asset is initially measured based on 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. The right-of-use asset is depreciated on a straight line method over the lease term, or the estimated life of the asset, whichever is shorter. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight line basis over the lease term.

Lease liabilities

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

The lease liability is initially measured at the present value of the lease payments which are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

2.7 Ijarah Contracts

Under the Ijarah contracts, the Company obtains usufruct of an asset for an agreed period and for an agreed consideration. The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Company as a Mustaj'ir (lessee) in the Ijarah contract recognizes the Ujrah (lease) payments as an expense in the statement of profit or loss on straight line lease over the Ijarah term.

2.8 Inventories

Inventories, except for stock in transit and waste stock / rags, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. In transit stores, spare parts and loose tools are valued at cost comprising invoice value plus other charges paid thereon.

Stock in trade

Cost of raw materials, work-in-process and finished goods is determined as follows:

- | | | |
|---|---|---|
| (i) For raw materials | - | Annual average basis. |
| (ii) For work-in-process and finished goods | - | Average manufacturing cost including a portion of production overheads. |

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags are valued at net realizable value.

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 a sale.

2.9 Borrowing cost

General and specific 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, 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 interests, mark-up and other charges are recognized in statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2.10 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.12 Revenue recognition

i) Revenue from contracts with customers

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

b) Rendering of services

The Company provides dyeing and knitting services to local customers. These services are rendered separately and the Company's contract with the customers for services constitutes a single performance obligation. Revenue from a contract to provide services is recognized at point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Company's contracts with its customers.

ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

iii) Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

iv) **Contract liabilities**

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is received. Contract liabilities are recognized as revenue when the Company accomplishes its performance obligations under the contract.

v) **Other income recognition**

a) **Interest**

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

b) **Dividend**

Dividend on investments is recognized when right to receive the dividend is established.

c) **Other revenue**

Other revenue is recognized when it is received or when the right to receive payment is established.

2.13 **Share capital**

Ordinary and preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.14 **Financial Instruments**

i) **Recognition of financial instruments**

The Company initially recognizes financial assets on the date when these are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii) **Classification and measurement of financial instruments**

Investments and other financial assets

a) *Classification*

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at the fair value through profit or loss; and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gain and losses are recognized in statement of profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value, in the case of a financial asset at its fair value plus transaction plus, in the case of a financial asset not at fair value through profit or loss, transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following measurement category:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses.

Equity Instruments

The Company subsequently measures all equity instruments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

At fair value through profit or loss

Changes in the fair value of equity instruments at fair value through profit or loss are recognized in other income / (other expenses) in the statement of profit or loss as applicable. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities

Classification and measurement

Financial liabilities are classified at amortized cost. These are also subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

iii) Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances and debt securities for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganization or.
- the disappearance of an active market for a security because of financial difficulties.

iv) De-recognition of financial assets and financial liabilities

Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial liabilities

The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expired.

v) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2.15 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.16 Borrowings

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.17 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.19 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the board of directors.

2.20 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in 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. Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its segments separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment results that are reported to management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, 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 three reportable operating segments: i) Spinning (Producing different qualities of yarn), ii) Knitting (Producing knitted fabric from yarn), iii) Processing and Garments (Processing of greige fabric for production of dyed and white fabric and manufacturing of variety of garments from processed fabric).

Transactions among the operating segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

2.21 Earnings / (loss) per share

The Company presents basic and diluted Earnings Per Share (EPS) / Loss Per Share (LPS). Basic EPS / (LPS) is calculated by dividing profit / (loss) attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS / (LPS) is determined by adjusting profit attributable to shareholders and the weighted average number of ordinary shares outstanding with the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2.22 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.23 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.24 Government grants

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

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

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2025 (NUMBER OF SHARES)		2024 (NUMBER OF SHARES)		2025 (RUPEES IN THOUSAND)		2024 (RUPEES IN THOUSAND)	
67 500 000	67 500 000	Ordinary shares of Rupees 10 each fully paid in cash (Note 3.1 and Note 3.2)		675,000	675,000		
27 500 000	27 500 000	Cumulative preference shares (non-voting) of Rupees 10 each fully paid in cash (Note 3.3)		275,000	275,000		
<u>95 000 000</u>	<u>95 000 000</u>			<u>950,000</u>	<u>950,000</u>		

3.1 All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

3.2 17 396 833 ordinary shares (2024: 17 396 833) of the Company are held by Shanghai Challenge Textile Company Limited - an associate.

3.3 The Company issued cumulative preference shares as at 30 June 2005, which are listed on Pakistan Stock Exchange Limited, to finance the working capital requirements and fixed capital expenditure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Terms of redemption

a) Conversion option

Preference shareholders have the option to serve a notice to the Company to convert one third of the preference shares along with accumulated dividend into ordinary shares of the Company after the expiry of four years from the date of issuance in any conversion year at a discount of 15 percent to immediately preceding 30 calendar days' average market value. Upon receiving the conversion notice, the Company will have the option to repay the preference shares along with the accumulated dividend for which conversion notice has been issued within one month of receiving thereof or issue ordinary shares to preference shareholders.

b) Call option

The Company has the option to redeem the preference shares after four years of the issuance in part in multiples of 10 percent upto 100 percent from the preference shareholders. The call price would be Rupees 10 per share plus the entire accumulated preference share dividend, if any.

c) Rate of dividend

The preference dividend is payable at the average rate of six months KIBOR plus 2 percent per annum on cumulative basis. According to the terms of issuance, dividend to ordinary shareholders could only be paid after the payment of preference dividend to preference shareholders.

d) Sinking fund reserve

The Company has created a sinking fund reserve (capital redemption reserve fund) from the profits of the Company to make payments against any call option. The Company has built-up this sinking fund reserve to ensure that at the end of the fourth year from the issuance date, the reserve is equal to one third of the total amount of preference shares. This reserve account will subsequently be replenished to ensure that one third of the outstanding preference shares amount is available in the reserve account.

		2025	2024
		(RUPEES IN THOUSAND)	
4.	CAPITAL RESERVES		
	Share premium (Note 4.1)	1,375,000	1,375,000
	Capital redemption reserve fund (Note 4.2)	128,333	128,333
	Capital contribution (Note 4.3)	2,322,729	2,000,000
	Surplus on revaluation of freehold land (Note 4.4)	3,060,721	3,501,438
		<u>6,886,783</u>	<u>7,004,771</u>
4.1	This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.		
4.2	The Company has created this reserve from its profits to make payments against any call option of preference shares.		
4.3	Capital contribution		
	Balance as on 01 July	2,000,000	2,000,000
	Addition during the year	322,729	-
	Balance as on 30 June	<u>2,322,729</u>	<u>2,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

- 4.3.1** These represent unsecured interest free loans from director / shareholders of the Company as required by the banks in their sanction advices. These are repayable on Company's discretion. These include Rupees 516.729 million (2024: Rupees 200 million) received from the Chief Executive Officer and his spouse. These loans are treated as capital contribution in accordance with the guidelines provided by The Institute of Chartered Accountants of Pakistan (ICAP) vide Technical Release-32.

2025
2024
(RUPEES IN THOUSAND)

4.4 Surplus on revaluation of freehold land

Opening balance	3,501,438	3,574,318
Less: Surplus on revaluation of freehold land disposed of during the year	440,717	72,880
	<u>3,060,721</u>	<u>3,501,438</u>

- 4.4.1** The latest revaluation of freehold land was carried out by an independent valuer Messrs Oceanic Surveyors (Private) Limited on 19 June 2023 as stated in Note 15.1.1.

5. REVENUE RESERVES

General	714,500	714,500
Unappropriated profit	8,588,048	8,012,342
	<u>9,302,548</u>	<u>8,726,842</u>

6. LONG TERM FINANCING

From banking companies - secured		
Long term loans (Note 6.1)	663,488	1,153,053
Syndicate Term Finance (Note 6.2)	733,333	1,100,000
Diminishing musharika / Sukuk (Note 6.3)	2,240,363	646,943
	<u>3,637,184</u>	<u>2,899,996</u>
Less: Current portion shown under current liabilities (Note 13)	1,255,300	1,336,012
	<u>2,381,884</u>	<u>1,563,984</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

6.1 Long term loans

LENDER	2025 (RUPEES IN THOUSAND)	2024 (RUPEES IN THOUSAND)	RATE OF INTEREST/ PROFIT PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST / PROFIT REPRICING	INTEREST / PROFIT PAYABLE	SECURITY
United Bank Limited	-	13,957	5.00%	This facility was completely repaid on 14 January 2025	-	Quarterly	First charge on specific machinery
Aakari Bank Limited	-	11,168	4.50%	This facility was completely repaid on 25 March 2025	-	Quarterly	First charge on specific machinery and personal guarantee of certain directors of the Company
National Bank of Pakistan	8,667	141,867	4.50%	These are different loans repayable in sixteen, eighteen, nineteen and twenty quarterly instalments starting from 03 October 2018 and ending on 30 August 2025	-	Quarterly	First charge on specific machinery
Habib Metropolitan Bank Limited	30,894	89,589	4.50%	These are different loans repayable in sixteen and twenty quarterly instalments starting from 12 May 2020 and ending on 07 April 2026	-	Quarterly	First charge on specific machinery and personal guarantee of certain directors of the Company
Bank Alfalah Limited	15,121	51,005	5.00%	These are different loans repayable in twenty quarterly instalments starting from 04 December 2018 and ending on 20 October 2025	-	Quarterly	First exclusive charge on fixed assets of the Company and personal guarantee of Chief Executive Officer (CEO) of the Company
Pakistan Kuwait Investment Company (Private) Limited	110,884	217,354	5.00%	These are different loans repayable in sixteen and eighteen quarterly instalments starting from 02 August 2021 and ending on 01 April 2027	-	Quarterly	First charge on specific machinery
Pakistan Kuwait Investment Company (Private) Limited	15,825	23,738	7.00%	Eighteen quarterly instalments starting from 06 March 2023 and ending on 06 June 2027	-	Quarterly	First charge on specific machinery
Saudi Pak Industrial and Agricultural Investment Company Limited	259,875	354,375	16.50%	Sixteen quarterly instalments starting from 14 June 2024 and ending on 14 March 2028	-	Quarterly	First charge on specific machinery and personal guarantee of Chief Executive Officer (CEO) and a Director of the Company
Pak Brunei Investment Company Limited	222,222	250,000	3 Month KIBOR+2%	Eighteen quarterly instalments starting from 26 January 2025 and ending on 26 April 2029	Quarterly	Quarterly	Ranking hypothecation charge over all present and future fixed assets of the Company. Post dated cheques for the entire tenure of the facility and personal guarantee of Chief Executive Officer (CEO) of the Company
6.2 Syndicate term finance	663,488	1,153,053					
Pakistan Kuwait Investment Company (Private) Limited	377,778	566,667	3 Month KIBOR+2%	Nine semi annual instalments starting from 31 March 2023 and ending on 23 April 2027	Quarterly	Quarterly	Joint pari passu charge on fixed assets and personal guarantee of some directors of the Company
Pak Libya Holding Company Limited	88,889	133,333					
Pak Oman Investment Company Limited	133,333	200,000					
PAIR Investment Company Limited	733,333	1,100,000					
6.3 Diminishing musharika / Sukuk							
OLP Madaraba	29,250	68,250	Base Rate+3.25%	Thirty six monthly instalments starting from 28 April 2023 and ending on 28 March 2026	Semi annually	Monthly	First charge on specific machinery and personal guarantee of some directors of the Company
OLP Madaraba	90,113	116,550	Base Rate+3.10%	These are different musharakas repayable in 36 equal monthly instalments starting from 23 January 2025 and ending on 24 April 2027	Quarterly	Monthly	Title of the specific vehicles. Personal guarantee of Chief Executive officer (CEO) and some directors of the Company
OLP Madaraba	76,000	-	Base Rate+3.65%	Thirty six monthly instalments starting from 07 March 2026 and ending on 07 February 2029	Semi annually	Monthly	First charge on specific machinery and personal guarantee of some directors of the Company
Meezan Bank Limited	45,000	105,000	3 Month KIBOR+1.50%	Twenty quarterly instalments starting from 25 June 2021 and ending on 25 March 2026	Quarterly	Quarterly	First equitable charge over specific property
Shariah Compliant Sukuk	-	357,143	3 Month KIBOR+2%	Payment against these Sukuks was completely made on 17 December 2024	Quarterly	Quarterly	First pari passu charge over all present and future fixed assets of the Company and equitable mortgage over the mortgaged properties
Shariah Compliant Sukuk (Note 6.3.1)	2,000,000	-	3 Month KIBOR+1.75%	Seventeen quarterly instalment starting from 30 September 2025 and ending on 30 September 2029	Quarterly	Quarterly	First joint pari passu charge over all present and future fixed assets of the Company and equitable mortgage over the mortgaged properties and personal guarantee of Chief Executive Officer (CEO) of the Company

These represent redeemable capital in terms of 20,000 Shariah Compliant Sukuk Certificates issued to various institutions and other investors by way of private placement in accordance with the provisions of section 86 of the Companies Act, 2017. These are issued for meeting working capital requirement of the Company. Habib Bank Limited is the lead financial advisor and arranger. Pak Oman Investment Company Limited is the investment agent while Al-Hilal Shariah Advisors (Private) Limited is acting as Shariah structuring advisor for the Sukuk.

