

ANNUAL REPORT 2025



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BUSINESS REVIEW

VISION

To continue to be recognized globally as a dynamic business group specialized in multiple modern diversified businesses with its credibility of value creation for all stakeholders and the society through its strategically align innovation and sustainability framework.

CORE VALUES



CORPORATE INFORMATION



Board of Directors:

Khawaja Muhammad Ilyas	Chairman
Khawaja Muhammad Younus	Chief Executive Officer
Mrs. Farah Ilyas	Female Director
Khawaja Muhammad Muzaffar Iqbal	Director
Khawaja Muhammad Anees	Director
Abdul Rehman Qureshi	Independent Director
Muhammad Asghar	Independent Director

Chief Financial Officer

Yasir Ghaffar

Company Secretary

Liaqat Ali Dolla

Auditors

Crowe Hussain Chaudhary & Co.
Chartered Accountants
Masood Metro Mall, Second Floor
Near BZU, Multan.

Stock Exchange Listing

Mahmood Textile Mills Limited is a listed Company and its shares are traded on Pakistan Stock Exchange in Pakistan.

Share Registrar

Hameed Majeed Associates (Pvt.) Ltd.
H M House, 7-Bank Square, Lahore.

Bankers

MCB Bank Limited
United Bank Limited
Habib Bank Limited
Allied Bank Limited
Bank Al-Habib Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Bank Alfalah Limited
Bank Islami Limited
Habib Metropolitan Bank Limited
The Bank of Khyber
The Bank of Punjab
Askari Bank Limited
Soneri Bank Limited
ICBC Bank Limited
Al Baraka Bank Limited
National Bank of Pakistan (Aitmad)
Pak Brunei Investment Company Limited

Mills

Mahmoodabad, Multan Road,
Muzaffargarh.
Masoodabad, D.G. Khan Road,
Muzaffargarh.
Chowk Sarwar Shaheed, District
Muzaffargarh.
Industrail Estate, Multan.

Registered Office

Mehr Manzil, Lohari Gate, Multan.
Tel.: 061-111-181-181 Fax: 061-4511262
E-mail: info@mahmoodgroup.com
www.mahmoodtextile.com

Regional Office

2nd Floor, Cotton Exchange Building, I.I.
Chundrigarh Road, Karachi.

HONOURS AND ACHIEVEMENTS



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 55th Annual General Meeting (AGM) of “Mahmood Textile Mills Limited” (the Company) will be held on Tuesday 28th October, 2025 at 11 am, at Registered Office of the company, Mehr Manzil, Lohari Gate, Multan a to transact the following business:

1. To confirm the minutes of the Extraordinary General Meeting of the company held on 30-06-2025.
2. To receive, consider and adopt the annual audited Financial Statements of the company for the year ended June 30, 2025 together with Chairman's, Review Report, the Directors and Auditors' Reports thereon.

As required under section 223 of the companies Act, 2017 and in term of SRO No. 389 (1)/2023 dated March 21,2023 the financial Statements of the company has been uploaded on the website of the company which can be viewed using the following link, and QR enabled Code.

3. To appoint Auditors for the year 2025-26 and to fix their remuneration. The present Auditors M/S Crowe Hussain Chaudhry & company, Chartered Accountants, Lahore being eligible have offered themselves for their re-appointment.
4. To transact any other business as may be placed before the meeting with the permission of the Chair.

By order of The Board of Directors



Liaqat Ali Dolla
Company Secretary

Multan.

Date: 7th October, 2025.

NOTES:

1. Book Closure.

The Share transfer books of the company will remain closed from Monday 20th October 2025 to Tuesday 28th October.2025 (both days inclusive). Transfers received in order at the office of the company's Share Registrar, M/s Hameed Majeed Associates (Pvt) Limited, HM House 7 Bank Square, Lahore by the close of business hours (5:00 P.M) on 20th October.2025 will be treated in time for the purposes of attending and voting at the AGM. Proxy forms, in English and in Urdu languages are available on the Company's website.

2. Instrument of Proxy.

A member entitled to attend and vote at the meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarized attested copy of power of attorney must be deposited at the registered office of the company at least 48 hours before the time of the meeting. A proxy must be a member of the company. A company or a corporation being a member of the company may appoint a representative through a resolution of the Board of directors for attending and voting at the meeting.

3. Participation in the AGM through video link.

At least seven days prior to the date of meeting, on the demand of members residing in a city who hold at least ten percent of the total paid up capital of the company , the facility of video-link will be provided to such members of that city enabling them to participate in the annual general meeting through video-link facility to attend the meeting through video link, the members and their proxies are requested to register themselves by providing the following information along with their Name, Folio Number, Number of shares held in their name, a valid copy of CNIC (both sides) or passport attested copy of board resolution/power of attorney (in case of corporate shareholder) through email at liaqat.cs@mahmoodgroup.com. After necessary verification these people shall be provided with a video link facility by the company. The login facility will remain open from the start of the meeting till its proceedings are concluded. The facility will be provided keeping in view of the provisions of section 132 of the Companies Act 2017 and the person asking the said facility shall provide the following information/documents to the company.

Name of Member/ proxy holders	CNIC	Folio No./ participant id/ Account No.	Cell No./ WhatsApp No.	Email ID

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

5. Members are requested to notify in adequate time of any change in their addresses to the Share Registrar of the company. Name and address of the Share Registrar has been mentioned at serial no. 1 of the Notes.

6. Notice to Shareholder who have not provided CNIC:

The shareholders who have not yet provided their CNICs are once again advised to provide attested copies (both sides) of their CNIC's (if not already provided) directly to the Share Registrar at the address given in Note No.1. The shareholders are further requested to furnish their IBAN bank account number containing 24 digits directly our share registrar so that the dividend if any may be sent into their bank accounts. It is further clarified that tax deduction as presently applicable will be applicable on the dividend amount.

7. Unclaimed dividend /shares under section 244 of The Companies Act, 2017

The shareholders who for any reason, could not claimed their dividends for the previous years are advised to contact our Share Registrar M/S Hameed Majeed Associated (private) Limited 7-Bank Square Lahore to enquire/claim their dividend immediately. List of unclaimed dividends is available on the company's website, www.mahmoodtextile.com. www.mahmoodgroup.com

8. Conversion of physical shares in to Book Entry Form

As per section 72 of The Companies Act, 2017 all the members of listed companies are required to convert their physical shares in to Book Entry form within a period not exceeding four years from the commencement of The Companies Act, 2017. The SECP vide its circular No. CSD/ED/misc/2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their members who still hold shares in physical form to convert their shares in to Book Entry Form.

Therefore, the company hereby requests all such members who hold physical shares to convert the shares in to book entry form at the earliest. For the purpose they may contact “Central Depository Company of Pakistan Limited” or any active member of the Pakistan Stock Exchange to open an

account with the “Central Depository Company of Pakistan Limited “at the earliest possible.

9. Electronic Voting.

In accordance with section 143-145 of The Companies Act 2017 and Companies (Postal Ballot) Regulations, 2018, the right to vote through electronic voting facility and voting by postal ballot shall be provided to members of every listed company for, inter alia, all business classified as special business under “The Companies Act, 2017” in the manner and subject to conditions contained in the Regulations. Accordingly, members of “MAHMOOD TEXTILE MILLS LIMITED” will be allowed to vote through electronic voting or voting by post for the special business whenever needed in accordance with the requirements and subject to the conditions contained in the said Regulations.

10. Prohibition of Distribution of Gifts

In accordance with the company's policy and regulatory guidelines, no gifts or incentive shall be distributed at the AGM. Shareholders are requested to refrain from bringing or presenting any gifts during the meeting.

11. Electronic Transmission of Annual Reports and Notices

The Annual Audited Financial Statements/Annual Report and Notice of Meeting for the year ended June, 30, 2025 have been placed on the company's website, which can be downloaded from the following link and QR enabled code:-

The Securities and Exchange Commission of Pakistan has allowed the listed companies through its SRO No. 389 (1) dated March 21 2023 to circulate the annual audited financial statements to their members through QR enabled code and web link. The company shall circulate Annual Financial Statements through email address in case it has been provided by the member to the company and upon demand, supply hard copies of the Annual Financial Statements to the shareholders free of cost on receipt of a duly completed request Form which may be obtained from the company's Website www.mahmoodtextile.com. www.mahmoodgroup.com



Liaqat Ali Dolla
Company Secretary

Multan.

Date: 7th October, 2025.

Weblink	QR Code
https://mahmoodtextile.com/annualreports	

اطلاع سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ ”محمود گروپ ٹیکسٹائل ملز لمیٹڈ“ (کمپنی) کا 55 واں سالانہ اجلاس عام (AGM) بروز منگل مورخہ 28 اکتوبر 2025 کو صبح 11-00 بجے اس کے رجسٹرڈ ایڈریس، مہرمنزل، لوہاری گیٹ ملتان میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

- 1۔ 30 جون 2025ء کو کمپنی کے منعقدہ غیر معمولی اجلاس عام کی کاروائی کی توثیق۔
- 2۔ سالانہ اختتام 30 جون 2025ء کے آڈٹ شدہ حسابات کمپنی کے چیئرمین، ڈائریکٹروں اور آڈیٹروں کی سفارشات پر غور و خوض اور منظوری۔
- کمپنیز ایکٹ 2017 کے سیکشن 223 کے تحت اور SRO نمبر 389(1)/2023 کی شرائط کے مطابق کمپنی کے مالیاتی گوشواروں کو کمپنی کی ویب سائٹ پر اپ لوڈ کر دیا گیا ہے جسے درج ذیل لنک اور QR فعال کوڈ استعمال کرتے ہوئے دیکھا جاسکتا ہے۔
- 3۔ سال 2025-26 کے لئے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کرنا۔ موجودہ آڈیٹر میسرز کروو حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس لاہور نے اہل ہونے پر دوبارہ تقرری کے لیے اپنی خدمات پیش کی ہیں۔
- 4۔ چیئرمین کی اجازت سے دوسرے امور جو مینٹگ میں پیش ہوں۔



ملتان

محکم بورڈ

بتاریخ 07 اکتوبر 2025

لیاقت علی ڈولا۔ کمپنی سیکرٹری

نوٹس:-

- 1۔ کتب کی بندش: کمپنی کے حصص کی منتقلی کی کتب بروز پیر 20 اکتوبر 2025 سے بروز منگل 28 اکتوبر 2025 تک (بشمول دونوں دن) بند رہیں گی۔ حصص کی منتقلیاں جو کہ مورخہ 20 اکتوبر 2025 تک کاروباری اوقات کے اختتام (شام 5:00 بجے) تک کمپنی کے شیئرز رجسٹرار آفس میسرز حمید مجید ایسوی ایٹس (پرائیویٹ) لمیٹڈ HM ہاؤس 7 بک سکوائر، لاہور میں پہنچ جائیں۔ سالانہ اجلاس عام میں شرکت اور ووننگ کے لیے شمار ہوں گی۔ انگریزی اور اردو زبانوں میں پراکسی فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔
- 2۔ پراکسی کا تقرر: مینٹگ میں شرکت کرنے اور ووٹ دینے کا حقدار ممبر کمپنی کے کسی دوسرے ممبر کو شرکت کرنے اور ووٹ دینے کے لیے اپنی جگہ پراکسی کے طور پر مقرر کر سکتا ہے۔ پراکسی کا تقرر کرنے والے ممبر کی طرف سے پاور آف اٹارنی یا دیگر اتھارٹی جس کے تحت اس پر دستخط کیے گئے ہوں یا نوٹری پبلک سے تصدیق شدہ کاپی مینٹگ کے وقت سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں پہنچ جانا چاہئے۔ پراکسی کا کمپنی کا ممبر ہونا ضروری ہے۔ ایک کمپنی یا کارپوریشن کمپنی کی رکن ہونے کے ناطے مینٹگ میں شرکت اور ووننگ کے لیے بورڈ آف ڈائریکٹرز کی قرارداد کے ذریعے ایک نمائندہ مقرر کر سکتی ہے۔
- 3۔ سالانہ اجلاس عام میں بذریعہ ویڈیو لنک شرکت: ویڈیو لنک کے ذریعے مینٹگ میں شرکت کے لیے ممبران اور ان کے پراکسیز سے درخواست کی جاتی ہے کہ وہ اپنے نام کے ساتھ درج ذیل معلومات، ان کے نام پر مختص حصص کی تعداد اور ان کا فوئی نمبر، CNIC کی ایک کاپی (دونوں اطراف) یا پاسپورٹ کی تصدیق شدہ کاپی کے ساتھ درج ذیل معلومات بورڈ کی قرارداد، پاور آف اٹارنی (کارپوریٹ شیئرز ہولڈر کی صورت میں) بذریعہ ای میل liaquat.cs@mahmoodgroup.com پر فراہم کر کے خود کو رجسٹر کریں۔ ضروری تصدیق کے بعد رجسٹر ہونے والے شیئرز ہولڈرز کو مذکورہ ای میل ایڈریس پر کمپنی کی طرف سے ایک ویڈیو لنک فراہم کیا جائے گا۔ لاگ ان کی سہولت مینٹگ کے آغاز سے اس کی کارروائی کے اختتام تک دستیاب رہے گی۔ کمپنیز ایکٹ 2017 کے سیکشن 132 کی دفعات کو مد نظر رکھتے ہوئے یہ سہولت فراہم کی جائے گی۔

ممبر/پراکسی ہولڈر کا نام	سی این آئی سی	فویو نمبر/شرکت کنندہ کا آئی ڈی	فون نمبر/وائس ایپ نمبر	ای میل آئی ڈی

- 4۔ جن اراکین نے اپنے حصص سینٹرل پازٹری کمپنی آف پاکستان لمیٹڈ ("CDC") میں جمع کرائے ہیں، انہیں پاکستان سیکورٹیز اینڈ ایکسچینج کمیشن کے 2000 کے سرکلر نمبر 1 کی روشنی میں مزید قابل اطلاق رہنما خطوط پر عمل کرنا ہوگا۔

- 5۔ اراکین سے درخواست کی جاتی ہے کہ وہ اپنے چوتوں میں کسی بھی تبدیلی کے بارے میں کمپنی کے شیئرز رجسٹرار کو مطلع کریں۔ نام اور پتہ نوٹس کے نمبر شمار 1 میں درج ہے۔
- 6۔ اُن شیئرز ہولڈرز کے لئے اطلاع جنہوں نے CNIC فراہم نہیں کیا ہے: وہ شیئرز ہولڈرز جنہوں نے ابھی تک اپنے CNIC فراہم نہیں کیے ہیں انہیں ایک بار پھر درخواست کی جاتی ہے کہ وہ اپنے CNIC کی دونوں طرف کی مصدقہ کاپیاں براہ راست شیئرز رجسٹرار کو نمبر 1 میں دیے گئے پتے پر فراہم کریں۔ شیئرز ہولڈرز سے مزید درخواست کی جاتی ہے کہ وہ اپنا 24 ہندسوں پر مشتمل IBAN بینک اکاؤنٹ نمبر براہ راست ہمارے شیئرز رجسٹرار کو فراہم کریں تاکہ منافع اگر کوئی ہو تو ان کے بینک اکاؤنٹس میں بھیجا جاسکے۔ مزید واضح کیا جاتا ہے کہ موجودہ لاگوئیس کنٹری ڈیویڈنڈ کی رقم پر لاگو ہوگی۔
- 7۔ کمپنیز ایکٹ 2017 کے سیکشن 244 کے تحت غیر دعویٰ شدہ منافع جات/حصص: وہ شیئرز ہولڈرز جو کسی بھی وجہ سے اپنے ڈیویڈنڈ کا دعویٰ نہیں کر سکے ان سے گزارش ہے کہ وہ فوری طور پر اپنے غیر دعویٰ شدہ منافع کی بابت ہمارے شیئرز رجسٹرار میسرز حمید مجید ایسوی ایٹس (پرائیویٹ) لمیٹڈ 7 بک اسکوائر لاہور سے رابطہ کریں۔ غیر دعویٰ دار ڈیویڈنڈ کی فہرست کمپنی کی ویب سائٹ www.mahmoodgroup.com, www.mahmoodtextile.com پر دستیاب ہے۔

- 8۔ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا: کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق تمام موجودہ کمپنیوں کو اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا ضروری ہے۔ جس کی مدت ”دی کمپنیز ایکٹ 2017 کے آغاز سے چار سال سے زائد نہ ہو۔“

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے سرکل نمبر CSD/ED/misc./2016-639-640 مورخہ 26 مارچ 2021 کے ذریعے ہدایت کی ہے کہ لسٹڈ کمپنیاں اپنے اُن ممبران کو جن کے پاس فزیکل شیئرز ہیں ایک انٹری فارم میں تبدیل کریں۔

لہذا ہم ”محمود ٹیکسٹائل ملز لمیٹڈ“ ایسے تمام ممبران سے جو فزیکل شیئرز رکھتے ہیں درخواست کرتے ہیں کہ وہ اپنے حصص کو جلد از جلد ایک انٹری فارم میں تبدیل کریں۔ اس مقصد کے لیے وہ جس قدر جلد ممکن ہو ”سنٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ“ یا پاکستان اسٹاک ایکسچینج کے کسی فعال ممبر/اسٹاک بروکر سے ”سنٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ“ کے ساتھ اکاؤنٹ کھولنے کے لیے رابطہ کر سکتے ہیں۔

9: الیکٹرونک ووٹنگ:

کمپنیز ایکٹ 2017 کی شق 143-145 اور کمپنیز (پوسٹل بیلٹ) ریگولیشن 2018 کے مطابق کمپنیز ایکٹ 2017 کے تحت کاروباری طریقے اور ضوابط میں موجود شرائط کی روشنی میں ہر لسٹڈ کمپنی کے اراکین کو الیکٹرونک ووٹنگ کی سہولت اور پوسٹل بیلٹ کے ذریعے ووٹ دینے کا حق دیا جائے گا۔ اس کے تحت محمود ٹیکسٹائل ملز لمیٹڈ " کے اراکین کو مذکورہ ضابطوں میں موجود شرائط کے ساتھ ضرورت کے مطابق الیکٹرونک ووٹنگ کے ذریعے ووٹ ڈالنے یا خصوصی کاروبار کے لیے ڈاک کے ذریعے ووٹ ڈالنے کی اجازت دی جائے گی۔

10: متحائف کی تقسیم کی ممانعت

کمپنی کی پالیسی اور ریگولیشنری رہنما خطوط کے مطابق سالانہ اجلاس عام میں کسی قسم کا کوئی تحفہ یا ترغیبات تقسیم نہیں کی جائیں گی۔ شیئرز ہولڈرز سے گزارش ہے کہ میٹنگ کے دوران کوئی تحفہ لانے یا پیش کرنے سے گریز کریں۔

11: سالانہ رپورٹس اور نوٹس کی الیکٹرونک ٹرانسمیشن:

30 جون 2025 کو ختم ہونے والے سال کے لیے سالانہ آڈٹ شدہ مالیاتی حسابات/سالانہ رپورٹ اور میٹنگ کا نوٹس کمپنی کی ویب سائٹ پر ڈال دیا گیا ہے، جسے درج ذیل لنک اور QR فعال کوڈ سے ڈاؤن لوڈ کیا جاسکتا ہے:-

<https://mahmoodtextile.com/pdf/Annual%20Report%202024-25.pdf>



سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے ایس آر او نمبر (1) 389 مورخہ 21 مارچ 2023 کے ذریعے لسٹڈ کمپنیوں کو اجازت دی ہے کہ وہ اپنے ممبران کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کو QR فعال کوڈ اور ویب لنک کے ذریعے بھیجیں۔ کمپنی سالانہ مالیاتی گوشواروں کو ممبر کی طرف سے کمپنی کو فراہم کردہ ای میل ایڈریس کے ذریعے بھیجے گی اگر یہ ممبر کی طرف سے کمپنی کو فراہم کر دیا گیا ہوگا تو اور حصص یافتگان کو اُن کے مطالبہ پر کمپنی کی ویب سائٹ، www.mahmoodgroup.com، www.mahmoodtextile.com پر دستیاب پُر شدہ درخواست فارم پر سالانہ مالیاتی گوشواروں کی بارڈر کا پیاں مفت فراہم کرے گی۔

پراکسی فارم

میں/ہم.....آف.....محمود ٹیکسٹائل ملز لمیٹڈ کا ممبر ہونے کی حیثیت سے.....عمومی شیئرز رکھتے ہیں۔ لہذا
ممبر/ممبرز/مس.....آف.....یا بصورت دیگر ان کے.....آف.....
بصورت میری/ہماری عدم شرکت ہماری ذمہ داری پر کمپنی کے رجسٹرڈ/ہیڈ آفس، مہر منزل، اوہاری گیٹ ملتان میں بروز منگل مورخہ 28 اکتوبر 2025 کو منعقد ہونے والے 55 ویں
سالانہ اجلاس عام (AGM) میں بطور میرے/ہمارے پراکسی شرکت اور میرے/ہمارے لئے ووٹ دینے کے لئے مقرر کئے جاتے ہیں۔

بطور گواہ میرے/ہمارے دستخط/مہر ثبت شدہ۔ امروز.....آف.....2025.....

دستخط ممبر.....

رُوبر و جناب.....

دستخط.....

نام.....

پتہ.....

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر
	شرکت کنندہ کا شناخت نامہ
	اکاؤنٹ نمبر

دستخط لازمی طور پر کمپنی کے ساتھ رجسٹرڈ دستخط کے مطابق ہونے چاہئیں

CHAIRMAN'S REVIEW

چیئر مین کی جائزہ رپورٹ

Introduction:

FY 2025 was a year of resilience, strategic agility, and transformation for Mahmood Textile Mills Limited. Amid domestic challenges and shifting global markets, the Company leveraged innovation, operational excellence, and targeted investments to reinforce its leadership in the textile industry, strengthen financial discipline, and position itself for sustainable long-term growth.

Market and Economic Overview:

Pakistan's textile sector faced challenges such as rising energy tariffs and global market uncertainties. Mahmood Textile Mills mitigated these pressures through business diversification, operational efficiency, and increased reliance on renewable energy, particularly solar power. Focus on high-quality, value-added products strengthened global buyer relationships and expanded presence in key export destinations including Europe, Turkey, China and U.S.A.

Operational Performance:

The Company delivered strong results across spinning, weaving, fabrics, and apparel divisions. By optimizing its integrated value chain—from cotton cultivation to finished products—and investing in modernization, automation, and process efficiency, Mahmood Textile Mills enhanced productivity, cost management, and profitability.

Financial Performance:

The Company demonstrated strong financial discipline and resilience. Mahmood Textile Mills delivered improved net profit and earnings per share, reflecting effective cost management and prudent capital allocation. Robust liquidity supported growth opportunities, innovation, and sustainable expansion.

Sustainability and Innovation:

Sustainability remains central to the Company's strategy. FY 2025 saw progress in water conservation, waste reduction, circular economy practices, and renewable energy expansion. Investments in digital transformation, automation, and product development enhanced competitiveness, especially in Eco-innovative textiles and premium apparel.

Outlook for FY 2026:

The Company remains cautiously optimistic. Focused on new markets, high-value products, R&D, workforce development, and process automation, Mahmood Textile Mills aims to drive operational excellence and growth while advancing sustainability and global ESG compliance.

Acknowledgment:

On behalf of the Board, I thank our employees, customers, and shareholders for their trust and dedication. Together, we will continue to pursue excellence, enhance competitiveness, and create long-term value.

Khawaja Muhammad Ilyas
Chairman

تعارف:

مالی سال 2025، محمود ٹیکسٹائل ملز لمیٹڈ کے لیے استقامت، حکمت عملی میں چلک، اور تبدیلی کا سال رہا۔ ملکی معاشی چیلنجز اور عالمی منڈیوں میں تبدیلیوں کے باوجود، کمپنی نے جدت، آپریشنل بہترین کارکردگی، اور مدنی سرمایہ کاری کے ذریعے ٹیکسٹائل صنعت میں اپنی قیادت کو مزید مضبوط کیا۔ ساتھ ہی مالی نظم و ضبط کو بہتر بناتے ہوئے کمپنی نے پائیدار اور طویل مدتی ترقی کے لیے مضبوط بنیادیں قائم کیں۔

مارکیٹ اور معاشی جائزہ:

پاکستان کے ٹیکسٹائل شعبے کو بلند توانائی نرخوں اور عالمی مارکیٹ کی غیر یقینی صورتحال جیسے چیلنجز کا سامنا رہا۔ محمود ٹیکسٹائل ملز نے ان مشکلات کو کاروباری تنوع، آپریشنل کارکردگی میں بہتری، اور قابل تجدید توانائی خصوصاً سولر پاور کے استعمال کے ذریعے کامیابی سے سنبھالا۔ کمپنی نے اعلیٰ معیار اور ویلیو ایڈڈ مصنوعات پر توجہ دیتے ہوئے یورپ، ترکی، چین، اور امریکہ جیسے اہم برآمدی بازاروں میں اپنی موجودگی کو مزید مضبوط کیا۔

آپریشنل کارکردگی:

کمپنی نے اسپننگ، ویوٹنگ، فیبرکس، اور گارمنٹس کے تمام شعبوں میں نمایاں نتائج حاصل کیے۔ کپاس کی پیداوار سے لے کر تیار مصنوعات تک اپنی مربوط ویلیو چین کو بہتر بنا کر اور جدید ٹیکنالوجی، آٹومیشن، اور عمل کی کارکردگی میں سرمایہ کاری کے ذریعے کمپنی نے پیداواری صلاحیت، لاگت کے نظم، اور منافع میں خاطر خواہ بہتری حاصل کی۔

مالی کارکردگی:

کمپنی نے مالی نظم و ضبط اور استحکام کا بہترین مظاہرہ کیا۔ محمود ٹیکسٹائل ملز نے خالص منافع (Net Profit) اور فی شخص آمدنی (EPS) میں نمایاں اضافہ کیا، جو مؤثر لاگت کے نظم اور محتاط سرمایہ کاری کی عکاسی کرتا ہے۔ کمپنی کی مضبوط لیکویڈیٹی پوزیشن نے ترقی کے مواقع، جدت، اور پائیدار توسیع کو سہارا دیا۔

پائیداری اور جدت:

پائیداری محمود ٹیکسٹائل ملز کی کاروباری حکمت عملی کا مرکزی حصہ ہے۔ مالی سال 2025 کے دوران کمپنی نے پانی کے تحفظ، فضلے میں کمی، سرکولر کانومی کے فروغ، اور قابل تجدید توانائی کے استعمال میں نمایاں پیش رفت کی۔ ڈیجیٹل ٹرانسفارمیشن، آٹومیشن، اور نئی مصنوعات کی تیاری میں سرمایہ کاری کے باعث کمپنی کی مسابقتی صلاحیت بڑھی، خاص طور پر ماحول دوست (Eco-Innovative) ٹیکسٹائلز اور پریمئیم گارمنٹس میں۔

آئندہ سال 2026 کا جائزہ:

کمپنی مستقبل کے حوالے سے محتاط مگر پرامید ہے۔ نئی منڈیوں، ویلیو ایڈڈ مصنوعات، تحقیق و ترقی (R&D)، افرادی قوت کی تربیت، اور عمل کی آٹومیشن پر فوکس جاری رکھتے ہوئے، محمود ٹیکسٹائل ملز کا مقصد کارکردگی میں مزید بہتری، ترقی، اور عالمی ESG معیار کے مطابق پائیدار کاروباری سرگرمیوں کو آگے بڑھانا ہے۔

اظہار تشکر:

بورڈ کی جانب سے میں تمام ملازمین، صارفین، اور شیئرز ہولڈرز کا شکریہ ادا کرتا ہوں جنہوں نے اعتماد، محنت، اور لگن کے ساتھ کمپنی کی کامیابی میں حصہ لیا۔ ہم سب مل کر بہترین کارکردگی، بڑھتی ہوئی مسابقت، اور طویل مدتی قدر (long-term value) پیدا کرنے کے لیے پرعزم ہیں۔

خواجہ محمد الیاس
چیئر مین



DIRECTORS' REPORT TO THE MEMBERS



Introduction

For and on behalf of the Board of Directors of Mahmood Textile Mills Limited, we present the financial statements for the year ended June 30, 2025, along with a review of Pakistan's economy, the textile sector's performance, and the key challenges and initiatives that shaped the Company's operations during the year.

Global Economic Overview:

The fiscal year ending June 30, 2025, was characterized by a gradual moderation in global economic growth and persistent, albeit easing, inflationary pressures. According to projections from the International Monetary Fund (IMF), global growth is expected to slow to 3.0%, a slight deceleration from the previous year, driven primarily by continued trade tensions and policy uncertainties. Major economies, including the United States and the Eurozone, have experienced a subdued growth trajectory, while several emerging markets, particularly in Asia, have shown greater resilience.

For the textile sector, this environment presented a mixed outlook. While consumer spending on discretionary items like apparel has shown signs of softening in some developed markets, the industry as a whole is projected to continue its growth, driven by a global shift towards sustainable and technical textiles.

Furthermore, supply chain diversification and nearshoring strategies, spurred by geopolitical shifts, have become a focal point, reshaping production and sourcing decisions across the industry.

Pakistan Economic Review:

During FY 2024-25, Pakistan's economy showed signs of gradual recovery from earlier turbulence, although growth remained modest and challenges persisted. Real GDP expanded by approximately 2.7%, up from about 2.4% in FY 2023-24, reflecting improving macroeconomic

management. Inflation eased significantly, with the annual CPI inflation rate reducing to about 3.23% in June 2025 (Year on Year) from much higher levels in the previous year. The State Bank of Pakistan responded by cutting the policy rate gradually as inflation declined and foreign exchange conditions stabilized. On the external front, export performance improved, particularly driven by textiles and value added goods, while remittances also saw strong growth, helping to cushion current account pressures.

The textile industry, a key pillar of Pakistan's exports, delivered a mixed performance during FY 2025. Sector exports grew by 7.39% to USD 17.88 billion, reflecting resilience despite high energy costs, shifting global demand, and supply-side constraints. The agricultural sector, however, faced setbacks as cotton output declined due to reduced cultivation and adverse weather conditions, leading to higher reliance on imports to meet demand. Elevated energy and borrowing costs, along with policy uncertainty, continued to weigh on competitiveness. Nevertheless, the stabilization of foreign reserves, relative currency stability, and improved fiscal discipline provided a platform for cautious optimism going forward.

Major Challenges Faced by the Textile Industry of Pakistan

The textile sector is the backbone of Pakistan's export economy, accounting for over 50% of its total export earnings and employing a significant portion of the

industrial workforce. However, despite its immense potential, the sector is grappling with a multitude of challenges in the fiscal year 2025 that threaten its sustainability and global competitiveness.

High Energy Costs: The textile industry continued to face high electricity and gas tariffs, among the highest in the region. Frequent energy price revisions, supply interruptions, and inconsistent availability of subsidized packages hindered competitiveness in global markets. Given that energy forms a significant portion of costs in spinning, weaving, and processing, maintaining cost efficiency remained a major challenge for the sector.

Volatility in Cotton Production: Domestic cotton production fell below target levels due to pest attacks, heavy rains in some regions, and a reduction in acreage under cultivation. Pakistan had to rely heavily on imported cotton, particularly from Brazil and the US, which not only increased input costs but also exposed the sector to global price fluctuations and supply chain risks. This dependence on imports also placed pressure on foreign exchange reserves.

Global Demand Slowdown: Export demand in key markets, especially the United States and the European Union, stayed low because of slower global growth and ongoing inflation. Demand for discretionary products such as apparel and home textiles remained weak, leading to lower order volumes and greater competition among suppliers in the international market.

Exchange rate Fluctuations: While the Pakistani rupee stabilized in the latter part of FY 2025, earlier months were marked by sharp fluctuations, making it difficult for exporters to price contracts and hedge effectively. Such volatility not only created uncertainty in export planning but also increased the cost of imported raw materials, machinery, and chemicals used in textile production.

High Borrowing Cost: Although the State Bank of Pakistan began easing its policy rate in response to falling inflation, the cost of borrowing remained high

through most of FY 2025. Expensive financing limited the availability of affordable credit for working capital, modernization of machinery, and capacity expansion, making it harder for textile businesses to plan long-term investments.

Compliance & Sustainability pressures: Global buyers increasingly demanded compliance with environmental, social, and governance (ESG) standards, including the use of sustainable raw materials, renewable energy, and traceable supply chains. Meeting these standards required significant capital investments in wastewater treatment, energy-efficient equipment, and certification processes. Although these investments are important to keep access to global markets in the long run, they increased costs for manufacturers in the short term.

Logistics & Supply Chain Disruptions: The sector also faced higher freight charges and logistical disruptions due to geopolitical tensions, particularly in the Red Sea and surrounding regions. Shipping delays and container shortages not only increased costs but also disrupted timely deliveries to key markets, damaging Pakistan's reputation for reliability among international buyers.

Policy & Regulatory Uncertainty: Frequent changes in government policies, including adjustments to export incentives, sales tax rebates, and energy subsidy schemes - created uncertainty for long-term investment decisions. Inconsistent enforcement of trade policies and delays in refund processing further strained exporters' cash flows. This lack of a predictable policy framework remained a major barrier to sustained growth in the sector.

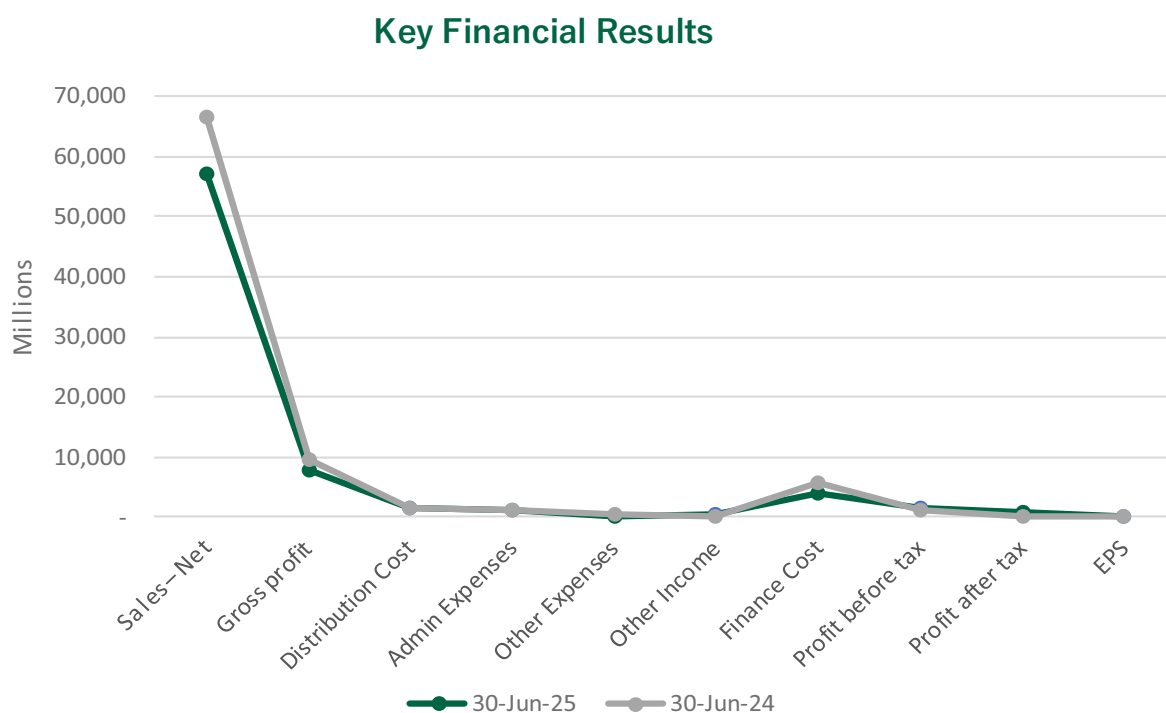
Overall, these challenges created serious pressure on Pakistan's textile sector during FY 2025. High costs, supply issues, and weak global demand limited the industry's growth potential. To stay competitive, the sector will need consistent government support, stable policies, and greater focus on efficiency and value-added products in the years ahead.

Key Financial Results

The financial year ended June 30, 2025, was marked by a challenging operating environment, both globally and domestically. Despite pressures from high input costs, fluctuating demand in export markets, and rising operational

challenges, the Company continued to demonstrate resilience. Through effective cost management and efficiency improvements, the company was able to sustain its performance. The key financial highlights for the year are presented below.

Key Financial Results	30-Jun-25	30-Jun-24
----- Rupees in Million -----		
Sales – Net	57,071.38	66,583.77
Gross profit	7,963.52	9,728.53
Distribution Cost	(1,410.80)	(1,681.79)
Administrative Expenses	(1,326.26)	(1,200.83)
Other Expenses	(182.05)	(398.05)
Other Income	344.65	117.49
Finance Cost	(4,110.53)	(5,631.38)
Profit before levy and tax	1,529.01	1,371.14
Profit after tax	978.07	249.54
EPS	32.60	8.32



A concise analysis of the key financial results for the year ended 30th June 2025 is given on the next page:

➤ **Profit Growth:**

- Profit after tax increased significantly from 249.54 million in 2024 to 978.07 million in 2025.
- This represents a nearly 4-fold increase, highlighting improved operational efficiency and financial management.

➤ **Earnings Per Share (EPS) Surge:**

- EPS rose sharply from **8.32** to **32.60**, reflecting enhanced shareholder value and strong profitability.

➤ **Reduced Costs:**

- Distribution costs decreased from 1,681.79 million to 1,410.80 million.
- Other expenses were reduced significantly from 398.05 million to 182.05 million.
- Finance cost declined from 5,631.38 million to 4,110.53 million, improving the company's financial leverage.

➤ **Sustained Gross Profit:**

- Despite challenging market conditions, the company maintained a strong gross profit of 7,963.52 million, ensuring operational stability.

Overall Insight

Mahmood Textile Mills delivered exceptional profitability growth in FY 2025, supported by effective cost management, reduced finance expenses, and enhanced operational efficiency. Earnings per share increased substantially, highlighting strong financial performance and significant value creation for shareholders.

