

Annual Report 2025



ZAHIDJEE TEXTILE MILLS LIMITED

ZAHIDJEE

Mission, Vision, Values

- To add value to shareholders and the economy by engaging profitably in textile products.
- To be and remain quality leader and competitive in the international market.
- To conduct business as socially responsible corporate citizen.

COMPANY INFORMATION

Board of Directors

Mr. Ahmad Zahid	Chairman
Mr. Muhammad Zahid	Chief Executive
Mrs. Mehreen Fahad	Director
Mr. Muhammad Ali	Independent Director
Mr. Sajjad Hussain Shah	Independent Director
Mr. Faisal Masood Afzal	Independent Director
Mr. Shahbaz Haider Agha	Independent Director

Audit Committee

Mr. Sajjad Hussain Shah	Chairman
Mr. Faisal Masood Afzal	Member
Mr. Muhammad Ali	Member

HR & Remuneration Committee

Mr. Shahbaz Haider Agha	Chairman
Mr. Muhammad Ali	Member
Mr. Ahmad Zahid	Member
Mr. Muhammad Zahid	Member

Chief Financial Officer

Shahab-ud-Din Khan

Company Secretary

Mr. Naveed Ashraf

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Bankers of the Company

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Ltd
Bank Al-Falah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Ltd
JS Bank Limited
MCB Bank
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Al baraka Bank Pakistan Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Registered Office

131-A, Scotch Corner, Upper Mall Scheme,
Tel: 042-35777291-5

Plant site

- 28-KM, Sheikhpura Road, Faisalabad
- 32-KM, Tandlian wala Road, Faisalabad
- M-3 Industrial City, Sahianwala, Faisalabad

Share Registrar

Corptec Associates (Private) Limited
503-E, Johar Town, Lahore
Tel: 042-35170335-6 Fax 042-35170338
E-mail: info@corptec.com.pk

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting (AGM) of the shareholders of **Zahidjee Textile Mills Limited** (the "Company") will be held at 03:00 PM. On Tuesday, October 28, 2025, at office 131-A, Upper Mall, Lahore, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on October 26, 2024.
2. To consider, approve, and adopt the annual audited financial statements of the Company for the year ended June 30, 2025, together with the Chairman's Review, Directors' and Auditors' reports thereon.

In accordance with Section 223 of the Companies Act, 2017 and SRO 389(I)/2023 dated 21 March 2023, the Financial Statements of the Company have been uploaded on the Company's website and can be downloaded from the following link and QR-enabled code:

<https://zahidjee.com.pk/wpm/financial-year-2024-2025/>



3. To appoint auditors for the year ending June 30, 2026, and to fix their remuneration. The present auditors RSM Avais Hyder Liaquat Nauman, Chartered Accountants, retire and being eligible, have offered themselves for reappointment.
4. To transact any other business with the permission of the chair.

By order of the Board
Naveed Ashraf
Company Secretary

Lahore: October 06, 2025

NOTES:

CLOSURE OF SHARE TRANSFER BOOKS: The share transfer books of the Company shall remain closed from October 19, 2025, to October 26, 2025 (both days inclusive). Transfers received in order at Company's registrar, M/S CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore up to close of business on October 18, 2025, will be considered in time for the purpose of determining above entitlement to the transferees for payment of final dividend and to attend the AGM.

Prohibition on grant of gifts to shareholders: The Securities and Exchange Commission of Pakistan, its Circular 2 of 2018 dated February 09, 2018 has strictly prohibited companies from giving in lieu of gifts (tokens/coupons/lunches/Lakeaway packa Lin the to comply may form manner, to shareholders at or in connection with general meetings. Under Section 5 of the Act, any violation of this directive is considered as an offence and companies offence and companies failing to penalties. Further, S.R.O. 452(I)/2025 dated 17th March 2025 requires.

PARTICIPATION IN MEETING: A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies to be effective duly signed, filled and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of valid CNIC or Passport, not less than 48 hours before the time of the meeting during working hours. Attendance in the meeting shall be on production of original CNIC or passport. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 on dated: January 26, 2000, issued by the SECP. Form of Proxy may be downloaded from the Company's website: <https://www.zahidjee.com.pk>

NOTIFY CHANGES IN ADDRESSES: The shareholders of the Company are requested to promptly notify changes in their mailing addresses (if any), to our share registrar, M/S CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore.

MANDATORY SUBMISSION OF CNIC COPIES: Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar. In case of non-availability of a valid CNIC in the records of the Company, the Company shall withhold the Dividend under the provisions of Section 243 of the Companies Act, 2017 (the Act) which will be released by the Share Registrar only upon submission of a valid copy of the CNIC.

PLACEMENT OF FINANCIAL STATEMENTS ON WEBSITE: The audited financial statements of the Company for the year ended June 30, 2025, have been placed on the website of the Company.

DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS: In accordance with the requirement of section 72 of the Act, every existing Company shall be required to 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 this Act. The shareholders having physical shares are encouraged to convert their physical shares into book entry form by depositing shares into Central Depository Company Pakistan Limited by opening CDC sub account with any broker or investor accounts directly with CDC.

CONSENT FOR VIDEO CONFERENCE FACILITY: Shareholders can also avail video conference facility. Video link details and login credentials will be shared with those who have shown their intent to attend the meeting at mail: company.secretary@zahidjee.com.pk
Also Pursuant to Section 134(1)(b) of the Act, if Company receives consent from shareholders holding aggregate 10% or more shareholding residing at a geographical location to participate in the meeting through video conference at least seven days prior to the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility, please provide the following information and submit to the registered office of the Company:

I / We _____ of _____ being member of Zahidjee Textile Mills Ltd, holder of _____ Ordinary shares as per Register Folio # / CDC Account # / Participant ID #, hereby opt for Video conference facility at _____.

زاهد جی ٹیکسٹائل ملز لمیٹڈ سالانہ عام اجلاس

ہذا مطلع کیا جاتا ہے کہ زاهد جی ٹیکسٹائل ملز لمیٹڈ کمپنی (36 واں سالانہ اجلاس عام درج ذیل امور کی انجام دہی کے لئے بروز منگل مورخہ 28 اکتوبر 2025 بوقت سہ پہر 3.00 بجے کمپنی کے ہیڈ آفس واقع - 131 گلی، اہر مال لاہور میں منعقد ہو گا۔
عمومی امور:

1- 26 اکتوبر 2024ء کو ہونے والے غیر معمولی اجلاس عام کی کارروائی کی توثیق۔

2- 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں پر غور کرنے منظور کرنے اور اپنانے کے لیے، اس کے ساتھ ساتھ چیئرمین کا جائزہ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کمپنیز ایکٹ، 2017 اور مورخہ 21 مارچ 2023 کے سیکشن 223 کے مطابق کمپنی کے مالیاتی گوشواروں کو کمپنی کی ویب سائٹ پر اپ لوڈ کر دیا گیا ہے اور درج ذیل لنک اور 389RO (1 / 2023)



- فعال کوڈ سے ڈاؤن لوڈ کیا جاسکتا ہے QR

<https://zahidjee.com.pk/wpm/financial-year-2024-2025>

3- 30 جون 2025 کو ختم ہونے والے سال کے لیے آڈیٹرز کی تقرری اور ان کے معاونے کا تعین۔ سبکدوش ہونے والے آڈیٹرز آرائیں ایم اولیس حیدر لیاقت نعمان چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنیاد پر خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔

4- صدر اجلاس کی اجازت سے دیگر کسی کاروباری امور کی انجام دہی۔

لاہور: مورخہ 6 اکتوبر 2025 **محکم پور:** نوید اشرف کمپنی سیکرٹری

نوٹ:-

شیئرز ٹرانسفر دیکس کی بندش:

کمپنی کے شیئرز ٹرانسفر دیکس مورخہ 19 اکتوبر 2025ء سے مورخہ 26 اکتوبر 2025ء (بشمول ہر دو ایام) بند رہیں گی۔ کمپنی رجسٹرار M/S CorpTec ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، میں مورخہ 18، اکتوبر 2025ء کو کاروباری ایام کے اختتام تک موصول ہونے والی ٹرانسفرز، نقد منافع مقصد کے استحقاق اور اجلاس میں شرکت کے لئے بروقت تصور ہو گی۔

اجلاس میں شرکت:

اس اجلاس میں شرکت اور ووٹ ڈالنے کا اہل رکن کسی دوسرے رکن کو ووٹ دینے کے لئے اپنا پر کسی مقرر کر سکتا ہے۔ پراکسیز کو اپنا باضابطہ دستخط، پر شدہ فارم اور گواہ کمپنی کے رجسٹرڈ آفس میں درست سی این آئی یا پاسپورٹ کی تصدیق شدہ کاپیوں کے ساتھ کام کے اوقات کے دوران میٹنگ کے وقت سے کم از کم 48 گھنٹے پہلے جمع کرانا ضروری ہے۔ اجلاس میں حاضری اصل ایس ای سی بی پاسپورٹ کی بنیاد پر ہو گی۔ سی بی ڈی سی اکاؤنٹ ہولڈرز کو اس ای سی بی کی جانب سے جاری کردہ ہو گا۔ کمپنی کی ویب سائٹ سے پراکسی فارم ڈاؤن لوڈ کیا جاسکتا ہے۔ <https://www.zahidjee.com.pk> 26 جنوری 2020ء کو سرکار نمبر 1 میں بیان کردہ رہنما خطوط پر مزید عمل کرنا

شیئرز ہولڈرز کو تحائف دینے پر پابندی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے 2018 کے سرکلر 2 کے ذریعے مورخہ 09 فروری 2018 کے ذریعے کمپنیوں کو تحائف نون کوپن اپنی ایک دے بیلے کے بدلے میں کسی بھی شکل یا طریقے سے شیئرز ہولڈرز کو جزل میٹنگز یا ان کے سلسلے میں تحائف یا مراعات دینے سے سختی سے منع کیا ہے۔ ایکٹ کے سیکشن 185 کے تحت، اس ہدایت کی کسی بھی خلاف ورزی کو جرم سمجھا جاتا ہے اور اس پر عمل نہ کرنے والی کمپنیوں کو جرمانے کا سامنا کرنا پڑ سکتا ہے۔ مزید 452 ... (1) مورخہ 17 مارچ 2025 ضروری ہے کہ عام اجلاس کے نوٹس میں واضح طور پر لکھا جائے کہ میٹنگ میں کوئی تحائف تقسیم نہیں کیے جائیں گے

ممبران کے پتے میں کسی بھی تبدیلی:

ممبران کے پتے میں کسی بھی تبدیلی کو فوری طور پر کمپنی کے شیئرز رجسٹرار ایم ایس کارپریٹ ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، جو ہر ناؤن لاہور کو مطلع کیا جائے۔

درست کمپیوٹر انٹرنیٹ پر کارڈ کی کاپی لائی جی کرنا:

شیئرز ہولڈر کو آگاہ کیا جاتا ہے کہ اپنے درست اور اصل کمپیوٹر انٹرنیٹ پر کارڈ کی کاپی لائی جی کرنا ضروری ہے۔ کمپنی کے ریکارڈز میں جمع کروائیں، شناختی کارڈ کی عدم دستیابی کی صورت میں کمپنی کمپنیز ایکٹ 2017 کے سیکشن 243 کی دفعات کے تحت منافع کو روک دے گی جو درست شناختی کارڈ کی کاپی لائی جی کرنا پر جاری کیا جائے گا۔

ویب سائٹ پر کمپنی کی فائصل رپورٹ:

30 جون 2025 کو ختم ہونے والے سال کی فائصل اسٹیٹمنٹس کمپنی کی ویب سائٹ آویزاں کر دی ہے۔

سی ڈی سی اکاؤنٹ میں فزیکل شیئرز کا اندراج:

کمپنی ایکٹ 2017 کی دفعہ 72 کی روشنی میں ہر موجودہ کمپنی کے لئے لازم ہے کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ مخصوص انداز میں اور کمیشن کی بتائی گئی تاریخ کے حساب سے رکھے، اور یہ دورانیہ کمپنیز ایکٹ 2017 SECP کے نفاذ کی تاریخ سے لے کر 4 سال سے زائد نہیں ہونا چاہئے۔ مذکور بالا شیئرز کی تعمیل کو یقینی بنانے اور بک انٹری فارم میں شیئرز رکھنے سے مستفید ہونے کے لئے فزیکل شیئرز ہولڈنگز کے حامل تمام شیئرز ہولڈرز اپنے فزیکل شیئرز رکھنے کے لیے سی ڈی سی میں براہ راست یا کسی بروکر یا انویسٹر اکاؤنٹ کے ساتھ ذیلی سی ڈی سی اکاؤنٹ کھول سکتے ہیں۔

ویڈیو کانفرنس کے ذریعے شرکت:

شیئرز ہولڈرز ویڈیو کانفرنس کی سہولت سے بھی فائدہ اٹھا سکتے ہیں۔ ویڈیو لنک کی تفصیلات اور لاگ ان لین لوگوں کے ساتھ شیئرز کی جائیں گی جنہوں نے ایس ای میل پر اجلاس میں شرکت کا ارادہ ظاہر کیا ہے۔

(کمپنی کے ممبران جن کے پاس مجموعی طور پر 10 یا اس سے زیادہ شیئرز ہوں اگر کسی کی جغرافیائی حدود (کسی خاص جگہ / شہر میں موجود ہوں اور وہ سالانہ اجلاس میں شرکت کرنا چاہتے ہیں company.secretary@Zahidjee.com.pk)
تو کمپنی کو 7 روز قبل آگاہ کریں، کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت مہیا کرنے کا انتظام کرے گی بشرطیکہ کہ اس شہر میں سہولت مہیا ہوں اگر آپ میٹنگ میں ویڈیو کانفرنس کے ذریعے شرکت کرنا چاہتے ہیں تو 7 دن قبل ذیل میں دیا گیا فارم پر کر کے کمپنی کے رجسٹرڈ دفتر میں جمع کروائیں۔

Review Report by the Chairman

I am pleased to present the annual report and audited financial statements of the Company for the year ended 30 June, 2025 to our valued shareholders. Significant aspects of performance of your Company have been shared with you during the course of the financial year 2024-25. The Management of the Company is encouraged by the future prospects and expects to continue to demonstrate satisfactory performance through its efforts and strategic directions provided by the Board.

Pursuant to requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019, mechanism has been put in place for annual evaluation of the performance of the Board of Directors (the "Board") of Zahidjee Textile Mills Limited (the "Company"). The main objective of this exercise is to internally evaluate the performance of the Board and its Committees in order to facilitate the Management and to play an effective role as a coordinated team for the success of the Company. Strategic goals for the Management have been earmarked for the coming year and the Board's effectiveness is measured in the context of achievement of such objectives. Accordingly, the Board has completed its annual self-evaluation for the year 2025 and I am pleased to report that the overall performance benchmarked on the basis of criteria set for the year 2025, remained satisfactory. Such assessment was based on standards set by the Board in line with best corporate governance practices.

COMPOSITION OF THE BOARD:

The composition of the Board depicts reasonable balance of executive and non-executive Directors including independent Directors and as a Group, possess the requisite skills, core competencies and industry knowledge to lead the Company. All Board members have exercised their individual business judgment and are involved in important Board decisions.

VISION & MISSION STATEMENTS:

The Board members are aware of the high level of ethical and professional standards laid down in our Vision & Mission Statements which are adopted by the Company and fully support the same in attaining the objectives dilated therein.

STRATEGIC DECISION MAKING:

Overall corporate strategy and objectives have been set in line with the strategic vision of the Board from which the annual business plan is derived, as well as, projected plans for the next five years have been set by the Management, covering all functional and operational areas by utilization of available resources, modernization and expansion of production facilities to ensure continued growth in the bottom line which should hopefully result in improved results.

DILIGENCE:

The Board reviews the quality and appropriateness of financial statements of the Company, reporting and transparency of disclosures, Company's accounting policies, corporate objective plans, budgets and other reports. The meetings of the Board are held at required frequencies and agenda along with working papers are circulated in sufficient time prior to Board and Committee meetings.

ADEQUATE GOVERNANCE:

The Board has framed the Code of Conduct which defines requisite behavior and has been disseminated throughout the Company, along with supporting policies and procedures. Adequate controls and robust

PRESENTATIONS:

During the course of discussion and approvals of financial statements, comprehensive presentations are placed before the Board based on incisive, critical and strategic analysis of all functional areas relating to core business of the Company. Benchmarking compared with the industry's peer group are carried out. This practice provides ample opportunity for objective analysis of the Company's goals and evaluation of its own financial performance with the peer group. The Board provides appropriate directions and oversight emanated on the basis of thorough and detailed discussions.



