



NISHAT

CHUNIAN LTD.

SINCE 1990

ANNUAL REPORT **2025**

www.nishat.net

Established in 1990, Nishat Chunian Limited has grown into one of Pakistan's leading vertically integrated textile manufacturers. With **three operational sites** and a workforce of over **7,000** employees, we deliver premium yarn, fabric, and home textiles to markets across the US, UK, Europe, Australia, South America, and Pakistan. Our expanding global footprint reflects our growing reach and influence in the textile industry.

This year, we expanded **The Linen Company** retail division by opening a new store in the **UAE**, strengthening our presence in the Middle East.

Our commitment to **innovation and sustainable initiatives**, from renewable energy projects to water-effluent treatment and fiber recycling, drives operational excellence and positions us to create long-term value for shareholders and investors.



BRIEF PROFILE

2025

Inauguration of New Retail Store in United Arab Emirates” TLC Middle East Trading L.L.C Sharjah Branch 1”

2022

New company for Real Estate development Nishat Chunian Properties (Private) Limited Autocoro Open-end production lines in 1 spinning unit

2021

New company in USA for E-Commerce retail of home textile products Sweave Inc.

2016

Diversification into Retail Business The Linen Company (TLC)

2015

Diversification into Cinema Business NC Entertainment Private Limited

2014

46 MW Coal Based Power Plant

2013

Established a subsidiary company in USA

2013

2 Spinning Mills acquired & a new Spinning Mill started

2010

IPP commercial operations

2006

Diversification into Home Textiles

2005

Acquisition of 2 Spinning Mills & 5th Spinning Mill started

2000

2nd Spinning Mill started production

1998

Diversification into Weaving

1991

1st Spinning Mill Setup

CONTENTS

| | |
|--|----|
| Company Information | 04 |
| Notice of Annual General Meeting | 05 |
| Chairman’s Review Report | 12 |
| Director’s Report | 13 |
| Financial Highlights | 29 |
| Gender Pay Gap Statement | 31 |
| Statement of Compliance with the Code of Corporate Governance | 32 |
| Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance | 34 |
| Independent Auditor’s Report | 35 |

Nishat (Chunian) Limited – Financial Statements

| | |
|-----------------------------------|-----|
| Statement of Financial Position | 40 |
| Statement of Profit or Loss | 42 |
| Statement of Comprehensive Income | 43 |
| Statement of Cash Flows | 44 |
| Statement of Changes in Equity | 45 |
| Notes to the Financial Statements | 46 |
| Pattern of Shareholding | 111 |
| Categories of Shareholders | 114 |

Consolidated Financial Statements

| | |
|--|-----|
| Independent Auditor’s Report | 116 |
| Statement of Financial Position | 122 |
| Statement of Profit or Loss | 124 |
| Statement of Comprehensive Income | 125 |
| Statement of Cash Flows | 126 |
| Statement of Changes in Equity | 127 |
| Notes to the Consolidated Financial Statements | 128 |
| Forms | 195 |

COMPANY INFORMATION

Board of Directors:

Mr. Zain Shahzad (*Chief Executive*)
Mr. Shahzad Saleem (*Chairman*)
Mr. Ahmad Hasnain
Ms. Mahnoor Adil
Mr. Muhammad Azam Siddiqui
Ms. Nadia Bilal
Ms. Sehar Adil

Audit Committee:

Mr. Ahmad Hasnain (*Chairman*)
Ms. Mahnoor Adil (*Member*)
Ms. Sehar Adil (*Member*)

HR & Remuneration Committee:

Mr. Ahmad Hasnain (*Chairman*)
Mr. Muhammad Azam Siddiqui (*Member*)
Ms. Nadia Bilal (*Member*)

CFO:

Ms. Faryal Riaz Chatha

Company Secretary:

Mr. Muhammad Umer Qureshi

Head of Internal Audit:

Mr. Noman Tahir

Mills:

Spinning 1, 4, 5, 7 & 8
49th Kilometre, Multan Road,
Bhai Pheru, Tehsil Pattoki,
District Kasur.

Dyeing & Printing
4th Kilometre, Manga Road,
Raiwind.

Spinning 2, 3, 6, Weaving & 46 MW
Coal Fired Power Generation Project
49th Kilometre, Multan Road, Bhai Pheru,
Tehsil Pattoki, District Kasur.

Bankers to the Company:

Allied Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China (ICBC)
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Kuwait Investment Company (Private) Limited
Standard Chartered Bank Pakistan Limited
SAMBA Bank Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited
MCB Islamic Bank Limited

Auditors:

Riaz Ahmad & Company
Chartered Accountants

Registered & Head Office:

31-Q, Gulberg-II,
Lahore, Pakistan.
Phone : 042-35761730-39
Fax : 042-35878696-97
Web : www.nishat.net

Share Registrar:

Hameed Majeed Associates (Pvt) Limited
1st Floor, H.M. House
7-Bank Square, Lahore
Ph: 042-37235081-2 Fax: 042-37358817

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (AGM) of the Shareholders of Nishat (Chunian) Limited (the "Company") will be held on October 22, 2025 (Wednesday) at 11:00 A.M. at Registered Office, 31-Q, Gulberg – II, Lahore to transact the following business:

Members are encouraged to attend the AGM through the video link facility managed by the Company
(Please see the notes section for details)

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on October 28, 2024.
2. To receive, consider and adopt the Annual Audited Financial Statements (Separate and Consolidated) of the Company for the year ended June 30, 2025 including the Director's Report, Auditors' Report, and Chairman's Review Report thereon. (To Access the Annual Report 2025 via QR code or weblink)

https://www.nishat.net/images/pdf/NCG_Financials/NCL_Annual/annual2025.pdf



Scan QR Code for
Annual Report 2025

3. To appoint auditors and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s Riaz Ahmad & Company, Chartered Accountants, for reappointment as auditors of the Company.
4. To approve the final cash dividend @ 10% (i.e. Re. 1 per share) as recommended by the Board of Directors in addition to the interim dividend of 10% i.e. Re. 1 per share already paid to the shareholders thus making a total of 20% i.e. Rs. 2 per share for the year ended June 30, 2025.
5. To confirm and approve the transactions conducted by the Company with related parties, as disclosed in the Financial Statement for the year ending June 30, 2025, by adopting the following special resolution, with or without amendments:

“RESOLVED THAT all transactions conducted with Related Parties, as disclosed in Note 39 of the unconsolidated financial statements for the year ended June 30, 2025, and detailed in the Statement of Material Information under Section 134(3), be and are hereby ratified, approved, and confirmed.”

6. To empower the Board of Directors of the Company to approve transactions with related parties for the financial year ending on June 30, 2026, by adopting the following special resolutions, with or without modifications:

“RESOLVED THAT the Board of Directors of the Company is hereby authorized to approve transactions with Related Parties on a case-by-case basis for the financial year ending on June 30, 2026.”

“RESOLVED FURTHER THAT these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.”

7. To consider and, if deem fit, pass the following resolutions as ordinary resolutions under Section 182 of the Companies Act, 2017, with or without modification, as recommended by the Directors:

“RESOLVED THAT subject to compliance with the provisions of the Companies Act, 2017 and requisite regulatory approval under the Companies Act, 2017, approval of the members of the Company be and is hereby accorded in terms of section 182 of the Companies Act, 2017 for making interest bearing House loan, repayable in five years, to Ms. Nadia Bilal, executive director of the Company up to ten million rupees.”

“**RESOLVED FURTHER THAT** the Chief Financial Officer and / or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things and take any or all necessary steps and actions to complete all legal formalities including signing of agreement and other documents and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolution.”

8. To Transact any other business with the permission of the Chair.

By order of the Board



Muhammad Umer Qureshi
Company Secretary

Lahore
Dated: October 01, 2025

NOTES:

1. Closure of Share Transfer Books

For attending AGM and vote at the AGM:

The Share Transfer Books of the Company will remain closed from 15-10-2025 to 22-10-2025 (both days inclusive). Transfers Physical / CDS received in order by our Share Registrar, M/s Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore up to close of office timings on 14-10-2025 will be treated in time for the purpose of attending the meeting and vote at the AGM.

For entitlement of Final Cash Dividend:

The Share Transfer Books of the Company will remain closed from 15-10-2025 to 22-10-2025 (both days inclusive) for entitlement of 10% Final Cash Dividend i.e. Re. 1 per share. Transfers Physical / CDS received in order by our Share Registrar, M/s Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore up to close of office timings on 14-10-2025 will be treated for above entitlement.

2. Participation in the Annual General Meeting

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. The instrument appointing proxy must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting.

CDC Account Holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account, and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account, and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.
- (v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

C. Virtual Participation in the AGM Proceedings

Shareholders interested in attending the AGM virtually are hereby advised to get themselves registered with the Company by providing the following information via email at generalmeetings@nishat.net.

| Name of Shareholder | CNIC No. | Folio No./CDC Account No. | No. of Shares held | Phone No. | Email Address |
|---------------------|----------|---------------------------|--------------------|-----------|---------------|
| | | | | | |

Online meeting link and login credentials shall be shared with members who have submitted request via email containing all the required particulars by the close of business on Tuesday October 14, 2025.

3. Electronic transmission of Notice of Annual General Meeting and Annual Report 2025:

In compliance with section 223(6) of the Act read with S.R.O. 452(I)/2025 dated March 17, 2025, by SECP, the Company has electronically transmitted the Notice of the Annual General Meeting and the Annual Report of 2025 through email to its shareholders whose email addresses are available with the Company's Share Registrar, M/s Hameed Majeed Associates (Pvt) Ltd. The printed notices of the AGM, after insertion of the weblink and QR enabled code for downloading the Annual Report, have also been dispatched under S.R.O. 389 (I)/2023, dated March 21, 2023. The Financial Statements of the Company for the year ended June 30, 2025, along with the reports have also been uploaded on the website of the Company.

However, the Company shall provide hard copies of the Annual Report to any member on their demand, at their registered address, free of cost, within one week of receiving such request on specified consent letter/form which is available on the Company's website www.nishat.net.

Further, shareholders are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, M/s Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore, if the Member holds any shares in physical form or to the respective Member's Participant/Investor Account Services, if shares are held in book entry form.

4. Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001 ("Income tax Ordinance")

The rates of deduction of withholding tax for Filers and Non-Filers as prescribed under Section 150 of the Income Tax Ordinance 2001, are as below:

- Filler 15%
- Non-Filler 30%

Withholding tax on Dividend in case of Joint Account Holders

Members who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such situation, each account holder is to be treated as either a Filer or a Non-Filer, and tax will be deducted according to his/her shareholding.

If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares, and the deduction will be made accordingly. Therefore, to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below mentioned details of their shareholding to the Share Registrar of the Company at the latest by the Annual General Meeting date.

| Folio/CDC A/c No. | Total No of Shares | Name of Principal Shareholder | Shareholding | Name of Joint Shareholder and NIC | Shareholding |
|-------------------|--------------------|-------------------------------|--------------|-----------------------------------|--------------|
| | | | | | |

Valid Tax Exemption Certificate for Exemption from Withholding Tax

A valid tax exemption certificate is necessary for exemption of the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, and wish to seek an exemption must provide a copy of their valid tax exemption certificate to our Share Registrar prior to the date of commencement of book closure, otherwise tax will be deducted according to the applicable laws.

5. Declaration for exemption of Zakat

Zakat will be deducted from the dividend at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Any shareholder who wants to claim exemption shall submit Zakat declaration under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 on prescribed Form CZ-50, to our Share Registrar, M/s. Hameed Majeed Associates (Pvt.) Ltd., otherwise no exemption will be granted. The shareholders, while sending the Zakat Declarations as the case may be, must quote Company name and their respective Folio Numbers / CDC Account Numbers. Zakat Declarations received before first of Shaaban are entitled.

6. Electronic Dividend Mandate

In accordance with the provisions of section 242 of the Companies Act, 2017, dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders.

To receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in the "E-DIVIDEND FORM" for Electronic Credit of Cash Dividend available on the Company's website i.e www.nishat.net and send it duly signed along with a copy of valid CNIC to the Share Registrar, M/s Hameed Majeed Associates (Pvt.) Ltd., H.M. House, 7-Bank Square, Lahore, in case of physical shares. In case of shares held in CDC, Electronic Dividend Mandate Form must be directly submitted to Shareholder's brokers / participant / CDC account services.

In case of non-receipt of above information/form, the Company will be constrained to withhold payment of dividends to shareholders. As per SECP directives, the dividend of shareholders, who's valid CNICs are not available with the Share Registrar, may be withheld. All shareholders who have physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Share Registrar, Hameed Majeed Associates (Pvt.) Ltd. without any further delay.

7. Change of Address

Members are requested to notify any change in their addresses immediately. Shareholders are requested to provide above mentioned information/documents to (i) respective Central Depository System (CDS) Participants and (ii) in case of physical securities to the Share Registrar of the Company.

8. Conversion of physical shares into CDS

In compliance with the requirements of Section 72 of the Companies Act, every existing listed company shall be required to replace physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, that is, May 30, 2017.

Members having physical share certificates are requested to convert their shares from physical form into book entry form as early as possible. It would facilitate the Members in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market at better rates.

9. Financial Statements and Reports Published on www.nishat.net

The Company has placed the audited Separate and Consolidated Financial Statements for the year ended June 30, 2025 along with the Auditor's and Directors' Reports thereon, Chairman's Review and notice of AGM on its website: www.nishat.net.

10. Procedure for voting on Special Business Resolutions

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 ("the Regulations") amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Nishat (Chunian) Limited (the "Company") will be allowed to exercise their right to vote through the electronic voting facility or voting by post for the special businesses in its forthcoming Annual General Meeting to be held on 22-10-2025, at 11.00 A.M., in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

A. Procedure for E-Voting:

I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on 14-10-2025.

II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).

III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

IV. E-Voting lines will start from 19-10-2025 and shall close on 21-10-2025 at 5:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

B. Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with a copy of the Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through a post on the Company's registered office address, 31-Q, Gulberg – II, Lahore or email at

generalmeetings@nishat.net, one day before the Annual General Meeting i.e. on October 21, 2025, up to 5 p.m.. The signature on the ballot paper should match the signature on the CNIC. This postal ballot paper is also available for download from the website of the Company at www.nishat.net or use the same as attached to this Notice and published in newspapers. Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.

E-voting Service Provider:

M/s CDC Share Registrar Services Limited

11. Prohibition of Gifts

In compliance with Section 185 of the Act read with Circular 2 of 2018, dated February 09, 2018, and S.R.O. 452(I)/2025 dated March 17, 2025, SECP has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway/packages) in any form or manner, to the shareholders at or in connection with Meeting.

STATEMENT OF MATERIAL FACTS AS REQUIRED UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF SPECIAL BUSINESSES TO BE TRANSACTED AT THE FORTHCOMING ANNUAL GENERAL MEETING IS APPENDED BELOW:

Agenda Item No. 5 – Ratification and Approval of the Related Party Transactions.

Pursuant to Clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, related party transactions are required to be approved by the Board on a quarterly basis upon the recommendation of the Audit Committee. However, as the majority of Directors were interested during the year owing to common directorships, these transactions are now being placed before the shareholders at the Annual General Meeting for their approval.

All transactions with related parties to be ratified have been disclosed in note 39 to the unconsolidated financial statements for the year ended June 30, 2025. Party-wise details of such related parties' transactions are given below:-

| | 2025 | 2024 |
|--|---------------|---------------|
| | Rupees | Rupees |
| Sweave Inc. - wholly owned subsidiary company of Nishat Chunian | | |
| USA Inc. - wholly owned subsidiary company | | |
| Sale of goods | 129,767,942 | 77,199,764 |
| Nishat Chunian Properties (Private) Limited - wholly owned subsidiary company | | |
| Payment of expenses on behalf of subsidiary company | 728,022 | 633,140 |
| T L C Middle East Trading L.L.C - wholly owned subsidiary company | | |
| Payment of expenses on behalf of subsidiary company | 82,471,007 | 1,815,002 |
| Sale of goods | 11,244,182 | 1,198,766 |
| Saleem Memorial Trust Hospital - associated company | | |
| Donation made | 102,000,000 | 52,000,000 |
| Mian Muhammad Yahya Trust - related party | | |
| Donation made | 14,951,787 | 13,273,677 |
| Pakistan Textile Council - associated company | | |
| Annual membership fee | - | 1,250,000 |
| Nishat Chunian Power Limited – former associated company | | |
| Common facilities cost charged | - | 9,900,000 |

| | 2025 | 2024 |
|--|---------------|---------------|
| | Rupees | Rupees |
| Expenses incurred on behalf of the Company | - | 251,016 |
| Reimbursement of expenses | - | 6,457,568 |
| Income sharing | - | 784,350 |
| Ms. Faryal Riaz Chatha - Key management personnel | | |
| Loans given | 17,028,495 | 6,119,490 |
| Interest charged | 968,790 | 292,851 |
| Directors of the Company - Interim cash dividend paid | 120,431,279 | - |
| Employees' Provident Fund Trust - related party | | |
| Contribution made | 186,769,251 | 163,326,509 |
| Interim Cash Dividend Paid | 981,500 | - |

The nature of relationships with these related parties has been indicated above. Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in Note 38 to the unconsolidated financial statements for the year ended June 30, 2025. The Directors are interested in the resolution only to the extent of their shareholding and having their common directorships in such related parties.

Agenda Item No. 6 – Authorization for the Board of Directors to Approve Related Party Transactions for the Financial Year Ending June 30, 2026.

The Company shall undertake transactions with its related parties during the financial year ending June 30, 2026 in the ordinary course of business. The majority of Directors are interested due to their common directorship in the associated undertakings. In order to promote transparent business practices, the shareholders are required to authorize the Board of Directors to approve transactions with the related parties from time-to-time and on case-to-case basis for the year ending on June 30, 2026, which transactions shall be deemed to be approved by the Shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification. The Directors are interested in the resolution only to the extent of their shareholding and/or only their common directorships in such related parties.

Agenda Item No. 7 of the Notice – Loan to director of the Company

The transaction of making interest bearing House loan repayable in five years, to Ms. Nadia Bilal, executive director of the Company up to Rupees 10,000,000 has been recommended for approval of the members of the Company in Annual General Meeting. The information required under SRO 423(I)/2018 dated 03 April 2018 is as follows:

- a) Name of the person: Ms. Nadia Bilal
- b) Description and purpose of the loan: House loan
- c) Amount of loan: up to Rupees 10,000,000
- d) Rate of interest, markup etc. Interest will be charged at 50% of company's short term weighted average borrowing rate and will be reset every calendar quarter.
- e) Security if any, obtained/ to be obtained by the Company: Provident Fund Balance.
- f) Repayment schedule: Repayable in five years
- g) Other principal terms and conditions: Routine
- h) A brief on the Company's policy regarding the loans for directors or their relatives: The Company policy is to extend House loan to executive directors only subject to approval of Securities and Exchange Commission of Pakistan.

Ms. Nadia Bilal, being an interested director, has not participated in recommending this transaction for approval to members of the Company.

The documents pertaining to above resolutions are available for inspection at the registered office of the Company on any working day up to 21 October 2025 during business hours and at the time of the Meeting.

CHAIRMAN'S REVIEW REPORT

It gives me immense pleasure to present before you, the key role of the Board of Directors (the "Board") of Nishat (Chunian) Limited alongside the economic and business outline, for the year ended June 30, 2025.

The Company's sales declined slightly to PKR 85.43 billion in 2025, compared to PKR 88.8 billion in 2024, reflecting a year-on-year decrease of 3.88%. Despite the drop in revenue, we reported a net profit of PKR 789.2 million. While the gross profit margin narrowed, net margins showed a modest improvement, primarily driven by enhanced financial management.

Nishat (Chunian) Limited takes pride in its Board which lays out the company's strategic direction and is undoubtedly its core strength. The requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, along with the directives issued under the Companies Act, 2017 with respect to the Board, directors, and their committees have been complied with.

The Company has a seven-member Board which comprises of directors with diverse backgrounds, having the knowledge and experience relevant to the business of the Company. All the Directors, including Independent Directors, fully participated and contributed to the decision-making process of the Board.

The Board of Directors, comprising seven (7) members, reflects diversity in its composition, which brings multiple perspectives, fosters innovation, and strengthens risk management and oversight.

During the year, changes were made to the composition of the Board. Ms. Sehar Adil was appointed as Director with effect from December 31, 2024, succeeding Ms. Anoosh Nisar Zain, who tendered her resignation on November 26, 2024.

Furthermore, Mr. Muhammad Azam Siddiqui resigned as Chairman of the Company and was succeeded by Mr. Shahzad Saleem, effective March 1, 2025. On the same date, Mr. Shahzad Saleem stepped down from the position of Chief Executive Officer and was succeeded by Mr. Zain Shahzad of Nishat (Chunian) Limited.

The performance of the Board, which is reviewed and assessed against a sophisticated criterion, depicted the utmost competence and diligence on their part. Key features of the Board's achievements are as follows:

- Clearly understanding the vision, mission and values of the Company while ensuring compliance with these at all levels;
- Devising strategic plans and making informed decisions that are aligned with the interests of the Company and its stakeholders;
- Continuously reviewing business performance and affairs while taking into consideration, key findings of internal and external auditors as well as independent consultants (as and where applicable);
- Maintaining a diverse mix of executive and non-executive directors including independent directors, while ensuring commensurate engagement in key decision-making;
- Evaluation of material investment decisions;
- Upholding and maintaining an effective control environment and best corporate governance practices.

Furthermore, all major issues throughout the year were presented before the Board and its committees. The Audit Committee and HR & Remuneration Committee assisted the Board in a sublime fashion to strengthen the functions of the Board. Self-evaluation was carried out by the Board to identify potential areas for further improvement, in line with global best practices.

Finally, I would also like to express gratitude to our board of directors, employees, shareholders, customers, bankers, regulatory authorities, and other stakeholders for their continued support and confidence in this enterprise.



Shahzad Saleem
Chairman

Date: September 19, 2025
Lahore

DIRECTOR'S REPORT

The Directors of Nishat Chunian Limited are pleased to present the financial results of the Company which include both, separate and consolidated audited financial statements for the fiscal year ended June 30, 2025.

Overview

The financial year 2024-25 demonstrated a moderate performance, with revenue decreased from Rs. 88.8 billion in FY-2024 to Rs. 85.4 billion in FY 2025. The overall sales dropped by 3.9% as compared to same period last year. This decline in sales was majorly attributed to the Spinning Division which experienced a dip of 12%, in contrast to this, Weaving and Home Textile Divisions register an increase of 19% and 3% respectively. Declining sales and respective margins have also weighed down gross profit as it declined from 12.27% in 2024 to 10.34% in current financial year.

Overall profitability has seen a slight improvement as the reported Net Profit stands at Rs. 789 million (0.92% of the total revenue as compared to 0.78 % in last year). This was due to better financial management as borrowing cost has substantially decreased by 38% from last year to Rs. 4.8 billion in FY 2025.

Management firmly believes that results can be further improved by committing to efficient cost management, better tax planning and making prudent financial strategies.



Year at a Glance

| Financial Highlights | For the Year Ended | | Increase / (Decrease) |
|------------------------------|--------------------|----------------|-----------------------|
| | 2025 | 2024 | |
| Sales (Rs.) | 85,427,485,908 | 88,879,551,818 | (3.9%) |
| Gross Profit (Rs.) | 8,833,311,491 | 10,909,256,322 | (19%) |
| Profit from Operations (Rs.) | 6,686,939,603 | 8,997,839,256 | (26%) |
| Profit After Taxation (Rs.) | 789,206,120 | 691,671,497 | 14% |
| Gross Profit % | 10.34% | 12.27% | |
| Profit After Taxation % | 0.92% | 0.78% | |
| Earnings Per Share (Rs.) | 3.29 | 2.88 | |

Appropriations

The Board of Directors has recommended and declared a **Final dividend of Rs. 1 per share** during current financial year, it is in addition to **interim dividend of Rs. 1 per share** declared earlier this year.

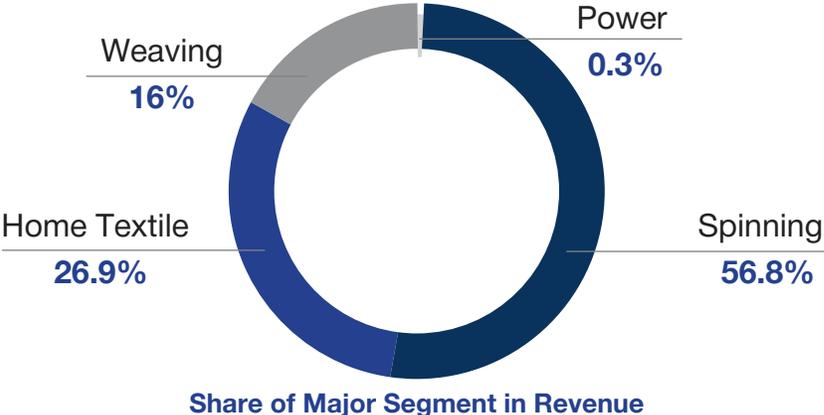
Investments

Considerable investments were made during the year in different textile segments, mainly for improvements in operational efficiency. A summarized overview is given below:

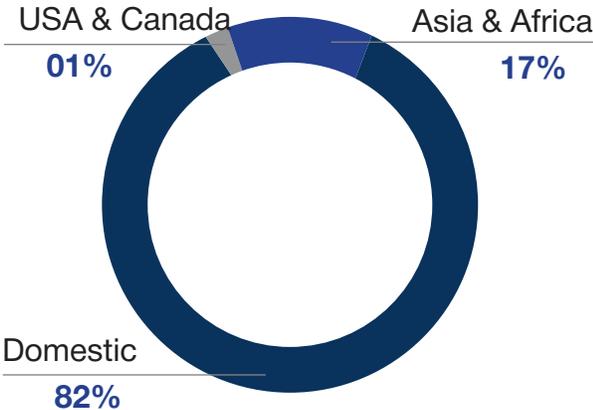
| Business Segment | Machinery Added | Investment (PKR in million) |
|----------------------|---|-----------------------------|
| Spinning | Building for Autocoro blow room | 181 |
| | Cotton Godown Spinning 06 | 98 |
| | 04 Zoomer Contamination Sorter | 61 |
| | 02 Compact Attachment for RX-300 Ring Machines | 19 |
| | 03 Compact Attachment for RX-240 Ring Machines | 17 |
| | 01 Fork Lifter | 15 |
| Weaving | 01 TTS30S Type new spun Sizing Machine | 188 |
| | 02 Rolling Machine length 140" (main screen) | 7.8 |
| | 100 frames PIC. LP340 c331 drc30 158x158 hybrid for Picanol | 7.8 |
| Home Textiles | Biomass Boiler | 437 |
| | Waste Heat Recovery Boiler | 28.6 |
| | Coater Mandarin 3130 for single and double | 16 |
| | Polymerizer Orange 3531/9 including rounding | 13 |
| | Duck Feather Pillow Filling Machine | 6.7 |

Segment Wise Report

Considerable investments were made during the year in different textile segments, mainly for improvements in operational efficiency. A summarized overview is given below:



Spinning



The spinning business witnessed some recovery in terms of its performance from last year; however, the business sentiments for the yarn segment remained challenging throughout the year. The divisional sales clocked in at PKR 48.5 billion, a decrease of 11.92% compared to 2024.

Despite of the challenge from foreign competitors, the local sales upheld the major share as it contributed to 82% of the total spinning revenue. Domestic revenue has increased by 11% compared to last year. In contrast, yarn exports experienced a downward trend due to slower demand for domestic yarn in major export markets, such as China and Bangladesh, and geopolitical tensions, especially across the border.

Due to extremely high production costs, stringent tax reforms, and exemptions on duties on imported yarn, China and Vietnam captured a significant portion of our market share with much more attractive prices, forcing many Pakistani spinning mills to shut down.

The country's annual cotton production experienced a major downturn. In the current year, cotton arrivals have reached only 5.5 million bales (compared to 8.4 million bales in 2024), due to a shortfall in cotton production in Punjab and Sindh.

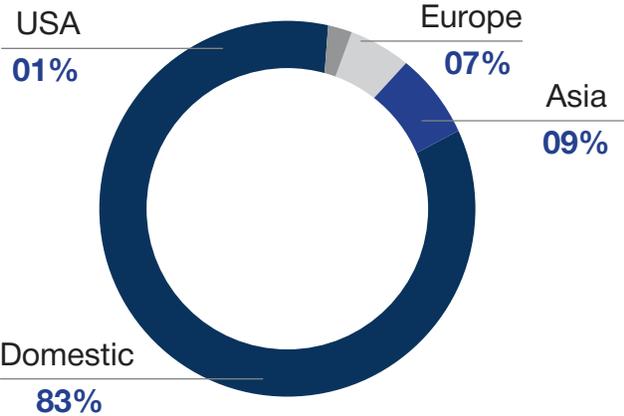
The divisional loss was significantly impacted by the depression in global cotton prices, which remained at the lowest levels throughout the year. Consequently, the sales price variance was unfavourable compared to last year.

Depressed cotton prices and lack of international demand for domestic yarn keep the textile business in check. Furthermore, the lack of tax incentives and the growing minimum wage have adversely affected the company's profitability, especially in the Spinning Division.

However, management is diligently working to address these multiple crises. The company is confident that improved sourcing strategies, efficient inventory management, cost control, and enhanced operational efficiency will positively impact the division's future performance.

The company has successfully installed additional contamination sorter machines. This new machinery has enhanced both product quality and productivity.

Weaving

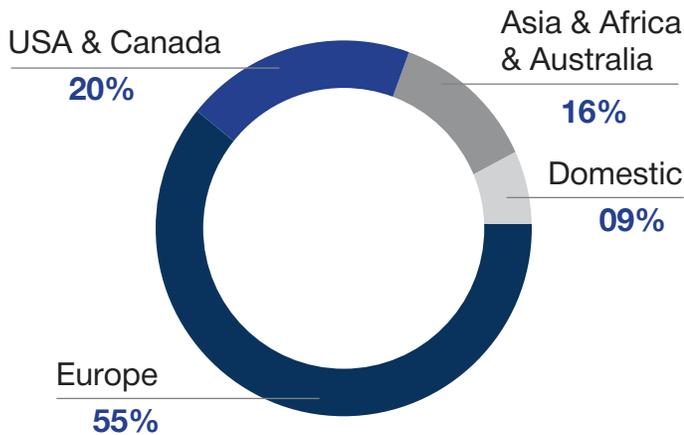


Weaving Division's upward revenue spree continued throughout the year. Total sales clocked to a record high number of Rs. 13.64 billion this year, which is 19% higher than last year. A major portion of the sale was in local markets as domestic sales increased by 25% in contrast to the FY 2024.

The global macroeconomics and the country's political scenarios are not supportive of the textile business. However, the management believes that better sourcing strategies paired with focused margin and operational optimization will provide the impetus for growth and profitability in this sector.

The company is continuing upgrading to a more modern sizing machine which leads to significantly enhanced production efficiency and reduced waste. This upgradation will assist in improving the yields and the operational efficiency of the overall segment.

Home Textiles



Despite sector-wide pressures on margins and liquidity, these initiatives have strengthened our resilience and competitiveness. By proactively managing energy costs and prioritizing sustainability, we are well-positioned to sustain operations effectively and pursue growth in sales and profitability in FY 2025-26.

During the year under review, Home Textile's turnover clocked in at Rs. 22.18 billion. The operating environment for Pakistan's textile industry remained difficult, with persistent inflation, elevated fuel and energy prices, and higher costs of imported raw materials. The situation was further compounded by high interest rates, exchange rate volatility, and the removal of government energy subsidies, all of which drove up the cost of doing business.

To counter these challenges, we focused on reducing utility and production costs through renewable energy initiatives. Our 1.6 MW solar power plant continued to supply electricity to the stitching and dyeing units, providing significant savings and protection against volatile grid tariffs. In addition, we successfully installed a biomass-based steam generation system during the year. This transition has allowed us to completely avoid the use of coal, substantially reducing costs while also contributing to our sustainability agenda by lowering greenhouse gas emissions.

Due to extremely high production costs, stringent tax reforms, and exemptions on duties on imported yarn, China and Vietnam captured a significant portion of our market share with much more attractive prices, forcing many Pakistani spinning mills to shut down.

The Linen Company (TLC) achieved a 0.4% revenue growth compared to the previous year, despite intensified competition in the home textile market and reduced consumer purchasing power due to rising inflation. This positive result reflects our continued commitment to delivering premium-quality products and exceptional customer service. Despite challenges, we remain committed to providing high-quality products and exceptional customer service. To address the market competitiveness and broaden our reach, we have strategically planned to increase our retail presence nationwide and provide greater accessibility to our customers. We believe that, this strategic expansion will not only help us overcome the current challenges but also position TLC for sustainable growth in the future.

Recognizing the continued growth potential of E-commerce, the Company has sustained its global expansion through its wholly-owned subsidiary, TLC Middle East Trading L.L.C. During the year, the subsidiary recorded a 25% increase in annual revenue, driven primarily by strong performance on the Amazon E-commerce platform. In addition to its online operations, TLC Middle East Trading L.L.C. inaugurated a new physical retail outlet in Sharjah, further strengthening its footprint in the UAE and enhancing customer accessibility through an omnichannel strategy.

Power

We operate a 46 MW coal-fired power plant that meets the energy demands of our spinning and weaving units, with surplus electricity supplied to nearby Bulk Power Consumers. Rising LESCO and SNGPL tariffs have made our in-house coal power the most cost-efficient source of electricity, giving our mills a competitive edge.

Our power mix includes 1.68 MW of solar energy and a biomass boiler that generates steam for greener operations. Backup supply is ensured through 15 MW standby gas generators and a connection from LESCO.

Future Outlook

The company's business outlook is closely tied to macroeconomic conditions and political stability. Currently, foreign markets, trade sanctions, political stability, a downward trend in borrowing costs, and declining inflation are fostering a positive market sentiment.

Spinning: Management remains optimistic regarding the recovery of the spinning business, underpinned by increasing global demand for Pakistani yarn. In line with its strategic objectives, the Company is expanding open-end yarn production capacity while simultaneously enhancing product quality to strengthen its competitive position. Furthermore, the recent withdrawal of the Export Facilitation Scheme (EFS) is strategically viewed as a catalyst for bolstering the domestic value chain. This policy removal enhances the affordability of our yarn for Pakistani fabric and clothing manufacturers, thereby securing a steady domestic demand base and strengthening the entire local industry ecosystem.

Although the domestic cotton crop has experienced a slight reduction during the current season, favourable rates for imported cotton are well-aligned with the Company's sourcing strategy, enabling cost efficiencies and ensuring raw material availability. The Company is proactively managing the potential risk that strict implementation of the EFS withdrawal could pose to export margins by refining its target market strategy to focus on high-value international clients. In addition, intensified social compliance initiatives are expected to further support sustainable export growth, thereby strengthening the Company's position in international markets and positively contributing to business performance.

Nonetheless, challenges such as fluctuating demand patterns and market saturation continue to pose risks. To address these, Management remains committed to implementing a refined and targeted marketing strategy aimed at driving sustainable growth and long-term resilience in the Spinning Division.

Weaving: Our Weaving Division is undergoing a significant capacity expansion to better serve our customers and meet increasing demand. As part of this initiative, we are adding a number of new looms to our existing setup, including 8 Jacquard looms. This will not only increase our overall production capacity but also improve our flexibility in handling complex and high-value fabric designs. With this expansion, we will fulfil customer orders more efficiently while maintaining the high quality standards our clients expect.

Home Textile: As outlined in our previous year's future outlook, we had committed to broadening our global footprint by pursuing opportunities in non-traditional markets while consolidating our position in established regions. During the year under review, these efforts began to reflect in our sales mix.

Exports are increased, supported by stronger demand. Our strategic participation in exhibitions and trade events also helped us unlock growth in Region: Asia, Africa, and Australia.

These regional shifts demonstrate the gradual but positive results of our strategic direction, where diversification and market development are helping mitigate concentration risks. Looking ahead, we will continue to build on these foundations to capture further growth and strengthen resilience across all key markets.

Subsidiary Companies



The Company has also annexed its consolidated financial statements along with separate financial statements in accordance with the requirements of the International Financial Reporting Standards and the Companies Act, 2017.

| Financial Highlights | 2025 | 2024 |
|--------------------------------------|--------------------|--------|
| | For the Year Ended | |
| Turnover | 85,505 | 89,045 |
| Gross Profit | 8,973 | 11,065 |
| Profit before Levy and Taxation | 1,821 | 1,264 |
| Levy and Taxation | 1,070 | 553 |
| | (Rupees) | |
| Earnings per share (basic & diluted) | 3.13 | 2.96 |

Following is a brief description of all the subsidiary companies:

Nishat Chunian USA Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. It is a wholly owned subsidiary incorporated with the principal objective of liaising with Nishat (Chunian) Limited's marketing department providing access, information, and other services relating to USA Market and importing and distributing home textile products to local retailers in the USA.

Sweave Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The principal business of Sweave Inc. is the sale of home textile products to its domestic customers through E-commerce channel. Sweave Inc. is a wholly owned subsidiary of Nishat Chunian USA Inc.

Nishat Chunian Properties (Private) Limited is a private limited company that was incorporated in Pakistan under the Companies Act, 2017 on 31 January 2022. The principal line of business of Nishat Chunian Properties (Private) Limited is marketing and development of all types of real estate including developed or undeveloped land, housing or commercial projects including commercial markets or multistoried building (for commercial or residential purposes), shopping centers, restaurants, hotels, recreational facilities, etc.

T L C Middle East Trading L.L.C is a limited liability company - Single Owner (LLC - SO), incorporated in pursuance to Federal Law and registered with the Department of Economic Development, Government of Dubai. The principal business of T L C Middle East Trading L.L.C is textile trading, blankets, towels, and linen trading. Nishat (Chunian) Limited owns 100% shares of T L C Middle East Trading L.L.C. During the year, TLC Middle East Trading L.L.C. also inaugurated a new retail store in Sharjah, further expanding its presence in the UAE market by incorporating a branch by the name of TLC Middle East Trading L.L.C Shj Br 1.

With reference to the qualification made by the auditors' in their report on consolidated financial statements, we have used un-audited financial statements of the Subsidiary Companies outside Pakistan to prepare consolidated financial statements as Nishat Chunian USA Inc. and Sweave Inc. are incorporated under the Business Corporation Laws of the State of New York and the governing law does not require audit of financial statements of these Subsidiary Companies. Audit of **T L C Middle East Trading L.L.C** shall be conducted in due course. Total assets, total turnover and net profit pertaining to the aforesaid Subsidiary Companies incorporated in the consolidated financial statements are insignificant."



Corporate Social Responsibility

Management strongly believes in social welfare and community service, and endeavors to make it an integral part of our company’s culture. We add substantially to the national exchequer through the payment of various taxes, duties and levies, and our export earnings contribute considerably to stabilizing the country’s foreign exchange position as the Company is counted among the top exporters of the country.

We are an equal opportunity employer and are unbiased to gender, class, ethnicity and religion as we believe in the culture of meritocracy. We provide our employees with a work environment that is healthy, safe and conducive to continuous learning.



Employee health and wellness is a core value at NCL and we strive to improve and support the health and fitness of our employees. A Health Screening Drive was conducted in partnership with Saleem Memorial Hospital where employees were provided with free-of-cost health screening tests followed by physician consultation for expert medical advice.

In 2025–26, the company will continue to strengthen its commitment to responsible business practices and community impact. Building on last year’s initiatives—such as powering our head office with solar energy, installing power-efficient LED lighting, and conducting employee training on conservation—we expanded our sustainability focus by introducing renewable and cost-efficient energy solutions. These initiatives reflect our broader ESG commitment to responsible resource management, prudent governance, and long-term value creation for stakeholders.



Furthermore, the water used at spinning and weaving mills is provided to the local farmers free of cost. The coal power plant is also equipped with a state-of-the-art online emission monitoring system to ensure that the emissions comply with international and local standards. The coal power plant has also been equipped with an air quality monitoring system, which monitors pollution levels in the atmosphere.

As part of its philanthropic endeavors, the company donates to a school, operating under the Saleem Memorial Foundation (formerly Mian Muhammad Yahya Trust) which provides quality education to the underprivileged at a nominal fee.

The company along with other philanthropists has set up the state-of-the-art, not-for-profit, Saleem Memorial Hospital. This 350-bed hospital spans over a covered area of 500,000 sqft. and has modern facilities, operation theaters, clinics and the first, Level III trauma center in Lahore. It is run by a team of qualified doctors and expert staff. The hospital is based on a self-sustainable model which comprises of two revenue streams, regular fee and cross subsidy (surplus revenue, zakat and donations). As part of its philanthropic endeavors, Nishat (Chunian) Limited have generously donated in noble cause. A total of PKR 102 million was donated to Saleem Memorial Hospital by Nishat (Chunian) Limited in this financial year.

Risk Management

We understand that exposure to risk is inevitable to any business that seeks to grow and compete in the industry. The company is exposed to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk. This necessitates the establishment of a rigorous system of risk management, which entails developing internal controls to identify, assess, monitor and manage risks related to the company's activities. We aim to continually improve our understanding of the risk/reward ratio in various situations and reduce the risks to acceptable levels.

We do this by promoting a culture of anticipating risk and its mitigation, across the organization. The company has implemented various standard operating procedures to manage risks. These are periodically reviewed by management to avoid obsolescence and are updated with evolving circumstances. The board oversees the compliance of said procedures. We believe in embedding risk management into the ethos of the business, with an awareness instilled in employees at all levels. The presence of risk management policies is balanced by our encouragement and facilitation of enterprise and innovation.

Internal Financial Controls

At NCL, we have a system of internal financial controls that is both; rigorous and dynamic. The risk management and internal control processes are designed to safeguard the company's assets, detect and prevent fraud, and to ensure compliance with all legal/statutory requirements. The internal controls are regularly reviewed and monitored by the Internal Audit function which carries out periodic audits and reports its findings to the management and highlighting possible areas of improvement. The internal audit function has a strong focus on the prevention of any loopholes in the internal control system. The Internal Audit function ensures that the internal controls address and/or mitigate emerging risks being faced by the company.

The Board is fully aware of its responsibilities regarding the establishment and management of an effective and efficient internal control system. The board directly oversees the periodic review and proper implementation of the suggestions put forth by the Internal Audit function. As a result of this, the implementation of internal controls is ensured and a high degree of reliance is placed on their functionality.



Environmental Impacts

The company gives due consideration to the impact of our activities on the environment and aspires to contribute to the well-being of society.

Energy Conservation

To promote power generation from renewable energy sources, we have taken up the initiative to power up our head office entirely via a solar-powered energy system. We have installed a solar power plant having a capacity of 1.6 MW for electricity generation to run our stitching and dyeing unit. We are actively engaged in exploring ways to conserve energy and have transitioned to power-efficient LED lights at manufacturing units to save energy. Moreover, training sessions are conducted regularly for employees to promote energy conservation.

Environment Protection

We made significant progress in minimizing our ecological footprint through clean energy and resource efficiency measures. In January 2025, a waste heat recovery boiler (1.2 ton/hr) was installed to capture exhaust heat from biomass-fired thermo oil heater stacks, improving overall energy utilization. In addition, a biomass-based steam generation system was successfully commissioned, enabling the elimination of coal, lowering production costs, and substantially reducing greenhouse gas emissions. Alongside the earlier 1.6 MW solar power plant and Effluent Treatment Plant (ETP), these measures underscore our commitment, while embedding ESG principles of climate action, energy conservation, and responsible resource management into our core business strategy.

We constantly review the proposals made by the government in respect of environmental protection and ensure their implementation. We operate a wastewater treatment plant to protect the environment from the hazardous impacts of our industrial processes. The Company also operates a caustic recovery plant to recover caustic from wastewater and also aims to use eco-friendly dyes & chemicals to lower the pollution load over our waste streams. The coal power plant is equipped with a state-of-the-art online emission monitoring system to ensure that the emissions comply with international and local standards. The coal power plant has also been equipped with an air quality monitoring system, which monitors pollution levels in the atmosphere. Further, we regularly keep track of environmental monitoring reports to find out if we are compliant with all the regulatory standards.

Furthermore, to support renewable energy generation, we have taken the initiative to power our site's production process with a biomass energy system. Biomass steam boiler has started power generation during fiscal year under review. This project is not only cost efficient but also highly eco-friendly.

The Company has also invested in eco-friendly technologies by investing in plants for the treatment of waste water and to switch from conventional fossil fuel to biomass fuels for steam production at the Home Textile Division.

Occupational Safety and Health

We implement comprehensive health and safety awareness initiatives and periodically organize complimentary medical camps. Furthermore, we conduct systematic fumigation across all manufacturing facilities, employing advanced fogging machines to mitigate the risks of diseases such as dengue and coronavirus.

The company ensures the availability of firefighting equipment and vehicles at each manufacturing site. Regular fire drills are conducted, and employees receive fundamental training to equip them for potential emergencies.

Statement of Value Addition & Distribution

| | Rs. In Millions |
|---|-----------------|
| Wealth Generated | |
| Total revenue and other income | 86,113 |
| Bought in material and services | (71,239) |
| Depreciation & amortization | (1,846) |
| | 13,028 |
| Wealth Distribution | |
| To Government & Society | |
| Employee remuneration | 6,122 |
| Donation | 117 |
| Tax, WPPF & WWF | 1,171 |
| To providers of Finance | |
| Finance Cost | 4,829 |
| Dividend | 480 |
| Total Distribution | 12,719 |
| Retained for reinvestment and future growth | 309 |

Statement of Compliance

The requirements of the Code of Corporate Governance have been adopted by the Company and have been duly complied with, a statement to this effect is annexed to the report.

Corporate Governance

During the year your company remained compliant with the Code of Corporate Governance requirements except as mentioned in the annexed Statement of Compliance.

Composition of Board of Directors:

The diverse mix of gender, knowledge, expertise and skill sets of the members enhances the effectiveness of our Board. Our Board composition represents the interests of all categories of shareholders and it consists of:

Total number of Directors:

- Male 4
- Female 3

Composition

The composition of the Board is as follows:

| Category | Names |
|-------------------------|---|
| Independent Directors | Mr. Muhammad Azam Siddiqui [Resigned as Chairman with effect from 1 March 2025] Mr. Ahmad Hasnain |
| Non-Executive Directors | Ms. Anoosh Nisar (Female Director) [resigned as Director on 26 November 2024] Ms. Sehar Adil (Female Director) appointed as Director with effect from December 31, 2024, succeeding Ms. Anoosh Nisar Zain, who tendered her resignation on November 26, 2024 Ms. Mahnoor Adil (Female Director) |
| Executive Directors | Mr. Shahzad Saleem (Chairman) [Resigned as Chief Executive officer and appointed as Chairman with effect from 1 March 2025] Mr. Zain Shahzad (Appointed as Chief Executive officer with effect from 1 March 2025) Ms. Nadia Bilal (Female Director) |

Board of Directors' Meetings:

Relevant to the year under review, four (4) meetings were held. Attendance by each director is as follows:

| Name of Directors | No. of Meetings |
|--|-----------------|
| Mr. Shahzad Saleem (Chief Executive Officer) | 3 |
| Mr. Zain Shahzad (Chief Executive Officer) | 3 |
| Ms. Nadia Bilal | 4 |
| Mr. Muhammad Azam Siddiqui (Ex -Chairman) | 4 |
| Ms. Mahnoor Adil | 2 |
| Mr. Ahmad Hasnain | 2 |
| Ms. Anoosh Nisar Zain | 0 |
| Ms. Sehar Adil | 0 |

Director's Remuneration

The remuneration of Directors and fee for attending Board meeting is determined by an approved policy in accordance with Companies Act, 2017 & the Listed Companies (Code of Corporate Governance) Regulations, 2019. Refer to Note 38 to the financial statements for disclosure with respect to remuneration of the directors and chief executive.

Audit Committee

The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. The composition of the Audit Committee is as follows:

| Name | Designation held |
|-------------------|------------------|
| Mr. Ahmad Hasnain | Chairman |
| Ms. Mahnoor Adil | Member |
| Ms. Sehar Adil | Member |

HR & Remuneration Committee

In compliance with the Code, the Board of Directors of your Company has established an HR & R Committee. The composition of the HR & R committee is as follows:

| Name | Designation held |
|----------------------------|------------------|
| Mr. Ahmad Hasnain | Chairman |
| Mr. Muhammad Azam Siddiqui | Member |
| Ms. Nadia Bilal | Member |

Auditors

Riaz Ahmad & Company, Chartered Accountants, current auditors will retire at the conclusion of the Annual General Meeting of the Company. Being eligible, they have offered themselves for reappointment for the year ending 30 June 2026. As suggested by the Audit Committee, the Board of Directors has recommended the reappointment of Riaz Ahmad & Company, Chartered Accountants for approval of shareholders in the forthcoming Annual General Meeting.

Material Changes

No material changes and commitments affecting the financial position of the Company occurred between 30 June 2025 and 19 September 2025.

Pattern of Shareholding

The pattern of shareholding as on June 30, 2025 is annexed to this report.

Acknowledgment

The board places on record its profound gratitude for its valued shareholders, banks, financial institutions and customers, whose cooperation, continued support and patronage have enabled the company to strive for constant improvement. During the period under review, relations between the management and employees remained cordial and we wish to place on record our appreciation for the dedication, perseverance and diligence of the staff and workers of the company.

For and on behalf of the Board,



Chief Executive



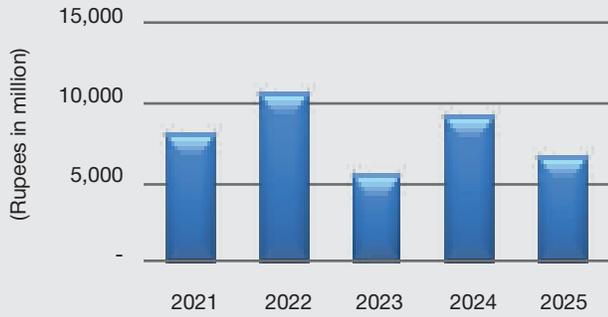
Director

Date: September 19, 2025
Lahore

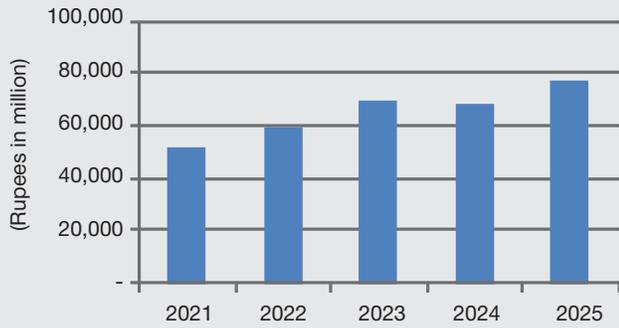
FINANCIAL HIGHLIGHTS

| Year | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|----------------------|-------------|-------------|-------------|-------------|-------------|
| | (Rupees in thousand) | | | | | |
| Net Sales | 35,666,860 | 49,283,753 | 61,988,039 | 67,629,279 | 88,879,552 | 85,427,486 |
| Gross Profit | 4,204,387 | 8,969,147 | 12,974,171 | 6,589,060 | 10,909,256 | 8,833,311 |
| Distribution, Admin and Other Expenses | 1,288,344 | 1,812,963 | 3,166,480 | 2,194,442 | 2,777,144 | 2,831,960 |
| Operating Profit plus Other Income | 3,370,053 | 8,020,198 | 10,551,951 | 5,331,902 | 8,997,839 | 6,686,940 |
| Finance Cost | 2,660,856 | 1,747,035 | 2,204,096 | 5,418,815 | 7,753,984 | 4,828,673 |
| Profit / (Loss) After Tax | 265,369 | 5,598,857 | 7,468,202 | (998,928) | 691,671 | 789,206 |
| Current Assets | 29,157,860 | 32,502,032 | 36,201,977 | 45,502,506 | 44,253,560 | 53,029,380 |
| Total Assets | 47,750,604 | 51,770,042 | 59,435,634 | 69,845,761 | 68,803,346 | 76,558,156 |
| Current Liabilities | 28,036,168 | 26,105,172 | 20,562,842 | 35,853,316 | 36,459,616 | 46,158,758 |
| Total Liabilities | 34,113,205 | 32,773,906 | 34,892,249 | 49,137,638 | 47,403,551 | 54,609,274 |
| Total Equity | 13,637,398 | 18,996,136 | 24,543,385 | 20,708,123 | 21,399,795 | 21,948,882 |
| Cash Flows: | | | | | | |
| Net Cash generated from / (used in) Operating Activities | 1,582,303 | 3,668,689 | 7,457,338 | (9,911,615) | 4,089,983 | (5,262,007) |
| Net Cash generated from / (used in) Investing Activities | (2,717,247) | (1,906,725) | (6,803,460) | (2,703,060) | (1,908,377) | (1,094,742) |
| Net Cash generated from / (used in) Financing Activities | 1,161,100 | (1,536,797) | (717,507) | 12,684,701 | (2,399,689) | 6,397,908 |
| Earnings Per Share | | | | | | |
| Basic | 1.11 | 23.32 | 31.10 | (4.16) | 2.88 | 3.29 |
| Diluted | 1.11 | 23.32 | 31.10 | (4.16) | 2.88 | 3.29 |
| Dividends for the year (per Share) | 1.00 | 5.00 | 7.00 | - | - | 2.00 |
| Dividend Payout Ratio (Dividend / Profit after Tax) | 90% | 21% | 23% | 0% | 0% | 61% |
| Financial Measures: | | | | | | |
| ROE (Net Income / Equity) | 1.95% | 29.47% | 30.43% | (4.82%) | 3.23% | 3.60% |
| ROI (Net Income / Assets) | 0.6% | 10.8% | 12.6% | (1.4%) | 1.0% | 1.0% |
| Shareholders' Equity Ratio (Equity / Assets) | 29% | 37% | 41% | 30% | 31% | 29% |
| Net Debt Equity Ratio (% age) | 213% | 146% | 118% | 206% | 189% | 217% |
| Interest Coverage Ratio (times) | 1.27 | 4.59 | 4.79 | 0.98 | 1.16 | 1.38 |
| P/E ratio (Price per share / EPS) | 29.37 | 2.16 | 1.44 | (4.88) | 9.10 | 12.51 |
| Dividend Yield Ratio (Dividend / Market Value of Share) | 3% | 10% | 16% | 0% | 0% | 5% |
| Common Stock | | | | | | |
| Number of shares outstanding at year end | 240,119,029 | 240,119,029 | 240,119,029 | 240,119,029 | 240,119,029 | 240,119,029 |
| Break up value of shares | 56.79 | 79.11 | 102.21 | 86.24 | 89.12 | 91.41 |
| Market Value of Share as on 30 June | 32.45 | 50.29 | 44.79 | 20.30 | 26.21 | 41.12 |

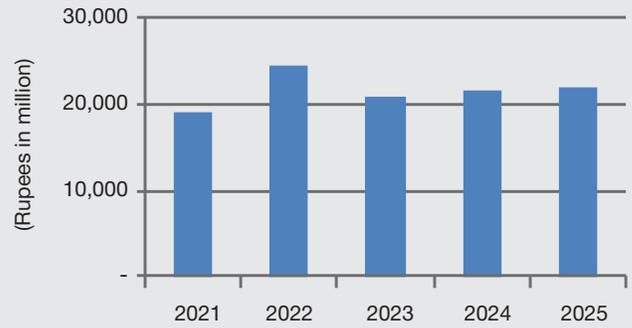
Operating Profit plus Other Income



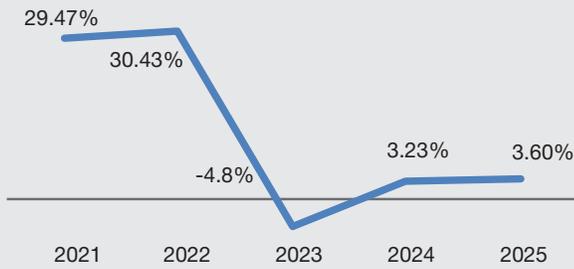
Total Assets



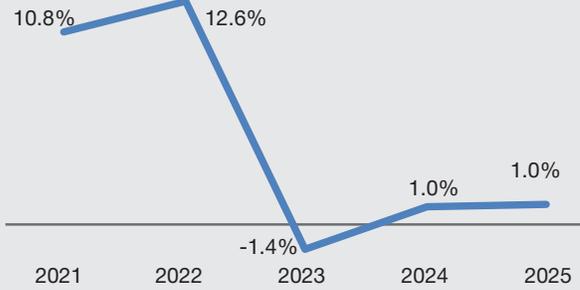
Total Equity



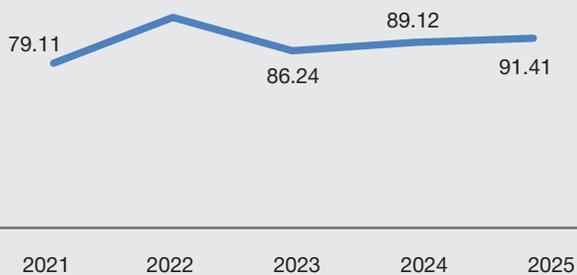
ROE (Net Income / Equity)



ROI



Break up Value of shares



Net Debt Equity Ratio (% age)



GENDER PAY GAP STATEMENT

Under SECP Circular 10 of 2024

The Board is committed to formulating a gender diversity policy for recruitment, promotion, gender pay gap analysis, retention and development of female employees.

We are committed to enhancing gender diversity by ensuring that our hiring, retention, and promotion processes prioritize education, skills, technical expertise, experience, and job performance, free from gender bias. This commitment has fostered a diverse workforce and significantly contributed to the sustained growth of our organization.

The Gender Pay Gap calculated on an overall basis for the year ended June 30, 2025, is as under:

| | |
|-----------------------------|--------|
| (i) Mean Gender pay gap: | -78.0% |
| (ii) Median Gender Pay gap: | -8.3% |

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Regulations”)

Name of Company: Nishat (Chunian) Limited

Year ending: June 30, 2025

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

1. The total number of Directors are seven (7) as per the following:

- a. Male: 4
- b. Female: 3

2. The composition of the Board is as follows:

| Category | Names |
|-------------------------|--|
| Independent Directors | Mr. Muhammad Azam Siddiqui Mr. Ahmad Hasnain |
| Non-Executive Directors | Ms. Sehar Adil (Female Director) [Appointed as Director with effect from 31 December 2024 in place of Ms. Anoosh Nisar who resigned as Director on 26 November 2024] Ms. Mahnoor Adil (Female Director) Mr. Shahzad Saleem (Chairman with effect from 01 March 2025) |
| Executive Directors | Mr. Zain Shahzad (Chief Executive Officer with effect from 01 March 2025) Ms. Nadia Bilal (Female Director) |

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;

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

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

9. Following Director has attained the directors training program certification:

| Name of Director |
|-------------------|
| Mr. Ahmad Hasnain |

Following Director meets the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempted from Directors' training program:

| Name of Director |
|--------------------|
| Mr. Shahzad Saleem |

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

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

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

a) Audit Committee

| Names | Designation held |
|-------------------|------------------|
| Mr. Ahmad Hasnain | Chairman |
| Ms. Mahnoor Adil | Member |
| Ms. Sehar Adil | Member |

b) HR and Remuneration Committee

| Names | Designation held |
|----------------------------|------------------|
| Mr. Ahmad Hasnain | Chairman |
| Mr. Muhammad Azam Siddiqui | Member |
| Ms. Nadia Bilal | 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

Four quarterly meetings were held during the financial year ended 30 June 2025.

b) HR and Remuneration Committee

One meeting of HR and Remuneration Committee were held during the financial year ended 30 June 2025.