6.3.1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025 2024
(RUPEES IN THOUSAND)

7. LEASE LIABILITIES

Total lease liabilities	91,577	120,272
Less: Current portion shown under current liabilities (Note 13)	(23,506)	(28,695)
	<u>68,071</u>	<u>91,577</u>
7.1 Reconciliation of lease liabilities		
Opening balance	120,272	66,497
Add:		
Additions during the year	-	122,796
Interest accrued on lease liabilities (Note 33)	12,367	18,179
	<u>132,639</u>	<u>207,472</u>
Less:		
Security deposits adjustment during the year	3,687	-
Payments during the year	37,375	87,200
	<u>41,062</u>	<u>87,200</u>
Closing balance	<u>91,577</u>	<u>120,272</u>

7.1.1 The value of lease liabilities amounting to Rupees Nil (2024: Rupees 4.730 million) was discounted using implicit interest rate of 21.64% to 22.99% (2024: 18.54% to 24.47%) per annum. Balance rentals were payable in monthly installments. These liabilities were secured against deposits of Rupees 3.687 million which have been adjusted in liabilities accordingly after final payments.

7.1.2 The value of lease liability amounting to Rupees 91.577 million (2024: Rupees 115.542 million) has been discounted using incremental borrowing rate of 13.05% (2024: 8.30% and 13.05%) per annum. Balance rentals are payable in monthly installments. Repairs and insurance costs are to be borne by the Company. In case of termination of the agreement, three months notice is to be given. Lease agreement is renewable at the mutual consent of both parties on such terms as may be agreed upon. Liabilities are secured against deposits of Rupees 6.851 million (2024: Rupees 25.661 million) included in security deposits.

7.2 Maturity analysis of lease liabilities is as follows:

Upto 12 months	33,157	40,994
01 to 02 years	36,473	33,157
02 to 03 years	40,121	76,594
	<u>109,751</u>	<u>150,745</u>
Less: Future finance cost	18,174	30,473
Present value of lease liabilities	<u>91,577</u>	<u>120,272</u>

8. STAFF RETIREMENT GRATUITY

The latest actuarial valuation of staff retirement gratuity was carried out using Projected Unit Credit Method. Detail as per actuarial valuation is as follows:

Opening balance	2,108,467	1,722,219
Add:		
Provision for the year (Note 8.1)	720,438	687,332
Remeasurements recognized in other comprehensive income (Note 8.2)	(115,335)	13,810
	<u>2,713,570</u>	<u>2,423,361</u>
Closing balance		
Less:		
Payments made during the year	(469,767)	(335,197)
(Increase) / decrease in current liability - net	(4,430)	20,303
	<u>(474,197)</u>	<u>(314,894)</u>
	<u>2,239,373</u>	<u>2,108,467</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	(RUPEES IN THOUSAND)	
8.1 Provision for the year		
Current service cost	444,411	428,247
Past services cost	-	4,809
Interest cost	276,027	254,276
	720,438	687,332
8.2 Remeasurements recognized in other comprehensive income		
Actuarial loss from changes in demographic assumptions	17,570	-
Actuarial loss from changes in financial assumptions	14,269	5,484
Experience adjustments	(147,174)	8,326
	(115,335)	13,810
8.3 Reconciliation of present value of defined benefit obligation as at 30 June is given below:		
Present value of defined benefit obligation as at 01 July	2,108,467	1,722,219
Current service cost	444,411	428,247
Past services cost	-	4,809
Interest cost	276,027	254,276
Benefits paid during the year	(469,767)	(335,197)
Decrease / (increase) in current liability - net	(4,430)	20,303
Remeasurements:		
Actuarial loss from changes in demographic assumptions	17,570	-
Actuarial loss from changes in financial assumptions	14,269	5,484
Experience adjustment	(147,174)	8,326
	(115,335)	13,810
Present value of defined benefit obligation as at 30 June	2,239,373	2,108,467
	2025	2024
8.4 Principal actuarial assumptions used		
Discount rate for interest cost in profit or loss charge (per annum)	14.75%	16.25%
Discount rate for year end obligation (per annum)	11.75%	14.75%
Expected rate of increase in salary (per annum)	10.75%	13.75%
Average duration of the benefit (years)	6	7
Mortality rates	SLIC 2001-05 set back 1 year	SLIC 2001-05 set back 1 year
Withdrawal rate	Age based	Age based
Retirement assumption	Age 60	Age 60
8.5 Sensitivity analysis for actuarial assumptions:		
The sensitivity of the defined benefit obligation as at reporting date to changes in the weighted principal assumption is:		
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(133,949)	(143,790)
Decrease in assumption (Rupees in thousand)	152,046	164,583
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	145,735	159,371
Decrease in assumption (Rupees in thousand)	(130,284)	(141,300)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025 2024
(RUPEES IN THOUSAND)

8.6 Expected maturity profile

Followings are the expected distribution and timing of benefit payments at year end:

2025	-	333,358
2026	457,506	355,453
2027 to 2030	1,412,753	1,468,749
2031 and onwards	17,446,480	47,419,130

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit plan to significant actuarial assumptions, the same method (present value of the defined benefit plan calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the gratuity liability recognized within the statement of financial position.

8.7 The estimated expenses to be charged to profit and loss account for the year ending on 30 June 2026 is Rupees 651.424 million.

8.8 Risks associated with the scheme

Final salary risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks

- **Mortality risk** - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- **Withdrawal risk** - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

9. DEFERRED INCOME TAX LIABILITY

The deferred income tax liability originated due to timing differences relating to:

Taxable temporary difference

Accelerated tax depreciation	312,504	-
------------------------------	---------	---

Deductible temporary differences

Provision for staff retirement gratuity	(235,990)	-
Provision for workers' profit participation fund	(12,563)	-
Provision for workers' welfare fund	(1,211)	-
Allowance for expected credit losses	(2,977)	-
	(252,741)	-
	<u>59,763</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025 2024
(RUPEES IN THOUSAND)

9.1 Movement in deferred income tax liability balance is as follows:

At the beginning of the year	-	-
Add / (less):		
- accelerated tax depreciation	312,504	-
- provision for staff retirement gratuity	(235,990)	-
- provision for workers' profit participation fund	(12,563)	-
- provision for workers' welfare fund	(1,211)	-
- allowance for expected credit losses	(2,977)	-
	59,763	-
Closing balance	59,763	-

9.1.1 Charge to the statement of profit or loss:

Net movement of temporary differences (Note 9.1)	59,763	-
- Remeasurements arising on staff retirement gratuity	(44,981)	-
	14,782	-

9.2 Minimum tax available for carry forward under section 113 of the Ordinance as at 30 June 2025 is of Rupees 571.062 million. Minimum tax would expire in accounting year 2028. However the Company has not recognized deferred income tax asset in respect of minimum tax available for carry forward.

10. TRADE AND OTHER PAYABLES

Creditors	4,510,654	7,032,968
Contract liabilities - unsecured	267,598	462,150
Accrued liabilities	2,641,285	2,293,168
Income tax deducted at source	374,107	488,029
Sales tax payable	74,846	15,607
Workers' profit participation fund (Note 10.1)	32,558	22,740
Workers' welfare fund (Note 10.2)	36,333	33,228
Gas Infrastructure Development Cess (GIDC) payable (Note 10.3)	9,262	9,262
	7,946,643	10,357,152

10.1 Workers' profit participation fund

Balance as on 01 July	22,740	159,089
Add:		
Interest for the year (Note 33)	344	12,701
Provision for the year (Note 31)	32,214	5,571
	55,298	177,361
Less: Payments made during the year	22,740	154,621
Balance as on 30 June	32,558	22,740

10.1.1 Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025 2024
(RUPEES IN THOUSAND)

10.2	Workers' welfare fund		
	Balance as on 01 July	33,228	27,740
	Add: Provision for the year (Note 31)	3,105	5,488
	Balance as on 30 June	36,333	33,228
10.3	This represents Gas Infrastructure Development Cess (GIDC) which was levied through GIDC Act, 2015. Supreme Court of Pakistan vide judgement dated 13 August 2020 has upheld constitutional an intra vires. Further information is given in Note 14(a)(ii).		
11.	ACCRUED MARK-UP		
	Long term financing	58,238	85,985
	Short term borrowings	441,539	732,033
		499,777	818,018
12.	SHORT TERM BORROWINGS		
	Conventional mode of financing	20,037,742	19,761,075
	Islamic mode of financing	2,650,470	2,393,854
		22,688,212	22,154,929
12.1	These represent various types of finances obtained from banking companies which are secured by way of first joint pari passu charge over present and future current assets of the Company, pledge of stocks and personal guarantee of directors of the Company. Mark-up is paid at the rate of 5.25% to 23.67% per annum (2024: 6.00% to 25.87% per annum). The sanctioned credit facilities are Rupees 25,175 million (2024: Rupees 23,775 million).		
12.2	The main facilities of guarantees and letters of credit aggregate to Rupees 3,266 million (2024: Rupees 4,268 million). The amounts utilized at 30 June 2025 were Rupees 2,198.237 million (2024: Rupees 1,519.661 million). Securities of these facilities are the same as mentioned in Note 12.1.		
13.	CURRENT PORTION OF NON-CURRENT LIABILITIES		
	Long term financing (Note 6)	1,255,300	1,336,012
	Lease liabilities (Note 7)	23,506	28,695
		1,278,806	1,364,707
14.	CONTINGENCIES AND COMMITMENTS		
a)	Contingencies		
	i)	Guarantees of Rupees 457.226 million (2024: Rupees 433.434 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections, to Faisalabad Electric Supply Company (FESCO) against electricity connections and to Gas and Oil Pakistan Limited against fuel cards.	
	ii)	On 13 August 2020, the Supreme Court of Pakistan upheld the Gas Infrastructure Development Cess (GIDC) Act, 2015 to be constitutional and intra vires. In connection with this decision, the Company filed a writ petition in Lahore High Court, Lahore on 14 September 2020 against the charge of GIDC at the rate of captive power consumer instead of industrial consumer. Lahore High Court, Lahore suspended the payment of Rupees 23.625 million (2024: Rupees 23.625 million) related to this difference. This writ petition was decided in favor of the Company. Against this decision, SNGPL filed an Intra Court Appeal No. 73521/2021 in Lahore High Court, Lahore on 27 September 2021 which is pending for adjudication. Keeping in view the opinion of the legal counsel of the Company, the related provision is not made in these financial statements as there are strong grounds of favorable outcome of the petition.	
	iii)	The Company filed a writ petition in the Lahore High Court, Lahore on 17 August 2023 against the recovery of demand having an amount of Rupees 443.942 million (2024: Rupees 300.078 million) on increased rate of minimum wages raised by Employees Old Age Benefits Institution (EOBI). Keeping in view of the opinion of the legal counsel of the Company, the related provision is not made in these financial statements as there are strong grounds of favorable outcome of the petition.	
	iv)	The Company filed writ petition in Lahore High Court, Lahore on 30 July 2025, subsequent to reporting date, against the imposition of gas levy amounting to Rupees 44.682 million on the captive power plants under the Off the Grid (Captive Power Plants) Levy Ordinance, 2025. The Company has also given a post-dated cheque of Rupees 22.466 million against this amount to SNGPL. Keeping in view of the opinion of the legal counsel of the Company, the related provision is not made in these financial statements as there are strong grounds of favorable outcome of the petition.	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

v) The Company, as part of its manufacturing process, procured coal from some suppliers (who maintained active taxpayers status throughout the period when supplies were made to the Company). Without notice or hearing, Directorate of Intelligence and Investigation (Inland Revenue) passed an order dated 18 October 2024 under section 37A(4) of the Sales Tax Act, 1990 purporting to acknowledge the reconciliation and discharge of illegally created tax liability by the Company. The Company filed writ petitions Nos. 76525/2024 dated 04 December 2024 and 77291/2024 dated 09 December 2024 before Lahore High Court, Lahore challenging the lawfulness, legality and validity of the actions of the taxation authorities including but not limited to, First Investigation Report (FIR) against the Company (in violation of the law settled on the subject by Lahore High Court, Lahore in case of Messrs Taj International (Private) Limited Vs Federal Board of Revenue), extortion of alleged evaded sales tax along with default surcharge and penalty to the tune of Rupees 454.967 million and subsequent self-initiated compounding of the offence allegedly committed by the Company respectively. Prior to registration of FIR, no audit under the Sales Tax Act, 1990 was conducted by tax authorities neither any show-cause notice was issued to the Company. Further, no adjudication process as stipulated in the Sales Tax Act, 1990 was ever set into motion. No liability, as alleged in the FIR, has been adjudicated following due process as mandated by the Constitution and the law. However on 18 June 2025, both petitions were allowed and disposed of while the FIR was quashed. Therefore, the amounts of sales tax along with penalty and default surcharge amounting to Rupees 454.967 million in total, extorted by the taxation authorities from the Company without any determination of tax liability and without due process of law has been recognized as refundable / adjustable in these financial statements.

b) Commitments

- i) Contracts / letters of credit for capital expenditure are amounting to Rupees 180.867 million (2024: Rupees 11.524 million) and for other than capital expenditure are of Rupees 1,560.144 million (2024: Rupees 1,074.704 million).
- ii) Commitments arising from short term leases to be recognised on a straight line basis as expense under the practical expedient applied by the Company with respect to IFRS 16 are of Rupees 11.723 million (2024: Rupees 1.232 million) which are to be paid within one year.
- iii) Ijarah commitments - Company as lessee
The Company obtained vehicles under ijarah agreement. The lease terms are three to five years. The Company has given undertaking to purchase the leased vehicles on agreed purchase price at maturity.

