Annual Report
2026



MAHMOOD GROUP

Mahmood Textile Mills Limited

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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



Integrity & Respect

Innovation

Empowerment

Excellence

Responsibility

CORPORATE INFORMATION



Board of Directors:

Khawaja Muhammad Ilyas	Chairman
Muhammad Anees	Chief Executive Officer
Khawaja Muhammad Younus	Director
Khawaja Muhammad Muzaffar Iqbal	Director
Muhammad Mehr Ali	Director
Muhammad Asghar	Independent Director
Farid Ahmad Khan	Independent Director
Filza Mumtaz	Female Independent Director

Chief Financial Officer

Rashid Mahmood

Company Secretary

Liaqat Ali Dolla

Auditors

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants
7th Floor, Gul Mohar Trade Center, 8-F Main Market,
Gulberg II Lahore, Punjab 54660, Pakistan

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

Allied Bank Ltd
Askari Bank Ltd
Bank Al-Falah Ltd
Bank Al-Habib Ltd
Bank Islami Ltd
Habib Bank Ltd
Habib Metropolitan Bank Ltd
MCB Bank Ltd
Meezan Bank Ltd
National Bank of Pakistan
Soneri Bank Ltd
United Bank Ltd
The Bank of Punjab
The Bank of Khyber
Al Baraka Bank Pakistan Ltd
Pak Libya Bank Ltd
Pak Brunei Investment Co
Parwaaz Financial Services
Pak Oman Investment Co
National Bank of Pakistan - Aitemaad

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

Room #: 603, 6th Floor Uni Tower,
I.I Chundrighar Roadkarachi
Cell#: 0300-8637911

HONOURS AND ACHIEVEMENTS















































































NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 56th Annual General Meeting (AGM) of "Mahmood Textile Mills Limited" (the Company) will be held on Wednesday, October 28, 2026 at 11:00 a.m. at the Registered Office of the Company, Mehr Manzil, Lohari Gate, Multan to transact the following business:

1- To confirm the minutes of the Extraordinary General Meeting of the Company held on April 21, 2026.

2- To receive, consider and adopt the annual audited Financial Statements of the Company for the year ended June 30, 2026 together with the Chairman's Review Report, the Directors' Report and the Auditors' Report thereon.

As required under section 223 of the Companies Act, 2017 and as required by SRO No. 389 (1)/2023 dated March 21, 2023 the Financial Statements of the Company have been uploaded on the website of the Company which can be viewed using the following link and QR-enabled code.

https://mahmoodtextile.com/pdf/Annual%20Report%202025-2026.pdf

3. To appoint the Auditors of the Company for the financial year 2026–27 and to fix their remuneration.

4. To transact any other business as may be placed before the meeting with the permission of the Chair.

By Order of the Board

Liaqat Ali Dolla
Company Secretary

Multan
October 7, 2026

NOTES:

1. Book Closure.

The share transfer books of the Company will remain closed from Wednesday, October 21, 2026 to Wednesday, October 28, 2026 (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 October 20, 2026 will be treated in time for the purposes of attending and voting at the AGM. Proxy forms in English and Urdu 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 or attested copy of the 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. Proxy form is available on the Company's website.

3. Participation in the AGM through video link.

At least seven days prior to the date of the 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 AGM through the 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 their CNIC (both sides) or passport, attested copy of board resolution/power of attorney (in case of corporate shareholder) via email at company.secretary @mahmoodgroup.com. After necessary verification, these members 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 the provisions of section 132 of the Companies Act, 2017 and the person requesting 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. The name and address of the Share Registrar have been mentioned at serial no. 1 of the Notes.

6. **Notice to Shareholders who have not provided CNICs and Account Numbers:**

   The shareholders who have not yet provided their CNICs are once again advised to provide attested copies (both sides) of their CNICs (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 24-digit IBAN bank account number directly to our share registrar so that any dividend may be credited to their bank accounts. It is further clarified that the applicable tax deduction will be made from the dividend amount.

7. **Unclaimed Dividends/Shares under Section 244 of the Companies Act, 2017**

   The shareholders who, for any reason, could not claim their dividends for the previous years are advised to contact our Share Registrar, M/s Hameed Majeed Associates (Private) Limited, HM House, 7 Bank Square, Lahore, to enquire about/claim their dividends immediately. List of unclaimed dividends is available on the Company's website, www.mahmoodtextile.com

8. **Conversion of physical shares into Book Entry Form**

   As per Section 72 of the Companies Act, 2017, all members of listed companies are required to convert their physical shares into 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 into Book Entry Form.

   Therefore, the Company hereby requests all members who hold physical shares to convert them into book entry form at the earliest. For this purpose, they may contact CDC or any active member of the Pakistan Stock Exchange to open an account with the CDC at the earliest possible.

9. **Electronic Voting.**

   In accordance with Sections 143–145 of The Companies Act, 2017 and Companies (Postal Ballot) Regulations, 2018, the right to vote through an electronic voting facility and 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 special business whenever required 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 incentives 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, 2026 have been placed on the Company's website, which can be downloaded from the following link and QR-enabled code:

    https://mahmoodtextile.com/pdf/Annual%20Report%202025-2026.pdf

    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 a QR-enabled code and web link. The Company shall circulate the Annual Financial Statements via email where an email address has been provided by the member to the Company and upon request, 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

Liaqat Ali Dolla
Company Secretary

Multan.
Date: 7th October, 2026.

اطلاع سالانہ اجلاسِ عام

بذریعہ نوٹس ہٰذا مطلع کیا جاتا ہے کہ ''محمود ٹیکسٹائل ملز لمیٹڈ'' (کمپنی) کا 56واں سالانہ اجلاس عام (AGM) بروز بدھ مورخہ 28 اکتوبر 2026 کو صبح 00-11 بجے کمپنی کے رجسٹرڈ آفس، مہر منزل، لوہاری گیٹ ملتان میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

1: 21 اپریل 2026ء کو کمپنی کے منعقدہ غیر معمولی اجلاس عام کی کاروائی کی توثیق۔

2: سال مختتمہ 30 جون 2026ء کے آڈٹ شدہ حسابات کمپنی کے چیئرمین، ڈائریکٹروں اور آڈیٹروں کی سفارشات پر غور وخوض اور منظوری۔
کمپنیز ایکٹ 2017 کے سیکشن 223 کے تحت اور SRO نمبر 389(1)/2023/2023 مورخہ 21 مارچ 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 جا سکتا ہے۔
https://mahmoodtextile.com/pdf/Annual%20Report%202025-2026.pdf

3: مالی سال 27-2026 کے لئے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کرنا۔

4: چیئرمین کی اجازت سے دوسرے امور جو میٹنگ میں پیش ہوں۔

بحکم بورڈ
لیاقت علی ڈولا۔ کمپنی سیکرٹری

ملتان
بتاریخ 07 اکتوبر 2026

نوٹس:۔

1: **کتب کی بندش:**
کمپنی کے حصص کی منتقلی کی کتب بروز بدھ 21 اکتوبر 2026 سے بروز بدھ 28 اکتوبر 2026 تک (بشمول دونوں دن) بند رہیں گی۔ حصص کی منتقلیاں جو کہ مورخہ 20 اکتوبر 2026 تک کاروباری اوقات کے اختتام (شام 5:00 بجے) تک کمپنی کے شیئر رجسٹرار آفس میسرز حمید مجید ایسوسی ایٹس (پرائیوٹ) لمیٹڈ HM ہاؤس 7 بنک سکوائر، لاہور میں پہنچ جائیں گی، سالانہ اجلاس عام میں شرکت اور ووٹنگ کے لیے شمار ہوں گی۔ انگریزی اور اُردو زبانوں میں پراکسی فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔

2: **پراکسی کا تقرر:**
میٹنگ 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 میٹنگ 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۔ کمپنی یا کارپوریشن کمپنی کی رکن ہونے کے ناطے میٹنگ میں شرکت اور ووٹنگ 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 میٹنگ میں شرکت کے لیے ایسے ممبران جو کمپنی کے کل ادا شدہ کیپیٹل کا 10% رکھتے ہوں کو اُن کے شہر میں سالانہ اجلاس عام میں شرکت کے لئے ویڈیو لنک کی سہولت فراہم کی جائے گی۔ ممبران اور ان کے پراکسیز سے درخواست کی جاتی ہے کہ وہ اپنے نام پر مختص حصص کی تعداد اور اُن کا فولیو نمبر، CNIC کی ایک کارآمد کاپی (دونوں اطراف) یا پاسپورٹ کی تصدیق شدہ کاپی کے ساتھ درج ذیل معلومات بورڈ کی قرارداد/ پاور آف اٹارنی (کارپوریٹ شیئر ہولڈر کی صورت میں) بذریعہ ای میل company.secretary@mahmoodgroup.com پر فراہم کر کے خود کو رجسٹر کرائیں۔ ضروری تصدیق کے بعد ان ممبران کو کمپنی کی طرف سے ایک ویڈیو لنک فراہم کیا جائے گا۔ لاگ ان کی سہولت میٹنگ کے آغاز سے اس کی کارروائی کے اختتام تک دستیاب رہے گی۔ کمپنیز ایکٹ 2017 کے سیکشن 132 کی دفعات کو مدنظر رکھتے ہوئے یہ سہولت فراہم کی جائے گی۔ خواہشمند ممبر کو درج ذیل معلومات/ دستاویزات کمپنی کو فراہم کرنا ہوں گی۔

ممبر/ پراکسی ہولڈر کا نام	سی این آئی سی	فولیو نمبر/ شرکت کنندہ کا آئی ڈی / اکاؤنٹ نمبر	فون نمبر/ واٹس ایپ نمبر	ای میل آئی ڈی

4: جن اراکین نے اپنے حصص سینٹرل ڈپازٹری 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 پتوں میں کسی بھی تبدیلی کے بارے میں کمپنی کے شیئر رجسٹرار کو مطلع کریں۔ نام اور پتہ نوٹس کے نمبر شمار 1 میں درج ہے۔

6: **اُن شیئر 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 (اگر پہلے مہیا نہیں کی گئی) براہ راست شیئر رجسٹرار کو نوٹ 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 شیئر رجسٹرار کو فراہم کریں تاکہ منافع اگر کوئی ہو تو ان کے بینک اکاؤنٹس میں بھیجا جا سکے۔ مزید واضح کیا جاتا ہے کہ موجودہ لاگو ٹیکس کٹوتی ڈیویڈنڈ کی رقم پر لاگو ہوگی۔

7: **کمپنیز ایکٹ 2017 کے سیکشن 244 کے تحت غیر دعویٰ شدہ منافع جات/حصص:**
وہ شیئر ہولڈرز جو کسی بھی وجہ سے گذشتہ سال کے اپنے ڈیویڈنڈ کا دعویٰ نہیں کر سکے ان سے گذارش ہے کہ وہ فوری طور پر اپنے غیر دعویٰ شدہ منافع کی بابت ہمارے شیئر رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ 7 بنک اسکوائر لاہور سے رابطہ کریں۔ غیر دعویدار ڈیویڈنڈ کی فہرست کمپنی کی ویب سائٹ 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 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 سرکلر 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 بک انٹری فارم میں تبدیل کریں۔

لہٰذا کمپنی ایسے تمام ممبران سے جو فزیکل شیئرز رکھتے ہیں سے درخواست کرتی ہے کہ وہ اپنے حصص کو جلد از جلد بک انٹری فارم میں تبدیل کریں۔اس مقصد کے لیے وہ جس قدر جلد ممکن ہو''سی ڈی سی'' یا پاکستان اسٹاک ایکسچینج کے کسی فعال ممبر سے ''سی ڈی سی'' کے ساتھ اکاؤنٹ کھولنے کے لیے رابطہ کر سکتے ہیں۔

9: **الیکٹرونک ووٹنگ:**

کمپنیز ایکٹ 2017 کی شق 145-143 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 الیکٹرانک ووٹنگ کے ذریعے ووٹ ڈالنے یا خصوصی کاروبار کے لیے ڈاک کے ذریعے ووٹ ڈالنے کی اجازت دی جائے گی۔

10: **تحائف کی تقسیم کی ممانعت**

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

11: **سالانہ رپورٹس اور نوٹس کی الیکٹرانک ٹرانسمیشن:**

30 جون 2026 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 جا سکتا ہے:-

https://mahmoodtextile.com/pdf/Annual%20Report%202025-2026.pdf

سیکیورٹیز 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 یا فینگان کو اُن کے مطالبہ پر کمپنی کی ویب سائٹ www.mahmoodtextile.com پر دستیاب پُر شدہ درخواست فارم پر سالانہ مالیاتی گوشواروں کی ہارڈ کاپیاں مفت فراہم کرے گی۔

پراکسی فارم

میں/ ہم.....آف.....محمود ٹیکسٹائل ملز لمیٹڈ کا ممبر ہونے کی حیثیت سے.....عمومی شیئر رکھتے ہیں۔لہٰذا

مسٹر/مسز/مس ..... آف ..... یا بصورت دیگر ان کے .....آف

.....بصورت میری/ ہماری عدم شرکت ہماری ذمہ داری پر کمپنی کے رجسٹرڈ/ ہیڈ آفس، مہر منزل، لوہاری گیٹ ملتان میں بروز بدھ مورخہ 28 اکتوبر 2026 کو منعقد ہونے والے 56 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 شد۔امروز.....آف.....2026

دستخط ممبر.....

رُوبرُو جناب.....

دستخط..... دستخط.....

نام..... نام.....

پتہ..... 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

Introduction

FY 2026 was a year of resilience and disciplined execution amid challenging global markets, elevated operating costs and geopolitical uncertainty. The Company remained focused on operational efficiency, financial discipline and sustainable value creation.

Market and Economic Overview

Pakistan's textile sector continued to face intense international competition, energy and input-cost pressures, financing challenges and changing customer requirements. Geopolitical tensions in the Middle East further increased uncertainty around freight, insurance, energy and imported inputs. The Company responded through diversified sourcing, prudent procurement, inventory management and liquidity discipline.

Operational Performance

The Company continued to focus on productivity, quality, cost competitiveness and operational efficiency across its integrated textile operations. Modernization, process improvement, technology and responsible manufacturing remained important priorities for strengthening competitiveness and customer relationships.

Financial Performance

Net sales increased by 9.1% to Rs. 56.33 billion. Profit before levy and tax increased by 19.6% to Rs. 1.52 billion, while profit after tax decreased by 3.95% to Rs. 758.26 million. Finance cost reduced by 5.2% to Rs. 3.59 billion, reflecting continued focus on cost and financial discipline.

Sustainability and Innovation

Sustainability remains central to the Company's long-term strategy. The Group continues to invest in renewable energy, energy efficiency, water conservation, recycling, responsible waste management and employee well-being. The Group's 33.72 MW installed solar capacity contributes to an estimated annual reduction of approximately 20,987 MT of carbon emissions. Digitalization and process innovation also remain important to competitiveness.

Outlook for FY 2027

The outlook remains cautiously constructive, although global demand, raw-material prices, freight, trade policies and geopolitical developments may continue to create uncertainty. Management will remain focused on productivity, working-capital efficiency, market diversification, customer relationships, product differentiation, liquidity management and responsible production.

Acknowledgment

On behalf of the Board, I thank our employees, management, customers, suppliers, financial institutions, regulators and shareholders for their continued trust and support. The Board remains confident in the Company's ability to strengthen competitiveness and create sustainable long-term value.

Khawaja Muhammad Ilyas
Chairman

چیئرمین کی جائزہ رپورٹ

مالی سال 30 جون 2026 کو اختتام پذیر ہوا تعارف: سال 2026 عالمی منڈیوں میں مشکل حالات، بڑھتی ہوئی آپریٹنگ لاگت اور جغرافیائی و سیاسی غیر یقینی صورتحال کے باوجود ثابت قدمی اور منظم حکمتِ عملی کے ساتھ آگے بڑھنے کا سال رہا۔ کمپنی نے اپنی توجہ آپریشنل کارکردگی میں بہتری، مالیاتی نظم وضبط اور پائیدار طویل مدتی قدر پیدا کرنے پر مرکوز رکھی۔

مارکیٹ اور معاشی صورتحال:

پاکستان کے ٹیکسٹائل شعبے کو بین الاقوامی سطح پر شدید مسابقت، توانائی اور پیداواری لاگت میں اضافے، مالی وسائل کے حصول میں مشکلات اور صارفین کی بدلتی ہوئی ضروریات کا سامنا رہا۔ مشرقِ وسطیٰ میں بڑھتی ہوئی جغرافیائی و سیاسی کشیدگی نے مال برداری، انشورنس، توانائی اور درآمدی خام مال سے متعلق غیر یقینی صورتحال میں مزید اضافہ کیا۔ کمپنی نے متنوع ذرائع سے خریداری، محتاط انداز میں اشیاء کی خریداری، مؤثر انوینٹری مینجمنٹ اور نقدی و مالی وسائل کے محتاط انتظام کے ذریعے ان چیلنجز کا مقابلہ کیا۔

آپریشنل کارکردگی:

کمپنی نے اپنی مربوط ٹیکسٹائل سرگرمیوں کے تمام شعبوں میں پیداواری صلاحیت، معیار، لاگت میں مسابقت اور آپریشنل کارکردگی کو بہتر بنانے پر مسلسل توجہ دی۔ جدید کاری، پیداواری عمل میں بہتری، ٹیکنالوجی کا مؤثر استعمال اور ذمہ دارانہ مینوفیکچرنگ کمپنی کی مسابقتی صلاحیت اور صارفین کے ساتھ مضبوط تعلقات کے لیے اہم ترجیحات رہیں۔

مالیاتی کارکردگی:

کمپنی کی خالص فروخت 9.1 فیصد اضافے کے ساتھ 56.33 ارب روپے تک پہنچ گئی۔ لیوی اور ٹیکس سے قبل منافع میں 19.6 فیصد اضافہ ہوا اور یہ 1.52 ارب روپے رہا، جبکہ ٹیکس کے بعد منافع 3.95 فیصد کمی کے ساتھ 758.26 ملین روپے رہا۔ مالیاتی اخراجات میں 5.2 فیصد کمی ہوئی اور یہ 3.59 ارب روپے رہے، جو لاگت میں کمی اور مالیاتی نظم وضبط پر مسلسل توجہ کا عکاس ہے۔

پائیداری اور جدید ترقی:

پائیداری کمپنی کی طویل مدتی حکمتِ عملی کا ایک بنیادی حصہ ہے۔ گروپ قابلِ تجدید توانائی، توانائی کے مؤثر استعمال، پانی کے تحفظ، ری سائیکلنگ، فضلے کے ذمہ دارانہ انتظام اور ملازمین کی فلاح و بہبود کے شعبوں میں مسلسل سرمایہ کاری کر رہا ہے۔ گروپ کی 33.72 میگاواٹ نصب شدہ شمسی توانائی کی صلاحیت سالانہ تقریباً 20,987 میٹرک ٹن کاربن کے اخراج میں کمی کا باعث بنتی ہے۔ ڈیجیٹلائزیشن اور پیداواری عمل میں جدت بھی کمپنی کی مسابقتی صلاحیت کو برقرار رکھنے کے لیے اہم ترجیحات میں شامل ہیں۔

مالی سال 2027 کے امکانات:

مستقبل کے حوالے سے صورتحال محتاط طور پر حوصلہ افزا ہے، تاہم عالمی طلب، خام مال کی قیمتوں، مال برداری کے اخراجات، تجارتی پالیسیوں اور جغرافیائی و سیاسی حالات میں ہونے والی تبدیلیاں بدستور غیر یقینی صورتحال پیدا کر سکتی ہیں۔ انتظامیہ اپنی توجہ پیداواری صلاحیت میں بہتری، ورکنگ کیپیٹل کے مؤثر استعمال، نئی منڈیوں میں توسیع، صارفین کے ساتھ مضبوط تعلقات، مصنوعات میں جدت و امتیاز، نقدی اور مالی وسائل کے مؤثر انتظام اور ذمہ دارانہ پیداوار پر مرکوز رکھے گی۔

اظہارِ تشکر:

بورڈ کی جانب سے، میں اپنے تمام ملازمین، انتظامیہ، صارفین، سپلائرز، مالیاتی اداروں، متعلقہ نگران اداروں اور شیئر ہولڈرز کا ان کے مسلسل اعتماد اور تعاون پر تہہ دل سے شکریہ ادا کرتا ہوں۔ بورڈ کو اس بات پر مکمل اعتماد ہے کہ کمپنی اپنی مسابقتی صلاحیت کو مزید مضبوط بنانے اور طویل مدت میں پائیدار قدر پیدا کرنے کی صلاحیت رکھتی ہے۔

خواجہ محمد الیاس

DIRECTORS' REPORT TO THE MEMBERS



Introduction

For and on behalf of the Board of Directors of Mahmood Textile Mills Limited, we are pleased to present the unconsolidated financial statements for the year ended June 30, 2026, together with a review of the global and domestic economic environment, developments in Pakistan's textile industry, the Company's financial performance, key risks and opportunities, and the strategic priorities guiding the business.

The year under review was characterized by an increasingly complex international environment. Global demand remained uneven, trade policies became more fragmented, and energy, freight, shipping and commodity markets were affected by geopolitical developments. The escalation of conflict involving Iran and the wider Middle East created significant uncertainty around shipping routes, logistics, insurance, imported inputs and overall supply-chain costs. Against this backdrop, the Company remained focused on operational discipline, financial resilience, productivity and sustainable value creation across its textile business.

Global Economic Overview

Global economic activity remained resilient but uneven. Growth and trade were affected by financial conditions, geopolitical developments, evolving trade policies and supply-chain reconfiguration. Textile exporters continued to face strong buyer focus on price, quality, delivery, compliance and sustainability.

The escalation of conflict in the Middle East increased uncertainty around shipping routes, freight, insurance, energy and imported inputs, reinforcing the importance of diversified sourcing, contingency planning and strong liquidity management.

The international textile market remained highly competitive, with demand varying across major markets. Trade-policy changes and higher compliance expectations further increased the importance of productivity, value addition and market diversification.

Pakistan Economic Review

Pakistan's economy continued its gradual stabilization during FY 2025-26, although businesses remained exposed to external shocks, commodity prices, financing conditions, exchange-rate movements and geopolitical developments.

The Middle East conflict added pressure through freight, insurance and imported-input costs. For textile manufacturers, the availability and landed cost of imported cotton and other inputs remain important considerations.

The Company continued to emphasize disciplined procurement, inventory, financing and liquidity management while pursuing productivity and cost efficiency.

Pakistan Textile Industry – FY 2025-26

Pakistan's textile industry remained a major source of exports and foreign exchange earnings. The sector continued to face intense international competition, elevated operating costs, changing buyer requirements and pressure for greater value addition.

Imported cotton is an important component of the industry's raw-material base, with sourcing spread across the United States, Brazil, Turkey, African origins and other producing countries. Crop conditions, cotton prices, quality, freight, exchange rates and procurement timing can therefore affect landed costs and margins.

Major Challenges and International Impacts

The conflict involving Iran and the wider Middle East became one of the most significant external risks during the second half of FY 2025-26. Disruption and uncertainty around major energy and shipping corridors increased volatility across energy and commodity markets and raised the risk premium on transportation and insurance. The Pakistan Economic Survey identified the Strait of Hormuz as a critical channel for global energy trade and noted that the conflict increased energy-market uncertainty, transportation costs and inflationary pressures. For the textile industry, the impact extends beyond fuel and electricity: freight rates, marine insurance, transit times, foreign-exchange requirements and the landed cost of imported raw materials can all be affected.

For a textile manufacturer, these developments can affect the cost and availability of imported cotton and other raw materials, chemicals, dyes, machinery and spares, as well as energy, transportation and logistics. The Company therefore continued to emphasize procurement diversification, appropriate inventory buffers, supply-chain contingency planning, energy efficiency, operational continuity and careful cash-flow management.

During FY 2025-26, intermittent transporters' strikes and local logistics disruptions created temporary constraints in the movement of raw materials, imported consignments and finished goods across the country. Such disruptions can affect the timely availability of cotton and other production inputs, movement of containers to and from ports, customer deliveries and overall supply-chain efficiency, while also increasing transportation, detention and related logistics costs.

Cotton availability, quality and landed cost remain important drivers of textile manufacturing economics. A significant portion of Pakistan's cotton requirement is sourced internationally, with sourcing extending across the United States, Brazil, Turkey and various African origins, among others. Domestic crop performance, weather conditions, international cotton prices, freight, insurance and foreign-exchange movements can materially affect raw-material costs and availability. The Company continues to balance domestic and imported sourcing, origin diversification, procurement timing, quality requirements and inventory levels to manage this volatility without compromising production continuity. Pakistan's international sourcing footprint also makes resilient logistics and timely import planning increasingly important.

Key Financial Results

Unconsolidated Audited FY 2025-26 compared with restated FY 2024-25

The financial year ended June 30, 2026, reflects stronger bottom-line performance despite pressure on gross margins. Net sales increased by 9.1% to Rs. 56.33 billion, while profit before levy and tax increased by 19.6% to Rs. 1.52 billion and profit after tax Decreased by 3.95% to Rs. 758.26 million.

Key Financial Results	30-Jun-26 Audited	30-Jun-25 Restated	Change
Sales – Net	56,325.33	51,607.52	9.14%
Gross profit	6,528.30	6,725.54	-2.93%
Distribution Cost	(620.44)	(1,050.75)	-40.95%
Administrative Expenses	(1,052.86)	(1,052.57)	0.03%
Other Expenses	(231.04)	(158.73)	45.56%
Other Income	250.96	344.65	-27.18%
Finance Cost	(3,590.44)	(3,786.50)	-5.18%
Share of net profit of associate	236.70	250.48	-5.50%
Profit before levy and tax	**1,521.18**	**1,272.12**	**19.58%**
Profit after tax	**758.26**	**789.47**	**-3.95%**
EPS	25.28	26.32	-3.95%

Amounts are in Rupees million except EPS. FY 2024-25 comparative figures are restated; FY 2025-26 figures are audited, based on the financial-results schedule provided for preparation of this report.

Financial Performance Review

Revenue and gross profitability

Net sales increased by Rs. 4,717.81 million, or 9.14%, to Rs. 56,325.33 million. Gross profit declined by 2.9% to Rs. 6,528.30 million, reflecting continued cost and pricing pressure.

Operating cost discipline

Distribution cost decreased by 41.0% to Rs. 620.44 million, while administrative expenses remained broadly stable, helping offset pressure on gross profitability.

Finance cost and liquidity management

Finance cost declined by 5.2% to Rs. 3,590.44 million. Management continues to focus on funding efficiency, liquidity and working-capital discipline.

Profitability and shareholder value

Profit before levy and tax increased from Rs. 1,272.12 million to Rs. 1,521.17 million, while profit after tax decreased from Rs. 789.47 million to Rs. 758.26 million. EPS was Rs. 25.28 compared with Rs. 26.32 in the restated comparative period.