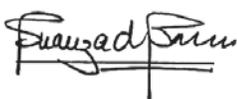
15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating 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 their partners are in compliance with International Federation of Accountants (IFAC) guidelines

on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

| Sr. No. | Requirement | Explanation of Non-Compliance | Regulation Number |
|---------|--|---|-------------------|
| 1 | Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances. | Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board shall consider to constitute nomination committee when required. | 29 |
| 2 | Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board. | Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly. The Board shall consider to constitute risk management committee when required. | 30 |
| 3 | Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy. | Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future. | 35 |
| 4 | Directors' Training Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020. | The Company has planned to arrange Directors' Training Program certification for female executives over the next few years. | 19(3) |
| 5 | Directors' Training It is encouraged that by 30 June 2022, all the directors on the Board should have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. | 2 out of 7 directors of the Company have either acquired Directors' Training Program certification or are exempt from Director's Training Program. The Company has planned to arrange Directors' Training Program certification for remaining five directors in future years. | 19(1) |
| 6 | Directors' Training Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022. | The Company has planned to arrange Directors' Training Program certification for head of department in next few years. | 19(3) |
| 7 | Significant policies The Board is required to approve anti-harassment policy to safeguard the rights and well-being of employees. | Securities and Exchange Commission of Pakistan (SECP) amended regulation 10 of the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time. | 10(4)(xvi) |
| 8 | Role of the Board and its members to address Sustainability Risks and Opportunities The board is responsible for governance and oversight of sustainability risks and opportunities within the Company by setting the Company's sustainability strategies, priorities and targets to create long term corporate value. | SECP introduced new regulation 10A in the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time. | 10(A) |
| 9 | Responsibilities of the Board and its members The Board is responsible for adoption of corporate governance practices by the Company. | Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of the Regulations. | 5 |

20. The two elected independent directors have requisite competencies, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.



SHAHZAD SALEEM
Chairman

September 19, 2025
Lahore

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nishat (Chunian) Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Nishat (Chunian) Limited (the Company) for the year ended 30 June 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 19 September 2025

UDIN: CR202510132a783JbFhv

INDEPENDENT AUDITOR'S REPORT

To the members of Nishat (Chunian) Limited Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

| Sr. No. | Key audit matters | How the matters were addressed in our audit |
|---------|--|---|
| 1. | <p>Inventory existence and valuation</p> <p>Inventory as at 30 June 2025 amounted to Rupees 32,753 million, break up of which is as follows:</p> <ul style="list-style-type: none">- Stores, spare parts and loose tools Rupees 2,038 million- Stock-in-trade Rupees 30,715 million <p>Inventory is measured at the lower of cost and net realizable value.</p> <p>We identified existence and valuation of inventory as a key audit matter due to its size, representing 42.78% of the total assets of the Company as at 30 June 2025, and the judgment involved in valuation.</p> <p>For further information on inventory, refer to the following:</p> | <p>Our procedures over existence and valuation of inventory included, but were not limited to:</p> <ul style="list-style-type: none">• To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management.• For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.• We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last |

| Sr. No. | Key audit matters | How the matters were addressed in our audit |
|------------------|--|---|
| | <ul style="list-style-type: none"> - Material accounting policy information, Inventories note 2.13 to the financial statements. - Stores, spare parts and loose tools note 19 and stock-in-trade note 20 to the financial statements. | <p>recorded invoice.</p> <ul style="list-style-type: none"> • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory. • In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs. • We also made inquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required. |
| <p>2.</p> | <p>Revenue recognition</p> <p>The Company recognized net revenue of Rupees 85,427 million for the year ended 30 June 2025.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> - Material accounting policy information, Revenue recognition note 2.18 to the financial statements. - Revenue note 27 to the financial statements. | <p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements. |
| <p>3.</p> | <p>Contingencies</p> <p>As disclosed in Note 13.1 to the accompanying financial statements, the Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law.</p> | <p>Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have:</p> |

| Sr. No. | Key audit matters | How the matters were addressed in our audit |
|---------|---|---|
| | <p>Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards.</p> <p>Due to significance of amounts involved, uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered this as a key audit matter.</p> <p>For further information on contingencies, refer to the following:</p> <ul style="list-style-type: none"> - Material accounting policy information, Contingent liabilities note 2.1(c) and note 2.22 to the financial statements. - Contingencies note 13.1 to the financial statements. | <ul style="list-style-type: none"> • Obtained and reviewed detail of the pending matters and discussed the same with the Company's management. • Reviewed the correspondence of the Company with the relevant authorities, tax and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved. • Obtained and reviewed confirmations from the Company's external tax and legal advisors for their views on the probable outcome of the open tax assessments and other contingencies. • Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters. • Reviewed and evaluated the adequacy of disclosures made in respect of such contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan. |

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 19 September 2025

UDIN: AR202510132faFXS5RgD

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

| | Note | 2025 Rupees | 2024 Rupees |
|--|------|-----------------------|-----------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | 4 | 3,700,000,000 | 3,700,000,000 |
| Issued, subscribed and paid-up share capital | 4 | 2,401,190,290 | 2,401,190,290 |
| Reserves | 5 | 19,547,691,689 | 18,998,604,598 |
| Total equity | | 21,948,881,979 | 21,399,794,888 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long term financing | 6 | 7,995,910,916 | 10,365,601,631 |
| Lease liabilities | 7 | 60,486,075 | 49,833,019 |
| Deferred liabilities | 8 | 394,118,471 | 528,500,552 |
| | | 8,450,515,462 | 10,943,935,202 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 6,372,594,006 | 5,076,245,184 |
| Accrued mark-up / profit | 10 | 619,545,140 | 1,337,211,195 |
| Short term borrowings | 11 | 36,262,725,757 | 27,055,611,782 |
| Current portion of non-current liabilities | 12 | 2,839,129,323 | 2,922,711,988 |
| Unclaimed dividend | | 64,763,991 | 67,835,936 |
| | | 46,158,758,217 | 36,459,616,085 |
| Total liabilities | | 54,609,273,679 | 47,403,551,287 |
| CONTINGENCIES AND COMMITMENTS | 13 | | |
| TOTAL EQUITY AND LIABILITIES | | 76,558,155,658 | 68,803,346,175 |

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

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

| | Note | 2025 Rupees | 2024 Rupees |
|-------------------------------------|------|-----------------------|-----------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | 14 | 22,867,500,222 | 23,921,648,075 |
| Right-of-use assets | 15 | 87,657,320 | 71,198,322 |
| Intangible assets | 16 | 2,502,355 | 2,055,774 |
| Long term investments | 17 | 510,128,000 | 510,128,000 |
| Long term loans to employees | 18 | 25,982,147 | 10,896,710 |
| Long term security deposits | | 35,005,448 | 33,859,024 |
| | | 23,528,775,492 | 24,549,785,905 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | 19 | 2,038,051,580 | 1,976,066,081 |
| Stock-in-trade | 20 | 30,715,194,059 | 24,524,834,646 |
| Trade debts | 21 | 12,587,064,429 | 11,141,999,102 |
| Loans and advances | 22 | 4,356,495,509 | 3,965,350,513 |
| Short term prepayments | | 10,827,834 | 7,958,936 |
| Other receivables | 23 | 2,440,590,946 | 2,295,742,480 |
| Taxation and levy - net | 24 | 324,672,462 | 130,053,407 |
| Short term investments | 25 | 454,373,920 | 150,604,317 |
| Cash and bank balances | 26 | 102,109,427 | 60,950,788 |
| | | 53,029,380,166 | 44,253,560,270 |
| TOTAL ASSETS | | 76,558,155,658 | 68,803,346,175 |



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 Rupees | 2024 Rupees |
|--|------|------------------|------------------|
| REVENUE | 27 | 85,427,485,908 | 88,879,551,818 |
| COST OF SALES | 28 | (76,594,174,417) | (77,970,295,496) |
| GROSS PROFIT | | 8,833,311,491 | 10,909,256,322 |
| DISTRIBUTION COST | 29 | (1,787,212,876) | (2,102,273,553) |
| ADMINISTRATIVE EXPENSES | 30 | (576,814,794) | (535,261,657) |
| OTHER EXPENSES | 31 | (467,932,510) | (139,608,619) |
| | | (2,831,960,180) | (2,777,143,829) |
| | | 6,001,351,311 | 8,132,112,493 |
| OTHER INCOME | 32 | 685,588,292 | 865,726,763 |
| PROFIT FROM OPERATIONS | | 6,686,939,603 | 8,997,839,256 |
| FINANCE COST | 33 | (4,828,673,225) | (7,753,984,192) |
| PROFIT BEFORE LEVY AND TAXATION | | 1,858,266,378 | 1,243,855,064 |
| LEVY | 34 | (953,069,289) | (515,303,102) |
| PROFIT BEFORE TAXATION | | 905,197,089 | 728,551,962 |
| TAXATION | 35 | (115,990,969) | (36,880,465) |
| PROFIT AFTER TAXATION | | 789,206,120 | 691,671,497 |
| EARNINGS PER SHARE - BASIC AND DILUTED | 36 | 3.29 | 2.88 |

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

| | 2025 Rupees | 2024 Rupees |
|---|----------------|----------------|
| PROFIT AFTER TAXATION | 789,206,120 | 691,671,497 |
| OTHER COMPREHENSIVE INCOME | | |
| Items that will not be reclassified to profit or loss | - | - |
| Items that may be reclassified subsequently to profit or loss | - | - |
| Other comprehensive income for the year | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 789,206,120 | 691,671,497 |

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 Rupees | 2024 Rupees |
|---|--------|-----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 37 | 1,575,903,805 | 12,726,957,005 |
| Net (increase) / decrease in long term security deposits | | (1,146,424) | 100,000 |
| Finance cost paid | | (5,550,985,955) | (7,813,173,189) |
| Income tax and levy paid | | (1,263,679,313) | (826,844,114) |
| Net (increase) / decrease in long term loans to employees | | (22,099,071) | 2,943,736 |
| Net cash (used in) / generated from operating activities | | (5,262,006,958) | 4,089,983,438 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on property, plant and equipment | | (991,111,946) | (2,123,510,652) |
| Proceeds from disposal of operating fixed assets | 14.1.1 | 83,825,517 | 109,800,872 |
| Capital expenditure on intangible assets | 16 | (1,350,111) | (1,085,004) |
| Dividend received | | 1,912,348 | 1,912,348 |
| Short term investments made | | (300,000,000) | (145,160,226) |
| Short term investments disposed of | | - | 96,160,226 |
| Interest received | | 111,981,991 | 153,505,428 |
| Net cash used in investing activities | | (1,094,742,201) | (1,908,377,008) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from long term financing | 37.2 | - | 17,502,940 |
| Repayment of long term financing | 37.2 | (2,511,256,937) | (1,526,718,278) |
| Repayment of lease liabilities | 37.2 | (54,758,266) | (63,062,387) |
| Short term borrowings - net | 37.2 | 9,207,113,975 | (826,106,062) |
| Dividend paid | 37.2 | (243,190,974) | (1,305,135) |
| Net cash from / (used in) financing activities | | 6,397,907,798 | (2,399,688,922) |
| Net increase / (decrease) in cash and cash equivalents | | 41,158,639 | (218,082,492) |
| Cash and cash equivalents at the beginning of the year | 26 | 60,950,788 | 279,033,280 |
| Cash and cash equivalents at the end of the year | 26 | 102,109,427 | 60,950,788 |

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1. THE COMPANY AND ITS OPERATIONS

1.1 Nishat (Chunian) Limited is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Company is engaged in business of spinning, weaving, dyeing, printing, stitching, processing, doubling, sizing, buying, selling and otherwise dealing in yarn, fabrics and made-ups made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity and steam.

1.2 Geographical location and addresses of all business units are as follows:

| Sr. No. | Business units and office | Address |
|---------|--|--|
| | Manufacturing units: | |
| 1 | Spinning Units 1, 4, 5, 7 and 8. | 49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur. |
| 2 | Spinning Units 2, 3, 6, Weaving and 46 MW and 8 TPH process steam coal fired power generation project. | 49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur. |
| 3 | Dyeing, Printing and Stitching. | 4th Kilometre, Manga Road, Raiwind. |
| 4 | Office | 31-Q, 31-C-Q and 10-N, Gulberg-II, Lahore. |
| 5 | Site for office | Plot No. 54, Ataturk Avenue, Street No. 88, Sector G-6/3, Islamabad. |
| 6 | Retail stores | |
| 7 | The Linen Company (TLC) – I | Outlet No. 9-10, 2nd Floor Gulberg Galleria Mall, Lahore. |
| 8 | The Linen Company (TLC) – II | Shop No. 2008, 2nd Floor, Packages Mall, Lahore. |
| 9 | The Linen Company (TLC) – III | Outlet No. 21-22, Lower Ground Floor, WTC Giga Mall, DHA Phase 2, Islamabad. |
| 10 | The Linen Company (TLC) – IV | Shop No. 345, 3rd Floor, Centaurus Mall, Islamabad. |
| 11 | The Linen Company (TLC) – V | Shop No. F-50, 1st Floor, Dolmen Mall, Clifton, Karachi. |
| 12 | The Linen Company (TLC) – VI | Shop 7, Ground Floor, Gold Crest Grand Mall and Residency, Sector DD, DHA Phase 4, Lahore. |
| 13 | The Linen Company (TLC) – VII | Shop 14-B-1, Ground Floor, Mall of Lahore, Tufail Road, Lahore Cantt. |

1.3 As stated in detail in Note 1.3 to the preceding audited annual financial statements of the Company for the year ended 30 June 2024, the Board of Directors and shareholders of Nishat (Chunian) Limited and Nishat Chunian Power Limited in their meetings held on 09 May 2024 and 17 August 2024 respectively approved the Scheme of Arrangement (under sections 279 to 282 of the Companies Act, 2017) (herein refer to as "Scheme") involving Nishat (Chunian) Limited and Nishat Chunian Power Limited and their respective shareholders. The honorable Lahore High Court, Lahore has duly sanctioned the Scheme by way of order dated 01 November 2024. The principal objective of this Scheme was to provide for the re-arrangement and re-construction of Nishat (Chunian) Limited and Nishat Chunian Power Limited by way of exchanging shares amongst Nishat Mills Limited and Mr. Shahzad Saleem, chief executive officer of Nishat (Chunian) Limited. Nishat Mills Limited's shareholding in Nishat (Chunian) Limited has been transferred to, and vested in, Mr.

Shahzad Saleem. In return and as consideration, corresponding part of Mr. Shahzad Saleem's shareholding in Nishat Chunian Power Limited has been transferred to, and vested in, Nishat Mills Limited. Foregoing exchange of shares between Nishat Mills Limited and Mr. Shahzad Saleem has been calculated and determined on the basis of share swap ratio in relation to Nishat (Chunian) Limited and Nishat Chunian Power Limited.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

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

Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

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

Accumulating compensated absences

The provision for accumulating compensated absences is made on the basis of accumulated leave balance on account of employees.

Income tax and levy

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

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provisions

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

Contingencies

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

Impairment of investments in subsidiaries

In making an estimate of recoverable amount of the Company's investments in subsidiaries, the management considers future cash flows.

Revenue from contracts with customers involving sale of goods

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

Deferred income tax

From the current financial year, tax year 2025, income of the Company will be taxed under normal tax regime,

hence, as on 30 June 2024, deferred income tax on taxable temporary differences between the accounting and tax base of fixed assets is required to be calculated in totality (previously this was only relating to local sales percentage). This is the first time the Company is transitioning to this regime. Previously, the Company was neither required nor claimed tax depreciation against income subject to final tax regime, hence, percentage of export sales (taxed under final tax regime till 30 June 2024) has now been used to calculate the tax base by applying this percentage to the accounting written-down value (WDV) of operating fixed assets. This critical accounting estimation, used by the management in the calculation of deferred tax, is based on the advice of legal counsel, and it reflects the best available information for the calculation of deferred tax.

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

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

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current;
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with Covenants;
- Amendments to IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements.

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

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

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

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

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

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

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

01 January 2025.

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

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

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

The implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 1 July 2027.

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

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

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

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

There are other standards and amendments to approved published standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have

any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employee benefit

The main features of the schemes operated by the Company for its employees are as follows:

Provident fund

There is an approved contributory provident fund for employees of the Company. Equal monthly contributions are made both by the employees and the Company to the fund in accordance with the fund rules. The Company's contributions to the fund are charged to income currently.

Accumulating compensated absences

The Company provides for accumulating compensated absences, when the employees render service that increase their entitlement to future compensated absences.

2.3 Taxation and levy

Current

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

Deferred

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

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

2.4 Property, plant, equipment and depreciation

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Cost in relation to certain property, plant and equipment signifies historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land and capital work-in-progress are stated at cost less any identified impairment loss. All expenditure connected

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

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

Depreciation

Depreciation on all operating fixed assets, other than standby generators and power generation equipment, is charged to income on the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 14.1. Depreciation on additions is charged from the month in which the assets are available for use upto the month prior to disposal. Depreciation on standby generators is charged on the basis of number of hours used. Depreciation on power generation equipment is charged to income on the straight-line method so as to write off the cost / depreciable amount of the power generation equipment over its estimated useful life at the rate given in Note 14.1. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

2.5 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

2.6 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.7 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.8 Investments and other financial assets

a) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

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

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

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2). Fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

2.9 Financial liabilities – classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as

at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.10 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

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

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

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

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

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

2.11 De-recognition of financial assets and financial liabilities

a) Financial assets

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

b) Financial liabilities

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

2.12 Investment in subsidiaries

Investments in subsidiary companies are stated at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Separate Financial Statements'.

2.13 Inventories

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

Stores, spare parts and loose tools

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

Stock-in-trade

Cost of raw materials is measured using the weighted average cost formula.

Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing overheads. Cost of goods purchased for resale is based on first-in-first-out (FIFO) cost formula.

Materials-in-transit are stated at cost comprising invoice values plus other charges paid thereon. Waste stock is valued at net realizable value.

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

2.14 Trade debts and other receivables

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

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.15 Borrowings

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost.

Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.16 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.17 Trade and other payables

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

2.18 Revenue recognition

Sale of goods

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

Processing services

The Company provides processing services to local customers. These services are sold separately and the Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Company's contracts with its customers.

Interest

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

Dividend

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

Sale of electricity

Revenue from sale of electricity is recognized at the time of transmission.

2.19 Contract liabilities

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

2.20 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.21 Contingent assets

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

2.22 Contingent liabilities

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

2.23 Impairment of non-financial assets

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

2.24 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the statement of profit or loss.

2.25 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at book value which approximates their fair value. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts, other short term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.26 Segment reporting

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

Segment results that are reported to the chief executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has following reportable business segments. Spinning – Zone 1 (Unit No.1 and 5), Zone 2 (Unit No. 4, 7 and 8) and Zone 3 (Unit No. 2, 3 and 6) (Producing different quality of yarn using natural and artificial fibres), Weaving – Unit 1 and 2 (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles) and Power Generation (Generating and distributing power).

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.27 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.

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

2.28 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.29 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.30 Dividend and other appropriations

Dividend distribution to the ordinary shareholders is recognized as a liability in the Company's financial statements in period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. 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.

3.2 Offsetting of financial instruments

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

3.3 Contract assets

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

3.4 Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

3.5 Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

3.6 Right of return assets

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

3.7 Refund liabilities

Refund liabilities are recognized where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

3.8 Ijarah transactions

Ujrah (lease) payments are recognized as expenses in statement of profit or loss on a straight-line basis over the Ijarah term unless another systematic basis is representative of the time pattern of the user's benefit even if the payments are not on that basis.

3.9 Share capital

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

4. SHARE CAPITAL

4.1 Authorized share capital

| 2025 (Number of shares) | 2024 (Number of shares) | | 2025 Rupees | 2024 Rupees |
|----------------------------|----------------------------|-------------------------------------|----------------------|----------------------|
| 350,000,000 | 350,000,000 | Ordinary shares of Rupees 10 each | 3,500,000,000 | 3,500,000,000 |
| 20,000,000 | 20,000,000 | Preference shares of Rupees 10 each | 200,000,000 | 200,000,000 |
| <u>370,000,000</u> | <u>370,000,000</u> | | <u>3,700,000,000</u> | <u>3,700,000,000</u> |

4.2 Issued, subscribed and paid-up share capital

| 2025 (Number of shares) | 2024 (Number of shares) | | 2025 Rupees | 2024 Rupees |
|----------------------------|----------------------------|---|----------------------|----------------------|
| 134,655,321 | 134,655,321 | Ordinary shares of Rupees 10 each fully paid in cash | 1,346,553,210 | 1,346,553,210 |
| 104,239,443 | 104,239,443 | Ordinary shares of Rupees 10 each issued as fully paid bonus shares | 1,042,394,430 | 1,042,394,430 |
| 1,224,265 | 1,224,265 | Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash to members of Umer Fabrics Limited as per the Scheme of Arrangement as approved by the Honorable Lahore High Court, Lahore | 12,242,650 | 12,242,650 |
| <u>240,119,029</u> | <u>240,119,029</u> | | <u>2,401,190,290</u> | <u>2,401,190,290</u> |

- 4.3** The share capital of the Company consists only of fully paid ordinary shares with a nominal (par) value of Rupees 10 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| 5. RESERVES | | |
| Composition of reserves is as follows: | | |
| Capital reserve | | |
| Share premium (Note 5.1) | 600,553,890 | 600,553,890 |
| Revenue reserves | | |
| General reserve | 1,629,221,278 | 1,629,221,278 |
| Unappropriated profit | 17,317,916,521 | 16,768,829,430 |
| | <u>18,947,137,799</u> | <u>18,398,050,708</u> |
| | <u>19,547,691,689</u> | <u>18,998,604,598</u> |

- 5.1** This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

| | 2025 Rupees | 2024 Rupees |
|--|------------------------|------------------------|
| 6. LONG TERM FINANCING | | |
| From banking companies / financial institutions - secured | | |
| Long term loans (Note 6.1) | 9,339,956,965 | 11,543,155,465 |
| Long term musharaka (Note 6.2) | 962,285,771 | 1,129,135,766 |
| | <u>10,302,242,736</u> | <u>12,672,291,231</u> |
| Less: Current portion shown under current liabilities (Note 12) | | |
| Long term loans | (2,148,083,504) | (2,139,836,819) |
| Long term musharaka | (158,248,316) | (166,852,781) |
| | <u>(2,306,331,820)</u> | <u>(2,306,689,600)</u> |
| | <u>7,995,910,916</u> | <u>10,365,601,631</u> |

6.1

Long term loans

| LENDER | 2025 | 2024 | RATE OF INTEREST PER ANNUM | NUMBER OF INSTALLMENTS | INTEREST REPRICING | INTEREST PAYABLE |
|---------------------|---------------|---------------|----------------------------|---|--------------------|------------------|
| | Rupees | Rupees | | | | |
| MCB Bank Limited | 60,000,000 | 80,000,000 | SBP rate for LTFF + 1.00% | Sixteen equal half yearly instalments commenced on 13 August 2019 and ending on 13 February 2028. (Note 6.5) | - | Quarterly |
| MCB Bank Limited | 20,125,000 | 30,187,500 | SBP rate for LTFF + 1.00% | Sixteen equal half yearly instalments commenced on 22 June 2019 and ending on 22 June 2027. (Note 6.5) | - | Quarterly |
| MCB Bank Limited | 1,400,000,000 | 1,800,000,000 | 3-months KIBOR + 0.2% | Twenty equal quarterly instalments commenced on 11 February 2024 and ending on 11 November 2028. | Quarterly | Quarterly |
| Allied Bank Limited | 73,437,500 | 102,812,500 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 24 February 2019 and ending on 24 November 2027. (Note 6.5) | - | Quarterly |
| Allied Bank Limited | 45,271,875 | 61,734,375 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 18 April 2019 and ending on 18 January 2028. (Note 6.5) | - | Quarterly |
| Allied Bank Limited | 134,406,250 | 183,281,250 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 19 April 2019 and ending on 19 January 2028. (Note 6.5) | - | Quarterly |
| Allied Bank Limited | 32,862,500 | 44,812,500 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 21 May 2017 and ending on 21 February 2028. (Note 6.5) | - | Quarterly |
| Allied Bank Limited | 44,175,000 | 58,900,000 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 03 July 2019 and ending on 03 April 2028. (Note 6.5) | - | Quarterly |
| Allied Bank Limited | 40,452,557 | 48,157,809 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030. | - | Quarterly |
| Allied Bank Limited | 68,704,125 | 81,790,625 | SBP rate for LTFF+ 1.00% | Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030. | - | Quarterly |
| Allied Bank Limited | 12,323,258 | 14,670,546 | SBP rate for LTFF+ 1.00% | Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030. | - | Quarterly |
| Allied Bank Limited | 21,003,284 | 25,003,908 | SBP rate for LTFF+ 1.00% | Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030. | - | Quarterly |
| Allied Bank Limited | 9,824,716 | 11,696,092 | SBP rate for LTFF+ 1.00% | Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030. | - | Quarterly |
| Allied Bank Limited | 44,567,002 | 53,055,954 | SBP rate for LTFF+ 1.00% | Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030. | - | Quarterly |
| Allied Bank Limited | 312,500,000 | 562,500,000 | 3-months KIBOR + 0.18% | Sixteen equal quarterly instalments commenced on 30 September 2022 and ending on 30 June 2026. | - | Quarterly |
| Allied Bank Limited | 833,333,332 | 1,000,000,000 | 3-months KIBOR + 0.10% | Twenty four equal quarterly instalments commenced on 24 August 2024 and ending on 24 May 2030. | Quarterly | Quarterly |
| Askari Bank Limited | 41,500,000 | 58,100,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 02 February 2017 and ending on 02 November 2027. (Note 6.5) | Quarterly | Quarterly |
| Askari Bank Limited | 5,000,000 | 7,000,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 04 February 2017 and ending on 04 November 2027. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 37,500,000 | 52,500,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 08 March 2017 and ending on 08 December 2027. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 36,740,000 | 50,100,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 22 June 2017 and ending on 22 March 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 1,860,000 | 2,480,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 12 September 2017 and ending on 13 June 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 18,200,000 | 23,800,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 04 October 2017 and ending on 04 July 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 6,000,000 | 8,000,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 35,340,000 | 47,120,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 1,726,200 | 2,301,600 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5) | - | Quarterly |

| LENDER | 2025 | 2024 | RATE OF INTEREST PER ANNUM | NUMBER OF INSTALLMENTS | INTEREST REPRICING | INTEREST PAYABLE |
|---|---------------------|---------------------|----------------------------|---|--------------------|------------------|
| Askari Bank Limited | Rupees 6,597,500 | Rupees 8,627,500 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 04 October 2017 and ending on 04 July 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 70,800,000 | 94,400,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 173,679,000 | 210,243,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 18 May 2021 and ending on 12 February 2031. (Note 6.5) | - | Quarterly |
| Bank Alfalah Limited (Note 6.6) | 1,114,111,717 | 1,243,379,137 | SBP rate for TERF + 2.00% | Five hundred and forty five unequal instalments commenced on 26 August 2023 and ending on 22 April 2032. | - | Quarterly |
| Pak Kuwait Investment Company (Private) Limited | 186,774,850 | 220,746,850 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 05 January 2023 and ending on 04 October 2030. | - | Quarterly |
| Pak Kuwait Investment Company (Private) Limited | 9,907,950 | 11,711,950 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 05 January 2023 and ending on 04 October 2030. | - | Quarterly |
| Habib Bank Limited | 1,585,015,675 | 1,811,443,696 | 3-months KIBOR + 0.45% | Eighty one unequal instalments commenced on 09 May 2024 and ending on 20 May 2032. | Quarterly | Quarterly |
| Habib Bank Limited | 301,166,373 | 345,035,965 | SBP rate for LTFF + 1.00% | One hundred and twenty eight unequal instalments commenced on 03 June 2024 and ending on 15 April 2032. | - | Quarterly |
| Habib Bank Limited | 188,241,815 | 215,133,503 | SBP rate for LTFF + 1.00% | Thirty two equal half yearly instalments commenced on 11 August 2024 and ending on 11 May 2032. | - | Quarterly |
| Habib Bank Limited | 194,097,421 | 221,825,624 | 3-months KIBOR + 0.45% | Sixteen equal half yearly instalments commenced on 11 November 2024 and ending on 11 May 2032. | Quarterly | Quarterly |
| Soneri Bank Limited | 102,953,125 | 140,390,625 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 14 June 2019 and ending on 14 March 2028. (Note 6.5) | - | Quarterly |
| Soneri Bank Limited | 83,250,000 | 111,000,000 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 06 July 2019 and ending on 06 April 2028. (Note 6.5) | - | Quarterly |
| National Bank of Pakistan | 38,862,992 | 21,210,673 | SBP rate for LTFF + 1% | Forty equal quarterly instalments commenced on 08 December 2024 and ending on 08 September 2034. | - | Quarterly |
| National Bank of Pakistan | - | 150,010,404 | 3-months KIBOR + 1% | One hundred and sixty one unequal quarterly instalments commenced on 08 February 2025 and ending on 13 June 2036. However, it has been fully settled during the year. | Quarterly | Quarterly |
| United Bank Limited | 1,500,000,000 | 1,833,333,333 | 1-month KIBOR + 0.25% | Twenty four equal quarterly instalments commenced on 31 March 2024 and ending on 31 December 2029. | Monthly | Quarterly |
| United Bank Limited (Note 6.6) | 447,645,948 | 494,658,546 | SBP rate for TERF + 1.25% | Ninety six unequal instalments commenced on 08 October 2023 and ending on 25 March 2032. | - | Quarterly |
| | 9,339,956,965 | 11,543,155,465 | | | | |

6.2 Long term musharaka

| LENDER | 2025 | 2024 | RATE OF INTEREST PER ANNUM | NUMBER OF INSTALLMENTS | INTEREST REPRICING | INTEREST PAYABLE |
|-------------------------------------|-----------------------|-----------------------|----------------------------|--|--------------------|------------------|
| Meezan Bank Limited | Rupees 179,485,472 | Rupees 212,119,196 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 24 March 2023 and ending on 24 December 2030. | - | Quarterly |
| Meezan Bank Limited (Note 6.7) | 291,969,772 | 339,252,398 | SBP rate for ITERF + 2.75% | One hundred and twenty eight unequal instalments commenced on 30 March 2023 and ending on 28 May 2031. | - | Quarterly |
| Meezan Bank Limited | 4,563,630 | 5,600,815 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030. | - | Quarterly |
| Meezan Bank Limited | 11,436,150 | 14,035,275 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030. | - | Quarterly |
| Meezan Bank Limited | 8,230,820 | 10,101,460 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030. | - | Quarterly |
| Meezan Bank Limited | 47,056,350 | 57,750,975 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030. | - | Quarterly |
| Meezan Bank Limited | 9,803,750 | 12,031,875 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030. | - | Quarterly |
| Meezan Bank Limited | 78,261,360 | 96,048,030 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030. | - | Quarterly |
| Meezan Bank Limited | 148,244,222 | 172,945,500 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 17 September 2023 and ending on 17 June 2031. | - | Quarterly |
| Meezan Bank Limited | 39,748,800 | 46,373,600 | SBP rate for LTFF + 1.50% | Thirty two equal quarterly instalments commenced on 7 September 2023 and ending on 17 June 2031. | - | Quarterly |
| MCB Islamic Bank Limited (Note 6.7) | 143,485,445 | 162,876,642 | SBP rate for ITERF + 1.50% | Ninety six unequal instalments commenced on 06 August 2023 and ending on 16 February 2032. | - | Quarterly |
| | 962,285,771 | 1,129,135,766 | | | | |

6.3 Long term loans are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Company to the extent of Rupees 19,798.725 million (2024: Rupees 21,484.022 million) and ranking charge on all present and future fixed assets of the Company to the extent of Rupees 133.330 million (2024: Rupees 133.330 million).

6.4 Long term musharaka are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Company to the extent of Rupees 2,199.998 million (2024: Rupees 2,199.998 million).

6.5 Repayment period includes deferment of repayment of principal loan amount by one year in accordance with the State Bank of Pakistan BPRD Circular Letter No. 13 of 2020 dated 26 March 2020.

6.6 These loans are obtained by the Company under SBP Temporary Economic Refinance Facility (TERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.23% to 14.27% per annum.

6.7 These loans are obtained by the Company under SBP Islamic Temporary Economic Refinance Facility (ITERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.04% to 11.44% per annum.

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| 7. LEASE LIABILITIES | | |
| Total lease liabilities | 98,058,851 | 85,748,114 |
| Less: Current portion shown under current liabilities (Note 12) | (37,572,776) | (35,915,095) |
| | <u>60,486,075</u> | <u>49,833,019</u> |
| 7.1 Reconciliation of lease liabilities | | |
| Opening balance | 85,748,114 | 132,734,414 |
| Add: Additions during the year | 93,021,081 | 17,106,282 |
| Add: Interest accrued on lease liabilities (Note 33) | 17,699,757 | 15,406,799 |
| Less: Impact of lease termination | (26,098,264) | - |
| Less: Payments made during the year | (72,458,023) | (78,469,186) |
| Add / (Less): Impact of exchange gain / (loss) | 146,186 | (1,030,195) |
| Closing balance | <u>98,058,851</u> | <u>85,748,114</u> |
| 7.2 Maturity analysis of lease liabilities is as follows: | | |
| Upto 6 months | 24,888,223 | 32,791,645 |
| 6-12 months | 24,402,105 | 19,863,027 |
| 1-2 years | 34,414,521 | 36,582,898 |
| More than 2 years | 37,283,032 | 10,523,258 |
| | <u>120,987,881</u> | <u>99,760,828</u> |
| Less: Future finance cost | (22,929,030) | (14,012,714) |
| Present value of lease liabilities | <u>98,058,851</u> | <u>85,748,114</u> |
| 7.3 Amounts recognised in the statement of profit or loss | | |
| Interest accrued during the year | <u>17,699,757</u> | <u>15,406,799</u> |
| 7.4 Implicit rate against lease liabilities ranges from 7.97% to 21.41% (2024: 7.97% to 21.41%) per annum. | | |
| | 2025 Rupees | 2024 Rupees |
| 8. DEFERRED LIABILITIES | | |
| Gas Infrastructure Development Cess (GIDC) payable (Note 8.1) | - | - |
| Deferred income - Government grant (Note 8.2) | 394,118,471 | 528,500,552 |
| | <u>394,118,471</u> | <u>528,500,552</u> |
| 8.1 Gas Infrastructure Development Cess (GIDC) Payable | | |
| Opening balance | 431,187,796 | 431,187,796 |
| Less: Adjustment during the year | (70,347,221) | - |
| Closing balance | <u>360,840,575</u> | <u>431,187,796</u> |
| Less: Current portion shown under current liabilities (Note 12) | (360,840,575) | (431,187,796) |
| | <u>-</u> | <u>-</u> |

- 8.1.1** This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. During the year ended 30 June 2021, Honourable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Company has filed a review petition in Honourable Sindh High Court, Karachi which is pending adjudication. GIDC payable has been recognized at amortized cost in accordance with IFRS 9.

| | 2025 Rupees | 2024 Rupees |
|---|---------------------------|---------------------------|
| 8.2 Deferred income - Government grant | | |
| Opening balance | 677,420,049 | 832,798,931 |
| Less: Amortized during the year | (148,917,426) | (155,378,882) |
| Closing balance | <u>528,502,623</u> | <u>677,420,049</u> |
| Less: Current portion shown under current liabilities (Note 12) | (134,384,152) | (148,919,497) |
| | <u><u>394,118,471</u></u> | <u><u>528,500,552</u></u> |

- 8.2.1** The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated 17 March 2020 and Circular No. 09 of 2020 dated 08 May 2020 introduced a Temporary Economic Refinance Facility (TERF) and Islamic Temporary Economic Refinance Facility (ITERF) for setting of new industrial units and for undertaking Balancing, Modernization and Replacement and / or expansion of projects / businesses. These refinances were available through Banks / DFIs. One of the key feature of these refinance facilities was that borrowers could obtain loan at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government grant. The Company obtained these loans as disclosed in note 6 to the financial statements. In accordance with IFRS 9 'Financial Instruments', loans obtained under the refinance facilities were initially recognized at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There are no unfulfilled conditions or contingencies attached to this grant.

| | 2025 Rupees | 2024 Rupees |
|---|-----------------------------|-----------------------------|
| 9. TRADE AND OTHER PAYABLES | | |
| Creditors (Note 9.1) | 2,134,896,395 | 1,740,049,890 |
| Sindh infrastructure cess payable (Note 9.2) | 1,919,286,574 | 1,321,296,004 |
| Accrued liabilities | 1,555,105,580 | 1,445,630,501 |
| Contract liabilities - unsecured | 353,893,709 | 317,036,077 |
| Securities from contractors - interest free and repayable on completion of contracts (Note 9.3) | 6,757,800 | 5,007,800 |
| Retention money | 9,322,148 | 29,282,595 |
| Fair value of forward exchange contracts | 24,268,036 | - |
| Income tax deducted at source | 81,694,291 | 56,828,342 |
| Sales tax withheld | 66,022,600 | 13,620,516 |
| Payable to employees' provident fund trust | 20,212,128 | 18,958,719 |
| Workers' profit participation fund (Note 9.4) | 95,914,843 | 59,894,054 |
| Workers' welfare fund (Note 9.5) | 48,917,709 | 39,848,120 |
| Others | 56,302,193 | 28,792,566 |
| | <u><u>6,372,594,006</u></u> | <u><u>5,076,245,184</u></u> |

- 9.1** These include Rupees 0.898 million (2024: Rupees 14.792 million) due to Sweave Inc. - subsidiary company of Nishat Chunian USA Inc. - subsidiary company. It is in ordinary course of business and interest free.

- 9.2** This represents provision for infrastructure cess imposed by the Province of Sindh through Sindh Finance Act, 1994 and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Company filed writ petition in Honourable Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favour of Director Excise and Taxation, Karachi. The Honourable Sindh High Court, Karachi passed order dated 04 June 2021 against the Company and directed that bank guarantees should be encashed. Being aggrieved by the order, the Company along with others filed petitions for leave to appeal before Honourable Supreme Court of Pakistan against the Honourable Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, the Honourable Supreme Court dictated the order in open court granting leave to appeal to the petitioners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by the Honourable Sindh High Court. The Honourable Supreme Court also direct the release of future consignments subject to furnishing of bank guarantees for the disputed amount.
- 9.3** These deposits were utilized for the purpose of business in accordance with the terms of written agreements with contractors and customers.

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| 9.4 Workers' profit participation fund | | |
| Opening balance | 59,894,054 | - |
| Add: Interest for the year (Note 33) | 3,062,309 | - |
| Add: Provision for the year (Note 31) | 92,852,534 | 59,894,054 |
| | 155,808,897 | 59,894,054 |
| Less : Payments during the year | (59,894,054) | - |
| Closing balance | 95,914,843 | 59,894,054 |

- 9.4.1** The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profits (Workers Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

| | 2025 Rupees | 2024 Rupees |
|---------------------------------------|------------------------|------------------------|
| 9.5 Workers' welfare fund | | |
| Opening balance | 39,848,120 | 35,663,768 |
| Add: Provision for the year (Note 31) | 9,069,589 | 4,184,352 |
| Closing balance | 48,917,709 | 39,848,120 |

10. ACCRUED MARK-UP / PROFIT

| | | |
|-----------------------|-------------|---------------|
| Long term financing | 132,592,874 | 304,165,407 |
| Short term borrowings | 486,952,266 | 1,033,045,788 |
| | 619,545,140 | 1,337,211,195 |

11. SHORT TERM BORROWINGS

From banking companies / financial institutions - secured

| | | |
|---|----------------|----------------|
| Short term running finances (Notes 11.1 and 11.2) | 7,045,494,446 | 8,011,276,217 |
| Export finances - Preshipment / SBP refinance (Notes 11.1 and 11.3) | 13,267,231,311 | 10,449,335,565 |
| Other short term finances (Notes 11.1 and 11.4) | 15,950,000,000 | 8,595,000,000 |
| | 36,262,725,757 | 27,055,611,782 |

- 11.1** These finances are obtained from banking companies under mark-up / profit arrangements and are secured by first joint pari passu hypothecation of all present and future current assets of the Company to the extent of Rupees 65,325 million (2024: Rupees 65,325 million) and ranking charge on all present and future current assets of the Company to the extent of Rupees 15,334.333 million (2024: Rupees 5,333.333 million). These form part of total credit facilities of Rupees 52,465 million (2024: Rupees 50,215 million).
- 11.2** The effective rates of mark-up range from 11.48% to 22.77% (2024: 21.51% to 23.90%) per annum.
- 11.3** The effective rates of mark-up on Pak Rupee finances and US Dollar finances range from 7.10% to 19.00% (2024: 13.00% to 19.00%) per annum and 2.00% to 8.98% (2024: 2.00% to 10.00%) respectively.
- 11.4** The effective rates of mark-up range from 10.25% to 22.41% (2024: 18.69% to 23.41%) per annum.

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| 12. CURRENT PORTION OF NON-CURRENT LIABILITIES | | |
| Long term financing (Note 6) | 2,306,331,820 | 2,306,689,600 |
| Lease liabilities (Note 7) | 37,572,776 | 35,915,095 |
| Gas Infrastructure Development Cess (GIDC) payable (Note 8.1) | 360,840,575 | 431,187,796 |
| Deferred income - Government grant (Note 8.2) | 134,384,152 | 148,919,497 |
| | 2,839,129,323 | 2,922,711,988 |

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

- 13.1.1** The Collectorate of Customs (Export) has issued show cause notices with the intention to reject the duty draw back claims aggregating to Rupees 9.482 million on blended grey fabrics exported under Duty and Tax Remission Rules for Export (DTRE) scheme. The department is of the view that the Company has not submitted Appendix-1 as per Rule 297-A of the above referred scheme. The Company considers that since it has taken benefit of remission of sales tax only, it is entitled to full duty draw back and filed appeal before Appellate Tribunal Inland Revenue (ATIR), Karachi Bench which was decided against the Company. The Company also applied to Federal Board of Revenue (FBR) to constitute Alternate Dispute Resolution Committee (ADRC) in terms of section 195C of the Customs Act, 1969 to settle the dispute. ADRC vide its order dated 16 April 2008 has recommended the case in favour of the Company and forwarded the case to FBR. However, FBR has not accepted the recommendations of ADRC. The Company has filed appeal before the Honourable High Court of Sindh, Karachi on 07 December 2013 against the order of ATIR, where the case is pending adjudication. The Company is hopeful of a favourable outcome of the appeal based on the opinion of the tax advisor.
- 13.1.2** The Company impugned selection of its tax affairs for audit in terms of section 177 of the Income Tax Ordinance, 2001 for tax year 2009 in Honourable Lahore High Court, Lahore through writ petition. After dismissal of writ petition by the Honourable Lahore High Court, Lahore, the tax department has completed the audit of tax year 2009 of income tax affairs of the Company and Deputy Commissioner Inland Revenue (DCIR) has passed an order under sections 122(1)/122(5) of the Income Tax Ordinance, 2001 dated 28 July 2015 creating a tax demand of Rupees 6.773 million. The Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the decision of DCIR wherein the appeal has been decided partially in favour of the Company. Being aggrieved, the Company has filed an appeal before ATIR which is pending adjudication. No provision against this demand has been made in these financial statements as the Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

- 13.1.3** As a result of withholding tax audit for the tax year 2006, DCIR has raised a demand of Rupees 41.849 million under sections 161 and 205 of the Income Tax Ordinance, 2001 via order dated 22 June 2010. The Company's appeal before ATIR was successful. The Commissioner Inland Revenue has filed appeal before Honourable Lahore High Court, Lahore against the order of ATIR, where the case is pending. No provision against this demand has been made in these financial statements as the Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.
- 13.1.4** The Deputy Collector (Refund – Gold) by order dated 16 May 2007 rejected the input tax claim of the Company, for the month of June 2005, amounting to Rupees 1.604 million incurred in zero rated local supplies of textile and articles thereof on the grounds that the input tax claim is in contravention of SRO 992(I)/2005 which states that no registered person engaged in the export of specified goods (including textile and articles thereof) shall, either through zero-rating or otherwise, be entitled to deduct or reclaim input tax paid in respect of stocks of such goods acquired up to 05 June 2005, if not used for the purpose of exports made up to 31 December 2005. The appeal of the Company before ATIR was successful and input tax claim of the Company is expected to be processed after necessary verification in this regard. Pending the outcome of verification, no provision for inadmissible input tax has been recognized in these financial statements.
- 13.1.5** The Company filed appeal before CIR(A) against the order of Additional Commissioner Inland Revenue (ACIR) dated 24 November 2014. ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2012 whereby a demand of Rupees 125.162 million has been raised. CIR(A) vide order dated 29 June 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Company as well as the tax department had preferred appeals before ATIR. ATIR wide order dated 26 June 2025 decided the appeal in same manner as ACIR except remanded back the claim of inadmissible financial charges of Rupees 46.391 million and confirmed the disallowance of tax credit under section 65B of Rupees 29.501 million. Being aggrieved with the order of ATIR, the Company has filed appeal before the Honorable Lahore High Court, Lahore which is pending adjudication. No provision against this demand has been made in these financial statements as the Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.
- 13.1.6** ACIR passed an order dated 07 June 2016 under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2010 whereby a demand of Rupees 142.956 million has been raised, against which the Company filed appeal before CIR(A). CIR(A) vide order dated 28 October 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Company as well as the tax department have preferred appeals before ATIR which culminated into an ex-parte appellate order by ATIR. Being aggrieved, the Company filed before ATIR to recall the ex-parte order. Therefore, the hearing of appeal is pending fixation. No provision against this demand has been made in these financial statements as the Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.
- 13.1.7** Through show cause notice dated 26 November 2015, the Collector of Customs, Karachi raised demand of Rupees 23.585 million on the grounds that the Company was not entitled for exemption of sales tax and facility of reduced rate of income tax on 13 consignments of cotton imported during the period from April 2013 to April 2014. The vires of show cause notice were challenged in Honourable Sindh High Court, Karachi from where stay was granted with the direction to the Collector that he will not pass final order pursuant to the impugned show cause notice particularly in respect of advance income tax till next date of hearing. In spite of the categorical orders of the Honourable Sindh High Court, Karachi, the Collector passed order, creating the demand of the aforesaid amount. Appeal against the said order filed in ATIR, Karachi has been dismissed. Custom reference application has been filed in Honourable Sindh High Court, Karachi against the order of ATIR. There is sufficient case law on the subject and there is every likelihood that case will be decided in favour of the Company.
- 13.1.8** The Company is contesting demands of sales tax along with default surcharge and penalty under the Sales Tax Act, 1990 by taxation authorities amounting to Rupees 231.140 million at various forums. These demands have been raised on account of various issues. No provision against the aforesaid demands has been made in these financial statements as the management is confident of favourable outcome of its appeals based on advice of the legal counsel.
- 13.1.9** ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 dated 29 April 2014 whereby a demand of Rupees 27.846 million has been raised. The appeal before CIR(A) has been decided and some matters have been decided in favour of the Company. Being aggrieved, the Company filed an appeal before ATIR against the order of CIR(A). ATIR has remanded back all the additions made by CIR(A) for passing

the fresh order. However, while passing the said order, ATIR has confirmed the proration made by CIR(A) against which the Company has preferred the reference before the Honourable Lahore High Court, Lahore. In response to the order passed by ATIR, ACIR has finalised the remanded back proceedings by passing an ex-parte order dated 02 June 2025, whereby income tax demand of Rupees 26.118 million has been created. Being aggrieved with the said order, the Company has filed an appeal before CIR(A) which is pending adjudication. No provision against this demand has been made in these financial statements as the Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

- 13.1.10** DCIR issued a show cause notice dated 12 April 2019 under section 177(1) of the Income Tax Ordinance, 2001 for providing certain record and documents for tax year 2013. In response thereto, various replies were submitted with the DCIR. In response to submissions of the Company, DCIR issued an audit report under section 177(6) of the Income Tax Ordinance, 2001 and then passed an order under sections 122(4), 122(5) and 214C of the Income Tax Ordinance, 2001 creating a demand of Rupees 277.772 million. Being aggrieved with the order passed by DCIR, an appeal has been filed before CIR(A). CIR(A) vide order dated 07 November 2019 ordered remand back proceedings in the said proceedings. Subsequently, a notice under sections 124, 122(4), 122(5) and 214C of the Income Tax Ordinance, 2001 was issued dated 02 April 2020. However, the proceedings were adjourned indefinitely owing to the lockdown in the country amid the COVID-19 outbreak. The proceedings have not been re-initiated by the concerned DCIR. However, based on facts of the case, the aforesaid proceedings are likely to culminate in the favour of the Company.
- 13.1.11** DCIR issued a show cause notice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2017, wherein, the Company was required to explain the taxes deducted against payments amounting to Rupees 133.361 million made on account of commission to selling agents. In response thereto, a reply dated 28 March 2019 was submitted with DCIR. DCIR without considering the arguments put forth by the Company passed an order dated 05 April 2019 raising a demand of Rupees 13.982 million. Being aggrieved with the order passed by DCIR, an appeal was filed before CIR(A) which culminated in an order dated 27 June 2019, wherein, the stance of DCIR was upheld. Being aggrieved with the order passed by CIR(A), an appeal was filed before ATIR, which was decided in favour of the Company on 19 February 2020. Appeal has been filed by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR. The management, based on advice of the legal counsel, is confident of favourable outcome of its appeal.
- 13.1.12** DCIR issued a show cause notice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2018, wherein, the Company was required to explain the taxes deducted against payments amounting to Rupees 213.382 million made on account of commission to selling agents. In response thereto, a reply was submitted with DCIR. DCIR without considering the arguments put forth by the taxpayer, passed an order dated 05 April 2019 raising a demand to the tune of Rupees 15.130 million. Being aggrieved with the order passed by DCIR, an appeal was filed before CIR(A) which culminated in an order dated 27 June 2019, wherein, the stance of DCIR was upheld. Being aggrieved with the order passed by CIR(A), an appeal was filed before ATIR, which was decided in favour of the Company on 19 February 2020. Appeal has been filed by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR. The management, based on advice of the legal counsel, is confident of favourable outcome of its appeal.
- 13.1.13** The Company has challenged, before Honourable Lahore High Court, Lahore, the vires of first proviso to sub-clause (x) of clause (4) of SRO 491(1)/2016 dated 30 June 2016 issued under sections 3 and 4 read with sections 8 and 71 of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 1125(I)/2011 dated 31 December 2011 adjustment of input sales tax on packing material of all sorts has been disallowed. The learned single judge of Honourable Lahore High Court, Lahore has dismissed the writ petition of the Company, therefore intra court appeal has been filed. The Company has claimed input sales tax amounting to Rupees 86.417 million paid on packing material in its respective monthly sales tax returns. The management, based on advice of the legal counsel, is confident of favourable outcome of its appeal.
- 13.1.14** In case of NC Electric Company Limited [now Nishat (Chunian) Limited] proceedings were initiated by DCIR under section 235, 161 and 205 of the Income Tax Ordinance, 2001 for the tax year 2017, which eventually culminated in proceedings being remanded back to the concerned DCIR by CIR(A). Subsequently, a remand back notice under section 124, 161 and 205 of the Income Tax Ordinance, 2001 was issued by the concerned DCIR. In response to the aforesaid notice, a reply was submitted with concerned DCIR. DCIR in response to submissions, passed an order under sections 124, 235 and 161 of the Income Tax Ordinance, 2001 dated 29 June 2019 creating a demand to the tune of Rupees 5.699 million. Being aggrieved with the order passed by DCIR, an

appeal has been filed before CIR(A). Furthermore, hearing of the same was duly conducted and CIR(A) once again passed an order of remand back proceedings. Being aggrieved with the order passed by the CIR(A) an appeal has been filed before ATIR which is pending adjudication. Subsequently, a notice dated 31 August 2020 reinitiating the proceedings was issued. The said notice was duly responded to. However, the order is yet to be passed. The management, based on advice of the legal counsel, is confident of favourable outcome of its appeal.

- 13.1.15** ACIR issued a notice dated 11 December 2019 under section 122(9) of the Income Tax Ordinance, 2001 directing the Company to submit clarifications, records and documents with respect to certain treatments meted out in the income tax return for the tax year 2014. In response to the aforementioned notice, various replies were submitted with the ACIR. The subject proceedings culminated in an order creating an income tax demand to the tune of Rupees 189.375 million. An appeal was filed before the CIR(A) who vide his order dated 24 January 2022 waived the tax demand created by CIR(A) and further granted partial relief by allowing a tax refund of Rupees 84.990 million. The Company being aggrieved with the decision, filed an appeal before ATIR which is pending adjudication. Based on the facts of the case, the proceedings are likely to be culminated in favour of the Company.
- 13.1.16** DCIR initiated post sales tax refunds audit proceedings for tax periods July 2017 to June 2019 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. In response to the notice issued by DCIR, various replies were submitted. The said proceedings culminated in the learned DCIR passing an order under section 38 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 914.309 million. In response to the order passed by DCIR, an appeal has been filed before CIR(A) which culminated, giving partial relief to the Company. Being aggrieved, the appeal was filed before ATIR which remanded back to DCIR through order dated 17 August 2024. Based on the facts of the case, it is likely that the proceedings will culminate in the Company's favour.
- 13.1.17** DCIR initiated post sales tax refunds audit proceedings for tax periods October 2015 to June 2017 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. In response to the notice issued by DCIR, various replies were submitted. The said proceedings culminated in the learned DCIR passing an order under section 11 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 89.828 million. In response to the order passed by the DCIR, an appeal was filed before the CIR(A), who vide his order dated 06 January 2022 passed an order against the Company. The Company being aggrieved with the decision, filed an appeal before ATIR which culminated in passing an order deleting tax demand amounting to Rupees 31.876 million, while tax demanded amounting to Rupees 15.298 million was upheld and tax demanded amounting to Rupees 40.342 million was remanded back. The Company has submitted an application for issuance of appeal effect order to assessing officer. The remand back proceedings are pending adjudication. Based on the facts of the case, it is likely that the proceedings will culminate in Company's favour.
- 13.1.18** ACIR issued a show cause notice dated 09 May 2022 to submit certain records and documents with respect to certain treatments meted out in the annual tax return for tax year 2016 under section 122(9) of the Income Tax Ordinance 2001. In response thereof, ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 reducing income tax refundable from Rupees 347.124 million to Rupees 59.477 million. The Company being aggrieved by the order of ACIR, filed an appeal before CIR(A), which has been heard and no final order has yet been passed. Based on grounds and facts, the Company is hopeful for a favourable outcome of the appeal.
- 13.1.19** ACIR issued a notice dated 27 June 2023 under section 122(9) of the Income Tax Ordinance, 2001 for the tax year 2017 directing the Company to submit certain records and documents. In response to the aforementioned notice, a reply has been submitted with the learned ACIR who passed an order under section 122(5A) of the Income Tax Ordinance, 2001 whereby ACIR is demanding income tax of Rupees 682.589 million. In retort, an appeal has been filed before CIR(A), who vide his order dated 29 February 2024 passed an order in which certain amendments have been upheld. Being aggrieved, the Company filed an appeal before ATIR which is pending adjudication. Based on the facts of the case, the proceedings are likely to be culminated in favour of the Company.
- 13.1.20** In case of NC Electric Company Limited [now Nishat (Chunian) Limited], ACIR passed multiple orders dated 07 December 2021 under section 161 for the tax years 2019 and 2020 amounting to Rupees 402.492 million and Rupees 33.923 million respectively. The Company being aggrieved with the decision, filed appeal before CIR(A), who remanded back proceedings to ACIR. The remand back proceedings were concluded against the Company as ACIR passed multiple orders dated 27 June 2024 under section 161 for the tax years 2019 and 2020

amounting to Rupees 236.623 million and Rupees 27.745 million respectively. The Company filed appeal against the orders with ATIR. ATIR set aside both orders of ACIR and through a consolidated order remanded back the case for fresh hearing after providing reasonable opportunity of being heard to the Company. Such remand back proceedings have not yet been initiated. Based on the facts of the case, the proceedings are likely to be culminated in favour of the Company.

- 13.1.21** Guarantees of Rupees 2,919.357 million (2024: Rupees 2,328.595 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company against electricity connections, Director Excise and Taxation, Karachi against infrastructure cess, Chairperson Punjab Revenue Authority, Lahore against infrastructure cess, Collector, Model Customs Collectorate, Karachi against import, Director Pakistan Central Cotton Committee against cotton cess and Nazir, Honourable Sindh High Court, Karachi against the notification in accordance with section 8 of OGRA Ordinance 2002 regarding system gas tariff on industrial and captive units.
- 13.1.22** Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 34,400.908 million (2024: Rupees 34,476.145 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable. Further, post dated cheques of Rupees 313.786 million (2024: Rupees 269.994 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments, post dated cheques of Rupees 266.932 million (2024: Rupees 266.932 million) have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case and post dated cheques of Rupees 189.375 million (2024: Rupees 189.375 million) have been issued to Commissioner Inland Revenue against the proceedings under section 122(5A) for tax year 2022.
- 13.1.23** On appeal of the Company, the Honorable Lahore High Court (LHC), Lahore vide order announced in open Court on 04 June 2024 held that super tax under section 4C of the Income Tax Ordinance, 2001 cannot be imposed on the Company for the tax year 2022. Further, the writ petition filed by the Company and other petitioners were finally allowed by the Islamabad High Court (IHC) vide its judgment dated 15 March 2024 passed in Writ Petition No. 2436 of 2023 titled "Pakistan Oilfields Limited and another versus Federation of Pakistan and others" by following its earlier decision rendered in Fauji Fertilizer Company Limited and Another Vs. Federation of Pakistan and others. IHC has struck down retrospective application of Section 4C to the tax year 2022 and held that super tax shall remain to be computed in accordance with the Fauji Fertilizer judgment (for tax year 2023 and onwards) which means that all classes of income mentioned in section 4C which are already final (under sections 4(4) and 8 of the Income tax Ordinance, 2001) shall be excluded when calculating income under section 4C and in computing the income for the purposes of section 4C, taxpayers will be allowed to deduct brought forward depreciation, brought forward business losses, and brought forward amortization allowances. As the judgment of learned single judge of IHC dated 15 March 2024 is still in field being not suspended by the learned Division Bench of IHC, therefore, super tax liability for the tax year 2023 and onwards has to be calculated in accordance thereof. The Company in consultation with its legal and tax advisor expects a positive outcome and has hence computed the provision of super tax on income under section 4C in accordance with the Fauji Fertilizer judgment for tax year 2023 and onwards. In the absence of aforesaid favorable judgments of LHC and IHC, the provision of super tax for tax years 2022, 2023, 2024 and 2025 would have been higher by Rupees 236.568 million, Rupees 181.043 million, Rupees 216.101 million and Rupees 78.057 million respectively.
- 13.1.24** ACIR passed an order dated 24 June 2025 under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2021 whereby a demand of Rupees 212.416 million has been raised by disallowing the adjustment of excess minimum tax paid in prior tax years 2016 to 2020 in terms of section 113(2)(c). The Company filed an appeal before the ATIR, which is pending adjudication. No provision against this demand has been made in these financial statements as the Company is hopeful for a favourable outcome of appeal.
- 13.1.25** ACIR passed an order dated 25 June 2025 under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2019 whereby a demand of Rupees 10.32 million has been raised. The Company filed an appeal before the CIR(A), which is pending adjudication. No provision against this demand has been made in these financial statements as the Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.
- 13.1.26** ACIR passed an order dated 30 April 2021 under section 122(5A) of the Income Tax Ordinance, 2001. In light of the directions of CIR(A) vide order dated 02 June 2022 and ATIR vide order dated 08 September 2022, the matter was remanded back and proceedings were concluded through order dated 29 June 2024. Being aggrieved, the

Company preferred an appeal before ATIR against the said appeal effect order. ATIR vide order dated 22 May 2025 disposed of the Company's appeal, whereby the addition on account of share deposit money was deleted while the remaining issues were once again remanded back to the concerned assessing officer with directions to allow in accordance with law. The ensuing remand-back proceedings have not yet been initiated. Based on the opinion of the tax advisor and available documentary evidence, the management is confident of a favourable outcome. Accordingly, no provision against this demand has been made in these financial statements.

13.2 Commitments

- 13.2.1** Letters of credit for capital expenditure amounting to Rupees Nil (2024: Rupees 27.859 million).
- 13.2.2** Commitments for capital expenditure as at reporting date are amounting to Rupees Nil (2024: Rupees 152.051 million).
- 13.2.3** Letters of credit other than for capital expenditure amounting to Rupees 8,257.553 million (2024: Rupees 2,777.222 million).
- 13.2.4** Outstanding foreign currency forward contracts of Rupees 4,376.898 million (2024: Rupees 5,774.195 million).