2025 2024
(RUPEES IN THOUSAND)

The future aggregate minimum lease payments under ijarah are as follows:

Not later than one year	153,431	189,904
Later than one year and not later than five years	126,050	316,254
	279,481	506,158

15. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 15.1)	15,554,165	16,585,882
Capital work-in-progress (Note 15.2)	190,227	660,651
	15,744,392	17,246,533

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

OPERATING FIXED ASSETS

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	Freehold land	Buildings on freehold land	Plant and machinery	Electric and gas installations	Factory equipment	Telephone installations	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Total
(RUPEES IN THOUSAND)											
At 30 June 2023											
Cost / revalued amount	4,539,575	2,651,872	13,371,300	1,398,095	212,172	28,913	485,735	15,507	486,950	582,855	23,772,974
Accumulated depreciation	-	(963,272)	(6,416,829)	(595,932)	(96,996)	(22,636)	(267,446)	(10,110)	(352,512)	(240,600)	(8,966,333)
Net book value	4,539,575	1,688,600	6,954,471	802,163	115,176	6,277	218,289	5,397	134,438	342,255	14,806,641
Year ended 30 June 2024											
Opening net book value	4,539,575	1,688,600	6,954,471	802,163	115,176	6,277	218,289	5,397	134,438	342,255	14,806,641
Additions	16,212	477,999	2,388,416	201,982	98,303	973	97,358	178	106,057	342,734	3,730,212
Transferred from right-of-use assets	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	7,050	7,050
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(4,716)	(4,716)
Disposals:											
Cost / revalued amount	(249,882)	-	(978,767)	-	(19)	-	-	-	(321)	(137,494)	(1,366,483)
Accumulated depreciation	-	-	572,043	-	4	-	-	-	173	50,361	622,581
Depreciation charge	-	(95,711)	(406,724)	(90,360)	(17,705)	(1,036)	(41,657)	(827)	(37,828)	(87,133)	(743,902)
Closing net book value	4,305,905	2,070,888	8,110,514	913,785	195,759	6,214	273,990	4,748	202,519	501,560	16,585,882
At 30 June 2024											
Cost / revalued amount	4,305,905	3,129,871	14,780,949	1,600,077	310,456	29,886	583,093	15,685	592,686	795,145	26,143,753
Accumulated depreciation	-	(1,058,983)	(6,670,435)	(686,292)	(114,697)	(23,672)	(309,103)	(10,937)	(390,167)	(293,585)	(9,557,871)
Net book value	4,305,905	2,070,888	8,110,514	913,785	195,759	6,214	273,990	4,748	202,519	501,560	16,585,882
Year ended 30 June 2025											
Opening net book value	4,305,905	2,070,888	8,110,514	913,785	195,759	6,214	273,990	4,748	202,519	501,560	16,585,882
Additions	-	97,931	551,179	43,772	2,983	71	13,640	138	18,702	54,273	782,679
Transferred from right-of-use assets (Note 16)	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	14,749	14,749
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(10,237)	(10,237)
Disposals:											
Cost / revalued amount	(520,613)	-	(30,159)	-	-	-	(160)	-	(90)	(122,063)	(673,085)
Accumulated depreciation	-	-	22,632	-	63	-	36	-	63	40,995	63,726
Depreciation charge	-	(105,360)	(815,470)	(93,700)	(19,850)	(988)	(43,091)	(728)	(41,818)	(81,068)	(609,359)
Closing net book value	3,785,292	2,063,449	7,838,696	863,857	178,892	5,347	244,415	4,158	179,376	390,683	15,554,165
At 30 June 2025											
Cost / revalued amount	3,785,292	3,227,792	15,301,969	1,643,849	313,439	29,957	596,573	15,823	611,298	742,104	26,257,859
Accumulated depreciation	-	(1,164,343)	(7,463,273)	(779,992)	(134,547)	(24,610)	(352,158)	(1,665)	(431,922)	(351,421)	(10,703,694)
Net book value	3,785,292	2,063,449	7,838,696	863,857	178,892	5,347	244,415	4,158	179,376	390,683	15,554,165
Annual rate of depreciation (%)	-	5	10	10	10	15	15	15	20	20	

Value of freehold land of the Company has been determined by an independent valuer, Messrs Oceanic Surveyors (Private) Limited, on 19 June 2023 using market value method. Previously, it was revalued by an independent valuer as at 30 June 2020, 30 June 2016, 28 June 2007 and 30 September 1995. Had there been no revaluation, the value of freehold land would have been lower by Rupees 3,060,721 million (2024: Rupees 3,501,438 million). The book value of freehold land on cost basis is Rupees 724,571 million (2024: Rupees 804,467 million).

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025 2024
(RUPEES IN THOUSAND)

15.1.2 Depreciation charge for the year has been allocated as follows:

Cost of sales (Note 28)	1,034,380	1,029,425
Distribution cost (Note 29)	1,345	1,545
Administrative expenses (Note 30)	173,824	178,433
	<u>1,209,549</u>	<u>1,209,403</u>

15.1.3 Particulars of immovable properties (i.e. land and buildings) in the name of the Company are as follows:

Particulars	Location	Area Acres	Covered Area Sq. ft.
Apparel Unit	Sargodha Road, Faisalabad	2.56	175 936 *
Spinning, Knitting and Dyeing Units	32 - KM, Sheikhpura Road, Faisalabad	113.06	1 896 168
Shop	Circular Road, Faisalabad	0.006	288
Freehold Land	194 - R.B., Lathianwala, Sheikhpura Road, Faisalabad	1.11	- **
Spinning Unit	Satyana Road, Faisalabad	1.50	35 114
Office	New Civil Lines, Bilal Road, Faisalabad	0.225	52 484 *
Office	Regency Plaza, Mall Road, Faisalabad	-	3 654 ***

* Covered area at these locations consists of multi-storey buildings.

** No construction on this land.

*** Covered area at this location consists of building only, because of multi-storey plaza.

15.1.4 Forced sales value of freehold land was Rupees 3,217.499 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

15.1.5 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of during the year is as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
-----RUPEES IN THOUSAND-----							
Freehold land							
194 - R.B., Lathianwala, Sheikhpura Road, Faisalabad (259 Kanals 16 Marlas)	498,913	-	498,913	520,000	21,087	Negotiation	Beacon Impex (Private) Limited, Faisalabad.
32 - KM, Sheikhpura Road, Faisalabad (16 Kanals 4 Marlas) (Note 15.1.6)	21,700	-	21,700	-	(21,700)	Negotiation	Pak - Arab Refinery Limited.
	520,613	-	520,613	520,000	(613)		
Plant and machinery							
Bruckner Stanter 6 Chamber	30,159	22,632	7,527	6,557	(970)	Negotiation	AR Trading, Gajju Matta, Lahore.
Vehicles							
Toyota - Corolla FDA-18-175	679	68	611	1,500	889	Company Policy	Mr. Farooq Javed, Dhuddi Wala, Faisalabad.
Toyota - Hilux Revo MNZ-786	20,033	3,757	16,276	15,000	(1,276)	Insurance Claim	Reliance Insurance Company Limited.
Toyota - Grande AXS-786	1,795	240	1,555	1,500	(55)	Negotiation	Mr. Mohsin Murad, Peoples Colony No. 1, Faisalabad.
Kia - Sportage APX-051	684	141	543	4,022	3,479	Company Policy	Mr. Waqas Ashraf, Sitara Sapna City, Faisalabad.
Kia - Sportage AQK-061	981	286	695	2,260	1,565	Negotiation	Syed Israr Hussain Zaidi, Gulberg III, Lahore.
Toyota - Altis Garande BAD-93	5,003	1,712	3,291	3,300	9	Negotiation	Tracko Interactive Services (Private) Limited.
Toyota - Alphard APR-458	22,241	5,246	16,995	17,550	555	Negotiation	Redfern Textiles (Private) Limited.
Toyota - Yaris AHZ-695	2,536	545	1,991	2,906	915	Company Policy	Mr. Shabbir Ahmad, Ghulam Muhammadabad, Faisalabad.
Audi - A6 35 TFSI LE-17-76	9,505	7,027	2,478	2,450	(28)	Negotiation	Redfern Textiles (Private) Limited.
Audi - E - Tron 50 Quattro BAU-76	25,749	8,371	17,378	17,200	(178)	Negotiation	Redfern Textiles (Private) Limited.
Kia - Sportage Alpha	7,563	1,987	5,576	6,950	1,374	Negotiation	Dr. Ali Imran Syed, Valencia Town, Lahore.
Toyota - Corolla Altis AFV-227	2,172	1,494	678	1,520	842	Negotiation	Mr. Muhammad Shakeel Faridi, Gulberg Colony, Faisalabad.
Toyota - Corolla Altis AKC-528	1,333	91	1,242	2,236	994	Company Policy	Mr. Muhammad Nadeem Arshad, Madina Town, Faisalabad.
Toyota - Fortuner AEZ-398	12,700	5,271	7,429	8,500	1,071	Negotiation	Ms. Sana Shahid, Kaleem Shaheed Colony No. 1, Faisalabad.
	112,974	36,236	76,738	86,894	10,156		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000	9,339	4,858	4,481	26,697	22,216		
	673,085	63,726	609,359	640,148	30,789		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

15.16 This land was provided as alternate land to Pak - Arab Refinery Limited by the Company for rerouting and realignment of oil pipeline over a mutually agreed right of way of the pipeline due to the reason that on original land where pipeline existed, concrete structure of the Company was in place.

15.2 Capital work-in-progress

	Buildings on freehold land	Plant and machinery	Advances against purchase of machinery	Total
-----RUPEES IN THOUSAND-----				
As at 01 July 2023	175,677	91,042	270,367	537,086
Add: Additions during the year	53,219	3,004	476,697	532,920
Less: Transferred to operating fixed assets during the year	(171,375)	(68,650)	(169,330)	(409,355)
As at 30 June 2024	57,521	25,396	577,734	660,651
Add: Additions during the year	-	7,537	44,145	51,682
Less: Transferred to operating fixed assets during the year	(52,795)	(8,023)	(461,288)	(522,106)
As at 30 June 2025	4,726	24,910	160,591	190,227

15.3 Borrowing cost of Rupees 14.520 million (2024: Rupees 31.882 million) was capitalized during the year using with the capitalization rate of 16.50% to 22.45% per annum (2024: 22.45% to 26.28% per annum).

16. RIGHT-OF-USE ASSETS

	Buildings	Vehicles	Total
-----RUPEES IN THOUSAND-----			
As at 01 July 2023	50,282	8,323	58,605
Additions	122,796	-	122,796
Book value of assets transferred to operating fixed assets	-	(2,334)	(2,334)
Depreciation charge	(69,842)	(1,260)	(71,102)
As at 30 June 2024	103,236	4,729	107,965
Book value of assets transferred to operating fixed assets (Note 15.1)	-	(4,512)	(4,512)
Depreciation charge	(29,559)	(217)	(29,776)
As at 30 June 2025	73,677	-	73,677

Lease of buildings

The Company obtained buildings on lease for its business operations. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods are maximum of five years.