Corporate Social Responsibility (CSR) & Sustainability

Mahmood Textile Mills integrates social, environmental, and ethical considerations into its operations, balancing the interests of all stakeholders, particularly the communities in which it operates. As a leading textile company, the Company is committed to sustainable and ethical practices, embedding CSR and sustainability into its core operations. Management ensures that all initiatives align with the Company's long-term objectives of inclusivity, environmental stewardship, and community development.

CSR Initiatives

During FY 2024-25, the Company undertook several initiatives demonstrating its commitment to health, education, inclusivity, and sustainability. In support of women's health, awareness sessions and in-house health checkups were organized for female employees and their families, emphasizing early detection, self-examination, and proactive care, while highlighting the latest treatment advancements. Gender diversity and empowerment were further promoted through the celebration of International Women's Day, recognizing the achievements of women across professions and

social backgrounds and fostering an inclusive workplace culture.

Environmental sustainability remained a priority, with large-scale tree plantation drives conducted at the Multan and Muzaffargarh factory sites, enhancing green cover and promoting environmental awareness among employees.

Education support initiatives provided learning resources and opportunities for underprivileged children, fostering human capital development and social progress. Healthcare access was improved through a partnership with Nishtar Hospital, Multan, providing quality medicines at discounted rates for vulnerable community members.

Commitment to Sustainability

Mahmood Group is committed to embedding sustainability in every aspect of its operations, emphasizing responsible resource utilization, employee well-being, transparent governance, and community development. These initiatives align with international sustainability standards and are designed to create long-term value for all stakeholders.

Environmental Stewardship: In line with its green energy strategy, the Company expanded renewable energy capacity to 16 MW, with an additional 3.5 MW planned, significantly reducing reliance on fossil fuels and lowering greenhouse gas emissions. Water recycling exceeded 30% of total usage through advanced treatment plants, while waste management practices focused on recycling and safe disposal of hazardous materials, minimizing environmental impact.

Social Responsibility: Employee health and safety remained a top priority, with no major accidents reported during the year. Community programs continued to focus on education, healthcare, and women empowerment, reflecting the Company's commitment to social welfare and development.

Diversity, Equity & Inclusion (DE&I): DE&I is a core principle of the Company's operations, with strategies in place to increase gender and ethnic diversity at all levels, including measurable targets for female representation on the Board and workforce within the next three years. Policies such as maternity leave and non-discrimination practices ensure merit-based opportunities and fair treatment in hiring, promotions, and salary reviews.

Sustainability-Related Risks: The Company recognizes sustainability-related risks, including climate change, water scarcity, and evolving global supply chain standards, and continues to adopt proactive measures to mitigate these challenges and maintain competitiveness.

Future Plans: Mahmood Textile Mills aims to expand solar energy capacity to 20 MW by 2026, increase water recycling to at least 50% of total usage, and further align supply chain operations with international ESG benchmarks.

Through these initiatives, Mahmood Textile Mills demonstrates that corporate success is closely linked with social and environmental responsibility, creating lasting value for stakeholders while positively impacting society and the environment.

Corporate and Financial Reporting Framework:

The Directors confirm compliance with Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG

Regulations) for the following matters:

- The financial statements, prepared by the management of Mahmood Textile Mills Ltd., present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Appropriate accounting policies have been consistently applied in preparation of these financial statements and accounting estimates are based on reasonable and prudent judgments.
- The Company has maintained proper books of account.
- International accounting standards, as applicable in Pakistan, have been followed in preparation of these financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as an on-going process with objective to strengthen the controls and bring improvements in the system.
- There are no doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of the CCG Regulations 2019.
- There are no statutory payments on account of taxes, duties levies and charges which are outstanding as at June 30, 2025, except for those disclosed in the financial statements.

Strategic Expansion:

During the year, the Company acquired a wholly owned subsidiary, MG Apparel Limited, which is engaged in the manufacturing and stitching of garments, made-ups, clothing, knitwear, and other allied textile products, as well as in trading, importing, and exporting these goods both locally and internationally. In line with its strategic focus on operational specialization and business streamlining, the Board of Directors approved a Scheme of Arrangement under which the assets and liabilities of the Apparel segment will be transferred to MG Apparel Limited.

This restructuring initiative aims to enhance efficiency, improve management focus, and strengthen the Company's position in the value-added textile segment. The application for approval of the Scheme has been filed before the Honorable Lahore High Court, Multan Bench, and the process of obtaining the Court's approval is currently underway.

Future Outlook:

Looking ahead, the Company remains hopeful that easing inflation and expected reductions in interest rates will support business growth in the coming year. We plan to continue focusing on cost savings, energy efficiency, and sustainability projects to strengthen our operations. Investments in technology and cleaner production processes will also help us stay competitive in changing global markets.

For the textile sector worldwide, demand in major markets like the China and EU may stay soft in the short term, but new opportunities are expected in emerging economies. The recent U.S. tariff reductions on select textile imports create a particularly favorable environment for Pakistan's textile sector. Mahmood Textile Mills Limited is strategically positioned to benefit through its diversified product portfolio, robust compliance standards, and established U.S. relationships. In line with its growth strategy, the Mahmood Group is extending value addition initiatives across its product lines to enhance quality and margin potential.

The global shift towards sustainable, organic, and technical textiles will also create fresh avenues for growth. In Pakistan, the textile industry is expected to benefit from government support for exports, lower energy costs, and rising demand for value-added and eco-friendly products, although challenges such as high competition and compliance requirements will remain.

Acknowledgement:

We extend our heartfelt appreciation to our employees, customers, suppliers, and shareholders for their continued trust and support throughout the year ended June 30, 2025. Despite economic challenges and a demanding global environment, their commitment has enabled the Company to sustain performance and pursue new opportunities.

We also recognize the hard work of our management and staff, whose dedication to efficiency, innovation, and sustainability has strengthened our resilience. Moving forward, Mahmood Textile Mills remains committed to responsible growth, enhanced competitiveness, and creating long-term value for all stakeholders.

For and on behalf of the Board


Khawaja Muhammad Ilyas
(Chairman)


Khawaja Muhammad Younus
(Chief Executive Officer)

Multan:

Dated: October 11, 2025

Mahmood Textile Mills will build on these trends by expanding exports, improving product quality, and adopting eco-friendly practices, with the aim of delivering long-term value for shareholders, supporting sustainable revenue growth, optimizing capacity utilization, and strengthening foreign exchange contributions, thereby underpinning both corporate performance and the national economy.

Conclusion

The growth and resilience of Pakistan's textile industry depend on strong collaboration between the government and industry stakeholders. Consistent and supportive policies, uninterrupted and affordable energy supply, and measures to improve ease of doing business are essential to strengthen the sector. Greater focus on infrastructure development, technological upgradation, and skill enhancement will help improve efficiency and meet the changing demands of global markets.

At the same time, sustainability has become a key requirement, and the industry must continue to invest in renewable energy, waste management, and environmentally friendly production processes to remain competitive. By supporting these initiatives, the government can enable the textile sector to secure a stronger position in the global supply chain.

Such efforts will not only increase Pakistan's textile exports but also drive industrial growth, generate employment, attract foreign investment, and contribute to the country's long-term economic stability and social progress.

اظہارِ تشکر

ہم اپنے تمام ملازمین، صارفین، سپلائرز اور شیئر ہولڈرز کا دل کی گہرائیوں سے شکریہ ادا کرتے ہیں جنہوں نے مالی سال جو 30 جون 2025 کو ختم ہوا، کے دوران ہمارے ساتھ اعتماد اور تعاون کا رشتہ قائم رکھا۔ معاشی چیلنجز اور عالمی سطح پر درپیش مشکل حالات کے باوجود، ان کے عزم و تعاون نے کمپنی کو اپنی کارکردگی برقرار رکھنے اور نئے مواقع تلاش کرنے کے قابل بنایا۔

ہم اپنی مینجمنٹ اور عملے کی محنت کو بھی خراج تحسین پیش کرتے ہیں، جن کی کارکردگی، جدت پسندی، اور پائیداری سے وابستگی نے ہماری مضبوطی اور چلک کو مزید مستحکم کیا۔

آئندہ بھی، محمود ٹیکسٹائل ملز ذمہ دارانہ ترقی، بڑھتی ہوئی مسابقت، اور تمام اسٹیک ہولڈرز کے لیے طویل المدتی قدر کی تخلیق کے لیے پُر عزم ہے۔

خواجہ محمد یونس
چیف ایگزیکٹو آفیسر

خواجہ محمد الیاس
چیرمین

مقام:

تاریخ: 11 اکتوبر 2025

میں کی پاکستان کے لیے نیا موقع ہے، جس سے کمپنی اپنی برآمدات اور منافع بڑھا سکتی ہے۔ پائیدار، نامیاتی، اور ٹیکنیکل ٹیکسٹائل میں عالمی دلچسپی بڑھ رہی ہے، اور کمپنی اس موقع سے فائدہ اٹھانے کے لیے اپنی پیداوار میں جدت لانے کا ارادہ رکھتی ہے۔

دنیا بھر میں ٹیکسٹائل کے شعبے کے لیے، امریکا اور یورپی یونین جیسے بڑے بازاروں میں قلیل مدت کے لیے مانگ میں نرمی رہنے کا امکان ہے، تاہم ابھرتی ہوئی معیشتوں میں نئے مواقع پیدا ہونے کی توقع ہے۔ حال ہی میں امریکا کی جانب سے مخصوص ٹیکسٹائل مصنوعات پر ٹریف میں کمی نے پاکستان کے ٹیکسٹائل شعبے کے لیے ایک خاصا سا زگڑا ماحول فراہم کیا ہے۔ محمود ٹیکسٹائل ملز لمیٹڈ اپنی متنوع مصنوعات، مضبوط تعمیل (کمپلائنس) کے معیارات اور امریکا میں قائم تعلقات کی بدولت ان مواقع سے فائدہ اٹھانے کے لیے اسٹریٹجک طور پر موزوں پوزیشن میں ہے۔

اپنی ترقی کی حکمت عملی کے تحت، محمود گروپ اپنی مصنوعات کی مختلف اقسام میں ویلیو ایڈیشن (قدر میں اضافہ) کے اقدامات کو وسعت دے رہا ہے تاکہ معیار اور منافع کی صلاحیت کو بہتر بنایا جاسکے۔ پائیدار، نامیاتی، اور ٹیکنیکل ٹیکسٹائل کی جانب عالمی رجحان بھی ترقی کے لیے نئی راہیں کھولے گا۔ پاکستان میں، ٹیکسٹائل انڈسٹری کو حکومت کی جانب سے برآمدات کے لیے حمایت، کم توانائی لاگت، اور ویلیو ایڈڈ اور ماحول دوست مصنوعات کی بڑھتی ہوئی طلب سے فائدہ پہنچنے کی امید ہے، اگرچہ سخت مسابقت اور تعمیل کے تقاضے جیسے چیلنجز بدستور موجود ہیں گے۔

محمود ٹیکسٹائل ملز ان رجحانات سے فائدہ اٹھاتے ہوئے اپنی برآمدات میں اضافہ کرے گا، مصنوعات کے معیار کو بہتر بنائے گا، اور ماحول دوست طریقے اپنانے گا، تاکہ شیئر ہولڈرز کے لیے طویل مدتی قدر فراہم کی جاسکے، آمدنی میں پائیدار ترقی حاصل ہو، پیداواری صلاحیت کا مؤثر استعمال ممکن ہو، اور زر مبادلہ میں بہتری لا کر کمپنی کی کارکردگی کے ساتھ ساتھ ملکی معیشت کو بھی مضبوط بنایا جاسکے۔

نتیجہ

پاکستان کی ٹیکسٹائل صنعت کی ترقی اور استحکام کا انحصار حکومت اور صنعت سے وابستہ فریقین کے درمیان مضبوط تعاون پر ہے۔ اس شعبے کو مضبوط بنانے کے لیے مستقل اور معاون پالیسیوں، بلا تعطل اور سستی توانائی کی فراہمی، اور کاروبار میں آسانی پیدا کرنے کے لیے اقدامات نہایت ضروری ہیں۔ بنیادی ڈھانچے کی ترقی، ٹیکنالوجی میں بہتری، اور ہنرمیں اضافہ جیسے شعبوں پر توجہ دینا کارکردگی کو بہتر بنانے اور عالمی منڈیوں کی بدلتی ہوئی ضروریات کو پورا کرنے میں مددگار ثابت ہوگا۔

اسی دوران، پائیداری ایک کلیدی تقاضا بن چکی ہے، اور اس صنعت کو مسابقتی برتری برقرار رکھنے کے لیے قابل تجدید توانائی، فضلہ کے مؤثر انتظام، اور ماحول دوست پیداواری طریقوں میں سرمایہ کاری جاری رکھنی ہوگی۔ اگر حکومت ان اقدامات کی حمایت کرے، تو ٹیکسٹائل شعبہ عالمی سپلائی چین میں اپنی پوزیشن مزید مضبوط بنا سکتا ہے۔

ایسے اقدامات نہ صرف پاکستان کی ٹیکسٹائل برآمدات میں اضافہ کریں گے بلکہ صنعتی ترقی کو فروغ دیں گے، روزگار کے مواقع پیدا کریں گے، غیر ملکی سرمایہ کاری کو متوجہ کریں گے، اور ملک کی طویل المدتی معاشی استحکام اور سماجی ترقی میں اہم کردار ادا کریں گے۔

8. پالیسی میں غیر یقینی صورتحال:

حکومتی پالیسیوں میں بار بار تبدیلیاں جیسے ایکسپورٹ مراعات، ریفینڈ اسکیمیں، اور انرجی سبسڈیز نے طویل مدتی منصوبہ بندی کو متاثر کیا۔

اہم مالی نتائج

مالی سال 2025 کمپنی کے لیے چیلنجز سے بھرپور رہا مگر مؤثر انتظام اور لاگت میں کمی کے ذریعے اچھی کارکردگی برقرار رہی۔

منافع میں اضافہ:

- ٹیکس کے بعد منافع 54.249 ملین سے بڑھ کر 07.978 ملین روپے ہو گیا۔
- یعنی تقریباً چار گنا اضافہ۔

فی حصص آمدنی

- EPS 32.8 سے بڑھ کر 60.32 ہو گئی جو سرمایہ کاروں کے لیے بہترین اشارہ ہے۔

اخراجات میں کمی:

- ڈسٹری بیوشن لاگت 79.681,1 ملین سے کم ہو کر 80.410,1 ملین ہو گئی۔
- دیگر اخراجات 05.398 ملین سے کم ہو کر 05.182 ملین تک محدود ہوئے۔
- مالی اخراجات 38.631,5 ملین سے گھٹ کر 53.110,4 ملین رہ گئے۔

مجموعی منافع برقرار:

- مشکل حالات کے باوجود 52.963,7 ملین روپے کا مجموعی منافع حاصل کیا گیا۔

خلاصہ:

کمپنی نے لاگت پر قابو، مالیاتی نظم، اور کارکردگی میں بہتری سے نمایاں منافع کمایا۔ EPS میں نمایاں اضافہ سرمایہ کاروں کے لیے مثبت اشارہ ہے۔

کارپوریٹ سماجی ذمہ داری اور پائیداری

محمود ٹیکسٹائل ملز نے ہمیشہ سماجی، ماحولیاتی اور اخلاقی پہلوؤں کو اپنی کاروباری سرگرمیوں میں شامل رکھا ہے۔

اہم CSR اقدامات:

- خواتین کی صحت کے لیے آگاہی سیشنز اور مفت چیک اپ کا انعقاد کیا گیا۔
- خواتین کے عالمی دن پر خصوصی تقریبات کے ذریعے خواتین کی شمولیت اور کامیابیوں کو سراہا گیا۔
- ملتان اور مظفر گڑھ میں شہرکاری مہمات کے ذریعے ماحول دوستی کو فروغ دیا گیا۔
- نیشنل اسپتال، ملتان کے ساتھ شراکت کے ذریعے غریب افراد کو کم قیمت دوائیں فراہم کی گئیں۔

پائیداری کے وعدے:

- کمپنی نے 16 میگا واٹ قابل تجدید توانائی حاصل کی، جبکہ 5.3 میگا واٹ مزید زیر تکمیل ہے۔
- پانی کے استعمال میں 30% ری سائیکلنگ حاصل کی گئی۔
- فضلے کے محفوظ انتظام اور ماحولیاتی آلودگی میں کمی پر کام جاری ہے۔

تنوع اور مساوات:

- خواتین کی شمولیت بڑھانے کے لیے اہداف طے کیے گئے۔
- میرٹ پر ترقی، تنوع، اور بھرتی کے نظام کو شفاف بنایا گیا۔

مستقبل کے منصوبے:

- 2026 تک سولر انرجی 20 میگا واٹ تک بڑھانا۔
- پانی کی ری سائیکلنگ کو 50% تک بڑھانا۔
- سپلائی چین کو بین الاقوامی ESG معیار سے ہم آہنگ کرنا۔

کارپوریٹ و مالیاتی رپورٹنگ فریم ورک:

ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ کمپنی نے SECP اور کوڈ آف کارپوریٹ گورننس 2019 کے تمام تقاضے پورے کیے ہیں، جیسے:

- مالی بیانات درست طور پر کمپنی کی مالی حالت ظاہر کرتے ہیں۔
- مناسب اکاؤنٹنگ پالیسیز استعمال کی گئی ہیں۔
- بین الاقوامی اکاؤنٹنگ معیارات کی پابندی کی گئی ہے۔
- اندرونی کنٹرول کا نظام مؤثر طور پر نافذ اور مانیٹر کیا گیا ہے۔
- کمپنی کے جاری رہنے میں کوئی شبہ نہیں۔

حکمت عملی کے تحت توسیع:

سال کے دوران، کمپنی نے ایک مکمل ملکیتی ذیلی ادارہ، ایم جی ایپریل لمیٹڈ حاصل کیا، جو لمبوسات، ریڈی میڈ کپڑوں، جٹ ویئر اور دیگر متعلقہ ٹیکسٹائل مصنوعات کی تیاری اور سلائی کے کام میں مصروف ہے، نیز ان مصنوعات کی مقامی اور بین الاقوامی سطح پر تجارت، درآمد و برآمد بھی کرتا ہے۔ عملی مہارت اور کاروباری توجہ کو مرکوز کرنے کی حکمت عملی کے تحت، بورڈ آف ڈائریکٹرز نے ایک سکیم آف آر بیجنٹ کی منظوری دی ہے، جس کے تحت ایپریل سکیٹ کے اثاثے اور واجبات ایم جی ایپریل لمیٹڈ کو منتقل کر دیے جائیں گے۔

یہ تنظیم نو کا اقدام آپریشنل کارکردگی بہتر بنانے، انتظامی توجہ کو مرکوز کرنے اور ویلویو ایڈڈ ٹیکسٹائل شعبے میں کمپنی کی پوزیشن کو مضبوط بنانے کے لیے کیا گیا ہے۔ اس اسکیم کی منظوری کے لیے درخواست معزز لاہور ہائی کورٹ، ملتان بجٹ میں دائر کر دی گئی ہے، اور عدالت سے منظوری حاصل کرنے کا عمل جاری ہے۔

مستقبل کی حکمت عملی

کمپنی کو امید ہے کہ افراط زر میں مزید کمی اور شرح سود میں کمی کاروباری ترقی میں مدد دے گی۔ کمپنی توانائی کی چھت، لاگت میں کمی، اور پائیدار منصوبوں پر فوکس جاری رکھے گی۔ امریکی مارکیٹ میں ٹیکسٹائل پرفیورمنس

ڈائریکٹرز کی رپورٹ

تعارف

ہے۔ تاہم، اپنی بے پناہ صلاحیت کے باوجود، یہ شعبہ مالی سال 2025 میں متعدد چیلنجز کا سامنا کر رہا ہے، جو اس کی پائیداری اور عالمی مسابقت کو خطرے میں ڈال رہے ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے، محمود ٹیکسٹائل ملز لمیٹڈ کے مالیاتی بیانات مالی سال 30 جون 2025 کو ختم ہوا، پیش کیے جا رہے ہیں۔ اس کے ساتھ پاکستان کی معیشت، ٹیکسٹائل شعبے کی کارکردگی، اور ان اہم چیلنجز اور اقدامات کا جائزہ بھی شامل ہے جنہوں نے سال کے دوران کمپنی کے کام پر اثر ڈالا۔

عالمی معاشی جائزہ

30 جون 2025 کو ختم ہونے والے مالی سال میں عالمی معیشت کی ترقی کی رفتار میں بتدریج کمی دیکھی گئی۔ افراط زر میں کمی ضروری تھی، مگر دباؤ برقرار رہا۔ بین الاقوامی مالیاتی فنڈ (IMF) کے مطابق عالمی شرح نمو 3.0 فیصد تک محدود رہی، جو پچھلے سال کے مقابلے میں معمولی کمی ہے۔ اس کی بڑی وجہ عالمی تجارتی کشیدگی اور پالیسیوں میں غیر یقینی صورتحال رہی۔ امریکہ اور یورپ کی معیشتوں میں سست رفتاری رہی، جبکہ کئی ایشیائی ابھرتی ہوئی معیشتوں نے بہتر کارکردگی دکھائی۔

ٹیکسٹائل سیکٹر کے لیے یہ صورتحال مٹی جلی رہی۔ اگرچہ ترقی یافتہ ممالک میں کپڑوں کی خریداری میں کمی آئی، مگر پائیدار اور ٹیکنیکل ٹیکسٹائل کی بڑھتی ہوئی طلب نے عالمی سطح پر صنعت کو سہارا دیا۔ اسی طرح جغرافیائی تبدیلیوں کے باعث سپلائی چین کی ازسر نو ترتیب اور حکمت عملیوں نے پیداوار اور خام مال کی فراہمی کے طریقوں میں تبدیلی پیدا کی۔

پاکستان کی معیشت کا جائزہ

مالی سال 2024-25 کے دوران پاکستان کی معیشت میں بتدریج بہتری دیکھنے میں آئی، اگرچہ شرح نمو اب بھی محدود رہی۔ حقیقی جی ڈی پی (GDP) تقریباً 7.2 فیصد بڑھی جو پچھلے سال کے 4.2 فیصد کے مقابلے میں کچھ بہتر تھی۔ افراط زر میں نمایاں کمی ہوئی۔ جون 2025 میں سالانہ CPI افراط زر تقریباً 23.3 فیصد رہا جو پچھلے سال کے مقابلے میں بہت کم تھا۔ افراط زر میں کمی کے ساتھ اسٹیٹ بینک نے شرح سود میں بتدریج کمی کی۔ زرمبادلہ کے ذخائر مستحکم ہوئے، روپے کی قدر میں بھی بہتری آئی اور ترسیلات زر میں اضافہ ہوا۔

ٹیکسٹائل صنعت، جو پاکستان کی برآمدات کا بنیادی ستون ہے، نے مالی سال 2025 میں 39.7 فیصد اضافہ دکھایا اور برآمدات 88.17 ارب امریکی ڈالر تک پہنچ گئیں۔ تاہم، کمپاس کی پیداوار میں کمی، توانائی کے زیادہ نرخ، اور پالیسی کی غیر یقینی صورتحال نے شعبے کی مسابقت کو متاثر کیا۔ اس کے باوجود مالی نظم و ضبط، زرمبادلہ کی بہتری اور استحکام نے محتاط امید پیدا کی کہ آنے والے سالوں میں حالات بہتر رہیں گے۔

ٹیکسٹائل انڈسٹری کو درپیش اہم چیلنجز

پاکستان کا ٹیکسٹائل شعبہ برآمدی معیشت کی ریزر کی ہڈی کی حیثیت رکھتا ہے، جو کل برآمدی آمدنی کا 50 فیصد سے زائد حصہ فراہم کرتا ہے اور صنعتی افرادی قوت کے ایک بڑے حصے کو روزگار فراہم کرتا

1. توانائی کے زیادہ نرخ:

ٹیکسٹائل سیکٹر کو خطے کے مقابلے میں سب سے زیادہ بجلی اور گیس کے نرخ ادا کرنے پڑے۔ نرخوں میں بار بار تبدیلی، سپلائی میں رکاوٹ، اور سبسڈی میں غیر یقینی صورتحال نے عالمی مارکیٹ میں مسابقت کو مشکل بنایا۔

2. کمپاس کی پیداوار میں کمی:

کمپاس کی پیداوار میں کمی کے سبب، بارشوں اور کاشت کے رقبے میں کمی کی وجہ سے ملکی کمپاس کی پیداوار ہدف سے کم رہی۔ اس کمی کو پورا کرنے کے لیے برازیل اور امریکہ سے کمپاس درآمد کرنا پڑی جس سے لاگت بڑھی اور زرمبادلہ پر دباؤ آیا۔

3. عالمی طلب میں کمی:

امریکہ اور یورپی یونین جیسے بڑے بازاروں میں طلب کم رہی۔ کپڑے اور گھریلو ٹیکسٹائل جیسی مصنوعات کی مانگ گھٹنے سے آرڈرز میں کمی اور عالمی سطح پر مقابلہ بڑھ گیا۔

4. زرمبادلہ میں اتار چڑھاؤ:

اگرچہ مالی سال کے آخر میں روپے کی قدر مستحکم ہوئی، مگر شروع کے مہینوں میں اتار چڑھاؤ زیادہ تھا جس سے برآمدی معاہدوں کی قیمتوں کا تعین مشکل ہو گیا۔

5. قرضوں کی مہنگی لاگت:

شرح سود میں کمی کے باوجود مالی سال 2025 کے زیادہ تر عرصے میں قرضے مہنگے رہے۔ اس سے ورکنگ کپینٹل، نئی مشینری، اور پیداواری توسیع کے منصوبوں پر اثر پڑا۔

6. ماحولیاتی و سماجی ذمہ داری کا دباؤ:

عالمی خریدار ماحول دوست اور سماجی ذمہ داریوں کی پابندی والے سپلائرز چاہتے ہیں۔ اس کے لیے کمپنیوں کو مہنگے پلانٹس، توانائی، بچانے والے آلات، اور سرٹیفیکیشن میں سرمایہ کاری کرنا پڑی۔

7. سپلائی چین اور لاجسٹک مسائل:

ریڈی اور دیگر علاقوں میں جغرافیائی کشیدگی کے باعث شپنگ میں تاخیر اور کنٹینر کی قلت سے لاگت بڑھی اور بروقت ترسیل میں مشکلات آئیں۔

FINANCIAL SUMMARY

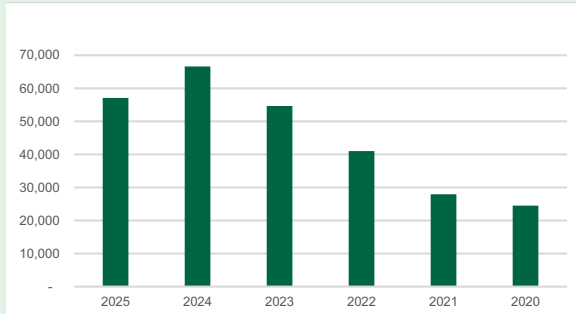
SIX YEARS REVIEW AT A GLANCE

Rupees in Million

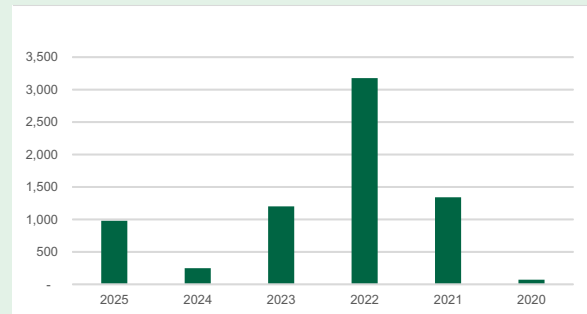
	2025	2024	2023	2022	2021	2020
Assets						
FIXED ASSETS	22,980	22,215	17,655	13,939	9,697	8,581
INVESTMENT PROPERTY	250	74	163	-	-	-
INTANGIBLE ASSET	56	37	10	7	-	-
LONG TERM INVESTMENTS	2,394	2,074	5,539	5,114	4,610	4,190
LONG TERM DEPOSITS	56	54	54	53	25,015	10
CURRENT ASSETS	29,812	27,073	27,956	20,680	12,492	12,667
ASSETS CLASSIFIED AS HELD FOR SALE	1,798	3,406	-	-	-	-
TOTAL ASSETS	57,346	55,033	51,371	39,793	26,825	25,448
FINANCED BY:						
EQUITY	18,453	17,405	13,755	12,651	9,938	8,583
LONG TERM LIABILITIES	8,936	8,375	9,064	7,961	5,834	5,497
LEASE LIABILITIES	37	22	30	25	13	
DEFFERED LIABILITIES	740	805	586	558	388	104
CURRENT LIABILITIES	29,179	28,426	27,937	18,596	10,652	11,264
TOTAL FUNDS INVESTED	57,346	55,033	51,371	39,793	26,825	25,448
PROFIT AND LOSS:						
SALES - NET	57,071	66,584	54,627	40,969	27,934	24,465
OPERATING PROFIT	5,226	6,846	5,279	4,781	2,706	1,280
PROFIT BEFORE TAXATION	5,129	1,371	1,925	3,962	1,875	302
PROFIT AFTER TAXATION	978	250	1,202	3,178	1,341	72
DIVIDENDS	0%	0%	0%	100%	100%	0%
PROFIT	12,718	11,410	11,058	9,927	7,074	5,596
EPS	33	8.32	40.06	169.50	71.50	3.82

GRAPHICAL PRESENTATION

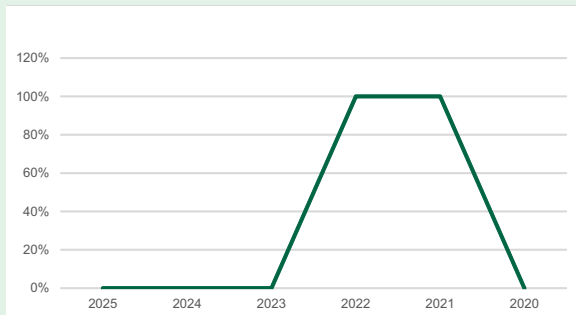
Sales (Rs. in million)



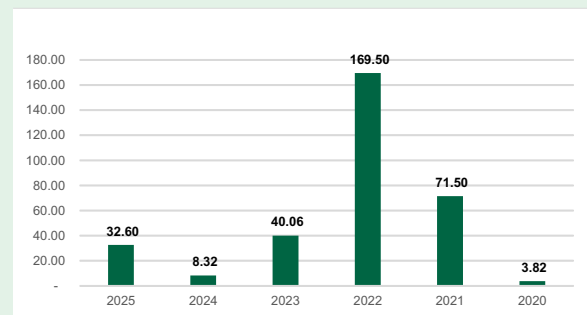
Profit after Taxation (Rs. in million)



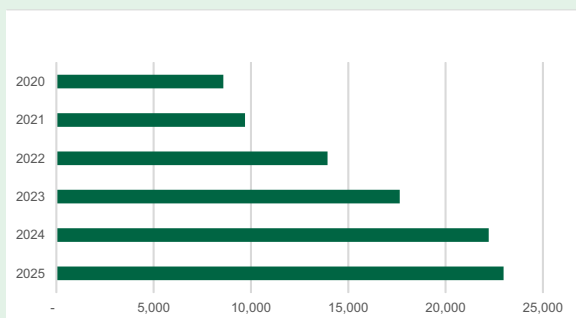
Dividends (Rupees)



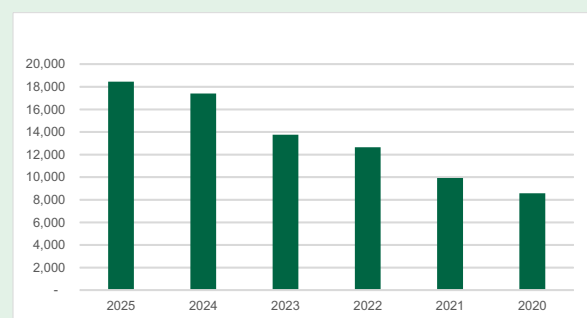
Earning per Share (Rupees)



Fixed Assets (Rs. in million)



Equity (Rs. in million)



BOARD HUMAN RESOURCE COMMITTEE

Composition:

Mr. Abdul Rehman Qureshi	Chairman of the Committee
Khawaja Muhammad Younus	Member of the Committee
Khawaja Muhammad Muzaffar Iqbal	Member of the Committee

Terms of Reference

The Committee makes recommendations to the Board for maintaining (i) a sound organizational plan of the Company, (ii) an effective employee development programme and (iii) sound compensation and benefit plans, policies and practices designed to attract and retain high caliber personnel for effective management of business with a view to achieve said objectives.

The Terms of Reference of the Board Human Resource Committee include review and recommendations for the Board's approval, matters relating to:

- (i) Changes in organization, functions and relationships affecting management positions.
- (ii) Establishment of Human Resource plans and procedures.
- (iii) Determination of appropriate limits of authority and approval procedures for personnel matters.
- (iv) Review of employee development system and procedures, early identification and development of key personnel and specific succession plans for senior management positions.
- (v) Review and evaluation of compensation policies, practices and procedures.

BOARD AUDIT COMMITTEE

Composition:

The Board Audit Committee is composed of the following Directors:

Mr. Muhammad Asghar	Chairman of the Committee
Khawaja Muhammad Muzaffar Iqbal	Member of the Committee
Khawaja Muhammad Anees	Member of the Committee

Terms of Reference

The Committee reviews the periodic financial statements and examines the adequacy of financial policies and practices to ensure that an efficient and strong system of internal control is in place. The Committee also reviews the audit reports issued by the Internal Audit Department and compliance status of audit observations.

The Audit Committee is also responsible for recommending to the Board of Directors the appointment of external auditors by the Company's shareholders and considers any question of resignation or removal of external auditors, audit fees and provision of any service to the Company by its external auditors in addition to the audit of its financial statements.

The Terms of Reference of the Audit Committee are consistent with those stated in the Code of Corporate Governance and broadly include the following:

- (i) Review of the interim and annual financial statements of the Company prior to approval by the Board of Directors.
- (ii) Discussions with the external auditors of major observations arising from interim and final audits; review of management letter issued by the external auditors and management's response thereto.
- (iii) Review of scope and extent of internal audit ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
- (iv) Ascertain adequacy and effectiveness of the internal control system including financial and operational controls, accounting system and reporting structure.
- (v) Determination of compliance with relevant statutory requirements and monitoring compliance with the best practices of corporate governance.
- (vi) Institute special projects or other investigations on any matters specified by the Board of Directors.

The Board Audit Committee met four (4) times during the year with an average participation of all members

CORPORATE GOVERNANCE

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (Code of Corporate Governance) Regulations, 2019

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

1. The total number of directors are 7 as per the following:
 - a. Male: 6
 - b. Female: 1
2. The composition of board is as follows:

Category	Name
Independent Director	Mr. Abdul Rehman Qureshi Mr. Muhammad Asghar
Executive Directors	Mr. Khawaja Muhammad Younus Mrs. Farah Ilyas (Female Director)
Non-Executive Directors	Mr. Khawaja Muhammad Ilyas Mr. Muhammad Anees Mr. Khawaja Muhammad Muzaffar Iqbal

*The Board comprised of minimum number of members which is seven (7) hence it fulfills the requirement of minimum two (2) independent directors. Further, the existing independent directors have the requisite skills and knowledge to take independent decisions and the company do not need to engage further independent director however; the Board may consider to fraction up in next election of directors.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of 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 board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (Act) and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (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 had complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Five out of seven directors are exempt from Directors' Training Program, and remaining two Directors have acquired the prescribed certifications under Directors' Training Program offered by institutions that meet the criteria specified by the Commission;
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 Executive Officer and Chief Financial Officer duly endorsed the financial statements before approval of the Board;
12. The board has formed committees comprising of members given below:

AUDIT COMMITTEE

- | | |
|------------------------------------|----------|
| 1. Mr. Mohammad Asghar | Chairman |
| 2. Khawaja Muhammad Muzaffar Iqbal | Member |
| 3. Mr. Muhammad Anees | Member |

HUMAN RESOURCE & REMUNERATION COMMITTEE

- | | |
|------------------------------------|----------|
| 1. Mr. Abdul Rehman Qureshi | Chairman |
| 2. Khawaja Muhammad Younus | Member |
| 3. Khawaja Muhammad Muzaffar Iqbal | Member |

NOMINATION COMMITTEE

- | | |
|--------------------------------|----------|
| 1. Khawaja Muhammad Younus | Chairman |
| 2. Mr. Muhammad Muzaffar Iqbal | Member |
| 3. Mr. Mohammad Asghar | Member |

RISK MANAGEMENT COMMITTEE

- | | |
|--------------------------------|----------|
| 1. Khawaja Muhammad Younus | Chairman |
| 2. Mr. Muhammad Muzaffar Iqbal | Member |
| 3. Mr. Muhammad Anees | 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 (quarterly/half yearly/ yearly) of the committee were as per following:

a) Audit Committee:	5
b) HR and R Committee:	1
15. The board has set up an effective internal audit function.
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 of 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 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 the requirements of regulation 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below: (Not applicable)

For and on behalf of the Board of Directors.

Multan.