Ahmad Zahid
Chairman

Lahore:
October 06, 2025

چیئرمین کی طرف سے جائزہ رپورٹ

مجھے 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے ہمارے قابل قدر شیئر ہولڈرز کے سامنے پیش کرتے ہوئے خوشی ہو رہی ہے۔ مالی سال 2025-24 کے دوران آپ کی کمپنی کی کارکردگی کے اہم پہلوؤں کو آپ کے ساتھ شیئر کیا گیا ہے۔ کمپنی کی انتظامیہ مستقبل کے امکانات سے حوصلہ افزائی کرتی ہے اور توقع کرتی ہے کہ وہ بورڈ کی طرف سے فراہم کردہ اپنی کوششوں اور اسٹریٹجک ہدایات کے ذریعے تسلی بخش کارکردگی کا مظاہرہ کرتی رہے گی۔

لسنڈ کمپنیز (کوڈ آف کارپوریٹ گورننس (ریگولیشنز، 2019 کی ضرورت کے مطابق، زاہد جی ٹیکسٹائل ملز لمیٹڈ ("کمپنی" کے بورڈ آف ڈائریکٹرز ("بورڈ") کی کارکردگی کی سالانہ جانچ کے لیے طریقہ کار وضع کیا گیا ہے۔ (اس مشق کا بنیادی مقصد بورڈ اور اس کی کمیٹیوں کی کارکردگی کا اندرونی طور پر جائزہ لینا ہے تاکہ انتظامیہ کو سہولت فراہم کی جاسکے اور کمپنی کی کامیابی کے لیے ایک مربوط ٹیم کے طور پر موثر کردار ادا کیا جاسکے۔ مینجمنٹ کے لیے اسٹریٹجک اہداف آئندہ سال کے لیے مختص کیے گئے ہیں اور بورڈ کی تاثیر کو ایسے مقاصد کے حصول کے تناظر میں ماپا جاتا ہے۔ اسی مناسبت سے، بورڈ نے سال 2025 کے لیے اپنی سالانہ خود تفتیش مکمل کر لی ہے اور مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ مجموعی کارکردگی سال 2025 کے لیے مقرر کردہ معیار کی بنیاد پر سچ مارک کی گئی ہے، تسلی بخش رہے۔ اس طرح کی تفتیش کارپوریٹ گورننس کے بہترین طریقوں کے مطابق بورڈ کی طرف سے مقرر کردہ معیارات پر مبنی تھی

بورڈ کی تھکیل:

بورڈ کی تشکیل ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معقول توازن کو ظاہر کرتی ہے جس میں آزاد ڈائریکٹرز اور ایک گروپ کے طور پر کمپنی کی قیادت کرنے کے لیے مطلوبہ مہارتیں، بنیادی اہلیت اور صنعت کا علم ہوتا ہے۔ تمام بورڈ ممبران نے اپنے انفرادی کاروباری فیصلے کا استعمال کیا ہے اور بورڈ کے اہم فیصلوں میں شامل ہیں۔

دژن اور مشن کے بیانات:

بورڈ کے اراکین ہمارے دژن اور مشن کے بیانات میں درج اعلیٰ درجے کے اخلاقی اور پیشہ ورانہ معیارات سے واقف ہیں جنہیں کمپنی نے اپنایا ہے اور اس میں بیان کردہ مقاصد کو حاصل کرنے میں ان کی مکمل حمایت کرتے ہیں۔

اسٹریٹجک فیصلہ سازی:

مجموعی طور پر کارپوریٹ حکمت عملی اور مقاصد بورڈ کے سٹریٹجک دژن کے مطابق ترتیب دیے گئے ہیں جس سے سالانہ کاروباری منصوبہ اخذ کیا جاتا ہے، ساتھ ہی، انتظامیہ کی طرف سے اگلے پانچ سالوں کے لیے متوقع منصوبے ترتیب دیے گئے ہیں، جس میں تمام فنکشنل اور آپریشنل شعبوں کا احاطہ کیا گیا ہے۔ دستیاب وسائل کے استعمال سے، پیداواری سہولیات کی جدید کاری اور توسیع کے ذریعے غلّی لائن میں مسلسل ترقی کو یقینی بنایا جاسکتا ہے جس کے نتیجے میں امید ہے کہ بہتر نتائج برآمد ہوں گے۔

مستعدی:

بورڈ کمپنی کے مالی بیانات کے معیار اور مناسبت، افشاء کی رپورٹنگ اور شفافیت، کمپنی کی اکاؤنٹنگ پالیسیوں، کارپوریٹ مقصدی منصوبوں، بجٹ اور دیگر رپورٹس کا جائزہ لیتا ہے۔ بورڈ کی میٹنگیں مطلوبہ تعدد پر منعقد کی جاتی ہیں اور بورڈ اور کمیٹی کے اجلاسوں سے پہلے کافی وقت میں ورکنگ پیپرز کے ساتھ ایجنڈا جاری کیا جاتا ہے۔

مناسب گورننس:

بورڈ نے ضابطہ اخلاق وضع کیا ہے جو مطلوبہ رویے کی وضاحت کرتا ہے اور اسے معاون پالیسیوں اور طریقہ کار کے ساتھ پوری کمپنی میں پھیلا دیا گیا ہے۔ مناسب کنٹرول اور مضبوط

پیشکش:

مالی بیانات کی بحث اور منظوری کے دوران، کمپنی کے بنیادی کاروبار سے متعلق تمام فنکشنل شعبوں کے سخت، تنقیدی اور تزویراتی تجزیہ کی بنیاد پر بورڈ کے سامنے جامع پیشکشیں رکھی جاتی ہیں۔ صنعت کے ہم مرتبہ گروپ کے ساتھ مقابلے میں بیچ مارکنگ کی جاتی ہے۔ یہ پریکٹس کمپنی کے اہداف کے معروضی تجزیہ اور ہم مرتبہ گروپ کے ساتھ اس کی اپنی مالی کارکردگی کا جائزہ لینے کا کافی موقع فراہم کرتی ہے۔ بورڈ مکمل اور تفصیلی بات چیت کی بنیاد پر مناسب ہدایات اور نگرانی فراہم کرتا ہے۔



احمد زاہد
چیئرمین

لاہور:

06 اکتوبر 2025

DIRECTORS' REPORT TO THE MEMBERS

In Compliance with Section 227 of the Companies Act, 2017, The Directors are pleased to present the Annual Report along with audited financial statements and auditors report thereon for the year ended June 30, 2025.

Economic Review:

The Year 2025 commenced amid global uncertainties stemming from new tariffs, reciprocal actions by key trading partners, geopolitical tensions and volatile trade policies. Nonetheless, fiscal expansion in major economies, easing inflationary pressures, lower-than-expected US tariff rates, and a weaker US dollar have collectively supported a gradual rebound in trade. Reflecting these positive developments, the International Monetary Fund (IMF), in its recently published World Economic Outlook (WEO) has revised its global growth forecast to 3.0% for 2025, which is 0.2% higher than the projection made in April 2025 WEO. Global Headline Inflation is also expected to ease to 4.2% in 2025, slightly below the earlier estimate of 4.3% provided in April 2025 WEO.

Domestically, Pakistan's economy exhibited encouraging signs of recovery in FY'25, supported by easing of inflation on account of the previous year's lower base effect and lower global commodity prices, exchange rate stability and prudent macroeconomic management.

A historic current account surplus— the first annual surplus in 14 years and the largest in 22 years—marked a significant turnaround in the country's external balance. In addition, the IMF disbursed US\$1 billion under the Extended Fund Facility (EFF), while Fitch upgraded Pakistan's sovereign credit rating from CCC+ to B-, reflecting improved fundamentals despite of ongoing regional volatility.

The agriculture sector posted a resilient performance, driven by higher output in key crops such as wheat, rice, and maize, alongside improved water availability and input support. However, recent flooding in Pakistan has severely impacted the agriculture sector, with crop losses and reduced growth projections for next fiscal year. While the Large-Scale Manufacturing Index (LSMI) recorded a marginal contraction of 0.74%, selective industrial segments such as garments, automobiles, and petroleum products posted modest gains.

Workers' remittances improved significantly by 27% to reach at US\$ 38 billion during the fiscal year ended June 30, 2025, as compared US\$ 30 billion in the fiscal year ended June 30, 2024.

Exports of goods and services stood at US\$ 40.7 billion in the fiscal year ended June 30, 2025, compared to US\$ 38.7 billion during the previous year, reflecting a growth of 5%. Key exports gains were observed in knitwear, garments, and bed wear. While imports of goods and services increased by 10%, reaching US\$ 70.1 billion in FY'25 as compared to US\$ 64.0 billion during FY'24. The major rise in imports was recorded in palm oil and electrical machinery.

On the fiscal side, net provisional federal tax collection grew by 26%, reaching RS. 11,744 billion in FY'25, compared to RS. 9,311 billion in the preceding year. Expenditure, on the other hand, increased by 18% to RS. 24,166 billion during FY'25, up from RS. 20,476 billion in FY'24. As a result, the overall budget deficit stood at Rs. 6,168 billion for the year ended June 30, 2025, reflecting a decrease of 14% from the previous year.

The stock market maintained its bullish momentum throughout the fiscal year ended June 30, 2025. The KSE-100 Index closed at 125,627 points at the end of June 2025.

The Consumer Price Index Inflation (CPI), decreased to 4.5% during FY'25 as compared to 23.4% during FY'24. This has been lowest in the last nine years. Major domestic and global factors are involved in curbing the inflation such as tight monetary policy stance, improved supply chain and food availability, stable exchange rate, lower global food prices and fiscal consolidation & administrative measures.

In light of the expected rise in inflation, a widening trade deficit, and weak financial inflows, partially offset by a gradual pickup in economic growth, the State Bank of Pakistan has adopted a cautious approach to maintain price stability and kept the policy rate unchanged at 11% in July 2025.

Textile Sector:

Pakistan's overall textile exports rebounded in 2024, especially in value-added segments like knitwear and garments. However, raw material exports—particularly cotton yarn—declined, reflecting a shift in global demand and domestic supply chain constraints.

During FY 2024–2025, the spinning segment showed mixed performance—marked by resilience in sales and gross profitability, but challenged by high input costs, energy tariffs, and global demand volatility.

The spinning sector stands at a critical juncture. Without targeted reforms and coherent policy support, Pakistan risks weakening its textile backbone and increasing dependence on imported inputs. Strategic alignment between fiscal policy, energy pricing, and industrial incentives is essential to restore competitiveness, protect employment, and sustain export growth.

Company Overview

The Company is engaged in the business of manufacturing and sale of yarn and export of all kinds of value-added fabrics and textile made-ups.

The year witnessed formidable challenges. A poor cotton crop, increased reliance on imported cotton, Volatility in cotton prices, a sluggish yarn market, and High financial cost all significantly impacted the profitability of the textile sector. The withdrawal of the Export Facilitation Scheme (EFS) for local spinners, where the sales tax exemption on local supplies for export manufacturing was withdrawn. This led exporters to import duty- and tax-free yarn instead of purchasing domestically produced yarn subject to 18% sales tax. Despite these challenges, the company concluded the year with a positive profit.

During the year, Sales increased by 7.6% to Rs. 40,601 million as compared to the preceding year, Rs. 37,741 million, but due to an increase in the cost of sales, this resulted in gross profit of Rs. 2,673 million, which is 6.6% of sales as compared to 5 % of the previous year. The bottom line of the company stood at Rs.. 1.4 billion

The operating results of the company are summarized below:

	-----Rupees in million-----	
	2025	2024
Sales	40,608,062	37,741,817
Gross profit	2,673,246	1,832,802
Levies	47,346	237,880
Profit / (loss) for the year before taxation	1,592,171	592,260
Provision for Taxation	97,390	(42,812)
Profit / (loss) for the year after taxation	1,494,780	635,072
Unappropriated profit brought forward	9,939,881	9,297,522
Transfers from revaluation surplus	276,173	198,708
Earnings / (loss) per share – basic	7.81	3.32

Dividend:

Keeping in view the fund requirement for working capital, the board of directors has not recommended any dividend.

Credit Rating of the Company:

The Pakistan Credit Rating has assigned long-term 'A' and short-term 'A1' ratings. Outlook on the assigned rating is 'Stable'. Short Term

Rating of 'A1' indicates satisfactory capacity for timely payment. Risk may vary slightly from time to time because of economic conditions and

Long-term Rating of 'A' signified the high credit quality with strong capacity for timely payments.

Composition of the Board

The Board of Directors as of June 30, 2025, consists of:

Total number of directors:

a) Male 06 b) Female 01

Composition including the following:

a) Independent Directors	04
b) Non-Executive Directors	01
c) Executive Director	01
d) Female	01

Attendance at Board Meetings and its Committee:

Name of Directors	Board of Directors	Audit Committee	HR and Remuneration Committee
1. Mr. Muhammad Zahid	4/4	N/M	1/1
2. Mr. Ahmad Zahid	4/4	N/M	1/1
3. Mrs. Mehreen Fahad	3/4	N/M	N/M
4. Mr. Muhammad Ali	3/4	4/4	1/1
5. Mr. Sajjad Hussain Shah	4/4	4/4	N/M
6. Mr. Faisal Masood Afzal	4/4	4/4	N/M
7. Mr. Shahbaz Haider Agha	4/4	N/M	1/1

N/M: Not a member

Leave of absence was granted to directors who could not attend the Board and its Committee's meetings.

Audit committee

SR #	Name of Directors	
1	Mr. Sajjad Hussain Shah	Chairman
2	Mr. Faisal Masood Afzal	Member
3	Mr. Muhammad Ali	Member

HR and Remuneration Committee

SR #	Name of Directors	
1	Mr. Shahbaz Haider Agha	Chairman
2	Mr. Muhammad Zahid	Member
3	Mr. Muhammad Ali	Member
4	Mr. Ahmad Zahid	Member

Board of Directors

The composition of the Board of Directors is as follows:

1.	Mr. Ahmad Zahid	Chairman
2.	Mr. Muhammad Zahid	Chief Executive/ Executive Director
3.	Mrs. Mehreen Fahad	Non-Executive Director
4.	Mr. Muhammad Ali	Independent Director
5.	Mr. Sajjad Hussain Shah	Independent Director
6.	Mr. Faisal Masood Afzal	Independent Director
7.	Mr. Shahbaz Haider Agha	Independent Director

Board Evaluation

During the year, the Board and its sub-committees have undertaken a formal process of evaluation of their performance. The overall Performance of the Board and its sub-committees, measured on the defined parameters for the year, was satisfactory.

Remuneration of Directors:

The Board itself approves the remuneration of the Board members. However, in accordance with the Code of Corporate Governance, it ensured that no director takes part in deciding his or her own remuneration. The remuneration package of the Chief Executive and other executive directors is disclosed in Note No. 35 to the financial statements.

Related Party Transactions:

The Board approved all transactions with related parties, and details of all such transactions were placed before the Audit Committee. During the year, the company carried out transactions with its related parties. Details of these transactions are disclosed in note 36 to the financial statements.

Material Changes During the Current Year:

The Installation of the new 16800 spindles spinning unit has been completed and started its commercial production on September 01, 2024.

Corporate and Financial Reporting Framework:

The Company's Management is fully cognizant of its responsibility as recognized by the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Securities and Exchange Commission of Pakistan (SECP) and the Rule Book of Pakistan Stock Exchange (PSX). The following comments are acknowledgement of company's commitment to high standards of Corporate Governance and Continuous Improvement:

- 1 The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- 2 Proper books of accounts of the company have been maintained.
- 3 Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4 International Accounting/Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and any departure from there have been adequately disclosed.
- 5 The system of internal control is sound and has been effectively implemented and monitored.
- 6 There is no significant doubt upon the company's ability to continue as a going concern.
- 7 There has been no material departure from the best practices of Code of Corporate Governance, as detailed in Listing Regulations.
- 8 Outstanding taxes and levies are given in the Notes to the Financial Statements.
- 9 Statement of compliance with the Code of Corporate Governance and Financial Highlights for the last six years are annexed.

Health, Safety, & Environment:

The Company maintains working conditions which are safe and without risk to the health of all employees and public at large. Our focus remains on improving all aspects of safety specially, with regards to the safety, production, delivery, storage and handling of materials.

Company always ensures environment preservation and adopts all possible means for environment protection. The company strictly complies with the standards of the safety rules and regulations. It also follows environmental friendly policies.

Corporate Social Responsibility:

Your company understands its corporate responsibility towards the society and fulfils its obligations by providing support to under privileged members of the society.

Pattern of shareholding:

Pattern of Shareholding as at June 30, 2025, which are required to be disclosed under the reporting framework, is annexed to this report.

Appointment of Statutory Auditors:

The present auditors M/s RSM Avais Hyder Liaquat Nauman, Chartered Accountants have completed their tenure for the year (FY 2024-25) and will be retiring at the conclusion of the forthcoming Annual General Meeting (AGM). Being eligible, they have offered themselves for re-appointment. The Audit Committee has recommended their re-appointment as auditors of the company for the year (FY 2025-26).

Adequacy of Internal Financial Control:

The Board of Directors is aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal controls for ensuring effective and efficient conduct of operations, safeguarding company assets, compliance with applicable laws and regulations and reliable financial reporting. The Management monitors such systems effectively while the Board Audit Committee reviews the internal control systems based on assessment of risks and reports to the Board of Directors.

Principal Risks & Uncertainty:

Risk management process undertaken by Board of Directors and management at strategic and multiple levels across the company. This is designed to identify potential events that may effect the company and manage the risks wito be within risk appetite, to provide reasonable assurance regarding the achievement of Company's objectives.

Key areas that can impact the Company are: Declining export sales due to international wars, Currency volatility, resulting in an increased cost of imported raw material. Increased energy cost due to rising fuel and power prices. Overall inflationary increase in operating expenses and increasing discount rate resulting in increased financing costs.

The Company is closely monitoring the impact of these risks and will endeavor to take measures to mitigate these risks.

Future Outlook:

The Company is continuously monitoring all of its cost factors to keep them at the lowest possible levels. The production costs have increased due to non-controllable factors like rising energy cost, increase in Raw material prices and huge financial cost but the Company stands committed under the guidance of its Board of Directors, Key management personals and valued input from all stakeholder groups to its constant drive to be a progressive and profitable Company as per its Vision and Core values.

Acknowledgments:

The Directors are grateful to the Company's members, financial institutions and customers for their co-operation and support. They also appreciate hard work and dedication of all the employees working at the various divisions.

