NAGINA GROUP

Annual Report

2025

NAGINA COTTON MILLS LIMITED

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Shahzada Ellahi Shaikh	Non-Executive Director / Chairman
Mr. Naweed Akhter Sharif	Independent Non-Executive Director
Mr. Shafiq ur Rehman	Independent Non-Executive Director
Ms. Tosheeba Sarwar	Independent Non-Executive Director
Mr. Hasan Ahmad	Non-Executive Director
Mr. Shafqat Ellahi Shaikh	Non-Executive Director
Mr. Raza Ellahi Shaikh	Non-Executive Director
Mr. Haroon Shahzada Ellahi Shaikh	Non-Executive Director
Mr. Shaukat Ellahi Shaikh	Executive Director
Mr. Amin Ellahi Shaikh	Executive Director

CHIEF EXECUTIVE OFFICER Mr. Amin Ellahi Shaikh

AUDIT COMMITTEE

Mr. Shafiq ur Rehman	Chairman
Mr. Raza Ellaahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Syed Mohsin Gilani	Secretary

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Mr. Shafiq ur Rehman	Chairman
Mr. Amin Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

EXECUTIVE COMMITTEE

Mr. Amin Ellahi Shaikh	Chairman
Mr. Shaukat Ellahi Shaikh	Member
Mr. Raza Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

CORPORATE SECRETARY Mr. Syed Mohsin Gilani

CHIEF FINANCIAL OFFICER (CFO) Mr. Tariq Zafar Bajwa

HEAD OF INTERNAL AUDIT Mr. Farjad Ashfaq

AUDITORS

Messrs Yousuf Adil
Chartered Accountants

LEGAL ADVISOR Makhdoom & Makhdoom Advocates

LEAD BANKERS

Allied Bank Ltd.
Askari Bank Ltd.
Bank Alfalah Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
Habib Metropolitan Bank Ltd.
JS Bank LTD.
Meezan Bank Ltd.
Industrial Development Bank of Pakistan
MCB Bank Ltd.
National Bank of Pakistan
Pakistan Kuwait Investment Bank Limited
Samba Bank Ltd.
Standard Chartered Bank (Pakistan) Ltd.
The Bank of Punjab
United Bank Ltd.

REGISTERED OFFICE

2nd Floor, Shaikh Sultan Trust Bldg. No.2
26, Civil Lines, Beaumont Road,
Karachi - 75530

REGIONAL OFFICE

Nagina House, 91-B-1, M.M. Alam Road,
Gulberg-III, Lahore-54660.

WEB REFERENCE www.nagina.com

SHARE REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.
5th Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi.
Phone # 021-32412754, 32424826
Fax # 021-32424835

MILLS Aminabad, A-16, S.I.T.E., National Highway, Kotri

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 58th Annual General Meeting (AGM) of members of Nagina Cotton Mills Limited will be held on **Tuesday, October 28, 2025** at 12:00 noon at the Registered Office of the Company situated at 2nd Floor, Shaikh Sultan Trust Bldg. No. 2, 26-Civil Lines, Beaumont Road, Karachi-75530 and virtually through video conference facility to transact the following business:-

ORDINARY BUSINESS

1) To read and confirm minutes of the Annual General Meeting held on October 28, 2024.

2) To receive, consider and adopt the Audited Financial Statements of the Company together with the Chairman's Review Report, Directors' and Auditors' reports thereon for the year ended June 30, 2025.

In accordance with Section 223(6) of the Companies Act, 2017 (the "Act") and pursuant to the S.R.O.389(I)/2023 dated March 21, 2023, issued by the Securities and Exchange Commission of Pakistan (the SECP), the financial statements of the Company can be accessed through the following weblink and QR enabled code:

LINK	QR CODE
https://nagina.com/wp-content/uploads/2025/10/NCML-ANNUAL-2025.pdf	

3) To approve and declare final cash dividend at Rs. 1/- per share i.e. 10% for the year ended June 30, 2025, as recommended by the Board of Directors.

4) To appoint Statutory Auditors of the Company for the year ending on June 30, 2026 and to fix their remuneration.

SPECIAL BUSINESS

5) To consider, ratify and approve transactions carried out with Related Parties for the year ended June 30, 2025 and authorize the Board of Directors of the Company to approve transactions with related parties by passing the following special resolutions with or without modifications:

a) **RESOLVED** that the transactions conducted with Related Parties as disclosed in Note 39 of the financial statements for the year ended June 30, 2025 be and are hereby ratified, approved and confirmed.

b) **FURTHER RESOLVED** that the Board of Directors of the Company be and is hereby authorized to approve all related party transactions to be carried out during the financial year 2026. These transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval.

6) To consider and if deemed fit, pass, with or without modification(s) the following Special Resolution(s) under Section 199 of the Companies Act, 2017, as recommended by the board of Directors.

RESOLVED that pursuant to the requirements of Section 199 of the Companies Act, 2017, Nagina Cotton Mills Ltd., (the "Company") be and is hereby authorized to make investment of up to PKR 200,000,000 (Rupees Two Hundred Million Only) from time to time in each of the following associated companies (a) Prosperity Weaving Mills Ltd, (b) Ellcot Spinning Mills Ltd, by way of advances and / loans, as and when required by these associated companies provided that the return on such loans and / advances shall not be less than the average borrowing cost of the Company and that such loans / or advances shall be repayable within one year from the date of disbursement.

FURTHER RESOLVED that the above said resolution shall be valid for 5 (five) years and the Chief Executive Officer of the Company be and is hereby authorized to undertake the decision of said investment as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and the Chief Executive and/or Company Secretary be and are hereby singly authorized to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary for the purpose of giving effect to the spirit and intent of the special resolution for making investment from time to time.

7) To transact any other ordinary business with the permission of the Chair.

Statements under Section 134 (3) of the Companies Act, 2017 pertaining to the special business and under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 are annexed.

By Order of the Board

Syed Mohsin Gilani
Corporate Secretary

September 30, 2025

NOTES

1. The Share Transfer Books of the Company will remain closed from October 22, 2025 to October 28, 2025 (both days inclusive). Transfers received in order by our Shares Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi by the close of business on October 21, 2025 will be considered in time to entitle the transferees for payment of dividend and to attend the AGM.

2. A member of the Company entitled to attend and vote at the General Meeting may appoint another member as his/her proxy to attend and vote in place of him/her at the meeting. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of meeting. A proxy must be a member of the Company. Proxy Forms in Urdu and English languages are attached to the notice circulated to the shareholders.

3. Members who have deposited their shares into Central Depository Company of Pakistan Limited (CDC) will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No 1 of 2000.

A. For Attending the Meeting

a) In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.

b) In case of corporate entity, the Board's resolution power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

a) In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.

b) The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

c) Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.

d) The proxy shall produce his original CNIC or original passport at the time of the Meeting.

e) In case of corporate entity, the Board's resolution power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

4. The members can also participate in the General Meeting through video link facility. To attend the Annual General meeting through video link, members and their proxies are requested to register their following particulars by sending an e-mail at azam@nagina.com.

Folio/CDC Account No.	No. of Shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on October 27, 2025.

5. The Securities and Exchange Commission of Pakistan, vide S.R.O. 451(I)/2025 dated March 13, 2025, has notified that in general meetings, members attending physically shall cast their votes for special business only through postal ballot, and voting by show of hands shall not be permitted.

In accordance with the Regulation 11 of the Companies (Postal Ballot) Regulations, 2018, the Board of the Company has appointed M/s. Rehman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, (a QCR rated audit firm) to act as the Scrutinizer of the Company for the businesses to be transacted in the meeting (Agenda # 6 pertaining to Investments in associates under section 199 of the Companies Act, 2017 respectively), and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

6. **Voting Through Postal Ballot / E-voting**

   Pursuant to Companies (Postal Ballot) Regulations 2018 and read with Sections 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right to vote through voting by post or electronic voting facility for the special business agenda items # 5 & 6 in its forthcoming Annual General Meeting to be held on Tuesday, October 28, 2025, at 12:00 noon in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

   a) E-Voting will start from October 24, 2025 and shall close on October 27, 2025 at 5:00 pm. Details of e-voting facility will be shared through e-mail with those members of the Company who have their valid CNIC numbers, Cell Numbers, and e-mail addresses available in the Register of Member by the close of business on October 21, 2025.
   b) Members of the Company who want to opt for voting through postal ballot are requested to ensure that duly filled and signed ballot paper along with clear copy of valid CNIC should reach at the address, The Chairman, NCML, 2nd Floor, Shaikh Sultan Trust Bldg. No. 2, 26-Civil Lines, Beaumont Road, Karachi or email at azam@nagina.com one day before the Annual General Meeting, i.e., on October 27, 2025 before 5:00 p.m. during working hours. The signature on the ballot paper shall match with their signature on CNIC. The Ballot paper has also been placed on the Company's website https:// www.nagina.com to download. A postal ballot received after this time/date shall not be considered for voting.

7. In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants. Therefore, shareholders are requested to provide the particulars relating to name, folio number, bank account number, IBAN Number, title of account and complete mailing address of the bank directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS).

   In case of non-receipt of above information, the dividend shall be withheld.

8. The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be as follows:

i)	Rate of Withholding Income Tax deduction for the persons whose names are appearing on ATL.	15%
ii)	Rate of Withholding Income Tax deduction for the persons whose names are not appearing on ATL.	30%

   To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not appearing on Active Taxpayers' List (ATL) available on the website of FBR are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

   Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on “Filer/ Non-Filer” status of principal shareholder as well as joint-holders (s) based on their shareholding proportions, in case of joint accounts. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar, in writing, within 10 days of this notice, otherwise it will be assumed that the shares are equally held by principal shareholder and joint-holder(s).

9. The financial statements for the year ended June 30, 2025 shall be uploaded on the Company's website www.nagina.com twenty-one days prior to the date of holding of annual general meeting.

10. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

11. If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least 07 days prior to date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city.

12. As per Section 72 of the Companies Act, 2017, every existing listed 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 Commission, within a period not exceeding four years from the commencement of this Act, i.e. May 30, 2017.

    The shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Ltd.

13. As directed in SECP, vide S.R.O. 452(I)/2025 dated March 17, 2025 and pursuant to the prohibition under section 185 of the Companies Act, 2017, it is to affirm that no gifts will be distributed at the Annual General meeting / EOGM.
14. Members are requested to promptly notify the Company of any change in their registered address.
15. For any query/ information, the investors may contact the Shares Registrar and / or the Company: Mr. Syed Mohsin Gilani, Phone No. 042-35756270 Ext. 337, email address: mohsin.gilani@nagina.com

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2025.

1. Agenda item No. 5 (a) - Ratification and Approval of Related Party Transactions

All the transactions carried out by the Company with related parties during the financial year ended June 30, 2025 given in the related party note 39 of the Annual Financial Statements of the Company for the year ended June 30, 2025.

The Company carried out transactions with Related Parties on arm's length basis as per the approved Related Party Transactions Policy in the normal course of business and periodically reviewed by the Board Audit Committee pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

The transactions with related parties have been approved by the Board in the quarterly / annual financial statements during the fiscal year 2024-25, however, the Board decided to place above related party transaction concluded during the fiscal year 2024-25 before the shareholders in AGM for ratification and approval due to the interests/concerns of some of the directors due to common directorship.

2. Agenda item No. 5 (b) - Authorization for the Board of Directors to approve related party transactions during the financial year ending June 30, 2026

The Company shall be conducting transactions with the related parities during the year ending June 30, 2026 in the ordinary course of business and at arm's length basis under the policy of the Company for related party transactions. All transactions entered into or to be entered into with related parties require the approval of the Audit Committee of the Board. Upon recommendation of the Audit Committee, such transactions shall be placed before the Board of Directors for approval. In order to promote transparent business practices, the shareholders are recommended to authorize the Board of Directors of the Company to approve transactions with the related parties for the year ending June 30, 2026, which transactions shall be deemed to be approved by the shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal ratification/approval. The Directors are interested in the resolutions only to the extent of their common directorship in such related parties.

Agenda item No. 6 - To consider and if deemed fit, to pass the following resolution as special resolution under section 199 of the Companies Act, 2017, with or without modification(s) as recommended by the board of Directors.

M/s. Prosperity Weaving Mills Ltd. (PWML) and Ellcot Spinning Mills Ltd. (ESML) are not members of the Company. Their sponsors/directors are directors/members of the Company. They have no interest except their directorship and to the extent of their shareholding in the Company which is as follows:

Sr. No.	Name	% of Shareholding
1.	Mr. Shahzada Ellahi Shaikh	17.26
2.	Mr. Shaukat Ellahi Shaikh	17.47
3.	Mr. Shafqat Ellahi Shaikh	17.26
4.	Mr. Raza Ellahi Shaikh	7.49
5.	Mr. Amin Ellahi Shaikh	7.49
6.	Mr. Haroon Shahzada Ellahi Shaikh	3.74
7.	Mr. Omer Ellahi Shaikh	3.74

Information under Regulation 3 of The Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

<table>
<tr><th colspan="3">(a) Disclosure for all types of investments
(A) Disclosure regarding associated company or or associated undertaking:-</th></tr>
<tr><td>i.</td><td>Name of Associated Company or Associated Undertaking.</td><td>a) M/s. Prosperity Weaving Mills Ltd. (PWML)
b) M/s. Ellcot Spinning Mills Ltd., (ESML)</td></tr>
<tr><td>ii.</td><td>Basis of Relationship.</td><td>Common Directorship</td></tr>
<tr><td>iii.</td><td>Earnings / (Loss) per Share for the last three years.</td><td>
<table>
<tr><th rowspan="2">Year</th><th colspan="2">Earnings Per Share (Rs.)</th></tr>
<tr><th>PWML</th><th>ESML</th></tr>
<tr><td>2025</td><td>4.93</td><td>7.00</td></tr>
<tr><td>2024</td><td>4.69</td><td>13.97</td></tr>
<tr><td>2023</td><td>8.29</td><td>38.33</td></tr>
</table>
</td></tr>
<tr><td>iv.</td><td>Break-up value per Share, based on last audited financial statements.</td><td>PWML = Rs. 130.65
ESML = Rs. 389.78</td></tr>
<tr><td>v.</td><td>Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.</td><td>As on June 30, 2025
<table>
<tr><th rowspan="2">Description</th><th>PWML</th><th>ESML</th></tr>
<tr><th colspan="2">Rupees in millions</th></tr>
<tr><td>Paid up Capital</td><td>184.800</td><td>109.500</td></tr>
<tr><td>Non-current assets</td><td>3,139.383</td><td>4,801.967</td></tr>
<tr><td>Current assets</td><td>3,962.021</td><td>6,414.261</td></tr>
<tr><td>Non-Current Liability</td><td>1,772.480</td><td>3,875.874</td></tr>
<tr><td>Current Liabilities</td><td>2,914.584</td><td>3,072.222</td></tr>
<tr><td>Revenue</td><td>18,191.084</td><td>15,886.089</td></tr>
<tr><td>Gross Profit</td><td>1,186.197</td><td>970.916</td></tr>
<tr><td>Finance Cost</td><td>256.188</td><td>330.605</td></tr>
<tr><td>Profit After Tax</td><td>91.123</td><td>76.618</td></tr>
</table>
</td></tr>
<tr><td>vi.</td><td>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-
(I) description of the project and its history since conceptualization;
(II) starting date and expected date of completion of work;
(III) time by which such project shall become commercially operational;
(IV) expected time by which the project shall start paying return on investment; and
(V) funds invested or to be invested by the promoters, sponsors, associated company or associated</td><td>Not Applicable</td></tr>
</table>

<table>
<tr><td></td><td>undertaking distinguishing between cash and non-cash amounts;</td><td></td></tr>
<tr><td colspan="3">(B) General Disclosures:</td></tr>
<tr><td>i)</td><td>Maximum amount if investment to be made.</td><td>Loan investment upto Rs. 200,000,000/- (Rupees two hundred million only) to each of the following:
a) Prosperity Weaving Mills Ltd.
b) Ellcot Spinning Mills Ltd.</td></tr>
<tr><td>ii)</td><td>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment.</td><td>Purpose: To provide an option to the associated companies to avail finance as and when required and to park any surplus funds with the associated companies.
Benefits: To earn a return over and above offered in the market
Period: The period of investment shall not exceed 1 year.</td></tr>
<tr><td>iii)</td><td>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-
(I) justification for investment through borrowings;
(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and
(III) cost benefit analysis;</td><td>Surplus Excess funds of the Company
N/A
N/A
N/A</td></tr>
<tr><td>iv)</td><td>salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment.</td><td>Each financing facility will be provided on an arm’s length basis.</td></tr>
<tr><td>v)</td><td>direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.</td><td>The following directors of the Company are also the directors in the investee company, however, the directors have no director or indirect interest except to the extent of their shareholding / directorship in the investee company.
<table>
<tr><th>S #</th><th>Name</th></tr>
<tr><td>1.</td><td>Mr. Shahzada Ellahi Shaikh</td></tr>
<tr><td>2.</td><td>Mr. Shaukat Ellahi Shaikh</td></tr>
<tr><td>3.</td><td>Mr. Shafqat Ellahi Shaikh</td></tr>
<tr><td>4.</td><td>Mr. Raza Ellahi Shaikh</td></tr>
<tr><td>5.</td><td>Mr. Amin Ellahi Shaikh</td></tr>
<tr><td>6.</td><td>Mr. Haroon Shahzada Ellahi Shaikh</td></tr>
</table></td></tr>
<tr><td>vi)</td><td>in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs.</td><td>Not applicable</td></tr>
<tr><td>vii)</td><td>any other important details necessary for the members to understand the transaction.</td><td>None</td></tr>
</table>

Additional disclosure regarding investment in the form of Loan / Advance

(i)	category-wise amount of investment.	Loan investment upto Rs. 200,000,000/- (Rupees two hundred million only) to each of the following: a) Prosperity Weaving Mills Ltd. b) Ellcot Spinning Mills Ltd.
(ii)	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for *Shariah* compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	The current average borrowing cost of the Company for the year ended June 30, 2025 was12.92%.
(iii)	rate of interest, mark up, profit, fees or commission etc. to be charged by investing company.	It shall not be less than the borrowing cost of the Company or matching KIBOR for the tenor of the loan, whichever is higher
(iv)	particulars of collateral or security to be obtained in relation to the proposed investment	No security to be obtained as all companies are under common management.
(v)	if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	No conversion feature
(vi)	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Repayment of principal will be made within one year at a rate which shall not be less than the borrowing cost of the Company or matching KIBOR for the tenor of the loan, if higher.

The Board of Directors do hereby undertake / certify that necessary due diligence for the proposed investments have been carried out. The following documents shall be available to the members of the Company for inspection at the Meeting to be held on October 28, 2025.

1. Recommendations of due diligence report.
2. Annual audited financial statements of Prosperity Weaving Mills Ltd and Ellcot Spinning Mills Ltd.

STATEMENT UNDER RULE 4(2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

<table>
<tr><td>a) Total investment approved;</td><td>Rs.100,000,000/= (Rupees one hundred million only) to each of the following associated company:
i) Prosperity Weaving Mills Ltd. (PWML)
ii) Ellcot Spinning Mills Ltd. (ESML)</td></tr>
<tr><td>b) Amount of investment made to date;</td><td>Nil</td></tr>
<tr><td>c) Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time; and</td><td>Due to better cash flows, the associated companies did not need funds envisaged u/s 199 of the Companies Act, 2017. Therefore, no investment transaction took place during the year 2024-25.</td></tr>
<tr><td>d) Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.</td><td>
<table>
<tr><th></th><th colspan="2">Present Financial Position as on June 30, 2025</th><th colspan="2">Financial Position at the time of Approval as on June 30, 2020</th></tr>
<tr><th></th><th><u>PWML</u></th><th><u>ESML</u></th><th><u>PWML</u></th><th><u>ESML</u></th></tr>
<tr><th></th><th colspan="4">Rupees in Millions</th></tr>
<tr><td>Net sales</td><td>18,191.084</td><td>15,886,089</td><td>6,018.541</td><td>6,152.929</td></tr>
<tr><td>Gross profit</td><td>1,186.197</td><td>970.916</td><td>529.557</td><td>757.673</td></tr>
<tr><td>Profit before tax</td><td>390.853</td><td>384.619</td><td>247.968</td><td>361.369</td></tr>
<tr><td>Profit after tax</td><td>91.123</td><td>76.618</td><td>154.755</td><td>225.879</td></tr>
</table>
</td></tr>
</table>

BALLOT PAPER FOR VOTING THROUGH POST

In person and virtual Annual General Meeting to be held on Tuesday, October 28, 2025 at 12:00 noon, 2nd Floor, Shaikh Sultan Trust Bldg. No. 2, 26-Civil Lines, Beaumont Road, Karachi-75530, Phone :021-35688123, Website: www.nagina.com

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: chairman@nagina.com

Name of shareholder/joint shareholders	
Registered Address	
Number of Shares held (on close of October 21, 2025) and folio number	
CNIC No/Passport No (in case of foreigner) (Copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, Corporation and Federal Government)	

I / we hereby exercise my/our vote in respect of the following resolution through postal ballot by conveying my/our assent or dissent to the following resolution by picking tick (v) mark in the appropriate box below:

Resolution for Agenda No.05

RESOLVED that the transactions conducted with Related Parties as disclosed in Note 39 of the financial statements for the year ended June 30, 2025 be and are hereby ratified, approved and confirmed'

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to approve all related party transactions to be carried out during the financial year 2026. These transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval.

Resolution for Agenda No.06

RESOLVED that pursuant to the requirements of Section 199 of the Companies Act, 2017, Nagina Cotton Mills Ltd., (the "Company") be and is hereby authorized to make investment of up to PKR 200,000,000 (Rupees Tow Hundred Million Only) from time to time in each of the following associated companies (a) Prosperity Weaving Mills Ltd, (b) Ellcot Spinning Mills Ltd, by way of advances and / loans, as and when required by these associated companies provided that the return on such loans and / advances shall not be less than the average borrowing cost of the Company and that such loans / or advances shall be repayable within one year from the date of disbursement.

FURTHER RESOLVED that the above said resolution shall be valid for 5 (five) years and the Chief Executive Officer of the Company be and is hereby authorized to undertake the decision of said investment as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and the Chief Executive and/or Company Secretary be and are hereby singly authorized to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary for the purpose of giving effect to the spirit and intent of the special resolution for making investment from time to time.

Resolution	No. of Ordinary Shares for which vote cast	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
Resolution for Agenda No: 05			
Resolution for Agenda No: 06			

Signature of shareholder(s):________________Place:___________ Date:_________________

BALLOT PAPER FOR VOTING THROUGH POST

NOTES/PROCEDURE FOR SUBMISSION OF BALLOT PAPER:

1. Duly filled and signed original postal ballot should be sent to the Chairman, Nagina Cotton Mills Ltd., at 2nd Floor Sheikh Sultan Trust Bldg. No. 2, 26-Civil Lines, Beaumont Road, Karachi or a scanned copy of the original postal ballot to be emailed at: chairman@nagina.com.

2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.

3. Postal Ballot forms should reach chairman of the meeting on or before October 27, 2025 during working hours. Any Postal Ballot received after this date, will not be considered for voting.