Dated: 7th October, 2025


Khawaja Muhammad Ilyas

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

NUMBER OF SHAREHOLDERS	SHAREHOLDING		TOTAL SHARES HELD
	FROM	TO	
12	1	100 Shares	561
53	101	500 Shares	15,229
15	501	1,000 Shares	12,101
29	1,001	5,000 Shares	62,072
4	5,001	10,000 Shares	28,779
1	10,001	15,000 Shares	12,012
1	20,001	25,000 Shares	24,035
1	60,001	65,000 Shares	60,537
1	475,001	480,000 Shares	480,000
1	565,001	570,000 Shares	567,908
1	625,001	630,000 Shares	628,366
1	1,190,001	1,195,000 Shares	1,194,772
1	1,215,001	1,220,000 Shares	1,215,524
1	25,695,001	25,700,000 Shares	25,698,104
122			30,000,000

CATEGORIES OF SHAREHOLDERS	NUMBER	SHARE HELD	PERCENTAGE %
Directors, Chief Executive & their spouse & minor children	8	5,543,430	18.48
Associated Companies	1	800	
Under takings & related parties:			
NIT & ICP	2	21,768	0.07
Banks, Development Financial Institutions, Non-Banking Financial Institutions:	2	60,665	0.2
Joint stock companies:	5	363,649	0.95
Insurance companies:	-	-	-
Modarabas & Mutual Funds:	-	-	-
Shareholders Holding 10%	-	-	-
General Public:			
i) Local	104	24,009,688	80.3
ii) Foreign	-	-	-
Others			
	122	30,000,000	100.00%

The above two statements include (345) Shareholders holding 25,698,104 Shares through Central Depository Company of Pakistan Limited (CDC)

INFORMATION REQUIRED AS PER CODE OF CORPORATE GOVERNANCE

As At June 30, 2025

SHARE HOLDER'S CATEGORY	Number of Shares Held	Percentage of Shareholding
i) Associated Companies, undertaking & related parties(name wise details):		
-Roomi Enterprises (Pvt) Limited	800	
ii) Mutual Funds(Name wise details):	21,768	0.07%
- NIT & ICP		
iii) Directors,Chief Executive and their spouse(s) and minor children(name wise details):		
1- Khawaja Muhammad Younus,Director/CEO	1,945,558	
Mrs.Rubina Wadood (Spouse)	628,366	
2- Khawaja Muhammad Ilyas,Director	100,000	
3. Mst. Farrah Ilyas, Female Director	100	
5- Khawaja Muhammad Muzaffar Iqbal, Director	1,607,514	
6- Khawaja Muhammad Anees, Director	1,256,732	
7- Mr. Abdul Rehman Qureshi, Independent Director	5,000	
8. Mr. Muhammad Asghar,Independent Director	160	
	5,543,430	26.94%
iv) Banks, Development Financial Institutions,		
Non-Banking Financial Institutions:		
- National Bank of Pakistan	60,665	0.06%
v) Joint Stock Companies:		
- CDC-Trustee National Investment(Unit)Trust	160,144	
- Crescent Group Service(Pvt) Limited	3,841	
- Roomi Fabrics Limited	39,826	
- Masood Fabrics Limited	154,457	
- Masood Holdings (Pvt) Limited	5,381	
	363,649	3.95%
vi) General Public:		
i) Local:	24,009,688	68.85%
ii) Foreign:	-	
Total:	30,000,000	100%

The above two statements include (345) Shareholders holding 25,698,104 Shares through Central Depository Company of Pakistan Limited (CDC)

DIRECTORS ATTENDANCE AT BOARD MEETINGS

From July 1st 2023 to June 30, 2025

Sr. No.	Name	Designation	Meeting Held	Meeting Attended
1.	Khawaja Muhammad Younus	CEO	8	8
2.	Khawaja Muhammad Ilyas	Chairman	8	8
3.	Khawaja Muhammad Muzaffar Iqbal	Director	8	8
4.	Khawaja Muhammad Anees	Director	8	8
5.	Mr. Abdul Rehman Qureshi	Independent Director	8	8
6.	Mr. Muhammad Asghar	Independent Director	8	8
7.	Mrs. Farah Ilyas	Female Director	8	8

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS

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 Mahmood Textile Mills Limited ("the Company") for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

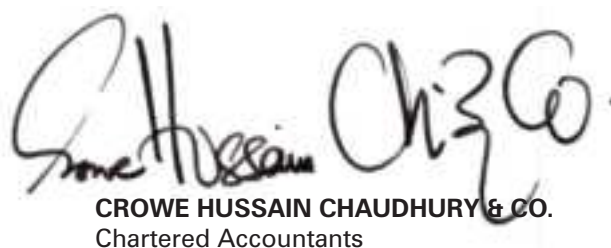
The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Lahore
Dated: October 06, 2025
UDIN: CR202510051bhawqSCB



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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, the 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 *Auditors' Responsibilities for the Audit of the unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standard 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.

Emphasis of Matter

We draw attention to Note 1.4 to the unconsolidated financial statements which states that during the year, the Board of Directors of the Company has approved a Scheme of Arrangement. In this scheme of arrangement, assets and liabilities of the Apparel segment will be transferred to newly acquired subsidiary namely, MG Apparel Limited. For this, the Company has filed application before the Honorable High Court, Multan Bench for approval. The Company is in process of obtaining approval of the Court. No accounting

adjustments have been recorded in these unconsolidated financial statements in respect of the proposed Scheme, as approval from the Court is awaited.

We further draw attention to Note 1.5 to the Unconsolidated financial statements which states that the Company inadvertently omitted recognition of investment in subsidiary namely MG Apparel Limited in previously issued financial statements which were approved by the Board of Directors on October 06, 2025. The Auditor's report on those financial statements bearing UDIN AR202510051it4DRGI6M was issued on October 06, 2025. The Company, on identification of the inadvertent omission, has appropriately recognized this investment and related disclosures in the revised financial statements and accordingly new Auditor's report has been issued.

Our opinion is not modified in relation to these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated 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:

Key audit matters	How the matters were addressed in our audit
1. Revenue Recognition	
Refer to notes 3.14 & 31 to the unconsolidated financial statements. Revenue of the Company, for the year ended June 30, 2025, amounts to Rs. 57,071.382 million. The Company is primarily engaged in the manufacturing and sale of yarn, grey cloth, apparel / garments and cotton. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company. In addition, revenue was also considered an area of significant audit risk as part of the audit process.	Our key audit procedures included, but were not limited to: • Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, testing the operating effectiveness of those controls. • Assessed the appropriateness of the Company's revenue recognition policies and their compliance with applicable accounting and reporting standards. • Compared a sample of revenue transactions recorded during the year with customers' orders, sales invoices, delivery orders and other relevant underlying documents. • Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. • Examined the customer receipts for sales made during the year.

Key audit matters	How the matters were addressed in our audit
	Assessed the appropriateness and adequacy of disclosed information in theunconsolidated financial statements in accordance with the relevant accounting and reporting standards.
2. Stock in Trade	
Refer to note 3.5 & 11 to the unconsolidated financial statements. The Company's stock in trade amounts to Rs. 18,800.585 million as at the reporting date. Stock in trade is stated at lower of cost and estimated net realizable value. We have considered this area as a key audit matter due to its volume and that determining an appropriate written down value (NRV) and provision for slow-moving stock in trade involves management judgment and estimation.	Our key audit procedures included, but were not limited to: - Observed physical inventory count procedures as at the year end and compared physically counted inventories with closing inventory reports provided by the management. - Compared on a sample basis specific purchases and directly attributable costs with underlying supporting documentation. - Checked the accumulation of costs at different stages of production to ascertain the valuation of work in process and finished goods on a sample basis. - Compared the net realizable value, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards. - Assessed the provision for slow moving stocks as at the reporting date and assessed whether it is in accordance with the Company's policy and relevant accounting and reporting standards. - Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards.
3. Financing obligations and compliance with related covenant requirements	
Refer to note 21 and 28 to the unconsolidated financial statements. As at the reporting date, the Company has outstanding long term finances and short-	Our key audit procedures included, but were not limited to: Considered adequacy of the related disclosures and assessed whether these are in accordance with the

Key audit matters	How the matters were addressed in our audit
term borrowings of Rs. 11,523.121 million and Rs. 18,020.451 million, respectively which constitute approximately 76% of the total liabilities of the Company. The Company's key operating / performance indicators including liquidity, gearing and finance cost are directly influenced by the additions to the portfolio of financing. Further, new financing arrangements entail additional financial and -non financial covenants for the Company to comply with. The significance of new financing obtained during the year along with the sensitivity of compliance with underlying financing covenants are considered a key area of focus during the audit and therefore, we have identified this as a key audit matter.	applicable accounting and financial reporting standards. • Reviewed terms and conditions of financing agreements entered into by the Company with various banks and financial institutions. • Circularized direct balance confirmations to banks and financial institutions and verified receipts and payments from relevant statements. • Reviewed maturity analysis of financing to ascertain the classification of financing as per their remaining maturities. • Assessed the status of compliance with the financing covenants and also inquired from the management with regard to their ability to ensure future compliance with the covenants. • Assessed the adequacy of disclosures made in respect of the long-term financing obligations in the unconsolidated financial statements. • Checked on test basis the calculations of finance cost recognized in profit or loss.

Information Other than the Unconsolidated 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 unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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 auditors' report to the related disclosures in the unconsolidated 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 auditors' 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 unconsolidated 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:

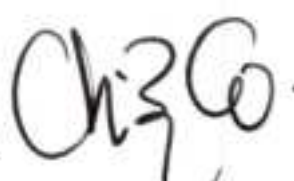
- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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
- a) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Lahore

Dated: October 11, 2025

UDIN: AR2025100510bLiNXJqu

 
CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	5	22,980,120,159	22,214,635,273
Investment property	6	250,100,000	174,038,000
Intangible assets	7	55,720,485	37,931,636
Long term investment	8	2,394,219,001	2,073,750,746
Long term deposits	9	56,354,135	53,854,135
		25,736,513,780	24,554,209,790
Current Assets			
Stores, spares and loose tools	10	667,289,249	843,263,574
Stock in trade	11	18,800,585,001	16,830,488,745
Trade debts	12	6,174,181,272	6,724,162,180
Loans and advances	13	1,097,101,487	1,058,282,487
Other receivables	14	436,089,241	487,649,414
Short term investments	15	51,118,400	28,771,225
Tax refunds due from the Government	16	2,487,565,009	1,068,250,317
Cash and bank balances	17	98,405,057	31,957,577
		29,812,334,716	27,072,825,519
Assets Classified as Held for Sale	18	1,797,846,336	3,406,102,791
		57,346,694,832	55,033,138,100
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	19	300,000,000	300,000,000
Reserves		12,717,671,927	11,416,991,792
Revaluation surplus on property, plant and equipment	20	5,435,479,478	5,688,116,205
Shareholders' Equity		18,453,151,405	17,405,107,997
Non Current Liabilities			
Long term finances	21	8,936,487,140	8,375,153,095
Lease liabilities	22	37,475,021	22,049,514
Deferred tax liability	23	740,374,699	805,017,769
		9,714,336,860	9,202,220,378
Current Liabilities			
Trade and other payables	24	6,352,792,129	7,481,900,251
Unclaimed dividend		3,680,032	3,680,032
Contract liabilities	25	149,130,058	84,879,145
Accrued mark up	26	786,272,482	1,183,191,316
Current portion of non-current liabilities	27	2,699,498,757	2,173,210,286
Short term borrowings	28	18,020,451,236	16,421,864,632
Provision for taxation	29	1,167,381,873	1,077,084,063
		29,179,206,567	28,425,809,725
Contingencies and Commitments	30	-	-
		57,346,694,832	55,033,138,100

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.


Kh. Muhammad Ilyas
Chairman


Kh. Muhammad Younus
Chief Executive Officer


Yasir Ghaffar
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Sales	31	57,071,382,737	66,583,767,005
Cost of sales	32	(49,107,864,833)	(56,855,235,797)
Gross Profit		7,963,517,904	9,728,531,208
Operating Expenses			
Distribution costs	33	(1,410,799,254)	(1,681,786,859)
Administrative expenses	34	(1,326,259,569)	(1,200,833,197)
		(2,737,058,823)	(2,882,620,056)
Operating Profit		5,226,459,081	6,845,911,152
Finance cost	35	(4,110,526,444)	(5,631,381,235)
Other operating expenses	36	(182,050,846)	(398,045,195)
Other income	37	344,651,166	117,491,225
Share of net profit of associate	8	250,481,333	437,160,247
		(3,697,444,791)	(5,474,774,958)
Profit before Levy and Taxation		1,529,014,290	1,371,136,194
Levy / final taxation	38	(713,392,284)	(895,789,009)
Profit before Taxation		815,622,006	475,347,185
Taxation	39	162,444,480	(225,810,594)
Net Profit for the Year		978,066,486	249,536,591
Earnings per Share - Basic and Diluted	40	32.60	8.32

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.


Kh. Muhammad Ilyas
Chairman


Kh. Muhammad Younus
Chief Executive Officer


Yasir Ghaffar
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Net Profit for the Year		978,066,486	249,536,591
Other Comprehensive Income for the Year			
Items that will not be reclassified to profit or loss			
Revaluation surplus on property, plant and equipment		-	3,400,902,916
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year		-	3,400,902,916
Total Comprehensive Income for the Year		978,066,486	3,650,439,507

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.



Kh. Muhammad Ilyas
Chairman



Kh. Muhammad Ilyas
Chief Executive Officer



Yasir Ghaffar
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

Particulars	Issued, Subscribed and Paid up Capital Rupees	Reserves		Total Rupees	Surplus on Revaluation of Property, Plant and Equipment Rupees	Total Rupees
		Capital Reserves Rupees	Revenue Reserves Unappropriated Profits Rupees			
Balance as at June 30, 2023	300,000,000	7,120,600	11,057,700,669	11,064,821,269	2,389,847,221	13,754,668,490
Net profit for the year	-	-	249,536,591	249,536,591	-	249,536,591
Other comprehensive income for the year	-	-	-	-	3,400,902,916	3,400,902,916
Total comprehensive income for the year	-	-	249,536,591	249,536,591	3,400,902,916	3,650,439,507
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earnings	-	-	102,633,932	102,633,932	(102,633,932)	-
Balance as at June 30, 2024	300,000,000	7,120,600	11,409,871,192	11,416,991,792	5,688,116,205	17,405,107,997
Net profit for the year	-	-	978,066,486	978,066,486	-	978,066,486
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	978,066,486	978,066,486	-	978,066,486
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earnings	-	-	252,636,727	252,636,727	(252,636,727)	-
Share in equity adjustment of associate	-	-	69,976,922	69,976,922	-	69,976,922
Balance as at June 30, 2025	300,000,000	7,120,600	12,710,551,327	12,717,671,927	5,435,479,478	18,453,151,405

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.


Kh. Muhammad Ilyas
Chairman


Kh. Muhammad Ilyas
Chief Executive Officer


Yasir Ghaffar
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH GENERATED FROM OPERATIONS	41	3,447,167,908	10,029,528,906
Income tax paid		(742,641,220)	(288,442,863)
Finance cost paid		(4,166,235,016)	(5,416,406,919)
Workers' (profit) participation fund paid	24.2	(65,963,970)	(70,397,152)
Dividend paid		-	(19,808)
		(4,974,840,206)	(5,775,266,742)
Net Cash (Used in) / Generated from Operating Activities		(1,527,672,298)	4,254,262,164
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment	5.1 & 5.11	(2,883,272,778)	(3,057,794,813)
Payment for acquisition of intangibles	7	(23,754,494)	(34,260,204)
Dividends received from associate during the year		-	262,008,255
Dividends income received from short term investment	37	1,032,000	-
Proceeds from disposal of property, plant and equipment		134,320,993	45,948,853
Long term deposits	9	(2,500,000)	(40,000)
Proceeds of short term investments		11,735,300	5,422,446
Proceeds from sale of assets classified as held for sale	18	1,608,256,455	-
Net Cash Used in Investing Activities		(1,154,182,524)	(2,778,715,463)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finances obtained		2,800,000,000	1,436,321,998
Long term finances repaid		(1,628,672,498)	(1,674,058,107)
Lease liability paid		(21,611,804)	(7,821,326)
Short term borrowings - net		1,598,586,604	(1,232,645,350)
Net Cash Generated from / (Used in) Financing Activities	48	2,748,302,302	(1,478,202,785)
Net Increase / (Decrease) in Cash and Cash Equivalents During the Year		66,447,480	(2,656,084)
Cash and cash equivalents at the beginning of the year	17	31,957,577	34,613,661
Cash and Cash Equivalents at the End of the Year	17	98,405,057	31,957,577

The annexed notes from 1 to 53 form an integral part of these unconsolidated financial statements.


Kh. Muhammad Ilyas
Chairman


Kh. Muhammad Ilyas
Chief Executive Officer


Yasir Ghaffar
Chief Financial Officer

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 1

The Company and its Operations

- 1.1** Mahmood Textile Mills Limited (the Company) was incorporated in Pakistan on February 25, 1970 as a Public Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is domiciled in Pakistan and its principal business is to manufacture and deal in all types of yarn, grey cloth and apparel / garments. The Company also manages investments in associated companies engaged in manufacturing and sale of yarn, cotton lint cotton seeds, generation of electricity and sale to power purchaser.
- 1.2** The Company has acquired a wholly owned subsidiary "MG Apparel Limited" that is engaged in manufacturing / stitching garments / made ups, clothing, knit-wears, and weaving of apparels, hosiery and other allied commodities of all kinds and buying, selling, importing, exporting, and dealing in the products of the company in or outside Pakistan
- 1.3** The Information on geographical location and address of the Company's business is as under:

Business unit	Geographical location
Head / Registered office	The Company's registered office is situated at Mehr Manzil, Lohari Gate, Multan
Regional Offices	2nd Floor, Cotton Exchange Building, I.I. Chundrigarh Road, Karachi
	Daftarkhwan Vanguard, 5-A, Constitution Avenue, F-5/1, Islamabad
Manufacturing units	Mahmoodabad, Multan Road, Muzaffargarh
	Masoodabad, D.G Khan Road, Muzaffargarh
	Chowk Sarwar Shaheed, District Muzaffargarh
	Plot 94-96, Industrial Estate, Multan.

- 1.3.1** During the year company acquired leasehold land for installation of solar panels (Refer to Note 5.2.1).
- 1.4** During the year, the Board of Directors of the Company has approved a Scheme of Arrangement. In this scheme of arrangement, assets and liabilities of the Apparel segment will be transferred to a newly acquired subsidiary, namely, MG Apparel Limited. For this, the Company has filed application before the Honorable Lahore High Court, Multan Bench for approval. The Company is in process of obtaining approval of the Court.
- No accounting adjustments have been recorded in these unconsolidated financial statements in respect of the proposed Scheme, as approval from the Court is awaited.
- 1.5** The Company inadvertently omitted recognition of investment amounting to Rs. 10,000 in subsidiary namely MG Apparel Limited in previously issued financial statements which were approved by Board of Directors on October 06, 2025. The Company has now appropriately recognized this investment and related disclosures in these revised financial statements. Revision of these financial statements has no impact on profitability, earning per share and cashflows of the Company.

Note 2

Basis of Preparation

2.1 Statement of compliance

These unconsolidated 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

- International Financial Reporting Standards (IFRS Standards) Issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are 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 or the IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except to the extent of following:

Certain property, plant and equipment	Note 5	Stated at revalued amount
Investment property	Note 6	Stated at fair value
Long term investments	Note 8	Stated at equity method
Short term investments	Note 15	Stated at fair value
Assets classified as held for sale	Note 18	Stated at fair value

2.3 Functional and presentation currency

These unconsolidated financial statements are prepared and presented in Pak Rupees (Rs), which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest Rupee, unless otherwise stated.

2.4 Key judgements and estimates

The preparation of these unconsolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these unconsolidated financial statements relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment - Note 3.1 & 5
- Fair value of investment property - Note 3.2 & 6
- Long term investments - Note 3.3 & 8
- Impairment loss of non-financial assets other than inventories - Note 3.7
- Provision for expected credit losses - Note 3.12(e) & 12
- Estimation of provisions - Note 3.8
- Estimation of contingent liabilities - Note 4.3 & 30

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these unconsolidated financial statements.

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year

The following standards, amendments, and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either irrelevant to the Company's operations or are not expected to significantly impact the Company's unconsolidated financial statements other than certain additional disclosures.

Standard or Interpretation		<u>Effective Date - Annual Periods</u>
		Beginning on or After
IAS 01	Presentation of Financial Statements (Amendments)	January 01, 2024
IAS 7	Amendments to IAS 7 "Statement of Cash Flows"	January 01, 2024
IFRS 16	Amendments to IFRS 7 "Financial Instruments Disclosures" Supplier Finance Arrangements	January 01, 2024
IFRS 16	Amendments to IFRS 16 "Leases" - Clarification on how seller-lessee subsequently measures sale and lease back transaction	January 01, 2024

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

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

Standard or Interpretation		Effective Date - Annual Periods
		Beginning on or After
IAS 21	Amendments to lack of exchangeability	January 01, 2025
IFRS 7 & 9	Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 01, 2026
IFRS 7 & 9	Contracts referencing Nature-dependent Electricity	January 01, 2026
IFRS 1, 7, 9, 10 and IAS 7	Annual Improvements to IFRS Accounting Standards	January 01, 2026
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 01, 2025
IFRS S2	Climate-Related Disclosures	July 01, 2025

2.5.3 Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at the reporting date:

IFRS 1	First Time Adoption of IFRS
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	IFRS 19 'Subsidiaries Without Public Accountability: Disclosures'

The management believes that adoption of the new standards, amendments and interpretations, which are in issue but not yet effective, is not likely to have any material impact, on the recognition, measurement, presentation and disclosure of items in these unconsolidated financial statements for current and future periods and foreseeable future transactions.

Note 3

Material Accounting Policy Information

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

3.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment losses, if any, except for the freehold land, leasehold land and buildings on freehold and leasehold land, which are stated at revalued amounts being its fair value at date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses (if any). Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Additions, subsequent to revaluation, are stated at cost less any identified impairment loss. On disposal of particular revalued asset, the related revaluation surplus is transferred to unappropriated profits.

Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to acquisition or construction including expenditures on material, labour and overheads directly relating to construction, erection and installation of items of property, plant and equipment. Cost in relation to certain assets may also include cost of borrowing during construction period in respect of loans taken for specific projects.

Depreciation on property, plant and equipment, except freehold land and leasehold land, has been provided for using the reducing balance method at the rates specified in Note 5 and is charged to the profit or loss. Depreciation on additions is charged from the date at which the asset is available for use up to the date at which the asset is disposed off. Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

The management reviews market value of revalued assets at each reporting date to ascertain whether the fair value of revalued assets has differed materially from the carrying value of revalued assets, thus necessitating further revaluation. The management engages independent professional valuers to value its property, plant and equipment every three to five years in line with the industry norms.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is adjusted to the revalued amount of the asset.

Any revaluation increase arising on the revaluation of leasehold land, freehold land, buildings on freehold land and leasehold land, are recognised in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to the profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of freehold land, leasehold land and building on freehold land and leasehold land is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of property, plant and equipment relating to a previous revaluation of that asset.

Subsequent cost is included in the carrying amount of an asset or recognized as a separate asset, as appropriate, only when it is probable that future economics benefit associated with the item will flow to the company and the cost of the item can be measured reliably. Day to day maintenance and normal repairs are charged to the statement of profit or loss as and when incurred. Gains or losses on disposal of property, plant and equipment are included in the current year's profit or loss. Major renewals and improvements are capitalized.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress cost may also include borrowing costs if any. These are transferred to property, plant and equipment as and when these are available for use.

3.2 Investment property

Investment property, which is property held to earn rentals and / or for capital appreciation is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. The change in fair value is recognised in the profit or loss. The fair value of investment property is determined at each reporting date using the current market prices for comparable real estate, adjusted for any differences in nature, location and condition. The key assumptions used to determine the fair value of investment properties are provided in Note 6.

3.3 Investment in associate

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in the statement of profit or loss, and the Company's share of movements in other comprehensive income of the investee in its other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee company.

3.4 Stores, spares and loose tools

These are valued at lower of weighted average cost and net realizable value (NRV) while items considered obsolete if any are written off. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made for obsolete and slow moving stores and spares based on management estimate. NRV is estimated as recoverable amount which is F.V less cost to sell.

3.5 Stock in trade

These are stated at lower of cost and estimated net realizable value.

Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing inventories to their present location and condition, the valuation has been determined as follows:

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Raw materials	- Weighted average cost
Material in transit	- Cost comprising invoice value plus incidental charges paid thereon
Work in process	- Estimated average manufacturing cost
Finished goods	- Average manufacturing cost
Wastes	- Net realizable value

Manufacturing cost in relation to work in process and finished goods comprises cost of material, labour and appropriately allocated manufacturing overheads. Net realizable value signifies estimated selling price in the ordinary course of business less necessary costs to make the sale. If the net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value. Provision is made in the unconsolidated financial statements for obsolete and slow moving stock in trade based on management estimate.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprises cash in hand and cash at banks in current and savings accounts.

3.7 Impairment of non financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset is treated as a revaluation increase.

3.8 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources shall be required to settle the obligation and the amount has been reliably estimated. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses.

3.9 Staff retirement benefits

The Company operates an un-funded gratuity scheme for all its eligible employees. Provision is made annually to cover obligation under the scheme. The payable balance of gratuity is fully paid to the employees on annual basis.

3.10 Taxation

Income tax expense for the year comprises current and deferred tax and is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the year end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternate corporate tax. Super tax applicable on the Company is also as per the applicable rates as per the Income Tax Ordinance, 2001. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

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Alternate corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments. Current tax for current and prior periods, to the extent unpaid is recognized as a liability. If the amount already paid irrespective of current and prior period exceeds the amount due to those periods the excess is recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

When minimum tax is less than tax calculated on taxable profits, excess amount is recognised as income tax and minimum tax is recognized as levy under IFRIC 21. Further, the Company shall also charged tax expense under levy when tax is calculated under minimum tax regime.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the unconsolidated financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences. Deferred tax assets are recognized for all major deductible temporary differences, unused tax losses and tax credits to the extent that future taxable profits will be available against which the assets may be utilized.

Carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or have been notified for subsequent enactments at the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.11 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within short period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method. Exchange gain and losses arising on translation in respect of liabilities in foreign currency are added to carrying amount of respective liabilities

3.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Financial assets - Classification and measurement

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

a) Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition. The Company currently measures financial assets at amortized cost and at fair value through profit or loss.

b) Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at transaction price. Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15.

c) Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method (EIR). The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to the profit or loss.

d) Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from assets have expired. The difference between the carrying amount and the consideration received is recognized in the statement of profit or loss.

e) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to trade debts and the economic environment.

Financial liabilities

a) Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc. The Company does not reclassify any of its financial liabilities.

b) Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortization is included as finance costs in the profit or loss. Difference between carrying amount and consideration paid is recognized in the profit or loss, when the liabilities are derecognized.

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FOR THE YEAR ENDED JUNE 30, 2025

Off-setting of financial assets and financial liabilities

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

3.13 Related party transactions

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

3.14 Revenue recognition

Revenue is recognized when performance obligation is satisfied by applying the following five steps of revenue recognition:

- i) Identify the contract with a customer
- ii) Identify the performance obligation in the contract
- iii) Determine the transaction price of the contract
- iv) Allocate the transaction price to each of the separate performance obligations in the contract
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services provided to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised when goods are dispatched from the mill to customer whereas revenue of export sales is recognized on date of issue of bill of lading.

3.15 Earnings per share - basic and diluted

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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

3.16 Balances from contracts with customers

Trade receivables

Trade receivables represent the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the reporting date. Bad debts are written off when identified.

Contract assets

A contract asset is the right to receive in exchange for goods transferred to the customer against which no invoice has been raised.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods to the customer.

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

3.17 Leases

For contracts entered into, or modified, on or after January 1, 2019, the Company assesses whether a contract contains a lease or not at the inception of a contract. The Company reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified.

The Company determines the lease term as non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain to not to exercise that option.

The Company reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Company as a lessee

Recognition

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company).

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

Initial measurement

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Right-of-use asset

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

Subsequent measurement

Lease liability

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in profit or loss, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between finance charges and reduction of lease liability using the incremental borrowing rate to achieve a constant rate of interest on the remaining balance of the liability.

Lease liability payable in foreign currency is translated to local currency of the Company i.e. Pak Rupees at the reporting date. Any foreign exchange differences arising on translation of lease liability are recognized in profit or loss.

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Right-of-use asset

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of right-of-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Depreciation is charged to profit or loss at the same rates as used for owned asset.

3.18 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components. All operating segments' operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.19 Investments in subsidiaries

Investments in subsidiaries where the Company has control over the subsidiary, is measured at cost in the Company's unconsolidated financial statements in accordance with IAS-27 'Consolidated and Separate Financial Statements'

The Company is required to publish consolidated financial statements along with its separate financial statements, in accordance with the requirements of IFRS 10 'Consolidated Financial Statements' and IAS 27 'Consolidated and separate financial statements'.

Note 4

Other Accounting Policy Information

Other accounting policy information adopted in the preparation of these financial statements is set out below. These policies have been consistently applied to all the periods presented unless stated otherwise.

4.1 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Company has access at that date. There are three levels of fair value measurement which are as under:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 — Unobservable inputs for the asset or liability.

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Company determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

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FOR THE YEAR ENDED JUNE 30, 2025

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Certain property, plant and equipment under revaluation model	Note 5
- Investment property	Note 6
- Short term investments	Note 15
- Assets Classified as Held for Sale	Note 18
- Financial instruments (including those carried at amortized cost)	Note 47

4.2 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees by applying the foreign exchange rate ruling on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated into Pak Rupees at the exchange rate prevailing at that date. Monetary translation differences are recognized in the profit or loss account.

4.3 Contingent liabilities

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A Contingent liabilities is also disclosed when the present obligation arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.4 Borrowing costs

Borrowing costs directly attributable to acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in profit or loss as incurred.

4.5 Government grants

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

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

4.6 Dividend distribution

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

4.7 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. Accordingly, the Company has recognized softwares as intangible assets. Cost of intangible assets i.e. ERP software includes purchase cost and directly attributable expenses incidental to bring the software for its intended use.

Costs that are directly associated with identifiable software and have probable economic benefits beyond one year, are recognized as intangible assets. However, costs associated with the maintenance of software are recognized as expenses.

Intangible assets are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to profit or loss using the reducing balance method at the rates specified in Note 7. The amortization period and the amortization method for intangible assets are reviewed, at each reporting date, and adjusted if impact on amortization is significant.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

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Note 5

Property, Plant and Equipment

	2025		2024	
		Rupees		Rupees
Owned fixed assets	Note			
Leasehold / right of use assets	5.1	22,004,160,380	21,034,455,922	
Capital work in progress	5.1	972,716,072	945,517,169	
	5.11	3,243,707	234,662,182	
		22,980,120,159	22,214,635,273	

5.1 Operating fixed assets

	Owned Assets										Leasehold / Right of Use Assets	
	Freehold Land	Buildings on Freehold Land	Buildings on Leasehold Land	Plant and Machinery	Stand-by Equipment / Generators / Electric Installation	Furniture and Fittings	Vehicles	Office Equipment	Computers and Accessories	Total	Leasehold Land	Total
Cost / Revalued amount	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2023	1,087,052,470	3,293,928,560	2,177,883,093	14,066,903,418	3,062,267,739	132,205,888	623,988,773	6,434,476	150,336,222	24,601,000,639	369,776,000	413,999,263
Additions	-	224,360,197	-	2,154,325,712	499,872,935	115,031,227	123,280,488	-	43,475,672	3,160,346,231	-	-
Disposals	-	-	-	(40,780,997)	-	-	(63,277,127)	-	-	(104,058,124)	-	-
Revaluation surplus	1,247,885,030	1,553,564,712	49,097,174	-	-	-	-	-	-	2,850,346,916	550,556,000	550,556,000
Revaluation adjustments	-	(1,401,156,069)	(531,985,267)	-	-	-	-	-	-	(1,933,141,336)	-	-
Balance as at June 30, 2024	2,334,737,500	3,670,697,400	1,694,995,000	16,180,448,133	3,562,140,674	247,237,115	683,992,134	6,434,476	193,811,894	28,574,494,326	920,332,000	964,555,263
Additions	79,667,630	745,474,008	31,667,331	1,855,948,084	275,197,536	17,211,552	83,805,549	-	25,719,563	3,114,691,253	33,859,894	33,859,894
Disposals	-	-	-	(114,748,095)	-	-	(149,528,418)	-	-	(264,276,513)	-	-
Balance as at June 30, 2025	2,414,405,130	4,416,171,408	1,726,662,331	17,921,648,122	3,837,338,210	264,448,667	618,269,265	6,434,476	219,531,457	31,424,909,066	954,191,894	998,415,157

Accumulated depreciation

Balance as at July 01, 2023	-	1,045,559,098	477,880,865	4,781,921,207	1,073,896,182	28,426,283	201,178,596	3,567,809	78,078,894	7,690,508,934	-	12,741,802
Depreciation charged during the year	-	355,596,971	54,104,402	1,066,246,849	232,284,270	16,797,880	92,966,735	286,667	25,163,709	1,843,447,483	-	6,296,292
Disposals	-	-	-	(31,325,282)	-	-	(29,451,395)	-	-	(60,776,677)	-	-
Revaluation adjustments	-	(1,401,156,069)	(531,985,267)	-	-	-	-	-	-	(1,933,141,336)	-	-
Balance as at June 30, 2024	-	-	-	5,816,842,774	1,306,180,452	45,224,163	264,693,936	3,854,476	103,242,603	7,540,038,404	-	19,038,094
Depreciation charged during the year	-	382,794,370	171,267,825	1,099,319,889	237,006,927	20,878,848	85,415,009	258,000	30,803,204	2,027,744,072	1,623,957	5,037,034
Disposals	-	-	-	(91,936,249)	-	-	(55,097,541)	-	-	(147,033,790)	-	-
Balance as at June 30, 2025	-	382,794,370	171,267,825	6,824,226,414	1,543,187,379	66,103,011	295,011,404	4,112,476	134,045,807	9,420,748,686	1,623,957	24,075,128

Carrying amount

As at June 30, 2024	2,334,737,500	3,670,697,400	1,694,995,000	10,363,605,359	2,255,960,222	202,012,952	419,298,198	2,580,000	90,569,291	21,034,455,922	920,332,000	25,185,169
As at June 30, 2025	2,414,405,130	4,033,377,038	1,555,394,506	11,097,421,708	2,294,150,831	198,345,656	323,257,861	2,322,000	85,485,650	22,004,160,380	952,567,937	20,148,135
Rate of depreciation - %	-	10	10	5 - 10	10	10	20	10	30	-	10	20

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

5.2 Leasehold land includes the leased land allotted in Industrial Estate, Multan for a period of 99 years. This leasehold arrangement shall expire on January 17, 2105; and

5.2.1 Leasehold lands measuring 24 Kanal located near unit 5 and 56 Kanal located near unit 6, are acquired during the year, for a period of 10 years, for the purpose of installation of solar panels.

5.3 Additions to building on freehold land include construction of guest houses and hostels for employees' accommodation.

5.4 Had there been no revaluation, book values of revalued assets would have been as follows:

		2025	2024
	Note	Rupees	Rupees
Freehold land		152,232,449	72,564,819
Leasehold land		52,991,680	20,755,743
Buildings on freehold land		1,932,171,584	1,336,024,673
Buildings on leasehold land		1,382,869,420	1,503,300,460
		3,520,265,133	2,932,645,695
5.5	Depreciation charge for the year has been allocated as under:		
Cost of sales	32	1,897,050,002	1,710,908,624
Administrative expenses	34	137,355,061	138,835,151
		2,034,405,063	1,849,743,775

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

Location / Address	Usage of Immovable Property	Total Area
District Muzaffargarh	Freehold land	476 Kanals and 04 Marlas
District Multan	Freehold land	6 Kanals and 10 Marlas
Industrial Estate, Multan	Leasehold land	131 Kanals and 5 Marlas
District Muzaffargarh	Leasehold land	80 Kanals

5.7 Latest revaluation was carried out as on June 30, 2024 by an independent valuer, resulting in net revaluation surplus of Rs. 3,400,902,916. Forced sales values of revalued assets, as determined by the independent valuer, were as follows:

	June 30, 2024
	Rupees
Freehold land	1,867,790,000
Leasehold land	736,265,600
Buildings on freehold	2,936,557,920
Buildings leasehold land	1,355,996,000

Forced sale values of revalued assets are assumed to be same as of the reporting date.

5.8 Fair value hierarchy

The Company revalued and measured its land and buildings under level 2 of fair value hierarchy. Details of carrying value of such revalued assets as at the reporting date are as follows:

Level 2	Freehold Land	Leasehold Land	Buildings on Freehold Land	Buildings on Leasehold Land
	Rupees	Rupees	Rupees	Rupees
For the year ending June 30, 2025	2,414,405,130	952,567,937	4,033,377,038	1,555,394,506
For the year ending June 30, 2024	2,334,737,500	920,332,000	3,670,697,400	1,694,995,000

Assumptions used in fair value calculations are given in note 20 of these unconsolidated financial statements. No other assets are measured / transferred under level 1 and level 3 of the fair value hierarchy during the year.

5.9 Security

The property, plant and equipment of the Company are subject to first, joint pari passu and hypothecation charge as security for certain financing by banks (Note 21).