14. FIXED ASSETS

Property, plant and equipment:

Operating fixed assets (Note 14.1)
Capital work-in-progress (Note 14.2)

| | 2025 Rupees | 2024 Rupees |
|--|------------------------|------------------------|
| | 22,624,023,056 | 22,778,448,746 |
| | 243,477,166 | 1,143,199,329 |
| | <u>22,867,500,222</u> | <u>23,921,648,075</u> |

14.1

Reconciliation of carrying amount of operating fixed assets at the beginning and at the end of the year is as follows:

| Description | Freehold land | Buildings on freehold land | Plant and machinery | Power generation equipment | Standby generators | Electric installations | Factory equipment | Furniture, fixture and equipment | Office equipment | Motor vehicles | Total |
|---------------------------------|---------------|----------------------------|---------------------|----------------------------|--------------------|------------------------|-------------------|----------------------------------|------------------|----------------|------------------|
| Rupees | | | | | | | | | | | |
| At 30 June 2023 | | | | | | | | | | | |
| Cost | 1,255,234,046 | 5,783,048,825 | 22,651,665,958 | 4,475,612,244 | 1,056,694,667 | 1,085,848,635 | 473,133,128 | 269,889,546 | 151,586,240 | 281,890,034 | 37,484,603,323 |
| Accumulated depreciation | - | (2,109,010,875) | (10,062,609,870) | (1,072,794,567) | (742,575,830) | (487,382,689) | (217,734,389) | (120,096,573) | (66,899,205) | (126,202,992) | (15,005,306,990) |
| Net book value | 1,255,234,046 | 3,674,037,950 | 12,589,056,088 | 3,402,817,677 | 314,118,837 | 598,465,946 | 255,398,739 | 149,792,973 | 84,687,035 | 155,687,042 | 22,479,296,333 |
| Year ended 30 June 2024 | | | | | | | | | | | |
| Opening net book value | 1,255,234,046 | 3,674,037,950 | 12,589,056,088 | 3,402,817,677 | 314,118,837 | 598,465,946 | 255,398,739 | 149,792,973 | 84,687,035 | 155,687,042 | 22,479,296,333 |
| Additions | 243,613,634 | 664,556,772 | 987,121,792 | 2,189,571 | - | 28,878,558 | 30,924,302 | 28,392,058 | 22,192,971 | 166,139,766 | 2,174,009,424 |
| Disposals: | | | | | | | | | | | |
| Cost | - | - | (170,385,978) | - | - | - | (225,000) | (67,716) | (4,311,029) | (87,166,960) | (262,156,683) |
| Accumulated depreciation | - | - | 140,869,029 | - | - | - | 143,622 | 15,349 | 1,228,973 | 25,532,815 | 167,789,788 |
| | - | - | (29,516,949) | - | - | - | (81,378) | (52,367) | (3,082,056) | (61,634,145) | (94,366,895) |
| Assets written off: | | | | | | | | | | | |
| Cost | - | - | (1,412,854) | - | - | - | - | - | - | - | (1,412,854) |
| Accumulated depreciation | - | - | 1,072,652 | - | - | - | - | - | - | - | 1,072,652 |
| | - | - | (340,202) | - | - | - | - | - | - | - | (340,202) |
| Depreciation | - | (203,611,073) | (1,248,920,606) | (168,976,775) | (2,050,072) | (61,942,793) | (26,349,546) | (19,588,739) | (9,964,396) | (38,745,914) | (1,780,149,914) |
| Closing net book value | 1,498,847,680 | 4,134,983,649 | 12,297,400,123 | 3,236,030,473 | 312,068,765 | 565,401,711 | 259,892,117 | 158,543,925 | 93,833,554 | 221,446,749 | 22,778,448,746 |
| At 30 June 2024 | | | | | | | | | | | |
| Cost | 1,498,847,680 | 6,447,605,597 | 23,466,988,918 | 4,477,801,815 | 1,056,694,667 | 1,114,727,193 | 503,832,430 | 298,213,888 | 169,468,182 | 360,862,840 | 39,395,043,210 |
| Accumulated depreciation | - | (2,312,621,948) | (11,169,588,795) | (1,241,771,342) | (744,625,902) | (549,325,482) | (243,940,313) | (139,669,963) | (75,634,628) | (139,416,091) | (16,616,594,464) |
| Net book value | 1,498,847,680 | 4,134,983,649 | 12,297,400,123 | 3,236,030,473 | 312,068,765 | 565,401,711 | 259,892,117 | 158,543,925 | 93,833,554 | 221,446,749 | 22,778,448,746 |
| Year ended 30 June 2025 | | | | | | | | | | | |
| Opening net book value | 1,498,847,680 | 4,134,983,649 | 12,297,400,123 | 3,236,030,473 | 312,068,765 | 565,401,711 | 259,892,117 | 158,543,925 | 93,833,554 | 221,446,749 | 22,778,448,746 |
| Additions | - | 570,628,189 | 886,498,174 | 138,512,867 | 38,626,458 | 43,001,057 | 35,462,259 | 44,575,370 | 27,735,907 | 105,793,828 | 1,890,834,109 |
| Disposals: | | | | | | | | | | | |
| Cost | - | - | (53,386,269) | (54,134,945) | (173,783,745) | (4,923,419) | (146,529) | (1,751,092) | (10,870,968) | (43,510,849) | (342,507,816) |
| Accumulated depreciation | - | - | 48,238,226 | 40,113,345 | 6,064,014 | 3,072,989 | 125,525 | 1,176,858 | 4,496,624 | 13,741,910 | 117,029,491 |
| | - | - | (5,148,043) | (14,021,600) | (167,719,731) | (1,850,430) | (21,004) | (574,234) | (6,374,344) | (29,768,939) | (225,478,325) |
| Assets written off: | | | | | | | | | | | |
| Cost | - | - | (561,395) | (35,059,414) | - | (478,995) | (299,298) | (593,783) | - | - | (36,992,885) |
| Accumulated depreciation | - | - | 105,821 | 5,008,104 | - | 123,730 | 182,074 | 489,358 | - | - | 5,909,087 |
| | - | - | (455,574) | (30,051,310) | - | (355,265) | (117,224) | (104,425) | - | - | (31,083,798) |
| Depreciation | - | (225,739,583) | (1,229,320,822) | (170,909,774) | (876,190) | (60,431,562) | (24,580,872) | (20,449,585) | (10,845,002) | (45,544,286) | (1,788,697,676) |
| Closing net book value | 1,498,847,680 | 4,479,872,255 | 11,948,973,858 | 3,159,560,656 | 182,099,302 | 545,765,511 | 270,635,276 | 181,991,051 | 104,350,115 | 251,927,352 | 22,624,023,056 |
| At 30 June 2025 | | | | | | | | | | | |
| Cost | 1,498,847,680 | 7,018,233,786 | 24,299,539,428 | 4,527,120,323 | 921,537,380 | 1,152,325,836 | 538,848,862 | 340,444,383 | 186,333,121 | 423,145,819 | 40,906,376,618 |
| Accumulated depreciation | - | (2,538,361,531) | (12,350,565,570) | (1,367,559,667) | (739,438,078) | (606,560,325) | (268,213,586) | (158,453,332) | (81,983,006) | (171,218,467) | (18,282,353,562) |
| Net book value | 1,498,847,680 | 4,479,872,255 | 11,948,973,858 | 3,159,560,656 | 182,099,302 | 545,765,511 | 270,635,276 | 181,991,051 | 104,350,115 | 251,927,352 | 22,624,023,056 |
| Annual rate of depreciation (%) | | | | | | | | | | | |
| | 5 | 10 | 4 | 10 | 10 | 10 | 10 | 10 - 20 | 10 - 20 | 10 - 20 | 20 |

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

| Description | Qty | Cost | Accumulated depreciation | Net book value | Sale proceeds | Gain / (loss) | Mode of disposal | Particulars of purchaser |
|--|-----|-------------|--------------------------|----------------|---------------|---------------|------------------|---|
| Rupees | | | | | | | | |
| Motor vehicles | | | | | | | | |
| Honda Civic LEB-17A-2650 | 1 | 2,432,290 | 1,803,209 | 629,081 | 3,878,000 | 3,248,919 | Negotiation | Mr. Adnan Naseer Ahmed, Lahore |
| Suzuki Cultus VXL ACK-537 | 1 | 1,970,000 | 961,202 | 1,008,798 | 1,970,000 | 961,202 | Company Policy | Mr. Dlishad Hussain, Company's employee, Lahore |
| Suzuki Cultus VXR AGC-751 | 1 | 1,643,413 | 796,914 | 846,499 | 1,643,413 | 796,914 | Company Policy | Mr. Khurram Masood, Company's employee, Lahore |
| Suzuki Cultus VXR AJR-037 | 1 | 1,710,336 | 807,097 | 903,239 | 1,710,336 | 807,097 | Company Policy | Mr. M. Luqman Naeem, Company's employee, Lahore |
| Proton Saga 1.3L AMA-156 | 1 | 3,095,300 | 1,207,580 | 1,887,720 | 3,095,300 | 1,207,580 | Company Policy | Mr. Hafiz Irfan, Company's employee, Lahore |
| Wagon R VXL ALM-615 | 1 | 2,199,000 | 737,203 | 1,461,797 | 2,199,000 | 737,203 | Company Policy | Mr. Israr Qadeer, Company's employee, Lahore |
| Suzuki Swift GLX CVT ART-120 | 1 | 5,429,000 | 421,200 | 5,007,800 | 5,429,000 | 421,200 | Company Policy | Mr. Omair Mirza, Company's employee, Lahore |
| Haval Jolion 1.5T ARW-019 | 1 | 8,119,490 | 996,329 | 7,123,161 | 8,119,490 | 996,329 | Company Policy | Ms. Faryal Riaz, Company's employee, Lahore |
| Haval-H6 AUK 022 | 1 | 10,594,490 | 503,238 | 10,091,252 | 10,594,490 | 503,238 | Company Policy | Ms. Faryal Riaz, Company's employee, Lahore |
| Plant and machinery | | | | | | | | |
| Sizing Machine | 1 | 35,924,812 | 32,994,108 | 2,930,704 | 5,000,000 | 2,069,296 | Negotiation | Zohaib Industries, Lahore |
| Ring Frame - EJM 128 | 1 | 4,487,559 | 3,877,025 | 610,534 | 541,831 | (68,703) | Negotiation | Mahd Corporation, Lahore |
| Ring Frame EJM - 128 A | 2 | 5,274,262 | 4,760,512 | 513,750 | 1,083,662 | 569,912 | Negotiation | Mahd Corporation, Lahore |
| Picanol Air Jet | 1 | 3,912,730 | 3,253,261 | 659,469 | 700,000 | 40,531 | Negotiation | Fine Engineering Works, Lahore |
| Power Generation Equipment | | | | | | | | |
| ngine Cooling Tower - Liang | 5 | 7,513,106 | 5,435,452 | 2,077,654 | 238,691 | (1,838,963) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Nigata Cooling Tower - Luwa | 2 | 2,860,875 | 1,843,188 | 1,017,687 | 175,526 | (842,161) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Cylinder Head | 1 | 1,897,560 | 984,190 | 913,370 | 157,534 | (755,836) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Nozzle Ring VTR 354-A11 | 24 | 3,651,484 | 1,718,195 | 1,933,289 | 159,670 | (766,618) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Turbine Blade | 2 | 2,406,445 | 1,117,873 | 1,288,572 | 333,445 | (1,599,844) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Crank Pin Metal | 16 | 1,388,077 | 628,110 | 759,967 | 222,247 | (1,066,325) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Radial Diffuser | 2 | 1,161,364 | 525,522 | 635,842 | 131,076 | (628,891) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Rebuild Kit | 1 | 948,669 | 429,277 | 519,392 | 109,667 | (526,175) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Labyrinth Turbine Assy | 2 | 4,029,188 | 1,772,067 | 2,257,121 | 89,582 | (429,810) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Cylinder Head | 2 | 6,611,872 | 1,931,231 | 4,680,641 | 389,298 | (1,867,823) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Parts of Coal Power Plant | 1 | 15,470,222 | 1,939,966 | 13,530,256 | - | (13,530,256) | Written off | Written off |
| Parts of Generator MTU 12V | 1 | 12,977,320 | 1,136,906 | 11,840,414 | - | (11,840,414) | Written off | Written off |
| Standby generators | | | | | | | | |
| Nigata Engine | 1 | 27,230,754 | 618,597 | 26,612,157 | 4,589,939 | (22,022,218) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Nigata Engine | 1 | 26,847,457 | 671,261 | 26,176,196 | 4,514,746 | (21,661,450) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Package Shell and Tube Heat Exchanger Skid | 1 | 1,459,214 | 141,028 | 1,318,186 | 968,379 | (349,807) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Chiller Cooling Tower | 3 | 1,751,907 | 169,316 | 1,582,591 | 982,230 | (600,361) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Pumps For Chiller Cooling Tower | 8 | 2,706,335 | 261,558 | 2,444,777 | 1,517,346 | (927,431) | Negotiation | Saad Abdullah Traders, Faisalabad |
| Chiller - LG Korea | 3 | 9,889,393 | 950,877 | 8,938,516 | 5,544,635 | (3,393,881) | Negotiation | Saad Abdullah Traders, Faisalabad |
| Jenbacher Engine | 1 | 17,273,022 | 847,002 | 16,426,020 | 1,887,104 | (14,538,916) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Jenbacher Engine | 1 | 19,735,718 | 1,144,711 | 18,591,007 | 2,135,829 | (16,455,178) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Jenbacher Engine | 1 | 19,649,408 | 636,696 | 19,012,712 | 2,184,276 | (16,828,436) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Diesel Generator - Caterpillar | 2 | 1,300,030 | 100 | 1,299,930 | 149,342 | (1,150,588) | Negotiation | Saad Abdullah Traders, Faisalabad |
| Stator LSA 54 | 1 | 9,565,745 | 359,775 | 9,205,970 | 1,057,628 | (8,148,342) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Waste Heat Recovery Boiler | 1 | 4,849,561 | 182,396 | 4,667,165 | 536,187 | (4,130,978) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Pre Lube Pumps | 3 | 1,036,483 | 38,983 | 997,500 | 114,598 | (882,902) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Potential Transformer | 1 | 1,109,136 | 41,716 | 1,067,420 | 122,631 | (944,789) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000 | | 85,488,119 | 43,319,907 | 42,168,212 | 9,549,391 | (32,618,821) | | |
| | | 379,500,701 | 122,938,578 | 256,562,123 | 83,825,517 | (172,736,606) | | |

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| 15. RIGHT-OF-USE ASSETS | | |
| Opening balance | 71,198,322 | 113,172,896 |
| Add: Additions during the year | 93,021,081 | 17,106,282 |
| Less: Impact of lease termination | (22,654,756) | - |
| Less: Depreciation for the year (Note 29) | (53,907,327) | (59,080,856) |
| Closing balance | <u>87,657,320</u> | <u>71,198,322</u> |

15.1 Lease of buildings

The Company obtained buildings on lease for its retail outlets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to six years.

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

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| 16. INTANGIBLE ASSETS - computer softwares | | |
| Intangibles - owned (Note 16.1) | 1,402,994 | 2,055,774 |
| Intangible under development (Note 16.2) | 1,099,361 | - |
| | <u>2,502,355</u> | <u>2,055,774</u> |

16.1 Intangibles - owned

| | | |
|--|------------------|------------------|
| Opening balance | 2,055,774 | 1,845,938 |
| Additions during the year | 250,750 | 1,085,004 |
| Less: Amortization during the year (Notes 16.3 and 30) | (903,530) | (875,168) |
| Closing balance | <u>1,402,994</u> | <u>2,055,774</u> |

At 30 June

| | | |
|--------------------------|------------------|------------------|
| Cost | 25,667,931 | 25,417,181 |
| Accumulated amortization | (24,264,937) | (23,361,407) |
| Net book value | <u>1,402,994</u> | <u>2,055,774</u> |

16.1 The Company is developing an intangible asset, 'Odoo', for the retail stores, which represents an ERP integrated business management platform tailored to the Company's operational and reporting needs. This platform aims to streamline transaction recording, enhance data accuracy, and provide a unified system for financial and operational processes. Development costs associated with this intangible asset are capitalized when it is probable that the asset will generate future economic benefits, and these costs can be reliably measured. Costs that do not meet these capitalization criteria are expensed as incurred.

16.3 Amortization on intangible assets amounting to Rupees 0.904 million (2024: Rupees 0.875 million) has been allocated to administrative expenses.

16.4 Intangible assets - computer softwares have been amortized at the rate of 25% to 30% per annum.

- 16.5 Intangible assets of Rupees 22.452 million (2024: Rupees 21.773 million) are fully amortized but still in the use of the Company.

| | 2025 Rupees | 2024 Rupees |
|---|--------------------|--------------------|
| 17. LONG TERM INVESTMENTS | | |
| Equity instruments | | |
| Subsidiary companies - at cost | | |
| Nishat Chunian USA Inc. - unquoted 10 (2024: 10) fully paid shares with no par value per share Equity held 100% (2024: 100%) | 10,823,000 | 10,823,000 |
| Nishat Chunian Properties (Private) Limited - unquoted (Note 17.1) 49,930,500 (2024: 49,930,500) fully paid ordinary shares of Rupees 10 each Equity held 100% (2024: 100%) | 499,305,000 | 499,305,000 |
| | <u>510,128,000</u> | <u>510,128,000</u> |

- 17.1 Investment in Nishat Chunian Properties (Private) Limited includes 2 shares held in the name of nominees of the Company.

- 17.2 T L C Middle East Trading L.L.C is a limited liability company - Single Owner (LLC - SO) formed in pursuance to the Federal Law No. (2) of 2015 concerning commercial companies and registered with the Department of Economic Development, Government of Dubai. Date of incorporation of T L C Middle East Trading L.L.C is 14 October 2021. The principal business of T L C Middle East Trading L.L.C is textile trading, blankets, towels and linen trading. Commercial address of T L C Middle East Trading L.L.C is Office No. M13, Fatima Building, Al Suq Al Kabeer, Dubai, United Arab Emirates. The capital of T L C Middle East Trading L.L.C is AED 300,000 divided into 300 shares, the value of each share is AED 1,000. Nishat (Chunian) Limited shall own 100% shares of T L C Middle East Trading L.L.C. However, Nishat (Chunian) Limited has not yet remitted funds into the bank account of T L C Middle East Trading L.L.C against the shares subscribed and expects to make investment in shares of T L C Middle East Trading L.L.C shortly.

| | 2025 Rupees | 2024 Rupees |
|--|---------------------|--------------------|
| 18. LONG TERM LOANS TO EMPLOYEES | | |
| Considered good: | | |
| Executives (Notes 18.1, 18.2, 18.3 and 18.4) | 30,248,186 | 5,448,350 |
| Other employees (Note 18.3) | 6,469,960 | 9,170,725 |
| | <u>36,718,146</u> | <u>14,619,075</u> |
| Less: Current portion shown under current assets (Note 22) | | |
| Executives | (8,471,459) | (774,887) |
| Other employees | (2,264,540) | (2,947,478) |
| | <u>(10,735,999)</u> | <u>(3,722,365)</u> |
| | <u>25,982,147</u> | <u>10,896,710</u> |

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| 18.1 Reconciliation of carrying amount of loans to executives: | | |
| Opening balance | 5,448,350 | 4,022,917 |
| Add: Disbursements during the year | 40,185,688 | 7,799,491 |
| Less: Repayments during the year | (15,385,852) | (6,374,058) |
| Closing balance | <u>30,248,186</u> | <u>5,448,350</u> |

18.2 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 30.248 million (2024: Rupees 6.060 million).

18.3 These include motor vehicle loans to executives and employees, payable in 28 to 60 monthly instalments. Interest on long term loans ranged from 13.11% to 21.13% (2024: 0% to 23.97%) per annum. These loans are secured against registration of cars in the name of the Company.

18.4 These include motor vehicle loan to Ms. Faryal Riaz Chatha - key management personnel of the Company of Rupees 9.472 million (2024: Rupees 5.448 million). Interest on long term loan ranged from 13.11% to 21.13% (2024: 22.48% to 23.97%) per annum. Maximum aggregate balance due from Ms. Faryal Riaz Chatha - key management personnel of the Company at the end of any month during the year was Rupees 9.472 million (2024: Rupees 6.060 million). The age analysis of this loan is as follows:

| | 2025 Rupees | 2024 Rupees |
|---------------|------------------------|------------------------|
| Upto 1 month | 9,472,117 | - |
| 1 to 6 months | - | 5,448,350 |
| | <u>9,472,117</u> | <u>5,448,350</u> |

18.5 The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| 19. STORES, SPARE PARTS AND LOOSE TOOLS | | |
| Stores | 1,049,954,893 | 1,017,071,795 |
| Spare parts | 882,345,697 | 854,711,881 |
| Loose tools | 122,397,716 | 118,564,393 |
| | 2,054,698,306 | 1,990,348,069 |
| Less: Provision for slow moving, damaged and obsolete store items (Note 19.1) | (16,646,726) | (14,281,988) |
| | <u>2,038,051,580</u> | <u>1,976,066,081</u> |

| | 2025 Rupees | 2024 Rupees |
|---|-----------------------|-----------------------|
| 19.1 Provision for slow moving, damaged and obsolete store items | | |
| Opening balance | 14,281,988 | 9,841,358 |
| Add: Provision recognised during the year (Note 31) | 2,364,738 | 4,440,630 |
| Closing balance | <u>16,646,726</u> | <u>14,281,988</u> |
| 20. STOCK-IN-TRADE | | |
| Raw materials (Note 20.1) | 22,164,478,468 | 16,977,297,905 |
| Work-in-process | 2,921,385,076 | 2,623,294,710 |
| Finished goods (Notes 20.3 and 20.4) | 5,469,032,262 | 4,777,618,934 |
| Waste | 160,298,253 | 146,623,097 |
| | <u>30,715,194,059</u> | <u>24,524,834,646</u> |

20.1 These include stock in transit of Rupees 2,837.710 million (2024: Rupees 301.235 million).

20.2 Stock-in-trade of Rupees 228.965 million (2024: Rupees 168.342 million) is being carried at net realizable value.

20.3 This includes stock of Rupees 945.548 million (2024: Rupees 411.83 million) sent to outside parties for processing.

20.4 Finished goods include stock in transit of Rupees 762.726 million (2024: Rupees 741.461 million).

| | 2025 Rupees | 2024 Rupees |
|--|-----------------------|-----------------------|
| 21. TRADE DEBTS | | |
| Considered good: | | |
| Secured: | | |
| - Others | 6,614,513,010 | 6,809,238,422 |
| Unsecured: | | |
| - Related parties (Notes 21.3 and 21.4) | 74,916,046 | 35,041,781 |
| - Others | 5,906,459,318 | 4,310,649,002 |
| | <u>12,595,888,374</u> | <u>11,154,929,205</u> |
| Less: Allowance for expected credit losses (Note 21.7) | (8,823,945) | (12,930,103) |
| | <u>12,587,064,429</u> | <u>11,141,999,102</u> |
| 21.1 Types of counterparties | | |
| Export | | |
| Corporate | 6,451,902,208 | 5,500,617,376 |
| Other | - | - |
| | <u>6,451,902,208</u> | <u>5,500,617,376</u> |
| Local | | |
| Corporate | 5,521,499,202 | 5,416,352,953 |
| Other | 622,486,964 | 237,958,876 |
| | <u>6,143,986,166</u> | <u>5,654,311,829</u> |
| | <u>12,595,888,374</u> | <u>11,154,929,205</u> |

| | 2025 Rupees | 2024 Rupees |
|--|------------------------|------------------------|
| 21.2 Foreign jurisdictions of trade debts | | |
| Europe | 3,461,787,787 | 3,355,613,178 |
| Asia, Africa and Australia | 2,389,250,019 | 1,767,473,554 |
| United States of America and Canada | 600,864,402 | 377,530,644 |
| | <u>6,451,902,208</u> | <u>5,500,617,376</u> |
| 21.3 This represents amounts due from following related parties: | | |
| Sweave Inc. - subsidiary company of Nishat Chunian | | |
| USA Inc. - subsidiary company | 74,916,046 | 34,018,200 |
| T L C Middle East Trading L.L.C. - subsidiary company | - | 1,023,581 |
| | <u>74,916,046</u> | <u>35,041,781</u> |
| 21.4 The maximum aggregate amount receivable from related parties at the end of any month during the year was as follows: | | |
| | 2025 Rupees | 2024 Rupees |
| Sweave Inc. - subsidiary company of Nishat Chunian | | |
| USA Inc. - subsidiary company | 97,957,783 | 47,603,831 |
| | <u>97,957,783</u> | <u>47,603,831</u> |
| T L C Middle East Trading L.L.C. - subsidiary company | 4,475,569 | 1,520,558 |
| | <u>4,475,569</u> | <u>1,520,558</u> |
| 21.5 Trade debts due from other than related parties of Rupees 4,306.839 million (2024: Rupees 7,858.657 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The age analysis of these trade debts is as follows: | | |
| | 2025 Rupees | 2024 Rupees |
| Upto 1 month | 3,374,010,862 | 6,928,444,433 |
| 1 to 6 months | 928,452,477 | 923,876,461 |
| More than 6 months | 4,375,173 | 6,336,524 |
| | <u>4,306,838,512</u> | <u>7,858,657,418</u> |
| 21.6 Trade debts due from related parties amounting to Rupees 74.916 million (2024: Rupees 35.041 million) were past due but not impaired. The age analysis of these trade debts is as follows: | | |
| | 2025 Rupees | 2024 Rupees |
| Upto 1 month | 74,916,046 | 35,041,781 |
| | <u>74,916,046</u> | <u>35,041,781</u> |

| | 2025 Rupees | 2024 Rupees |
|--|----------------------|----------------------|
| 21.7 Allowance for expected credit losses | | |
| Opening balance | 12,930,103 | 94,186,247 |
| Less: Written off against allowance for expected credit losses | (1,334,898) | - |
| Less: Reversal recognized during the year (Note 32) | (2,771,260) | (81,256,144) |
| Closing balance | <u>8,823,945</u> | <u>12,930,103</u> |
| 22. LOANS AND ADVANCES | | |
| Considered good: | | |
| Employees - interest free: | | |
| - Executives | 15,116,240 | 22,390,535 |
| - Other employees | 15,150,886 | 15,176,840 |
| Current portion of long term loans to employees (Note 18) | 10,735,999 | 3,722,365 |
| Advances to suppliers | 4,224,935,271 | 3,869,502,659 |
| Advances to contractors | 4,558,735 | 5,489,954 |
| Letters of credit | 85,998,378 | 49,068,160 |
| | <u>4,356,495,509</u> | <u>3,965,350,513</u> |
| Considered doubtful: | | |
| Advances to suppliers | 8,477,029 | 10,897,130 |
| Less: Provision for doubtful advances to suppliers (Note 22.1) | (8,477,029) | (10,897,130) |
| | <u>-</u> | <u>-</u> |
| | <u>4,356,495,509</u> | <u>3,965,350,513</u> |
| 22.1 Provision for doubtful advances to suppliers | | |
| Opening balance | 10,897,130 | 10,897,130 |
| Less: Reversal of provision during the year (Note 32) | (2,420,101) | - |
| Closing balance | <u>8,477,029</u> | <u>10,897,130</u> |
| 23. OTHER RECEIVABLES | | |
| Considered good: | | |
| Sales tax recoverable | 1,967,719,963 | 1,825,896,384 |
| Export rebate and claims | 189,034,486 | 127,680,610 |
| Duty drawback receivable | 73,455,435 | 116,304,233 |
| Derivative financial instruments (Note 23.1) | 2,655,343 | 18,802,576 |
| Insurance claim receivable | 305,215 | 67,000 |
| Fair value of forward exchange contracts | - | 124,217,942 |
| Receivable from related parties (Notes 23.2) | 85,152,569 | 2,448,142 |
| Miscellaneous | 122,267,935 | 80,325,593 |
| | <u>2,440,590,946</u> | <u>2,295,742,480</u> |

23.1 This represents Pak Rupees denominated interest rate swap the Company entered into with two commercial banks. Under the terms of the Pak Rupees denominated interest rate swap arrangement, the

Company pays fixed interest to the arranging banks on the notional Pak Rupees amount for the purposes of the Pak Rupees denominated interest rate swap and receives three months KIBOR floating rate interest from the arranging banks on the Rupee amount. There has been no transfer of liability under the arrangement, only the nature of the interest payment has changed. The Pak Rupees denominated interest rate swap outstanding as at 30 June 2025 has been marked to market and the resulting gain or loss has been recognized in the statement of profit or loss.

| | 2025 Rupees | 2024 Rupees |
|--|------------------------|------------------------|
| 23.2 Receivable from related parties | | |
| Receivable against expenses (Notes 23.2.1 and 23.2.2) | 86,592,306 | 7,868,846 |
| Less: Allowance for expected credit losses (Note 23.2.3) | (1,439,737) | (5,420,704) |
| | <u>85,152,569</u> | <u>2,448,142</u> |

23.2.1 This represents amounts due from following related parties. The age analysis of these receivables is as follows:

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| Nishat Chunian Properties (Private) Limited - subsidiary company | | |
| Upto 1 month | 18,830 | 20,092 |
| 1 to 6 months | 130,585 | 98,135 |
| More than 6 months | 2,018,132 | 1,321,298 |
| | <u>2,167,547</u> | <u>1,439,525</u> |
| T L C Middle East Trading L.L.C - subsidiary company | | |
| Upto 1 month | 2,222,710 | - |
| 1 to 6 months | 1,388,992 | 1,239,839 |
| More than 6 months | 80,813,057 | 5,189,482 |
| | <u>84,424,759</u> | <u>6,429,321</u> |

23.2.2 The maximum aggregate amount receivable from related parties at the end of any month during the year was as follows:

| | 2025 Rupees | 2024 Rupees |
|--|------------------------|------------------------|
| Nishat Chunian Properties (Private) Limited - subsidiary company | 2,167,547 | 1,439,525 |
| T L C Middle East Trading L.L.C - subsidiary company | 84,424,759 | 6,429,321 |

23.2.3 Allowance for expected credit losses

| | 2025 Rupees | 2024 Rupees |
|--|------------------------|------------------------|
| Opening balance | 5,420,704 | - |
| (Less) / Add: (Reversal of allowance) / allowance recognized during the year (Note 32 / Note 31) | (3,980,967) | 5,420,704 |
| Closing balance | <u>1,439,737</u> | <u>5,420,704</u> |

| | 2025 Rupees | 2024 Rupees |
|---|----------------|----------------|
| 24. TAXATION AND LEVY - NET | | |
| Advance Income tax - net | | |
| Advance income tax | 843,761,760 | 222,187,670 |
| Less: Provision for taxation | (115,990,969) | (36,880,465) |
| | 727,770,791 | 185,307,205 |
| Levy - net | | |
| Prepaid levy | 549,970,960 | 460,049,304 |
| Less: Levy | (953,069,289) | (515,303,102) |
| | (403,098,329) | (55,253,798) |
| | 324,672,462 | 130,053,407 |
| 25. SHORT TERM INVESTMENTS | | |
| Equity instrument (Note 25.1) | 26,686,817 | 33,705,134 |
| Debt instruments - term deposit receipts (Note 25.2) | 427,687,103 | 116,899,183 |
| | 454,373,920 | 150,604,317 |
| 25.1 Equity instrument | | |
| At fair value through profit or loss: | | |
| Adamjee Life Assurance Company Limited - quoted 956,174 (2024: 956,174) fully paid ordinary shares of Rupees 10 each Carrying value | 33,705,134 | 13,185,639 |
| (Less) / Add: Unrealized (loss) / gain for the year (Note 31 / Note 32) | (7,018,317) | 20,519,495 |
| Fair value | 26,686,817 | 33,705,134 |
| 25.2 Debt instruments - term deposit receipts | | |
| At amortized cost (Note 25.2.1) | 415,160,226 | 115,160,226 |
| Add: Accrued interest | 12,526,877 | 1,738,957 |
| | 427,687,103 | 116,899,183 |

25.2.1 These represent deposits under lien with the banks of the Company against bank guarantees of the same amount issued by the bank to Sui Northern Gas Pipelines Limited against gas connections and Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess. Interest on term deposit receipts ranges from 6.15% to 19.11% (2024: 17.00% to 20.05%) per annum. The maturity period of these term deposit receipts is 3 and 12 months (2024: 3 and 12 months).

| | 2025 Rupees | 2024 Rupees |
|---|--------------------|-------------------|
| 26. CASH AND BANK BALANCES | | |
| Cash with banks: | | |
| On saving accounts (Note 26.1) | | |
| Including US\$ 34.27 (2024: US\$ 34.27) | 59,420 | 54,444 |
| On current accounts | | |
| Including US\$ 39,672 (2024: US\$ 43,348) | 98,743,008 | 54,227,840 |
| | <u>98,802,428</u> | <u>54,282,284</u> |
| Cash in hand | 3,306,999 | 6,668,504 |
| | <u>102,109,427</u> | <u>60,950,788</u> |

26.1 Rate of profit on saving accounts during the year ranges from 0.10% to 18.01% (2024: 0.10% to 20.50%) per annum.

| | 2025 Rupees | 2024 Rupees |
|--|-----------------------|-----------------------|
| 27. REVENUE | | |
| Revenue from contracts with customers: | | |
| - Export sales (Note 27.1) | 31,774,331,745 | 62,126,996,182 |
| - Local sales (Note 27.2) | 52,546,058,413 | 25,913,200,121 |
| - Processing income (Note 27.3) | 1,002,807,958 | 729,303,109 |
| | <u>85,323,198,116</u> | <u>88,769,499,412</u> |
| Export rebate | 104,287,792 | 110,052,406 |
| | <u>85,427,485,908</u> | <u>88,879,551,818</u> |

27.1 These include sales of Rupees Nil (2024: Rupees 23,711.663 million) made to direct exporters against standard purchase orders (SPOs). Further, such SPOs sales are net of sales tax amounting to Rupees Nil (2024: Rupees Nil).

| | 2025 Rupees | 2024 Rupees |
|-------------------------|-----------------------|-----------------------|
| 27.2 Local sales | | |
| Sales | 62,004,752,814 | 30,570,095,822 |
| Less: Sales tax | (9,458,694,401) | (4,656,895,701) |
| | <u>52,546,058,413</u> | <u>25,913,200,121</u> |

27.2.1 Local sales includes waste sales of Rupees 573.043 million (2024: Rupees 1,779.983 million).

27.3 Processing income is net of sales tax amounting to Rupees 178.039 million (2024: Rupees 131.909 million).

27.4 The amount of Rupees 186.303 million included in contract liabilities (Note 9) at 30 June 2024 has been recognized as revenue during the year ended 30 June 2025 (2024: Rupees 433.630 million).

27.5 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition:

| Description | Spinning | | Weaving | | Processing and Home Textile | | Power Generation | | Total | |
|--|----------------|----------------|----------------|----------------|-----------------------------|----------------|------------------|------------|----------------|----------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| ----- Rupees ----- | | | | | | | | | | |
| Region | | | | | | | | | | |
| Europe | 339,100,079 | 565,112,060 | 1,001,344,466 | 776,035,822 | 12,602,888,012 | 12,107,256,758 | - | - | 13,943,332,557 | 13,448,404,640 |
| United States of America and Canada | 44,655,222 | - | 114,212,002 | 140,887,515 | 4,602,974,703 | 4,837,567,739 | - | - | 4,761,841,927 | 4,978,455,254 |
| Asia, Africa, Australia | 8,141,942,761 | 15,251,256,864 | 1,255,552,177 | 1,433,068,176 | 3,671,662,323 | 3,304,148,223 | - | - | 13,069,157,261 | 19,988,473,263 |
| Pakistan | 40,014,637,829 | 39,295,500,124 | 11,158,438,343 | 8,944,026,412 | 1,134,804,233 | 1,353,956,337 | 238,178,008 | 31,380,273 | 52,546,058,413 | 49,624,863,146 |
| Processing income | 330,000 | - | 112,716,664 | 150,876,457 | 889,761,294 | 578,426,652 | - | - | 1,002,807,958 | 729,303,109 |
| Export rebate | - | - | 833,030 | 676,913 | 103,454,762 | 109,375,493 | - | - | 104,287,792 | 110,052,406 |
| | 48,540,665,891 | 55,111,869,048 | 13,643,096,682 | 11,445,571,295 | 23,005,545,327 | 22,290,731,202 | 238,178,008 | 31,380,273 | 85,427,485,908 | 88,879,551,818 |
| Timing of revenue recognition | | | | | | | | | | |
| Products and services transferred at a point in time | 48,540,665,891 | 55,111,869,048 | 13,643,096,682 | 11,445,571,295 | 23,005,545,327 | 22,290,731,202 | 238,178,008 | 31,380,273 | 85,427,485,908 | 88,879,551,818 |
| Products and services transferred over time | - | - | - | - | - | - | - | - | - | - |
| | 48,540,665,891 | 55,111,869,048 | 13,643,096,682 | 11,445,571,295 | 23,005,545,327 | 22,290,731,202 | 238,178,008 | 31,380,273 | 85,427,485,908 | 88,879,551,818 |
| Major products / service lines | | | | | | | | | | |
| Yarn | 48,165,071,675 | 53,550,437,757 | 101,299,460 | 50,438,838 | 2,196,000 | 2,816,817 | - | - | 48,268,567,135 | 53,603,693,412 |
| Comber Noil | 375,594,216 | 1,561,431,291 | 70,972,458 | - | - | - | - | - | 446,566,674 | 1,561,431,291 |
| Grey Cloth | - | - | 13,358,108,100 | 11,244,256,000 | 21,454,750 | - | - | - | 13,379,562,850 | 11,244,256,000 |
| Process Cloth | - | - | 112,716,664 | 150,876,457 | 6,045,394,889 | 21,554,938,082 | - | - | 6,158,111,553 | 21,705,814,539 |
| Made Ups | - | - | - | - | 16,936,499,688 | 732,976,303 | - | - | 16,936,499,688 | 732,976,303 |
| Electricity | - | - | - | - | - | - | 237,240,920 | 31,369,517 | 237,240,920 | 31,369,517 |
| Fly ash | - | - | - | - | - | - | 937,088 | 10,756 | 937,088 | 10,756 |
| | 48,540,665,891 | 55,111,869,048 | 13,643,096,682 | 11,445,571,295 | 23,005,545,327 | 22,290,731,202 | 238,178,008 | 31,380,273 | 85,427,485,908 | 88,879,551,818 |

27.6 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

| | 2025 Rupees | 2024 Rupees |
|--|------------------|------------------|
| 28. COST OF SALES | | |
| Raw materials consumed (Note 28.1) | 58,050,380,585 | 56,481,999,545 |
| Packing materials consumed | 1,766,103,325 | 1,902,616,716 |
| Stores, spare parts and loose tools consumed | 1,201,355,281 | 1,411,394,450 |
| Processing charges | 71,677,550 | 27,816,851 |
| Salaries, wages and other benefits (Note 28.2) | 5,539,232,608 | 4,920,481,902 |
| Fuel and power (Note 28.3) | 7,775,044,947 | 8,133,121,827 |
| Insurance | 129,443,990 | 146,307,803 |
| Postage and telephone | 1,335,241 | 1,204,114 |
| Travelling and conveyance | 14,942,471 | 7,403,604 |
| Vehicles' running and maintenance | 66,520,043 | 77,698,000 |
| Entertainment | 25,409,398 | 28,143,971 |
| Depreciation on operating fixed assets (Note 14.1.2) | 1,754,368,187 | 1,753,084,325 |
| Repair and maintenance | 737,081,997 | 742,076,681 |
| Other factory overheads | 164,203,299 | 183,918,238 |
| | 77,297,098,922 | 75,817,268,027 |
| Work-in-process: | | |
| Add: Opening stock | 2,623,294,710 | 2,557,921,137 |
| Less: Closing stock | (2,921,385,076) | (2,623,294,710) |
| | (298,090,366) | (65,373,573) |
| Cost of goods manufactured | 76,999,008,556 | 75,751,894,454 |
| Finished goods and waste: | | |
| Add: Opening stocks: | | |
| -Finished goods | 4,777,618,934 | 6,038,586,320 |
| -Waste | 146,623,097 | 681,947,132 |
| Add: Finished goods purchased during the year | 300,254,345 | 422,109,621 |
| Less: Closing stocks: | | |
| -Finished goods | (5,469,032,262) | (4,777,618,934) |
| -Waste | (160,298,253) | (146,623,097) |
| | (404,834,139) | 2,218,401,042 |
| | 76,594,174,417 | 77,970,295,496 |
| 28.1 Raw materials consumed | | |
| Opening stock | 16,977,297,905 | 14,275,579,609 |
| Add: Purchased during the year | 63,237,561,148 | 59,183,717,841 |
| | 80,214,859,053 | 73,459,297,450 |
| Less: Closing stock | (22,164,478,468) | (16,977,297,905) |
| | 58,050,380,585 | 56,481,999,545 |

28.2 Salaries, wages and other benefits include Rupees 69.669 million (2024: Rupees 55.145 million) and Rupees 166.047 million (2024: Rupees 143.251 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

- 28.3** This includes reversal of provision for electricity duty amounting to Rupees 78.896 million (2024: Rupees Nil), pursuant to the decision of the Supreme Court of Pakistan dated 08 October 2024, in Civil Appeals Nos. 256 to 472 of 2011 (2024 SCP 348), which held that no electricity duty can be recovered from the entities using generators exceeding 500 KW capacity for self-consumption.

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| 29. DISTRIBUTION COST | | |
| Salaries and other benefits (Note 29.1) | 274,371,643 | 225,212,537 |
| Ocean freight | 227,154,872 | 359,242,988 |
| Freight and octroi | 212,516,268 | 316,732,111 |
| Local marketing expenses | 44,719,289 | 39,748,707 |
| Forwarding and other expenses | 200,285,380 | 216,986,658 |
| Export marketing expenses | 277,451,964 | 334,239,767 |
| Commission to selling agents | 424,231,869 | 496,160,112 |
| Rent, rates and taxes | 30,628,079 | 15,269,113 |
| Printing and stationery | 191,338 | 179,248 |
| Travelling and conveyance | 4,559,135 | 4,334,933 |
| Postage and telephone | 9,550,738 | 8,373,834 |
| Legal and professional | 2,476,782 | 6,431,752 |
| Repair and maintenance | 1,989,233 | 871,043 |
| Electricity and sui gas | 8,328,866 | 9,729,803 |
| Entertainment | 2,762,098 | 1,647,156 |
| Depreciation on right-of-use assets (Note 15) | 53,907,327 | 59,080,856 |
| Miscellaneous | 12,087,995 | 8,032,935 |
| | <u>1,787,212,876</u> | <u>2,102,273,553</u> |

- 29.1** Salaries and other benefits include Rupees 6.608 million (2024: Rupees 5.032 million) and Rupees 10.812 million (2024: Rupees 9.611 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

| | 2025 Rupees | 2024 Rupees |
|--|------------------------|------------------------|
| 30. ADMINISTRATIVE EXPENSES | | |
| Salaries and other benefits (Note 30.1) | 308,265,145 | 260,638,007 |
| Printing and stationery | 7,422,077 | 8,868,341 |
| Vehicles' running and maintenance | 14,133,422 | 15,484,318 |
| Travelling and conveyance | 102,429,859 | 112,048,022 |
| Postage and telephone | 10,137,820 | 8,279,976 |
| Fee and subscription | 7,512,148 | 10,028,697 |
| Legal and professional | 27,681,116 | 29,658,294 |
| Auditor's remuneration (Note 30.2) | 5,432,315 | 4,938,468 |
| Electricity and sui gas | 14,006,615 | 10,701,179 |
| Insurance | 7,633,484 | 6,972,732 |
| Repair and maintenance | 11,640,560 | 9,156,190 |
| Entertainment | 6,574,516 | 13,530,817 |
| Depreciation on operating fixed assets (Note 14.1.2) | 34,329,489 | 27,065,589 |
| Amortization on intangible assets (Note 16) | 903,530 | 875,168 |
| Miscellaneous | 18,712,698 | 17,015,859 |
| | <u>576,814,794</u> | <u>535,261,657</u> |

30.1 Salaries and other benefits include Rupees 8.893 million (2024: Rupees 3.120 million) and Rupees 9.911 million (2024: Rupees 10.464 million) in respect of accumulating compensated absences and provident fund contribution by the Company respectively.

| | 2025 Rupees | 2024 Rupees |
|------------------------------------|------------------------|------------------------|
| 30.2 Auditor's remuneration | | |
| Statutory audit fee | 3,837,892 | 3,488,993 |
| Half yearly review | 942,150 | 856,500 |
| Certification fees | 314,583 | 285,984 |
| Reimbursable expenses | 337,690 | 306,991 |
| | 5,432,315 | 4,938,468 |

31. OTHER EXPENSES

| | | |
|--|-------------|-------------|
| Workers' profit participation fund (Note 9.4) | 92,852,534 | 59,894,054 |
| Workers' welfare fund (Note 9.5) | 9,069,589 | 4,184,352 |
| Donations (Note 31.1) | 117,061,837 | 65,328,677 |
| Unrealised exchange loss on forward contracts | 51,082,846 | - |
| Unrealised loss on re-measurement of investment at fair value through profit or loss (Note 25.1) | 7,018,317 | - |
| Operating fixed assets written off | 31,083,800 | 340,202 |
| Loss on disposal of operating fixed assets - net | 141,652,806 | - |
| Trade debt written off | 15,746,043 | - |
| Allowance for expected credit losses - other receivables (Note 23.2.3) | - | 5,420,704 |
| Provision for slow moving, damaged and obsolete store items (Note 19.1) | 2,364,738 | 4,440,630 |
| | 467,932,510 | 139,608,619 |

31.1 The names of donees to whom donation amount exceeds Rupees 11.706 million (2024: Rupees 6.533 million) are as follows:

| | 2025 Rupees | 2024 Rupees |
|---------------------------------------|------------------------|------------------------|
| Saleem Memorial Hospital (Note 31.2) | 102,000,000 | 52,000,000 |
| Mian Muhammad Yahya Trust (Note 31.3) | 14,951,787 | 13,273,677 |

31.2 Mr. Shahzad Saleem, Director and Mr. Zain Shahzad, Chief Executive of the Company are chairman and director of the Saleem Memorial Hospital respectively.

31.3 Mr. Zain Shahzad, Chief Executive of the Company is chairman of Mian Muhammad Yahya Trust.

| | 2025 Rupees | 2024 Rupees |
|--|----------------|----------------|
| 32. OTHER INCOME | | |
| Income from financial assets | | |
| Return on bank deposits | 5,928 | 12,114 |
| Dividend income | 1,912,348 | 1,912,348 |
| Return on term deposit receipts | 41,945,928 | 8,349,408 |
| Net exchange gain | 382,028,984 | 342,619,249 |
| Unrealised exchange gain on forward contracts | - | 34,297,532 |
| Unrealised gain on re-measurement of investment at fair value through profit or loss (Note 25.1) | - | 20,519,495 |
| Reversal of allowance for expected credit losses - trade debts (Note 21.7) | 2,771,260 | 81,256,144 |
| Reversal of allowance for expected credit losses - other receivables (Note 23.2.3) | 3,980,967 | - |
| Interest on derivative financial instruments | 64,670,822 | 145,340,137 |
| Interest on loans to employees | 3,432,336 | 3,065,067 |
| Income from non-financial assets and others | | |
| Gain on disposal of operating fixed assets - net | - | 15,433,977 |
| Reversal of provision for doubtful advances to suppliers (Note 22.1) | 2,420,101 | - |
| Scrap sales | 178,674,371 | 211,627,520 |
| Gain on termination of leases | 3,443,508 | - |
| Miscellaneous | 301,739 | 1,293,772 |
| | 685,588,292 | 865,726,763 |
| 33. FINANCE COST | | |
| Mark-up / profit on: | | |
| - long term loans | 1,147,613,076 | 1,891,087,335 |
| - long term musharaka | 60,827,956 | 69,305,758 |
| - short term running finances | 1,024,660,552 | 3,290,557,923 |
| - export finances - Preshipment / SBP refinances | 1,090,492,433 | 1,216,818,850 |
| - short term finances - others | 1,273,565,051 | 1,068,993,281 |
| Interest on provident fund payable | - | 183,113 |
| Interest expense on lease liabilities (Note 7.1) | 17,699,757 | 15,406,799 |
| Interest on workers' profit participation fund (Note 9.4) | 3,062,309 | - |
| Bank charges and commission | 210,752,091 | 201,631,133 |
| | 4,828,673,225 | 7,753,984,192 |
| 34. LEVY | | |
| Final taxes | 286,852 | 626,426,506 |
| Minimum tax differential | 952,782,437 | 276,216,994 |
| Prior year adjustment | - | (387,340,398) |
| | 953,069,289 | 515,303,102 |

34.1 Levy represents final taxes levied under the Income Tax Ordinance, 2001 and minimum tax (excess over the amount designated as provision for current tax) on sales under section 113.

| | 2025 Rupees | 2024 Rupees |
|-----------------------|------------------------|------------------------|
| 35. TAXATION | | |
| Current tax: | | |
| For the year | 115,990,969 | 67,150,585 |
| Prior year adjustment | - | (30,270,120) |
| | <u>115,990,969</u> | <u>36,880,465</u> |

35.1 Current tax represents provision for taxation calculated based on the taxable income for the year determined in accordance with the Income Tax Ordinance, 2001.

| | 2025 Rupees | 2024 Rupees |
|--|------------------------|------------------------|
| 35.2 Reconciliation between tax expense and accounting profit | | |
| Accounting profit before levy and taxation | 1,858,266,378 | 1,243,855,064 |
| Applicable tax rate | 29% | 29% |
| Tax on accounting profit | 538,897,250 | 360,717,969 |
| Effect of final tax regime income taxed at a lower rate | 286,852 | 377,463,729 |
| Effect of prior year adjustment | - | (417,610,518) |
| Effect of minimum tax | 1,068,773,406 | 335,676,634 |
| Effect of expenses and income that are not considered in determining taxable liability | (538,897,250) | (111,755,192) |
| Effect of super tax | - | 7,690,945 |
| Current tax liability and levy as per applicable tax laws | 1,069,060,258 | 552,183,567 |
| Levy (Note 34) | (953,069,289) | (515,303,102) |
| Taxation (Note 35) | (115,990,969) | (36,880,465) |
| | <u>-</u> | <u>-</u> |

35.3 Deferred income tax asset

The asset for deferred income tax originated due to timing differences relating to:

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| Taxable temporary differences | | |
| Accelerated tax depreciation | 1,454,075,286 | 961,454,932 |
| Un-realized gain on FVTPL investments | - | 1,559,759 |
| Intangible assets | 137,892 | 104,118 |
| Right-of-use assets | 34,186,355 | 27,767,346 |
| | <u>1,488,399,533</u> | <u>990,886,155</u> |
| Deductible temporary differences | | |
| Lease liabilities | (38,242,952) | (33,441,764) |
| Un-realized loss on FVTPL investments | (19,362) | - |
| Allowance for expected credit losses - other receivables | (561,497) | - |
| Provision for slow moving, damaged and obsolete store items | (6,492,223) | (5,569,975) |
| Provision for doubtful advances to suppliers | (3,306,041) | (4,249,881) |
| Allowance for expected credit losses | (3,441,339) | (5,042,740) |
| Available tax losses | (403,966,978) | (500,929,878) |
| Minimum tax carry forward | (1,446,841,579) | (745,253,223) |
| | <u>(1,902,871,971)</u> | <u>(1,294,487,461)</u> |
| Deferred income tax asset | <u>(414,472,438)</u> | <u>(303,601,306)</u> |
| Deferred income tax asset not recognized in these financial statements | 414,472,438 | 303,601,306 |
| Deferred income tax asset recognized in these financial statements | <u>-</u> | <u>-</u> |

35.3.1 Deferred income tax asset of Rupees 414.472 million (2024: Rupees 303.601 million) has not been recognized in these financial statements as the Company's management believes that sufficient taxable profits will not be probably available in foreseeable future, hence, the temporary differences may not reverse.

| Tax losses related to un-absorbed tax depreciation | Accounting year to which the tax losses relates | Amount of unused tax losses | Accounting year in which tax losses will expire |
|--|---|-----------------------------|---|
| | | Rupees | |
| | 2023 | 425,151,353 | Unlimited |
| | 2020 | 311,584,958 | Unlimited |
| | 2019 | 133,222,280 | Unlimited |
| | 2018 | 16,074,382 | Unlimited |
| | 2017 | 506,956,606 | Unlimited |
| | | <u>1,392,989,579</u> | |

| Minimum tax | Accounting year to which minimum tax carry forward relates | Amount of minimum Tax carry forward | Accounting year in which minimum tax carry forward will expire |
|-------------|--|-------------------------------------|--|
| | | Rupees | |
| | 2025 | 952,782,437 | 2028 |
| | 2024 | 276,216,994 | 2027 |
| | 2023 | 217,842,148 | 2026 |
| | | <u>1,446,841,579</u> | |

| | 2025 | 2024 |
|---|-------------|-------------|
| 36. EARNINGS PER SHARE - BASIC AND DILUTED | | |
| Profit after taxation attributable to ordinary shareholders (Rupees) | 789,206,120 | 691,671,497 |
| Weighted average number of ordinary shares outstanding during the year (Number) | 240,119,029 | 240,119,029 |
| Basic earnings per share (Rupees) | 3.29 | 2.88 |

36.1 There is no dilutive effect on basic earnings per share for the year ended 30 June 2025 and year ended 30 June 2024 respectively as the Company has no potential ordinary shares as on 30 June 2025 and 30 June 2024.

| | 2025 Rupees | 2024 Rupees |
|--|------------------------|-----------------------|
| 37. CASH GENERATED FROM OPERATIONS | | |
| Profit before levy and taxation | 1,858,266,378 | 1,243,855,064 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation on operating fixed assets (Note 14.1.2) | 1,788,697,676 | 1,780,149,914 |
| Amortization on intangible assets (Note 16.1) | 903,530 | 875,168 |
| Depreciation on right-of-use assets (Note 15) | 53,907,327 | 59,080,856 |
| Loss / (gain) on disposal of operating fixed assets - net (Note 31 / Note 32) | 141,652,806 | (15,433,977) |
| Operating fixed assets written off (Note 31) | 31,083,800 | 340,202 |
| Reversal of provision for doubtful advances to suppliers (Note 32) | (2,420,101) | - |
| Provision for slow moving, damaged and obsolete store items (Note 31) | 2,364,738 | 4,440,630 |
| Finance cost (Note 33) | 4,828,673,225 | 7,753,984,192 |
| Interest on derivative financial instruments (Note 32) | (64,670,822) | (145,340,137) |
| Return on bank deposits (Note 32) | (5,928) | (12,114) |
| Return on term deposit receipts (Note 32) | (41,945,928) | (8,349,408) |
| Net exchange gain (Note 32) | (382,028,984) | (342,619,249) |
| Add / Less: Unrealised exchange loss / (gain) on forward contracts (Note 31 / Note 32) | 51,082,846 | (34,297,532) |
| Dividend income (Note 32) | (1,912,348) | (1,912,348) |
| Reversal of allowance for expected credit losses - trade debts (Note 21.7) | (2,771,260) | (81,256,144) |
| Trade debt written off (Note 31) | 15,746,043 | - |
| Gain on termination of leases (Note 32) | (3,443,508) | - |
| (Reversal of allowance) / allowance for expected credit losses - other receivables (Note 32 / Note 31) | (3,980,967) | 5,420,704 |
| Unrealised loss / (gain) on re-measurement of investment at fair value through profit or loss (Note 25.1) | 7,018,317 | (20,519,495) |
| Provision for workers' profit participation fund (Note 31) | 92,852,534 | 59,894,054 |
| Adjustment to GIDC payable (Note 8.1) | (70,347,221) | - |
| Reversal of provision for electricity duty (Note 28.3) | (78,895,839) | - |
| Provision for workers' welfare fund (Note 31) | 9,069,589 | 4,184,352 |
| Working capital changes (Note 37.1) | (6,652,992,098) | 2,464,472,273 |
| | <u>1,575,903,805</u> | <u>12,726,957,005</u> |
| 37.1 Working capital changes | | |
| (Increase) / decrease in current assets: | | |
| Stores, spare parts and loose tools | (64,350,237) | 530,814,329 |
| Stock-in-trade | (6,190,359,413) | (970,800,448) |
| Trade debts | (1,126,947,786) | 724,893,642 |
| Loans and advances | (384,131,362) | 102,401,946 |
| Short term prepayments | (2,868,898) | (133,954) |
| Other receivables | (157,014,732) | 1,288,052,712 |
| | <u>(7,925,672,428)</u> | <u>1,675,228,227</u> |
| Increase in trade and other payables | 1,272,680,330 | 789,244,046 |
| | <u>(6,652,992,098)</u> | <u>2,464,472,273</u> |

37.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

| 2025 | | | | |
|--|---------------------|-------------------|-----------------------|--------------------|
| Liabilities from financing activities | | | | |
| | Long term financing | Lease liabilities | Short term borrowings | Unclaimed dividend |
| | Rupees | | | |
| Opening balance | 12,672,291,231 | 85,748,114 | 27,055,611,782 | 67,835,936 |
| Lease liabilities recognised during the year | - | 93,021,081 | - | - |
| Repayment of financing | (2,511,256,937) | - | - | - |
| Repayment of lease liabilities | - | (54,758,266) | - | - |
| Short term borrowings - net | - | - | 9,207,113,975 | - |
| Dividend declared | - | - | - | 240,119,029 |
| Dividend paid | - | - | - | (243,190,974) |
| Other changes - non-cash movement | 141,208,442 | (25,952,078) | - | - |
| Closing balance | 10,302,242,736 | 98,058,851 | 36,262,725,757 | 64,763,991 |

| 2024 | | | | |
|--|---------------------|-------------------|-----------------------|--------------------|
| Liabilities from financing activities | | | | |
| | Long term financing | Lease liabilities | Short term borrowings | Unclaimed dividend |
| | Rupees | | | |
| Opening balance | 14,025,218,534 | 132,734,414 | 27,881,717,844 | 69,141,071 |
| Financing obtained | 17,502,940 | - | - | - |
| Lease liabilities recognised during the year | - | 17,106,282 | - | - |
| Repayment of financing | (1,526,718,278) | - | - | - |
| Repayment of lease liabilities | - | (63,062,387) | - | - |
| Short term borrowings - net | - | - | (826,106,062) | - |
| Dividend paid | - | - | - | (1,305,135) |
| Other changes - non-cash movement | 156,288,035 | (1,030,195) | - | - |
| Closing balance | 12,672,291,231 | 85,748,114 | 27,055,611,782 | 67,835,936 |

| | 2025 Rupees | 2024 Rupees |
|--|----------------|----------------|
| 37.3 Non-cash financing activities | | |
| Lease liabilities recognised during the year | 93,021,081 | 17,106,282 |
| Other changes - non-cash movement | 115,256,364 | 155,257,840 |

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive, directors and executives of the Company is as follows:

| | Chief Executive | | Directors | | Executives | |
|--------------------------------|--------------------|------------|------------|------------|-------------|-------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | ----- Rupees ----- | | | | | |
| Managerial remuneration | 32,953,845 | 29,430,768 | 11,194,000 | 9,200,000 | 264,307,461 | 230,391,093 |
| Contribution to provident fund | - | - | 866,320 | 766,360 | 24,633,986 | 19,191,578 |
| House rent | 13,181,538 | 11,772,307 | 4,477,600 | 3,680,000 | 105,722,985 | 92,156,437 |
| Utilities | 3,295,385 | 2,943,077 | 1,119,400 | 920,000 | 26,430,746 | 23,039,109 |
| Others | - | - | 1,295,294 | 331,507 | 21,710,738 | 9,664,240 |
| | 49,430,768 | 44,146,152 | 18,952,614 | 14,897,867 | 442,805,916 | 374,442,457 |
| Number of persons | 1 | 1 | 2 | 2 | 111 | 99 |

38.1 Mr. Shahzad Saleem resigned as Chief Executive of the Company with effect from 28 February 2025 and Mr. Zain Shahzad has been appointed as Chief Executive of the Company with effect from 01 March 2025.

38.2 The Company provides to chief executive and certain executives with free use of Company maintained cars.

38.3 Aggregate amount charged in these financial statements for meeting fee to seven (2024: seven) directors was Rupees 440,000 (2024: Rupees 480,000).