Risk Management and Resilience

The Company remains exposed to changes in raw-material prices and availability, freight, energy, foreign exchange, interest rates, trade policies and customer demand. Management addresses these risks through diversified

sourcing, procurement planning, inventory and liquidity controls, and continuous monitoring of market and geopolitical developments.

Sustainability & Responsible Business

Mahmood Textile Mills Limited recognizes sustainability as an integral part of long-term competitiveness and responsible business. Consistent with the Mahmood Group's sustainability framework of People, Planet and Prosperity, the Company continues to focus on responsible resource utilization, environmental stewardship, employee well-being and community development.

Environmental Stewardship

The Company continues to promote energy efficiency, renewable energy, water conservation, recycling and responsible waste management. The Group has significantly expanded its renewable-energy footprint, with 33.72 MW of installed solar capacity, contributing to an estimated annual reduction of approximately 20,987 MT of carbon emissions. The Group also continues to invest in resource-efficient manufacturing, wastewater treatment and recycling.

People & Workplace

Employee health, safety, development and well-being remain important priorities. The Group continues to promote safe and inclusive workplaces, skills development and greater participation of women across its businesses. Initiatives in health awareness, employee development and workplace inclusion remain part of its broader social responsibility agenda.

Community Development

The Mahmood Group continues to support communities through initiatives in healthcare, education, clean water and social empowerment. Its community programs include educational support, healthcare services and water-filtration facilities serving communities in and around its operating areas.

Responsible Supply Chain & Sustainability Standards

The Group continues to strengthen responsible sourcing, resource efficiency, traceability and compliance with evolving international sustainability expectations. Its textile operations increasingly incorporate sustainable cotton initiatives, energy-efficient technologies, wastewater treatment and responsible manufacturing practices to support global customer requirements.

Sustainability Outlook

The Company recognizes that climate change, water availability, energy transition and evolving international ESG and supply-chain requirements will increasingly influence the textile industry. Management will continue to support initiatives that improve resource efficiency, reduce environmental impact and strengthen the Company's long-term resilience and competitiveness.

Corporate & Financial Reporting Framework

The Directors confirm compliance with the applicable Corporate and Financial Reporting Framework and the Listed Companies (Code of Corporate Governance) Regulations, 2019, and confirm that:

- The financial statements prepared by the management present fairly the state of affairs, the results of operations, cash flows and changes in equity of the Company.
- Appropriate accounting policies have been consistently applied and accounting estimates are based on reasonable and prudent judgments.
- Proper books of account have been maintained by the Company.
- Applicable International Financial Reporting Standards and relevant requirements of the Companies Act, 2017 have been followed in the preparation of the financial statements.
- The system of internal control is sound in design and is being effectively implemented and monitored. The process of monitoring internal controls will continue as an ongoing process with the objective of further strengthening the control environment.
- 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 applicable Code of Corporate Governance.
- There are no statutory payments on account of taxes, duties, levies and charges outstanding as at June 30, 2026, except for those disclosed in the financial statements.

Future Outlook

The outlook for the textile industry remains cautiously constructive. Pakistan retains an established manufacturing base and access to major international markets, although demand, freight, raw-material costs, trade policies and geopolitical developments may remain uncertain.

Tensions involving Iran and the wider Middle East, including uncertainty around major shipping corridors, may affect freight, insurance, imported cotton and other inputs, energy costs and export logistics. Management will continue to adjust procurement, inventory, financing and market strategies as required.

Subsequent to June 30, 2026, regional tensions remained elevated. The Company is strengthening contingency planning and liquidity management to protect operational continuity.

The Company will continue to prioritize productivity, quality, cost competitiveness, working-capital efficiency and responsible production across its textile operations.

Market diversification, stronger customer relationships, product differentiation and digital decision-making will remain important priorities.

Looking ahead, the Group continues to maintain a strong growth outlook. Mahmood Group's actual sales increased

from PKR 90.8 billion in FY2024–25 to PKR 110.7 billion in FY2025–26, representing growth of approximately 22%. Sales are projected to further increase to PKR 149.5 billion in FY2026–27, reflecting an additional growth of approximately 35%. Exports are also projected to increase from USD 135 million in FY2024–25 to USD 219 million in FY2026–27, supported by the planned expansion of MTM, MG Apparel, MSM and MFPL.

Conclusion

The Board remains confident in the Company's ability to navigate the evolving environment through disciplined execution, financial prudence and operational excellence.

Management will continue to work closely with stakeholders to strengthen competitiveness and create long-term value.

Acknowledgement

The Board of Directors extends its sincere appreciation to employees, customers, suppliers, financial institutions, regulators and shareholders for their continued trust and support.

The Board also acknowledges the dedication of management and employees whose professionalism and commitment contributed to the Company's performance during a demanding year.

For and on behalf of the Board

Khawaja Muhammad Ilyas
(Chairman)

Khawaja Muhammad Younus
(Director)

Multan:

Dated: October 6 , 2026



بالکل شفاف عکاسی کرتے ہیں۔

- مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اور باقاعدگی سے اطلاق کیا گیا ہے۔
- کمپنی نے حسابات کا مناسب اور منظم ریکارڈ برقرار رکھا ہے۔
- بین الاقوامی فنانشل رپورٹنگ سٹینڈرڈز (IFRS) اور کمپنیز ایکٹ 2017ء کی مکمل پاسداری کی گئی ہے۔
- اندرونی کنٹرول کا نظام بہترین اور مضبوط انداز میں لاگو ہے۔
- کمپنی کے وجود اور تسلسل (Going Concern) پر کوئی شبہات موجود نہیں ہیں۔
- کارپوریٹ گورننس کے نافذ العمل کوڈ کے بہترین اصول وضوابط سے کوئی نمایاں انحراف نہیں ہوا ہے۔
- 30 جون 2026 تک ٹیکس، کسٹم آمدورفت کی ڈیوٹی، سرکاری محصولات اور دیگر واجبات کی مد میں کوئی واجب الادا قانونی ادائیگیاں بقایا نہیں ہیں سوائے ان کے جن کا مالیاتی گوشواروں میں انکشاف کیا گیا ہے۔

مستقبل کا منظر نامہ:

ٹیکسٹائل انڈسٹری کا مستقبل محتاط امید افزا ہے۔ اگرچہ عالمی منڈیوں میں طلب اور فریٹ چارجز میں غیر یقینی صورتحال موجود ہے، لیکن پاکستان کی مضبوط مینوفیکچرنگ بیس بہترین صلاحیت فراہم کرتی ہے۔ مشرقِ وسطیٰ میں کشیدگی کے باعث پٹرولیم پروڈکٹس اور بین الاقوامی فریٹ پر نظر رکھنا ضروری ہوگا جس کے لیے کمپنی متبادل حکمتِ عملی پر عمل پیرا ہے۔

گروپ کی مالیاتی نمو اور سیلز کے اہداف: محمود گروپ مسلسل مضبوط نمو کا مظاہرہ کر رہا ہے۔ گروپ کی مجموعی سیلز مالی سال 25-2024 میں 90.8 ارب روپے سے بڑھ کر مالی سال 26-2025ء میں 110.7 ارب روپے تک پہنچ گئیں (تقریباً 22 فیصد اضافہ)۔ مالی سال 27-2026ء کے لیے سیلز کا ہدف 149.5 ارب روپے رکھا گیا ہے جو مزید 35% نمو کی نشاندہی کرتا ہے۔ اس کے علاوہ، برآمدات مالی سال 25-2024ء میں 135 ملین ڈالر سے بڑھا کر مالی سال 27-2026ء تک 219 ملین ڈالر تک پہنچانے کا پلان ہے۔

اختتامیہ اور اظہارِ تشکر:

بورڈ آف ڈائریکٹرز تمام ملازمین، گاہکوں، سپلائرز، مالیاتی اداروں اور شیئر ہولڈرز کے مسلسل اعتماد اور تعاون پر ان کا دلی شکریہ ادا کرتا ہے۔ بورڈ انتظامیہ اور افرادی قوت کی انتھک محنت اور پیشہ ورانہ صلاحیتوں کا اعتراف کرتا ہے جنہوں نے ایک چیلنجنگ سال میں کمپنی کو بہترین نتائج تک پہنچایا۔

خواجہ محمد یونس
ڈائریکٹر

خواجہ محمد الیاس
چیئرمین

مقام: ملتان
تاریخ: 6 اکتوبر 2026

مالیاتی مدات (Financial Headings)	30 جون 2026 (آڈٹ شدہ)	30 جون 2025 (ترمیم شدہ)	تبدیلی (%)
خالص فروخت	56,325.33	51,607.52	9.14%
مجموعی منافع	6,528.30	6,725.54	2.93%-
تقسیم کاری کے اخراجات	(620.44)	(1,050.75)	40.95%-
انتظامی اخراجات	(1,052.86)	(1,052.57)	0.03%
دیگر اخراجات	(231.04)	(158.73)	45.56%
دیگر آمدنی	250.96	344.65	27.18%-
مالیاتی اخراجات	(3,590.44)	(3,786.50)	5.18%-
منسلک کمپنی کا خالص منافع میں حصہ	236.70	250.48	5.50%-
لیوی اور ٹیکس کے بعد منافع	1,521.18	1,272.12	19.58%
ٹیکس کے بعد منافع سے قبل منافع	758.26	789.47	3.95%-
فی شیئر آمدنی (روپے)	25.28	26.32	3.95%-

(تمام اعداد و شمار ملین روپے میں ہیں سوائے فی شیئر آمدنی کے)

مالیاتی کارکردگی کا جائزہ:

آمدنی اور خام منافع: خالص سیلز 14.9 فیصد اضافے کے ساتھ 4,717.81 ارب روپے تک پہنچ گئیں، جبکہ خام منافع 2.9% کمی کے ساتھ 6,528.30 ارب روپے رہا جو مسلسل بڑھتی ہوئی پیداواری لاگت کو ظاہر کرتا ہے۔

انتظامی لاگت میں نظم و ضبط: تقسیمی لاگت 41% کمی کے ساتھ 620.44 ارب روپے رہ گئی۔ جبکہ انتظامی اخراجات تقریباً مستحکم رہے۔ جس نے خام منافع کے دباؤ کو کم کرنے میں مدد دی۔

مالیاتی لاگت اور بچت: مالیاتی لاگت میں 5.2% فیصد کی کمی کے ساتھ 3,590.44 ارب رہ گئی۔ انتظامیہ کی تمام تر توجہ اب بھی مالیاتی کارکردگی اور ورکنگ کیپٹل کے نظم وضبط پر ہے۔

منافع بخش اور شیئر ہولڈر کی قدر: محصول اور ٹیکس سے قبل منافع 1,272.12 ارب روپے سے بڑھ کر 1,521.17 ارب روپے ہوگیا۔ جبکہ ٹیکس کے بعد منافع 789.47 ارب روپے سے کم ہوکر 758.26 ارب روپے رہ گیا۔ فی شیئر آمدنی 25.28 روپے رہی جبکہ گذشتہ دوبارہ مرتب کردہ موازنے کی قدر 26.32 روپے تھی۔

خطرات کا انتظام اور لچک:

کمپنی کو خام مال کی قیمتوں، شپنگ فریٹ، توانائی کے نرخوں، شرحِ تبادلہ اور بینک کی شرحِ سود میں تبدیلیوں کے رسک کا سامنا رہتا ہے۔ انتظامیہ متبادل سپلائی ذرائع، انوینٹری کنٹرولز اور عالمی حالات کی مسلسل نگرانی کے ذریعے ان خطرات کا کامیابی سے مقابلہ کرتی ہے۔

پائیداری اور سماجی ذمہ داری:

محمود ٹیکسٹائل ملز لمیٹڈ پائیداری (Sustainability) کو اپنی طویل المدتی کاروباری حکمتِ عملی کا لازمی حصہ مانتی ہے۔ محمود گروپ کے بنیادی اصولوں افراد، سیارہ اور خوشحالی (People, Planet & Prosperity) کے تحت ذمہ دارانہ پیداوار کو فروغ دیا جارہا ہے۔

ماحولیاتی تحفظ: کمپنی نے توانائی کی بچت، قابلِ تجدید توانائی اور پانی کے تحفظ کے منصوبوں میں نمایاں پیشرفت کی ہے۔ گروپ نے 33.72 میگاواٹ کا سولر پاور سسٹم فعال کیا ہے جس سے سالانہ تقریباً 20,987 میٹرک ٹن کاربن کے اخراج میں کمی واقع ہورہی ہے۔

انسانی وسائل اور کام کی جگہ: ملازمین کی صحت، سلامتی اور ان کی پیشہ ورانہ تربیت کو اولیت دی جاتی ہے۔ کمپنی خواتین کے لیے مساوی مواقع اور پیشہ ورانہ مہارت بڑھانے کے اقدامات کو مسلسل فروغ دے رہی ہے۔

کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک

ڈائریکٹرز تصدیق کرتے ہیں کہ کوڈ آف کارپوریٹ گورننس 2019ء کی تمام پاسداری کی گئی ہے:

- انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے امور، نتائج اور کیش فلو کی

ڈائریکٹرز کی رپورٹ

ابتدائیہ:

محمود ٹیکسٹائل ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 جون 2026ء کو ختم ہونے والے سال کے غیر مربوط مالیاتی گوشوارے پیش کرتے ہوئے انتہائی مسرت محسوس کر رہے ہیں۔ اس رپورٹ میں عالمی اور قومی معاشی صورتحال، پاکستان کی ٹیکسٹائل صنعت کی پیشرفت، کمپنی کی مالیاتی کارکردگی، بنیادی خطرات و مواقع اور کاروباری حکمتِ عملی کا جامع جائزہ شامل ہے۔

زیرِ جائزہ سال بین الاقوامی سطح پر انتہائی پیچیدہ معاشی چیلنجز کا حامل رہا۔ عالمی طلب میں عدم استحکام رہا، تجارتی پالیسیاں تقسیم کا شکار ہوئیں، اور جیو پولیٹیکل کشیدگی نے توانائی، فریٹ، شپنگ اور اشیائے ضرورت کی منڈیوں کو شدید متاثر کیا۔ بالخصوص ایران اور وسیع تر مشرقِ وسطیٰ میں تنازعات کی شدت کے باعث شپنگ روٹس، لوجسٹکس، انشورنس، اور درآمدی خام مال کی لاگت میں غیر یقینی صورتحال پیدا ہوئی۔ ان تمام چیلنجز کے باوجود، کمپنی نے آپریشنل نظم و ضبط، مالیاتی استحکام، پیداواری صلاحیت اور پائیدار قدر کی تخلیق پر اپنی توجہ مکمل طور پر مرکوز رکھی۔

عالمی معاشی جائزہ:

عالمی معاشی سرگرمیاں لچکدار لیکن غیر متوازن رہیں۔ مالیاتی حالات، جیو پولیٹیکل کشیدگی، اور سپلائی چین کی تبدیلیوں نے عالمی تجارت کو متاثر کیا۔ ٹیکسٹائل برآمد کنندگان کو بین الاقوامی خریداروں کی جانب سے قیمت، معیار، وقت پر ترسیل، اور پائیداری کے ضوابط پر سخت معیار کا سامنا کرنا پڑا۔

مشرقِ وسطیٰ کے تنازعہ نے سمندری راستوں، فریٹ چارجز اور انشورنس لاگت میں اضافہ کیا، جس نے متبادل ذرائع کی منصوبہ بندی اور ٹھوس لیکویڈیٹی مینجمنٹ کی اہمیت کو مزید واضح کیا۔ عالمی ٹیکسٹائل مارکیٹ میں شدید مسابقت رہی، جبکہ برآمدی منڈیوں میں اصلاحات اور سخت ضوابط نے اعلیٰ پیداواری صلاحیت اور مصنوعات میں بہتری کو لازمی بنا دیا۔

پاکستان کا معاشی جائزہ:

مالی سال 26-2025ء کے دوران پاکستان کی معیشت تدریجی استحکام کی طرف گامزن رہی، تاہم کاروباری ادارہ جات بیرونی جھٹکوں، خام مال کی قیمتوں، شرحِ تبادلہ کی تبدیلیوں اور مالیاتی شرائط سے متاثر ہوتے رہے۔ ٹیکسٹائل مینوفیکچررز کے لیے درآمدی کپاس اور دیگر خام مال کی بروقت دستیابی اور لاگت کلیدی اہمیت کی حامل رہی۔ کمپنی نے ضبطِ تدبیر، انوینٹری مینجمنٹ اور لاگت میں بچت کی حکمتِ عملی کو کامیابی سے جاری رکھا۔

پاکستان ٹیکسٹائل انڈسٹری – مالی سال 26-2025

پاکستان کی ٹیکسٹائل انڈسٹری ملک کی برآمدات اور زرِمبادلہ کمانے کا سب سے بڑا ذریعہ ہے۔ اس شعبے کو بین الاقوامی سطح پر سخت مسابقت، بڑھتی ہوئی آپریشنل لاگت اور خریداروں کی بدلتی ہوئی ترجیحات کا سامنا رہا۔ درآمدی کپاس انڈسٹری کے لیے ایک بنیادی عنصر ہے جس کی ترسیل امریکہ، برازیل، ترکیہ اور افریقی ممالک سے کی جاتی ہے۔ فصل کی صورتحال، بین الاقوامی قیمتیں، فریٹ اور شرحِ تبادلہ براہِ راست پیداواری لاگت اور منافع کو متاثر کرتے ہیں۔

اہم مالیاتی نتائج:

30 جون 2026 کو ختم ہونے والے مالی سال کے غیر مربوط حسابات برائے مالی سال 26-2025 بمقابلہ اعادہ شدہ (Restated) مالی سال 26-2025 کے نتائج درج ذیل ہیں:

FINANCIAL SUMMARY

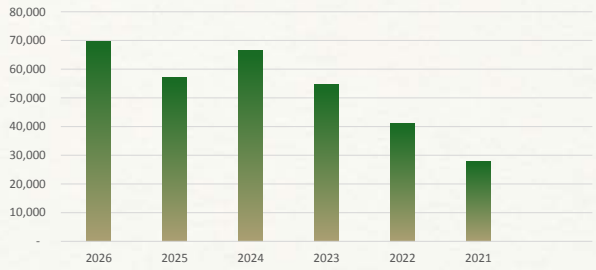
SIX YEARS REVIEW AT A GLANCE

Rupees in Million

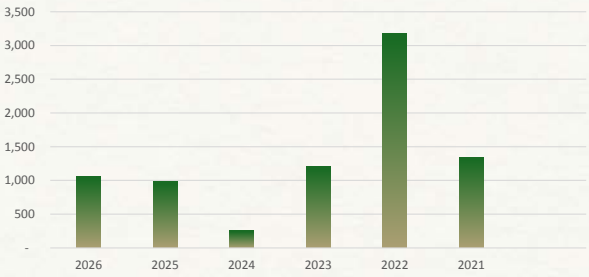
	2026	2025	2024	2023	2022	2021
ASSETS:						
FIXED ASSETS	22,549	22,980	22,215	17,649	13,939	9,697
INVESTMENT PROPERTY	309	250	174	163	-	-
INTANGIBLE ASSET	56	56	38	10	7	-
LONG TERM INVESTMENTS	2,631	2,394	2,074	5,539	5,114	4,610
LONG TERM DEPOSITS	56	56	54	54	53	25
CURRENT ASSETS	34,139	31,610	30,479	27,956	20,680	12,492
TOTAL ASSETS	59,740	57,347	55,033	51,371	39,793	26,825
FINANCED BY :						
EQUITY	19,509	18,453	17,405	13,755	12,651	9,938
LONG TERM LIABILITIES	9,035	8,937	8,375	9,064	7,962	5,834
LEASE LIABILITIES	107	38	22	30	25	13
DEFERRED LIABILITIES	728	740	805	585	558	388
CURRENT LIABILITIES	30,361	29,179	28,426	27,937	18,597	10,652
TOTAL FUNDS INVESTED	59,740	57,347	55,033	51,371	39,793	26,825
PROFIT AND LOSS :						
SALES - NET	69,731	57,071	66,583	54,627	40,969	27,934
OPERATING PROFIT	5,810	5,226	6,846	5,279	4,781	2,706
PROFIT BEFORE TAXATION	2,034	1,529	1,371	1,925	3,962	1,875
PROFIT AFTER TAXATION	1,056	978	250	1,202	3,178	1,341
DIVIDENDS	0%	0%	0%	0%	100%	100%
PROFIT	14,001	12,718	11,417	11,064	9,927	7,074
EPS	35.20	32.60	8.32	40.06	169.50	71.50

GRAPHICAL PRESENTATION

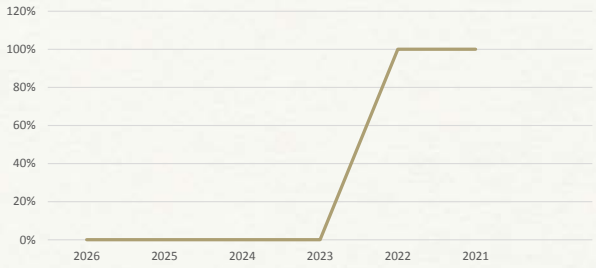
SALES - NET



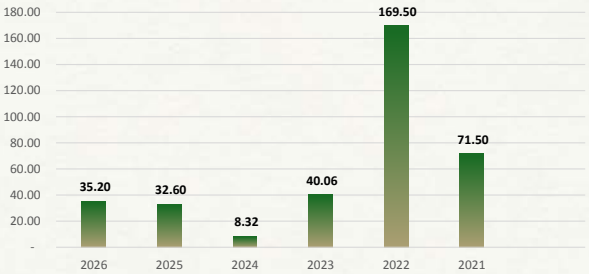
PROFIT AFTER TAXATION



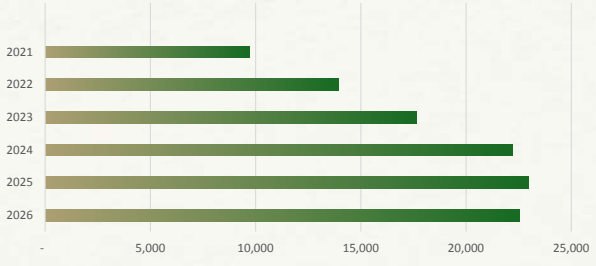
DIVIDENDS



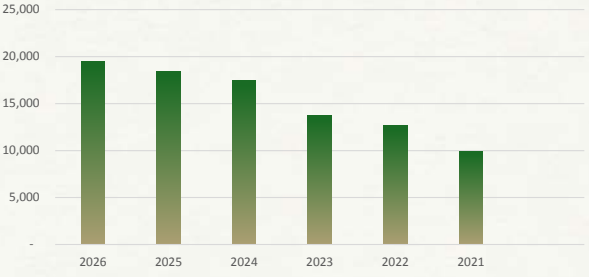
EPS



FIXED ASSETS



EQUITY



BOARD HUMAN RESOURCE COMMITTEE

Composition:

Ms. Filza Mumtaz	Chairperson of the Committee
Muhammad Anees	Member of the Committee
Mr. Farid Ahmad Khan	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. Farid Ahmad Khan	Chairman of the Committee
Khawaja Muhammad Younus	Member of the Committee
Mr. Muhammad Asghar	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 8 as per the following:
   a. Male: 7
   b. Female: 1
2. The composition of board is as follows:

Category	Name
Independent Director	Mr. Farid Ahmad Khan Mr. Muhammad Asghar Ms. Filza Mumtaz
Executive Directors	Mr. Muhammad Anees (CEO) Mr. Khawaja Muhammad Muzaffar Iqbal Mr. Muhammad Mehr Ali
Non-Executive Directors	Mr. Khawaja Muhammad Ilyas Mr.Khawaja Muhammad Younus
Female Director	Ms. Filza Mumtaz

*Executive Directors (including the CEO) shall not exceed one-third of the Board. For a seven-member Board, one-third equals 2.33 Directors; this fraction has been rounded up by one, resulting in three (3) Executive Directors. The Company considers this composition appropriate given the nature, scale and operational complexity of its business and related activities, which require effective executive management and oversight.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a Vision/Mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board had complied with the requirements of the 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. Out of Eight Directors, three members of the Board are exempt from the Directors' Training Program by virtue of their requisite qualification and experience, while four directors have obtained the prescribed certification. The remaining one director, appointed on January 31, 2026, will obtain certification within the one-year period provided under Regulation 19(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019;
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. Farid Ahmad Khan	Chairman
2.	Mr. Muhammad Asghar	Member
3.	Khawaja Muhammad Younus	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

1.	Ms. Filza Mumtaz	Chairperson
2.	Mr. Farid Ahmad Khan	Member
3.	Mr. Muhammad Anees	Member

NOMINATION COMMITTEE

1.	Khawaja Muhammad Younus	Chairman
2.	Mr. Muhammad Muzaffar Iqbal	Member
3.	Mr. Muhammad Mehr Ali	Member

RISK MANAGEMENT COMMITTEE

1.	Khawaja Muhammad Ilyas	Chairman
2.	Mr. Muhammad Mehr Ali	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: 6

b) HR and Risk Management Committee: 1

15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all 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, 2026

Khawaja Muhammad Ilyas

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM	TO		TOTAL SHARES HELD
275	1	100		8,142
154	101	500		41,360
64	501	1000		51,361
75	1,001	5000		187,817
13	5,001	10000		97,229
6	10,001	20000		91,123
6	20,001	50000		157,572
3	50,001	100000		260,537
9	100,001	500000		3,361,530
7	500,001	1000000		4,326,081
10	1,000,001	2000000		15,032,249
2	2,000,001	4000000		6,384,999
624			**TOTAL**	**30,000,000**

CATEGORIES OF SHAREHOLDERS	NUMBER	SHARE HELD	PERCENTAGE %
Directors, Chief Executive Officer & their spouse & minor children	10	8,731,073	29.10%
Associated Companies, Under takings & related parties	2	424,752	1.416%
NIT & ICP	2	60,937	0.20%
Banks, Development Financial Institutions, Non-Banking	2	175,128	0.58%
Joint stock companies	10	543,587	1.81%
Insurance companies			
Modarabas & Mutual Funds			
General Public - i) Local	598	20,064,523	66.88%
General Public - ii) Foreign			
Others			
	624	**30,000,000**	**100.00%**

The above two statements include (507) Shareholders holding 26,185,946 Shares through Central Depository Company of Pakistan Limited.