For and behalf of the board



Chairman



Chief Executive Officer

**Dated: October 6, 2025
Lahore**

ڈائریکٹر رپورٹ برائے ممبران

کمپنیز ایکٹ 2017 کے سیکشن 227 کی تعمیل میں، ڈائریکٹر 30 جون 2025 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں اور اس پر آڈیٹرز کی رپورٹ کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوش ہیں۔

اقتصادی جائزہ

سال 2025 کا آغاز نئے ٹیر فز، اہم تجارتی شرائط اور کمزوریات کے باہمی اقدامات، جغرافیائی سیاسی تناؤ اور غیر مستحکم تجارتی پالیسیوں سے پیدا ہونے والی عالمی غیر یقینی صورتحال کے درمیان ہوا۔ بہر حال، بڑی معیشتوں میں مالیاتی توسیع، نے اپنے حال IMF افراط زر کے دباؤ میں کمی، متوقع امریکی ٹریف کی شرح سے کم اور کمزور امریکی ڈالر نے اجتماعی طور پر تجارت میں بتدریج بحالی کی حمایت کی ہے۔ ان مثبت پیش رفتوں کی عکاسی کرتے ہوئے، بین الاقوامی مالیاتی فنڈ میں کیے گئے تخمینے سے 0.2% زیادہ ہے۔ عالمی ہیڈ لائن افراط (WEO) میں 2025 کے لیے اپنی عالمی شرح نمو کی پیش گوئی کو 3.0% پر نظر ثانی کر دیا ہے، جو کہ اپریل 2025 WEO میں شائع ہونے والے ورلڈ اکنامک آؤٹ لک زر بھی 2 میں فراہم کردہ 4.3% کے پہلے تخمینے سے تھوڑا کم ہے

ملکی سطح پر، پاکستان کی معیشت نے مالی سال 25 میں بحالی کے حوصلہ افزا اشارے دکھائے، جو کہ گزشتہ سال کے کم بنیادی اثر اور کم عالمی اجناس کی قیمتوں، شرح مبادلہ کے استحکام اور دانشمندانہ معاشی انتظام کی وجہ سے افراط زر میں نرمی کی وجہ سے معاون ہیں

ایک تاریخی کرنٹ اکاؤنٹ سرپلس - 14 سالوں میں پہلا سالانہ سرپلس اور 22 سالوں میں سب سے بڑا - ملک کے بیرونی توازن میں ایک اہم تبدیلی کا نشان ہے۔ اس کے علاوہ، IMF نے توسیعی فنڈ سہولت (EFF) کے تحت 1 بلین امریکی ڈالر تقسیم کیے، جبکہ Fitch نے پاکستان کی خود مختار کریڈٹ ریٹنگ کو CCC + سے B- میں اپ گریڈ کیا، جو کہ جاری علاقائی اتار چڑھاؤ کے باوجود بہتر بنیادی باتوں کی عکاسی کرتا ہے۔

زراعت کے شعبے نے پانی کی بہتر دستیابی اور ان پٹ سپورٹ کے ساتھ ساتھ گندم، چاول اور کئی جیسی اہم فصلوں میں اعلیٰ پیداوار کی وجہ سے لچکدار کارکردگی کا مظاہرہ کیا۔ تاہم، پاکستان میں حالیہ سیلاب کے حالیہ سیلاب نے زراعت کے شعبے کو شدید متاثر کیا ہے، جس میں فصلوں کے نقصانات اور اگلے مالی سال کے لیے ترقی کے تخمینے میں کمی آئی ہے۔ جب کہ بڑے پیمانے پر مینوفیکچرنگ انڈیکس (LSMI) نے 0.74% کا معمولی سکڑاؤ ریکارڈ کیا، منتخب صنعتی حصوں جیسے کہ گارمنٹس، آٹوموبائل اور پیپر و لیم مصنوعات نے معمولی فائدہ اٹھایا۔

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران کارکنوں کی ترسیلات زر میں 27 فیصد نمایاں بہتری آئی اور یہ 38 بلین امریکی ڈالر تک پہنچ گئی، جبکہ 30 جون 2024 کو ختم ہونے والے مالی سال میں یہ 30 بلین امریکی ڈالر تھی۔ 30 جون 2025 کو ختم ہونے والے مالی سال میں ایشیا اور خدمات کی برآمدات 40.7 بلین امریکی ڈالر رہی جو کہ پچھلے سال کے دوران 38.7 بلین امریکی ڈالر کے مقابلے میں 5 فیصد کی نمو کا مظاہرہ کرتی ہے۔ نٹ ویئر، گارمنٹس، اور بیڈ ویئر میں کلیدی برآمدات میں اضافہ دیکھا گیا۔ جبکہ ایشیا اور خدمات کی درآمدات میں 10 فیصد کا اضافہ ہوا، جو مالی سال 25 میں 70.1 بلین امریکی ڈالر تک پہنچ گئی جو کہ مالی سال 24 کے دوران 64.0 بلین امریکی ڈالر تھی۔ درآمدات میں بڑا اضافہ پام آئل اور الیکٹریکل مشینری میں ریکارڈ کیا گیا۔

مالیاتی طرف، خالص عارضی وفاقی ٹیکس وصولی میں 26 فیصد اضافہ ہوا، جو RS تک پہنچ گیا۔ مالی سال 25 میں 11,744 بلین روپے کے مقابلے میں۔ پچھلے سال میں 9,311 بلین۔ دوسری طرف، اخراجات میں 18 فیصد اضافہ ہوا ہے۔ مالی سال 25 کے دوران 24,166 بلین، روپے سے زیادہ۔ مالی سال 24 میں 20,476 بلین۔ نتیجتاً بجٹ کا مجموعی خسارہ۔

ٹیکسٹائل سیکٹر

2024 میں پاکستان کی ٹیکسٹائل کی مجموعی برآمدات میں اضافہ ہوا، خاص طور پر نٹ ویئر اور گارمنٹس جیسے ویلیو ایڈڈ حصوں میں۔ تاہم، خام مال کی برآمدات - خاص طور پر سوئی دھاگے - میں کمی آئی، جو عالمی طلب میں تبدیلی اور گھریلو سپلائی چین کی رکاوٹوں کی عکاسی کرتی ہے۔

مالی سال 2024-2025 کے دوران، گھومنے والے طبقے نے مخلوط کارکردگی دکھائی۔ جس کا نشان فروخت اور مجموعی منافع میں ٹپک ہے، لیکن اعلیٰ ان پٹ لاگت، توانائی کے ٹیرف، اور عالمی طلب میں اتار چڑھاؤ نے چیلنج کیا۔ اسپننگ سیکٹر ایک نازک موڑ پر کھڑا ہے۔ ٹارگٹڈ اصلاحات اور مربوط پالیسی سپورٹ کے بغیر، پاکستان اپنی ٹیکسٹائل ریڑھ کی ہڈی کو کمزور کرنے اور درآمدی ان پٹس پر انحصار بڑھانے کا خطرہ رکھتا ہے۔ مالیاتی پالیسی، توانائی کی قیمتوں کا تعین، اور صنعتی ترغیبات کے درمیان تزویراتی ہم آہنگی مسابقت کی بحالی، روزگار کے تحفظ اور برآمدات کی ترقی کو برقرار رکھنے کے لیے ضروری ہے۔

کمپنی کا جائزہ

یہ کمپنی دھاگے کی تیاری اور فروخت اور ہر قسم کے ویلیو ایڈڈ فیبرکس اور ٹیکسٹائل میک اپس کی برآمد کے کاروبار میں مصروف ہے

سال زبردست چیلنجوں کا مشاہدہ کیا۔ کپاس کی خراب فصل، درآمد شدہ کپاس پر بڑھتا ہوا انحصار، کپاس کی قیمتوں میں اتار چڑھاؤ، سوت کی سست مارکیٹ اور ہیو کی مالی لاگت نے ٹیکسٹائل سیکٹر کے منافع کو نمایاں طور پر متاثر کیا۔ مقامی کی واپسی، جہاں ایکسپورٹ مینوفیکچرنگ کے لیے مقامی سپلائرز پر سبز ٹیکس کی چھوٹ واپس لے لی گئی۔ اس کی وجہ سے برآمد کنندگان نے مقامی طور پر تیار کردہ یارن خریدنے (EFS) اپنرز کے لیے ایکسپورٹ فیسیلیٹیشن اسکیم کے بجائے ڈیوٹی اور ٹیکس فری یارن درآمد کرنے پر مجبور کیا جس پر 18 فیصد سبز ٹیکس عائد ہوتا ہے۔ ان چیلنجوں کے باوجود، کمپنی نے سال کا اختتام مثبت منافع کے ساتھ کیا۔

سال کے دوران، فروخت میں 7.6% اضافہ ہوا اور یہ 40,601 ملین روپے تک پہنچ گئی، جبکہ پچھلے سال میں یہ 37,741 ملین روپے تھی۔ لیکن فروخت کی لاگت میں اضافے کے سبب، گروس منافع 2673 ملین روپے رہا، جو کہ فروخت کا 6.6% ہے جبکہ پچھلے سال میں یہ 5% تھا۔ کمپنی کا آخری نتیجہ 1.4 ارب روپے ہے۔

کمپنی کے آپریٹنگ نتائج کا خلاصہ درج ذیل ہے

2025	2024	
روپے '000		
40,608,062	37,741,817	فروخت
2,673,246	1,832,802	مجموعی منافع
47,346	237,880	لیویز
1,592,171	592,260	ٹیکس سے پہلے منافع
97,390	(42,812)	ٹیکسوں کے لیے مختص رقم
1,494,780	635,072	ٹیکسین کے بعد منافع
9,939,881	9,297,522	غیر مختص منافع
276,173	198,708	ری ویلیو ایڈڈ سروسز سے متعلق
7.81	3.32	فی حصص آمدنی (بنیادی)

نافع مقسمہ

کاروباری سرمایہ کاری کے لئے فنڈ کی ضرورت کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے کوئی بھی منافع تقسیم کرنے کی تجویز نہیں دی۔

کمپنی کی کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ نے طویل مدتی 'اے' اور قلیل مدتی 'اے 1' کی ریٹنگ تفویض کی ہے۔ تفویض کردہ درجہ بندی پر آؤٹ لک 'مستحکم' ہے۔ 'اے 1' کی قلیل مدتی درجہ بندی بروقت ادائیگی کی صلاحیت کی نشاندہی کرتی ہے معاشی حالات کی وجہ سے خطرہ وفاقاً تھوڑا سا مختلف ہو سکتا ہے اور 'اے' کی طویل مدتی درجہ بندی بروقت ادائیگیوں کی مضبوط صلاحیت کے ساتھ اعلیٰ کریڈٹ معیار کی علامت ہے۔

بورڈ کی تشکیل

بورڈ کی تشکیل ان پر مشتمل ہے۔

ڈائریکٹرز کی کل تعداد

(a) مرد.....06

(b) خواتین.....01

تفصیل درج ذیل:

(a) آزاد ڈائریکٹر.....04

(b) نان ایگزیکٹو ڈائریکٹر.....01

(c) ایگزیکٹو ڈائریکٹر.....01

(d) خاتون.....01

بورڈ اجلاسوں اور اس کی کمیٹیوں کی حاضری:

نمبر شمار	ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز	آؤٹ کمیٹی	ایچ آر اور معاوضہ کمیٹی
1	جناب محمد زاہد	4/4	رکن نہیں ہے	1/1
2	جناب احمد زاہد	4/4	رکن نہیں ہے	1/1
3	محترمہ مہرین فہد	3/4	رکن نہیں ہے	رکن نہیں ہے
4	جناب محمد علی	3/4	4/4	1/1
5	جناب سجاد حسین شاہ	4/4	4/4	رکن نہیں ہے
6	جناب فیصل مسعود افضل	4/4	4/4	رکن نہیں ہے
7	جناب شہباز حیدر آغا	4/4	رکن نہیں ہے	1/1

ان ڈائریکٹروں کو غیر حاضری کی چھٹی دی گئی جو بورڈ اور اس کی کمیٹی کے اجلاسوں میں شرکت نہیں کر سکتے تھے

بورڈ کی کمیٹیاں

ہر کمیٹی کے ارکان کی تفصیلات درج ذیل ہے۔

آؤٹ کمیٹی:

ایچ آر اور معاوضہ کمیٹی:

نمبر شمار	ڈائریکٹر کا نام	
1	جناب شہباز حیدر آغا	چیئر مین
2	جناب محمد علی	رکن
3	جناب احمد زاہد	رکن
4	جناب محمد زاہد	رکن

نمبر شمار	ڈائریکٹر کا نام	
1	جناب سجاد حسین شاہ	چیئر مین
2	جناب فیصل مسعود افضل	رکن
3	جناب محمد علی	رکن

بورڈ آف ڈائریکٹرز کی تشکیل درج ذیل ہے۔

بورڈ آف ڈائریکٹرز

نمبر شمار	ڈائریکٹر کا نام	
1	جناب محمد زاہد	چیف ایگزیکٹو / ایگزیکٹو ڈائریکٹر
2	جناب احمد زاہد	چیئر مین
3	محترمہ مہرین فہد	ٹران ایگزیکٹو ڈائریکٹر
4	جناب محمد علی	آزاد ڈائریکٹر
5	جناب سجاد حسین شاہ	آزاد ڈائریکٹر
6	جناب فیصل مسعود افضل	آزاد ڈائریکٹر
7	جناب شہباز حیدر آغا	آزاد ڈائریکٹر

بورڈ کی تشکیلات

سال کے دوران بورڈ اور اس کی ذیلی کمیٹیوں نے اپنی کارکردگی کی تشخیص کا باضابطہ عمل شروع کیا ہے۔ بورڈ اور اس کی ذیلی کمیٹیوں کی سال کے لئے متعین ہیرا میٹرز پر پیمائش کی گئی مجموعی کارکردگی اطمینان بخش تھی۔

ڈائریکٹر ڈاکا معاوضہ

بورڈ کے اراکین کا معاوضہ بورڈ خود منظور کرتا ہے۔ تاہم کارپوریٹ گورننس کے ضابطے کے مطابق اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ چیف ایگزیکٹو اور دیگر ایگزیکٹو ڈائریکٹرز کے معاوضے بیج کو نوٹ نمبر 35 میں مالیاتی گوشواروں میں ظاہر کیا گیا ہے۔

متعلقہ پارٹی لین دین

متعلقہ فریقوں کے ساتھ تمام لین دین کو بورڈ نے منظوری دے دی اور اس طرح کے تمام تر ٹرانسیکشنز کی تفصیلات آڈٹ کمیٹی کے سامنے رکھی گئیں۔ سال کے دوران کمپنی نے اپنے متعلقہ فریقوں کے ساتھ لین دین کیا۔ ان لین دین کی تفصیلات نوٹ 36 میں مالی گوشواروں میں ظاہر کی جاتی ہیں۔

موجودہ سال کے دوران مادی تبدیلیاں

سنے 16800 سپنڈلز سپنٹگ پونٹ کی تنصیب مکمل ہو چکی ہے اور 01 ستمبر 2024 سے اپنی تجارتی پیداوار شروع کر دی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی کی انتظامیہ کمپنیز ایکٹ 2017، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) اور پاکستان اسٹاک ایکسچینج (پی ایس ایکس) کی جانب سے جاری کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ذریعے تسلیم شدہ اپنی ذمہ داری سے پوری طرح واقف ہے۔ مندرجہ ذیل تیسرے کارپوریٹ گورننس اور مسلسل بہتری کے اعلیٰ معیارات کے لئے کمپنی کے عزم کا اعتراف ہیں۔

1. کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کافی حد تک اس کی صورت حال، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو پیش کرتے ہیں۔
2. کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔
3. مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
4. بین الاقوامی اکاؤنٹنگ / فنانشل رپورٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں عمل کیا گیا ہے اور اس سے انحراف کو مناسب طور پر ظاہر کیا گیا ہے۔
5. اندرونی کنٹرول کا نظام درست ہے اور اس پر موثر عمل درآمد اور نگرانی کی گئی ہے۔
6. کمپنی کے جاری رکھنے کی صلاحیت پر کوئی خاص شک نہیں ہے۔
7. کارپوریٹ گورننس کے ضابطہ اخلاق کے بہترین طریقوں سے قطعی انحراف نہیں کیا گیا ہے، جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے بیان کیا گیا ہے۔
8. بقایا ٹیکس اور لیویز کی تفصیل مالیاتی گوشواروں کو نوٹس میں دی گئی ہے۔
9. کارپوریٹ گورننس کے حوالے سے بیان اور پچھلے چھ سالوں کی مالیاتی جھلکیوں کو شامل کیا گیا ہے۔

صحت، تحفظ، اور ماحولیات

کمپنی کام کے حالات کو برقرار رکھتی ہے جو محفوظ ہیں اور بڑے پیمانے پر تمام ملازمین اور عوام کی صحت کے لئے خطرے کے بغیر ہیں۔ ہماری توجہ حفاظت کے تمام پہلوؤں کو بہتر بنانے پر مرکوز ہے، خاص طور پر مواد کی حفاظت، پیداوار، ترسیل، ذخیرہ اندوزی اور مینڈنگ کے حوالے سے۔ آپ کی کمپنی ہمیشہ ماحولیات کے تحفظ کو یقینی بناتی ہے اور ماحولیات کے تحفظ کے لئے ہر ممکن ذرائع اپناتی ہے۔ کمپنی خالصتاً قواعد و ضوابط کے معیارات کی سختی سے تعمیل کرتی ہے۔ یہ ماحول دوست پالیسیوں پر بھی عمل پیرا ہے۔

سماجی ذمہ داری

آپ کی کمپنی معاشرے کے تین اپنی کارپوریٹ ذمہ داری کو سمجھتی ہے اور معاشرے کے پسماندہ افراد کو مدد فراہم کر کے اپنی ذمہ داریاں پوری کرتی ہے۔ تاہم کمپنی نے سال کے دوران کوئی سی ایس آر سرگرمی نہیں کی۔

شیر ہولڈنگ کا نمونہ

30 جون 2025 تک شیر ہولڈنگ کا پیٹرن، جسے رپورٹنگ فریم ورک کے تحت ظاہر کرنا ضروری ہے، اس رپورٹ کے ساتھ ضمیمہ ہے۔

ٹائمی ڈیڈ لائنز کی تقرری

موجودہ ڈائریکٹر میسرز آریس ایم او ایس حیدر ریاضت نعمان، چارٹرڈ اکاؤنٹنٹس نے سال (مالی سال 2024-2025) کے لئے اپنی مدت ملازمت مکمل کر لی ہے اور وہ آئندہ سالانہ جنرل میٹنگ (اے جی ایم) کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کی وجہ سے انہوں نے دوبارہ تقرری کے لئے خود کو پیش کش کی ہے۔ آڈٹ کمیٹی نے سال (مالی سال 2025-2026) کے لئے کمپنی کے ڈائریکٹر کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

اندرونی مالیاتی کنٹرول کی مناسبت

بورڈ آف ڈائریکٹرز اندرونی کنٹرول ماحول کے حوالے سے اپنی ذمہ داری سے آگاہ ہے اور اس کے مطابق آپریشنز کے موثر اور موثر انعقاد، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد مالی رپورٹنگ کو یقینی بنانے کے لئے اندرونی کنٹرول کا ایک موثر نظام قائم کیا ہے۔ اس طرح کے نظام کی انتظامیہ موثر نگرانی کرتی ہے جبکہ بورڈ آڈٹ کمیٹی خطرات کی تشخیص اور بورڈ آف ڈائریکٹرز کو رپورٹوں کی بنیاد پر اندرونی کنٹرول سسٹم کا جائزہ لے رہی ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

بورڈ آف ڈائریکٹرز اور انتظامیہ کی طرف سے کمپنی بھر میں اسٹریٹجک اور متعدد سطحوں پر رسک مینجمنٹ کا عمل شروع کیا گیا ہے۔ یہ ممکنہ واقعات کی شناخت کرنے کے لئے ڈیزائن کیا گیا ہے جو کمپنی کو متاثر کر سکتے ہیں اور ظہور پذیر ہونے سے پہلے ہی خطرات کا انتظام کر سکتے ہیں، جس سے کمپنی کے مقاصد کا حصول یقینی ہو جاتا ہے۔

اہم شعبے جو کمپنی کو متاثر کر سکتے ہیں وہ یہ ہیں: بین الاقوامی جنگوں کی وجہ سے برآمدی فروخت میں کمی، کرنسی میں اتار چڑھاؤ، روپے کی اچانک قدر میں کمی، جس کے نتیجے میں درآمد شدہ خام مال کی لاگت میں اضافہ ہوا ہے۔ ایندھن اور بجلی کی بڑھتی ہوئی قیمتوں کی وجہ سے توانائی کی لاگت میں اضافہ ہوا۔ آپریٹنگ اخراجات میں مجموعی طور پر افراط زر میں اضافہ اور ڈسکاؤنٹ کی شرح میں اضافے کے نتیجے میں فنانسنگ کے اخراجات میں اضافہ ہوا۔

کمپنی ان خطرات کے اثرات کی کڑی نگرانی کر رہی ہے اور ان خطرات کو کم کرنے کے لئے اقدامات کرنے کی کوشش کرے گی۔

مستقبل کا نقطہ نظر

حالیہ غیر معمولی مون سون بارشوں اور سیلاب کی وجہ سے کپاس اگانے والا علاقے کافی حد تک متاثر ہوئے ہیں۔ اور یہ صورتحال حکومت کو کپاس کی اضافی درآمدات کرنے پر مجبور کر سکتی ہے جس سے پہلے سے ہی بلند تجارتی خسارے پر مبنی اثر پڑ سکتا ہے۔ دوسری جانب درآمد شدہ خام کپاس یا دیگر غیر پرسیدہ نیکسٹل کی عدم دستیابی سے ملک کی نیکسٹل برآمدات پر منفی اثرات مرتب ہوں گے۔ سیلاب کے بعد پاکستان کی معیشت انتہائی غیر محفوظ رہے گی۔

اظہار تشکر

ڈائریکٹرز کمپنی کے ممبران، مالیاتی اداروں اور صارفین کے تعاون اور معاونت پر ان کے شکر گزار ہیں۔ وہ مختلف ڈویژنوں میں کام کرنے والے تمام ملازمین کی محنت اور لگن کو بھی سراہتے ہیں۔

برائے و محتاج بورڈ



چیرمین



چیف ایگزیکٹو

لاہور:

مورخہ 106 اکتوبر 2025

Disclosure

Recently, the Securities and Exchange Commission of Pakistan (SECP) has introduced Environmental, Social and Governance (ESG) disclosure guidelines for listed companies for issues like promoting gender diversity, environmental protection and a paperless environment. Since the size of the company is big and passing through a phase of survival and stability, it has a big number of employees, which are male and female. However, the vision of the company is to enhance gender diversity as soon as the company grows to a substantial level.