38.4 No remuneration was paid to non-executive directors of the Company.

39. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise subsidiary companies, associated undertakings, other related companies, directors, key management personnel and post employment benefit plan. The Company in the normal course of business carried out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

| | 2025 Rupees | 2024 Rupees |
|---|----------------|----------------|
| Sweave Inc. - wholly owned subsidiary company of Nishat Chunian USA Inc. - wholly owned subsidiary company | | |
| Sale of goods | 129,767,942 | 77,199,764 |
| Nishat Chunian Properties (Private) Limited - wholly owned subsidiary company | | |
| Payment of expenses on behalf of subsidiary company | 728,022 | 633,140 |
| T L C Middle East Trading L.L.C - wholly owned subsidiary company | | |
| Payment of expenses on behalf of subsidiary company | 82,471,007 | 1,815,002 |
| Sale of goods | 11,244,182 | 1,198,766 |
| Saleem Memorial Trust Hospital - associated company | | |
| Donation made | 102,000,000 | 52,000,000 |
| Pakistan Textile Council - associated company | | |
| Annual membership fee | - | 1,250,000 |
| Nishat Chunian Power Limited - associated company | | |
| Common facilities cost charged | - | 9,900,000 |
| Expenses incurred on behalf of the Company | - | 251,016 |
| Reimbursement of expenses | - | 6,457,568 |
| Income sharing | - | 784,350 |
| Mian Muhammad Yahya Trust - related party | | |
| Donation made | 14,951,787 | 13,273,677 |
| Ms. Faryal Riaz Chatha - Key management personnel | | |
| Loans given | 17,028,495 | 6,119,490 |
| Interest charged | 968,790 | 292,851 |
| Employees' Provident Fund Trust - related party | | |
| Contribution made | 186,769,251 | 163,326,509 |
| Interim cash dividend paid | 981,500 | - |
| Directors of the company | | |
| Interim cash dividend paid | 120,431,279 | - |

39.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in Note 38.

39.2 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

| Name of the related party | Basis of relationship | Transactions entered or agreements and / or arrangements in place during the financial year | | Percentage of shareholding |
|---|--|---|------|----------------------------|
| | | 2025 | 2024 | |
| Sweave Inc. | Wholly owned subsidiary of Nishat Chunian USA Inc. | Yes | Yes | 100 |
| Nishat Chunian Properties (Private) Limited | Wholly owned subsidiary company | Yes | Yes | 100 |
| T L C Middle East Trading L.L.C | Wholly owned subsidiary company | Yes | Yes | 100 |
| Saleem Memorial Hospital | Common directorship | Yes | Yes | None |
| Mian Muhammad Yahya Trust | Director of the Company is member | Yes | Yes | None |
| Pakistan Textile Council | Common directorship | No | Yes | None |
| Nishat (Chunian) Limited - Employees | | | | |
| Provident Fund Trust | Post-employment benefit plan | Yes | Yes | None |
| Mr. Zain Shahzad | Chief executive | Yes | Yes | None |
| Mr. Shahzad Saleem | Director | Yes | Yes | None |
| Ms. Ayesha Shahzad (Note 39.2.1) | Director | No | Yes | None |
| Ms. Nadia Bilal | Director | Yes | Yes | None |
| Ms. Sehar Adil | Director | Yes | No | None |
| Mr. Muhammad Azam Siddique | Director | Yes | Yes | None |
| Ms. Mahnoor Adil | Director | Yes | Yes | None |
| Mr. Ahmad Hasnain | Director | Yes | Yes | None |
| Ms. Faryal Riaz Chatha | Key management personnel | Yes | Yes | None |

39.2.1 Ceased to be a related party with effect from 06 August 2024.

39.3 Particulars of company incorporated outside Pakistan with whom the Company had entered into transactions or had agreements and / or arrangements in place are as follows:

| Name of company | Country of incorporation | Basis of association | Percentage of shareholding |
|---------------------------------|--------------------------|--|----------------------------|
| Nishat Chunian USA Inc. | USA | Wholly owned subsidiary company | 100 |
| Sweave Inc. | USA | Wholly owned subsidiary of Nishat Chunian USA Inc. | 100 |
| T L C Middle East Trading L.L.C | UAE | Wholly owned subsidiary company | 100 |

39.4 As on 30 June 2025, disclosures relating to investment and advance made in foreign companies are as follows:

| Name of the company | Jurisdiction | Beneficial owner | Amount of investment / advance | | Terms and conditions of investment / advance | Amount of returns received | Litigations against investee company | Default / breach relating to foreign company | Gain / (loss) on disposal of foreign investment |
|---------------------------------|--------------|--------------------------|---|------------|--|---|--------------------------------------|--|---|
| | | | Made during the year ended 30 June 2025 | Rupees | | | | | |
| Long term investments: | | | | | | | | | |
| Nishat Chunian USA Inc. | USA | Nishat (Chunian) Limited | 2013 | 10,823,000 | USD 110,000 | Investment in shares of subsidiary company | None | None | Not applicable |
| Advance: | | | | | | | | | |
| T L C Middle East Trading L.L.C | UAE | Nishat (Chunian) Limited | 2022, 2023, 2024 and 2025 | 88,900,328 | AED 80,832 USD 286,295 PKR 4,066,572 | Payment of expenses on behalf of subsidiary company | None | None | Not applicable |

39.5 As on 30 June 2024, disclosures relating to investment made in foreign company are as follows:

| Name of the company | Jurisdiction | Beneficial owner | Amount of investment | | Terms and conditions of investment / advance | Amount of returns received | Litigations against investee company | Default / breach relating to foreign company | Gain / (loss) on disposal of foreign investment |
|---------------------------------|--------------|--------------------------|---|------------|--|---|--------------------------------------|--|---|
| | | | Made during the year ended 30 June 2024 | Rupees | | | | | |
| Long term investments: | | | | | | | | | |
| Nishat Chunian USA Inc. | USA | Nishat (Chunian) Limited | 2013 | 10,823,000 | USD 110,000 | Investment in shares of subsidiary company | None | None | Not applicable |
| Advance: | | | | | | | | | |
| T L C Middle East Trading L.L.C | UAE | Nishat (Chunian) Limited | 2022, 2023, 2024 and 2025 | 6,429,321 | AED 54,738 USD 10,839 PKR 95,000 | Payment of expenses on behalf of subsidiary company | None | None | Not applicable |

40. NUMBER OF EMPLOYEES

Number of employees as on 30 June

Average number of employees during the year

| 2025 | 2024 |
|-------|-------|
| 7,235 | 7,331 |
| 7,413 | 7,209 |

| | 2025 | 2024 |
|---|-------------|-------------|
| 42. PLANT CAPACITY AND ACTUAL PRODUCTION | | |
| Spinning | | |
| Number of spindles installed | 223,162 | 223,428 |
| Number of spindles worked | 209,761 | 211,484 |
| Number of rooters installed | 2,880 | 2,880 |
| Number of rooters worked | 2,799 | 2,839 |
| Capacity after conversion into 20/1 count (Kgs.) | 91,697,731 | 84,532,715 |
| Actual production of yarn after conversion into 20/1 count (Kgs.) | 90,342,592 | 83,283,463 |
| Under utilization of available capacity was due to normal maintenance and time lost in shifting of coarser counts to finer counts and vice versa. | | |
| Weaving | | |
| Number of looms installed | 379 | 379 |
| Number of looms worked | 379 | 379 |
| Capacity after conversion into 50 picks - square yards | 345,597,351 | 345,597,351 |
| Actual production after conversion into 50 picks - square yards | 276,634,044 | 248,379,368 |
| Under utilization of available capacity was due to the following reasons: | | |
| - change of articles required | | |
| - higher count and cover factor | | |
| - due to normal maintenance | | |
| Power plant | | |
| Number of engines installed | 14 | 19 |
| Number of engines worked | 14 | 19 |
| Generation capacity (KWh) | 212,265,000 | 334,953,000 |
| Actual generation (KWh) | 22,154,477 | 30,673,247 |
| Under utilization of available capacity was due to normal maintenance and demand. | | |
| Process steam and coal fired power generation plant (46 MW) | | |
| Installed | 1 | 1 |
| Worked | 1 | 1 |
| Number of shifts per day | 3 | 3 |
| Generation capacity (KWh) | 404,064,000 | 404,064,000 |
| Actual generation (KWh) | 302,344,000 | 294,980,000 |
| Solar power plant | | |
| Installed | 1 | 1 |
| Worked | 1 | 1 |
| Generation capacity (KWh) | 2,291,250 | 2,349,999 |
| Actual generation (KWh) | 1,916,159 | 1,877,620 |
| Dyeing | | |
| Number of thermosol dyeing machines | 1 | 1 |
| Number of stenters machines | 5 | 5 |
| Capacity in meters | 43,200,000 | 43,200,000 |
| Actual processing of fabrics - meters | 36,996,656 | 34,427,566 |
| Under utilization of available capacity was due to normal maintenance and demand. | | |
| Printing | | |
| Number of printing machines | 1 | 1 |
| Capacity in meters | 10,800,000 | 10,800,000 |
| Actual processing of fabrics - meters | 8,982,577 | 9,799,340 |
| Under utilization of available capacity was due to normal maintenance and demand. | | |
| Digital printing | | |
| Number of printing machines | 5 | 5 |
| Capacity in meters | 9,125,000 | 9,125,000 |
| Actual processing of fabrics - meters | 3,863,424 | 3,612,403 |
| Stitching | | |
| The plant capacity of this division is indeterminable due to multi product plant involving varying run length of order lots. | | |

43. FINANCIAL RISK MANAGEMENT

43.1 Financial risk factors

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

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

(a) Market risk

(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 currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro, Chinese Yuan (CNY) and Arab Emirates Dirham (AED). Currently, the Company's foreign exchange risk exposure is restricted to bank balances, short term borrowings and the amounts receivable / payable from / to the foreign entities. The Company uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Company's exposure to currency risk was as follows:

| | 2025 | 2024 |
|--|-------------|-------------|
| Cash at banks - USD | 39,706 | 43,383 |
| Trade debts - USD | 22,236,323 | 20,808,207 |
| Trade debts - EURO | 1,756,172 | 1,787,841 |
| Trade debts - CNY | 5,092,937 | 1,503,374 |
| Other receivables - USD | 3,981,390 | 25,819 |
| Other receivables - AED | 275,456 | - |
| Trade and other payables - USD | (492,165) | 602,018 |
| Trade and other payables - EURO | (27,558) | (8,498) |
| Trade and other payables - CNY | (313,431) | (65,573) |
| Short term borrowings - USD | (8,652,459) | (6,500,000) |
| Lease liability - USD | - | (117,935) |
| Accrued mark-up - USD | (93,195) | (38,722) |
| Net exposure - USD | 17,019,600 | 14,796,951 |
| Net exposure - EURO | 1,728,614 | 1,779,343 |
| Net exposure - CNY | 4,779,506 | 1,437,801 |
| Net exposure - AED | 275,456 | - |
| The following significant exchange rates were applied during the year: | | |
| Rupees per US Dollar | | |
| Average rate | 279.48 | 283.17 |
| Reporting date rate | 283.60 | 278.15 |
| Rupees per CNY | | |
| Average rate | 38.99 | 39.25 |
| Reporting date rate | 39.59 | 38.30 |
| Rupees per EURO | | |
| Average rate | 304.82 | 306.17 |
| Reporting date rate | 332.25 | 297.46 |
| Rupees per AED | | |
| Average rate | 76.75 | 77.25 |
| Reporting date rate | 77.76 | 75.84 |

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro and Chinese Yuan with all other variables held constant, the impact on profit before levy and taxation for the year would have been Rupees 260.945 million (2024: Rupees 203.071 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

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

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's profit for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instrument moved according to the historical correlation with the index:

| Index | Impact on profit | Impact on loss |
|-------------------------|------------------|----------------|
| | 2025 Rupees | 2024 Rupees |
| PSX Index (5% increase) | 1,334,341 | 1,685,257 |
| PSX Index (5% decrease) | (1,334,341) | (1,685,257) |

(iii) Interest rate risk

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

The Company's interest rate risk arises mainly from long term financing, short term borrowings and investments at amortized cost. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Company to fair value interest rate risk.

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

| | 2025 Rupees | 2024 Rupees |
|----------------------------------|-------------------------|-------------------------|
| Fixed rate instruments | | |
| Financial liabilities | | |
| Long term financing | 4,477,296,308 | 5,293,178,174 |
| Short term borrowings | 13,267,231,311 | 10,449,335,565 |
| | <u>17,744,527,619</u> | <u>15,742,513,739</u> |
| Financial assets | | |
| Long term loans to employees | - | 7,750 |
| Short term investments | 415,160,226 | 115,160,226 |
| | <u>415,160,226</u> | <u>115,167,976</u> |
| Net exposure | <u>(17,329,367,393)</u> | <u>(15,627,345,763)</u> |
| Floating rate instruments | | |
| Financial assets | | |
| Long term loans to employees | 36,718,146 | 14,611,325 |
| Bank balances - saving accounts | 59,420 | 54,444 |
| | <u>36,777,566</u> | <u>14,665,769</u> |
| Financial liabilities | | |
| Long term financing | 5,824,946,428 | 7,379,113,057 |
| Short term borrowings | 22,995,494,446 | 16,606,276,217 |
| | <u>28,820,440,874</u> | <u>23,985,389,274</u> |
| Net exposure | <u>(28,783,663,308)</u> | <u>(23,970,723,505)</u> |

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before levy and taxation for the year would have been Rupees 267.688 million (2024: Rupees 222.928 million) lower / higher , mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of assets and liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

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

| | 2025 Rupees | 2024 Rupees |
|---|----------------|----------------|
| Long term security deposits | 35,005,448 | 33,859,024 |
| Trade debts | 12,587,064,429 | 11,141,999,102 |
| Loans and advances (including long term loans to employees) | 66,985,272 | 52,186,450 |
| Other receivables | 210,381,062 | 225,861,253 |
| Short term investments | 454,373,920 | 150,604,317 |
| Bank balances | 98,802,428 | 54,282,284 |
| | 13,452,612,559 | 11,658,792,430 |

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:

| | Rating | | | 2025 | 2024 |
|---|------------|-----------|---------|-------------|-------------|
| | Short Term | Long term | Agency | Rupees | Rupees |
| Banks | | | | | |
| Al Baraka Bank (Pakistan) Limited | A-1 | AA- | VIS | 1,659,069 | 1,659,069 |
| Bank Alfalah Limited | A1+ | AAA | PACRA | 10,773 | 10,569 |
| Bank AL Habib Limited | A1+ | AAA | PACRA | 14,963 | 19,043 |
| Dubai Islamic Bank (Pakistan) Limited | A-1+ | AA | VIS | 73,684 | 645,548 |
| Faysal Bank Limited | A1+ | AA | PACRA | 22,934 | 22,934 |
| Habib Bank Limited | A-1+ | AAA | VIS | 11,077,726 | 17,474,893 |
| Industrial and Commercial Bank of China Limited | P-1 | A1 | Moody's | 66,389 | 66,389 |
| JS Bank Limited | A1+ | AA | PACRA | 11,400 | 11,400 |
| MCB Bank Limited | A1+ | AAA | PACRA | 78,845,373 | 31,520,105 |
| MCB Islamic Bank Limited | A1 | A+ | PACRA | 82,023 | 25,092 |
| Meezan Bank Limited | A-1+ | AAA | VIS | 6,184,998 | 1,234,232 |
| National Bank of Pakistan | A1+ | AAA | PACRA | 326,351 | 318,050 |
| Standard Chartered Bank (Pakistan) Limited | A1+ | AAA | PACRA | 1 | 678,436 |
| The Bank of Punjab | A1+ | AA+ | PACRA | 182,752 | 545,450 |
| Samba Bank Limited | A1 | AA | PACRA | - | 21,968 |
| BankIslami Pakistan Limited | A1 | AA- | PACRA | 243,992 | 29,106 |
| | | | | 98,802,428 | 54,282,284 |
| Investments | | | | | |
| BankIslami Pakistan Limited | A1 | AA- | PACRA | 100,397,977 | 100,655,608 |
| Dubai Islamic Bank (Pakistan) Limited | A-1+ | AA | VIS | 15,835,905 | 16,243,575 |
| The Bank of Punjab | A1+ | AA+ | PACRA | 311,453,221 | - |
| Adamjee Life Assurance Company Limited | | A++ | PACRA | 26,686,817 | 33,705,134 |
| | | | | 454,373,920 | 150,604,317 |
| | | | | 553,176,348 | 204,886,601 |

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

Trade debts

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product, Unemployment, Interest, and the inflation index to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2025 and 30 June 2024 was determined as follows

At 30 June 2025

| | Local sales | | | Export sales | | |
|--|--------------------|---------------|----------------|--------------------|---------------|----------------|
| | Expected loss rate | Trade debts | Loss allowance | Expected loss rate | Trade debts | Loss allowance |
| | % | (Rupees) | | % | (Rupees) | |
| Not past due | 0.00% | 3,185,725,820 | - | 0.00% | 475,180,684 | - |
| Up to 30 days | 0.00% | 763,650,844 | - | 0.31% | 1,404,062,972 | 4,303,096 |
| 31 to 60 days | 0.00% | 21,425,695 | - | 0.46% | 91,661,276 | 417,949 |
| 61 to 90 days | 4.19% | 34,820,698 | 1,460,038 | 14.64% | - | - |
| 91 to 180 days | 32.96% | 1,716,519 | 565,723 | 52.60% | - | - |
| 181 to 360 days | 57.86% | 1,649,324 | 954,270 | 72.98% | 1,327,220 | 968,557 |
| Above 360 days | 100.00% | 154,312 | 154,312 | 100.00% | - | - |
| | | 4,009,143,212 | 3,134,343 | | 1,972,232,152 | 5,689,602 |
| Trade debts which are not subject to risk of default | | 2,134,842,954 | - | | 4,479,670,056 | - |
| Total | | 6,143,986,166 | 3,134,343 | | 6,451,902,208 | 5,689,602 |

At 30 June 2024

| | Local sales | | | Export sales | | |
|--|--------------------|---------------|----------------|--------------------|---------------|----------------|
| | Expected loss rate | Trade debts | Loss allowance | Expected loss rate | Trade debts | Loss allowance |
| | % | (Rupees) | | % | (Rupees) | |
| Not past due | 0.00% | 1,276,070,320 | - | 0.00% | - | - |
| Up to 30 days | 0.20% | 2,574,504,749 | 5,140,636 | 0.23% | 456,789,088 | 1,071,095 |
| 31 to 60 days | 0.28% | 153,120 | 431 | 0.33% | 30,177,270 | 99,490 |
| 61 to 90 days | 17.10% | 247,374 | 42,313 | 17.37% | - | - |
| 91 to 180 days | 62.94% | 1,452,400 | 914,125 | 63.34% | - | - |
| 181 to 360 days | 77.35% | 2,800,959 | 2,166,510 | 77.60% | - | - |
| Above 360 days | 100.00% | 3,495,503 | 3,495,503 | 100.00% | - | - |
| | | 3,858,724,425 | 11,759,518 | | 486,966,358 | 1,170,585 |
| Trade debts which are not subject to risk of default | | 1,795,587,404 | - | | 5,013,651,018 | - |
| Total | | 5,654,311,829 | 11,759,518 | | 5,500,617,376 | 1,170,585 |

(c) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2025, the Company had Rupees 15,665.564 million (2024: Rupees 23,755.054 million) available borrowing limits from financial institutions and Rupees 102.109 million (2024: Rupees 60.951 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2025:

| | Carrying Amount | Contractual cash flows | 6 months or less | 6-12 months | 1-2 Years | More than 2 Years |
|--|-----------------------|------------------------|-----------------------|----------------------|----------------------|----------------------|
| ----- Rupees ----- | | | | | | |
| Non-derivative financial liabilities: | | | | | | |
| Long term financing | 10,302,242,736 | 13,019,191,129 | 1,717,599,333 | 1,547,614,713 | 2,686,014,760 | 7,067,962,323 |
| Lease liabilities | 98,058,851 | 120,987,881 | 24,888,223 | 24,402,105 | 34,414,521 | 37,283,032 |
| Trade and other payables | 3,762,384,116 | 3,762,384,116 | 3,762,384,116 | - | - | - |
| Accrued mark-up / profit | 619,545,140 | 619,545,140 | 619,545,140 | - | - | - |
| Short term borrowings | 36,262,725,757 | 36,465,649,265 | 30,366,886,893 | 6,098,762,372 | - | - |
| Unclaimed dividend | 64,763,991 | 64,763,991 | 64,763,991 | - | - | - |
| Derivative financial liabilities | | | | | | |
| Fair value of forward exchange contracts | 24,268,036 | 24,268,036 | 24,268,036 | - | - | - |
| | <u>51,133,988,627</u> | <u>54,076,789,558</u> | <u>36,580,335,732</u> | <u>7,670,779,190</u> | <u>2,720,429,281</u> | <u>7,105,245,355</u> |

Contractual maturities of financial liabilities as at 30 June 2024:

| | Carrying Amount | Contractual cash flows | 6 months or less | 6-12 months | 1-2 Years | More than 2 Years |
|--|-----------------------|------------------------|-----------------------|----------------------|----------------------|-----------------------|
| ----- Rupees ----- | | | | | | |
| Non-derivative financial liabilities: | | | | | | |
| Long term financing | 12,672,291,231 | 18,594,537,004 | 2,214,431,289 | 1,938,390,429 | 3,631,802,116 | 10,809,913,170 |
| Lease liabilities | 85,748,114 | 99,760,828 | 32,791,645 | 19,863,027 | 36,582,898 | 10,523,258 |
| Trade and other payables | 3,262,383,868 | 3,262,383,868 | 3,262,383,868 | - | - | - |
| Accrued mark-up / profit | 1,337,211,195 | 1,337,211,195 | 1,337,211,195 | - | - | - |
| Short term borrowings | 27,055,611,782 | 27,516,658,446 | 27,516,658,446 | - | - | - |
| Unclaimed dividend | 67,835,936 | 67,835,936 | 67,835,936 | - | - | - |
| | <u>44,481,082,126</u> | <u>50,878,387,277</u> | <u>34,431,312,379</u> | <u>1,958,253,456</u> | <u>3,668,385,014</u> | <u>10,820,436,428</u> |

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at reporting date. The rates of interest / mark up have been disclosed in note 6, note 7 and note 11 to these financial statements.

43.2 Financial instruments by categories

Assets as per statement of financial position

| | 2025 | | 2024 | |
|---|-----------------------|-------------------|-----------------------|--------------------|
| | At amortized cost | FVTPL | At amortized cost | FVTPL |
| | Rupees | Rupees | Rupees | Rupees |
| Long term security deposits | 35,005,448 | - | 33,859,024 | - |
| Trade debts | 12,587,064,429 | - | 11,141,999,102 | - |
| Loans and advances (including long term loans to employees) | 66,985,272 | - | 52,186,450 | - |
| Other receivables | 207,725,719 | 2,655,343 | 82,840,735 | 143,020,518 |
| Short term investments | 427,687,103 | 26,686,817 | 116,899,183 | 33,705,134 |
| Cash and bank balances | 102,109,427 | - | 60,950,788 | - |
| | <u>13,426,577,398</u> | <u>29,342,160</u> | <u>11,488,735,282</u> | <u>176,725,652</u> |

| | 2025 | | 2024 |
|---|-----------------------|-------------------|-----------------------|
| | At amortized cost | FVTPL | At amortized cost |
| | Rupees | | Rupees |
| Liabilities as per statement of financial position | | | |
| Long term financing | 10,302,242,736 | - | 12,672,291,231 |
| Lease liabilities | 98,058,851 | - | 85,748,114 |
| Trade and other payables | 3,762,384,116 | 24,268,036 | 3,262,383,868 |
| Accrued mark-up / profit | 619,545,140 | - | 1,337,211,195 |
| Short term borrowings | 36,262,725,757 | - | 27,055,611,782 |
| Unclaimed dividend | 64,763,991 | - | 67,835,936 |
| | <u>51,109,720,591</u> | <u>24,268,036</u> | <u>44,481,082,126</u> |

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

| | 2025 | | |
|---|-----------------------|----------------------|---|
| | Financial assets | Non-financial assets | Assets as per statement of financial position |
| | Rupees | Rupees | Rupees |
| Assets | | | |
| Long term security deposits | 35,005,448 | - | 35,005,448 |
| Trade debts | 12,587,064,429 | - | 12,587,064,429 |
| Loans and advances (including long term loans to employees) | 66,985,272 | 4,315,492,384 | 4,382,477,656 |
| Other receivables | 210,381,062 | 2,230,209,884 | 2,440,590,946 |
| Short term investments | 454,373,920 | - | 454,373,920 |
| Cash and bank balances | 102,109,427 | - | 102,109,427 |
| | <u>13,455,919,558</u> | <u>6,545,702,268</u> | <u>20,001,621,826</u> |

| | 2025 | | |
|--------------------------|-----------------------|---------------------------|--|
| | Financial liabilities | Non-financial liabilities | Liabilities as per statement of financial position |
| | Rupees | Rupees | Rupees |
| Liabilities | | | |
| Long term financing | 10,302,242,736 | - | 10,302,242,736 |
| Lease liabilities | 98,058,851 | - | 98,058,851 |
| Trade and other payables | 3,786,652,152 | 2,585,941,854 | 6,372,594,006 |
| Accrued mark-up | 619,545,140 | - | 619,545,140 |
| Short term borrowings | 36,262,725,757 | - | 36,262,725,757 |
| Unclaimed dividend | 64,763,991 | - | 64,763,991 |
| | <u>51,133,988,627</u> | <u>2,585,941,854</u> | <u>53,719,930,481</u> |

| | 2024 | | |
|---|-----------------------|----------------------|---|
| | Financial assets | Non-financial assets | Assets as per statement of financial position |
| | Rupees | Rupees | Rupees |
| Assets | | | |
| Long term security deposits | 33,859,024 | - | 33,859,024 |
| Trade debts | 11,141,999,102 | - | 11,141,999,102 |
| Loans and advances (including long term loans to employees) | 52,186,450 | 3,924,060,773 | 3,976,247,223 |
| Other receivables | 225,861,253 | 2,069,881,227 | 2,295,742,480 |
| Short term investments | 150,604,317 | - | 150,604,317 |
| Cash and bank balances | 60,950,788 | - | 60,950,788 |
| | <u>11,665,460,934</u> | <u>5,993,942,000</u> | <u>17,659,402,934</u> |

| | 2024 | | |
|--------------------------|-----------------------|---------------------------|--|
| | Financial liabilities | Non-financial liabilities | Liabilities as per statement of financial position |
| | Rupees | Rupees | Rupees |
| Liabilities | | | |
| Long term financing | 12,672,291,231 | - | 12,672,291,231 |
| Lease liabilities | 85,748,114 | - | 85,748,114 |
| Trade and other payables | 3,262,383,868 | 1,813,861,316 | 5,076,245,184 |
| Accrued mark-up | 1,337,211,195 | - | 1,337,211,195 |
| Short term borrowings | 27,055,611,782 | - | 27,055,611,782 |
| Unclaimed dividend | 67,835,936 | - | 67,835,936 |
| | 44,481,082,126 | 1,813,861,316 | 46,294,943,442 |

43.4 Offsetting financial assets and financial liabilities

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

44. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to in note 6 and note 11 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy was to maintain a gearing ratio of 65% debt and 35% equity (2024: 65% debt and 35% equity).

| | | 2025 | 2024 |
|------------------------|------------|----------------|----------------|
| Borrowings | Rupees | 47,093,471,116 | 40,405,323,062 |
| Total equity | Rupees | 21,948,881,979 | 21,399,794,888 |
| Total capital employed | Rupees | 69,042,353,095 | 61,805,117,950 |
| Gearing ratio | Percentage | 68.21 | 65.38 |

45. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

| Recurring fair value measurements At 30 June 2025 | Level 1 | Level 2 | Level 3 | Total |
|--|------------|------------|---------|------------|
| ----- Rupees ----- | | | | |
| Financial assets | | | | |
| Investment in quoted shares - FVTPL | 26,686,817 | - | - | 26,686,817 |
| Derivative financial assets | - | 2,655,343 | - | 2,655,343 |
| Total financial assets | 26,686,817 | 2,655,343 | - | 29,342,160 |
| Financial liability | | | | |
| Derivative financial liability | - | 24,268,036 | - | 24,268,036 |

| Recurring fair value measurements At 30 June 2024 | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|-------|
|--|---------|---------|---------|-------|

----- Rupees -----

Financial assets

| | | | | |
|-------------------------------------|-------------------|--------------------|----------|--------------------|
| Investment in quoted shares - FVTPL | 33,705,134 | - | - | 33,705,134 |
| Derivative financial assets | - | 143,020,518 | - | 143,020,518 |
| Total financial assets | 33,705,134 | 143,020,518 | - | 176,725,652 |

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

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

46. UNUTILIZED CREDIT FACILITIES

| Non-funded | | Funded | |
|------------|------|--------|------|
| 2025 | 2024 | 2025 | 2024 |

----- Rupees -----

| | | | | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| Total facilities | 19,230,000,000 | 17,230,500,000 | 62,759,035,319 | 64,160,376,868 |
| Utilized at the end of the year | 6,799,069,325 | 6,799,069,325 | 47,093,471,116 | 40,405,323,062 |
| Unutilized at the end of the year | 12,430,930,675 | 10,431,430,675 | 15,665,564,203 | 23,755,053,806 |

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

| Description | 2025 Rupees | 2024 Rupees |
|--|----------------|----------------|
| Financing (long-term, short-term, or lease financing) obtained as per Islamic mode | | |
| Short term borrowings | 9,714,119,473 | 8,705,604,305 |
| Long term financing | 962,285,771 | 1,129,135,766 |
| Interest or mark-up accrued on any conventional loan or advance | 432,744,751 | 1,029,002,650 |
| Long-term and short-term Shariah compliant Investments | | |
| Long term investments | 510,128,000 | 510,128,000 |
| Short term investments | 116,233,880 | 117,047,786 |
| Shariah-compliant bank deposits, bank balances, and TDRs | 8,266,700 | 3,615,981 |
| Revenue earned from a Shariah-compliant business segment | 85,427,485,908 | 88,879,551,818 |
| Break-up of late payments or liquidated damages | - | - |
| Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs | | |
| Return on term deposit receipts | 12,685,215 | 7,948,312 |
| Exchange gain earned from actual currency | 382,028,984 | 342,619,249 |
| Exchange gains earned using conventional derivative financial instruments | - | 34,297,532 |
| Profit paid on Islamic mode of financing | 1,093,458,517 | 1,038,311,352 |
| Total Interest earned on any conventional loan or advance | | |
| Return on bank deposits | 5,928 | 12,114 |
| Return on term deposit receipts | 29,260,713 | 401,096 |
| Interest on derivative financial instruments | 64,670,822 | 145,340,137 |
| Interest on loan to employees | 3,432,336 | 3,065,067 |
| Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income | | |
| Shariah-compliant | | |
| Exchange gain - net | 382,028,984 | 342,619,249 |
| Gain on disposal of operating fixed assets - net | - | 15,433,977 |
| Scrap sales | 178,674,371 | 211,627,520 |
| Gain on termination of leases | 3,443,508 | - |
| Fines | 301,739 | 1,293,772 |
| Return on term deposit receipts | 12,685,215 | 7,948,312 |
| Reversal of allowance for expected credit losses - trade debts | 2,771,260 | 81,256,144 |
| Reversal of provision for doubtful advances to suppliers | 2,420,101 | - |
| Reversal of allowance for expected credit losses - other receivables | 3,980,967 | - |
| Non-compliant | | |
| Unrealised exchange gain on forward contracts | - | 34,297,532 |
| Return on term deposit receipts | 29,260,713 | 401,096 |
| Interest on derivative financial instruments | 64,670,822 | 145,340,137 |
| Dividend income | 1,912,348 | 1,912,348 |
| Unrealised gain on re-measurement of investment at fair value through profit or loss | - | 20,519,495 |
| Interest on loan to employees | 3,432,336 | 3,065,067 |
| Return on bank deposits | 5,928 | 12,114 |

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

| Name | Relationship |
|-------------------------------------|---|
| MCB Islamic Bank Limited | Bank balance, short term borrowings and long term financing |
| Meezan Bank Limited | Bank balance, short term borrowings and long term financing |
| Faysal Bank Limited (Barkat Islami) | Bank balance |
| Dubai Islamic Bank Pakistan Limited | Bank balance and short term borrowings |
| BankIslami Pakistan Limited | Bank balance and short term borrowings |
| Al Baraka Bank (Pakistan) Limited | Bank balance |
| National Bank Aitmand Islamic | Short term borrowings |

48. PROVIDENT FUND

The investments by the provident fund in collective investment schemes, listed equity and debt securities have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

49. EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Company at their meeting held on 19 September 2025 has procosed cash dividend of Rupee 1 per ordinary share (2024: Rupees Nil) in respect of the year ended 30 June 2025. However, this event has been considered as non-adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

50. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 19, 2025 by the Board of Directors of the Company.

51. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements / reclassifications have been made.

52. GENERAL

Figures have been rounded off to nearest of Rupee.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

| Number of Shareholders | Shareholding | | Total Number of Shares Held | Percentage of Total Capital |
|------------------------|--------------|--------|-----------------------------|-----------------------------|
| | From | To | | |
| 2798 | 1 | 100 | 61,639 | 0.03 |
| 1140 | 101 | 500 | 332,184 | 0.14 |
| 749 | 501 | 1000 | 595,144 | 0.25 |
| 1098 | 1001 | 5000 | 2,995,611 | 1.25 |
| 284 | 5001 | 10000 | 2,181,213 | 0.91 |
| 111 | 10001 | 15000 | 1,425,199 | 0.59 |
| 59 | 15001 | 20000 | 1,064,362 | 0.44 |
| 43 | 20001 | 25000 | 1,021,485 | 0.43 |
| 36 | 25001 | 30000 | 1,027,696 | 0.43 |
| 26 | 30001 | 35000 | 872,445 | 0.36 |
| 21 | 35001 | 40000 | 799,608 | 0.33 |
| 15 | 40001 | 45000 | 645,045 | 0.27 |
| 30 | 45001 | 50000 | 1,463,116 | 0.61 |
| 9 | 50001 | 55000 | 478,843 | 0.20 |
| 8 | 55001 | 60000 | 470,200 | 0.20 |
| 9 | 60001 | 65000 | 565,807 | 0.24 |
| 11 | 65001 | 70000 | 747,906 | 0.31 |
| 5 | 70001 | 75000 | 366,288 | 0.15 |
| 6 | 75001 | 80000 | 469,396 | 0.20 |
| 2 | 80001 | 85000 | 164,330 | 0.07 |
| 3 | 85001 | 90000 | 261,751 | 0.11 |
| 11 | 95001 | 100000 | 1,094,900 | 0.46 |
| 2 | 100001 | 105000 | 203,520 | 0.08 |
| 3 | 105001 | 110000 | 325,730 | 0.14 |
| 1 | 110001 | 115000 | 115,000 | 0.05 |
| 2 | 115001 | 120000 | 235,465 | 0.10 |
| 2 | 120001 | 125000 | 247,500 | 0.10 |
| 2 | 125001 | 130000 | 260,000 | 0.11 |
| 1 | 130001 | 135000 | 130,196 | 0.05 |
| 5 | 140001 | 145000 | 710,743 | 0.30 |
| 3 | 145001 | 150000 | 447,500 | 0.19 |
| 1 | 150001 | 155000 | 155,000 | 0.06 |
| 1 | 155001 | 160000 | 156,369 | 0.07 |
| 4 | 165001 | 170000 | 671,565 | 0.28 |
| 1 | 170001 | 175000 | 175,000 | 0.07 |
| 1 | 180001 | 185000 | 184,875 | 0.08 |
| 1 | 185001 | 190000 | 189,632 | 0.08 |
| 3 | 195001 | 200000 | 597,321 | 0.25 |
| 3 | 200001 | 205000 | 609,194 | 0.25 |

| Number of Shareholders | Shareholding | | Total Number of Shares Held | Percentage of Total Capital |
|------------------------|--------------|---------|-----------------------------|-----------------------------|
| | From | To | | |
| 1 | 205001 | 210000 | 208,100 | 0.09 |
| 1 | 210001 | 215000 | 214,026 | 0.09 |
| 3 | 215001 | 220000 | 660,000 | 0.27 |
| 1 | 220001 | 225000 | 225,000 | 0.09 |
| 1 | 225001 | 230000 | 229,000 | 0.10 |
| 1 | 230001 | 235000 | 235,000 | 0.10 |
| 1 | 245001 | 250000 | 250,000 | 0.10 |
| 2 | 260001 | 265000 | 526,770 | 0.22 |
| 1 | 270001 | 275000 | 275,000 | 0.11 |
| 1 | 300001 | 305000 | 302,560 | 0.13 |
| 1 | 310001 | 315000 | 310,500 | 0.13 |
| 1 | 325001 | 330000 | 327,096 | 0.14 |
| 4 | 345001 | 350000 | 1,398,022 | 0.58 |
| 1 | 350001 | 355000 | 350,600 | 0.15 |
| 1 | 395001 | 400000 | 396,424 | 0.17 |
| 1 | 405001 | 410000 | 408,000 | 0.17 |
| 1 | 435001 | 440000 | 439,692 | 0.18 |
| 1 | 445001 | 450000 | 450,000 | 0.19 |
| 1 | 490001 | 495000 | 493,820 | 0.21 |
| 1 | 505001 | 510000 | 510,000 | 0.21 |
| 1 | 525001 | 530000 | 529,199 | 0.22 |
| 3 | 555001 | 560000 | 1,680,000 | 0.70 |
| 1 | 570001 | 575000 | 570,413 | 0.24 |
| 1 | 575001 | 580000 | 580,000 | 0.24 |
| 1 | 600001 | 605000 | 601,428 | 0.25 |
| 1 | 640001 | 645000 | 640,603 | 0.27 |
| 1 | 645001 | 650000 | 650,000 | 0.27 |
| 1 | 770001 | 775000 | 775,000 | 0.32 |
| 1 | 980001 | 985000 | 981,500 | 0.41 |
| 1 | 995001 | 1000000 | 1,000,000 | 0.42 |
| 1 | 1055001 | 1060000 | 1,057,921 | 0.44 |
| 1 | 1100001 | 1105000 | 1,100,950 | 0.46 |
| 1 | 1355001 | 1360000 | 1,355,042 | 0.56 |
| 1 | 1380001 | 1385000 | 1,384,088 | 0.58 |
| 1 | 1435001 | 1440000 | 1,438,000 | 0.60 |
| 1 | 1535001 | 1540000 | 1,536,758 | 0.64 |
| 1 | 1585001 | 1590000 | 1,588,612 | 0.66 |
| 1 | 1905001 | 1910000 | 1,906,868 | 0.79 |
| 1 | 2400001 | 2405000 | 2,401,242 | 1.00 |
| 1 | 2420001 | 2425000 | 2,421,092 | 1.01 |
| 1 | 2445001 | 2450000 | 2,446,275 | 1.02 |
| 1 | 3475001 | 3480000 | 3,476,122 | 1.45 |
| 1 | 3895001 | 3900000 | 3,900,000 | 1.62 |

| Number of Shareholders | Shareholding | | Total Number of Shares Held | Percentage of Total Capital |
|------------------------|--------------------------------|----------|-----------------------------|-----------------------------|
| | From | To | | |
| 1 | 4050001 | 4055000 | 4,053,198 | 1.69 |
| 1 | 4100001 | 4105000 | 4,104,368 | 1.71 |
| 1 | 4495001 | 4500000 | 4,500,000 | 1.87 |
| 1 | 4630001 | 4635000 | 4,631,628 | 1.93 |
| 1 | 5805001 | 5810000 | 5,807,791 | 2.42 |
| 1 | 7270001 | 7275000 | 7,274,602 | 3.03 |
| 1 | 12515001 | 12520000 | 12,518,376 | 5.21 |
| 1 | 15000001 | 15005000 | 15,004,962 | 6.25 |
| 1 | 27670001 | 27675000 | 27,674,633 | 11.53 |
| 1 | 87795001 | 87800000 | 87,799,970 | 36.57 |
| 6,571 | <-----Total-----> | | 240,119,029 | 100.00 |

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2025

NISHAT (CHUNIAN) LIMITED
CATEGORIES OF SHAREHOLDERS
AS ON JUNE 30, 2025

| CATEGORIES OF SHAREHOLDERS | NO. OF SHAREHOLDERS | TOTAL SHARES HELD | PERCENTAGE |
|--|---------------------|--------------------|----------------|
| Directors/Chief Executive Officer and their spouse and minor Children | | | |
| 1 MR. MUHAMMAD AZAM SIDDIQUI | 1 | 100 | 0.0000 |
| 2 FARHAT SALEEM | 2 | 5,915,838 | 2.4637 |
| 3 SHAHZAD SALEEM | 1 | 87,799,970 | 36.5652 |
| 4 SEHAR ADIL | 2 | 4,711,628 | 1.9622 |
| 5 AHMAD HASNAIN | 1 | 500 | 0.0002 |
| 6 NADIA BILAL | 1 | 5,000 | 0.0021 |
| 7 MAHNOOR ADIL | 1 | 1,000 | 0.0004 |
| 8 ZAIN SHAHZAD | 1 | 27,674,633 | 11.5254 |
| SPOUSE | | | |
| 1 AYESHA SHAHZAD | 1 | 238,448 | 0.0993 |
| TOTAL: - | 11 | 126,347,117 | 52.6185 |
| Executives | | | |
| N/A | - | - | 0.00 |
| Associated Companies, Undertakings and related parties | | | |
| Public Sectors Companies & Corporations | 1 | 7,274,602 | 3.0296 |
| NIT and IDBP (ICP UNIT) | 3 | 5,602 | 0.0023 |
| Banks, Development Financial Institutions & Non-Banking | | | |
| Financial Institutions | 15 | 7,634,031 | 3.179269478 |
| Insurance Companies | 4 | 16,695,506 | 6.953012458 |
| Modarabas & Mutual Funds | 15 | 27,612,004 | 11.49929854 |
| *Shareholding 5% or more | 2 | 115,474,603 | 48.0905672 |
| Joint Stock Companies | 67 | 10,076,164 | 4.196320484 |
| Others | 41 | 4,610,963 | 1.920282211 |
| General Public | 6,412 | 39,863,040 | 16.60136648 |
| | 6,571 | 240,119,029 | 100.00 |

* Shareholders having 5% or above shares exist in other categories therefore not included in total.

Shareholding Detail of 5% or more

| Name of Shareholder | Shares held | % |
|---------------------|--------------------|----------------|
| SHAHZAD SALEEM | 87,799,970 | 36.5675 |
| ZAIN SHAHZAD | 27,674,633 | 11.5254 |
| TOTAL :- | 115,474,603 | 48.0936 |

NISHAT (CHUNIAN) LIMITED AND ITS SUBSIDIARY COMPANIES



CONSOLIDATED FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION 30 June 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Nishat (Chunian) Limited

Qualified Opinion

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

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2025, and 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 Qualified Opinion

The financial statements of Nishat Chunian USA Inc. - Subsidiary Company, T L C Middle East Trading L.L.C - Subsidiary Company and Sweave Inc. - Sub-Subsidiary Company for the year ended 30 June 2025 were un-audited. Hence, total assets of Rupees 215,556,135 as at 30 June 2025 and total turnover and net loss of Rupees 218,895,227 and Rupees 30,456,820 respectively for the year ended 30 June 2025 pertaining to the aforesaid Companies have been incorporated in these consolidated financial statements by the management using un-audited financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key audit matters:

| Sr. No. | Key audit matters | How the matters were addressed in our audit |
|---------|---|---|
| 1. | <p>Inventory existence and valuation</p> <p>Inventory of the textile business of the Group represented a material position in the consolidated statement of financial position.</p> <p>Inventory is measured at the lower of cost and net realizable value.</p> <p>We identified existence and valuation of inventory as a key audit matter due to its size and the judgment involved in valuation.</p> <p>For further information on inventory, refer to the following:</p> <ul style="list-style-type: none"> - Material accounting policy information, Inventories note 2.14 to the consolidated financial statements. - Stores, spare parts and loose tools note 18 and stock-in-trade note 19 to the consolidated financial statements. | <p>Our procedures over existence and valuation of inventory included, but were not limited to:</p> <ul style="list-style-type: none"> • To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice. • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory. • In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs. • We also made inquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required. |

| Sr. No. | Key audit matters | How the matters were addressed in our audit |
|---------|---|--|
| 2. | <p>Revenue recognition</p> <p>We identified recognition of revenue of textile business of the Group as a key audit matter because revenue is one of the key performance indicators and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> - Material accounting policy information, Revenue recognition note 2.20 to the consolidated financial statements. - Revenue note 26 to the consolidated financial statements. | <p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the consolidated financial statements. |
| 3. | <p>Contingencies</p> <p>As disclosed in Note 13.1 to the accompanying consolidated financial statements, the Group has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law.</p> <p>Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on the Group for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards.</p> | <p>Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have:</p> <ul style="list-style-type: none"> • Obtained and reviewed detail of the pending matters and discussed the same with the Group's management. • Reviewed the correspondence of the Group with the relevant authorities, tax and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved. |

| Sr. No. | Key audit matters | How the matters were addressed in our audit |
|---------|---|---|
| | <p>Due to significance of amounts involved, uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered this as a key audit matter.</p> <p>For further information on contingencies, refer to the following:</p> <ul style="list-style-type: none"> - Material accounting policy information, Contingent liabilities note 2.27 and note 2.1(c) to the consolidated financial statements. - Contingencies note 13.1 to the consolidated financial statements. | <ul style="list-style-type: none"> • Obtained and reviewed confirmations from the Group’s external tax and legal advisors for their views on the probable outcome of the open tax assessments and other contingencies. • Involved internal tax professionals to assess reasonability of management’s conclusions on such pending matters. • Reviewed and evaluated the adequacy of disclosures made in respect of such contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan. |

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. As described in the Basis for Qualified Opinion section above, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 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.

The Board of Directors is responsible for overseeing the Group’s financial reporting process.

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

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

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

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



RIAZ AHMAD & COMPANY
Chartered Accountants

LAHORE

Date: 19 September 2025

UDIN: AR202510132YDO1dAq6j

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

| | Note | 2025 Rupees | 2024 Rupees |
|--|------|-----------------------|-----------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | 4 | 3,700,000,000 | 3,700,000,000 |
| Issued, subscribed and paid-up share capital | 4 | 2,401,190,290 | 2,401,190,290 |
| Reserves | 5 | 19,392,419,765 | 18,880,718,331 |
| Total equity | | 21,793,610,055 | 21,281,908,621 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long term financing | 6 | 7,995,910,916 | 10,365,601,631 |
| Lease liabilities | 7 | 60,486,075 | 49,833,019 |
| Deferred liabilities | 8 | 394,118,471 | 528,500,552 |
| | | 8,450,515,462 | 10,943,935,202 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 6,395,395,985 | 5,088,354,343 |
| Accrued mark-up / profit | 10 | 619,545,140 | 1,337,211,195 |
| Short term borrowings | 11 | 36,262,725,757 | 27,055,611,782 |
| Current portion of non-current liabilities | 12 | 2,839,129,323 | 2,922,711,988 |
| Unclaimed dividend | | 64,763,991 | 67,835,924 |
| | | 46,181,560,196 | 36,471,725,232 |
| Total liabilities | | 54,632,075,658 | 47,415,660,434 |
| CONTINGENCIES AND COMMITMENTS | 13 | | |
| TOTAL EQUITY AND LIABILITIES | | 76,425,685,713 | 68,697,569,055 |

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

| | Note | 2025 Rupees | 2024 Rupees |
|-------------------------------------|------|-----------------------|-----------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | 14 | 23,218,560,932 | 24,272,708,785 |
| Right-of-use assets | 15 | 87,657,320 | 71,198,322 |
| Intangible assets | 16 | 2,502,355 | 2,055,774 |
| Long term loans to employees | 17 | 25,982,147 | 10,896,710 |
| Long term security deposits | | 35,005,448 | 33,859,024 |
| | | 23,369,708,202 | 24,390,718,615 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | 18 | 2,064,854,208 | 1,976,066,081 |
| Stock-in-trade | 19 | 30,828,114,168 | 24,575,598,921 |
| Trade debts | 20 | 12,531,782,468 | 11,126,892,226 |
| Loans and advances | 21 | 4,356,495,509 | 3,965,350,513 |
| Short term prepayments | | 9,745,616 | 7,958,935 |
| Other receivables | 22 | 2,366,197,588 | 2,292,469,315 |
| Taxation and levy - net | 23 | 324,680,040 | 130,058,584 |
| Short term investments | 24 | 454,373,920 | 150,604,317 |
| Cash and bank balances | 25 | 119,733,994 | 81,851,548 |
| | | 53,055,977,511 | 44,306,850,440 |
| TOTAL ASSETS | | 76,425,685,713 | 68,697,569,055 |



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 Rupees | 2024 Rupees |
|--|------|------------------|------------------|
| REVENUE | 26 | 85,505,369,011 | 89,045,617,565 |
| COST OF SALES | 27 | (76,531,740,898) | (77,980,476,498) |
| GROSS PROFIT | | 8,973,628,113 | 11,065,141,067 |
| DISTRIBUTION COST | 28 | (1,905,929,279) | (2,220,873,112) |
| ADMINISTRATIVE EXPENSES | 29 | (628,448,793) | (557,139,862) |
| OTHER EXPENSES | 30 | (470,117,378) | (134,303,698) |
| | | (3,004,495,450) | (2,912,316,672) |
| | | 5,969,132,663 | 8,152,824,395 |
| OTHER INCOME | 31 | 681,616,615 | 865,332,375 |
| PROFIT FROM OPERATIONS | | 6,650,749,278 | 9,018,156,770 |
| FINANCE COST | 32 | (4,828,798,562) | (7,753,984,192) |
| PROFIT BEFORE LEVY AND TAXATION | | 1,821,950,716 | 1,264,172,578 |
| LEVY | 33 | (953,069,289) | (515,303,102) |
| PROFIT BEFORE TAXATION | | 868,881,427 | 748,869,476 |
| TAXATION | 34 | (117,430,153) | (38,169,814) |
| PROFIT AFTER TAXATION | | 751,451,274 | 710,699,662 |
| EARNINGS PER SHARE - BASIC AND DILUTED | 35 | 3.13 | 2.96 |

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

| | 2025 Rupees | 2024 Rupees |
|--|--------------------|--------------------|
| PROFIT AFTER TAXATION | 751,451,274 | 710,699,662 |
| OTHER COMPREHENSIVE INCOME | | |
| Items that will not be reclassified to profit or loss | - | - |
| Items that may be reclassified subsequently to profit or loss: | | |
| Exchange difference on translation of foreign operations | 369,189 | (1,139,748) |
| Other comprehensive income / (loss) for the year | 369,189 | (1,139,748) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 751,820,463 | 709,559,914 |

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 Rupees | 2024 Rupees |
|---|--------|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 36 | 1,573,816,043 | 12,745,728,637 |
| Net (increase) / decrease in long term security deposits | | (1,146,424) | 100,000 |
| Finance cost paid | | (5,551,111,292) | (7,813,173,189) |
| Income tax and levy paid | | (1,265,120,898) | (828,136,960) |
| Net (increase) / decrease in long term loans to employees | | (22,099,071) | 2,943,736 |
| Net cash (used in) / generated from operating activities | | (5,265,661,642) | 4,107,462,224 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on property, plant and equipment | | (991,111,946) | (2,123,510,652) |
| Proceeds from disposal of operating fixed assets | 14.1.1 | 83,825,517 | 109,800,872 |
| Capital expenditure on intangible assets | | (1,350,111) | (1,085,004) |
| Short term investments made | | (300,000,000) | (145,160,226) |
| Dividend received | | 1,912,348 | 1,912,348 |
| Investments disposed of | | - | 96,160,226 |
| Interest received | | 111,991,281 | 153,517,082 |
| Net cash used in investing activities | | (1,094,732,911) | (1,908,365,354) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from long term financing | 36.2 | - | 17,502,940 |
| Repayment of long term financing | 36.2 | (2,511,256,937) | (1,526,718,278) |
| Repayment of lease liabilities | 36.2 | (54,758,266) | (63,062,387) |
| Short term borrowings - net | 36.2 | 9,207,113,975 | (826,106,062) |
| Dividend paid | 36.2 | (243,190,962) | (1,305,135) |
| Net cash from / (used in) financing activities | | 6,397,907,810 | (2,399,688,922) |
| Net increase / (decrease) in cash and cash equivalents | | 37,513,257 | (200,592,052) |
| Impact of gain / (loss) on exchange translation | | 369,189 | (1,139,748) |
| Cash and cash equivalents at the beginning of the year | | 81,851,548 | 283,583,348 |
| Cash and cash equivalents at the end of the year | 25 | 119,733,994 | 81,851,548 |

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

| | RESERVES | | | | TOTAL RESERVES | TOTAL EQUITY |
|--|------------------------------|---------------|------------------|------------------------|----------------|----------------|
| | CAPITAL RESERVES | | REVENUE RESERVES | | | |
| | Exchange translation reserve | Share premium | General reserve | Un-appropriated profit | | |
| Balance as at 30 June 2023 | 30,615,698 | 600,553,890 | 1,629,221,278 | 15,910,767,551 | 18,171,158,417 | 20,572,348,707 |
| Profit for the year | - | - | - | 710,699,662 | 710,699,662 | 710,699,662 |
| Other comprehensive loss for the year | (1,139,748) | - | - | - | (1,139,748) | (1,139,748) |
| Total comprehensive income for the year | (1,139,748) | - | - | 710,699,662 | 709,559,914 | 709,559,914 |
| Balance as at 30 June 2024 | 29,475,950 | 600,553,890 | 1,629,221,278 | 16,621,467,213 | 18,880,718,331 | 21,281,908,621 |
| Transaction with owners: | | | | | | |
| Interim dividend for the year ended 30 June 2025 @ Rupee 1 per share | - | - | - | (240,119,029) | (240,119,029) | (240,119,029) |
| Profit for the year | - | - | - | 751,451,274 | 751,451,274 | 751,451,274 |
| Other comprehensive income for the year | 369,189 | - | - | - | 369,189 | 369,189 |
| Total comprehensive income for the year | 369,189 | - | - | 751,451,274 | 751,820,463 | 751,820,463 |
| Balance as at 30 June 2025 | 29,845,139 | 600,553,890 | 1,629,221,278 | 17,132,799,458 | 19,392,419,765 | 21,793,610,055 |

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of:

Holding Company

- Nishat (Chunian) Limited

Subsidiary Companies

- Nishat Chunian Properties (Private) Limited
- Nishat Chunian USA Inc.
- Sweave Inc.
- T L C Middle East Trading L.L.C

(a) Nishat (Chunian) Limited

Nishat (Chunian) Limited (the Holding Company) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. Its registered office is situated at 31-Q, Gulberg II, Lahore. The Holding Company is engaged in business of spinning, weaving, dyeing, printing, stitching, processing, doubling, sizing, buying, selling and otherwise dealing in yarn, fabrics and made-ups made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity.

(b) Nishat Chunian Properties (Private) Limited

Nishat Chunian Properties (Private) Limited is a private limited company incorporated in Pakistan under the Companies Act, 2017 on 31 January 2022. The registered office of Nishat Chunian Properties (Private) Limited is situated at 31-Q, Gulberg II, Lahore. The principal activities of the Company are marketing and development of all types of real estate including developed or undeveloped land, housing or commercial projects including commercial markets or multi-storied buildings (for commercial or residential purposes), shopping centres, restaurants, hotels, recreational facilities, etc. Nishat Chunian Properties (Private) Limited is a wholly-owned subsidiary of Nishat (Chunian) Limited.

(c) Nishat Chunian USA Inc.

Nishat Chunian USA Inc., a wholly owned subsidiary of Nishat (Chunian) Limited, is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Nishat Chunian USA Inc. is situated at 122 Buckingham Ave, Syracuse, NY 13210, USA. The principal business of the Nishat Chunian USA Inc. is to import home textile products and distribute to local retailers.

(d) Sweave Inc.

Sweave Inc. is a foreign subsidiary incorporated under the Business Corporation Laws of the State of New York. The registered office of Sweave Inc. is situated at 122 Buckingham Ave, Syracuse, NY 13210, USA. The principal business of the Sweave Inc. is E-commerce retail of home textile products to its domestic customers. Sweave Inc. is a wholly owned subsidiary of Nishat Chunian USA Inc.

(e) T L C Middle East Trading L.L.C

T L C Middle East Trading L.L.C is a limited liability company - Single Owner (LLC - SO) formed in pursuance to the Federal Law No. (2) of 2015 concerning commercial companies and registered with the Department of Economic Development, Government of Dubai. Date of incorporation of T L C Middle East Trading L.L.C is 14 October 2021. The principal business of T L C Middle East Trading L.L.C is textile trading, blankets, towels and linen trading. Commercial address of T L C Middle East Trading L.L.C is Office No. F19-282, Land DM No 117-595, Makani No 29817 96803, Land Area Al Mararr, Dubai, United Arab Emirates. The capital of T L C Middle East Trading L.L.C is AED 300,000 divided into 300 shares, the value of each share is AED 1,000. Nishat (Chunian) Limited shall own 100% shares of T L C Middle East Trading L.L.C. However, Nishat (Chunian) Limited has not yet remitted funds into the bank account of T L C Middle East Trading L.L.C against the shares subscribed and expects to make investment in shares of T L C Middle East Trading L.L.C shortly.

1.2 Geographical location and addresses of all business units are as follows:

| Business units and office | Address |
|---|--|
| Manufacturing units: | |
| Spinning Units 1, 4, 5, 7 and 8 | 49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur. |
| Spinning Units 2, 3, 6 and Weaving and 46 MW and 8 TPH process steam coal fired power generation project. | 49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur. |
| Dyeing, Printing and Stitching. | 4th Kilometre, Manga Road, Raiwind. |
| Office – Pakistan | 31-Q, 31-C-Q and 10-N, Gulberg-II, Lahore. |
| Site for office - Pakistan | Plot No. 54, Ataturk Avenue, Street No. 88, Sector G-6/3, Islamabad. |
| Office - USA | 122 Buckingham Ave, Syracuse, NY 13210. |
| Office - USA | 122 Buckingham Ave, Syracuse, NY 13210. |
| Office - UAE | Office No. F19-282, Land DM No 117-595, Makani No 29817 96803, Land Area Al Mararr, Dubai. |
| Site for office - UAE | Unit ST16, Ground Floor, City Centre Al Zahia, Sharjah. |
| Retail stores | |
| The Linen Company (TLC) – I | Outlet No. 9-10, 2nd Floor Gulberg Galleria Mall, Lahore. |
| The Linen Company (TLC) – II | Shop No. 2008, 2nd Floor, Packages Mall, Lahore. |
| The Linen Company (TLC) – III | Outlet No. 21-22, Lower Ground Floor, WTC Giga Mall, DHA Phase 2, Islamabad. |
| The Linen Company (TLC) – IV | Shop No. 345, 3rd Floor, Centaurus Mall, Islamabad. |
| The Linen Company (TLC) – V | Shop No. F-50, 1st Floor, Dolmen Mall, Clifton, Karachi. |
| The Linen Company (TLC) – VI | Shop 7, Ground Floor, Gold Crest Grand Mall and Residency, Sector DD, DHA Phase 4, Lahore. |
| The Linen Company (TLC) – VII | Shop 14-B-1, Ground Floor, Mall of Lahore, Tufail Road, Lahore Cantt. |
| The Linen Company (TLC) – VIII | Unit B-041, Second Floor, City Centre Al Zahia, Sharjah. |

1.3 Significant restrictions

Cash and bank balances held in foreign countries are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from these countries, other than through normal dividends. The carrying amount of these assets included within the consolidated financial statements to which these restrictions apply is Rupees 17.505 million (2024: Rupees 20.788 million).

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

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

Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the analysis of the management. Further, the Group reviews the values of assets for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

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

Accumulating compensated absences

The provision for accumulating compensated absences is made by the Holding Company on the basis of accumulated leave balance on account of employees.

Income tax and levy

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

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provisions

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

Revenue from contracts with customers involving sale of goods

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

Deferred income tax

From the current financial year, tax year 2025, income of the Holding Company will be taxed under normal tax regime, hence, as on 30 June 2024, deferred income tax on taxable temporary differences between the accounting and tax base of fixed assets is required to be calculated in totality (previously this was only relating to local sales percentage). This is the first time the Holding Company is transitioning to this regime. Previously, the Holding Company was neither required nor claimed tax depreciation against income subject to final tax regime, hence, percentage of export sales (taxed under final tax regime till 30 June 2024) has now been used to calculate the tax base by applying this percentage to the accounting written-down value (WDV) of operating fixed assets. This critical accounting estimation, used by the management in the calculation of deferred tax, is based on the advice of legal counsel, and it reflects the best available information for the calculation of deferred tax.