4. Signature on Postal Ballot should match the signature on CNIC/Passport (in case of foreigner).

5. Incomplete, unsigned, in correct, defaced, tom, mutilated, over written ballet papers will be rejected.

6. In case of representative of body corporate and corporation, Postal Ballot must be accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act 2017, as applicable, unless these have already been submitted along with Proxy Form. In case of foreign body corporate etc. all documents must be attested from the Pakistani Embassy having jurisdiction over the member.

7. Ballot paper has also been placed on the website of the Company www.nagina.com.Members may download the ballot paper form the website or use original/photocopy published in newspapers.

Vision:

To strive for excellence through commitment, integrity, honesty and team work.

Mission:

The mission of Company is to operate state of the art spinning machinery capable of producing high quality carded and combed, cotton, core spun and blended yarn for knitting and weaving.

The Company will conduct its operations prudently assuring customer satisfaction and will provide profits and growth to its shareholders through;

- Providing quality products and services to our customers mainly engaged in the manufacturing of textile products.
- Manufacturing of cotton, core spun and blended yarn as per the customers' requirements and market demand.
- Exploring the global market with special emphasis on Europe and USA.
- Keeping pace with the rapidly changing technology by continuously balancing, modernization and replacement (BMR) of plant and machinery.
- Enhancing the profitability by improved efficiency and cost controls.
- Recruiting, developing, motivating and retaining the personnel having exceptional ability and dedication by providing them good working conditions, performance based compensation, attractive benefit program and opportunity for growth.
- Protecting the environment and contributing towards the economic strength of the country and function as a good corporate citizen.

REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMANCE OF BOARD AND EFFECTIVENESS OF THE ROLE PLAYED BY THE BOARD IN ACHIEVING THE COMPANY'S OBJECTIVES

The Board of Directors (the Board) of Nagina Cotton Mills Limited (NCML) has performed their duties diligently in upholding the best interest of shareholders of the Company and has managed the affairs of the Company effectively and efficiently. The Board has exercised its powers and has performed its duties in compliance with Companies Act 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code). During the financial year 2024-25 the Board achieved its objectives by performing the following functions:

- Actively participated in the strategic planning process, enterprise risk management system, policy development, and financial structure, monitoring and approval;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee. In case the majority of the Directors either directly, or indirectly becomes interested in related party transactions due to Group's structure; accordingly, additional approval from shareholders in respect of transactions with a related party shall be obtained in the Annual General Meeting so that the Company can carry its business smoothly;
- Reviewed the effectiveness of internal control system through self-assessment mechanism and / or internal audit activities;
- Approved the director's report, quarterly and annual financial statements and ensured that the content of the directors' report are in accordance with the requirement of applicable laws and regulations;
- Ensured the hiring, evaluation and compensation of quality professionals with focus on creating a work environment with equal opportunity for all.
- Ensured the timely dissemination of information among its members and that the Board members are kept abreast of developments between meetings;
- Exercised its powers in light of the power assigned to the Board as per the relevant laws and regulations applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulations in terms of their conduct as directors and exercising their powers and decision making; and
- Necessary Board agenda and related supporting documents were duly made available to the board in sufficient time before the Board and its Committee Meetings. The non-executive and independent directors are equally involved in important decisions of the board.

The Board's annual self-evaluation for the fiscal year 2024-25 reflected satisfactory results. The annual evaluation of the Board's performance is based on the key areas where the Board requires clarity to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risks faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of NCML has played a key role in ensuring that the Company objectives are not only achieved but also exceeded expectations through a joint effort with the management team and guidance and oversight by the Board and its members.

Shahzada Ellahi Shaikh
Chairman

September 30, 2025

بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے مؤثر کردار پر چیئرمین کی جائزہ رپورٹ

نگینہ کاٹن ملز لمیٹڈ (NCML) کے بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے حصہ داروں کے بہترین مفاد کو برقرار رکھنے میں اپنی ذمہ داریاں تندہی سے انجام دیئے ہیں اور کمپنی کے امور کو مؤثر اور بروقت انداز سے منظّم کیا ہے۔ بورڈ نے کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (کوڈ) کی تعمیل میں اپنے فرائض سرانجام دیئے ہیں۔ مالی سال 25-2024 کے دوران بورڈ نے درج ذیل کام سرانجام دے کر اپنے مقاصد حاصل کئے:

- اسٹریٹجک منصوبہ بندی کے عمل، ادارے کو لاحق خطرات کا انتظامی نظام، پالیسی ڈویلپمنٹ، اور مالیاتی ساخت کی نگرانی اور منظوری میں فعال طور پر حصہ لیا ہے۔
- سال بھر میں تمام اہم مسائل بورڈ یا اس کی کمیٹیوں کے روبرو کاروباری فیصلہ سازی کے عمل کو مضبوط بنانے کے لئے پیش کئے گئے اور خاص طور پر کمپنی کی طرف سے کئے گئے تمام متعلقہ پارٹی کے ساتھ لین دین کو آڈٹ کمیٹی کی سفارشات پر بورڈ نے منظوری دی۔ اگر ڈائریکٹرز کی اکثریت براہ راست یا بالواسطہ طور پر گروپ کے سٹرکچر کی وجہ سے متعلقہ فریق کے لین دین میں دلچسپی رکھتی ہے، اس کے مطابق، متعلقہ فریق کے ساتھ لین دین کے سلسلے میں حصص یافتگان سے اضافی منظوری سالانہ اجلاس عام میں حاصل کی جائے گی تاکہ کمپنی اپنے کاروبار کو آسانی سے چلا سکے۔
- اس بات کو یقینی بنایا ہے کہ اندرونی کنٹرول کا مناسب نظام موجود ہے اور خود تشخیصی طریقہ کار اور/ یا انٹرنل آڈٹ سرگرمیوں کے ذریعے اس کی باقاعدگی سے جانچ پڑتال کی جاتی ہے۔
- ڈائریکٹر کی رپورٹ، سہ ماہی اور سالانہ مالیاتی گوشواروں کی منظوری دی اور اس بات کو یقینی بنایا کہ ڈائریکٹرز کی رپورٹ کا مواد قابل اطلاق قوانین اور ضوابط کے تقاضوں کے مطابق ہے۔
- سب کے لیے یکساں مواقع کے ساتھ کام کا ماحول بنانے پر توجہ کے ساتھ پیشہ ور افراد کی معیاری خدمات حاصل کرنے، تشخیص اور معاوضے کو یقینی بنایا۔
- اپنے اراکین کے درمیان بروقت طریقے سے تسلی بخش معلومات کے تبادلے کو یقینی بنایا اور بورڈ کے ممبران کو اجلاس کے درمیان ڈویلپمنٹ بارے میں لمحہ بہ لمحہ باخبر رکھا گیا ہے۔
- کمپنی پر قابل اطلاق متعلقہ قوانین اور قواعد وضوابط کی روشنی میں دئے گئے اختیارات کے مطابق اپنے اختیارات کا ستعمال کیا ہے اور بورڈ نے ہمیشہ بحیثیت ڈائریکٹرز اپنے اختیارات کے استعمال اور فیصلہ سازی کرنے کے برتاؤ میں تمام قابل اطلاق قوانین اور قواعد وضوابط کی تعمیل کو ترجیح دی ہے اور
- بورڈ اور اس کی ذیلی کمیٹی کی میٹنگ سے مناسب قبل از وقت، ضروری ایجنڈا اور اس سے متعلق دستاویزات مہیا کیے گئے۔ نان ایگزیکٹیو اور آزاد ڈائیریکٹرز بورڈ کے اہم فیصلوں میں برابر کے شریک ہیں۔

بورڈ کی سالانہ کارکردگی برائے مالی سال 25-2024 کے نتائج اطمینان بخش رہے۔ بورڈ کی سالانہ کارکردگی اہم شعبوں پر مبنی ہے جہاں بورڈ کو اعلی درجے کی نگرانی مہیا کرنے بشمول اسٹریٹجک عمل؛ کلیدی کاروباری امور، سنگ میلز کی تکمیل، عالمی معاشی ماحول اور مسابقتی سیاق وسباق جس میں کمپنی کام کرتی ہے، کمپنی کے کاروبار کو درپیش خطرات، بورڈ کے محرکات، صلاحیت اور معلومات مہیا کرنے کے لئے وضاحت دینے کی ضرورت ہوتی ہے۔ مذکورہ بالا کی بنیاد پر، یہ مناسب طور پر کہا جاسکتا ہے کہ NCML کے بورڈ نے اس بات کو یقینی بنانے میں اہم کردار ادا کیا ہے کہ کمپنی کے مقاصد کو نہ صرف حاصل کیا جاسکتا ہے، بلکہ بورڈ اور اس کے ارکان کی راہنمائی اور نگرانی کے ذریعہ انتظامیہ ٹیم کی مشترکہ کوششوں کے ساتھ توقعات سے بھی آگے بڑھایا جا سکتا ہے۔

شہزادہ الٰہی شیخ
چیئرمین

30 ستمبر 2025

DIRECTORS' REPORT TO THE MEMBERS

The Directors of your Company take pleasure in presenting 58th Annual Report of your Company together with Audited Financial Statements and Auditors' Report thereon for the year ended June 30, 2025. Figures for the previous year ended June 30, 2024 are included for comparison.

Company Performance

Despite a challenging year marked by an exponential rise in power tariffs, a yarn market recession, and low demand across the textile value chain, the company-maintained profitability. For the year under review, the company recorded an after-tax profit of Rs. 50,416,692 representing 0.25% of sales, compared to Rs. 77,024,988 or 0.38% of sales in the last year (LY). Earnings per share (EPS) for the year stood at Rs. 2.70, a decrease from Rs. 4.12 during the SPLY.

Sales revenue for the year under review decreased by 2.89% over the LY and stood at Rs. 19,857,881,186 compared to Rs. 20,448,120,237. This decline is primarily attributable to a reduction in sales volume and a lower per unit selling price. The cost of sales, as a percentage of revenue, decreased slightly to 91.90% compared to 92.11% during LY. The primary driver of this reduction is raw material cost. Consequently, gross profit margin increased to 8.10% compared to 7.89% during LY.

Overall operating expenses increased to 3.08% of sales as compared to 2.72% of sales during LY. The company successfully maintained stable cash flows, allowing for timely settlement of its operating liabilities. Due to better cash flows, scheduled repayments of long-term loans, reduction in policy rate and dollar based financing, finance cost reduced to 3.63% of sales from 4.16% of sales in the LY.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2025-26, Kapas, (seed cotton) arrivals up to August 31, 2025, at the Ginneries totaled 1.336 million bales compared to 1.226 million bales for the year 2024-25 showing increase in arrival of 8.95%.

Capital Assets Investment

In line with strategic plans for enhancing spinning productivity, quality and efficiency, your Company has invested Rs. 216.150 million (2024: Rs. 338.879 million) in BMR/Expansion. In order to reduce costs and enhance green energy, the Company is installing another 1.6 MW solar plant. The new solar plant should become operational in financial year 2026.

Future Outlook

The textile industry is facing significant challenges due to slowdowns in both global and domestic markets. The imposition of US tariffs has caused widespread disruptions, forcing global manufacturers to realign their strategies and explore alternate markets. This situation could create an opportunity for Pakistan, whose textile exports to the US may gain an advantage depending on the final tariffs imposed on competing textile-exporting countries. Recent heavy rains and floods are feared to have adversely impacted crops including cotton. This could create inflationary pressures and potentially lead to a slowdown in yarn demand.

Recent removal of cotton yarn from Export Facilitation Scheme (EFS) will benefit the spinning industry thereby providing protection to local spinners against dumping of imported yarn.

During the year, the economic environment remained volatile. The SBP adopted a monetary easing stance, reducing the policy rate to 11% from a peak of 20.5%. The rate reduction is a welcome step by the SBP and the Government's economic team. The exchange rate also remained relatively stable, enabling businesses to make more reliable revenue and cost forecasts.

Recent new taxes on gas and furnace oil have substantially raised the cost of electricity generation, compelling us to shift our primary energy source to the **WAPDA** system. Unfortunately, frequent power outages from this system have led to significant production losses. We therefore request the government to enhance its energy supply infrastructure to ensure consistent power and stable industrial operations.

The outlook for the first quarter of FY26 is not very promising. However, there is some improvement in demand for yarn and a modest increase in price. The management is proactively implementing cost-efficiency measures, targeted marketing strategies, and product diversification initiatives to strengthen operational resilience. These steps are expected to support the Company in sustaining profitability through the next financial year.

In FY2024-25 the cotton crop experienced a severe contraction due to devastating impact of climate change. According to the Pakistan Cotton Ginners Association, cotton arrivals have shown a marginal increase during FY 2025-26. However, due to the adverse impact of floods and heavy rainfall, the overall crop size is projected to remain close to last year's level of approximately 5.5 million bales. This output is substantially below the country's requirement. The shortfall will necessitate imports of cotton requiring substantial foreign exchange.

It is hoped that the Government will bring in business friendly policies such as uninterrupted energy supplies in cost effective manner, refund of outstanding taxes, reduction in the corporate tax rate, controlling the inflation rate and reducing the financial costs. Government policies should encourage the completion of the value chain in the textile sector so that the country can export finished products.

Dividend

The Board of Directors has recommended final cash dividend @ 10% i.e., Rs. 1/- per ordinary share for the year ended June 30, 2025. The dividend will amount to Rs. 18,700,000/-

Principal Activity

The principal activity of the Company is the manufacturing and sale of yarn.

Principal Risks and Uncertainties

The Board of Directors is responsible to oversee the Company's operations and to devise an effective strategy to mitigate any potential adverse impact of risks.

The Company's principal financial liabilities comprise long term finances, trade and other payables and short-term borrowings. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company's principal financial assets comprise of trade receivables, advances, short-term deposits, other receivables and cash and bank balances that arise directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Material Changes and Commitments

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the Director's Report.

Corporate Social Responsibility

The Company strongly believes in the integration of Corporate Social Responsibility into its business, and consistently endeavors to uplift communities that are influenced directly or indirectly by our business.

Environment, Health and Safety

The Company maintains safe working conditions avoiding the risk to the health of employees and public at large. The management has maintained safe environment in all its operations throughout the year and is constantly upgrading their safety and living facilities.

Safety is a matter of concern for machinery as well as the employees working at plant. Fire extinguishers and other fire safety equipments have been placed at sites as well as registered head office of the Company. Regular drills are performed to ensure efficiency of fire safety equipments.

Sustainability Risks

The Board of Directors is committed to ensuring the sustainability of the Company's operations, considering environmental, social, and governance (ESG) factors that can impact the long-term success of the business. As part of this commitment, your management provides insights into the assessment of sustainability-related risks, how these risks are managed or mitigated.

The Company has implemented a robust risk management framework to address sustainability-related risks. This framework integrates (ESG) considerations into the Company's risk assessment and decision-making processes, ensuring that sustainability issues are proactively managed and mitigated. The Company is committed to fostering a diverse, equitable, and inclusive workplace where all employees feel valued and respected.

Diversity, Equity and Inclusion (DEI)

We believe that promoting diversity, equity, and inclusion (DEI) is a key priority for the Company and is integral for driving innovation, improving decision-making, and enhancing the overall performance of the Company. The Company promotes diverse and inclusive Board and management composition provides equal opportunities to all employees, irrespective of their culture, race, gender, caste, and religion and promotes a work environment free from discrimination, harassment and intimidations of any nature.

Internal Financial Controls

A system of sound internal control is established and implemented at all levels of the Company by the Board of Directors. The system of internal control is sound in design for ensuring achievement of Company's objectives and operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

Related Parties

All related party transactions were conducted on an arm's length basis in accordance with approved transfer pricing methods and Board approved policy on related parties' dealings. All related party transactions were duly approved by the internal audit followed by the approval of the audit committee and placed before the Board for their consideration and approval. However, the Board of Directors in their meeting decided that the related party transactions approved by the Board shall also be placed before the general meeting of the company for member's approval.

Furthermore, the Board of Directors also decided to avail the approval of members in the general meeting of the company for the transactions to be carried out during the fiscal year ending June 30, 2026 and same shall be placed before the shareholders in the next general meeting for their formal ratification/approval.

Shareholding Pattern

The pattern of shareholding of the Company as at June 30, 2025 for ordinary shares is annexed. This statement is prepared in accordance with section 227 (2) (f) of the Companies Act, 2017.

Gender Pay gap

Gender Pay-gap disclosure for the year ended June 30, 2025 is annexed.

Appointment of Auditors

The present External Auditors, M/s. Yousuf Adil, Chartered Accountants, Karachi, are due to retire and being eligible, have offered themselves for re-appointment as Auditors for the financial year 2025-26. Audit Committee and Board of Directors have also recommended their appointment as auditors of the Company for the year ending June 30, 2026.

Financial Statements Audit

Financial statements of the Company have been audited without any qualification by Messrs. Yousuf Adil, Chartered Accountants, the statutory external auditors of the Company.

Corporate Governance & Financial Reporting Framework

Further, Directors are pleased to report that:

a) The financial statements prepared by the management of the Company present fair state of the Company's operations, cash flows and changes in equity.

b) Proper books of account of the Company have been maintained.

c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based upon reasonable and prudent judgment.

d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements any departures therefrom have been adequately disclosed and explained.

e) The internal control system is well- designed, effectively implemented and monitored.

f) There are no concerns regarding the Company's ability to continue as a going concern.

g) A summary of key operating and financial data for the last six years is annexed.

h) There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on June 30, 2025 except for those disclosed in the financial statements.

Composition of Board

The Board of Directors as at June 30, 2025 consist of:

Total number of Directors:

a)	Male:	9 (Nine)
b)	Female:	1 (One)

Composition:

(i)	Independent Directors:	3 (Three)
(ii)	Other Non-Executive Directors	5 (Five)
(iii)	Executive Director	2 (Two)

Name of Directors

Mr. Shahzada Ellahi Shaikh	Chairman
Mr. Shafiq ur Rehman	
Ms. Tosheeba Sarwar	
Mr. Hasan Ahmad	
Mr. Naweed Akhtar Sharif	
Mr. Shafqat Ellahi Shaikh	
Mr. Raza Ellahi Shaikh	
Mr. Haroon Shahzada Ellahi Shaikh	
Mr. Shaukat Ellahi Shaikh	
Mr. Amin Ellahi Shaikh	Director / Chief Executive Officer

Committees of the Board:

The Board has made following sub-committees:

Audit Committee

Mr. Shafiq ur Rehman	Chairman
Mr. Raza Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member

Human Resource and Remuneration (HR&R) Committee

Mr. Shafiq ur Rehman	Chairman
Mr. Amin Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member

Executive Committee

Mr. Amin Ellahi Shaikh	Chairman
Mr. Shaukat Ellahi Shaikh	Member
Mr. Raza Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member

Significant Features of Directors' Remuneration

The Board of Directors has approved a formal policy for remuneration of executive and non-executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition from them.

Non-executive directors including the independent director are entitled only for fee for attending the Board and its committees' meetings. Remuneration of executive and non-executive directors shall be approved by the Board, as recommended by the Human Resource and Remuneration Committee. For information on remuneration of Directors and CEO in 2024-25, please refer notes to the Financial Statements.

Acknowledgment

Continued diligence and devotion of the staff and workers of the Company and good human relations at all levels deserve acknowledgement. The Directors also wish to place on record their thanks to the bankers and other stakeholders for their continued support to the Company.

On behalf of the Board

	Amin Ellahi Shaikh	**Raza Ellahi Shaikh**
September 30, 2025	Chief Executive Officer	Director

ممبران کے لئے ڈائریکٹرز کی رپورٹ

مجلس نظماء 30 جون 2025ء کو ختم سال کے لئے کمپنی کی 58 ویں سالانہ رپورٹ معہ نظرثانی شدہ مالیاتی حسابات اور اس پر محاسب کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہی ہے۔ 30 جون 2024ء کو ختم ہونے والے گزشتہ سال کے اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں۔

کمپنی کی کارکردگی

سال کے دوران کاروباری ماحول کو بجلی کے نرخوں میں بے تحاشا اضافہ، یارن مارکیٹ میں کساد بازاری اور ٹیکسٹائل ویلیو چین میں کم طلب جیسی مشکلات کا سامنا رہا۔ ان رکاوٹوں کے باوجود، کمپنی نے منافع کمایا ہے۔ زیر جائزہ سال میں کمپنی نے گذشتہ سال گزشتہ سال کے دوران 77,024,988 روپے یا فروخت کا 0.38 فیصد کے مقابلے 50,416,692 روپے یا فروخت کا 0.25 فیصد کا بعد از ٹیکس منافع درج کیا ہے۔ فی شیئر آمدنی (EPS) کی 4.12 روپے کے مقابلے اس سال 2.70 روپے ہے۔

فروخت آمدن میں گزشتہ سال سے 2.89 فیصد کی کمی ہوئی اور گزشتہ سال کے دوران 20,448,120,237 روپے کے مقابلے 19,857,881,186 روپے رہی۔ فروخت آمدن میں کمی بنیادی طور پر فروخت حجم میں کمی اور فی یونٹ فروخت قیمتوں میں کمی کی وجہ سے ہوئی۔ فیصد آمدنی کے طور پر، فروخت کی لاگت گزشتہ سال کے دوران فروخت کی 92.11 فیصد سے معمولی کم ہو کر زیر جائزہ سال کے دوران فروخت کی 91.90 فیصد تک ہوئی۔ اس کمی کا بنیادی محرک خام مال کی لاگت تھی۔ جس کے نتیجے میں، گزشتہ سال کے دوران کمپنی کا مجموعی منافع مارجن (GP) فروخت کے 7.89 فیصد سے بڑھ کر زیر جائزہ سال کے دوران فروخت کا 8.10 فیصد ہو گیا۔

مجموعی آپریٹنگ اخراجات گزشتہ سال کے دوران فروخت کے 2.72 فیصد سے بڑھ کر زیر جائزہ مدت کے دوران فروخت کے 3.08 فیصد ہو گئے۔ کمپنی مستحکم نقد بہاؤ پیدا کرنے میں کامیاب رہی ہے اور اس نے اپنی آپریٹنگ ذمہ داریوں کو بروقت ادا کیا ہے۔ تاہم، مالی لاگت گزشتہ سال میں فروخت کی 4.16 فیصد سے کم ہو کر زیر جائزہ سال کے دوران فروخت کی 3.63 فیصد ہو گئی، جس کی بنیادی وجہ بہتر نقد بہاؤ، طویل مدتی اور قلیل مدتی قرضوں کی مقررہ ادائیگیاں، پالیسی شرح میں کمی اور ڈالر کی بنیاد پر فنانسنگ ہیں۔

پاکستان کاٹن جنرز ایسوسی ایشن کی طرف سے فصل سال 26-2025 کے لئے جاری کردہ اعداد و شمار کے مطابق 31 اگست 2025ء تک جنریز میں کپاس، (بیج کپاس) کی پہنچ سال 25-2024 کی کل 1.226 ملین گانٹھوں کے مقابلے 1.336 ملین گانٹھیں ہوئی جو کہ 8.95 فیصد کا اضافہ ظاہر کر رہی ہے۔