GENDER PAY GAP STATEMENT

As per the requirement of Circular 10 of 2024 of the Securities & Exchange Commission of Pakistan (SECP) the gender pay gap calculation for the year ending June 30, 2025 is given below:

Mean gender pay Gap:	19.25%
Median gender pay Gap:	19.25%
Any other data / details as deemed relevant:	nill

For Zahidjee Textile Mills Limited



Chief Executive Officer

FINANCIAL HIGHLIGHTS

Particulars	2025	2024	2023	2022	2021	2020	
(Rupee "000")							
Net Assets Employed							
Fixed assets	19,174,380	15,641,317	13,608,051	14,362,509	8,115,970	6,613,186	
Intangible assets	-	-	-	-	-	330	
Investment in subsidiary	-	-	-	-	-	359,200	
Long term deposits	4,976	8,476	20,476	27,976	35,976	4,476	
Current assets	17,782,783	13,690,826	13,194,534	12,381,238	6,298,233	5,443,587	
Non current assets- held for sale	-	-	-	-	359,200	-	
Current liabilities	(10,839,466)	(7,616,687)	(6,383,552)	(6,289,933)	(3,981,464)	(4,335,041)	
	47,801,604	36,957,306	6,810,982	6,091,305	2,675,969	1,108,546	
Long term liabilities	(5,257,149)	(5,711,786)	(4,677,117)	(5,790,442)	(2,983,193)	(1,618,623)	
Net Assets	20,865,524	16,012,145	15,762,392	14,691,348	7,844,722	6,467,116	
Represented By							
Paid up capital	1,914,211	1,914,211	1,914,211	1,914,211	1,914,211	1,914,211	
Reserves	12,377,093	10,606,139	9,963,782	8,700,490	4,833,889	3,395,636	
Revaluation surplus	6,574,220	3,491,795	3,884,399	4,076,647	1,096,622	1,157,269	
	20,865,524	16,012,145	15,762,392	14,691,348	7,844,722	6,467,116	
Operating Results							
Sales	40,608,063	37,741,817	32,317,373	27,935,802	16,614,520	13,902,387	
Gross profit	2,673,246	1,832,802	2,611,169	5,631,999	2,381,227	1,676,825	
Operating profit	3,455,510	2,934,204	3,161,854	5,769,563	2,434,054	1,690,596	
Profit before taxation	1,639,516	830,140	1,597,288	4,272,277	1,718,983	993,637	
Financial Ratios							
Gross profit	%	6.58	4.86	8.08	20.16	14.33	12.06
Operating profit	%	8.51	7.77	9.78	20.65	14.65	12.16
Profit/(loss) before taxation	%	4.04	2.20	4.94	15.29	10.35	7.15
Earning / (Loss) per share	Rs	7.81	3.32	6.34	20.78	8.13	3.75
Current ratio	Times	1.64	1.80	2.07	1.97	1.58	1.26
Fixed assets turnover	Times	2.12	2.41	2.37	1.95	2.05	2.10
Total Debt to Capital	%	77	83	70	82	89	92
Book value per share	Rs	74.66	65.41	62.05	55.45	35.25	27.74
Plant capacity and production							
Spinning							
Spindles installed/worked		150,084	133,284	133,344	133,344	93,024	93,024
Actual production converted into							
20/s count		62,051,838	55,105,922	54,453,588	57,347,935	41,050,604	38,376,019
Weaving							
Number of looms installed/worked		262	280	280	280	280	280
Actual production converted into							
60 picks		36,065,443	38,543,222	37,787,473	35,679,338	35,252,938	34,500,950

**Independent Auditor's Review Report
to the members of Zahidjee 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 Zahidjee Textile Mills Limited (the Company) for the year ended June 30, 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 June 30, 2025.

**RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS****Place:** Lahore**Date:** October, 06 2025**UDIN:** CR202510226APKSTpR4x

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

Name of Company: Zahidjee Textile Mills Limited

Year Ended: June 30, 2025

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

1. The total number of directors is seven (7) as per the following:

Gender	Number
Male	Six (6)
Female	One (1)

2. The composition of the Board of Directors is as follows:

Category	Names
Independent Directors	Mr. Sajjad Hussain Shah Mr. Faisal Masood Afzal Mr. Muhammad Ali Mr. Shahbaz Haider Agha
Non-Executive Directors	Mrs. Mehreen Fahad Mr. Ahmad Zahid
Executive Director	Mr. Muhammad Zahid

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 the significant policies along with their date of approval 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 has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Six directors out of seven, are exempt from the requirements of directors training program (DTP).
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 the following committees comprising of the following members :

a. Audit Committee

- Mr. Sajjad Hussain Shah	Chairman	Independent Director
- Mr. Faisal Masood Afzal	Member	Independent Director
- Mr. Muhammad Ali	Member	Independent Director

b. Human Resource & Remuneration Committee

- Mr. Shahbaz Haider Agha	Chairman	Independent Director
- Mr. Muhammad Ali	Member	Independent Director
- Mr. Ahmad Zahid	Member	Non-Executive Director
- Mr. Muhammad Zahid	Member	Chief Executive Officer

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committees were as follows:
- a. Audit Committee:** Quarterly
- b. Human Resource & Remuneration Committee:** Annual
15. The Board has set up an effective internal audit function 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 (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with certain requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are given below:

S.No	Reg. No.	Explanation
1.	19	One remaining director is well aware of her role and responsibilities as a member of the Board, however, she will complete her training in due course.
2.	35(1)	As per regulations, the Company has disclosed key elements of its significant policies and intends to add list of its policy on DE&I and protection against harassment at the workplace.
3.	29	The responsibilities as prescribed for the nomination committee are being addressed at Board level as and when needed so a separate committee is not formed.
4.	30	The Board has tasked the Audit Committee to oversee risk management related matters of the Company.
5.	10(A)	The Board is currently managing the sustainability aspect. Formation of a separate committee is under consideration.

For and on behalf of the Board of Directors

Dated: **October 06,2025**
Lahore


Ahmad Zahid
Chairman


Muhammad Zahid
Chief Executive Officer



RSM Avasi Hyder Liaquat Nauman
Chartered Accountants

Avasi Chambers, 1/C-5
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ZAHIDJEE TEXTILE MILLS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of Zahidjee Textile Mills Limited (the Company), which comprise the statement of financial position as at June 30, 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 June 30, 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.

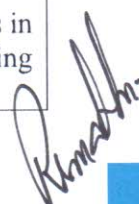
Key Audit Matters

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.

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Following are the Key audit matters:

Key Audit Matters	How our audit addressed the key audit matter
Revaluation of property plant and equipment	
Refer notes 2.4, 3 and 22 to the annexed financial statements. During the year, the Company has recognized revaluation surplus amounting to Rs. 4,988,696,347/- on property, plant and equipment. Fair values of freehold land, building on freehold land and plant and machinery were determined based on independent external valuations. We considered this as key audit matter due to significant amount involved and significant judgments made by the management.	In response to this matter, our audit procedures included: • We have reviewed the relevant accounting policy of the company. • We have assessed the methodologies (basis) used by the external valuer to estimate values; • We have evaluated the independent external valuer's competence, capabilities and objectivity; • We have checked the reasonableness, accuracy and relevance of the input data provided by management to the external valuer; and • We have obtained relevant underlying supportings for the disclosures and assessed their appropriateness for the sufficient audit evidence.
Capitalization of Property, plant and equipment	
Refer notes 1.2 and 3 to the annexed financial statements. During the year, the Company completed the first phase of its spinning project and transferred a significant amount from capital work-in-progress to operating fixed assets. The transfer from capital work-in-progress to operating fixed assets requires management's judgment in determining the point at which assets are ready for use and ensuring accurate classification and commencement of depreciation. We have identified the transfer from capital work-in-progress to operating fixed assets as a key audit matter due to the significance of the amount involved in the financial statements and the management judgment required in determining the timing of capitalization and commencement of depreciation.	In response to this matter, our audit procedures included: • We obtained an understanding of management's process for monitoring the status of the spinning project and identifying the point at which assets became available for use; • We assessed whether the costs capitalised met relevant criteria for capitalization as per the applicable accounting and reporting framework. • We tested the transfers to operating fixed assets to assess appropriateness of the amounts and their classification. • We verified the date of transferring capital work in progress to operating fixed assets by examining the completion certificates. • We assessed the adequacy of disclosures in accordance with the financial reporting framework.



Revenue recognition

The principal activity of the Company is manufacturing and sale of yarn. Revenue from sale of goods is recognised as or when performance obligations are satisfied by transferring control of promised goods to customer, and control is transferred at a point in time. Revenue is measured at fair value of the consideration received or receivable and the payment is typically due on the satisfaction of performance obligation.

We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.

In response to this matter, our audit procedures included:

- We obtained an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;
- We assessed the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards;
- We tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period;
- We performed audit procedures to analyse variation in the price and quantity sold during the year.
- We assessed the adequacy of disclosures made in the financial statements related to revenue.

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

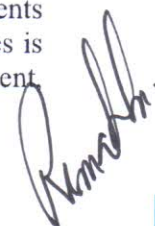
Management is responsible for other information. The other information comprises the information in the annual report, but does not include the financial statements and our auditor's report thereon.

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.

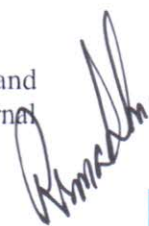
Auditor's Responsibilities for the Audit of the Financial Statements

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 Inam Ul Haque.

Rsm Avais Hyder Liaquat Nauman

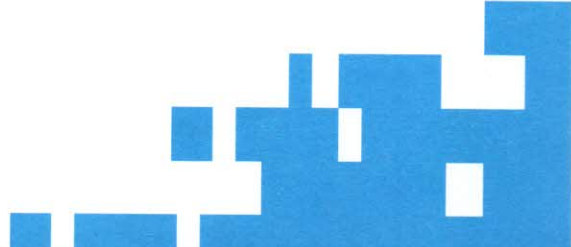
RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Lahore

Date: October, 06 2025

UDIN: AR202510226OtnI7865H

Inam Ul Haque



ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	19,174,379,964	15,641,316,550
Long term security deposits	4	4,975,784	8,475,784
		19,179,355,748	15,649,792,334
CURRENT ASSETS			
Stores, spares and loose tools	5	383,364,754	353,192,697
Stock in trade	6	6,905,732,976	3,986,474,536
Trade debts	7	3,869,618,724	3,440,906,689
Loans, advances and deposit	8	549,999,800	470,481,790
Prepayments	9	271,242,785	250,457,366
Other receivables	10	416,541,050	392,744,393
Short term investment	11	225,474,638	159,864,144
Tax refunds due from Government	12	1,090,117,589	497,580,340
Cash and bank balances	13	4,070,690,472	4,139,123,929
		17,782,782,788	13,690,825,884
CURRENT LIABILITIES			
Trade and other payables	14	3,555,601,002	2,665,346,383
Interest / mark up payable	15	186,572,329	246,729,036
Short term borrowings	16	5,316,693,264	3,009,412,776
Unclaimed dividend		12,873,679	13,070,334
Current portion of long term finance	17	1,017,143,779	858,822,983
Provision for taxation - income tax	33	750,581,810	823,305,828
		10,839,465,863	7,616,687,340
		26,122,672,673	21,723,930,878
NON - CURRENT LIABILITIES			
Long term finance	17	2,482,101,050	4,580,845,170
Deferred liability			
Staff retirement gratuity	18	35,886,523	-
Deferred taxation	19	2,739,161,405	1,130,940,629
		5,257,148,978	5,711,785,799
CONTINGENCIES AND COMMITMENTS			
	20	-	-
Net worth		20,865,523,695	16,012,145,079
Represented by :			
Share capital	21	1,914,210,990	1,914,210,990
Capital reserves			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment	22	6,574,220,175	3,491,794,897
Revenue reserves	23	12,010,834,017	10,239,880,679
		20,865,523,695	16,012,145,079
		20,865,523,695	16,012,145,079

The annexed notes from 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Sales	24	40,608,062,590	37,741,817,075
Cost of sales	25	37,934,816,604	35,909,014,698
Gross profit		<u>2,673,245,986</u>	<u>1,832,802,377</u>
Trading profit	26	43,685,784	28,464,350
Other income	27	738,578,547	1,072,937,260
		<u>3,455,510,317</u>	<u>2,934,203,987</u>
Distribution cost	28	321,159,358	301,902,408
Administrative expenses	29	258,022,798	250,239,902
Other operating expenses	30	164,617,903	67,075,786
Finance cost	31	1,072,193,766	1,484,845,499
		<u>1,815,993,825</u>	<u>2,104,063,595</u>
Profit for the year before levies and income tax		<u>1,639,516,492</u>	<u>830,140,392</u>
Levies	32	47,345,739	237,879,980
Profit for the year before taxation		<u>1,592,170,753</u>	<u>592,260,412</u>
Provision for taxation	33	97,389,964	(42,811,500)
Profit for the year		<u><u>1,494,780,789</u></u>	<u><u>635,071,912</u></u>
Earnings per share - Basic and diluted	34	<u><u>7.81</u></u>	<u><u>3.32</u></u>

The annexed notes from 1 to 42 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025 Rupees	2024 Rupees
Profit for the year	1,494,780,789	635,071,912
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss :		
Surplus on revaluation of property, plant and equipment arisen during the year	4,988,696,347	-
Related deferred tax	(1,317,370,673)	-
	3,671,325,674	-
Total comprehensive income for the year	<u>5,166,106,463</u>	<u>635,071,912</u>

The annexed notes from 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVES			REVENUE RESERVES			Total
		Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropriated profit	Sub total	
----- R u p e e s -----								
Balance as at July 01, 2023	1,914,210,990	366,258,513	3,884,399,416	4,250,657,929	300,000,000	9,297,522,146	9,597,522,146	15,762,391,065
Transaction with owners								
Dividend paid (Rs. 1 per share of Rs. 10 each)	-	-	-	-	-	(191,421,099)	(191,421,099)	(191,421,099)
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	635,071,912	635,071,912	635,071,912
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	635,071,912	635,071,912	635,071,912
Incremental depreciation on revalued assets for the year-net of deferred tax	-	-	(195,820,589)	(195,820,589)	-	195,820,589	195,820,589	-
Surplus realised on disposal of property, plant and equipment - net of deferred tax	-	-	(2,887,131)	(2,887,131)	-	2,887,131	2,887,131	-
Adjustment of deferred tax for the year	-	-	(193,896,799)	(193,896,799)	-	-	-	(193,896,799)
Balance as at June 30, 2024	1,914,210,990	366,258,513	3,491,794,897	3,858,053,410	300,000,000	9,939,880,679	10,239,880,679	16,012,145,079
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	1,494,780,789	1,494,780,789	1,494,780,789
Other comprehensive income								
Surplus on revaluation of property, plant and equipment arisen during the year	-	-	4,988,696,347	4,988,696,347	-	-	-	4,988,696,347
Related deferred tax	-	-	(1,317,370,673)	(1,317,370,673)	-	-	-	(1,317,370,673)
	-	-	3,671,325,674	3,671,325,674	-	1,494,780,789	1,494,780,789	5,166,106,463
Incremental depreciation on revalued assets for the year - net of deferred tax	-	-	(260,565,640)	(260,565,640)	-	260,565,640	260,565,640	-
Surplus realised on disposal of property, plant and equipment - net of deferred tax	-	-	(15,606,909)	(15,606,909)	-	15,606,909	15,606,909	-
Adjustment of deferred tax for the year	-	-	(312,727,847)	(312,727,847)	-	-	-	(312,727,847)
Balance as at June 30, 2025	1,914,210,990	366,258,513	6,574,220,175	6,940,478,688	300,000,000	11,710,834,017	12,010,834,017	20,865,523,695

The annexed notes from 1 to 42 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before levies and income tax		1,639,516,492	830,140,392
Adjustment for:			
Depreciation of property, plant and equipment	3.2	1,440,987,956	1,037,515,231
Provision for staff retirement gratuity	18.2	35,886,523	-
Profit on deposits	27	(633,703,220)	(920,164,426)
Dividend income	27	(27,442,248)	(29,201,101)
Loss on disposal of operating assets - net	30	25,202,300	5,550,881
Provision for doubtful debts	29	15,000,000	-
Plot cancellation charges	30	17,332,028	-
(Gain) on disposal of short term investment	27	(9,000)	(26,598,982)
Balances written (back) - net	27	(10,223,324)	(6,510,666)
Fair value (gain) on short term investments	27	(66,587,494)	(89,704,094)
Finance cost	31	1,072,193,766	1,484,845,499
Operating cash flows before working capital changes		3,508,153,779	2,285,872,734
Changes in working capital			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(30,172,057)	(23,149,234)
Stock in trade		(2,919,258,440)	401,589,200
Trade debts		(443,712,035)	324,539,707
Loans, advances and deposit		28,348,518	(68,897,584)
Prepayments		1,554,491	14,655,517
Other receivables		106,255,334	(346,197,199)
Tax refunds due from Government- sales tax		(585,949,898)	(134,294,903)
Increase in current liabilities			
Trade and other payables		900,477,943	590,164,209
		(2,942,456,144)	758,409,713
Cash generated from operating activities		565,697,635	3,044,282,447
Finance cost paid		(1,132,350,475)	(1,330,753,131)
Income tax paid		(376,131,252)	(351,062,127)
Net cash (used in) / generated from operating activities		(942,784,092)	1,362,467,189

	Note	2025 Rupees	2024 Rupees
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(287,873,426)	(3,094,419,627)
Advance for purchase of land received back		254,515,284	-
Proceeds from disposal of operating assets		5,468,792	18,088,000
Profit on deposits		503,651,228	920,164,426
Dividend received		27,442,248	29,201,101
Long term security deposits refunded		3,500,000	12,000,000
Proceeds from disposal of short term investment		986,000	47,145,222
Net cash generated from / (used in) investing activities		<u>507,690,126</u>	<u>(2,067,820,878)</u>
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance obtained	17.1	-	2,049,279,090
Repayment of long term finance	17.1	(1,940,423,324)	(669,491,894)
Increase / (decrease) in short term borrowings - net		2,307,280,488	(37,886,925)
Dividend paid		(196,655)	(179,555,386)
Net cash generated from financing activities		<u>366,660,509</u>	<u>1,162,344,885</u>
Net (decrease) / increase in cash and cash equivalents (a+b+c)		(68,433,457)	456,991,196
Cash and cash equivalents at the beginning of the year		4,139,123,929	3,682,132,733
Cash and cash equivalents at the end of the year		<u><u>4,070,690,472</u></u>	<u><u>4,139,123,929</u></u>

The annexed notes from 1 to 42 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1. GENERAL INFORMATION

- 1.1** Zahidjee Textile Mills Limited (the Company) is incorporated in Pakistan on July 17, 1990 as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act 2017 on May 30, 2017). The registered office of the Company is situated at 131-A, Street-P, Scotch Corner, Upper Mall Scheme, Lahore in the province of Punjab. The Company is listed on Pakistan Stock Exchange Limited. The principal business of the Company is export of all kinds of value added fabrics and textile made-ups. The Company is also engaged in the business of manufacturing and sale of yarn. The weaving unit is located at 32-KM, Tandlianwala Road, Satyana, District Faisalabad and spinning units are located at 32-KM, Sheikhpura Road, Faisalabad and M-3 Industrial Estate, Faisalabad, in the province of Punjab.
- 1.2** The Company's spinning project comprising of 16,800 spindles has been implemented during the year.
- 1.3** Pursuant to scheme of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Zahidjee Fabrics Limited were merged with the assets, liabilities and reserves of Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.4** The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2024 and therefore, have been applied in preparing these financial statements.