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

5.10 Detail of disposals of property, plant and equipment

The details of property, plant and equipment disposed off during the year having individual book value exceeding Rs. 500,000 or more are as follows:

Particulars of Assets	Cost	Carrying Amount	Sale Price	Gain / (Loss)	Particulars of the Buyer	Mode of Disposal	Relationship with the Purchaser
	Rupees	Rupees	Rupees	Rupees			
Vehicles							
Honda City	2,225,000	1,153,045	2,500,000	1,346,955	Mr. Shabbir Ibne Yaqoob	Negotiation	Third Party
Suzuki Swift	4,500,000	4,200,000	4,250,000	50,000	M/s UBL Insurers Limited	Negotiation	Third Party
Corolla Altis	2,760,000	1,346,389	3,250,000	1,903,611	Mr. Syed Ameer Hayder Gardezi	Negotiation	Third Party
Haval H6	12,739,540	9,019,594	11,000,000	1,980,406	M/s Roomi Poultry (Private) Limited	Negotiation	Related Party
Kia Carnival	17,696,875	12,529,387	13,000,000	470,613	M/s Roomi Poultry (Private) Limited	Negotiation	Related Party
Honda BRV	3,554,312	1,337,559	3,500,000	2,162,441	M/s Roomi Poultry (Private) Limited	Negotiation	Related Party
Kia Carnival	14,353,310	9,645,425	11,000,000	1,354,575	M/s Bahoo Flour and General Mills	Negotiation	Third Party
Toyota Prado	24,593,518	19,189,775	20,000,000	810,225	M/s Ilal Martial Arts	Negotiation	Third Party
Kia Sportage	9,365,800	6,139,802	7,900,000	1,760,198	Mr. Rizwan Maqbool	Negotiation	Third Party
Kia Sportage	6,000,062	2,933,364	4,435,000	1,501,636	M/s Roomi Cotton Factory	Negotiation	Third Party
Suzuki Cultus	2,310,000	1,514,334	2,300,000	785,666	Mr. Dilbar Khan	Negotiation	Third Party
Haval H6	12,293,659	11,269,187	8,800,000	(2,469,187)	Mr. Hamza Waheed	Negotiation	Third Party
BMW	26,152,004	13,030,964	18,000,000	4,969,036	M/s Control Union Pakistan (Private) Limited	Negotiation	Third Party
Plant and Machinery							
Ring spinning frames	44,921,203	6,749,514	6,434,426	(315,088)	Mr. Malik Arshad	Negotiation	Third Party
Ring spinning frames	69,826,892	16,062,332	9,651,639	(6,410,693)	Mr. Malik Arshad	Negotiation	Third Party
2025	253,292,175	116,120,671	126,021,065	9,900,394			
2024	104,058,124	43,281,447	45,948,853	2,667,406			

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

5.11 Capital work in progress

	Advances for Purchase of Freehold Land	Buildings	Plant and Machinery	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2023	74,205,000	81,420,311	181,588,289	-	337,213,600
Additions during the year	-	85,894,846	245,798,290	-	331,693,136
Transferred to operating fixed assets	-	(8,199,357)	(426,045,197)	-	(434,244,554)
Balance as at June 30, 2024	74,205,000	159,115,800	1,341,382	-	234,662,182
Additions during the year	2,295,000	703,944	8,548	3,243,707	6,251,199
Transferred to operating fixed assets	(76,500,000)	(159,819,744)	(1,349,930)	-	(237,669,674)
Balance as at June 30, 2025	-	-	-	3,243,707	3,243,707

Note 6

Investment Property

	2025	2024
	Rupees	Rupees
Opening balance	174,038,000	162,687,000
Fair value gain on revaluation	76,062,000	11,351,000
Closing balance	250,100,000	174,038,000

- 6.1 This refers to a piece of land, classified as investment property, held for capital appreciation. The details of investment properties as of the reporting date are as follows:

Property Type	Location	Area	Independent Valuer	Fair Value	Forced Sale Value
				Rupees	Rupees
Land	Mouza Doaba, Muzaffar Garh	56 Kanals and 15 Marlas	K.G.T (Private) Limited	250,100,000	200,080,000

- 6.2 The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

6.3 Fair value measurements

There are no level 1 and level 3 assets or any transfers between levels 1, 2 and 3 during the year.

Valuation techniques used to derive level 2 fair values

Description	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)
Land	Inquiries in the vicinity of land and also information obtained from the estate dealers of the area.	Price per kanal	Reasonable fair value estimates

6.4 Amount recognised in statement of profit or loss

The change in fair value is presented in statement of profit or loss as "Other income" in note 37 and there is no rental income earned from land.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 7

Intangible Asset

		2025	2024
	Note	Rupees	Rupees
Intangible asset	7.1	55,720,485	16,036,525
Capital work in progress	7.2	-	21,895,111
		55,720,485	37,931,636
7.1 Intangible Asset			
<i>Net Carrying Value</i>			
Net carrying value - opening balance		16,036,525	4,846,115
Additions during the year		45,649,605	18,063,206
		61,686,130	22,909,321
Amortization during the year		(5,965,645)	(6,872,796)
Net carrying value as at June 30,		55,720,485	16,036,525
<i>Gross Carrying Value</i>			
Cost		70,813,345	25,163,740
Accumulated amortization		(15,092,860)	(9,127,215)
Net book value		55,720,485	16,036,525
Amortization rate		30%	30%

7.1.1 Amortization charge for the year has been allocated to Administrative Expenses (Note 34).

7.2 Capital work in progress

Advances for implementation of Oracle Fusion Cloud Applications		-	21,895,111
7.2.1 Movement of capital work-in-progress			
Opening balance		21,895,111	5,698,113
Additions during the year		23,754,494	16,196,998
Capitalized during the year		(45,649,605)	-
		-	21,895,111

7.3 Intangible assets represent the cost of accounting software (ERP) implemented by the Company during the year.

Note 8

Long term investment

Subsidiary - Unquoted at cost

MG Apparel Limited

1,000 (2024: Nil) ordinary shares of Rs. 10 each

Share held 100% (2024: Nil)

Carrying amount of investment

8.1

10,000

-

Associates - Unquoted at equity method

Masood Spinning Mills Limited

8,921,692 (2024: 8,921,692) ordinary shares of Rs. 10 each

Equity held 32.41% (2024: 29.71%)

Carrying amount of investment

8.2

2,394,209,001

2,073,750,746

2,394,219,001

2,073,750,746

8.1 During the year, the Company acquired 1,000 ordinary shares of Rs. 10 each, representing 100% (2024: Nil) shareholding in MG Apparel Limited ("the Subsidiary"), a company incorporated in Pakistan with its registered office at Mehr Manzil, Lohari Gate, Multan. Of these, three (3) shares are held in the names of the Company's directors as qualifying shares to comply with requirements of Company Act 2017.

8.2 Masood Spinning Mills Limited

Opening balance		2,073,750,746	1,969,127,825
Share in net assets during the year		250,481,333	104,622,921
Share in equity adjustment of associate	8.2.2	69,976,922	-
	8.2.1	2,394,209,001	2,073,750,746

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

8.2.1 Reconciliation of the above information to the carrying amount of interest in Masood Spinning Mills Limited is as under:

		2025	2024
	Note	Rupees	Rupees
Net assets of the Associate		6,760,593,467	6,296,365,154
Percentage of shareholding in Associate as at the reporting date		32.41%	29.71%
Company's share		2,191,108,342	1,870,650,087
Goodwill arisen on acquisition of shares	8.2.3	202,935,109	202,935,109
Other adjustments		165,550	165,550
Carrying amount of investment		2,394,209,001	2,073,750,746

8.2.2 The Company originally purchased 8,921,692 shares, constituting 29.71% of the shareholding; however, during the year, 2,500,764 shares of Masood Spinning Mills Limited were cancelled pursuant to an arrangement. Consequently, the Company's effective holding in Masood Spinning Mills Limited increased by 2.70% totalling to 32.41% of shareholding. Resultantly, the share in net assets of associate has been increased by Rs. 69.977 million and the Company has recognised corresponding impact in statement of changes in equity. Masood Spinning Mills Limited is a company incorporated under the laws of Pakistan, with its registered office located at Mehr Manzil Lohari Gate, Multan. The investment was acquired for a total consideration of Rs. 89,216,920.

The impact of changes in the associate's equity arising from the arrangement is as follows

	Net Assets	Equity/ Shareholding	Share in Net Assets
	Rupees	Percentage	Rupees
Net assets of associate before scheme of arrangement	6,660,837,044	29.71%	1,978,934,686
Net assets of associate after scheme of arrangement	6,321,850,070	32.41%	2,048,911,608
Increase on share due to scheme of arrangement			69,976,922

8.2.3 Goodwill arisen on acquisition of shares

	2025	2024
	Rupees	Rupees
Fair value of net assets on date of initial investment	292,152,029	292,152,029
Less: Cost of investment	(89,216,920)	(89,216,920)
	202,935,109	202,935,109

8.2.4 The investee company is principally engaged in manufacturing and sale of yarn, sale of cotton seed and cotton lint. The Company accounts for its investment in Masood Spinning Mills Limited (the Associate) under equity method as prescribed in IAS 28 (Investments in Associates). Information extracted from the unaudited financial statements of the Associate is as follows:

Current assets	21,869,472,920	17,984,893,524
Non-current assets	13,140,693,262	12,219,471,179
Current liabilities	(21,719,710,744)	(17,984,672,025)
Non-current liabilities	(6,529,861,971)	(5,923,327,524)
Net assets	6,760,593,467	6,296,365,154
Revenue	31,392,726,403	35,933,733,395
Net profit for the year	546,111,743	129,019,947
Other comprehensive income	-	237,696,000
Total comprehensive income for the year	546,111,743	366,715,947

Note 9

Long Term Deposits

Multan Electric Power Company (MEPCO)		52,158,325	52,158,325
Sui Northern Gas Pipelines Limited (SNGPL)		1,338,902	1,338,902
Pakistan Telecommunication Company Limited (PTCL)		207,358	207,358
Security deposits against leasehold land	5.2.1	2,500,000	-
Others		149,550	149,550
		56,354,135	53,854,135

9.1 This amount represents security deposits paid against an area of land measuring 24 Kanal located near unit 5, and 56 Kanal located near unit 6, acquired during the year, on lease for a period of 10 years for the purpose of installation of solar panels.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 10

Stores, Spares and Loose Tools

		2025	2024
	Note	Rupees	Rupees
Stores	10.1	639,405,629	817,091,516
Spares		27,210,523	25,110,279
Loose tools		673,097	1,061,779
		667,289,249	843,263,574

10.1 This includes stores in transit amounting to Rs. 7.140 million (2024: Rs. 130.113 million) as at the reporting date.

Note 11

Stock in Trade

Raw materials	11.1	13,115,204,367	12,620,683,698
Work in process		2,041,555,956	1,083,325,503
Finished goods	11.2	3,643,824,678	3,126,479,544
		18,800,585,001	16,830,488,745

11.1 This includes material in transit amounting to Rs. 2,514.407 million (2024: Rs. 3,750.258 million)

11.2 This includes waste amounting to Rs. 69.084 million (2024: Rs. 78.278 million).

Note 12

Trade Debts

Secured			
- Export		2,903,908,668	3,676,453,056
- Local		-	253,650,089
		2,903,908,668	3,930,103,145
Unsecured - Local			
- Considered good		3,270,272,604	2,794,059,035
- Considered doubtful		42,562,553	16,328,178
		6,216,743,825	6,740,490,358
Less: Allowance for expected credit losses (ECL)	12.2	(42,562,553)	(16,328,178)
		6,174,181,272	6,724,162,180

12.1 Trade debts include an amount of Rs. 192.992 million due from related parties (2024: Rs. Nil) as at June 30, 2025. The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 1,491.628 million (2024: Rs. 9,661.804 million). The aging of this balance is as under:

	Within 1 Year	1 to 2 Years	2 to 5 Years	Total
	----Rupees----			
Masood Spinnings Mills Limited - 2025	192,807,371	-	-	192,807,371
Masood Spinnings Mills Limited - 2024	-	-	-	-

12.2 Allowance for expected credit losses (ECL)

Opening balance	16,328,178	-
Add: Allowance for expected credit loss	26,234,375	16,328,178
	42,562,553	16,328,178
Less: Reversal of credit loss allowance	-	-
Closing balance	42,562,553	16,328,178

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

12.3 Detail of trade receivables from export sales

Jurisdiction	Export Sales during the Year	Gross Receivables as at the Year End	Default Amount	Names of Defaulting Parties	Legal Action Taken
	Rupees	Rupees	Rupees		
United States of America	799,578,462	160,395,606	-	No default	N/A
China	3,896,383,362	434,099,425	-	No default	N/A
Turkey	605,643,870	53,226,302	-	No default	N/A
Japan	2,568,913,629	318,422,760	-	No default	N/A
Denmark	2,604,670,524	574,859,745	-	No default	N/A
Italy	964,856,462	117,777,183	-	No default	N/A
Germany	2,179,079,491	694,525,387	-	No default	N/A
Bangladesh	216,424,926	69,412,883	-	No default	N/A
Others	4,012,270,753	481,189,377	-	No default	N/A
	17,847,821,479	2,903,908,668	-		

Note 13

Loans and Advances

	Note	2025 Rupees	2024 Rupees
Advances to:			
- Key management personnel		18,700,233	24,523,113
- Employees		5,613,291	3,120,575
- Suppliers and contractors - considered good		810,509,166	918,299,484
- Suppliers and contractors - considered doubtful		26,907,267	26,907,267
Deposits with Sui Northern Gas Pipelines Limited (SNGPL)	30.1.2	75,221,140	75,221,140
Advance against letters of credit		187,057,657	37,118,175
		1,124,008,754	1,085,189,754
Less: Provision against doubtful loans and advances	13.1	(26,907,267)	(26,907,267)
		1,097,101,487	1,058,282,487
13.1 Provision against doubtful loans and advances:			
Opening balance		26,907,267	-
Add: provision for the year		-	26,907,267
		26,907,267	26,907,267
Less: Recovery against doubtful advances		-	-
Closing balance		26,907,267	26,907,267

Note 14

Other Receivables

Cotton claims receivables		240,444,388	311,480,096
Insurance claims receivable		92,104,711	79,849,144
Containers' deposits		-	1,803,108
Receivable against shares		-	356,005
Bank guarantee margins		90,249,106	90,249,106
Others		13,291,036	6,071,068
		436,089,241	489,808,527
Less: Provision for doubtful advances and other receivables	14.2	-	(2,159,113)
		436,089,241	487,649,414

14.1 No amount was due from chief executive, directors and executives as at the reporting date (2024: Nil).

14.2 Provision against doubtful other receivables

Opening balance		2,159,113	-
Add: provision for the year		-	2,159,113
Less: written off during the year		(2,159,113)	
Closing balance		-	2,159,113

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 15

Short Term Investments

	Note	2025 Rupees	2024 Rupees
Fair value through profit or loss			
Pakistan Stock Exchange Limited			
Nil (2024: 765,000) shares of Rs. 10 each		-	9,799,658
Ghani Chemworld Limited			
860,000 (2024: Nil) shares of Rs. 10 each		8,359,200	-
Ghani Chemical Industries Limited			
1,720,000 (2024: 1,720,000) shares of Rs. 10 each		42,759,200	18,971,567
		51,118,400	28,771,225

15.1 Investments in quoted shares are measured at fair value through profit or loss. The quoted market value in an active market is considered as the fair value of investment. The resulting difference between cost and fair value of investment is taken to profit or loss.

Note 16

Tax Refunds due from the Government

Income tax refundable, advance tax and tax deducted at source	613,817,042	396,468,886
Sales tax refundable	1,873,747,967	671,781,431
	2,487,565,009	1,068,250,317

Note 17

Cash and Bank Balances

Cash in hand		21,146,111	8,708,109
Cash at banks:			
- Current accounts		77,234,438	21,815,728
- Saving accounts	17.1	24,508	1,433,740
	17.2	77,258,946	23,249,468
		98,405,057	31,957,577

17.1 This represents amounts in saving accounts yielding profit at rates ranging from 6.98% to 8.32% (2024: 13.00% to 15.36%) per annum, approximately.

17.2 This includes shariah compliant bank deposits amounting to Rs. 31.86 million (2024: Rs. 5.63 million).

17.3 The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.

Note 18

Assets Classified as Held for Sale

Orient Power Company (Private) Limited			
46,098,624 (2024: 87,335,969) ordinary shares of Rs. 10 each			
Shareholding held 11.07% (2024: 20.97%)			
Carrying amount of investment	18.1	1,797,846,336	3,406,102,791

18.1 During the financial year 2023-24, the Board of Directors resolved to dispose of the Company's investment in Orient Power Company (Private) Limited. In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the investment was classified as held for sale, measured at the lower of carrying amount and fair value less costs to sell, and presented separately in the statement of financial position. During the year, 41,237,345 shares were sold, reducing the Company's holding from 20.97% to 11.07%. The management expects to dispose of the remaining shares within next 12 months.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 19

Issued, Subscribed and Paid Up Capital

2025	2024		2025	2024
			Rupees	Rupees
Number of shares				
6,288,800	6,288,800	Ordinary shares of Rs. 10 each fully paid in cash	62,888,000	62,888,000
11,000	11,000	Ordinary shares of Rs. 10 each issued as fully paid against shares of Mahmood Power Generation Limited upon merger	110,000	110,000
23,700,200	23,700,200	Ordinary shares of Rs. 10 each issued as fully paid bonus	237,002,000	237,002,000
30,000,000	30,000,000		300,000,000	300,000,000

19.1 No shares were cancelled of further issued during the year (2024: Nil).

19.2 Shares held by related parties are as follows:

	2025	2024	2025	2024
	(Percentage)	(Percentage)	(Number of Shares)	
Roomi Enterprises (Private) Limited	0.003%	0.003%	800	800
Directors	15.077%	17.171%	4,523,074	5,151,440
			4,523,874	5,152,240

19.3 There are no agreements with shareholders for any specific voting rights, board selection, rights of first refusal and block voting etc.

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

Note 20

Surplus on Revaluation of Property, Plant and Equipment

	2025	2024
	Rupees	Rupees
Freehold Land:		
- Opening balance	2,262,172,681	1,014,487,651
- Surplus arisen during the year	-	1,247,685,030
	2,262,172,681	2,262,172,681
Leasehold Land:		
- Opening balance	899,576,257	349,020,257
- Surplus arisen during the year	-	550,556,000
	899,576,257	899,576,257
Buildings on Freehold Land:		
- Opening balance	2,334,672,727	867,897,795
- Surplus arisen during the year	-	1,553,564,712
- Incremental depreciation	(233,467,273)	(86,789,780)
	2,101,205,454	2,334,672,727
Buildings on Leasehold Land:		
- Opening balance	191,694,540	158,441,518
- Surplus arisen during the year	-	49,097,174
- Incremental depreciation	(19,169,454)	(15,844,152)
	172,525,086	191,694,540
	5,435,479,478	5,688,116,205

20.1 Latest revaluation of property, plant and equipment was carried out as on June 30, 2024 by an independent valuer that resulted in revaluation surplus of Rs. 3,400.903 million. The following basis were used for revaluation of property, plant and equipment:

Land	Market Value
Buildings	Market Value / Depreciated Value

20.2 The surplus on revaluation of property, plant and equipment is not available for distribution to shareholders in accordance with Section 241 of the Companies Act, 2017.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 21

Long Term Finances

		2025	2024
	Note	Rupees	Rupees
Habib Bank Limited	21.1	1,393,999,024	1,469,957,501
MCB Bank Limited	21.2	175,598,968	226,503,076
Meezan Bank Limited	21.3	1,029,474,719	1,070,722,981
United Bank Limited	21.4	451,414,959	507,535,349
Allied Bank Limited	21.5	700,689,000	923,531,073
Bank Al Habib Limited	21.6	837,446,603	1,082,795,597
National Bank of Pakistan	21.7	1,964,285,716	1,159,039,556
Bank Alfalah Limited	21.8	1,154,499,028	1,403,758,071
Soneri Bank Limited	21.9	309,235,981	421,935,981
Askari Bank Limited	21.10	385,511,000	448,006,785
Bank of Punjab	21.11	1,098,514,432	661,628,535
Pak Brunei Investment Company Limited	21.12	200,000,000	150,000,000
Bank Al Habib Limited - Islamic	21.13	496,072,000	499,999,423
Bank Islami Pakistan Limited	21.14	1,000,000,000	-
		11,196,741,430	10,025,413,928
Deferred Government Grant:			
Temporary Economic Refinance Facility			
Bank Al Habib Limited	21.6	104,176,228	133,645,609
Bank of Punjab	21.11	222,203,639	280,162,798
		326,379,867	413,808,407
		11,523,121,297	10,439,222,335
Less: Current portion		(2,586,634,157)	(2,064,069,240)
		8,936,487,140	8,375,153,095

- 21.1** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 2,050 million (2024: Rs. 1,800 million). These facilities carry markup @ 3 months KIBOR plus a spread of upto 125 bps per annum (2024: 3 months KIBOR plus a spread of upto 100 bps per annum), with some long term finance facilities carrying fixed markup of 3% to 5% per annum (2024: 3% to 5% per annum). These facilities are payable in quarterly installments, latest by May 2031. These facilities are secured by joint pari passu charge of Rs. 2,064 million (2024: Rs. 2,498 million) over all fixed assets of the Company.
- 21.2** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 200.6 million (2024: Rs. 362 million). These facilities carry markup @ 6 months KIBOR plus 75 bps per annum (2024: 6 months KIBOR plus 75 bps per annum), with a term finance facility carrying fixed markup @ 2.75% per annum (2024: 2.75% per annum). These facilities are payable in quarterly installments, latest by February 2033. These facilities are secured by way of hypothecation charge amounting to Rs. 301 million (2024: Rs. 386 million) over present and future fixed assets of the Company.
- 21.3** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limit for these facilities amounted to Rs. 1,070 million (2024: Rs. 1,531.35 million). These facilities carry markup @ 6 months KIBOR plus spread upto 150 bps per annum (2024: 6 months KIBOR plus spread upto 150 bps per annum), with some term finance facilities carrying markup @ SBP rate plus 200 bps per annum (2024: SBP rate plus 200 bps per annum). The facilities are payable in quarterly installments, latest by June 2032. These facilities are secured by exclusive charge amounting to Rs. 1,339 million (2024: Rs. 1,426 million) over the fixed assets of the Company, along with ranking charge of Rs. 317 million (2024: Rs. 200 million).
- 21.4** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to a Rs. 531 million (2024: Rs. 698 million). These facilities carry markup @ SBP rate plus 300 bps per annum (2024: Nil), with term finance facility carrying a fixed markup @ 2.5% per annum (2024: 2.5% per annum). These facilities are payable in quarterly installments, latest by June 2034. These facilities are secured by the way of first joint pari passu charge amounting to Rs. 893 million (2024: Rs. 320 million) over the present and future fixed assets of the Company along with the ranking charge of Nil (2024: Rs. 426 million) over the present and future fixed assets of the Company.
- 21.5** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 867.7 million (2024: Rs. 1,381.5 million). These facilities carry markup @ 6 months KIBOR plus 175 bps per annum (2024: 6 months KIBOR plus 150 bps per annum), with a term finance facility carrying markup @ SBP rate plus 50 bps per annum (2024: SBP rate plus 50 bps per annum). These facilities are payable in quarterly installments, latest by November 2028. These facilities are secured by the way of first joint pari passu charge amounting to Rs. 1,299 million (2024: Rs. 1,530 million) over the present and future fixed assets of the Company.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 21.6** These represents the numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 1,466.8 million (2024: Rs. 1,874.5 million). These facilities carry markup of 6 months KIBOR plus 100 bps per annum (2024: 6 months KIBOR plus 100 bps per annum), with a term economic refinance facility carrying markup @ SBP rate plus spread upto 150 bps per annum (2024: SBP rate plus spread upto 150 bps per annum). These facilities are payable in quarterly installments, latest by November 2031. These facilities are secured by the joint pari passu charge amounting to Rs. 2,384 million (2024: Rs. 2,758 million) over all the present and future assets of the Company.
- 21.7** These represent numerous facilities availed for reprofiling of the balance sheet by paying off short-term loans from various banks. The sanctioned limits for these facilities amounted to Rs. 3,000 million (2024: Rs. 2,000 million). One of these facilities carry markup @ 3 to 6 months KIBOR plus spread upto 200 bps per annum (2024: 6 months KIBOR plus 150 bps per annum). These facilities are repayable in quarterly installments, latest by February 2032. These facilities are secured by the way of hypothecation charge over all present and future movable fixed assets of the Company along with the first joint pari passu charge amounting to Rs. 1,779 million (2024: Rs. 2,000 million) over the present and future fixed assets of the Company along with the ranking charge of 1,334 million over all the present and future fixed assets of the Company.
- 21.8** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 1,445.36 million (2024: Rs. 1,608 million). These facilities carry markup @ 6 months KIBOR plus 200 bps per annum (2024: 6 months KIBOR plus 200 bps per annum), with a term finance facility carrying markup @ SBP rate plus 200 bps per annum (2024: SBP rate plus 200 bps per annum). These facilities are payable in quarterly installments, latest by February 2031. These facilities are secured by the first joint pari passu charge amounting to Rs. 1,874 million (2024: Rs. 2,094 million) over the present and future fixed assets of the Company.
- 21.9** This term finance facility was availed to meet the capital expenditure requirements of the Company. The sanctioned limit for this facility amounted to Rs. 400.8 million (2024: Rs. 668 million). This facility carry markup @ 3 months KIBOR plus 80 bps per annum (2024: 3 months KIBOR plus 80 bps per annum). This facility is payable in quarterly installments, latest by September 2027. This facility is secured by the joint pari passu charge amounting to Rs. 608 million (2024: Rs. 747 million) over the present and future fixed assets of the Company.
- 21.10** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limit for these facilities amounted to Rs. 472 million (2024: Rs. 500 million). One of these facilities carry markup @ 6 months KIBOR plus 250 bps per annum (2024: 6 months KIBOR plus 250 bps per annum), with the other facility carrying markup @ SBP rate plus 200 bps (2024: SBP rate plus 200 bps) per annum. These facilities are payable in half yearly installments, latest by February 2032. These facilities are secured by the joint pari passu charge amounting to Rs. 603 million (2024: Rs. 667 million) over the present and future fixed assets of the Company.
- 21.11** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 1,500 million (2024: Rs. 1,000 million). These facilities are payable in half-yearly installments, latest by January 2032, and carries 6 months KIBOR plus 150 bps per annum (2024: Nil) and term economic refinance facility carry markup @ 3% per annum (2024: 3.5% per annum), payable on quarterly basis. This facility is secured by an existing joint pari passu charge amounting to Rs. 2,000 million (2024: Rs. 1,334 million) over the present and future fixed assets of the Company.
- 21.12** This term finance facility was availed to finance the installation of a solar system with a capacity of up to 2 Megawatts. The sanctioned limit for this facility amounted to Rs. 200 million (2024: Rs. 200 million). This facility is payable in 20 quaterly installments, latest by May 2029, and carries markup @ 3 months KIBOR plus 125 bps per annum (2024: 3 months KIBOR plus 125 bps per annum). This facility is secured by the joint pari passu charge amounted to Rs. 267 million (2024: Rs. 267 million) over the fixed assets of the Company.
- 21.13** This term finance facility was availed meet the capital expenditure requirements of the Company. The sanctioned limit for this facility amounted to Rs. 500 million (2024: Rs. 500 million). This facility is payable in 16 equal half-yearly installments, latest by February 2033, and carries markup @ 6 months KIBOR plus 100 bps per annum (2024: 6 months KIBOR plus 100 bps per annum). This facility is secured by the joint pari passu charge amounting to Rs. 667 million (2024: Rs. 667 million) over the present and future fixed assets of the Company.
- 21.14** This term finance facility was availed meet the capital expenditure requirements of the Company. The sanctioned limit for this facility amounted to Rs. 1,000 million (2024: Nil). This facility is payable in 20 equal quaterly installments, latest by December 2030, and carries markup @ 3 months KIBOR plus 125 bps per annum (2024: Nil). This facility is secured by the joint pari passu charge amounting to Rs. 1,334 million (2024: Nil) over the present and future fixed assets of the Company.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 22

Lease Liabilities

		2025	2024
	Note	Rupees	Rupees
Lease Liability		49,193,646	30,044,585
Less: Current portion		(11,718,625)	(7,995,071)
		37,475,021	22,049,514

22.1 Summary of amounts relating to leases charged in different line items of the unconsolidated financial statements is as follows:

	Included in			
Carrying amount of right of use assets	Statement of financial position	5.1	972,716,072	945,517,169
Depreciation charge	Statement of profit or loss	34	6,660,991	6,296,292
Finance cost	Statement of profit or loss	35	6,900,971	8,000,294
Payments made	Statement of cash flows		(21,611,804)	(7,821,326)

Maturity analysis of lease liabilities

	Undiscounted Cash Flows		Discounted Cash Flows	
	2025	2024	2025	2024
	Rupees	Rupees	Rupees	Rupees
Within one year	18,026,404	11,711,000	11,784,315	7,995,071
Between two to five years	30,051,014	24,099,556	21,178,524	22,049,514
Later than five years	31,913,338	-	16,230,807	-
	79,990,756	35,810,556	49,193,646	30,044,585

22.2 The Company has entered into lease agreement with Bank Al-Habib Limited to acquire vehicles. Total limit available during the current financial year was Rs. 100 million (2024: Rs. 100 million). These lease finance facilities are secured against the title of the leased vehicles in the name of the Bank.

22.3 The minimum lease payments have been discounted at implicit rate of 6 months KIBOR plus 1%. Lease rentals are payable in equal monthly instalments for vehicles and annually for leasehold land. Remaining lease term of existing lease contracts of which lease liability recorded is upto 3 years (2024: upto 4 years), and for land is upto 10 years (2024: Nil).

22.4 During the year, the Company acquired leasehold land for the installation of solar panels (Refer Note 5.2.1).

Note 23

Deferred Tax Liability

		2025	2024
	Note	Rupees	Rupees
Deferred tax liability	23.2	740,374,699	805,017,769
23.1 Reconciliation of deferred tax liabilities - net			
Opening balance		805,017,769	579,207,175
Recognized in statement of profit or loss		(64,643,070)	225,810,594
Recognized in other comprehensive income		-	-
Closing balance		740,374,699	805,017,769

23.2 Analysis of deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2025	2024	2025	2024
	----- Rupees -----		----- Rupees -----	
On taxable temporary difference				
Investments in associate	740,374,699	805,017,769	(64,643,070)	225,810,594

23.3 Deferred tax liabilities are recognized for all taxable temporary differences and are measured using the tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the related liabilities are settled.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 24

Trade and Other Payables

		2025	2024
	Note	Rupees	Rupees
Creditors		2,152,612,798	2,554,444,408
Bills payable - secured	24.1	2,019,434,396	2,900,940,985
Accrued expenses		1,561,739,818	1,592,589,252
Tax deducted at source		311,389,387	192,256,200
Workers' (profit) participation fund	24.2	68,933,544	60,836,241
Workers' welfare fund	24.3	191,254,867	160,050,494
Others		47,427,319	20,782,671
		6,352,792,129	7,481,900,251
24.1 These bills are secured against securities.			
24.2 Workers' (profit) participation fund			
Opening balance		60,836,241	63,406,734
Expense recognised during the year	36	68,933,544	60,836,241
Interest on workers' (profit) participation fund		5,127,729	6,990,418
		134,897,514	131,233,393
Payments made during the year		(65,963,970)	(70,397,152)
Closing balance		68,933,544	60,836,241
24.3 Workers' welfare fund			
Opening balance		160,050,494	128,189,518
Expense recognised during the year	36	31,204,373	31,860,976
		191,254,867	160,050,494
Payments made during the year		-	-
Closing balance		191,254,867	160,050,494

Note 25

Contract Liabilities

Advances from customers			
- Local		139,647,146	76,664,453
- Foreign		9,482,912	8,214,692
		149,130,058	84,879,145

25.1 This represents consideration received in advance from customers for future sale of goods. Revenue recognized from amounts included in contract liabilities at the beginning of the year amounted to Rs. 84.88 million (2024: Rs. 126.48 million).

Note 26

Accrued Mark-up

Long term financing		289,716,779	404,125,863
Short term borrowings		496,555,703	779,065,453
		786,272,482	1,183,191,316

Note 27

Current Portion of Non-Current Liabilities

Long term financing	21	2,586,634,157	2,064,069,240
Lease liabilities	22	11,718,625	7,995,071
Provisions against GIDC	27.1	101,145,975	101,145,975
		2,699,498,757	2,173,210,286

27.1 The Gas Infrastructure Development Cess (GIDC) was imposed under the GIDC Act, 2015 on industrial gas consumers to finance strategic pipeline projects. The Company has recognized a liability for GIDC on the amounts billed in accordance with applicable legal interpretations and accounting guidance. The matter is currently under litigation, and a stay has been granted by the Sindh High Court on August 16, 2021.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 28

Short Term Borrowings

		2025	2024
	Note	Rupees	Rupees
Short-term borrowings / running finances	28.1	11,047,623,115	13,808,782,891
Islamic finance - shariah compliant	28.2	6,972,828,121	2,613,081,741
		18,020,451,236	16,421,864,632

28.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs. 19,011 million (2024: Rs. 25,550 million). These finance facilities, during the current financial year, carried mark-up at the rates ranging from 12.03% to 21.83% (2024: 20.85% to 22.53%) per annum, effectively. The aggregate finance facilities are secured against charge over the Company's current assets, lien over export bills and banks' lien over letters of credit. These facilities shall be expiring on various dates, latest by February 28, 2026.

28.2 These facilities have been obtained from various banking companies having sanctioned limit amounting to Rs. 12,555 (2024: Rs. 7,400 million) for working capital requirements and carry interest/markup/profit at rates ranging from 12.13% to 21.63% (2024: 20.99% to 24.02%) per annum, effectively. The aggregate finance facilities are secured against charge over the Company's current assets, lien over export bills and over letters of credit. These facilities shall be expiring on various dates, latest by February 28, 2026.

28.3 Facilities available for opening letters of credit and guarantee from various commercial banks aggregate to be Rs. 11,900 million (2024: Rs. 6,502 million). Out of the available facilities, facilities aggregating to Rs. 7,445 million (2024: Rs. 2,975 million) remained unutilized as at the reporting date. These facilities are secured against lien over import documents and charge over current assets of the Company. These facilities shall expire on various dates latest by February 28, 2026.

Note 29

Provision for Taxation

Opening balance		1,077,084,063	769,682,788
Add: provision made during the year			
- Current tax		713,392,284	687,163,425
- Super tax		-	256,377,632
- Prior year adjustments	29.2	(97,801,410)	(47,752,048)
Tax expense for the year		615,590,874	895,789,009
		1,692,674,937	1,665,471,797
Less: payments / adjustments made during the year		(525,293,064)	(588,387,734)
		1,167,381,873	1,077,084,063

29.1 Income tax assessments of the Company have been finalized by the Income Tax Department or deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (the Ordinance) upto tax year 2024.

29.2 Under Section 65B of the Income Tax Ordinance, 2001, a tax credit of 10% was available on investment in eligible imported machinery. Through the Finance Act, 2019, this rate was reduced to 5%. The Commissioner Inland Revenue applied this amendment retrospectively, against which the Company filed an appeal in tax year 2019. The Supreme Court decided refund order of Rs. 149 million in favour of the Company. Rs. 51 million out of this refund order, the Company has already recognised in previous year.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 30

Contingencies and Commitments

30.1 Contingencies

- 30.1.1** Guarantees given by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregated to Rs. 1,660 million as at June 30, 2025 (2024: Rs. 1,452 million).
- 30.1.2** Sui Northern Gas Pipelines Limited (SNGPL) had raised an arrears demand aggregating to Rs. 75.221 million (2024: Rs. 75.221 million) from the Company against the charge that the Company's gas meter was not working properly. The Company challenged the said demand by filing a petition before the General Manager, SNGPL, Lahore (the GM). Now, the case has been referred to the Gas Utility Court (the Court) as per the requirement of the Gas (Theft Control and Recovery) Act, 2016. As per the direction of the Court, the Company has deposited Rs. 75.221 million under protest and grouped this amount under loans and advances (note 13). If the case is decided in the Company's favor, the Company will receive back the demand paid under protest. The case is still pending before the Court. The Company has challenged the demand and wants to provide the record of curtailment days (the period for which gas was not supplied to the Company). The next date of hearing is October 04, 2025.
- 30.1.3** The Company has filed a petition before the Civil Court of Multan against SNGPL, which has alleged that the Company's gas meter was malfunctioning during the period from May 2012 to September 2013. SNGPL has raised a demand of Rs. 1.101 million. The Company's petition is currently pending adjudication.
- 30.1.4** The Company had challenged the imposition of infrastructure cess by the Directorate of Excise & Taxation, Karachi (the Directorate) at the rate of 0.85% of the value of imported goods by filing a suit before the High Court of Sindh at Karachi (the Court). The Court had directed the Company to furnish a bank guarantee covering the disputed amount of cess. The Company, during the period from December 28, 2006 to May 30, 2011, had utilised bank guarantees to the tune of Rs. 32.489 million. The Directorate, vide its letter dated July 13, 2011, had requested the Company to furnish a bank guarantee of 50% of the aforementioned amount along with a demand draft for the balance 50% of the aforementioned amount in order to return of the previous bank guarantees.

The Company had submitted a bank draft amounting to Rs. 16.245 million to the Directorate during September, 2011, which was expensed out in year 2013. Habib Bank Limited, on behalf of the Company in consideration of allowing the release of consignments imported from time to time for the purpose of carriage of goods by road within the province of Sindh, has undertaken and guaranteed to pay an amount of Rs. 16.245 million to the Directorate in case if the Court decides that the cess imposed under the Sindh Finance Act, 1994 is lawful and validly imposed. The bank guarantee is valid upto August 15, 2025.

During the pendency of litigation, the Government of Sindh has revised the rate of Infrastructure Cess to 1.85% of the value of imported goods through subsequent amendments to the Sindh Finance Act. In compliance with the directions of the Honorable Supreme Court of Pakistan in C.P. No. 4847/2021 and C.P. No. 4854/2021, the Company has furnished a fresh bank guarantee amounting to Rs. 10 million from Askari Bank Limited, in favor of the Directorate of Excise & Taxation (Taxes-II), Karachi. The guarantee, duly executed and supported by a non-judicial E-Stamp paper, remains valid until the final decision of the Honorable Supreme Court.

- 30.1.5** Foreign and local bills discounted outstanding as at the reporting date aggregated to Rs. 10,472.564 million (2024: Rs. 5,235.873 million) and Rs. 596.114 million (2024: Rs. 1,195.985 million) respectively.

30.2 Commitments

	Note	2025 Rupees	2024 Rupees
Commitments for irrevocable letters of credit:			
- Capital expenditure		27.264	5.773
- Others		748.356	2,069.365
		775.620	2,075.138

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Sales

	2025			2024		
	Local Rupees	Export Rupees	Total	Local Rupees	Export Rupees	Total
Yarn	19,503,908,360	7,114,643,090	26,618,551,450	4,256,077,868	32,018,463,013	36,274,540,881
Cloth	19,861,718,399	1,374,717,591	21,236,435,990	4,939,435,805	16,256,053,059	21,195,488,864
Waste	1,816,969,873	-	1,816,969,873	2,373,121,015	152,777,693	2,525,898,708
Doubling/sizing income	96,609,267	-	96,609,267	101,384,241	-	101,384,241
Apparel	208,329,766	9,358,460,798	9,566,790,564	92,726,416	6,635,697,429	6,728,423,845
Cotton	4,796,266,597	-	4,796,266,597	4,224,335,347	-	4,224,335,347
	46,283,802,262	17,847,821,479	64,131,623,741	15,987,080,692	55,062,991,194	71,050,071,886
Sales tax	(7,060,241,004)	-	(7,060,241,004)	(4,466,304,881)	-	(4,466,304,881)
	39,223,561,258	17,847,821,479	57,071,382,737	11,520,775,811	55,062,991,194	66,583,767,005

31.1 Revenue has been recognised at a point in time for both local and export sales during the year.

31.2 The Company's revenue based on geographical locations is given as under:

	Note	2025	2024
		Rupees	Rupees
Pakistan		39,223,561,258	11,520,775,811
Others	12.3	17,847,821,479	55,062,991,194
		57,071,382,737	66,583,767,005

Note 32

Cost of Sales

Raw materials consumed		37,816,160,756	42,919,620,941
Stores and spares consumed		1,305,227,877	1,321,198,452
Packing materials consumed		285,465,229	459,102,157
Salaries, wages and benefits	32.1	3,496,674,418	2,989,090,034
Power and fuel		5,377,500,812	4,886,148,256
Repairs and maintenance		60,802,852	60,131,526
Depreciation	5.5	1,897,050,002	1,710,908,624
Insurance		256,007,213	229,197,189
Doubling charges		88,551,261	117,244,075
		50,583,440,420	54,692,641,254
Work-in-process			
- Opening		1,083,325,503	1,354,322,926
- Closing		(2,041,555,956)	(1,083,325,503)
		(958,230,453)	270,997,423
Cost of goods manufactured		49,625,209,967	54,963,638,677
Finished goods			
- Opening stock		3,126,479,544	5,018,076,664
- Closing stock		(3,643,824,678)	(3,126,479,544)
		(517,345,134)	1,891,597,120
		49,107,864,833	56,855,235,797

32.1 This includes staff retirement benefits amounting to Rs. 207.714 million (2024: Rs. 105.524 million).

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 33

Distribution Cost

		2025	2024
	Note	Rupees	Rupees
Advertisement		9,284,602	12,869,578
Export expenses		240,053,022	441,065,538
Commission		844,828,646	878,205,323
Export development surcharge		44,528,812	62,343,032
Freight and other expenses		272,104,172	287,303,388
		1,410,799,254	1,681,786,859

Note 34

Administrative Expenses

Salaries and benefits	34.1	546,464,667	477,161,789
Travelling and conveyance	34.2	185,303,731	177,944,204
Rent, rates and taxes		6,415,493	4,738,576
Entertainment		77,711,438	74,598,020
Utilities		20,094,346	30,903,125
Communication		51,004,220	52,313,382
Printing and stationery		27,520,522	28,749,438
Insurance		21,603,856	17,051,908
Repairs and maintenance		56,450,728	63,032,502
Vehicles running and maintenance		72,403,628	60,669,918
Subscription and licensing fees		72,597,081	48,444,662
Auditors' remuneration		2,702,500	2,350,000
Legal and professional charges		28,259,578	6,855,088
Depreciation	5.5	137,355,061	138,835,151
Amortization	7.1	5,965,645	6,872,796
General		14,407,075	10,312,638
		1,326,259,569	1,200,833,197

34.1 This includes staff retirement benefits - amounting to Rs. 23.016 million (2024: Rs. 16.413 million).

34.2 This includes directors' travelling expenses aggregating Rs. 27.412 million (2024: Rs. 26.793 million).

34.3 Auditors' remuneration

- Audit fee	2,127,500	1,850,000
- Half yearly review fee	402,500	350,000
- Certification fee	172,500	150,000
	2,702,500	2,350,000

Note 35

Finance Cost

Markup on:		
- Long term financing	1,321,301,849	1,604,714,977
- Short term borrowings	2,448,014,333	3,766,022,698
- Lease liabilities	6,900,971	8,000,294
Interest on workers' (profit) participation fund	5,127,729	6,990,418
Bank charges and commission	329,181,562	245,652,848
	4,110,526,444	5,631,381,235

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 36

Other Operating Expenses

		2025	2024
	Note	Rupees	Rupees
Donations	36.1	55,678,554	25,894,115
Loss on valuation of asset held for sale		-	234,059,305
Allowance for expected credit losses (ECL)	12.2	26,234,375	16,328,178
Provision for doubtful loan and advances		-	26,907,267
Provision for doubtful other receivables		-	2,159,113
Workers' (profit) participation fund		68,933,544	60,836,241
Workers' welfare fund		31,204,373	31,860,976
		182,050,846	398,045,195

36.1 Details of donations to a single party exceeding the higher of Rs. 500,000 or 10% of the Company's total donation amount are as follows:

Kehkashan Welfare Society	9,000,000	825,000
Health Care Delivery Foundation	7,000,000	-
Education For All Foundation	1,460,000	-
Saleem Memorial Trust Hospital	1,000,000	-
Punjab Social Security Health Management Company	-	1,865,000
APTMA relief activities of the Government	-	500,563
Care Model School	-	2,148,000
Madarasa Mehr Fatima	-	3,600,000
Al-Khidmat Foundation	-	800,000
The Patients Behbud Society	-	1,500,000
Lahore Garrison Shooting Gallery	-	1,000,000
Empowering Ruler Communities	-	4,200,000
	18,460,000	16,438,563

36.1.1 None of the directors or their spouses have any interest in the donees.

Note 37

Other Income

Dividends	1,032,000	-
Bank profit	50,639,237	-
Gain on disposal of short-term investments - net	1,935,642	3,109,006
Unrealised gain on remeasurement of short-term investments - net	32,146,833	6,289,565
Exchange gain	58,088,457	4,672,035
Amortization of deferred grant	87,428,540	89,402,213
Fair value gain on investment property	76,062,000	11,351,000
Export rebate	20,240,187	-
Gain on disposal of operating fixed assets - net	17,078,270	2,667,406
	344,651,166	117,491,225

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 38

Levy / Final Taxation

	2025	2024
	Rupees	Rupees
For the year	713,392,284	895,789,009

38.1 This represents portion of minimum tax paid / final tax paid which is over and above the normal tax liability under different provisions of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 / IAS 37.

38.2 No numeric tax rate reconciliation is presented in these unconsolidated financial statements as the Company is only liable to pay tax due under sections 4C (Super tax on high earning persons), 5 (Tax on dividends), 37 A (Capital gains on sale of securities), 113 (Minimum tax on the income of certain persons) and 154 (Tax on export proceeds) of the Ordinance.

Note 39

Taxation

Current tax	-	-
Prior period adjustment	(97,801,410)	-
Deferred tax	(64,643,070)	225,810,594
	(162,444,480)	225,810,594

39.1 Reconciliation of Final tax and Income tax under IAS 12:

Current tax liability as per applicable tax laws	713,392,284	895,789,009
Portion of current tax liability representing income tax as per IAS-12	-	-
Portion of final tax liability representing final taxation as per IFRIC-21 / IAS-37	(713,392,284)	(895,789,009)
Difference	-	-

39.2 The current tax expense for the year is calculated using minimum tax rate of 1.25% (2024: 1%) and super tax Nil (2024: 10%). Deferred tax liabilities are recognized for all taxable temporary differences and are measured using the tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the related liabilities are settled.

Note 40

Earnings per Share

Profit after taxation attributable to ordinary shareholders	Rupees	978,066,486	249,536,591
Weighted average number of ordinary shares outstanding during the year	Numbers	30,000,000	30,000,000
Earnings per share	Rupees	32.60	8.32

40.1 Diluted Earnings per Share

There is no dilution effect on the earnings per share of the Company as the Company does not have any convertible instruments in issue as at the reporting date (2024: Nil) which would have any effect on the earnings per share if the option to convert is exercised.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 41

Cash Generated from Operations

		2025	2024
	Note	Rupees	Rupees
Cash Flows from Operating Activities			
Profit before levy and taxation		1,529,014,290	1,371,136,194
Adjustments for:			
- Depreciation	5.4	2,034,405,063	1,849,743,775
- Share of net profit of associate	8	(250,481,333)	(437,160,247)
- Amortization of intangible assets	34	5,965,645	6,872,796
- Amortization of deferred grant	37	(87,428,540)	(89,402,213)
- Gain on disposal of property, plant and equipment - net	37	(17,078,270)	(2,667,406)
- Finance cost on lease liabilities	35	6,900,971	-
- Gain on sale of short-term investments	37	(1,935,642)	(3,109,006)
- Dividend income on short-term investments	37	(1,032,000)	-
- Exchange gain on translation	37	(58,088,457)	(4,672,035)
- Fair value gain on re-measurement of short-term investments	37	(32,146,833)	(6,289,565)
- Fair value gain on investment property	37	(76,062,000)	(11,351,000)
- Loss on valuation of asset held for sale	36	-	234,059,305
- Interest on workers' (profit) participation fund	35	5,127,729	6,990,418
- Provision of workers' (profit) participation fund	36	68,933,544	60,836,241
- Provision of workers' welfare fund	36	31,204,373	31,860,976
- Allowance for expected credit losses (ECL)	36	26,234,375	16,328,178
- Provision for doubtful loan and advances	36	-	26,907,267
- Provision for doubtful other receivables	36	-	2,159,113
- Finance cost	35	3,769,316,182	5,378,737,969
		5,423,834,807	7,059,844,566
Operating profit before working capital changes		6,952,849,097	8,430,980,760
Decrease / (increase) in current assets:			
- Stores, spares and loose tools	10	175,974,325	513,876,531
- Stock in trade	11	(1,970,096,256)	905,751,575
- Trade debts	12	581,834,990	(590,847,752)
- Loans and advances	13	(38,819,000)	(159,842,249)
- Other receivables	14	51,560,173	(233,712,544)
- Sales tax due from the Government	16	(1,201,966,536)	224,405,444
Increase / (decrease) in current liabilities:			
- Trade and other payables		(1,168,419,798)	980,515,020
- Contract liabilities		64,250,913	(41,597,879)
		(3,505,681,189)	1,598,548,146
Cash Generated from Operations		3,447,167,908	10,029,528,906

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 42

Balances and Transactions with Related Parties

Related parties comprise associated company, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Transactions during the year

Related party	Basis of Relationship	Aggregate Shareholding	Nature of Transaction	2025 Rupees	2024 Rupees
Masood Spinning Mills Limited	Common directorship	32.41%	Sale of goods	9,656,200,340	1,344,548,639
			Purchase of goods	10,363,823,475	1,832,734,350
			Expense incurred	120,299,233	-
			Amount received	8,264,397,182	1,437,001,308
			Amount paid	8,962,865,680	1,833,021,109
			Doubling revenue	81,848,260	92,165,910
			Share of profit	250,481,333	437,160,247
			Share of equity	69,976,922	-
Multan Fabrics (Private) Limited	Common directorship		Sale of goods	169,315,169	112,091,188
			Doubling revenue	24,000	332,684
			Expense incurred	618,377	-
			Amount received	169,957,546	112,423,872
Roomi Enterprises (Private) Limited	Common directorship		Purchase of goods	2,454,388	-
			Expense incurred	407,848	-
			Amount received	203,460	-
			Amount paid	2,250,000	-
Roomi Poultry (Private) Limited	Common directorship		Sale of vehicles	27,500,000	-
			Amount received	27,500,000	-
Orient Power Company (Private) Limited	Shareholding	11.07%	Dividend income	287,540,173	262,007,929
			Amount received	287,540,173	262,007,929
Mr. Khawaja Muhammad Asghar	Director	0.0005%	MG Apparel Limited shares acquired	9,090	-
Balances Outstanding for the Year Ended					
Masood Spinnings Mills Limited		Trade debts		192,992,858	-
		Investment		2,394,219,001	2,073,750,746
Mr. Khawaja Muhammad Asghar	Director	Payable against MG Apparel Limited shares		9,090	-

42.1 There were no transactions with key management personnel other than those undertaken as per terms of their employment that have been disclosed in Note 43.

42.2 Sales and purchase transactions have been carried out on commercial terms and conditions under comparable uncontrolled price method.

Note 43

Chief Executive's Officer, Directors' and Executives' Remuneration

Aggregate amounts charged in the unconsolidated financial statements for the year as remuneration and benefits to the Chief Executive Officer, Directors and Executives of the Company are as follows:

	2025			2024		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	7,602,000	7,800,000	193,238,579	8,065,200	7,114,800	107,984,836
Staff retirement benefits	-	-	14,246,266	-	-	8,995,137
Meeting fee	-	320,000	-	-	200,000	-
Travelling	-	23,016,000	-	-	26,793,000	-
	7,602,000	31,136,000	207,484,845	8,065,200	34,107,800	116,979,973
Number of persons	1	3	67	1	3	54

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- 43.1** In addition to above, the Chief Executive Officer, Directors, and Executives are provided with free use of the Company maintained vehicles in accordance with the Company's policy.
- 43.2** An Executive is defined as an employee, other than the Chief Executive Officer and Directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 44

Segment Information

For management purposes, the activities of the Company are recognized into three operating segments, i.e. spinning, weaving and apparel. The Company operates in the said reportable operating segments based on the nature of the product, risk and return, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these unconsolidated financial statements relate to the Company's reportable segments of spinning, weaving and apparel. Entity-wide disclosures regarding reportable segments are as follows:

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
44.1 Segment Results for the year ended June 30, 2025				
Revenue	29,260,452	18,275,920	9,535,011	57,071,383
Operating profit	3,166,311	1,293,306	766,842	5,226,459
Total results for reportable segments				5,226,459
Unallocated income and expenses				
Finance cost				(4,110,526)
Other operating expense				(182,051)
Other income				344,651
Share of net profit from associate				250,481
Profit before levy and taxation				1,529,014
Levy / final taxation				(713,392)
Profit before Taxation				815,622
Taxation				162,444
Net Profit for the Year				978,066

Segment Results for the year ended June 30, 2024

Revenue	43,857,579	16,010,677	6,715,511	66,583,767
Operating profit	5,786,239	480,036	579,636	6,845,911
Total results for reportable segments				6,845,911
Unallocated income and expenses				
Finance cost - unallocated				(5,631,381)
Other operating expense				(398,045)
Other income				117,491
Share of net profit from associate				437,160
Profit before levy and taxation				1,371,136
Levy / final taxation				(895,789)
Profit before Taxation				475,347
Taxation				(225,811)
Net Profit for the Year				249,536

44.2 Segment financial position for the year ended June 30, 2025

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
Assets	33,280,195	9,135,113	10,547,571	52,962,879
Unallocated Assets				
Tax refunds due from the Government				2,487,565
Cash and bank balances				98,405
Assets classified as held for sale				1,797,846
Total assets				57,346,695

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
Liabilities	23,363,585	6,838,377	6,595,626	36,797,588
Unallocated liabilities				
Unclaimed dividend				3,680
Provision for taxation				1,167,382
Lease liabilities				37,475
Deferred taxation				786,272
Gas infrastructure development cess (GIDC) payable				101,146
Total liabilities				38,893,543

Segment financial position for the year ended June 30, 2024

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
Assets	30,219,555	6,340,852	13,966,421	50,526,828
Unallocated Assets				
Tax refunds due from the Government				1,068,250
Cash and bank balances				31,958
Assets classified as held for sale				3,406,103
Total assets				55,033,138
Liabilities	25,895,607	1,931,416	7,784,034	35,611,057
Unallocated liabilities				
Unclaimed dividend				3,681
Provision for taxation				1,077,084
Lease liabilities				30,045
Deferred taxation				805,018
Gas infrastructure development cess (GIDC) payable				101,146
Total liabilities				37,628,030

44.3 Major customers:

Sales to one customer represents 16.92% (2024: 1.70%) of the total revenue.

44.4 Geographical Information:

The Company's revenue from external customers by geographic region is as follows:

	2025	2024
	%	%
Pakistan	69%	17%
United States	1%	3%
China	7%	14%
Turkey	1%	4%
Others	22%	62%
	100%	100%

44.5 All segments of the Company are managed on nation-wide basis and operate manufacturing facilities and sale offices in Pakistan.

44.6 All non-current assets of the Company as at June 30, 2025 are located in Pakistan.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 45

Plant Capacity and Production

		2025	2024
	UOM	Rupees	Rupees
The production during the year is as follows:			
Yarn			
Number of spindles installed		156,720	158,064
Number of spindles-shifts worked		168,950,283	169,467,392
Production capacity at 20's count 1,094 shifts (2024: 1,097 shifts)	Kgs	66,164,300	65,192,474
Actual production converted into 20's count	Kgs	65,813,462	63,822,963
Cloth			
Number of looms installed		228	228
Number of looms-shifts worked		249,432	250,116
Installed capacity at 60 picks 1,094 shifts (2024: 1,097 shifts)	Meters	58,821,841	58,325,450
Actual production converted into 60 picks	Meters	54,311,899	52,435,753
Apparel			
Installed capacity	Pieces	5,454,000	5,454,000
Actual production	Pieces	4,945,049	3,456,697
Power House			
Number of generators installed		19	19
Number of shifts worked		1,094	1,097
Generation capacity	MW	27	27
Actual generation	MW	5	14

45.1 Reasons attributable to under utilization of optimal production capacity are mainly due to various factors such as spindles speed, twist, maintenance of machinery, power shutdown, demand etc.

45.2 It is difficult to describe precisely the production capacity in spinning / weaving mills since it fluctuates widely depending on various factors such as count of yarn spun, spindles' speed, twist, the width and construction of fabric woven, etc. It also varies according to the pattern of production adopted in a particular year.

Note 46

Credit Facilities Available to the Company - Short Term Borrowings

	2025			2024		
	Available Limit	Utilised Credit	Unavailed Credit	Available Limit	Utilised Credit	Unavailed credit
	----- Rupees in million -----			----- Rupees in million -----		
Funded facilities						
Conventional mode of finance	19,011	11,118	7,893	18,150	12,711	5,439
Islamic financing	12,555	6,973	5,582	7,400	3,711	3,689
	31,566	18,091	13,475	25,550	16,422	9,128
Unfunded facilities						
Letters of credits	9,950	2,795	7,155	5,050	2,075	2,975
Letters of guarantees	1,950	1,660	290	1,452	1,452	-
	11,900	4,455	7,445	6,502	3,527	2,975

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 47

Financial Risk Management

47.1 Financial risk factors

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

Risk management is carried out by the Board of Directors (the Board). The Company's finance department evaluates financial risks based on principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity provided by the board of directors. Risk management is actively reviewed to reflect changes in market conditions

(a) 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 foreign currency, interest rate, commodity price and equity price that will effect the Company's income or the value of its holdings of financial instruments.

(i) Currency risk

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

The Company is exposed to foreign currency risk on import of plant & machinery, raw materials, stores & spares and export of goods mainly denominated in U.S Dollars (US \$), Euro (€), Japanese Yen (JPY) and Swiss Franc (CHF). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to foreign entities. As at the reporting date, the Company's exposure to currency risk was as follows:

2025					
	Rupees	USD	Euro	JPY	CHF
<u>On balance sheet:</u>					
Foreign debtors	2,903,908,668	10,232,699	836	-	-
Bills payable	(2,019,434,396)	(7,116,699)	-	-	-
	884,474,272	3,116,000	836	-	-
<u>Off balance sheet:</u>					
Outstanding commitments against letters of credit	(775,620,000)	(2,733,366)	-	-	-
	108,854,272	382,634	836	-	-
2024					
	Rupees	USD	Euro	JPY	CHF
<u>On balance sheet:</u>					
Foreign debtors	3,676,453,056	13,172,103	1,569	-	-
Bills payable	(2,900,940,985)	(10,392,156)	(28,178)	-	(4,680)
	775,512,071	2,779,947	(26,609)	-	(4,680)
<u>Off balance sheet:</u>					
Outstanding commitments against letters of credit	(2,075,138,000)	(7,173,238)	(253,659)	(1,749,814)	-
	(1,299,625,929)	(4,393,291)	(280,268)	(1,749,814)	(4,680)

Exchange rate applied during the year

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2025	2024	2025	2024
USD to PKR	281.05	282.17	283.76	278.34
Euro to PKR	315.17	305.31	332.65	297.69
JPY to PKR	1.85	1.86	1.97	1.73
CHF to PKR	332.37	314.59	355.32	309.41

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Sensitivity analysis

If the functional currency, at reporting date, had strengthened or weakened by 1% against the foreign currencies with all other variables held constant, profit before tax for the year would have been higher / (lower) by Rs. 1.089 million (2024: 12.996 million), mainly as a result of net foreign exchange gain / (loss) on translation of foreign debtors and bills payable.

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on profit before levy and taxation.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit before levy and taxation for the year and assets / liabilities of the company.

(ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. Price risk arises from the Company's investments in ordinary shares of listed companies. To manage the price risk arising from the aforesaid investments, the Company actively monitors the key factors that affect stock price movement.

Sensitivity analysis

A change of 1% in the value of investments at fair value through profit or loss would have increased / decreased profitability of the Company by Rs. 0.511 million (2024: Rs. 0.288 million) on the basis that all other variables remain constant.

(iii) Interest rate risk

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

As at the reporting date the interest rate profile of the Company's interest bearing financial instruments are as follows:

	2025	2024
	Rupees in thousands	
Fixed rate instruments - Financial liabilities		
Long term financing	4,407,416	5,031,584
Floating rate instruments - Financial liabilities		
Long term financing	7,115,705	5,407,638
Lease liabilities	49,194	18,793
Short term borrowings	18,020,451	16,421,865
Floating rate instruments - Financial assets		
Bank balances in saving's account	25	1,434

Sensitivity analysis for fixed rate instruments

The Company has certain financial liabilities and financial assets at fixed rate. Therefore, no impact on profit or loss of the Company is expected.

Cash flow sensitivity analysis for variable rate instruments

If mark-up rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 251.185 million (2024: Rs. 218.469 million) lower / higher, mainly as a result of higher / lower mark-up expense on variable rate financial liabilities.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk of the Company arises from trade debts, trade deposits, other receivables, short term investments and bank balances. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Exposure to credit risk

The Company exposure to credit risk is equal to the carrying amount of the financial assets. The maximum exposure to credit risk as at the reporting date:

	Note	2025	2024
		Rupees in thousand	
Investment in associates	8	2,394,219	2,073,751
Trade debts	12	6,174,181	6,724,162
Other receivables	14	436,089	487,649
Short term investments	15	51,118	28,771
Bank balances	17	77,259	23,249
Assets classified as held for sale	18	1,797,846	3,406,103
The aging of trade debts as at the reporting date is as follows:			
Not past due		4,279,858	4,664,429
Past due less than 3 months		1,548,393	988,900
Past due less than 6 months		225,753	699,155
past due more than 6 months		120,177	371,678
		6,174,181	6,724,162

The Company's exposure relating to credit risk relating to trade debt is disclosed in relevant notes to the financial statement. There are no significant trade debts that are past due as at the reporting date.

Customer credit risk is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are operated in largely independent markets. The credit risk on liquid funds is limited because the counter parties are either banks (with reasonably high credit ratings) and trade receivables for which the exposure is spread over a large numbers of counter parties.

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

	Credit Rating		Rating Agency	2025	2024
	Short term	Long term		Rupees	Rupees
Bank Al-Habib Limited	A-1+	AAA	PACRA	7,781,408	2,151,886
Bank Islami Pakistan Limited	A-1	AA-	PACRA	31,689,608	5,633,611
Habib Bank Limited	A-1+	AAA	VIS	299,064	1,650,765
MCB Bank Limited	A-1+	AAA	PACRA	1,021,743	1,019,707
National Bank of Pakistan	A-1+	AAA	PACRA	21,313,491	1,761,403
Soneri Bank Limited	A-1+	AA-	PACRA	-	2,673,179
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA	13,816,472	240,469
The Bank of Punjab	A-1+	AA+	PACRA	604,885	1,803,543
United Bank Limited	A-1+	AAA	VIS	1,052	179,272
Askari Bank Limited	A-1+	AA+	PACRA	24,508	2,254,309
The Bank of Khyber	A-1	A+	PACRA	-	530,515
Faysal Bank Limited	A-1+	AA	PACRA	122,119	1,213,036
Allied Bank Limited	A-1+	AAA	PACRA	-	334,470
Dubai Islamic Bank Limited	A-1	AA	VIS	173,432	-
Bank Makramah Limited	A-3	BBB-	VIS	-	6,222
Bank Alfalah Limited	A-1+	AAA	PACRA	1,010	1,100,000
Albaraka Bank Limited	A-1	AA-	VIS	392,148	678,495
Industrial and Commercial Bank of China Limited	F1+	A	Fitch Ratings	18,006	18,586
				77,258,946	23,249,468

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

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages its liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Following are the contractual maturities of financial liabilities:

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Contractual maturities of financial liabilities as at June 30, 2025:

	Carrying Amount	Contractual Cash Flows	Less than 1 Year	1-5 Years	More than 5 Years
----- Rupees in thousand -----					
Long term financing	11,523,121	12,420,984	2,766,294	4,926,578	4,728,112
Lease liabilities	49,194	79,990	18,026	30,051	31,913
Short term borrowings	18,020,451	18,020,451	18,020,451	-	-
Trade and other payables	5,781,214	5,781,214	5,781,214	-	-
Unclaimed dividend	3,680	3,680	3,680	-	-
Accrued mark-up	786,272	786,272	786,272	-	-
	36,163,932	37,092,591	27,375,937	4,956,629	4,760,025

Contractual maturities of financial liabilities as at June 30, 2024:

	Carrying Amount	Contractual Cash Flows	Less than 1 Year	1-5 Years	More than 5 Years
----- Rupees in thousand -----					
Long term financing	10,439,222	14,441,662	3,146,032	8,096,981	3,198,649
Lease liabilities	30,045	35,811	11,711	24,100	-
Short term borrowings	16,421,865	16,421,865	16,421,865	-	-
Trade and other payables	7,068,757	7,068,757	7,068,757	-	-
Unclaimed dividend	3,680	3,680	3,680	-	-
Accrued mark-up	1,183,191	1,183,191	1,183,191	-	-
	35,146,760	39,154,966	27,835,236	8,121,081	3,198,649

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these financial statements.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at the reporting date, the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values.

The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

	June 30, 2025			June 30, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
----- Rupees in thousand -----						
Short term investments	51,118	-	-	28,771	-	-

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

47.2 Financial instruments by categories

	Fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
Rupees in thousand				
Financial assets as at June 30, 2025				
Short term investments	51,118	-	-	51,118
Long term investments	-	2,394,219	-	2,394,219
Trade debts	-	6,174,181	-	6,174,181
Other receivables	-	436,089	-	436,089
Bank balances	-	98,405	-	98,405
Assets classified as held for sale	1,797,846	-	-	1,797,846
	1,848,964	9,102,894	-	10,951,858
Financial assets as at June 30, 2024				
Short term investments	28,771	-	-	28,771
Investment in associates	-	2,073,751	-	2,073,751
Trade debts	-	6,724,162	-	6,724,162
Other receivables	-	487,649	-	487,649
Bank balances	-	31,958	-	31,958
Assets classified as held for sale	3,406,103	-	-	3,406,103
	3,434,874	9,317,520	-	12,752,394
Financial liabilities at amortized cost				
		2025	2024	
Rupees in thousand				
Long term financing		11,523,121	10,439,222	
Lease liabilities		49,194	30,045	
Trade and other payables		5,781,214	7,068,757	
Unclaimed dividends		3,680	3,680	
Accrued mark-up		786,272	1,183,191	
Short term borrowings		18,020,451	16,421,865	
		36,163,932	35,146,760	

47.3 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Note 48

Reconciliation of Liabilities arising from Financing Activities

		As at July 01, 2024	Non-cash changes	Cash flows - net	As at June 30, 2025
----Rupees in thousand----					
Long term finances	21	10,439,222	(87,429)	1,171,328	11,523,121
Short term borrowings	28	16,421,865	-	1,598,586	18,020,451
Lease liability	22	30,045	40,761	(21,612)	49,194
Unclaimed dividend		3,680	-	-	3,680
Total liabilities from financing activities		26,894,812	(46,668)	2,748,302	29,596,446
As at July 01, 2023					
----Rupees in thousand----					
Long term finances	21	10,722,100	(45,142)	(237,736)	10,439,222
Short term borrowings	28	17,654,510	-	(1,232,645)	16,421,865
Lease liability	22	38,432	(566)	(7,821)	30,045
Unclaimed dividend		3,700	-	(20)	3,680
Total liabilities from financing activities		28,418,742	(45,708)	(1,478,222)	26,894,812

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 49

Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchasing shares, if possible, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating its dividend payout thus maintaining smooth capital management.

In line 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 employed. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital employed is calculated as equity as shown in the statement of financial position plus net debt.

		2025	2024
As at the reporting date, the gearing ratio of the Company was as under:	Note	Rupees in thousand	
Total borrowings	21 & 28	29,656,437	26,970,228
Cash and bank balances	17	(98,405)	(31,958)
Net debt		29,558,032	26,938,270
Equity		18,453,151	17,405,108
Total capital employed		48,011,183	44,343,378
Gearing Ratio		61.56%	60.75%

Note 50

Shariah Screening Disclosures

		2025	2024
	Note	Rupees in thousand	
Loans / advances obtained as per Islamic mode - Short Term Borrowings	28.2	672,828	2,613,082
Loans / advances obtained as per Islamic mode - Long Term finances	21	3,176,971	1,720,722
Mark up paid on Islamic mode of financing			
Shariah compliant bank deposits / bank balances	17	34,681	1,434
Profit earned from shariah compliant bank deposits / bank balances		-	1,690
Revenue earned from a shariah compliant business segment		22,828,553	34,414,992
Gain / loss or dividend earned from shariah compliant investments			
Finance cost paid on Islamic mode of financing	35	1,146,375	927,827
Interest paid on any conventional loan or advance		2,629,772	4,450,911
Interest or markup accrued on any conventional loan or advance		585,465	881,047
Interest paid on any conventional loan or advance		2,336,832	2,271,923

For total finance cost including on conventional loans, refer to note 35.

For exchange gains, refer to note 37

The company maintains bank accounts with Meezan Bank Limited, Bank of Khyber, Bank Islami Pakistan Limited, Al Baraka Bank, National Bank of Pakistan and Bank Al Habib.

Note 51

Number of Employees

	2025	2024
Total number of employees as at	Number	Number
Permanent	8,509	8,334
Contractual	1,483	1,428
Average number of employees during the year		
Permanent	7,283	7,176
Contractual	1,412	1,096

Note 52

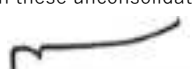
Authorization of Unconsolidated Financial Statements

These unconsolidated financial statements were approved and authorized by the Board of Directors of the Company for issuance on October 11, 2025.

Note 53

General

Corresponding figures are rearranged / reclassified for better presentation and comparison. No re-arrangements have been made in these unconsolidated financial statements.


Kh. Muhammad Ilyas
Chairman


Kh. Muhammad Younus
Chief Executive Officer


Yasir Ghaffar
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

DIRECTOR'S REPORT (CONSOLIDATED FINANCIAL STATEMENTS)

The Directors of Mahmood Textile Mills Limited (the "Company") are pleased to present the Director's Report on the Consolidated Financial Statements of the Group for the year ended June 30, 2025.

Group Structure

The Group consists of the following entities:

Company Name	Status within the Group
Mahmood Textile Mills Limited (MTML)	Holding Company
MG Apparel Limited (MGAL)	Wholly Owned Subsidiary Company
Masood Spinning Mills Limited	(MSML) Associated Company (32.41% shareholding)

Overview and Performance

During the year under review, the Group maintained its focus on operational efficiency, cost optimization, and sustainability initiatives, despite challenging global and domestic business conditions. Consolidated results reflect the combined performance of the Holding Company and its Subsidiary, representing continued stability and resilience in a competitive textile environment.

The acquisition and operational commencement of MG Apparel Limited, a wholly owned subsidiary engaged in manufacturing and stitching of garments, knitwear, and made-ups, has further strengthened the Group's presence across the textile value chain. This strategic expansion is expected to enhance product diversification and open new export opportunities in the coming years.

Associated Company

The Group continues to hold a 32.41% equity stake in Masood Spinning Mills Limited (MSML). The investment has contributed positively through dividend income and share of profit, reflecting the associated company's steady performance in the spinning segment.

Financial Highlights

The consolidated financial performance demonstrates improved profitability, supported by prudent financial management and operational discipline. The Group has maintained a strong liquidity position and managed to reduce its overall finance cost through efficient resource allocation.

Earnings per share on a consolidated basis have shown significant improvement, reaffirming the Group's commitment to shareholder value creation.

Future Outlook

Looking ahead, the Group aims to leverage its vertically integrated operations, enhance efficiency, and expand value-added segments through MG Apparel Limited. The management remains optimistic that easing inflationary pressures and an expected moderation in interest rates will support sustainable growth in the upcoming year.

Acknowledgement

The Board places on record its sincere appreciation to all employees, shareholders, banks, and business partners for their continued trust, dedication, and support in achieving the Group's objectives.



Khawaja Muhammad Ilyas
(Chairman)



Khawaja Muhammad Younus
(Chief Executive Officer)

Multan:

Dated: October 11, 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed consolidated financial statements of **MAHMOOD TEXTILE MILLS LIMITED** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2025 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the 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.

Emphasis of Matter

We draw attention to Note 1.4 to the consolidated financial statements which states that during the year, the Board of Directors of the Holding Company has approved a Scheme of Arrangement. In this scheme of arrangement, assets and liabilities of the Apparel segment will be transferred to the subsidiary Company, namely, MG Apparel Limited. For this, the Holding Company has filed application before the Honorable High Court, Multan Bench for approval. The Holding Company is in process of obtaining approval of the Court. No accounting adjustments have been recorded in these Consolidated financial statements in respect of the proposed Scheme, as approval from the Court is awaited. Our opinion is not modified in relation to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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:

Key audit matters	How the matters were addressed in our audit
1. Revenue Recognition	
Refer to notes 3.14 & 31 to the consolidated financial statements. Revenue of the Group, for the year ended June 30, 2025, amounts to Rs. 57,071.382 million. The Group is primarily engaged in the manufacturing and sale of yarn, grey cloth, apparel / garments and cotton. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group. In addition, revenue was also considered an area of significant audit risk as part of the audit process.	Our key audit procedures included, but were not limited to: • Obtained an understanding of the Group's processes and related internal controls for revenue recognition and on a sample basis, testing the operating effectiveness of those controls. • Assessed the appropriateness of the Group's revenue recognition policies and their compliance with applicable accounting and reporting standards. • Compared a sample of revenue transactions recorded during the year with customers' orders, sales invoices, delivery orders and other relevant underlying documents. • Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. • Examined the customer receipts for sales made during the year. • Assessed the appropriateness and adequacy of disclosed information in the consolidated financial statements in accordance with the relevant accounting and reporting standards.
2. Stock in Trade	
Refer to note 3.5 & 11 to the consolidated financial statements. The Group's stock in trade amounts to Rs. 18,800.585 million as at the reporting date. Stock in trade is stated at lower of cost and estimated net realizable value. We have considered this area as a key audit matter due to its volume and that determining an appropriate written down value (NRV) and provision for slow-moving	Our key audit procedures included, but were not limited to: • Observed physical inventory count procedures as at the year end and compared physically counted inventories with closing inventory reports provided by the management. • Compared on a sample basis specific purchases and directly attributable costs with underlying supporting documentation. • Checked the accumulation of costs at different stages of production to ascertain the valuation of

Key audit matters	How the matters were addressed in our audit
stock in trade involves management judgment and estimation.	work in process and finished goods on a sample basis. • Compared the net realizable value, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards. • Assessed the provision for slow moving stocks as at the reporting date and assessed whether it is in accordance with the Group's policy and relevant accounting and reporting standards. • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards.
3. Financing obligations and compliance with related covenant requirements	
Refer to note 21 and 28 to the consolidated financial statements. As at the reporting date, the Group has outstanding long-term finances and short-term borrowings of Rs. 11,523.121 million and Rs. 18,020.451 million, respectively which constitute approximately 76% of the total liabilities of the Group. The Group's key operating / performance indicators including liquidity, gearing and finance cost are directly influenced by the additions to the portfolio of financing. Further, new financing arrangements entail additional financial and non-financial covenants for the Group to comply with. The significance of new financing obtained during the year along with the sensitivity of compliance with underlying financing covenants are considered a key area of focus during the audit and therefore, we have identified this as a key audit matter.	Our key audit procedures included, but were not limited to: • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting standards. • Reviewed terms and conditions of financing agreements entered into by the Group with various banks and financial institutions. • Circularized direct balance confirmations to banks and financial institutions and verified receipts and payments from relevant statements. • Reviewed maturity analysis of financing to ascertain the classification of financing as per their remaining maturities. • Assessed the status of compliance with the financing covenants and also inquired from the management with regard to their ability to ensure future compliance with the covenants. • Assessed the adequacy of disclosures made in respect of the long-term financing obligations in the consolidated financial statements. • Checked on test basis the calculations of finance cost recognized in profit or loss.

Information Other than the Consolidated 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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.

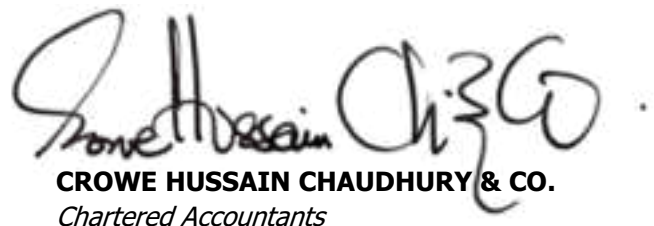
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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.

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



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: October 11, 2025
UDIN: AR202510051Ao5p1cLE3

MAHMOOD TEXTILE MILLS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	5	22,980,120,159	22,214,635,273
Investment property	6	250,100,000	174,038,000
Intangible assets	7	55,720,485	37,931,636
Long term investments	8	2,394,209,001	2,073,750,746
Long term deposits	9	56,354,135	53,854,135
		25,736,503,780	24,554,209,790
Current Assets			
Stores, spares and loose tools	10	667,289,249	843,263,574
Stock in trade	11	18,800,585,001	16,830,488,745
Trade debts	12	6,174,181,272	6,724,162,180
Loans and advances	13	1,097,101,487	1,058,282,487
Other receivables	14	436,089,241	487,649,414
Short term investments	15	51,118,400	28,771,225
Tax refunds due from the Government	16	2,487,565,009	1,068,250,317
Cash and bank balances	17	98,415,057	31,957,577
		29,812,344,716	27,072,825,519
Assets Classified as Held for Sale	18	1,797,846,336	3,406,102,791
		<u>57,346,694,832</u>	<u>55,033,138,100</u>
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	19	300,000,000	300,000,000
Reserves		12,717,621,927	11,416,991,792
Revaluation surplus on property, plant and equipment	20	5,435,479,478	5,688,116,205
		18,453,101,405	17,405,107,997
Shareholders' Equity			
Non Current Liabilities			
Long term finances	21	8,936,487,140	8,375,153,095
Lease liabilities	22	37,475,021	22,049,514
Deferred tax liability	23	740,374,699	805,017,769
		9,714,336,860	9,202,220,378
Current Liabilities			
Trade and other payables	24	6,352,842,129	7,481,900,251
Unclaimed dividend		3,680,032	3,680,032
Contract liabilities	25	149,130,058	84,879,145
Accrued mark up	26	786,272,482	1,183,191,316
Current portion of non-current liabilities	27	2,699,498,757	2,173,210,286
Short term borrowings	28	18,020,451,236	16,421,864,632
Provision for taxation	29	1,167,381,873	1,077,084,063
		29,179,256,567	28,425,809,725
Contingencies and Commitments	30	-	-
		<u>57,346,694,832</u>	<u>55,033,138,100</u>

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

CM

CHAIRMAN

DIRECTOR

CHIEF FINANCIAL OFFICER

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

		2025	2024
	Note	Rupees	Rupees
Sales	31	57,071,382,737	66,583,767,005
Cost of sales	32	<u>(49,107,864,833)</u>	<u>(56,855,235,797)</u>
Gross Profit		7,963,517,904	9,728,531,208
Operating Expenses			
Distribution costs	33	<u>(1,410,799,254)</u>	<u>(1,681,786,859)</u>
Administrative expenses	34	<u>(1,326,309,569)</u>	<u>(1,200,833,197)</u>
		<u>(2,737,108,823)</u>	<u>(2,882,620,056)</u>
Operating Profit		5,226,409,081	6,845,911,152
Finance cost	35	<u>(4,110,526,444)</u>	<u>(5,631,381,235)</u>
Other operating expenses	36	<u>(182,050,846)</u>	<u>(398,045,195)</u>
Other income	37	344,651,166	117,491,225
Share of net profit of associate	8	<u>250,481,333</u>	<u>437,160,247</u>
		<u>(3,697,444,791)</u>	<u>(5,474,774,958)</u>
Profit before Levy and Taxation		1,528,964,290	1,371,136,194
Levy / final taxation	38	<u>(713,392,284)</u>	<u>(895,789,009)</u>
Profit before Taxation		815,572,006	475,347,185
Taxation	39	162,444,480	(225,810,594)
Net Profit for the Year		<u>978,016,486</u>	<u>249,536,591</u>
Profit attributable to:			
- Equity holders of the Parent Company		978,016,486	249,536,591
- Non controlling interest		<u>-</u>	<u>-</u>
		<u>978,016,486</u>	<u>249,536,591</u>
Earnings per Share - Basic and Diluted	40	<u>32.60</u>	<u>8.32</u>

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

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CHAIRMAN


DIRECTOR


CHIEF FINANCIAL OFFICER

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

	2025	2024
	Rupees	Rupees
Net Profit for the Year	978,016,486	249,536,591
Other Comprehensive Income for the Year		
<i>Items that will not be reclassified to profit or loss</i>		
Revaluation surplus on property, plant and equipment	-	3,400,902,916
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-
Other comprehensive income for the year	-	3,400,902,916
Total Comprehensive Income for the Year	<u>978,016,486</u>	<u>3,650,439,507</u>
Total Comprehensive Income attributable to:		
- Equity holders of the Parent Company	978,016,486	3,650,439,507
- Non controlling interest	-	-
	<u>978,016,486</u>	<u>3,650,439,507</u>

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

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CHAIRMAN


DIRECTOR


CHIEF FINANCIAL OFFICER

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

Particulars	Issued, Subscribed and Paid up Capital	Reserves			Surplus on Revaluation of Property, Plant and Equipment	Total
		Capital Reserves	Revenue Reserves	Total		
	Rupees	Rupees	Unappropriated Profits	Rupees	Rupees	Rupees
Balance as at June 30, 2023	300,000,000	7,120,600	11,057,700,669	11,064,821,269	2,389,847,221	13,754,668,490
Net profit for the year	-	-	249,536,591	249,536,591	-	249,536,591
Other comprehensive income for the year	-	-	-	-	3,400,902,916	3,400,902,916
Total comprehensive income for the year	-	-	249,536,591	249,536,591	3,400,902,916	3,650,439,507
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earnings	-	-	102,633,932	102,633,932	(102,633,932)	-
Balance as at June 30, 2024	300,000,000	7,120,600	11,409,871,192	11,416,991,792	5,688,116,205	17,405,107,997
Net profit for the year	-	-	978,016,486	978,016,486	-	978,016,486
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	978,016,486	978,016,486	-	978,016,486
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earnings	-	-	252,636,727	252,636,727	(252,636,727)	-
Share in equity adjustment of associate	-	-	69,976,922	69,976,922	-	69,976,922
Balance as at June 30, 2025	300,000,000	7,120,600	12,710,501,327	12,717,621,927	5,435,479,478	18,453,101,405

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

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CHAIRMAN


DIRECTOR


CHIEF FINANCIAL OFFICER

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

		2025	2024
	Note	Rupees	Rupees
CASH GENERATED FROM OPERATIONS	41	3,447,177,908	10,029,528,906
Income tax paid		(742,641,220)	(288,442,863)
Finance cost paid		(4,166,235,016)	(5,416,406,919)
Workers' (profit) participation fund paid	24.2	(65,963,970)	(70,397,152)
Dividend paid		-	(19,808)
		<u>(4,974,840,206)</u>	<u>(5,775,266,742)</u>
Net Cash (Used in) / Generated from Operating Activities		(1,527,662,298)	4,254,262,164
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment	5.1 & 5.11	(2,883,272,778)	(3,057,794,813)
Payment for acquisition of intangibles	7	(23,754,494)	(34,260,204)
Dividends received from associate during the year		-	262,008,255
Dividends income received from short term investment	37	1,032,000	-
Proceeds from disposal of property, plant and equipment		134,320,993	45,948,853
Long term deposits	9	(2,500,000)	(40,000)
Proceeds of short term investments		11,735,300	5,422,446
Proceeds from sale of assets classified as held for sale	18	1,608,256,455	-
Net Cash Used in Investing Activities		(1,154,182,524)	(2,778,715,463)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finances obtained		2,800,000,000	1,436,321,998
Long term finances repaid		(1,628,672,498)	(1,674,058,107)
Lease liability paid		(21,611,804)	(7,821,326)
Short term borrowings - net		1,598,586,604	(1,232,645,350)
Net Cash Generated from / (Used in) Financing Activities	48	<u>2,748,302,302</u>	<u>(1,478,202,785)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents During the Year		66,457,480	(2,656,084)
Cash and cash equivalents at the beginning of the year	17	31,957,577	34,613,661
Cash and Cash Equivalents at the End of the Year	17	<u><u>98,415,057</u></u>	<u><u>31,957,577</u></u>

The annexed notes from 1 to 53 form an integral part of these consolidated financial statements.

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CHAIRMAN


DIRECTOR


CHIEF FINANCIAL OFFICER

MAHMOOD TEXTILE MILLS LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Note 1

The Group and its Operations

The Group consists of:

	Note	Status within the Group
- Mahmood Textile Mills Limited (MTML)	1.1	Holding Company
- MG Apparel Limited (MGAL)	1.2	Subsidiary Company
- Masood Spinning Mills Limited (MSML)		Associated Company (32.41% shareholding)

1.1 Mahmood Textile Mills Limited (the Company) was incorporated in Pakistan on February 25, 1970 as a Public Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is domiciled in Pakistan and its principal business is to manufacture and deal in all types of yarn, grey cloth and apparel / garments. The Company also manages investments in associated companies engaged in manufacturing and sale of yarn, cotton lint, cotton seed, generation of electricity and sale to power purchaser.

1.2 MG Apparel Limited (the "Company") was incorporated as a single member Company on November 16, 2022 under the Companies Act, 2017 (XIX of 2017). The Company was later converted into a public company by the approval of Securities and Exchange Commission of Pakistan (SECP) dated April 24, 2024. Accordingly, the name of the Company changed from MG Apparel (SMC-Private) Limited to MG Apparel Limited. The Company is principally engaged in manufacturing, stitching, trading and sale of garments, apparels, made ups, clothing, knit-wears, weaving of apparels, hoiseries and other allied commodities of all kinds.

1.3 The Information on geographical location and address of the Group's business is as under:

Business unit	Geographical location
Head / Registered office	The Group's registered office is situated at Mehr Manzil, Lohari Gate, Multan
Regional Offices	2nd Floor, Cotton Exchange Building, I.I. Chundrigarh Road, Karachi Daftarkhwan Vanguard, 5-A, Constitution Avenue, F-5/1, Islamabad
Manufacturing units	Mahmoodabad, Multan Road, Muzaffargarh Masoodabad, D.G Khan Road, Muzaffargarh Chowk Sarwar Shaheed, District Muzaffargarh Plot 94-96, Industrial Estate, Multan.

1.3.1 During the year Group acquired leasehold land for installation of solar panels (Refer to Note 5.2.1).

1.4 During the year, the Board of Directors of the Holding Company has approved a Scheme of Arrangement. In this scheme of arrangement, assets and liabilities of the Apparel segment will be transferred to the subsidiary Company. For this, the Holding Company has filed application before the Honorable Lahore High Court, Multan Bench for approval. The Holding Company is in process of obtaining approval of the Court.

No accounting adjustments have been recorded in these consolidated financial statements in respect of the proposed Scheme, as approval from the Court is awaited.

1.5 Consolidated Financial Statements

These financial statements are the consolidated financial statements of the Mahmood Textile Mills Limited and its subsidiary (the Group).

Note 2

Basis of Preparation

2.1 Statement of compliance

These consolidated 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 Standards) Issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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Note 2, Basis of Preparation - Continued...

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

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except to the extent of following:

Certain property, plant and equipment	Note 5	Stated at revalued amount
Investment property	Note 6	Stated at fair value
Long term investments	Note 8	Stated at equity method
Short term investments	Note 15	Stated at fair value
Assets classified as held for sale	Note 18	Stated at fair value

2.3 Functional and presentation currency

These consolidated financial statements are prepared and presented in Pak Rupees (Rs), which is the Group's functional and presentation currency. All the figures have been rounded off to the nearest Rupee, unless otherwise stated.

2.4 Basis of consolidation

2.4.1 Subsidiary

Subsidiaries are such entities over which the Holding Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. These consolidated financial statements include separate financial statements of Mahmood Textile Mills Limited and its subsidiary company in which Mahmood Textile Mills Limited directly or indirectly controls, beneficially owns more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The existing voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group and are de-consolidated from the date the control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

Inter-company transactions, balances and unrealized gains on transactions amongst Group companies are eliminated. Accounting policies of subsidiaries are amended, where necessary, to ensure consistency with the policies adopted by the Group.

When the Group ceases to consolidate an investment in a subsidiary because of loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to statement of profit or loss.

2.4.2 Investments in associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the investee company.

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Note 2, Basis of Preparation - Continued...

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Key judgements and estimates

The preparation of these consolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these consolidated financial statements relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment - Note 3.1 & 5
- Fair value of investment property - Note 3.2 & 6
- Long term investments - Note 3.3 & 8
- Impairment loss of non-financial assets other than inventories - Note 3.7
- Provision for expected credit losses - Note 3.12(e) & 12
- Estimation of provisions - Note 3.8
- Estimation of contingent liabilities - Note 4.3 & 30

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these consolidated financial statements.

2.6 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year

The following standards, amendments, and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either irrelevant to the Group's operations or are not expected to significantly impact the Group's consolidated financial statements other than certain additional disclosures.

Standard or Interpretation		Effective Date - Annual Periods
		Beginning on or After
IAS 01	Presentation of Financial Statements (Amendments)	January 01, 2024
IAS 7	Amendments to IAS 7 "Statement of Cash Flows"	January 01, 2024
IFRS 7	Amendments to IFRS 7 "Financial Instruments Disclosures" Supplier Finance Arrangements	January 01, 2024
IFRS 16	Amendments to IFRS 16 "Leases" - Clarification on how seller-lessee subsequently measures sale and lease back transaction	January 01, 2024

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

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

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Note 2, Basis of Preparation - Continued...

Standard or Interpretation		Effective Date - Annual Periods
		Beginning on or After
IAS 21	Amendments to lack of exchangeability	January 01, 2025
IFRS 7 & 9	Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 01, 2026
IFRS 7 & 9	Contracts referencing Nature-dependent Electricity	January 01, 2026
IFRS 1, 7, 9, 10 and IAS 7	Annual Improvements to IFRS Accounting Standards	January 01, 2026
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 01, 2025
IFRS S2	Climate-Related Disclosures	July 01, 2025

2.5.3 Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Group, by the Securities and Exchange Commission of Pakistan (SECP) as at the reporting date:

IFRS 1	First Time Adoption of IFRS
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	IFRS 19 'Subsidiaries Without Public Accountability: Disclosures'

The management believes that adoption of the new standards, amendments and interpretations, which are in issue but not yet effective, is not likely to have any material impact, on the recognition, measurement, presentation and disclosure of items in these consolidated financial statements for current and future periods and foreseeable future transactions.

Note 3

Material Accounting Policy Information

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

3.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment losses, if any, except for the freehold land, leasehold land and buildings on freehold and leasehold land, which are stated at revalued amounts being its fair value at date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses (if any). Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Additions, subsequent to revaluation, are stated at cost less any identified impairment loss. On disposal of particular revalued asset, the related revaluation surplus is transferred to unappropriated profits.

Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to acquisition or construction including expenditures on material, labour and overheads directly relating to construction, erection and installation of items of property, plant and equipment. Cost in relation to certain assets may also include cost of borrowing during construction period in respect of loans taken for specific projects.

Depreciation on property, plant and equipment, except freehold land and leasehold land, has been provided for using the reducing balance method at the rates specified in Note 5 and is charged to the profit or loss. Depreciation on additions is charged from the date at which the asset is available for use up to the date at which the asset is disposed off. Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

The management reviews market value of revalued assets at each reporting date to ascertain whether the fair value of revalued assets has differed materially from the carrying value of revalued assets, thus necessitating further revaluation. The management engages independent professional valuers to value its property, plant and equipment every three to five years in line with the industry norms.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is adjusted to the revalued amount of the asset.

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Note 3, Material Accounting Policy Information - Continued ...

Any revaluation increase arising on the revaluation of leasehold land, freehold land, buildings on freehold land and leasehold land, are recognised in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to the profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of freehold land, leasehold land and building on freehold land and leasehold land is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of property, plant and equipment relating to a previous revaluation of that asset.

Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the statement of profit or loss) and depreciation based on the asset's original cost - incremental depreciation on revalued assets is transferred from surplus on revaluation of property, plant and equipment to retained earnings.

Subsequent cost is included in the carrying amount of an asset or recognized as a separate asset, as appropriate, only when it is probable that future economics benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. Day to day maintenance and normal repairs are charged to the statement of profit or loss as and when incurred. Gains or losses on disposal of property, plant and equipment are included in the current year's profit or loss. Major renewals and improvements are capitalized.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress cost may also include borrowing costs if any. These are transferred to property, plant and equipment as and when these are available for use.

3.2 Investment property

Investment property, which is property held to earn rentals and / or for capital appreciation is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. The change in fair value is recognised in the profit or loss. The fair value of investment property is determined at each reporting date using the current market prices for comparable real estate, adjusted for any differences in nature, location and condition. The key assumptions used to determine the fair value of investment properties are provided in Note 6.

3.3 Stores, spares and loose tools

These are valued at lower of weighted average cost and net realizable value (NRV) while items considered obsolete if any are written off. Cost is determined using the weighted average method. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made for obsolete and slow moving stores and spares based on management estimate. NRV is estimated as recoverable amount which is F.V less cost to sell.

3.4 Stock in trade

These are stated at lower of cost and estimated net realizable value.

Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing inventories to their present location and condition, the valuation has been determined as follows:

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Note 3, Material Accounting Policy Information - Continued ...

Raw materials	- Weighted average cost
Material in transit	- Cost comprising invoice value plus incidental charges paid thereon
Work in process	- Estimated average manufacturing cost
Finished goods	- Average manufacturing cost
Wastes	- Net realizable value

Manufacturing cost in relation to work in process and finished goods comprises cost of material, labour and appropriately allocated manufacturing overheads. Net realizable value signifies estimated selling price in the ordinary course of business less necessary costs to make the sale. If the net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value. Provision is made in the consolidated financial statements for obsolete and slow moving stock in trade based on management estimate.

3.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprises cash in hand and cash at banks in current and savings accounts.

3.6 Impairment of non financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset is treated as a revaluation increase.

3.7 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources shall be required to settle the obligation and the amount has been reliably estimated. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses.

3.8 Staff retirement benefits

The Group operates an un-funded gratuity scheme for all its eligible employees. Provision is made annually to cover obligation under the scheme. The payable balance of gratuity is fully paid to the employees on annual basis.

3.10 Taxation

Income tax expense for the year comprises current and deferred tax and is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the year end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternate corporate tax. Super tax applicable on the Group is also as per the applicable rates as per the Income Tax Ordinance, 2001. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Group in accordance with the provisions of the Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

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Note 3, Material Accounting Policy Information - Continued...

Alternate corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments. Current tax for current and prior periods, to the extent unpaid is recognized as a liability. If the amount already paid irrespective of current and prior period exceeds the amount due to those periods the excess recognized as an asset.

The Group offsets current tax assets and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

When minimum tax is less than tax calculated on taxable profits, excess amount is recognised as income tax and minimum tax is recognized as levy under IFRIC 21. Further, the Group shall also charged tax expense under levy when tax is calculated under minimum tax regime.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences. Deferred tax assets are recognized for all major deductible temporary differences, unused tax losses and tax credits to the extent that future taxable profits will be available against which the assets may be utilized.

Carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or have been notified for subsequent enactments at the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.11 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within short period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method. Exchange gain and losses arising on translation in respect of liabilities in foreign currency are added to carrying amount of respective liabilities

3.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets - Classification and measurement

All financial assets are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

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Note 3, Material Accounting Policy Information - Continued...

a) Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. This classification is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition. The Group currently measures financial assets at amortized cost and at fair value through profit or loss.

b) Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at transaction price. Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15.

c) Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method (EIR). The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to the profit or loss.

d) Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from assets have expired. The difference between the carrying amount and the consideration received is recognized in the statement of profit or loss.

e) Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to trade debts and the economic environment.

Financial liabilities

a) Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc. The Group does not reclassify any of its financial liabilities.

b) Subsequent measurement

The Group measures its financial liabilities subsequently at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortization is included as finance costs in the profit or loss. Difference between carrying amount and consideration paid is recognized in the profit or loss, when the liabilities are derecognized.

Off-setting of financial assets and financial liabilities

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

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Note 3, Material Accounting Policy Information - Continued ...

3.13 Related party transactions

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

3.14 Revenue recognition

Revenue is recognized when performance obligation is satisfied by applying the following five steps of revenue recognition:

- i) Identify the contract with a customer
- ii) Identify the performance obligation in the contract
- iii) Determine the transaction price of the contract
- iv) Allocate the transaction price to each of the separate performance obligations in the contract
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised at amounts that reflect the consideration that the Group expects to be entitled to in exchange for transferring goods or services provided to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised when goods are dispatched from the mill to customer whereas revenue of export sales is recognized on date of issue of bill of lading.

3.15 Earnings per share - basic and diluted

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

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

3.16 Balances from contracts with customers

Trade receivables

Trade receivables represent the Group's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the reporting date. Bad debts are written off when identified.

Contract assets

A contract asset is the right to receive in exchange for goods transferred to the customer against which no invoice has been raised.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Group transfers goods to the customer.

Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

CMC

Note 3, Material Accounting Policy Information - Continued ...

3.17 Leases

For contracts entered into, or modified, on or after January 1, 2019, the Group assesses whether a contract contains a lease or not at the inception of a contract. The Group reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified.

The Group determines the lease term as non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain to not to exercise that option.

The Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Group as a lessee

Recognition

The Group recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Group).

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value. The Group recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

Initial measurement

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Group's incremental borrowing rate if the implicit rate is not readily available. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Right-of-use asset

The Group initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

Subsequent measurement

Lease liability

After the commencement date, the Group re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in profit or loss, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between finance charges and reduction of lease liability using the incremental borrowing rate to achieve a constant rate of interest on the remaining balance of the liability.

Lease liability payable in foreign currency is translated to local currency of the Group i.e. Pak Rupees at the reporting date. Any foreign exchange differences arising on translation of lease liability are recognized in profit or loss.

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Note 3, Material Accounting Policy Information - Continued ...

Right-of-use asset

After the commencement date, the Group measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Group depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of right-of-use asset reflects that the Group will exercise the purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Depreciation is charged to profit or loss at the same rates as used for owned asset.

3.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Note 4

Other Accounting Policy Information

Other accounting policy information adopted in the preparation of these consolidated financial statements is set out below. These policies have been consistently applied to all the periods presented unless stated otherwise.

4.1 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Group has access at that date. There are three levels of fair value measurement which are as under:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 — Unobservable inputs for the asset or liability.

The Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Group determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- | | |
|---|---------|
| - Certain property, plant and equipment under revaluation model | Note 5 |
| - Investment property | Note 6 |
| - Short term investments | Note 15 |
| - Assets Classified as Held for Sale | Note 18 |
| - Financial instruments (including those carried at amortized cost) | Note 47 |

CMC

Note 4, Other Accounting Policy Information - Continued ...

4.2 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees by applying the foreign exchange rate ruling on the date of transaction. Monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated into Pak Rupees at the exchange rate prevailing at that date. Monetary translation differences are recognized in the profit or loss account.

4.3 Contingent liabilities

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A Contingent liabilities is also disclosed when the present obligation arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.4 Borrowing costs

Borrowing costs directly attributable to acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in profit or loss as incurred.

4.5 Government grants

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

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

4.6 Dividend distribution

Dividend distribution to Group's shareholders is recognized as a liability in the period in which the dividends are approved by the Group's shareholders.

4.7 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 Group and the cost of such asset can be measured reliably. Accordingly, the Group has recognized softwares as intangible assets. Cost of intangible assets i.e. ERP software includes purchase cost and directly attributable expenses incidental to bring the software for its intended use.

Costs that are directly associated with identifiable software and have probable economic benefits beyond one year, are recognized as intangible assets. However, costs associated with the maintenance of software are recognized as expenses.

Intangible assets are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to profit or loss using the reducing balance method at the rates specified in Note 7. The amortization period and the amortization method for intangible assets are reviewed, at each reporting date, and adjusted if impact on amortization is significant.

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Note 5

Property, Plant and Equipment

Owned fixed assets

Leasehold / right of use assets

Capital work in progress

	2025	2024
Note	Rupees	Rupees
5.1	22,004,160,380	21,034,455,922
5.1	972,716,072	945,517,169
5.11	3,243,707	234,662,182
	<u>22,980,120,159</u>	<u>22,214,635,273</u>

5.1 Operating fixed assets

	Owned Assets									Leasehold / Right of Use Assets			
	Freehold Land	Buildings on Freehold Land	Buildings on Leasehold Land	Plant and Machinery	Stand-by Equipment / Generators / Electric Installation	Furniture and Fittings	Vehicles	Office Equipment	Computers and Accessories	Total	Leasehold Land	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Cost / Revalued amount													
Balance as at July 01, 2023	1,087,052,470	3,293,928,560	2,177,883,093	14,066,903,418	3,062,267,739	132,205,888	623,988,773	6,434,476	150,336,222	24,601,000,639	369,776,000	44,223,263	413,999,263
Additions	-	224,360,197	-	2,154,325,712	499,872,935	115,031,227	123,280,488	-	43,475,672	3,160,346,231	-	-	-
Disposals	-	-	-	(40,780,997)	-	-	(63,277,127)	-	-	(104,058,124)	-	-	-
Revaluation surplus	1,247,685,030	1,553,564,712	49,097,174	-	-	-	-	-	-	2,850,346,916	550,556,000	-	550,556,000
Revaluation adjustments	-	(1,401,156,069)	(531,985,267)	-	-	-	-	-	-	(1,933,141,336)	-	-	-
Balance as at June 30, 2024	2,334,737,500	3,670,697,400	1,694,995,000	16,180,448,133	3,562,140,674	247,237,115	683,992,134	6,434,476	193,811,894	28,574,494,326	920,332,000	44,223,263	964,555,263
Additions	79,667,630	745,474,008	31,667,331	1,855,948,084	275,197,536	17,211,552	83,805,549	-	25,719,563	3,114,691,253	33,859,894	-	33,859,894
Disposals	-	-	-	(114,748,095)	-	-	(149,528,418)	-	-	(264,276,513)	-	-	-
Balance as at June 30, 2025	2,414,405,130	4,416,171,408	1,726,662,331	17,921,648,122	3,837,338,210	264,448,667	618,269,265	6,434,476	219,531,457	31,424,909,066	954,191,894	44,223,263	998,415,157
Accumulated depreciation													
Balance as at July 01, 2023	-	1,045,559,098	477,880,865	4,781,921,207	1,073,896,182	28,426,283	201,178,596	3,567,809	78,078,894	7,690,508,934	-	12,741,802	12,741,802
Depreciation charged during the year	-	355,596,971	54,104,402	1,066,246,849	232,284,270	16,797,880	92,966,735	286,667	25,163,709	1,843,447,483	-	6,296,292	6,296,292
Disposals	-	-	-	(31,325,282)	-	-	(29,451,395)	-	-	(60,776,677)	-	-	-
Revaluation adjustments	-	(1,401,156,069)	(531,985,267)	-	-	-	-	-	-	(1,933,141,336)	-	-	-
Balance as at June 30, 2024	-	-	-	5,816,842,774	1,306,180,452	45,224,163	264,693,936	3,854,476	103,242,603	7,540,038,404	-	19,038,094	19,038,094
Depreciation charged during the year	-	382,794,370	171,267,825	1,099,319,889	237,006,927	20,878,848	85,415,009	258,000	30,803,204	2,027,744,072	1,623,957	5,037,034	6,660,991
Disposals	-	-	-	(91,936,249)	-	-	(55,097,541)	-	-	(147,033,790)	-	-	-
Balance as at June 30, 2025	-	382,794,370	171,267,825	6,824,226,414	1,543,187,379	66,103,011	295,011,404	4,112,476	134,045,807	9,420,748,686	1,623,957	24,075,128	25,699,085
Carrying amount													
As at June 30, 2024	2,334,737,500	3,670,697,400	1,694,995,000	10,363,605,359	2,255,960,222	202,012,952	419,298,198	2,580,000	90,569,291	21,034,455,922	920,332,000	25,185,169	945,517,169
As at June 30, 2025	2,414,405,130	4,033,377,038	1,555,394,506	11,097,421,708	2,294,150,831	198,345,656	323,257,861	2,322,000	85,485,650	22,004,160,380	952,567,937	20,148,135	972,716,072
Rate of depreciation - %	-	10	10	5 - 10	10	10	20	10	30	-	10	20	-

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Note 5, Property, Plant and Equipment - Continued...

- 5.2** Leasehold land includes the leased land allotted in Industrial Estate, Multan for a period of 99 years. This leasehold arrangement shall expire on January 17, 2105; and
- 5.2.1** Leasehold lands measuring 24 Kanal located near unit 5 and 56 Kanal located near unit 6, are acquired during the year, for a period of 10 years, for the purpose of installation of solar panels.
- 5.3** Additions to building on freehold land include construction of guest houses and hostels for employees' accommodation.
- 5.4** Had there been no revaluation, book values of revalued assets would have been as follows:

	Note	2025 Rupees	2024 Rupees
Freehold land		152,232,449	72,564,819
Leasehold land		52,991,680	20,755,743
Buildings on freehold land		1,932,171,584	1,336,024,673
Buildings on leasehold land		1,382,869,420	1,503,300,460
		<u>3,520,265,133</u>	<u>2,932,645,695</u>

- 5.5** Depreciation charge for the year has been allocated as under:

Cost of sales	32	1,897,050,002	1,710,908,624
Administrative expenses	34	137,355,061	138,835,151
		<u>2,034,405,063</u>	<u>1,849,743,775</u>

- 5.6** Particulars of immovable property (i.e. land and building) in the name of the Group are as follows:

Location / Address	Usage of Immovable Property	Total Area
District Muzaffargarh	Freehold land	476 Kanals and 04 Marlas
District Multan	Freehold land	6 Kanals and 10 Marlas
Industrial Estate, Multan	Leasehold land	131 Kanals and 5 Marlas
District Muzaffargarh	Leasehold land	80 Kanals

- 5.7** Latest revaluation was carried out as on June 30, 2024 by an independent valuer, resulting in net revaluation surplus of Rs. 3,400,902,916. Forced sales values of revalued assets, as determined by the independent valuer, were as follows:

	June 30, 2024 Rupees
Freehold land	1,867,790,000
Leasehold land	736,265,600
Buildings on freehold	2,936,557,920
Buildings leasehold land	1,355,996,000

Forced sale values of revalued assets are assumed to be same as of the reporting date.

5.8 Fair value hierarchy

The Group revalued and measured its land and buildings under level 2 of fair value hierarchy. Details of carrying value of such revalued assets as at the reporting date are as follows:

Level 2	Freehold Land Rupees	Leasehold Land Rupees	Buildings on Freehold Land Rupees	Buildings on Leasehold Land Rupees
For the year ending June 30, 2025	2,414,405,130	952,567,937	4,033,377,038	1,555,394,506
For the year ending June 30, 2024	2,334,737,500	920,332,000	3,670,697,400	1,694,995,000

Assumptions used in fair value calculations are given in note 20 of these consolidated financial statements. No other assets are measured / transferred under level 1 and level 3 of the fair value hierarchy during the year.

5.9 Security

The property, plant and equipment of the Group are subject to first, joint pari passu and hypothecation charge as security for certain financing by banks (Note 21).

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Note 5, Property, Plant and Equipment - Continued...

5.10 Detail of disposals of property, plant and equipment

The details of property, plant and equipment disposed off during the year having individual book value exceeding Rs. 500,000 or more are as follows:

Particulars of Assets	Cost	Carrying Amount	Sale Price	Gain / (Loss)	Particulars of the Buyer	Mode of Disposal	Relationship with the Purchaser
	Rupees	Rupees	Rupees	Rupees			
Vehicles							
Honda City	2,225,000	1,153,045	2,500,000	1,346,955	Mr. Shabbir Ibne Yaqoob	Negotiation	Third Party
Suzuki Swift	4,500,000	4,200,000	4,250,000	50,000	M/s UBL Insurers Limited	Negotiation	Third Party
Corolla Altis	2,760,000	1,346,389	3,250,000	1,903,611	Mr. Syed Ameer Hayder Gardezi	Negotiation	Third Party
Haval H6	12,739,540	9,019,594	11,000,000	1,980,406	M/s Roomi Poultry (Private) Limited	Negotiation	Related Party
Kia Carnival	17,696,875	12,529,387	13,000,000	470,613	M/s Roomi Poultry (Private) Limited	Negotiation	Related Party
Honda BRV	3,554,312	1,337,559	3,500,000	2,162,441	M/s Roomi Poultry (Private) Limited	Negotiation	Related Party
Kia Carnival	14,353,310	9,645,425	11,000,000	1,354,575	M/s Bahoo Flour and General Mills	Negotiation	Third Party
Toyota Prado	24,593,518	19,189,775	20,000,000	810,225	M/s Ilal Martial Arts	Negotiation	Third Party
Kia Sportage	9,365,800	6,139,802	7,900,000	1,760,198	Mr. Rizwan Maqbool	Negotiation	Third Party
Kia Sportage	6,000,062	2,933,364	4,435,000	1,501,636	M/s Roomi Cotton Factory	Negotiation	Third Party
Suzuki Cultus	2,310,000	1,514,334	2,300,000	785,666	Mr. Dilbar Khan	Negotiation	Third Party
Haval H6	12,293,659	11,269,187	8,800,000	(2,469,187)	Mr. Hamza Waheed	Negotiation	Third Party
BMW	26,152,004	13,030,964	18,000,000	4,969,036	M/s Control Union Pakistan (Private) Limited	Negotiation	Third Party
Plant and Machinery							
Ring spinning frames	44,921,203	6,749,514	6,434,426	(315,088)	Mr. Malik Arshad	Negotiation	Third Party
Ring spinning frames	69,826,892	16,062,332	9,651,639	(6,410,693)	Mr. Malik Arshad	Negotiation	Third Party
2025	<u>253,292,175</u>	<u>116,120,671</u>	<u>126,021,065</u>	<u>9,900,394</u>			
2024	<u>104,058,124</u>	<u>43,281,447</u>	<u>45,948,853</u>	<u>2,667,406</u>			

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Note 5, Property, Plant and Equipment - Continued...

5.11 Capital work in progress

	Advances for Purchase of Freehold Land	Buildings	Plant and Machinery	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2023	74,205,000	81,420,311	181,588,289	-	337,213,600
Additions during the year	-	85,894,846	245,798,290	-	331,693,136
Transferred to operating fixed assets	-	(8,199,357)	(426,045,197)	-	(434,244,554)
Balance as at June 30, 2024	74,205,000	159,115,800	1,341,382	-	234,662,182
Additions during the year	2,295,000	703,944	8,548	3,243,707	6,251,199
Transferred to operating fixed assets	(76,500,000)	(159,819,744)	(1,349,930)	-	(237,669,674)
Balance as at June 30, 2025	-	-	-	3,243,707	3,243,707

Note 6

Investment Property

	2025	2024
	Rupees	Rupees
Opening balance	174,038,000	162,687,000
Fair value gain on revaluation	76,062,000	11,351,000
Closing balance	250,100,000	174,038,000

- 6.1** This refers to a piece of land, classified as investment property, held for capital appreciation. The details of investment properties as of the reporting date are as follows:

Property Type	Location	Area	Independent Valuer	Fair Value	Forced Sale Value
				Rupees	Rupees
Land	Mouza Doaba, Muzaffar Garh	56 Kanals and 15 Marlas	K.G.T (Private) Limited	250,100,000	200,080,000

- 6.2** The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

6.3 Fair value measurements

There are no level 1 and level 3 assets or any transfers between levels 1, 2 and 3 during the year.

Valuation techniques used to derive level 2 fair values

Description	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)
Land	Inquiries in the vicinity of land and also information obtained from the estate dealers of the area.	Price per kanal	Reasonable fair value estimates

6.4 Amount recognised in statement of profit or loss

The change in fair value is presented in statement of profit or loss as "Other income" in note 37 and there is no rental income earned from land.

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Note 7

Intangible Asset

		2025	2024
	Note	Rupees	Rupees
Intangible asset	7.1	55,720,485	16,036,525
Capital work in progress	7.2	-	21,895,111
		<u>55,720,485</u>	<u>37,931,636</u>

7.1 Intangible Asset*Net Carrying Value*

Net carrying value - opening balance	16,036,525	4,846,115
Additions during the year	45,649,605	18,063,206
	<u>61,686,130</u>	<u>22,909,321</u>
Amortization during the year	(5,965,645)	(6,872,796)
Net carrying value as at June 30,	<u>55,720,485</u>	<u>16,036,525</u>

Gross Carrying Value

Cost	70,813,345	25,163,740
Accumulated amortization	(15,092,860)	(9,127,215)
Net book value	<u>55,720,485</u>	<u>16,036,525</u>
Amortization rate	<u>30%</u>	<u>30%</u>

7.1.1 Amortization charge for the year has been allocated to Administrative Expenses (Note 34).

7.2 Capital work in progress

Advances for implementation of Oracle Fusion Cloud Applications	-	21,895,111
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7.2.1 Movement of capital work-in-progress

Opening balance	21,895,111	5,698,113
Additions during the year	23,754,494	16,196,998
Capitalized during the year	(45,649,605)	-
	<u>-</u>	<u>21,895,111</u>

7.3 Intangible assets represent the cost of accounting software (ERP) implemented by the Group during the year.

Note 8

Long Term Investments

		2025	2024
	Note	Rupees	Rupees
Associate - Unquoted at equity method			
Masood Spinning Mills Limited			
8,921,692 (2024: 8,921,692) ordinary shares of Rs. 10 each			
Equity held 32.41% (2024: 29.71%)			
Carrying amount of investment	8.1	<u>2,394,209,001</u>	<u>2,073,750,746</u>
8.1 Masood Spinning Mills Limited			
Opening balance		2,073,750,746	1,969,127,825
Share in net assets during the year		250,481,333	104,622,921
Share in equity adjustment of associate	8.1.2	<u>69,976,922</u>	-
<i>cm</i>	8.1.1	<u>2,394,209,001</u>	<u>2,073,750,746</u>

Note 8, Long Term Investments - Continued...

8.1.1 Reconciliation of the above information to the carrying amount of interest in Masood Spinning Mills Limited is as under:

	Note	2025 Rupees	2024 Rupees
Net assets of the Associate		6,760,593,467	6,296,365,154
Percentage of shareholding in Associate as at the reporting date		32.41%	29.71%
Group's share		2,191,108,342	1,870,650,087
Goodwill arisen on acquisition of shares	8.1.3	202,935,109	202,935,109
Other adjustments		165,550	165,550
Carrying amount of investment		2,394,209,001	2,073,750,746

8.1.2 The Group originally purchased 8,921,692 shares, constituting 29.71% of the shareholding; however, during the year, 2,500,764 shares of Masood Spinning Mills Limited were cancelled pursuant to an arrangement. Consequently, the Group's effective holding in Masood Spinning Mills Limited increased by 2.70% totaling to 32.41% of shareholding. Resultantly, the share in net assets of associate has been increased by Rs. 69.977 million and the Group has recognised corresponding impact in statement of changes in equity. Masood Spinning Mills Limited is a Group incorporated under the laws of Pakistan, with its registered office located at Mehr Manzil Lohari Gate, Multan. The investment was acquired for a total consideration of Rs. 89,216,920.

The impact of changes in the associate's equity arising from the arrangement is as follows

	Net Assets Rupees	Equity/ Shareholding Percentage	Share in Net Assets Rupees
Net assets of associate before scheme of arrangement	6,660,837,044	29.71%	1,978,934,686
Net assets of associate after scheme of arrangement	6,321,850,070	32.41%	2,048,911,608
Increase on share due to scheme of arrangement			69,976,922

8.1.3 Goodwill arisen on acquisition of shares

Fair value of net assets on date of initial investment	292,152,029	292,152,029
Less: Cost of investment	(89,216,920)	(89,216,920)
	202,935,109	202,935,109

8.1.4 The investee company is principally engaged in manufacturing and sale of yarn, sale of cotton seed and cotton lint. The Group accounts for its investment in Masood Spinning Mills Limited (the Associate) under equity method as prescribed in IAS 28 (Investments in Associates). Information extracted from the unaudited financial statements of the Associate is as follows:

Current assets	21,869,472,920	17,984,893,524
Non-current assets	13,140,693,262	12,219,471,179
Current liabilities	(21,719,710,744)	(17,984,672,025)
Non-current liabilities	(6,529,861,971)	(5,923,327,524)
Net assets	6,760,593,467	6,296,365,154
Revenue	31,392,726,403	35,933,733,395
Net profit for the year	546,111,743	129,019,947
Other comprehensive income	-	237,696,000
Total comprehensive income for the year	546,111,743	366,715,947

Note 9

Long Term Deposits

	Note	2025 Rupees	2024 Rupees
Multan Electric Power Company (MEPCO)		52,158,325	52,158,325
Sui Northern Gas Pipelines Limited (SNGPL)		1,338,902	1,338,902
Pakistan Telecommunication Company Limited (PTCL)		207,358	207,358
Security deposits against leasehold land	5.2.1	2,500,000	-
Others		149,550	149,550
		56,354,135	53,854,135

9.1 This amount represents security deposits paid against an area of land measuring 24 Kanal located near unit 5, and 56 Kanal located near unit 6, acquired during the year, on lease for a period of 10 years for the purpose of installation of solar panels.

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Note 10

Stores, Spares and Loose Tools

		2025	2024
	Note	Rupees	Rupees
Stores	10.1	639,405,629	817,091,516
Spares		27,210,523	25,110,279
Loose tools		673,097	1,061,779
		<u>667,289,249</u>	<u>843,263,574</u>

10.1 This includes stores in transit amounting to Rs. 7.140 million (2024: Rs. 130.113 million) as at the reporting date.

Note 11

Stock in Trade

		2025	2024
	Note	Rupees	Rupees
Raw materials	11.1	13,115,204,367	12,620,683,698
Work in process		2,041,555,956	1,083,325,503
Finished goods	11.2	3,643,824,678	3,126,479,544
		<u>18,800,585,001</u>	<u>16,830,488,745</u>

11.1 This includes material in transit amounting to Rs. 2,514.407 million (2024: Rs. 3,750.258 million).

11.2 This includes waste amounting to Rs. 69.084 million (2024: Rs. 78.278 million).

Note 12

Trade Debts

		2025	2024
	Note	Rupees	Rupees
Secured			
- Export		2,903,908,668	3,676,453,056
- Local		-	253,650,089
		<u>2,903,908,668</u>	<u>3,930,103,145</u>
Unsecured - Local			
- Considered good		3,270,272,604	2,794,059,035
- Considered doubtful		42,562,553	16,328,178
		<u>6,216,743,825</u>	<u>6,740,490,358</u>
Less: Allowance for expected credit losses (ECL)	12.2	(42,562,553)	(16,328,178)
		<u>6,174,181,272</u>	<u>6,724,162,180</u>

12.1 Trade debts include an amount of Rs. 192.992 million due from related parties (2024: Rs. Nil) as at June 30, 2025. The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 1,491.628 million (2024: Rs. 9,661.804 million). The aging of this balance is as under:

	Within 1 Year	1 to 2 Years	2 to 5 Years	Total
	---Rupees---			
Masood Spinnings Mills Limited - 2025	<u>192,807,371</u>	-	-	<u>192,807,371</u>
Masood Spinnings Mills Limited - 2024	-	-	-	-

12.2 Allowance for expected credit losses (ECL)

Opening balance	16,328,178	-
Add: Allowance for expected credit loss	26,234,375	16,328,178
	<u>42,562,553</u>	<u>16,328,178</u>
Less: Reversal of credit loss allowance	-	-
Closing balance	<u>42,562,553</u>	<u>16,328,178</u>

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Note 12, Trade Debts - Continued...

12.3 Detail of trade receivables from export sales

Jurisdiction	Export Sales during the Year	Gross Receivables as at the Year End	Default Amount	Names of Defaulting Parties	Legal Action Taken
	Rupees	Rupees	Rupees		
United States of America	799,578,462	160,395,606	-	No default	N/A
China	3,896,383,362	434,099,425	-	No default	N/A
Turkey	605,643,870	53,226,302	-	No default	N/A
Japan	2,568,913,629	318,422,760	-	No default	N/A
Denmark	2,604,670,524	574,859,745	-	No default	N/A
Italy	964,856,462	117,777,183	-	No default	N/A
Germany	2,179,079,491	694,525,387	-	No default	N/A
Bangladesh	216,424,926	69,412,883	-	No default	N/A
Others	4,012,270,753	481,189,377	-	No default	N/A
	<u>17,847,821,479</u>	<u>2,903,908,668</u>	-		

Note 13

Loans and Advances

	Note	2025 Rupees	2024 Rupees
Advances to:			
- Key management personnel		18,700,233	24,523,113
- Employees		5,613,291	3,120,575
- Suppliers and contractors - considered good		810,509,166	918,299,484
- Suppliers and contractors - considered doubtful		26,907,267	26,907,267
Deposits with Sui Northern Gas Pipelines Limited (SNGPL)	30.1.2	75,221,140	75,221,140
Advance against letters of credit		<u>187,057,657</u>	<u>37,118,175</u>
		1,124,008,754	1,085,189,754
Less: Provision against doubtful loans and advances	13.1	<u>(26,907,267)</u>	<u>(26,907,267)</u>
		<u>1,097,101,487</u>	<u>1,058,282,487</u>

13.1 Provision against doubtful loans and advances:

Opening balance	26,907,267	-
Add: provision for the year	-	26,907,267
	<u>26,907,267</u>	<u>26,907,267</u>
Less: Recovery against doubtful advances	-	-
Closing balance	<u>26,907,267</u>	<u>26,907,267</u>

Note 14

Other Receivables

	2025 Rupees	2024 Rupees
Cotton claims receivables	240,444,388	311,480,096
Insurance claims receivable	92,104,711	79,849,144
Containers' deposits	-	1,803,108
Receivable against shares	-	356,005
Bank guarantee margins	90,249,106	90,249,106
Others	<u>13,291,036</u>	<u>6,071,068</u>
	436,089,241	489,808,527
Less: Provision for doubtful advances and other receivables	14.2	<u>(2,159,113)</u>
	<u>436,089,241</u>	<u>487,649,414</u>

14.1 No amount was due from chief executive, directors and executives as at the reporting date (2024: Nil).

14.2 Provision against doubtful other receivables

Opening balance	2,159,113	-
Add: provision for the year	-	2,159,113
Less: written off during the year	<u>(2,159,113)</u>	<u>-</u>
Closing balance	<u>-</u>	<u>2,159,113</u>

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Note 15

Short Term Investments

	2025	2024
	Rupees	Rupees
Fair value through profit or loss		
<i>Pakistan Stock Exchange Limited</i>		
Nil (2024: 765,000) shares of Rs. 10 each	-	9,799,658
<i>Ghani Chemworld Limited</i>		
860,000 (2024: Nil) shares of Rs. 10 each	8,359,200	-
<i>Ghani Chemical Industries Limited</i>		
1,720,000 (2024: 1,720,000) shares of Rs. 10 each	42,759,200	18,971,567
	<u>51,118,400</u>	<u>28,771,225</u>

- 15.1** Investments in quoted shares are measured at fair value through profit or loss. The quoted market value in an active market is considered as the fair value of investment. The resulting difference between cost and fair value of investment is taken to profit or loss.

Note 16

Tax Refunds due from the Government

	2025	2024
	Rupees	Rupees
Income tax refundable, advance tax and tax deducted at source	613,817,042	396,468,886
Sales tax refundable	1,873,747,967	671,781,431
	<u>2,487,565,009</u>	<u>1,068,250,317</u>

Note 17

Cash and Bank Balances

		2025	2024
	Note	Rupees	Rupees
Cash in hand		21,146,111	8,708,109
Cash at banks:			
- Current accounts		77,244,438	21,815,728
- Saving accounts	17.1	24,508	1,433,740
	17.2	77,268,946	23,249,468
		<u>98,415,057</u>	<u>31,957,577</u>

- 17.1** This represents amounts in saving accounts yielding profit at rates ranging from 6.98% to 8.32% (2024: 13.00% to 15.36%) per annum, approximately.

- 17.2** This includes shariah compliant bank deposits amounting to Rs. 31.86 million (2024: Rs. 5.63 million).

- 17.3** The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.

Note 18

Assets Classified as Held for Sale

		2025	2024
	Note	Rupees	Rupees
Orient Power Company (Private) Limited			
46,098,624 (2024: 87,335,969) ordinary shares of Rs. 10 each			
Shareholding held 11.07% (2024: 20.97%)			
Carrying amount of investment	18.1	<u>1,797,846,336</u>	<u>3,406,102,791</u>

- 18.1** During the financial year 2023-24, the Board of Directors resolved to dispose of the Group's investment in Orient Power Company (Private) Limited. In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the investment was classified as held for sale, measured at the lower of carrying amount and fair value less costs to sell, and presented separately in the statement of financial position. During the year, 41,237,345 shares were sold, reducing the Group's holding from 20.97% to 11.07%. The management expects to dispose of the remaining shares within next 12 months.

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Note 19

Issued, Subscribed and Paid Up Capital

2025	2024		2025	2024
Number of shares			Rupees	Rupees
6,288,800	6,288,800	Ordinary shares of Rs. 10 each fully paid in cash	62,888,000	62,888,000
11,000	11,000	Ordinary shares of Rs. 10 each issued as fully paid against shares of Mahmood Power Generation Limited upon merger	110,000	110,000
23,700,200	23,700,200	Ordinary shares of Rs. 10 each issued as fully paid bonus	237,002,000	237,002,000
<u>30,000,000</u>	<u>30,000,000</u>		<u>300,000,000</u>	<u>300,000,000</u>

19.1 No shares were cancelled or further issued during the year (2024: Nil).

19.2 Shares held by related parties are as follows:

	2025	2024	2025	2024
	(Percentage)	(Percentage)	(Number of Shares)	
Roomi Enterprises (Private) Limited	0.003%	0.003%	800	800
Directors	15.077%	17.171%	4,523,074	5,151,440
			<u>4,523,874</u>	<u>5,152,240</u>

19.3 There are no agreements with shareholders for any specific voting rights, board selection, rights of first refusal and block voting etc.

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

Note 20

Surplus on Revaluation of Property, Plant and Equipment

	2025	2024
	Rupees	Rupees
Freehold Land:		
- Opening balance	2,262,172,681	1,014,487,651
- Surplus arisen during the year	-	1,247,685,030
	<u>2,262,172,681</u>	<u>2,262,172,681</u>
Leasehold Land:		
- Opening balance	899,576,257	349,020,257
- Surplus arisen during the year	-	550,556,000
	<u>899,576,257</u>	<u>899,576,257</u>
Buildings on Freehold Land:		
- Opening balance	2,334,672,727	867,897,795
- Surplus arisen during the year	-	1,553,564,712
- Incremental depreciation	(233,467,273)	(86,789,780)
	<u>2,101,205,454</u>	<u>2,334,672,727</u>
Buildings on Leasehold Land:		
- Opening balance	191,694,540	158,441,518
- Surplus arisen during the year	-	49,097,174
- Incremental depreciation	(19,169,454)	(15,844,152)
	<u>172,525,086</u>	<u>191,694,540</u>
	<u>5,435,479,478</u>	<u>5,688,116,205</u>

20.1 Latest revaluation of property, plant and equipment was carried out as on June 30, 2024 by an independent valuer that resulted in revaluation surplus of Rs. 3,400.903 million. The following basis were used for revaluation of property, plant and equipment:

Land	Market Value
Buildings	Market Value / Depreciated Value

20.2 The surplus on revaluation of property, plant and equipment is not available for distribution to shareholders in accordance with Section 241 of the Companies Act, 2017.

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Note 21

Long Term Finances

		2025	2024
	Note	Rupees	Rupees
Habib Bank Limited	21.1	1,393,999,024	1,469,957,501
MCB Bank Limited	21.2	175,598,968	226,503,076
Meezan Bank Limited	21.3	1,029,474,719	1,070,722,981
United Bank Limited	21.4	451,414,959	507,535,349
Allied Bank Limited	21.5	700,689,000	923,531,073
Bank Al Habib Limited	21.6	837,446,603	1,082,795,597
National Bank of Pakistan	21.7	1,964,285,716	1,159,039,556
Bank Alfalah Limited	21.8	1,154,499,028	1,403,758,071
Soneri Bank Limited	21.9	309,235,981	421,935,981
Askari Bank Limited	21.10	385,511,000	448,006,785
Bank of Punjab	21.11	1,098,514,432	661,628,535
Pak Brunei Investment Company Limited	21.12	200,000,000	150,000,000
Bank Al Habib Limited - Islamic	21.13	496,072,000	499,999,423
Bank Islami Pakistan Limited	21.14	1,000,000,000	-
		11,196,741,430	10,025,413,928
Deferred Government Grant:			
Temporary Economic Refinance Facility			
Bank Al Habib Limited	21.6	104,176,228	133,645,609
Bank of Punjab	21.11	222,203,639	280,162,798
		326,379,867	413,808,407
		11,523,121,297	10,439,222,335
		(2,586,634,157)	(2,064,069,240)
		8,936,487,140	8,375,153,095

Less: Current portion

- 21.1** These represent numerous facilities availed to meet the capital expenditure requirements of the Group. The sanctioned limits for these facilities amounted to Rs. 2,050 million (2024: Rs. 1,800 million). These facilities carry markup @ 3 months KIBOR plus a spread of upto 125 bps per annum (2024: 3 months KIBOR plus a spread of upto 100 bps per annum), with some long term finance facilities carrying fixed markup of 3% to 5% per annum (2024: 3% to 5% per annum). These facilities are payable in quarterly installments, latest by May 2031. These facilities are secured by joint pari passu charge of Rs. 2,064 million (2024: Rs. 2,498 million) over all fixed assets of the Group.
- 21.2** These represent numerous facilities availed to meet the capital expenditure requirements of the Group. The sanctioned limits for these facilities amounted to Rs. 200.6 million (2024: Rs. 362 million). These facilities carry markup @ 6 months KIBOR plus 75 bps per annum (2024: 6 months KIBOR plus 75 bps per annum), with a term finance facility carrying fixed markup @ 2.75% per annum (2024: 2.75% per annum). These facilities are payable in quarterly installments, latest by February 2033. These facilities are secured by way of hypothecation charge amounting to Rs. 301 million (2024: Rs. 386 million) over present and future fixed assets of the Group.
- 21.3** These represent numerous facilities availed to meet the capital expenditure requirements of the Group. The sanctioned limit for these facilities amounted to Rs. 1,070 million (2024: Rs. 1,531.35 million). These facilities carry markup @ 6 months KIBOR plus spread upto 150 bps per annum (2024: 6 months KIBOR plus spread upto 150 bps per annum), with some term finance facilities carrying markup @ SBP rate plus 200 bps per annum (2024: SBP rate plus 200 bps per annum). The facilities are payable in quarterly installments, latest by June 2032. These facilities are secured by exclusive charge amounting to Rs. 1,339 million (2024: Rs. 1,426 million) over the fixed assets of the Group, along with ranking charge of Rs. 317 million (2024: Rs. 200 million).
- 21.4** These represent numerous facilities availed to meet the capital expenditure requirements of the Group. The sanctioned limits for these facilities amounted to a Rs. 531 million (2024: Rs. 698 million). These facilities carry markup @ SBP rate plus 300 bps per annum (2024: Nil), with term finance facility carrying a fixed markup @ 2.5% per annum (2024: 2.5% per annum). These facilities are payable in quarterly installments, latest by June 2034. These facilities are secured by the way of first joint pari passu charge amounting to Rs. 893 million (2024: Rs. 320 million) over the present and future fixed assets of the Group along with the ranking charge of Nil (2024: Rs. 426 million) over the present and future fixed assets of the Group.
- 21.5** These represent numerous facilities availed to meet the capital expenditure requirements of the Group. The sanctioned limits for these facilities amounted to Rs. 867.7 million (2024: Rs. 1,381.5 million). These facilities carry markup @ 6 months KIBOR plus 175 bps per annum (2024: 6 months KIBOR plus 150 bps per annum), with a term finance facility carrying markup @ SBP rate plus 50 bps per annum (2024: SBP rate plus 50 bps per annum). These facilities are payable in quarterly installments, latest by November 2028. These facilities are secured by the way of first joint pari passu charge amounting to Rs. 1,299 million (2024: Rs. 1,530 million) over the present and future fixed assets of the Group.

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Note 21, Long Term Finances - Continued..

- 21.6** These represents the numerous facilities availed to meet the capital expenditure requirements of the Group. The sanctioned limits for these facilities amounted to Rs. 1,466.8 million (2024: Rs. 1,874.5 million). These facilities carry markup of 6 months KIBOR plus 100 bps per annum (2024: 6 months KIBOR plus 100 bps per annum), with a term economic refinance facility carrying markup @ SBP rate plus spread upto 150 bps per annum (2024: SBP rate plus spread upto 150 bps per annum). These facilities are payable in quarterly installments, latest by November 2031. These facilities are secured by the joint pari passu charge amounting to Rs. 2,384 million (2024: Rs. 2,758 million) over all the present and future assets of the Group.
- 21.7** These represent numerous facilities availed for reprofiling of the balance sheet by paying off short-term loans from various banks. The sanctioned limits for these facilities amounted to Rs. 3,000 million (2024: Rs. 2,000 million). One of these facilities carry markup @ 3 to 6 months KIBOR plus spread upto 200 bps per annum (2024: 6 months KIBOR plus 150 bps per annum). These facilities are repayable in quarterly installments, latest by February 2032. These facilities are secured by the way of hypothecation charge over all present and future movable fixed assets of the Group along with the first joint pari passu charge amounting to Rs. 1,779 million (2024: Rs. 2,000 million) over the present and future fixed assets of the Group along with the ranking charge of 1,334 million over all the present and future fixed assets of the Group.
- 21.8** These represent numerous facilities availed to meet the capital expenditure requirements of the Group. The sanctioned limits for these facilities amounted to Rs. 1,445.36 million (2024: Rs. 1,608 million). These facilities carry markup @ 6 months KIBOR plus 200 bps per annum (2024: 6 months KIBOR plus 200 bps per annum), with a term finance facility carrying markup @ SBP rate plus 200 bps per annum (2024: SBP rate plus 200 bps per annum). These facilities are payable in quarterly installments, latest by February 2031. These facilities are secured by the first joint pari passu charge amounting to Rs. 1,874 million (2024: Rs. 2,094 million) over the present and future fixed assets of the Group.
- 21.9** This term finance facility was availed to meet the capital expenditure requirements of the Group. The sanctioned limit for this facility amounted to Rs. 400.8 million (2024: Rs. 668 million). This facility carry markup @ 3 months KIBOR plus 80 bps per annum (2024: 3 months KIBOR plus 80 bps per annum). This facility is payable in quarterly installments, latest by September 2027. This facility is secured by the joint pari passu charge amounting to Rs. 608 million (2024: Rs. 747 million) over the present and future fixed assets of the Group.
- 21.10** These represent numerous facilities availed to meet the capital expenditure requirements of the Group. The sanctioned limit for these facilities amounted to Rs. 472 million (2024: Rs. 500 million). One of these facilities carry markup @ 6 months KIBOR plus 250 bps per annum (2024: 6 months KIBOR plus 250 bps per annum), with the other facility carrying markup @ SBP rate plus 200 bps (2024: SBP rate plus 200 bps) per annum. These facilities are payable in half yearly installments, latest by February 2032. These facilities are secured by the joint pari passu charge amounting to Rs. 603 million (2024: Rs. 667 million) over the present and future fixed assets of the Group.
- 21.11** These represent numerous facilities availed to meet the capital expenditure requirements of the Group. The sanctioned limits for these facilities amounted to Rs. 1,500 million (2024: Rs. 1,000 million). These facilities are payable in half-yearly installments, latest by January 2032, and carries 6 months KIBOR plus 150 bps per annum (2024: Nill) and term economic refinance facility carry markup @ 3% per annum (2024: 3.5% per annum), payable on quarterly basis. This facility is secured by an existing joint pari passu charge amounting to Rs. 2,000 million (2024: Rs. 1,334 million) over the present and future fixed assets of the Group.
- 21.12** This term finance facility was availed to finance the installation of a solar system with a capacity of up to 2 Megawatts. The sanctioned limit for this facility amounted to Rs. 200 million (2024: Rs. 200 million). This facility is payable in 20 quaterly installments, latest by May 2029, and carries markup @ 3 months KIBOR plus 125 bps per annum (2024: 3 months KIBOR plus 125 bps per annum). This facility is secured by the joint pari passu charge amounting to Rs. 267 million (2024: Rs. 267 million) over the fixed assets of the Group.
- 21.13** This term finance facility was availed meet the capital expenditure requirements of the Group. The sanctioned limit for this facility amounted to Rs. 500 million (2024: Rs. 500 million). This facility is payable in 16 equal half-yearly installments, latest by February 2033, and carries markup @ 6 months KIBOR plus 100 bps per annum (2024: 6 months KIBOR plus 100 bps per annum). This facility is secured by the joint pari passu charge amounting to Rs. 667 million (2024: Rs. 667 million) over the present and future fixed assets of the Group.
- 21.14** This term finance facility was availed meet the capital expenditure requirements of the Group. The sanctioned limit for this facility amounted to Rs. 1,000 million (2024: Nill). This facility is payable in 20 equal quaterly installments, latest by December 2030, and carries markup @ 3 months KIBOR plus 125 bps per annum (2024: Nill). This facility is secured by the joint pari passu charge amounting to Rs. 1,334 million (2024: Nill) over the present and future fixed assets of the Group.

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Note 22

Lease Liabilities

	Note	2025 Rupees	2024 Rupees
Lease Liability		49,193,646	30,044,585
Less: Current portion		(11,718,625)	(7,995,071)
		<u>37,475,021</u>	<u>22,049,514</u>

22.1 Summary of amounts relating to leases charged in different line items of the consolidated financial statements is as follows:

	Included in			
Carrying amount of right of use assets	Statement of financial position	5.1	972,716,072	945,517,169
Depreciation charge	Statement of profit or loss	34	6,660,991	6,296,292
Finance cost	Statement of profit or loss	35	6,900,971	8,000,294
Payments made	Statement of cash flows		(21,611,804)	(7,821,326)

Maturity analysis of lease liabilities

	Undiscounted Cash Flows		Discounted Cash Flows	
	2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
Within one year	18,026,404	11,711,000	11,784,315	7,995,071
Between two to five years	30,051,014	24,099,556	21,178,524	22,049,514
Later than five years	31,913,338	-	16,230,807	-
	<u>79,990,756</u>	<u>35,810,556</u>	<u>49,193,646</u>	<u>30,044,585</u>

22.2 The Group has entered into lease agreement with Bank Al-Habib Limited to acquire vehicles. Total limit available during the current financial year was Rs. 100 million (2024: Rs. 100 million). These lease finance facilities are secured against the title of the leased vehicles in the name of the Bank.

22.3 The minimum lease payments have been discounted at implicit rate of 6 months KIBOR plus 1%. Lease rentals are payable in equal monthly instalments for vehicles and annually for leasehold land. Remaining lease term of existing lease contracts of which lease liability recorded is upto 3 years (2024: upto 4 years), and for land is upto 10 years (2024: Nil).

22.4 During the year, the Group acquired leasehold land for the installation of solar panels (Refer Note 5.2.1).

Note 23

Deferred Tax Liability

	Note	2025 Rupees	2024 Rupees
Deferred tax liability	23.2	<u>740,374,699</u>	<u>805,017,769</u>

23.1 Reconciliation of deferred tax liabilities - net

Opening balance	805,017,769	579,207,175
Recognized in statement of profit or loss	(64,643,070)	225,810,594
Recognized in other comprehensive income	-	-
Closing balance	<u>740,374,699</u>	<u>805,017,769</u>

23.2 Analysis of deferred tax

Statement of Financial Position		Statement of Profit or Loss	
2025	2024	2025	2024
----- Rupees -----		----- Rupees -----	
On taxable temporary difference			
Investments in associate	740,374,699	805,017,769	(64,643,070) 225,810,594

23.3 Deferred tax liabilities are recognized for all taxable temporary differences and are measured using the tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the related liabilities are settled.

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Note 24

Trade and Other Payables

		2025	2024
	Note	Rupees	Rupees
Creditors		2,152,612,798	2,554,444,408
Bills payable - secured	24.1	2,019,434,396	2,900,940,985
Accrued expenses		1,561,789,818	1,592,589,252
Tax deducted at source		311,389,387	192,256,200
Workers' (profit) participation fund	24.2	68,933,544	60,836,241
Workers' welfare fund	24.3	191,254,867	160,050,494
Others		47,427,319	20,782,671
		<u>6,352,842,129</u>	<u>7,481,900,251</u>

24.1 These bills are secured against securities.

24.2 Workers' (profit) participation fund

Opening balance		60,836,241	63,406,734
Expense recognised during the year	36	68,933,544	60,836,241
Interest on workers' (profit) participation fund		<u>5,127,729</u>	<u>6,990,418</u>
		134,897,514	131,233,393
Payments made during the year		<u>(65,963,970)</u>	<u>(70,397,152)</u>
Closing balance		<u>68,933,544</u>	<u>60,836,241</u>

24.3 Workers' welfare fund

Opening balance		160,050,494	128,189,518
Expense recognised during the year	36	<u>31,204,373</u>	<u>31,860,976</u>
		191,254,867	160,050,494
Payments made during the year		<u>-</u>	<u>-</u>
Closing balance		<u>191,254,867</u>	<u>160,050,494</u>

Note 25

Contract Liabilities

		2025	2024
		Rupees	Rupees
Advances from customers			
- Local		139,647,146	76,664,453
- Foreign		<u>9,482,912</u>	<u>8,214,692</u>
		<u>149,130,058</u>	<u>84,879,145</u>

25.1 This represents consideration received in advance from customers for future sale of goods. Revenue recognized from amounts included in contract liabilities at the beginning of the year amounted to Rs. 84.88 million (2024: Rs. 126.48 million).

Note 26

Accrued Mark-up

		2025	2024
		Rupees	Rupees
Long term financing		289,716,779	404,125,863
Short term borrowings		<u>496,555,703</u>	<u>779,065,453</u>
		<u>786,272,482</u>	<u>1,183,191,316</u>

Note 27

Current Portion of Non-Current Liabilities

		2025	2024
	Note	Rupees	Rupees
Long term financing	21	2,586,634,157	2,064,069,240
Lease liabilities	22	11,718,625	7,995,071
Provisions against GIDC	27.1	<u>101,145,975</u>	<u>101,145,975</u>
		<u>2,699,498,757</u>	<u>2,173,210,286</u>

27.1 The Gas Infrastructure Development Cess (GIDC) was imposed under the GIDC Act, 2015 on industrial gas consumers to finance strategic pipeline projects. The Group has recognized a liability for GIDC on the amounts billed in accordance with applicable legal interpretations and accounting guidance. The matter is currently under litigation, and a stay has been granted by the Sindh High Court on August 16, 2021.

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Note 28

Short Term Borrowings

		2025	2024
	Note	Rupees	Rupees
Short-term borrowings / running finances	28.1	11,047,623,115	13,808,782,891
Islamic finance - shariah compliant	28.2	6,972,828,121	2,613,081,741
		<u>18,020,451,236</u>	<u>16,421,864,632</u>

28.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs. 19,011 million (2024: Rs. 25,550 million). These finance facilities, during the current financial year, carried mark-up at the rates ranging from 12.03% to 21.83% (2024: 20.85% to 22.53%) per annum, effectively. The aggregate finance facilities are secured against charge over the Group's current assets, lien over export bills and banks' lien over letters of credit. These facilities shall be expiring on various dates, latest by February 28, 2026.

28.2 These facilities have been obtained from various banking companies having sanctioned limit amounting to Rs. 12,555 (2024: Rs. 7,400 million) for working capital requirements and carry interest/markup/profit at rates ranging from 12.13% to 21.63% (2024: 20.99% to 24.02%) per annum, effectively. The aggregate finance facilities are secured against charge over the Company's current assets, lien over export bills and over letters of credit. These facilities shall be expiring on various dates, latest by February 28, 2026.

28.3 Facilities available for opening letters of credit and guarantee from various commercial banks aggregate to be Rs. 11,900 million (2024: Rs. 6,502 million). Out of the available facilities, facilities aggregating to Rs. 7,445 million (2024: Rs. 2,975 million) remained unutilized as at the reporting date. These facilities are secured against lien over import documents and charge over current assets of the Group. These facilities shall expire on various dates latest by February 28, 2026.

Note 29

Provision for Taxation

		2025	2024
	Note	Rupees	Rupees
Opening balance		1,077,084,063	769,682,788
Add: provision made during the year			
- Current tax		713,392,284	687,163,425
- Super tax		-	256,377,632
- Prior year adjustments	29.2	(97,801,410)	(47,752,048)
Tax expense for the year		<u>615,590,874</u>	<u>895,789,009</u>
		1,692,674,937	1,665,471,797
Less: payments / adjustments made during the year		<u>(525,293,064)</u>	<u>(588,387,734)</u>
		<u>1,167,381,873</u>	<u>1,077,084,063</u>

29.1 Income tax assessments of the Group have been finalized by the Income Tax Department or deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (the Ordinance) upto tax year 2024.

29.2 Under Section 65B of the Income Tax Ordinance, 2001, a tax credit of 10% was available on investment in eligible imported machinery. Through the Finance Act, 2019, this rate was reduced to 5%. The Commissioner Inland Revenue applied this amendment retrospectively, against which the Group filed an appeal in tax year 2019. The Supreme Court decided refund order of Rs. 149 million in favour of the Group. Rs. 51 million out of this refund order, the Group has already recognised in previous year.

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Note 30

Contingencies and Commitments**30.1 Contingencies**

- 30.1.1** Guarantees given by various commercial banks, in respect of financial and operational obligations of the Group, to various institutions and corporate bodies aggregated to Rs. 1,660 million as at June 30, 2025 (2024: Rs. 1,452 million).
- 30.1.2** Sui Northern Gas Pipelines Limited (SNGPL) had raised an arrears demand aggregating to Rs. 75.221 million (2024: Rs. 75.221 million) from the Group against the charge that the Group's gas meter was not working properly. The Group challenged the said demand by filing a petition before the General Manager, SNGPL, Lahore (the GM). Now, the case has been referred to the Gas Utility Court (the Court) as per the requirement of the Gas (Theft Control and Recovery) Act, 2016. As per the direction of the Court, the Group has deposited Rs. 75.221 million under protest and grouped this amount under loans and advances (note 13). If the case is decided in the Group's favor, the Group will receive back the demand paid under protest. The case is still pending before the Court. The Group has challenged the demand and wants to provide the record of curtailment days (the period for which gas was not supplied to the Group). The next date of hearing is October 04, 2025.
- 30.1.3** The Group has filed a petition before the Civil Court of Multan against SNGPL, which has alleged that the Group's gas meter was malfunctioning during the period from May 2012 to September 2013. SNGPL has raised a demand of Rs. 1.101 million. The Group's petition is currently pending adjudication.
- 30.1.4** The Group had challenged the imposition of infrastructure cess by the Directorate of Excise & Taxation, Karachi (the Directorate) at the rate of 0.85% of the value of imported goods by filing a suit before the High Court of Sindh at Karachi (the Court). The Court had directed the Group to furnish a bank guarantee covering the disputed amount of cess. The Group, during the period from December 28, 2006 to May 30, 2011, had utilised bank guarantees to the tune of Rs. 32.489 million. The Directorate, vide its letter dated July 13, 2011, had requested the Group to furnish a bank guarantee of 50% of the aforementioned amount along with a demand draft for the balance 50% of the aforementioned amount in order to return of the previous bank guarantees.

The Group had submitted a bank draft amounting to Rs. 16.245 million to the Directorate during September, 2011, which was expensed out in year 2013. Habib Bank Limited, on behalf of the Group in consideration of allowing the release of consignments imported from time to time for the purpose of carriage of goods by road within the province of Sindh, has undertaken and guaranteed to pay an amount of Rs. 16.245 million to the Directorate in case if the Court decides that the cess imposed under the Sindh Finance Act, 1994 is lawful and validly imposed. The bank guarantee is valid upto August 15, 2025.

During the pendency of litigation, the Government of Sindh has revised the rate of Infrastructure Cess to 1.85% of the value of imported goods through subsequent amendments to the Sindh Finance Act. In compliance with the directions of the Honorable Supreme Court of Pakistan in C.P. No. 4847/2021 and C.P. No. 4854/2021, the Group has furnished a fresh bank guarantee amounting to Rs. 10 million from Askari Bank Limited, in favor of the Directorate of Excise & Taxation (Taxes-II), Karachi. The guarantee, duly executed and supported by a non-judicial E-Stamp paper, remains valid until the final decision of the Honorable Supreme Court.

- 30.1.5** Foreign and local bills discounted outstanding as at the reporting date aggregated to Rs. 10,472.564 million (2024: Rs. 5,235.873 million) and Rs. 596.114 million (2024: Rs. 1,195.985 million) respectively.