طویل مدتی اثاثوں کی سرمایہ کاری

سپننگ کی پیداوار، کوالٹی اور صلاحیت کو بہتر بنانے کے لئے سٹریٹجک منصوبوں کے مطابق آپ کی کمپنی نے BMR / توسیع میں 216.150 ملین روپے (2024: 338.879 ملین روپے) کی سرمایہ کاری کی ہے۔ لاگت کو کم کرنے اور گرین انرجی کو بڑھانے کے لئے، کمپنی ایک اور 1.6 MW سولر پلانٹ نصب کر رہی ہے۔ نیا سولر پلانٹ مالی سال 2026 میں آپریشنل ہو جانا چاہئے۔

مستقبل کے امکانات

دونوں عالمی اور ملکی منڈیوں میں سست روی کے درمیان ٹیکسٹائل کی صنعت کو نمایاں مشکلات کا سامنا ہے۔ امریکی محصولات کے نفاذ نے بڑے پیمانے پر رکاوٹیں پیدا کی ہیں، جس سے عالمی صنعت کار متبادل مارکیٹوں کو دوبارہ ترتیب دینے اور تلاش کرنے پر مجبور ہو گئے ہیں۔ اس صورت حال سے ٹیکسٹائل برآمد کرنے والے مسابقتی ممالک پر عائد حتمی محصولات کے لحاظ سے امریکہ کو ٹیکسٹائل کی برآمدات پاکستان کو فائدہ پہنچا سکتی ہیں۔ حالیہ شدید بارشوں اور سیلاب سے کپاس سمیت فصلوں پر منفی اثر پڑنے کا خدشہ ہے، جس سے مہنگائی کا دباؤ زیادہ اور ممکنہ طور پر یارن کی طلب میں کمی واقع ہو سکتی ہے۔

ایکسپورٹ فیسلی ٹیشن سکیم (EFS) سے کاٹن یارن کو خارج کرنے سے اسپننگ انڈسٹری کو فائدہ پہنچے گا جس سے مقامی اسپنرز کو درآمدی یارن کے ڈمپنگ سے تحفظ ملے گا۔

سال کے دوران معاشی ماحول غیر مستحکم رہا۔ SBP نے مالیاتی نرمی کا موقف اپنایا، پالیسی کی اعلیٰ شرح 20.5 فیصد کو کم کر کے 11 فیصد کر دیا۔ شرح میں کمی اسٹیٹ بینک اور حکومت کی اقتصادی ٹیم کا ایک خوش آئند قدم ہے۔ زرمبادلہ کی شرح بھی نسبتاً مستحکم رہی، جس نے کاروباری اداروں کو زیادہ قابل اعتماد آمدنی اور اخراجات کی پیشن گوئی کرنے کے قابل بنایا۔

گیس اور فرنس آئل پر عائد حالیہ نئے ٹیکسوں نے بجلی کی پیداواری لاگت میں خاطر خواہ اضافہ کر دیا ہے، جس سے ہمیں اپنے بنیادی توانائی کے ذرائع کو واپڈا کے نظام میں منتقل کرنے پر مجبور کیا گیا ہے۔ بدقسمتی سے، اس نظام سے بجلی کی بار بار معطلی نے نمایاں پیداواری نقصانات کو جنم دیا ہے۔ اس لیے ہم حکومت سے درخواست کرتے ہیں کہ بجلی اور مستحکم صنعتی آپریشنز کو یقینی بنانے کے لیے توانائی کی فراہمی کے بنیادی ڈھانچے کو وسعت دے۔

مالی سال 26 کی پہلی سہ ماہی کا نقطہ نظر بدستور چیلنجنگ ہے۔ تاہم، سوتر کی طلب میں کچھ بہتری اور قیمت میں معمولی اضافہ ہوا ہے۔ انتظامیہ آپریشنل لچک کو مضبوط بنانے کے لیے لاگت بچانے کے اقدامات، مارکیٹنگ کی ٹارگٹڈ حکمت عملیوں اور مصنوعات کے تنوع کے اقدامات کو فعال طور پر نافذ کر رہی ہے۔ توقع ہے کہ ان اقدامات سے کمپنی کو اگلے مالی سال کے دوران منافع برقرار رکھنے میں مدد ملے گی۔

FY2024-25 میں موسمیاتی تبدیلی کے تباہ کن اثرات کی وجہ سے کپاس کی فصل کو شدید کمی کا سامنا کرنا پڑا۔ پاکستان کاٹن جنرز ایسوسی ایشن کے مطابق مالی سال 2025-26 کے دوران کپاس کی پہنچ میں معمولی اضافہ ہوا ہے۔ تاہم، سیلاب اور شدید بارشوں کے منفی اثرات کی وجہ سے، فصل کا مجموعی حجم گزشتہ سال کی تقریبا 5.5 ملین گانٹھوں کی سطح کے قریب رہنے کا امکان ہے۔ یہ پیداوار ملکی ضروریات سے کافی کم ہے۔ اس کمی کی وجہ سے کپاس درآمد کرنا پڑے گی جس کے لیے خاطر خواہ زرمبادلہ درکار ہے۔

یہ امید کی جاتی ہے کہ حکومت کاروبار میں موثر لاگتی بلاتعطل توانائی کی فراہمی، بقایا ٹیکس کی واپسی، کارپوریٹ ٹیکس کی شرح میں کمی، مہنگائی کی شرح کو کنٹرول کرنا اور مالیاتی اخراجات میں کمی جیسی دوستانہ پالیسیاں لائے گی۔ حکومتی پالیسیاں ٹیکسٹائل شعبہ میں ویلیو چین کی مکمل حوصلہ افزا ہونی چاہئیں تاکہ ملک تیار مصنوعات برآمد کر سکے۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لئے حتمی نقد منافع منقسمہ بشرح 10 فیصد یعنی -/1 روپے فی عام شیئر کی منظوری دی ہے۔ منافع منقسمہ کی رقم 18,700,000 روپے ہے۔

اصل سرگرمی

کمپنی کی اصل سرگرمی سوتر کی تیاری اور فروخت کرنا ہے۔

نمایاں خطرات اور غیر یقینی حالات

بورڈ آف ڈائریکٹرز کمپنی کے آپریشنز کی نگرانی اور خطرات کے کسی ممکنہ منفی اثر کا سدباب کرنے کے لئے موثر حکمت عملی وضع کرنے کے ذمہ دار ہیں۔

کمپنی کی اصل مالی ادائیگیوں میں طویل مدتی قرضے، تجارتی اور دیگر قابل ادائیگیاں اور مختصر مدتی قرضے شامل ہیں۔ ان مالی ادائیگیوں کا اہم مقصد کمپنی کے آپریشنز کے لئے فنانس کا بندوبست کرنا ہے۔ کمپنی کے اصل مالیاتی اثاثوں میں تجارتی قرضے، پیشگی ادائیگیاں، مختصر مدتی ڈیپازٹس، دیگر وصولیاں اور نقدی اور بینک بیلنسز شامل ہیں جو اس کے آپریشنز سے براہ راست حاصل ہوتے ہیں۔

کمپنی کی سرگرمیوں کو کئی قسم کے مالیاتی خطرات کا سامنا ہے جس میں مارکیٹ خطرہ (بشمول کرنسی خطرہ، شرح سود کا خطرہ اور قیمت کا خطرہ)، ادھار کا خطرہ اور لیکویڈیٹی کا خطرہ شامل ہے۔

کمپنی کا مجموعی رسک مینجمنٹ پروگرام مالیاتی مارکیٹوں کی غیر متوقعات پر توجہ مرکوز اور مالی کارکردگی پر ممکنہ منفی اثرات کو کم کرنے کی کوشش کرتا ہے۔

اہم تبدیلیاں اور معاہدات

اس بیلنس شیٹ سے متعلقہ مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان، کمپنی کی مالی حیثیت پر اثر انداز ہونے والی کوئی اہم منفی تبدیلیاں اور معاہدات رونما نہیں ہوئے۔

کاروباری سماجی ذمہ داری

کمپنی اپنے کاروبار میں کاروباری سماجی ذمہ داری کے انضمام پر پختہ یقین رکھتی ہے، اور وہ کمیونٹیز جو ہمارے کاروبار سے براہ راست یا بالواسطہ طور پر متاثر ہو رہی ہیں ان کی ترقی کے لئے مسلسل کوشاں ہیں۔

ماحول، صحت اور تحفظ

کمپنی اپنے ملازمین اور عوام کی صحت کو درپیش خطرات سے بچانے کے لئے محفوظ کام کے حالات کو برقرار رکھتی ہے۔ انتظامیہ نے سال بھر اپنے تمام انتظامات میں محفوظ ماحول کو برقرار رکھا ہے اور مسلسل ان کی حفاظت اور زندگی کی سہولیات کو بہتر بنا رہی ہے۔

مشینری اور ساتھ میں پلانٹ پر کام کرنے والے ملازمین کا تحفظ ایک تشویش کی بات ہے۔ آگ بجھانے والے آلات اور آگ سے بچاؤ کے دیگر آلات کمپنی کی سائٹس کے ساتھ ساتھ اس کے رجسٹرڈ اور مرکزی دفتر میں نصب کئے گئے ہیں۔ آگ سے بچاؤ کے آلات کی کارکردگی کو یقینی بنانے کے لئے باقاعدہ مشقیں کی جاتی ہیں۔

پائیداری خطرات

بورڈ آف ڈائریکٹرز ماحولیاتی، سماجی اور گورننس (ای ایس جی) عوامل جو کاروبار کی طویل مدتی کامیابی کو متاثر کر سکتے ہیں پر غور کرتے ہوئے کمپنی کے آپریشنز کی پائیداری کو یقینی بنانے کے لئے پُرعزم ہے۔ اس عزم کے ایک حصہ کے طور پر، آپ کی انتظامیہ پائیداری سے متعلق خطرات کی درست تشخیص کرتی ہے کہ، ان خطرات کو کس طرح منظم یا کم کیا جا سکتا ہے۔

کمپنی نے پائیداری سے متعلق خطرات سے نمٹنے کے لئے ایک مضبوط رسک مینجمنٹ فریم ورک نافذ کیا ہے۔ یہ فریم ورک کمپنی کے خطرات کی تشخیص اور فیصلہ سازی کے عمل میں ای ایس جی کے خیالات کو ضم کرتا اور اس بات کو یقینی بناتا ہے کہ پائیداری کے مسائل کو فعال طور پر منظم اور کم کیا جائے۔ کمپنی ایک متنوع، منصفانہ اور جامع کام کی جگہ کو فروغ دینے کے لئے پُرعزم ہے جہاں تمام ملازمین قدر و احترام محسوس کرتے ہیں۔

تنوع، مساوات اور شمولیت (ڈی ای آئی)

ہم یقین رکھتے ہیں کہ تنوع، مساوات اور شمولیت (ڈی ای اینڈ آئی) کو فروغ دینا کمپنی کی کلیدی ترجیح ہے اور جدت طرازی کو وسعت دینے، فیصلہ سازی کو بہتر بنانے اور کمپنی کی مجموعی کارکردگی کو بڑھانے کے لئے لازمی ہے۔ کمپنی متنوع اور جامع بورڈ اور مینجمنٹ کمپوزیشن کو فروغ دیتی ہے جو تمام ملازمین کو ان کی ثقافت، نسل، جنس، ذات پات اور مذہب سے قطع نظر مساوی مواقع فراہم کرتی ہے اور کسی بھی نوعیت کے امتیازی سلوک، ہراسانی اور دھمکیوں سے پاک کام کے ماحول کو فروغ دیتی ہے۔

اندرونی مالیاتی کنٹرول

بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کی تمام سطحوں پر مضبوط اندرونی کنٹرول کا ایک نظام قائم اور نافذ کیا گیا ہے۔ اندرونی کنٹرول کا نظام کمپنی کے مقاصد اور آپریشنل مؤثرگی اور کارکردگی کے حصول، قابل اعتماد مالیاتی رپورٹنگ اور قوانین، قواعد و ضوابط اور پالیسیوں کی تعمیل کو یقینی بنانے کے لئے ڈیزائن میں مستحکم ہے۔

متعلقہ پارٹیاں

تمام متعلقہ فریقوں کے ساتھ لین دین قابل رسائی کی بنیاد پر منتقلی قیمتوں کے تعین کے طریقوں اور بورڈ سے منظور شدہ متعلقہ فریقوں کی پالیسی کے مطابق تھے۔ تمام متعلقہ پارٹی لین دین کو اندرونی آڈٹ کے ذریعے باضابطہ طور پر منظور کیا گیا جس کی بعد میں آڈٹ کمیٹی نے منظوری دی اور ان پر غور و خوض اور منظوری کے لیے بورڈ کے رُوبرو رکھا گیا۔ تاہم، بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں فیصلہ کیا کہ بورڈ کے منظور شدہ متعلقہ پارٹی ٹرانزیکشنز کو ممبر کی بھی منظوری کے لیے کمپنی کے اجلاس عام کے رُوبرو رکھا جائے گا۔

مزید برآں، بورڈ آف ڈائریکٹرز نے یہ بھی فیصلہ کیا کہ کمپنی کے اجلاس عام میں 30 جون 2026ء کو ختم ہونے والے مالی سال کے دوران کیے جانے والے لین دین کی ممبران کی منظوری حاصل کی جائے گی اور اسے اگلے اجلاس عام میں ان کی رسمی توثیق / منظوری کے لیے شیئر ہولڈرز کے رُوبرو رکھا جائے گا۔

نمونہ حصص داری

30 جون 2025ء کے مطابق عام شیئرز کے لئے نمونہ حصص داری منسلک کیا گیا ہے۔

صنفی پے گیپ

30 جون 2025ء کو ختم ہونے والے سال کے لیے صنفی پے گیپ کا انکشاف منسلک کیا گیا ہے۔

آڈیٹرز کی تقرری

ریٹائر ہونے والے میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس، کراچی نے اہل ہونے کی بناء پر مالی سال 26-2025 کے لئے بحیثیت آڈیٹرز دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔ آڈٹ کمیٹی کی تجویز کے مطابق، بورڈ نے موجودہ آڈیٹرز کو ختم ہونے والے سال 30 جون 2026ء میں دوبارہ تقرری کی منظوری دے دی ہے۔

مالیاتی حسابات کا آڈٹ

کمپنی کے مالی حسابات، کمپنی کے قانونی ایکسٹرنل آڈیٹرز، میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی طرف سے کسی کوالیفکیشن کے بغیر نظر ثانی شدہ ہیں۔

کاروباری نظام اور مالیاتی رپورٹنگ کا طریقہ کار

مزید ڈائریکٹرز بخوشی بیان کرتے ہیں کہ:

a۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات میں کمپنی کے امور، نقدی بہاؤ اور سرمائے میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔

b۔ کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔

c۔ مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

d۔ مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔

e۔ اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

f۔ کمپنی کے رواں دواں ہونے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔

g۔ گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

h۔ ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے جو 30 جون 2025 ء کو بقایا ہوں، سوائے ان کے جو مالی حسابات میں ظاہر کر دیئے گئے ہیں۔

بورڈ کی ترتیب

30 جون 2025 کو بورڈ آف ڈائریکٹرز مشتمل ہے:

ڈائریکٹرز کی کل تعداد:

a) مرد (نو) 9

b) خاتون (ایک) 1

ترتیب:

i۔ آزاد ڈائریکٹرز (تین) 3

ii۔ دیگر نان ایگزیکٹو ڈائریکٹرز (پانچ) 5

iii۔ ایگزیکٹو ڈائریکٹرز (دو) 2

ڈائریکٹرز کے نام

جناب شہزادہ الٰہی شیخ	چیئرمین
جناب شفیق الرحمان	
محترمہ توشیبہ سرور	
جناب حسن احمد	
جناب نوید اختر شریف	
جناب شفقت الٰہی شیخ	
جناب رضا الٰہی شیخ	
جناب ہارون شہزادہ الٰہی شیخ	
جناب شوکت الٰہی شیخ	
جناب امین الٰہی شیخ	ڈائریکٹر / چیف ایگزیکٹو آفیسر

بورڈ کی کمیٹیاں

بورڈ آف ڈائریکٹرز نے مندرجہ ذیل کمیٹیاں تشکیل دی ہیں:

- **آڈٹ کمیٹی**

جناب شفیق الرحمان	چیئرمین
جناب رضا الٰہی شیخ	رکن
جناب ہارون شہزادہ الٰہی شیخ	رکن

- **ہیومن ریسورس اینڈ ریمنریشن (HR&R) کمیٹی**

جناب شفیق الرحمان	چیئرمین
جناب امین الٰہی شیخ	رکن
جناب ہارون شہزادہ الٰہی شیخ	رکن

- **ایگزیکٹو کمیٹی**

جناب امین الٰہی شیخ	چیئرمین
جناب شوکت الٰہی شیخ	رکن
جناب رضا الٰہی شیخ	رکن
جناب ہارون شہزادہ الٰہی شیخ	رکن

ڈائریکٹرز کے معاوضے کی نمایاں خصوصیات

بورڈ آف ڈائریکٹرز نے کمپنی کے امور میں ان کی ذمہ داری پر منحصر ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کے لئے رسمی پالیسی کی منظوری دی ہے۔ معاوضہ کامیابی سے کمپنی کو منظم طریقہ سے چلانے کے لئے ان کی ذمہ داری اور ضروری مہارت اور ان سے ویلیو ایڈیشن حوصلہ افزائی کی سطح کے مطابق ہے۔

آزاد ڈائریکٹر سمیت نان ایگزیکٹو ڈائریکٹرز فقط بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے اہل ہیں۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کا معاوضہ ہیومن ریسورس اینڈ ریمنریشن کمیٹی کی سفارشات پر، بورڈ کی طرف سے منظور کیا گیا ہے۔ 2024-25 میں ڈائریکٹرز اور سی ای او کے معاوضہ کی معلومات کیلئے، براہ مہربانی مالی گوشواروں کے نوٹس ملاحظہ کریں۔

اظہار تشکر

کمپنی کے عملے اور کارکنوں کی مسلسل محنت اور جذبہ اور تمام سطحوں پر اچھے تعلقات کا اعتراف کرتے ہیں۔ ڈائریکٹرز کمپنی کی مسلسل حمایت پر بینکرز اور دیگر حصہ داروں کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ

امین الٰہی شیخ

چیف ایگزیکٹو آفیسر (سی ای او)

رضا الٰہی شیخ

ڈائریکٹر

30 ستمبر 2025ء

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

Name of Company: Nagina Cotton 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 are ten as per the following:
   a) Male: Nine
   b) Female: One
2. The composition of the Board of Directors is as follows:

Category	Names
i. Independent Directors	Mr. Shafiq ur Rehman Ms. Tosheeba Sarwar Mr. Naweed Akhtar Sharif
ii. Non-Executive Directors	Mr. Shahzada Ellahi Shaikh Mr. Hasan Ahmad Mr. Shafqat Ellahi Shaikh Mr. Raza Ellahi Shaikh Mr. Haroon Shahzada Ellahi Shaikh
iii. Executive Directors	Mr. Shaukat Ellahi Shaikh Mr. Amin Ellahi Shaikh
iv. Female Director	Ms. Tosheeba Sarwar

** The Company has three independent directors out of ten directors. Fractional requirement for Independent directors have not been rounded up as all independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a fourth independent director.*

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and Listed Companies (Code of Corporate Governance) Regulations, 2019 (the 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Out of the ten directors, nine have obtained Directors Training Program (DTP) certification. The one director who did not complete the training has over 30 years of experience and qualifies for an exemption. The Board is considered compliant with the requirement.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:-

   a. Audit Committee

   Mr. Shafiq ur Rehman, Chairman
   Mr. Raza Ellahi Shaikh, Member
   Mr. Haroon Shahzada Ellahi Shaikh, Member

   b. Human Resource and Remuneration (HR & R) Committee

   Mr. Shafiq ur Rehman, Chairman
   Mr. Amin Ellahi Shaikh, Member
   Mr. Haroon Shahzada Ellahi Shaikh, Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees were as per following:

Committee	No. of meetings
Audit Committee	04 quarterly meetings
HR and Remuneration Committee	01 annual meeting

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory 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.

    Explanation as required under the Regulations is mentioned below:
19. Explanation for requirements other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S #	Requirement	Regulation No.	Explanation of Non-compliance
1.	**Nomination Committee** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances	29	The responsibilities as prescribed for the nomination committee are being taken care of at board level as and when needed, so a separate committee is not considered to be necessary.
2.	**Risk Management Committee** The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30	Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly.
4.	**Directors Training Program for Female Executive and Head of Departments** It is encouraged to obtain DTP certification for female executive and one head of department every year starting from July 2020 and July 2022 respectively.	19 (3)	Female executive and head of department has not obtained the DTP certification yet. DTP will be arranged as and when needed.
5.	**Independent Evaluation of the Board's Performance** It is encouraged to have regular independent evaluation of the board's performance at least every three years by an external body.	10.3	The Company is in the process of developing and implementing a mechanism to comply with this requirement.
6.	**Sustainability Committee** It is encouraged that the board establish a sustainability committee with at least one female director or assign such responsibilities to an existing committee, with annual reporting on sustainability integration, DE&I practices, and compliance with applicable laws.	10A.5(3)	Currently such responsibility is dealt at Board level, however, the Board will consider it upcoming meeting to establish a separate committee.
7.	**Directors' Report on Sustainability risks** It is encouraged that the directors' report include disclosures on sustainability risks, their management or mitigation, and measures undertaken to promote DE&I in the company.	10A.6(3)	Board has considered the sustainability related risks and opportunities and related mitigation and measures. We will ensure inclusion of such disclosures in the upcoming directors report.

On behalf of the Board

	Amin Ellahi Shaikh	**Shahzada Ellahi Shaikh**
September 30, 2025	Chief Executive Officer	Chairman

SHAREHOLDERS' INFORMATION

Annual General Meeting (AGM)

The 58th Annual General Meeting (AGM) of members of Nagina Cotton Mills Limited will be held on **Tuesday, October 28, 2025** at 12:00 noon at the Registered Office of the Company situated at 2nd Floor, Shaikh Sultan Trust Bldg. No. 2, 26-Civil Lines, Beaumont Road, Karachi-75530 and virtually through video conference facility.

Eligible shareholders are encouraged to participate and vote.

Participation in AGM through video link facility

The Shareholders can also participate in the General Meeting through video link facility

To attend the Annual General meeting through video link, members and their proxies are requested to register their following particulars by sending an e-mail at azam@nagina.com.

Folio/CDC Account No.	No. of Shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on October 27, 2025.

Eligible shareholders are encouraged to participate and vote.

Ownership

On June 30, 2025, the Company has 933 Shareholders.

Web Reference

The Company maintains a functional website. Annual, half-yearly and quarterly reports are regularly posted at the Company's website: http://www.nagina.com

Dividend

The Board of Directors in its meeting held on September 30, 2025 has recommended, payment of the final cash dividend at the rate of Rs. 1/- per share i.e.10% for the year ended June 30, 2025.

Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 22, 2025 to October 28, 2025 (both days inclusive). Transfers received in order by our Shares Registrar, M/s. Hameed Majeed Associates (Pvt) Ltd., 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi by the close of business on October 21, 2025 will be considered in time to entitle the transferees for payment of dividend and to attend the AGM.