INFORMATION REQUIRED AS PER CODE OF CORPORATE GOVERNANCE

As At June 30, 2026

	SHAREHOLDER CATEGORY / NAME	NUMBER OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
i)	**Associated Companies, undertaking & related parties (name wise details):**		
	MAHMOOD COTTON GINNING PRESSING AND OIL MILLS (PVT.) LIMITED	423,952	1.413%
	ROOMI ENTERPRISES (PVT) LIMITED.	800	0.003%
ii)	**Mutual Funds (Name wise details):**		
	- NIT & ICP	60,937	0.20%
iii)	**Directors, Chief Executive and their spouse(s) and minor children (name wise):**		
	KHAWAJA MUHAMMAD ILYAS	100,000	0.33%
	KHAWAJA MUHAMMAD MUZAFFAR IQBAL	1,607,514	5.36%
	KHAWAJA MUHAMMAD YOUNUS	1,945,558	6.49%
	MUHAMMAD ANEES	1,256,732	4.19%
	MUHAMMAD ASGHAR	160	0.00%
	MUHAMMAD MEHR ALI	3,192,543	10.64%
	FARID AHMAD KHAN	100	0.00%
	FARRAH ILYAS	100	0.00%
	ROBINA WADOOD	628,266	2.09%
	FILZA MUMTAZ	100	0.00%
	Sub-Total - Directors & Related	**8,731,073**	**29.10%**
iv)	**Banks, Development Financial Institutions, Non-Banking Financial Institutions:**		
	NATIONAL BANK OF PAKISTAN	128	0.00%
	SONERI BANK LIMITED - ORDINARY SHARES	175,000	0.58%
		175,128	**0.58%**
v)	**Joint Stock Companies:**		
	CDC - TRUSTEE AKD INDEX TRACKER FUND	7,569	0.03%
	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	160,144	0.53%
	HAAF IMPORT & EXPORTS (PRIVATE) LIMITED	1,000	0.00%
	MASOOD HOLDINGS (PRIVATE) LIMITED	5,381	0.02%
	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	2,632	0.01%
	RAFI SECURITIES (PRIVATE) LIMITED - MF	739	0.00%
	ROOMI HOLDINGS (PVT.) LIMITED	340,923	1.14%
	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	723	0.00%
	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	20,635	0.07%
	M/ Crescent Group Services (Pvt) Ltd.	3,841	0.01%
	Sub-Total - Joint Stock Companies	**543,587**	**1.81%**
vi)	**General Public:**		
	i) Local	20,064,523	66.88%
	ii) Foreign		
	TOTAL	**30,000,000**	**100.00%**

The above two statements include (507) Shareholders holding 26,185,946 Shares through Central Depository Company of Pakistan Limited.

DIRECTORS ATTENDANCE AT BOARD MEETINGS

From July 1st 2025 to June 30, 2026

Sr. No.	Name	Designation	Meeting Held	Meeting Attended
1.	Khawaja Muhammad Ilyas	Chairman	8	8
2.	Khawaja Muhammad Younus	Director	8	8
3.	Muhammad Anees	CEO	8	8
4.	Khawaja Muhammad Muzaffar Iqbal	Director	8	8
5.	Khawaja Muhammad Mehr Ali	Director	8	4
6.	Mr. Muhammad Asghar	Independent Director	8	8
7.	Mr. Farid Ahmad Khan	Independent Director	8	4
8.	Ms. Filza Mumtaz	Female Independent Director	8	3
9.	Mr. Abdul Rehman Qureshi	Independent Director	8	4
10.	Ms. Farah Ilyas	Female Director	8	4

Unconsolidated Financial Statements

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS

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

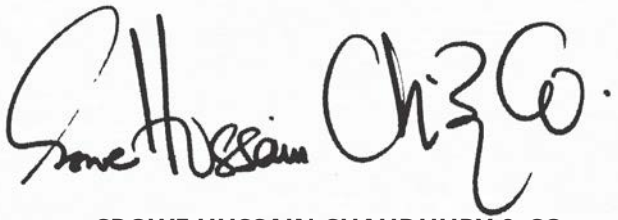
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Mahmood Textile Mills Limited ("the Company") for the year ended June 30, 2026 in accordance with the requirements of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

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

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

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

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



Lahore
Dated: October 06, 2026
UDIN: CR202610832s45yBcUR0

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 unconsolidated financial statements of **MAHMOOD TEXTILE MILLS LIMITED** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2026, 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, 2026 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 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.

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. Scheme of Arrangements and Reconstruction	
Refer notes 2.2 and 8.1 to the annexed unconsolidated financial statements. The Lahore High Court, Multan Bench, vide its order dated November 11, 2025, sanctioned the Scheme of Compromises, Arrangements and Reconstruction (the Scheme) under sections 279 to 283 and 285 of the Companies Act, 2017, whereby the whole of the business and undertaking of the Apparel Unit of the Company, including all its assets, liabilities and obligations, was transferred to and vested in MG Apparel Limited (MGA), a wholly owned subsidiary of the Company, with effect from January 1, 2025. The effect of the Scheme has been accounted for from the effective date, and the comparative figures have been restated. This reduced shareholders' equity as at June 30, 2025 by Rs. 1,196.141 million and net profit for the year ended June 30, 2025 by Rs. 188.595 million. We have identified this as key audit matter since this represents a significant transaction during the year.	Our audit procedures to address this key audit matter included the following: • Obtained and read the order of the Lahore High Court including the Scheme of Arrangement and the related documents to understand the transaction, the effective date and terms including nature of the assets and liabilities to be transferred; • Obtained the schedule of assets and liabilities transferred as at the effective date and reconciled it with the accounting records; • Checked the measurement and recognition of the investment in MGA in pursuant to this demerger transaction; • Reviewed the working of restatement of the comparative figures to ensure accuracy of restated balances; and • Considered the adequacy of the related disclosures and assessed whether these are in accordance with the applicable financial reporting framework.
2. Trade Debts and Revenue Recognition	
Refer to note 3.16 & 12 to the financial statements. The Company has outstanding trade debts amounting to Rs. 7,284.813 million as at June 30, 2026, against which the provision of Rs. 113.079 million has been recognized. We identify recoverability of trade receivables as key audit matter as it involves significant management judgement in determining the recoverable amount.	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, debt collection process and making expected credit loss for doubtful receivables and on a sample basis, testing the operating effectiveness of those controls. • Tested the accuracy of aging report, on sample basis, by comparing individual balances in the report with underlying documentation.

Key audit matters	How the matters were addressed in our audit
Refer to notes 3.14 & 31 to the unconsolidated financial statements. Revenue of the Company, for the year ended June 30, 2026, amounts to Rs. 56,325.329 million. The Company is primarily engaged in the manufacturing and sale of yarn, grey cloth 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.	• Assessed the appropriateness of assumptions and estimates made by management for the expected credit loss by comparing on sample basis, historic cash collection, actual write offs and cash receipts from customers subsequent to reporting date. • 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 sales orders, sales invoices, delivery challans and other relevant underlying documents to assess whether the revenue was recorded in accordance with the Company's revenue accounting policy and applicable financial reporting framework. • Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. • Checked receipts from customers to whom sales were made on a sample basis. • Considered the adequacy of the related disclosures and assessed whether these are in accordance with the applicable financial reporting framework.
3. Stock in Trade	
Refer to note 3.5 & 11 to the unconsolidated financial statements. The Company's stock in trade amounts to Rs. 13,965.977 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.

Key audit matters	How the matters were addressed in our audit
stock in trade involves management judgment and estimation.	• 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.
4. 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-term borrowings of Rs. 9,632.638 million and Rs. 15,666.389 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.	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 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

Key audit matters	How the matters were addressed in our audit
	the management with regard to their ability to ensure future compliance with the covenants. • Checked on test basis the calculations of finance cost recognized in profit or loss. • Assessed the adequacy of disclosures made in respect of the long-term financing obligations in the unconsolidated financial statements.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the 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 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 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 prepared in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the accounting and other records of the Company.

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Zain-Ul-Arfeen.



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: October 06, 2026
UDIN: AR202610832oqWa4Qhrl

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees (Restated)	2024 Rupees
ASSETS				
Non Current Assets				
Property, plant and equipment	5	17,845,515,286	18,645,371,514	22,214,635,273
Investment property	6	309,200,000	250,100,000	174,038,000
Intangible assets	7	48,629,762	45,536,504	37,931,636
Long term investments	8	5,270,479,842	5,033,778,771	2,073,750,746
Long term deposits	9	55,414,135	55,414,135	53,854,135
		23,529,239,025	24,030,200,924	24,554,209,790
Current Assets				
Stores, spares and loose tools	10	666,490,961	618,390,423	843,263,574
Stock in trade	11	13,965,977,114	15,369,276,848	16,830,488,745
Trade debts	12	7,171,733,704	4,077,558,273	6,724,162,180
Loans and advances	13	786,123,789	495,277,840	1,058,282,487
Other receivables	14	459,697,074	402,033,756	487,649,414
Short term investments	15	-	51,118,400	28,771,225
Tax refunds due from the Government	16	2,660,963,557	2,487,565,009	1,068,250,317
Cash and bank balances	17	195,686,127	97,084,926	31,957,577
		25,906,672,326	23,598,305,475	27,072,825,519
Assets Classified as Held for Sale	18	1,797,846,336	1,797,846,336	3,406,102,791
		51,233,757,687	49,426,352,735	55,033,138,100
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Authorized share capital: 50,000,000 (2025: 50,000,000) ordinary shares of Rs. 10 each		500,000,000	500,000,000	500,000,000
Issued, subscribed and paid up capital	19	300,000,000	300,000,000	300,000,000
Reserves		13,437,271,025	12,462,591,246	11,416,991,792
Revaluation surplus on property	20	4,277,997,445	4,494,418,808	5,688,116,205
Shareholders' Equity		18,015,268,470	17,257,010,054	17,405,107,997
Non Current Liabilities				
Long term finances	21	7,232,818,111	7,639,568,258	8,375,153,095
Lease liabilities	22	106,928,984	37,475,021	22,049,514
Deferred tax liability	23	727,917,875	740,374,699	805,017,769
		8,067,664,970	8,417,417,978	9,202,220,378
Current Liabilities				
Trade and other payables	24	5,138,751,536	5,064,714,553	7,481,900,251
Unclaimed dividend		3,672,259	3,680,032	3,680,032
Contract liabilities	25	145,890,639	148,184,668	84,879,145
Accrued mark up	26	717,725,316	619,178,914	1,183,191,316
Current portion of non-current liabilities	27	2,528,102,522	2,172,515,090	2,173,210,286
Short term borrowings	28	15,666,388,944	14,695,457,756	16,421,864,632
Provision for taxation	29	950,293,031	1,048,193,690	1,077,084,063
		25,150,824,247	23,751,924,703	28,425,809,725
Contingencies and Commitments	30	-	-	-
		51,233,757,687	49,426,352,735	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
Director

Rashid Mahmood
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees (Restated)
Sales	31	56,325,329,182	51,607,524,726
Cost of sales	32	(49,797,026,014)	(44,881,987,236)
Gross Profit		6,528,303,168	6,725,537,490
Operating Expenses			
Distribution costs	33	(620,441,262)	(1,050,749,791)
Administrative expenses	34	(1,052,858,771)	(1,052,570,302)
		(1,673,300,033)	(2,103,320,093)
Operating Profit		4,855,003,135	4,622,217,397
Finance cost	35	(3,590,438,157)	(3,786,496,712)
Other operating expenses	36	(231,044,299)	(158,732,200)
Other income	37	250,959,812	344,651,165
Share of net profit of associate	8.2	236,701,071	250,481,333
		(3,333,821,573)	(3,350,096,414)
Profit before Levy and Taxation		1,521,181,562	1,272,120,983
Levy / final taxation	38	(775,379,970)	(645,094,059)
Profit before Taxation		745,801,592	627,026,924
Taxation	39	12,456,824	162,444,480
Net Profit for the Year		758,258,416	789,471,404
Earnings per Share - Basic and Diluted	40	25.28	26.32

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

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Younus
Director

Rashid Mahmood
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees (Restated)
Net Profit for the Year		758,258,416	789,471,404
Other Comprehensive Income for the Year			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total Other Comprehensive Income for the Year		758,258,416	789,471,404

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

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Younus
Director

Rashid Mahmood
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

Particulars	Issued, Subscribed and Paid up Capital	Reserves			Surplus on Revaluation of Property, Plant and Equipment	Total
		Capital Reserves	Revenue Reserves	Total		
			Unappropriated Profits			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
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	-	-	789,471,404	789,471,404	-	789,471,404
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	789,471,404	789,471,404	-	789,471,404
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earnings	-	-	246,194,551	246,194,551	(246,194,551)	-
Share in equity adjustment of associate	-	-	69,976,922	69,976,922	-	69,976,922
Effect of restructuring - Note 2.2	-	-	(60,043,423)	(60,043,423)	(947,502,846)	(1,007,546,269)
Balance as at June 30, 2025 as restated	300,000,000	7,120,600	12,455,470,646	12,462,591,246	4,494,418,808	17,257,010,054
Balance as at June 30, 2025 as previously reported	300,000,000	7,120,600	12,710,551,327	12,717,671,927	5,435,479,478	18,453,151,405
Effect of restructuring - Note 2.2	-	-	(255,080,681)	(255,080,681)	(941,060,670)	(1,196,141,351)
Balance as at June 30, 2025 - restated	300,000,000	7,120,600	12,455,470,646	12,462,591,246	4,494,418,808	17,257,010,054
Net profit for the year	-	-	758,258,416	758,258,416	-	758,258,416
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	758,258,416	758,258,416	-	758,258,416
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earnings	-	-	216,421,363	216,421,363	(216,421,363)	-
Balance as at June 30, 2026	300,000,000	7,120,600	13,430,150,425	13,437,271,025	4,277,997,445	18,015,268,470

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

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Younus
Director

Rashid Mahmood
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees (Restated)
CASH GENERATED FROM OPERATIONS	41	3,919,960,298	3,010,927,350
Income tax paid		(821,118,516)	(742,641,220)
Finance cost paid		(3,182,004,996)	(4,172,139,202)
Workers' (profit) participation fund paid	24.1	(62,650,320)	(60,060,674)
Workers' welfare fund paid		(11,203,562)	-
		(4,076,977,394)	(4,974,841,096)
Net Cash Used in Operating Activities		(157,017,096)	(1,963,913,746)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment	5.1 & 5.11	(830,423,601)	(2,704,008,794)
Payment for acquisition of intangibles	7	(18,586,522)	(23,670,337)
Dividends income received from short term investment	37	-	1,032,000
Proceeds from disposal of property, plant and equipment		87,100,672	134,320,992
Long term deposits	9	-	(2,500,000)
Proceeds of short term investments		59,855,145	11,735,300
Proceeds from sale of assets classified as held for sale	18	-	1,608,256,455
Net Cash Used in Investing Activities		(702,054,306)	(974,834,384)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finances obtained		2,052,598,288	2,300,000,000
Long term finances repaid		(2,039,534,119)	(1,128,180,002)
Lease liability paid		(26,314,981)	(21,611,804)
Short term borrowings - net		970,931,188	1,598,586,604
Dividend paid		(7,773)	
Net Cash Generated from Financing Activities	48	957,672,603	2,748,794,798
Net Increase / (Decrease) in Cash and Cash Equivalents during the Year		98,601,201	(189,953,332)
Effect of Restructuring - Note 2.2		-	255,080,681
Cash and cash equivalents at the beginning of the year	17	97,084,926	31,957,577
Cash and Cash Equivalents at the End of the Year	17	195,686,127	97,084,926

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

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Younus
Director

Rashid Mahmood
Chief Financial Officer

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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 and grey cloth. 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 The Company acquired a wholly owned subsidiary "MG Apparel Limited", during the year ended June 30, 2025 further the Company has transferred Apparel segment to subsidiary company as disclosed in note 2.2. Subsidiary 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 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	Room 603, 6th floor UNI Tower,I.I. Chundrigarh Road, Karachi
Manufacturing units	Mahmoodabad, Multan Road, Muzaffargarh
	Masoodabad, D.G Khan Road, Muzaffargarh
	Chowk Sarwar Shaheed, District Muzaffargarh
	Industrial Estate, Multan.

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. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting 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;

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

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

2.2 The Scheme of Compromises, Arrangements and Reconstruction for Amalgamation

Mahmood Textile Mills Limited (MTML) and MG Apparel Limited (MGA) (hereinafter both Companies referred to as "the Petitioners") filed a joint petition under sections 279 to 283 and 285 of the Companies Act, 2017 (the Act) and all other enabling provisions of law before the Lahore High Court (LHC) - Multan Bench, Multan for sanction of the Scheme of Compromises, Arrangements and Reconstruction (the Scheme) for demerger between the Petitioners and their members.

LHC, vide its order dated November 11, 2025, in terms of section 282 (3) (4) and (5) of the Act ordered that the whole of the business and undertaking of Apparel Unit of MTML be transferred and vested in MGA without any further act or deed including all assets, liabilities, properties, rights, privileges, benefits of contracts, sanctions, authorizations, licenses and obligations of each of MTML effective from January 1, 2025.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

The Scheme envisaged the reconstruction of MTML by way of transfer and vesting of certain assets / liabilities (hereinafter referred to as "transferred assets and undertakings") with and into MGA together with all the rights, liabilities and obligations of MTML pertaining to the Transferred Assets and Undertakings, the Net Assets Value ("NAV") that amounted to Rs. 3,587,062,617 as at December 31, 2024. As consideration of the said transfer by MTML, MGA issued and allotted its 30,000,000 fully paid up ordinary shares of Rs. 10 each to MTML, against a consideration value of Rs. 87.985 per share which was inclusive of Rs. 77.985 share premium. This resulted in an increase in share capital of MGA by Rs. 300,000,000 and the share premium recorded in the books of MGA as Rs. 2,339,559,771 as per the valuation certificate prepared by M/s. Shinewing Hameed Chaudhri & Co., Chartered Accountants on December 31, 2024. These shares rank pari passu with the existing ordinary shares of MGA in all respects.

Statement of Financial Position

	June 30, 2025 - Audited	Effect of the Scheme - Transfers to MGA	June 30, 2025 - Restated
	Rupees	Rupees	Rupees
Non Current Assets			
Property, plant and equipment	22,980,120,159	(4,334,748,645)	18,645,371,514
Investment property	250,100,000	-	250,100,000
Intangible assets	55,720,485	(10,183,981)	45,536,504
Long term investments	2,394,219,001	-	2,394,219,001
Impact of restatement due to demerger	-	2,639,559,770	2,639,559,770
	2,394,219,001	2,639,559,770	5,033,778,771
Long term deposits	56,354,135	(940,000)	55,414,135
	25,736,513,780	(1,706,312,856)	24,030,200,924
Current Assets			
Stores, spares and loose tools	667,289,249	(48,898,826)	618,390,423
Stock in trade	18,800,585,001	(3,431,308,153)	15,369,276,848
Trade debts	6,174,181,272	(2,096,622,999)	4,077,558,273
Loans and advances	1,097,101,487	(601,823,647)	495,277,840
Other receivables	436,089,241	(34,055,485)	402,033,756
Short term investments	51,118,400	-	51,118,400
Tax refunds due from the Government	2,487,565,009	-	2,487,565,009
Cash and bank balances	98,405,057	(1,320,131)	97,084,926
	29,812,334,716	(6,214,029,241)	23,598,305,475
Assets Classified as Held for Sale	1,797,846,336	-	1,797,846,336
Total Assets	57,346,694,832	(7,920,342,097)	49,426,352,735

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2025 - Audited	Effect of the Scheme - Transfers to MGA	June 30, 2025 - Restated
EQUITY AND LIABILITIES	Rupees	Rupees	Rupees
Share Capital and Reserves			
Issued, subscribed and paid up capital	300,000,000	-	300,000,000
Reserves	12,717,671,927	(255,080,681)	12,462,591,246
Revaluation surplus on property, plant and equipment	5,435,479,478	(941,060,670)	4,494,418,808
Shareholders' Equity	18,453,151,405	(1,196,141,351)	17,257,010,054
Non Current Liabilities			
Long term finances	8,936,487,140	(1,296,918,882)	7,639,568,258
Lease liabilities	37,475,021	-	37,475,021
Deferred tax liability	740,374,699		740,374,699
	9,714,336,860	(1,296,918,882)	8,417,417,978
Current Liabilities			
Trade and other payables	6,352,792,129	(1,288,077,576)	5,064,714,553
Unclaimed dividend	3,680,032	-	3,680,032
Contract liabilities	149,130,058	(945,390)	148,184,668
Accrued mark-up	786,272,482	(167,093,568)	619,178,914
Current portion of non-current liabilities	2,699,498,757	(526,983,667)	2,172,515,090
Short term borrowings	18,020,451,236	(3,324,993,480)	14,695,457,756
Provision for taxation	1,167,381,873	(119,188,183)	1,048,193,690
	29,179,206,567	(5,427,281,864)	23,751,924,703
Total Equity and Liabilities	57,346,694,832	(7,920,342,097)	49,426,352,735

STATEMENT OF PROFIT OR LOSS

	June 30, 2025 - Audited	Effect of the Scheme - Transfers to MGA	June 30, 2025 - Restated
	Rupees	Rupees	Rupees
Sales	57,071,382,737	(5,463,858,011)	51,607,524,726
Cost of sales	(49,107,864,833)	4,225,877,596	(44,881,987,237)
Gross Profit	7,963,517,904	(1,237,980,415)	6,725,537,489
Operating Expenses			
Distribution costs	(1,410,799,254)	360,049,462	(1,050,749,792)
Admin expenses	(1,326,259,569)	273,689,269	(1,052,570,300)
	(2,737,058,823)	633,738,731	(2,103,320,092)
Operating Profit	5,226,459,081	(604,241,684)	4,622,217,397
Finance cost	(4,110,526,444)	324,029,731	(3,786,496,713)
Other operating expenses	(182,050,846)	23,318,646	(158,732,200)
Other income	344,651,166	-	344,651,166
Share of net profit of associate	250,481,333		250,481,333
	(3,697,444,791)	347,348,377	(3,350,096,414)
Profit before Levy and Taxation	1,529,014,290	(256,893,307)	1,272,120,983
Levy / final taxation	(713,392,284)	68,298,225	(645,094,059)
Profit before Taxation	815,622,006	(188,595,082)	627,026,924
Taxation	162,444,480	-	162,444,480
Net Profit for the Year	978,066,486	(188,595,082)	789,471,404

STATEMENT OF CHANGES IN EQUITY

	June 30, 2025 - Audited	Effect of the Scheme - Transfers to MGA	June 30, 2025 - Restated
	Rupees	Rupees	Rupees
Issued, subscribed and paid up capital	300,000,000	-	300,000,000
Capital reserves	7,120,600	-	7,120,600
Unappropriated profits	12,710,551,327	(255,080,681)	12,455,470,646
Surplus on revaluation of property, plant and equipment	5,435,479,478	(941,060,670)	4,494,418,808
Shareholders' Equity	18,453,151,405	(1,196,141,351)	17,257,010,054

2.3 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	Stated at revalued
Investment property	Stated at fair value
Certain long term investments	Stated at equity method
Short term investments	Stated at fair value
Assets classified as held for sale	Stated at fair value

2.4 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.

2.5 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
- 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.

2.6 Changes in accounting standards, interpretations and pronouncements

2.6.1 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, 2026. 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		Effective Date - Annual Periods Beginning on or After
IAS 21	Amendments to lack of exchangeability	January 01, 2025
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 01, 2025
IFRS S2	Climate-Related Disclosures	July 01, 2025

***2.6.2* 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
IFRS 10, IFRS 9, IFRS 1, IAS 7, IFRS 7	Annual Improvements to IFRS Accounting Standards — Volume 11	January 01, 2026
IFRS 7, IFRS 9	Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 7, IFRS 9	Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7	January 01, 2026
IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures—Amendments to IAS 28	January 01, 2027
IAS 21	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	January 01, 2027
IFRS 19	IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027
IFRS 18	IFRS 18 Presentation and Disclosure in Financial Statements	January 01, 2027

2.6.3 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 20	IFRS 20 Regulatory Assets and Regulatory Liabilities

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.

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.

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 economic benefits 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 Long term investment

Investment in aasociates

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.

Investment 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'.

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:

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 Sta ffretirement 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.

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 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 as per IAS 12 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.

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 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.

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.

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.

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 o ffwhen 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.

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.

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 Ijarah contracts

The Company has entered into Ijarah contracts under which it obtains usufruct of an asset for an agreed period for an agreed consideration. Ijarah contracts are undertaken in compliance with the Shariah essentials for such contracts prescribed by the State Bank of Pakistan.

The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit or loss on straight line basis over the Ijarah term.

Note 4

Other Accounting Policy Information

Other accounting policy information adopted in the preparation of these unconsolidated 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.

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

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.

Note 5

Property, Plant and Equipment

	Note	2026 Rupees	2025 Rupees (Restated)
Owned fixed assets	5.1	16,975,550,048	18,170,967,735
Leasehold / right of use assets	5.1	552,392,013	471,740,072
Capital work in progress	5.10	317,573,225	2,663,707
		17,845,515,286	18,645,371,514

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, 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 as previously reported	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
Effect of Restatement - Note 2.2	(418,366,000)	(510,032,538)	(913,039,077)	(2,026,365,327)	(628,330,327)	(215,764,606)	(11,234,894)	(3,033,228)	(163,890,787)	(4,890,056,784)	(500,976,000)	-	(500,976,000)
Balance as at June 30, 2025 - as restated	1,996,039,130	3,906,138,870	813,623,254	15,895,282,795	3,209,007,883	48,684,061	607,034,371	3,401,248	55,640,670	26,534,852,282	453,215,894	44,223,263	497,439,157
Additions	48,571,460	35,117,181	1,250,336	201,343,020	169,874,782	158,450	57,070,801	-	2,128,053	515,514,083	-	100,346,470	100,346,470
Disposals	-	-	-	(3,585,091)	-	-	(95,982,320)	-	-	(99,567,411)	-	-	-
Balance as at June 30, 2026	2,044,610,590	3,941,256,051	814,873,590	16,093,040,724	3,378,882,665	48,842,511	568,122,852	3,401,248	57,768,723	26,950,798,954	453,215,894	144,569,733	597,785,627
Accumulated depreciation													
Balance as at July 01, 2024	-	-	-	5,816,842,774	1,306,180,452	45,224,163	264,693,936	3,854,476	103,242,600	7,540,038,401	-	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 as previously reported	-	382,794,370	171,267,825	6,824,226,414	1,543,187,379	66,103,011	295,011,404	4,112,476	134,045,804	9,420,748,683	1,623,957	24,075,128	25,699,085
Effect of Restatement - Note 2.2	-	(195,736,911)	(156,596,329)	(414,935,806)	(154,655,414)	(41,771,581)	(6,768,853)	(928,005)	(85,471,237)	(1,056,864,136)	-	-	-
Balance as at June 30, 2025 - as restated	-	187,057,459	14,671,496	6,409,290,608	1,388,531,965	24,331,430	288,242,551	3,184,471	48,574,567	8,363,884,547	1,623,957	24,075,128	25,699,085
Depreciation charged during the year	-	385,081,638	68,475,426	956,486,590	188,308,825	2,446,484	64,152,853	21,678	2,574,385	1,667,547,879	3,385,990	16,308,539	19,694,529
Disposals	-	-	-	(3,047,923)	-	-	(53,135,597)	-	-	(56,183,520)	-	-	-
Balance as at June 30, 2026	-	572,139,097	83,146,922	7,362,729,275	1,576,840,790	26,777,914	299,259,807	3,206,149	51,148,952	9,975,248,906	5,009,947	40,383,667	45,393,614
Carrying amount													
As at June 30, 2025 - restated	1,996,039,130	3,719,081,411	798,951,758	9,485,992,187	1,820,475,918	24,352,631	318,791,820	216,777	7,066,103	18,170,967,735	451,591,937	20,148,135	471,740,072
As at June 30, 2026	2,044,610,590	3,369,116,954	731,726,668	8,730,311,449	1,802,041,875	22,064,597	268,863,045	195,099	6,619,771	16,975,550,048	448,205,947	104,186,066	552,392,013
Rate of depreciation - %	-	10	10	5 - 10	10	10	20	10	30		10	20	

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 Lands measuring 24 Kanal located near unit 5 and 56 Kanal located near unit 6, are acquired in 2025, for a period of 10 years. These leasehold arrangements shall expire on January 31, 2035.