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

Amendments to IAS 1 are made to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer settlement must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.

The amendments have no material impact on the company's financial statements.

- **Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback**

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments have no material impact on the company's financial statements.

- **Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements**

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments have no material impact on the company's financial statements.

- **Accounting Standard - Non-Going Concern Basis of Accounting**

The Institute of Chartered Accountants of Pakistan (ICAP) has issued accounting standards to specify the basis of accounting for a non-going concern entity.

The basis of accounting establishes principles and requirements for how the non-going concern entity shall account for and present effects of transactions, other events and conditions in its financial statements. This will enable users of the financial statements in evaluating the nature and financial effects of non-going concern position, financial performance and cash flows.

The standard establishes principles and requirements for how a reporting entity when preparing financial statements on an assumption other than going concern should:

- Recognizes and measures in its financial statements, assets, liabilities, income and expense; and
- Discloses information

The amendments are effective for the annual periods beginning on or after January 01, 2024.

The amendments have no material impact on the company's financial statements.

2.2.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2024 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

2.2.3 Standards, amendments to standards and interpretations becoming effective in future

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

- **Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments deal with situation where there is a sale or contribution of assets between investor and its associate or joint venture.

The amendments states that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

The effective date of the amendments have yet to be set by the Board, however earlier application of the amendments is permitted. The amendments are not expected to have any material impact on the company's financial statements.

- **Amendments to IAS 21 - Lack of exchangeability**

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date.

The amendments are effective for the annual periods beginning on or after January 01, 2025.

The amendments are not expected to have any material impact on the company's financial statements.

- **Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial**

The amendments clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

The amendments clarifies the treatment of non-recourse assets and contractually linked instruments.

The amendments requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for the annual periods beginning on or after January 01, 2026.

The amendments are not expected to have any material impact on the company's financial statements.

- **IFRS 17 – Insurance Contracts**

The amendments to IFRS 17 address the treatment of contracts acquired in their settlement period and clarify the application of the standard to reinsurance contracts held, investment components, and interim financial statements. These amendments aim to reduce operational complexity and ensure consistent application of the standard across entities.

The amendments are effective for annual periods beginning on or after January 01, 2026, with earlier application permitted.

The amendments are not expected to have a material impact on the Company's financial statements.

- **IFRS 18 - Presentation and Disclosure in Financial Statements**

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations.

IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM.

IFRS 18 differentiates between 'presenting' information in the primary financial statements and disclosing' it in the notes.

IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics.

The amendments are effective for the annual periods beginning on or after January 01, 2027.

The amendments may have a material impact on the company's financial statements in future periods.

- **IFRS 19 - Subsidiaries without Public Accountability: Disclosures**

IFRS 19, allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

The amendments are effective for the annual periods beginning on or after January 01, 2027.

The amendments are not expected to have any material impact on the company's financial statements.

2.2.4 Standards, amendments to standards and interpretations becoming effective in future period but not relevant

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

2.3 Basis of preparation

The financial statements have been prepared under the historical cost convention except: -

- Certain property, plant and equipment carried at valuation.
- Short term investments measured at fair value.

MATERIAL ACCOUNTING POLICY INFORMATION

2.4 Property, plant and equipment

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost / valuation less accumulated depreciation and impairment in value, if any. Freehold land and capital work in progress are stated at valuation, cost less accumulated impairment in value, if any.

Depreciation is charged to income applying the reducing balance method at the rates specified in property, plant and equipment note 3.

Assets' residual values, if significant and their useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition or capitalisation and upto the month preceeding the disposal respectively.

When parts of an item of property, plant and equipment have different useful lives, they are recognised as a separate item of property, plant and equipment.

Normal repair and maintenance costs are charged to income during the period in which they are incurred. Major renewals and improvements are capitalised.

Gains or losses on disposal of assets, if any, are recognised as and when incurred.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

Any revaluation increase arising on freehold land, building on freehold land and plant and machinery is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of freehold land, building on freehold land and plant and machinery improvements is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation of building on freehold land and plant and machinery improvements to the extent of incremental depreciation charged is transferred to unappropriated profit.

2.5 Intangible assets

These are stated at cost less accumulated amortisation and impairment in value, if any. Intangible assets are amortised over a period of five years using straight line method.

Amortisation on additions during the year is charged from the month in which an asset is acquired or capitalised.

All costs / expenditure connected with software implementation are collected in computer softwares under implementation. These are carried at cost less impairment in value, if any and are transferred to specific assets as and when assets are available for intended use.

2.6 Investments

Investments are initially recognised / derecognised on trade date at cost being the fair value of consideration given including cash transaction. Trade date is the date that the Company commits to purchase or sell the investment. After initial recognition these are recognised and accounted for as follows:

Investments at fair value through profit or loss

These are the investments which are classified as held for trading and are acquired principally for the purpose of generating profit from short term fluctuation in price. Investments designated at fair value through profit or loss upon initial recognition also include those group of investments which are managed and their performance evaluated on fair value basis in accordance with the Company's documented investment strategy.

After initial recognition, such investments are remeasured at fair value determined with reference to the year end quoted rates (equity shares and investments in units of closed end funds at respective stock exchange rates, while the units of open end funds at their declared net asset value per unit). Gains or losses on remeasurments of these investments are recognised in the statement of profit or loss.

Derecognition

All investments are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Gain / loss on sale of investments is taken to income in the period in which it arises.

2.7 Impairment

The Company assesses at each statement of financial position date whether there is any indication that assets except deferred tax assets may be impaired. If such indications exist, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in statement of profit or loss, unless the relevant assets are carried at revalued amounts, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognised for the assets in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant assets are carried at revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction 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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Stores, spares and loose tools

These are valued at moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice value plus other charges incurred thereon.

2.10 Stock in trade

Stock in trade except wastes are valued at the lower of cost and net realisable value. Cost is determined as follows:

Raw material	Weighted average cost except items in transit which are valued at cost accumulated upto the statement of financial position date.
Work in process	Average manufacturing cost.
Finished goods	Average manufacturing cost.

Wastes are valued at net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sales. Average manufacturing cost represents cost of direct materials, labour and appropriate manufacturing overheads.

2.11 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified. Other receivables are carried at nominal amount which is the fair value of the consideration to be received in future.

2.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

2.13 Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether billed to the Company or not.

2.14 Staff retirement benefits

The company discontinued its defined contribution plan from October 2024 and continue to operate a defined benefit plan - unfunded gratuity scheme covering all permanent employees. Provision is made annually on the basis of actuarial recommendation to cover the period of service completed by employees using Projected Unit Credit Method. All actuarial gains and losses are recognised in 'other comprehensive income' as they occur.

2.15 Provisions

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

2.16 Provision for taxation

Tax Liability is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher in accordance with the provisions of Income Tax Ordinance 2001.

Current tax

The charge for current taxation is calculated on taxable income using the notified rate of taxation after taking into account tax credits and rebates available, if any is recognized as "current income tax expense".

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income and based on revenue or basis other than taxable income is classified as levy. Minimum taxes in excess of the amount designated as income tax is recognized as levy falling under the scope of IFRIC 12/IAS 37.

Deferred taxation

Deferred tax is provided using the liability method for all temporary differences at the statement of financial position date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax is charged or credited in the income statement, except in case of items charged or credited to equity in which case it is included in equity.

2.17 Dividend and other appropriations

Dividend is recognised as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

2.18 Foreign currency translation

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in net profit or loss for the period.

2.19 Financial Instruments

2.19.1 Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

- Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

- Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets are measured at fair value at initial recognition and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

2.19.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

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

2.20 Offsetting of financial asset and financial liability

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position, if the Company has a legal enforceable right to offset the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business. For this purpose, the Company:

- identifies the contract with a customer;
 - identifies the performance obligations in the contract;
 - determines the transaction price which takes into account estimates of variable consideration, if any, and the time value of money;
 - allocates the transaction price to the separate performance obligations, if applicable, on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
 - recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer of control of the goods or services promised to the customer.
 - Determining the timing of the transfer of control – at a point in time or over time – requires judgment.
- Revenue is recognized by the Company on the following basis:

Sale of goods is recognised at a point in time when control of goods is transferred to customers.

Revenue from conversion receipts is recognised when services are rendered.

Interest income is recognized on time proportionate basis.

Dividend income from investments is recognised when the Company's right to receive payment has been established except dividend from associate accounted for using equity method which is recognised as a reduction of the carrying value of investment when the Company's right to receive payment has been established.

2.22 Related party transactions

Transactions with related parties are priced on arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

2.23 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IASs / IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables and slow moving inventory, staff retirement gratuity, fair value of short term investment, revaluation and taxation. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

	Note	2025 Rupees	2024 Rupees
3. Property, plant and equipment			
Operating assets	3.1	19,050,634,124	10,649,159,934
Capital work in progress	3.7	107,541,890	4,660,755,484
Non operating lands	3.8	16,203,950	16,203,950
Advances against purchase of land		-	271,847,312
Advances for capital expenditure		-	43,349,870
		19,174,379,964	15,641,316,550

3.1 Operating assets

Cost \ valuation	1,177,699,696	2,718,516,327	8,727,527,196	297,518,834	74,291,012	29,282,578	18,790,244	10,840,735	143,693,864	13,198,160,486
Accumulated depreciation	-	(394,184,867)	(1,258,438,184)	(134,888,324)	(34,993,503)	(14,681,151)	(8,236,528)	(6,303,384)	(59,559,265)	(1,911,285,206)
Net book value	1,177,699,696	2,324,331,460	7,469,089,012	162,630,510	39,297,509	14,601,427	10,553,716	4,537,351	84,134,599	11,286,875,280

Opening net book value	1,177,699,696	2,324,331,460	7,469,089,012	162,630,510	39,297,509	14,601,427	10,553,716	4,537,351	84,134,599	11,286,875,280
Additions	21,033,360	-	23,971,134	660,345	-	2,725,704	-	246,000	5,949,089	54,585,632
Transfer from capital work in progress	-	-	368,853,135	-	-	-	-	-	-	368,853,135

Cost	-	-	(23,898,747)	-	-	-	(35,000)	-	(17,056,870)	(40,990,617)
Accumulated depreciation	-	-	13,503,350	-	-	-	13,467	-	3,834,918	17,351,735
	-	-	(10,395,397)	-	-	-	(21,533)	-	(13,221,952)	(23,638,882)

Depreciation charge	-	(232,433,146)	(766,458,614)	(16,289,179)	(3,929,751)	(1,557,698)	(1,053,218)	(457,835)	(15,335,790)	(1,037,515,231)
Closing net book value	1,198,733,056	2,091,898,314	7,085,059,270	147,001,676	35,367,758	15,769,433	9,478,965	4,325,516	61,525,946	10,649,159,934

At June 30, 2024

Cost \ valuation	1,198,733,056	2,718,516,327	9,096,452,718	298,179,179	74,291,012	32,008,282	18,755,244	11,086,735	132,586,083	13,580,608,636
Accumulated depreciation	-	(626,618,013)	(2,011,393,448)	(151,177,503)	(38,923,254)	(16,238,849)	(9,276,279)	(6,761,219)	(71,060,137)	(2,931,448,702)
Net book value	1.198.733.056	2.091.898.314	7.085.059.270	147.001.676	35.367.758	15.769.433	9.478.965	4.325.516	61.525.946	10.649.159.934

Year ended June 30, 2025

Opening net book value	1,198,733,056	2,091,898,314	7,085,059,270	147,001,676	35,367,758	15,769,433	9,478,965	4,325,516	61,525,946	10,649,159,934
Additions	-	-	58,781,650	85,301,588	26,400	260,256	2,215,900	440,761	-	147,026,555
Transfer from capital work in progress (Note-3.7)	-	1,204,674,910	3,532,735,425	-	-	-	-	-	-	4,737,410,335
Revaluation surplus arisen during the year	1,428,235,069	619,545,590	2,940,915,688	-	-	-	-	-	-	4,988,696,347

Transfer from										
capital work in progress (Note-3.7)	-	1,204,674,910	3,532,735,425	-	-	-	-	-	-	4,737,410,335
Revaluation surplus arisen during the year	1,428,235,069	619,545,590	2,940,915,688	-	-	-	-	-	-	4,988,696,347

Disposals:

Cost \ valuation	-	-	(36,900,000)	-	-	(170,676)	(95,352)	-	(6,910,890)	(44,076,918)
Accumulated depreciation	-	-	8,505,450	-	-	128,377	71,404	-	4,700,596	13,405,827
	-	-	(28,394,550)	-	-	(42,299)	(23,948)	-	(2,210,294)	(30,671,091)

Depreciation charge	-	(291,365,691)	(1,111,829,533)	(19,160,478)	(3,538,976)	(1,589,111)	(1,064,500)	(435,897)	(12,003,770)	(1,440,987,956)
Closing net book value	2,626,968,125	3,624,753,123.00	12,477,267,950	213,142,786	31,855,182	14,398,279	10,606,417	4,330,380	47,311,882	19,050,634,124

At June 30, 2025

Cost \ valuation	2,626,968,125	3,755,032,867	12,933,857,972	383,480,767	74,317,412	32,097,862	20,875,792	11,527,496	125,675,193	19,963,833,486
Accumulated depreciation	-	(130,279,744)	(456,590,022)	(170,337,981)	(42,462,230)	(17,699,583)	(10,269,375)	(7,197,116)	(78,363,311)	(913,199,362)
Net book value	2,626,968,125	3,624,753,123	12,477,267,950	213,142,786	31,855,182	14,398,279	10,606,417	4,330,380	47,311,882	19,050,634,124

Annual rate of depreciation (%)	-	10	10	10	10	10	10	10	20
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	Note	2025 Rupees	2024 Rupees
3.2 Depreciation for the year has been allocated as under:			
Cost of sales	25.1	1,426,535,119	1,020,163,908
Administrative expenses	29	<u>14,452,837</u>	<u>17,351,323</u>
		<u>1,440,987,956</u>	<u>1,037,515,231</u>

3.3 Had there been no revaluation, the carrying values of freehold land, building on freehold land and plant and machinery at June 30, 2025 and 2024 would have been as follows:

	Carrying value	
	2025 Rupees	2024 Rupees
Freehold land	205,079,486	205,079,486
Building on freehold land	1,977,254,769	932,042,094
Plant and machinery	<u>7,533,763,867</u>	<u>5,074,408,955</u>
	<u>9,716,098,122</u>	<u>6,211,530,535</u>

3.4 The forced sale value of revalued freehold land, building on freehold land and plant and machinery was Rs. 15,618,326,152/- (2024 : 10,198,476,984/-) at the date of revaluation.