Contingencies

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

liabilities recognized at the consolidated statement of financial position date.

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

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

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current;
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with Covenants;
- Amendments to IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements.

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

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

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

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

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

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

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

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is,

management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

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

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

The implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 1 July 2027.

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

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

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

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Group

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

2.2 Consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The assets and liabilities of the subsidiary companies have been consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the Holding Company's share in paid up capital of the subsidiary companies. Intra group balances and transactions have been eliminated.

Non-controlling interest is that part of net results of the operations and of net assets of the subsidiary companies attributable to interest which is not owned by the Holding Company. Non-controlling interest is presented as a separate item in the consolidated financial statements.

b) Translation of the financial statements of foreign subsidiary

The financial statements of foreign subsidiary of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated in functional currency of the Group. Statement of financial position items are translated at the exchange rate at the reporting date and statement of profit or loss items are converted at the average rate for the period. Any resulting translation differences are recognized under exchange translation reserve in consolidated reserves.

2.3 Taxation and levy

Current

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

Deferred

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

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

2.4 Employee benefits

The main features of the schemes operated are as follows:

Provident fund

The Holding Company operate funded provident fund schemes covering all permanent employees. Equal monthly contributions are made both by the employees and the employers' to funds in accordance with the funds' rules. The employers' contributions to the funds are charged to income currently.

Accumulating compensated absences

The Holding Company provides for accumulating compensated absences, when the employees render service that increase their entitlement to future compensated absences.

2.5 Fixed assets

Property, plant, equipment and depreciation

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and any identified impairment loss. Cost in relation to certain property, plant and equipment signifies historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land and capital work-in-progress are stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

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

Depreciation

Depreciation on all operating fixed assets, other than standby generators and power generation equipment of the Holding Company, is charged to income on the reducing balance method, so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 14.1. Depreciation on standby generators of the Holding Company is charged on the basis of number of hours used. Depreciation on power generation equipment of the Holding Company is charged to income on the straight-line method so as to write off the cost / depreciable amount of the power generation equipment over its estimated useful life at the rate given in Note 14.1. Depreciation on additions is charged from the month in which the assets are available for use upto the month prior to disposal. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of profit or loss in the year the asset is derecognized.

2.6 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month

when these assets are available for use, using the straight-line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Group. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.7 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. Goodwill is not amortised but is reviewed for impairment at least annually.

2.8 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Group has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

2.9 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to consolidated statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.10 Investments and other financial assets

a) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

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

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2). Fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the consolidated statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

2.11 Financial liabilities – Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in consolidated statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.12 Impairment of financial assets

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

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

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

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

2.13 De-recognition of financial assets and financial liabilities

a) Financial assets

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

b) Financial liabilities

The Group derecognizes a financial liability (or a part of financial liability) from its consolidated statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.14 Inventories

Inventories, except for stock-in-transit and waste stock, are stated at lower of cost and net realizable value.

Cost is determined as follows:

Stores, spare parts and loose tools

Usable stores, spares parts, loose tools are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items-in-transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw materials is measured using the weighted average cost formula.

Cost of work-in-process and finished goods comprise cost of direct material, labour and appropriate manufacturing overheads. Cost of goods purchased for resale is based on first-in-first-out (FIFO) cost formula.

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

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

2.15 Foreign currencies

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date, while the transactions in foreign currencies (except the results of foreign operation which are translated to Pak Rupees at the average rate of exchange for the year) during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the consolidated statement of profit or loss.

2.16 Borrowings

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

2.17 Trade debts and other receivables

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

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.18 Trade and other payables

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

2.19 Borrowing cost

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of cost of that asset.

2.20 Revenue recognition

Sale of goods

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

Processing services

The Group provides processing services to local customers. These services are sold separately and the Group's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Group's contracts with its customers.

Interest

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

Dividend

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

2.21 Contract liabilities

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

2.22 Share capital

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

2.23 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at book value which approximates their fair value. For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts, other short term highly liquid instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.24 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the consolidated statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the consolidated statement of profit or loss.

2.25 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.26 Impairment of non-financial assets

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

2.27 Contingent liabilities

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

2.28 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. 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 the transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Group's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief operating decision makers include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Group has following reportable business segments. Spinning – Zone 1 (Unit No.1 and 5), Zone 2 (Unit No. 4, 7 and 8) and Zone 3 (Unit No. 2, 3 and 6) (Producing different quality of yarn using natural and artificial fibers), Weaving – Unit 1 and 2 (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles) and Power Generation (Generating and distributing power).

Transaction among the business segments are recorded at arm's length prices using admissible valuation methods. Inter-segment sales and purchases are eliminated from the total.

2.29 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.

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

2.30 Dividend to ordinary shareholders and other appropriations

Dividend distribution to the ordinary shareholders is recognized as a liability in the Group's consolidated financial statements in period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3. SUMMARY OF OTHER ACCOUNTING POLICY INFORMATION

3.1 Earnings per share

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

3.2 Ijarah transactions

Ujrah (lease) payments are recognized as expenses in consolidated statement of profit or loss on a straight-line basis over the Ijarah term unless another systematic basis is representative of the time pattern of the user's benefit even if the payments are not on that basis.

3.3 Contingent assets

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

3.4 Refund liabilities

Refund liabilities are recognised where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Group does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

3.5 Contract assets

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

3.6 Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

3.7 Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Group that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

3.8 Right of return assets

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

3.9 Offsetting of financial instruments

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

4 SHARE CAPITAL

4.1 AUTHORIZED SHARE CAPITAL

| 2025 (Number of shares) | 2024 | | 2025 Rupees | 2024 Rupees |
|----------------------------|--------------------|-------------------------------------|----------------------|----------------------|
| 350,000,000 | 350,000,000 | Ordinary shares of Rupees 10 each | 3,500,000,000 | 3,500,000,000 |
| 20,000,000 | 20,000,000 | Preference shares of Rupees 10 each | 200,000,000 | 200,000,000 |
| <u>370,000,000</u> | <u>370,000,000</u> | | <u>3,700,000,000</u> | <u>3,700,000,000</u> |

4.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

| 2025 (Number of shares) | 2024 | | 2025 Rupees | 2024 Rupees |
|----------------------------|--------------------|--|----------------------|----------------------|
| 134,655,321 | 134,655,321 | Ordinary shares of Rupees 10 each fully paid in cash | 1,346,553,210 | 1,346,553,210 |
| 104,239,443 | 104,239,443 | Ordinary shares of Rupees 10 each issued as fully paid bonus shares | 1,042,394,430 | 1,042,394,430 |
| 1,224,265 | 1,224,265 | Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash to members of Umer Fabrics Limited as per the Scheme of Arrangement as approved by the Honourable Lahore High Court, Lahore | 12,242,650 | 12,242,650 |
| <u>240,119,029</u> | <u>240,119,029</u> | | <u>2,401,190,290</u> | <u>2,401,190,290</u> |

| | | 2025 Rupees | 2024 Rupees |
|-----------|---|----------------|----------------|
| 5. | RESERVES | | |
| | Composition of reserves is as follows: | | |
| | Capital reserves | | |
| | Exchange translation reserve [Note 2.2(b)] | 29,845,139 | 29,475,950 |
| | Share premium (Note 5.1) | 600,553,890 | 600,553,890 |
| | | 630,399,029 | 630,029,840 |
| | Revenue reserves | | |
| | General reserve | 1,629,221,278 | 1,629,221,278 |
| | Unappropriated profit | 17,132,799,458 | 16,621,467,213 |
| | | 18,762,020,736 | 18,250,688,491 |
| | | 19,392,419,765 | 18,880,718,331 |

5.1 This reserve can be utilized only for the purposes specified in section 81 of the Companies Act, 2017.

| | | 2025 Rupees | 2024 Rupees |
|-----------|--|-----------------|-----------------|
| 6. | LONG TERM FINANCING | | |
| | From banking companies / financial institutions - secured | | |
| | Long term loans (Note 6.1) | 9,339,956,965 | 11,543,155,465 |
| | Long term musharaka (Note 6.2) | 962,285,771 | 1,129,135,766 |
| | | 10,302,242,736 | 12,672,291,231 |
| | Less: Current portion shown under current liabilities (Note 12) | | |
| | Long term loans | (2,148,083,504) | (2,139,836,819) |
| | Long term musharaka | (158,248,316) | (166,852,781) |
| | | (2,306,331,820) | (2,306,689,600) |
| | | 7,995,910,916 | 10,365,601,631 |

| LENDER | Rupees | | RATE OF INTEREST PER ANNUM | NUMBER OF INSTALLMENTS | INTEREST REPRICING | INTEREST PAYABLE |
|--|---------------|---------------|----------------------------|---|--------------------|------------------|
| | 2025 | 2024 | | | | |
| Nishat (Chunian) Limited - Holding Company (Note 6.3) | | | | | | |
| MCB Bank Limited | 60,000,000 | 80,000,000 | SBP rate for LTFF + 1.00% | Sixteen equal half yearly instalments commenced on 13 August 2019 and ending on 13 February 2028. (Note 6.5) | - | Quarterly |
| MCB Bank Limited | 20,125,000 | 30,187,500 | SBP rate for LTFF + 1.00% | Sixteen equal half yearly instalments commenced on 22 June 2019 and ending on 22 June 2027. (Note 6.5) | - | Quarterly |
| MCB Bank Limited | 1,400,000,000 | 1,800,000,000 | 3-months KIBOR + 0.2% | Twenty equal quarterly instalments commenced on 11 February 2024 and ending on 11 November 2028. | Quarterly | Quarterly |
| Allied Bank Limited | 73,437,500 | 102,812,500 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 24 February 2019 and ending on 24 November 2027. (Note 6.5) | - | Quarterly |
| Allied Bank Limited | 45,271,875 | 61,734,375 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 18 April 2019 and ending on 18 January 2028. (Note 6.5) | - | Quarterly |
| Allied Bank Limited | 134,406,250 | 183,281,250 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 19 April 2019 and ending on 19 January 2028. (Note 6.5) | - | Quarterly |
| Allied Bank Limited | 32,862,500 | 44,812,500 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 21 May 2017 and ending on 21 February 2028. (Note 6.5) | - | Quarterly |
| Allied Bank Limited | 44,175,000 | 58,900,000 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 03 July 2019 and ending on 03 April 2028. (Note 6.5) | - | Quarterly |
| Allied Bank Limited | 40,452,557 | 48,157,809 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030. | - | Quarterly |
| Allied Bank Limited | 68,704,125 | 81,790,625 | SBP rate for LTFF+ 1.00% | Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030. | - | Quarterly |
| Allied Bank Limited | 12,323,258 | 14,670,546 | SBP rate for LTFF+ 1.00% | Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030. | - | Quarterly |
| Allied Bank Limited | 21,003,284 | 25,003,908 | SBP rate for LTFF+ 1.00% | Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030. | - | Quarterly |
| Allied Bank Limited | 9,824,716 | 11,696,092 | SBP rate for LTFF+ 1.00% | Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030. | - | Quarterly |
| Allied Bank Limited | 44,567,002 | 53,055,954 | SBP rate for LTFF+ 1.00% | Thirty two equal quarterly instalments commenced on 01 December 2022 and ending on 01 September 2030. | - | Quarterly |
| Allied Bank Limited | 312,500,000 | 562,500,000 | 3-months KIBOR + 0.18% | Sixteen equal quarterly instalments commenced on 30 September 2022 and ending on 30 June 2026. | Quarterly | Quarterly |
| Allied Bank Limited | 833,333,332 | 1,000,000,000 | 3-months KIBOR + 0.10% | Twenty four equal quarterly instalments commenced on 24 August 2024 and ending on 24 May 2030. | Quarterly | Quarterly |

| LENDER | 2025 | 2024 | RATE OF INTEREST PER ANNUM | NUMBER OF INSTALLMENTS | INTEREST REPRICING | INTEREST PAYABLE |
|---|----------------------|----------------------|----------------------------|--|--------------------|------------------|
| Askari Bank Limited | Rupees 41,500,000 | Rupees 58,100,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 02 February 2017 and ending on 02 November 2027. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 5,000,000 | 7,000,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 04 February 2017 and ending on 04 November 2027. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 37,500,000 | 52,500,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 08 March 2017 and ending on 08 December 2027. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 36,740,000 | 50,100,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 22 June 2017 and ending on 22 March 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 1,860,000 | 2,480,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 12 September 2017 and ending on 13 June 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 18,200,000 | 23,800,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 04 October 2017 and ending on 04 July 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 6,000,000 | 8,000,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 35,340,000 | 47,120,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 1,726,200 | 2,301,600 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 6,597,500 | 8,627,500 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 04 October 2017 and ending on 04 July 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 70,800,000 | 94,400,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 26 August 2017 and ending on 26 May 2028. (Note 6.5) | - | Quarterly |
| Askari Bank Limited | 173,679,000 | 210,243,000 | SBP rate for LTFF + 1.00% | Forty equal quarterly instalments commenced on 18 May 2021 and ending on 12 February 2031. (Note 6.5) | - | Quarterly |
| Bank Alfalah Limited (Note 6.6) | 1,114,111,717 | 1,243,379,137 | SBP rate for TERF + 2.00% | Five hundred and forty five unequal instalments commenced on 26 August 2023 and ending on 22 April 2032. | - | Quarterly |
| Pak Kuwait Investment Company (Private) Limited | 186,774,850 | 220,746,850 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 05 January 2023 and ending on 04 October 2030. | - | Quarterly |
| Pak Kuwait Investment Company (Private) Limited | 9,907,950 | 11,711,950 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 05 January 2023 and ending on 04 October 2030. | - | Quarterly |
| Habib Bank Limited | 1,585,015,675 | 1,811,443,696 | 3-months KIBOR + 0.45% | Eighty one unequal instalments commenced on 09 May 2024 and ending on 20 May 2032. | Quarterly | Quarterly |
| Habib Bank Limited | 301,166,373 | 345,035,965 | SBP rate for LTFF + 1.00% | One hundred and twenty eight unequal instalments commenced on 03 June 2024 and ending on 15 April 2032. | - | Quarterly |

| LENDER | 2025 | 2024 | RATE OF INTEREST PER ANNUM | NUMBER OF INSTALLMENTS | INTEREST REPRICING | INTEREST PAYABLE |
|--------------------------------|-----------------------|-----------------------|----------------------------|---|--------------------|------------------|
| Habib Bank Limited | Rupees 188,241,815 | Rupees 215,133,503 | SBP rate for LTFF + 1.00% | Thirty two equal half yearly instalments commenced on 11 August 2024 and ending on 11 May 2032. | - | Quarterly |
| Habib Bank Limited | 194,097,421 | 221,825,624 | 3-months KIBOR + 0.45% | Sixteen equal half yearly instalments commenced on 11 November 2024 and ending on 11 May 2032. | Quarterly | Quarterly |
| Soneri Bank Limited | 102,953,125 | 140,390,625 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 14 June 2019 and ending on 14 March 2028. (Note 6.5) | - | Quarterly |
| Soneri Bank Limited | 83,250,000 | 111,000,000 | SBP rate for LTFF + 1.00% | Thirty two equal quarterly instalments commenced on 06 July 2019 and ending on 06 April 2028. (Note 6.5) | - | Quarterly |
| National Bank of Pakistan | 38,862,992 | 21,210,673 | SBP rate for LTFF + 1% | Forty equal quarterly instalments commenced on 08 December 2024 and ending on 08 September 2034. | - | Quarterly |
| National Bank of Pakistan | - | 150,010,404 | 3-months KIBOR + 1% | One hundred and sixty one unequal quarterly instalments commenced on 08 February 2025 and ending on 13 June 2036. However, it has been fully settled during the year. | Quarterly | Quarterly |
| United Bank Limited | 1,500,000,000 | 1,833,333,333 | 1-month KIBOR + 0.25% | Twenty four equal quarterly instalments commenced on 31 March 2024 and ending on 31 December 2029. | Monthly | Quarterly |
| United Bank Limited (Note 6.6) | 447,645,948 | 494,658,546 | SBP rate for TERF + 1.25% | Ninety six unequal instalments commenced on 08 October 2023 and ending on 25 March 2032. | - | Quarterly |
| | 9,339,956,965 | 11,543,155,465 | | | | |

6.2 Long term musharaka

| LENDER | 2025 | 2024 | RATE OF INTEREST PER ANNUM | NUMBER OF INSTALLMENTS | INTEREST REPRICING | INTEREST PAYABLE |
|--|---------------|---------------|----------------------------|--|--------------------|------------------|
| Nishat (Chunian) Limited - Holding Company (Note 6.4) | Rupees | Rupees | | | | |
| Meezan Bank Limited | 179,485,472 | 212,119,196 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 24 March 2023 and ending on 24 December 2030. | - | Quarterly |
| Meezan Bank Limited (Note 6.7) | 291,969,772 | 339,252,398 | SBP rate for ITERF + 2.75% | One hundred and twenty eight unequal instalments commenced on 30 March 2023 and ending on 28 May 2031. | - | Quarterly |
| Meezan Bank Limited | 4,563,630 | 5,600,815 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030. | - | Quarterly |
| Meezan Bank Limited | 11,436,150 | 14,035,275 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030. | - | Quarterly |
| Meezan Bank Limited | 8,230,820 | 10,101,460 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030. | - | Quarterly |
| Meezan Bank Limited | 47,056,350 | 57,750,975 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030. | - | Quarterly |
| Meezan Bank Limited | 9,803,750 | 12,031,875 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030. | - | Quarterly |
| Meezan Bank Limited | 78,261,360 | 96,048,030 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 30 March 2023 and ending on 30 December 2030. | - | Quarterly |
| Meezan Bank Limited | 148,244,222 | 172,945,500 | SBP rate for LTFF + 2.00% | Thirty two equal quarterly instalments commenced on 17 September 2023 and ending on 17 June 2031. | - | Quarterly |
| Meezan Bank Limited | 39,748,800 | 46,373,600 | SBP rate for LTFF + 1.50% | Thirty two equal quarterly instalments commenced on 17 September 2023 and ending on 17 June 2031. | - | Quarterly |
| MCB Islamic Bank Limited (Note 6.7) | 143,485,445 | 162,876,642 | SBP rate for ITERF + 1.50% | Ninety six unequal instalments commenced on 06 August 2023 and ending on 16 February 2032. | - | Quarterly |
| | 962,285,771 | 1,129,135,766 | | | | |

- 6.3** Long term loans are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Holding Company to the extent of Rupees 19,798.725 million (2024: Rupees 21,484.022 million) and ranking charge on all present and future fixed assets of the Holding Company to the extent of Rupees 133.330 million (2024: Rupees 133.330 million).
- 6.4** Long term musharaka are secured by first joint pari passu hypothecation and equitable mortgage on all present and future fixed assets of the Holding Company to the extent of Rupees 2,199.998 million (2024: Rupees 2,199.998 million).
- 6.5** Repayment period includes deferment of repayment of principal loan amount by one year in accordance with the State Bank of Pakistan BPRD Circular Letter No. 13 of 2020 dated 26 March 2020.
- 6.6** These loans are obtained by the Holding Company under SBP Temporary Economic Refinance Facility (TERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.23% to 14.27% per annum.
- 6.7** These loans are obtained by the Holding Company under SBP Islamic Temporary Economic Refinance Facility (ITERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 8.04% to 11.44% per annum.

| | 2025 Rupees | 2024 Rupees |
|--|------------------------|------------------------|
| 7. LEASE LIABILITIES | | |
| Total lease liabilities | 98,058,851 | 85,748,114 |
| Less: Current portion shown under current liabilities (Note 12) | (37,572,776) | (35,915,095) |
| | 60,486,075 | 49,833,019 |
| 7.1 Reconciliation of lease liabilities | | |
| Opening balance | 85,748,114 | 132,734,414 |
| Add: Additions during the year | 93,021,081 | 17,106,282 |
| Add: Interest accrued on lease liabilities (Note 32) | 17,699,757 | 15,406,799 |
| Less: Impact of lease termination | (26,098,264) | - |
| Less: Payments during the year | (72,458,023) | (78,469,186) |
| Add / (Less): Impact of exchange gain / (loss) | 146,186 | (1,030,195) |
| Closing balance | 98,058,851 | 85,748,114 |
| 7.2 Maturity analysis of lease liabilities is as follows: | | |
| Upto 6 months | 24,888,223 | 32,791,645 |
| 6-12 months | 24,402,105 | 19,863,027 |
| 1-2 years | 34,414,521 | 36,582,898 |
| More than 2 years | 37,283,032 | 10,523,258 |
| | 120,987,881 | 99,760,828 |
| Less: Future finance cost | (22,929,030) | (14,012,714) |
| Present value of lease liabilities | 98,058,851 | 85,748,114 |

| | 2025 Rupees | 2024 Rupees |
|------------|---|------------------------|
| 7.3 | Amounts recognised in the consolidated statement of profit or loss | |
| | Interest accrued during the year | 17,699,757 |
| | 15,406,799 | 15,406,799 |

7.4 Implicit rate against lease liabilities ranges from 7.97% to 21.41% (2024: 7.97% to 21.41%) per annum.

| | 2025 Rupees | 2024 Rupees |
|-----------|---|------------------------|
| 8. | DEFERRED LIABILITIES | |
| | Gas Infrastructure Development Cess (GIDC) payable (Note 8.1) | - |
| | Deferred income - Government grant (Note 8.2) | 528,500,552 |
| | 394,118,471 | 528,500,552 |
| | 394,118,471 | 528,500,552 |

8.1 Gas Infrastructure Development Cess (GIDC) Payable

| | | |
|---|---------------|---------------|
| Gas Infrastructure Development Cess payable at amortized cost | 431,187,796 | 431,187,796 |
| Less: Adjustment made during the year | (70,347,221) | - |
| Closing balance | 360,840,575 | 431,187,796 |
| Less: Current portion shown under current liabilities (Note 12) | (360,840,575) | (431,187,796) |
| | - | - |

8.1.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. During the year ended 30 June 2021, Honourable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Holding Company has filed a review petition in Honourable Sindh High Court, Karachi which is pending adjudication. GIDC payable has been recognized at amortized cost in accordance with IFRS 9.

| | 2025 Rupees | 2024 Rupees |
|------------|---|------------------------|
| 8.2 | Deferred income - Government grant | |
| | Opening balance | 677,420,049 |
| | Less: Amortized during the year | 832,798,931 |
| | Closing balance | (155,378,882) |
| | Less: Current portion shown under current liabilities (Note 12) | 528,502,623 |
| | (134,384,152) | 677,420,049 |
| | 394,118,471 | (148,919,497) |
| | 394,118,471 | 528,500,552 |

8.2.1 The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated 17 March 2020 and Circular No. 09 of 2020 dated 08 May 2020 introduced a Temporary Economic Refinance Facility (TERF) and Islamic Temporary Economic Refinance Facility (ITERF) for setting of new industrial units and for undertaking Balancing, Modernization and Replacement and / or expansion of projects / businesses. These

refinances were available through Banks / DFIs. One of the key feature of these refinance facilities was that borrowers could obtain loan at mark-up rates that were below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government grant. The Group obtained these loans as disclosed in note 7 to these consolidated financial statements. In accordance with IFRS 9 'Financial Instruments', loans obtained under the refinance facilities were initially recognized at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in consolidated statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There are no unfulfilled conditions or contingencies attached to this grant.

| | 2025 Rupees | 2024 Rupees |
|---|----------------|----------------|
| 9. TRADE AND OTHER PAYABLES | | |
| Creditors | 2,139,856,915 | 1,737,662,521 |
| Sindh infrastructure cess payable (Note 9.1) | 1,919,286,574 | 1,321,296,003 |
| Accrued liabilities | 1,556,350,132 | 1,449,919,675 |
| Contract liabilities - unsecured | 353,893,709 | 317,036,076 |
| Securities from contractors - interest free and repayable on completion of contracts (Note 9.2) | 6,757,800 | 5,007,799 |
| Retention money | 9,322,148 | 29,282,594 |
| Income tax deducted at source | 81,694,291 | 57,116,083 |
| Sales tax withheld | 66,022,600 | 13,620,516 |
| Payable to employees' provident fund trust | 20,212,128 | 18,958,718 |
| Fair value of forward exchange contracts | 24,268,036 | - |
| Workers' profit participation fund (Note 9.3) | 95,914,843 | 59,894,054 |
| Workers' welfare fund (Note 9.4) | 48,917,710 | 39,848,121 |
| Others | 72,899,099 | 38,712,183 |
| | 6,395,395,985 | 5,088,354,343 |

9.1 This represents provision for infrastructure cess imposed by the Province of Sindh through Sindh Finance Act, 1994 and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Holding Company filed writ petition in Honourable Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favour of Director Excise and Taxation, Karachi. The Honourable Sindh High Court, Karachi passed order dated 04 June 2021 against the Holding Company and directed that bank guarantees should be encashed. Being aggrieved by the order, the Holding Company along with others filed petitions for leave to appeal before Honourable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, the Honourable Supreme Court dictated the order in open court granting leave to appeal to the petitioners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by the Honourable Sindh High Court, Karachi. The Honourable Supreme Court also direct the release of future consignments subject to furnishing of bank guarantees for the disputed amount.

9.2 These deposits were utilized for the purpose of business in accordance with the terms of written agreements with contractors and customers.

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| 9.3 Workers' profit participation fund | | |
| Opening balance | 59,894,054 | - |
| Add: Interest for the year (Note 32) | 3,062,309 | - |
| Add: Provision for the year (Note 30) | 92,852,534 | 59,894,054 |
| | <u>155,808,897</u> | <u>59,894,054</u> |
| Less: Payments during the year | (59,894,054) | - |
| Closing balance | <u>95,914,843</u> | <u>59,894,054</u> |

9.3.1 The Holding Company retains workers' profit participation funds for their business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profits (Workers Participation) Act, 1968 on funds utilized by the Holding Company till the date of allocation to workers.

| | 2025 Rupees | 2024 Rupees |
|---------------------------------------|------------------------|------------------------|
| 9.4 Workers' welfare fund | | |
| Opening balance | 39,848,121 | 35,663,769 |
| Add: Provision for the year (Note 30) | 9,069,589 | 4,184,352 |
| Closing balance | <u>48,917,710</u> | <u>39,848,121</u> |

10. ACCRUED MARK-UP / PROFIT

| | | |
|-----------------------|--------------------|----------------------|
| Long term financing | 132,592,874 | 304,165,407 |
| Short term borrowings | 486,952,266 | 1,033,045,788 |
| | <u>619,545,140</u> | <u>1,337,211,195</u> |

11. SHORT TERM BORROWINGS

From banking companies - secured

Nishat (Chunian) Limited - Holding Company

| | | |
|---|-----------------------|-----------------------|
| Short term running finances (Notes 11.1 and 11.2) | 7,045,494,446 | 8,011,276,217 |
| Export finances - Preshipment / SBP refinance (Notes 11.1 and 11.3) | 13,267,231,311 | 10,449,335,565 |
| Other short term finances (Notes 11.1 and 11.4) | 15,950,000,000 | 8,595,000,000 |
| | <u>36,262,725,757</u> | <u>27,055,611,782</u> |

11.1 These finances are obtained from banking companies under mark-up / profit arrangements and are secured by first joint pari passu hypothecation of all present and future current assets of the Holding Company to the extent of Rupees 65,325 million (2024: Rupees 65,325 million) and ranking charge on all present and future current assets of the Holding Company to the extent of Rupees 15,334.333 million (2024: Rupees 5,333.333 million). These form part of total credit facilities of Rupees 52,465 million (2024: Rupees 50,215 million).

11.2 The effective rates of mark-up range from 11.48% to 22.77% (2024: 21.51% to 23.90%) per annum.

- 11.3** The effective rates of mark-up on Pak Rupee finances and US Dollar finances range from 17.10% to 19.00% (2024: 13.00% to 19.00%) per annum and 2.00% to 8.98% (2024: 2.00% to 10.00%) respectively.
- 11.4** The effective rates of mark-up range from 10.25% to 22.41% (2024: 18.69% to 23.41%) per annum.

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| 12. CURRENT PORTION OF NON-CURRENT LIABILITIES | | |
| Long term financing (Note 6) | 2,306,331,820 | 2,306,689,600 |
| Lease liabilities (Note 7) | 37,572,776 | 35,915,095 |
| Gas Infrastructure Development Cess (GIDC) payable (Note 8.1) | 360,840,575 | 431,187,796 |
| Deferred income - Government grant (Note 8.2) | 134,384,152 | 148,919,497 |
| | 2,839,129,323 | 2,922,711,988 |

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

- 13.1.1** The Collectorate of Customs (Export) has issued show cause notices with the intention to reject the duty draw back claims aggregating to Rupees 9.482 million on blended grey fabrics exported under Duty and Tax Remission Rules for Export (DTRE) scheme. The department is of the view that the Holding Company has not submitted Appendix-1 as per Rule 297-A of the above referred scheme. The Holding Company considers that since it has taken benefit of remission of sales tax only, it is entitled to full duty draw back and filed appeal before Appellate Tribunal Inland Revenue (ATIR), Karachi Bench which was decided against the Holding Company. The Holding Company also applied to Federal Board of Revenue (FBR) to constitute Alternate Dispute Resolution Committee (ADRC) in terms of section 195C of the Customs Act, 1969 to settle the dispute. ADRC vide its order dated 16 April 2008 has recommended the case in favour of the Holding Company and forwarded the case to FBR. However, FBR has not accepted the recommendations of ADRC. The Holding Company has filed appeal before the Honourable High Court of Sindh, Karachi on 07 December 2013 against the order of ATIR, where the case is pending adjudication. The Holding Company is hopeful of a favourable outcome of the appeal based on the opinion of the tax advisor.
- 13.1.2** The Holding Company impugned selection of its tax affairs for audit in terms of section 177 of the Income Tax Ordinance, 2001 for tax year 2009 in Honourable Lahore High Court, Lahore through writ petition. After dismissal of writ petition by the Honourable Lahore High Court, Lahore, the tax department has completed the audit of tax year 2009 of income tax affairs of the Holding Company and Deputy Commissioner Inland Revenue (DCIR) has passed an order under sections 122(1)/122(5) of the Income Tax Ordinance, 2001 dated 28 July 2015 creating a tax demand of Rupees 6.773 million. The Holding Company filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] against the decision of DCIR wherein the appeal has been decided partially in favour of the Holding Company. Being aggrieved, the Holding Company has filed an appeal before ATIR which is pending adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.
- 13.1.3** As a result of withholding tax audit for the tax year 2006, DCIR has raised a demand of Rupees 41.849 million under sections 161 and 205 of the Income Tax Ordinance, 2001 via order dated 22 June 2010. The Holding Company's appeal before ATIR was successful. The Commissioner Inland Revenue has filed appeal before Honourable Lahore High Court, Lahore against the order of ATIR, where the case is pending. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.

- 13.1.4** The Deputy Collector (Refund – Gold) by order dated 16 May 2007 rejected the input tax claim of the Holding Company, for the month of June 2005, amounting to Rupees 1.604 million incurred in zero rated local supplies of textile and articles thereof on the grounds that the input tax claim is in contravention of SRO 992(I)/2005 which states that no registered person engaged in the export of specified goods (including textile and articles thereof) shall, either through zero-rating or otherwise, be entitled to deduct or reclaim input tax paid in respect of stocks of such goods acquired up to 05 June 2005, if not used for the purpose of exports made up to 31 December 2005. The appeal of the Holding Company before ATIR was successful and input tax claim of the Holding Company is expected to be processed after necessary verification in this regard. Pending the outcome of verification, no provision for inadmissible input tax has been recognized in these consolidated financial statements.
- 13.1.5** The Holding Company filed appeal before CIR(A) against the order of Additional Commissioner Inland Revenue (ACIR) dated 24 November 2014. ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2012 whereby a demand of Rupees 125.162 million has been raised. CIR(A) vide order dated 29 June 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Holding Company as well as the tax department had preferred appeals before ATIR. ATIR wide order dated 26 June 2025 decided the appeal in same manner as ACIR except remanded back the claim of inadmissible financial charges of Rupees 46.391 million and confirmed the disallowance of tax credit under section 65B of Rupees 29.501 million. Being aggrieved with the order of ATIR, the Holding Company has filed appeal before the Honorable Lahore High Court, Lahore which is pending adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.
- 13.1.6** ACIR passed an order dated 07 June 2016 under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2010 whereby a demand of Rupees 142.956 million has been raised, against which the Holding Company filed appeal before CIR(A). CIR(A) vide order dated 28 October 2016 has deleted some of the additions made by ACIR. Being aggrieved by the order of CIR(A), the Holding Company as well as the tax department have preferred appeals before ATIR which culminated into an ex-parte appellate order by ATIR. Being aggrieved, the Holding Company filed before ATIR to recall the ex-parte order. Therefore, the hearing of appeal is pending fixation. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.
- 13.1.7** Through show cause notice dated 26 November 2015, the Collector of Customs, Karachi raised demand of Rupees 23.585 million on the grounds that the Holding Company was not entitled for exemption of sales tax and facility of reduced rate of income tax on 13 consignments of cotton imported during the period from April 2013 to April 2014. The vires of show cause notice were challenged in Honourable Sindh High Court, Karachi from where stay was granted with the direction to the Collector that he will not pass final order pursuant to the impugned show cause notice particularly in respect of advance income tax till next date of hearing. In spite of the categorical orders of the Honourable Sindh High Court, Karachi, the Collector passed order, creating the demand of the aforesaid amount. Appeal against the said order filed in ATIR, Karachi has been dismissed. Custom reference application has been filed in Honourable Sindh High Court, Karachi against the order of ATIR. There is sufficient case law on the subject and there is every likelihood that case will be decided in favour of the Holding Company.
- 13.1.8** The Holding Company is contesting demands of sales tax along with default surcharge and penalty under the Sales Tax Act, 1990 by taxation authorities amounting to Rupees 231.140 million at various forums. These demands have been raised on account of various issues. No provision against the aforesaid demands has been made in these consolidated financial statements as the management is confident of favourable outcome of its appeals based on advice of the legal counsel.
- 13.1.9** ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 dated 29 April 2014 whereby a demand of Rupees 27.846 million has been raised. The appeal before CIR(A) has been decided and some matters have been decided in favour of the Holding Company. Being aggrieved, the Holding Company filed an appeal before ATIR against the order of CIR(A). The ATIR has remanded back all the additions made by CIR(A) for passing the fresh order. However, while passing the said order, ATIR has confirmed the proration made by CIR(A) against which the Holding Company has preferred the reference

before the Honourable Lahore High Court, Lahore. In response to the order passed by ATIR, ACIR has finalised the remanded back proceedings by passing an ex-parte order dated 02 June 2025, whereby income tax demand of Rupees 26.118 million has been created. Being aggrieved with the said order, the Holding Company has filed an appeal before CIR(A) which is pending adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal based on the opinion of the tax advisor.

- 13.1.10** DCIR issued a show cause notice dated 12 April 2019 under section 177(1) of the Income Tax Ordinance, 2001 for providing certain record and documents for tax year 2013. In response thereto, various replies were submitted with the DCIR. In response to submissions of the Holding Company, DCIR issued an audit report under section 177(6) of the Income Tax Ordinance, 2001 and then passed an order under sections 122(4), 122(5) and 214C of the Income Tax Ordinance, 2001 creating a demand of Rupees 277.772 million. Being aggrieved with the order passed by DCIR, an appeal has been filed before CIR(A). CIR(A) vide order dated 07 November 2019 ordered remand back proceedings in the said proceedings. Subsequently, a notice under sections 124, 122(4), 122(5) and 214C of the Income Tax Ordinance, 2001 was issued dated 02 April 2020. However, the proceedings were adjourned indefinitely owing to the lockdown in the country amid the COVID-19 outbreak. The proceedings have not been re-initiated by the concerned DCIR. However, based on facts of the case, the aforesaid proceedings are likely to culminate in the favour of the Holding Company.
- 13.1.11** DCIR issued a show cause notice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2017, wherein, the Holding Company was required to explain the taxes deducted against payments amounting to Rupees 133.361 million made on account of commission to selling agents. In response thereto, a reply dated 28 March 2019 was submitted with DCIR. DCIR without considering the arguments put forth by the Holding Company passed an order dated 05 April 2019 raising a demand of Rupees 13.982 million. Being aggrieved with the order passed by DCIR, an appeal was filed before CIR(A) which culminated in an order dated 27 June 2019, wherein, the stance of DCIR was upheld. Being aggrieved with the order passed by CIR(A), an appeal was filed before ATIR, which was decided in favour of the Holding Company on 19 February 2020. Appeal has been filed by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR. The management, based on advice of the legal counsel, is confident of favourable outcome of its appeal.
- 13.1.12** DCIR issued a show cause notice dated 20 March 2019 under section 161(1A) of the Income Tax Ordinance, 2001 for tax year 2018, wherein, the Holding Company was required to explain the taxes deducted against payments amounting to Rupees 213.382 million made on account of commission to selling agents. In response thereto, a reply was submitted with DCIR. DCIR without considering the arguments put forth by the taxpayer, passed an order dated 05 April 2019 raising a demand to the tune of Rupees 15.130 million. Being aggrieved with the order passed by DCIR, an appeal was filed before CIR(A) which culminated in an order dated 27 June 2019, wherein, the stance of DCIR was upheld. Being aggrieved with the order passed by CIR(A), an appeal was filed before ATIR, which was decided in favour of the Holding Company on 19 February 2020. Appeal has been filed by the tax department before Honourable Lahore High Court, Lahore against the order of ATIR. The management, based on advice of the legal counsel, is confident of favourable outcome of its appeal.
- 13.1.13** The Holding Company has challenged, before Honourable Lahore High Court, Lahore, the vires of first proviso to sub-clause (x) of clause (4) of SRO 491(1)/2016 dated 30 June 2016 issued under sections 3 and 4 read with sections 8 and 71 of the Sales Tax Act, 1990 whereby through amendment in the earlier SRO 1125(I)/2011 dated 31 December 2011 adjustment of input sales tax on packing material of all sorts has been disallowed. The learned single judge of Honourable Lahore High Court, Lahore has dismissed the writ petition of the Holding Company, therefore intra court appeal has been filed. The Holding Company has claimed input sales tax amounting to Rupees 86.417 million paid on packing material in its respective monthly sales tax returns. The management, based on advice of the legal counsel, is confident of favourable outcome of its appeal.
- 13.1.14** In case of NC Electric Company Limited [now Nishat (Chunian) Limited] proceedings were initiated by DCIR under section 235, 161 and 205 of the Income Tax Ordinance, 2001 for the tax year 2017, which eventually culminated in proceedings being remanded back to the concerned DCIR by CIR(A). Subsequently, a

remand back notice under section 124, 161 and 205 of the Income Tax Ordinance, 2001 was issued by the concerned DCIR. In response to the aforesaid notice, a reply was submitted with concerned DCIR. DCIR in response to submissions, passed an order under sections 124, 235 and 161 of the Income Tax Ordinance, 2001 dated 29 June 2019 creating a demand to the tune of Rupees 5.699 million. Being aggrieved with the order passed by DCIR, an appeal has been filed before CIR(A). Furthermore, hearing of the same was duly conducted and CIR(A) once again passed an order of remand back proceedings. Being aggrieved with the order passed by the CIR(A) an appeal has been filed before ATIR which is pending adjudication. Subsequently, a notice dated 31 August 2020 reinitiating the proceedings was issued. The said notice was duly responded to. However, the order is yet to be passed. The management, based on advice of the legal counsel, is confident of favourable outcome of its appeal.

- 13.1.15** ACIR issued a notice dated 11 December 2019 under section 122(9) of the Income Tax Ordinance, 2001 directing the Holding Company to submit clarifications, records and documents with respect to certain treatments meted out in the income tax return for the tax year 2014. In response to the aforementioned notice, various replies were submitted with the ACIR. The subject proceedings culminated in an order creating an income tax demand to the tune of Rupees 189.375 million. An appeal was filed before the CIR(A) who vide his order dated 24 January 2022 waived the tax demand created by CIR(A) and further granted partial relief by allowing a tax refund of Rupees 84.990 million. The Holding Company being aggrieved with the decision, filed an appeal before ATIR which is pending adjudication. Based on the facts of the case, the proceedings are likely to be culminated in favour of the Holding Company.
- 13.1.16** DCIR initiated post sales tax refunds audit proceedings for tax periods July 2017 to June 2019 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. In response to the notice issued by DCIR, various replies were submitted. The said proceedings culminated in the learned DCIR passing an order under section 38 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 914.309 million. In response to the order passed by DCIR, an appeal has been filed before CIR(A) which culminated, giving partial relief to the Holding Company. Being aggrieved, the appeal was filed before ATIR which remanded back to DCIR through order dated 17 August 2024. Based on the facts of the case, it is likely that the proceedings will culminate in the Holding Company's favour.
- 13.1.17** DCIR initiated post sales tax refunds audit proceedings for tax periods October 2015 to June 2017 under Rule 36 of the Sales Tax Rules, 2006 read with section 38 of the Sales Tax Act, 1990. In response to the notice issued by DCIR, various replies were submitted. The said proceedings culminated in the learned DCIR passing an order under section 11 of the Sales Tax Act, 1990 creating a sales tax demand to the tune of Rupees 89.828 million. In response to the order passed by the DCIR, an appeal was filed before the CIR(A), who vide his order dated 06 January 2022 passed an order against the Holding Company. The Holding Company being aggrieved with the decision, filed an appeal before ATIR which culminated in passing an order deleting tax demand amounting to Rupees 31.876 million, while tax demanded amounting to Rupees 15.298 million was upheld and tax demanded amounting to Rupees 40.342 million was remanded back. The Holding Company has submitted an application for issuance of appeal effect order to assessing officer. The remand back proceedings are pending adjudication. Based on the facts of the case, it is likely that the proceedings will culminate in Holding Company's favour.
- 13.1.18** ACIR issued a show cause notice dated 09 May 2022 to submit certain records and documents with respect to certain treatments meted out in the annual tax return for tax year 2016 under section 122(9) of the Income Tax Ordinance 2001. In response thereof, ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 reducing income tax refundable from Rupees 347.124 million to Rupees 59.477 million. The Holding Company being aggrieved by the order of ACIR, filed an appeal before CIR(A), which has been heard and no final order has yet been passed. Based on grounds and facts, the Holding Company is hopeful for a favourable outcome of the appeal.
- 13.1.19** ACIR issued a notice dated 27 June 2023 under section 122(9) of the Income Tax Ordinance, 2001 for the tax year 2017 directing the Holding Company to submit certain records and documents. In response to the aforementioned notice, a reply has been submitted with the learned ACIR who passed an order under section 122(5A) of the Income Tax Ordinance, 2001 whereby ACIR is demanding income tax of Rupees 682.589 million. In retort, an appeal has been filed before CIR(A), who vide his order dated 29 February 2024 passed an order in which certain amendments have been upheld. Being aggrieved, the Holding Company

filed an appeal before ATIR which is pending adjudication. Based on the facts of the case, the proceedings are likely to be culminated in favour of the Holding Company.

- 13.1.20** In case of NC Electric Company Limited [now Nishat (Chunian) Limited], ACIR passed multiple orders dated 07 December 2021 under section 161 for the tax years 2019 and 2020 amounting to Rupees 402.492 million and Rupees 33.923 million respectively. The Holding Company being aggrieved with the decision, filed appeal before CIR(A), who remanded back proceedings to ACIR. The remand back proceedings were concluded against the Holding Company as ACIR passed multiple orders dated 27 June 2024 under section 161 for the tax years 2019 and 2020 amounting to Rupees 236.623 million and Rupees 27.745 million respectively. The Holding Company filed appeal against the orders with ATIR. ATIR set aside both orders of ACIR and through a consolidated order remanded back the case for fresh hearing after providing reasonable opportunity of being heard to the Holding Company. Such remand back proceedings have not yet been initiated. Based on the facts of the case, the proceedings are likely to be culminated in favour of the Holding Company.
- 13.1.21** Guarantees of Rupees 2,919.357 million (2024: Rupees 2,328.595 million) are given by the banks of the Holding Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited against purchase of furnace oil, Lahore Electric Supply Company against electricity connections, Director Excise and Taxation, Karachi against infrastructure cess, Chairperson Punjab Revenue Authority, Lahore against infrastructure cess, Collector, Model Customs Collectorate, Karachi against import, Director Pakistan Central Cotton Committee against cotton cess and Nazir, Honourable Sindh High Court, Karachi against the notification in accordance with section 8 of OGRA Ordinance 2002 regarding system gas tariff on industrial and captive units.
- 13.1.22** Post dated cheques have been issued to custom authorities in respect of duties amounting to Rupees 34,400.908 million (2024: Rupees 34,476.145 million) on imported material availed on the basis of consumption and export plans. In the event the documents of exports are not provided on due dates, cheque issued as security shall be encashable. Further, post dated cheques of Rupees 313.786 million (2024: Rupees 269.994 million) have been issued to Lahore Electric Supply Company Limited against disputed amount of tariff adjustments, post dated cheques of Rupees 266.932 million (2024: Rupees 266.932 million) have been issued to Sui Northern Gas Pipelines Limited against gas infrastructure development cess and captive vs industrial tariff case and post dated cheques of Rupees 189.375 million (2024: Rupees 189.375 million) have been issued to Commissioner Inland Revenue against the proceedings under section 122(5A) for tax year 2022.
- 13.1.23** On appeal of the Holding Company, the Honorable Lahore High Court (LHC), Lahore vide order announced in open Court on 04 June 2024 held that super tax under section 4C of the Income Tax Ordinance, 2001 cannot be imposed on the Holding Company for the tax year 2022. Further, the writ petition filed by the Holding Company and other petitioners were finally allowed by the Islamabad High Court (IHC) vide its judgment dated 15 March 2024 passed in Writ Petition No. 2436 of 2023 titled "Pakistan Oilfields Limited and another versus Federation of Pakistan and others" by following its earlier decision rendered in Fauji Fertilizer Holding Company Limited and Another Vs. Federation of Pakistan and others. IHC has struck down retrospective application of Section 4C to the tax year 2022 and held that super tax shall remain to be computed in accordance with the Fauji Fertilizer judgment (for tax year 2023 and onwards) which means that all classes of income mentioned in section 4C which are already final (under sections 4(4) and 8 of the Income tax Ordinance, 2001) shall be excluded when calculating income under section 4C and in computing the income for the purposes of section 4C, taxpayers will be allowed to deduct brought forward depreciation, brought forward business losses, and brought forward amortization allowances. As the judgment of learned single judge of IHC dated 15 March 2024 is still in field being not suspended by the learned Division Bench of IHC, therefore, super tax liability for the tax year 2023 and onwards has to be calculated in accordance thereof. The Holding Company in consultation with its legal and tax advisor expects a positive outcome and has hence computed the provision of super tax on income under section 4C in accordance with the Fauji Fertilizer judgment for tax year 2023 and onwards. In the absence of aforesaid favorable judgments of LHC and IHC, the provision of super tax for tax years 2022, 2023, 2024 and 2025 would have been higher by Rupees 236.568 million, Rupees 181.043 million Rupees 216.101 million and Rupees 78.057 million respectively.

- 13.1.24** ACIR passed an order dated 24 June 2025 under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2021 whereby a demand of Rupees 212.416 million has been raised by disallowing the adjustment of excess minimum tax paid in prior tax years 2016 to 2020 in terms of section 113(2)(c). The Holding Company filed an appeal before the ATIR, which is pending adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful for a favourable outcome of appeal.
- 13.1.25** ACIR passed an order dated 25 June 2025 under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2019 whereby a demand of Rupees 10.32 million has been raised. The Holding Company filed an appeal before the CIR(A), which is pending adjudication. No provision against this demand has been made in these consolidated financial statements as the Holding Company is hopeful of a favourable outcome of appeal based on the opinion of the tax advisor.
- 13.1.26** ACIR passed an order dated 30 April 2021 under section 122(5A) of the Income Tax Ordinance, 2001. In light of the directions of CIR(A) vide order dated 02 June 2022 and ATIR vide order dated 08 September 2022, the matter was remanded back and proceedings were concluded through order dated 29 June 2024. Being aggrieved, the Holding Company preferred an appeal before ATIR against the said appeal effect order. ATIR vide order dated 22 May 2025 disposed of the Holding Company's appeal, whereby the addition on account of share deposit money was deleted while the remaining issues were once again remanded back to the concerned assessing officer with directions to allow in accordance with law. The ensuing remand-back proceedings have not yet been initiated. Based on the opinion of the tax advisor and available documentary evidence, the management is confident of a favourable outcome. Accordingly, no provision against this demand has been made in these consolidated financial statements.

13.2 Commitments

- 13.2.1** Letters of credit for capital expenditure amounting to Rupees Nil (2024: Rupees 27.859 million).
- 13.2.2** Commitments for capital expenditure as at reporting date are amounting to Rupees Nil (2024: Rupees 152.051 million).
- 13.2.3** Letters of credit other than for capital expenditure amounting to Rupees 8,257.553 million (2024: Rupees 2,777.222 million).
- 13.2.4** Outstanding foreign currency forward contracts of Rupees 4,376.898 million (2024: Rupees 5,774.195 million).

14. FIXED ASSETS

Property, plant and equipment:

| | 2025 Rupees | 2024 Rupees |
|--------------------------------------|----------------|----------------|
| Operating fixed assets (Note 14.1) | 22,975,083,766 | 23,129,509,456 |
| Capital work-in-progress (Note 14.2) | 243,477,166 | 1,143,199,329 |
| | 23,218,560,932 | 24,272,708,785 |

Reconciliation of carrying amount of operating fixed assets at the beginning and at the end of the year are as follows:

| Description | Operating fixed assets | | | | | | | | | | Total | | |
|--|------------------------|----------------------------|----------------------|--------------------|------------------------|-------------------|----------------------------------|------------------|----------------|--|-------|------------------|--|
| | Freehold land | Buildings on freehold land | Plant and machinery | Standby generators | Electric installations | Factory equipment | Furniture, fixture and equipment | Office equipment | Motor vehicles | | | | |
| At 30 June 2023 | | | | | | | | | | | | | |
| Cost | 1,606,294,756 | 5,783,048,825 | 27,127,278,202 | 1,056,694,667 | 1,085,848,635 | 473,133,128 | 269,889,546 | 151,586,240 | 281,890,034 | | | 37,835,664,033 | |
| Accumulated depreciation | - | (2,109,010,875) | (11,135,404,437) | (742,575,830) | (487,382,689) | (217,734,389) | (120,096,573) | (66,899,205) | (126,202,992) | | | (15,005,306,990) | |
| Net book value | 1,606,294,756 | 3,674,037,950 | 15,991,873,765 | 314,118,837 | 598,465,946 | 255,398,739 | 149,792,973 | 84,687,035 | 155,687,042 | | | 22,830,357,043 | |
| Year ended 30 June 2024 | | | | | | | | | | | | | |
| Opening net book value | 1,606,294,756 | 3,674,037,950 | 15,991,873,765 | 314,118,837 | 598,465,946 | 255,398,739 | 149,792,973 | 84,687,035 | 155,687,042 | | | 22,830,357,043 | |
| Additions | 243,613,634 | 664,556,772 | 989,311,363 | - | 28,878,558 | 30,924,302 | 28,392,058 | 22,192,971 | 166,139,766 | | | 2,174,009,424 | |
| Disposals: | | | | | | | | | | | | | |
| Cost | - | - | (170,385,978) | - | - | (225,000) | (67,716) | (4,311,029) | (87,166,960) | | | (262,156,683) | |
| Accumulated depreciation | - | - | 140,869,029 | - | - | 143,622 | 15,349 | 1,228,973 | 25,532,815 | | | 167,789,788 | |
| | - | - | (29,516,949) | - | - | (81,378) | (52,367) | (3,082,056) | (61,634,145) | | | (94,366,895) | |
| Assets written off: | | | | | | | | | | | | | |
| Cost | - | - | (1,412,854) | - | - | - | - | - | - | | | (1,412,854) | |
| Accumulated depreciation | - | - | 1,072,652 | - | - | - | - | - | - | | | 1,072,652 | |
| | - | - | (340,202) | - | - | - | - | - | - | | | (340,202) | |
| Depreciation charge | - | (203,611,073) | (1,417,897,381) | (2,050,072) | (61,942,793) | (26,349,546) | (19,588,739) | (9,964,396) | (38,745,914) | | | (1,780,149,914) | |
| Closing net book value | 1,849,908,390 | 4,134,983,649 | 15,533,430,596 | 312,068,765 | 565,401,711 | 259,892,117 | 158,543,925 | 93,833,554 | 221,446,749 | | | 23,129,509,456 | |
| At 30 June 2024 | | | | | | | | | | | | | |
| Cost | 1,849,908,390 | 6,447,605,597 | 27,944,790,733 | 1,056,694,667 | 1,114,727,193 | 503,832,430 | 298,213,888 | 169,468,182 | 360,862,840 | | | 39,746,103,920 | |
| Accumulated depreciation | - | (2,312,621,948) | (12,411,360,137) | (744,625,902) | (549,325,482) | (243,940,313) | (139,669,963) | (75,634,628) | (139,416,091) | | | (16,616,594,464) | |
| Net book value | 1,849,908,390 | 4,134,983,649 | 15,533,430,596 | 312,068,765 | 565,401,711 | 259,892,117 | 158,543,925 | 93,833,554 | 221,446,749 | | | 23,129,509,456 | |
| Year ended 30 June 2025 | | | | | | | | | | | | | |
| Opening net book value | 1,849,908,390 | 4,134,983,649 | 15,533,430,596 | 312,068,765 | 565,401,711 | 259,892,117 | 158,543,925 | 93,833,554 | 221,446,749 | | | 23,129,509,456 | |
| Additions | - | 570,628,189 | 1,025,011,041 | 38,626,458 | 43,001,057 | 35,462,259 | 44,575,370 | 27,735,907 | 105,793,828 | | | 1,890,834,109 | |
| Disposals: | | | | | | | | | | | | | |
| Cost | - | - | (107,521,214) | (173,783,745) | (4,923,419) | (146,529) | (1,751,092) | (10,870,968) | (43,510,849) | | | (342,507,816) | |
| Accumulated depreciation | - | - | 88,351,571 | 6,064,014 | 3,072,989 | 125,525 | 1,176,858 | 4,496,624 | 13,741,910 | | | 117,029,491 | |
| | - | - | (19,169,643) | (167,719,731) | (1,850,430) | (21,004) | (574,234) | (6,374,344) | (29,768,939) | | | (225,478,325) | |
| Assets written off: | | | | | | | | | | | | | |
| Cost | - | - | (65,620,809) | - | (478,995) | (299,298) | (593,783) | - | - | | | (66,992,885) | |
| Accumulated depreciation | - | - | 5,113,925 | - | 123,730 | 182,074 | 489,358 | - | - | | | 5,909,087 | |
| | - | - | (30,506,884) | - | (355,265) | (117,224) | (104,425) | - | - | | | (31,083,798) | |
| Depreciation charge | - | (225,739,583) | (1,400,230,596) | (876,190) | (60,431,562) | (24,580,872) | (20,449,585) | (10,845,002) | (45,544,286) | | | (1,788,697,676) | |
| Closing net book value | 1,849,908,390 | 4,479,872,255 | 15,108,534,514 | 182,099,302 | 545,765,511 | 270,635,276 | 181,991,051 | 104,350,115 | 251,927,352 | | | 22,975,083,766 | |
| At 30 June 2025 | | | | | | | | | | | | | |
| Cost | 1,849,908,390 | 7,018,233,786 | 28,826,659,751 | 921,537,380 | 1,152,325,836 | 538,848,862 | 340,444,383 | 186,333,121 | 423,145,819 | | | 41,257,437,328 | |
| Accumulated depreciation | - | (2,538,361,531) | (13,718,125,237) | (739,438,078) | (606,560,325) | (268,213,586) | (158,453,332) | (81,983,006) | (171,218,467) | | | (18,282,353,562) | |
| Net book value | 1,849,908,390 | 4,479,872,255 | 15,108,534,514 | 182,099,302 | 545,765,511 | 270,635,276 | 181,991,051 | 104,350,115 | 251,927,352 | | | 22,975,083,766 | |
| Annual rate of depreciation (%) | | | | | | | | | | | | | |
| | 5 | 4 - 10 | Number of hours used | 10 | 10 - 20 | 10 | 10 - 20 | 10 - 20 | 20 | | | | |

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

| Description | Qty | Cost | Accumulated depreciation | Net book value | Sale proceeds | Gain / (loss) | Mode of disposal | Particulars of purchaser |
|------------------------------|-----|------------|--------------------------|----------------|---------------|---------------|--------------------------|---|
| Motor vehicles | | | | | | | | |
| Honda Civic LEB-17A-2650 | 1 | 2,432,290 | 1,803,209 | 629,081 | 3,878,000 | 3,248,919 | Negotiation | Mr. Adnan Naseer Ahmed, Lahore |
| Suzuki Cultus VXL ACK-537 | 1 | 1,970,000 | 961,202 | 1,008,798 | 1,970,000 | 961,202 | Holding | Mr. Dilshad Hussain, Holding Company's employee, Lahore |
| Suzuki Cultus VXR AGC-751 | 1 | 1,643,413 | 796,914 | 846,499 | 1,643,413 | 796,914 | Company's Policy Holding | Mr. Khurram Masood, Holding Company's employee, Lahore |
| Suzuki Cultus VXR AJR-037 | 1 | 1,710,336 | 807,097 | 903,239 | 1,710,336 | 807,097 | Company's Policy Holding | Mr. M. Luqman Naeem, Holding Company's employee, Lahore |
| Proton Saga 1.3L AMA-156 | 1 | 3,095,300 | 1,207,580 | 1,887,720 | 3,095,300 | 1,207,580 | Company's Policy Holding | Mr. Hafiz Irfan, Holding Company's employee, Lahore |
| Wagon R VXL ALM-615 | 1 | 2,199,000 | 737,203 | 1,461,797 | 2,199,000 | 737,203 | Company's Policy Holding | Mr. Israr Qadeer, Holding Company's employee, Lahore |
| Suzuki Swift GLX CVT ART-120 | 1 | 5,429,000 | 421,200 | 5,007,800 | 5,429,000 | 421,200 | Company's Policy Holding | Mr. Omair Mirza, Holding Company's employee, Lahore |
| Haval Jolion 1.5T ARW-019 | 1 | 8,119,490 | 996,329 | 7,123,161 | 8,119,490 | 996,329 | Company's Policy Holding | Ms. Fayal Riaz, Holding Company's employee, Lahore |
| Haval H6 AUK 022 | 1 | 10,594,490 | 503,238 | 10,091,252 | 10,594,490 | 503,238 | Company's Policy Holding | Ms. Fayal Riaz, Holding Company's employee, Lahore |
| Plant and machinery | | | | | | | | |
| Sizing Machine | 1 | 35,924,812 | 32,994,108 | 2,930,704 | 5,000,000 | 2,069,296 | Negotiation | Zohaib Industries, Lahore |
| Ring Frame - EJM 128 | 1 | 4,487,559 | 3,877,025 | 610,534 | 541,831 | (68,703) | Negotiation | Mahd Corporation, Lahore |
| Ring Frame EJM - 128 A | 2 | 5,274,262 | 4,760,512 | 513,750 | 1,083,662 | 569,912 | Negotiation | Mahd Corporation, Lahore |
| Picanol Air Jet | 1 | 3,912,730 | 3,253,261 | 659,469 | 700,000 | 40,531 | Negotiation | Fine Engineering Works, Lahore |

| Description | Qty | Cost | Accumulated depreciation | Net book value | Sale proceeds | Gain / (loss) | Mode of disposal | Particulars of purchaser |
|--|-----|-------------|--------------------------|----------------|---------------|---------------|------------------|--|
| Power generation equipment | | | | | | | | |
| Rupees | | | | | | | | |
| Engine Cooling Tower - Liang | 5 | 7,513,106 | 5,435,452 | 2,077,654 | 238,691 | (1,838,963) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Niigata Cooling Tower - Luwa | 2 | 2,860,875 | 1,843,188 | 1,017,687 | 175,526 | (842,161) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Cylinder Head | 1 | 1,897,560 | 984,190 | 913,370 | 157,534 | (755,836) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Nozzle Ring VTR 354-A11 | 1 | 1,899,555 | 973,800 | 925,755 | 159,670 | (766,085) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Turbine Blade | 24 | 3,651,484 | 1,718,195 | 1,933,289 | 333,445 | (1,599,844) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Crank Pin Metal | 16 | 2,406,445 | 1,117,873 | 1,288,572 | 222,247 | (1,066,325) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Radial Diffuser | 2 | 1,388,077 | 628,110 | 759,967 | 131,076 | (628,891) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Rebuild Kit | 1 | 1,161,364 | 525,522 | 635,842 | 109,667 | (526,175) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Labyrinth Turbine Assy | 2 | 948,669 | 429,277 | 519,392 | 89,582 | (429,810) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Cylinder Head | 2 | 4,029,188 | 1,772,067 | 2,257,121 | 389,298 | (1,867,823) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Parts of Coal Power Plant | 1 | 6,611,872 | 1,931,231 | 4,680,641 | - | (4,680,641) | Written off | |
| Parts of Generator MTU 12V | 1 | 15,470,222 | 1,939,966 | 13,530,256 | - | (13,530,256) | Written off | |
| Parts of Gas Engine MTU 12V | 1 | 12,977,320 | 1,136,906 | 11,840,414 | - | (11,840,414) | Written off | |
| Standby generators | | | | | | | | |
| Niigata Engine | 1 | 27,230,754 | 618,597 | 26,612,157 | 4,589,939 | (22,022,218) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Niigata Engine | 1 | 26,847,457 | 671,261 | 26,176,196 | 4,514,746 | (21,661,450) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Package Shell and Tube Heat Exchanger Skid | 1 | 1,459,214 | 141,028 | 1,318,186 | 988,379 | (349,807) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Chiller Cooling Tower | 3 | 1,751,907 | 169,316 | 1,582,591 | 982,230 | (600,361) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Pumps For Chiller Cooling Tower | 8 | 2,706,335 | 261,558 | 2,444,777 | 1,517,346 | (927,431) | Negotiation | Saad Abdullah Traders, Faisalabad |
| Chiller - LG Korea | 3 | 9,889,393 | 950,877 | 8,938,516 | 5,544,635 | (3,393,881) | Negotiation | Saad Abdullah Traders, Faisalabad |
| Jenbacher Engine | 1 | 17,273,022 | 847,002 | 16,426,020 | 1,887,104 | (14,538,916) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Jenbacher Engine | 1 | 19,735,718 | 1,144,711 | 18,591,007 | 2,135,829 | (16,455,178) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Jenbacher Engine | 1 | 19,649,408 | 636,696 | 19,012,712 | 2,184,276 | (16,828,436) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Diesel Generator - Caterpillar | 2 | 1,300,030 | 100 | 1,299,930 | 149,342 | (1,150,588) | Negotiation | Saad Abdullah Traders, Faisalabad |
| Stator LSA 54 | 1 | 9,565,745 | 359,775 | 9,205,970 | 1,057,628 | (8,148,342) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Waste Heat Recovery Boiler | 1 | 4,849,561 | 182,396 | 4,667,165 | 536,187 | (4,130,978) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Pre Lube Pumps | 3 | 1,036,483 | 38,983 | 997,500 | 114,598 | (882,902) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Potential Tranformer | 1 | 1,109,136 | 41,716 | 1,067,420 | 122,631 | (944,789) | Negotiation | Autonic Engineering & Services, Faisalabad |
| Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000 | | | | | | | | |
| | | 85,488,119 | 43,319,907 | 42,168,212 | 9,549,389 | (32,618,823) | | |
| | | 379,500,701 | 122,938,578 | 256,562,123 | 83,825,517 | (172,736,606) | | |

| | 2025 Rupees | 2024 Rupees |
|---|----------------|----------------|
| 14.1.2 The depreciation charge for the year has been allocated as follows: | | |
| Cost of sales (Note 27) | 1,754,368,187 | 1,753,084,325 |
| Administrative expenses (Note 29) | 34,329,489 | 27,065,589 |
| | 1,788,697,676 | 1,780,149,914 |

14.1.3 Particulars of immovable fixed assets are as follows:

| Manufacturing units and office | Address | Area of land Acres |
|--------------------------------|---------|-----------------------|
|--------------------------------|---------|-----------------------|

Nishat (Chunian) Limited - Holding Company

Manufacturing units:

| | | |
|--|--|--------|
| Spinning Units 1, 4, 5, 7 and 8 | 49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur. | 77.26 |
| Spinning Units 2, 3, 6 and Weaving | 49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur. | 125.09 |
| Coal fired electric power generation project | 49th Kilometre, Multan Road, Bhai Pheru, Tehsil Pattoki, District Kasur. | 33.90 |
| Dyeing, Printing and Stitching | 4th Kilometre, Manga Road, Raiwind. | 34.78 |
| Office | 31-Q, 31-C-Q, and 10-N, Gulberg-II, Lahore. | 0.98 |
| Site for office | Plot No. 54, Ataturk Avenue, Street No. 88, Sector G-6/3, Islamabad. | 0.21 |

Nishat Chunian Properties (Private) Limited - subsidiary company

| | | |
|------|---|--------|
| Site | Plot No. 35 & 36, Block-K, Gulberg-II, Lahore | 1.05 |
| | | 273.27 |

| | 2025 Rupees | 2024 Rupees |
|--------------------------------------|----------------|----------------|
| 14.2 Capital work-in-progress | | |
| Civil works on freehold land | 17,690,700 | 335,009,048 |
| Plant and machinery | 77,608,943 | 455,528,173 |
| Electric installations | 1,937,695 | - |
| Mobilization advances | 37,245,068 | 66,821,308 |
| Advances for capital expenditures | 108,994,760 | 285,840,800 |
| | 243,477,166 | 1,143,199,329 |

14.3 Movement in capital work in progress

| | Civil works on freehold land | Plant and machinery | Electric installations | Mobilization advances |
|---|------------------------------|---------------------|------------------------|-----------------------|
| | ----- Rupees ----- | | | |
| As at 30 June 2023 | 610,271,483 | 482,815,006 | 42,150 | 94,424,840 |
| Add: Additions during the year | 279,821,109 | 547,149,395 | 8,842,323 | 168,888,528 |
| Less: Adjusted during the year | - | - | - | (196,492,060) |
| Less: Transferred to operating fixed assets during the year | (555,083,544) | (574,436,228) | (8,884,473) | - |
| As at 30 June 2024 | 335,009,048 | 455,528,173 | - | 66,821,308 |
| Add: Additions during the year | 169,078,672 | 241,048,435 | 1,937,695 | 37,967,682 |
| Less: Adjusted during the year | - | - | - | (67,543,922) |
| Less: Transferred to operating fixed assets during the year | (486,397,020) | (618,967,665) | - | - |
| As at 30 June 2025 | 17,690,700 | 77,608,943 | 1,937,695 | 37,245,068 |

15. RIGHT-OF-USE ASSETS

| | 2025 Rupees | 2024 Rupees |
|---|----------------|----------------|
| Opening balance | 71,198,322 | 113,172,896 |
| Add: Additions during the year | 93,021,081 | 17,106,282 |
| Less: Impact of lease termination | (22,654,756) | - |
| Less: Depreciation for the year (Note 28) | (53,907,327) | (59,080,856) |
| Closing balance | 87,657,320 | 71,198,322 |

15.1 Lease of buildings

The Holding Company obtained buildings on lease for its retail outlets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods range from two to six years.