There is no impairment against right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025
(RUPEES IN THOUSAND) 2024

16.1 Depreciation charged during the year has been allocated as follows:

Cost of sales (Note 28)	29,559	69,060
Distribution cost (Note 29)	95	805
Administrative expenses (Note 30)	122	1,237
	<u>29,776</u>	<u>71,102</u>

17. LONG TERM ADVANCES

Considered good - secured

Executives (Note 17.1)	16,782	19,700
Other employees	2,767	687
	<u>19,549</u>	<u>20,387</u>
Less: Current portion shown under current assets (Note 21)	9,378	10,311
	<u>10,171</u>	<u>10,076</u>

17.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 17.677 million (2024: Rupees 26,540 million).

17.2 These include the interest free advances given to Company's executives and other employees for meeting their personal expenditure and are recoverable in equal monthly installments. These are secured against the gratuity payable of these employees.

17.3 The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of advances to employees is not considered material and hence not recognized.

18. STORES, SPARE PARTS AND LOOSE TOOLS

Stores (Note 18.1)	2,054,714	2,503,268
Spare parts	1,195,076	1,173,129
Loose tools	7,847	8,209
	<u>3,257,637</u>	<u>3,684,606</u>

18.1 These include stores in transit of Rupees 205.523 million (2024: Rupees 198.784 million).

19. STOCK IN TRADE

Raw materials (Note 19.1 and Note 19.2)	5,878,458	6,607,176
Work-in-process (Note 19.3)	2,410,658	3,287,341
Finished goods (Note 19.4)	6,687,510	6,143,390
	<u>14,976,626</u>	<u>16,037,907</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

- 19.1** These include stock in transit of Rupees 203.486 million (2024: Rupees 196.849 million).
- 19.2** These include stock of Rupees 378.140 million (2024: Rupees 332.663 million) sent to external parties for conversion.
- 19.3** These include stock of Rupees 438.295 million (2024: Rupees 388.396 million) sent to external parties for processing.
- 19.4** These include stock of Rupees 407.759 million (2024: Rupees 430.867 million) sent to external parties for processing.
- 19.5** Stock in trade includes stocks amounting to Rupees 1,208.715 million (2024: Rupees 1,463.083 million) valued at net realizable value.
- 19.6** The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 298.813 million (2024: Rupees 458.641 million).

20. TRADE DEBTS

	2025 (RUPEES IN THOUSAND)	2024
Considered good:		
Secured (against letters of credit)	94,150	539,184
Unsecured:		
Related party (Note 20.2)	192,498	192,498
Others - against contract	16,128,818	14,079,477
	16,321,316	14,271,975
	16,415,466	14,811,159
Less: Allowance for expected credit losses (Note 20.4)	697,257	689,624
	15,718,209	14,121,535
20.1 Trade debts in respect of foreign and local jurisdictions are given below:		
Australia	72,626	66,366
Argentina	112,963	-
Belgium	925,729	685,058
Canada	366,322	217,094
Chile	25,778	14,618
China	51,735	60,739
Croatia	-	441
Denmark	-	7,481
France	165,165	92,856
Germany	905,526	1,769,864
Georgia	-	348,313
Hong Kong	30,502	87,933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025 2024
(RUPEES IN THOUSAND)

Indonesia	-	1,574
Italy	-	794
Japan	40,334	4,141
Jordan	-	36,083
Kenya	57,319	86,944
Korea South	313	2,391
Malaysia	-	254
Mexico	102,557	5,868
Netherlands	228,442	274,296
Panama	5,980	6,614
Poland	327,405	10,474
Russia	538	-
Singapore	41,298	3,369
South Africa	2,429	1,195
Spain	54,020	40,002
Sri Lanka	64,793	506,133
Taiwan	21,373	126
Turkey	61,637	-
United Arab Emirates	-	5,579
United Kingdom	362,648	392,219
United States of America	10,298,498	8,208,820
Uruguay	1,180	-
Vietnam	39,567	72,932
Pakistan	2,048,789	1,800,588
	<u>16,415,466</u>	<u>14,811,159</u>

20.2 Trade debts due from the related party were from Challenge Apparels Limited.

20.3 The maximum aggregate amount due from the related party, Challenge Apparels Limited at the end of any month during the year was Rupees 192.498 million (2024: Rupees 300.940 million).

20.4 Allowance for expected credit losses

Opening balance	689,624	681,688
Add: Recognized during the year (Note 31)	7,987	8,186
	<u>697,611</u>	<u>689,874</u>
Less: Recovered during the year (Note 32)	354	250
Closing balance	<u>697,257</u>	<u>689,624</u>

20.5 Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 25 to 90 days from delivery in case of local sales, and 15 to 120 days in case of export sales.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025 2024
(RUPEES IN THOUSAND)

21. LOANS AND ADVANCES

Considered good - interest free

Against salary		
- Executives	15,170	15,015
- Other employees	59,427	77,817
Against expenses		
- Executives	6,812	7,118
- Other employees	34,991	15,587
	<u>116,400</u>	<u>115,537</u>
Current portion of long term advances (Note 17)	9,378	10,311
Advances to suppliers	410,393	475,855
	<u>536,171</u>	<u>601,703</u>

22. TAXATION AND LEVY - NET

Advance income tax - net

Advance income tax	1,307,484	460,962
Less: Provision for taxation	(572,012)	(244,379)
	<u>735,472</u>	<u>216,583</u>

Levy payable - net

Levy payable	(623,040)	(852,699)
Prepaid levy	186,300	633,759
	<u>(436,740)</u>	<u>(218,940)</u>
	<u>298,732</u>	<u>(2,357)</u>

23. SHORT TERM DEPOSITS AND PREPAYMENTS

Letters of credit	7,905	4,354
Prepayments	2,546	7,364
Margin deposits	235,696	212,428
Security deposits including current portion	68,925	65,115
	<u>315,072</u>	<u>289,261</u>

24. OTHER RECEIVABLES

Considered good:

Sales tax refundable	2,064,499	1,741,193
Export rebate	534,676	372,751
Duty drawback claims	13,241	573,474
Profit on deposits with banks	4,154	6,138
Others	6,181	6,001
	<u>2,622,751</u>	<u>2,699,557</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025 2024
(RUPEES IN THOUSAND)

25. SHORT TERM INVESTMENTS

At fair value through profit or loss

Meezan Daily Income Fund 6 907.9272 Units (2024: 6 278.9816 Units)	345	316
Meezan Rozana Amdani Fund 217 619.8068 Units (2024: 197 564.2216 Units)	10,881	9,876
	<u>11,226</u>	<u>10,192</u>

26. CASH AND BANK BALANCES

With banks:

On current accounts including US\$ 92,672 (2024: US\$ 120,022)	377,775	194,534
On saving accounts (Note 26.1)	287,166	60,819
	<u>664,941</u>	<u>255,353</u>
Cash in hand	2,407	2,335
	<u>667,348</u>	<u>257,688</u>

26.1 Rate of profit on saving accounts ranges from 6.50% to 19.00% (2024: 10.25% to 21.00%) per annum.

27. REVENUE

Revenue from contracts with customers:

Export sales	50,677,681	46,090,330
Local sales (Note 27.1)	8,524,088	12,586,596
	<u>59,201,769</u>	<u>58,676,926</u>

27.1 Local sales

Yarn / finished fabric / garments	4,196,800	9,403,747
Waste	1,008,736	1,184,247
Knitting / dyeing income	4,862,979	3,976,572
	<u>10,068,515</u>	<u>14,564,566</u>
Less: Sales tax	1,544,427	1,977,970
	<u>8,524,088</u>	<u>12,586,596</u>

27.2 The amount of Rupees 407.108 million included in contract liabilities (Note 10) at 30 June 2024 has been recognized as revenue in 2025 (2024: Rupees 691.700 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025
2024
(RUPEES IN THOUSAND)

28. COST OF SALES

Raw materials consumed	19,809,099	23,842,418
Salaries, wages and other benefits	10,301,584	8,427,854
Staff retirement benefit	560,958	539,906
Fuel and power	5,666,112	5,205,587
Dyes and chemicals consumed	3,738,649	3,941,989
Stores, spare parts and loose tools consumed	1,420,803	1,764,701
Packing materials and other charges	2,262,386	1,971,569
Outside knitting, dyeing and CMT charges	2,162,869	2,069,703
Vehicle running and maintenance	663,086	509,758
Repair and maintenance	309,390	515,127
Insurance	223,113	182,605
Other factory overheads (Note 28.1)	1,666,569	1,614,209
Depreciation on property, plant and equipment (Note 15.1.2)	1,034,380	1,029,425
Depreciation - right-of-use assets (Note 16.1)	29,559	69,060
	<u>49,848,557</u>	<u>51,683,911</u>
Work-in-process:		
Opening stock	3,287,341	2,312,037
Closing stock	(2,410,658)	(3,287,341)
	<u>876,683</u>	<u>(975,304)</u>
Cost of goods manufactured	<u>50,725,240</u>	<u>50,708,607</u>
Finished goods:		
Opening stock	6,143,390	4,586,171
Closing stock	(6,687,510)	(6,143,390)
	<u>(544,120)</u>	<u>(1,557,219)</u>
	<u><u>50,181,120</u></u>	<u><u>49,151,388</u></u>

28.1 These include ljarah rentals amounting to Rupees 152.790 million (2024: Rupees 162.397 million) of vehicles and Rupees 44.247 million (2024: Rupees 46.658 million) in respect of short term leases of buildings.

29. DISTRIBUTION COST

Salaries and other benefits	633,699	618,795
Staff retirement benefit	65,740	61,152
Commission to selling agents	964,195	929,841
Export development surcharge	126,742	135,734
Insurance	14,504	17,394
Travelling and conveyance	58,324	68,105
Vehicle's running	17,788	18,383
Printing and stationery	6,734	7,175

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025 2024
(RUPEES IN THOUSAND)

Communication	78,120	72,010
Outward freight and distribution	1,500,636	1,089,873
Depreciation on property, plant and equipment (Note 15.1.2)	1,345	1,545
Depreciation on right-of-use assets (Note 16.1)	95	805
	<u>3,467,922</u>	<u>3,020,812</u>

30. ADMINISTRATIVE EXPENSES

Salaries and other benefits	572,029	546,941
Staff retirement benefit	93,740	86,274
Rent, rates and taxes (Note 30.1)	176,645	153,347
Travelling and conveyance	16,385	18,438
Entertainment	14,603	17,972
Repair and maintenance	12,270	13,424
Vehicle's running	30,031	32,643
Printing and stationery	8,673	9,486
Communication	28,298	25,789
Legal and professional	1,933	6,938
Newspapers and periodicals	14	41
Electricity and sui gas	27,511	25,978
Auditor's remuneration (Note 30.2)	7,600	6,810
Subscription and fee	15,065	9,942
Advertisement	993	7,158
Insurance	13,912	16,353
Miscellaneous	2,247	5,588
Depreciation on property, plant and equipment (Note 15.1.2)	173,824	178,433
Depreciation - right-of-use assets (Note 16.1)	122	1,237
	<u>1,195,895</u>	<u>1,162,792</u>

30.1 These include ljarah rentals amounting to Rupees 26.553 million (2024: Rupees 28.537 million) of vehicles.

30.2 Auditor's remuneration

Annual audit fee	5,500	5,000
Half yearly review fee	1,000	800
Other certifications	950	875
Reimbursable expenses	150	135
	<u>7,600</u>	<u>6,810</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025
(RUPEES IN THOUSAND)

2024

31. OTHER EXPENSES

Allowance for expected credit losses (Note 20.4)	7,987	8,186
Workers' profit participation fund (Note 10.1)	32,214	5,571
Donations	-	2,500
Net exchange loss	-	139,163
Worker's welfare fund (Note 10.2)	3,105	5,488
	<u>43,306</u>	<u>160,908</u>

32. OTHER INCOME

Income from financial assets

Profit on deposits with banks	32,514	87,814
Dividend income	1,375	1,838
Reversal of allowance for expected credit losses (Note 20.4)	354	250
Net exchange gain	404,116	-
	<u>438,359</u>	<u>89,902</u>

Income from non-financial assets

Sale of scrap	22,713	14,904
Gain on sale of property, plant and equipment	30,789	86,931
Others	69,220	84,755
	<u>122,722</u>	<u>186,590</u>
	<u>561,081</u>	<u>276,492</u>

33. FINANCE COST

Mark-up / interest on:

Long term financing	566,387	664,999
Short term borrowings	2,939,652	4,136,549
Lease liabilities (Note 7.1)	12,367	18,179
Workers' profit participation fund (Note 10.1)	344	12,701
Bank charges and commission	339,476	167,073
	<u>3,858,226</u>	<u>4,999,501</u>

34. LEVY

Charge for the year:		
Current	615,554	852,758
Prior year adjustment	7,486	(59)
	<u>623,040</u>	<u>852,699</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

- 34.1** Minimum tax (excess over the amount designated as current tax) and final taxes fall under levy within the scope of IFRIC 21 / IAS 37. Charge for levy has been recognised in statement of profit or loss. Provision for income from business and income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001. Related super tax calculated as per Section 4C of the Income Tax Ordinance, 2001 is accounted for as levy and tax respectively.