PAYMENT OF CASH DIVIDEND ELECTRONICALLY (E DIVIDEND MECHANISM)

As per the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants. Therefore, shareholders are requested to provide the following particulars directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS):

Detail of Bank Mandate	
Name of Shareholder	
Folio No. / CDC Account No.	
Cell Number of Shareholder	
Landline Number of Shareholder	
E-mail address	
Title of Bank Account of shareholder	
International Bank Account Number (IBAN) **"Mandatory"**	PK_________________________ (24 digits) (kindly provide your accurate IBAN after consulting with your respective bank branch, in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's Name	
Branch Name and Address	
Branch Code	
CNIC No. (copy attached)	
NTN (in case of Corporate Entity)	

It is stated that the above-mentioned information is correct, that I will intimate the changes in the above-mentioned information to the Company and the concerned Share Registrar as soon as these occur.

____

Signature of the Shareholder

In case of non-receipt of the above information, the dividend shall be withheld.

Restriction on Distribution of Gifts to Members:

The Securities and Exchange Commission of Pakistan (the "SECP"), through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway packages) in any form or manner, to shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties and in accordance with the directive issued by the SECP, vide its S.R.O. 452(I)/2025 dated 17 March 2025 the Company would like to inform all the shareholders that no gifts will be distributed at the AGM.

Requirement of CNIC Number / National Tax Number (NTN) Certificate.

Individual Members who have not yet submitted a copy of their valid Computerized Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of Share Registrar of the Company, M/s. Hameed Majeed Associates (Pvt) Ltd., 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi. Corporate Members are requested to provide their National Tax Number (NTN) and folio number thereon while sending the copies to the Share Registrar of the Company. In case of non-receipt of the copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, 2017 and SROs issued there under.

Deposit of Physical Shares into CDC Accounts

As per Section 72 of the Companies Act, 2017, every existing listed 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 Commission, within a period not exceeding four years from the commencement of this Act, i.e. May 30, 2017.

The shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Ltd.

Deduction of Withholding Tax on Dividend

1. The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be as follows:

i)	Rate of Withholding Income Tax deduction for the persons whose names are appearing on ATL.	15%
ii)	Rate of Withholding Income Tax deduction for the persons whose names are not appearing on ATL.	30%

   To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not appearing on Active Taxpayers' List (ATL) available on the website of FBR are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

2. Withholding tax will be determined separately on 'persons names appearing on ATL/persons names not appearing on ATL' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts. In this regard, all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint-holder(s).

3. As per FBR Circulars C.No.1(29)WHT/2006 dated 30 June 2010 and C.No. 1(43)DG(WHT)/2008-Vol.II-66417-R dated May 12, 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under Clause 47B of Part-IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar before book closure otherwise tax will be deducted on dividend as per applicable rates.

Zakat Declaration (Form CZ-50)

The Shareholders claiming exemption from deduction of Zakat are advised to submit their Zakat Declaration Form CZ-50 under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund Rules), 1981 to our Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi. The Shareholders while sending the Zakat Declarations must quote the company name and their respective Folio Nos and /or CDC A/c Nos.

Delivery of the Unclaimed / Undelivered Shares & Dividend

Shareholders, whose dividends still remain unclaimed and / or undelivered share certificates, are hereby once again requested to approach the Company's Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi to claim their outstanding dividend amounts and/ or undelivered share certificates.

Consent For Video Conference Facility

Pursuant to Section 134(1)(b) of the Act, shareholders residing in a city holding aggregate 10% or more shareholding may demand to participate in the meeting through video conference. The request for video-link facility shall be shall be received by the Share Registrar at their address at least seven days prior to the date of the meeting on the Standard Form available on the website of the Company

Investor Relations Contact

For any query / problem / information, the investors may contact Mr. Syed Mohsin Gilani, Corporate Secretary, email address:mohsin.gilani@nagina.com, Ph # (+92-42) 35756270.

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2025
CUIN (INCORPORATION NUMBER) 0002500

No. of Shareholders	Shareholding From	To	Total Shares Held
432	1	100	13,029
250	101	500	70,539
70	501	1000	57,947
116	1001	5000	284,166
34	5001	10000	247,742
7	10001	15000	88,111
7	15001	20000	119,548
2	20001	25000	44,500
-	25001	30000	-
2	30001	35000	64,868
-	35001	115000	-
1	115001	120000	118,736
-	120001	225000	-
1	225001	230000	227,000
-	230001	390000	-
1	390001	395000	390,284
-	395001	695000	-
2	695001	700000	1,400,000
-	700001	1015000	-
3	1015001	1020000	3,051,542
-	1020001	1395000	-
1	1395001	1400000	1,400,000
1	1400001	1405000	1,400,500
-	1405001	3225000	-
2	3225001	3230000	6,454,419
-	3230001	3265000	-
1	3265001	3270000	3,267,069
933	**Total:-**		**18,700,000**

CATAGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2025

Sr #	Categories of Shareholders	Shares Held	Percentage
1)	**Directors, Chief Executive Officer, and their Spouse and Minor Children**		
i)	MR. SHAHZADA ELLAHI SHAIKH	3,227,350	17.26
ii)	MR. SHAUKAT ELLAHI SHAIKH	3,267,069	17.47
iii)	MR. SHAFQAT ELLAHI SHAIKH	3,227,069	17.26
iv)	MR. RAZA ELLAHI SHAIKH	1,400,500	7.49
v)	MR. AMIN ELLAHI SHAIKH	1,400,000	7.49
vi)	MR. HAROON SHAHZADA ELLAHI SHAIKH	700,000	3.74
vii)	MR. SHAFIQ UR REHMAN	500	0.00
viii)	MR. HASAN AHMED	500	0.00
ix)	MS. TOSHEEBA SARWAR	500	0.00
x)	MR. NAVEED AKHTER SHARIF	500	0.00
xi)	MRS. HUMERA SHAHZADA ELLAHI SHEIKH	4,248	0.02
xii)	MRS. MONA SHAUKAT SHAIKH	4,248	0.02
xiii)	MRS. SHAISTA SHAFQAT	4,248	0.02
		13,236,732	**70.78**
2)	**Associated Companies, Undertakings and Related Parties**		
i)	HAROON OMER (PVT) LIMITED	1,017,147	5.44
ii)	MONELL (PVT) LIMITED	1,017,147	5.44
iii)	ICARO (PVT) LIMITED	1,017,248	5.44
iv)	ELLAHI INTERNATIONAL (PVT) LLIMITED	9,000	0.05
		3,060,542	**16.37**
3)	**NIT and ICP**	**1,430**	**0.01**
4)	**Banks, Development Finance Institutions, Non Banking Finance Institutions**		
i)	NATIONAL DEVE. FINANCE CORP.	5,560	0.03
ii)	ESCORTS INVESTMENT BANK LIMITED	30	0.00
		5,590	**0.03**
5)	**Insurance Companies**	**Nil**	**Nil**
6)	**Modarabas and Mutual Funds**	**Nil**	**Nil**
7)	**Shareholders Holding 10% or more**		
i)	MR. SHAUKAT ELLAHI SHAIKH	3,267,069	17.47
ii)	MR. SHAHZADA ELLAHI SHAIKH	3,227,350	17.26
iii)	MR. SHAFQAT ELLAHI SHAIKH	3,227,069	17.26
		9,721,488	**51.99**
8)	**General Public**		
i)	a. Local	2,388,168	12.77
ii)	b. Foreign	-	-
9)	**Others (Joint Stock Companies)**	**8,038**	**0.04**

NAGINA COTTON MILLS LTD.
2ND FLOOR, SHEIKH SULTAN TRUST BLDG. NO. 2, 26, CIVIL LINES BEAUMONT ROAD, KARACHI-75530, PAKISTAN.
TELE : (92-21) 35688123 - 35680364 - 35688219 - 35686263 - 35686560 FAX : (92-21) 35683215
E-MAIL : karachi@nagina.com

NAGINA COTTON MILL LIMITED

GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 OF 2024

Following is gender pay gap calculated for the year ended June 30, 2025

i)	Mean Gender Pay Gap	27.77%
ii)	Median Gender Pay Gap	-23.86%
iii)	We are committed to fostering an inclusive workplace that ensures fair and equitable representation at all levels, regardless of gender. The mean and median gender pay gaps are 27.77% and (23.86%), respectively. These pay differences are influenced by factors such as individual performance, experience, education, and skill set.	

Amin Ellahi Shaikh
Chief Executive Officer

REGIONAL OFFICE : Nagina House 91-B-1, M.M. Alam Road, Gulberg-III, Lahore - 54660, Pakistan. Tel: (92-42) 35756270-77, 35754811-16
Fax : (92-42) 35711856 & 35753820
MILLS : A-16. National Highway, Aminabad, S.I.T.E., Kotri, Pakistan. Telephone : (92-22) 3870072, 3870073, 3870037
Fax : (92-22) 3870192 Email : ncmlsite@nagina.com
Power House Telephone : (92-22) 3870036 Email : gmncmlpower@nagina.com

KEY FINANCIAL INFORMATION

		YEAR ENDED 30TH JUNE					
		2025	2024	2023	2022	2021	2020
Sales	Rs.'000	**19,857,881**	20,448,120	12,818,758	11,235,579	7,184,635	7,070,172
Gross profit	Rs.'000	**1,609,201**	1,613,829	1,339,638	2,507,668	1,419,328	593,821
Operating profit	Rs.'000	**1,163,708**	1,161,608	1,062,882	2,069,802	1,144,400	378,087
Profit / (loss) before tax	Rs.'000	**442,262**	311,055	803,518	1,826,779	988,876	100,273
Profit after tax	Rs.'000	**50,417**	77,025	589,947	1,812,562	743,498	7,629
Share capital - paid up	Rs.'000	**187,000**	187,000	187,000	187,000	187,000	187,000
Shareholders' equity	Rs.'000	**4,759,531**	4,728,369	4,667,040	4,307,501	2,568,397	1,880,495
Total assets	Rs.'000	**14,597,793**	12,730,252	12,588,753	10,172,038	6,389,585	6,924,313
Earnings (loss) per share - pre tax	Rs.	**23.65**	16.63	42.97	97.69	52.88	5.36
Earnings / (loss) per share - after tax	Rs.	**2.70**	4.12	31.55	96.93	39.76	0.41
Cash Dividend per share	Rs.	**1.00**	1.50	6.00	10.00	10.00	-
Market value per share	Rs.	**61.05**	52.50	62.95	78.80	74.65	38.93
Gross profit to Sales	%	**8.10**	7.89	10.45	22.32	19.76	8.40
Operating profit to sales	%	**5.86**	5.68	7.08	18.40	15.93	5.35
Profit / (loss) before tax to Sales	%	**2.23**	1.52	6.27	16.26	13.76	1.42
Profit / (loss) after tax to Sales	%	**0.25**	0.38	4.60	16.13	10.35	0.11
Current ratio		**1.72 : 1**	2.28 : 1	2.10 : 1	2.40 : 1	2.33 : 1	1.45 : 1
Total debt to total assets ratio	%	**88.17**	89.86	82.12	57.65	59.80	72.84
Debt Equity Ratio	%	**50.81**	53.13	52.23	45.54	47.08	54.49

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6494-7
www.yousufadil.com

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Nagina Cotton 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 **Nagina Cotton 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 with 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.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: October 02, 2025
UDIN: CR202510186Mq0iW8zrf

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
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Tel: +92 (0) 21 3454 6494-7
www.yousufadil.com

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NAGINA COTTON MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Nagina Cotton Mills Limited** (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss and other 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 a summary of material accounting policies 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, statement of profit or loss and other 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 and 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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

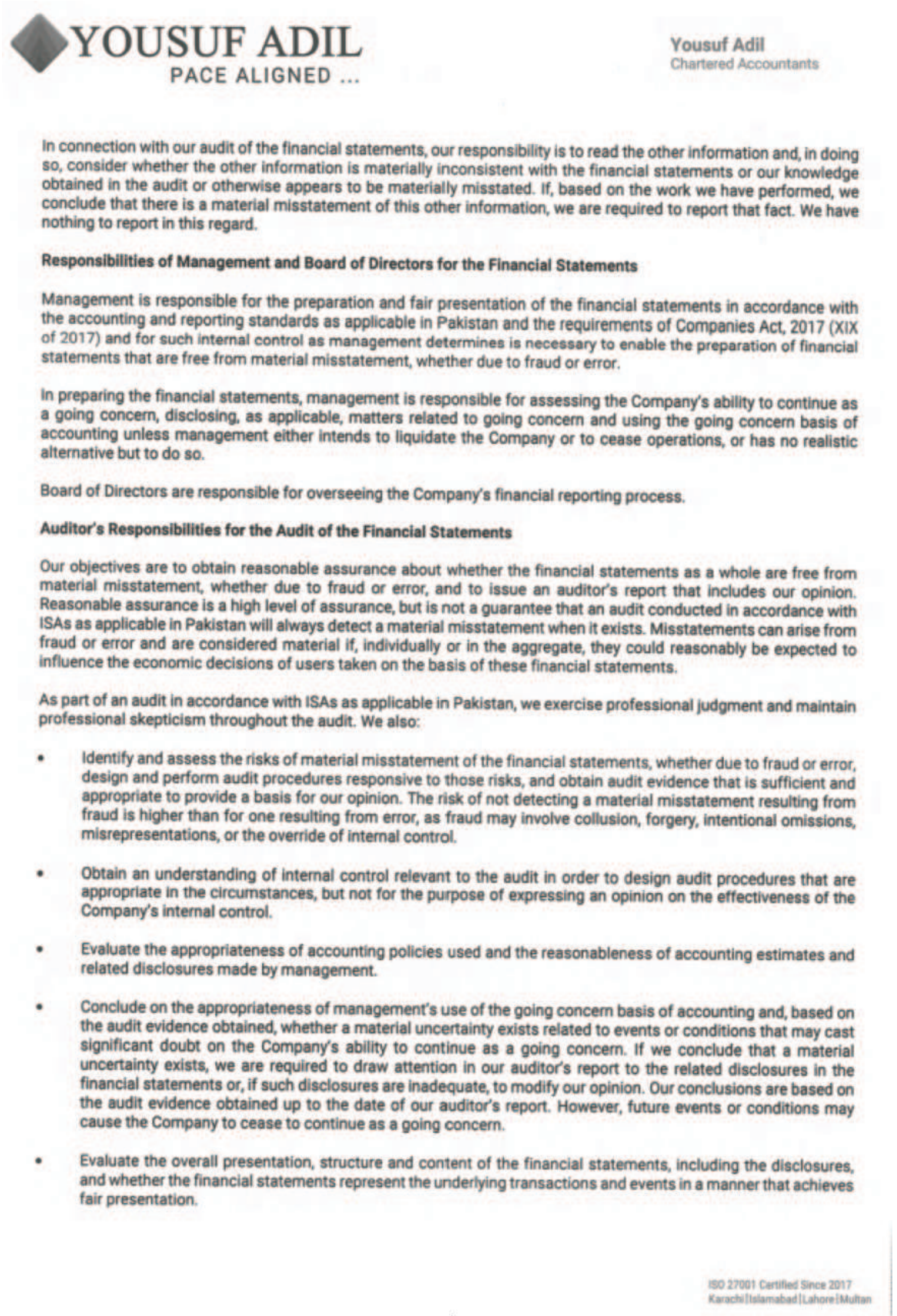
S. No.	Key audit matter	How the matter was addressed In our audit
1.	**Revenue recognition from Contracts with Customers**	
	The Company is engaged in manufacturing and sale of yarn. Revenue recognition policy has been explained in note 4.11 to the financial statements, and the related amounts of revenue recognized during the year are disclosed in note 27 to the financial statements.	Our audit procedures to address the revenue recognition amongst others included the following: • Assessed the appropriateness of revenue recognition policy and compared it with the applicable accounting and reporting standards;

S. No.	Key audit matter	How the matter was addressed In our audit
	The Company generates revenue by exporting and selling locally. We considered revenue recognition as key audit matter as it is one of the key performance indicators of the Company. In addition to that, occurrence and recognition of revenue is considered as significant risk as part of audit process.	• Obtained an understanding and assessed the design, implementation and operating effectiveness of controls established for recognition of revenue; • Inspected on sample basis relevant supporting documents for ensuring that management has complied with the revenue recognition criteria as per the accounting policy;
2.	**Valuation of stock in trade**	
	Stock-in-trade has been valued as per the accounting policy stated in note 4.6 to the financial statements and stock-in-trade is disclosed in note 19 to the financial statements. Stock-in-trade forms material part of the Company's assets comprising around 32% of total assets. The stock in trade is carried at lower of cost or net realizable value. The cost of finished goods and work in process is determined using the average manufacturing costs including production overheads, which includes judgment in relation to the allocation of overheads, which are incurred in bringing the finished goods to its present location and condition. Judgments are also involved in determining the net realizable value (NRV) (estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale) of stock-in-trade items in line with accounting policy. Due to the above factors, we have considered the valuation of stock in trade as key audit matter.	Our audit procedures to address the valuation of stock-in-trade, included the following: • Obtained an understanding of mechanism used by the management for recording and valuation of stock-in-trade; • Performed testing on a sample basis on purchases by reviewing supplier commercial invoices, inward gate pass, bill of lading and goods declaration; • Verified on test basis, the moving weighted average calculation of raw material as per accounting policy; • Verified the calculations of the actual overhead costs and checked allocation of labor and overhead costs to the finished goods and work in process; • Obtained an understanding of management's process for determining the NRV and checked: i) future selling prices by performing a review of sales close to and subsequent to the year-end; ii) costs necessary to make the sales; and iii) the calculations of NRV of itemized list of stock-in-trade, on selected sample and compared the NRV with the cost to ensure that valuation of stock-in-trade is in line with the accounting policy.

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

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

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



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

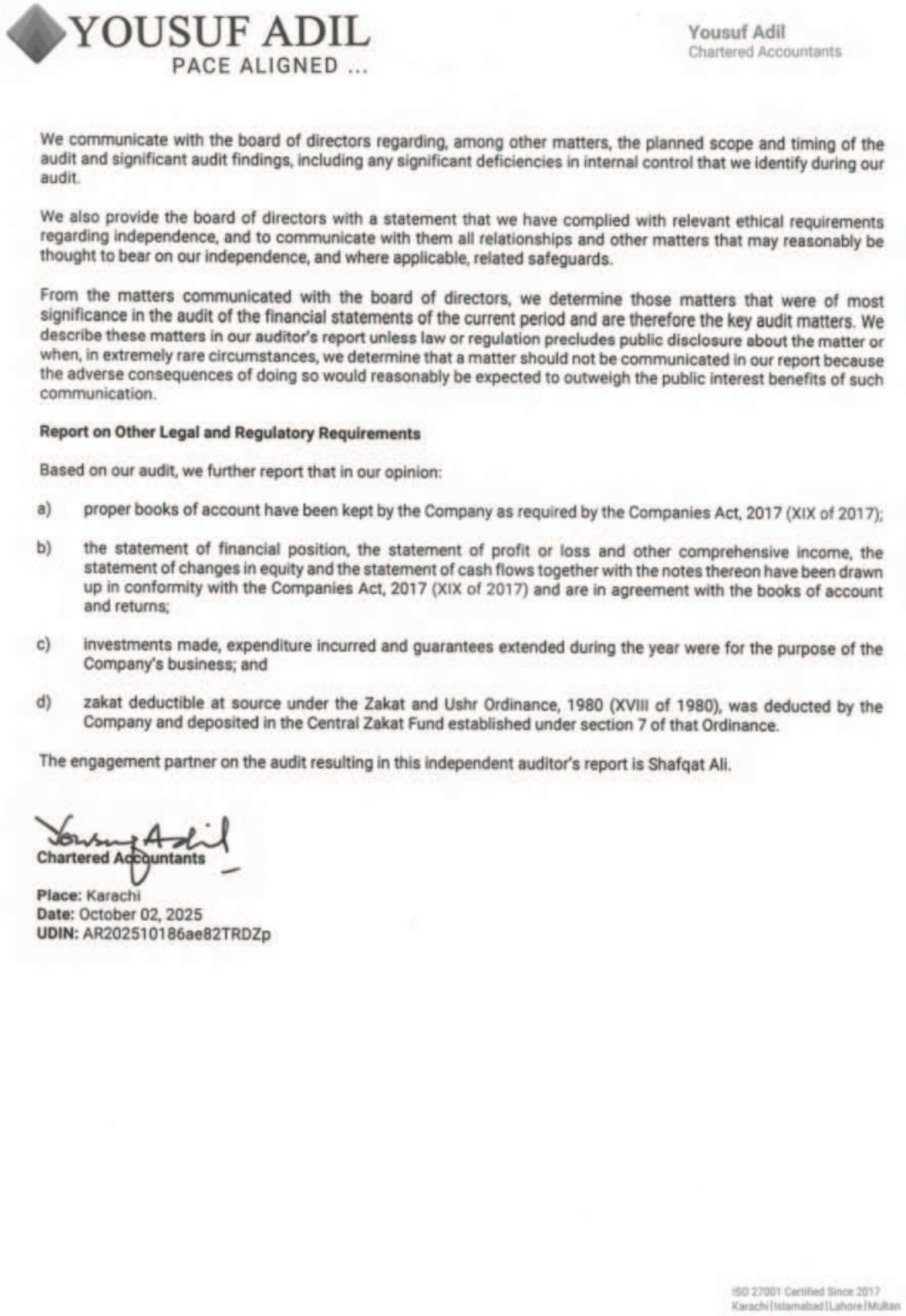
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Shafqat Ali.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: October 02, 2025
UDIN: AR202510186ae82TRDZp

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
50,000,000 (2024: 50,000,000) ordinary shares of Rs. 10 each		**500,000,000**	500,000,000
Issued, subscribed and paid-up capital	5	**187,000,000**	187,000,000
Capital reserves	6	**265,704,614**	262,238,346
Revenue reserve - unappropriated profit		**4,306,826,606**	4,279,130,477
TOTAL EQUITY		**4,759,531,220**	4,728,368,823
LIABILITIES			
NON CURRENT LIABILITIES			
Long term finances	7	**4,181,862,874**	4,797,375,158
Deferred tax	8	**122,612,114**	-
Employee retirement benefits	9	**294,457,333**	241,031,213
		4,598,932,321	5,038,406,371
CURRENT LIABILITIES			
Current portion of long-term finances	7	**733,852,872**	562,649,569
Trade and other payables	10	**1,519,750,487**	1,547,579,311
Contract liability - advance from customers	11	**10,151,772**	2,675,380
Unclaimed dividend		**12,091,680**	11,904,654
Accrued interest / mark-up	12	**159,648,160**	150,579,516
Short-term borrowings	13	**2,803,834,134**	688,088,033
		5,239,329,105	2,963,476,463
TOTAL LIABILITIES		**9,838,261,426**	8,001,882,834
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		**14,597,792,646**	12,730,251,657

The annexed notes from 1 to 50 form an integral part of these financial statements.