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

16. INTANGIBLE ASSET - computer software

| | 2025 Rupees | 2024 Rupees |
|---|----------------|----------------|
| Intangibles - owned (Note 16.1) | 1,402,994 | 2,055,774 |
| Intangibles under development (Note 16.2) | 1,099,361 | - |
| | 2,502,355 | 2,055,774 |

16.1 Intangibles - owned

| | 2025 Rupees | 2024 Rupees |
|--|----------------|----------------|
| Opening net book value | 2,055,774 | 1,845,938 |
| Add: Additions during the year | 250,750 | 1,085,004 |
| Less: Amortization during the year (Notes 16.3 and 29) | (903,530) | (875,168) |
| Closing balance | 1,402,994 | 2,055,774 |
| At 30 June | | |
| Cost | 25,667,931 | 25,417,181 |
| Accumulated amortization | (24,264,937) | (23,361,407) |
| Net book value | 1,402,994 | 2,055,774 |

- 16.2** The Holding Company is developing an intangible asset, 'Odoo', for the retail stores, which represents an ERP integrated business management platform tailored to the Holding Company's operational and reporting needs. This platform aims to streamline transaction recording, enhance data accuracy, and provide a unified system for financial and operational processes. Development costs associated with this intangible asset are capitalized when it is probable that the asset will generate future economic benefits, and these costs can be reliably measured. Costs that do not meet these capitalization criteria are expensed as incurred.
- 16.3** Amortization on intangible assets amounting to Rupees 0.904 million (2024: Rupees 0.875 million) has been allocated to administrative expenses.
- 16.4** Intangible assets - computer softwares have been amortized at the rate of 25% to 30% per annum.
- 16.5** Intangible assets of Rupees 22.452 million (2024: Rupees 21.773 million) are fully amortized but still in the use of the Holding Company.

| | 2025 Rupees | 2024 Rupees |
|---|----------------|----------------|
| 17. LONG TERM LOANS TO EMPLOYEES | | |
| Considered good: | | |
| Executives (Notes 17.1, 17.2, 17.3, and 17.4) | 30,248,186 | 5,448,350 |
| Other employees (Note 17.3) | 6,469,960 | 9,170,725 |
| | 36,718,146 | 14,619,075 |
| Less: Current portion shown under current assets (Note 21) | | |
| Executives | (8,471,459) | (774,887) |
| Other employees | (2,264,540) | (2,947,478) |
| | (10,735,999) | (3,722,365) |
| | 25,982,147 | 10,896,710 |
| 17.1 Reconciliation of carrying amount of loans to executives: | | |
| Opening balance | 5,448,350 | 4,022,917 |
| Add: Disbursements during the year | 40,185,688 | 7,799,491 |
| Less: Repayments during the year | (15,385,852) | (6,374,058) |
| Closing balance | 30,248,186 | 5,448,350 |

- 17.2** Maximum aggregate balance due from executives at the end of any month during the year was Rupees 30.248 million (2024: Rupees 6.060 million).
- 17.3** These include motor vehicle loans to executives and employees, payable in 28 to 60 monthly instalments. Interest on long term loans ranged from 13.11% to 21.13% (2024: 0% to 23.97%) per annum. These loans are secured against registration of cars in the name of the Holding Company.
- 17.4** These include motor vehicle loan to Ms. Faryal Riaz Chatha - key management personnel of the Holding Company of Rupees 9.472 million (2024: Rupees 5.448 million). Interest on long term loan ranged from 13.11% to 21.13% (2024: 22.48% to 23.97%) per annum. Maximum aggregate balance due from Ms. Faryal Riaz Chatha - key management personnel of the Holding Company at the end of any month during the year was Rupees 9.472 million (2024: Rupees 6.060 million). The age analysis of this loan is as follows:

| | 2025 Rupees | 2024 Rupees |
|---------------|------------------------|------------------------|
| Upto 1 month | 9,472,117 | - |
| 1 to 6 months | - | 5,448,350 |
| | <u>9,472,117</u> | <u>5,448,350</u> |

- 17.1** The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

| | 2025 Rupees | 2024 Rupees |
|---|------------------------|------------------------|
| 18. STORES, SPARE PARTS AND LOOSE TOOLS | | |
| Stores | 1,076,757,521 | 1,017,071,795 |
| Spare parts | 882,345,697 | 854,711,881 |
| Loose tools | 122,397,716 | 118,564,393 |
| | <u>2,081,500,934</u> | <u>1,990,348,069</u> |
| Less; Provision for slow moving, damaged and obsolete store items (Note 18.1) | (16,646,726) | (14,281,988) |
| | <u>2,064,854,208</u> | <u>1,976,066,081</u> |

18.1 Provision for slow moving, damaged and obsolete store items

| | | |
|---|-------------------|-------------------|
| Opening balance | 14,281,988 | 9,841,358 |
| Add: Provision recognised during the year (Note 30) | 2,364,738 | 4,440,630 |
| Closing balance | <u>16,646,726</u> | <u>14,281,988</u> |

19. STOCK-IN-TRADE

| | | |
|--|-----------------------|-----------------------|
| Raw materials (Note 19.1) | 22,164,478,468 | 16,977,297,905 |
| Work-in-process | 2,921,385,076 | 2,623,294,710 |
| Finished goods (Notes 19.2, 19.3 and 19.4) | 5,581,952,371 | 4,828,383,209 |
| Waste | 160,298,253 | 146,623,097 |
| | <u>30,828,114,168</u> | <u>24,575,598,921</u> |

- 19.1** These include stock in transit of Rupees 2,837.710 million (2024: Rupees 301.235 million).

- 19.2** Stock-in-trade of Rupees 228.965 million (2024: Rupees 168.342 million) is being carried at net realizable value.

- 19.3** This includes stock of Rupees 945.548 million (2024: Rupees 411.83 million) sent to outside parties for processing.

- 19.4** Finished goods include stock in transit of Rupees 762.726 million (2024: Rupees 741.461 million).

| | 2025 Rupees | 2024 Rupees |
|--|--|-----------------------|
| 20. TRADE DEBTS | | |
| Considered good: | | |
| Secured | | |
| - Others | 6,614,513,010 | 6,809,238,422 |
| Unsecured | | |
| - Others | 5,926,093,403 | 4,330,583,907 |
| | <u>12,540,606,413</u> | <u>11,139,822,329</u> |
| Less: Allowance for expected credit losses (Note 20.4) | (8,823,945) | (12,930,103) |
| | <u>12,531,782,468</u> | <u>11,126,892,226</u> |
| 20.1 Types of counterparties | | |
| Export | | |
| Corporate | 6,730,328,520 | 5,465,575,595 |
| Other | - | - |
| | <u>6,730,328,520</u> | <u>5,465,575,595</u> |
| Local | | |
| Corporate | 5,187,790,929 | 5,436,287,858 |
| Other | 622,486,964 | 237,958,876 |
| | <u>5,810,277,893</u> | <u>5,674,246,734</u> |
| | <u>12,540,606,413</u> | <u>11,139,822,329</u> |
| 20.2 Foreign jurisdictions of trade debts | | |
| Europe | 3,461,787,787 | 3,354,589,597 |
| Asia, Africa and Australia | 2,667,676,331 | 1,733,455,354 |
| United States of America and Canada | 600,864,402 | 377,530,644 |
| | <u>6,730,328,520</u> | <u>5,465,575,595</u> |
| 20.3 | As at 30 June 2025, trade debts of Rupees 4,306.839 million (2024: Rupees 7,858.657 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The age analysis of these trade debts is as follows: | |
| | 2025 Rupees | 2024 Rupees |
| Upto 1 month | 3,374,010,862 | 6,928,444,433 |
| 1 to 6 months | 928,452,477 | 923,876,461 |
| More than 6 months | 4,375,173 | 6,336,524 |
| | <u>4,306,838,512</u> | <u>7,858,657,418</u> |
| 20.4 Allowance for expected credit losses | | |
| Opening balance | 12,930,103 | 94,186,247 |
| Less: Written off against allowance for expected credit losses | (1,334,898) | - |
| Less: Reversed during the year (Note 31) | (2,771,260) | (81,256,144) |
| Closing balance | <u>8,823,945</u> | <u>12,930,103</u> |

| | 2025 Rupees | 2024 Rupees |
|--|----------------------|----------------------|
| 21. LOANS AND ADVANCES | | |
| Considered good: | | |
| Employees - interest free: | | |
| - Executives | 15,116,240 | 22,390,535 |
| - Other employees | 15,150,886 | 15,176,840 |
| Current portion of long term loans to employees (Note 17) | 10,735,999 | 3,722,365 |
| Advances to suppliers | 4,224,935,271 | 3,869,502,659 |
| Advances to contractors | 4,558,735 | 5,489,954 |
| Letters of credit | 85,998,378 | 49,068,160 |
| | <u>4,356,495,509</u> | <u>3,965,350,513</u> |
| Considered doubtful: | | |
| Advances to suppliers | 8,477,029 | 10,897,130 |
| Less: Provision for doubtful advances to suppliers (Note 21.1) | (8,477,029) | (10,897,130) |
| | - | - |
| | <u>4,356,495,509</u> | <u>3,965,350,513</u> |
| 21.1 Provision for doubtful advances to suppliers | | |
| Opening balance | 10,897,130 | 10,897,130 |
| Less: Reversal of provision during the year (Note 31) | (2,420,101) | - |
| Closing balance | <u>8,477,029</u> | <u>10,897,130</u> |
| 22. OTHER RECEIVABLES | | |
| Considered good: | | |
| Sales tax recoverable | 1,967,719,963 | 1,825,896,384 |
| Export rebate and claims | 189,034,486 | 127,680,610 |
| Duty drawback receivable | 73,455,435 | 116,304,233 |
| Derivative financial instruments (Note 22.1) | 2,655,343 | 18,802,576 |
| Fair value of forward exchange contracts | - | 124,217,942 |
| Insurance claim receivable | 305,215 | 67,000 |
| Miscellaneous | 133,027,146 | 79,500,570 |
| | <u>2,366,197,588</u> | <u>2,292,469,315</u> |

22.1 This represents Pak Rupees denominated interest rate swap the Holding Company entered into with two commercial banks. Under the terms of the Pak Rupees denominated interest rate swap arrangement, the Holding Company pays fixed interest to the arranging banks on the notional Pak Rupees amount for the purposes of the Pak Rupees denominated interest rate swap and receives three months KIBOR floating rate interest from the arranging banks on the Rupee amount. There has been no transfer of liability under the arrangement, only the nature of the interest payment has changed. The Pak Rupees denominated interest rate swap outstanding as at 30 June 2025 has been marked to market and the resulting gain or loss has been recognized in the consolidated statement of profit or loss.

| | 2025 Rupees | 2024 Rupees |
|---|--|----------------|
| 23. TAXATION AND LEVY - NET | | |
| Advance income tax - net | | |
| Advance income tax | 843,769,338 | 222,192,847 |
| Less: Provision for taxation | (115,977,338) | (36,880,465) |
| | 727,792,000 | 185,312,382 |
| Levy - net | | |
| Prepaid levy | 549,970,960 | 460,049,304 |
| Less: Levy payable | (953,082,920) | (515,303,102) |
| | (403,111,960) | (55,253,798) |
| | 324,680,040 | 130,058,584 |
| 24. SHORT TERM INVESTMENTS | | |
| Equity instrument (Note 24.1) | 26,686,817 | 33,705,134 |
| Debt instruments (Note 24.2) | 427,687,103 | 116,899,183 |
| | 454,373,920 | 150,604,317 |
| 24.1 Equity instrument | | |
| At fair value through profit or loss: | | |
| Adamjee Life Assurance Company Limited - quoted 956,174 (2024: 956,174) fully paid ordinary shares of Rupees 10 each Carrying value | 33,705,134 | 13,185,639 |
| (Less) / Add: Unrealized (loss) / gain for the year (Note 30 / Note 31) | (7,018,317) | 20,519,495 |
| Fair value | 26,686,817 | 33,705,134 |
| 24.2 Debt instruments - term deposit receipts | | |
| At amortized cost (Note 24.2.1) | 415,160,226 | 115,160,226 |
| Add: Accrued interest | 12,526,877 | 1,738,957 |
| | 427,687,103 | 116,899,183 |
| 24.2.1 | These represent deposits under lien with the banks of the Holding Company against bank guarantees of the same amount issued by the banks to Sui Northern Gas Pipelines Limited against gas connections and Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess. Interest on term deposit receipts ranges from 6.15% to 19.11% (2024: 17% to 20.5%) per annum. The maturity period of these term deposit receipts is 3 and 12 months (2024: 3 and 12 months). | |

| | 2025 Rupees | 2024 Rupees |
|---|--------------------|-------------------|
| 25. CASH AND BANK BALANCES | | |
| Cash with banks: | | |
| On saving accounts (Note 25.1) Including US\$ 34.27 (2024: US\$ 34.27) | 178,832 | 166,967 |
| On current accounts Including US\$ 84,895 and AED 74,601 (2024: US\$ 97,501 and AED 73,912) | 116,248,163 | 75,016,077 |
| | <u>116,426,995</u> | <u>75,183,044</u> |
| Cash in hand | 3,306,999 | 6,668,504 |
| | <u>119,733,994</u> | <u>81,851,548</u> |

25.1 Rate of profit on saving accounts during the year ranges from 0.10% to 18.01% (2024: 0.10% to 20.50%) per annum.

| | 2025 Rupees | 2024 Rupees |
|--|-----------------------|-----------------------|
| 26. REVENUE | | |
| Revenue from contracts with customers: | | |
| - Export sales (Note 26.1) | 31,633,319,621 | 62,048,597,652 |
| - Local sales (Note 26.2) | 52,764,953,640 | 26,157,664,398 |
| - Processing income (Note 26.3) | 1,002,807,958 | 729,303,109 |
| | <u>85,401,081,219</u> | <u>88,935,565,159</u> |
| Export rebate | 104,287,792 | 110,052,406 |
| | <u>85,505,369,011</u> | <u>89,045,617,565</u> |

26.1 These include sales of Rupees Nil (2024: Rupees 23,711.663 million) made to direct exporters against standard purchase orders (SPOs). Further, such SPOs sales are net of sales tax amounting to Rupees Nil (2024: Rupees Nil).

| | 2025 Rupees | 2024 Rupees |
|-------------------------|-----------------------|-----------------------|
| 26.2 Local sales | | |
| Sales | 62,227,625,815 | 30,820,472,336 |
| Less: Sales tax | (9,458,694,401) | (4,656,895,701) |
| Less: Discount | (3,977,774) | (5,912,237) |
| | <u>52,764,953,640</u> | <u>26,157,664,398</u> |

26.2.1 Local sales includes waste sales of Rupees 573.043 million (2024: Rupees 1,779.983 million).

26.3 Processing income is net of sales tax amounting to Rupees 178.039 million (2024: Rupees 131.909 million).

26.4 The amount of Rupees 186.303 million included in contract liabilities (Note 9) at 30 June 2024 has been recognized as revenue during the year ended 30 June 2025 (2024: Rupees 433.630 million).

26.5 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition:

| Description | Spinning | | Weaving | | Processing and Home Textile | | Power Generation | | Total | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------|-----------------------|--------------------|-------------------|-----------------------|-----------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Region | | | | | | | | | | |
| Europe | 339,100,079 | 565,112,060 | 1,001,344,466 | 776,035,822 | 12,602,888,012 | 12,107,256,758 | - | - | 13,943,332,557 | 13,448,404,640 |
| United States of America and Canada | 44,655,222 | - | 114,212,002 | 140,887,515 | 4,679,063,252 | 4,975,649,533 | - | - | 4,837,930,476 | 5,116,537,048 |
| Asia, Africa, Australia | 8,141,942,761 | 15,251,256,864 | 1,255,552,177 | 1,433,068,176 | 3,673,456,877 | 3,332,120,912 | - | - | 13,070,951,815 | 20,016,445,952 |
| Pakistan | 40,014,637,829 | 39,295,500,124 | 11,158,438,343 | 8,944,026,412 | 1,134,804,233 | 1,353,967,601 | 238,178,008 | 31,380,273 | 52,546,058,413 | 49,624,874,410 |
| Processing Income | 330,000 | - | 112,716,664 | 150,876,457 | 889,761,294 | 578,426,652 | - | - | 1,002,807,958 | 729,303,109 |
| Export Rebate | - | - | 833,030 | 676,913 | 103,454,762 | 109,375,493 | - | - | 104,287,792 | 110,052,406 |
| | 48,540,665,891 | 55,111,869,048 | 13,643,096,682 | 11,445,571,295 | 23,083,428,430 | 22,456,796,949 | 238,178,008 | 31,380,273 | 85,505,369,011 | 89,045,617,565 |
| Timing of revenue recognition | | | | | | | | | | |
| Products and services transferred at a point in time | 48,540,665,891 | 55,111,869,048 | 13,643,096,682 | 11,445,571,295 | 23,083,428,430 | 22,456,796,949 | 238,178,008 | 31,380,273 | 85,505,369,011 | 89,045,617,565 |
| Products and services transferred over time | - | - | - | - | - | - | - | - | - | - |
| | 48,540,665,891 | 55,111,869,048 | 13,643,096,682 | 11,445,571,295 | 23,083,428,430 | 22,456,796,949 | 238,178,008 | 31,380,273 | 85,505,369,011 | 89,045,617,565 |
| Major products / service lines | | | | | | | | | | |
| Yarn | 48,165,071,675 | 53,550,437,757 | 101,299,460 | 50,438,838 | 2,196,000 | 2,816,817 | - | - | 48,268,567,135 | 53,603,693,412 |
| Comber noil | 375,594,216 | 1,561,431,291 | 70,972,458 | - | - | - | - | - | 446,566,674 | 1,561,431,291 |
| Grey cloth | - | - | 13,358,108,100 | 11,244,256,000 | 21,454,750 | - | - | - | 13,379,562,850 | 11,244,256,000 |
| Process cloth | - | - | 112,716,664 | 150,876,457 | 6,045,394,889 | 21,721,003,829 | - | - | 6,158,111,553 | 21,871,880,286 |
| Made ups | - | - | - | - | 17,014,382,791 | 732,976,303 | - | - | 17,014,382,791 | 732,976,303 |
| Electricity | - | - | - | - | - | - | 237,240,920 | 31,369,517 | 237,240,920 | 31,369,517 |
| Fly ash | - | - | - | - | - | - | 937,088 | 10,756 | 937,088 | 10,756 |
| | 48,540,665,891 | 55,111,869,048 | 13,643,096,682 | 11,445,571,295 | 23,083,428,430 | 22,456,796,949 | 238,178,008 | 31,380,273 | 85,505,369,011 | 89,045,617,565 |

26.6 Revenue is mainly recognized at point in time as per the terms and conditions of underlying contracts with customers.

| | 2025 Rupees | 2024 Rupees |
|--|-----------------|-----------------|
| 27. COST OF SALES | | |
| Raw materials consumed | 58,050,380,585 | 56,481,999,545 |
| Packing materials consumed | 1,766,103,325 | 1,902,616,716 |
| Stores, spare parts and loose tools consumed | 1,201,355,281 | 1,411,394,450 |
| Processing charges | 71,677,550 | 27,816,851 |
| Salaries, wages and other benefits (Note 27.1) | 5,539,232,608 | 4,920,481,902 |
| Fuel and power (Note 27.2) | 7,775,044,947 | 8,133,121,827 |
| Insurance | 129,443,990 | 146,307,803 |
| Postage and telephone | 1,335,241 | 1,204,114 |
| Travelling and conveyance | 14,942,471 | 7,403,604 |
| Vehicles' running and maintenance | 66,520,043 | 77,698,000 |
| Entertainment | 25,409,398 | 28,143,971 |
| Depreciation on operating fixed assets (Note 14.1.2) | 1,754,368,187 | 1,753,084,325 |
| Repair and maintenance | 737,081,997 | 742,076,681 |
| Other factory overheads | 164,203,299 | 183,918,238 |
| | 77,297,098,922 | 75,817,268,027 |
| Work-in-process | | |
| Add: Opening stock | 2,623,294,710 | 2,557,921,137 |
| Less: Closing stock | (2,921,385,076) | (2,623,294,710) |
| | (298,090,366) | (65,373,573) |
| Cost of goods manufactured | 76,999,008,556 | 75,751,894,454 |
| Add: Opening stocks: | | |
| -Finished goods | 4,828,383,209 | 6,109,788,164 |
| -Waste | 146,623,097 | 681,947,132 |
| Finished good purchased during the year | 299,976,660 | 411,853,054 |
| Less: Closing stocks: | | |
| -Finished goods | (5,581,952,371) | (4,828,383,209) |
| -Waste | (160,298,253) | (146,623,097) |
| | (467,267,658) | 2,228,582,044 |
| | 76,531,740,898 | 77,980,476,498 |

27.1 27.1 Salaries, wages and other benefits include Rupees 69.669 million (2024: Rupees 55.145 million) and Rupees 166.047 million (2024: Rupees 143.251 million) in respect of accumulating compensated absences and provident fund contribution by the Holding Company respectively.

27.2 This includes the reversal of the provision for electricity duty amounting to Rupees 78.896 million (2024: Rupees Nil), pursuant to the decision of the Supreme Court of Pakistan dated 08 October 2024, in Civil Appeals Nos. 256 to 472 of 2011 (2024 SCP 348), which held that no electricity duty can be recovered from the entities using generators exceeding 500 KW capacity for self-consumption.

| | 2025 Rupees | 2024 Rupees |
|---|----------------|----------------|
| 28. DISTRIBUTION COST | | |
| Salaries and other benefits (Note 28.1) | 274,371,643 | 225,212,537 |
| Ocean freight | 227,154,872 | 359,242,988 |
| Freight and octroi | 212,516,268 | 316,732,111 |
| Local marketing expenses | 163,435,692 | 158,348,265 |
| Forwarding and other expenses | 200,285,380 | 216,986,658 |
| Export marketing expenses | 277,451,964 | 334,239,768 |
| Commission to selling agents | 424,231,869 | 496,160,112 |
| Rent, rates and taxes | 30,628,079 | 15,269,113 |
| Printing and stationery | 191,338 | 179,248 |
| Travelling and conveyance | 4,559,135 | 4,334,933 |
| Postage and telephone | 9,550,738 | 8,373,834 |
| Legal and professional | 2,476,782 | 6,431,752 |
| Repair and maintenance | 1,989,233 | 871,043 |
| Electricity and sui gas | 8,328,866 | 9,729,803 |
| Entertainment | 2,762,098 | 1,647,156 |
| Depreciation on right-of-use assets (Note 15) | 53,907,327 | 59,080,856 |
| Miscellaneous | 12,087,995 | 8,032,935 |
| | 1,905,929,279 | 2,220,873,112 |

28.1 Salaries and other benefits include Rupees 6.608 million (2024: Rupees 5.032 million) and Rupees 10.812 million (2024: Rupees 9.611 million) in respect of accumulating compensated absences and provident fund contribution by the Holding Company respectively.

| | 2025 Rupees | 2024 Rupees |
|--|----------------|----------------|
| 29. ADMINISTRATIVE EXPENSES | | |
| Salaries and other benefits (Note 29.1) | 325,033,945 | 277,608,493 |
| Printing and stationery | 7,422,077 | 8,868,341 |
| Vehicles' running and maintenance | 14,133,422 | 15,484,318 |
| Travelling and conveyance | 102,429,859 | 112,048,022 |
| Postage and telephone | 10,137,820 | 8,279,976 |
| Fee and subscription | 7,519,973 | 10,043,272 |
| Legal and professional (Note 29.2) | 68,931,605 | 39,081,341 |
| Electricity and sui gas | 14,006,615 | 10,704,091 |
| Insurance | 7,633,484 | 6,972,732 |
| Repair and maintenance | 11,713,760 | 9,157,590 |
| Entertainment | 6,574,516 | 13,530,817 |
| Depreciation on operating fixed assets (Note 14.1.2) | 34,329,489 | 27,065,589 |
| Amortization on intangible assets (Note 16.1) | 903,530 | 875,168 |
| Miscellaneous | 17,678,698 | 17,420,112 |
| | 628,448,793 | 557,139,862 |

29.1 Salaries and other benefits include Rupees 8.893 million (2024: Rupees 3.120 million) and Rupees 9.911 million (2024: Rupees 10.464 million) in respect of accumulating compensated absences and provident fund contribution by the Holding Company respectively.

29.2 Legal and professional charges include the following in respect of auditor's remuneration:

| | 2025 Rupees | 2024 Rupees |
|-----------------------|------------------------|------------------------|
| Audit fee | 4,016,392 | 3,648,993 |
| Half yearly review | 942,150 | 856,500 |
| Certification fees | 314,583 | 285,984 |
| Reimbursable expenses | 337,690 | 316,991 |
| | <u>5,610,815</u> | <u>5,108,468</u> |

30. OTHER EXPENSES

| | | |
|--|--------------------|--------------------|
| Workers' profit participation fund (Note 9.3) | 92,852,534 | 59,894,054 |
| Workers' welfare fund (Note 9.4) | 9,069,589 | 4,184,352 |
| Donations (Note 30.1) | 117,061,837 | 65,328,677 |
| Unrealised exchange loss on forward contracts | 51,082,846 | - |
| Unrealized loss on re-measurement of investment at fair value through profit or loss (Note 24.1) | 7,018,317 | - |
| Operating fixed assets written off | 31,083,800 | 340,202 |
| Loss on disposal of operating fixed assets - net | 41,652,806 | - |
| Trade debt written off | 15,746,043 | - |
| Provision for slow moving, damaged and obsolete store items (Note 18.1) | 2,364,738 | 4,440,630 |
| Miscellaneous | 2,184,868 | 115,783 |
| | <u>470,117,378</u> | <u>134,303,698</u> |

30.1 The names of donees to whom donation amount exceeds Rupees 11.706 million (2024: Rupees 6.533 million) are as follows:

| | 2025 Rupees | 2024 Rupees |
|---------------------------------------|------------------------|------------------------|
| Saleem Memorial Hospital (Note 30.2) | 102,000,000 | 52,000,000 |
| Mian Muhammad Yahya Trust (Note 30.3) | 14,951,787 | 13,273,677 |

30.2 Mr. Shahzad Saleem, Director and Mr. Zain Shahzad, Chief Executive of the Holding Company are chairman and director of the Saleem Memorial Hospital respectively.

30.3 Mr. Zain Shahzad, Chief Executive of the Holding Company is chairman of Mian Muhammad Yahya Trust.

| | 2025 Rupees | 2024 Rupees |
|--|----------------|----------------|
| 31. OTHER INCOME | | |
| Income from financial assets | | |
| Return on bank deposits | 15,218 | 23,768 |
| Dividend income | 1,912,348 | 1,912,348 |
| Return on term deposit receipts | 41,945,928 | 8,349,408 |
| Net exchange gain | 382,028,984 | 342,619,249 |
| Unrealised exchange gain on forward contracts | - | 34,297,532 |
| Unrealised gain on re-measurement of investment at fair value through profit or loss (Note 24.1) | - | 20,519,495 |
| Reversal of allowance for expected credit losses - trade debts (Note 20.4) | 2,771,260 | 81,256,144 |
| Interest on derivative financial instruments | 64,670,822 | 145,340,137 |
| Interest on loans to employees | 3,432,336 | 3,065,067 |
| Income from non-financial assets | | |
| Gain on sale of operating fixed assets - net | - | 15,433,977 |
| Reversal of provision for doubtful advances to suppliers (Note 21.1) | 2,420,101 | - |
| Scrap sales | 178,674,371 | 211,627,520 |
| Gain on termination of leases | 3,443,508 | - |
| Miscellaneous | 301,739 | 887,730 |
| | 681,616,615 | 865,332,375 |
| 32. FINANCE COST | | |
| Mark-up on: | | |
| - long term loans | 1,147,613,076 | 1,891,087,335 |
| - long term musharaka | 60,827,956 | 69,305,758 |
| - short term running finances | 1,073,009,593 | 3,290,557,923 |
| - export finances - Preshipment / SBP refinances | 1,090,492,433 | 1,216,818,850 |
| - short term finances | 1,225,216,010 | 1,068,993,281 |
| Interest on provident fund payable | - | 183,113 |
| Interest expense on lease liabilities (Note 7.1) | 17,699,757 | 15,406,799 |
| Interest on workers' profit participation fund (Note 9.3) | 3,062,309 | - |
| Bank charges and commission | 210,877,428 | 201,631,133 |
| | 4,828,798,562 | 7,753,984,192 |
| 33. LEVY | | |
| Final taxes | 286,852 | 626,426,506 |
| Minimum tax differential | 952,782,437 | 276,216,994 |
| Prior year adjustment | - | (387,340,398) |
| | 953,069,289 | 515,303,102 |

33.1 Levy represents final taxes levied under the Income Tax Ordinance, 2001 and minimum tax (excess over the amount designated as provision for current tax) on sales under section 113.

| | 2025 Rupees | 2024 Rupees |
|-----------------------|------------------------|------------------------|
| 34. TAXATION | | |
| Current tax: | | |
| For the year | 117,430,153 | 68,439,934 |
| Prior year adjustment | - | (30,270,120) |
| | 117,430,153 | 38,169,814 |

34.1 Current tax represents provision for taxation calculated based on the taxable income for the year determined in accordance with the Income Tax Ordinance, 2001.

| | 2025 Rupees | 2024 Rupees |
|--|------------------------|------------------------|
| 34.2 Deferred income tax asset | | |
| The asset for deferred income tax originated due to timing differences relating to: | | |
| Taxable temporary differences | | |
| Accelerated tax depreciation | 1,454,075,286 | 961,454,932 |
| Un-realized gain on FVTPL investments | - | 1,559,759 |
| Intangible assets | 137,892 | 104,118 |
| Right-of-use assets | 34,186,355 | 27,767,346 |
| | 1,488,399,533 | 990,886,155 |
| Deductible temporary differences | | |
| Lease liabilities | (38,242,952) | (33,441,764) |
| Un-realized loss on FVTPL investments | (19,362) | - |
| Provision for slow moving, damaged and obsolete store items | (6,492,223) | (5,569,975) |
| Provision for doubtful advances to suppliers | (3,306,041) | (4,249,881) |
| Allowance for expected credit losses | (3,441,339) | (5,042,740) |
| Available tax losses | (403,966,978) | (500,929,878) |
| Minimum tax carry forward | (1,446,841,579) | (745,253,223) |
| | (1,902,310,474) | (1,294,487,461) |
| Deferred income tax asset | (413,910,941) | (303,601,306) |
| Deferred income tax asset not recognized in these consolidated financial statements | 413,910,941 | 303,601,306 |
| Deferred income tax asset recognized in these consolidated financial statements | - | - |

34.1.1 Deferred income tax asset of Rupees 413.911 million (2024: Rupees 303.601 million) has not been recognized in these consolidated financial statements as the Holding Company's management believes that sufficient taxable profits will not be probably available in foreseeable future, hence, the temporary differences may not reverse.

| Tax losses related to un-absorbed tax depreciation | Accounting year to which the tax loss relates | Amount of unused tax loss | Accounting year in which tax loss will expire |
|--|---|---------------------------|---|
| | | Rupees | |
| | 2023 | 425,151,353 | Unlimited |
| | 2020 | 311,584,958 | Unlimited |
| | 2019 | 133,222,280 | Unlimited |
| | 2018 | 16,074,382 | Unlimited |
| | 2017 | 506,956,606 | Unlimited |
| | | 1,392,989,579 | |

| Minimum tax | Accounting year to which minimum tax relates | Amount of minimum tax | Accounting year in which minimum tax will expire |
|-------------|--|-----------------------|--|
| | | Rupees | |
| | 2025 | 952,782,437 | 2028 |
| | 2024 | 276,216,994 | 2027 |
| | 2023 | 217,842,148 | 2026 |
| | | 1,446,841,579 | |

35. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation attributable to ordinary shareholders of the Holding Company (Rupees)

| 2025 | 2024 |
|-------------|-------------|
| 751,451,274 | 710,699,662 |

Weighted average number of ordinary shares outstanding during the year (Number)

| | |
|-------------|-------------|
| 240,119,029 | 240,119,029 |
|-------------|-------------|

Basic earnings per share (Rupees)

| | |
|------|------|
| 3.13 | 2.96 |
|------|------|

35.1 There is no dilutive effect on basic earnings per share for the year ended 30 June 2025 and year ended 30 June 2024 respectively as the Holding Company has no potential ordinary shares as on 30 June 2025 and 30 June 2024.

| | 2025 Rupees | 2024 Rupees |
|--|-----------------|----------------|
| 36. CASH GENERATED FROM OPERATIONS | | |
| Profit before levy and taxation | 1,821,950,716 | 1,264,172,578 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation on operating fixed assets (Note 14.1.2) | 1,788,697,676 | 1,780,149,914 |
| Depreciation on right-of-use assets (Note 15) | 53,907,327 | 59,080,856 |
| Amortization on intangible assets (Note 16.1) | 903,530 | 875,168 |
| Loss / (gain) on sale of property, plant and equipment (Note 31 / Note 32) | 141,652,806 | (15,433,977) |
| Operating fixed assets written off (Note 30) | 31,083,800 | 340,202 |
| Reversal of provision for doubtful advances to suppliers (Note 31) | (2,420,101) | - |
| Finance cost (Note 32) | 4,828,798,562 | 7,753,984,192 |
| Interest on derivative financial instruments (Note 31) | (64,670,822) | (145,340,137) |
| Return on bank deposits (Note 31) | (15,218) | (23,768) |
| Return on term deposit receipts (Note 31) | (41,945,928) | (8,349,408) |
| Provision for slow moving, damaged and obsolete store items (Note 18.1) | 2,364,738 | 4,440,630 |
| Exchange gain - net (Note 31) | (382,028,984) | (342,619,249) |
| Unrealised exchange loss / (gain) on forward contracts (Note 31 / Note 32) | 51,082,846 | (34,297,532) |
| Dividend income (Note 31) | (1,912,348) | (1,912,348) |
| Reversal of allowance for expected credit loss - trade debts (Note 20.4) | (2,771,260) | (81,256,144) |
| Trade debt written off (Note 30) | 15,746,043 | - |
| Unrealized loss / (gain) on re-measurement of investment at fair value through profit or loss (Note 24.1) | 7,018,317 | (20,519,495) |
| Gain on termination of leases (Note 31) | (3,443,508) | - |
| Provision for workers' profit participation fund (Note 30) | 92,852,534 | 59,894,054 |
| Adjustment to GIDC payable (Note 8.1) | (70,347,221) | - |
| Reversal of the provision for electricity duty (Note 27.2) | (78,895,839) | - |
| Provision for workers' welfare fund (Note 30) | 9,069,589 | 4,184,352 |
| Working capital changes (Note 36.1) | (6,622,861,212) | 2,468,358,749 |
| | 1,573,816,043 | 12,745,728,637 |
| 36.1 Working capital changes | | |
| (Increase) / decrease in current assets: | | |
| Stores, spare parts and loose tools | (91,152,865) | 530,814,329 |
| Stock-in-trade | (6,252,515,247) | (950,362,879) |
| Trade debts | (1,086,772,701) | 692,854,712 |
| Loans and advances | (384,131,362) | 102,401,946 |
| Short term prepayments | (1,786,681) | 1,296,959 |
| Other receivables | (89,875,506) | 1,323,764,541 |
| | (7,906,234,362) | 1,700,769,608 |
| Increase in trade and other payables | 1,283,373,150 | 767,589,141 |
| | (6,622,861,212) | 2,468,358,749 |

36.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

| | 2025 | | | |
|--|---------------------------------------|-------------------|-----------------------|--------------------|
| | Liabilities from financing activities | | | |
| | Long term financing | Lease liabilities | Short term borrowings | Unclaimed dividend |
| Opening balance | 12,672,291,231 | 85,748,114 | 27,055,611,782 | 67,835,924 |
| Financing obtained | - | - | - | - |
| Lease liabilities recognized during the year | - | 93,021,081 | - | - |
| Repayment of financing | (2,511,256,937) | - | - | - |
| Repayment of lease liabilities | - | (54,758,266) | - | - |
| Short term borrowings - net | - | - | 9,207,113,975 | - |
| Dividend declared | - | - | - | 240,119,029 |
| Dividend paid | - | - | - | (243,190,962) |
| Other changes - non-cash movement | 141,208,442 | (25,952,078) | - | - |
| Closing balance | 10,302,242,736 | 98,058,851 | 36,262,725,757 | 64,763,991 |

| | 2024 | | | |
|--|---------------------------------------|-------------------|-----------------------|--------------------|
| | Liabilities from financing activities | | | |
| | Long term financing | Lease liabilities | Short term borrowings | Unclaimed dividend |
| Opening balance | 14,025,218,534 | 132,734,414 | 27,881,717,844 | 69,141,059 |
| Financing obtained | 17,502,940 | - | - | - |
| Lease liabilities recognized during the year | - | 17,106,282 | - | - |
| Repayment of financing | (1,526,718,278) | - | - | - |
| Repayment of lease liabilities | - | (63,062,387) | - | - |
| Short term borrowings - net | - | - | (826,106,062) | - |
| Dividend paid | - | - | - | (1,305,135) |
| Other changes - non-cash movement | 156,288,035 | (1,030,195) | - | - |
| Closing balance | 12,672,291,231 | 85,748,114 | 27,055,611,782 | 67,835,924 |

36.3 Non-cash financing activities

Lease liabilities recognised during the year
Other changes - non-cash movement

| 2025 Rupees | 2024 Rupees |
|----------------|----------------|
| 93,021,081 | 17,106,282 |
| 115,256,364 | 155,257,840 |

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amount charged in these consolidated financial statements for the year for remuneration including certain benefits to the chief executive, directors and executives of the Holding Company is as follows:

| | Chief Executive | | Directors | | Executives | |
|--------------------------------|--------------------|------------|------------|------------|-------------|-------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | ----- Rupees ----- | | | | | |
| Managerial remuneration | 32,953,845 | 29,430,768 | 11,194,000 | 9,200,000 | 264,307,461 | 230,391,093 |
| Contribution to provident fund | - | - | 866,320 | 766,360 | 24,633,986 | 19,191,578 |
| House rent | 13,181,538 | 11,772,307 | 4,477,600 | 3,680,000 | 105,722,985 | 92,156,437 |
| Utilities | 3,295,385 | 2,943,077 | 1,119,400 | 920,000 | 26,430,746 | 23,039,109 |
| Others | - | - | 1,295,294 | 331,507 | 21,710,738 | 9,664,240 |
| | 49,430,768 | 44,146,152 | 18,952,614 | 14,897,867 | 442,805,916 | 374,442,457 |
| Number of persons | 1 | 1 | 2 | 2 | 111 | 99 |

37.1 Mr. Shahzad Saleem resigned as Chief Executive of the Holding Company with effect from 28 February 2025 and Mr. Zain Shahzad has been appointed as Chief Executive of the Holding Company with effect from 01 March 2025.

37.2 The Holding Company provides to chief executive, directors and certain executives with free use of Holding Company maintained cars.

37.3 Aggregate amount charged in these consolidated financial statements for meeting fee to seven (2024: seven) directors of the Holding Company was Rupees 440,000 (2024: Rupees 480,000).

37.4 No remuneration was paid to non-executive directors of the Holding Company.

38. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated undertakings, other related companies, key management personnel and post employment benefit plan. The Group in the normal course of business carried out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

| | 2025 Rupees | 2024 Rupees |
|---|----------------|----------------|
| Saleem Memorial Trust Hospital - associated company | | |
| Donation made | 102,000,000 | 52,000,000 |
| Pakistan Textile Council - associated company | | |
| Annual membership fee | - | 1,250,000 |
| Nishat Chunian Power Limited - former associated company | | |
| Common facilities cost charged | - | 9,900,000 |
| Expenses incurred on behalf of the Company | - | 251,016 |
| Reimbursement of expenses | - | 6,457,568 |
| Income sharing | - | 784,350 |
| Mian Muhammad Yahya Trust - related party | | |
| Donation made | 14,951,787 | 13,273,677 |
| Ms. Faryal Riaz Chatha - Key management personnel of holding company | | |
| Loans given | 17,028,495 | 6,119,490 |
| Interest charged | 968,790 | 292,851 |
| Employees' Provident Fund Trust - related party | | |
| Group's contribution to employees' provident fund trust | 186,769,251 | 163,326,509 |
| Interim cash dividend paid | 981,500 | - |
| Directors of the holding company | | |
| Interim cash dividend paid | 120,431,279 | - |

38.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in Note 37.

38.2 Following are the related parties with whom the Group had entered into transactions or have arrangements / agreements in place:

| Name of the related party | Basis of relationship | Transactions entered or agreements and / or arrangements in place during the year | | Percentage of shareholding |
|--------------------------------------|---|---|------|----------------------------|
| | | 2025 | 2024 | |
| Saleem Memorial Hospital | Common directorship | Yes | Yes | None |
| Mian Muhammad Yahya Trust | Director of the Holding Company is member | Yes | Yes | None |
| Pakistan Textile Council | Common directorship | No | Yes | None |
| Nishat (Chunian) Limited - Employees | | | | |
| Provident Fund Trust | Post-employment benefit plan | Yes | Yes | None |
| Mr. Zain Shahzad | Chief executive | Yes | Yes | None |
| Mr. Shahzad Saleem | Director | Yes | Yes | None |
| Ms. Ayesha Shahzad (Note 38.2.1) | Director | No | Yes | None |
| Ms. Nadia Bilal | Director | Yes | Yes | None |
| Ms. Sehar Adil | Director | Yes | No | None |
| Mr. Muhammad Azam Siddique | Director | Yes | Yes | None |
| Ms. Mahnoor Adil | Director | Yes | Yes | None |
| Mr. Ahmad Hasnain | Director | Yes | Yes | None |
| Ms. Faryal Riaz Chatha | Key management personnel of Holding Company | Yes | Yes | None |

38.2.1 Ceased to be a related party with effect from 06 August 2024.

39. NUMBER OF EMPLOYEES

| | 2025 | 2024 |
|---|-------|-------|
| Number of employees as on 30 June | 7,235 | 7,331 |
| Average number of employees during the year | 7,413 | 7,209 |

41. PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning

| | 2025 | 2024 |
|---|------------|------------|
| Number of spindles installed | 223,162 | 223,428 |
| Number of spindles worked | 209,761 | 211,484 |
| Number of rooters installed | 2,880 | 2,880 |
| Number of rooters worked | 2,799 | 2,839 |
| Capacity after conversion into 20/1 count (Kgs.) | 91,697,731 | 84,532,715 |
| Actual production of yarn after conversion into 20/1 count (Kgs.) | 90,342,592 | 83,283,463 |

Under utilization of available capacity was due to normal maintenance and time lost in shifting of coarser counts to finer counts and vice versa.

Weaving

| | | |
|---|-------------|-------------|
| Number of looms installed | 379 | 379 |
| Number of looms worked | 379 | 379 |
| Capacity after conversion into 50 picks - square yards | 345,597,351 | 345,597,351 |
| Actual production after conversion into 50 picks - square yards | 276,634,044 | 248,379,368 |

Under utilization of available capacity was due to the following reasons:

- change of articles required
- higher count and cover factor
- due to normal maintenance

Power plant

| | | |
|-----------------------------|-------------|-------------|
| Number of engines installed | 14 | 19 |
| Number of engines worked | 14 | 19 |
| Generation capacity (KWh) | 212,265,000 | 334,953,000 |
| Actual generation (KWh) | 22,154,477 | 30,673,247 |

Under utilization of available capacity was due to normal maintenance and demand.

Process steam and coal fired power generation plant (46 MW)

| | | |
|---------------------------|-------------|-------------|
| Installed | 1 | 1 |
| Worked | 1 | 1 |
| Number of shifts per day | 3 | 3 |
| Generation capacity (KWh) | 404,064,000 | 404,064,000 |
| Actual generation (KWh) | 302,344,000 | 294,980,000 |

Solar power plant

| | | |
|---------------------------|-----------|-----------|
| Installed | 1 | 1 |
| Worked | 1 | 1 |
| Generation capacity (KWh) | 2,291,250 | 2,349,999 |
| Actual generation (KWh) | 1,916,159 | 1,877,620 |

Dyeing

| | | |
|---------------------------------------|------------|------------|
| Number of thermosol dyeing machines | 1 | 1 |
| Number of stenters machines | 5 | 5 |
| Capacity in meters | 43,200,000 | 43,200,000 |
| Actual processing of fabrics - meters | 36,996,656 | 34,427,566 |

Under utilization of available capacity was due to normal maintenance and demand.

Printing

| | | |
|---------------------------------------|------------|------------|
| Number of printing machines | 1 | 1 |
| Capacity in meters | 10,800,000 | 10,800,000 |
| Actual processing of fabrics - meters | 8,982,577 | 9,799,340 |

Under utilization of available capacity was due to normal maintenance and demand.

Digital printing

| | | |
|---------------------------------------|-----------|-----------|
| Number of printing machines | 5 | 5 |
| Capacity in meters | 9,125,000 | 9,125,000 |
| Actual processing of fabrics - meters | 3,863,424 | 3,612,403 |

Stitching

The plant capacity of this division is indeterminable due to multi product plant involving varying run length of order lots.

42. FINANCIAL RISK MANAGEMENT

42.1 Financial risk factors

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

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

(a) Market risk

(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 currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro, Chinese Yuan (CNY) and United Arab Emirates Dirham (AED). Currently, the Group's foreign exchange risk exposure is restricted to bank balances, short term borrowings, accrued markup and the amounts receivable / payable from / to the foreign entities. The Group uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Group's exposure to currency risk was as follows:

| | 2025 | 2024 |
|---------------------------------|-------------|-------------|
| Cash at banks - USD | 84,833 | 97,440 |
| Cash at banks - AED | 60,629 | 74,009 |
| Trade debts - USD | 22,013,996 | 20,913,320 |
| Trade debts - EURO | 1,756,172 | 1,787,841 |
| Trade debts - CNY | 5,092,937 | 1,503,374 |
| Trade debts - AED | 95,466 | 52,643 |
| Trade and other payables - USD | (506,449) | (795,948) |
| Trade and other payables - EURO | (27,558) | - |
| Trade and other payables - CNY | (313,431) | (65,573) |
| Trade and other payables - AED | (100,913) | (48,789) |
| Short term borrowings - USD | (8,652,459) | (6,500,000) |
| Lease liability - USD | - | (117,935) |
| Accrued mark-up - USD | (93,195) | (38,722) |
| Net exposure - USD | 12,846,726 | 13,558,154 |
| Net exposure - EURO | 1,728,614 | 1,787,841 |
| Net exposure - CNY | 4,779,506 | 1,437,801 |
| Net exposure - AED | 55,182 | 77,863 |

The following significant exchange rates were applied during the year:

| | 2025 | 2024 |
|-----------------------------|--------|--------|
| Rupees per US Dollar | | |
| Average rate | 279.48 | 283.17 |
| Reporting date rate | 283.60 | 278.15 |
| Rupees per EURO | | |
| Average rate | 304.82 | 306.64 |
| Reporting date rate | 332.25 | 297.92 |
| Rupees per AED | | |
| Average rate | 76.75 | 77.25 |
| Reporting date rate | 77.76 | 75.84 |
| Rupees per Yuan | | |
| Average rate | 38.99 | 39.30 |
| Reporting date rate | 39.59 | 38.35 |

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro, AED and Chinese Yuan with all other variables held constant, the impact on profit before levy and taxation for the year would have been Rupees 204.946 million (2024: Rupees 202.966 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

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

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Group's profit for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index:

| Index | Impact on profit | Impact on loss |
|-------------------------|------------------|----------------|
| | 2025 Rupees | 2024 Rupees |
| PSX Index (5% increase) | 1,334,341 | 1,685,257 |
| PSX Index (5% decrease) | (1,334,341) | (1,685,257) |

(iii) **Interest rate risk**

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

The Group's interest rate risk mainly arises from long term financing and short term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Group to fair value interest rate risk.

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

| | 2025 Rupees | 2024 Rupees |
|----------------------------------|-------------------------|-------------------------|
| Fixed rate instruments | | |
| Financial liabilities | | |
| Long term financing | 4,477,296,308 | 5,293,178,174 |
| Short term borrowings | 13,267,231,311 | 10,449,335,565 |
| | <u>17,744,527,619</u> | <u>15,742,513,739</u> |
| Financial assets | | |
| Long term loans to employees | - | 7,750 |
| Short term investments | 415,160,226 | 115,160,226 |
| | <u>415,160,226</u> | <u>115,167,976</u> |
| Net exposure | <u>(17,329,367,393)</u> | <u>(15,627,345,763)</u> |
| Floating rate instruments | | |
| Financial assets | | |
| Long term loans to employees | 36,718,146 | 14,611,325 |
| Bank balances - saving accounts | 178,832 | 166,967 |
| | <u>36,896,978</u> | <u>14,778,292</u> |
| Financial liabilities | | |
| Long term financing | 5,824,946,428 | 7,379,113,057 |
| Short term borrowings | 22,995,494,446 | 16,606,276,217 |
| | <u>28,820,440,874</u> | <u>23,985,389,274</u> |
| Net exposure | <u>(28,783,543,896)</u> | <u>(23,970,610,982)</u> |

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before levy and taxation for the year would have been Rupees 267.687 million (2024: Rupees 222.927 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at reporting dates were outstanding for the whole year.

(b) **Credit risk**

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

| | 2025 Rupees | 2024 Rupees |
|---|-----------------------|-----------------------|
| Long term security deposits | 35,005,448 | 33,859,024 |
| Trade debts | 12,531,782,468 | 11,126,892,226 |
| Loans and advances (including long term loans to employees) | 66,985,272 | 52,186,450 |
| Other receivables | 135,987,704 | 222,588,088 |
| Short term investments | 454,373,920 | 150,604,317 |
| Bank balances | 116,426,995 | 75,183,044 |
| | <u>13,340,561,807</u> | <u>11,661,313,149</u> |

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:

| | Rating | | | 2025 | 2024 |
|---|------------|---------------|---------|--------------------|--------------------|
| | Short Term | Long term | Agency | Rupees | Rupees |
| Banks | | | | | |
| Al Baraka Bank (Pakistan) Limited | A-1 | AA- | VIS | 1,659,069 | 1,659,070 |
| Bank Alfalah Limited | A1+ | AAA | PACRA | 10,773 | 10,569 |
| Bank AL Habib Limited | A1+ | AAA | PACRA | 14,963 | 19,043 |
| BankIslami Pakistan Limited | A1 | AA- | PACRA | 243,992 | 29,106 |
| Dubai Islamic Bank (Pakistan) Limited | A-1+ | AA | VIS | 73,684 | 645,548 |
| Faysal Bank Limited | A1+ | AA | PACRA | 22,934 | 22,934 |
| Habib Bank Limited | A-1+ | AAA | VIS | 11,077,726 | 17,474,893 |
| Industrial and Commercial Bank of China Limited | P-1 | A1 | Moody's | 66,389 | 66,389 |
| JS Bank Limited | A1+ | AA | PACRA | 11,400 | 11,400 |
| MCB Bank Limited | A1+ | AAA | PACRA | 78,845,373 | 31,520,105 |
| MCB Islamic Bank Limited | A1 | A+ | PACRA | 82,023 | 25,092 |
| Meezan Bank Limited | A-1+ | AAA | VIS | 6,304,410 | 1,346,754 |
| National Bank of Pakistan | A1+ | AAA | PACRA | 326,351 | 318,050 |
| Standard Chartered Bank (Pakistan) Limited | A1+ | AAA | PACRA | 1 | 678,436 |
| The Bank of Punjab | A1+ | AA+ | PACRA | 182,752 | 545,450 |
| Samba Bank Limited | A1 | AA | PACRA | - | 21,968 |
| Standard Chartered Bank Limited | | Not available | | 4,714,511 | 5,752,545 |
| Wells Fargo Bank | | Not available | | 12,790,644 | 15,035,692 |
| | | | | <u>116,426,995</u> | <u>75,183,044</u> |
| Short term investments | | | | | |
| Bank Islami Pakistan Limited | A1 | AA- | PACRA | 100,655,608 | 20,711,898 |
| Dubai Islamic Bank (Pakistan) Limited | A-1+ | AA | VIS | 16,243,575 | 16,105,137 |
| The Bank of Punjab | A1+ | AA+ | PACRA | - | 30,361,644 |
| Adamjee Life Assurance Company Limited | | A++ | PACRA | 26,686,817 | 33,705,134 |
| | | | | <u>454,373,920</u> | <u>150,604,317</u> |
| | | | | <u>570,800,915</u> | <u>225,787,361</u> |

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

Trade debts

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained from these customers to calculate the net exposure towards these customers. The Group has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product, Unemployment, Interest and the inflation index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2025 and 30 June 2024 was determined as follows:

At 30 June 2025

| | Local sales | | | Export sales | | |
|--|--------------------|-----------------------------|-------------------------|--------------------|-----------------------------|-------------------------|
| | Expected loss rate | Trade debts | Loss allowance | Expected loss rate | Trade debts | Loss allowance |
| | % | (Rupees) | | % | (Rupees) | |
| Not past due | 0.00% | 2,852,017,547 | - | 0.00% | 753,606,996 | - |
| Up to 30 days | 0.00% | 763,650,844 | - | 0.31% | 1,404,062,972 | 4,303,096 |
| 31 to 60 days | 0.00% | 21,425,695 | - | 0.46% | 91,661,276 | 417,949 |
| 61 to 90 days | 4.19% | 34,820,698 | 1,460,038 | 14.64% | - | - |
| 91 to 180 days | 32.96% | 1,716,519 | 565,723 | 52.60% | - | - |
| 181 to 360 days | 57.86% | 1,649,324 | 954,270 | 72.98% | 1,327,220 | 968,557 |
| Above 360 days | 100.00% | 154,312 | 154,312 | 100.00% | - | - |
| | | <u>3,675,434,939</u> | <u>3,134,343</u> | | <u>2,250,658,464</u> | <u>5,689,602</u> |
| Trade debts which are not subject to risk of default | | <u>2,134,842,954</u> | <u>-</u> | | <u>4,479,670,056</u> | <u>-</u> |
| Total | | <u><u>5,810,277,893</u></u> | <u><u>3,134,343</u></u> | | <u><u>6,730,328,520</u></u> | <u><u>5,689,602</u></u> |

At 30 June 2024

| | Local sales | | | Export sales | | |
|--|--------------------|-----------------------------|--------------------------|--------------------|-----------------------------|-------------------------|
| | Expected loss rate | Trade debts | Loss allowance | Expected loss rate | Trade debts | Loss allowance |
| | % | (Rupees) | | % | (Rupees) | |
| Not past due | 0.00% | 1,260,963,444 | - | 0.00% | - | - |
| Upto 360 days | 0.20% | 2,574,504,749 | 5,140,636 | 0.23% | 456,789,088 | 1,071,095 |
| 31 to 60 days | 0.28% | 153,120 | 431 | 0.33% | 30,177,270 | 99,490 |
| 61 to 90 days | 17.10% | 247,374 | 42,313 | 17.37% | - | - |
| 91 to 180 days | 62.94% | 1,452,400 | 914,125 | 63.34% | - | - |
| 181 to 360 days | 77.35% | 2,800,959 | 2,166,510 | 77.60% | - | - |
| Above 360 days | 100.00% | 3,495,503 | 3,495,503 | 100.00% | - | - |
| | | <u>3,843,617,549</u> | <u>11,759,518</u> | | <u>486,966,358</u> | <u>1,170,585</u> |
| Trade debts which are not subject to risk of default | | <u>1,830,629,185</u> | <u>-</u> | | <u>4,978,609,237</u> | <u>-</u> |
| Total | | <u><u>5,674,246,734</u></u> | <u><u>11,759,518</u></u> | | <u><u>5,465,575,595</u></u> | <u><u>1,170,585</u></u> |

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2025, the Group had Rupees 15,665.564 million (2024: Rupees 23,755.054 million) available borrowing limits from financial institutions and Rupees 119.734 million (2024: Rupees 81.852 million) cash and bank balances.