2025 2024
(RUPEES IN THOUSAND)

35. TAXATION

Charge for the year:

Current	227,604	75,410
Prior year adjustment	19,676	(62)
	<u>247,280</u>	<u>75,348</u>
Deferred Tax (Note 9.1.1)	14,782	-
	<u>262,062</u>	<u>75,348</u>

2025
(RUPEES IN THOUSAND)

35.1 Reconciliation between tax expense and accounting profit

Accounting profit before levy and taxation	<u>1,016,381</u>
Applicable tax rate	<u>29%</u>
Tax on accounting profit	294,750
Effect of final tax regime income taxed at lower rate	55
Effect of prior year's tax	27,162
Effect arising as consequences of recognition of deferred tax	14,782
Effect of income taxed at minimum tax	740,306
Effect of super tax	102,508
Effect of income and expenses that are not considered in determining taxable liability	(294,461)
Current levy and taxation as per applicable law	<u>885,102</u>
Levy (Note 34)	623,040
Taxation (Note 35)	262,062
	<u>885,102</u>

- 35.1** Last year, the Company's income was treated under the ambit of final tax regime in accordance with section 169 of the Income Tax Ordinance, 2001. Therefore reconciliation for the tax expense and accounting profit was not prepared for prior year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025

2024

36. EARNINGS / (LOSS) PER SHARE

Basic earnings / (loss) per share

Profit / (loss) for the year	(Rupees in thousand)	131,279	(470,030)
Dividend on preference shares	(Rupees in thousand)	(50,003)	(66,644)
		<u>81,276</u>	<u>(536,674)</u>
Weighted average number of ordinary shares	(Numbers)	<u>67 500 000</u>	<u>67 500 000</u>
Earnings / (loss) per share - Basic	(Rupees)	<u>1.20</u>	<u>(7.95)</u>

Diluted earnings per share

Profit / (loss) for the year	(Rupees in thousand)	131,279	(470,030)
Dividend on preference shares	(Rupees in thousand)	(50,003)	(66,644)
		<u>81,276</u>	<u>(536,674)</u>
Weighted average number of ordinary shares	(Numbers)	<u>73 425 447</u>	<u>73 557 469</u>
Earnings / (loss) per share - Diluted	(Rupees)	<u>1.11</u>	<u>(7.30)</u>

2025

2024

(RUPEES IN THOUSAND)

37. CASH GENERATED FROM OPERATIONS

Profit before levy and taxation	1,016,381	458,017
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment (Note 15.1)	1,209,549	1,209,403
Depreciation on right-of-use assets (Note 16)	29,776	71,102
Provision for gratuity (Note 8.1)	720,438	687,332
Profit on deposits with banks (Note 32)	(32,514)	(87,814)
Allowance for expected credit losses (Note 31)	7,987	8,186
Workers' profit participation fund (Note 31)	32,214	5,571
Reversal of allowance for expected credit losses (Note 32)	(354)	(250)
Gain on sale of property, plant and equipment (Note 32)	(30,789)	(86,931)
Exchange (gain) / loss - net	(109,883)	2,693
Finance cost (Note 33)	3,858,226	4,999,501
Working capital changes (Note 37.1)	(2,316,535)	1,065,119
	<u>4,384,496</u>	<u>8,331,929</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

2025 2024
(RUPEES IN THOUSAND)

37.1 Working capital changes

Decrease / (increase) in current assets

Stores, spare parts and loose tools	426,969	251,941
Stock in trade	1,061,281	(3,334,648)
Trade debts	(1,494,915)	2,595,347
Loans and advances	65,532	143,030
Short term deposits and prepayments	(25,811)	9,192
Other receivables	74,822	549,061
	107,878	213,923
(Decrease) / increase in trade and other payables	(2,424,413)	851,196
	<u>(2,316,535)</u>	<u>1,065,119</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

37.2 Reconciliation of movements of liabilities to cash flows from financing activities:

	2025			2024				
	Long term financing	Short term borrowings	Lease liabilities	Total	Long term financing	Short term borrowings	Lease liabilities	Total
Balance as at 30 June	2,899,996	22,154,929	120,272	25,175,197	4,206,619	20,607,236	66,497	24,880,352
Lease liabilities recognized	-	-	-	-	-	-	122,796	122,796
Proceeds from long term financing	2,076,000	-	-	2,076,000	554,121	-	-	554,121
Short term borrowings obtained - net	-	533,283	-	533,283	-	1,547,693	-	1,547,693
Repayment of long term financing	(1,338,812)	-	-	(1,338,812)	(1,860,744)	-	-	(1,860,744)
Other charges - non-cash movement	-	-	(3,687)	(3,687)	-	-	-	-
Repayment of lease liabilities	-	-	(25,008)	(25,008)	-	-	(69,021)	(69,021)
Balance as at 30 June	3,637,184	22,688,212	91,577	26,416,973	2,899,996	22,154,929	120,272	25,175,197

38. EVENT AFTER THE REPORTING PERIOD

Board of Directors of the Company has proposed a preference dividend for the preference shareholders of the Company amounting to Rupees 1.8183 (2024; Rupees 2.4234) per share at their meeting held on **04 October 2025**. However, this event has been considered as non-adjusting event under IAS-10 'Events after the Reporting Period' and has not been recognized in these financial statements.

39. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Aggregate amount charged in these financial statements in respect of remuneration including all benefits to the Chief Executive Officer, Directors and Executives of the Company are given below:

DESCRIPTION	2025		2024	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
Managerial remuneration	12,000	335,681	12,000	416,105
Allowances				
House rent	4,800	134,272	4,800	166,442
Other allowances	1,200	33,568	1,200	41,611
Payment of staff retirement gratuity	-	10,442	-	15,284
	18,000	513,963	18,000	639,442
Number of persons	1	216	1	213

39.1

The Chief Executive Officer and some of the executives are provided free use of Company maintained vehicles.

39.2

Meeting fee amounting to Rupees 1,498 million (2024; Rupees 0,850 million) has been paid to four non-executive directors (2024; four non-executive directors).

39.3

Apart from meeting fee as stated in Note 39.2, no remuneration was paid to any director of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

40. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associate, associated company, other related parties and key management personnel. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements are as follows:

2025
(RUPEES IN THOUSAND)

	2025	2024
Other related parties		
Capital contribution from Chief Executive Officer and his spouse	316,729	-
Sale of vehicles to executives	14,960	10,504
40.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, Directors and Executives is disclosed in Note 39.		
40.2 Shanghai Challenge Textile Company Limited (SCTCL) is the associate due to 25.77% shareholding in the Company. SCTCL is incorporated in China.		
40.3 Challenge Apparels Limited is the associated company by way of common directorship.		

2025

41. NUMBER OF EMPLOYEES

	2025	2024
Number of employees as at 30 June	11 809	14 831
Average number of employees during the year	18 764	19 619

2025
(FIGURES IN THOUSAND)

42. PLANT CAPACITY AND ACTUAL PRODUCTION

SPINNING

Production at normal capacity converted to 20s count based on three shifts per day	(Kgs.)	5 878	5 894
Actual production converted to 20s count based on three shifts per day	(Kgs.)	5 167	5 229

KNITTING

Production at normal capacity based on three shifts per day	(Kgs.)	50 905	51 988
Actual production based on three shifts per day	(Kgs.)	16 848	20 483

DYEING / FINISHING

Production at normal capacity on reactive dyeing basis at three shifts per day	(Kgs.)	44 344	46 090
Actual production converted on reactive dyeing basis at three shifts per day	(Kgs.)	15 007	19 594

GARMENTS

Production at normal capacity of normal / average garments capacity based on single shift per day	(Dzn.)	2 584	2 261
Actual production of normal / average garments capacity basis on single shift per day	(Dzn.)	1 360	1 262

42.1 REASONS FOR LOW PRODUCTION

Under utilization of available capacity is due to normal maintenance. Machines are available for different types of fabric for which orders are based on seasonal basis. Moreover, the garments capacities are varied due to multi products having different and complex stitching process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

43. SEGMENT INFORMATION

	Spinning		Knitting		Processing & Garments		Elimination of inter-segment transactions			Total-Company	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	
Revenue											
External	3,075,433	7,515,416	1,500,039	1,402,895	54,626,297	49,758,615	-	-	59,201,769	58,676,926	
Intersegment	2,645,308	7,793,065	17,183,333	18,873,858	-	36,774	(19,828,641)	(26,703,697)	-	-	
	5,720,741	15,308,481	18,683,372	20,276,753	54,626,297	49,795,389	(19,828,641)	(26,703,697)	59,201,769	58,676,926	
Cost of sales	(5,559,447)	(15,539,522)	(18,389,690)	(19,928,284)	(46,060,624)	(40,387,279)	19,828,641	26,703,697	(50,181,120)	(49,151,388)	
Gross profit / (loss)	161,294	(231,041)	293,682	348,469	8,565,673	9,408,110	-	-	9,020,649	9,525,538	
Distribution cost	(67,781)	(151,235)	(134,563)	(159,166)	(3,265,578)	(2,710,411)	-	-	(3,467,922)	(3,020,812)	
Administrative expenses	(68,690)	(99,940)	(129,297)	(150,792)	(997,908)	(912,060)	-	-	(1,195,895)	(1,162,792)	
	(136,471)	(251,175)	(263,860)	(309,958)	(4,263,486)	(3,622,471)	-	-	(4,663,817)	(4,183,604)	
Profit / (loss) before taxation and	24,823	(482,216)	29,822	38,511	4,302,187	5,785,639	-	-	4,356,832	5,341,934	
Unallocated income and expenses:											
Other expenses									(43,306)	(160,908)	
Other income									561,081	276,492	
Finance cost									(3,858,226)	(4,999,501)	
Profit before levy and taxation									1,016,381	458,017	
Levy									(623,040)	(852,699)	
Profit / (loss) before taxation									393,341	(394,682)	
Taxation									(262,062)	(75,348)	
Profit / (loss) after taxation									131,279	(470,030)	

43.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Knitting		Processing & Garments		Elimination of inter-segment transactions			Total-Company	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	
Segment assets	3,714,542	4,665,454	4,077,807	4,458,917	26,186,305	27,844,676	33,978,654	36,969,047	20,332,143	18,182,695	
Unallocated assets											
Total assets as per statement of financial position	507,277	1,266,311	2,352,515	2,857,412	7,825,999	9,150,651	54,310,797	55,151,742	10,685,791	13,274,374	
Segment liabilities							26,485,675	25,195,755			
Unallocated liabilities							37,171,466	38,470,129			
Total liabilities as per statement of financial position							63,657,141	63,665,884			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