5.2.2 The Company has recognized the right-of-use asset in respect of leased vehicles, under the agreements with Bank Al Habib Limited and MCB Bank Limited.

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

	Note	2026 Rupees	2025 Rupees (Restated)
Freehold land		124,303,909	75,732,449
Leasehold land		38,307,453	41,693,443
Buildings on freehold land		1,487,613,923	1,632,989,173
Buildings on leasehold land		665,437,429	720,830,363
		2,315,662,714	2,471,245,428

5.4 Depreciation charge for the year has been allocated as under:

Cost of sales	32	1,618,047,008	1,742,984,369
Administrative expenses	34	69,195,400	112,156,709
	5.4.1	1,687,242,408	1,855,141,078

5.4.1 Reconciliation of depreciation charge

Depreciation as previously reported	1,687,242,408	2,034,405,063
Depreciation transferred to MG Apparel	-	(179,263,985)
Depreciation charge	1,687,242,408	1,855,141,078

5.5 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 (Restated)
District Muzaffargarh	Freehold land	498 Kanals
District Multan	Freehold land	6 Kanals and 10 Marlas
Industrial Estate, Multan	Leasehold land	59 Kanals and 13 Marlas
District Muzaffargarh	Leasehold land	80 Kanals

5.5.1 Additions in land includes land amounting to Rs. 36.7 million for the Company's solar project and Rs. 11.817 million for the Company's planned unit expansion.

5.5.2 Land area consisting of 71 Kanals and 11 Marlas are being transferred to MG Apparel Limited under the scheme of compromises, arrangements and reconstruction for amalgamation (refer Note 2.2).

5.6 Latest revaluation was carried out as on June 30, 2024 by an independent valuer, resulting in net revaluation surplus of Rs. 2,533,512,329. Forced sales values of revalued assets, as determined by the independent valuer, were as follows:

	June 30, 2024 Rupees
Freehold land	1,867,789,600
Leasehold land	335,585,600
Buildings on freehold	2,936,557,560
Buildings leasehold land	797,577,600

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

5.7 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, 2026	2,044,610,590	448,205,947	3,369,116,954	731,726,668
For the year ending June 30, 2025 - restated	1,996,039,130	451,591,937	3,719,081,411	798,951,758

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.

5.8 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).

5.9 Detail of disposals of property, plant and equipment

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

Particulars of Assets	Cost	Carrying Amount	Sale Price	Gain	Particulars of the Buyer	Mode of Disposal	Relationship with the Purchaser
	Rupees	Rupees	Rupees	Rupees			
Vehicles							
Hyundai Sonata	8,896,490	4,507,555	7,000,000	2,492,445	Ms. Bushra Rizwan	Negotiation	Third Party
Audi-6	9,036,750	1,800,387	4,000,000	2,199,613	Mr. Ahsan Malik	Negotiation	Third Party
Land Cruiser	34,253,931	14,995,001	30,000,000	15,004,999	Mr. Ahsan Malik	Negotiation	Third Party
Hyundai Sonata	9,434,160	4,779,974	10,000,000	5,220,026	Ms. Rehana Kousar	Negotiation	Third Party
Kia Karnival	18,295,270	11,818,744	14,000,000	2,181,256	Mr. Moin Ud Din Qureshi	Negotiation	Third Party
Suzuki Cultus	1,885,462	796,419	2,200,000	1,403,581	Mr. Muhammad Neesum Abbas	Negotiation	Third Party
Honda City	2,016,000	968,755	1,200,000	231,245	M/s Multan Fabrics (Private) Limited	Negotiation	Related Party
Toyota Vitz	2,112,462	859,255	2,400,000	1,540,745	Mr. Asif Nazir	Negotiation	Employee
Honda Civic	4,593,780	1,149,874	6,100,000	4,950,126	M/s Ubl Insurers Limited	Negotiation	Third Party
Kia Picanto	1,954,000	555,582	911,000	355,418	M/s Multan Fabrics (Private) Limited	Negotiation	Related Party
Plant and Machinery							
Obem Yarn Conditioning	3,585,091	537,167	819,672	282,505	Mr. Malik Hafeez	Negotiation	Third Party
2026	96,063,396	42,768,713	78,630,672	35,861,959			
2025	250,532,175	114,774,282	122,771,065	7,996,783			

5.10 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, 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 as previously reported	-	-	-	3,243,707	3,243,707
Effect of restatement - Note 2.2	-	-	-	(580,000)	(580,000)
Balance as at June 30, 2025 - as restated	-	-	-	2,663,707	2,663,707
Additions during the year	-	-	292,931,629	24,641,596	317,573,225
Transferred to operating fixed assets	-	-	-	(2,663,707)	(2,663,707)
Balance as at June 30, 2026	-	-	292,931,629	24,641,596	317,573,225

Note 6

Investment Property

	2026	2025
	Rupees	Rupees
Opening balance	250,100,000	174,038,000
Fair value gain on revaluation	59,100,000	76,062,000
Closing balance	309,200,000	250,100,000

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 is 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	309,200,000	247,360,000

6.2 The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property 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.

Note 7

Intangible Asset

	Note	2026 Rupees	2025 Rupees (Restated)
Intangible asset	7.1	48,629,762	45,536,504

7.1 Intangible Asset

Net Carrying Value		
Net carrying value - opening balance	45,536,504	16,036,525
Additions during the year	18,586,522	45,649,605
	64,123,026	61,686,130
Amortization during the year	(15,493,264)	(5,965,645)
Effect of restatement - Note 2.2	-	(10,183,981)
Net carrying value as at June 30,	48,629,762	45,536,504
Gross Carrying Value		
Cost	79,215,886	70,813,345
Accumulated amortization	(30,586,124)	(15,092,860)
Effect of restatement - Note 2.2	-	(10,183,981)
Net book value	48,629,762	45,536,504
Amortization rate	30%	30%

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

7.2 Intangible assets represent the cost of accounting software (ERP) implemented by the Company.

Note 8

Long Term Investments

	Note	2026 Rupees	2025 Rupees (Restated)
Subsidiary - Unquoted at cost			
MG Apparel Limited 30,001,000 (2025: 30,001,000) ordinary shares of Rs. 10 each Share held 100% (2025: 100%) Carrying amount of investment	8.1	2,639,569,770	2,639,569,770
Associate - Unquoted at equity method			
Masood Spinning Mills Limited 8,921,692 (2025: 8,921,692) ordinary shares of Rs. 10 each Equity held 32.41% (2025: 32.41%) Carrying amount of investment	8.2	2,630,910,072	2,394,209,001
		5,270,479,842	5,033,778,771

8.1 During the year, pursuant to the Scheme of Arrangement (refer to note 2.2), the Company transferred certain assets and related liabilities to MG Apparel Limited ("the Subsidiary"), a company incorporated in Pakistan with its registered office at Mehr Manzil, Lohari Gate, Multan, against the issuance and allotment of 30,000,000 ordinary shares of Rs. 10 each by the Subsidiary with premium of Rs. 77.99 per share to the Company, representing 100% shareholding in the Subsidiary. Of these, three (3) shares are held in the names of the Company's directors as qualifying shares to comply with the requirements of the Companies Act, 2017.

8.2 Masood Spinning Mills Limited

Opening balance	2,394,209,001	2,073,750,746
Share of net profit of associate during the year	236,701,071	250,481,333
Share in equity adjustment of associate	-	69,976,922
	2,630,910,072	2,394,209,001

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

	Note	2026 Rupees	2025 Rupees
Net assets of the Associate		7,490,926,917	6,760,593,467
Percentage of shareholding in Associate as at the reporting date		32.41%	32.41%
Company's share		2,427,809,413	2,191,108,342
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		2,630,910,072	2,394,209,001

8.2.3 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

8.2.4 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 audited financial statements for the year ended June 30, 2026 of the Associate is as follows:

Current assets	20,334,122,357	21,869,472,920
Non-current assets	12,288,944,696	13,140,693,262
Current liabilities	(20,445,520,224)	(21,719,710,744)
Non-current liabilities	(4,686,619,912)	(6,529,861,971)
Net assets	7,490,926,917	6,760,593,467
Revenue	37,011,142,542	31,392,726,403
Net profit for the year	924,491,823	546,111,743
Other comprehensive income	-	-
Total comprehensive income for the year	924,491,823	546,111,743

Note 9

Long Term Deposits

	Note	2026 Rupees	2025 Rupees (Restated)
Multan Electric Power Company (MEPCO)		52,158,325	52,158,325
Sui Northern Gas Pipelines Limited (SNGPL)		398,902	398,902
Pakistan Telecommunication Company Limited (PTCL)		207,358	207,358
Security deposits against leasehold land	9.1	2,500,000	2,500,000
Others		149,550	149,550
		55,414,135	55,414,135

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 in 2025, on lease for a period of 10 years for the purpose of installation of solar panels.

Note 10

Stores, Spares and Loose Tools

Stores	10.1	638,640,157	590,517,475
Spares		27,089,434	27,210,523
Loose tools		761,370	662,425
		666,490,961	618,390,423

10.1 This includes stores in transit amounting to Rs. 6.778 million (2025: Rs. 7.140 million) as at the reporting date.

Note 11
Stock in Trade

	Note	2026 Rupees	2025 Rupees (Restated)
Raw materials	11.1	10,059,908,944	12,124,758,581
Work in process		406,985,484	540,382,441
Finished goods	11.2	3,499,082,686	2,704,135,826
		13,965,977,114	15,369,276,848

11.1 This includes material in transit amounting to Rs. 2,216.266 million (2025: Rs. 2,322.631 million).

11.2 This includes waste amounting to Rs. 40.589 million (2025: Rs. 69.084 million).

Note 12
Trade Debts

	Note	2026 Rupees	2025 Rupees (Restated)
Secured			
- Export		1,414,723,309	864,231,265
Unsecured - Local			
- Considered good		5,757,010,395	3,213,327,008
- Considered doubtful		113,078,910	42,562,553
		5,870,089,305	3,255,889,561
		7,284,812,614	4,120,120,826
Less: Allowance for expected credit losses (ECL)	12.2	(113,078,910)	(42,562,553)
		7,171,733,704	4,077,558,273

12.1 Trade debts include an amount of Rs. 1,932.633 million due from related parties (2025: Rs. 200.943 million) as at June 30, 2026. The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 2,151.971 million (2025: Rs. 1,491.628 million). The aging of this balance is as under:

	Within 1 Year	1 to 2 Years	2 to 5 Years	Total
	Rupees	Rupees	Rupees	Rupees
For the year ended June 30, 2026				
Masood Spinnings Mills Limited	1,480,654,554	-	-	1,480,654,554
Masood Retail (Private) Limited	349,309,609	-	-	349,309,609
Multan Fabrics (Private) Limited	102,669,564	-	-	102,669,564
	1,932,633,727	-	-	1,932,633,727
For the year ended June 30, 2025				
Masood Spinnings Mills Limited	200,943,129	-	-	200,943,129

12.2 Allowance for expected credit losses (ECL)

	Note	2026 Rupees	2025 Rupees
Opening balance		42,562,553	16,328,178
Add: Allowance for expected credit loss	36	70,516,357	26,234,375
		113,078,910	42,562,553

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	86,150,497	-	-	No default	N/A
China	1,838,268,343	387,329,118	-	No default	N/A
Turkiye	244,589,267	63,160,598	-	No default	N/A
Japan	2,323,647,823	586,510,413	-	No default	N/A
Belgium	42,112,639	42,112,639	-	No default	N/A
Portugal	620,447,166	256,464,323	-	No default	N/A
Taiwan	44,709,401	15,067,627	-	No default	N/A
Thailand	62,899,701	38,801,529	-	No default	N/A
Bangladesh	262,293,133	11,929,326	-	No default	N/A
Others	719,413,210	13,347,736	-	No default	N/A
	6,244,531,180	1,414,723,309	-		

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Note 13
Loans and Advances

	Note	2026 Rupees	2025 Rupees (Restated)
Advances to:			
- Key management personnel	13.1	23,086,023	18,700,233
- Employees		4,269,653	5,613,291
- Suppliers and contractors - considered good		621,327,121	348,072,728
- Suppliers and contractors - considered doubtful		26,907,267	26,907,267
		648,234,388	374,979,995
Deposits with Sui Northern Gas Pipelines Limited (SNGPL)	30.1.2	75,221,140	75,221,140
Advance against letters of credit		62,219,852	47,670,448
		813,031,056	522,185,107
Less: Provision against doubtful loans and advances	13.2	(26,907,267)	(26,907,267)
		786,123,789	495,277,840

13.1 Maximum aggregate amount due at the end of any month during the year amounted to Rs. 23.086 million (2025: Rs. 18.700 million).

13.2 Provision against doubtful loans and advances:

	2026 Rupees	2025 Rupees
Opening balance	26,907,267	26,907,267
Add: Provision for the year	-	-
	26,907,267	26,907,267
Less: Recovery against doubtful advances	-	-
Closing balance	26,907,267	26,907,267

Note 14
Other Receivables

	2026 Rupees	2025 Rupees
Cotton claims receivables	301,644,375	240,444,388
Insurance claims receivable	64,243,724	67,780,393
Bank guarantee margins	90,249,106	90,249,106
Others	3,559,869	3,559,869
	459,697,074	402,033,756

Note 15
Short Term Investments

	2026 Rupees	2025 Rupees
Fair value through profit or loss - Quoted shares		
Ghani Chemworld Limited		
Nil (2025: 860,000) shares of Rs. 10 each	-	8,359,200
Ghani Chemical Industries Limited		
Nil (2025: 1,720,000) shares of Rs. 10 each	-	42,759,200
	-	51,118,400

15.1 Investments in quoted shares were measured at fair value through profit or loss. These investments have been disposed o ffduring the year.

Note 16
Tax Refunds due from the Government

	2026 Rupees	2025 Rupees
Income tax refundable, advance tax and tax deducted at source	561,654,929	613,817,042
Sales tax refundable	2,099,308,628	1,873,747,967
	2,660,963,557	2,487,565,009

Note 17

Cash and Bank Balances

	Note	2026 Rupees	2025 Rupees (Restated)
Cash in hand		9,508,209	19,825,980
Cash at banks:			
- Current accounts		186,177,918	77,234,438
- Saving accounts	17.1	-	24,508
	17.2	186,177,918	77,258,946
		195,686,127	97,084,926

17.1 This represents amounts in saving accounts yielding profit at rates ranging from 7.25% to 9.45% (2025: 6.98% to 8.32%) per annum, approximately.

17.2 This includes shariah compliant bank deposits amounting to Rs. 120.769 million (2025: Rs. 31.86 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

	Note	2026 Rupees	2025 Rupees
Orient Power Company (Private) Limited			
46,098,624 (2025: 46,098,624) ordinary shares of Rs. 10 each			
Shareholding held 11.07% (2025: 11.07%)			
Carrying amount of investment	18.1	1,797,846,336	1,797,846,336

18.1 In 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. In year 2025, 41,237,345 shares were sold, reducing the Company's holding from 20.97% to 11.07%. Further, the Company has entered into agreement with M/s Roomi Enterprises (Private) Limited, a related party, on May 25, 2026 for sale of remaining shares. Such transaction will be executed subsequent to year end.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Note 19
Issued, Subscribed and Paid Up Capital

2026	2025		2026	2025
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 shares	237,002,000	237,002,000
30,000,000	30,000,000		300,000,000	300,000,000

19.1 No shares were cancelled or further issued during the year (2025: Nil).

19.2 Shares held by related parties are as follows:

	2026	2025	2026	2025
	(Percentage)	(Percentage)	(Number of Shares)	
Directors	29.104%	15.077%	8,731,073	4,523,074
Mahmood Cotton Ginning Pressing And Oil Mills (Private) Limited	1.413%	0.000%	423,952	-
Roomi Enterprises (Private) Limited	0.003%	0.003%	800	800
			9,155,825	4,523,874

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

	Note	2026	2025
		Rupees	Rupees (Restated)
Freehold land		1,920,306,681	2,262,172,681
Leasehold land		409,898,494	899,576,257
Buildings on freehold land		2,090,558,923	2,334,672,727
Buildings on leasehold land		73,654,710	191,694,540
		4,494,418,808	5,688,116,205
Effect of restructuring - Note 2.2		-	(947,502,846)
Adjusted balance		4,494,418,808	4,740,613,359
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earnings		(216,421,363)	(246,194,551)
Closing balance		4,277,997,445	4,494,418,808

20.1 Latest revaluation of property, plant and equipment was carried out as on June 30, 2024 by an independent valuer that resulted in further revaluation surplus of Rs. 2,533.51 million (restated). The following basis were used for revaluation of property, plant and equipment:

Freehold Land	Market Value
Leasehold Land	Market Value
Buildings on Freehold Land	Market Value / Depreciated Value
Buildings on Leasehold Land	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.

Note 21
Long Term Finances

	Note	2026 Rupees	2025 Rupees (Restated)
Related party - unsecured	21.1	492,624,432	-
Financial institutions - secured	21.2	6,740,193,679	7,639,568,258
		7,232,818,111	7,639,568,258

21.1 Related party - unsecured

Roomi Enterprises (Private) Limited	21.1.1	492,624,432	-

21.1.1 This finance facility is availed from Roomi Enterprises (Private) Limited, a related party due to common directorship, to meet the strategic expansion of the Company. The sanctioned limit for this facility amounted to Rs. 492.6 million (2025: Nil). This facility is payable in 20 equal quarterly installments, latest by June 2033, and carries markup @ 3 months KIBOR plus spread of 150 bps per annum (2025: Nil).

21.2 Financial institutions - secured

Habib Bank Limited	21.2.1	782,274,387	1,090,800,445
MCB Bank Limited	21.2.2	562,315,551	175,598,968
Meezan Bank Limited	21.2.3	908,224,750	1,029,474,719
United Bank Limited	21.2.4	342,226,860	451,414,959
Allied Bank Limited	21.2.5	877,847,725	700,689,000
Bank Al Habib Limited	21.2.6	468,162,940	607,529,483
National Bank of Pakistan	21.2.7	1,488,095,234	1,964,285,716
Bank Alfalah Limited	21.2.8	354,967,171	433,708,941
Soneri Bank Limited	21.2.9	113,135,981	196,735,981
Askari Bank Limited	21.2.10	306,315,529	365,514,237
Bank of Punjab	21.2.11	746,140,064	661,014,432
Pak Brunei Investment Company Limited	21.2.12	160,000,000	200,000,000
Bank Al Habib Limited - Islamic	21.2.13	433,572,426	496,072,000
Bank Islami Pakistan Limited	21.2.14	900,000,000	1,000,000,000
Pak Libya Holding Company Limited	21.2.15	450,000,000	-
		8,893,278,618	9,372,838,881
Deferred Government Grant:			
Temporary Economic Refinance Facility			
Bank Al Habib Limited	21.2.6	77,472,813	104,176,228
Bank of Punjab	21.2.11	169,262,206	222,203,639
		246,735,019	326,379,867
		9,140,013,637	9,699,218,748
Less: Current portion		(2,399,819,958)	(2,059,650,490)
		6,740,193,679	7,639,568,258

21.2.1 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 (2025: Rs. 2,050 million). These facilities carry markup @ 3 months KIBOR plus a spread of upto 125 bps per annum (2025: 3 months KIBOR plus a spread of upto 125 bps per annum), with a some long term finance facilities carrying fixed markup of 3% to 5% per annum (2025: 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. 2,066 million (2025: Rs. 2,064 million) over all fixed assets of the Company.

21.2.2 These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 700.6 million (2025: Rs. 200.6 million). These facilities carry markup @ 3 to 6 months KIBOR plus spread upto 150 bps per annum (2025: 6 months KIBOR plus 75 bps per annum), with a long term finance facility (LTFF) carrying fixed markup @ 2.75% per annum (2025: 2.75% per annum). These facilities are payable in quarterly installments, latest by February 2033. These facilities are secured by way of first joint pari passu hypothecation charge amounting to Rs. 265.3 million inclusive of 25% margin (2025: Rs. 301 million) over all present and future fixed assets of the Company, along with ranking charge amounting to Rs. 667 million (2025: Rs. Nil).

21.2.3 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 (2025: Rs. 1,070 million). These facilities carry markup @ 6 months KIBOR plus spread upto 150 bps per annum (2025: 6 months KIBOR plus spread upto 150 bps per annum), with some term finance facilities carrying markup @ SBP rate plus 200 bps per annum (2025: 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 (2025: Rs. 1,339 million) over the fixed assets of the Company, along with ranking charge amounting to Rs.317 million (2025: Rs.317 million).

21.2.4 These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 531 million (2025: Rs. 531 million). These facilities carry markup @ SBP rate plus 300 bps per annum (2025: @ SBP rate plus 300 bps per annum), with term finance facility carrying a markup @ 2.5% per annum (2025: 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. 838.6 million (2025: Rs. 893 million) over the present and future fixed assets of the Company.

21.2.5 These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 1,367.7 million (2025: Rs. 867.7 million). These facilities carry markup @ 6 months KIBOR plus 175 bps per annum (2025: 6 months KIBOR plus 175 bps per annum), with a term finance facility carrying markup @ SBP rate plus 50 bps per annum (2025: SBP rate plus 50 bps per annum). These facilities are payable in quarterly installments, latest by August 2030. These facilities are secured by the way of first joint pari passu charge amounting to Rs. 981.4 million (2025: Rs. 1,299 million) over the present and future fixed assets of the Company along with ranking charge amounting to Rs. 667 million (2025: Nil).

21.2.6 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 (2025: Rs. Rs. 1,466.8 million). These facilities carry markup of 6 months KIBOR plus 100 bps per annum (2025: 6 months KIBOR plus 100 bps per annum), with a term economic refinance facility carrying markup @ SBP rate plus 150 bps per annum (2025: SBP rate plus spread upto 150 bps per annum) and a long term finance facility carrying fixed 2.45% (2025: 2.45%). These facilities are payable in quarterly installments, latest by November 2031. These facilities are secured by the joint pari passu charge amounting to Rs. 1,977.8 million (2025: Rs.2,384 million) over all the present and future assets of the Company.

21.2.7 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 (2025: Rs. 3,000 million). These facilities carry markup @ 3 to 6 months KIBOR plus spread upto 200 bps per annum (2025: 3 to 6 months KIBOR plus spread upto 200 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. 2,667 million (2025: Rs. 1,779 million) over the present and future fixed assets of the Company along with the ranking charge of Nil (2025: Rs. 1,334 million) over all the present and future fixed assets of the Company.

21.2.8 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 (2025: Rs. 1,445.36 million). These facilities carry markup @ 6 months KIBOR plus 200 bps per annum (2025: 6 months KIBOR plus 200 bps per annum), with a long term finance facility carrying markup @ SBP rate plus 200 bps per annum (2025: 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. 2,226 million (2025: Rs. 1,874 million) over the present and future fixed assets of the Company.

21.2.9 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 (2025: Rs. 400.8 million). This facility carry markup @ 3 months KIBOR plus 80 bps per annum (2025: 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. 473.5 million (2025: Rs. 608 million) over the present and future fixed assets of the Company.

21.2.10 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 (2025: Rs. 472 million). One of these facilities carry markup @ 6 months KIBOR plus 250 bps per annum (2025: 6 months KIBOR plus 250 bps per annum), with the other facility carrying markup @ SBP rate plus 200 bps (2025: 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. 553 million (2025: Rs.603 million) over the present and future fixed assets of the Company.

21.2.11 These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 2,000 million (2025: Rs. 1,500 million). These facilities are payable in half-yearly installments, latest by January 2032, and carries markup @ 3 to 6 months KIBOR plus 150 bps per annum (2025: 6 months KIBOR plus 150 bps per annum) and term economic refinance facility (TERF) carry fixed markup @ 3% per annum (2025: 3% per annum), payable on quarterly basis. These facilities are secured by the way of first joint pari passu hypothecation charge amounting to Rs. 1,796.8 million inclusive of 25% margin (2025: Rs. 2,000 million) over all present and future fixed assets of the Company along with the ranking charge amounting to Rs. 667 million (2025: Rs. Nil).

21.2.12 These facilities were availed to finance the installation of a solar system with a capacity of up to 2 Megawatts and to import machinery. The sanctioned limits for these facilities amounted to Rs. 400 million (2025: Rs. 200 million). These facilities are payable in 20 quaterly installments, latest by January 2032, and carries markup @ 3 months KIBOR plus 125 bps per annum (2025: 3 months KIBOR plus 125 bps per annum) with Exim Administered Long Term Finance Facility (E-LTFF) carrying markup @ SBP Policy Rate minus 300 bps (2025: Nil). These facilities are secured by the first joint pari passu hypothecation & mortgage charge with 25% margin over fixed assets (including land/ building) amounting to Rs. 267 million (2025: Rs. 267 million) along with the ranking charge amounting to Rs. 267 million (2025: Nil) over the fixed assets of the Company .

21.2.13 This term finance facility was availed to meet the capital expenditure requirements of the Company. The sanctioned limit for this facility amounted to Rs. 500 million (2025: 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 (2025: 6 months KIBOR plus 100 bps per annum). This facility is secured by the joint pari passu charge amounting to Rs. 667 million (2025: Rs. 667 million) over the present and future fixed assets of the Company.

21.2.14 This term finance facility was availed to meet the capital expenditure requirements of the Company. The sanctioned limit for this facility amounted to Rs. 1,000 million (2025: 1000 million). This facility is payable in 20 equal quaterly installments, latest by December 2030, and carries markup @ 3 months KIBOR plus 125 bps per annum (2025: 3 months KIBOR plus 125 bps per annum). This facility is secured by the joint pari passu charge amounting to Rs. 1,334 million (2025: Rs. 1,334 million) over the present and future fixed assets of the Company.

21.2.15 This term finance facility was availed to finance / refinance CAPEX related to solar power plant(s). The sanctioned limit for this facility amounted to Rs. 600 million (2025: Nil). This facility is payable in 20 equal quaterly installments, latest by September 2031, and carries markup @ 3 months KIBOR plus spread of 2.30% per annum (2025: Nil). This facility is secured by the ranking charge amounting to Rs. 800 million inclusive of 25% margin (2025: Nil) over the present and future fixed assets including land & building of the Company.