The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2025:

| | Carrying Amount | Contractual cash flows | 6 months or less | 6-12 months | 1-2 Years | More than 2 Years |
|--|-----------------|------------------------|------------------|---------------|---------------|-------------------|
| Rupees | | | | | | |
| Non-derivative financial liabilities: | | | | | | |
| Long term financing | 10,302,242,736 | 13,019,191,129 | 1,717,599,333 | 1,547,614,713 | 2,686,014,760 | 7,067,962,323 |
| Lease liabilities | 98,058,851 | 120,987,881 | 24,888,223 | 24,402,105 | 34,414,521 | 37,283,032 |
| Trade and other payables | 3,785,186,094 | 3,785,186,094 | 3,785,186,094 | - | - | - |
| Short term borrowings | 36,262,725,757 | 36,465,768,245 | 30,367,005,873 | 6,098,762,372 | - | - |
| Accrued mark-up / profit | 619,545,140 | 619,545,140 | 619,545,140 | - | - | - |
| Unclaimed dividend | 64,763,991 | 64,763,991 | 64,763,991 | - | - | - |
| Derivative financial liabilities: | | | | | | |
| Fair value of forward exchange contracts | 24,268,036 | 24,268,036 | 24,268,036 | - | - | - |
| | 51,156,790,605 | 54,099,710,516 | 36,603,256,690 | 7,670,779,190 | 2,720,429,281 | 7,105,245,355 |

Contractual maturities of financial liabilities as at 30 June 2024:

| | Carrying Amount | Contractual cash flows | 6 months or less | 6-12 months | 1-2 Years | More than 2 Years |
|--|-----------------|------------------------|------------------|---------------|---------------|-------------------|
| Rupees | | | | | | |
| Non-derivative financial liabilities: | | | | | | |
| Long term financing | 12,672,291,231 | 18,594,537,004 | 2,214,431,289 | 1,938,390,429 | 3,631,802,116 | 10,809,913,170 |
| Lease liabilities | 85,748,114 | 99,760,828 | 32,791,645 | 19,863,027 | 36,582,898 | 10,523,258 |
| Trade and other payables | 3,274,205,288 | 3,274,205,288 | 3,274,205,288 | - | - | - |
| Short term borrowings | 27,055,611,782 | 28,919,544,150 | 28,919,544,150 | - | - | - |
| Accrued mark-up / profit | 1,337,211,195 | 1,337,211,195 | 1,337,211,195 | - | - | - |
| Unclaimed dividend | 67,835,924 | 67,835,924 | 67,835,924 | - | - | - |
| | 44,492,903,534 | 52,293,094,389 | 35,846,019,491 | 1,958,253,456 | 3,668,385,014 | 10,820,436,428 |

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 reporting date. The rates of interest / mark up have been disclosed in note 6, note 7 and note 11 to these consolidated financial statements.

42.2 Financial instruments by categories

Assets as per consolidated statement of financial position

| | 2025 | | 2024 | |
|---|-------------------|------------|-------------------|-------------|
| | At amortized cost | At FVTPL | At amortized cost | At FVTPL |
| | Rupees | Rupees | Rupees | Rupees |
| Long term security deposits | 35,005,448 | - | 33,859,024 | - |
| Trade debts | 12,531,782,468 | - | 11,126,892,226 | - |
| Loans and advances (including long term loans to employees) | 66,985,272 | - | 52,186,450 | - |
| Other receivables | 133,332,361 | 2,655,343 | 79,567,570 | 143,020,518 |
| Short term investments | 427,687,103 | 26,686,817 | 116,899,183 | 33,705,134 |
| Cash and bank balances | 119,733,994 | - | 81,851,548 | - |
| | 13,314,526,646 | 29,342,160 | 11,491,256,001 | 176,725,652 |

| | 2025 | | 2024 |
|---|-----------------------|-------------------|-----------------------|
| | At amortized cost | FVTPL | At amortized cost |
| | Rupees | | Rupees |
| Liabilities as per statement of financial position | | | |
| Long term financing | 10,302,242,736 | - | 12,672,291,231 |
| Lease liabilities | 98,058,851 | - | 85,748,114 |
| Trade and other payables | 3,785,186,094 | 24,268,036 | 3,274,205,288 |
| Accrued mark-up / profit | 619,545,140 | - | 1,337,211,195 |
| Short term borrowings | 36,262,725,757 | - | 27,055,611,782 |
| Unclaimed dividend | 64,763,991 | - | 67,835,924 |
| | <u>51,132,522,569</u> | <u>24,268,036</u> | <u>44,492,903,534</u> |

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

| | 2025 | | |
|---|-----------------------|----------------------|---|
| | Financial assets | Non-financial assets | Assets as per statement of financial position |
| | Rupees | Rupees | Rupees |
| Assets | | | |
| Long term security deposits | 35,005,448 | - | 35,005,448 |
| Trade debts | 12,531,782,468 | - | 12,531,782,468 |
| Loans and advances (including long term loans to employees) | 66,985,272 | 4,315,492,384 | 4,382,477,656 |
| Other receivables | 135,987,704 | 2,230,209,884 | 2,366,197,588 |
| Short term investments | 454,373,920 | - | 454,373,920 |
| Cash and bank balances | 119,733,994 | - | 119,733,994 |
| | <u>13,343,868,806</u> | <u>6,545,702,268</u> | <u>19,889,571,074</u> |

| | 2025 | | |
|--------------------------|-----------------------|---------------------------|--|
| | Financial liabilities | Non-financial liabilities | Liabilities as per statement of financial position |
| | Rupees | Rupees | Rupees |
| Liabilities | | | |
| Long term financing | 10,302,242,736 | - | 10,302,242,736 |
| Lease liabilities | 98,058,851 | - | 98,058,851 |
| Trade and other payables | 3,809,454,130 | 2,585,941,855 | 6,395,395,985 |
| Accrued mark-up / profit | 619,545,140 | - | 619,545,140 |
| Short term borrowings | 36,262,725,757 | - | 36,262,725,757 |
| Unclaimed dividend | 64,763,991 | - | 64,763,991 |
| | <u>51,156,790,605</u> | <u>2,585,941,855</u> | <u>53,742,732,460</u> |

| | 2024 | | |
|---|-----------------------|----------------------|---|
| | Financial assets | Non-financial assets | Assets as per statement of financial position |
| | Rupees | Rupees | Rupees |
| Assets | | | |
| Long term security deposits | 33,859,024 | - | 33,859,024 |
| Trade debts | 11,126,892,226 | - | 11,126,892,226 |
| Loans and advances (including long term loans to employees) | 52,186,450 | 3,924,060,773 | 3,976,247,223 |
| Other receivables | 222,588,088 | 2,069,881,227 | 2,292,469,315 |
| Short term investments | 150,604,317 | - | 150,604,317 |
| Cash and bank balances | 81,851,548 | - | 81,851,548 |
| | <u>11,667,981,653</u> | <u>5,993,942,000</u> | <u>17,661,923,653</u> |

| | 2024 | | |
|--------------------------|-----------------------|---------------------------|--|
| | Financial liabilities | Non-financial liabilities | Liabilities as per statement of financial position |
| | Rupees | Rupees | Rupees |
| Liabilities | | | |
| Long term financing | 12,672,291,231 | - | 12,672,291,231 |
| Lease liabilities | 85,748,114 | - | 85,748,114 |
| Trade and other payables | 3,274,205,288 | 1,814,149,055 | 5,088,354,343 |
| Accrued mark-up / profit | 1,337,211,195 | - | 1,337,211,195 |
| Short term borrowings | 27,055,611,782 | - | 27,055,611,782 |
| Unclaimed dividend | 67,835,924 | - | 67,835,924 |
| | <u>44,492,903,534</u> | <u>1,814,149,055</u> | <u>46,307,052,589</u> |

42.4 Offsetting financial assets and financial liabilities

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

43. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Group as referred to in note 6 and note 11 respectively. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'. The Company's strategy was to maintain a gearing ratio of 65% debt and 35% equity (2024: 65% debt and 35% equity).

| | | 2025 | 2024 |
|------------------------|------------|-----------------------|-----------------------|
| Borrowings | Rupees | 47,093,471,116 | 40,405,323,062 |
| Total equity | Rupees | 21,793,610,055 | 21,281,908,621 |
| Total capital employed | Rupees | <u>68,887,081,171</u> | <u>61,687,231,683</u> |
| Gearing ratio | Percentage | <u>68.36</u> | <u>65.50</u> |

44. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

| Recurring fair value measurements At 30 June 2025 | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|------------------|----------|-------------------|
| ----- Rupees ----- | | | | |
| Financial assets | | | | |
| Investment in quoted shares - FVTPL | 26,686,817 | - | - | 26,686,817 |
| Derivative financial assets | - | 2,655,343 | - | 2,655,343 |
| Total financial assets | <u>26,686,817</u> | <u>2,655,343</u> | <u>-</u> | <u>29,342,160</u> |
| Financial liability | | | | |
| Derivative financial liability | - | 24,268,036 | - | 24,268,036 |

| Recurring fair value measurements At 30 June 2024 | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|-------|
|--|---------|---------|---------|-------|

----- Rupees -----

Financial assets

| | | | | |
|-------------------------------------|-------------------|--------------------|----------|--------------------|
| Investment in quoted shares - FVTPL | 33,705,134 | - | - | 33,705,134 |
| Derivative financial assets | - | 143,020,518 | - | 143,020,518 |
| Total financial assets | 33,705,134 | 143,020,518 | - | 176,725,652 |

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

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

45. UNUTILIZED CREDIT FACILITIES

| Non-funded | | Funded | |
|------------|------|--------|------|
| 2025 | 2024 | 2025 | 2024 |

----- Rupees -----

| | | | | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| Total facilities | 19,230,000,000 | 17,230,500,000 | 62,759,035,319 | 64,160,376,868 |
| Utilized at the end of the year | 6,799,069,325 | 6,799,069,325 | 47,093,471,116 | 40,405,323,062 |
| Unutilized at the end of the year | 12,430,930,675 | 10,431,430,675 | 15,665,564,203 | 23,755,053,806 |

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

| Description | 2025 Rupees | 2024 Rupees |
|--|----------------|----------------|
| Financing (long-term, short-term, or lease financing) obtained as per Islamic mode | | |
| Short term borrowings | 9,714,119,473 | 8,705,604,305 |
| Long term financing | 962,285,771 | 1,129,135,766 |
| Interest or mark-up accrued on any conventional loan or advance | 432,744,751 | 1,029,002,650 |
| Long-term and short-term Shariah compliant Investments | | |
| Long term investments | - | - |
| Short term investments | 116,233,880 | 117,047,786 |
| Shariah-compliant bank deposits, bank balances, and TDRs | 8,386,112 | 3,728,504 |
| Revenue earned from a Shariah-compliant business segment | 85,505,369,011 | 89,045,617,565 |
| Break-up of late payments or liquidated damages | - | - |
| Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs | | |
| Return on term deposit receipts | 12,685,215 | 7,948,312 |
| Exchange gain earned from actual currency | 382,028,984 | 342,619,249 |
| Exchange gains earned using conventional derivative financial instruments | - | 34,297,532 |
| Profit paid on Islamic mode of financing | 1,093,458,517 | 1,038,311,352 |
| Total Interest earned on any conventional loan or advance | | |
| Return on bank deposits | 15,218 | 23,768 |
| Return on term deposit receipts | 29,260,713 | 401,096 |
| Interest on derivative financial instruments | 64,670,822 | 145,340,137 |
| Interest on loan to employees | 3,432,336 | 3,065,067 |
| Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income | | |
| Shariah-compliant | | |
| Exchange gain - net | 382,028,984 | 342,619,249 |
| Gain on disposal of operating fixed assets - net | - | 15,433,977 |
| Scrap sales | 178,674,371 | 211,627,520 |
| Gain on termination of leases | 3,443,508 | - |
| Fines | 301,739 | 1,293,772 |
| Return on term deposit receipts | 12,685,215 | 7,948,312 |
| Reversal of allowance for expected credit losses - trade debts | 2,771,260 | 81,256,144 |
| Reversal of provision for doubtful advances to suppliers | 2,420,101 | - |
| Non-compliant | | |
| Unrealised exchange gain on forward contracts | - | 34,297,532 |
| Dividend income | 1,912,348 | 1,912,348 |
| Unrealised gain on re-measurement of investment at fair value through profit or loss | - | 20,519,495 |
| Return on term deposit receipts | 29,260,713 | 401,096 |
| Interest on derivative financial instruments | 64,670,822 | 145,340,137 |
| Interest on loan to employees | 3,432,336 | 3,065,067 |
| Return on bank deposits | 5,928 | 12,114 |

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

| Name | Relationship |
|-------------------------------------|---|
| MCB Islamic Bank Limited | Bank balance, short term borrowings and long term financing |
| Meezan Bank Limited | Bank balance, short term borrowings and long term financing |
| Faysal Bank Limited (Barkat Islami) | Bank balance |
| Dubai Islamic Bank Pakistan Limited | Bank balance and short term borrowings |
| BankIslami Pakistan Limited | Bank balance and short term borrowings |
| Al Baraka Bank (Pakistan) Limited | Bank balance |
| National Bank Aitmand Islamic | Short term borrowings |

47. PROVIDENT FUND

Nishat (Chunian) Limited - Holding Company

The investments by the provident fund in collective investment schemes, listed equity and debt securities have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

48. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Holding Company at their meeting held on 19 September 2025 has proposed cash dividend of Rupee 1 per ordinary share (2024: Rupees Nil) in respect of the year ended 30 June 2025. However, this event has been considered as non-adjusting event under IAS 10 'Events after the Reporting Period' and has not been recognized in these consolidated financial statements.

49. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on September 19, 2025 by the Board of Directors of the Holding Company.

50. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However no significant rearrangements / reclassifications have been made.

51. GENERAL

Figures have been rounded off to nearest of Rupee.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

PROXY FORM

I/We _____
of _____
holding Computerized National Identity Card (CNIC)/Passport No. _____
and being a member of Nishat (Chunian) Limited, hereby appoint _____
of _____
a member of Nishat (Chunian) Limited, _____
holding CNIC/Passport No. _____

as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on October 22, 2025 (Wednesday) at 11:00 A.M. at 31-Q, Gulberg-II, Lahore and at any adjournment thereof.

as witness my/our hand/seal this _____ day of _____, 2025

Signed by the said member _____

In presence of _____

Please affix
revenue stamp Rs.50/-

Signature of witness

Name

CNIC#

Signature of witness

Name

CNIC#

Please quote:

| Folio# | Shared held | CDC A/C No. |
|--------|-------------|-------------|
| | | |

Notes:

- This instrument appointing a proxy, duly completed, must be received at the Registered Office address of the Company, i.e., Nishat (Chunian) Limited; 31-Q, Gulberg-II, Lahore not later than 48 hours before the time of holding the annual general meeting.
- The Proxy Form shall be witnessed by two people whose names, addresses and CNIC/Passport numbers shall be mentioned on the form.
- Attested copies of CNIC/Passport(s) of the appointer and the proxyholder shall be furnished with the Proxy Form.
- The proxyholder shall produce his/her original CNIC at the time of the meeting.
- In case of corporate entity, the Proxy Form shall be signed by the authorized representative authorized through a valid Board Resolution. The Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

BALLOT PAPER FOR VOTING THROUGH POST

BALLOT PAPER FOR VOTING THROUGH POST

For voting through post for the Special Business at the Annual General Meeting of NISHAT (CHUNIAN) LIMITED to be held on October 22, 2025 (Wednesday) at 11:00 AM (PST) at 31-Q, Gulberg-II, Lahore.

Designated email address at which the duly filled in ballot paper may be sent: generalmeetings@nishat.net

| | |
|---|--|
| Name of shareholder/joint shareholder(s): | |
| Registered Address: | |
| Folio No. / CDC Participant / Investor ID with sub-account No. | |
| Number of shares held | |
| CNIC, NICOP/Passport No. (In case of foreigner) <i>(Copy to be attached)</i> | |
| <u>Additional Information and enclosures</u> | |
| (In case of representative of body corporates, corporations and Federal Government) | |
| Name of Authorized Signatory: | |
| CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - <i>(Copy to be attached)</i> | |

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by giving my/our assent or dissent to the following resolutions by placing tick (✓) mark in the appropriate box below:

Special Businesses – Resolutions

Agenda Item - 5

To confirm and approve the transactions conducted by the Company with related parties, as disclosed in the Financial Statement for the year June 30, 2025, by adopting the following special resolution, with or without amendments:

“RESOLVED THAT all transactions conducted with Related Parties, as disclosed in Note 39 of the unconsolidated financial statements for the year ended June 30, 2025, and detailed in the Statement of Material Information under Section 134(3), be and are hereby ratified, approved, and confirmed.”

Agenda Item – 6

To empower the Board of Directors of the Company to approve transactions with related parties for the financial year ending on June 30, 2026, by adopting the following special resolutions, with or without modifications:

“RESOLVED THAT the Board of Directors of the Company is hereby authorized to approve transactions with Related Parties on a case-by-case basis for the financial year ending on June 30, 2026.”

“RESOLVED FURTHER THAT these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.”

Agenda Item – 7

To consider and, if deem fit, pass the following resolutions as ordinary resolutions under Section 182 of the Companies Act, 2017, with or without modification, as recommended by the Directors:

“RESOLVED THAT subject to compliance with the provisions of the Companies Act, 2017 and requisite regulatory approval under the Companies Act, 2017, approval of the members of the Company be and is hereby accorded in terms of section 182 of the Companies Act, 2017 for making interest bearing House loan, repayable in five years, to Ms. Nadia Bilal, executive director of the Company up to ten million rupees.”

“RESOLVED FURTHER THAT the Chief Financial Officer and / or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things and take any or all necessary steps and actions to complete all legal formalities including signing of agreement and other documents and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolution.”

I/we hereby exercise my/our vote in respect of above-mentioned resolutions through postal ballot by conveying my/our assent or dissent to the said resolutions by placing tick (✓) mark in the appropriate box below:

| Sr. No. | Nature and Description of resolutions | I/We assent to the Resolutions (FOR) | I/We dissent to the Resolutions (AGAINST) |
|---------|---|--------------------------------------|---|
| 1. | Special Resolution as per the Agenda Item - 5 | | |
| 2. | Special Resolution as per the Agenda Item - 6 | | |
| 3. | Ordinary Resolutions as per the Agenda Item - 7 | | |

 Shareholder / Proxy holder Signature/Authorized Signatory
 (In case of corporate entity, please affix company stamp)

Place: _____

Date: _____

NOTES:

1. Duly filled postal ballots should be sent at 31-Q, Gulberg-II, Lahore or through email at: generalmeetings@nishat.net
2. Copy of CNIC, NICOP/Passport (In case of foreigner) should be enclosed with the postal ballot form.
3. Postal Ballot form should reach at the Meeting on or before 21-10-2025 up to 5:00 p.m. Any Postal Ballot received after this time/date, will not be considered for voting.
4. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
5. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

NISHAT (CHUNIAN) LIMITED CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore

Subject: CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

Dear Sirs,

I/we, being the shareholder(s) of NISHAT (CHUNIAN) LIMITED ("Company"), do hereby consent and authorize the Company for electronic transmission of the Audited Annual Financial Statements of the Company along with Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the Company of any change in my Email address.

I understand that the transmission of Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email shall meet the requirements as mentioned under the provisions of Companies Act, 2017.

| | |
|-------------------------|--|
| Name of Shareholder(s): | |
| Fathers / Husband Name: | |
| CNIC: | |
| NTN: | |
| Fathers / Husband Name: | |
| E-mail address: | |
| Telephone: | |
| Mailing Address: | |

Date: _____

Signature: (In case of corporate shareholders, the authorized signatory must sign)

NISHAT (CHUNIAN) LIMITED
STANDARD REQUEST FORM FOR HARD COPIES OF ANNUAL AUDITED ACCOUNTS

1. Name of Member: _____

2. CNIC/Passport Number: _____

3. Participant ID / Folio No/Sub A/C: _____

8. Registered Address: _____

I/We hereby request you to provide me/us a hard copy of the Annual Report of NISHAT (CHUNIAN) LIMITED for the year ended June 30, 2025 at my above-mentioned registered address instead of CD/DVD/USB. I undertake to intimate any change in the above information through revised Standard Request Form.

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary,

NISHAT (CHUNIAN) LIMITED
31-Q, Gulberg II, Lahore
Email:umerqureshi@nishat.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore.

In case a member prefers to receive hard copies for all the future annual audited accounts, then such preference shall be communicated to the company in writing.

NISHAT (CHUNIAN) LIMITED E-DIVIDEND FORM (DIVIDEND PAYMENT THROUGH ELECTRONIC MODE)

The Company Secretary/Share Registrar,

I/We, _____, holding CNIC No. _____, being the registered shareholder of the company under folio no. _____, state that pursuant the relevant provisions of Section 242 of the Companies Act, 2017 pertaining to dividend payments by listed companies, the below mentioned information relating to my Bank Account for receipt of current and future cash dividends through electronic mode directly into my bank account are true and correct and I will intimate the changes, if any in the above-mentioned information to the company and the concerned Share Registrar as soon as these occur through revised E-Dividend Form.

| | |
|--------------------------------|--|
| Title of Bank Account | |
| Bank Account Number | |
| IBAN Number | |
| Bank's Name | |
| Branch Name and Address | |
| Cell Number of Shareholder | |
| Landline number of Shareholder | |
| Email of Sharehold | |

In case of CDC shareholding, I hereby also undertake that I shall update the above information of my bank account in the Central Depository System through respective participant

Date: _____

Member's Signature

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary

NISHAT (CHUNIAN) LIMITED
31-Q, Gulberg II, Lahore
Email: umerqureshi@nishat.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore

**NISHAT (CHUNIAN) LIMITED
FORM FOR VIDEO CONFERENCE FACILITY**

The Company Secretary/Share Registrar,

I/we, _____, of _____, being the registered shareholder(s) of the company under Folio No(s). _____ / CDC Participant ID No. and _____ Sub Account No. _____ CDC Investor Account ID No., and holder of Ordinary Shares, hereby request for video conference facility at _____ for the Annual General Meeting of the Company to be held 28th October, 2025.

Date: _____

Member's Signature

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary,

NISHAT (CHUNIAN) LIMITED
31-Q, Gulberg II, Lahore
Email: umerqureshi@nishat.net

Chief Executive,

M/s HAMEED MAJEED ASSOCIATES (PVT) LIMITED
H.M. House, 7-Bank Square,
The Mall, Lahore

محاسب

ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، موجودہ محاسب کمپنی کے سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کے ناطے، انہوں نے خود کو 30 جون 2026 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے پیش کیا ہے۔ جیسا کہ آڈٹ کمیٹی کی طرف سے تجویز کیا گیا، مجلسِ نضاء نے ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی آئندہ سالانہ اجلاس عام میں حصص داران کی منظوری کے لیے دوبارہ تقرری کی سفارش کی ہے۔

اہم تبدیلیاں

30 جون 2025 اور 19 ستمبر 2025 کے درمیان کمپنی کی حالت کو متاثر کرنے والی کوئی اہم تبدیلی نہیں ہوئی۔

نمونہ حصص داری

30 جون 2025 کے مطابق نمونہ حصص داری منسلک ہے۔

اظہار تشکر

بورڈ اپنے قابل قدر حصص داران، بینکوں، مالیاتی اداروں اور کسٹمرز کا شکر گزار ہے، جن کے تعاون، مسلسل حمایت اور تحفظ نے کمپنی کو مسلسل بہتری کی طرف گامزن کیا ہے۔ زیر جائزہ مدت کے دوران، مینجمنٹ اور ملازمین کے درمیان تعلقات ہموار رہے ہیں اور ہم کمپنی کے ملازمین اور کارکنوں کی لگن اور سخت محنت کا بھی شکریہ ادا کرنا چاہتے ہیں۔

منجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو

لاہور: 19 ستمبر 2025

بورڈ آف ڈائریکٹرز کے اجلاس:

زیر جائزہ سال کے دوران چار (4) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل ہے:

| نام ڈائریکٹرز | تعداد حاضری |
|--------------------------------------|-------------|
| جناب شہزاد سلیم (موجودہ چیئرمین) | 3 |
| جناب زین شہزاد (چیف ایگزیکٹو) | 3 |
| محترمہ نادیہ بلال | 4 |
| جناب محمد اعظم صدیقی (سابقہ چیئرمین) | 4 |
| محترمہ ماہ نور عادل | 2 |
| جناب احمد حسنین | 2 |
| محترمہ انوش نثار | 0 |
| محترمہ سحر عادل | 0 |

ڈائریکٹرز کا مشاہرہ

ڈائریکٹرز کا مشاہرہ اور بورڈ کے اجلاس کی فیس کا تعین کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کے مطابق منظور شدہ پالیسی کے ذریعے کیا گیا ہے۔

چیف ایگزیکٹو اور ڈائریکٹرز کے مشاہرہ کے لیے مالی بیانات کے نوٹ نمبر 38 سے رجوع کریں۔

آڈٹ کمیٹی

آڈٹ کمیٹی، بورڈ آف ڈائریکٹرز کی طرف سے مقررہ ریفرنس کی شرائط کے مطابق اپنے فرائض انجام دے رہی ہے۔ آڈٹ کمیٹی کی تشکیل درج ذیل ہے:

| | |
|---------------------|---------|
| جناب احمد حسنین | چیئرمین |
| محترمہ سحر عادل | ممبر |
| محترمہ ماہ نور عادل | ممبر |

HR&R کمیٹی

ضابطہ کی تعمیل میں، کمپنی کے بورڈ آف ڈائریکٹرز نے ایک HR & R کمیٹی قائم کی ہے۔ HR & R کمیٹی کی تشکیل درج ذیل ہے:

| | |
|----------------------|---------|
| جناب احمد حسنین | چیئرمین |
| جناب محمد اعظم صدیقی | ممبر |
| محترمہ نادیہ بلال | ممبر |

| | |
|--------|--|
| 6,122 | ملازمین کی تنخواہ |
| 117 | عطیہ |
| 1,171 | ٹیکس WWF اور WPPF |
| 4,829 | سرمایہ فراہم کنندگان کو مالی لاگت |
| 480 | منافع منقسمہ |
| 12,719 | کل تقسیم |
| 309 | دوبارہ سرمایہ کاری اور مستقبل کی ترقی کے لیے برقرار رکھا گیا:* |

تعمیل کا بیان

کمپنی نے کوڈ آف کارپوریٹ گورننس کی ضروریات پر عمل اور باقاعدہ تعمیل کی ہے، اس کا بیان رپورٹ سے منسلک ہے۔

کارپوریٹ گورننس

سال کے دوران آپ کی کمپنی کارپوریٹ گورننس کے ضابطہء اخلاق کی ضروریات پر عمل پیرا رہی ہے اُن کے علاوہ جو تعمیل کے بیان میں بیان کردہ ہیں۔

بورڈ آف ڈائریکٹرز کی تشکیل:

ارکان کی صنف، علم، مہارت اور مہارت کے متنوع مرکب ہمارے بورڈ کی مؤثریت میں اضافہ کرتی ہے۔ ہمارے بورڈ کی تشکیل حصص داران کے تمام اقسام کے مفادات کی نمائندگی کرتی ہے اور یہ مشتمل ہے:

ڈائریکٹرز کی کل تعداد

| | |
|---|-------|
| 4 | مرد |
| 3 | خاتون |

ترتیب

بورڈ کی ترتیب مندرجہ ذیل ہے:

| | |
|---|------------------------|
| نام | کیٹیگری |
| جناب محمد اعظم صدیقی (01 مارچ 2025 کو چیئرمین کے عہدے سے استعفیٰ دیا) | آزاد ڈائریکٹرز |
| جناب احمد حسنین | |
| محترمہ انوش نثار (خاتون ڈائریکٹر) نے 26 نومبر 2024 کو ڈائریکٹر کے عہدے سے استعفیٰ دیا | نان ایگزیکٹو ڈائریکٹرز |
| محترمہ سحر عادل (خاتون ڈائریکٹر) 31 دسمبر 2024 کو ڈائریکٹر کے عہدے پر فائز ہوئی، محترمہ انوش نثار کی جگہ پر | |
| محترمہ ماہ نور عادل | |
| جناب شہزاد سلیم (چیئرمین) (01 مارچ 2025 کو چیف ایگزیکٹو کے عہدے سے استعفیٰ دیا اور بطور چیئرمین تقرر ہوئے) | ایگزیکٹو ڈائریکٹرز |
| جناب زین شہزاد (چیف ایگزیکٹو) 01 مارچ 2025 سے تقرری ہوئی | |
| محترمہ نادیہ بلال | |

کارکردگی میں اضافہ ہو۔ اس کے علاوہ، بایو ماس پر مبنی بھاپ پیدا کرنے والا نظام کامیابی کے ساتھ فعال کیا گیا، جس سے کونلہ کا استعمال مکمل طور پر ختم ہوا، پیداوار کے اخراجات کم ہوئے، اور گرین ہاؤس گیسوں کے اخراج میں نمایاں کمی آئی۔

یہ اقدامات، ہماری پہلے سے موجود 1.6 میگا واٹ سولر پاور پلانٹ اور اینفلوئنٹ ٹریٹمنٹ پلانٹ (ETP) کے ساتھ مل کر، کمپنی کی پائیداری کی حکمت عملی کو مضبوط کرتے ہیں اور ماحولیاتی تحفظ، توانائی کی بچت، اور وسائل کے ذمہ دارانہ استعمال جیسے ESG اصولوں کو ہمارے بنیادی کاروباری ماڈل میں شامل کرتے ہیں۔

ہم ماحولیاتی تحفظ کے حوالے سے حکومت کی طرف سے دی گئی تجاویز کا مسلسل جائزہ لیتے ہیں اور ان پر عمل درآمد کو یقینی بناتے ہیں۔ ہم اپنے صنعتی عمل کے مضر اثرات سے ماحول کو بچانے کے لیے گندے پانی کی صفائی کا پلانٹ چلاتے ہیں۔ کمپنی گندے پانی سے کاسٹک بازیافت کرنے کے لیے ایک کاسٹک ریکوری پلانٹ بھی چلاتی ہے اور اس کا مقصد ہمارے فضلے کی ندیوں پر آلودگی کے بوجھ کو کم کرنے کے لیے ماحول دوست رنگوں اور کیمیکلز کا استعمال کرنا ہے۔ کول پاور پلانٹ ایک جدید ترین آن لائن اخراج کی نگرانی کے نظام سے لیس ہے تاکہ یہ یقینی بنایا جاسکے کہ اخراج بین الاقوامی اور مقامی معیارات کے مطابق ہو۔ کول پاور پلانٹ کو ہوا کے معیار کی نگرانی کے نظام سے بھی لیس کیا گیا ہے، جو فضا میں آلودگی کی سطح پر نظر رکھتا ہے۔ اس کے علاوہ، ہم باقاعدگی سے ماحولیاتی نگرانی کی رپورٹس کو دیکھتے رہتے ہیں تاکہ یہ معلوم کیا جاسکے کہ آیا ہم تمام ریگولیٹری معیارات کے مطابق ہیں۔

مزید برآں، قابل تجدید توانائی کے فروغ کے لیے، ہم نے اپنی پروڈکشن سائٹ کو بایو ماس انرجی سسٹم سے چلانے کا اقدام کیا ہے۔ بایو ماس بھاپ بوائلر نے اس مالی سال کے دوران توانائی پیدا کرنا شروع کر دی ہے۔ یہ منصوبہ نہ صرف لاگت کے لحاظ سے موثر ہے بلکہ ماحولیاتی نقطہ نظر سے بھی انتہائی دوست ماحول ہے۔

کمپنی نے ماحولیاتی ٹیکنالوجیز میں بھی سرمایہ کاری کی ہے، جس کے تحت ٹیکسٹائل ڈویژن میں فضلہ پانی کے علاج کے پلانٹس لگائے گئے اور روایتی فوسل ایندھن سے بایو ماس ایندھن کی طرف منتقلی کی گئی تاکہ بھاپ پیدا کرنے کے عمل کو زیادہ ماحول دوست بنایا جاسکے۔

پیشہ ورانہ حفاظت اور صحت

کمپنی ملازمین کی صحت اور حفاظت کو اولین ترجیح دیتی ہے۔ اس سلسلے میں ہم جامع آگاہی پروگرامز چلانے کے ساتھ ساتھ باقاعدہ مفت طبی کیسپس کا انعقاد بھی کرتے ہیں۔ تمام میڈیسیکل چیک اپس میں جدید فونیکیشن مشینوں کے ذریعے منظم فونیکیشن کی جاتی ہے تاکہ ڈیٹنگ اور کورونا جیسے امراض کے خطرات کم کیے جاسکیں۔ مزید برآں، ہر میڈیسیکل چیک اپ سائٹ پر فائر فائٹنگ آلات اور گاڑیاں موجود ہیں۔ ملازمین کو باقاعدگی سے فائر ڈرنرز اور ابتدائی تربیت دی جاتی ہے تاکہ ہنگامی صورتحال میں بروقت اور موثر اقدامات کیے جاسکیں۔

ویلیو ایڈیشن اور تقسیم کا بیان

روپے بلین میں

86,113

(71,239)

(1,846)

13,028

پیدا کردہ دولت

کل وصولی اور دیگر آمدنی

مال اور خدمات میں خرید

ڈیپریسییشن، ایمپورٹائزیشن

دولت کی تقسیم

حکومت اور معاشرہ کو

کمپنی نے دیگر مہتر حضرات کے ساتھ مل کر جدید ترین، غیر منافع بخش، سلیم میموریل ہسپتال قائم کیا ہے۔ 350 بستروں پر مشتمل یہ ہسپتال 500,000 مربع فٹ کے رقبے پر پھیلا ہوا ہے اور جدید سہولیات، آپریشن تھیٹر، کلینک اور لائبریری میں پہلا، لیول III ٹراما سینٹر سے آراستہ ہے۔ اسے مستند ڈاکٹروں اور ماہر عملے کی ایک ٹیم چلاتی ہے۔ ہسپتال خود پائیدار ماڈل پر مبنی ہے جس میں آمدنی کے دو سلسلے، باقاعدہ فیس اور کراس سبسڈی (سرپلس ریونیو، زکوٰۃ اور عطیات) شامل ہیں۔ نشاط (چونیاں) لمیٹڈ اپنی فلاحی سرگرمیوں کے تحت نیک مقاصد کے لیے مالی تعاون فراہم کرتی رہی ہے۔ اس مالی سال میں، کمپنی کی جانب سے سلیم میموریل ہسپتال کو کل 102 ملین روپے کی رقم عطیہ کی گئی۔

رسک مینجمنٹ

ہم سمجھتے ہیں کہ کوئی بھی ایسا کاروبار جو انڈسٹری میں ترقی اور مسابقت کا خواہاں ہے اُس کے لئے خطرہ ناگزیر ہے۔ کمپنی کو متعدد مالی خطرات لاحق ہیں جیسا کہ مارکیٹ رسک میں (کرنسی اور سود کی شرح کا رسک)، کریڈٹ رسک اور لیکویڈٹی رسک۔ اس کے لئے ایک سخت رسک مینجمنٹ سسٹم کے قیام کی ضرورت ہے، جس میں کمپنی کی سرگرمیوں سے متعلق رسک کی شناخت، تشخیص، نگرانی اور ان کا سامنا کرنے کے لئے داخلی کنٹرول کا تیار ہونا ہے۔ ہم مختلف حالات میں رسک / انعام کے تناسب کے بارے میں اپنی فہم کو بہتر بنانا اور رسک کو قابل قبول سطح تک کم کرنا چاہتے ہیں۔

کمپنی میں ہم یہ کام متوقع رسک اور اس کے تخفیف کے کلچر کو فروغ دے کر کرتے ہیں۔ کمپنی نے رسک کو قابل قبول رکھنے کے انتظام کیلئے مختلف معیاری آپریٹنگ طریقہ کار نافذ کئے ہیں۔ ان معیاری آپریٹنگ طریقہ کار کو متروک ہونے سے بچانیکے لئے انتظامیہ وقتاً فوقتاً ان کا جائزہ لیتی ہے اور اس کو جدید حالات کے ساتھ اپ ڈیٹ کیا جاتا ہے۔ بورڈ طریقہ کار کی تعمیل کی نگرانی کرتا ہے۔ ہم ہر سطح پر ملازمین میں بیداری پیدا کرنے کے ساتھ، کاروبار کی اخلاقیات میں رسک مینجمنٹ کو سرایت کرانے میں یقین رکھتے ہیں۔

داخلی مالیاتی کنٹرول

نشاط (چونیاں) لمیٹڈ میں ہمارا مضبوط داخلی کنٹرول اور رسک مینجمنٹ نظام ہے۔ رسک مینجمنٹ اور داخلی کنٹرول کے عوامل کمپنی کے اثاثوں کی حفاظت اور کمپنی کو درپیش بڑھتے ہوئے خطرات سے مناسب طریقے سے نمٹنے اور / یا کم کرنے کے لئے تیار کئے گئے ہیں۔ کمپنی میں ایک اندرونی محاسب شعبہ ہے جو مقررہ وقت پر آڈٹ کرتا ہے اور مینجمنٹ کو رپورٹ پیش کرتا ہے۔ رپورٹس نہ صرف کمی یا لوپ ہولز پیش کرتی ہیں بلکہ موجودہ نظام میں بہتری کی تجاویز بھی دیتی ہیں۔

بورڈ ایک کارگر اور موثر انٹرنل کنٹرول سسٹم کو قائم اور منظم کرنے کے لئے اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہے۔ بورڈ اندرونی محاسب شعبہ کی طرف سے پیش کردہ تجاویز کے متواتر جائزے اور مناسب نفاذ کی براہ راست نگرانی کرتا ہے۔ اس کے نتیجے میں، اندرونی کنٹرول کا نفاذ یقینی بنایا جاتا ہے اور ان کی فعالیت پر بھروسہ کیا جاتا ہے۔

ماحولیاتی اثرات

کمپنی باقاعدگی سے ماحول اور معاشرے کی فلاح و بہبود کو بہتر بنانے کے اقدامات کرتی ہے۔

توانائی کی بچت

قابل تجدید توانائی کے ذرائع سے بجلی کی پیداوار کو فروغ دینے کے لیے، ہم نے اپنے ہیڈ آفس کو مکمل طور پر شمسی توانائی سے چلنے والے انرجی سسٹم کے ذریعے پاور اپ کرنے کی پہل کی ہے۔ ہم اپنے سولائی اور رنگنے کے یونٹ کو چلانے کے لیے 6.1 میگا واٹ کی صلاحیت کا سولر پاور پلانٹ لگایا ہے۔ ہم توانائی کے تحفظ کے طریقوں کی تلاش میں سرگرمی سے مصروف ہیں اور توانائی کو بچانے کے لیے مینوفیکچرنگ یونٹس میں بجلی سے چلنے والی LED لائٹس پر منتقل ہو چکے ہیں۔ مزید برآں توانائی کے تحفظ کو فروغ دینے کے لیے ملازمین کے لیے تربیتی سیشن باقاعدگی سے منعقد کیے جاتے ہیں۔

ماحولیاتی تحفظ

ہم نے صاف توانائی اور وسائل کے موثر استعمال کے اقدامات کے ذریعے اپنی ماحولیاتی اثرات کو کم کرنے میں نمایاں پیشرفت کی ہے۔ جنوری 2025 میں، ویسٹ ہیٹ ریکوری بوائلر (1.2 ٹن / گھنٹہ) نصب کیا گیا تاکہ بایوماس تھر موائل ہیٹ اسٹیکس سے خارج ہونے والی حرارت کو موثر طریقے سے استعمال کیا جاسکے اور توانائی کی مجموعی

ٹی ایل سی مڈل ایسٹ ٹریڈنگ

ٹی ایل سی مڈل ایسٹ ٹریڈنگ ایل ایل سی ایک سنجل اوزر لیٹیڈ لیمیٹیڈ کمپنی (ایل ایل سی- ایس او) ہے، جو وفاقی قانون کے تحت رجسٹرڈ اور ڈیپارٹمنٹ آف اکنامک ڈیولپمنٹ، حکومت دہلی میں درج ہے۔ کمپنی کا بنیادی کاروبار ٹیکسٹائل، کپل، تولیے اور لائنن کی خرید و فروخت ہے۔

نشاط (چونیاں) لمیٹیڈ کے پاس ٹی ایل سی مڈل ایسٹ ٹریڈنگ ایل ایل سی کے تمام ((100% شیئرز موجود ہیں۔

زیر جائزہ سال کے دوران، ٹی ایل سی مڈل ایسٹ ٹریڈنگ ایل ایل سی نے شارجہ میں ایک نیارٹھیل اسٹور بھی کھولا، جس سے متحدہ عرب امارات میں اس کی موجودگی مزید مستحکم ہوئی۔ اس برانچ کا نام ٹی ایل سی مڈل ایسٹ ٹریڈنگ ایل ایل سی، شارجہ برانچ 1 رکھا گیا۔

آڈیٹرز کی جانب سے کنسولٹیڈ ایڈ مالیاتی بیانات پر دی گئی رپورٹ میں کی گئی وضاحت کے حوالے سے، ہم نے پاکستان سے باہر موجود ذیلی کمپنیوں کے غیر آڈٹ شدہ مالیاتی بیانات کو کنسولٹیڈ ایڈ مالیاتی بیانات کی تیاری کے لیے استعمال کیا ہے، کیونکہ نشات چونیاں یو ایس اے انک اور سویو انکارپوریشن ریاست نیویارک کے بزنس کارپوریشن قوانین کے تحت قائم کی گئی ہیں اور وہاں کے قوانین کے مطابق ان ذیلی کمپنیوں کے مالیاتی بیانات کا آڈٹ ضروری نہیں ہے۔ ٹی ایل سی مڈل ایسٹ ٹریڈنگ ایل ایل سی کا آڈٹ مناسب وقت پر کیا جائے گا۔ کنسولٹیڈ ایڈ مالیاتی بیانات میں شامل مذکورہ ذیلی کمپنیوں کے کل اثاثے، کل کاروبار اور خالص منافع کی مالیت معمولی ہے۔

کارپوریٹ سماجی ذمہ داری

سماجی بہبود اور کمیونٹی کی خدمت ہمارے وژن کا لازمی حصہ ہے۔ ہم مختلف ٹیکسز، ڈیویڈنڈ اور لیویز کی ادائیگی کے ذریعے قومی خزانے میں نہ صرف قابل ذکر اضافہ کرتے ہیں بلکہ ہماری برآمدات کی آمدنی ملک کی غیر ملکی زر مبادلہ کی پوزیشن کو مستحکم کرنے میں کافی اہم کردار ادا کرتی ہے۔

ہم مساوی مواقع فراہم کرنے والے آجر ہیں اور ہم اپنے ملازمین کو کام کا ایسا ماحول فراہم کرنے کے لئے مصروف عمل ہیں جو صحت مند، محفوظ اور مسلسل سیکھنے کے لئے موزوں ہو۔ کمپنی میرٹ پر یقین رکھتی ہے اس لئے بلا امتیاز نسل، ثقافت اور جنس، لوگوں کو روزگار فراہم کر رہی ہے۔

نشاط (چونیاں) لمیٹیڈ میں ملازمین کی صحت اور فلاح و بہبود ہماری اولین ترجیحات میں شامل ہے۔ اس سلسلے میں، سلیم میموریل ہسپتال کے تعاون سے ایک ہیلتھ اسکریننگ ڈرائیو کا انعقاد کیا گیا، جس میں ملازمین کو مفت صحت کے معائنے اور ماہر فزیویشن سے مشورے کی سہولت فراہم کی گئی۔

سال 2025-26 میں، کمپنی اپنی ذمہ دارانہ کاروباری پریکٹسز اور کمیونٹی پر مثبت اثرات کے لیے اقدامات جاری رکھے گی۔ پچھلے سال کے اقدامات جیسے ہیڈ آفس میں سولر توانائی کا استعمال، توانائی کی بچت والی ایل ای ڈی لائٹس کی تنصیب، اور ملازمین کو وسائل کے تحفظ کی تربیت دینا کے ساتھ ہم نے قابل تجدید اور موثر توانائی کے حل کو مزید وسعت دی ہے۔ یہ اقدامات کمپنی کی ESG حکمت عملی کی عکاسی کرتے ہیں، جس میں وسائل کا ذمہ دارانہ استعمال، مستحکم گورننس، اور اسٹیک ہولڈرز کے لیے طویل مدتی قدر کی تخلیق شامل ہے۔

مزید برآں، اسپننگ اور ویونگ ملوں میں استعمال ہونے والی پانی مقامی کسانوں کو مفت فراہم کیا جاتا ہے۔ کول پاور پلانٹ ایک جدید ترین آن لائن اخراج کی نگرانی کے نظام سے لیس ہے تاکہ یہ یقینی بنایا جاسکے کہ اخراج بین الاقوامی اور مقامی معیارات کے مطابق ہو۔ کول پاور پلانٹ کو ہوا کے معیار کی نگرانی کے نظام سے بھی لیس کیا گیا ہے، جو فضا میں آلودگی کی سطح پر نظر رکھتا ہے۔

اپنی فلاحی کوششوں کے ایک حصے کے طور پر، کمپنی سلیم میموریل فاؤنڈیشن (سابقہ میاں محمد یحییٰ ٹرسٹ) کے تحت چلنے والے ایک اسکول کو عطیہ کرتی ہے جو معمولی فیس پر معاشرے کے پسماندہ طبقے کے بچوں کو معیاری تعلیم فراہم کرتا ہے۔

نتیجتاً، صارفین کے آرڈرز مؤثر انداز میں پورے کیے جاسکیں گے جبکہ اعلیٰ معیار کو برقرار رکھا جائے گا۔

ہوم ٹیکسٹائل ڈویژن:

گزشتہ سال کے مستقبل کے امکانات کے مطابق، ہم نے غیر روایتی مارکیٹس میں مواقع تلاش کرنے اور مستحکم مارکیٹس میں پوزیشن مضبوط کرنے کا عزم کیا تھا۔ زیر جائزہ سال میں، یہ کوششیں ہماری سیلزکس میں واضح طور پر نظر آئیں۔ برآمدات میں اضافہ ہوا، جس کی حمایت بڑھتی ہوئی طلب نے کی۔ نمائشوں اور تجارتی تقریبات میں ہماری حکمت عملی کی شرکت نے ایشیا، افریقہ اور آسٹریلیا میں ترقی کے نئے مواقع فراہم کیے۔

یہ علاقائی تبدیلیاں کمپنی کی حکمت عملی کی مثبت پیشرفت کو ظاہر کرتی ہیں، جہاں مارکیٹ کی تنوع اور ترقی کی حکمت عملی مرکز خطرات کو کم کرنے میں مدد فراہم کر رہی ہے۔ آئندہ، ہم ان بنیادوں پر مزید ترقی حاصل کرنے اور تمام اہم مارکیٹس میں مضبوطی قائم رکھنے کے لیے کام جاری رکھیں گے۔

ذیلی کمپنیاں

کمپنی نے بین الاقوامی رپورٹنگ معیارات اور کمپنیز ایکٹ 2017 کی ضروریات کے مطابق مشترکہ مالی حسابات کے ساتھ ساتھ الگ مالی حسابات بھی منسلک کئے ہیں۔

| مالی جھلکیاں | 2025 (روپے بلین میں) | 2024 (روپے بلین میں) |
|--|----------------------|----------------------|
| کل آمدنی | 85,505 | 89,045 |
| مجموعی منافع | 8,973 | 11,065 |
| قبل از محصول منافع | 1,821 | 1,264 |
| مصولوات | 1,070 | 553 |
| فی شیئر آمدنی (بنیادی اور معتدل)۔ روپے | 3.13 | 2.96 |

نشاط چونیوں لمیٹڈ کی تمام ذیلی کمپنیوں کی مختصر تفصیل درج ذیل ہے:

نشاط چونیوں پوائس اے انکارپوریشن، بزنس کارپوریشن لاز آف دی سٹیٹ آف نیویارک کے تحت غیر ملکی ذیلی انکارپوریشن ہے۔ مکمل ذیلی کمپنی ہے اور اس کا مقصد ہولڈنگ کمپنی کے مارکیٹنگ ڈیپارٹمنٹ کے ساتھ رابطہ رکھنا اور امریکی مارکیٹ سے متعلقہ رسائی، معلومات اور دیگر خدمات مہیا کرنا ہے اور امریکہ میں مقامی ریٹیلرز کو ہوم ٹیکسٹائل مصنوعات درآمد اور تقسیم کرنا ہے۔

سوئیو انکارپوریشن، بزنس کارپوریشن لاز آف دی سٹیٹ آف نیویارک کے تحت غیر ملکی ذیلی انکارپوریشن ہے۔ سوئیو انکارپوریشن کا اصل کاروبار اپنے گھریلو صارفین کے لیے گھریلو ٹیکسٹائل مصنوعات کی ای کامر پر فروخت ہے۔ Sweave Inc. نشاط چونیوں USA Inc کا مکمل ملکیتی ذیلی ادارہ ہے۔

نشاط چونیوں پراپرٹیز (پرائیویٹ) لمیٹڈ، ایک پرائیویٹ لمیٹڈ کمپنی ہے جسے پاکستان میں کمپنیز ایکٹ 2017 کے تحت 31 جنوری 2022 کو رجسٹر کیا گیا تھا۔ نشاط چونیوں پراپرٹیز (پرائیویٹ) لمیٹڈ کا کاروبار ہر قسم کی ریل اسٹیٹ کی مارکیٹنگ اور ترقی ہے، بشمول آبادیاں غیر آباد زمین، ہاؤسنگ یا تجارتی منصوبے بشمول کمرشل مارکیٹس یا کثیر المنزلہ عمارت (تجارتی یا رہائشی مقاصد کے لیے)، شاپنگ سینٹرز، ریسٹوران، ہوٹل، تفریحی سہولیات وغیرہ۔

چیلنجز کے باوجود، ہم معیاری مصنوعات اور بہترین سروس فراہم کرنے کے اپنے عزم پر قائم ہیں۔ مارکیٹ میں مسابقت سے نمٹنے اور اپنے صارفین تک رسائی بڑھانے کے لیے، ہم نے ملک بھر میں ریٹیل موجودگی میں توسیع کی حکمت عملی اپنائی ہے تاکہ صارفین کے لیے سہولت اور دستیابی بہتر ہو۔ ہمیں یقین ہے کہ یہ حکمت عملی نہ صرف موجودہ چیلنجز پر قابو پانے میں مدد دے گی بلکہ TLC کو مستقبل میں پائیدار ترقی کے لیے مضبوط پوزیشن فراہم کرے گی۔

آن لائن کاروبار کی بڑھتی ہوئی اہمیت کو مد نظر رکھتے ہوئے، کمپنی نے اپنی مکمل ملکیت والی ذیلی کمپنی، TLC Middle East Trading L.L.C کے ذریعے عالمی توسیع کو برقرار رکھا۔ اس سال ذیلی کمپنی نے اپنی سالانہ آمدنی میں 25% اضافہ ریکارڈ کیا، جس کی بنیادی وجہ Amazon ای-کامرس پلیٹ فارم پر مضبوط کارکردگی رہی۔ آن لائن آپریشنز کے علاوہ، TLC Middle East Trading L.L.C نے شارجہ میں نیافزیکل ریٹیل آؤٹ لیٹ بھی قائم کیا، جس سے متحدہ عرب امارات میں کمپنی کی موجودگی مضبوط ہوئی اور اومنی چینل حکمت عملی کے ذریعے صارفین کے لیے رسائی میں بہتری آئی۔

پاور

ہمارے پاس 46 میگا واٹ کا کونلمہ بجلی گھر ہے جو ہمارے اسپننگ اور ویونگ یونٹس کی توانائی کی ضروریات پوری کرتا ہے، جبکہ اضافی پیدا شدہ بجلی کو قریبی دیگر بڑے صارفین (Bulk Power Consumers) کو فراہم اور فروخت کیا جاتا ہے۔ LESCO اور SNGPL کی بڑھتی ہوئی شرحوں کے پیش نظر، ہمارا کونلمہ بجلی گھر سب سے معاشی اور موثر ذریعہ توانائی فراہم کرتا ہے، جو ہماری ملز کو مارکیٹ میں مسابقتی برتری دیتا ہے۔

اضافی سہولت کے طور پر، ہمارے پاس 15 میگا واٹ کی گیس جزیٹرز بھی موجود ہیں، اور LESCO سے بجلی کی سپلائی بھی دستیاب ہے، جس سے آپریشنز میں استحکام اور بیک اپ سپورٹ یقینی بنایا گیا ہے۔

مستقبل کا جائزہ

کاروباری منظر نامہ اور مستقبل کے امکانات

کمپنی کا کاروباری منظر نامہ معاشی حالات اور سیاسی استحکام سے براہ راست جڑا ہوا ہے۔ موجودہ حالات میں، بیرونی مارکیٹس، تجارتی پابندیاں، سیاسی استحکام، قرضوں کی لاگت میں کمی اور کم ہوتی ہوئی مہنگائی نے مارکیٹ میں مثبت رجحان کو فروغ دیا ہے۔

اسپننگ ڈویژن:

انتظامیہ اسپننگ بزنس کی بحالی کے حوالے سے پر امید ہے، جس کی بنیاد پاکستانی یارن کی بڑھتی ہوئی عالمی طلب ہے۔ کمپنی اپنی حکمت عملی کے مطابق اوپن اینڈ یارن پیداوار کی صلاحیت میں اضافہ کر رہی ہے اور ساتھ ہی مصنوعات کے معیار کو بہتر بنا رہی ہے تاکہ مسابقتی پوزیشن مضبوط کی جاسکے۔ مزید برآں، ایکسپورٹ فیسیلیٹیشن اسکیم کے حالیہ خاتمے کو ملکی ویلیو چین کے فروغ کے لیے مثبت موقع کے طور پر دیکھا جا رہا ہے، جس سے پاکستانی فیبرک اور کپڑوں کے صنعت کاروں کے لیے یارن کی انورڈ پیسلیٹی بڑھتی ہے اور مقامی طلب کو مستحکم کیا جاسکتا ہے۔

اگرچہ ملکی کپاس کی پیداوار میں کمی دیکھی گئی ہے، درآمد شدہ کپاس کی سازگار قیمتیں کمپنی کی سوریسٹ حکمت عملی کے مطابق ہیں، جس سے خام مال کی دستیابی اور لاگت کی کفایت ممکن ہوئی ہے۔ انتظامیہ ایکسپورٹ مارجنز پر ممکنہ خطرات کو کم کرنے کے لیے ہدفی مارکیٹ کی حکمت عملی پر کام کر رہی ہے، جس سے اعلیٰ قدر والے بین الاقوامی صارفین پر توجہ مرکوز کی جاسکے۔ اس کے علاوہ، سماجی تعمیل کے اقدامات بھی برآمدات کی پائیدار ترقی میں مدد فراہم کریں گے اور کمپنی کی عالمی مارکیٹ میں پوزیشن کو مضبوط کریں گے۔

ویونگ ڈویژن:

ویونگ ڈویژن کی صلاحیت میں توسیع کی جا رہی ہے تاکہ صارفین کی بڑھتی ہوئی طلب کو پورا کیا جاسکے۔ اس ضمن میں، موجودہ سیٹ اپ میں کئی نئے لوم شامل کیے جا رہے ہیں، جن میں 8 جیکو ارڈ لوم بھی شامل ہیں۔ اس توسیع سے پیداوار کی مجموعی صلاحیت بڑھتی ہے اور پیچیدہ اور اعلیٰ قدر والے فیبرک ڈیزائنز کی پیداوار میں چلک میں اضافہ ہوتا ہے۔

ڈویژن کے نتائج پر عالمی سطح پر کمپاس کی قیمتوں میں مسلسل گراؤٹ نے بھی گہرا اثر ڈالا، جو پورے سال اپنی کم ترین سطح پر رہیں۔ اس کے نتیجے میں، گزشتہ سال کے مقابلے میں فروخت کی قیمت کا فرق کمپنی کے حق میں نہ رہا۔ ان چیلنجز کے ساتھ ساتھ، ٹیکس مراعات کی کمی اور کم از کم اجرت میں اضافے نے بھی خاص طور پر اسپننگ ڈویژن کی منافع بخشی کو متاثر کیا۔ تاہم، مینجمنٹ اس صورتحال سے نمٹنے کے لئے فعال اقدامات کر رہی ہے۔ بہتر سورسنگ اسٹریٹیجیز، موثر انویسٹری مینجمنٹ، اخراجات پر قابو اور آپریشنل کارکردگی میں بہتری کے ذریعے مستقبل کی کارکردگی پر مثبت اثرات مرتب ہونے کی توقع ہے۔

اس کے ساتھ ہی، کمپنی نے کامیابی کے ساتھ مزید contamination sorter مشینیں نصب کی ہیں جنہوں نے مصنوعات کے معیار اور پیداواریت میں نمایاں بہتری پیدا کی ہے۔

ویونگ

ویونگ ڈویژن نے سال بھر اپنی ترقی کا سلسلہ جاری رکھا اور فروخت 13.64 ارب روپے کی ریکارڈ بلند سطح پر پہنچ گئی، جو گزشتہ مالی سال 2024 کے مقابلے میں 19 فیصد زیادہ ہے۔ اس کارکردگی میں بنیادی کردار مقامی مارکیٹ کا رہا، جہاں مقامی فروخت میں 25 فیصد اضافہ ریکارڈ کیا گیا اور یہ کل آمدنی کا بڑا حصہ رہی۔

عالمی معاشی حالات اور ملکی سیاسی منظر نامہ ٹیکسٹائل کاروبار کے لیے سازگار نہیں ہیں۔ تاہم، انتظامیہ کا یقین ہے کہ بہتر سورسنگ حکمت عملی، منافع کے تناسب پر توجہ، اور عملی کارکردگی میں بہتری اس شعبے میں ترقی اور منافع بخشی کے لیے محرک ثابت ہوں گے۔