September 30, 2025

Raza Ellahi Shaikh
Director

Tariq Zafar Bajwa
Chief Financial Officer

	Note	**2025** **Rupees**	2024 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	15	**5,575,305,428**	5,964,975,353
Investment properties	16	**12,675,412**	12,866,120
Intangible assets	17	**-**	-
Long-term deposits		**1,121,858**	1,021,858
		5,589,102,698	5,978,863,331
CURRENT ASSETS			
Stores and spares	18	**205,763,297**	175,946,946
Stock-in-trade	19	**4,643,518,733**	2,345,519,612
Trade receivables	20	**2,893,912,720**	2,423,990,217
Advances	21	**509,205,152**	444,171,607
Prepayments	22	**3,193,993**	3,777,750
Other receivables	23	**66,536,305**	12,165,011
Tax refundable	24	**412,815,861**	64,631,798
Other financial assets	25	**166,687,329**	1,155,266,963
Cash and bank balances	26	**107,056,558**	125,918,422
		9,008,689,948	6,751,388,326
TOTAL ASSETS		**14,597,792,646**	12,730,251,657

The annexed notes from 1 to 50 form an integral part of these financial statements.

Amin Ellahi Shaikh
Chief Executive Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Revenue from contracts with customers	27	**19,857,881,186**	20,448,120,237
Cost of goods sold	28	**(18,248,680,028)**	(18,834,290,751)
Gross profit		**1,609,201,158**	1,613,829,486
Distribution cost	29	**(321,474,078)**	(313,468,617)
Administrative expenses	30	**(250,655,739)**	(220,864,882)
Other expenses	31	**(39,656,298)**	(21,668,840)
		(611,786,115)	(556,002,339)
Other income	32	**166,293,330**	103,780,803
Operating profit		**1,163,708,373**	1,161,607,950
Finance cost	33	**(721,446,442)**	(850,552,767)
Profit before levies and taxation		**442,261,931**	311,055,183
Levies	34	**(210,594,684)**	(234,030,195)
Profit before taxation		**231,667,247**	77,024,988
Taxation	35	**(181,250,555)**	-
Profit for the year		**50,416,692**	77,024,988
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement gain / (loss) on defined benefit liability	9.4	**6,916,317**	(12,139,615)
Deferred tax recognised	8	**(1,586,880)**	-
Fair value gain on investment in equity instruments designated at FVTOCI	25.5	**5,472,000**	108,644,099
Deferred tax recognised	8	**(2,005,732)**	-
		8,795,705	96,504,484
Total comprehensive income for the year		**59,212,397**	173,529,472
Earnings per share - basic and diluted	36	**2.70**	4.12

The annexed notes from 1 to 50 form an integral part of these financial statements.

September 30, 2025

Raza Ellahi Shaikh
Director

Tariq Zafar Bajwa
Chief Financial Officer

Amin Ellahi Shaikh
Chief Executive Officer

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

		Note	**2025** **Rupees**	2024 Rupees
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Cash (used in) / generated from operations	37	**(1,482,700,456)**	2,125,868,604
	Payments made:			
	Employees retirement benefits	9.2	**(24,050,576)**	(30,353,351)
	Finance cost		**(712,377,798)**	(844,015,088)
	Advance and tax withheld	24.1	**(389,605,780)**	(212,625,953)
	Net cash (used in) / generated from operating activities		**(2,608,734,610)**	1,038,874,212
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment		**(216,150,388)**	(338,878,567)
	Proceeds from disposal of operating fixed assets		**15,148,876**	39,567,500
	Addition in long term deposits		**(100,000)**	-
	Purchase of other financial assets		**(6,418,615,392)**	(1,679,172,720)
	Proceeds from sale of other financial assets		**7,513,054,945**	935,301,771
	Profit received on term deposit receipts		**15,178,222**	20,876,130
	Rental income received		**37,374,456**	34,188,378
	Dividend received		**2,213,452**	25,576,017
	Net cash generated from / (used in) investing activities		**948,104,171**	(962,541,491)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Long-term finances obtained		**115,508,429**	641,500,000
	Repayment of long-term finances		**(559,817,410)**	(383,911,806)
	Obtained short-term borrowings excluding running finance		**10,994,676,364**	3,539,165,751
	Repayment of short-term borrowings		**(9,824,712,233)**	(3,086,288,167)
	Dividend paid		**(27,862,974)**	(111,284,765)
	Net cash generated from financing activities		**697,792,176**	599,181,013
	Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(962,838,263)**	675,513,734
	Cash and cash equivalents at beginning of the year		**(32,154,515)**	(702,604,631)
	Effect of unrealized exchange gain / (loss) on cash and cash equivalents	31 & 32	**454,035**	(5,063,618)
	Cash and cash equivalents at end of the year		**(994,538,743)**	(32,154,515)
	Cash and cash equivalents			
	Cash and bank balances	26	**107,056,558**	125,918,422
	Other financial assets - terms deposits with banks	25	**76,903,615**	76,903,615
	Short-term running finances	13	**(1,178,498,916)**	(234,976,552)
			(994,538,743)	(32,154,515)

The annexed notes from 1 to 50 form an integral part of these financial statements.

	Raza Ellahi Shaikh	**Tariq Zafar Bajwa**	**Amin Ellahi Shaikh**
September 30, 2025	Director	Chief Financial Officer	Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Issued, subscribed and paid up capital	Capital reserves				Revenue reserve	Total
		Capital redemption reserve 6.1	Amalgamation reserve 6.2	Fair value reserve	Total capital reserves	Unappropriated profit	
	(Rupees)						
Balance as at June 30, 2023	187,000,000	241,860,000	12,104,417	(55,702,216)	198,262,201	4,281,777,150	4,667,039,351
Comprehensive income							
Profit for the year	-	-	-	-	-	77,024,988	77,024,988
Other comprehensive income							
Remeasurement of defined benefit liability	-	-	-	-	-	(12,139,615)	(12,139,615)
Fair value gain on investment in equity instrument designated at FVTOCI	-	-	-	108,644,099	108,644,099	-	108,644,099
Total comprehensive income for the year	-	-	-	108,644,099	108,644,099	64,885,373	173,529,472
Transfer of realized gain on sale of investments	-	-	-	(44,667,954)	(44,667,954)	44,667,954	-
Transactions with owners							
Final dividend for the year ended June 30, 2023 @ 60% i.e. Rs. 6 per ordinary share	-	-	-	-	-	(112,200,000)	(112,200,000)
Balance as at June 30, 2024	**187,000,000**	**241,860,000**	**12,104,417**	**8,273,929**	**262,238,346**	**4,279,130,477**	**4,728,368,823**
Comprehensive income							
Profit for the year	**-**	**-**	**-**	**-**	**-**	**50,416,692**	**50,416,692**
Other comprehensive income							
Remeasurement of defined benefit liability	**-**	**-**	**-**	**-**	**-**	**6,916,317**	**6,916,317**
Deferred tax recognized	**-**	**-**	**-**	**-**	**-**	**(1,586,880)**	**(1,586,880)**
Fair value gain on investment in equity instrument designated at FVTOCI	**-**	**-**	**-**	**5,472,000**	**5,472,000**	**-**	**5,472,000**
Deferred tax recognized	**-**	**-**	**-**	**(2,005,732)**	**(2,005,732)**	**-**	**(2,005,732)**
Total comprehensive income for the year	**-**	**-**	**-**	**3,466,268**	**3,466,268**	**55,746,129**	**59,212,397**
Transactions with owners							
Final dividend for the year ended June 30, 2024 @ 15% i.e. Rs. 1.5 per ordinary	-	-	-	-	-	**(28,050,000)**	**(28,050,000)**
Balance as at June 30, 2025	**187,000,000**	**241,860,000**	**12,104,417**	**11,740,197**	**265,704,614**	**4,306,826,606**	**4,759,531,220**

The annexed notes from 1 to 50 form an integral part of these financial statements.

	Raza Ellahi Shaikh	**Tariq Zafar Bajwa**	**Amin Ellahi Shaikh**
September 30, 2025	Director	Chief Financial Officer	Chief Executive Officer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1. LEGAL STATUS AND OPERATIONS

Nagina Cotton Mills Limited (the Company) was incorporated in Pakistan on May 16, 1967 as a public limited company under the Companies Act, 1913 (repealed) now the Companies Act, 2017 and is listed on Pakistan Stock Exchange Limited. The principal business of the Company is to manufacture and sale of yarn.

Following is the geographical location and address of all business units of the Company:

Head Office:
2nd Floor, Shaikh Sultan Trust Building No.2, 26-Civil Lines, Beaumont Road, Karachi, Sindh.

Manufacturing facility:

A-16, National Highway, Aminabad, S.I.T.E Kotri, Sindh.

Regional Office:
Nagina House 91 – B-1, M.M. Alam Road, Gulberg-III, Lahore, Punjab.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except otherwise stated in these financial statements.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.4 Changes in accounting standards

2.4.1 Amendments that are effective for the year ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 16 ' Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with non-current liabilities with covenants

Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements

2.4.2 New standard and amendments to IFRS that are not yet effective

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

	Effective from accounting period beginning on or after
Amendments to IAS 21 - 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of exchangeability	January 01, 2025
IFRS 17 – 'Insurance Contracts' (including the amendments made in June 2020 and December 2021)	January 01, 2027
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' - Classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' - Contracts referencing nature-dependent electricity	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on management's experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

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

		Note
a)	Residual values and useful lives of the operating fixed assets	4.1
b)	Residual values and useful lives of the investment properties	4.3
d)	Residual values and useful lives of the intangible assets	4.4
e)	Net realizable value of stock-in-trade	4.6
f)	Lease liability and right-of-use asset	4.2
g)	Provision for retirement benefit obligation	4.9
h)	Provision for slow moving and obsolete items	4.5
i)	Provision for levies, current and deferred taxation	4.12
j)	Provision for impairment of financial and non finanical assets	4.8.5

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Property, plant and equipment

Owned

Property, plant and equipment except freehold land, leasehold land and capital work in progress are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land, lease hold land and capital work in progress are stated at cost, less impairment, if any.

Assets' residual values and their useful lives are reviewed and adjusted at each financial year end, if significant.

Depreciation is charged to statment of profit or loss and other comprehensive income applying the reducing balance method at the rates specified in the note 15.1. Depreciation on all additions is charged from the month on which the asset is available for use and no depreciation is charged in the month of disposal.

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

Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of assets, if any, are recognized in the statement of profit or loss and other comprehensive income, as and when incurred.

Capital work in progress

These are stated at cost less accumulated impairment losses, if any. All expenditures connected with specific assets incurred and advances made during installation and construction period are carried under this head. These are transferred to specific asset as and when the asset is available for its intended use.

4.2 Right of use assets and lease liabilities

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The right of use assets is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain re-measurements of the lease liability. The right of use asset is depreciated using the straight line method over the shorter of the lease term and the asset’s useful life. The estimated useful lives of assets are determined on the same basis as that for operating fixed asset. In addition, the right of use asset is reduced by impairment losses, if any.

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

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

4.3 Investment properties

Investment properties are properties held to earn rentals and / or capital appreciation. The investment properties of the Company comprise of land and buildings which are valued using the cost method i.e. at cost less accumulated depreciation and impairment loss, if any.

Depreciation on buildings is charged to the statement of profit or loss and other comprehensive income applying the reducing balance method at the rates specified in the note 16.

4.4 Intangible assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably.

Generally costs associated with developing or maintaining computer software programmes are recognized as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognized as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any, thereon.

Intangible asset with a definite useful life is amortized on a straight line basis over its useful life. Amortization on all additions in intangibles is charged from the month in which the asset is available for use and on disposals up to the month of disposal. Amortization charge is recognized in the statement of profit or loss and other comprehensive income. It has been fully amortized but still in use.

4.5 Stores and spares

These are valued at lower of moving average cost and net realizable value less impairment, if any, for obsolete items. Items in transit are valued at cost incurred up to the reporting date.

4.6 Stock in trade

These are valued at lower of cost and net realizable value. Costs are determined using the following basis:

-	Raw material	Moving weighted average cost
-	Work in process	Average manufacturing cost
-	Finished goods	Average manufacturing cost
-	Waste	Net realizable value

Average manufacturing cost in relation to work in process and finished goods represents manufacturing cost which consists of prime cost and proportion of manufacturing overheads.

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

4.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Short term finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

4.8 Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

4.8.1 Financial assets

Classification

The Company classifies its financial assets into following three categories:

IFRS 9 contains three principle classification categories for financial assets at:

i) Amortized cost,
ii) Fair value through other comprehensive income (FVTOCI) and
iii) Fair value through profit or loss (FVTPL).

i) Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by 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.

On initial recognition, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in Other Comprehensive Income (OCI).

iii) Financial assets at fair value through profit or loss (FVTPL)

All other financial assets are classified as FVTPL (for example: equity held for trading and debt securities not classified either as amortized cost or FVTOCI).

In addition, on initial recognition, the Company may designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit or loss and other comprehensive income.

4.8.2 Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost. Amortized cost is calculated using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Financial assets at FVTOCI

All financial assets at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in Other Comprehensive Income (OCI).

For debt instruments classified as financial assets at FVTOCI, the amounts in other comprehensive income are reclassified to income statement on derecognition of financial assets. This treatment is in contrast to equity instruments classified as financial assets at FVTOCI, where there is no reclassification on derecognition.

Financial assets at FVTPL

All financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the statement of profit or loss and other comprehensive income.

4.8.3 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

Basis of valuation of investment in mutual funds

The fair value of units of Funds is based on the net assets value per unit announced on the basis of net assets value communicated by the Asset Management Company on daily basis.

4.8.4 Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

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

4.8.5 Impairment

Financial assets

The Company recognizes a loss allowance for expected credit loss "ECL" on trade receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company always recognizes lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the statement of profit or loss and other comprehensive income, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.8.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to off set the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

4.9 Employee retirement benefits

Defined benefit plan

The Company operates an unfunded gratuity scheme for its confirmed employees who have completed the minimum qualifying period of service as defined under the scheme. The Company's obligation under the scheme is determined through actuarial valuation carried out at each reporting date under the Projected Unit Credit Method. The most recent valuation of the scheme was carried out as at June 30, 2025.

Remeasurements which comprise actuarial gains and losses on defined benefit obligations are recognized immediately in other comprehensive income.

4.10 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation, as a result of past events, when 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.11 Revenue recognition

Revenue from contracts with customers is recognized at the point in time when the performance obligation is satisfied i.e. when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled to in exchange of those goods.

For each sale transaction, purchase order forms a contract between the Company and a customer and the goods to be delivered under that contract are the Company's identified performance obligation, the contract contains determined and allocated transaction price. The Company satisfies a performance obligation on delivery of goods to the customer and recognizes the revenue.

Dividend income is recognized on the date on which the Company's right to receive the dividend is established.

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the applicable effective interest rate.

Rental income is recognized on accrual basis.

4.12 Taxation

Current

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the effective rate of tax.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward 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 utilised.

Deferred tax assets and liabilities are measured at effective tax rate that are expected to apply to the period when the asset is realised or the liability is settled.

Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income is classified as levies in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

As per the guide issued by ICAP, the Company has selected Approach B, according to which, designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 ‘Income Taxes’ and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as levies falling under the scope of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. For calculation of deferred tax, enacted rate of tax is required to be used.

4.13 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added in the carrying amount of the borrowing.

4.13.1 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time till the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit or loss and other comprehensive income in the period in which they are incurred.

4.14 Dividend and other appropriations

Dividend distribution to the Company’s shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the shareholders of the Company.

4.15 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.16 Segment Reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker (CODM). The Company considers Chief Executive as its CODM who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however; certain information about the Company's products, as required by the accounting and reporting standards, is presented in note 46 to these financial statements.

5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2025	2024		**2025**	2024
Number of ordinary shares of Rs.10 each			**Rupees**	Rupees
3,133,000	3,133,000	Fully paid in cash	**31,330,000**	31,330,000
15,567,000	15,567,000	As bonus shares	**155,670,000**	155,670,000
18,700,000	18,700,000		**187,000,000**	187,000,000

5.1 The Company has one class of ordinary shares which carries no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the shareholders. All shares rank equally with regard to right in the Company's residual assets.

5.2 Shares held by associated undertakings of the Company as at the reporting date are as follows :

Associated undertakings - due to common directorship and shareholding in the Company

	2025	2024
	Number of shares	
Monell (Private) Limited	**1,017,147**	1,017,147
Haroon Omer (Private) Limited	**1,017,147**	1,017,147
ICARO (Private) Limited	**1,017,248**	1,017,248
Ellahi International (Private) Limited	**9,000**	9,000
	3,060,542	3,060,542

6. CAPITAL RESERVES

	Note	**2025** **Rupees**	2024 Rupees
Capital redemption reserve	6.1	**241,860,000**	241,860,000
Amalgamation reserve	6.2	**12,104,417**	12,104,417
Remeasurement for the investments designated as at fair value through other comprehensive income		**11,740,197**	8,273,929
		265,704,614	262,238,346

6.1 This represents capital reserve created for the redemption of preference shares.

6.2 This represents capital reserve created on amalgamation of Ellahi Electric Company Limited with the Company.

7. LONG-TERM FINANCES

	Note	2025 Rupees	2024 Rupees
From banking companies and other financial institutions - secured			
Term finances			
- conventional	7.2	**2,521,778,491**	2,613,185,152
- shariah compliant	7.2	**115,508,429**	-
Long-term financing facilities (LTFF)			
- conventional	7.3	**2,275,596,671**	2,744,007,420
- shariah compliant		**-**	-
Custom debentures	7.4	**2,832,155**	2,832,155
		4,915,715,746	5,360,024,727
Less: Current portion shown in current liabilities			
Term finance			
- conventional		**266,449,642**	91,406,664
- shariah compliant		**-**	-
Long-term financing facilities (LTFF)			
- conventional		**464,571,075**	468,410,750
- shariah compliant		**-**	-
Custom debentures		**2,832,155**	2,832,155
		733,852,872	562,649,569
		4,181,862,874	4,797,375,158

7.1 Reconciliation of liabilities arising from long term financing activities

The table below details changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes, if any. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

			Cash flows		
	Note	July 01, 2024	Obtained	Repaid	June 30, 2025
		------------------------ (Rupees) ------------------------			
Term finances	7.2	2,613,185,152	115,508,429	(91,406,661)	**2,637,286,920**
Long-term financing facility (LTFF)	7.3	2,744,007,420	-	(468,410,749)	**2,275,596,671**
Custom debentures	7.4	2,832,155	-	-	**2,832,155**
2025		**5,360,024,727**	**115,508,429**	**(559,817,410)**	**4,915,715,746**
2024		5,102,436,535	641,500,000	(383,911,808)	5,360,024,727

7.2 Term Finances

Name of financial institution / bank	Limit		Outstanding amount		Details of financing, security and repayment terms
	2025 Rupees	2024 Rupees	**2025 Rupees**	2024 Rupees	
Habib Bank Limited	**1,700,000,000**	1,700,000,000	**616,202,443**	658,569,144	Facility is secured against first joint pari passu charge on all present and future fixed assets of the Company with 25% margin. The loan is subject to mark-up at the rate of 3 month offer rate of KIBOR plus 125 bps (2024 : 3 months offer rate of KIBOR plus 125 bps) repayable in 32 equal quarterly installments commenced from June 2024 to April 2025.
Bank of Punjab	**850,000,000**	850,000,000	**823,437,501**	850,000,000	Facility is secured against first joint pari passu charge over fixed assets (land, building, plant and machinery) of the Company with 25% margin. The loan is subject to mark-up at the rate of 3 months KIBOR plus 125 bps (2024: 3 months KIBOR plus 125 bps) repayable in 32 equal quarterly installments commenced from May 2025.
Pak Kuwait Investment Company (Private) Limited	**1,500,000,000**	1,500,000,000	**1,082,138,547**	1,104,616,010	Facility is secured against first joint pari passu charge on all present and future fixed assets of the Company with 25% margin. The loan is subject to mark-up at the rate of 3 months offer rate of KIBOR plus 150 bps (2024: 3 months offer rate of KIBOR plus 150 bps) repayable in 32 equal quarterly installments commenced from September 2024 to August 2026.
Meezan Bank	**200,000,000**	-	**115,508,429**	-	Facility is secured against first joint pari passu charge over fixed assets (land, building, plant & machinery) of the company with 25% margin. The loan is subject to mark-up at the rate of 3 months KIBOR plus 100 bps repayable in 32 equal quarterly installments commencing from November 2026.
			2,637,286,920	2,613,185,154	

7.3 Long Term Finance Facilities (LTFF)

Name of financial institution / bank	Limit		Outstanding amount		Details of financing, security and repayment terms
	2025 Rupees	2024 Rupees	**2025 Rupees**	2024 Rupees	
United Bank Limited	**149,693,155**	149,693,155	**23,389,557**	42,101,202	Facility is secured against joint pari passu charge by way of equitable mortgage over fixed assets (land, building and machinery) of the Company. The loan is subject to mark-up at the rate of 3.5% (2024: 3.5%) per annum. In 2015, the loan was transferred from NIDF to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No.14 of 2015 and is repayable in 32 equal quarterly installments commenced from November 2017 initially (after deferment commenced from May 2021).

Name of financial institution / bank	Limit		Outstanding amount		Details of financing, security and repayment terms
	2025 Rupees	2024 Rupees	**2025 Rupees**	2024 Rupees	
United Bank Limited	**142,813,663**	142,813,663	**35,703,415**	53,555,123	Facility is secured against joint pari passu charge by way of equitable mortgage over fixed assets (land, building and machinery) of the Company. The loan is subject to mark-up at the rate of 2.5% (2024: 2.5%) per annum. In 2016, the loan was transferred from NIDF to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No.18 of 2015 and is repayable in 32 equal quarterly installments commenced from July 2018 initially (after deferment commnced from April 2021).
United Bank Limited	**149,628,405**	149,628,405	**46,758,870**	65,462,421	Facility is secured against joint pari passu charge by way of equitable mortgage over fixed assets (land, building and machinery) of the Company. The loan is subject to mark-up at the rate of 2.5% (2024: 2.5%) per annum. In 2016, the loan was transferred from NIDF to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No.18 of 2015 repayable in 32 equal quarterly installments commenced from March 2019 initially (after deferment commenced from June 2021).
United Bank Limited	**122,869,575**	122,869,575	**46,076,095**	65,274,465	Facility is secured against joint pari passu charge by way of equitable mortgage over fixed assets (land, building and machinery) of the Company. The loan is subject to mark-up at the rate of 2.5% (2024: 2.5%) per annum. In 2017, the loan was transferred from NIDF to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No.18 of 2015 repayable in 32 equal quarterly installments commenced from September 2019 initially (after deferment commenced from June 2021).
United Bank Limited	**27,502,020**	27,502,020	**6,605,809**	8,493,184	Facility is secured against joint pari passu charge by way of equitable mortgage over fixed assets (land, building and machinery) of the Company. The loan is subject to mark-up at the rate of 2.5% (2024: 2.5%) per annum. In 2017, the loan was transferred from NIDF to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No.18 of 2015 repayable in 32 equal quarterly installments initially commenced from March 2020 after deferment repayments commenced from June 2021.
Habib Bank Limited	**850,000,000**	850,000,000	**329,164,000**	411,448,000	Facility is secured against first joint pari passu charge on all present and future fixed assets of the Company with 25% margin. The loan is subject to mark-up at the rate of 3% (2024: 3%) per annum. In 2021, the loan was transferred from Term Finance Facility to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No.18 of 2015 repayable in 32 equal quarterly installments commenced from July 2021 and August 2021.