30.2 Commitments

Commitments for irrevocable letters of credit:

- Capital expenditure
- Others

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	2025	2024
	Rupees in millions	
	27.264	5.773
	748.356	2,069.365
	<u>775.620</u>	<u>2,075.138</u>

Note 31
Sales

	2025			2024		
	Local	Export	Total	Local	Export	Total
	Rupees	Rupees		Rupees	Rupees	
Yarn	19,503,908,360	7,114,643,090	26,618,551,450	4,256,077,868	32,018,463,013	36,274,540,881
Cloth	19,861,718,399	1,374,717,591	21,236,435,990	4,939,435,805	16,256,053,059	21,195,488,864
Waste	1,816,969,873	-	1,816,969,873	2,373,121,015	152,777,693	2,525,898,708
Doubling/sizing income	96,609,267	-	96,609,267	101,384,241	-	101,384,241
Apparel	208,329,766	9,358,460,798	9,566,790,564	92,726,416	6,635,697,429	6,728,423,845
Cotton	4,796,266,597	-	4,796,266,597	4,224,335,347	-	4,224,335,347
	46,283,802,262	17,847,821,479	64,131,623,741	15,987,080,692	55,062,991,194	71,050,071,886
Sales tax	(7,060,241,004)	-	(7,060,241,004)	(4,466,304,881)	-	(4,466,304,881)
	<u>39,223,561,258</u>	<u>17,847,821,479</u>	<u>57,071,382,737</u>	<u>11,520,775,811</u>	<u>55,062,991,194</u>	<u>66,583,767,005</u>

31.1 Revenue has been recognised at a point in time for both local and export sales during the year.

31.2 The Group's revenue based on geographical locations is given as under:

	Note	2025 Rupees	2024 Rupees
Pakistan		39,223,561,258	11,520,775,811
Others	12.3	<u>17,847,821,479</u>	<u>55,062,991,194</u>
		<u>57,071,382,737</u>	<u>66,583,767,005</u>

Note 32
Cost of Sales

	Note	2025 Rupees	2024 Rupees
Raw materials consumed		37,816,160,756	42,919,620,941
Stores and spares consumed		1,305,227,877	1,321,198,452
Packing materials consumed		285,465,229	459,102,157
Salaries, wages and benefits	32.1	3,496,674,418	2,989,090,034
Power and fuel		5,377,500,812	4,886,148,256
Repairs and maintenance		60,802,852	60,131,526
Depreciation	5.5	1,897,050,002	1,710,908,624
Insurance		256,007,213	229,197,189
Doubling charges		<u>88,551,261</u>	<u>117,244,075</u>
		50,583,440,420	54,692,641,254
Work-in-process			
- Opening		1,083,325,503	1,354,322,926
- Closing		<u>(2,041,555,956)</u>	<u>(1,083,325,503)</u>
		(958,230,453)	270,997,423
Cost of goods manufactured		49,625,209,967	54,963,638,677
Finished goods			
- Opening stock		3,126,479,544	5,018,076,664
- Closing stock		<u>(3,643,824,678)</u>	<u>(3,126,479,544)</u>
		(517,345,134)	1,891,597,120
		<u>49,107,864,833</u>	<u>56,855,235,797</u>

32.1 This includes staff retirement benefits amounting to Rs. 207.714 million (2024: Rs. 105.524 million).

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Note 33
Distribution Cost

	2025	2024
	Rupees	Rupees
Advertisement	9,284,602	12,869,578
Export expenses	240,053,022	441,065,538
Commission	844,828,646	878,205,323
Export development surcharge	44,528,812	62,343,032
Freight and other expenses	272,104,172	287,303,388
	<u>1,410,799,254</u>	<u>1,681,786,859</u>

Note 34
Administrative Expenses

		2025	2024
	Note	Rupees	Rupees
Salaries and benefits	34.1	546,464,667	477,161,789
Travelling and conveyance	34.2	185,303,731	177,944,204
Rent, rates and taxes		6,415,493	4,738,576
Entertainment		77,711,438	74,598,020
Utilities		20,094,346	30,903,125
Communication		51,004,220	52,313,382
Printing and stationery		27,520,522	28,749,438
Insurance		21,603,856	17,051,908
Repairs and maintenance		56,450,728	63,032,502
Vehicles running and maintenance		72,403,628	60,669,918
Subscription and licensing fees		72,597,081	48,444,662
Auditors' remuneration		2,702,500	2,350,000
Legal and professional charges		28,309,578	6,855,088
Depreciation	5.5	137,355,061	138,835,151
Amortization	7.1	5,965,645	6,872,796
General		14,407,075	10,312,638
		<u>1,326,309,569</u>	<u>1,200,833,197</u>

34.1 This includes staff retirement benefits - amounting to Rs. 23.016 million (2024: Rs. 16.413 million).

34.2 This includes directors' travelling expenses aggregating Rs. 27.412 million (2024: Rs. 26.793 million).

34.3 Auditors' remuneration

- Audit fee	2,127,500	1,850,000
- Half yearly review fee	402,500	350,000
- Certification fee	172,500	150,000
	<u>2,702,500</u>	<u>2,350,000</u>

Note 35
Finance Cost

	2025	2024
	Rupees	Rupees
Markup on:		
- Long term financing	1,321,301,849	1,604,714,977
- Short term borrowings	2,448,014,333	3,766,022,698
- Lease liabilities	6,900,971	8,000,294
Interest on workers' (profit) participation fund	5,127,729	6,990,418
Bank charges and commission	329,181,562	245,652,848
	<u>4,110,526,444</u>	<u>5,631,381,235</u>

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Note 36
Other Operating Expenses

		2025	2024
	Note	Rupees	Rupees
Donations	36.1	55,678,554	25,894,115
Loss on valuation of asset held for sale		-	234,059,305
Allowance for expected credit losses (ECL)	12.2	26,234,375	16,328,178
Provision for doubtful loan and advances		-	26,907,267
Provision for doubtful other receivables		-	2,159,113
Workers' (profit) participation fund		68,933,544	60,836,241
Workers' welfare fund		31,204,373	31,860,976
		<u>182,050,846</u>	<u>398,045,195</u>

36.1 Details of donations to a single party exceeding the higher of Rs. 500,000 or 10% of the Group's total donation amount are as follows:

Kehkashan Welfare Society	9,000,000	825,000
Health Care Delivery Foundation	7,000,000	-
Education For All Foundation	1,460,000	-
Saleem Memorial Trust Hospital	1,000,000	-
Punjab Social Security Health Management Company	-	1,865,000
APTMA relief activities of the Government	-	500,563
Care Model School	-	2,148,000
Madarasa Mehr Fatima	-	3,600,000
Al-Khidmat Foundation	-	800,000
The Patients Behbud Society	-	1,500,000
Lahore Garrison Shooting Gallery	-	1,000,000
Empowering Ruler Communities	-	4,200,000
	<u>18,460,000</u>	<u>16,438,563</u>

36.1.1 None of the directors or their spouses have any interest in the donees.

Note 37
Other Income

		2025	2024
	Note	Rupees	Rupees
Dividends		1,032,000	-
Bank profit		50,639,237	-
Gain on disposal of short-term investments - net		1,935,642	3,109,006
Unrealised gain on remeasurement of short-term investments - net	15	32,146,833	6,289,565
Exchange gain		58,088,457	4,672,035
Amortization of deferred grant		87,428,540	89,402,213
Fair value gain on investment property		76,062,000	11,351,000
Export rebate		20,240,187	-
Gain on disposal of operating fixed assets - net		17,078,270	2,667,406
		<u>344,651,166</u>	<u>117,491,225</u>

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Note 38
Levy / Final Taxation

	2025	2024
	Rupees	Rupees
For the year	<u>713,392,284</u>	<u>895,789,009</u>

38.1 This represents portion of minimum tax paid / final tax paid which is over and above the normal tax liability under different provisions of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 / IAS 37.

38.2 No numeric tax rate reconciliation is presented in these consolidated financial statements as the Group is only liable to pay tax due under sections 4C (Super tax on high earning persons), 5 (Tax on dividends), 37 A (Capital gains on sale of securities), 113 (Minimum tax on the income of certain persons) and 154 (Tax on export proceeds) of the Ordinance.

Note 39
Taxation

	2025	2024
	Rupees	Rupees
Current tax	-	-
Prior period adjustment	(97,801,410)	-
Deferred tax	<u>(64,643,070)</u>	<u>225,810,594</u>
	<u>(162,444,480)</u>	<u>225,810,594</u>

39.1 Reconciliation of Final tax and Income tax under IAS 12:

Current tax liability as per applicable tax laws	713,392,284	895,789,009
Portion of current tax liability representing income tax as per IAS-12	-	-
Portion of final tax liability representing final taxation as per IFRIC-21 / IAS-37	<u>(713,392,284)</u>	<u>(895,789,009)</u>
Difference	<u>-</u>	<u>-</u>

39.2 The current tax expense for the year is calculated using minimum tax rate of 1.25% (2024: 1%) and super tax Nil (2024: 10%). Deferred tax liabilities are recognized for all taxable temporary differences and are measured using the tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply when the related liabilities are settled.

Note 40
Earnings per Share

		2025	2024
Profit after taxation attributable to ordinary shareholders	Rupees	<u>978,016,486</u>	<u>249,536,591</u>
Weighted average number of ordinary shares outstanding during the year	Numbers	<u>30,000,000</u>	<u>30,000,000</u>
Earnings per share	Rupees	<u>32.60</u>	<u>8.32</u>

40.1 Diluted Earnings per Share

There is no dilution effect on the earnings per share of the Group as the Group does not have any convertible instruments in issue as at the reporting date (2024: Nil) which would have any effect on the earnings per share if the option to convert is exercised.

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Note 41
Cash Generated from Operations

		2025	2024
	Note	Rupees	Rupees
Cash Flows from Operating Activities			
Profit before levy and taxation		1,528,964,290	1,371,136,194
Adjustments for:			
- Depreciation	5.4	2,034,405,063	1,849,743,775
- Share of net profit of associate	8	(250,481,333)	(437,160,247)
- Amortization of intangible assets	34	5,965,645	6,872,796
- Amortization of deferred grant	37	(87,428,540)	(89,402,213)
- Gain on disposal of property, plant and equipment - net	37	(17,078,270)	(2,667,406)
- Finance cost on lease liabilities	35	6,900,971	-
- Gain on sale of short-term investments	37	(1,935,642)	(3,109,006)
- Dividend income on short-term investments	37	(1,032,000)	-
- Exchange gain on translation	37	(58,088,457)	(4,672,035)
- Fair value gain on re-measurement of short-term investments	37	(32,146,833)	(6,289,565)
- Fair value gain on investment property	37	(76,062,000)	(11,351,000)
- Loss on valuation of asset held for sale	36	-	234,059,305
- Interest on workers' (profit) participation fund	35	5,127,729	6,990,418
- Provision of workers' (profit) participation fund	36	68,933,544	60,836,241
- Provision of workers' welfare fund	36	31,204,373	31,860,976
- Allowance for expected credit losses (ECL)	36	26,234,375	16,328,178
- Provision for doubtful loan and advances	36	-	26,907,267
- Provision for doubtful other receivables	36	-	2,159,113
- Finance cost	35	3,769,316,182	5,378,737,969
		5,423,834,807	7,059,844,566
Operating profit before working capital changes		6,952,799,097	8,430,980,760
Decrease / (increase) in current assets:			
- Stores, spares and loose tools	10	175,974,325	513,876,531
- Stock in trade	11	(1,970,096,256)	905,751,575
- Trade debts	12	581,834,990	(590,847,752)
- Loans and advances	13	(38,819,000)	(159,842,249)
- Other receivables	14	51,560,173	(233,712,544)
- Sales tax due from the Government	16	(1,201,966,536)	224,405,444
Increase / (decrease) in current liabilities:			
- Trade and other payables		(1,168,359,798)	980,515,020
- Contract liabilities		64,250,913	(41,597,879)
		(3,505,621,189)	1,598,548,146
Cash Generated from Operations		3,447,177,908	10,029,528,906

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Note 42

Balances and Transactions with Related Parties

Related parties comprise associated company, directors and key management personnel. The Group in the normal course of business carries out transactions with various related parties. The Group enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Transactions during the year

Related party	Basis of Relationship	Aggregate Shareholding	Nature of Transaction	2025	2024
				Rupees	Rupees
Masood Spinning Mills Limited	Common directorship	32.41%	Sale of goods	9,656,200,340	1,344,548,639
			Purchase of goods	10,363,823,475	1,832,734,350
			Expense incurred	120,299,233	-
			Amount received	8,264,397,182	1,437,001,308
			Amount paid	8,962,865,680	1,833,021,109
			Doubling revenue	81,848,260	92,165,910
			Share of profit	250,481,333	437,160,247
			Share of equity	69,976,922	-
Multan Fabrics (Private) Limited	Common directorship		Sale of goods	169,315,169	112,091,188
			Doubling revenue	24,000	332,684
			Expense incurred	618,377	-
			Amount received	169,957,546	112,423,872
Roomi Enterprises (Private) Limited	Common directorship		Purchase of goods	2,454,388	-
			Expense incurred	407,848	-
			Amount received	203,460	-
			Amount paid	2,250,000	-
Roomi Poultry (Private) Limited	Common directorship		Sale of vehicles	27,500,000	-
			Amount received	27,500,000	-
Orient Power Company (Private) Limited	Shareholding	11.07%	Dividend income	287,540,173	262,007,929
			Amount received	287,540,173	262,007,929
Mr. Khawaja Muhammad Asghar	Director	0.0005%	MG Apparel Limited shares acquired	9,090	-

Balances Outstanding for the Year Ended

Masood Spinnings Mills Limited	Trade debts	192,992,858	-
	Investment	2,394,209,001	2,073,750,746
Mr. Khawaja Muhammad Asghar	Director	Payable against MG Apparel Limited shares	9,090

42.1 There were no transactions with key management personnel other than those undertaken as per terms of their employment that have been disclosed in Note 43.

42.2 Sales and purchase transactions have been carried out on commercial terms and conditions under comparable uncontrolled price method.

Note 43

Chief Executive's Officer, Directors' and Executives' Remuneration

Aggregate amounts charged in the consolidated financial statements for the year as remuneration and benefits to the Chief Executive Officer, Directors and Executives of the Group are as follows:

	2025			2024		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	7,602,000	7,800,000	193,238,579	8,065,200	7,114,800	107,984,836
Staff retirement benefits	-	-	14,246,266	-	-	8,995,137
Meeting fee	-	320,000	-	-	200,000	-
Travelling	-	23,016,000	-	-	26,793,000	-
	7,602,000	31,136,000	207,484,845	8,065,200	34,107,800	116,979,973
Number of persons	1	3	67	1	3	54

43.1 In addition to above, the Chief Executive Officer, Directors, and Executives are provided with free use of the Company maintained vehicles in accordance with the Company's policy.

43.2 An Executive is defined as an employee, other than the Chief Executive Officer and Directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

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Note 44

Segment Information

For management purposes, the activities of the Group are recognized into three operating segments, i.e. spinning, weaving and apparel. The Group operates in the said reportable operating segments based on the nature of the product, risk and return, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these consolidated financial statements relate to the Group's reportable segments of spinning, weaving and apparel. Entity-wide disclosures regarding reportable segments are as follows:

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
44.1 Segment Results for the year ended June 30, 2025				
Revenue	29,260,452	18,275,920	9,535,011	57,071,383
Operating profit	3,166,261	1,293,306	766,842	5,226,409
Total results for reportable segments				5,226,409
<i>Unallocated income and expenses</i>				
Finance cost				(4,110,526)
Other operating expense				(182,051)
Other income				344,651
Share of net profit from associate				250,481
Profit before levy and taxation				1,528,964
Levy / final taxation				(713,392)
Profit before Taxation				815,572
Taxation				162,444
Net Profit for the Year				978,016

Segment Results for the year ended June 30, 2024

Revenue	43,857,579	16,010,677	6,715,511	66,583,767
Operating profit	5,786,239	480,036	579,636	6,845,911
Total results for reportable segments				6,845,911
<i>Unallocated income and expenses</i>				
Finance cost - unallocated				(5,631,381)
Other operating expense				(398,045)
Other income				117,491
Share of net profit from associate				437,160
Profit before levy and taxation				1,371,136
Levy / final taxation				(895,789)
Profit before Taxation				475,347
Taxation				(225,811)
Net Profit for the Year				249,536

44.2 Segment financial position for the year ended June 30, 2025

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
Assets	33,280,185	9,135,113	10,547,571	52,962,869
Unallocated Assets				
Tax refunds due from the Government				2,487,565
Cash and bank balances				98,415
Assets classified as held for sale				1,797,846
Total assets				57,346,695

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Note 44, Segment Information, continued.....

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
Liabilities	23,363,585	6,838,377	6,595,626	36,797,588
Unallocated liabilities				
Unclaimed dividend				3,680
Provision for taxation				1,167,382
Lease liabilities				37,475
Deferred taxation				786,272
Gas infrastructure development cess (GIDC) payable				101,146
Total liabilities				38,893,543

Segment financial position for the year ended June 30, 2024

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
Assets	30,219,555	6,340,852	13,966,421	50,526,828
Unallocated Assets				
Tax refunds due from the Government				1,068,250
Cash and bank balances				31,958
Assets classified as held for sale				3,406,103
Total assets				55,033,138
Liabilities	25,895,607	1,931,416	7,784,034	35,611,057
Unallocated liabilities				
Unclaimed dividend				3,681
Provision for taxation				1,077,084
Lease liabilities				30,045
Deferred taxation				805,018
Gas infrastructure development cess (GIDC) payable				101,146
Total liabilities				37,628,030

44.3 Major customers:

Sales to one customer represents 16.92% (2024: 1.70%) of the total revenue.

44.4 Geographical Information:

The Group's revenue from external customers by geographic region is as follows:

	2025	2024
	%	%
Pakistan	69%	17%
United States	1%	3%
China	7%	14%
Turkey	1%	4%
Others	22%	62%
	100%	100%

44.5 All segments of the Group are managed on nation-wide basis and operate manufacturing facilities and sale offices in Pakistan.

44.6 All non-current assets of the Group as at June 30, 2025 are located in Pakistan.

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Note 45

Plant Capacity and Production

		2025	2024
	UOM		
The production during the year is as follows:			
Yarn			
Number of spindles installed		156,720	158,064
Number of spindles-shifts worked		168,950,283	169,467,392
Production capacity at 20's count 1,094 shifts (2024: 1,097 shifts)	Kgs	66,164,300	65,192,474
Actual production converted into 20's count	Kgs	65,813,462	63,822,963
Cloth			
Number of looms installed		228	228
Number of looms-shifts worked		249,432	250,116
Installed capacity at 60 picks 1,094 shifts (2024: 1,097 shifts)	Meters	58,821,841	58,325,450
Actual production converted into 60 picks	Meters	54,311,899	52,435,753
Apparel			
Installed capacity	Pieces	5,454,000	5,454,000
Actual production	Pieces	4,945,049	3,456,697
Power House			
Number of generators installed		19	19
Number of shifts worked		1,094	1,097
Generation capacity	MW	27	27
Actual generation	MW	5	14

45.1 Reasons attributable to under utilization of optimal production capacity are mainly due to various factors such as spindles speed, twist, maintenance of machinery, power shutdown, demand etc.

45.2 It is difficult to describe precisely the production capacity in spinning / weaving mills since it fluctuates widely depending on various factors such as count of yarn spun, spindles' speed, twist, the width and construction of fabric woven, etc. It also varies according to the pattern of production adopted in a particular year.

Note 46

Credit Facilities Available to the Group - Short Term Borrowings

	2025			2024		
	Available Limit	Utilised Credit	Unavailed Credit	Available Limit	Utilised Credit	Unavailed credit
	----- Rupees in million -----			----- Rupees in million -----		
Funded facilities						
Conventional mode of finance	19,011	11,118	7,893	18,150	12,711	5,439
Islamic financing	12,555	6,973	5,582	7,400	3,711	3,689
	31,566	18,091	13,475	25,550	16,422	9,128
Unfunded facilities						
Letters of credits	9,950	2,795	7,155	5,050	2,075	2,975
Letters of guarantees	1,950	1,660	290	1,452	1,452	-
<i>CM</i>	11,900	4,455	7,445	6,502	3,527	2,975

Note 47

Financial Risk Management**47.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the Board of Directors (the Board). The Group's finance department evaluates financial risks based on principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity provided by the board of directors. Risk management is actively reviewed to reflect changes in market conditions

(a) 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 foreign currency, interest rate, commodity price and equity price that will effect the Group's income or the value of its holdings of financial instruments.

(i) Currency risk

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

The Group is exposed to foreign currency risk on import of plant & machinery, raw materials, stores & spares and export of goods mainly denominated in U.S Dollars (US \$), Euro (€), Japanese Yen (JPY) and Swiss Franc (CHF). Currently, the Group's foreign exchange risk exposure is restricted to the amounts receivable from / payable to foreign entities. As at the reporting date, the Group's exposure to currency risk was as follows:

	2025				
	Rupees	USD	Euro	JPY	CHF
<u>On balance sheet:</u>					
Foreign debtors	2,903,908,668	10,232,699	836	-	-
Bills payable	(2,019,434,396)	(7,116,699)	-	-	-
	884,474,272	3,116,000	836	-	-
<u>Off balance sheet:</u>					
Outstanding commitments against letters of credit	(775,620,000)	(2,733,366)	-	-	-
	108,854,272	382,634	836	-	-
	2024				
	Rupees	USD	Euro	JPY	CHF
<u>On balance sheet:</u>					
Foreign debtors	3,676,453,056	13,172,103	1,569	-	-
Bills payable	(2,900,940,985)	(10,392,156)	(28,178)	-	(4,680)
	775,512,071	2,779,947	(26,609)	-	(4,680)
<u>Off balance sheet:</u>					
Outstanding commitments against letters of credit	(2,075,138,000)	(7,173,238)	(253,659)	(1,749,814)	-
	(1,299,625,929)	(4,393,291)	(280,268)	(1,749,814)	(4,680)

Exchange rate applied during the year

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2025	2024	2025	2024
USD to PKR	281.05	282.17	283.76	278.34
Euro to PKR	315.17	305.31	332.65	297.69
JPY to PKR	1.85	1.86	1.97	1.73
CHF to PKR	332.37	314.59	355.32	309.41

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Note 47, Financial Risk Management - Continued...

Sensitivity analysis

If the functional currency, at reporting date, had strengthened or weakened by 1% against the foreign currencies with all other variables held constant, profit before tax for the year would have been higher / (lower) by Rs. 1.089 million (2024: 12.996 million), mainly as a result of net foreign exchange gain / (loss) on translation of foreign debtors and bills payable.

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on profit before levy and taxation.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit before levy and taxation for the year and assets / liabilities of the Group.

(ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. Price risk arises from the Group's investments in ordinary shares of listed companies. To manage the price risk arising from the aforesaid investments, the Group actively monitors the key factors that affect stock price movement.

Sensitivity analysis

A change of 1% in the value of investments at fair value through profit or loss would have increased / decreased profitability of the Group by Rs. 0.511 million (2024: Rs. 0.288 million) on the basis that all other variables remain constant.

(iii) Interest rate risk

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

As at the reporting date the interest rate profile of the Group's interest bearing financial instruments are as follows:

	2025	2024
	Rupees in thousands	
Fixed rate instruments - Financial liabilities		
Long term financing	4,407,416	5,031,584
Floating rate instruments - Financial liabilities		
Long term financing	7,115,705	5,407,638
Lease liabilities	49,194	18,793
Short term borrowings	18,020,451	16,421,865
Floating rate instruments - Financial assets		
Bank balances in saving's account	25	1,434

Sensitivity analysis for fixed rate instruments

The Group has certain financial liabilities and financial assets at fixed rate. Therefore, no impact on profit or loss of the Group is expected.

Cash flow sensitivity analysis for variable rate instruments

If mark-up rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 251.185 million (2024: Rs. 218.469 million) lower / higher, mainly as a result of higher / lower mark-up expense on variable rate financial liabilities.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk of the Group arises from trade debts, trade deposits, other receivables, short term investments and bank balances. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

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Note 47, Financial Risk Management - Continued...

Exposure to credit risk

The Group exposure to credit risk is equal to the carrying amount of the financial assets. The maximum exposure to credit risk as at the reporting date:

		2025	2024
	Note	Rupees in thousand	
Long term investments	8	2,394,209	2,073,751
Trade debts	12	6,174,181	6,724,162
Other receivables	14	436,089	487,649
Short term investments	15	51,118	28,771
Bank balances	17	77,269	23,249
Assets classified as held for sale	18	1,797,846	3,406,103

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

Not past due	4,279,858	4,664,429
Past due less than 3 months	1,548,393	988,900
Past due less than 6 months	225,753	699,155
past due more than 6 months	120,177	371,678
	<u>6,174,181</u>	<u>6,724,162</u>

The Group's exposure relating to credit risk relating to trade debt is disclosed in relevant notes to the financial statement. There are no significant trade debts that are past due as at the reporting date.

Customer credit risk is managed by each business unit subject to the Group's established policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Group believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are operated in largely independent markets. The credit risk on liquid funds is limited because the counter parties are either banks (with reasonably high credit ratings) and trade receivables for which the exposure is spread over a large number of counter parties.

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

Credit Rating			Rating Agency	2025	2024
Short term	Long term			Rupees	Rupees
Bank Al-Habib Limited	A-1+	AAA	PACRA	7,781,408	2,151,886
Bank Islami Pakistan Limited	A-1	AA-	PACRA	31,689,608	5,633,611
Habib Bank Limited	A-1+	AAA	VIS	299,064	1,650,765
MCB Bank Limited	A-1+	AAA	PACRA	1,021,743	1,019,707
National Bank of Pakistan	A-1+	AAA	PACRA	21,313,491	1,761,403
Soneri Bank Limited	A-1+	AA-	PACRA	-	2,673,179
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA	13,816,472	240,469
The Bank of Punjab	A-1+	AA+	PACRA	604,885	1,803,543
United Bank Limited	A-1+	AAA	VIS	1,052	179,272
Askari Bank Limited	A-1+	AA+	PACRA	24,508	2,254,309
The Bank of Khyber	A-1	A+	PACRA	-	530,515
Faysal Bank Limited	A-1+	AA	PACRA	122,119	1,213,036
Allied Bank Limited	A-1+	AAA	PACRA	-	334,470
Dubai Islamic Bank Limited	A-1	AA	VIS	173,432	-
Bank Makramah Limited	A-3	BBB-	VIS	-	6,222
Bank Alfalah Limited	A-1+	AAA	PACRA	11,010	1,100,000
Albaraka Bank Limited	A-1	AA-	VIS	392,148	678,495
Industrial and Commercial Bank of China Limited	F1+	A	Fitch Ratings	18,006	18,586
				<u>77,268,946</u>	<u>23,249,468</u>

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

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages its liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Following are the contractual maturities of financial liabilities:

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Note 47, Financial Risk Management - Continued...

Contractual maturities of financial liabilities as at June 30, 2025:

	Carrying Amount	Contractual Cash Flows	Less than 1 Year	1-5 Years	More than 5 Years
	----- Rupees in thousand -----				
Long term financing	11,523,121	12,420,984	2,766,294	4,926,578	4,728,112
Lease liabilities	49,194	79,990	18,026	30,051	31,913
Short term borrowings	18,020,451	18,020,451	18,020,451	-	-
Trade and other payables	5,781,264	5,781,264	5,781,264	-	-
Unclaimed dividend	3,680	3,680	3,680	-	-
Accrued mark-up	786,272	786,272	786,272	-	-
	<u>36,163,982</u>	<u>37,092,641</u>	<u>27,375,987</u>	<u>4,956,629</u>	<u>4,760,025</u>

Contractual maturities of financial liabilities as at June 30, 2024:

	Carrying Amount	Contractual Cash Flows	Less than 1 Year	1-5 Years	More than 5 Years
	----- Rupees in thousand -----				
Long term financing	10,439,222	14,441,662	3,146,032	8,096,981	3,198,649
Lease liabilities	30,045	35,811	11,711	24,100	-
Short term borrowings	16,421,865	16,421,865	16,421,865	-	-
Trade and other payables	7,068,757	7,068,757	7,068,757	-	-
Unclaimed dividend	3,680	3,680	3,680	-	-
Accrued mark-up	1,183,191	1,183,191	1,183,191	-	-
	<u>35,146,760</u>	<u>39,154,966</u>	<u>27,835,236</u>	<u>8,121,081</u>	<u>3,198,649</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these consolidated financial statements.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at the reporting date, the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values.

The Group classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

	June 30, 2025			June 30, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- Rupees in thousand -----					
Short term investments	51,118	-	-	28,771	-	-

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Note 47, Financial Risk Management - Continued...

47.2 Financial instruments by categories

	Fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
Rupees in thousand				
Financial assets as at June 30, 2025				
Short term investments	51,118	-	-	51,118
Long term investments	-	2,394,209	-	2,394,209
Trade debts	-	6,174,181	-	6,174,181
Other receivables	-	436,089	-	436,089
Bank balances	-	98,415	-	98,415
Assets classified as held for sale	1,797,846	-	-	1,797,846
	1,848,964	9,102,894	-	10,951,858
Financial assets as at June 30, 2024				
Short term investments	28,771	-	-	28,771
Long term investments	-	2,073,751	-	2,073,751
Trade debts	-	6,724,162	-	6,724,162
Other receivables	-	487,649	-	487,649
Bank balances	-	31,958	-	31,958
Assets classified as held for sale	3,406,103	-	-	3,406,103
	3,434,874	9,317,520	-	12,752,394

Financial liabilities at amortized cost

	2025	2024
Rupees in thousand		
Long term financing	11,523,121	10,439,222
Lease liabilities	49,194	30,045
Trade and other payables	5,781,264	7,068,757
Unclaimed dividends	3,680	3,680
Accrued mark-up	786,272	1,183,191
Short term borrowings	18,020,451	16,421,865
	36,163,982	35,146,760

47.3 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these consolidated financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Note 48

Reconciliation of Liabilities arising from Financing Activities

	Note	As at July 01, 2024	Non-cash changes	Cash flows - net	As at June 30, 2025
----Rupees in thousand----					
Long term finances	21	10,439,222	(87,429)	1,171,328	11,523,121
Short term borrowings	28	16,421,865	-	1,598,586	18,020,451
Lease liability	22	30,045	40,761	(21,612)	49,194
Unclaimed dividend		3,680	-	-	3,680
Total liabilities from financing activities		26,894,812	(46,668)	2,748,302	29,596,446
----Rupees in thousand----					
	Note	As at July 01, 2023	Non-cash changes	Cash flows - net	As at June 30, 2024
----Rupees in thousand----					
Long term finances	21	10,722,100	(45,142)	(237,736)	10,439,222
Short term borrowings	28	17,654,510	-	(1,232,645)	16,421,865
Lease liability	22	38,432	(566)	(7,821)	30,045
Unclaimed dividend		3,700	-	(20)	3,680
Total liabilities from financing activities		28,418,742	(45,708)	(1,478,222)	26,894,812

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Note 49

Capital Risk Management

While managing capital, the objectives of the Group are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Group ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchasing shares, if possible, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital employed is calculated as equity as shown in the statement of financial position plus net debt.

As at the reporting date, the gearing ratio of the Group was as under:

	Note	2025 Rupees in thousand	2024 Rupees in thousand
Total borrowings	21 & 28	29,656,437	26,970,228
Cash and bank balances	17	(98,415)	(31,958)
Net debt		29,558,022	26,938,270
Equity		18,453,101	17,405,108
Total capital employed		48,011,123	44,343,378
Gearing Ratio		61.56%	60.75%

Note 50

Shariah Screening Disclosures

	Note	2025 Rupees in thousand	2024 Rupees in thousand
Loans / advances obtained as per Islamic mode - Short Term Borrowings	28.2	672,828	2,613,082
Loans / advances obtained as per Islamic mode - Long Term finances	21	3,176,971	1,720,722
Mark up paid on Islamic mode of financing			
Shariah compliant bank deposits / bank balances	17	34,681	1,434
Profit earned from shariah compliant bank deposits / bank balances		-	1,690
Revenue earned from a shariah compliant business segment		22,828,553	34,414,992
Gain / loss or dividend earned from shariah compliant investments			
Finance cost paid on Islamic mode of financing	35	1,146,375	927,827
Interest paid on any conventional loan or advance		2,629,772	4,450,911
Interest or markup accrued on any conventional loan or advance		585,465	881,047
Interest paid on any conventional loan or advance		2,336,832	2,271,923

For total finance cost including on conventional loans, refer to note 35.

For exchange gains, refer to note 37

The Group maintains bank accounts with Meezan Bank Limited, Bank of Khyber, Bank Islami Pakistan Limited, Al Baraka Bank, National Bank of Pakistan and Bank Al Habib.

Note 51

Number of Employees

	2025 Number	2024 Number
Total number of employees as at		
Permanent	8,509	8,334
Contractual	1,483	1,428
Average number of employees during the year		
Permanent	7,283	7,176
Contractual	1,412	1,096

Note 52

Authorization of Consolidated Financial Statements

These consolidated financial statements were approved and authorized by the Board of Directors of the Group for issuance on

Note 53

General

Corresponding figures are rearranged / reclassified for better presentation and comparison. No re-arrangements have been made in these consolidated financial statements.

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CHAIRMAN

DIRECTOR

CHIEF FINANCIAL OFFICER

LEGALFORMS

FORM OF PROXY

I/We _____
of _____
being a member(s) of Mahmood Textile Mills Limited hold _____
Ordinary Shares hereby appoint Mr. / Mrs. / Miss _____
of _____ or falling him / her _____
of _____ as my / our proxy in my / our absence to attend and vote for me / us and on
my / our behalf at the 55th Annual General Meeting of the Company to be held on Tuesday, October 07 2025
at Company's Registered Office, Mehr Manzil Lohari Gate, Multan. and / or any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ 2025.

Signature of Member _____

in the presence of

Signatures _____

Signatures _____

Name _____

Name _____

Address _____

Address _____

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

Signature on
Revenue Stamp

The Signature should
agree with the
specimen registered
with the Company

Notes:

- Proxies, in order to be effective, must be received at the Company's Registered Office Mehr Manzil, Lohari Gate, Multan not later than 48 hours before the time for the meeting and must be duly stamped, signed and witnessed.
- Any individual beneficial owner of CDC, entitled to attend and vote at this meeting, must bring his/her CNIC or Passport, to prove his/her identity, and in case of Proxy must enclose an attested copy of his/her NIC or Passport, Representatives of corporate members should bring the usual documents required for such purpose.

In addition to the above the following requirements have to be met.

- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the meeting.
- In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier alongwith proxy form to the Company).

پراکسی فارم

میں / ہم

ساکن

حامل

ساکن

ساکن

منگل 11.00 بجے کمپنی کے رجسٹرڈ آفس مہر منزل، لوہاری گیٹ، ملتان میں ہونے والے 55 واں سالانہ عمومی اجلاس میں شرکت کرنے اور حق رائے دہی استعمال کرنے کیلئے اپنا / ہمارا بطور نمائندہ (پراسی) مقرر کرتا ہوں / کرتے ہیں۔

ممبر کے دستخط

گواہ کے دستخط

گواہ کے دستخط

نام		نام	
CNIC / پاسپورٹ نمبر		CNIC / پاسپورٹ نمبر	
ایڈریس		ایڈریس	

رسیدی ٹکٹ پر دستخط

اس دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط کے نمونے سے مشابہت ہونا لازمی ہے

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر	
	شرکت دار کی شناخت	اکاؤنٹ نمبر

اہم نکات:

- 1۔ ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم میسٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے شیئرز رجسٹرار کے دفتر میں موصول ہو جانا چاہیے۔
- 2۔ اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹس آف پراکسی جمع کراتا ہے تو اس صورت میں تمام انسٹرومنٹ آف پراکسی کا عدم قرار دیئے جائیں گے۔

- 3۔ سی ڈی سی اکاؤنٹ رکھنے والے/کارپوریٹ ادارے مزید برآں درج ذیل شرائط کو پورا کریں گے۔
- (i) پراسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں۔
- (ii) پراسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔
- (iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراسی فارم کے ساتھ جمع کرانی ہوگی۔

E-Voting as per the Companies (E-Voting) Regulations, 2016

I/We, _____ of _____, being a member of Mahmood Textile Mills Ltd, holder of _____ Ordinary Share(s) as per Register Folio No./CDC Account No. _____ hereby opt for e-voting through intermediary and hereby consent the appointment of execution officer _____ as proxy and will exercise e-voting as per the Companies (E-Voting) Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is _____, please send login details, password and other requirements through email.

Signed under my/our hand this _____ day of _____ 20____.

Signature of Member

Signed in the presence of:

Signature of Witness

Signature of Witness

Name: _____ Name: _____

CNIC/Passport No: _____ CNIC/Passport No: _____

Address: _____ Address: _____

E-voting برطابق E-voting ریگولیشنز

میں/ہم آف بحیثیت ممبر محمود ٹیکسٹائل ملز لمیٹڈ حامل
عام شیئرز رجسٹرڈ فولیو نمبر/ CDC اکاؤنٹ نمبر دوسرے شخص کے ذریعے E-voting کی آپشن اختیار کرتا ہوں اور اس پر عمل کے لئے
..... کو بحیثیت پراکسی Execution آفیسر مقرر کرنے پر رضامندی ظاہر کرتا ہوں کہ وہ کمپنی۔ 2016ء کے قواعد کے تحت
E-voting میں حصہ لے گا اور میں/ہم قرارداد کیلئے انتخاب کا مطالبہ کرتا ہوں/کرتے ہیں۔

میرا محفوظ کردہ E-mail ایڈریس ہے۔

برائے مہربانی مجھے/ہمیں Login تفصیلات، Password اور دیگر مطلوبہ معلومات بذریعہ E-mail ارسال کریں۔

میرے/ہمارے دستخط مورخہ سال

ممبر کے دستخط

گواہ کے دستخط

گواہ کے دستخط

نام نام

..... CNIC / پاسپورٹ نمبر

..... ایڈریس

نام نام

..... CNIC / پاسپورٹ نمبر

..... ایڈریس

DIVIDEND MANDATE FORM

Dear members

It is to inform you that U/s 250 of the Companies Ordinance, 1984 a shareholder may, if so desire, direct the company to pay dividend through his/ her/ its bank Account.

In pursuance of directions given by the SECP Vide circular No. SMD/CIW/Misc/19/2009 dated June 05, 2012 we request Mr./Mrs./Ms. _____

S/o/D/o W/o _____ (where applicable) being the registered shareholder of Mahmood Textile Mills Ltd holding _____ shares having F.No./CDC A/c No. _____ hereby given the opportunity to authorize the company to directly credit in your bank account cash dividend (if any declared by the company in future.

Note:-(Please note that Dividend Mandate is optional & not compulsory, in case you don't wish your dividend to be directly credited into your bank A/c then the same shall be paid to you through Dividend Warrant.)

Do you wish the cash dividend declared by the company, if any, is directly credited in your bank account, instead of issue of Dividend warrants. Please tick any one of the following.

YES ☐

NO ☐

If yes then please provide the following information.

Transfer Detail

1) IBAN number	
2) Title of Bank Account;	
3) Bank Account number;	
4) Bank Code and Branch; Code	
5) Bank Name, Branch Name and Address;	
6) Cell/Landline Number;	
7) CNIC number; and	
8) Email Address.	

INCOME TAX RETURN FILING STATUS

Confirmation for filing status of Income Tax return for application of revised rates pursuant to the provisions of Finance Act, 2018

The Company Secretary
Mahmood Textile Mills Limited
Mehr Manzil, Lohari Gate,
Multan.

Dear Sir

I, Mr./Mrs./Ms _____ S/O, D/O, W/O _____
hereby confirm that I am registered as National Tax Payer and my relevant detail is given below:-

Folio No./CDC A/c No.	Name	NTN No.	CNIC # in case of Individual & CUIN in case of Company	Income Tax return for the year _____ filed

It is stated that the above mentioned information is correct.

Signatures of Shareholder

Note:

- Shareholders are also requested to communicate aforesaid information to relevant members of Stock Exchange & CDC (in case of CDC Account holders).
- Please attach attested copy of CNIC and receipt of Income Tax return filed

INVESTORS' EDUCATION

In compliance with the Securities and Exchange Commission of Pakistan's SRO 924(1)/2015 dated September 9, 2015, Investors' attention is invited to the following information message:

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