43.2 Geographical Information

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

	Spinning		Knitting		Processing & Garments		Total-Company	
	2025	2024	2025	2024	2025	2024	2025	2024
	(RUPEES IN THOUSAND)							
Australia	-	-	-	-	327,590	315,190	327,590	315,190
Argentina	-	-	-	-	197,360	-	197,360	-
Bangladesh	-	13,285	-	-	2,974	1,144	2,974	14,429
Belgium	-	-	-	-	2,315,149	2,722,235	2,315,149	2,722,235
Brazil	-	-	-	-	-	480	-	480
Canada	9,695	8,291	-	-	1,248,078	767,260	1,257,773	775,551
Chile	-	-	-	-	89,475	44,966	89,475	44,966
China	-	228,109	-	-	217,069	210,047	217,069	438,156
Costa Rica	-	-	-	-	-	1,388	-	1,388
Croatia	-	-	-	-	18,444	445	18,444	445
Czech Republic	-	-	-	-	-	700	-	700
Denmark	-	-	-	-	18,122	217,924	18,122	217,924
Egypt	-	25,709	-	-	-	-	-	25,709
Ethiopia	-	-	-	-	-	17,868	-	17,868
France	-	-	-	-	655,224	405,932	655,224	405,932
Georgia	-	-	-	-	-	802,631	-	802,631
Germany	-	-	-	-	6,828,599	6,243,603	6,828,599	6,243,603
Hong Kong	-	-	-	-	346,877	317,947	346,877	317,947
Indonesia	-	27,276	-	-	8,828	15,389	8,828	42,665
Italy	-	805	-	-	-	104,543	-	105,348
Japan	-	-	-	-	85,940	55,766	85,940	55,766
Jordan	-	-	-	-	320	144,357	320	144,357
Kenya	-	-	-	-	501,874	479,964	501,874	479,964
Korea South	-	-	-	-	69,806	56,812	69,806	56,812
Malaysia	-	-	-	-	4,213	7,212	4,213	7,212
Mauritius	-	-	-	-	441	2,942	441	2,942
Mexico	-	-	-	-	149,399	47,529	149,399	47,529
Netherlands	-	-	-	-	1,749,327	989,228	1,749,327	989,228
Panama	-	-	-	-	36,573	43,793	36,573	43,793
Peru	-	-	-	-	12,549	880	12,549	880
Poland	-	-	-	-	740,229	193,182	740,229	193,182
Portugal	-	23,614	-	-	-	-	-	23,614
Russia	-	-	-	-	531	86,849	531	86,849
Singapore	-	-	-	-	137,515	44,142	137,515	44,142
South Africa	-	-	-	-	4,908	6,745	4,908	6,745
Spain	-	23,678	-	-	306,885	443,141	306,885	466,819
Sri Lanka	33,472	704,760	-	-	1,341,113	3,145,468	1,374,585	3,850,228
Taiwan	-	-	-	-	38,649	15,083	38,649	15,083
Turkey	-	-	-	-	106,549	-	106,549	-
United Arab Emirates	-	-	-	-	-	58,062	-	58,062
United Kingdom	-	-	-	-	1,612,894	1,369,094	1,612,894	1,369,094
United States of America	-	-	-	-	30,837,276	25,085,006	30,837,276	25,085,006
Uruguay	-	-	-	-	1,183	-	1,183	-
Vietnam	-	-	-	-	622,551	569,856	622,551	569,856
Pakistan	3,032,266	6,459,889	1,500,039	1,402,895	3,991,783	4,723,812	8,524,088	12,586,596
	3,075,433	7,515,416	1,500,039	1,402,895	54,626,297	49,758,615	59,201,769	58,676,926

43.3 The Company's revenue from external customers in respect of product is detailed below:

Yarn	3,008,129	7,462,748	158,964	312,076	-	-	3,167,092	7,774,824
Knitting / dyeing income	24,962	-	1,341,075	1,090,819	2,755,131	2,279,156	4,121,168	3,369,975
Finished fabric / garments	-	-	-	-	51,064,500	46,528,526	51,064,500	46,528,526
Waste	42,342	52,668	-	-	806,666	950,933	849,008	1,003,601
	3,075,433	7,515,416	1,500,039	1,402,895	54,626,297	49,758,615	59,201,769	58,676,926

43.4 All non-current assets of the Company as at reporting date are located and operating in Pakistan.

43.5 Revenue is recognized at the point of time as per terms and conditions of underlying contract with customers.

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43.6 Revenue from major customers

Revenue from major customers of the Company's Processing and Garments segment includes two customers (2024: two) representing Rupees 21,221 million (2024: Rupees 19,593 million). Revenue from other segments of the Company does not include any major customer.

44. FINANCIAL RISK MANAGEMENT

44.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, investment of excess liquidity and use of non-derivative financial instruments.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2025	2024
Cash at banks - USD	92,672	120,022
Trade debts - USD	44,533,157	44,147,334
Trade debts - Euro	15,565	117,809
Trade and other payables - USD	(388,785)	(579,585)
Short term borrowings - USD	(7,265,158)	(10,916,897)
Net exposure - USD	36,971,886	32,770,874
Net exposure - Euro	15,565	117,809
Following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	279.27	283.01
Reporting date rate	283.60	278.30
Rupees per Euro		
Average rate	303.75	306.78
Reporting date rate	332.25	297.88

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit / (loss) after taxation for the year would have been Rupees 439.495 million higher / lower (2024: Rupees 386.119 million lower / higher), mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. At the year end, the Company is not exposed to other price risk.

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Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Index of Mutual Funds Association of Pakistan (MUFAP) on the Company's profit / (loss) after taxation for the year. The analysis is based on the assumption that the equity index had increased / decreased by 10% with all other variables held constant and the Company's equity instruments moved according to the historical correlation with the index:

INDEX	Impact on Profit / (loss) after taxation	
	2025	2024
	(RUPEES IN THOUSAND)	
MUFAP (10% increase)	679	617
MUFAP (10% decrease)	(679)	(617)

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long term financing, lease liabilities, short term borrowings and bank balances in saving accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2025	2024
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial liabilities		
Long term financing	441,266	548,678
Lease liabilities	91,577	115,542
Short term borrowings	7,707,300	12,483,105
Floating rate instruments		
Financial assets		
Bank balances – saving accounts	287,166	60,819
Financial liabilities		
Long term financing	3,195,918	2,351,318
Lease liabilities	-	4,730
Short term borrowings	14,980,912	9,671,824

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates, at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit / (loss) after taxation for the year would have been Rupees 152.957 million lower / higher (2024: Rupees 102.318 million higher / lower), mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming that amounts of liabilities outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Investment	11,226	10,192
Trade debts	15,718,209	14,121,535
Loans and advances	94,146	113,219
Deposits	371,243	332,914
Other receivables	10,335	12,139
Bank balances	664,941	255,353
	<u>16,870,100</u>	<u>14,845,352</u>

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The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate. The external credit rating of Company's bankers is given below:

	Rating			2025	2024
	Short term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
Conventional Accounts					
National Bank of Pakistan	A1+	AAA	PACRA	13,402	14,021
Allied Bank Limited	A1+	AAA	PACRA	21	21
Askari Bank Limited	A1+	AA+	PACRA	44,294	32,870
Bank Alfalah Limited	A1+	AAA	PACRA	293	2,861
First Women Bank Limited	A2	A-	PACRA	57	52
Habib Bank Limited	A-1+	AAA	VIS	60,173	27,665
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	57,868	4,209
Bank Al-Habib Limited	A1+	AAA	PACRA	45,223	-
MCB Bank Limited	A1+	AAA	PACRA	33,430	11,667
The Bank of Punjab	A1+	AA+	PACRA	38,789	8,811
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	35,128	7,843
United Bank Limited	A-1+	AAA	VIS	54,994	49,142
Soneri Bank Limited	A1+	AA-	PACRA	49,806	15,012
Samba Bank Limited	A1	AA	PACRA	55,051	2,756
Industrial and Commercial Bank of China	P-1	A-2	Moody's	25	325
Bank of Khyber	A1	A+	PACRA	25,068	212
				<u>513,622</u>	<u>177,467</u>
Shariah Compliant Accounts					
AlBaraka Bank (Pakistan) Limited	A-1	AA-	VIS	46,935	8,065
Bank Alfalah Limited	A1+	AAA	PACRA	1	2
BankIslami Pakistan Limited	A1	AA-	PACRA	103	1,662
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	108	9,201
Habib Bank Limited	A-1+	AAA	VIS	26,553	-
Meezan Bank Limited	A-1+	AAA	VIS	2,247	35,364
National Bank of Pakistan	A1+	AAA	PACRA	75,372	23,592
				<u>151,319</u>	<u>77,886</u>
				<u>664,941</u>	<u>255,353</u>
Short term investment					
Al Meezan Investment Management Limited		AMI	PACRA	<u>11,226</u>	<u>10,192</u>

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales contracts and credit terms are approved by the senior management and where considered necessary, advance payments are obtained from certain parties. Export sales to major customers are secured through letters of credit. The management has set a maximum credit period limit for each type of customers in order to reduce the credit risk.

The Company applies the IFRS 9 simplified approach to measure expected credit loss allowance for its trade debts. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

Based on the past experience and deliberations management has recognized expected credit losses in respect of trade debts as given in Note 20.4 to the financial statements.

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	GROSS AMOUNT		EXPECTED CREDIT LOSS	
	2025 (RUPEES IN THOUSAND)	2024 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)	2024 (RUPEES IN THOUSAND)
Related party				
More than 6 months	192,498	192,498	-	-
Others				
Not past due	13,982,231	12,295,886	-	-
Upto 1 month	767,502	854,662	-	-
1 to 6 months	472,135	406,722	-	-
6 months to 1 year	303,843	371,767	-	-
More than 1 year	697,257	689,624	697,257	689,624
	16,222,968	14,618,661	697,257	689,624
	<u>16,415,466</u>	<u>14,811,159</u>	<u>697,257</u>	<u>689,624</u>

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market position.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2025, the Company had Rupees 2,486.788 million (2024: Rupees 1,920.071 million) available borrowing limits from financial institutions and Rupees 667.348 million (2024: Rupees 257.688 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows.

Following are the contractual maturities of financial liabilities as at 30 June 2025:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
(RUPEES IN THOUSAND)						
Non-derivative financial liabilities:						
Long term financing	3,637,184	4,510,304	879,640	789,333	1,358,241	1,483,090
Lease liabilities	91,577	127,924	21,404	21,404	42,826	42,290
Unclaimed dividend	8,937	8,937	8,937	-	-	-
Short term borrowings	22,688,212	23,129,752	21,222,440	1,907,312	-	-
Trade and other payables	7,161,201	7,161,201	6,977,905	183,296	-	-
Accrued mark-up	499,777	499,777	499,777	-	-	-
	<u>34,086,888</u>	<u>35,437,895</u>	<u>29,610,103</u>	<u>2,901,345</u>	<u>1,401,067</u>	<u>1,525,380</u>

Following are the contractual maturities of financial liabilities as at 30 June 2024:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
(RUPEES IN THOUSAND)						
Non-derivative financial liabilities:						
Long term financing	2,899,996	3,785,374	1,119,300	675,844	1,044,290	945,940
Lease liabilities	120,272	150,745	25,923	15,072	33,157	76,593
Unclaimed dividend	8,938	8,938	8,938	-	-	-
Short term borrowings	22,154,929	22,835,192	19,991,982	2,843,210	-	-
Trade and other payables	9,335,398	9,335,398	9,133,052	202,346	-	-
Accrued mark-up	818,018	818,018	818,018	-	-	-
	<u>35,337,551</u>	<u>36,933,665</u>	<u>31,097,213</u>	<u>3,736,472</u>	<u>1,077,447</u>	<u>1,022,533</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up / profit rates effective as at 30 June. The rates of mark-up / profit have been disclosed in Note 6, Note 7 and Note 12 to these financial statements.

(d) Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

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The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue new shares.

The Company finances its expansion projects through equity, borrowings and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

44.2 Financial instruments by categories

	2025			2024		
	At fair value through profit or loss	At amortized cost	Total	At fair value through profit or loss	At amortized cost	Total
RUPEES IN THOUSAND						
As at 30 June						
Financial assets as per statement of financial position						
Investment	11,226	-	11,226	10,192	-	10,192
Trade debts	-	15,718,209	15,718,209	-	14,121,535	14,121,535
Loans and advances	-	94,146	94,146	-	113,219	113,219
Deposits	-	371,243	371,243	-	332,914	332,914
Other receivables	-	10,335	10,335	-	12,139	12,139
Cash and bank balances	-	667,348	667,348	-	257,688	257,688
	<u>11,226</u>	<u>16,861,281</u>	<u>16,872,507</u>	<u>10,192</u>	<u>14,837,495</u>	<u>14,847,687</u>

	At amortized cost	
	2025	2024
(RUPEES IN THOUSAND)		
Financial liabilities as per statement of financial position		
Long term financing	3,637,184	2,899,996
Lease liabilities	91,577	120,272
Unclaimed dividend	8,937	8,938
Short term borrowings	22,688,212	22,154,929
Trade and other payables	7,161,201	9,335,398
Accrued mark-up	499,777	818,018
	<u>34,086,888</u>	<u>35,337,551</u>

Reconciliation to the line items presented in the statement of financial position is as follows:

	2025			2024		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
RUPEES IN THOUSAND						
Assets as per statement of financial position						
Long term advances	10,171	-	10,171	10,076	-	10,076
Long term security deposits	66,622	12,163	78,785	36,731	47,988	84,719
Trade debts	15,718,209	-	15,718,209	14,121,535	-	14,121,535
Loans and advances	83,975	452,196	536,171	103,143	498,560	601,703
Short term deposits and prepayments	304,621	10,451	315,072	277,543	11,718	289,261
Other receivables	10,335	2,612,416	2,622,751	12,139	2,687,418	2,699,557
Short term investment	11,226	-	11,226	10,192	-	10,192
Cash and bank balances	667,348	-	667,348	257,688	-	257,688
	<u>16,872,507</u>	<u>3,087,226</u>	<u>19,959,733</u>	<u>14,829,047</u>	<u>3,245,684</u>	<u>18,074,731</u>

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	2025			2024		
	Financial Liabilities	Other than financial Liabilities	Total as per statement of financial position	Financial Liabilities	Other than financial Liabilities	Total as per statement of financial position

RUPEES IN THOUSAND

Liabilities as per statement of financial position

Long term financing	3,637,184	-	3,637,184	2,899,996	-	2,899,996
Lease liabilities	91,577	-	91,577	120,272	-	120,272
Trade and other payables	7,161,201	785,442	7,946,643	9,335,398	1,021,754	10,357,152
Unclaimed dividend	8,937	-	8,937	8,938	-	8,938
Accrued mark-up	499,777	-	499,777	818,018	-	818,018
Short term borrowings	22,688,212	-	22,688,212	22,154,929	-	22,154,929
	34,086,888	785,442	34,872,330	35,337,551	1,021,754	36,359,305

44.3 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

45. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
Financial assets - recurring fair value measurement				
At fair value through profit or loss	11,226	-	-	11,226
At 30 June 2025	11,226	-	-	11,226
At fair value through profit or loss	10,192	-	-	10,192
At 30 June 2024	10,192	-	-	10,192

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

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

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

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

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

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

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(ii) **Valuation technique used to determine fair value**

Specific valuation technique used to value financial instruments includes the use of quoted market prices as per MUFAP.