Note 22

Lease Liabilities

	Note	2026 Rupees	2025 Rupees (Restated)
Lease liability		134,065,573	49,193,646
Less: Current portion		(27,136,589)	(11,718,625)
		106,928,984	37,475,021

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

	Included in	Note	2026 Rupees	2025 Rupees
Carrying amount of right of use assets	Statement of financial position	5.1	552,392,013	471,740,072
Depreciation charge	Statement of profit or loss	34	19,694,529	6,660,991
Finance cost	Statement of profit or loss	35	10,840,438	6,900,971
Payments made	Statement of cash flows		(26,314,981)	(21,611,804)

Maturity analysis of lease liabilities

	Undiscounted Cash Flows		Discounted Cash Flows	
	2026	2025	2026	2025
	Rupees	Rupees	Rupees	Rupees
Within one year	42,277,913	18,026,404	27,136,589	11,718,625
Between two to five years	124,715,287	30,051,014	89,017,772	21,178,524
Later than five years	20,182,572	31,913,338	17,911,212	16,296,497
	187,175,772	79,990,756	134,065,573	49,193,646

22.2 The Company has entered into lease agreement with Bank Al-Habib Limited and MCB Bank Limited to acquire vehicles. Total limit available during the current financial year was Rs. 400 million (2025: 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% for Bank Al-Habib Limited and 3 months KIBOR plus upto 1% for MCB Bank Limited. 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 5 years (2025: upto 3 years), and for land is upto 9 years (2025: 10 years).

22.4 In 2025, the Company acquired leasehold land for the installation of solar panels (Refer Note 5.2.1).

Note 23

Deferred Tax Liability

	Note	2026 Rupees	2025 Rupees
Deferred tax liability	23.2	727,917,875	740,374,699

23.1 Reconciliation of deferred tax liabilities - net

Opening balance	740,374,699	805,017,769
Recognized in statement of profit or loss	(12,456,824)	(64,643,070)
Recognized in other comprehensive income	-	-
Closing balance	727,917,875	740,374,699

23.2 Analysis of deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2026	2025	2026	2025
	Rupees	Rupees	Rupees	Rupees
On taxable temporary difference				
Investments in associate	727,917,875	740,374,699	(12,456,824)	(64,643,070)

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.

Note 24

Trade and Other Payables

	Note	2026 Rupees	2025 Rupees (Restated)
Creditors		1,931,798,479	1,463,700,035
Bills payable - secured		1,748,848,637	1,938,680,595
Accrued expenses		796,283,327	1,063,219,195
Tax deducted at source		319,390,808	311,389,387
Workers' (profit) participation fund	24.1	69,032,417	58,819,405
Workers' welfare fund	24.2	201,670,611	181,907,832
Others		71,727,257	46,998,104
		5,138,751,536	5,064,714,553
24.1 Workers' (profit) participation fund			
Opening balance		58,819,405	60,836,241
Expense recognised during the year	36	69,032,417	58,819,405
Interest on workers' (profit) participation fund		3,830,915	4,375,373
		131,682,737	124,031,019
Payments made during the year		(62,650,320)	(60,060,674)
Effect of restatement		-	(5,150,940)
Closing balance		69,032,417	58,819,405
24.2 Workers' welfare fund			
Opening balance		181,907,832	160,050,494
Expense recognised during the year	36	30,966,341	26,625,973
		212,874,173	186,676,467
Payments made during the year		(11,203,562)	-
Effect of restatement		-	(4,768,635)
Closing balance		201,670,611	181,907,832

Note 25

Contract Liabilities

Advances from customers		
- Local	111,787,556	138,701,756
- Foreign	34,103,083	9,482,912
	145,890,639	148,184,668

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. 90.07 million (2025: Rs. 84.88 million).

Note 26

Accrued Mark-up

Long term financing	226,706,194	227,535,119
Short term borrowings	491,019,122	391,643,795
	717,725,316	619,178,914

Note 27

Current Portion of Non-Current Liabilities

	Note	2026 Rupees	2025 Rupees (Restated)
Long term financing	21	2,399,819,958	2,059,650,490
Lease liabilities	22	27,136,589	11,718,625
Provisions against GIDC	27.1	101,145,975	101,145,975
		2,528,102,522	2,172,515,090

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.

Note 28

Short Term Borrowings

Short-term borrowings / running finances	28.1	7,482,979,977	7,722,629,635
Islamic finance - shariah compliant	28.2	8,183,408,967	6,972,828,121
		15,666,388,944	14,695,457,756

28.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs. 11,925 million (2025: Rs. 15,686 million). These finance facilities, during the current financial year, carried mark-up at the rates ranging from 11.03% to 13.24% (2025: 12.03% to 21.83%) 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, 2027.

28.2 These facilities have been obtained from various banking companies having sanctioned limit amounting to Rs. 12,045 million (2025: Rs. 12,555 million) for working capital requirements and carry interest/markup/profit at rates ranging from 11.38% to 13.59% (2025: 12.13% to 21.63%) 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 March 31, 2027.

28.3 Facilities available for opening letters of credit and guarantee from various commercial banks aggregate to be Rs. 12,630 million (2025: Rs. 10,870 million). Out of the available facilities, facilities aggregating to Rs. 1,668 million (2025: Rs. 7,445 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 March 31, 2027.

Note 29

Provision for Taxation

Opening balance	1,048,193,690	1,077,084,063
Add: provision made during the year		
- Current tax	752,752,089	645,094,059
- Prior year adjustments	22,627,881	(97,801,410)
	775,379,970	547,292,649
	1,823,573,660	1,624,376,712
Effect of restatement	-	(50,889,958)
Less: payments / adjustments made during the year	(873,280,629)	(525,293,064)
	950,293,031	1,048,193,690

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 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. 1,517 million as at June 30, 2026 (2025 - restated: Rs. 1,430 million).

30.1.2 Sui Northern Gas Pipelines Limited (SNGPL) had raised an arrears demand aggregating to Rs. 75.221 million (2025: 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 November 19, 2026.

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.

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. 2,918 million (2025: Rs. 5,264 million) and Rs. 947.76 million (2025 - restated: Rs. 596.114 million) respectively.

30.2 Commitments

	Note	2026 Rupees	2025 Rupees (Restated)
Commitments for irrevocable letters of credit:			
- Capital expenditure		0.215	27.264
- Others		220.745	748.356
		220.960	775.620

30.3 Commitments for future minimum payments in respect of Ijarah arrangements are as follows:

Not later than one year	Later than one year but not later than five years	Later than five years	Total - 2026	2025
Rupees	Rupees	Rupees	Rupees	Rupees
13,758,015	50,110,570	255,385	64,123,970	-

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Note 31
Sales

	2026			2025		
	Local	**Export**	**Total**	**Local**	**Export**	**Total**
	Rupees	Rupees	Rupees	Rupees	Rupees (Restated)	Rupees
Yarn	33,452,177,124	4,512,989,167	37,965,166,291	19,503,908,360	7,114,643,090	26,618,551,450
Cloth	18,729,041,783	1,697,085,348	20,426,127,131	19,861,718,399	1,374,717,591	21,236,435,990
Waste	977,263,629	34,456,665	1,011,720,294	1,816,969,873	-	1,816,969,873
Doubling/sizing income	106,853,358	-	106,853,358	96,609,267	-	96,609,267
Apparel	-	-	-	-	4,071,153,436	4,071,153,436
Cotton	5,876,425,436	-	5,876,425,436	4,796,266,597	-	4,796,266,597
	59,141,761,330	6,244,531,180	65,386,292,510	46,075,472,496	12,560,514,117	58,635,986,613
Sales tax	(9,060,963,328)	-	(9,060,963,328)	(7,028,461,887)	-	(7,028,461,887)
	50,080,798,002	6,244,531,180	56,325,329,182	39,047,010,609	12,560,514,117	51,607,524,726

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:

		2026	2025
	Note	Rupees	Rupees (Restated)
Pakistan		50,080,798,002	39,047,010,609
Others	12.3	6,244,531,180	12,560,514,117
		56,325,329,182	51,607,524,726

Note 32
Cost of Sales

Raw materials consumed		40,376,228,115	34,950,520,603
Stores and spares consumed		1,061,746,368	1,129,532,099
Packing materials consumed		299,894,707	285,465,230
Salaries, wages and benefits	32.1	1,977,329,383	2,640,034,870
Power and fuel		4,854,536,996	5,339,554,382
Repairs and maintenance		42,707,923	59,570,872
Depreciation	5.4	1,618,047,008	1,742,984,369
Insurance		225,996,001	246,218,017
Doubling charges		2,089,416	10,158,877
		50,458,575,917	46,404,039,319
Work-in-process			
- Opening		540,382,441	1,083,325,502
- Effect of restructuring		-	(948,794,152)
- Closing		(406,985,484)	(540,382,441)
		133,396,957	(405,851,091)
Cost of goods manufactured		50,591,972,874	45,998,188,228
Finished goods			
- Opening stock		2,704,135,826	3,126,479,544
- Effect of restructuring		-	(1,538,544,710)
- Closing stock		(3,499,082,686)	(2,704,135,826)
		(794,946,860)	(1,116,200,992)
		49,797,026,014	44,881,987,236

32.1 This includes sta ffretirement benefits amounting to Rs. 117.509 million (2025: Rs. 122.326 million).

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Note 33
Distribution Cost

	Note	2026 Rupees	2025 Rupees (Restated)
Advertisement		10,647,086	8,323,784
Export expenses		132,097,067	158,902,310
Commission		269,539,380	606,817,750
Export development surcharge		9,622,018	28,118,422
Freight and other expenses		198,535,711	248,587,525
		620,441,262	1,050,749,791

Note 34
Administrative Expenses

Salaries and benefits	34.1	454,784,642	497,013,950
Travelling and conveyance	34.2	127,776,577	108,718,382
Rent, rates and taxes		4,381,715	2,258,503
Entertainment		110,570,075	61,494,152
Utilities		14,747,040	14,309,561
Communication		31,581,594	39,722,211
Printing and stationery		5,809,884	7,512,425
Insurance		16,031,397	16,323,117
Repairs and maintenance		35,799,625	47,151,560
Vehicles running and maintenance		50,787,831	72,062,787
Ijarah rentals		11,261,297	-
Subscription and licensing fees		59,806,411	30,834,169
Auditors' remuneration		4,215,000	2,702,500
Legal and professional charges		20,652,122	17,442,101
Depreciation	5.4	69,195,400	112,156,709
Amortization	7.1	15,493,264	5,881,488
General		19,964,897	16,986,687
		1,052,858,771	1,052,570,302

34.1 This includes sta ffretirement benefits amounting to Rs. 22.465 million (2025: Rs. 13.528 million).

34.2 This includes directors' travelling expenses aggregating Rs. 28.116 million (2025: Rs. 23.016 million).

34.3 Auditors' remuneration

- Audit fee	2,750,000	2,127,500
- Half yearly review fee	465,000	402,500
- Certification fee	200,000	172,500
- Audit of group financial statements and group reporting	800,000	-
	4,215,000	2,702,500

Note 35
Finance Cost

Markup on:			
- Long term financing		996,624,169	1,098,313,346
- Short term borrowings		2,283,927,229	2,369,831,651
- Lease liabilities	22	10,840,438	6,900,971
Interest on workers' (profit) participation fund	24	3,830,915	4,375,373
Bank charges and commission		295,215,406	307,075,371
		3,590,438,157	3,786,496,712

Note 36
Other Operating Expenses

	Note	2026 Rupees	2025 Rupees (Restated)
Donations	36.1	30,665,871	47,052,447
Allowance for expected credit losses (ECL)	12.2	70,516,357	26,234,375
Exchange loss		14,519,339	-
Insurance claim written off		15,343,974	-
Workers' (profit) participation fund	24.1	69,032,417	58,819,405
Workers' welfare fund	24.2	30,966,341	26,625,973
		231,044,299	158,732,200

36.1 Details of donations to a single party exceeding the higher of Rs. 1,000,000 or 10% of the Company's total donation amount are as follows:

Kehkashan Welfare Society	-	9,000,000
Health Care Delivery Foundation	-	7,000,000
Education For All Foundation	-	1,460,000
Saleem Memorial Trust Hospital	1,000,000	1,000,000
APTMA relief activities of the Government	1,000,000	-
	2,000,000	18,460,000

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		59,761,438	50,639,237
Gain on disposal of short-term investments - net		8,736,745	1,935,642
Unrealised gain on remeasurement of short-term investments - net	15	-	32,146,833
Exchange gain		-	58,088,457
Amortization of deferred grant		79,644,848	87,428,540
Fair value gain on investment property		59,100,000	76,062,000
Export rebate		-	20,240,187
Gain on disposal of operating fixed assets - net		43,716,781	17,078,269
		250,959,812	344,651,165

Note 38
Levy / Final Taxation

For the year	688,455,287	645,094,059
Super tax	64,296,802	-
Prior period adjustment	22,627,881	-
	775,379,970	645,094,059

38.1 This represents 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

	Note	2026 Rupees	2025 Rupees (Restated)
Current tax		-	-
Prior period adjustment		-	(97,801,410)
Deferred tax		(12,456,824)	(64,643,070)
		(12,456,824)	(162,444,480)

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

Current tax liability as per applicable tax laws	775,379,970	645,094,059
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	(775,379,970)	(645,094,059)
Difference	-	-

39.2 The current tax expense for the year is calculated using minimum tax rate of 1.25% (2025: 1.25%) and super tax 10% (2025: Nil). 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

		2026	2025 (Restated)
Profit after taxation attributable to ordinary shareholders	Rupees	758,258,416	789,471,404
Weighted average number of ordinary shares outstanding during the year	Numbers	30,000,000	30,000,000
Earnings per share	Rupees	25.28	26.32

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 (2025: 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, 2026

Note 41

Cash Generated from Operations

	Note	2026 Rupees	2025 Rupees (Restated)
Cash Flows from Operating Activities			
Profit before levy and taxation		1,521,181,562	1,272,120,983
Adjustments for:			
- Depreciation	5.4	1,687,242,408	1,855,141,078
- Share of net profit of associate	8	(236,701,071)	(250,481,333)
- Amortization of intangible assets	34	15,493,264	5,881,488
- Amortization of deferred grant	37	(79,644,848)	(87,428,540)
- Gain on disposal of property, plant and equipment - net	37	(43,716,781)	(17,078,269)
- Finance cost on lease liabilities	35	10,840,438	6,900,971
- Gain on sale of short-term investments	37	(8,736,745)	(1,935,642)
- Dividend income on short-term investments	37	-	(1,032,000)
- Fair value gain on re-measurement of short-term investments	37	-	(32,146,833)
- Fair value gain on investment property	37	(59,100,000)	(76,062,000)
- Interest on workers' (profit) participation fund	35	3,830,915	4,375,373
- Provision of workers' (profit) participation fund	36	69,032,417	58,819,405
- Provision of workers' welfare fund	36	30,966,341	26,625,973
- Allowance for expected credit losses (ECL)	36	70,516,357	26,234,375
- Finance cost	35	3,280,551,398	3,775,220,368
		4,740,574,093	5,293,034,414
Operating profit before working capital changes		6,261,755,655	6,565,155,397
Decrease / (increase) in current assets:			
- Stores, spares and loose tools	10	(48,100,538)	175,974,325
- Stock in trade	11	1,403,299,734	(1,970,096,256)
- Trade debts	12	(3,164,691,788)	523,746,533
- Loans and advances	13	(290,845,949)	(38,819,000)
- Other receivables	14	(57,663,318)	51,560,173
- Sales tax due from the Government	16	(225,560,661)	(1,201,966,536)
(Decrease) / increase in current liabilities:			
- Trade and other payables		44,061,192	(1,158,878,199)
- Contract liabilities		(2,294,029)	64,250,913
		(2,341,795,357)	(3,554,228,047)
Cash Generated from Operations		3,919,960,298	3,010,927,350

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Note 42
Balances and Transactions with Related Parties

Related parties comprise subsidiary, associated company, due to common directorship, 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	2026	2025
				Rupees	Rupees (Restated)
Masood Spinning Mills Limited (MSM)	Common directorship	32.41%	Sale of goods	19,738,643,567	9,656,200,340
			Purchase of goods	13,461,222,381	10,363,823,475
			Expense incurred by the Company	51,957,996	120,299,233
			Amount received	16,553,924,126	8,264,397,182
			Amount paid	11,484,927,257	8,962,865,680
			Doubling revenue	66,902,485	81,848,260
			Share of profit	236,701,071	250,481,333
			Share of equity	-	69,976,922
			Expense incurred by MSM	47,573,373	-
Multan Fabrics (Private) Limited (MFPL)	Common directorship		Sale of goods	460,440,766	169,315,169
			Doubling revenue	-	24,000
			Expense incurred	693,440	618,377
			Amount received	358,367,508	169,957,546
			Expense incurred by MFPL	97,134	-
MG Apparel Limited	Subsidiary	100%	Expense incurred	300,690,421	-
			Adjustment made	300,690,421	-
Roomi Enterprises (Private) Limited	Common directorship		Purchase of goods	-	2,454,388
			Expense incurred	-	407,848
			Loan received	492,624,432	-
			Amount received	-	203,460
			Amount paid	-	2,250,000
Mr. Khawaja Muhammad Asghar	Director	0.0005%	MG Apparel Limited shares acquired	-	9,090
			Amount paid	9,090	-
Masood Retail (Private) Limited	Common directorship		Sale of goods	881,718,132	-
			Amount received	532,408,523	-
Orient Power Company (Private) Limited	Shareholding	11.07%	Dividend income	-	287,540,173
			Amount received	-	287,540,173

Balances Outstanding for the Year Ended

Masood Spinnings Mills Limited	Trade debts	1,480,654,554	200,943,129
	Investment	2,630,910,072	2,394,209,001
Masood Retails (Private) Limited	Trade debts	349,309,609	-
Mr. Khawaja Muhammad Asghar	Payable against MG Apparel Limited shares	-	9,090
Multan Fabrics (Private) Limited	Trade debts	102,669,564	-
Roomi Enterprises (Private) Limited	Loan received	492,624,432	-

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 Officer's, 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:

	2026			2025		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	7,602,000	11,601,000	209,932,974	7,602,000	7,800,000	193,238,579
Sta ffretirement benefits	-	-	17,487,417	-	-	14,246,266
Meeting fee	-	300,000	-	-	320,000	-
Travelling	-	28,116,077	-	-	23,016,000	-
	7,602,000	40,017,077	227,420,391	7,602,000	31,136,000	207,484,845
Number of persons	1	4	80	1	3	67

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 were recognized into three operating segments, i.e. spinning, apparel and weaving. During the year the Company has transferred Apparel segment to MG Apparel Limited as mentioned in Note 2.2. 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:

44.1 Segment Results for the year ended June 30, 2026

	Spinning	Weaving	Apparel	Total
	(Rupees in 000)			
Revenue	38,719,628	17,605,701	-	56,325,329
Operating profit	3,602,649	1,252,354	-	4,855,003
Total results for reportable segments				4,855,003
Unallocated income and expenses				
Finance cost				(3,590,438)
Other operating expense				(231,044)
Other income				250,960
Share of net profit from associate				236,701
Profit before levy and taxation				1,521,182
Levy / final taxation				(775,380)
Profit before Taxation				745,802
Taxation				12,457
Net Profit for the Year				758,258

Segment Results for the year ended June 30, 2025 - restated

Revenue	29,260,452	18,275,920	4,071,153	51,607,525
Operating profit	3,166,311	1,292,856	163,050	4,622,217
Total results for reportable segments				4,622,217
Unallocated income and expenses				
Finance cost - unallocated				(3,786,497)
Other operating expense				(158,732)
Other income				344,651
Share of net profit from associate				250,481
Profit before levy and taxation				1,272,120
Levy / final taxation				(645,094)
Profit before Taxation				627,027
Taxation				162,444
Net Profit for the Year				789,471

44.2 Segment financial position for the year ended June 30, 2026

	Spinning	Weaving	Apparel	Total
		(Rupees in 000)		
Assets	37,759,375	8,819,887	-	46,579,262
Unallocated Assets				
Tax refunds due from the Government				2,660,964
Cash and bank balances				195,686
Assets classified as held for sale				1,797,846
Total assets				51,233,758
Liabilities	25,472,546	5,866,178	-	31,338,724
Unallocated liabilities				
Unclaimed dividend				3,672
Provision for taxation				950,293
Lease liabilities				106,929
Deferred taxation				717,725
Gas infrastructure development cess (GIDC) payable				101,146
Total liabilities				33,218,489
Segment financial position for the year ended June 30, 2025 - restated				
Assets	36,989,226	8,054,631	-	45,043,857
Unallocated Assets				
Tax refunds due from the Government				2,487,565
Cash and bank balances				97,085
Assets classified as held for sale				1,797,846
Total assets				49,426,353
Liabilities	25,015,760	5,222,713	-	30,238,473
Unallocated liabilities				
Unclaimed dividend				3,680
Provision for taxation				1,048,194
Lease liabilities				37,475
Deferred taxation				740,375
Gas infrastructure development cess (GIDC) payable				101,146
Total liabilities				32,169,343

44.3 Major customers:

Sales to one customer represents 34.94% (2025: 16.92%) of the total revenue.

44.4 Geographical Information:

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

	2026	2025
	%	%
Pakistan	90%	69%
United States	0%	1%
China	3%	7%
Turkiye	0%	1%
Others	7%	22%
	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, 2026 are located in Pakistan.

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Note 45

Plant Capacity and Production

	UOM	2026	2025 (Restated)
The production during the year is as follows:			
Yarn			
Number of spindles installed		156,720	156,720
Number of spindles-shifts worked		169,712,716	168,950,283
Production capacity at 20's count 1,094 shifts (2025: 1,094 shifts)	Kgs	69,083,314	66,164,300
Actual production converted into 20's count	Kgs	69,202,764	65,813,462
Cloth			
Number of looms installed		228	228
Number of looms-shifts worked		249,204	249,432
Installed capacity at 60 picks 1,094 shifts (2025: 1,094 shifts)	Meters	64,038,789	58,821,841
Actual production converted into 60 picks	Meters	57,989,437	54,311,899
Power House			
Number of generators installed		15	15
Number of shifts worked		1,094	1,094
Generation capacity	MW	23	23
Actual generation	MW	4	4

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

	2026			2025		
	Available Limit	Utilised Credit	Unavailed Credit	Available Limit	Utilised Credit	Unavailed credit
	---------- Rupees in million ---------			---------- Rupees in million --------- (Restated)		
Funded facilities						
Conventional mode of finance	11,925	7,483	4,442	15,686	7,723	7,963
Islamic financing	12,045	8,183	3,862	12,555	6,973	5,582
	23,970	15,666	8,304	28,241	14,696	13,545
Unfunded facilities						
Letters of credits	10,550	9,445	1,105	9,150	1,995	7,155
Letters of guarantees	2,080	1,517	563	1,720	1,430	290
	12,630	10,962	1,668	10,870	3,425	7,445

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:

	2026				
	Rupees	USD	Euro	JPY	CHF
On balance sheet:					
Foreign debtors	1,414,723,309	5,086,006	4,463,976	827,323,573	4,117,116
Bills payable	(1,748,848,637)	(6,287,204)	(5,518,265)	(1,022,718,501)	(5,089,484)
	(334,125,328)	(1,201,198)	(1,054,289)	(195,394,928)	(972,368)
Off balance sheet:					
Outstanding commitments against letters of credit	(220,960,000)	(794,363)	(697,211)	(129,216,374)	(643,036)
	(555,085,328)	(1,995,561)	(1,751,500)	(324,611,302)	(1,615,404)

	2025				
	Rupees	USD	Euro (Restated)	JPY	CHF
On balance sheet:					
Foreign debtors	864,231,265	3,045,642	2,598,020	438,696,074	2,432,262
Bills payable	(1,938,680,595)	(6,832,114)	(5,827,989)	(984,101,825)	(5,456,154)
	(1,074,449,330)	(3,786,472)	(3,229,969)	(545,405,751)	(3,023,892)
Off balance sheet:					
Outstanding commitments against letters of credit	(775,620,000)	(2,733,366)	(2,331,640)	(393,715,736)	(2,182,877)
	(1,850,069,330)	(6,519,838)	(5,561,609)	(939,121,487)	(5,206,769)

Exchange rate applied during the year

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2026	2025	2026	2025
USD to PKR	280.96	281.05	278.16	283.76
Euro to PKR	324.79	315.17	316.92	332.65
JPY to PKR	1.84	1.85	1.71	1.97
CHF to PKR	349.47	332.37	343.62	355.32

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. 5.551 million (2025: 18.501 million), mainly as a result of net foreign exchange gain / (loss) on translation of foreign debtors, outstanding commitments against letters of credit 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. Nil (2025: Rs. 0.511 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:

	2026	2025
	Rupees in thousands	(Restated)
Fixed rate instruments - Financial liabilities		
Long term financing	2,954,641	3,654,120
Floating rate instruments - Financial liabilities		
Long term financing	6,677,997	6,045,098
Lease liabilities	134,066	49,194
Short term borrowings	15,666,389	14,695,458
Floating rate instruments - Financial assets		
Bank balances in saving's account	-	25

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. 224.785 million (2025: Rs. 207.897 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.