Name of financial institution / bank	Limit		Outstanding amount		Details of financing, security and repayment terms
	2025 Rupees	2024 Rupees	**2025 Rupees**	2024 Rupees	
Habib Bank Limited	**1,700,000,000**	1,700,000,000	**832,233,600**	960,158,400	Facility is secured against first joint pari passu charge on all present and future fixed assets of the Company with 25% margin. The loan is subject to mark-up at the rate of 3.25% and 5.25% (2024 : 3.25% and 5.25%) repayable in 32 equal quarterly installments commenced from October 2023 to July 2024.
Pak Kuwait Investment Company (Private)	**1,500,000,000**	1,500,000,000	**327,204,700**	375,471,500	Facility is secured against first joint pari passu charge on all present and future fixed assets of the Company with 25% margin. The loan is subject to mark-up at the rate of 3.50% and 5.50% (2024: 3.50% and 5.50%) repayable in 32 equal quarterly installments commenced from February 2024 to August 2024.
Allied Bank Limited	**350,000,000**	350,000,000	**181,635,625**	224,062,125	Facility is secured against first joint pari passu charge over fixed assets (land, building, plant and machinery) of the Company with 25% margin. The loan is subject to mark-up at the rate of 2.5% (2024: 2.5%) per annum. In 2020, the loan was transferred from Term Finance Facility to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No.18 of 2015 repayable in 32 equal quarterly installments commenced from October 2021 and January 2022, including two years grace period.
Allied Bank Limited	**100,000,000**	100,000,000	**51,222,000**	59,102,000	Facility is secured against first joint pari passu charge over fixed assets (land, building, plant and machinery) of the Company with 25% margin. The loan is subject to mark-up at the rate of 3.25%. The loan was transferred from Term finance facility to LTFF under SBP's renewable energy scheme IH & SMEFD Circular no. 10 of 2019, repayable in 34 equal quarterly installments initially commenced from September 2023.
Bank Alfalah Limited	**750,000,000**	750,000,000	**395,603,000**	478,879,000	Facility is secured against first joint pari passu charge over fixed assets (land, building, plant and machinery) of the Company with 25% margin. The loan is subject to mark-up at the rate of 3% (2024: 3%) per annum repayable in 32 equal quarterly installments commenced from April 2022, including two years grace period.
			2,275,596,671	2,744,007,420	

7.4 Debentures have been issued in favor of Collector of Customs of Karachi to cover deferred payment of custom duty on imported machinery.

8. DEFERRED TAX

	Balance at July 01, 2024	Deferred tax recognised in Statement of profit or loss	Other comprehensive income	Balance at June 30, 2025
	----------	---------- (Rupees)	----------	----------
Movement for the year ended June 30, 2025				
Deferred tax liabilities on taxable temporary differences arising in respect of :				
- Property, plant and equipment	**-**	**513,101,003**	**-**	**513,101,003**
- Foreign debtors	**-**	**995,474**	**-**	**995,474**
- Other financial assets	**-**	**(765,898)**	**1,586,880**	**820,982**
- Bank balances	**-**	**131,670**	**-**	**131,670**
Deferred tax assets on deductible temporary differences arising in respect of :				
- Investment properties	**-**	**(4,035,602)**	**-**	**(4,035,602)**
- Local debtors	**-**	**(3,301,868)**	**-**	**(3,301,868)**
- Employee retirement benefits	**-**	**(87,398,359)**	**2,005,732**	**(85,392,627)**
- Short term borrowing	**-**	**(655,286)**	**-**	**(655,286)**
- Turnover tax	**-**	**(299,051,632)**	**-**	**(299,051,632)**
	-	**119,019,502**	**3,592,612**	**122,612,114**

	Note	2025 Rupees	2024 Rupees
9. EMPLOYEE RETIREMENT BENEFITS			
Defined benefit plan - staff gratuity	9.2	**294,457,333**	241,031,213

The Company operates an unfunded gratuity scheme for all its confirmed employees who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made to cover the obligations under the scheme on the basis of actuarial assumptions and is determined using Projected Unit Credit Method. Details of actuarial assumption and amounts charged in these financial statements are as follows:

9.1 **Actuarial assumptions**	**2025**	2024
Discount rate	**11.75%**	14.75%
Expected rate of salary increase	**10.75%**	13.75%
Mortality rate	**SLIC 2001-2005** **Setback 1 Year**	SLIC 2001-2005 Setback 1 Year
Expected withdrawal rate for actuarial assumptions	**Age based**	Age based

9.2 **Movement in the net defined benefit liability**	Note	**2025** **Rupees**	2024 Rupees
Balance at the beginning of the year		**241,031,213**	191,948,868
Recognised in the statement of profit or loss			
Current service cost		**50,614,639**	38,570,600
Interest cost		**33,778,374**	28,725,481
	9.3	**84,393,013**	67,296,081
Recognised in other comprehensive income			
Remeasurement (gain) / loss on defined benefit liability	9.4	**(6,916,317)**	12,139,615
Benefits paid during the year		**(24,050,576)**	(30,353,351)
Balance at end of the year		**294,457,333**	241,031,213

		2025 Rupees	2024 Rupees
9.3	**Expense recognised in the statement of profit or loss**		
	Current service cost	**50,614,639**	38,570,600
	Interest cost	**33,778,374**	28,725,481
		84,393,013	67,296,081
9.4	**Remeasurement recognised in Other Comprehensive Income**		
	Actuarial (gain) from changes in financial assumptions	**(2,338,484)**	(909,197)
	Experience adjustments	**(4,577,833)**	13,048,812
		(6,916,317)	12,139,615

9.5 Sensitivity analysis

The sensitivity analysis presented has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

This scheme exposes the Company to the actuarial risks such as:

Salary risk

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risk

The risk that the actual mortality / withdrawal experience is different. Its effect depends upon the beneficiaries' service period / age distribution and the benefit.

Longevity risk

The risk arises when the actual lifetime of the retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

	2025		
	Increase / (decrease) in defined benefit obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
		------------- (Rupees) -------------	
Discount rate	**0.5%**	**(16,296,465)**	**18,550,970**
Salary increment rate	**0.5%**	**19,205,573**	**(17,182,457)**

	2024		
	Increase / (decrease) in defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		------------- (Rupees) -------------	
Discount rate	0.5%	(12,810,509)	14,494,214
Salary increment rate	0.5%	15,001,796	(13,496,602)

In presenting the above sensitivity analysis, the change in present value of the defined benefit obligation has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the reporting date.

9.6 The expected maturity analysis of undiscounted benefit obligation is:

	2025 **Rupees**	2024 Rupees
	Undiscounted payments	
Less than a year	70,249,042	53,664,549
Between 1 to 2 years	39,098,501	41,854,649
Between 2 to 3 years	42,144,760	32,973,343
Between 3 to 4 years	46,335,985	50,322,148
Between 4 to 5 years	57,073,937	41,976,530
6 years and above	3,156,122,401	4,768,351,228

9.7 Expected provision to be recognised in statement of profit or loss and other comprehensive income for the year ending June 30, 2026 is Rs. 86.011 million.

9.8 The average duration of the defined benefit obligation is 6 years.

10. TRADE AND OTHER PAYABLES

	Note	**2025** **Rupees**	2024 Rupees
Creditors		**215,863,072**	174,462,901
Accrued liabilities	10.1 & 10.1.1	**689,582,112**	929,426,983
Advance rent		**9,400,457**	8,629,439
Workers' Profit Participation Fund	10.2	**23,982,931**	16,371,325
Workers' Welfare Fund	10.3	**74,992,986**	71,024,169
Preference shares redemption liability and dividend		**733,365**	733,365
Other government expenses - Infrastructure fee	10.4	**487,689,296**	287,363,957
Sales tax payable		**11,739,850**	52,002,381
Withholding income tax		**5,747,373**	5,402,133
Others		**19,045**	2,162,658
		1,519,750,487	1,547,579,311

10.1 This includes an amount of Rs. 361.295 million in respect of Gas Infrastructure Development Cess (GIDC).

Gas Infrastructure Development (GID) Cess was levied through GIDC Act, 2011 with effect from December 15, 2011 and was chargeable from industrial gas customers at different rates as prescribed by the Federal Government through OGRA notification.

On June 13, 2013, the Peshawar High Court declared the levy, imposition and recovery of the Cess unconstitutional with the direction to refund the “Cess” so far collected. Supreme Court of Pakistan examined the case and vide its findings dated August 22, 2014, concluded that GID Cess is a fee and not a tax and on either count the “Cess” could not have been introduced through a money bill under Article 73 of the Constitution and the same was, therefore, not validly levied in accordance with the Constitution. However, on September 25, 2014, the President of Pakistan had promulgated GID Cess Ordinance 2014, which was applicable to the whole of Pakistan and has to be complied by all parties.

On September 29, 2014, the Sindh High Court gave a stay order to various parties against the promulgation of Presidential order dated September 25, 2014.

On May 22, 2015, the GID Cess Act, 2015 was passed by Parliament applicable on all consumers. Following the imposition of the said Act, many consumers filed a petition in Sindh High Court and obtained stay order against the Act passed by the Parliament.

On October 26, 2016, the High Court of Sindh held that enactment of GIDC Act 2015 is ultra-vires to the Constitution of Pakistan. Sui Southern Gas Company Limited filed an intra-court appeal before the Divisional Bench of High Court of Sindh. On August 13, 2020, GIDC matter was decided by the Supreme Court of Pakistan and the Court ordered gas consumers to pay outstanding amount of GIDC upto July 31, 2020 in twenty four equal monthly installments, starting from August 2020. The Supreme Court further gave the Federal Government six months to commence work on the North-South Gas Pipeline the GIDC Act 2015 was to become permanently in-operations and considered dead for all intents and purposes. This period of six months expired on February 13, 2021 and no work on the North-South Gas Pipeline commenced till date.

On September 29, 2020, we have challenged the imposition of GIDC upon us by SSGC and its quantum on various grounds including that the Company had a judgment from the Honourable Sindh High Court which was not appealed in time, that the Company had not passed on the burden of the Cess and in any event the GIDC Act 2015 could not apply with retrospective effect. Sindh High Court has passed restraining order dated September 29, 2020.

During the year ended June 30, 2021, on review petitions filed by companies including those which had obtained the judgment from the Sindh High Court, the Supreme Court through its judgment dated November 03, 2020 dismissed the review petitions and allowed the recovery of the amount in fourty eight equal installments with one year grace period as oppose to twenty four equal installments and six months grace period mentioned in the original decision dated August 30, 2020. Subsequently, the Company obtained stay order from Sindh High Court against the above payments as directed by Supreme Court.

During the year, the Company reassessed the expected outflow and adjusted this liability accordingly.

10.1.1 This also includes an amount of Rs. 46.32 million (2024: Nil) in respect of off-grid levy imposed by Sui Southern Gas Company Limited (SSGC).

In the case of Federation of Pakistan & another versus Premium Textile Mills Limited & others, the Honourable High Court of Sindh at Karachi, through its judgment dated February 3, 2025 in High Court Appeal No. 336 of 2024, decided the matter against Sui Southern Gas Company Limited (SSGC) and the Federation of Pakistan. Subsequently, on April 4, 2025, SSGC and the Federation of Pakistan filed a Civil Petition for Leave to Appeal (CPLA No. 1017 of 2025) before the Honourable Supreme Court of Pakistan, challenging the judgment of the Honourable High Court of Sindh.

The matter is currently pending adjudication before the Honourable Supreme Court. The management, based on legal advice, is confident that the case will eventually be decided in favour of the Company.

10.2 Workers' Profit Participation Fund

	Note	**2025** **Rupees**	2024 Rupees
Opening balance		**16,371,325**	43,153,495
Interest on funds utilised in the Company's business	10.2.1	**10,316**	212,233
		16,381,641	43,365,728
Allocation for the year	31	**23,982,931**	16,371,325
		40,364,572	59,737,053
Amount paid to the fund		**(16,381,641)**	(43,365,728)
		23,982,931	16,371,325

10.2.1 The interest on funds utilised is charged at the rate of 23.37% comprising the applicable base rate of 20.87% plus a spread of 2.50% (2024: 45% i.e 75% of 60% dividend announced).

10.3 Workers' Welfare Fund

	Note	**2025** **Rupees**	2024 Rupees
Opening balance		**71,024,169**	94,901,094
Allocation for the year	31	**3,968,817**	-
Prior year adjustment		**1,019,135**	-
		76,012,121	94,901,094
Reversal of excess provision		**-**	(23,876,925)
Payment during the year		**(1,019,135)**	-
Closing		**74,992,986**	71,024,169

10.4 This represents Government of Sindh, provision for Sindh Development and Infrastructure Fee and Duty which was levied by the Excise and Taxation Department, on goods entering or leaving the province of Sindh, through air or sea at prescribed rate, under the Sindh Finance Ordinance, 2001. The imposition of the levy was initially challenged by the Company along with other affectees, in the High Court of Sindh, and the Court was pleased to grant an interim injunction, vide Order dated May 31, 2011, to the effect that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be deposited with the Court until the final order is passed. However, as a matter of prudence, in 2021 the Company has paid 50% of the value of infrastructure fee to the concerned department and recorded liability for the remaining amount which is supported by a bank guarantee. Starting from September 2021, the Company is providing 100% bank guarantee in accordance with the order of Supreme Court of Pakistan dated September 01, 2021.

		2025 Rupees	2024 Rupees
11. CONTRACT LIABILITY - ADVANCE FROM CUSTOMERS			
Opening balance		**2,675,380**	9,389,454
Received during the year		**7,940,381**	1,373,187
Advance realize against sales		**(463,989)**	(8,087,261)
Closing balance		**10,151,772**	2,675,380
12. ACCRUED INTEREST / MARK-UP			
From banking companies			
- Long-term finances			
- conventional		**73,580,273**	119,235,399
- shariah compliant		**12,012,504**	-
- Short-term borrowings			
- conventional		**28,712,600**	13,045,940
- shariah compliant		**45,342,783**	18,298,177
		159,648,160	150,579,516
13. SHORT-TERM BORROWINGS			
Banking companies - secured			
Foreign currency finance			
- conventional	13.2	**260,335,218**	453,111,481
- shariah compliant		**-**	-
Short term finance			
- conventional	13.3	**395,000,000**	-
- shariah compliant	13.3	**970,000,000**	-
Running finance			
- conventional	13.4 & 13.6	**739,718,276**	201,732,220
- shariah compliant		**438,780,640**	33,244,332
		2,803,834,134	688,088,033

13.1 Reconciliation of liabilities arising from short term financing activities

The table below details changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

		Cash flows		Non-cash flows	
	July 01, 2024	Obtained	Repaid	Exchange loss	June 30, 2025
	---- (Rupees) ----				
Short term finance	-	8,389,000,000	(7,024,000,000)	-	**1,365,000,000**
Foreign currency finance	453,111,481	2,605,676,364	(2,800,712,233)	2,259,606	**260,335,218**
	453,111,481	10,994,676,364	(9,824,712,233)	2,259,606	**1,625,335,218**
2024	-	3,539,165,751	(3,086,288,167)	233,897	453,111,481

13.2 The Company has availed foreign currency finance facility from various banks which carries mark-up ranging from 4.11% to 8.25% (2024: 5% to 10%) per annum.

13.3 The Company has obtained the short term finance facility from various banks which carries mark-up ranging from 1 to 3 month KIBOR minus 6% to plus 0.15% (2024: Nil) per annum payable on quarterly basis.

13.4 Running finance facilities are subject to variable markup ranging from 1 to 3 month KIBOR plus 0.12% to 0.75% (2024: from 1 to 3 month KIBOR plus 0.12% to 0.75%) per annum payable on quarterly basis.

13.5 The Company can avail foreign currency and running finance facilities from various banks aggregating to Rs. 7,565 million (2024: Rs. 5,790 million). These borrowings are secured against hypothecation of stocks and book debts / receivables of the Company and pari passu charge on present and future current assets, demand promissory notes and lien on export orders / contracts.

13.6 The aggregate unavailed short-term borrowing facilities available amounted to Rs. 4,761 million (2024 : Rs. 5,102 million).

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

	Note	**2025** **Rupees**	2024 Rupees
Bank guarantees issued on behalf of the Company	14.1.1	**28,253,615**	28,253,615
Bank guarantee in favor of Excise and Taxation Department		**478,442,448**	293,442,448
Revolving letter of credit favouring SSGC		**195,285,460**	82,051,880

14.1.1 It includes guarantee issued in favor of Hyderabad Electric Supply Corporation (HESCO) amounting Rs. 24.253 million (2024: Rs 24.253 million).

14.1.2 The Company challenged the imposition of super tax u/s 4C of the Income Tax Ordinance, 2001 (introduced through the Finance Act, 2022) in the High Court of Sindh. The High Court of Sindh vide order dated December 22, 2022 passed in CP 5842 of 2022 (Shell Pakistan Limited v/s Federation of Pakistan & other connected matters) allowed the petition holding that, super tax would be payable prospectively from tax year 2024, and the proviso imposing rate of super tax at 10% for tax year 2022 was held to be discriminatory and struck down. The aforesaid order dated December 22, 2022 was applied mutatis mutandis on the Company. The FBR preferred an appeal against the order dated December 22, 2022 of the High Court of Sindh before the Supreme Court, which passed an interim order on February 16, 2024, directing that super tax up to 4% for tax year 2022 would be payable during the pendency of the appeal. The High Court of Sindh vide order dated February 24, 2024, directed that all sureties deposited with the Nazir of the Sindh High Court in petitions challenging super tax u/s 4C were to be discharged to the extent of 4%. Thereafter the High Court of Sindh vide order dated February 28, 2024, directed that those entities who had supplied the Nazir with a cheque for super tax liability at 10% would be allowed to instead submit two cheques, one for super tax liability at 4% and one for super tax liability at 6%, and the remaining would be retained by the Nazir till the decision of the Supreme Court in the aforesaid appeals.

The Company has therefore submitted the two cheques for a 10% super tax liability pertaining to tax year 2022 amounting Rs. 46.215 million. Out of this, 4% (i.e. Rs. 18.486 million) has been paid, while the cheque for remaining 6% (i.e. Rs. 27.729 million) is currently held by the Nazir of the High Court of Sindh. This matter is presently pending in the Supreme Court.

14.2 Commitments

	Note	**2025** **Rupees**	2024 Rupees
Capital work machinery		**25,080,348**	-
Raw material		**258,582,803**	1,481,895,235
Stores and spares		**-**	38,992,366
Bills discounted		**269,643,677**	730,817,471
Commitments for rentals of assets under short term lease agreements:			
Not later than one year		**4,026,519**	4,207,472

15. PROPERTY, PLANT AND EQUIPMENT

	Note	**2025** **Rupees**	2024 Rupees
Operating fixed assets	15.1	**5,557,511,567**	5,893,797,509
Capital work in progress	15.2	**17,793,861**	71,177,844
		5,575,305,428	5,964,975,353

15.1 Operating fixed assets

Particulars	Cost at July 01, 2024	Additions / Transfer / (Disposal)	Cost at June 30, 2025	Accumulated depreciation at July 01, 2024	Depreciation for the year / (Disposal)	Accumulated depreciation at June 30, 2025	Written down value at June 30, 2025	Rate of depreciation
	2025							
	(Rupees)							%
Owned								
Land - freehold **	7,400,318	-	7,400,318	-	-	-	7,400,318	-
Land - leasehold **	2,474,682	-	2,474,682	-	-	-	2,474,682	-
Commercial building on free hold land	16,699,610	-	16,699,610	12,207,177	224,622	12,431,799	4,267,811	5
Mills buildings on leasehold land	890,604,596	15,474,768	906,079,364	212,842,840	67,612,217	280,455,057	625,624,307	10
Other buildings on leasehold land	47,888,572	-	47,888,572	24,228,603	1,329,392	25,557,995	22,330,577	5
Machinery and equipment	7,336,711,609	2,493,977 (4,706,949)	7,334,498,637	2,379,677,023	495,158,395 (2,823,906)	2,872,011,512	4,462,487,125	10
Electric installations and equipment	230,149,181	190,186,913	420,336,094	107,887,318	14,331,616	122,218,934	298,117,160	10
Gas installations	4,961,490	12,679,787	17,641,277	3,821,937	233,814	4,055,751	13,585,526	10
Office equipment	25,532,010	2,222,950 (209,000)	27,545,960	17,576,710	907,886 (92,753)	18,391,843	9,154,117	10
Furniture and fixtures	55,737,565	5,626,022 (152,750)	61,210,837	30,241,435	2,823,819 (83,298)	32,981,956	28,228,881	10
Vehicles	102,362,463	40,849,954 (12,809,376)	130,403,041	38,241,544	15,656,984 (7,336,550)	46,561,978	83,841,063	20
	8,720,522,096	269,534,371	8,972,178,392	2,826,724,587	598,278,745	3,414,666,825	5,557,511,567	
		(17,878,075)			(10,336,507)			

Particulars	2024							
	Cost at July 01, 2023	Additions / Transfer / (Disposal)	Cost at June 30, 2024	Accumulated depreciation at July 01, 2023	Depreciation for the year / (Disposal)	Accumulated depreciation at June 30, 2024	Written down value at June 30, 2024	Rate of depreciation
	(Rupees)							%
Owned								
Land - freehold **	7,400,318	-	7,400,318	-	-	-	7,400,318	-
Land - leasehold **	2,474,682	-	2,474,682	-	-	-	2,474,682	-
Commercial building on free hold land	16,699,610	-	16,699,610	11,970,733	236,444	12,207,177	4,492,433	5
Mills buildings on leasehold land	337,626,579	552,978,017	890,604,596	193,598,437	19,244,403	212,842,840	677,761,756	10
Other buildings on leasehold land	47,888,572	-	47,888,572	22,983,342	1,245,261	24,228,603	23,659,969	5
Machinery and equipment	5,151,470,523	2,264,579,474 (79,338,388)	7,336,711,609	1,920,880,653	511,053,429 (52,257,059)	2,379,677,023	4,957,034,586	10
Electric installations and equipment	183,881,642	46,267,539	230,149,181	98,645,956	9,241,362	107,887,318	122,261,863	10
Gas installations	4,961,490	-	4,961,490	3,695,320	126,617	3,821,937	1,139,553	10
Office equipment	24,963,010	569,000	25,532,010	16,717,278	859,432	17,576,710	7,955,300	10
Furniture and fixtures	53,443,036	2,294,529	55,737,565	27,493,770	2,747,665	30,241,435	25,496,130	10
Vehicles	69,238,268	48,523,675 (15,399,480)	102,362,463	38,127,595	10,657,642 (10,543,693)	38,241,544	64,120,919	20
	5,900,047,730	2,915,212,234 (94,737,868)	8,720,522,096	2,334,113,084	555,412,255 (62,800,752)	2,826,724,587	5,893,797,509	

** Freehold lands are located at 91-B1, M.M. Alam Road, Gulberg-III, Lahore and 13.5 Km, Sheikhupura, Sharqpur Road, Mouza Ghazi Androon, Dist. Sheikhupura with an area of 0.221 acres and 9.62 acres respectively. Leasehold land is located at Kotri Industrial Trading Estate, Sindh with an area of 20.75 acres.