3.5 Detail of disposal of operating assets :

-----2025-----							
Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/(Loss)	Relationship	Particulars of buyers
-----Rupees-----							
Plant and Machinery (by negotiation)	7,400,000	1,705,699	5,694,301	1,400,000	(4,294,301)	None	M/s Al-Fateh Weaving, P-70, 2nd Floor, Usman Plaza, Gole Cloth, Faisalabad.
	25,900,000	5,969,950	19,930,050	1,400,000	(18,530,050)	None	Muhammad Imran, S/o Talib Hussain Chak No. 139, Tehsil Arifwala, District Pakpattan.
	3,600,000	829,800	2,770,200	185,291	(2,584,909)	None	Iqbal Khan S/o Abdul Hameed, House No. 1899-D, Ghulam Muhammad Abad, Faisalabad.
Office equipment (by negotiation)	170,676	128,377	42,299	19,500	(22,799)	None	Ihtsham Habib S/o Habib Rehman, P-225, Baghdadi Chowk, Faisalabad
Electric appliances(by negotiation)	95,352	71,404	23,948	150,000	126,052	None	Ali Raza S/o Nafees Ahmad, P-168, Kaleem Shaheed Colony, Faisalabad.
Vehicles (as per company policy)	2,789,390	1,611,152	1,178,238	1,309,000	130,762	Employee	Anwar Ul Haq S/o Muhammad Shafi, House No. 99-A, Phase 2, Lalazar Garden, Lahore
	1,179,500	885,589	293,911	309,000	15,089	Employee	Naveed Ashraf S/o Muhammad Ashraf, House No. 184, Rehmanpura, Sheikhpura.
	647,000	552,925	94,075	100,000	5,925	Employee	Imran Rashad S/o Muhammad Rashad, House 17-D, Garden Town, Lahore
	1,045,000	503,459	541,541	482,000	(59,541)	Employee	Muhammad Jamshaid S/o Muhammad Yousaf, P-194, Street No. 6, Ashrafabad, Faisalabad
	1,250,000	1,147,473	102,527	114,000	11,473	Employee	Shahab Ud Din Khan S/o Abdul Majeed Khan, House No. 13-X-5, Madina Town, Faisalabad.
	<u>44,076,918</u>	<u>13,405,827</u>	<u>30,671,091</u>	<u>5,468,791</u>	<u>(25,202,300)</u>		

Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/(Loss)	Relationship	Particulars of buyers
----- Rupees -----							
Plant and Machinery (by negotiation)	250,630	137,973	112,657	200,000	87,343	None	Adnan Adrees S/o Muhammad Adrees, House No. P 178, Street No.7, D-Type Colony, Faisalabad.
	407,459	268,390	139,069	375,000	235,931		
	407,459	268,390	139,069	375,000	235,931		
	407,459	268,390	139,069	375,000	235,931		
	2,817,750	1,801,984	1,015,766	850,000	(165,766)		
	224,104	147,616	76,488	200,000	123,512		
Plant and Machinery (by negotiation)	4,158,633	2,282,100	1,876,533	228,000	(1,648,533)	None	Sajid Mahmood S/o Muhammad Sharif, House No. 235, Block 1-H, Azmeer Town, Canal Road, Lahore.
	15,225,253	8,328,507	6,896,746	300,000	(6,596,746)	None	Sultan Saeed Ahmed S/o Miraj Deen, House No.1185, Peoples Colony No.2, Muhammadi Chowk, Faisalabad.
Electric appliances (by negotiation)	35,000	13,467	21,533	15,000	(6,533)	None	Muhammad Jawad S/o Muhammad Afzal House No. 715-B, Peoples Colony No. 1, Faisalabad.
Vehicles (by negotiation)	5,712,000	376,040	5,335,960	5,235,000	(100,960)	None	Muhammad Amir Shehzad S/o Muhammad Younus, House No. 29/30, Kohinoor City, Faisalabad.
	8,735,690	990,045	7,745,645	9,000,000	1,254,355	None	Fahad Abdullah Shah S/o Muhammad Mazhar ul Haq Shah, House No. 935, Block B, Sahiwal.
	1,298,826	1,265,238	33,588	15,000	(18,588)	None	Maqsood Ahmad S/o Abdul Majeed, Warah Changarah Post Office, Tabi Sahab Singh. Sheikhupura.
	700,000	635,695	64,305	525,000	460,695	None	Muhammad Mughanim Saleem S/o Shahzad Saleem, House No. 62-C, Model City II, Faisalabad.
	610,354	567,901	42,453	395,000	352,547	None	Amir Iqbal Sajid S/o Muhammad Sajid, House No. 671, Allama Iqbal Town, Lahore.
	40,990,617	17,351,736	23,638,881	18,088,000	(5,550,881)		

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

Location	Usage of immovable property	Total Area (in square foot)
a) 32-KM, Sheikhpura Road, Faisalabad.	Spinning unit and power house	660,752
b) 32-KM, Tandlianwala Road, Faisalabad.	Weaving unit	628,899
c) Raja Bolay, Tehsil Cantt, District Lahore.	Godown	1,971,094
d) Plot # 6, M-3 Industrial Estate, Faisalabad.	Spinning unit and power house	756,856
e) 20, Bilal Road, Civil Lines, Faisalabad.	Office	49,550
f) Small industrial Estate Road, Faisalabad.	Export house	11,707

3.7 Capital work in progress

	Civil work	Plant and machinery	Total
	-----Rupees-----		
Balance as at July 1, 2023	732,803,168	1,256,971,457	1,989,774,625
Additions	389,442,532	2,650,391,462	3,039,833,994
Transfer to operating assets	-	(368,853,135)	(368,853,135)
Balance as at June 30, 2024	1,122,245,700	3,538,509,784	4,660,755,484
Additions	82,429,210	101,767,531	184,196,741
Transfer to operating assets	(1,204,674,910)	(3,532,735,425)	(4,737,410,335)
Balance as at June 30, 2025	-	107,541,890	107,541,890

3.8 It represents land held for future expansion, and the particulars of such immovable property (i.e., non-operating land) in the name of the Company are as follows:

Location	Usage of immovable property	Total Area (in square foot)
a) Raja Bolay, Tehsil Cantt, District Lahore.	Land held for future expansion	69,404
b) Deve Khurd Kalan, Tehsil Model Town, District Lahore.	Land held for future expansion	14,974

	Note	2025 Rupees	2024 Rupees
4. Long term security deposits			
Against Utilities		4,975,784	4,975,784
Security Deposit		-	3,500,000
		<u>4,975,784</u>	<u>8,475,784</u>

5. Stores, spares and loose tools

Stores			
in hand		142,427,866	139,998,405
in transit		-	29,523,376
Spares	5.1	240,668,876	183,328,985
Loose tools		268,012	341,931
		<u>383,364,754</u>	<u>353,192,697</u>

5.1 Stores and spares include items that may result in fixed capital expenditure but are not distinguishable.

	Note	2025 Rupees	2024 Rupees
6. Stock in trade			
Raw materials			
in hand	6.1	5,171,850,795	1,277,122,997
In transit	6.1	743,206,887	1,610,388,814
		5,915,057,682	2,887,511,811
Work in process		368,363,944	326,794,669
Finished goods	6.1	574,995,107	739,581,751
Waste		47,316,243	32,586,305
		<u>6,905,732,976</u>	<u>3,986,474,536</u>

6.1 Stock in trade amounting to Rs. 5,334.92 million (2024: Rs.3,189.17 million) was pledged as security with the banking companies.

	Note	2025 Rupees	2024 Rupees
7. Trade debts			
Considered good			
Secured			
Foreign	7.1	34,742,860	79,064,718
Unsecured			
Foreign	7.1	556,793,016	583,310,725
Local		3,278,082,848	2,778,531,246
		3,834,875,864	3,361,841,971
Considered doubtful			
Unsecured			
Foreign	7.1	22,600,585	22,600,585
Less: Provision for doubtful debts		(22,600,585)	(22,600,585)
		-	-
Local		84,585,176	69,585,176
Less: Provision for doubtful debts		(84,585,176)	(69,585,176)
		-	-
		<u>3,869,618,724</u>	<u>3,440,906,689</u>

7.1 Following are the details of debtors in relation to export sales:

Jurisdiction	Category	2025 Rupees	2024 Rupees
Africa	Cash against documents	-	18,273,909
Europe	Letter of credit	34,742,860	79,064,718
	Cash against documents	-	71,484,390
		34,742,860	150,549,108
North America	Cash against documents	482,108,846	398,008,474
South America	Cash against documents	97,284,755	118,144,538
		<u>614,136,461</u>	<u>684,976,028</u>

8. Loans, advances and deposit

Considered good			
Advances			
Employees		589,709	410,000
Suppliers		211,165,386	287,294,728
Income tax		171,066,528	63,200,000
Letters of credit fee and expenses		167,178,177	119,577,062
		<u>549,999,800</u>	<u>470,481,790</u>

9. Prepayments

Prepaid tax	269,921,883	247,581,973
Prepaid Insurance	1,320,902	2,875,393
	<u>271,242,785</u>	<u>250,457,366</u>

	Note	2025 Rupees	2024 Rupees
10. Other receivables			
Considered good			
Export rebate / duty drawback		31,173,775	24,417,322
Receivable from Associated Undertaking	10.1	800,000	800,000
Insurance claim receivable		-	10,643,000
Profit on deposit		130,051,991	356,699,401
Other	10.2	254,515,284	184,670
		<u>416,541,050</u>	<u>392,744,393</u>

10.1 It represents receivable in respect of expenses incurred for Zahidjee Towers (Private) Limited, a related party. It is unsecured.

10.2 It represents (2024 : Nil) receivable due to cancellation of agreement for purchase of land, which was subsequently received.

	Note	2025 Rupees	2024 Rupees
11. Short term investment			
Investment in ordinary shares	11.1	<u>225,474,638</u>	<u>159,864,144</u>
11.1 Financial assets at fair value through profit or loss			
Quoted securities			
Habib Metropolitan Bank Limited			
2,022,854 (2024: 2,022,854) Ordinary shares of Rs.10/- each		138,909,384	59,573,050
JS Bank Limited			
Nil (2024: 100,000) Ordinary shares of Rs.10/- each		-	467,000
MCB Bank Limited			
88,000 (2024: 88,000) Ordinary shares of Rs.10/- each		19,977,760	10,120,000
		<u>158,887,144</u>	<u>70,160,050</u>
Adjustment in fair value - net		66,587,494	89,704,094
		<u>225,474,638</u>	<u>159,864,144</u>

11.2 The fair value of short term investment is based on prices quoted in active markets which is level 1 of fair value hierarchy.

	2025 Rupees	2024 Rupees
12. Tax refunds due from Government		
Income tax	260,970,153	254,382,802
Sales tax	829,147,436	243,197,538
	<u>1,090,117,589</u>	<u>497,580,340</u>

	Note	2025 Rupees	2024 Rupees
13. Cash and bank balances			
Cash in hand		11,483,032	19,194,305
Cash at banks			
In current accounts		91,566,435	247,897,788
In PLS accounts	13.1	58,579,666	215,433,200
In Deposit accounts	13.2	3,909,061,339	3,656,598,636
		<u>4,070,690,472</u>	<u>4,139,123,929</u>

13.1 Effective profit rate in respect of PLS accounts was 8.39% to 16.27% per annum (2024 : 12.61% to 22.50% per annum).

13.2 It represents the investment in term deposit receipts carrying profit at the rates ranging from 6.89% to 21.79% per annum (2024: 15.60% to 19.51% per annum).

	Note	2025 Rupees	2024 Rupees
14. Trade and other payables			
Creditors		2,158,322,586	1,356,494,215
Accrued liabilities		664,651,512	650,030,986
Advance from customers	14.1	456,514,216	409,722,651
Payable to provident fund		763,435	9,258,234
Workers' profit participation fund	14.2	88,946,605	44,583,265
Workers' welfare fund		63,536,860	30,399,890
Withholding taxes		122,865,788	164,857,142
		<u>3,555,601,002</u>	<u>2,665,346,383</u>

14.1 Advances from customers at the beginning of the year were converted into revenue during the year.

14.2 Workers' profit participation fund

Opening balance	44,583,265	351,544,123
Interest on funds utilised in the Company's business	3,583,566	24,173,233
	<u>48,166,831</u>	<u>375,717,356</u>
Paid to workers on behalf of the fund	<u>(48,166,831)</u>	<u>(375,717,356)</u>
	-	-
Allocation for the year	88,946,605	44,583,265
	<u>88,946,605</u>	<u>44,583,265</u>

15. Interest / mark up payable

Interest / mark up payable on:		
Short term borrowings	98,217,305	90,792,181
Long term finance	88,355,024	155,936,855
	<u>186,572,329</u>	<u>246,729,036</u>

	Note	2025 Rupees	2024 Rupees
16. Short term borrowings			
Secured			
From banking companies			
Running finances	16.2	-	46,833,953
Cash finances	16.3	5,170,868,264	2,702,278,823
Un-secured			
From directors and associates	16.4	145,825,000	260,300,000
		<u>5,316,693,264</u>	<u>3,009,412,776</u>

16.1 The aggregate unavailed short term borrowing facilities available to the Company are Rs. 16,193.31 million (2024 : Rs. 8,590.89 million).

16.2 These were secured against first joint parri passu charge and ranking charge over present and future current assets of the Company, lien on export documents and by personal guarantee of directors of the Company. These were subject to mark up at the rates of one month KIBOR plus 1% (2024: one month KIBOR plus 1% and SBP rate plus 2% per annum).

The effective rate of mark up charged during the year ranges from 11.87% to 21.16% per annum (2024: 21.52% to 23.77% per annum).

16.3 These are secured against pledge of cotton, polyester, manmade fibers, yarn and grey cloth. These are further secured by personal guarantee of directors of the Company. These are subject to mark up at the rates of one month KIBOR plus 0.5% to 1% per annum, three months KIBOR plus 0.5% to 1% per annum and six month KIBOR plus 0.5% to 0.75% (2024: one month KIBOR plus 0.75% to 1.5% per annum, three months KIBOR plus 1% to 1.25% per annum, six month KIBOR plus 0.9% to 1% and nine month KIBOR plus 1%).

The effective rate of mark up charged during the year ranges from 10.98% to 21.66% per annum (2024: 17.37% to 25.68%).

16.4 This is interest free and obtained for meeting working capital requirements of the Company.

	Note	2025 Rupees	2024 Rupees
17. Long term finance			
Secured			
From banking companies			
Under mark up arrangements			
Term finances	17.2	1,568,350,634	2,063,067,824
Demand finances	17.2	157,219,951	1,015,637,367
Temporary Economic Refinance Facility (TERF)	17.2	1,773,674,244	2,360,962,962
		<u>3,499,244,829</u>	<u>5,439,668,153</u>
Less : Current portion			
Payable within one year		(1,017,143,779)	(858,822,983)
		<u>2,482,101,050</u>	<u>4,580,845,170</u>

17.1 Reconciliation of long term financing:

Opening balance	5,439,668,153	4,059,880,957
Obtained during the year	-	2,049,279,090
	<u>5,439,668,153</u>	<u>6,109,160,047</u>
Paid during the year	(858,822,983)	(669,491,894)
Prepaid during the year	(1,081,600,341)	-
Closing balance	<u>3,499,244,829</u>	<u>5,439,668,153</u>

17.2 The terms of repayment of finances are as under;

Nature of loans	Balance Rupees	Number of installments		Payment rests	Commencement date	Ending date	Markup rate
		Total	Balance				
Term finances							
I	79,554,000	24	12	Quarterly	30-Jun-21	7-Jun-28	SBP+1.75%
II	106,915,003	24	12	Quarterly	14-Jun-21	7-Jun-28	SBP+1.75%
III	68,774,058	24	6	Quarterly	22-Jan-21	22-Oct-26	SBP + 2%
IV	49,729,339	36	19	Quarterly	26-May-21	26-Feb-30	SBP + 1.5%
V	65,139,085	36	21	Quarterly	2-Dec-21	2-Sep-30	SBP + 1.5%
VI	4,401,450	20	9	Quarterly	15-Dec-22	15-Sep-27	SBP + 2%
VII	4,377,490	36	18	Quarterly	30-Jan-21	30-Oct-29	SBP + 1.5%
VIII	11,594,498	36	18	Quarterly	30-Jan-21	30-Oct-29	SBP + 1.5%
IX	4,086,992	36	18	Quarterly	30-Jan-21	30-Oct-29	SBP + 1.5%
X	6,907,996	36	18	Quarterly	30-Jan-21	30-Oct-29	SBP + 1.5%
XI	56,059,494	36	18	Quarterly	30-Jan-21	30-Oct-29	SBP + 1.5%
XII	8,967,000	36	14	Quarterly	24-Jan-20	24-Oct-28	SBP + 1%
XIII	3,738,384	36	14	Quarterly	24-Jan-20	24-Oct-28	SBP + 1%
XIV	14,180,442	36	14	Quarterly	14-Feb-20	14-Nov-28	SBP + 1%
XV	6,616,247	36	9	Quarterly	5-Dec-18	5-Sep-27	SBP + 1%
XVI	1,052,241	36	9	Quarterly	5-Dec-18	5-Sep-27	SBP + 1%
XVII	1,588,012	36	9	Quarterly	5-Dec-18	5-Sep-27	SBP + 1%
XVIII	12,345,994	36	9	Quarterly	5-Dec-18	5-Sep-27	SBP + 1%
XIX	5,759,756	36	9	Quarterly	27-Dec-18	27-Sep-27	SBP + 1%
XX	1,001,738	36	9	Quarterly	27-Dec-18	27-Sep-27	SBP + 1%
XXI	26,587,003	36	9	Quarterly	27-Dec-18	27-Sep-27	SBP + 1%
XXII	12,088,247	36	9	Quarterly	27-Dec-18	27-Sep-27	SBP + 1%
XXIII	15,789,728	36	10	Quarterly	6-Mar-19	6-Dec-27	SBP + 1%
XXIV	14,841,800	36	12	Quarterly	7-Aug-19	7-May-28	SBP + 1%
XXV	6,810,300	20	9	Quarterly	16-Dec-22	16-Sep-27	SBP + 2%
XXVI	22,798,800	20	9	Quarterly	16-Dec-22	16-Sep-27	SBP + 2%
XXVII	19,687,500	16	9	Quarterly	6-Sep-22	6-Sep-27	SBP + 1.5%
XXVIII	134,429,300	20	20	Quarterly	17-Aug-23	17-Aug-30	3MK+1.5%
XXIX	123,732,000	20	20	Quarterly	17-Aug-23	17-Aug-30	3MK+1.5%
XXX	241,838,700	20	20	Quarterly	17-Aug-23	17-Aug-30	3MK+1.5%
XXXI	436,958,037	24	21	Quarterly	1-Jul-23	21-Sep-30	3MK+1.5%
	1,568,350,634						
Demand Finances							
I	1,114,975	36	11	Quarterly	23-Apr-19	23-Jan-28	SBP + 2%
II	1,055,570	36	10	Quarterly	1-Mar-19	1-Dec-27	SBP + 2%
III	1,786,412	36	10	Quarterly	12-Feb-19	12-Nov-27	SBP + 2%
IV	14,843,044	36	12	Quarterly	12-Jul-19	12-Apr-28	SBP + 2%
V	21,453,475	36	11	Quarterly	1-Apr-19	1-Jan-28	SBP + 2%
VI	19,705,008	36	12	Quarterly	1-Jul-19	1-Apr-28	SBP + 2%
VII	3,999,350	36	11	Quarterly	27-May-19	27-Feb-28	SBP + 2%
VIII	2,436,764	36	12	Quarterly	12-Jul-19	12-Apr-28	SBP + 2%
IX	5,221,991	36	11	Quarterly	6-May-19	6-Feb-28	SBP + 2%
X	16,309,100	36	11	Quarterly	6-May-19	6-Feb-28	SBP + 2%
XI	31,923,225	36	11	Quarterly	7-Apr-19	7-Jan-28	SBP + 2%
XII	1,356,662	35	10	Quarterly	25-May-19	25-Nov-27	SBP + 2%
XIII	36,014,375	20	3	Quarterly	1-Jul-23	4-Aug-25	3MK+1.5%
	157,219,951						