کمپنی ایک جدید ترین سائزنگ مشین کی تنصیب جاری رکھے ہوئے ہے، جو پیداوار کی استعداد میں نمایاں اضافہ اور فضلے میں کمی کا باعث بنے گی۔ یہ آپ گریڈیشن بہتر نتائج اور مجموعی شعبے کی عملی کارکردگی میں بہتری میں مددگار ثابت ہوگی۔

ہوم ٹیکسٹائل

مالی سال کے دوران، ہوم ٹیکسٹائل کی فروخت 22.18 ارب روپے رہی۔ ملکی ٹیکسٹائل شعبے کے لیے آپریٹنگ ماحول چیلنجز سے بھر رہا، جس میں مسلسل مہنگائی، ایندھن اور توانائی کی بلند قیمتیں، اور درآمد شدہ خام مال کی بڑھتی ہوئی لاگت شامل ہیں۔ اس کے ساتھ بلند شرح سود، کرنسی کی اتار چڑھاؤ اور حکومت کی توانائی سبسڈی کے خاتمے نے کاروباری لاگت پر مزید باؤ ڈالا۔

ان مشکلات کا مقابلہ کرنے کے لیے کمپنی نے توانائی اور پیداواری لاگت میں کمی کے اقدامات کیے۔ ہمارا 1.6 میگا واٹ سولر پاور پلانٹ سچنگ اور ڈائنگ یونٹس کو بجلی فراہم کرتا رہا، جس سے اہم بچت کے ساتھ گروڈ کے غیر مستحکم نرخوں سے تحفظ بھی حاصل ہوا۔ مزید برآں، ہم نے سال کے دوران بائو ماس پر مبنی بھاپ پیدا کرنے کا نظام کامیابی سے نصب کیا، جس سے کونلے کے استعمال کو مکمل طور پر ترک کیا گیا۔ اس اقدام سے لاگت میں کمی کے ساتھ ساتھ ماحولیاتی پائیداری میں بھی بہتری آئی، اور گرین ہاؤس گیس کے اخراج میں خاطر خواہ کمی ہوئی۔

اگرچہ پورے شعبے میں منافع کے تناسب اور لیکویڈیٹی پر دباؤ رہا، لیکن ہمارے اقدامات نے کمپنی کی مضبوطی اور مقابلہ کرنے کی صلاحیت کو بہتر بنایا ہے۔ توانائی کے اخراجات کا فعال انتظام اور پائیداری پر توجہ دینے کے نتیجے میں، ہم FY 2025-26 میں اپنے کاروباری عمل کو مؤثر انداز میں جاری رکھنے اور فروخت و منافع میں ترقی کے مواقع سے بھرپور فائدہ اٹھانے کے لیے بہتر پوزیشن میں ہیں۔

دی لینن کمپنی (TLC) نے گزشتہ سال کے مقابلے میں 0.4% آمدنی میں اضافہ حاصل کیا، حالانکہ ہوم ٹیکسٹائل مارکیٹ میں مقابلہ سخت رہا اور بڑھتی ہوئی مہنگائی کے باعث صارفین کی خریداری کی قوت میں کمی واقع ہوئی۔ یہ مثبت نتیجہ ہماری عزم کو ظاہر کرتا ہے کہ ہم اعلیٰ معیار کی مصنوعات اور بہترین کسٹمر سروس فراہم کرنے کے لیے مسلسل کوشاں ہیں۔

سال کے دوران آپریشنل کارکردگی کی صلاحیت بہتر بنانے کے لئے ٹیکسٹائل کے مختلف شعبوں میں اہم سرمایہ کاری گئی۔ مختصر جائزہ حسب ذیل ہے:

| سرمایہ کاری (روپے ملین میں) | مشینری کا اضافہ | کاروبار کا شعبہ |
|-----------------------------------|---|-----------------|
| 181 98 61 19 17 15 | آٹو کور و بلوروم کی عمارت کاٹن گودام (سپیننگ 06 کنٹینر ٹرمینیشن سورٹر 04 زومر ٹرمینیشن سورٹر آرائیکس 300 رنگ مشین (مکمل اپٹیمنٹ) 02 آرائیکس 240 رنگ مشین (مکمل اپٹیمنٹ) 02 فورک لفٹر 01 | سپینگ |
| 188 7.8 7.8 | نئی اسپن سائزنگ مشین TTS30S ٹائپ (01 عدد) سیکرو لنگ مشین (لمبائی "140- مین اسکرین) (02 عدد) پکینیول کے لیے 100 فریز 158x158 ہائبرڈ | ویونگ |
| 437 28.6 16 13 6.7 | بایوماس بوائلر ویسٹ ہیٹ ریکوری بوائلر کوٹھ مینڈارن (3130) سنگل اور ڈبل کے لیے) پولیمیرائزر اور نچ (3531/9) رائونڈنگ سمیت) ڈک فیڈر تکبہ بھرنے کی مشین | ہوم ٹیکسٹائل |

شعبہ دارآمدنی

اسپینگ

اسپینگ کاروبار نے گزشتہ سال کے مقابلے میں اپنی کارکردگی میں کچھ بہتری تو دکھائی، مگر سوت کے شعبے میں کاروباری فضا پورے سال چیلنجز کا شکار رہی۔ مالی سال 2025 میں اس ڈویژن کی فروخت روپے 48.5 ارب رہی جو پچھلے سال کے مقابلے میں %11.92 کم ہے۔

اس کے باوجود خوش آئند بات یہ ہے کہ مقامی مارکیٹ نے اپنی مضبوط پوزیشن برقرار رکھی اور اسپینگ ریونیو میں %82 حصہ ڈالا۔ مقامی فروخت میں %11 اضافہ اس بات کی عکاسی کرتا ہے کہ اندرون ملک مانگ اب بھی حوصلہ افزا ہے۔ برعکس اس کے، برآمدات دباؤ کا شکار ہیں کیونکہ چین اور بنگلہ دیش جیسے بڑے بازاروں میں مانگ سست روی کا شکار رہی، جبکہ سرحد پار جغرافیائی کشیدگیوں نے بھی منفی اثر ڈالا۔

رواں سال اسپینگ بزنس کو شدید دباؤ کا سامنا رہا۔ زیادہ پیداواری لاگت، سخت ٹیکس اصلاحات اور درآمدی یارن پر ڈیوٹی میں چھوٹ نے مقامی صنعت کو غیر مسابقتی بنا دیا ہے، نتیجتاً، چین اور ویتنام نے کم قیمتوں کی بدولت ہماری مارکیٹ شیمز کا بڑا حصہ حاصل کر لیا، جس کے باعث کئی پاکستانی اسپینگ ملز کو اپنی سرگرمیاں بند کرنی پڑیں۔

مزید برآں، ملک میں کپاس کی پیداوار میں بھی نمایاں کمی آئی۔ اس سال کپاس کی آمد محض 5.5 ملین بیلز رہی جو گزشتہ سال کی 8.4 ملین بیلز کے مقابلے میں خاصی کم ہے۔ پنجاب اور سندھ میں پیداوار کی کمی نے اس تنازلی کو مزید بڑھا دیا ہے۔

مجلس نظماء کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون، 2025 کو اختتام شدہ مالی سال کے لئے مالیاتی نتائج پیش کرنے پر خوش ہیں جس میں محاسب شدہ ضم اور غیر ضم شدہ مالیاتی بیانات شامل ہیں۔

مالی سال 2024-25 کا کارکردگی جائزہ

مالی سال 2024-25 میں کمپنی کی کارکردگی معتدل رہی، جس میں آمدنی سال 2024 کے 88.8 ارب روپے سے کم ہو کر 85.4 ارب روپے رہی۔ مجموعی فروخت میں پچھلے سال کے مقابلے میں 3.9 فیصد کمی دیکھی گئی۔ فروخت میں یہ کمی بنیادی طور پر سپننگ ڈویژن کی کارکردگی میں 12 فیصد کمی کی وجہ سے ہوئی، جبکہ اس کے برعکس یونگ اور ہوم ٹیکسٹائل ڈویژنز میں بالترتیب 19 فیصد اور 3 فیصد اضافہ ریکارڈ کیا گیا۔

فروخت اور متعلقہ مارجنز میں کمی کی وجہ سے مجموعی منافع بھی کم ہوا اور 2024 کے 12.27 فیصد سے کم ہو کر 10.34 فیصد ہو گیا۔

تاہم خالص منافع میں معمولی بہتری دیکھی گئی ہے اور خالص منافع 789 ملین روپے ریکارڈ کیا گیا، جو کل آمدنی کا 0.92 فیصد ہے، جبکہ پچھلے سال یہ شرح 0.78 فیصد تھی۔ اس بہتری کی وجہ بہتر مالی انتظام اور قرض لینے کی لاگت میں 38 فیصد کمی ہے جس کے نتیجے میں مالیاتی لاگت 8.4 ارب روپے رہی۔

انتظامیہ کا موقف ہے کہ نتائج کو مزید بہتر بنایا جاسکتا ہے، بشرطیکہ موثر لاگت پر موثر کنٹرول، بہتر ٹیکس پلاننگ، اور محتاط مالی حکمت عملیوں پر مستقل عمل کیا جائے۔

سال کا جائزہ

| مالیاتی جھلکیاں | مختتمہ سال 2025 | مختتمہ سال 2024 | اضافہ/کمی (فیصد) |
|--------------------------|-----------------|-----------------|------------------|
| فروخت (روپے) | 85,427,485,908 | 88,879,551,818 | -3.9% |
| مجموعی منافع (روپے) | 8,833,311,491 | 10,909,256,322 | -19% |
| آپریٹنگ منافع (روپے) | 6,686,939,603 | 8,997,839,256 | -26% |
| بعد از ٹیکس منافع (روپے) | 789,206,120 | 691,671,497 | 14% |
| مجموعی منافع فیصد | 10.34% | 12.27% | |
| بعد از ٹیکس منافع فیصد | 0.92% | 0.78% | |
| نی شیئر آمدنی (روپے) | 3.29 | 2.88 | |

منافع کی تقسیم

مجلس نظماء نے موجودہ مالی سال کے دوران فی حصص ایک روپے کا حتمی منافع تجویز اور اعلان کیا ہے۔ یہ سال کے دوران دیئے گئے عبوری منافع (فی حصص 1 روپے) کے علاوہ ہے جو پہلے ہی حصص داران کو دیا جا چکا ہے۔

چیز مین کی جائزہ رپورٹ

یہ بات میرے لئے بے حد باعث مسرت ہے کہ میں آپ کے سامنے 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے نشاط چونیوں لمیٹڈ کے بورڈ آف ڈائریکٹرز کے کلیدی کردار کے ساتھ ساتھ اختتام شدہ مالی سال کا اقتصادی اور مالی جائزہ پیش کر رہا ہوں۔

کمپنی کی فروخت 2024 کے 88.8 ارب روپے کے مقابلے میں 2025 میں قدرے کم ہو کر 85.43 ارب روپے رہ گئی، جو سال بہ سال 3.88 فیصد کی تیزی کو ظاہر کرتی ہے۔ تاہم فروخت میں کمی کے باوجود خالص منافع 789.2 ملین روپے رہا اگرچہ مجموعی منافع کا مارجن کم ہوا، لیکن خالص مارجن میں معمولی بہتری دیکھنے میں آئی جس کی بنیادی وجہ بہتر مالیاتی انتظام ہے۔

نشاط چونیوں لمیٹڈ کو اپنے بورڈ پر فخر ہے جو کمپنی کی اسٹریٹجک سمت کو متعین کرتا ہے اور بلاشبہ اس کی بنیادی طاقت ہے۔ بورڈ، ڈائریکٹرز اور ان کی کمیٹیوں کے حوالے سے سلیڈ کمپنیز کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے تقاضوں کے ساتھ ساتھ کمپنیز ایکٹ 2017 کے تحت جاری کردہ ہدایات کی تعمیل کی گئی ہے۔

کمپنی کے بورڈ میں سات اراکین شامل ہیں جو متنوع پس منظر کے حامل ہیں اور کمپنی کے کاروبار سے متعلقہ علم اور تجربہ رکھتے ہیں۔ تمام ڈائریکٹرز بشمول آزاد ڈائریکٹرز نے بورڈ کے فیصلہ سازی کے عمل میں بھرپور حصہ لیا اور موثر کردار ادا کیا۔ سات ممبران پر مشتمل بورڈ اپنی ساخت میں تنوع کی عکاسی کے ساتھ ساتھ متعدد نقطہ نظر اور جدت کو فروغ دیتا ہے، اور رسک منجمنٹ اور نگرانی کے عمل کو مضبوط بناتا ہے۔

سال کے دوران، بورڈ کی تشکیل میں تبدیلیاں کی گئیں۔ محترمہ سحر عادل کو 31 دسمبر 2024 سے محترمہ انوش نارزین کی جگہ ڈائریکٹر کے طور پر مقرر کیا گیا تھا، جنہوں نے 26 نومبر 2024 کو اپنا استعفیٰ دے دیا تھا۔

مزید برآں محمد اعظم صدیقی نے کمپنی کے چیز مین کے عہدے سے استعفیٰ دے دیا اور ان کی جگہ شہزاد سلیم کی تقرری یکم مارچ 2025 سے نافذ العمل ہے۔ اسی تاریخ کو شہزاد سلیم نے چیف ایگزیکٹو آفیسر کے عہدے سے استعفیٰ دے دیا اور ان کی جگہ زین شہزاد کی تقرری نشاط چونیوں لمیٹڈ کے چیف ایگزیکٹو آفیسر کی حیثیت سے ہوئی۔

بورڈ کی کارکردگی، جیسے ایک جامع معیار کے تحت جانچا اور پرکھا جاتا ہے، نے ان کی اعلیٰ قابلیت اور مستعدی کو واضح کیا ہے۔ ظاہر کیا گیا ہے۔ بورڈ کی کامیابیوں کی نمایاں خصوصیات درج ذیل ہیں:

- کمپنی کے وژن، مشن اور اقدار کو واضح طور پر سمجھنا اور ہر سطح پر ان کی تعمیل کو یقینی بنانا؛
- اسٹریٹجک منصوبے تیار کرنا اور باخبر فیصلے کرنا جو کمپنی اور اس کے اسٹیک ہولڈرز کے مفادات کے مطابق ہوں۔
- کاروباری کارکردگی اور معاملات کا مسلسل جائزہ لینا اور آڈیٹرز کے ساتھ ساتھ کونسلٹنٹس کے مشاہدات کو مد نظر رکھنا (جیسا کہ اور جہاں قابل اطلاق ہو)؛
- ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز، بشمول آزاد ڈائریکٹرز کا متنوع امتزاج برقرار رکھنا اور کلیدی فیصلوں میں مناسب شمولیت کو یقینی بنانا؛
- اہم سرمایہ کاری کے فیصلوں کا جائزہ لینا؛
- موثر ماحول اور کارپوریٹ گورننس کے بہترین طریقوں کو برقرار رکھنا اور یقین دہانا۔

مزید برآں، سال بھر کے تمام اہم مسائل بورڈ اور اس کی کمیٹیوں کے سامنے پیش کیے گئے۔ آڈٹ کمیٹی اور ایچ آر اینڈ آئی سی کے بورڈ کے افعال کو مضبوط بنانے میں بھرپور معاونت فراہم کی۔ بورڈ نے عالمی بہترین طریقہ کار کے مطابق مزید بہتری کے ممکنہ شعبوں کی نشاندہی کرنے کے لیے خود تنقیدی جائزہ بھی لیا۔

آخر میں، میں اپنے بورڈ آف ڈائریکٹرز، ملازمین، حصص یافتگان، صارفین، بینکرز، ریگولیٹری اتھارٹیز، اور دیگر اسٹیک ہولڈرز کا اس ادارے پر ان کے مسلسل تعاون اور اعتماد کے لئے شکر یہ ادا کروں گا۔

Fauzad Sami

شہزاد سلیم

چیز مین

تاریخ: 19 ستمبر 2025

لاہور

پراکسی فارم

میں / ہم _____
 ساکن _____
 شناختی کارڈ (CNIC) / پاسپورٹ نمبر _____ کا حامل / رکھنے والا،
 اور نشاط چونیاں لمیٹڈ کارکن ہونے کے ناطے، بذریعہ یہ پراکسی نامزد کرتا / کرتے ہیں:
 نام پراکسی: _____
 ساکن: _____
 شناختی کارڈ (CNIC) / پاسپورٹ نمبر _____

جو کہ نشاط چونیاں لمیٹڈ کے رکن ہیں، تاکہ وہ میری / ہماری غیر موجودگی میں میری / ہماری طرف سے کمپنی کے سالانہ عام اجلاس جو کہ 22 اکتوبر 2025 بروز بدھ صبح 11:00 بجے
 31-Q، گلبرگ-II، لاہور میں منعقد ہوگا، اور اس کے کسی بھی ملتی شدہ اجلاس میں شرکت کرے اور ووٹ ڈال سکے۔

گواہی کے طور پر یہ فارم میرے / ہمارے دستخط / مہر کے ساتھ، یہ _____ دن _____، 2025 کو مکمل کیا گیا۔

رکن کے دستخط

(براہ کرم پچاس روپے کار یونیورسٹا مپ چسپاں کریں)

| گواہان گواہ نمبر | دستخط | نام | پتہ | شناختی کارڈ نمبر |
|---------------------|-------|-------|-------|------------------|
| 1 | _____ | _____ | _____ | _____ |
| 2 | _____ | _____ | _____ | _____ |

براہ کرم درج کریں:

فولیو نمبر: _____ رکھے گئے حصص: _____ سی ڈی سی اکاؤنٹ نمبر: _____

ہدایات

- پراکسی فارم مکمل کر کے کمپنی کے رجسٹرڈ آفس نشاط چونیاں لمیٹڈ، 31-Q، گلبرگ-II، لاہور پر اجلاس کے وقت سے کم از کم 48 گھنٹے قبل جمع کرایا جانا ضروری ہے۔
- پراکسی فارم پر دو گواہوں کے دستخط ہونے چاہئیں، جن کے نام، پتے اور شناختی کارڈ / پاسپورٹ نمبر واضح درج ہوں۔
- پراکسی فارم کے ساتھ، نامزد کنندہ اور پراکسی ہولڈروں کے شناختی کارڈ / پاسپورٹ کی مصدقہ نقول منسلک کرنا لازمی ہیں۔
- پراکسی ہولڈر کو اجلاس کے وقت اپنا اصل شناختی کارڈ ساتھ لانا ہوگا۔
- کارپوریٹ ادارے کی صورت میں، پراکسی فارم کمپنی کے مجاز نمائندے کے دستخط سے جمع ہوگا جو کہ بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد کے تحت نامزد ہو۔ قرارداد بورڈ آف ڈائریکٹرز / پاور آف اٹارنی بمعہ دستخط کی نقل پراکسی فارم کے ساتھ جمع کرنا لازمی ہے۔

“یہ مزید منظور کیا گیا کہ بورڈ کے ذریعے کیے گئے یہ لین دین حصص داروں کے ذریعے بھی منظور شدہ تصور کیے جائیں گے اور اگلی سالانہ عام اجلاس میں ان کی رسمی توثیق/منظوری کے لیے پیش کیے جائیں گے۔”

ایجنڈا آئٹم-7

کمپنی کے ڈائریکٹرز کی سفارشات کے مطابق، کمپنیز ایکٹ، 2017 کے سیکشن 182 کے تحت درج ذیل قراردادوں کو عام قرارداد کے طور پر منظور کرنے کے لیے،

(ترمیم/بغیر ترمیم کے ساتھ):

“یہ منظور کیا گیا کہ کمپنی کے اراکین کی منظوری حاصل ہو کہ کمپنیز ایکٹ، 2017 کی شرائط کی پابندی اور مطلوبہ ریگولیٹری منظوری کے تابع، کمپنی کی ایگزیکٹو ڈائریکٹر محترمہ نادیہ بلال کو پانچ سال میں قابل واپسی، سود بردار ہائشی قرضہ کی منظوری دی جاتی ہے، جس کی حدود ملین روپے تک ہو سکتی ہے۔”

“یہ مزید منظور کیا گیا کہ چیف فنانشل آفیسر اور/یا کمپنی سکرٹری کو یہ اختیارات دیے جاتے ہیں کہ وہ تمام قانونی کارروائیوں، معاہدوں پر دستخط اور دیگر ضروری دستاویزات کی تیاری سمیت تمام ضروری اقدامات کریں تاکہ مذکورہ بالا قرارداد پر عمل درآمد ممکن ہو سکے۔”

میں/ہم بذریعہ ڈاک بیلٹ مندرجہ بالا قراردادوں کے حق میں یا مخالفت میں اپنا/اپنا ووٹ استعمال کرتا/کرتے ہیں، جیسا کہ مناسب خانے میں نشان لگا کر ظاہر کیا گیا ہے۔

| نمبر | قرارداد کی تفصیل اور نوعیت | میں/ہم قرارداد کے حق میں | میں/ہم قرارداد کی مخالفت میں |
|------|-----------------------------------|--------------------------|------------------------------|
| ۱۔ | خصوصی قرارداد برائے ایجنڈا آئٹم-5 | | |
| ۲۔ | خصوصی قرارداد برائے ایجنڈا آئٹم-6 | | |
| ۳۔ | خصوصی قرارداد برائے ایجنڈا آئٹم-7 | | |

دستخط حصص دار/پراکسی ہولڈر دستخط/اجازت کنندہ دستخط
(کارپوریٹ انٹٹی کی صورت میں براہ کرم کمپنی کی مہر لگائیں)

مقام

تاریخ

۱۔ پر شدہ بیلٹ پیپر بذریعہ ڈاک بمقام Q-31، گلبرگ II، لاہور پر بھیجا جاسکتا ہے یا بذریعہ ای میل پر درج ذیل ای میل پر بھیجا جاسکتا ہے generalmeetings@nishat.net

۲۔ بذریعہ ڈاک بیلٹ کے ساتھ شناختی کارڈ نمبر (CNIC)، NICOP / پاسپورٹ نمبر (بیرون ملک مقیم کے لیے)

۳۔ ڈاک کے ذریعے بھیجا گیا بیلٹ فارم 21-10-2025 تک شام 5:00 بجے سے قبل اجلاس تک پہنچانا ضروری ہے۔ اس تاریخ/وقت کے بعد موصول ہونے والا کوئی بھی ڈاک بیلٹ ووٹنگ کے لیے قابل قبول نہیں ہوگا

۴۔ کسی کارپوریٹ ادارے، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں، بیلٹ فارم کے ساتھ مجاز شخص کا شناختی کارڈ (CNIC) کی کاپی، بورڈ ریزولوشن/پاور آف اٹارنی/اجازت نامہ وغیرہ کی مصدقہ کاپی منسلک کرنا لازمی ہے، جیسا کہ کمپنیز ایکٹ، 2017 کے سیکشن 138 یا 139 کے تحت لاگو ہوتا ہے۔ غیر ملکی کارپوریٹ ادارے کی صورت میں، تمام دستاویزات پاکستان کے متعلقہ تعلقہ جزل کے ذریعہ تصدیق شدہ ہونی چاہئیں۔

۵۔ ڈاک بیلٹ پر دستخط، شناختی کارڈ (CNIC)، نائیکوپ (NICOP) / پاسپورٹ (بیرون ملک مقیم کے لیے) پر موجود دستخط سے مماثل ہونے چاہئیں۔

۶۔ نامکمل، بغیر دستخط کے،

بیلٹ پیپر ووٹنگ بذریعہ ڈاک

خصوصی کاروبار کے لیے بذریعہ ڈاک ووٹنگ نشاط چونیال لمیٹڈ کے سالانہ عام اجلاس منعقدہ بتاریخ 22 اکتوبر 2025 بدھ بمقام Q-31، گلبرگ II، لاہور (بوقت 11:00 بجے صبح) میں ہوگی

پُرشدہ بیلٹ پیپر نامزدای میل پر بھیجا جاسکتا ہے generalmeetings@nishat.net

| | |
|---|--|
| حصص دار/مستترکہ حصص دار کا نام | |
| رجسٹرڈ پتہ | |
| فولیوں نمبر/سی ڈی سی پارٹیسپنٹ / انویسٹر آئی ڈی بمعہ سب اکاؤنٹ نمبر | |
| رکھے گئے حصص کی تعداد | |
| شناختی کارڈ نمبر (CNIC)، NICOP / پاسپورٹ نمبر (بیرون ملک مقیم کے لیے) (کاپی منسلک کی جائے) | |
| اضافی معلومات اور منسلک دستاویزات (کارپوریٹ اداروں، کارپوریشنز اور وفاقی حکومت کے نمائندے کی صورت میں) | |
| مجاز دستخط کنندہ کا نام | |
| مجاز دستخط کنندہ کا شناختی کارڈ، NICOP / پاسپورٹ نمبر (بیرون ملک مقیم کے لیے) (کاپی منسلک کی جائے) | |

میں/ہم بذریعہ ڈاک بیلٹ درج ذیل قراردادوں کے حق میں یا مخالفت میں اپنا/اپنا ووٹ استعمال کرتا/کرتے ہیں، جیسا کہ نیچے مناسب خانے میں نشان لگا کر ظاہر کیا گیا ہے۔

خصوصی کاروبار - قراردادیں

ایجنڈا آئٹم-5

کمپنی کے متعلقہ فریقین کے ساتھ کیے گئے لین دین کی توثیق اور منظوری کے لیے، جو 30 جون 2025 کو ختم ہونے والے سال کے مالی بیانات میں ظاہر کیے گئے ہیں، درج ذیل خصوصی قرارداد کو منظور کر کے (ترمیم/بغیر ترمیم کے ساتھ):
 "یہ منظور کیا گیا کہ 30 جون 2025 کو ختم ہونے والے سال کے غیر مرمی بوط مالی بیانات کے نوٹ 39 میں ظاہر کیے گئے اور سیکشن (3) 134 کے تحت مواد کی تفصیلی معلومات میں بیان کیے گئے تمام متعلقہ فریقین کے ساتھ کیے گئے لین دین کی تصدیق، منظوری اور توثیق کی جاتی ہے۔"

ایجنڈا آئٹم-6

کمپنی کے بورڈ آف ڈائریکٹرز کو اختیار دینے کے لیے کہ وہ 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے متعلقہ فریقین کے ساتھ ہونے والے لین دین کی منظوری دے سکیں، درج ذیل خصوصی قراردادیں منظور کر کے (ترمیم/بغیر ترمیم کے ساتھ):
 "یہ منظور کیا گیا کہ کمپنی کے بورڈ آف ڈائریکٹرز کو 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے متعلقہ فریقین کے ساتھ کیس بہ کیس لین دین کی منظوری دینے کا اختیار حاصل ہو۔"

۴۔ سود کی شرح: سود کی شرح کمپنی کی قلیل مدتی اوسط قرضہ جاتی شرح کا 50 فیصد ہوگا اور یہ ہر سہ ماہی کے اختتام پر از سر نو مقرر ہوگا

۵۔ کمپنی کی جانب سے حاصل شدہ یا حاصل کی جانے والی سیکورٹی: پروویڈنٹ فنڈ کا بیلنس

۶۔ ادائیگی کا شیڈول: پانچ سال میں ادا کیا جائے گا

۷۔ دیگر بنیادی شرائط: معمول کے مطابق

۸۔ ڈائریکٹرز یا ان کے قریبی رشتہ داروں کے لیے کمپنی کی پالیسی: کمپنی کی پالیسی کے مطابق رہائشی قرضہ صرف ایگزیکٹو ڈائریکٹرز کو دیا جاسکتا ہے، بشرطیکہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی منظوری حاصل ہو۔

محترمہ نادیہ بلال بطور دلچسپی رکھنے والی ڈائریکٹر اس لین دین کی ممبران کے لیے منظوری کی سفارش میں حصہ نہیں لیں۔

مندرجہ بالا قراردادوں سے متعلق تمام دستاویزات کمپنی کے رجسٹرڈ دفتر میں کسی بھی کاروباری دن، کاروباری اوقات کے دوران اور اجلاس کے وقت 21 اکتوبر 2025 تک ملاحظہ کے لیے دستیاب ہوں گی۔

| | | |
|-------------|-------------|--|
| | | محترمہ فریال ریاض - کلیدی انتظامی عملہ |
| 6,119,490 | 17,028,495 | دیا گیا قرض |
| 292,851 | 968,790 | وصول کیا گیا سود |
| | | کمپنی کے ڈائریکٹرز |
| - | 120,431,279 | اداشدہ عبوری کیش ڈیویڈنڈ |
| | | ایمپلائمنٹ پروویڈنٹ فنڈ ٹرسٹ - متعلقہ فریق |
| 163,326,509 | 186,769,251 | رقم ادا کی گئی |
| - | 981,500 | اداشدہ عبوری کیش ڈیویڈنڈ |

مندرجہ بالا فریقین کے ساتھ تعلقات کی نوعیت واضح کر دی گئی ہے۔ کلیدی انتظامیہ (چیف ایگزیکٹو آفیسر، ڈائریکٹرز اور ایگزیکٹو حضرات) (کو دی گئی معاوضے کی تفصیل، 30 جون 2025 کو ختم ہونے والے سال کی غیر ضم شدہ مالیاتی بیانات کے نوٹ نمبر 38 میں درج ہے۔ ڈائریکٹرز کی اس قرارداد میں دلچسپی صرف اپنی حصص داری اور متعلقہ فریقین میں ان کی مشترکہ ڈائریکٹرشپس تک محدود ہے۔

ایجنڈا آئٹم نمبر 6- بورڈ آف ڈائریکٹرز کو مالی سال ختم ہونے والے 30 جون 2026 کے لیے متعلقہ فریقین کے ساتھ لین دین کی منظوری دینے کا اختیار کمپنی اپنے متعلقہ فریقین کے ساتھ مالی سال ختم ہونے والے 30 جون 2026 کے دوران معمول کے کاروباری عمل کے تحت لین دین کرے گی۔ بورڈ کے اکثریتی ڈائریکٹرز کی دلچسپی ان کے متعلقہ اداروں میں مشترکہ ڈائریکٹرشپس کی بنیاد پر ہے۔

حصص یافتگان کی منظوری شفاف کاروباری طریقہ کار کو یقینی بنانے کے لیے ضروری ہے کہ وہ بورڈ آف ڈائریکٹرز کو مجاز کریں کہ وہ سال کے دوران، وقتاً فوقتاً اور ہر معاملے کی نوعیت کے مطابق متعلقہ فریقین کے ساتھ لین دین کی منظوری دے سکیں۔ یہ تمام لین دین حصص یافتگان کی طرف سے پہلے سے منظور شدہ تصور کیے جائیں گے۔ مذکورہ لین دین آئندہ سالانہ اجلاس عام میں حصص یافتگان کی باضابطہ منظوری یا تصدیق کے لیے پیش کیے جائیں گے۔

ڈائریکٹرز کی اس قرارداد میں دلچسپی صرف اپنی حصص داری اور/یا متعلقہ فریقین میں اپنی مشترکہ ڈائریکٹرشپس تک محدود ہے۔

ایجنڈا آئٹم نمبر 7- کمپنی کے ڈائریکٹرز کو قرضہ کمپنی کی ایگزیکٹو ڈائریکٹر، محترمہ نادیہ بلال کو سود بردار رہائشی قرض دینے کی تجویز پیش کی گئی ہے، جس کی ادائیگی پانچ سال میں کی جائے گی اور قرضہ کی حد دس ملین روپے تک ہوگی۔ اس لین دین کی منظوری کمپنی کے ممبران سے سالانہ عام اجلاس میں طلب کی گئی ہے۔

SRO 423(I)/2018 مورخہ 03 اپریل 2018 کے تحت درکار معلومات درج ذیل ہیں:

- ۱- نام: محترمہ نادیہ بلال
- ۲- قرض کی تفصیل اور مقصد: رہائشی قرضہ
- ۳- قرض کی رقم: دس ملین روپے تک

کمپنیز ایکٹ، 2017 کے سیکشن 134(3) کے تحت درکار مادی حقائق کا بیان، آئندہ سالانہ عام اجلاس میں زیر غور آنے والے خصوصی معاملات کے سلسلے میں ذیل میں درج کیا جا رہا ہے۔

ایجنڈا آئٹم نمبر 5۔ متعلقہ فریقین کے ساتھ لین دین کی توثیق اور منظوری

متعلقہ فریقوں کے ساتھ کئے گئے لین دین کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن، 2019 کی شق 15 کے مطابق سہ ماہی بنیادوں پر بذریعہ آڈٹ کمیٹی کی تجویز کے مجلسِ نظماء سے منظوری لینے ہوگی۔ تاہم، سال کے دوران کمپنی کے ڈائریکٹرز چونکہ اپنی مشترکہ ڈائریکٹر شپ کی وجہ سے دلچسپی رکھتے تھے، اس لیے ان لین دین کو سالانہ اجلاس عام میں حصص داران کی منظوری کے لیے رکھا جا رہا ہے۔

اگلی مالی حسابات 30 جون 2025 مختتمہ سال کے نوٹ نمبر 39 میں بتائے گئے تمام متعلقہ فریقین کے ساتھ لین دین کے معاملات کی توثیق کی جاتی ہے۔ ایسی تمام لین دین کے معاملات کی ہر جماعت کے حساب سے تفصیلات ذیل میں دی گئی ہیں؛

| 2024 روپے | 2025 روپے | |
|------------|-------------|---|
| 77,199,764 | 129,767,942 | سوئیواکورپوریٹڈ (نشاط چونیوں USA کی مکمل ملکیتی ذیلی کمپنی) سامان کی فروخت |
| 633,140 | 728,022 | نشاط چونیوں پراپرٹیز پرائیویٹ لمیٹڈ (مکمل ملکیتی ذیلی کمپنی) ذیلی کمپنی کے ذمہ ادا کیے گئے اخراجات |
| 1,815,002 | 82,471,007 | ٹی ایل سی ڈیل ایسٹ ٹریڈنگ ایل ایل سی (مکمل ملکیتی ذیلی کمپنی) ذیلی کمپنی کے ذمہ ادا کیے گئے اخراجات |
| 1,198,766 | 11,244,182 | سامان کی فروخت |
| 52,000,000 | 102,000,000 | سلیم میموریل ٹرسٹ ہسپتال (ایسوسی ایٹڈ کمپنی) عطیہ |
| 13,273,677 | 14,951,787 | میاں محمد یحییٰ ٹرسٹ (متعلقہ فریق) عطیہ |
| 1,250,000 | - | پاکستان ٹیکسٹائل کونسل (ایسوسی ایٹڈ کمپنی) |
| 9,900,000 | - | نشاط چونیوں پاور لمیٹڈ (سابقہ ایسوسی ایٹڈ کمپنی) مشترکہ سہولیات کے اخراجات |
| 251,016 | - | ذیلی کمپنی کے ذمہ ادا کیے گئے اخراجات |
| 6,457,568 | - | اخراجات کی واپسی |
| 784,350 | - | آمدنی کی شراکت |

الف) ضابطہ برائے ای ووٹنگ

۱۔ مورخہ 14 اکتوبر 2025 کو کاروبار کے اختتام پر کمپنی کے ممبران کے رجسٹر میں جن ممبران کے درست CNIC نمبر، سیل نمبر، اور ای میل ایڈریس موجود ہوں گے، ای ووٹنگ کی سہولت کی تفصیلات کمپنی ان اراکین کے ساتھ ایک ای میل کے ذریعے شیئر کرے گی۔

۲۔ ای میل کے ذریعے اراکین کو ویب ایڈریس، لاگ ان کی تفصیلات، اور پاس ورڈ سے مطلع کیا جائے گا۔ ممبرز کو سیکورٹی کورڈ سے ایس ایم ایس کے ذریعے سی ڈی سی شیئر رجسٹرار (ای ووٹنگ سروس پرووائڈر) کے ویب پورٹل کے ذریعے مطلع کیا جائے گا۔

۳۔ ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرانک دستخط یا لاگ ان کے ذریعے کی جائے گی۔

۴۔ ای ووٹنگ لائنیں 19 اکتوبر 2025، صبح سے شروع ہوں گی اور 21 اکتوبر 2025 کو شام 5:00 بجے بند ہوں گی۔ ممبران اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار کسی رکن کی طرف سے قرارداد پر ووٹ ڈالنے کے بعد، اسے بعد میں اسے تبدیل کرنے کی اجازت نہیں ہوگی۔

پوسٹل بیلٹ کے ذریعے ووٹ ڈالنے کا طریقہ کار

اراکین اس بات کو یقینی بنائیں گے کہ کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی کے ساتھ صحیح طریقے سے بھرے ہوئے اور دستخط شدہ بیلٹ پیپر میٹنگ کے چیئرمین تک کمپنی کے رجسٹرار ایڈریس نشاٹ چونیاں لمیٹڈ، Q 31 - گلبرگ II، لاہور، پاکستان پر سالانہ اجلاس عام سے ایک دن پہلے ڈاک کے ذریعے پہنچیں یا 21 اکتوبر 2025 کو شام 5 بجے تک generalmeetings@nishat.net پر ای میل کریں۔ بیلٹ پیپر پر دستخط CNIC پر دستخط سے مماثل ہونے چاہیے۔

یہ پوسٹل پول پیپر کمپنی کی ویب سائٹ www.nishat.net سے ڈاؤن لوڈ کرنے کے لیے بھی دستیاب ہے یا اخبارات میں شائع ہونے اس نوٹس کے ساتھ منسلک کو بھی استعمال کر سکتے ہیں۔

براہ کرم نوٹ کریں کہ ایک سے زیادہ ووٹ ڈالنے سمیت ووٹنگ میں کسی تنازعہ کی صورت میں فیصلہ کن اختیار چیئرمین کا ہوگا۔

(ای ووٹنگ سروس پرووائڈر)

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ

۱۱۔ تحائف کی ممانعت

کمپنیز ایکٹ کی دفعہ 185 سرکلر نمبر 2 مورخہ 9 فروری 2018 اور ایس آر۔ او 452(I)/2025 کے مطابق، ایس ای سی پی نے کمپنیوں کو سختی سے پابند کیا ہے کہ وہ حصص داران کو اجلاس کے دوران یا اس کے تعلق سے کسی بھی شکل یا طریقے میں (تحائف یا مراعات جیسے ٹوکن، کوپن، لٹچ، ٹیک اوے یا ٹیکیز وغیرہ) فراہم نہ کریں۔

مشترکہ اکاؤنٹ ہولڈرز کے معاملے میں ود ہولڈنگ ٹیکس کی کٹوتی

وہ اراکین جن کے حصص مشترکہ طور پر رکھے گئے ہیں اور جن میں سے کچھ فائلر اور کچھ نان فائلر ہیں، ان کے معاملے کو علیحدہ علیحدہ نمٹایا جائے گا۔ اس صورت میں ہر اکاؤنٹ ہولڈر کو فائلر یا نان فائلر کے طور پر تصور کیا جائے گا اور ٹیکس اس کی حصص داری کے مطابق کاٹا جائے گا۔

اگر مشترکہ اکاؤنٹ ہولڈرز کی حصص داری واضح نہ ہو تو ہر اکاؤنٹ ہولڈر کو مساوی حصص کا مالک سمجھا جائے گا اور اسی تناسب سے کٹوتی کی جائے گی۔ لہذا، زیادہ شرح پر ٹیکس کٹنے سے بچنے کے لیے، مشترکہ اکاؤنٹ ہولڈرز سے گزارش ہے کہ اپنی حصص داری کی تفصیلات کمپنی کے شیئر رجسٹرار کو زیادہ سے زیادہ سالانہ اجلاس عام کی تاریخ تک فراہم کریں۔

| فولیو/سی ڈی سی اکاؤنٹ نمبر | تعداد حصص | نام بنیادی حصص دار | حصص داری | نام مشترکہ حصص دار اور شناختی کارڈ | حصص داری |
|----------------------------|-----------|--------------------|----------|------------------------------------|----------|
| | | | | | |

ود ہولڈنگ ٹیکس سے استثنیٰ کے لیے درست ٹیکس استثنیٰ سرٹیفکیٹ

ود ہولڈنگ ٹیکس کی کٹوتی سے چھوٹ کے لیے، انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت درست ٹیکس استثنیٰ سرٹیفکیٹ ہونا ضروری ہے۔ وہ اراکین جو انکم ٹیکس آرڈیننس 2001 کے سینڈ شیڈول کے پارٹ IV کے شق 47B کے تحت اہل ہیں اور استثنیٰ حاصل کرنا چاہتے ہیں، انہیں اپنی درست ٹیکس استثنیٰ سرٹیفکیٹ کی کاپی کمپنی کے شیئر رجسٹرار کو حصص منتقلی کتابوں کی بندش کی تاریخ سے قبل فراہم کرنا ہوگی۔ بصورت دیگر، ٹیکس متعلقہ قوانین کے مطابق کٹوتی کیا جائے گا۔

۵۔ زکوٰۃ سے استثنیٰ کے لیے اعلامیہ

ڈیویڈنڈ سے زکوٰۃ ماخذ پر زکوٰۃ و عشر قوانین کے تحت کٹوتی کی جائے گی اور مقررہ مدت میں متعلقہ ادارہ کے پاس جمع کروائی جائے گی۔ جو بھی حصص دار استثنیٰ کا دعویٰ کرنا چاہتا ہے، اس کو عشر آرڈیننس 1980 اور زکوٰۃ کٹوتی و واپسی قواعد 1981 کے رول 4 کے تحت فارم CZ-50 پر زکوٰۃ اعلامیہ ہمارے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹس پرائیویٹ لمیٹڈ کو جمع کروانا ہوگا، بصورت دیگر کوئی استثنیٰ فراہم نہیں کیا جائے گا۔

حصص داران، جب بھی زکوٰۃ اعلامیہ بھیجیں، لازمی طور پر کمپنی کا نام اور اپنے متعلقہ فولیو نمبر / CDC اکاؤنٹ نمبر کا ذکر کریں۔ صرف وہ زکوٰۃ اعلامیہ جو پہلے شعبان سے قبل موصول ہوں، استحقاق کے اہل ہوں گے۔

۶۔ الیکٹرانک ڈیویڈنڈ میٹریٹ

کمپنیز ایکٹ 2017 کی دفعہ 242 کے تحت، کیش ڈیویڈنڈ صرف الیکٹرانک طریقہ کار کے ذریعے اس بینک اکاؤنٹ میں منتقل کیا جائے گا جو حصص دار نے نامزد کیا ہو۔

ڈیویڈنڈ براہ راست اپنے بینک اکاؤنٹ میں وصول کرنے کے لیے، حصص داران (اگر پہلے فراہم نہ کیا ہو) سے درخواست ہے کہ، فزیکل شیئرز کی صورت میں، وہ کمپنی کی ویب سائٹ www.nishat.net پر موجود ای-ڈیویڈنڈ فارم "برائے الیکٹرانک کریڈٹ آف کیش ڈیویڈنڈ پر کریں اور اس پر شدہ اور دستخط شدہ فارم بمعہ درست شناختی کارڈ کی کاپی، کمپنی کے شیئر رجسٹرار میسرز حمید مجید ایسوسی ایٹس پرائیویٹ لمیٹڈ، ایچ۔ ایم ہاؤس، 7 بینک اسکوائر، لاہور کو جمع کروائیں۔

- (iii) - بینیفٹل اونرز اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پراکسی فارم کے ہمراہ جمع کرانا ہوگی۔
 (iv) - پراکسی، اجلاس کے وقت اپنا اصل شناختی کارڈ یا اصل پاسپورٹ مہیا کرے گا/گی۔
 (v) - بصورت کارپوریٹ ادارے، بورڈ آف ڈائریکٹرز قرارداد/مختار نامہ معہ نمونہ دستخط، کمپنی کو پراکسی فارم کے ہمراہ جمع کرانا ہوگا (اگر پہلے مہیا نہیں کئے)۔

نت۔ سالانہ اجلاس عام کی کاروائی میں آن لائن شرکت:

وہ حصص دار جو سالانہ عام اجلاس میں آن لائن شرکت کے خواہشمند ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ درج ذیل معلومات فراہم کردہ ای میل generalmeetings@nishat.net پر بھیج کر کمپنی کے ساتھ اپنی رجسٹریشن کروائیں۔

| نام حصص دار | CNIC نمبر | فولیو نمبر / CDC اکاؤنٹ نمبر | موبائل نمبر | ای میل ایڈریس |
|-------------|-----------|------------------------------|-------------|---------------|
| | | | | |

آن لائن میٹنگ کالنگ اور لاگ ان کی تفصیلات ان اراکین کے ساتھ شیئر کی جائیں گی جنہوں نے منگل، 14 اکتوبر 2025 کو کاروباری اوقات کے اختتام تک تمام مطلوبہ معلومات کے ساتھ ای میل کے ذریعے اپنی درخواست جمع کروائی ہو۔

۳۔ نوٹس برائے سالانہ اجلاس عام اور سالانہ رپورٹ 2025 کی الیکٹرانک ترسیل

کمپنیز ایکٹ کی دفعہ (6) 223 اور ایس ای سی پی کا جاری کردہ ایس۔آر۔او۔(I) 2025/452 مؤرخہ 17 مارچ 2025 کی تعمیل میں، کمپنی نے سالانہ اجلاس عام کا نوٹس اور سالانہ رپورٹ 2025 ان حصص داران کو بذریعہ ای میل ارسال کر دی ہے جن کے ای میل پتے کمپنی کے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کے پاس دستیاب ہیں۔ سالانہ رپورٹ ڈاؤن لوڈ کرنے کے لیے ویب لنک اور کیو آر فعال کوڈ کے اندراج کے بعد، سالانہ اجلاس عام کے پرنٹ شدہ نوٹس بھی ایس۔آر۔او۔(I) 2023/389 مؤرخہ 21 مارچ 2023 کے تحت ارسال کر دیئے گئے ہیں۔ کمپنی کے مالی بیانات برائے سال 30 جون 2025 بمعہ رپورٹس کمپنی کی ویب سائٹ پر بھی اپ لوڈ کر دیئے گئے ہیں۔

تاہم، کمپنی کسی بھی رکن کو ان کی طلب پر سالانہ رپورٹ کی اشاعت یافتہ شکل ان کے رجسٹرڈ پتے پر، بلا معاوضہ، ایک ہفتے کے اندر فراہم کرے گی۔ اشاعت یافتہ شکل حاصل کرنے کے لئے درخواست فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔

مزید براں، حصص داران سے گزارش ہے کہ، مادی شکل میں رکھے گئے حصص کی صورت میں، وہ اپنا درست ای میل بمعہ درست شناختی کارڈ کی کاپی کمپنی کے شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، ایچ۔ایم۔ہاؤس، 7-بینک اسکوائر، لاہور کو فراہم کریں، یا اگر حصص بک انٹری فارم میں رکھے گئے ہیں تو متعلقہ ممبر کے پارٹنرس/انووسٹر اکاؤنٹ سروسز کو فراہم کریں۔

۴۔ ڈیویڈنڈ پرائیم ٹیکس کی کٹوتی بابت، انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت

انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے مطابق، فائلر اور نان فائلر کے لیے وہ ہولڈنگ ٹیکس کی شرح درج ذیل ہے:

فائلر: 15%

نان فائلر: 30%

۱۔ حصص منتقلی کتابوں کی بندش

سالانہ اجلاس عام میں شرکت اور ووٹ کے لئے کمپنی کی حصص منتقلی کتابیں از 15 اکتوبر 2025 تا 22 اکتوبر 2025 (بشمول دونوں ایام) کے لئے بند رہیں گی۔ مادی / سی ڈی ایس منتقلیاں، جو شیئر رجسٹرار، میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، ایچ ایم ہاؤس، 7۔ بینک سکوائر، لاہور کو 14 اکتوبر 2025 تک کاروبار کے اختتام تک موصول ہوں گی وہی اجلاس میں شرکت کے مقصد اور ووٹنگ کیلئے بروقت تصور ہوں گی۔

فائل کیش ڈیویڈنڈ کے استحقاق کے لیے:

کمپنی کی حصص منتقلی کتابیں از 15-10-2025 تا 22-10-2025 تک (دونوں دن بشمول) بند رہیں گی تاکہ 10% فائل کیش ڈیویڈنڈ یعنی فی حصص 1 روپے کے استحقاق کا تعین کیا جاسکے۔ جو شیئر ٹرانسفر فزیکل / سی ڈی ایس ہمارے شیئر رجسٹرار، ایم / ایس حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، ایچ ایم۔ ہاؤس، 7۔ بینک اسکوائر، لاہور کو 14-10-2025 کو دفتری اوقات کار کے اختتام تک باقاعدہ طور پر موصول ہوں گی، انہیں مذکورہ استحقاق کے لیے قابل قبول تصور کیا جائے گا۔

۲۔ سالانہ اجلاس عام میں شرکت

کوئی بھی ممبر جو اس اجلاس میں شرکت اور ووٹ دینے کا حق رکھتا ہو، وہ اپنا نمائندہ (پراسی) مقرر کر سکتا ہے تاکہ وہ اس کی جانب سے اجلاس میں شرکت اور ووٹ دے سکے۔ باقاعدہ مہر اور دستخط شدہ پراسی تقرری کے فارم کمپنی کے رجسٹرڈ دفتر پر اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل لازماً موصول ہو جانے چاہئیں۔

سی ڈی سی اکاؤنٹ ہولڈرز کو مزید برآں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے جاری شدہ درج ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔

الف۔ اجلاس میں شرکت کیلئے:

(i) بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا شخص جن کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور انکی رجسٹریشن تفصیلات، ریگولیشنز کے مطابق اپ لوڈ ہیں، کو اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ دکھا کر اپنی شناخت ثابت کرنا ہوگی۔

(ii) بصورت کارپوریٹ ادارہ، مجلس نظما کی قرارداد / مختار نامہ مع نامزد کے نمونہ دستخط اجلاس کے وقت مہیا کرنا ہوں گے (اگر پہلے مہیا نہیں کئے گئے)۔

ب۔ پراسی تقرری کیلئے:

(i) بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا شخص جن کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور انکی رجسٹریشن تفصیلات، ریگولیشنز کے مطابق اپ لوڈ ہیں، کو اپر دی گئی ریگولیشنز کے مطابق پراسی فارم جمع کرانا ہوگا۔

(ii) پراسی فارم، دو افراد جن کے نام، پتے اور قومی شناختی کارڈ نمبرز فارم پر مذکور ہوں گے، سے گواہی شدہ ہوں گے۔

(iii) بینیفیشنل اونرز اور پراسی کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پراسی فارم کے ہمراہ جمع کرانا ہوں گی۔

قرار پایا کہ مجلسِ نطماء 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے انفرادی مقدمے کی بنیاد پر متعلقہ فریقوں کے ساتھ کیے جانے والے لین دین کی منظوری دینے کے مجاز ہیں۔

مزید قرار پایا ہے کہ بورڈ کی طرف سے ان لین دین کو حصص داران کے ذریعہ منظور شدہ سمجھا جائے گا اور اگلے سالانہ اجلاسِ عام میں ان کی باضابطہ توثیق/منظوری کے لیے حصص داران کے سامنے رکھا جائے گا۔

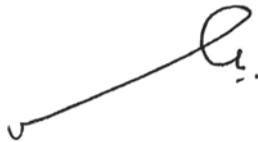
۷۔ کمپنی کے ڈائریکٹرز کی سفارشات کے مطابق، کمپنیز ایکٹ، 2017 کے سیکشن 182 کے تحت درج ذیل قراردادوں پر غور کیا جائے اور اگر مناسب سمجھا جائے تو انہیں عام قرارداد کے طور پر منظور کیا جائے، (ترمیم کے ساتھ یا بغیر ترمیم کے):

”یہ منظور کیا گیا کہ کمپنیز ایکٹ، 2017 کی دفعات کی پابندی اور مطلوبہ ریگولیٹری منظوری کے تابع، کمپنی کے اراکین کی منظوری دی جاتی ہے کہ کمپنی کی ایگزیکٹو ڈائریکٹر محترمہ نادیہ بلال کو پانچ سال میں قابل واپسی، سود بردار رہائشی قرض کی سہولت دی جائے، جس کی حد دس ملین روپے تک ہو سکتی ہے۔“

”یہ مزید منظور کیا گیا کہ کمپنی کا چیف فنانشل آفیسر اور/یا کمپنی سکریٹری واحد اختیارات کے حامل ہوں اور انہیں تمام قانونی کارروائیاں، معاہدوں پر دستخط، دیگر دستاویزات کی تیاری اور ضروری کاغذی کارروائی مکمل کرنے کے لیے مکمل اختیار دیا جاتا ہے، تاکہ مذکورہ بالا قرارداد کے نفاذ کے تمام قانونی اور انتظامی اقدامات کیے جاسکیں۔“

۸۔ چیئرمین کی اجازت سے کسی بھی دیگر کاروبار پر کارروائی کرنا۔

بحکم بورڈ



محمد عمر قریشی
کمپنی سیکرٹری

لاہور

مورخہ: 01 اکتوبر 2025

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ نشاط (چونیاں) لمیٹڈ کے حصص داران کا سالانہ اجلاس عام بمقام رجسٹرڈ دفتر Q-31، گلبرگ-II، لاہور میں 22 اکتوبر 2025 بروز بدھ کو صبح 11:00 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

اراکین کو ترغیب دی جاتی ہے کہ وہ کمپنی کی جانب سے فراہم کردہ ویڈیولنک سہولت کے ذریعے AGM میں شرکت کریں (تفصیلات کے لیے نوٹس سیکشن دیکھیں)



۱۔ 28 اکتوبر 2024 کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔

۲۔ 30 جون 2025 مختتمہ سال کیلئے کمپنی کے محاسب شدہ الگ اور مشترکہ مالی حسابات معہ مجلس نظما، محاسب اور چیئرمین رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔

(کیو آر کوڈ یا ویب لنک کے ذریعے
سالانہ رپورٹ 2025 تک رسائی)

https://www.nishat.net/images/pdf/NCG_Financials/NCL_Annual/annual2025.pdf

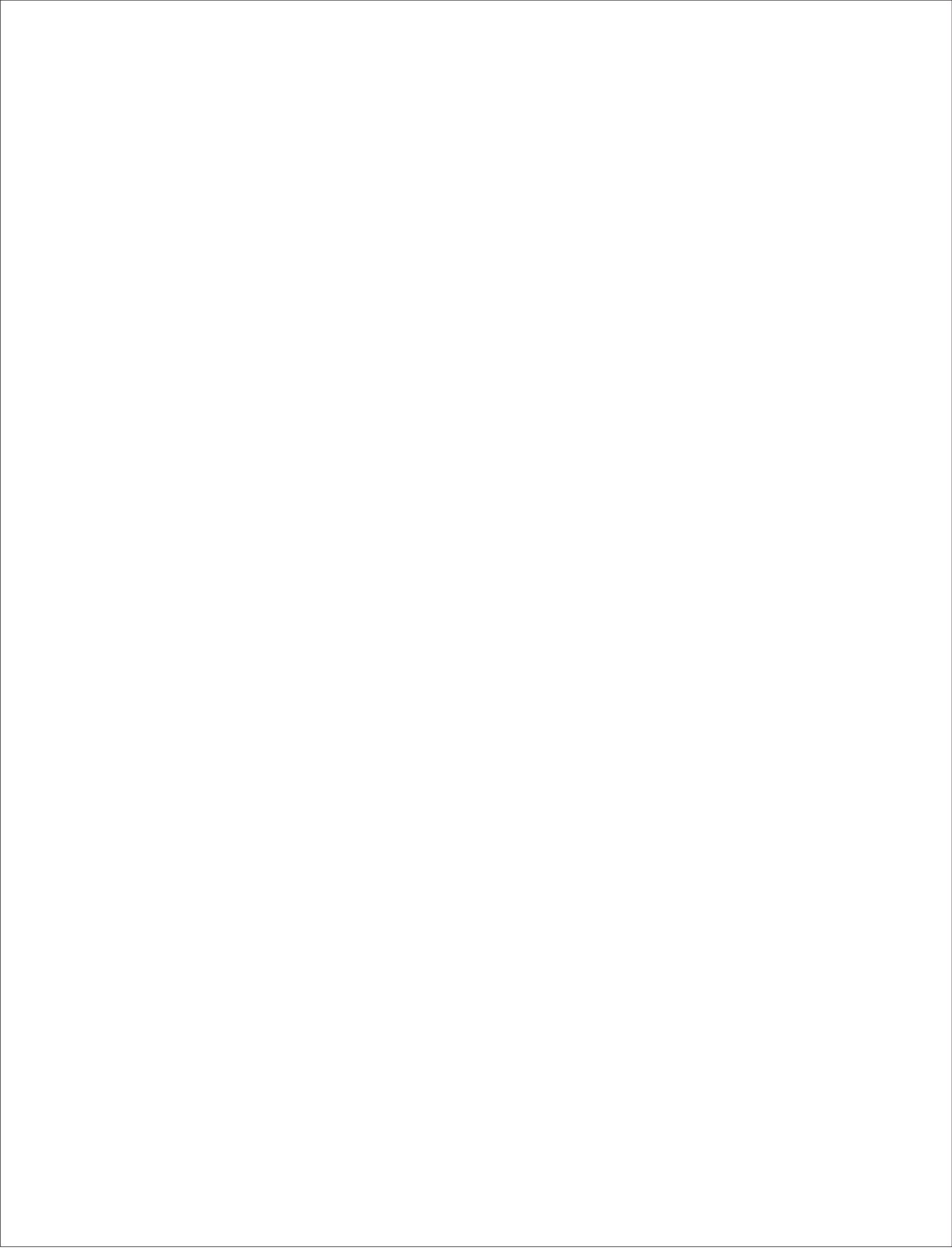
۳۔ محاسب کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔ ارکان کو مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور مجلس نظما نے سبکدوش محاسب میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائرڈ کی کمپنی کے محاسب کے طور پر دوبارہ تقرری کی منظوری دی ہے۔

۴۔ بورڈ آف ڈائریکٹرز کی سفارش کے مطابق، 30 جون 2025 کو ختم ہونے والے سال کے لیے فائنل کیش ڈیویڈنڈ 10% یعنی ہر حصص پر 1 روپے کی منظوری دی جاتی ہے، جو پہلے ادا شدہ عبوری ڈیویڈنڈ 10% (یعنی ہر حصص پر 1 روپے) کے ساتھ شامل ہو کر مجموعی طور پر سال کا 20% (یعنی ہر حصص پر 2 روپے بنتی ہے)۔

۵۔ 30 جون 2025 کو ختم ہونے والے سال کے لیے متعلقہ فریقوں کے ساتھ کیے گئے لین دین کی توثیق اور منظوری کے لیے، درج ذیل خصوصی قرارداد کو ترمیم کے ساتھ یا اس کے بغیر پاس کرنا؛

قرار پایا ہے کہ متعلقہ فریقین کے ساتھ لین دین جیسا 30 جون 2025 مختتمہ سال کے غیر ضم شدہ مالی بیانات کے نوٹ نمبر 39 میں بتائے گئے ہیں اور کمپنیز ایکٹ 2017 کی دفعہ (3) 134 کے تحت مادی حقائق کے بیان میں بھی دیکھائے گئے ہیں کی توثیق اور منظوری دی جاتی ہے۔

۶۔ مجلس نظما کو 30 جون 2026 کو ختم ہونے والے مالی سال کے لیے متعلقہ فریقوں کے ساتھ لین دین کی منظوری کے لیے درج ذیل خصوصی قرارداد کو ترمیم کے ساتھ یا اس کے بغیر منظور کرنے کے لیے باختیار بنانا؛



INVESTORS' EDUCATION

In pursuance of SRO 924(1)/2015 dated September 9th, 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been reproduced to educate investors:

www.jamapunji.pk



**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

- 📄 Licensed Entities Verification
- 📊 Scam meter*
- 🎮 Jamapunji games*
- 📄 Tax credit calculator*
- 🏢 Company Verification
- 📄 Insurance & Investment Checklist
- ❓ FAQs Answered

- 📈 Stock trading simulator (based on live feed from KSE)
- 📄 Knowledge center
- 📄 Risk profiler*
- 📄 Financial calculator
- 📄 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📄 Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

@jamapunji_pk

*Mobile apps are also available for download for android and ios devices





31-Q, Gulberg II, Lahore 54660, Pakistan
Tel: +92 42 3576 1730, Fax: +92 42 3587 8696
Email: info@nishat.net
www.nishat.net
www.facebook.com/NishatChunianGroup