15.1.1 Depreciation for the year has been allocated as under:

	Note	2025 Rupees	2024 Rupees
Cost of goods manufactured	28.1	**586,518,992**	542,675,679
Administrative expenses	30	**11,759,753**	12,736,576
		598,278,745	555,412,255

15.1.2 Details of disposal of assets

Description of assets	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain on disposal	Mode of disposal	Relationship of purchaser with the Company	Particulars of buyers
	-----------	-----------	-----------	(Rupees)	-----------			
Vehicles	2,064,000	1,398,941	665,059	2,133,500	1,468,441	Negotiation	None	**Fahad Javed Chaudhry** House No. 64, Mohalla Nargis, Block Allama Iqbal town, Lahore.
Vehicles	66,467	50,205	16,262	60,000	43,738	Negotiation	None	**Moiz Usman** Qazi street, House No. 15, Mohalla Firdosi Park, Ghorre Shah, Lahore.
Vehicles	165,900	21,797	144,103	157,900	13,797	Insurance claim	None	**IGI General Insurance Limited** Suite No 701-713, The Forum, Block 9, Khayaban-E-Jami, Clifton, Karachi.
Vehicles	3,865,129	2,265,314	1,599,815	3,190,000	1,590,185	Negotiation	None	**Waseem Ahmed** Sahiwal Road, House No. 36, Gali No. 2, Mohalla Qadir Colony, Okara
Vehicles	3,784,423	1,999,094	1,785,329	3,325,000	1,539,671	Negotiation	None	**Ikram Ullah** Near Noori masjid, mohalla Nishatabad, Silanwali, District Sargodha
Vehicles	51,500	38,112	13,388	28,000	14,612	Negotiation	None	**Muhammad Siddique** House No. 1547-P, Gali No. 23, Hijrat Colony, Ahmed Raza Khan Road, Karachi.
Vehicles	743,537	577,645	165,892	833,000	667,108	Negotiation	None	**Waqas Ahmed** House No. 25, Block-7, City Railway Camp, Karachi.

15.1.2

Description of assets	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain on disposal	Mode of disposal	Relationship of purchaser with the Company	Particulars of buyers
			(Rupees)					
Vehicles	165,900	29,954	135,946	157,900	21,954	Insurance clam	None	**IGI General Insurance Limited** Suite No 701-713, The Forum, Block 9, Khayaban-E-Jami, Clifton, Karachi.
Vehicles	1,902,520	955,488	947,032	3,000,000	2,052,968	Insurance clam	None	**IGI General Insurance Limited** Suite No 701-713, The Forum, Block 9, Khayaban-E-Jami, Clifton, Karachi.
Machinery and equipment	997,400	917,015	80,385	80,360	(25)	Negotiation	None	**Noor Sons Auto Engineering Works** 933, Hur Muhalla, Gari Khata, Hyderabad.
Machinery and equipment	375,000	333,519	41,481	48,216	6,735	Negotiation	None	**Noor Sons Auto Engineering Works** 933, Hur Muhalla, Gari Khata, Hyderabad.
Machinery and equipment	3,334,549	1,573,372	1,761,177	2,000,000	238,823	Negotiation	None	**Diamond Fabric Ltd** 26 K-M, Faisalabad Road, Ferozwatton, Sheikhupura Pnujab
Office equipment	92,500	31,136	61,364	55,000	(6,364)	Negotiation	None	**Syed Moshin** House No 46-A, Sector EME, Mohalla DHA, Multan Road, Multan road, Lahore
Office equipment	116,500	61,617	54,883	12,000	(42,883)	Insurance clam	None	**IGI Insurance Company** Suite No 701-713, The Forum, Block 9, Khayaban-E-Jami, Clifton, Karachi.
Furniture and Fixtures	152,750	83,298	69,452	68,000	(1,452)	Negotiation	None	**Zeeshan Hasan** House No B-102, Sector 4-F, Mohalla Momin Abad, Orangi Twon, Karachi
2025	**17,878,075**	**10,336,507**	**7,541,568**	**15,148,876**	**7,607,308**			
2024	94,737,868	62,800,752	31,937,116	39,567,500	7,630,384			

		Note	2025 Rupees	2024 Rupees
15.2	**Capital work-in-Progress**			
	Civil work	15.2.1	**3,246,489**	2,076,032
	Machinery, electrical installations, furniture and equipment	15.2.2	**14,547,372**	69,101,812
			17,793,861	71,177,844
15.2.1	**Civil work**			
	Opening balance		**2,076,032**	450,852,647
	Additions		**16,645,225**	102,008,008
			18,721,257	552,860,655
	Transfer to operating fixed assets		**(15,474,768)**	(550,784,623)
	Closing balance		**3,246,489**	2,076,032
15.2.2	**Machinery, electrical installations, furniture and equipment**			
	Opening balance		**69,101,812**	2,196,658,864
	Additions	15.2.3	**151,211,736**	181,566,728
			220,313,548	2,378,225,592
	Transfer to operating fixed assets		**(205,766,176)**	(2,309,123,780)
	Closing balance		**14,547,372**	69,101,812

15.2.3 It includes borrowing cost of Rs. 10.763 million (2024: Rs.73.691 million) capitalised during year. The rate used for determining the amount of borrowing cost eligible for capitalisation is 13.16% to 18.93%.

16. INVESTMENT PROPERTIES

- Cost Model

	Cost			**Depreciation**			**Written down value as at June 30, 2025**	**Annual rate of depreciation**
	As at July 01, 2024	**Additions / (disposals)**	**As at June 30, 2025**	**As at July 01, 2024**	**Charge for the year**	**As at June 30, 2025**		
	----------	----------	----------	(Rupees)	----------	----------	----------	%
Building on freehold land - 16.1 & 16.2	**17,539,312**	**-**	**17,539,312**	**13,725,161**	**190,708**	**13,915,869**	**3,623,443**	**5**
Land in Lahore - freehold - 16.1 & 16.2	**8,300,631**	**-**	**8,300,631**	**-**	**-**	**-**	**8,300,631**	**-**
Land in Sheikhupura - freehold - 16.1 & 16.3	**751,338**	**-**	**751,338**	**-**	**-**	**-**	**751,338**	**-**
2025	**26,591,281**	**-**	**26,591,281**	**13,725,161**	**190,708**	**13,915,869**	**12,675,412**	
2024	26,591,281	-	26,591,281	13,524,416	200,745	13,725,161	12,866,120	

16.1 The fair value of freehold land and building in Lahore was Rs. 1.143 billion and the fair value of land in Sheikhupura was Rs. 185 million at June 30, 2024

16.2 Freehold land and building there upon is situated at 91-B1, M.M. Alam Road, Gulberg-III, Lahore, having total area of 0.5 acres (4 kanals and 12 square feet).

16.3 Land is situated at 13.5 Km, Sheikhupura, Sharqpur Road, Mouza Ghazi Androon, Dist. Sheikhupura, having total area of 18.5 acres (148 kanals).

16.4 Valuation Techniques

The valuer have performed inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilization and current trends in price of real estate including assumptions that ready buyers are available in the current scenario and analysed through detailed market surveys, the properties that have recently been sold or purchased or offered / quoted for sale into given vicinity to determine the better estimates of the fair value.

17. INTANGIBLE ASSETS

The Company is using Enterprise Resource Planning (ERP) software costing Rs. 4.151 million which is fully amortized and is still in use.

	Note	**2025** **Rupees**	2024 Rupees
18. STORES AND SPARES			
Stores		**51,443,336**	40,310,292
Spares		**154,319,961**	135,636,654
		205,763,297	175,946,946
19. STOCK-IN-TRADE			
Raw material		**3,774,995,902**	1,600,589,445
Work-in-process		**201,629,333**	221,488,446
Finished goods		**653,423,213**	503,933,589
Waste		**13,470,285**	19,508,132
		4,643,518,733	2,345,519,612
20. TRADE RECEIVABLES			
Foreign - secured		**205,132,250**	296,203,688
Local - unsecured	20.1.1	**2,700,166,220**	2,129,727,335
		2,905,298,470	2,425,931,023
Provision for expected credit losses	20.2	**(11,385,750)**	(1,940,806)
		2,893,912,720	2,423,990,217

20.1 These are non-interest bearing, normal credit period is 15 to 60 days.

20.1.1 Aging of trade receivables

Not past due	**1,626,791,668**	1,351,035,524
1-45 days	**844,010,979**	687,567,094
46-90 days	**154,670,617**	3,843,469
91-180 days	**57,725,575**	10,512,290
181 days and above	**16,967,381**	76,768,958
	2,700,166,220	2,129,727,335

20.2 Provision for expected credit losses

Opening balance	**1,940,806**	1,940,806
Provision made during the year	**9,444,944**	-
Closing balance	**11,385,750**	1,940,806

21. ADVANCES

Employees	**606,234**	315,268
Suppliers	**503,603,703**	438,494,251
Expenses	**1,807,379**	948,925
Letters of credit	**3,187,836**	4,413,163
	509,205,152	444,171,607

		Note	2025 Rupees	2024 Rupees
22.	**PREPAYMENTS**			
	Insurance		**2,177,213**	2,457,235
	Rent		**986,707**	1,310,492
	Others		**30,073**	10,023
			3,193,993	3,777,750
23.	**OTHER RECEIVABLES**			
	Others	23.1	**66,536,305**	12,165,011

23.1 It includes profit receivable on term deposits amounting to Rs. 2.46 million (2024: Rs. 3.32 million), a pay order amounting to Rs. 31.45 million (2024: Nil) paid to Nazir High Court against retrospective imposition of off-gride levy and guarantee margins on LC amounting to Rs. 25 million (2024: Rs. 3 million).

		Note	2025 Rupees	2024 Rupees
24.	**TAX REFUNDABLE**			
	Sales tax refundable		**281,782,591**	50,378,571
	Income tax refundable	24.1	**131,033,270**	14,253,227
			412,815,861	64,631,798
24.1	Movement of advance tax is as under:			
	Opening balance		**14,253,227**	59,534,390
	Provision for levies		**(210,594,684)**	(234,030,195)
	WWF Adjustment		**-**	(23,876,921)
	Income tax provision		**(62,231,053)**	-
	Advance and tax withheld		**389,605,780**	212,625,953
			131,033,270	14,253,227
25.	**OTHER FINANCIAL ASSETS**			
	Designated at amortised cost			
	Terms deposits with banks having maturity of			
	- More than three months		**70,100,000**	45,100,000
	- Three months or less		**76,903,615**	76,903,615
		25.1	**147,003,615**	122,003,615
	Designated at fair value through other comprehensive income			
	Investment in listed equity securities	25.2	**18,933,600**	13,461,600
	Designated at fair value through profit or loss			
	Investment in mutual funds	25.3	**750,114**	1,019,801,748
			166,687,329	1,155,266,963

25.1 Markup on term deposits ranges from 4.05% to 20% (2024: 15.97% to 19.99%) per annum.

25.2 **Investment in listed equity securities**

2025	2024		**2025**	2024
Number of shares		**Name of investee**	**Rupees**	Rupees
120,000	120,000	Bank Al Habib Limited	**18,933,600**	13,461,600

25.3 Investment in mutual funds

2025	2024	Name of Fund	2025	2024
---------------- (Number of units) --------------------			Rupees	Rupees
Conventional:				
-	81,877,009	NBP Money Market fund - 969	-	819,441,486
-	19,563,384	ABL Cash Fund	-	200,307,537
-	511	HBL Cash Fund	-	52,725
74,766	-	NBP Money Market Fund - 57261	**750,114**	-
			750,114	1,019,801,748

25.4 Reconciliation between fair value and cost of investments classified as 'equity instrument'.

Through other comprehensive income	Note	2025 Rupees	2024 Rupees
Fair value of investments			
- in listed equity securities	25.2	**18,933,600**	13,461,600
Less : unrealized (gain) / loss on remeasurement of investments as at June 30	25.5	**(13,745,929)**	(8,273,929)
Cost of investments		**5,187,671**	5,187,671

25.5 Unrealized gain / (loss) on remeasurement of equity instruments through other comprehensive income

	2025	2024
Opening balance	**8,273,929**	(55,702,216)
Fair value gain arises for the year	**5,472,000**	108,644,099
Transfer of realized (gain) / loss on sale of investments	**-**	(44,667,954)
Unrealized fair value gain for the year	**5,472,000**	63,976,145
Closing balance	**13,745,929**	8,273,929

25.6 Unrealized gain on remeasurement of mutual funds through profit or loss

	Note	2025	2024
Fair value of investments in mutual funds	25.3	**750,114**	1,019,801,748
Unrealised gain on remeasurement of investments		**(1,211)**	(2,265,560)
Cost of investments		**748,903**	1,017,536,188

26. CASH AND BANK BALANCES

	Note	2025	2024
Cash with banks - In current accounts			
- Local currency			
- conventional		**32,231,028**	52,140,690
- shariah compliant		**50,922,990**	50,722,975
- Foreign currency	26.1	**23,902,540**	23,054,757
		107,056,558	125,918,422

26.1 It is a current account denominated in USD amounting to USD 84,302.38 (2024: USD 82,886.9).

27. REVENUE FROM CONTRACTS WITH CUSTOMERS

		2025		
		Local	**Export**	**Total**
	Note	------------------------	**(Rupees)**	--------------------------------
Yarn	27.1 & 27.2	**17,434,409,736**	**4,077,152,442**	**21,511,562,178**
Waste		**1,542,490,306**	**-**	**1,542,490,306**
Raw material		**10,478,009**	**-**	**10,478,009**
		18,987,378,051	**4,077,152,442**	**23,064,530,493**
Sales tax		**(2,896,379,702)**	**(310,269,605)**	**(3,206,649,307)**
		16,090,998,349	**3,766,882,837**	**19,857,881,186**

		2024		
		Local	Export	Total
		------------------------	**(Rupees)**	--------------------------------
Yarn	27.1 & 27.2	9,438,410,798	11,080,590,097	20,519,000,895
Waste		1,520,039,384	153,473,872	1,673,513,256
Raw material		541,524	-	541,524
		10,958,991,706	11,234,063,969	22,193,055,675
Sales tax		(1,671,697,363)	(73,238,075)	(1,744,935,438)
		9,287,294,343	11,160,825,894	20,448,120,237

27.1 Export sales includes exchange gain of Rs. 18.4 million (2024: Rs. 80.21 million).

27.2 Export sales include indirect export of Rs. 1.724 billion (2024: Rs. 5.658 billion) and indirect exports include sales of Rs. 0.465 billion (2024: Rs. 0.527 billion) to related parties (note 39).

28. COST OF GOODS SOLD

	Note	**2025** **Rupees**	2024 Rupees
Opening stock - finished goods and waste		**523,441,721**	449,592,884
Cost of goods manufactured	28.1	**18,221,136,913**	18,736,091,317
Purchase of waste material		**25,533,232**	68,733,974
		18,770,111,866	19,254,418,175
Closing stock - finished goods and waste	19	**(666,893,498)**	(523,441,721)
Cotton yarn loss claim		**(1,644,584)**	-
Cost of sale of waste material		**147,106,244**	103,314,297
		18,248,680,028	18,834,290,751

		Note	2025 Rupees	2024 Rupees
28.1	**Cost of goods manufactured**			
	Raw material consumed	28.1.1	**14,672,924,026**	15,190,162,053
	Packing material consumed		**216,518,731**	220,332,273
	Stores and spares consumed		**255,282,536**	321,805,506
	Salaries, wages and other benefits	28.1.2	**851,348,785**	601,904,358
	Fuel		**1,501,364,109**	1,761,347,122
	Rates and taxes		**319,185**	319,185
	Insurance		**43,270,946**	40,899,558
	Repairs and maintenance		**17,593,381**	9,165,865
	Depreciation on property, plant and equipment	15.1.1	**586,518,992**	542,675,679
	Other manufacturing overheads		**56,137,109**	58,520,861
			18,201,277,800	18,747,132,460
	Work in process			
	Opening stock		**221,488,446**	210,447,303
	Closing stock	19	**(201,629,333)**	(221,488,446)
			19,859,113	(11,041,143)
			18,221,136,913	18,736,091,317
28.1.1	**Raw material consumed**			
	Opening stock		**1,600,589,445**	2,846,192,621
	Purchases		**16,847,330,483**	13,944,558,877
			18,447,919,928	16,790,751,498
	Closing stock	19	**(3,774,995,902)**	(1,600,589,445)
			14,672,924,026	15,190,162,053

28.1.2 It includes Rs. 72.43 million (2024: Rs. 57.50 million) in respect of employee retirement benefits.

		2025 Rupees	2024 Rupees
29.	**DISTRIBUTION COST**		
	Freight	**167,776,941**	184,959,000
	Commission:		
	- Local	**79,970,825**	55,897,117
	- Export	**9,004,226**	26,917,600
	Stamp duty	**293,268**	641,038
	Travelling	**8,189,572**	7,795,225
	Export development surcharge	**5,093,353**	13,668,751
	Quality claims	**41,396,249**	1,064,620
	Handling and other charges	**3,590,347**	16,009,647
	Insurance	**815,596**	824,422
	Others	**5,343,701**	5,691,197
		321,474,078	313,468,617

30. ADMINISTRATIVE EXPENSES

	Note	2025 Rupees	2024 Rupees
Directors' remuneration, fees and benefits	38	**36,007,500**	35,942,500
Staff salaries and other benefits	30.1	**136,157,055**	90,759,152
Travelling and conveyance		**1,588,973**	5,225,576
Printing and stationery		**3,132,381**	2,840,730
Postage and telephone		**3,260,015**	3,334,086
Fees, subscription and periodicals		**14,386,889**	15,878,733
Legal and professional		**2,368,690**	3,756,411
Advertisement		**164,728**	163,528
Utilities - net of recoveries		**9,409,902**	11,004,809
Rates and taxes		**1,716,908**	1,109,390
Short term lease		**4,527,864**	5,041,602
Insurance		**2,407,168**	2,734,525
Auditor's remuneration	30.2	**1,680,200**	1,641,700
Repairs and maintenance		**4,831,553**	2,312,065
Vehicles running and maintenance		**12,491,571**	20,974,516
Entertainment		**494,815**	2,681,949
Depreciation on property, plant and equipment	15.1.1	**11,759,753**	12,736,576
Depreciation on investment properties	16	**190,708**	200,745
Donations	30.3	**600,000**	225,000
Others		**3,479,066**	2,301,289
		250,655,739	220,864,882

30.1 It includes Rs. 11.96 million (2024: Rs. 9.7 million) in respect of employee retirement benefits.

30.2 Auditor's remuneration

	2025 Rupees	2024 Rupees
Annual audit fee	**1,000,000**	1,000,000
Half yearly review fee	**365,200**	326,700
Review report on statement of compliance	**55,000**	55,000
Tax compliance services	**150,000**	150,000
Other certifications	**110,000**	110,000
	1,680,200	1,641,700

30.3 Donations were not made to any donee in which a director or his spouse had any interest at any time during the year. Donations made are not higher than Rs. 1 million therefore, names of donees is not disclosed.

31. OTHER EXPENSES

	Note	2025 Rupees	2024 Rupees
Workers' Profit Participation Fund	10.2	**23,982,931**	16,371,325
Workers' Welfare Fund	10.3	**3,968,817**	-
Provision against doubtful debts		**9,444,944**	-
Unrealized loss on foreign currency loan		**2,259,606**	233,897
Unrealized loss on revaluation of foreign currency account		**-**	5,063,618
		39,656,298	21,668,840

32. OTHER INCOME

	Note	**2025** **Rupees**	2024 Rupees
Dividend income			
- conventional		**2,213,452**	29,411,229
- shariah compliant		**-**	-
Realized gain on redemption of mutual funds			
- conventional		**100,386,708**	4,692,852
- shariah compliant		**-**	-
Unrealized gain on mutual funds		**1,211**	2,265,560
Interest income on term deposit receipt		**14,559,946**	20,540,468
Unrealized gain on revaluation of foreign currency account		**454,035**	-
Scrap sales		**4,467,232**	5,634,251
Gain on disposal of property, plant and equipment - net	15.1.2	**7,607,308**	7,630,384
Realized gain on forward contracts		**-**	97,641
Rental income from investment property		**36,603,438**	33,508,418
		166,293,330	103,780,803

33. FINANCE COST

	Note	**2025** **Rupees**	2024 Rupees
Mark-up / interest on:			
Long term finances			
- conventional		**508,015,175**	599,858,343
- shariah compliant		**12,012,504**	-
Short term borrowings			
- conventional		**76,653,679**	138,087,634
- shariah compliant		**110,152,749**	164,949,857
Workers' Profit Participation Fund	10.2.1	**10,316**	212,233
Bank charges and commission		**25,365,134**	21,135,340
		732,209,557	924,243,407
Less: amounts included in the cost of qualifying asset	15.2.3	**(10,763,115)**	(73,690,640)
		721,446,442	850,552,767

34. LEVIES

	Note	**2025** **Rupees**	2024 Rupees
Final taxes on:			
- export sales	34.1	**-**	111,608,259
- local sales		**-**	-
- dividend		**343,781**	4,522,157
- capital gain		**15,058,007**	4,126,589
Super tax		**3,078,005**	-
Prior year levies		**288,269**	(2,317,989)
Minimum taxes	34.2	**191,826,622**	116,091,179
		210,594,684	234,030,195

34.1 These represent final taxes paid on export sales, dividend income and capital gain account and are recognised as levies in line with the requirements of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and guide on IAS 12 'Income Taxes' issued by Institute of Chartered Accountants of Pakistan.

34.2 This represents provision for minimum tax under section 113 and 154, of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levies in these financial statements as per the requirements of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and guide on IAS 12 'Income Taxes' issued by Institute of Chartered Accountants of Pakistan.