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	2026	2025
		Rupees in thousand	(Restated)
Long term investments	8	5,270,480	5,033,779
Trade debts	12	7,171,734	4,077,558
Other receivables	14	459,697	402,034
Short term investments	15	-	51,118
Bank balances	17	186,178	77,259
Assets classified as held for sale	18	1,797,846	1,797,846

	Note	2026	2025
The aging of trade debts as at the reporting date is as follows:		Rupees in thousand	(Restated)
Not past due		5,354,591	2,654,981
Past due less than 3 months		1,429,398	1,142,686
Past due less than 6 months		34,106	159,714
Past due more than 6 months		353,639	120,177
		7,171,734	4,077,558

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 number of counter

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	2026	2025
	Short term	Long term		Rupees	Rupees
Bank Al-Habib Limited	A-1+	AAA	PACRA	134,819,550	7,781,408
Bank Islami Pakistan Limited	A-1	AA-	PACRA	2,376,574	31,689,608
Habib Bank Limited	A-1+	AAA	VIS	303,600	299,064
MCB Bank Limited	A-1+	AAA	PACRA	2,023,245	1,021,743
National Bank of Pakistan	A-1+	AAA	PACRA	642,667	21,313,491
Soneri Bank Limited	A-1+	AA	PACRA	1,744,152	-
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA	4,391,493	13,816,472
The Bank of Punjab	A-1+	AAA	PACRA	1,145,848	604,885
United Bank Limited	A-1+	AAA	VIS	8,757	1,053
Askari Bank Limited	A-1+	AA+	PACRA	20,535,805	24,508
The Bank of Khyber	A-1	AA-	PACRA	15,613,238	-
Faysal Bank Limited	A-1+	AA+	PACRA	180,216	122,119
Dubai Islamic Bank Limited	A-1+	AA	VIS	155,410	173,432
Meezan Bank Limited	A-1+	AAA	VIS	2,219,257	-
Bank Alfalah Limited	A-1+	AAA	PACRA	-	1,010
Albaraka Bank Limited	A-1	AA-	VIS	101	392,148
Industrial and Commercial Bank of China Limited	F1+	A	Fitch Ratings	18,005	18,005
				186,177,918	77,258,946

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:

Contractual maturities of financial liabilities as at June 30, 2026:

	Carrying Amount	Contractual Cash Flows	Less than 1 Year	1-5 Years	More than 5 Years
	---------- Rupees in thousand ----------				
Long term financing	9,632,638	10,305,472	2,456,643	5,940,877	1,907,952
Lease liabilities	134,066	187,176	42,278	124,715	20,183
Short term borrowings	15,666,389	15,666,389	15,666,389	-	-
Trade and other payables	4,548,658	4,548,658	4,548,658	-	-
Unclaimed dividend	3,672	3,672	3,672	-	-
Accrued mark-up	717,725	717,725	717,725	-	-
	30,703,148	31,429,092	23,435,365	6,065,592	1,928,135

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

	Carrying Amount	Contractual Cash Flows	Less than 1 Year	1-5 Years	More than 5 Years
		---------- Rupees in thousand ----------			
Long term financing	9,699,219	10,373,622	2,241,718	3,794,915	4,336,989
Lease liabilities	49,194	79,990	18,026	30,051	31,913
Short term borrowings	14,695,458	14,695,458	14,695,458	-	-
Trade and other payables	4,512,598	4,512,598	4,512,598	-	-
Unclaimed dividend	3,680	3,680	3,680	-	-
Accrued mark-up	619,179	619,179	619,179	-	-
	29,579,328	30,284,527	22,090,659	3,824,966	4,368,902

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.

(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, 2026			June 30, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
			---------- Rupees in thousand ----------			
Property, Plant and Short term investments	-	-	-	51,118	-	-

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, 2026				
Short term investments	-	-	-	-
Long term investments	-	5,270,480	-	5,270,480
Trade debts	-	7,171,734	-	7,171,734
Other receivables	-	459,697	-	459,697
Cash and bank balances	-	195,686	-	195,686
Assets classified as held for sale	1,797,846	-	-	1,797,846
	1,797,846	13,097,597		14,895,443
Financial assets as at June 30, 2025 - restated				
Short term investments	51,118	-	-	51,118
Long term investments	-	5,033,779	-	5,033,779
Trade debts	-	4,077,558	-	4,077,558
Other receivables	-	402,034	-	402,034
Cash and bank balances	-	97,085	-	97,085
Assets classified as held for sale	1,797,846	-	-	1,797,846
	1,848,964	9,610,456	-	11,459,420

Financial liabilities at amortized cost	2026	2025
		(Restated)
	Rupees in thousand	
Long term financing	9,632,638	9,699,219
Lease liabilities	134,066	49,194
Trade and other payables	4,548,658	4,512,598
Unclaimed dividends	3,672	3,680
Accrued mark-up	717,725	619,179
Short term borrowings	15,666,389	14,695,458
	30,703,148	29,579,328

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

	Note	As at July 01, 2025	Non-cash changes	Cash flows - net	As at June 30, 2026
		----Rupees in thousand----			
Long term finances	21	9,699,219	(79,646)	13,065	9,632,638
Short term borrowings	28	14,695,458	-	970,931	15,666,389
Lease liability	22	49,194	111,187	(26,315)	134,066
Unclaimed dividend		3,680	-	(8)	3,672
Total liabilities from financing activities		24,447,551	31,541	957,673	25,436,765

		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	(1,911,824)	1,171,821	9,699,219
Short term borrowings	28	16,421,865	(3,324,993)	1,598,586	14,695,458
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	(5,196,056)	2,748,795	24,447,551

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.

As at the reporting date, the gearing ratio of the Company was as under:	Note	2026	2025
		Rupees in thousand	
Total borrowings	21 & 28	25,427,310	24,507,541
Cash and bank balances	17	(195,686)	(97,085)
Net debt		25,231,624	24,410,456
Equity		18,015,268	17,257,010
Total capital employed		43,246,892	41,667,466
Gearing Ratio		58.34%	58.58%

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Note 50

Shariah Disclosures under Clause VII of Part I of Schedule IV of the Companies Act, 2017

	Note	2026	2025
		Rupees in thousand	(Restated)
Statement of the Financial Position - Liability Side			
Loans / advances obtained as per Islamic mode - Short Term Borrowings	28.2	8,183,409	6,972,828
Loans / advances obtained as per Islamic mode - Long Term finances	21	2,744,024	3,176,967
Statement of the Financial Position - Asset Side			
Shariah-compliant bank deposits, bank balances, and TDRs	17	195,686	97,085
Long-term and short term shariah compliant investments		5,270,480	5,084,897
Statement of Comprehensive Income			
Profit paid on Islamic mode of financing		735,395	1,146,375
Profit earned from Shariah-compliant bank deposits, bank balances,or TDRs		59,761	50,639
Revenue earned from a shariah compliant business segment		56,325,329	51,607,525
Gain or loss or dividend earned on Shariah compliant investments		67,837	111,177
Interest or mark-up accrued on any conventional loan or advance;		325,204	418,371
Break-up of late payments or liquidated damages		-	-
Exchange (loss) / gain earned from actual currency		(14,519)	58,088
Share of profit from Shariah-compliant associates		236,701	250,481
Exchange gains earned using conventional derivative financial instruments		-	-
Total Interest earned on any conventional loan or advance		-	-
Shahriah compliant other income			
Miscellaneous income		171,315	236,982
(Loss)/ Gain on disposal of fixed assets		43,717	17,078
Shahriah non- compliant other income		-	-

Names of the Company's shariah compliant financial institutions	**Relationship**
Meezan Bank Limited	Bank Deposits & Borrowings
United Bank Limited	Bank Deposits & Borrowings
Pak Brunei Investment Company Limited	Borrowings
BankIslami Pakistan Limited	Bank Deposits & Borrowings
National Bank of Pakistan Islamic	Bank Deposits & Borrowings
Bank of Khyber	Bank Deposits & Borrowings
Al Barak Bank (Pakistan) Limited	Bank Deposits & Borrowings
Pak Oman Investment Company Limited	Borrowings
Bank Alfalah Limited Islamic	Bank Deposits & Borrowings
MCB Islamic Bank Limited	Bank Deposits & Borrowings
Faysal Bank Limited	Bank Deposits
Dubai Islamic Bank Limited	Bank Deposits
Habib Bank Limited Islamic Banking	Bank Deposits
Askari Bank Limited Islamic	Bank Deposits

Note 51

Number of Employees

	2026	2025
	Number	Number (Restated)
Total number of employees as at		
Permanent	3,002	2,770
Contractual	703	686
Average number of employees during the year		
Permanent	2,637	2,371
Contractual	636	653

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 6th October 2026.

Note 53

General

Corresponding figures are rearranged / reclassified for better presentation and comparison. No re-arrangements have been made in these unconsolidated financial statements except for those explained in note 2.2.

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Younus
Director

Rashid Mahmood
Chief Financial Officer



Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2026

DIRECTOR'S REPORT
(CONSOLIDATED FINANCIAL STATEMENTS)

The Directors of Mahmood Textile Mills Limited (the "Company") are pleased to present the Directors' Report on the Consolidated Financial Statements of the Group for the year ended June 30, 2026.

Group Structure

The Group comprises 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

The year under review remained challenging for Pakistan's textile sector, with subdued global demand, pricing pressure, elevated energy and logistics costs, and continued pressure on working capital. Against this backdrop, the Group remained focused on operational efficiency, cost discipline, product diversification and strengthening its value-added textile operations.

The Group continued to benefit from its vertically integrated textile platform, with spinning and weaving operations supported by ongoing initiatives in process improvement, automation, energy efficiency and market development. Management remained focused on improving capacity utilization, product mix and cost competitiveness while maintaining financial discipline.

Industry and Economic Environment

Pakistan's textile exports remained broadly stable during FY2025-26, while international textile markets continued to face uncertainty arising from geopolitical developments, freight and insurance costs, exchange-rate movements and cautious consumer demand. The operating environment was further influenced by energy prices and financing costs.

In this environment, the Group continued to prioritize higher-value products, export market diversification, operational productivity and prudent working capital management. These measures supported the Group's resilience and profitability during the year.

Associated Company

The Group continues to hold a 32.41% equity interest in Masood Spinning Mills Limited (MSML). The associated company continued to contribute through share of profit and dividend income and remains an important component of the Group's investment portfolio.

Sustainability, Innovation and Efficiency

Sustainability and operational efficiency remained integral to the Group's business priorities. The Group continued to pursue initiatives relating to energy efficiency, renewable energy, resource conservation, waste reduction, process automation and responsible manufacturing. Investment in technology, workforce capability and process improvement remains central to enhancing productivity and long-term competitiveness.

Future Outlook

The outlook for the textile sector remains cautiously optimistic. The Group will continue to focus on strengthening its core spinning and weaving operations, improving product mix, pursuing new markets and increasing the share of value-added exports.

DIRECTOR'S REPORT
(CONSOLIDATED FINANCIAL STATEMENTS)

Management will remain focused on productivity improvement, cost control, working capital optimization, prudent financial management and selective investment in technology and renewable energy. The Group will also continue to monitor geopolitical developments, global demand, energy prices, freight conditions, exchange-rate movements and changes in international trade policies.

The Board and management remain committed to creating sustainable value for shareholders while maintaining the Group's financial resilience and competitive position in international textile markets.

Acknowledgement

The Board places on record its sincere appreciation to shareholders, customers, financial institutions, suppliers, employees and other business partners for their continued trust, commitment and support. Their contribution remains instrumental in enabling the Group to navigate a challenging operating environment and pursue sustainable growth.

For and on behalf of the Board of Directors



Khawaja Muhammad Ilyas
(Chairman)



Khawaja Muhammad Younus
(Director)

Multan:
Dated: 6th October 2026

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, 2026, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, 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, 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, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2026 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group 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.

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. Trade Debts and Revenue Recognition	
Refer to note 3.16 & 12 to the consolidated financial statements. The Group has outstanding trade debts amounting to Rs. 9,224.562 million as at June 30, 2026, against which the provision of Rs. 113.079 million has been recognized. We identify recoverability of trade receivables as key audit matter as it involves significant management judgement in determining the recoverable amount. Refer to notes 3.14 & 31 to the consolidated financial statements. Revenue of the Group, for the year ended June 30, 2026, amounts to Rs. 69,731.177 million. The Group is primarily engaged in the manufacturing and sale of yarn, grey cloth and cotton and apparel / garments. 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, debt collection process and making expected credit loss for doubtful receivables and on a sample basis, testing the operating effectiveness of those controls. • Tested the accuracy of aging report, on sample basis, by comparing individual balances in the report with underlying documentation. • Assessed the appropriateness of assumptions and estimates made by management for the expected credit loss by comparing on sample basis, historic cash collection, actual write offs and cash receipts from customers subsequent to reporting date. • 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 sales orders, sales invoices, delivery challans and other relevant underlying documents to assess whether the revenue was recorded in accordance with the Group's revenue accounting policy and applicable financial reporting framework. • Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. • Checked receipts from customers to whom

Key audit matters	How the matters were addressed in our audit
	sales were made on a sample basis. • Considered the adequacy of the related disclosures and assessed whether these are in accordance with the applicable financial reporting framework.
2. Stock in Trade	
Refer to note 3.4 & 11 to the consolidated financial statements. The Group's stock in trade amounts to Rs. 16,956.582 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 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.	Our key audit procedures included, but were not limited to:

Key audit matters	How the matters were addressed in our audit
As at the reporting date, the Group has outstanding long term finances and short-term borrowings of Rs. 12,042.157 million and Rs. 18,284.455 million, respectively which constitute approximately 75% 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.	• 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. • Checked on test basis the calculations of finance cost recognized in profit or loss. • Assessed the adequacy of disclosures made in respect of the long-term financing obligations in the consolidated financial statements.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the 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 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 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 auditor's 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 auditor's 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 consolidated 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 Zain-Ul-Arfeen



Lahore
Dated: October 06, 2026
UDIN: AR202610832NwoAapOt8

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	5	22,548,939,462	22,980,120,159
Investment property	6	309,200,000	250,100,000
Intangible assets	7	55,758,549	55,720,485
Long term investments	8	2,630,910,072	2,394,209,001
Long term deposits	9	56,354,135	56,354,135
		25,601,162,218	25,736,503,780
Current Assets			
Stores, spares and loose tools	10	719,052,698	667,289,249
Stock in trade	11	16,956,582,113	18,800,585,001
Trade debts	12	9,111,482,738	6,174,181,272
Loans and advances	13	2,146,350,401	1,097,101,487
Other receivables	14	548,553,163	436,089,241
Short term investments	15	-	51,118,400
Tax refunds due from the Government	16	2,660,963,557	2,487,565,009
Cash and bank balances	17	197,994,353	98,415,057
		32,340,979,023	29,812,344,716
Assets Classified as Held for Sale	18	1,797,846,336	1,797,846,336
		59,739,987,577	57,346,694,832
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital: 50,000,000 (2025: 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		14,000,982,712	12,717,621,927
Revaluation surplus on property, plant and equipment	20	5,208,106,424	5,435,479,478
Shareholders' Equity		19,509,089,136	18,453,101,405
Non Current Liabilities			
Long term finances	21	9,035,340,868	8,936,487,140
Lease liabilities	22	106,928,984	37,475,021
Deferred tax liability	23	727,917,875	740,374,699
		9,870,187,727	9,714,336,860
Current Liabilities			
Trade and other payables	24	6,761,359,232	6,352,842,129
Unclaimed dividend		3,672,259	3,680,032
Contract liabilities	25	145,890,639	149,130,058
Accrued mark up	26	814,427,724	786,272,482
Current portion of non-current liabilities	27	3,135,098,967	2,699,498,757
Short term borrowings	28	18,284,455,391	18,020,451,236
Provision for taxation	29	1,215,806,502	1,167,381,873
		30,360,710,714	29,179,256,567
Contingencies and Commitments	30	-	-
		59,739,987,577	57,346,694,832

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

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Younus
Director

Rashid Mahmood
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Sales	31	69,731,176,727	57,071,382,737
Cost of sales	32	(60,866,720,763)	(49,107,864,833)
Gross Profit		8,864,455,964	7,963,517,904
Operating Expenses			
Distribution costs	33	(1,444,853,355)	(1,410,799,254)
Administrative expenses	34	(1,609,674,181)	(1,326,309,569)
		(3,054,527,536)	(2,737,108,823)
Operating Profit		5,809,928,428	5,226,409,081
Finance cost	35	(4,028,795,862)	(4,110,526,444)
Other operating expenses	36	(322,868,555)	(182,050,846)
Other income	37	338,569,308	344,651,166
Share of net profit of associate	8	236,701,071	250,481,333
		(3,776,394,038)	(3,697,444,791)
Profit before Levy and Taxation		2,033,534,390	1,528,964,290
Levy / final taxation	38	(990,003,483)	(713,392,284)
Profit before Taxation		1,043,530,907	815,572,006
Taxation	39	12,456,824	162,444,480
Net Profit for the Year		1,055,987,731	978,016,486
Profit attributable to:			
- Equity holders of the Parent Company		1,055,987,731	978,016,486
- Non controlling interest		-	-
		1,055,987,731	978,016,486
Earnings per Share - Basic and Diluted	40	35.20	32.60

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

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Younus
Director

Rashid Mahmood
Chief Financial Officer

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Net Profit for the Year		1,055,987,731	978,016,486
Other Comprehensive Income for the Year			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total Other Comprehensive Income for the Year		1,055,987,731	978,016,486
Total Other Comprehensive Income attributable to:			
- Equity holders of the Parent Company		1,055,987,731	978,016,486
- Non controlling interest		-	-
		1,055,987,731	978,016,486

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

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Younus
Director

Rashid Mahmood
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

Particulars	Issued, Subscribed and Paid up Capital	Reserves			Surplus on Revaluation of Property, Plant and Equipment	Total
		Capital Reserves	Revenue Reserves	Total		
			Unappropriated Profits			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
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
Net profit for the year	-	-	1,055,987,731	1,055,987,731	-	1,055,987,731
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	1,055,987,731	1,055,987,731	-	1,055,987,731
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earnings	-	-	227,373,054	227,373,054	(227,373,054)	-
Balance as at June 30, 2026	300,000,000	7,120,600	13,993,862,112	14,000,982,712	5,208,106,424	19,509,089,136

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

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Younus
Director

Rashid Mahmood
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
CASH GENERATED FROM OPERATIONS	41	5,301,031,333	3,447,177,908
Income tax paid		(889,416,741)	(742,641,220)
Finance cost paid		(3,649,314,223)	(4,166,235,016)
WWF paid		(11,203,562)	-
Workers' (profit) participation fund paid	24.1	(74,248,436)	(65,963,970)
		(4,624,182,962)	(4,974,840,206)
Net Cash Generated from / (Used in) Operating Activities		676,848,371	(1,527,662,298)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment	5.1 & 5.11	(1,546,200,593)	(2,883,272,778)
Payment for acquisition of intangibles	7	(18,586,522)	(23,754,494)
Dividends income received from short term investment	37	-	1,032,000
Proceeds from disposal of property, plant and equipment		91,300,672	134,320,993
Long term deposits	9	-	(2,500,000)
Proceeds of short term investments		59,855,145	11,735,300
Proceeds from sale of assets classified as held for sale	18	-	1,608,256,455
Net Cash Used in Investing Activities		(1,413,631,298)	(1,154,182,524)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finances obtained		3,077,598,288	2,800,000,000
Long term finances repaid		(2,478,917,466)	(1,628,672,498)
Lease liability paid		(26,314,981)	(21,611,804)
Dividend paid		(7,773)	-
Short term borrowings - net		264,004,155	1,598,586,604
Net Cash Generated from Financing Activities	48	836,362,223	2,748,302,302
Net Increase in Cash and Cash Equivalents During the Year		99,579,296	66,457,480
Cash and cash equivalents at the beginning of the year	17	98,415,057	31,957,577
Cash and Cash Equivalents at the End of the Year	17	197,994,353	98,415,057

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

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Younus
Director

Rashid Mahmood
Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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 "Holding 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. 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 "Subsidiary Company") was incorporated as a single member company on November 16, 2022 under the Companies Act, 2017 (XIX of 2017). The Subsidiary 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 Subsidiary changed from MG Apparel (SMC-Private) Limited to MG Apparel Limited. The Subsidiary 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	Mehr Manzil, Lohari Gate, Multan
Regional Offices	Room 603, 6th floor UNI Tower,I.I. Chundrigarh Road, Karachi
	Office 907, Mall of Islamabad, Islamabad, Pakistan
Manufacturing units	Mahmoodabad, Multan Road, Muzaffargarh
	Masoodabad, D.G Khan Road, Muzaffargarh
	Chowk Sarwar Shaheed, District Muzaffargarh
	Industrial Estate, Multan.

1.3.1 The Group acquired lands measuring 24 Kanal located near unit 5 and 56 Kanal located near unit 6 in 2025, for a period of 10 years. These leasehold arrangements shall expire on January 31, 2035.

1.4 Pursuant to the Scheme of Arrangements and Reconstruction ("the Scheme") sanctioned by the Lahore High Court, Multan Bench, Multan, vide its order dated November 11, 2025, the whole of the business and undertaking of the Apparel Unit of the Holding Company was transferred to and vested in MG Apparel Limited ("the Subsidiary") with effect from January 1, 2025. This includes all assets, liabilities, rights and obligations of the Apparel Unit. There is no accounting adjustment that needs to be made in these consolidated financial statements as the related adjustment of the restructuring have been made in the separate financial statements of the Holding Company and the Subsidiary.

1.5 Consolidated Financial Statements

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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:

- IFRS Accounting 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;

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

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications 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 o ffto 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.

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 3.6
- Provision for expected credit losses - Note 3.12(e) & 12
- Estimation of provisions - Note 3.7
- 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, 2026. 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 21	Amendments to lack of exchangeability	January 01, 2025
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 01, 2025
IFRS S2	Climate-Related Disclosures	July 01, 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 Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

Standard or Interpretation		Effective Date - Annual Periods Beginning on or After
IFRS 1, 7, 9, 10 and IAS 7	Annual Improvements to IFRS Accounting Standards — Volume 11	January 01, 2026
IFRS 7 & 9	Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 7, IFRS 9	Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7	January 01, 2026

		Effective Date - Annual Periods Beginning on or After
IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures—Amendments to IAS 28	January 01, 2027
IAS 21	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	January 01, 2027
IFRS 19	Subsidiaries Without Public Accountability: Disclosures	January 01, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 01, 2027

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 20	IFRS 20 Regulatory Assets and Regulatory Liabilities

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.

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:

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

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 Sta ffretirement 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 alternative 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.

Alternative 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.

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.

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 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.

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

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 o ffwhen 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.

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.

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

3.19 Ijarah contracts

The Company has entered into Ijarah contracts under which it obtains usufruct of an asset for an agreed period for an agreed consideration. Ijarah contracts are undertaken in compliance with the Shariah essentials for such contracts prescribed by the State Bank of Pakistan.

The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit or loss on straight line basis over the Ijarah term.

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

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.

Note 5

Property, Plant and Equipment

	Note	2026 Rupees	2025 Rupees
Owned fixed assets	5.1	21,177,998,224	22,004,160,380
Leasehold / right of use assets	5.1	1,053,368,013	972,716,072
Capital work in progress	5.11	317,573,225	3,243,707
		22,548,939,462	22,980,120,159

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, 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
Additions	48,571,460	107,082,776	36,858,387	767,286,116	222,032,244	7,575,436	64,553,061	-	41,082,480	1,295,041,960	-	100,346,470	100,346,470
Disposals	-	-	-	(3,585,091)	-	-	(98,982,320)	-	-	(102,567,411)	-	-	-
Balance as at June 30, 2026	2,462,976,590	4,523,254,184	1,763,520,718	18,685,349,147	4,059,370,454	272,024,103	583,840,006	6,434,476	260,613,937	32,617,383,615	954,191,894	144,569,733	1,098,761,627
Accumulated depreciation													
Balance as at July 01, 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
Depreciation charged during the year	-	411,641,428	156,097,408	1,146,558,715	238,664,560	20,286,328	67,188,622	232,200	36,083,615	2,076,752,876	3,385,990	16,308,539	19,694,529
Disposals	-	-	-	(3,047,923)	-	-	(55,068,248)	-	-	(58,116,171)	-	-	-
Balance as at June 30, 2026	-	794,435,798	327,365,233	7,967,737,206	1,781,851,939	86,389,339	307,131,778	4,344,676	170,129,422	11,439,385,391	5,009,947	40,383,667	45,393,614
Carrying amount													
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
As at June 30, 2026	2,462,976,590	3,728,818,386	1,436,155,485	10,717,611,941	2,277,518,515	185,634,764	276,708,228	2,089,800	90,484,515	21,177,998,224	949,181,947	104,186,066	1,053,368,013
Rate of depreciation - %	-	10	10	5 - 10	10	10	20	10	30		10	20	

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, were acquired during the year ended 2025, for a period of 10 years, for the purpose of installation of solar panels.

5.2.2 The Company has recognized the right-of-use asset in respect of leased vehicles, under the agreements with Bank Al Habib Limited and MCB Bank Limited.

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

	Note	2026	2025
		Rupees	Rupees
Freehold land		200,803,909	152,232,449
Leasehold land		49,605,690	52,991,680
Buildings on freehold land		1,837,733,477	1,932,171,584
Buildings on leasehold land		1,280,882,908	1,382,869,420
		3,369,025,984	3,520,265,133

5.4 Depreciation charge for the year has been allocated as under:

Cost of sales	32	1,981,797,159	1,897,050,002
Administrative expenses	34	114,650,246	137,355,061
		2,096,447,405	2,034,405,063

5.5 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	498 Kanals
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

5.6 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.

5.7 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	Leasehold Land	Buildings on Freehold Land	Buildings on Leasehold Land
	Rupees	Rupees	Rupees	Rupees
For the year ending June 30, 2026	2,462,976,590	949,181,947	3,728,818,386	1,436,155,485
For the year ending June 30, 2025	2,414,405,130	952,567,937	4,033,377,038	1,555,394,506

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.

5.8 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).

5.10 Detail of disposals of property, plant and equipment

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

Particulars of Assets	Cost	Carrying Amount	Sale Price	Gain	Particulars of the Buyer	Mode of Disposal	Relationship with the Purchaser
	Rupees	Rupees	Rupees	Rupees			
Vehicles							
Hyundai Sonata	8,896,490	4,507,555	7,000,000	2,492,445	Ms. Bushra Rizwan	Negotiation	Third Party
Audi-6	9,036,750	1,800,387	4,000,000	2,199,613	Mr. Ahsan Malik	Negotiation	Third Party
Land Cruiser	34,253,931	14,995,001	30,000,000	15,004,999	Mr. Ahsan Malik	Negotiation	Third Party
Hyundai Sonata	9,434,160	4,779,974	10,000,000	5,220,026	Ms. Rehana Kousar	Negotiation	Third Party
Kia Karnival	18,295,270	11,818,744	14,000,000	2,181,256	Mr. Moin Ud Din Qureshi	Negotiation	Third Party
Suzuki Cultus	1,885,462	796,419	2,200,000	1,403,581	Mr. Muhammad Neesum Abbas	Negotiation	Third Party
Honda City	2,016,000	968,755	1,200,000	231,245	M/s Multan Fabrics (Private) Limited	Negotiation	Related Party
Toyota Vitz	2,112,462	859,255	2,400,000	1,540,745	Mr. Asif Nazir	Negotiation	Employee
Honda Civic	4,593,780	1,149,874	6,100,000	4,950,126	M/s Ubl Insurers Limited	Negotiation	Third Party
Kia Picanto	1,954,000	555,582	911,000	355,418	M/s Multan Fabrics (Private) Limited	Negotiation	Related Party
Toyota Hiace	3,000,000	1,067,349	4,200,000	3,132,651	Mr. Zeeshan Haider	Negotiation	Employee
Plant and Machinery							
Obem Yarn Conditioning Machine	3,585,091	537,167	819,672	282,505	Mr. Malik Hafeez	Negotiation	Third Party
2026	99,063,396	43,836,062	82,830,672	38,994,610			
2025	253,292,175	116,120,671	126,021,065	9,900,394			

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, 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
Additions during the year	-	-	292,931,629	24,641,596	317,573,225
Transferred to operating fixed assets	-	-	-	(3,243,707)	(3,243,707)
Balance as at June 30, 2026	-	-	292,931,629	24,641,596	317,573,225

Note 6

Investment Property

	2026	2025
	Rupees	Rupees
Opening balance	250,100,000	174,038,000
Fair value gain on revaluation	59,100,000	76,062,000
Closing balance	309,200,000	250,100,000

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	309,200,000	247,360,000

6.2 The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property 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.