Nature of loans	Balance Rupees	Number of installments		Payment rests	Commencement date	Ending date	Markup rate
		Total	Balance				
TERF							
I	295,652,500	20	13	Quarterly	30-Dec-23	30-Sep-28	SBP+ 3%
II	29,347,500	20	13	Quarterly	7-Oct-23	7-Jul-28	SBP+ 3%
III	22,424,978	20	13	Quarterly	20-Sep-21	20-Sep-28	SBP+ 2%
IV	42,776,416	20	13	Quarterly	29-Jul-21	29-Jul-28	SBP+ 2%
V	86,815,903	20	13	Quarterly	13-Aug-21	13-Aug-28	SBP+ 2%
VI	3,679,927	20	13	Quarterly	14-Jul-21	14-Jul-28	SBP+ 2%
VII	42,176,533	20	13	Quarterly	14-Jul-21	14-Jul-28	SBP+ 2%
VIII	63,145,880	20	13	Quarterly	15-Jul-21	15-Jul-28	SBP+ 2%
IX	63,653,272	20	13	Quarterly	19-Jul-21	19-Jul-28	SBP+ 2%
X	11,779,680	20	15	Quarterly	29-Jul-21	1-Oct-28	SBP + 3.5%
XI	248,127,509	20	15	Quarterly	1-Dec-22	1-Mar-29	SBP+ 3.5%
XII	992,313	20	15	Quarterly	1-Apr-22	1-Jan-29	SBP+ 3.5%
XIII	33,216,750	20	15	Quarterly	1-Apr-22	1-Apr-29	SBP+ 3.5%
XIV	19,383,750	20	15	Quarterly	1-Apr-22	1-Jan-29	SBP+ 3.5%
XV	63,450,000	20	16	Quarterly	10-Jun-22	10-Jun-29	SBP + 2.5%
XVI	94,822,003	24	12	Quarterly	16-Jun-21	16-Jun-28	SBP+ 2.5%
XVII	47,407,003	24	12	Quarterly	16-Jun-21	16-Jun-28	SBP+ 2.5%
XVIII	2,635,650	20	9	Quarterly	29-Sep-21	29-Sep-27	SBP+2.5%
XIX	1,995,729	20	9	Quarterly	13-Aug-21	13-Aug-27	SBP+2.5%
XX	4,785,543	20	8	Quarterly	31-May-21	31-May-27	SBP+2.5%
XXI	26,186,400	20	8	Quarterly	15-Jun-21	15-Jun-27	SBP+2.5%
XXII	83,291,600	20	8	Quarterly	15-Jun-21	15-Jun-27	SBP+2.5%
XXIII	3,733,800	20	12	Quarterly	26-Aug-21	7-Jun-28	SBP+2.75%
XXIV	508,800	20	12	Quarterly	26-Aug-21	7-Jun-28	SBP+2.75%
XXV	65,700,000	20	12	Quarterly	6-Aug-21	7-Jun-28	SBP+2.75%
XXVI	9,696,000	20	12	Quarterly	19-Jul-21	7-Jun-28	SBP+2.75%
XXVII	12,587,400	20	12	Quarterly	19-Jul-21	7-Jun-28	SBP+2.75%
XXVIII	12,953,400	20	12	Quarterly	19-Jul-21	7-Jun-28	SBP+2.75%
XXIX	7,879,800	20	12	Quarterly	7-Jul-21	7-Jun-28	SBP+2.75%
XXX	7,083,000	20	12	Quarterly	30-Jun-21	7-Jun-28	SBP+2.75%
XXXI	18,184,200	20	12	Quarterly	22-Jun-21	7-Jun-28	SBP+2.75%
XXXII	20,790,600	20	12	Quarterly	7-Jun-21	7-Jun-28	SBP+2.75%
XXXIII	16,349,400	20	12	Quarterly	7-Jun-21	7-Jun-28	SBP+2.75%
XXXIV	65,439,499	20	12	Quarterly	3-May-21	3-May-28	SBP+2.75%
XXXV	112,386,625	20	13	Quarterly	13-Aug-21	13-May-28	SBP+2.75%
XXXVI	31,295,160	20	13	Quarterly	12-Aug-21	12-May-28	SBP+2.75%
XXXVII	4,596,813	20	12	Quarterly	16-Jul-21	3-May-28	SBP+2.75%
XXXVIII	96,742,908	20	12	Quarterly	26-May-21	26-May-28	SBP+2.75%
	1,773,674,244						

The loans are secured against first joint parri passu charge and ranking charge over present and future fixed assets of the Company. These are further secured by the personal guarantee of directors of the Company.

Effective markup rates charged during the year ranges from 3.00% to 21.36% per annum (2024: 3.00% to 24.66% per annum).

	2025 Rupees	2024 Rupees
18. Staff retirement gratuity	35,886,523	-

General description

The scheme provides terminal benefits for all permanent employees of the Company who attains the minimum qualifying period of service as defined in the scheme. Annual charge is based on actuarial valuation. Latest valuation is carried out as at June 30, 2025 using Projected Unit Credit Method.

	2025 Rupees	2024 Rupees
18.1 The amount included in the statement of financial position is as follows:		
Present value of defined benefits obligation	<u>35,886,523</u>	<u>-</u>
18.2 Movement in the net liability recognised		
Opening liability	-	21,985,109
Net expenses recognised	35,886,523	-
Benefits due but not paid	-	(21,985,109)
Closing liability	<u>35,886,523</u>	<u>-</u>
18.2.1 Expenses recognised in statement of profit or loss account		
Current service cost	<u>35,886,523</u>	<u>-</u>
18.2.2 Principal actuarial assumptions		
Discount factor used	11.75% per annum	-
Expected rate of increase in salaries	10.75% per annum	-
Expected average remaining working lives of participating employees	6 years	-
18.2.3 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as under :		
	Reworked defined benefit obligation	
	Change in assumptions	Increase in assumptions Rupees
		Decrease in assumptions Rupees
Discount rate	100 bps	33,789,831
Salary growth rate	100 bps	38,293,188
		38,398,116
		33,656,301

The above sensitivity analysis is based on 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 obligation to significant actuarial assumptions, the same method (Projected Unit Credit Method) has been applied as for calculating the liability of staff retirement gratuity.

	2025 Rupees	2024 Rupees
19. Deferred taxation		
Opening balance	1,130,940,629	1,301,530,462
Provision/(Reversal) of deferred tax related to:		
Surplus arisen on revaluation	1,317,370,673	-
Incremental depreciation on revalued assets	(153,030,614)	(125,196,770)
Surplus realised on disposal of revalued assets	(9,165,963)	(1,845,870)
Provision of deferred tax on surplus	312,727,847	193,896,799
Provided / (Reversed) during the year	140,318,833	(237,443,992)
	<u>2,739,161,405</u>	<u>1,130,940,629</u>

19.1 It represents the following:

Deferred tax liability:		
Difference between accounting and tax bases of assets	2,803,766,205	1,555,836,235
Deferred tax asset:		
Carry forward tax credits and losses	(51,326,787)	(424,895,606)
Staff retirement gratuity	(13,278,013)	-
	<u>2,739,161,405</u>	<u>1,130,940,629</u>

20. CONTINGENCIES AND COMMITMENTS

Contingencies

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
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Sales tax

Lahore High Court, Lahore	The assessing officer of Inland Revenue passed order in respect of tax period July-2011 to June-2016 and created demand of Rs. 9,405,301/- (2024 : Rs. 9,405,301/-). The case was pending for adjudication before ATIR and the honorable Tribunal vide its order dated 04-12-2024 decided the appeal against the Company. Being aggrieved by the order the Company filed appeal before the Honorable High Lahore court against the said order which is pending for adjudication. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs. Federal Board of Revenue	November 10, 2017
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Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Appellate Tribunal Inland Revenue	The assessing officer of Inland Revenue passed orders in original in respect of tax periods from August-2013 to July-2015 and July-2010 to June-2011 and created demand of Rs. 8,806,053/- (2024: Rs. 8,806,053/-). Being aggrieved by the orders the Company filed appeals before the CIR(A) against the ONOs. The CIR(A) partially set aside the demand of Rs. 1,545,923/- (2024: Rs. 1,545,923/-) and disposed off the appeals. The Company filed the appeals before ATIR for the remaining demand. Currently the case is pending for adjudication before ATIR. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs. Federal Board of Revenue	March 22, 2014 August 22, 2016
Appellate Tribunal Inland Revenue	The assessing officer of Inland Revenue passed order in respect of tax period July-2021 to November-2021 and created a sales tax demand of Rs. 20,773,259/- (2024: Rs. 20,773,259/-) and also imposed penalty of Rs.1,038,663/- (2024: Rs.1,038,663/-). CIR (Appeals) partially set aside demand of Rs. 7,949,830/- (2024: Rs.7,949,830/-) and dispose off the appeals. The Company filled the appeal before Appellate Tribunal Inland Revenue (ATIR) for remaining demand. Currently the case is pending before ATIR. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs Federal Board of Revenue	22-Mar-22
Appellate Tribunal Inland Revenue	Deputy Commissioner Inland Revenue passed order in respect of tax period July 2016 to November 2021 and created a sales tax demand of Rs. 254,552,830/- (2024: Rs. 254,552,830/-) along with default surcharge and penalty amounting to Rs. 12,727,642/- (Rs. 12,727,642/-). Currently the case is pending for adjudication before ATIR. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements. This case has been decided in favour of the Company.	Company vs Federal Board of Revenue	31-Oct-22

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
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Other

Appellate Tribunal Lahore	The Director Social Security issued an order based on reassessment of number of employees and demanded Rs. 4,192,808/- (2024: Rs. 4,192,808/-) contribution regarding prior years. Currently the case is pending for adjudication before Appellate Tribunal Lahore. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs. Director Social Security	October 25, 2016
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Custom Appellate Tribunal Lahore	The custom officer of Excise and Customs department passed order in respect of year ended June 30, 2019 and created demand of Rs. 7,997,509/- which includes penalty of Rs. 100,000/- and default surcharge of Rs. 25,000/- (2024: Rs.7,997,509/- which includes penalty of Rs. 100,000/- and default surcharge of Rs. 25,000/-). Currently the case is pending for adjudication before Custom Appellate Tribunal Lahore. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs. Assistant collector (DTRE) MCC. Faisalabad	June 26, 2018
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	2025 Rupees	2024 Rupees
Bank guarantees issued in favour of :		
Sui Northern Gas Pipelines Limited for supply of gas.	248,627,000	215,127,000
Faisalabad Electric Supply Company Limited for supply of electricity.	72,748,000	72,747,000
Excise and taxation department against imposition of infrastructure cess	588,300,000	401,626,000
Indemnity bonds issued in favour of collector of customs / sales tax, Faisalabad to avail exemption of sales tax and custom duty on imported raw material / machinery.	700,000,000	700,000,000

Commitments

Under letters of credit for:		
Plant and machinery	235,772,845	203,688,184
Raw material and spare parts	2,892,607,035	3,138,039,980
Under contracts for purchase of land	-	300,463,688
Under contracts for civil work	55,633,932	4,321,000

21. Share capital

21.1 Authorised capital

2025 Number of shares	2024 Number of shares		2025 Rupees	2024 Rupees
<u>220,000,000</u>	<u>220,000,000</u>	Ordinary shares of Rs. 10/- each.	<u>2,200,000,000</u>	<u>2,200,000,000</u>

21.2 Issued, subscribed and paid up capital

2025 Number of shares	2024 Number of shares		2025 Rupees	2024 Rupees
89,462,580	89,462,580	Ordinary shares of Rs. 10/- each fully paid in cash.	894,625,800	894,625,800
23,041,604	23,041,604	Ordinary shares of Rs.10/- each issued as fully paid shares as per scheme of arrangement for amalgamation sanctioned by the Court.	230,416,040	230,416,040
78,916,915	78,916,915	Ordinary shares of Rs.10/- each issued as fully paid bonus shares.	<u>789,169,150</u>	<u>789,169,150</u>
<u>191,421,099</u>	<u>191,421,099</u>		<u>1,914,210,990</u>	<u>1,914,210,990</u>

21.3 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

22. Surplus on revaluation of property, plant and equipment

	2025 Rupees	2024 Rupees
Surplus on revaluation of property, plant and equipment at the beginning of the year	4,462,563,856	4,788,314,216
Surplus arisen on revaluation carried out during the year	4,988,696,347	-
Transferred to unappropriated profit in respect of :		
Incremental depreciation	(413,596,254)	(321,017,359)
Surplus realised on disposal	(24,772,872)	(4,733,001)
	(438,369,126)	(325,750,360)
Surplus on revaluation of property, plant and equipment as at June 30,	<u>9,012,891,077</u>	<u>4,462,563,856</u>
Related deferred tax liability :		
At the beginning of the year	970,768,959	903,914,800
Deferred tax relating to:		
Incremental depreciation	(153,030,614)	(125,196,770)
Surplus realised on disposal	(9,165,963)	(1,845,870)
Surplus arisen during the year	1,317,370,673	-
Deferred tax provided during the year	312,727,847	193,896,799
	<u>2,438,670,902</u>	<u>970,768,959</u>
	<u>6,574,220,175</u>	<u>3,491,794,897</u>

22.1 Latest revaluation of freehold land, building on freehold land and plant and machinery was carried out by independent valuers M/s BFA Private Limited as at February 21, 2025. Freehold land, building on freehold land and plant and machinery were revalued on market value basis. The valuation is based on unobservable inputs which is Level 3 of fair value hierarchy.

	Note	2025 Rupees	2024 Rupees
23. Revenue reserves			
General reserve		300,000,000	300,000,000
Unappropriated profit		11,710,834,017	9,939,880,679
	23.1	<u>12,010,834,017</u>	<u>10,239,880,679</u>

23.1 These reserves are available for distribution to shareholders.

24. Sales

Export			
Cloth / made ups	24.1	3,557,119,241	3,242,398,828
Local			
Yarn		34,612,796,874	32,245,917,293
Cloth		30,678,278	42,929,935
Waste and left over		2,514,413,619	2,469,499,675
Conversion receipts		221,526,327	48,259,299
		<u>37,379,415,098</u>	<u>34,806,606,202</u>
		40,936,534,339	38,049,005,030
Add: Export rebate / duty drawback		12,632,897	13,472,590
		<u>40,949,167,236</u>	<u>38,062,477,620</u>
Less: Commission and claims		341,104,646	320,660,545
		<u>40,608,062,590</u>	<u>37,741,817,075</u>

24.1 It includes exchange gain of Rs. 36,037,627/- (2024: Rs. 76,533,775/-).

	Note	2025 Rupees	2024 Rupees
25. Cost of sales			
Cost of goods manufactured	25.1	37,784,959,897	35,862,724,330
Finished goods			
Opening stock		772,168,057	818,458,425
Closing stock		(622,311,350)	(772,168,057)
		<u>149,856,707</u>	<u>46,290,368</u>
		<u>37,934,816,604</u>	<u>35,909,014,698</u>

25.1 Cost of goods manufactured

Raw material consumed	25.1.1	29,523,370,817	28,876,815,849
Packing material consumed		299,619,382	290,314,955
Salaries, wages and benefits		1,490,032,810	1,304,930,129
Retirement benefits		48,400,169	38,484,947
Stores and spares consumed		648,503,794	602,862,815
Fuel and power		4,319,785,118	3,717,435,542
Repairs and maintenance		26,886,628	21,934,513
Insurance		31,240,384	23,814,800
Depreciation	3.2	1,426,535,119	1,020,163,908
Others		12,154,951	9,116,804
		<u>37,826,529,172</u>	<u>35,905,874,262</u>
Work in process			
Opening stock		326,794,669	283,644,737
Closing stock		(368,363,944)	(326,794,669)
		<u>(41,569,275)</u>	<u>(43,149,932)</u>
		<u>37,784,959,897</u>	<u>35,862,724,330</u>

	Note	2025 Rupees	2024 Rupees
25.1.1 Raw material consumed			
Opening stock		1,277,122,997	2,878,817,974
Purchases including purchase expenses		33,418,098,615	27,275,120,872
		<u>34,695,221,612</u>	<u>30,153,938,846</u>
Closing stock		(5,171,850,795)	(1,277,122,997)
		<u>29,523,370,817</u>	<u>28,876,815,849</u>
26. Trading profit			
Sale of cotton / polyester		249,633,050	144,123,289
Cost of sales		205,947,266	115,658,939
		<u>43,685,784</u>	<u>28,464,350</u>
27. Other income			
Income from financial assets:			
Profit on deposits		633,703,220	920,164,426
Dividend		27,442,248	29,201,101
Gain on disposal of short term investment		9,000	26,598,982
Adjustment in fair value of short term investment - net		66,587,494	89,704,094
Income from Non financial assets:			
Balances written back-net		10,223,324	6,510,666
Scrap Sale		613,261	757,991
		<u>738,578,547</u>	<u>1,072,937,260</u>
28. Distribution cost			
Ocean freight		172,580,282	189,860,984
Local freight		95,529,472	78,547,020
Clearing and forwarding		43,186,147	29,692,774
Export development surcharge		8,509,776	2,532,652
Insurance		1,292,437	1,250,385
Others		61,244	18,593
		<u>321,159,358</u>	<u>301,902,408</u>
29. Administrative expenses			
Directors' remuneration		6,800,000	21,600,000
Staff salaries and benefits		121,330,852	118,961,370
Retirement benefits		4,182,526	3,128,072
Postage and telecommunication		3,268,811	3,624,929
Vehicles running and maintenance		35,917,770	32,931,964
Travelling and conveyance		3,127,953	2,606,243
Printing and stationery		1,853,055	1,687,706
Electricity and gas		6,821,182	5,073,977
Fees, subscriptions and periodicals		14,368,403	10,895,676
Advertisement		-	79,317
Insurance		1,372,144	1,157,223
Auditors' remuneration	29.1	2,150,560	1,955,058
Legal and professional		4,008,039	5,113,341
Rent, rates and taxes		8,235,329	12,273,386
Entertainment		13,205,424	10,259,616
Depreciation	3.2	14,452,837	17,351,323
Provision for doubtful debts		15,000,000	-
Others		1,927,913	1,540,701
		<u>258,022,798</u>	<u>250,239,902</u>