35. TAXATION

	Note	**2025** **Rupees**	2024 Rupees
Current tax		**62,231,053**	-
Deferred tax	8	**119,019,502**	-
		181,250,555	-

		2025 Rupees	2024 Rupees
35.1	Relationship between tax expense and accounting profit		
	Accounting profit - before taxation	**231,667,247**	77,024,988
	Tax @ 29%	**67,183,502**	22,337,247
	Effect of:		
	Tax effect of income subject to final tax regime	**-**	42,840,677
	Tax effect income subject to super tax	**5,834,161**	-
	Tax effect on reduced rate	**(14,054,139)**	(4,891,893)
	Prior year	**288,269**	(2,317,989)
	Tax effect of other items	**121,998,762**	(57,968,042)
		181,250,555	-

36. EARNINGS PER SHARE - basic and diluted

There is no dilutive effect on the basic earnings per share of the Company which is as follows :

	2025	2024
Profit for the year (Rupees)	**50,416,692**	77,024,988
Weighted average number of ordinary shares	**18,700,000**	18,700,000
Earnings per share (Rupees)	**2.70**	4.12

37. **CASH (USED IN) / GENERATED FROM OPERATIONS**	**Note**	**2025** **Rupees**	2024 Rupees
Profit before taxation		**231,667,247**	77,024,988
Adjustments for:			
Depreciation on property, plant and equipment	15.1.1	**598,278,745**	555,412,255
Depreciation on investment properties	16	**190,708**	200,745
Provision for gratuity	9.3	**84,393,013**	67,296,081
Gain on disposal of property, plant and equipment - net	15.1.2	**(7,607,308)**	(7,630,384)
Gain on redemption of mutual funds	32	**(100,386,708)**	(4,692,852)
Unrealized gain on mutual funds	32	**(1,211)**	(2,265,560)
Profit on term deposits	32	**(14,559,946)**	(20,540,468)
Finance cost	33	**721,446,442**	850,552,767
Unrealized loss on foreign currency loan	31	**2,259,606**	233,897
Unrealized (gain) / loss on revaluation of foreign currency account	32	**(454,035)**	5,063,618
Rental income from investment property	32	**(36,603,438)**	(33,508,418)
Dividend income	32	**(2,213,452)**	(29,411,229)
Levies		**210,594,684**	234,030,195
		1,687,004,347	1,691,765,635
Changes in working capital			
Decrease / (increase) in current assets			
Stores and spares		**(29,816,351)**	(20,995,176)
Stock-in-trade		**(2,297,999,121)**	1,160,713,196
Trade receivables		**(469,922,503)**	(1,217,018,039)
Advances		**(65,033,545)**	374,238,141
Prepayments		**583,757**	(1,290,355)
Other receivables		**(54,989,570)**	47,430,290
Sales tax refundable		**(231,404,020)**	48,166,284
		(3,148,581,353)	391,244,341
(Decrease) / increase in current liabilities			
Trade and other payables		**(28,599,842)**	49,572,702
Contract liability - advance from customers		**7,476,392**	(6,714,074)
Cash (used in) / generated from operations		**(1,482,700,456)**	2,125,868,604

38. REMUNERATION OF DIRECTORS AND EXECUTIVES

	2025				2024			
	Chief Executive	Directors		Executives	Chief Executive	Directors		Executives
		Executive	Non-Executive			Executive	Non-Executive	
	(Rupees)				(Rupees)			
Remuneration	**13,920,000**	**13,920,000**	-	**36,414,399**	13,920,000	13,920,000	-	32,962,276
House rent Allowance	**3,480,000**	**3,480,000**	**-**	**16,386,479**	3,480,000	3,480,000	-	14,833,024
Other allowances	-	**-**	-	**1,820,720**	-	-	-	1,648,114
Retirement benefits	-	**-**	-	**2,729,951**	-	-	-	2,475,203
Leave encashment	**-**	**-**	-	**4,257,821**	-	-	-	416,219
Bonus	-	-	-	**294,660**	-	-	-	-
Meeting fee	-	-	**1,207,500**	**-**	-	-	1,142,500	-
	17,400,000	**17,400,000**	**1,207,500**	**61,904,030**	17,400,000	17,400,000	1,142,500	52,334,836
No. of persons	**1**	**1**	**4**	**17**	1	1	4	16

38.1 Chief Executive and Executive Directors are provided with free use of the Company's maintained cars.

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, directors of the Company and key management personnel including chief executive and directors, their close family members and post retirement benefit plans. The Company carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out at agreed terms. There is no balance outstanding with or from associated undertakings. Remuneration of directors and key management personnel are disclosed in note 38 and amount due in respect of staff retirement benefits is disclosed in note 9. Other significant transactions with related parties are as follows:

Nature of relationship	**Nature of transactions**	**2025 Rupees**	2024 Rupees
Prosperity Weaving Mills Limited	Purchase of goods	**129,394**	1,515,351
	Sale of goods	**1,138,165,622**	1,656,901,345
	Rental income	**1,928,566**	1,815,642
Ellcot Spinning Mills Limited	Sale of goods	**31,781,412**	-
	Purchase of goods	**36,501,318**	-
	Purchase of machinery	**5,900,000**	-
	Rental income	**1,441,386**	1,372,752
Ellahi International (Private) Limited	Dividend paid	**13,500**	54,000
Haroon Omer (Private) Limited	Dividend paid	**1,525,721**	6,102,882
Monell (Private) Limited	Dividend paid	**1,525,721**	6,102,882
Icaro (Private) Limited	Dividend paid	**1,525,872**	6,103,488
Key management personnel	Payment of dividend to directors and their close family members	**20,905,098**	83,620,392

39.1 Following are the related parties with whom the Company has entered into transactions or have arrangements / agreements in place.

Name of related party	Relationship	Basis of relationship	Aggregate % holding in the Company as at June 30, 2025
Ellcot Spinning Mills Limited	Associated company	Common directorship	-
Ellahi International (Private) Limited	Associated company	Common directorship	**0.05%**
Prosperity Weaving Mills Limited	Associated company	Common directorship	-
Haroon Omer (Private) Limited	Associated company	Common directorship	**5.44%**
Monell (Private) Limited	Associated company	Common directorship	**5.44%**
ICARO (Private) Limited	Associated company	Common directorship	**5.44%**
ARH (Private) Limited	Associated company	Common directorship	-
Pacific Industries (Private) Limited	Associated company	Common directorship	-
Mr. Shaukat Ellahi Shaikh	Key management personnel	Director	**17.47%**
Mr. Shafqat Ellahi Shaikh	Key management personnel	Director	**17.26%**
Mr. Shahzada Ellahi Shaikh	Key management personnel	Chairman / Director	**17.26%**
Mr. Hasan Ahmed	Key management personnel	Director	**0.003%**
Mr. Shafiq Ur Rehman	Key management personnel	Director	**0.003%**
Mr. Naweed Akhter Sharif	Key management personnel	Director	**0.003%**
Mr. Raza Ellahi Shaikh	Key management personnel	Director	**7.49%**
Ms. Tosheeba Sarwar	Key management personnel	Director	**0.003%**
Mr. Amin Ellahi Shaikh	Key management personnel	Director / CEO	**7.49%**
Mr. Haroon Shahzada Ellahi Shaikh	Key management personnel	Director	**3.74%**
Mrs. Humera Shahzada Ellahi Shaikh	Close family member key management	Spouse of director	**0.02%**
Mrs. Mona Shaukat Shaikh	Close family member key management	Spouse of director	**0.02%**
Mrs. Shaista Shafqat	Close family member key management	Spouse of director	**0.02%**
Mr. Omer Ellahi Shaikh	Close family member key management	Son of director	**3.74%**

40. PLANT CAPACITY AND ACTUAL PRODUCTION

It is difficult to describe precisely the production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw material used, spindle speed and twist. It would also vary according to the pattern of production adopted in a particular year.

		2025	2024
Number of Spindle Installed	No.	**62,508**	62,508
Total number of Spindle worked	No.	**62,445**	62,508
Number of shifts per day	No.	**3**	3
Actual number of shifts in a year	No.	**1,095**	1,098
Plant Capacity on the basis of utilization converted in to 20s count	Kgs	**24,574,557**	24,641,884
Actual production converted into 20s count	Kgs	**24,112,097**	23,237,206

41. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

41.1 Financial Instruments by category

	2025			
	At amortized cost	**At fair value through other comprehensive income**	**At fair value through profit or loss**	**Total**
	------------------------------ (Rupees) ------------------------------			
Financial assets as per statement of financial position				
Long term deposits	**1,121,858**	-	**-**	**1,121,858**
Trade receivables	**2,893,912,720**	-	**-**	**2,893,912,720**
Other receivables	**66,536,305**	-	**-**	**66,536,305**
Other financial assets	**147,003,615**	**18,933,600**	**750,114**	**166,687,329**
Cash and bank balances	**107,056,558**	-	**-**	**107,056,558**
	3,215,631,056	**18,933,600**	**750,114**	**3,235,314,770**

	2024			
	At amortized cost	At fair value through other comprehensive income	At fair value through profit or loss	Total
	------------------------------ (Rupees) ------------------------------			
Financial assets as per statement of financial position				
Long term deposits	1,021,858	-	-	1,021,858
Trade receivables	2,423,990,217	-	-	2,423,990,217
Other receivables	12,165,011	-	-	12,165,011
Other financial assets	122,003,615	13,461,600	1,019,801,748	1,155,266,963
Cash and bank balances	125,918,422	-	-	125,918,422
	2,685,099,123	13,461,600	1,019,801,748	3,718,362,471

	2025 **Rupees**	2024 Rupees
Financial liabilities as per statement of financial position		
At amortized cost		
Long-term finances	**4,915,715,746**	5,360,024,727
Short-term borrowings	**2,803,834,134**	688,088,033
Trade and other payables	**906,197,594**	1,106,785,907
Unclaimed dividend	**12,091,680**	11,904,654
Accrued interest / mark-up	**159,648,160**	150,579,516
	8,797,487,314	7,317,382,837

41.2 Financial risk management objectives and policies

The Company finances its operations through short term borrowings, long term finances and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

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

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2025 which are summarized below.

41.3 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. Out of the total financial assets of Rs. 3,235.315 million (2024: Rs. 3,718.362 million), the financial assets which are subject to credit risk amounted to Rs. 3,215.631 million (2024: Rs. 2,685.099 million). The Company manages credit risk for trade receivables by assigning credit limits to its customers and thereby does not have significant exposure to any individual customer.

The Company is exposed to credit risk from its operating activities primarily for trade receivables and other receivables, deposits with banks and financial institutions, and other financial instruments. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings i.e. A1+ to A1 in short term and AAA to A for long term.

Credit risk related to receivables

Customers' credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. The management monitors and limits the Company's exposure of credit risk by limiting transactions with specific counter parties and continually assessing their credit worthiness. Outstanding customer receivables are regularly monitored and any shipments to export customers are generally covered by letters of credit.

Trade receivables consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables, where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. At June 30, 2025 the Company had approximately 50 (2024: 40) major local customers that owed more than Rs. 8 million each and accounted for approximately 95% (2024: 96%) of local trade receivables. Export debts amounting to Rs. 205.132 million (2024: Rs. 296.204 million) are secured against letters of credit.

41.4 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of liquidity ratios, trade receivables and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of short term borrowings. The Company's financial liabilities comprising of 52.46% (2024: 34.43%) will mature in less than one year based on the carrying value reflected in the financial statements.

41.4.1 Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

2025

	Interest rate	Carrying values	Contractual Cash flows	Less than 3 months	3 months - 1 year	2 - 5 years	More than 5 years
	(Range)	---------- Rupees ----------					
Financial Liabilities							
Statement of financial position							
Long-term finances	2.5% to 23.42%	**4,915,715,746**	**4,915,715,746**	**177,876,273**	**555,976,600**	**2,876,897,772**	**1,304,965,101**
Short term borrowings	4.11% to 21.60%	**2,803,834,134**	**2,803,834,134**	**2,803,834,134**	**-**	**-**	**-**
Accrued interest / mark-up		**159,648,160**	**159,648,160**	**159,648,160**	**-**	**-**	**-**
Trade and other payables		**906,197,594**	**906,197,594**	**906,197,594**	**-**	**-**	**-**
Unclaimed dividend		**12,091,680**	**12,091,680**	**12,091,680**	**-**	**-**	**-**
		8,797,487,314	**8,797,487,314**	**4,059,647,841**	**555,976,600**	**2,876,897,772**	**1,304,965,101**

2024

	Interest rate	Carrying values	Contractual Cash flows	Less than 3 months	3 months - 1 year	2 - 5 years	More than 5 years
	(Range)	---------- Rupees ----------					
Financial Liabilities							
Statement of financial position							
Long-term finances	2.5% to 23.91%	5,360,024,729	5,360,024,729	124,977,289	437,672,280	3,344,419,690	1,452,955,470
Short term borrowings	22.18% to 22.84%	688,088,033	688,088,033	688,088,033	-	-	-
Accrued interest / mark-up		150,579,516	150,579,516	150,579,516	-	-	-
Trade and other payables		1,106,052,542	1,106,052,542	1,106,052,542	-	-	-
Unclaimed dividend		11,904,654	11,904,654	11,904,654	-	-	-
		7,316,649,474	7,316,649,474	2,081,602,034	437,672,280	3,344,419,690	1,452,955,470

41.5 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk.

41.5.1 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.

The Company's interest rate risk arises from long term finance, short term borrowings and term deposits with banks amounting to Rs. 5,294.1 million (2024: Rs. 3,179.2 million) (financial liabilities on a net basis). These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

	Carrying amount	
	2025	2024
Variable rate instruments	**Rupees**	Rupees
Financial liabilities:		
Long-term finance	**2,637,286,920**	2,613,185,154
Short-term borrowings	**2,803,834,134**	688,088,033
	5,441,121,054	3,301,273,187
Financial assets:		
Other financial assets - terms deposits with banks	**147,003,615**	122,003,615
Net financial liabilities at variable interest rates	**5,294,117,439**	3,179,269,572

Interest rate sensitivity analysis

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended June 30, 2025 would decrease / increase by Rs. 52.94 million (2024: Rs. 31.79 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

41.5.2 Foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and balances held in foreign currency. However, the Company is materially exposed to foreign currency risk on liabilities. The Company enters into forward foreign exchange contracts to manage the foreign currency exchange risk associated with the receipts and payments. As at June 30, 2025 financial assets include Rs. 229.035 million (2024: Rs. 319.258 million) and financial liabilities include Rs. 260.335 million (2024: Rs. 453.111) which are subject to foreign currency risk against US Dollars.

Foreign currency sensitivity analysis

At June 30, 2025, if the Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, the Company's profit for the year would have increased / decreased by Rs. - 1.565 million (2024: Rs. - 6.692 million) determined on outstanding balance at year end.

41.5.3 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at reporting date the Company is exposed to equity securities price risk as it has investment amounting to Rs. 18.934 million (2024: Rs. 13.462 million) in the shares of quoted companies as mentioned in note 25.

If price would have been 10% higher / lower with all others variables held constant, other comprehensive income for the year of the company would have been higher / lower by Rs. 1.89 million (2024: Rs. 1.35 million).

41.6 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behavior. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical business standards;
- risk mitigation, including insurance where it is effective; and
- operational and qualitative track record of suppliers and service providers.

42. CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital is 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 a strong capital base to support the sustained development of its businesses.

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

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at June 30, 2025 and 2024 were as follows:

	Note	**2025** **Rupees**	2024 Rupees
Total borrowings	7 & 12	**7,719,549,880**	6,048,112,760
Less: bank balances	26	**(107,056,558)**	(125,918,422)
Less: terms deposits	25	**(147,003,615)**	(122,003,615)
Net debt		**7,465,489,707**	5,800,190,723
Total equity		**4,759,531,220**	4,728,368,823
Total		**12,225,020,927**	10,528,559,546
Gearing ratio		**61%**	55%

43. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The carrying value of all the financial instruments reported in the financial statements approximates their fair value as the items are short term in nature.

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on Net Asset Values (NAVs) of the units of the mutual funds and quoted market price of the equity instrument at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table presents the Company's financial assets which are carried at fair value:

	June 30, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
	Rupees			
Financial assets **- measured at fair value through other comprehensive income**				
Investment in listed equity securities	**18,933,600**	**-**	**-**	**18,933,600**
- measured at fair value through profit or loss				
Investment in mutual funds	**750,114**	**-**	**-**	**750,114**
	19,683,714	**-**	**-**	**19,683,714**

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets **- measured at fair value through other comprehensive income**				
Investment in listed equity securities	13,461,600	-	-	13,461,600
- measured at fair value through profit or loss				
Investment in mutual funds	1,019,801,748	-	-	1,019,801,748
	1,033,263,348	-	-	1,033,263,348

At the reporting date, the Company holds above financial assets where the Company has used Level 1 inputs for the measurement of fair values and there is no transfer between levels.

44. DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSBILE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act ,2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

	Note	**2025** **Rupees**	2024 Rupees
Financing as per Islamic Mode			
- Long-term finances (including current portion)	7	**115,508,429**	-
- Short-term borrowings	13	**1,408,780,640**	33,244,332
Interest accrued on conventional loans			
- Long-term finances	12	**73,580,273**	119,235,399
- Short-term borrowings	12	**28,712,600**	13,045,940
Profit paid on Islamic mode of financing			
- Long-term finances	33	**12,012,504**	-
- Short-term borrowings	33	**110,152,749**	164,949,857
Shariah Compliant bank balances			
- Bank balances	26	**50,922,990**	50,722,975
Shariah compliant revenue			
- Revenue from contracts with customers	27	**19,857,881,186**	20,448,120,237
Exchange gain earned from actual currency			
- Unrealized loss on foreign currency loan	31	**2,259,606**	233,897
- Unrealized loss on revaluation of foreign currency account	31	**-**	5,063,618
- Unrealized gain on revaluation of foreign currency account	32	**454,035**	-
Source and detailed breakup of other income			
Non-Shariah Compliant			
- Dividend income	32	**2,213,452**	29,411,229
- Realized gain on redemption of mutual funds	32	**100,386,708**	4,692,852
- Unrealized gain on mutual funds	32	**1,211**	2,265,560
- Interest income on term deposit receipt	32	**14,559,946**	20,540,468
- Unrealized gain on revaluation of foreign currency account	32	**454,035**	-
- Realized gain on forward contracts	32	**-**	97,641
Shariah Compliant			
- Scrap sales	32	**4,467,232**	5,634,251
- Gain on disposal of property, plant and equipment - net	32	**7,607,308**	7,630,384
- Rental income from investment property	32	**36,603,438**	33,508,418

Relationship with Shariah-compliant financial institutions

Name	**Relationship**
Meezan Bank Limited	Funded Facility & Bank Balance
Al Baraka Bank Limited	Bank Balance
Bank Islami Pakistan Limited	Funded Facility & Bank Balance
Faysal Bank Limited	Funded Facility & Bank Balance

45. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation.

46. OPERATING SEGMENTS

Chief Executive considers the business as a single operating segment as the Company's assets allocation decisions are based on a single, integrated business strategy, and the Company's performance is evaluated on an overall basis. Sales of the Company related to export customers is 19 percent (2024: 54.58 percent) . As at year end, all non-current assets of the Company are located within Pakistan.

47. NUMBER OF EMPLOYEES

Number of employees	**2025**	2024
- At June 30	**1,109**	1,083
- Average during the year	**1,096**	1,076

48. EVENTS AFTER THE REPORTING DATE

The Board of Directors in its meeting held on 30 September 2025 proposed to distribute to the shareholders of the Company a cash dividend at the rate of 10 percent i.e. Rs. 1/- per ordinary share. The dividend is subject to the approval by the shareholders of the Company in its forthcoming Annual General Meeting. These financial statements do not reflect the effect of such dividend which will be accounted for in the financial statements of the Company subsequent to the year end, when it is approved by the shareholders of the Company.

49. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 30,2025 by the Board of Directors of the Company.

50. GENERAL

Figures have been rounded off to the nearest to Rupee.

	Raza Ellahi Shaikh	**Tariq Zafar Bajwa**	**Amin Ellahi Shaikh**
September 30, 2025	Director	Chief Financial Officer	Chief Executive Officer

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FORM OF PROXY

The Secretary,
NAGINA COTTON MILLS LTD.
2nd Floor, Shaikh Sultan Trust Building No. 2,
26-Civil Lines, Beaumont Road,91-B-1,
M.M. Alam Road,Karachi - 75530

I/We ______________________________ of ____________ being member(s) of **NAGINA COTTON MILLS LTD.,** and holder of ____________ Ordinary Shares as per Share Register Folio No. __________ (In case of Central Depository System Account Holder A/c No. ____________ Participant I.D. No. ________________) hereby appoint ________________________ of ____________ who is member of the Company as per Register Folio No. ______________ (In case of Central Depository System Account Holder A/c No. ____________ Participant I.D. No. ____________________) or failing him/her ______________________________ of ____________ who is member of the Company as per Register Folio No. ______________ (In case of Central Depository System Account Holder A/c No. ____________ Participant I.D. No.____________) as my/our proxy to vote for me/us and on my/our behalf at the 58th Annual General Meeting of the Company to be held on October 30, 2025 and at any adjournment thereof.

Signed at ________________ this the ____________ day of ______________ 2025

WITNESSES:

1. Signature ________________
Name ________________
Address ________________
____
CNIC ________________
____

2. Signature ________________
Name ________________
Address ________________
____
CNIC ________________
____

affix
Rs. 50/=
Revenue
Stamp

(Signature should agree with the Specimen signature registered with the Company)

NOTES:

1. If a member is unable to attend the meeting, he/she may sign this form and send it to the Secretary so as to reach him not less than 48 hours before the time of holding the meeting.
2. Members through CDC appointing proxies must attach attested copy of their Computerized National Identity Card (CNIC) with the proxy form.
3. The Shareholders through CDC, who wish to attend the Annual General Meeting are requested to please bring, original Computerized Identity Card with copy thereof duly attested by their Bankers, Account Number and Participant I.D Number for identification purpose.
4. In case of corporate entity, certified copy of the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.

پراکسی فارم (مختار نامہ)

سیکرٹری

نگینہ کاٹن ملز لمیٹڈ

دوسری منزل، شیخ سلطان ٹرسٹ بلڈنگ نمبر 2،
26- سول لائنز، بیاونٹ روڈ،
کراچی - 75530

میں / ہم ______________________

ساکن ______________________

بحیثیت رکن نگینہ کاٹن ملز لمیٹڈ اور حامل ______________ عام حصص بمطابق شیئر رجسٹر فولیو نمبر ______________

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر ______________ پارٹیسپنٹ (شرکت) آئی ڈی نمبر ______________)

بذریعہ ہذا

محترم / محترمہ ______________ ساکن ______________

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فولیو نمبر ______________

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر ______________ پارٹیسپنٹ (شرکت) آئی ڈی نمبر ______________)

یا اسکی غیر موجودگی میں محترم / محترمہ ______________ ساکن ______________

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فولیو نمبر ______________

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر ______________ پارٹیسپنٹ (شرکت) آئی ڈی نمبر ______________) کو

مورخہ 30 اکتوبر 2025ء کو منعقد ہونے والے کمپنی کے 58 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

دستخط.............. آج بروز.............. بتاریخ.............. 2025ء

50 روپے کا رسیدی ٹکٹ
چسپاں کریں

دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے مطابق ہونے چاہئیں

گواہ:

ا۔ دستخط: ______________

نام: ______________

پتہ: ______________

____

شناختی کارڈ نمبر: ______________

۲۔ دستخط: ______________

نام: ______________

پتہ: ______________

____

شناختی کارڈ نمبر: ______________

نوٹ:

1۔ اگر ایک ممبر اجلاس میں شرکت کے قابل نہیں ہے تو وہ اس فارم پر دستخط کرے اور سیکرٹری کو اس طور ارسل کر دے کہ اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہئے۔

2۔ سی ڈی سی کے ذریعے حصص یافتگان پراکسیز تقرر کرتے ہوئے پراکسی فارم کے ہمراہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی مصدقہ کاپی منسلک کریں۔

3۔ سی ڈی سی کے ذریعے حصص یافتگان جو سالانہ اجلاس میں شرکت کرنا چاہتے ہوں سے التماس ہے کہ شناخت کے مقصد کے لئے اصل کمپیوٹرائزڈ قومی شناختی کارڈ بمعہ اپنے بینکرز سے اسکی مصدقہ کاپی، اکاؤنٹ نمبر اور پارٹیسپنٹ آئی ڈی نمبر ہمراہ لائیں۔

4۔ کارپوریٹ اینٹٹی کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ کی مصدقہ کاپی معہ نمونہ دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