Note 7

Intangible Asset

	Note	2026 Rupees	2025 Rupees
Intangible asset	7.1	55,758,549	55,720,485

7.1 Intangible Asset

Net Carrying Value		
Net carrying value - opening balance	55,720,485	16,036,525
Additions during the year	18,586,522	45,649,605
	74,307,007	61,686,130
Amortization during the year	(18,548,458)	(5,965,645)
Net carrying value as at June 30,	55,758,549	55,720,485
Gross Carrying Value		
Cost	89,399,867	70,813,345
Accumulated amortization	(33,641,318)	(15,092,860)
Net book value	55,758,549	55,720,485
Amortization rate	30%	30%

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

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

Note 8

Long Term Investments

	Note	2026 Rupees	2025 Rupees
Associate - Unquoted at equity method			
Masood Spinning Mills Limited 8,921,692 (2025: 8,921,692) ordinary shares of Rs. 10 each Equity held 32.41% (2025: 32.41%) Carrying amount of investment	8.1	2,630,910,072	2,394,209,001

8.1 Masood Spinning Mills Limited

Opening balance	2,394,209,001	2,073,750,746
Share in net assets during the year	236,701,071	250,481,333
Share in equity adjustment of associate	-	69,976,922
8.1.1	2,630,910,072	2,394,209,001

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

	Note	2026 Rupees	2025 Rupees
Net assets of the Associate		7,490,926,917	6,760,593,467
Percentage of shareholding in Associate as at the reporting date		32.41%	32.41%
Group's share		2,427,809,413	2,191,108,342
Goodwill arisen on acquisition of shares	8.1.2	202,935,109	202,935,109
Other adjustments		165,550	165,550
Carrying amount of investment		2,630,910,072	2,394,209,001

8.1.2 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

8.1.3 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 audited financial statements for the year ended June 30, 2026 of the Associate is as follows:

Current assets	20,334,122,357	21,869,472,920
Non-current assets	12,288,944,696	13,140,693,262
Current liabilities	(20,445,520,224)	(21,719,710,744)
Non-current liabilities	(4,686,619,912)	(6,529,861,971)
Net assets	7,490,926,917	6,760,593,467
Revenue	37,011,142,542	31,392,726,403
Net profit for the year	924,491,823	546,111,743
Other comprehensive income	-	-
Total comprehensive income for the year	924,491,823	546,111,743

Note 9

Long Term Deposits

	Note	2026 Rupees	2025 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 & 9.1	2,500,000	2,500,000
Others		149,550	149,550
		56,354,135	56,354,135

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

Note 10

Stores, Spares and Loose Tools

	Note	2026 Rupees	2025 Rupees
Stores	10.1	691,154,417	639,405,629
Spares		27,089,434	27,210,523
Loose tools		808,847	673,097
		719,052,698	667,289,249

10.1 This includes stores in transit amounting to Rs. 6.778 million (2025: Rs. 7.140 million) as at the reporting date.

Note 11
Stock in Trade

	Note	2026 Rupees	2025 Rupees
Raw materials	11.1	10,858,288,184	13,115,204,367
Work in process		1,631,807,763	2,041,555,956
Finished goods	11.2	4,466,486,166	3,643,824,678
		16,956,582,113	18,800,585,001

11.1 This includes material in transit amounting to Rs. 2,280.349 million (2025: 2,514.407 million) .

11.2 This includes waste amounting to Rs. 40.589 million (2025: Rs. 69.084 million).

Note 12
Trade Debts

Secured			
- Export		3,299,455,944	2,903,908,668
- Local		55,016,399	-
		3,354,472,343	2,903,908,668
Unsecured - Local			
- Considered good		5,757,010,395	3,270,272,604
- Considered doubtful		113,078,910	42,562,553
		5,870,089,305	3,312,835,157
		9,224,561,648	6,216,743,825
Less: Allowance for expected credit losses (ECL)	12.2	(113,078,910)	(42,562,553)
		9,111,482,738	6,174,181,272

12.1 Trade debts include an amount of Rs. 1,932.634 million due from related parties (2025: Rs. 192.992 million) as at June 30, 2026. The maximum aggregate amount due from related parties at the end of any month during the year was Rs. 2,151.971 million (2025: Rs. 1,491.628 million). The aging of this balance is as under:

	Within 1 Year	1 to 2 Years	2 to 5 Years	Total
		----Rupees----		
For the year ended June 30, 2026				
Masood Spinnings Mills Limited	1,480,654,554	-	-	1,480,654,554
Masood Retail (Private) Limited	349,309,609	-	-	349,309,609
Multan Fabrics (Private) Limited	102,669,564	-	-	102,669,564
	1,932,633,727	-	-	1,932,633,727
For the year ended June 30, 2025				
Masood Spinnings Mills Limited	192,992,858	-	-	192,992,858

12.2 Allowance for expected credit losses (ECL)

	2026	2025
Opening balance	42,562,553	16,328,178
Add: Allowance for expected credit loss	70,516,357	26,234,375
Closing balance	113,078,910	42,562,553

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	2,368,520,093	100,497,542	-	No default	N/A
China	1,838,268,343	387,329,118	-	No default	N/A
Turkiye	244,589,267	63,160,598	-	No default	N/A
Japan	2,323,647,823	586,510,413	-	No default	N/A
Belgium	42,112,639	42,112,639	-	No default	N/A
Portugal	620,447,166	256,464,323	-	No default	N/A
Taiwan	44,709,401	15,067,627	-	No default	N/A
Thailand	62,899,701	38,801,529	-	No default	N/A
Bangladesh	262,293,133	11,929,326	-	No default	N/A
Denmark	4,615,741,184	955,412,442	-	No default	N/A
Germany	3,333,144,138	182,953,994	-	No default	N/A
Italy	1,262,582,422	498,435,992	-	No default	N/A
France	1,360,489,564	25,130,975	-	No default	N/A
Others	1,211,853,157	135,649,426		No default	N/A
	19,591,298,031	3,299,455,944	-		

Note 13

Loans and Advances

	Note	2026	2025
		Rupees	Rupees
Advances to:			
- Key management personnel		23,086,023	18,700,233
- Employees		8,648,171	5,613,291
- Suppliers and contractors - considered good		1,373,472,963	810,509,166
- Suppliers and contractors - considered doubtful		26,907,267	26,907,267
		1,400,380,230	837,416,433
Deposits with Sui Northern Gas Pipelines Limited (SNGPL)	30.1.2	75,221,140	75,221,140
Advance against letters of credit		665,922,104	187,057,657
		2,173,257,668	1,124,008,754
Less: Provision against doubtful loans and advances	13.2	(26,907,267)	(26,907,267)
		2,146,350,401	1,097,101,487

13.1 Maximum aggregate amount due at the end of any month during the year amounted to Rs. 23.086 million (2025: Rs. 18.700 million).

13.2 Provision against doubtful loans and advances:

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

Note 14

Other Receivables

	2026	2025
	Rupees	Rupees
Cotton claims receivables	301,644,375	240,444,388
Insurance claims receivable	64,243,724	92,104,711
Bank guarantee margins	90,249,106	90,249,106
Others	3,559,869	3,559,869
Export rebate	88,856,089	9,731,167
	548,553,163	436,089,241

14.1 No amount was due from chief executive, directors and executives as at the reporting date (2025: Nil).

Note 15

Short Term Investments

	Note	2026 Rupees	2025 Rupees
Fair value through profit or loss			
Ghani Chemworld Limited			
860,000 (2025: 860,000) shares of Rs. 10 each		-	8,359,200
Ghani Chemical Industries Limited			
1,720,000 (2025: 1,720,000) shares of Rs. 10 each			42,759,200
		-	51,118,400

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	561,654,929	613,817,042
Sales tax refundable	2,099,308,628	1,873,747,967
	2,660,963,557	2,487,565,009

Note 17

Cash and Bank Balances

Cash in hand		11,153,435	21,146,111
Cash at banks:			
- Current accounts		186,840,918	77,244,438
- Saving accounts	17.1	-	24,508
	17.2	186,840,918	77,268,946
		197,994,353	98,415,057

17.1 This represents amounts in saving accounts yielding profit at rates ranging from 7.25% to 9.45% (2025: 6.98% to 8.32%) per annum, approximately.

17.2 This includes shariah compliant bank deposits amounting to Rs. 120.769 million (2025: Rs. 31.86 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 (2025: 46,098,624) ordinary shares of Rs. 10 each			
Shareholding held 11.07% (2025: 11.07%)			
Carrying amount of investment	18.1	1,797,846,336	1,797,846,336

18.1 In 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. In year 2025, 41,237,345 shares were sold, reducing the Company's holding from 20.97% to 11.07%. Further, the Company has entered into agreement with M/s Roomi Enterprises (Private) Limited, a related party on May 25, 2026 for sale of remaining shares. Such transaction will be executed subsequent to year end.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Note 19

Issued, Subscribed and Paid Up Capital

2026	2025		2026	2025
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 shares	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 (2025: Nil).

19.2 Shares held by related parties are as follows:

	2026	2025	2026	2025
	(Percentage)	(Percentage)	(Number of Shares)	
Directors	15.077%	15.077%	4,523,074	4,523,074
Mahmood Cotton Ginning Pressing And Oil Mills (Private) Limited	1.413%	0.000%	423,952	-
Roomi Enterprises (Private) Limited	0.003%	0.003%	800	800
			4,947,826	4,523,874

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

	2026	2025
	Rupees	Rupees
Freehold land	2,262,172,681	2,262,172,681
Leasehold land	899,576,257	899,576,257
Buildings on Freehold Land:		
- Opening balance	2,101,205,454	2,334,672,727
- Incremental depreciation	(210,120,545)	(233,467,273)
	1,891,084,909	2,101,205,454
Buildings on Leasehold Land:		
- Opening balance	172,525,086	191,694,540
- Incremental depreciation	(17,252,509)	(19,169,454)
	155,272,577	172,525,086
	5,208,106,424	5,435,479,478

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.

Note 21
Long Term Finances

	Note	2026 Rupees	2025 Rupees
Related party - Unsecured	21.1	492,624,432	-
Financial Institutions - Secured	21.2	8,542,716,436	8,936,487,140
		9,035,340,868	8,936,487,140
21.1 Related party - Unsecured			
Roomi Enterprises (Private) Limited	21.1.1	492,624,432	-

21.1.1 This finance facility is availed from Roomi Enterprises (Private) Limited, a related party due to common directorship, to meet the strategic expansion of the Company. The sanctioned limit for this facility amounted to Rs. 492.6 million (2025: Nil). This facility is payable in 20 equal quaterly installments, latest by June 2033, and carries markup @ 3 months KIBOR plus spread of 150 bps per annum (2025: Nil).

21.2 Financial Institutions - Secured			
Habib Bank Limited	21.2.1	1,034,939,869	1,393,999,024
MCB Bank Limited	21.2.2	562,315,551	175,598,968
Meezan Bank Limited	21.2.3	908,224,750	1,029,474,719
United Bank Limited	21.2.4	342,226,860	451,414,959
Allied Bank Limited	21.2.5	877,847,725	700,689,000
Bank Al Habib Limited	21.2.6	666,171,620	837,446,603
National Bank of Pakistan	21.2.7	1,488,095,234	1,964,285,716
Bank Alfalah Limited	21.2.8	905,245,697	1,154,499,028
Soneri Bank Limited	21.2.9	175,635,981	309,235,981
Askari Bank Limited	21.2.10	323,007,043	385,511,000
Bank of Punjab	21.2.11	1,375,515,064	1,098,514,432
Pak Brunei Investment Company Limited	21.2.12	360,000,000	200,000,000
Bank Al Habib Limited - Islamic	21.2.13	433,572,426	496,072,000
Bank Islami Pakistan Limited	21.2.14	900,000,000	1,000,000,000
Pak Libya Holding Company Limited	21.2.15	450,000,000	-
Bank Of Khyber	21.2.16	500,000,000	-
		11,302,797,820	11,196,741,430
Deferred Government Grant:			
Temporary Economic Refinance Facility			
Bank Al Habib Limited	21.2.6	77,472,813	104,176,228
Bank of Punjab	21.2.11	169,262,206	222,203,639
		246,735,019	326,379,867
		11,549,532,839	11,523,121,297
Less: Current portion		(3,006,816,403)	(2,586,634,157)
		8,542,716,436	8,936,487,140

21.2.1 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 (2025: Rs. 2,050 million). These facilities carry markup @ 3 months KIBOR plus a spread of upto 125 bps per annum (2025: 3 months KIBOR plus a spread of upto 125 bps per annum), with a some long term finance facilities carrying fixed markup of 3% to 5% per annum (2025: 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. 2,066 million (2025: Rs. 2,064 million) over all fixed assets of the Company.

21.2.2 These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 700.6 million (2025: Rs. 200.6 million). These facilities carry markup @ 3 to 6 months KIBOR plus spread upto 150 bps per annum (2025: 6 months KIBOR plus 75 bps per annum), with a long term finance facility (LTFF) carrying fixed markup @ 2.75% per annum (2025: 2.75% per annum). These facilities are payable in quarterly installments, latest by February 2033. These facilities are secured by way of first joint pari passu hypothecation charge amounting to Rs. 265.3 million inclusive of 25% margin (2025: Rs. 301 million) over all present and future fixed assets of the Company, along with ranking charge amounting to Rs. 667 million (2025: Rs. Nil).

Note 22

Lease Liabilities

	Note	2026 Rupees	2025 Rupees
Lease Liability		134,065,573	49,193,646
Less: Current portion		(27,136,589)	(11,718,625)
		106,928,984	37,475,021

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	1,053,368,013	972,716,072
Depreciation charge	Statement of profit or loss	34	19,694,529	6,660,991
Finance cost	Statement of profit or loss	35	10,840,438	6,900,971
Payments made	Statement of cash flows		(26,314,981)	(21,611,804)

Maturity analysis of lease liabilities

	Undiscounted Cash Flows		Discounted Cash Flows	
	2026	2025	2026	2025
	Rupees	Rupees	Rupees	Rupees
Within one year	42,277,913	18,026,404	27,136,589	11,784,315
Between two to five years	124,715,287	30,051,014	89,017,772	21,178,524
Later than five years	20,182,572	31,913,338	17,911,212	16,230,807
	187,175,772	79,990,756	134,065,573	49,193,646

22.2 The Group has entered into lease agreement with Bank Al-Habib Limited and MCB Bank Limited to acquire vehicles. Total limit available during the current financial year was Rs. 400 million (2025: 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% for Bank Al-Habib Bank Limited and 3 months KIBOR plus upto 1% for MCB Bank Limited. Lease rentals are payable in equal monthly instalments for vehicles and anually for leasehold land. Remaining lease term of existing lease contracts of which lease liability recorded is upto 5 years (2025: upto 3 years), and for land is upto 9 years (2025: 10 years).

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	2026 Rupees	2025 Rupees
Deferred tax liability	23.2	727,917,875	740,374,699

23.1 Reconciliation of deferred tax liabilities - net

Opening balance	740,374,699	805,017,769
Recognized in statement of profit or loss	(12,456,824)	(64,643,070)
Recognized in other comprehensive income	-	-
Closing balance	727,917,875	740,374,699

23.2 Analysis of deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2026	2025	2026	2025
	Rupees		Rupees	
On taxable temporary difference				
Investments in associate	727,917,875	740,374,699	(12,456,824)	(64,643,070)

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

Note 24
Trade and Other Payables

	Note	2026 Rupees	2025 Rupees
Creditors		3,118,829,798	2,152,612,798
Bills payable - secured		1,783,006,526	2,019,434,396
Accrued expenses		1,139,943,412	1,561,789,818
Tax deducted at source		319,390,808	311,389,387
Workers' (profit) participation fund	24.1	103,711,264	68,933,544
Workers' welfare fund	24.2	224,416,812	191,254,867
Others		72,060,612	47,427,319
		6,761,359,232	6,352,842,129

24.1 Workers' (profit) participation fund

Opening balance		68,933,544	60,836,241
Expense recognised during the year	36	103,711,264	68,933,544
Interest on workers' (profit) participation fund		5,314,892	5,127,729
		177,959,700	134,897,514
Payments made during the year		(74,248,436)	(65,963,970)
Closing balance		103,711,264	68,933,544

24.2 Workers' welfare fund

Opening balance		191,254,867	160,050,494
Expense recognised during the year	36	44,365,507	31,204,373
		235,620,374	191,254,867
Payments made during the year		(11,203,562)	-
Closing balance		224,416,812	191,254,867

Note 25
Contract Liabilities

Advances from customers		
- Local	111,787,556	139,647,146
- Foreign	34,103,083	9,482,912
	145,890,639	149,130,058

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. 90.07 million (2025: Rs. 84.88 million).

Note 26
Accrued Mark-up

Long term financing	291,842,301	289,716,779
Short term borrowings	522,585,423	496,555,703
	814,427,724	786,272,482

Note 27
Current Portion of Non-Current Liabilities

Long term financing	21	3,006,816,403	2,586,634,157
Lease liabilities	22	27,136,589	11,718,625
Provisions against GIDC	27.1	101,145,975	101,145,975
		3,135,098,967	2,699,498,757

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.

Note 28
Short Term Borrowings

	Note	2026 Rupees	2025 Rupees
Short-term borrowings / running finances	28.1	10,101,046,424	11,047,623,115
Islamic finance - shariah compliant	28.2	8,183,408,967	6,972,828,121
		18,284,455,391	18,020,451,236

28.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs. 14,925 million (2025: Rs. 19,011 million). These finance facilities, during the current financial year, carried mark-up at the rates ranging from 11.03% to 13.24% (2025: 12.03% to 21.83%) 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, 2027.

28.2 These facilities have been obtained from various banking companies having sanctioned limit amounting to Rs. 12,045 million (2025: Rs. 12,555 million) for working capital requirements and carry interest/markup/profit at rates ranging from 11.38% to 13.59% (2025: 12.13% to 21.63%) 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 March 31, 2027.

28.3 Facilities available for opening letters of credit and guarantee from various commercial banks aggregate to be Rs. 13,660 million (2025: Rs. 11,900 million). Out of the available facilities, facilities aggregating to Rs. 1,668 million (2025: Rs. 7,445 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 March 31, 2027.

Note 29
Provision for Taxation

Opening balance		1,167,381,873	1,077,084,063
Add: provision made during the year			
- Current tax		967,375,602	713,392,284
- Prior year adjustments	29.2	22,627,881	(97,801,410)
Tax expense for the year		990,003,483	615,590,874
		2,157,385,356	1,692,674,937
Less: payments / adjustments made during the year		(941,578,854)	(525,293,064)
		1,215,806,502	1,167,381,873

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 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. 1,747 million as at June 30, 2026 (2025: Rs. 1,660 million).

30.1.2 Sui Northern Gas Pipelines Limited (SNGPL) had raised an arrears demand aggregating to Rs. 75.221 million (2025: 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 November 19, 2026.

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.

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. 8,126 million (2025: Rs. 10,472.564 million) and Rs. 947.759 million (2025: Rs. 596.114 million) respectively.

30.2 Commitments

	2026	2025
	Rupees in millions	
Commitments for irrevocable letters of credit:		
- Capital expenditure	0.215	27.264
- Others	820.745	748.356
	820.960	775.620

30.3 Commitments for future minimum payments in respect of Ijarah arrangements are as follows:

Not later than one year	Later than one year but not later than five years	Later than five years	2026	2025
Rupees	Rupees	Rupees	Rupees	Rupees
36,033,901	119,032,814	255,385	155,322,100	-

21.2.1 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 (2025: Rs. 2,050 million). These facilities carry markup @ 3 months KIBOR plus a spread of upto 125 bps per annum (2025: 3 months KIBOR plus a spread of upto 125 bps per annum), with a some long term finance facilities carrying fixed markup of 3% to 5% per annum (2025: 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. 2,066 million (2025: Rs. 2,064 million) over all fixed assets of the Company.

21.2.2 These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 700.6 million (2025: Rs. 200.6 million). These facilities carry markup @ 3 to 6 months KIBOR plus spread upto 150 bps per annum (2025: 6 months KIBOR plus 75 bps per annum), with a long term finance facility (LTFF) carrying fixed markup @ 2.75% per annum (2025: 2.75% per annum). These facilities are payable in quarterly installments, latest by February 2033. These facilities are secured by way of first joint pari passu hypothecation charge amounting to Rs. 265.3 million inclusive of 25% margin (2025: Rs. 301 million) over all present and future fixed assets of the Company, along with ranking charge amounting to Rs. 667 million (2025: Rs. Nil).

21.2.3 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 (2025: Rs. 1,070 million). These facilities carry markup @ 6 months KIBOR plus spread upto 150 bps per annum (2025: 6 months KIBOR plus spread upto 150 bps per annum), with some term finance facilities carrying markup @ SBP rate plus 200 bps per annum (2025: 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 (2025: Rs. 1,339 million) over the fixed assets of the Company, along with ranking charge amounting to Rs. 317 million (2025: Rs. 317 million).

21.2.4 These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 531 million (2025: Rs. 531 million). These facilities carry markup @ SBP rate plus 300 bps per annum (2025: @ SBP rate plus 300 bps per annum), with term finance facility carrying a markup @ 2.5% per annum (2025: 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. 838.6 million (2025: Rs. 893 million) over the present and future fixed assets of the Company.

21.2.5 These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 1,367.7 million (2025: Rs. 867.7 million). These facilities carry markup @ 6 months KIBOR plus 175 bps per annum (2025: 6 months KIBOR plus 175 bps per annum), with a term finance facility carrying markup @ SBP rate plus 50 bps per annum (2025: SBP rate plus 50 bps per annum). These facilities are payable in quarterly installments, latest by August 2030. These facilities are secured by the way of first joint pari passu charge amounting to Rs. 981.4 million (2025: Rs. 1,299 million) over the present and future fixed assets of the Company along with ranking charge amounting to Rs. 667 million (2025: Nil).

21.2.6 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 (2025: Rs. Rs. 1,466.8 million). These facilities carry markup of 6 months KIBOR plus 100 bps per annum (2025: 6 months KIBOR plus 100 bps per annum), with a term economic refinance facility carrying markup @ SBP rate plus 150 bps per annum (2025: SBP rate plus spread upto 150 bps per annum) and a long term finance facility carrying fixed 2.45% (2025: 2.45%). These facilities are payable in quarterly installments, latest by November 2031. These facilities are secured by the joint pari passu charge amounting to Rs. 1,977.8 million (2025: Rs. 2,384 million) over all the present and future assets of the Company.

21.2.7 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 (2025: Rs. 3,000 million). These facilities carry markup @ 3 to 6 months KIBOR plus spread upto 200 bps per annum (2025: 3 to 6 months KIBOR plus spread upto 200 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. 2,667 million (2025: Rs. 1,779 million) over the present and future fixed assets of the Company along with the ranking charge of Nill (2025: Rs. 1,334 million) over all the present and future fixed assets of the Company.

21.2.8 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 (2025: Rs. 1,445.36 million). These facilities carry

markup @ 6 months KIBOR plus 200 bps per annum (2025: 6 months KIBOR plus 200 bps per annum), with a long term finance facility carrying markup @ SBP rate plus 200 bps per annum (2025: 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. 2,226 million (2025: Rs. 1,874 million) over the present and future fixed assets of the Company.

21.2.9 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 (2025: Rs. 400.8 million). This facility carry markup @ 3 months KIBOR plus 80 bps per annum (2025: 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. 473.5 million (2025: Rs. 608 million) over the present and future fixed assets of the Company.

21.2.10 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 (2025: Rs. 472 million). One of these facilities carry markup @ 6 months KIBOR plus 250 bps per annum (2025: 6 months KIBOR plus 250 bps per annum), with the other facility carrying markup @ SBP rate plus 200 bps (2025: 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. 553 million (2025: Rs. 603 million) over the present and future fixed assets of the Company.

21.2.11 These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limits for these facilities amounted to Rs. 2,000 million (2025: Rs. 1,500 million). These facilities are payable in half-yearly installments, latest by January 2032, and carries markup @ 3 to 6 months KIBOR plus 150 bps per annum (2025: 6 months KIBOR plus 150 bps per annum) and term economic refinance facility (TERF) carry fixed markup @ 3% per anum (2025: 3% per annum), payable on quarterly basis. These facilities are secured by the way of first joint pari passu hypothecation charge amounting to Rs. 1,796.8 million inclusive of 25% margin (2025: Rs. 2,000 million) over all present and future fixed assets of the Company along with the ranking charge amounting to Rs. 667 million (2025: Rs. Nil).

21.2.12 These facilities were availed to finance the installation of a solar system with a capacity of up to 2 Megawatts and to import machinery. The sanctioned limits for these facilities amounted to Rs. 400 million (2025: Rs. 200 million). These facilities are payable in 20 quaterly installments, latest by January 2032, and carries markup @ 3 months KIBOR plus 125 bps per annum (2025: 3 months KIBOR plus 125 bps per annum) with Exim Administered Long Term Finance Facility (E-LTFF) carrying markup @ SBP Policy Rate minus 300 bps (2025: Nil). These facilities are secured by the first joint pari passu hypothecation & mortgage charge with 25% margin over fixed assets (including land/ building) amounting to Rs. 267 million (2025: Rs. 267 million) along with the ranking charge amounting to Rs. 267 million (2025: Nil) over the fixed assets of the Company .

21.2.13 This term finance facility was availed to meet the capital expenditure requirements of the Company. The sanctioned limit for this facility amounted to Rs. 500 million (2025: 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 (2025: 6 months KIBOR plus 100 bps per annum). This facility is secured by the joint pari passu charge amounting to Rs. 667 million (2025: Rs. 667 million) over the present and future fixed assets of the Company.

21.2.14 This term finance facility was availed to meet the capital expenditure requirements of the Company. The sanctioned limit for this facility amounted to Rs. 1,000 million (2025: 1000 million). This facility is payable in 20 equal quaterly installments, latest by December 2030, and carries markup @ 3 months KIBOR plus 125 bps per annum (2025: 3 months KIBOR plus 125 bps per annum). This facility is secured by the joint pari passu charge amounting to Rs. 1,334 million (2025: Rs. 1,334 million) over the present and future fixed assets of the Company.

21.2.15 This term finance facility was availed to finance / refinance CAPEX related to solar power plant(s). The sanctioned limit for this facility amounted to Rs. 600 million (2025: Nil). This facility is payable in 20 equal quaterly installments, latest by September 2031, and carries markup @ 3 months KIBOR plus spread of 2.30% per annum (2025: Nil). This facility is secured by the ranking charge amounting to Rs. 800 million inclusive of 25% margin (2025: Nil) over the present and future fixed assets including land & building of the Company.