	Note	2025 Rupees	2024 Rupees
29.1 Auditors' remuneration			
Audit fee		1,597,200	1,452,000
Fee for the review of half yearly financial information		399,300	363,000
Other Certifications		20,960	19,058
Out of pocket expenses		133,100	121,000
		<u>2,150,560</u>	<u>1,955,058</u>
30. Other operating expenses			
Workers' profit participation fund		88,946,605	44,583,265
Workers' welfare fund		33,136,970	16,941,641
Loss on disposal of operating assets-net		25,202,300	5,550,881
Plot cancellation charges		17,332,028	-
		<u>164,617,903</u>	<u>67,075,786</u>
31. Finance cost			
Interest / mark up on:			
Long term finance		390,347,554	493,830,727
Short term borrowings		649,662,699	930,834,477
Workers' profit participation fund		3,583,566	24,173,233
Bank charges and commission		28,599,947	36,007,062
		<u>1,072,193,766</u>	<u>1,484,845,499</u>
32. Levies			
Minimum tax differential	32.1	43,228,052	181,463,514
Final taxes	32.2	4,117,687	56,416,467
		<u>47,345,739</u>	<u>237,879,980</u>
32.1	This represents portion of minimum tax paid under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.		
32.2	This represents final taxes paid under section 150 and 37 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.		
33. Provision for taxation		2025 Rupees	2024 Rupees
Current			
for the year		156,666,217	343,496,676
for prior year		(37,398,510)	(23,667,414)
Deferred		(21,877,743)	(362,640,762)
		<u>97,389,964</u>	<u>(42,811,500)</u>
33.1	Reconciliation of current tax charge as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:		
Current tax liability for the year as per applicable tax laws		204,011,956	581,376,656
Portion of current tax liability as per tax laws:			
representing income tax under IAS 12		(156,666,217)	(343,496,676)
representing levy in terms of requirements of IFRIC 21/IAS 37		(47,345,739)	(237,879,980)
Difference		<u>-</u>	<u>-</u>

33.2 Relationship between tax expense and accounting profit

	2025 Rupees	2024 Rupees
Accounting profit for the year before Levies and income tax	1,639,516,492	830,140,392
Tax on accounting profit at the applicable tax rate of 29%	475,459,783	240,740,714
Tax on inadmissible expenses	188,442,672	104,267,211
Tax on admissible expenses	(204,476,387)	(66,160,634)
Tax effect of super tax	35,595,044	196,821,145
Tax effect of worker welfare fund	(9,609,721)	(5,108,412)
Tax effect of final tax/exempt income	(324,627,487)	(70,646,881)
Minimum tax - levy	43,228,052	181,463,514
Levies and income tax	<u>204,011,956</u>	<u>581,376,656</u>

33.3 The aggregate of minimum / final tax and income tax, amounting to Rs. 204,011,956 (2024: Rs. 581,376,656/-) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

2025 2024

34. Earnings per share - Basic and diluted

Profit for the year (Rupees)	<u>1,494,780,789</u>	<u>635,071,912</u>
Weighted average number of ordinary shares outstanding during the year	<u>191,421,099</u>	<u>191,421,099</u>
Earnings per share - Basic and diluted (Rupees)	<u>7.81</u>	<u>3.32</u>

34.1 There is no dilutive effect on basic earnings per share of the Company.

35. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

	2025			2024		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
Remuneration	2,176,000	2,176,000	62,730,195	6,144,000	7,680,000	53,227,607
House						
Rent allowance	979,200	979,200	28,228,587	2,764,800	3,456,000	23,952,423
Medical allowance	217,600	217,600	6,273,019	614,400	768,000	5,322,761
Utilities allowance	27,200	27,200	784,127	76,800	96,000	665,345
	<u>3,400,000</u>	<u>3,400,000</u>	<u>98,015,928</u>	<u>9,600,000</u>	<u>12,000,000</u>	<u>83,168,136</u>
Number of persons	1	1	35	1	1	33

35.1 Chief Executive Officer is entitled to free use of the Company maintained vehicle. The monetary value of running and maintenance is Rs. 1,643,115/- (2024: Rs. 4,744,824/-). The Directors have waived off their meeting fee.

36. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of , associated undertakings, key management personnel and provident fund. Amounts due to / from related parties are shown under the relevant notes to the financial statements. Remuneration to Chief Executive Officer, Director and Executives is disclosed in Note 35. Other significant transaction with related parties are as follows.

Name of the related party	Relationship and Percentage	Transactions during the year	2025 Rupees	2024 Rupees
Muhammad Zahid	Director	Loan obtained	148,225,000	82,300,000
		Loan repaid	84,700,000	-
Zahidjee Textile Mills Limited Staff Provident Fund Trust	Other related party	Contribution for the year	16,696,172	41,613,019
Zahidjee Towers (Pvt.) Ltd.	Associated Undertaking	Operational expenses received back	-	5,321,921
Mehreen Fahad	Director	Security Deposits adjusted with rent	3,500,000	12,000,000
Haji Sharif	Related Party	Loan obtained	-	100,000,000
		Loan repaid	100,000,000	-
Muhammad Qasim	Related Party	Loan obtained	-	78,000,000
		Loan repaid	78,000,000	-

37. DISCLOSURE WITH REGARD TO PROVIDENT FUND

		2025	2024
Size of the fund	(Rupees)	24,366,394	98,912,000
Cost of investment made	(Rupees)	24,366,394	93,471,840
Percentage of investment made	(Percentage)	100%	94.50%
Fair value of investment	(Rupees)	24,366,394	93,471,840

37.1 The company discontinued the provident fund in November 2024 and started the staff retirement gratuity in replacement. The figures for 2025 are based on the un-audited financial statements of the provident fund trust.

38. NUMBER OF EMPLOYEES

	2025	2024
Total number of employees as at June 30:		
Permanent	1163	1141
Temporary	1421	1707
	2584	2848
Average number of total employees during the year	2573	2840

	2025	2024
39. PLANT CAPACITY AND ACTUAL PRODUCTION		
Spinning		
Number of spindles installed	150,084	133,284
Number of spindles worked	150,084	133,284
Number of shifts per day	3	3
Installed capacity after conversion into 20/s count (Kgs)	64,548,127	57,322,783
Actual production of yarn after conversion into 20/s count (Kgs)	62,051,838	55,105,922
Weaving		
Number of looms installed	262	280
Number of looms worked	262	280
Number of shifts per day	3	3
Annual production capacity converted into 60 picks (Square Meters)	39,801,902	42,536,384
Actual production converted into 60 picks (Square Meters)	36,065,443	38,543,222

39.1 Reasons for shortfall:

- It is difficult to determine precisely the production / rated capacity since it fluctuates widely depending on various factors such as speed, width and quality etc.
- The actual production is planned to meet the market demand.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through the mix of equity, debt and working capital management with a view to maintain an appropriate mix between various sources of finance to minimise risk. The overall risk management is carried out by the finance department under the oversight of Board of Directors in line with the policies approved by the Board.

	2025 Rupees	2024 Rupees
40.1 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets at amortised cost:		
Long term deposits	4,975,784	8,475,784
Trade debts	3,869,618,724	3,440,906,689
Loans, advances and deposit	589,709	410,000
Other receivables	385,367,275	368,327,071
Cash and bank balances	4,070,690,472	4,139,123,929
	<u>8,331,241,964</u>	<u>7,957,243,473</u>
Financial asset at fair value:		
Short term investments	<u>225,474,638</u>	<u>159,864,144</u>
Financial liabilities at amortised cost:		
Trade and other payables	2,823,737,533	2,211,040,467
Interest / mark up payable	186,572,329	246,729,036
Short term borrowings	5,316,693,264	3,009,412,776
Unclaimed dividend	12,873,679	13,070,334
Long term finance	3,499,244,829	5,439,668,153
	<u>11,839,121,634</u>	<u>10,919,920,766</u>

40.2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's activities expose it to a variety of financial risks (credit risk, liquidity risk and market risk). Risks measured and managed by the Company are explained below:

40.2.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The maximum exposure to credit risk at the reporting date is as follows:

	2025 Rupees	2024 Rupees
Long term deposits	4,975,784	8,475,784
Trade debts	3,869,618,724	3,440,906,689
Loans, advances and deposit	589,709	410,000
Other receivables	385,367,275	368,327,071
Short term investment	225,474,638	159,864,144
Bank balances	4,059,207,440	4,119,929,624
	<u>8,545,233,570</u>	<u>8,097,913,312</u>

Due to Company's long standing relations with counterparties and after giving due consideration to their financial standing, the management does not expect non performance by these counter parties on their obligations to the Company except trade debts considered doubtful.

For trade debts credit quality of the customer is assessed, taking into consideration its financial position and previous dealings. Individual credit limits are set. The management regularly monitor and review customers credit exposure. The aging of trade debts as at statement of financial position date is as under:

	2025 Rupees	2024 Rupees
Not past due	3,778,906,047	3,377,051,753
Past due	197,898,438	156,040,697
Less: Provision for doubtful debts	(107,185,761)	(92,185,761)
	<u>90,712,677</u>	<u>63,854,936</u>
	<u>3,869,618,724</u>	<u>3,440,906,689</u>

Appropriate provision has been made in respect of past due trade debts considered doubtful. The credit risk exposure is limited in respect of bank balances and short term investment as these are placed with local banks having good credit rating from international and local credit rating agencies.

The short term investment and bank balances alongwith credit rating is as follows.

	2025 Rupees	2024 Rupees
Credit Rating		
Short term investment		
A-1+	225,474,638	159,864,144
Bank balances		
AAA	129,188,818	2,826,269,042
AA+	8,864,275	138,431,689
AA	3,911,450,722	593,727,564
Others	9,703,625	561,501,329
	<u>4,059,207,440</u>	<u>4,119,929,624</u>

40.2.2 Market risk

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

i) Interest rate risk

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

Majority of interest rate risk arises from borrowings from banks and deposits in bank. The interest rate profile of the Company's interest bearing financial instruments is presented in relevant notes to the financial statements.

Sensitivity analysis

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period.

Fair value sensitivity analysis for fixed rate

The Company has no fixed rate financial assets and liabilities at fair value through profit and loss, therefore a change in interest rates at the reporting date would not effect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

Had the interest rate been increased / decreased by 1% at the reporting date with all other variables held constant, profit for the year and equity would have been lower / higher by Rs.86.33 million (2024: Rs. 77.78 million).

ii Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Company is exposed to currency risk on foreign debtors. The total foreign currency risk exposure on reporting date amounted to Rs.614.14 million (2024: Rs. 684.98 million).

At June 30, 2025, had the currency been weakened / strengthened by 5% against the U.S dollar and Euro, with all other variables held constant, profit for the year and equity would have been higher / lower by Rs.31.48 million (2024: Rs.36.06 million).

iii Equity price risk

Trading and investing in equity securities give rise to equity price risk. At the financial position date the Company is exposed to equity price risk in respect of investments. The total equity price risk exposure on reporting date amounted to Rs. 225.47 million (2024: Rs. 159.86 million).

At June 30, 2025, had the quoted securities prices been increased / decreased by 5%, with all other variables held constant, short term investments and equity would have been higher / lower by Rs. 11.27 million (2024: Rs. 7.99 million).

40.2.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity risk is to maintain sufficient level of liquidity by holding highly liquid assets and maintaining adequate reserve borrowing facilities. This includes maintenance of financial position liquidity ratios through working capital management. Following are the contractual maturities of financial liabilities including interest payments as at June 30, 2025 and June 30, 2024:

		2025			
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
-----Rupees in thousand-----					

Financial liabilities:

Trade and other payables	2,823,738	2,823,738	2,823,738	-	-	-
Interest / mark up payable	186,572	186,572	186,572	-	-	-
Short term borrowings	5,316,693	6,037,850	6,037,850	-	-	-
Unclaimed dividend	12,874	12,874	12,874	-	-	-
Long term finance	3,499,245	3,925,452	553,906	553,906	2,758,759	58,882
	11,839,122	12,986,486	9,614,940	553,906	2,758,759	58,882

		2024			
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
-----Rupees in thousand-----					

Financial liabilities:

Trade and other payables	2,211,040	2,211,040	2,211,040	-	-	-
Interest / mark up payable	246,729	246,729	246,729	-	-	-
Short term borrowings	3,009,413	3,970,531	3,970,531	-	-	-
Unclaimed dividend	13,070	13,070	13,070	-	-	-
Long term finance	5,439,668	5,836,085	487,604	487,604	4,525,973	334,903
	10,919,921	12,277,455	6,928,975	487,604	4,525,973	334,903

The contractual cash flows relating to mark up have been determined on the basis of weighted average mark up rates on borrowings. The Company will manage the liquidity risk from its own source through working capital management. As at the year end, the Company has liquid assets of Rs.10,052.70 million (2024: Rs. 8,160.15 million) and unavailed borrowing facilities of Rs. 16,193.31 million (2024: Rs. 8,590.89 million).

40.3 Fair values of financial instruments

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

40.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's 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 an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay financing from / to financial institutions.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total of long term finance and short term borrowings. Total capital comprises shareholders' equity as shown in the financial position under 'share capital and reserves' and net debt (net of cash and cash equivalent).

The salient information relating to capital risk management of the company as of June 30, 2025 and 2024 were as follows:

	Note	2025 Rupees	2024 Rupees
Total Debt	16 & 17	8,815,938,093	8,449,080,929
Less: Cash and bank balances	13	4,070,690,472	4,139,123,929
Net Debt		4,745,247,621	4,309,957,000
Total equity		20,865,523,695	16,012,145,079
Total capital		25,610,771,316	20,322,102,079
Gearing ratio		18.53%	21.21%

41. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 06-October-2025 by the Board of Directors of the Company.

42. GENERAL

42.1 Figures have been rounded off to the nearest Rupees except where mentioned in Rupees in thousands.

42.2 Re-Arrangements / Re-classification

Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison. There were no significant reclassification / restatement to these financial statements during the year except as mentioned below.

Profit on deposit receivable amounting to Rs. 356,699,401/- was grouped in "Local trade debts" under the head of "Trade debts". This has been disclosed as a separate line item of "Profit on deposit" under the head of "Other receivables" for better presentation.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Pattern of Shareholding**AS ON 30-06-2025**

No. of Shareholders	Shareholding		Total
	From	To	Shares held
214	1	100	6,713
896	101	500	255,981
558	501	1,000	399,302
1,524	1,001	5,000	1,921,003
24	5,001	10,000	178,574
15	10,001	15,000	187,657
3	15,001	20,000	53,941
1	20,001	25,000	20,258
4	30,001	35,000	134,057
1	40,001	45,000	44,788
3	45,001	50,000	145,599
1	60,001	65,000	64,601
1	65,001	70,000	66,000
2	75,001	80,000	159,461
1	95,001	100,000	100,000
1	100,001	105,000	105,000
1	175,001	180,000	179,448
1	185,001	190,000	188,492
1	665,001	670,000	665,434
1	1,085,001	1,090,000	1,090,000
1	2,240,001	2,245,000	2,244,338
1	40,730,001	40,735,000	40,734,628
1	142,475,001	142,480,000	142,475,824
3,256			191,421,099

Categories of shareholders

AS ON 30-06-2025

Categories of Shareholders	Number	Shares held	Percentage
Directors, Chief Executive and their spouse and minor children			
Mr. Muhammad Zahid	2	41,400,062	21.6
Mr. Faisal Masood Afzal	1	1,060	0.0
Mr. Ahmad Zahid	2	143,565,824	75.0
Mr. Sajjad Hussain Shah	1	500	0.0
Ms. Mehreen Zahind	1	499	0.0
Mr. Shahbaz Haider Agha.	1	500	0.0
Mr. Muhammad Ali	1	500	0.0
Associated Companies, undertakings	-	-	0.0
Related Parties	-	-	0.0
NIT AND ICP	-	-	0.0
M/S Industrial Development Bank of Pakistan	1	4,709	0.0
			0.0
Banks, Development Finance Institutions,	-	-	0.0
Non Banking Finance Companies, Insurance	-	-	0.0
Companies, Modarabas, Pension Fund	-	-	0.0
And Riet Management.	-	-	0.0
Mutual Fund	-	-	0.0
Joint Stock Companies	11	2,360,538	1.2
Ind. / General Public	-	-	0.0
Local	3,235	4,086,907	2.1
Foreign.	-	-	0.0
Total	3,256	191,421,099	100.00

Shareholders holding 5% (or more)

2

184,965,886

96.28

FORM OF PROXY

I/We, _____ of _____, holding Computerized National Identity Card (CNIC)/Passport No. _____ and being a member of Zahidjee Textile Mills Limited, hereby appoint _____ of _____, holding CNIC/Passport No. _____, or failing him/her hereby appoint _____ of _____, holding CNIC/Passport No. _____, as my/our proxy to vote for me/us and on my/our behalf at the (Annual, Extra-ordinary, as the case may be) general meeting of company to be held on the day of and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____

WITNESS:

1. Signature _____
 Name _____
 Address _____
 CNIC No. _____

2. Signature _____
 Name _____
 Address _____
 CNIC No. _____

CDC Account No.

Revenue Stamp of Rs. 5/-

To be signed by the above named shareholder

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.
4. The proxy-holder shall produce his/her original CNIC at the time of the meeting.
5. In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

پراکسی فارم

میں / ہم ----- ساکن ----- حامل کمپیوٹرائزڈ کارڈ (CNIC) / پاسپورٹ نمبر -----

اور بطور رکن زاهد جی ٹیکسٹائل ملز لمیٹڈ ----- حامل کمپیوٹرائزڈ کارڈ (CNIC) / پاسپورٹ نمبر -----

یا اس کی عدم موجودگی میں ----- حامل کمپیوٹرائزڈ کارڈ (CNIC) / پاسپورٹ نمبر ----- کو مورخہ ----- کو

منقعد ہونے والے سالانہ اجلاس عام اور اس کے کسی ملتوی شدہ اجلاس کے لیے میری / ہماری جانب سے ووٹ ڈالنے کے لیے بطور نمائندہ (پراکسی) تقرر کرتا ہوں / کرتی ہوں کرتے ہیں۔

گواہان کی موجودگی میں میرے / ہمارے / ہماری دستخط / مہر بروز ----- کو ثبت کئے گئے / کی گئی۔

گواہان:

1- دستخط -----	2- دستخط -----
نام -----	نام -----
پتہ -----	پتہ -----
کمپیوٹرائزڈ شناختی کارڈ نمبر -----	کمپیوٹرائزڈ شناختی کارڈ نمبر -----

پانچ روپے کی اسٹمپ

حصص یافتہ کے دستخط

سی ڈی سی اکاؤنٹ نمبر

نوٹس:

- 1- یہ پراکسی فارم، مکمل اور دستخط شدہ، کمپنی کے رجسٹرڈ دفتر میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے پراکسی کا ممبر ہونا لازمی ہے۔
- 2- پراکسی فارم پر دو گواہان کے نام، پتے اور سی این آئی سی نمبر درج ہونے چاہیے۔
- 3- پراکسی فارم کے ساتھ تقرر کرنے والے اور پراکسی کے حامل فرد کے سی این آئی سی کی تصدیق شدہ نقول جمع کی جائیں گی۔
- 4- اجلاس کے وقت پراکسی کا حامل شخص اپنا اصل شناختی کارڈ فراہم کرے گا۔
- 5- کارپوریٹ ادارے کی صورت میں، ادارے کے بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹرنی بشمول نمونہ دستخط پراکسی فارم کے ساتھ جمع ہوں گی۔

ZAHIDJEE TEXTILE MILLS LIMITED

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