46. **RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS**

(i) **Fair value hierarchy**

The judgements and estimates made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

	Level 1	Level 2	Level 3	Total
-----RUPEES IN THOUSAND-----				
At 30 June 2025				
Freehold land	-	3,785,292	-	3,785,292
At 30 June 2024				
Freehold land	-	4,305,905	-	4,305,905

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

There were no transfer between level 1 and 2 for recurring fair value measurement during the year. Further, there was no transfer in and out of level 3.

(ii) **Valuation techniques used to determine level 2 fair values**

The Company obtains independent valuation for its freehold land (classified as property, plant and equipment) at least in every three years. The management updates the assessment of the fair value of freehold land, taking into account the most recent independent valuation. The management determines freehold land's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar lands.

Valuation processes

Changes in fair values are analyzed during the valuation discussion between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

47. **DISCLOSURE REQUIREMENTS FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS ACTIVITIES**

Description	NOTE	2025	2024
		(RUPEES IN THOUSAND)	
Financing (long term or short term) obtained as per Islamic mode			
Long term financing	6	2,240,363	646,943
Short term borrowings	12	2,650,470	2,393,854
Interest or mark-up accrued on any conventional loan or advance			
Mark-up on short term borrowings		376,465	622,105
Mark-up on long term financing		30,018	81,765
Mark-up on lease liability	33	12,367	18,179
Short term shariah compliant investments			
Short term investments	25	11,226	10,192
Shariah - compliant bank deposits and bank balances			
Bank balances	441 (b)	151,319	77,886
Revenue earned from shariah compliant business segment	27	59,201,769	58,676,926
Dividend earned on Shariah-compliant investments	32	1,375	1,838
Net exchange gain earned from actual currency	32	404,116	-
Profit paid on islamic mode of financing		738,437	801,331

Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Description	NOTE	2025 (RUPEES IN THOUSAND)	2024
Shariah-compliant			
Dividend income	32	1,375	1,838
Net exchange gain	32	404,116	-
Reversal of allowance for expected credit losses	32	354	250
Others	32	69,220	84,755
Sale of scrap	32	22,713	14,904
Gain on sale of property, plant and equipment	32	30,789	86,931
Non-compliant			
Profit on deposits with banks	32	32,514	87,814

There was no late payments or liquidity damages. Moreover there was no profit on shariah compliant bank balances.

Relationship with Shariah-compliant financial institutions including banks

Name	Relationship
AlBaraka Bank (Pakistan) Limited	Bank balance and short term borrowings
Bank Alfalah Limited	Bank balance
BankIslami Pakistan Limited	Bank balance
Dubai Islamic Bank Pakistan Limited	Bank balance and short term borrowings
Habib Bank Limited	Bank balance
Meezan Bank Limited	Bank balance, long term financing and short term borrowings
National Bank of Pakistan	Bank balance and short term borrowings
OLP Modaraba	Long term financing
Pak Oman Investment Company Limited	Shariah Compliant Sukuk

48. DATE OF AUTHORIZATION FOR ISSUE

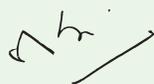
These financial statements were approved and authorized for issue on 04 October 2025 by the Board of Directors of the Company.

49. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made except for long term security deposits of Rupees 47,988 million which has now been shifted from short term deposits keeping in view of their nature.

50. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

GENDER PAY GAP STATEMENT

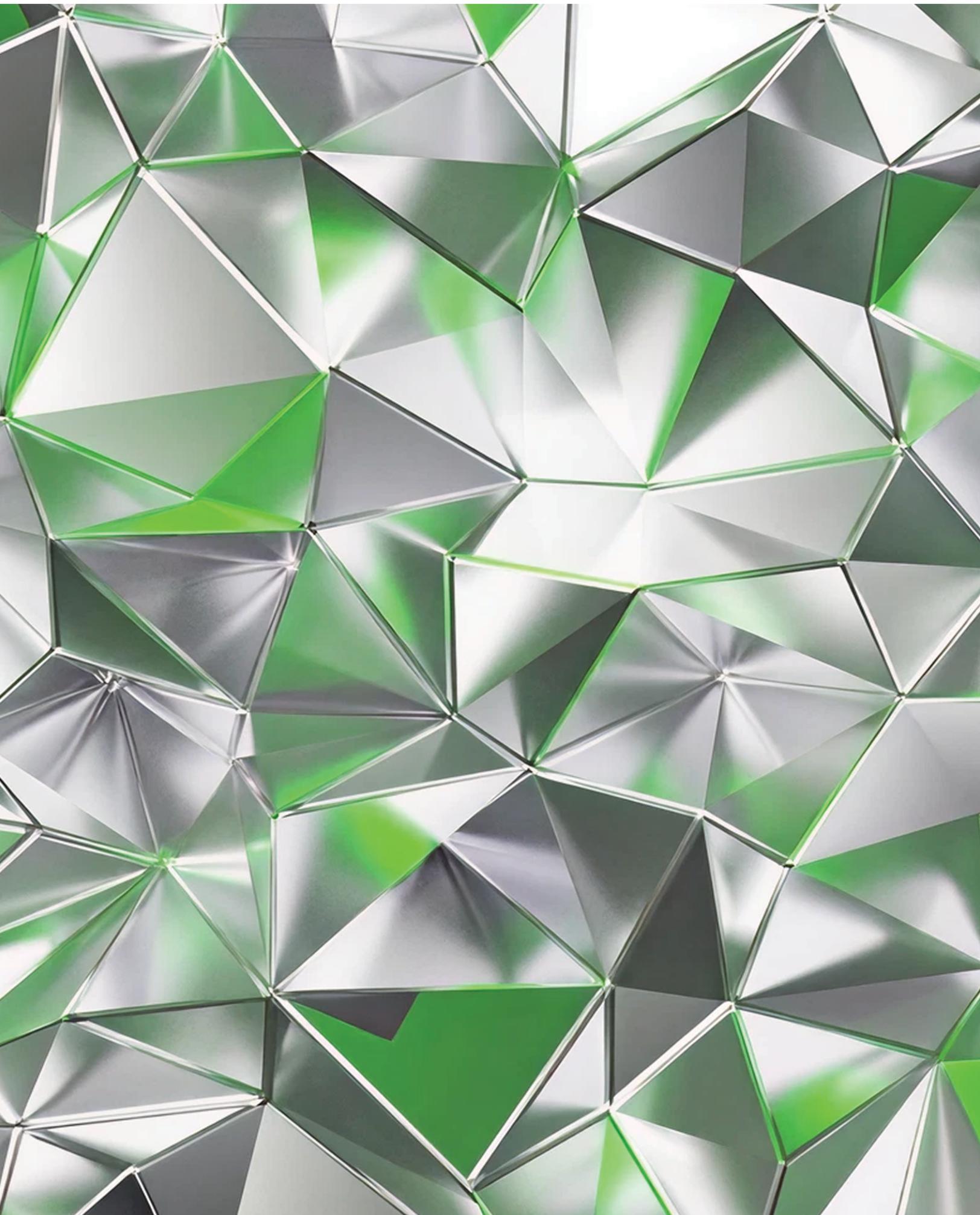
In accordance with Securities and Exchange Commission of Pakistan (SECP) Circular No. 10 of 2024, the Company has calculated and reported its gender pay gap for the financial year ended June 30, 2025, as follows:

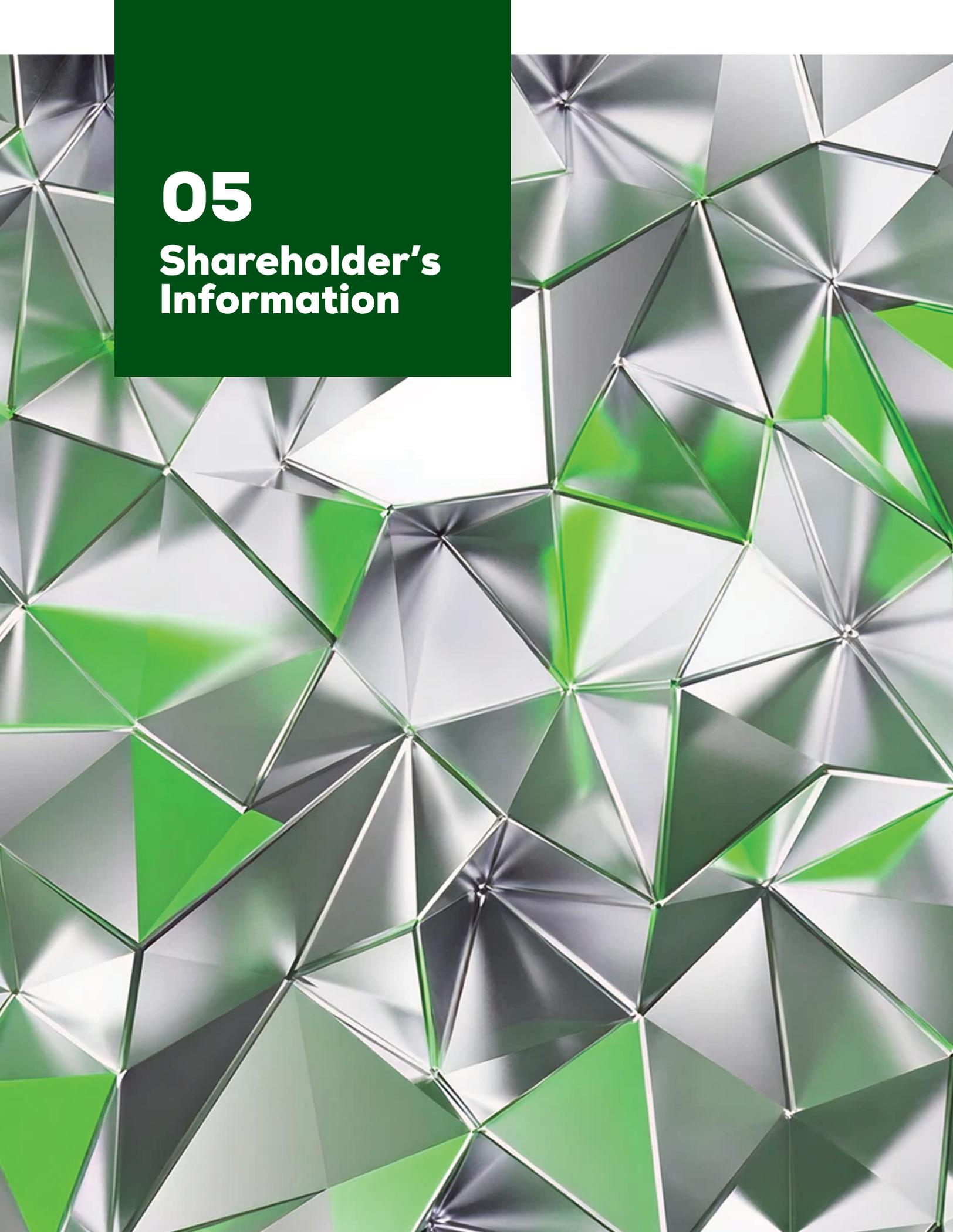
- Mean Gender Pay Gap: 6.17%
- Median Gender Pay Gap: 2.01%

The above ratios reflect the overall employee gender pay gap across the organization. The Company ensures equitable compensation for the female members in their respective role based on experience, qualification and performance.



CHIEF EXECUTIVE OFFICER





05

**Shareholder's
Information**

PATTREN OF SHARE HOLDING

AS ON 30 JUNE, 2025

FORM 20

THE COMPANIES ACT, 2017
COMPANIES REGULATIONS, 2025
[Section 227 (2)(f)] and Regulation 30]
PATTERN OF SHAREHOLDING AS ON 30 JUNE, 2025

PART - 1
0012223

1. Incorporation Number

11 Name of the Company

MASOOD TEXTILE MILLS LIMITED

PART - II

2.1 Pattern of holding of the shares held by the shareholders as at

30 06 2025

2.2 No. of Shareholder's	Shareholdings	Total Shares Held
621	Shareholding from 1 to 100 Shares	41,786
444	Shareholding from 101 to 500 Shares	101,847
79	Shareholding from 501 to 1000 Shares	60,404
106	Shareholding from 1001 to 5000 Shares	260,095
14	Shareholding from 5001 to 10000 Shares	91,548
10	Shareholding from 10001 to 15000 Shares	120,213
2	Shareholding from 15001 to 20000 Shares	38,928
4	Shareholding from 20001 to 25000 Shares	92,749
2	Shareholding from 30001 to 35000 Shares	68,530
1	Shareholding from 40001 to 45000 Shares	42,187
3	Shareholding from 45001 to 50000 Shares	150,000
1	Shareholding from 55001 to 60000 Shares	58,775
1	Shareholding from 60001 to 65000 Shares	62,000
2	Shareholding from 65001 to 70000 Shares	137,543
1	Shareholding from 75001 to 80000 Shares	77,195
1	Shareholding from 90001 to 95000 Shares	92,605
1	Shareholding from 100001 to 105000 Shares	104,962
1	Shareholding from 120001 to 125000 Shares	121,374
1	Shareholding from 130001 to 135000 Shares	130,803
1	Shareholding from 165001 to 170000 Shares	166,600
1	Shareholding from 175001 to 180000 Shares	175,351
1	Shareholding from 220001 to 225000 Shares	220,054
1	Shareholding from 265001 to 270000 Shares	267,000
1	Shareholding from 415001 to 420000 Shares	419,625
1	Shareholding from 635001 to 640000 Shares	639,000
1	Shareholding from 690001 to 695000 Shares	692,050

PATTREN OF SHARE HOLDING

AS ON 30 JUNE, 2025

2.2 No. of Shareholder's	Shareholdings	Total shares
1	Shareholding from 785001 to 790000 Shares	785,100
1	Shareholding from 790001 to 795000 Shares	791,000
1	Shareholding from 1555001 to 1560000 Shares	1,556,718
1	Shareholding from 1670001 to 1675000 Shares	1,673,987
1	Shareholding from 1725001 to 1730000 Shares	1,726,400
1	Shareholding from 2210001 to 2215000 Shares	2,214,169
1	Shareholding from 4385001 to 4390000 Shares	4,387,500
1	Shareholding from 4535001 to 4540000 Shares	4,536,019
1	Shareholding from 7635001 to 7640000 Shares	7,636,550
1	Shareholding from 17395001 to 17400000 Shares	17,396,833
1	Shareholding from 20360001 to 20365000 Shares	20,362,500
1313	Total	67,500,000

PREFERENCE SHARES:

1	Shareholding from 245001 to 250000 Shares	250,000
1	Shareholding from 2495001 to 2500000 Shares	2,500,000
1	Shareholding from 4435001 to 4440000 Shares	4,440,000
2	Shareholding from 4995001 to 5000000 Shares	10,000,000
1	Shareholding from 10305001 to 10310000 Shares	10,310,000
6	Total	27,500,000

PATTREN OF SHARE HOLDING

AS ON 30 JUNE, 2025

2.3 Categories of shareholders

shares held

Percentage

ORDINARY SHARES:

2.3.1 Directors, Chief Executive Officer, and their spouse and minor children.

21,966,905

32.54

2.3.2 Associated Companies, undertakings and related parties.

17,396,833

25.77

2.3.3 NIT and ICP

2,218,269

3.29

2.3.4 Banks, Development Financial Institutions, Non Banking Financial Institutions.

4,536,588

6.72

2.3.5 Insurance Companies

7,694

0.01

2.3.6 Modarabas and Mutual Funds

3,100

0.00

2.3.7 Share holders holding 10%

45,395,883

67.25

2.3.8 General Public

a. Local

6,299,878

9.33

b. Foreign

-

-

2.3.9 Others - Joint Stock Companies / Co-operative Societies.

7,434,183

11.01

3- PREFERENCE SHARES:

3.1 Banks.

16,940,000

61.60

3.2 Investment Companies.

10,560,000

38.40

Signature of Chief Executive/ Secretary



Name of Signatory

NISAR AHMAD ALVI

Designation

COMPANY SECRETARY

CNIC Number

3 3 1 0 4 - 2 6 9 3 4 6 0 - 9

Date

Day: 04, Month: 10, Year: 2025

NAME WISE CATEGORIES OF SHARE HOLDERS SUMMARY

AS ON 30 JUNE, 2025

Categories of shareholders	Shares Held	Total Shares	Percentage
ORDINARY SHARES:			
2.3.1 Directors:			
MR. SHAHID NAZIR AHMAD	Chief Executive Officer	1,556,718	
MR. NASEER AHMAD SHAH	Chairman	42,187	
MR. SHAHID IQBAL	Director	5,000	
MALIK SHAHID MEHMOOD	Director	500	
MR. SHOAIB AHMAD KHAN (NIT Nominee)	Director	-	
MR. SHIBIN YANG (Shanghai Challenge - Nominee)	Director	-	
MS. CHEN YAN (Shanghai Challenge - Nominee)	Director	-	
		20,362,500	32.54
SPOUSE:			
		-	25.77
2.3.2 Associated Undertakings:			
SHANGHAI CHALLENGE TEXTILE CO., LIMITED		17,396,833	25.77
2.3.3 NIT And ICP:			
IDBL (ICP UNIT)		4,100	
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		2,214,169	3.29
2.3.4 Financial Institutions:			
Banks:			
NATIONAL BANK OF PAKISTAN		4,536,588	6.72
2.3.5 Insurance Companies:			
AGRO GENERAL INSURANCE COMPANY LIMITED		7,594	
DELTA INSURANCE COMPANY LTD.		100	0.01
2.3.6 Modarabas And Mutual Fund:			
THIRD PRUDENTIAL MODARABA		2,900	
UNICAP MODARABA		200	0.00
2.3.7 Shareholders Holding 10% or More:			
MRS. NAZIA NAZIR		20,362,500	
ZHEJIANG XINAO INDUSTRY COMPANY LIMITED		7,636,550	
SHANGHAI CHALLENGE TEXTILE CO., LIMITED		17,396,833	67.25
		45,395,883	

NAME WISE CATEGORIES OF SHARE HOLDERS SUMMARY

AS ON 30 JUNE, 2025

Categories of shareholders	Shares Held	Total Shares	Percentage
2.3.8 General Public:		6,299,878	9.33
2.3.9 Joint Stock Companies And Others:			
FORTRESS TEXTILES (PVT) LIMITED	2,616,462		
H M INVESTMENTS (PVT) LIMITED	4,900		
KOHISTAN CORPORATION (PVT) LTD.	4,387,500		
MAPLE LEAF CAPITAL LIMITED	1		
MRA SECURITIES LIMITED MF	500		
NCC - PRE SETTLEMENT DELIVERY ACCOUNT	130,803		
NH SECURITIES (PVT) LIMITED.	5		
PAKISTAN KUWAIT INVST.(PVT) LTD	2,600		
PRUDENTIAL CAP.MANAGEMENT LTD.	1,600		
SAVARI (Pvt) LIMITED	900		
SHAFFI SECURITIES (PVT) LIMITED	981		
SOFTWARE CREATIONS (PVT) LIMITED	121,374		
TRUST SECURITIES & BROKERAGE LIMITED - MF	1,000		
TRUSTEE NBP EMP Benevolent Fund Trust	3,249		
TRUSTEE NBP Employees Pension Fund	92,605		
VALUE STOCK AND COMMODITIES (PVT) LIMITED	69,543		
Y.S. SECURITIES & SERVICES (PVT) LTD.	160	7,434,183	11.01

3. PREFERENCE SHARES:

3.1 Banks:

ASKARI BANK LIMITED	-	2,500,000	
HABIB BANK LIMITED	-	4,440,000	
MCB BANK LIMITED	-	5,000,000	
NATIONAL BANK OF PAKISTAN	-	5,000,000	
		16,940,000	61.60

3.2 Investment Companies:

KOHISTAN CORPORATION (PVT) LTD.	-	250,000	
SUNDAR IMPEX (PVT) LIMITED	-	10,310,000	
		10,560,000	38.40
		27,500,000	100.00

FORM OF PROXY

No. of Ordinary Shares Held. _____ Folio No. _____ CDC A/c No. _____

I/We, _____

of _____

being a member of MASOOD TEXTILE MILLS LIMITED hereby appoint _____

_____ (NAME)

of _____ (ADDRESS)

(being a member of the Company) as my/our proxy to vote for me/us and on my/our behalf at the 41st Annual General Meeting of the Company to be held at its Registered Office at Universal House, 17/1, New Civil Lines, Bilal Road, Faisalabad, on Monday, the 28th day of October, 2025 at 11.00 A.M. or any adjournment thereof.

As witnessed my hands this _____ day of _____ 2025

Signed by me in the presence of witness: _____

(Signature of witness)

(Member's Signature)

CNIC. _____

CNIC. _____

(Signature of witness)

CNIC. _____



Notes:

- 1- Proxies, in order to be effective, must be received at the Company's Registered Office Universal House, 17/1, New Civil Lines, Bilal Road, Faisalabad, not later than forty-eight hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
- 2- CDC beneficial owners and Proxy Holders must bring with them their Computerized National Identity Cards (CNIC)/Passports in Original to prove his/her identity and in case of proxy, CDC beneficial owners and Proxy Holders must enclose an attested copy of their CNIC/Passport with Proxy Form.
- 3- In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee (unless it has been provided earlier) should be attached with the proxy form or may be provided at the time of meeting.

پراکسی فارم

حصص کی تعداد ----- فولیو نمبر ----- سی ڈی سی کھاتہ نمبر -----
میں / ہم مسمی / مسماة ----- ساکن -----
نحشیت ممبر مسعود ٹیکسٹائل ملز لمیٹڈ، مسمی / مسماة ----- ساکن -----
کمپنی ممبر کو بطور (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری / ہماری جگہ اور میری / ہماری طرف سے کمپنی کا 41 واں سالانہ اجلاس عام منعقدہ بروز سوموار بتاریخ 28 اکتوبر 2025 بوقت صبح 10:00 بجے بشمول التوا سالانہ اجلاس عام بابت مسعود ٹیکسٹائل ملز لمیٹڈ یونیورسل ہاؤس 1/1، نیوسول لائین بلال روڈ فیصل آباد میں ووٹ ڈال سکے۔

دستخط بتاریخ ----- دن ----- 2025۔

مجھ کو گواہ مسمی / مسماة -----
نام -----
ولدیت / زوجیت -----
ساکن / اسکنہ -----

دستخط -----
گواہ کی موجودگی میں دستخط شدہ
(دستخط کمپنی میں موجود رجسٹرڈ کے مطابق ہونے چاہیں)
دستخط گواہ -----
قومی شناختی کارڈ نمبر -----
دستخط گواہ -----
قومی شناختی کارڈ نمبر -----

پچاس روپے کی ریونیو سٹیٹپ
چسپاں کریں

اہم نوٹ:

- (1) پراکسی کے منوٹر ہونے کے لئے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل ہمہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کے رجسٹرڈ آفس واقعہ یونیورسل ہاؤس 1/1، نیوسول لائین بلال روڈ فیصل آباد پر موصول ہونی چاہئیں۔
- (2) سی ڈی سی حصص داران اور پراکسی ہولڈرز اجلاس ہذا میں اپنی شناخت ثابت کرنے کے لئے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ ساتھ لائیں اور پراکسی کی صورت میں سی ڈی سی حصص داران اور پراکسی ہولڈرز اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ لگائیں۔
- (3) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی ہمہ نمائندہ کے دستخط (اگر پہلے مہیا نہیں کی گئیں) پراکسی فارم کے ساتھ لف کرنے ہوں گے یا اجلاس ہذا کے وقت مہیا کر سکتے ہیں۔

Registered Office

Masood Textile Mills Limited
Universal House, 17/1, New Civil Lines, Bilal Road,
Faisalabad

www.masoodtextile.com

Mills

Masood Textile Mills Limited
32-KM, Sheikhpura Road Faisalabad