21.2.16 This facility was availed to finance the specific capital expenditure requirements for expansion of Apparel business. The sanctioned limit for this facility amounted to Rs. 500 million (2025: Nil). This facility is payable in 24 equal quaterly installments, latest by July 2032, and carries markup @ 3 months KIBOR plus spread of 100 bps per annum (2025: Nil). This facility is secured by the ranking charge amounting to Rs. 667 million inclusive of 25% margin (2025: Nil) over all the present and future fixed assets of the Company.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Note 31
Sales

	2026			2025		
	Local	**Export**	**Total**	**Local**	**Export**	**Total**
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Yarn	33,452,177,124	4,512,989,167	37,965,166,291	19,503,908,360	7,114,643,090	26,618,551,450
Cloth	18,729,041,783	1,697,085,348	20,426,127,131	19,861,718,399	1,374,717,591	21,236,435,990
Waste	977,263,629	34,456,665	1,011,720,294	1,816,969,873	-	1,816,969,873
Doubling/sizing income						
Doubling/sizing income	106,853,358	-	106,853,358	96,609,267	-	96,609,267
Apparel	59,080,694	13,346,766,851	13,405,847,545	208,329,766	9,358,460,798	9,566,790,564
Cotton	5,876,425,436	-	5,876,425,436	4,796,266,597	-	4,796,266,597
	59,200,842,024	19,591,298,031	78,792,140,055	46,283,802,262	17,847,821,479	64,131,623,741
Sales tax	(9,060,963,328)	-	(9,060,963,328)	(7,060,241,004)	-	(7,060,241,004)
	50,139,878,696	19,591,298,031	69,731,176,727	39,223,561,258	17,847,821,479	57,071,382,737

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:

		2026	2025
	Note	Rupees	Rupees
Pakistan		50,139,878,696	39,223,561,258
Others	12.3	19,591,298,031	17,847,821,479
		69,731,176,727	57,071,382,737

Note 32
Cost of Sales

Raw materials consumed		47,460,804,026	37,816,160,756
Stores and spares consumed		1,358,218,154	1,305,227,877
Packing materials consumed		299,894,707	285,465,229
Salaries, wages and benefits	32.1	4,794,357,024	3,496,674,418
Power and fuel		5,016,287,777	5,377,500,812
Repairs and maintenance		47,207,384	60,802,852
Depreciation	5.4	1,981,797,159	1,897,050,002
Insurance		256,773,352	256,007,213
Doubling charges		2,089,416	10,158,877
Embroidery and testing charges		62,205,059	78,392,384
		61,279,634,058	50,583,440,420
Work-in-process			
- Opening		2,041,555,956	1,083,325,503
- Closing		(1,631,807,763)	(2,041,555,956)
		409,748,193	(958,230,453)
Cost of goods manufactured		61,689,382,251	49,625,209,967
Finished goods			
- Opening stock		3,643,824,678	3,126,479,544
- Closing stock		(4,466,486,166)	(3,643,824,678)
		(822,661,488)	(517,345,134)
		60,866,720,763	49,107,864,833

32.1 This includes sta ffretirement benefits amounting to Rs. 202.897 million (2025: Rs. 207.714 million).

Note 33
Distribution Cost

		2026	2025
	Note	Rupees	Rupees
Advertisement		11,213,038	9,284,602
Export expenses		373,356,642	240,053,022
Commission		787,301,660	844,828,646
Export development surcharge		23,934,410	44,528,812
Freight and other expenses		249,047,605	272,104,172
		1,444,853,355	1,410,799,254

Note 34
Administrative Expenses

Salaries and benefits	34.1	580,101,204	546,464,667
Travelling and conveyance	34.2	245,654,404	185,303,731
Rent, rates and taxes		17,731,868	6,415,493
Entertainment		139,920,111	77,711,438
Utilities		19,775,856	20,094,346
Communication		119,767,724	51,004,220
Printing and stationery		7,015,963	27,520,522
Insurance		27,101,870	21,603,856
Repairs and maintenance		51,787,012	56,450,728
Vehicles running and maintenance		51,805,002	72,403,628
Ijarah rentals		11,261,297	-
Subscription and licensing fees		115,879,647	72,597,081
Auditors' remuneration		5,070,000	2,702,500
Legal and professional charges		51,479,361	28,359,578
Depreciation	5.4	114,650,246	137,355,061
Amortization	7.1	18,548,458	5,965,645
General		32,124,158	14,357,075
		1,609,674,181	1,326,309,569

34.1 This includes sta ffretirement benefits - amounting to Rs. 31.953 million (2025: Rs. 23.016 million).

34.2 This includes directors' travelling expenses aggregating Rs. 28.116 million (2025: Rs. 27.412 million).

34.3 Auditors' remuneration

- Audit fee	2,750,000	2,127,500
- Half yearly review fee	470,000	402,500
- Certification fee	200,000	172,500
Audit fee for group consoldiation	800,000	-
Subsidary audit fee	850,000	-
	5,070,000	2,702,500

Note 35
Finance Cost

Markup on:		
- Long term financing	1,244,002,829	1,321,301,849
- Short term borrowings	2,433,466,636	2,448,014,333
- Lease liabilities	10,840,438	6,900,971
Interest on workers' (profit) participation fund	5,314,892	5,127,729
Bank charges and commission	335,171,067	329,181,562
	4,028,795,862	4,110,526,444

Note 36

Other Operating Expenses

	Note	2026 Rupees	2025 Rupees
Donations	36.1	44,486,151	55,678,554
Allowance for expected credit losses (ECL)	12.2	70,516,357	26,234,375
Exchange loss		18,909,388	-
Insurance claim written off		15,343,974	-
Workers' (profit) participation fund		103,711,264	68,933,544
Workers' welfare fund		44,365,507	31,204,373
Ijara rental		25,535,914	
		322,868,555	182,050,846

36.1 Details of donations to a single party exceeding the higher of Rs. 1,000,000 or 10% of the Group's total donation amount are as follows:

Kehkashan Welfare Society	-	9,000,000
Health Care Delivery Foundation	-	7,000,000
Education For All Foundation	-	1,460,000
Saleem Memorial Trust Hospital	1,000,000	1,000,000
APTMA relief activities of the Government	1,000,000	-
	2,000,000	18,460,000

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

Note 37

Other Income

	Note		
Dividends		-	1,032,000
Bank profit		59,761,438	50,639,237
Gain on disposal of short-term investments - net		8,736,745	1,935,642
Unrealised gain on remeasurement of short-term investments - net	15	-	32,146,833
Exchange gain		-	58,088,457
Amortization of deferred grant		79,644,848	87,428,540
Fair value gain on investment property		59,100,000	76,062,000
Export rebate		84,476,845	20,240,187
Gain on disposal of operating fixed assets - net		46,849,432	17,078,270
		338,569,308	344,651,166

Note 38

Levy / Final Taxation

For the year	990,003,483	713,392,284

38.1 This represents 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

	Note	2026 Rupees	2025 Rupees
Current tax		-	-
Prior period adjustment		-	(97,801,410)
Deferred tax		(12,456,824)	(64,643,070)
		(12,456,824)	(162,444,480)

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

Current tax liability as per applicable tax laws	990,003,483	713,392,284
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	(990,003,483)	(713,392,284)
Difference	-	-

39.2 The current tax expense for the year is calculated using minimum tax rate of 1.25% (2025: 1.25%) and super tax Nil (2025: Nil). 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

		2026	2025
Profit after taxation attributable to ordinary shareholders	Rupees	1,055,987,731	978,016,486
Weighted average number of ordinary shares outstanding during the year	Numbers	30,000,000	30,000,000
Earnings per share	Rupees	35.20	32.60

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 (2025: 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 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Note 41

Cash Generated from Operations

	Note	2026 Rupees	2025 Rupees
Cash Flows from Operating Activities			
Profit before levy and taxation		2,033,534,390	1,528,964,290
Adjustments for:			
- Depreciation	5.4	2,033,276,520	2,034,405,063
- Share of net profit of associate	8	(236,701,071)	(250,481,333)
- Amortization of intangible assets	34	18,548,458	5,965,645
- Amortization of deferred grant	37	(79,644,848)	(87,428,540)
- Gain on disposal of property, plant and equipment - net	37	(46,849,432)	(17,078,270)
- Finance cost on lease liabilities	35	10,840,438	6,900,971
- Gain on sale of short-term investments	37	(8,736,745)	(1,935,642)
- Dividend income on short-term investments	37	-	(1,032,000)
- Insurance claim written off	36	15,343,974	-
- Exchange (loss) / gain on translation	36	18,909,388	(58,088,457)
- Fair value gain on re-measurement of short-term investments	37	-	(32,146,833)
- Fair value gain on investment property	37	(59,100,000)	(76,062,000)
- Interest on workers' (profit) participation fund	35	5,314,892	5,127,729
- Provision of workers' (profit) participation fund	36	103,711,264	68,933,544
- Provision of workers' welfare fund	36	44,365,507	31,204,373
- Allowance for expected credit losses (ECL)	36	70,516,357	26,234,375
- Finance cost	35	3,677,469,465	3,769,316,182
		5,567,264,167	5,423,834,807
Operating profit before working capital changes		7,600,798,557	6,952,799,097
Decrease / (increase) in current assets:			
- Stores, spares and loose tools	10	(51,763,449)	175,974,325
- Stock in trade	11	1,844,002,888	(1,970,096,256)
- Trade debts	12	(3,026,727,211)	581,834,990
- Loans and advances	13	(1,049,248,914)	(38,819,000)
- Other receivables	14	(127,807,896)	51,560,173
- Sales tax due from the Government	16	(225,560,661)	(1,201,966,536)
Increase / (decrease) in current liabilities:			
- Trade and other payables	24	340,577,438	(1,168,359,798)
- Contract liabilities	25	(3,239,419)	64,250,913
		(2,299,767,224)	(3,505,621,189)
Cash Generated from Operations		5,301,031,333	3,447,177,908

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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	2026	2025
				Rupees	Rupees
Masood Spinning Mills Limited	Common directorship	32.41%	Sale of goods	19,738,643,567	9,656,200,340
			Purchase of goods	13,461,222,381	10,363,823,475
			Expense incurred by MTML	51,957,996	120,299,233
			Amount received	16,553,924,126	8,264,397,182
			Amount paid	11,484,927,257	8,962,865,680
			Doubling revenue	66,902,485	81,848,260
			Share of profit	236,701,071	250,481,333
			Share of equity	-	69,976,922
			Expense incurred by MSM	47,573,373	-
Multan Fabrics (Private) Limited	Common directorship		Sale of goods	460,440,766	169,315,169
			Doubling revenue	-	24,000
			Expense incurred	693,440	618,377
			Amount received	358,367,508	169,957,546
			Expense incurred by MFPL	97,134	-
Roomi Enterprises (Private) Limited	Common directorship		Purchase of goods	-	2,454,388
			Expense incurred	-	407,848
			Loan received	492,624,432	-
			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
Masood Retails (Private) Limited	Common directorship		Sale of goods	881,718,132	-
			Amount	532,408,523	-
Orient Power Company (Private) Limited	Shareholding	11.07%	Dividend income	-	287,540,173
			Amount received	-	287,540,173
Mr. Khawaja Muhammad Asghar	Director	0.0005%	MG Apparel Limited shares acquired	-	9,090
			Amount paid	9,090	-

Balances Outstanding for the Year Ended

Masood Spinnings Mills Limited	Trade debts		1,480,654,554	192,992,858
	Investment		2,630,910,072	2,394,209,001
Masood Retails (Private) Limited	Trade debts		349,309,609	-
Multan Fabrics (Private) Limited	Trade debts		102,669,564	-
Roomi Enterprises (Private) Limited	Long term financing		492,624,432	-
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.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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:

	2026			2025		
	Chief Executive Officer	**Director**	**Executives**	**Chief Executive Officer**	**Director**	**Executives**
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	7,602,000	11,601,000	373,731,426	7,602,000	7,800,000	193,238,579
Sta ffretirement benefits	-	-	27,878,447	-	-	14,246,266
Meeting fee	-	300,000	-	-	320,000	-
Travelling	-	28,116,077	-	-	23,016,000	-
	7,602,000	40,017,077	401,609,873	7,602,000	31,136,000	207,484,845
Number of persons	2	7	175	1	3	67

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.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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, 2026				
Revenue	38,719,628	17,605,701	13,405,848	69,731,177
Operating profit	3,604,776	1,250,227	954,925	5,809,928
Total results for reportable segments				5,809,928
Unallocated income and expenses				
Finance cost				(4,028,796)
Other operating expense				(322,869)
Other income				338,569
Share of net profit from associate				236,702
Profit before levy and taxation				2,033,534
Levy / final taxation				(990,003)
Profit before Taxation				1,043,531
Taxation				12,457
Net Profit for the Year				1,055,988
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
Unallocated income and expenses				
Finance cost - unallocated				(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

44.2 Segment financial position for the year ended June 30, 2026

	Spinning	Weaving	Apparel	Total
		Rupees in Thousand		
Assets	37,759,375	8,819,887	8,503,922	55,083,184
Unallocated Assets				
Tax refunds due from the Government				2,660,964
Cash and bank balances				197,994
Assets classified as held for sale				1,797,846
Total assets				59,739,988

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
Liabilities	25,472,546	5,866,178	6,709,565	38,048,289
Unallocated liabilities				
Unclaimed dividend				3,672
Provision for taxation				1,215,807
Lease liabilities				134,066
Deferred taxation				727,918
Gas infrastructure development cess (GIDC) payable				101,146
Total liabilities				40,230,898

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
Liabilities	23,409,482	6,838,377	6,595,626	36,843,486
Unallocated liabilities				
Unclaimed dividend				3,680
Provision for taxation				1,167,382
Lease liabilities				37,475
Deferred taxation				740,375
Gas infrastructure development cess (GIDC) payable				101,146
Total liabilities				38,893,544

44.3 Major customers:

Sales to one customer represents 27.14% (2025: 16.92%) of the total revenue.

44.4 Geographical Information:

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

	2026	2025
	%	%
Pakistan	72%	69%
United States	3%	1%
China	3%	7%
Turkey	0%	1%
Others	22%	22%
	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, 2026 are located in Pakistan.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Note 45

Plant Capacity and Production

	UOM	2026	2025
The production during the year is as follows:			
Yarn			
Number of spindles installed		156,720	156,720
Number of spindles-shifts worked		169,712,716	168,950,283
Production capacity at 20's count 1,094 shifts (2025: 1,097 shifts)	Kgs	69,083,314	66,164,300
Actual production converted into 20's count	Kgs	69,202,764	65,813,462
Cloth			
Number of looms installed		228	228
Number of looms-shifts worked		249,204	249,432
Installed capacity at 60 picks 1,094 shifts (2025: 1,097 shifts)	Meters	64,038,789	58,821,841
Actual production converted into 60 picks	Meters	57,989,437	54,311,899
Apparel			
Installed capacity	Pieces	8,124,480	5,454,000
Actual production	Pieces	7,278,147	4,945,049
Power House			
Number of generators installed		15	19
Number of shifts worked		1,094	1,094
Generation capacity	MW	27	27
Actual generation	MW	5	5

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

	2026			2025		
	Available Limit	Utilised Credit	Unavailed Credit	Available Limit	Utilised Credit	Unavailed credit
	---------- Rupees in million ---------			---------- Rupees in million ---------		
Funded facilities						
Conventional mode of finance	14,925	10,101	4,824	19,011	11,118	7,893
Islamic financing	12,045	8,183	3,862	12,555	6,973	5,582
	26,970	18,284	8,686	31,566	18,091	13,475
Unfunded facilities						
Letters of credits	11,350	10,245	1,105	9,950	2,795	7,155
Letters of guarantees	2,310	1,747	563	1,950	1,660	290
	13,660	11,992	1,668	11,900	4,455	7,445

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:

	2026				
	Rupees	USD	Euro	JPY	CHF
On balance sheet:					
Foreign debtors	3,299,455,944	11,861,720	-	-	-
Bills payable	(1,783,006,526)	(6,410,003)	-	-	-
	1,516,449,418	5,451,717	-	-	-
Off balance sheet:					
Outstanding commitments against letters of credit	(820,960,000)	(2,951,395)	-	-	-
	695,489,418	2,500,322	-	-	-

	2025				
	Rupees	USD	Euro	JPY	CHF
On balance sheet:					
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	-	-
Off balance sheet:					
Outstanding commitments against letters of credit	(775,620,000)	(2,733,366)	-	-	-
	108,854,272	382,634	836	-	-

Exchange rate applied during the year

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2026	2025	2026	2025
USD to PKR	280.96	281.05	278.16	283.76
Euro to PKR	324.79	315.17	316.92	332.65
JPY to PKR	1.84	1.85	1.71	1.97
CHF to PKR	349.47	332.37	343.62	355.32

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. 6.955 million (2025: 1.089 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 Nil (2025: Rs. 0.511 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:

	2026	2025
	Rupees in thousands	
Fixed rate instruments - Financial liabilities		
Long term financing	3,382,086	4,407,416
Floating rate instruments - Financial liabilities		
Long term financing	8,660,071	7,115,705
Lease liabilities	134,066	49,194
Short term borrowings	18,284,455	18,020,451
Floating rate instruments - Financial assets		
Bank balances in saving's account	-	25

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. 270.853 million (2025: Rs. 251.185 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.

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:

	Note	2026	2025
		Rupees in thousand	
Long term investments	8	2,630,910	2,394,209
Trade debts	12	9,111,483	6,174,181
Other receivables	14	548,553	436,089
Short term investments	15	-	51,118
Bank balances	17	186,841	77,269
Assets classified as held for sale	18	1,797,846	1,797,846
The aging of trade debts as at the reporting date is as follows:			
Not past due		6,315,956	4,279,858
Past due less than 3 months		2,285,025	1,548,393
Past due less than 6 months		333,153	225,753
past due more than 6 months		177,350	120,177
		9,111,483	6,174,181

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	2026	2025
	Short term	Long term			
				Rupees	Rupees
Bank Al-Habib Limited	A-1+	AAA	PACRA	134,819,550	7,781,408
Bank Islami Pakistan Limited	A-1	AA-	PACRA	2,376,574	31,689,608
Habib Bank Limited	A-1+	AAA	VIS	303,600	299,064
MCB Bank Limited	A-1+	AAA	PACRA	2,023,245	1,021,743
National Bank of Pakistan	A-1+	AAA	PACRA	642,667	21,313,491
Soneri Bank Limited	A-1+	AA	PACRA	1,744,152	-
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA	4,391,493	13,816,472
The Bank of Punjab	A-1+	AAA	PACRA	1,145,848	604,885
United Bank Limited	A-1+	AAA	VIS	8,757	1,052
Askari Bank Limited	A-1+	AA+	PACRA	20,582,794	24,508
The Bank of Khyber	A-1	AA-	PACRA	15,613,238	-
Faysal Bank Limited	A-1+	AA+	PACRA	180,216	122,119
Dubai Islamic Bank Limited	A-1+	AA	VIS	155,410	173,432
Meezan Bank Limited	A-1+	AAA	VIS	2,219,257	-
Bank Alfalah Limited	A-1+	AAA	PACRA	616,010	11,010
Albaraka Bank Limited	A-1	AA-	VIS	101	392,148
Industrial and Commercial Bank of China Limited	F1+	A	Fitch Ratings	18,006	18,006
				186,840,918	77,268,946

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:

Contractual maturities of financial liabilities as at June 30, 2026:

	Carrying Amount	Contractual Cash Flows	Less than 1 Year	1-5 Years	More than 5 Years
	---------- Rupees in thousand ----------				
Long term financing	11,549,533	12,929,884	3,134,298	7,711,253	2,084,333
Lease liabilities	134,066	187,176	42,278	124,715	20,183
Short term borrowings	18,284,455	18,284,455	18,284,455	-	-
Trade and other payables	6,113,840	6,113,840	6,113,840	-	-
Unclaimed dividend	3,672	3,672	3,672	-	-
Accrued mark-up	814,428	814,428	814,428	-	-
	36,899,994	38,333,455	28,392,971	7,835,968	2,104,516

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	-	-
	36,163,982	37,092,641	27,375,987	4,956,629	4,760,025

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, 2026			June 30, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	---------- Rupees in thousand ----------					
Short term investments	-	-	-	51,118	-	-

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, 2026				
Long term investments	-	2,630,910	-	2,630,910
Trade debts	-	9,111,483	-	9,111,483
Other receivables	-	548,553	-	548,553
Bank balances	-	197,994	-	197,994
Assets classified as held for sale	1,797,846	-	-	1,797,846
	1,797,846	12,488,940	-	14,286,786
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 liabilities at amortized cost	2026	2025
	Rupees in thousand	
Long term financing	11,549,533	11,523,121
Lease liabilities	134,066	49,194
Trade and other payables	6,113,840	5,781,264
Unclaimed dividends	3,672	3,680
Accrued mark-up	814,428	786,272
Short term borrowings	18,284,455	18,020,451
	36,899,994	36,163,982

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, 2025	Non-cash changes	Cash flows - net	As at June 30, 2026
		----Rupees in thousand----			
Long term finances	21	11,523,121	(79,645)	598,681	11,549,533
Short term borrowings	28	18,020,451	-	264,004	18,284,455
Lease liability	22	49,194	111,187	(26,315)	134,066
Unclaimed dividend		3,680	-	(8)	3,672
Total liabilities from financing activities		29,596,446	31,542	836,362	29,971,726

		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	-	1,598,587	18,020,452
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)	2,748,303	29,596,447

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

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	2026	2025
		Rupees in thousand	
Total borrowings	21 & 28	30,454,895	29,656,437
Cash and bank balances	17	(197,994)	(98,415)
Net debt		30,256,901	29,558,022
Equity		19,509,089	18,453,101
Total capital employed		49,765,990	48,011,123
Gearing Ratio		60.80%	61.56%

Note 50
Shariah Disclosures under Clause VII of Part I of Schedule IV of the Companies Act, 2017

Disclosures Required in relations to the Statement of Financial Position- Liability Side			
Loans / advances obtained as per Islamic mode - Short Term Borrowings	28.2	11,427,433	10,150
Loans / advances obtained as per Islamic mode - Long Term finances	21	406,247	585,465
Disclosures Required in the Statement of Financial Position - Asset Side:			
Long-term and short-term Shariah compliant Investments	17	2,630,910	2,445,327
Shariah-compliant bank deposits, bank balances, and TDRs		197,994	98,415
Disclosures Required in relation to the Statement of Comprehensive Statement:			
Revenue earned from a Shariah-compliant business segment		69,731,177	57,071,383
Break-up of late payments or liquidated damages		-	-
Gain or loss or dividend earned on Shariah compliant investments		67,837	111,176
Share of profit from Shariah-compliant associates		236,701	250,481
Profit earned from Shariah-compliant bank deposits, bank balances,or TDRs		59,761	50,639
Exchange (loss)/ gain earned from actual currency		(18,909)	58,088
Exchange gains earned using conventional derivative financial instruments		-	-
Profit paid on Islamic mode of financing		751,054	1,146,375
Total Interest earned on any conventional loan or advance		-	-
Shahriah compliant other income			
Miscellaneous income		174,448	236,982
(Loss)/ Gain on disposal of fixed assets		46,849	17,078
Shahriah non- compliant other income		-	-

Relationship with shariah compliant banks/financial institutions

Name	Relationship
Meezan Bank Limited	Bank Deposits & Borrowings
United Bank Limited	Bank Deposits & Borrowings
Pak Brunei Investment Company Limited	Borrowings
BankIslami Pakistan Limited	Bank Deposits & Borrowings
National Bank of Pakistan Islamic	Bank Deposits & Borrowings
Bank of Khyber	Bank Deposits & Borrowings
Al Barak Bank (Pakistan) Limited	Bank Deposits & Borrowings
Pak Oman Investment Company Limited	Borrowings
Bank Alfalah Limited Islamic	Bank Deposits & Borrowings
MCB Islamic Bank Limited	Bank Deposits & Borrowings
Faysal Bank Limited	Bank Deposits
Dubai Islamic Bank Limited	Bank Deposits
Habib Bank Limited Islamic Banking	Bank Deposits
Askari Bank Limited (Islamic)	Bank Deposits

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Note 51
Number of Employees

	2026	2025
	Number	Number
Total number of employees as at		
Permanent	7,688	8,509
Contractual	1,499	1,483
Average number of employees during the year		
Permanent	6,875	7,283
Contractual	1,094	1,412

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 6th October 2026.

Note 53
General

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

Kh. Muhammad Ilyas
Chairman

Kh. Muhammad Younus
Director

Rashid Mahmood
Chief Financial Officer

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 56th Annual General Meeting of the Company to be held on Wednesday, October 28 2026

at Company's Registered Office, Mehr Manzil Lohari Gate, Multan. and / or any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ 2026.

Signature of Member _____

in the presence of

Signatures _____ Signatures _____

Name _____ Name _____

Adress _____ 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:

1. 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.

2. 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.

(i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.

(ii) The proxy shall produce his original CNIC or original passport at the time of the meeting.

(iii) 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 _____ بطور ممبر (ز) محمود ٹیکسٹائل ملز لمیٹڈ

حامل _____ عام حصص، محترم / محترمہ _____

ساکن _____ یا ان کے حاضر نہ ہو سکنے کی صورت میں _____

ساکن _____ کو اپنے / ہمارے ایماء پر کمپنی کے مورخہ 28 اکتوبر 2026ء بروز بدھ 11.00 بجے کمپنی کے رجسٹرڈ آفس مہر منزل، لوہاری گیٹ، ملتان میں ہونے والے 56 واں سالانہ عمومی اجلاس میں شرکت کرنے اور حق رائے دہی استعمال کرنے کیلئے اپنا / ہمارا بطور نمائندہ (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

ممبر کے دستخط

گواہ کے دستخط

نام .....

CNIC / پاسپورٹ نمبر .....

ایڈریس .....

گواہ کے دستخط

نام .....

CNIC / پاسپورٹ نمبر .....

ایڈریس .....

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر	
	شرکت دار کی شناخت	اکاؤنٹ نمبر

رسیدی ٹکٹ پر دستخط

اس دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط کے نمونے سے مشابہت ہونا لازمی ہے

اہم نکات:

1۔ ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم میٹنگ 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 کالعدم قرار دیئے جائیں گے۔

3۔ **سی ڈی سی اکاؤنٹ رکھنے والے / کارپوریٹ ادارے مزید برآں درج ذیل شرائط کو پورا کریں گے۔**

(i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں۔

(ii) پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہو گا۔

(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 پراکسی فارم کے ساتھ جمع کرانی ہو گی۔

E-Voting as per the Companies (E-Voting) Regulations, 2016

I/We, _____ of _____, being a member of Mahmod 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 بمطابق 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 رضا مندی 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

نام .....

CNIC/پاسپورٹ نمبر .....

ایڈریس.....

گواہ کے دستخط

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:

