Annual Report

2026



The National Silk & Rayon Mills Ltd.

Manufacturer & Exporter of Quality Textile Products

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Mission Statement

We Shall provide unparalleled service and best value to our customers through dedicated, responsive and cost effective supply chain.

We are to provide quality products by strict adherence to international standards and best practices through collaboration with leading global companies in markets we serve.

We shall strive to maximize our shareholders value through sustained profitable growth.

We shall enhance existing employee productivity, hire, retain and develop best talent and provide them a competitive environment to excel and grow.

We will aggressively focus on increasing our market penetration by exploring new channels.

We shall continue to set new trends through innovative marketing and manufacturing.

Company Information

Board of Directors	Sh. Faisal Tauheed	(Executive Director)
	Sh. Kashif Tauheed	(Executive Director)
	Mrs. Samira Faisal	Non Executive Director
	Mrs. Tahira Kashif	Non Executive Director/Chairperson
	Sh Mustafa Faisal Tauheed	Non Executive Director
	Mr. Imran Ali Safdar	Independent Director
	Mr. Shahid Irshad	Independent Director
Board Audit Committee	Mr. Imran Ali Safdar	(Chairman)
	Sh Mustafa Faisal Tauheed	
	Mrs. Tahira Kashif	
Board Human Resource and Remuneration Committee	Mr. Imran Ali Safdar	(Chairman)
	Mrs. Samira Faisal	
	Mrs. Tahira Kashif	
Management Team	Sh. Faisal Tauheed	(Chief Executive)
	Qaisar Ali Faheem	(Chief Financial Officer)
	Imran Zafar	(Company Secretary)
	M. Fareed Khan	(Internal Auditor)
Auditors	Riaz Ahmad and Company Chartered Accountants	
Bankers	National Bank of Pakistan The Bank of Punjab Bank Alfalah Limited Habib Metropolitan Bank Limited Askari Bank Limited Bank Al-Habib Limited MCB Limited Meezan Bank Limited United Bank Limited	
Registered Office	House No. 8/3, Aziz Avenue, Canal Road, Gulberg V, Lahore.	
Factory	Dhuddiwala, Jaranwala Road, Faisalabad.	
Share Registrar	Corplink (pvt.) Ltd. Share Registrar & Corporate Consultants Wings Arcade, 1-K Commercial, Model Town, Lahore. Tel: 035916714, 35916719, 035839182 Fax: 92-42-35869037	
Legal Advisor	Sahibzada Muhammad Arif Advocate High Court, Chamber No.52, District Courts, Faisalabad.	

Notice of 76th Annual General Meeting

Notice is hereby given that the 76th Annual General Meeting of the Shareholders of The National Silk & Rayon Mills Limited (the "Company") will be held on Wednesday 28th of October 2026 at 3.00 p.m. at Ewan-e-Noor Event Complex, 10-Civic Centre, Johar Town, LDA Office, Lahore to transact the following business:

ORDINARY BUSINESS:

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

2. To appoint Auditors of the Company 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 and Company, Chartered Accountants, who, being eligible, have offered themselves for re-appointment.

SPECIAL BUSINESS:

1. To consider and approve the increase in Directors Remuneration

Place: Lahore
Dated: October 06, 2026

(IMRANZAFAR)
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 22, 2026 to October 28, 2026 (both days inclusive).

2. The shareholders who are interested to attend the AGM through Video Conference, are hereby requested to get themselves registered with the Company Secretary office by providing the following detail at the earliest but not later than 7 days before the time of AGM.
Mobile / WhatsApp: 0300 8657997 E-mail: imran@nationalsilk.com

Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, Cell number and email ID for identification.

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone / computer devices.

In view of the above the Shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM by using the aforesaid means.

3. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her.

4. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a materially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.

5. The financial statements for the year ended June 30, 2026 shall be uploaded on Company's website on or before October 06, 2026.

6. Members are requested to send copies of their computerized National Identity Cards to the company's independent Share Registrar M/s. Corplink (Pvt) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore.

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

8. Pursuant to SECP Circular No.10 of 2014 dated May 21, 2014, if company receives consent from members holding aggregate 10% or more shareholding residing in geographical location to participate in the meeting through video conference at least 10 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

In order to vote through e-voting and avail video conference facility, please fill the requisite form and submit to Company within time frame mentioned in form.

9. Pursuant to Notification vide SRO 787 (1) / 2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statement and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statement and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail has sufficient rights and space available to receive such e-mail which may be larger than 1 MB file in size. Further it is responsibility of the member to timely update the Share Registrar if any change in the registered e-mail address.

10. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No.1, of 2000 dated 26th January 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulation, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the meeting.
b. In case of Corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing Proxies

a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC regulations, shall submit the proxy form as per above requirements.
b. The proxy form shall be witnessed by two persons, whose names, address and CNIC number shall be mentioned on the form.
c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
d. The proxy shall produce his original CNIC or original passport at the time of the meeting.
e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with the proxy form to the company.

Chairpersons' Review Report

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of The National Silk and Rayon Mills Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

The Company remains committed to deliver on its long-term objectives of sustainable growth and value creation. This is being achieved through continued focus on operational excellence

For the financial year ended June 30, 2026, the Board's overall performance and effectiveness has been assessed as satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as satisfactory is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

The Board of Directors of the Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

Future Outlook

Pakistan's textile sector continues to experience persistent headwinds, driven chiefly by a slow global economic recovery exacerbated by geopolitical conflicts in West Asia and volatile international oil prices—alongside constrained domestic consumer spending, tight monetary policies designed to tame inflation, and escalating energy tariffs. However, the ongoing implementation of the International Monetary Fund (IMF) program has improved economic prospects and secured required external financing. These assurances, coupled with anticipated private and official capital inflows, are expected to bolster the stability of Pakistan's external account. Consequently, policymakers must achieve a judicious balance between stimulating economic growth, preserving debt sustainability, and implementing key structural reforms, all while safeguarding social cohesion. Company believes that the fundamental attributes of business operations – sustainability and leadership – have attained more relevance than ever before. This was achieved on the back of the Company's ability to deliver efficient and accessible mobility solutions to the present and future generations

Acknowledgment

On behalf of the Board of Directors, I would like to express my special gratitude to all the shareholders for their continued support and encouragement. I would also like to place on record the appreciation for the commendable services rendered by the employees of the Company. I also acknowledge the dedication and commitment of my fellow directors during this year and thank our CEO and his Team for their concerted efforts, focused approach and professional commitment.



Tahira Kashif
Chairperson

LAHORE: October 06, 2026

Directors' Report

The Board Directors of The National Silk and Rayon Mills Limited is pleased to present to you the Annual Report along with the Company's Audited Financial Statement for the year ended 30 June 2026.

Operating Results:	2026	2025
	--------R u p e e s--------	
Gross profit	186,013,120	190,500,999
Selling, administrative and operating expenses	74,419,332	84,397,106
(Loss)/Profit for the year before taxation	109,152,126	111,412,369
Taxation	(39,116,758)	(28,014,834)
(Loss)/Profit after taxation	70,035,368	83,397,535
(Loss)/Earning per share	**4.50**	**5.36**

Performance Scorecard

The Company remains committed to deliver on its long-term objective of sustainable growth and value creation. This is being achieved through continued focus on operational excellence, product portfolio diversification, cost reduction and a strong capital structure.

The company's net turnover during the period under review remained Rs. 2,461,484,840/- (2025: 2,451,390,660/-) showing a nominal increase This performance was impacted by an environment of rising input and freight costs, alongside subdued overall demand driven by persistent inflation, geopolitical unrest at the western border, and the US-Iran conflict.

Dividend:

The Board of Director's have not recommended dividend for the year ended June 30, 2026 keeping in view liquidity position of the company and high interest rate scenario.

Debt Obligation:

By the grace of Almighty Allah, despite so many challenges, the Company contains to meet its financial commitments and debt obligation on time.

Contribution to National Exchequer:

Being a responsible citizen, your company made a contribution of Rs.483.15 million to National Exchequer in form of income tax, sales tax, custom duties and excise as compare to Rs.479.76 million during the last year.

Human Resource Management and Employee Relationship:

We strongly believe that our people are our most valuable and essential assets. The Company's policy to retain its people is the best and unmatchable. To continue our legacy of being unparalleled leaders, we put efforts to inspire top talent at all levels & aspire to be a destination of choice. The Company strives to develop its existing employees by keeping them motivated and engaged. Our HR department uses various tools to identify high potential employees and arranges various trainings to further groom them. With the enthusiastic team of high caliber professionals, the management is confident to get the business flourished more within the local as well as international markets. We continue to have a strong focus on structured development of our processes to fulfill our business needs through clearly defined authority matrices, policies procedures and systems. Reward and recognition will continue to be tied to transparent performance management systems and procedures.

The purpose of employee engagement and welfare activities is to keep employees engaged and motivated. These activities also serve to inspire and develop our people. The Company has permanent welfare strategy for its employees. Medical facilities for workers and first aid are also provided to the employees. There is a Mosque at plant for pray and to learn teaching of Religion. The company encourages and promotes all employees to participate in sports and various extracurricular activities.

Corporate and Social Responsibility:

Company is fully cognizant of its responsibility towards society and welfare. The company took several initiatives to meet its Corporate Social Responsibility and continued with reasonable financial support for the welfare of its employees, their families, the local community and society at large.

Internal Financial Controls

The directors are aware of their responsibility with respect to internal financial controls. Through discussions with management and auditors (both internal and external), they confirm that adequate controls have been implemented by the Company.

Statutory Auditors of the company:

The present auditor M/s. Riaz Ahmad and Company Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Audit Committee of the Board has also recommended their re-appointment as Auditors of the company for the year ending June 30, 2027.

Staff retirement benefits

The Company operates a funded contributory provident fund scheme for its employees and contributions based on salaries of the employees, are made to the fund on monthly basis.

Share Price Trend

During the year under review minimum price of share of Rs.10/- each fell up to Rs.71.36 and rose as high as Rs.236.10 and close at Rs.188.34 as on June 30, 2026.

Approval of Vision, Mission and Corporate Strategy by the Board

Pursuant to the Listed Companies (Code of Corporate Governance) Regulation 2019, the Board of Directors has carefully reviewed and approved the Vision, Mission and Corporate Strategy of the Company. It comprehensively states the ideology with which Company was incorporated. We ensure that our Vision and Mission set the direction for our overall corporate strategy. The entire organization is connected and driven by the purpose and it serves the decision making criterion on our day to day business.

Whistle Blowing Policy

Pursuant to the Listed Companies (Code of Corporate Governance) Regulation 2019, Company is committed to achieve high standards of integrity, ethical value and accountability. Accordingly, whistle lowing policy of the Company is approved by the Board of Directors and placed on the website of the company.

Compliance with the Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by Pakistan Stock Exchange in its Listing Regulations relevant for the year ended June 30, 2026 have been adopted by the company and have been duly complied with:

Code of Conduct

The board has adopted the Code of Conduct. All employees are informed of this Code and are required to observe these rules of conduct in relation to customers, suppliers and regulators.

Relation with stakeholders

We are committed to establish mutually beneficial relations with our suppliers, customers and business partners.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

In compliance with the Companies Act 2017 and the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting framework:

- These financial statement, prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- The company has maintained proper books of account.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented. The system is being continuously monitored by internal audit and through other such monitoring procedure. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring in improvement in the system.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of the corporate governance, as listed in the listing regulations.
- Key operating and financial data for the last six years in summarized form is annexed.
- Information about taxes and levies is given in the notes to the financial statements.

• The value of investments and bank balances in respect of staff retirement benefits: Provident Fund Rs.41,851,197/- The value of investment includes accrued profit.
• There have been no material changes and commitments affecting the financial position which have occurred between the end of financial year and the date of annual report.
• The principal risks faced by the Company include tough competition, Rupee devaluation, increasing gas prices and energy costs etc.
• The Company's production has no negative impact on the environment as our plant and operations re complying with international and national environmental standards.
• There are no changes that have occurred during the financial year concerning the nature of the business of the company or any other company in which the company has interest.
• The company has no policy for fixing remuneration package for Non-Executive and Independent Directors as they are not entitled for any remuneration.
• There are no outstanding statutory payments due on account of taxes, levies and charges except as those disclosed in these financial statements.

Board of Director's Meetings:

The Board convened 4 times during the year and attendance of the respective Directors was as under:

Directors	No. of meetings attended
Sh. Faisal Tauheed	4
Sh. Kashif Tauheed	4
Mrs. Samira Faisal	4
Mrs. Tahira Kashif	4
Mr. Shahzad Ihsan	4
Sh. Mustafa Faisal Tauheed	4
Mr. Imran Ali Safdar	4

Board Audit Committee

An audit committee of the Board has been in existence since the enforcement of the Code of Corporate Governance. The audit committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the listing regulations and code of corporate governance.

The committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control and risk management and the audit process. It has the power to call for information from management and to consult directly with the external auditors as considered appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meeting by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board.

The audit committee comprises of two non-executive directors and one independent director who is also a Chairman.
During the year four (4) meetings of the audit committee were held. The attendance of each member is given hereunder:

Names	No. of meetings attended
Mr. Shahzad Ehsan	4
Sh. Mustafa Faisal Tauheed	4
Mrs. Tahira Kashif	4

Human Resource and Remuneration Committee:

In compliance with the requirements of code of corporate governance, the Board of Directors has established this committee comprising three members (including Chairman)' two of whom are non-executive directors and one is independent director. Detailed terms of reference of the Committee were duly communicated to the members by the Board.

Composition of Board

The board consists of 5 male and 2 female directors with following composition:

Independent director	2
Other non-executive directors	3
Executive director	2
Total number of directors	7

Remuneration Policy of Non-Executive Directors

The fee of the Non-Executive and independent Directors for attending the Board and Committee meeting of the Company is determined by the Board from time to time.

Remuneration Package of Chief Executive and Directors

Remuneration package of Chief Executive and director is disclosed in Notes to the financial statement.

Gender Pay Gap Statement

As required under the SECP circular no. 10 of 2024, the following is the Gender Pay Gap calculated for the year ended June 30, 2026.

i)	Mean Gender Pay Gap	:	Nil
ii)	Median Gender Pay Gap	:	Nil
iii)	Any other data	:	Nil

Financial Statements

As required under the listing regulations of stock exchanges the Chief Executive Officer and Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the board of directors and the board, after consideration and approval, authorize the signing of financial statements for issuance and circulation.

The financial statements of the company have been duly audited by the auditors of the company. Riaz Ahmad and Company, Chartered Accountants. Auditors have issued clean audit report on financial statements for the year ended 30th June 2026 and clean review report on Statement of Code of Corporate Governance and their reports are attached with the financial statements. No material changes in contingencies and commitments, effecting the financial position of your company, have occurred between the end of the financial year to which this balance sheet relates and the date of the directors' report.

Related Party transaction and Transfer Pricing

It is the policy of the company to ensure that all transactions entered with related parties must be at arm's length. The company has fully complied with the best practices of the transfer pricing as contained in the listing regulation of stock exchanges in Pakistan.

Directors' Training Programs:

The directors of the Company Sh. Faisal Tauheed and Sh. Kashif Tauheed acquired the certification under Director Training Program from Institute of Chartered Accountants of Pakistan and Mr. Shahid Irshad, Mr Imran Ali Safdar, Mrs. Samira Faisal, Mrs. Tahira Kashif and Mr. Mustafa Faisal acquired the certification from Institute of Cost and Management Accountants of Pakistan.

Pattern of Shareholding:

The pattern of shareholding in the prescribed form is annexed which also includes the information required under Code of Corporate Governance.

Trading by Directors etc:

No Share traded by directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouse and minor children during the year.

Appreciation

We would like to thank all of our staff members for the way they have responded to challenges of the year. Their hard work and commitment is greatly appreciated and is reflected in these results.

We are also thankful for the encouragement and support which we received from our suppliers, shareholders, bankers and financial institutions financial institutions.

On behalf of the Board

LAHORE: October 06, 2026

Sh. Faisal Tauheed Puri
Chief Executive

Sh. Kashif Tauheed
Director

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulation, 2019

For the year ended June 30, 2026

The National Silk and Rayon Mills Limited (the Company) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019 (the "Regulations") in the following manner:

1. The total number of directors are Seven (7) as per the following:

a. Male: Five
b. Female: Two

2. The composition of Board is as follows:

Independent Director	Mr. Shahid Irshad (Para 2.1)
	Mr. Imran Ali Safdar
Non-executive directors	Sh. Mustafa Faisal Tauheed
	Mrs. Samira Faisal (Female)
	Mrs. Tahira Kashif (Female)
Executive Directors	Sh. Faisal Tauheed
	Sh. Kashif Tauheed

2.1 Mr. Shahid Irshad has been appointed in place of Mr. Shahzad Ehsan on 01 October, 2026 upon his registration.

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 ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

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

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

9. The Board has already arranged Director's Training program (DTP) for the following:

Name	**Category**
Mr. Faisal Tauheed	Executive Director
Mr. Kashif Tauheed	Executive Director
Mrs. Samaira Tauheed	Non-Executive Director
Mrs. Tahira Kashif	Non-Executive Director
Mr. Mustafa Faisal Tauheed	Non-Executive Director
Mr. Imran Ali Safdar	Independent Director

The resigned director Mr. Shahzad Ehsan has already completed DTP.

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

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

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

a) Audit Committee

Mr. Imran Ali Safdar*	(Chairman)
Mrs. Tahira Kashif	(Member)
Mr. Mustafa Faisal Tauheed	(Member)

b) HR and Remuneration Committee

Mr. Imran Ali Safdar*	(Chairman)
Mrs. Tahira Kashif	(Member)
Mrs. Samira Faisal	(Member)

*The composition of Audit Committee and HR and Remuneration Committee has been changed after the reconstitution of the Board of directors, as mentioned in Para 2.1.

C) Sustainability Committee

Mrs. Samira Faisal	(Chairman)
Mr. Mustafa Faisal Tauheed	(Member)
Mr. Imran Ali Safdar	(Member)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

a) Audit Committee: Four meetings during the financial year ended June 30, 2026.

b) HR and Remuneration Committee: One meeting during the financial year ended June 30, 2026.

c) Sustainability Committee: One meeting during the financial year ended June 30, 2026.

15. The board has set up an effective internal audit function which comprises the persons 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 other requirements of the Regulations 3, 7, 8, 32, 33 and 36 of the Regulations have been complied with, except:

a) The independent directors in which fraction is not rounded up as one because the fraction (0.33) was less than 0.5;

b) Following the completion of Mr. Shahzad Ehsan's three consecutive terms he was inadvertently re-elected for the fourth consecutive term on 22 June 2026, due to this, his independence was impaired. Moreover, he was included as Chairman in Audit Committee and HR and Remuneration Committee. However, no meeting of these committees were held during this time. Further he resigned from Board on 01 October 2026 and the casual vacancy is filled by Mr. Shahid Irshad on the same day.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation for non-compliance	Reg. No.
1	**Nomination Committee:** The Board may constitute a separate committee, designated as the Nomination Committee (NC) of such number and class of directors, as it may deem appropriate in its circumstances.	Currently the Board has not constituted a separate NC and the functions are being performed by the HR committee.	29(1)
2	**Risk Management Committee:** The Board may constitute the Risk Management Committee (RMC), of such number and class of directors, as it may deem appropriate in its circumstances, to carry out review of effectiveness of risk management procedures and present a report to the Board.	Currently the Board has not constituted the RMC and the Company 's Risk Manager performs the requisite functions and apprises the Board accordingly.	30(1)
3	**Directors' Training of Head of Department:** Companies are encouraged to arrange training for at least one head of department every year under DTP from July 2022.	The Company will organize the training of its one head of department each year from next financial year.	19(3)(ii)

For and on behalf of the Board of Directors



Tahira Kashif
Chairperson

Lahore: October 06, 2026

Independent Auditor's Review Report

To the Members of The National Silk And Rayon Mills Limited

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

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

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

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

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

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

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Paragraph Reference	Description
18 (b)	On 22 June 2026 Mr. Shahzad Ehsan was re-elected as an independent director for the fourth consecutive term, rendering his independence impaired in accordance to the section 166(2)(g) of the Companies Act, 2017. Consequently, the company was in non-compliance of regulation, 6(1) of the regulations which requires that a listed company shall have two or one third members of the board, whichever is higher, as in dependent directors. Subsequent to the year end, Mr. Shahzad Ehsan resigned from the Board on 01 October 2026 and the casual vacancy was filled on same day by inclusion of Mr. Shahid Irshad as Independent director.

Riaz Ahmad & Co.

Faisalabad: October 05, 2026
UDIN: CR202610184oyJWTgd9A

RIAZ AHMAD & COMPANY
Chartered Accountants

Independent Auditor's Report

To the members of The National Silk And Rayon Mills Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of The National Silk and Rayon Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2026, 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 2026 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 is the key audit matter:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
(i)	**Revenue recognition** The Company recognized revenue of Rupees 2,461.485 million for the year ended 30 June 2026. 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. For further information, refer to the following: - Material accounting policy information, Revenue recognition (Note 2.18 to the financial statements). - Revenue from contracts with customers (Note 25 to the financial statements).	Our procedures included, but were not limited to: • 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

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

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



Faisalabad: October 05, 2026
UDIN: AR202610184LM5DNa1BX

RIAZ AHMAD & COMPANY
Chartered Accountants

Statement of Financial Position

AS AT JUNE 30, 2026

	NOTE	2026 RUPEES	2025 RUPEES
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	4	204,000,000	204,000,000
Issued, subscribed and paid up share capital	5	155,531,740	155,531,740
Reserves			
Capital reserve - surplus on revaluation of freehold land	6	1,203,529,091	1,123,279,091
Revenue reserve - unappropriated profit		345,483,386	275,448,018
Total reserves		1,549,012,477	1,398,727,109
Total equity		1,704,544,217	1,554,258,849
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	14,520,273	-
Deferred income tax liability	8	29,231,223	20,925,306
		43,751,496	20,925,306
CURRENT LIABILITIES			
Trade and other payables	9	510,106,746	576,078,364
Contract liabilities	10	17,397,386	6,930,644
Short term borrowings	11	99,542,704	49,677,158
Current portion of long term financing	7	9,660,865	-
Accrued mark-up	12	2,772,263	266,957
Unclaimed dividend		594,836	594,836
		640,074,800	633,547,959
TOTAL LIABILITIES		683,826,296	654,473,265
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		2,388,370,513	2,208,732,114

	NOTE	2026 RUPEES	2025 RUPEES
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	1,589,840,759	1,452,934,184
Intangible asset	15	-	1,291,591
Long term deposits and prepayment	16	34,313,868	26,320,296
		1,624,154,627	1,480,546,071
CURRENT ASSETS			
Stores and spare parts	17	164,402,394	134,916,226
Stock in trade	18	-	534,996
Trade debts	19	480,377,566	427,481,435
Loans and advances	20	6,304,451	13,888,739
Prepayments and other receivables	21	1,117,344	863,508
Taxation and levy - net	22	63,070,834	60,098,622
Short term investments	23	819,523	787,465
Cash and bank balances	24	48,123,774	89,615,052
		764,215,886	728,186,043
TOTAL ASSETS		2,388,370,513	2,208,732,114

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

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

Statement of Profit or Loss

FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026 RUPEES	2025 RUPEES
REVENUE FROM CONTRACTS WITH CUSTOMERS	25	2,461,484,840	2,451,390,660
COST OF SALES	26	(2,275,471,720)	(2,260,889,661)
GROSS PROFIT		186,013,120	190,500,999
DISTRIBUTION COST	27	(2,958,508)	(3,677,591)
ADMINISTRATIVE EXPENSES	28	(59,622,597)	(50,421,824)
OTHER EXPENSES	29	(11,838,227)	(30,297,691)
		(74,419,332)	(84,397,106)
		111,593,788	106,103,893
OTHER INCOME	30	8,878,006	8,400,718
PROFIT FROM OPERATIONS		120,471,794	114,504,611
FINANCE COST	31	(11,319,668)	(3,092,242)
PROFIT BEFORE LEVY AND TAXATION		109,152,126	111,412,369
LEVY	32	(14,304)	(360,735)
PROFIT BEFORE TAXATION		109,137,822	111,051,634
TAXATION	33	(39,102,454)	(27,654,099)
PROFIT AFTER TAXATION		70,035,368	83,397,535
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	34	4.50	5.36

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, 2026

	2026 RUPEES	2025 RUPEES
PROFIT AFTER TAXATION	70,035,368	83,397,535
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Surplus on revaluation of freehold land	80,250,000	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	80,250,000	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	150,285,368	83,397,535

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2026

	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	RESERVES			TOTAL EQUITY
		CAPITAL	REVENUE		
		Surplus on revaluation of freehold land	Unappropriated profit	Total	
	---------- RUPEES ----------				
Balance as at 30 June 2024	155,531,740	1,123,279,091	192,050,483	1,315,329,574	1,470,861,314
Profit for the year	-	-	83,397,535	83,397,535	83,397,535
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	83,397,535	83,397,535	83,397,535
Balance as at 30 June 2025	155,531,740	1,123,279,091	275,448,018	1,398,727,109	1,554,258,849
Profit for the year	-	-	70,035,368	70,035,368	70,035,368
Other comprehensive income for the year	-	80,250,000	-	80,250,000	80,250,000
Total comprehensive income for the year	-	80,250,000	70,035,368	150,285,368	150,285,368
Balance as at 30 June 2026	155,531,740	1,203,529,091	345,483,386	1,549,012,477	1,704,544,217

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

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

Statement of Cash Flow

FOR THE YEAR ENDED JUNE 30, 2026

	NOTE	2026 RUPEES	2025 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	34,645,526	165,956,335
Finance cost paid		(8,249,021)	(2,391,816)
Income tax and levy paid		(33,783,053)	(32,007,075)
Decrease in long term deposits and prepayment		(7,993,572)	-
Workers' profit participation fund paid	9.2	(6,029,234)	(5,564,188)
Workers' welfare fund paid	9.3	(2,228,276)	-
Net cash (used in) / generated from operating activities		(23,637,630)	125,993,256
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(99,336,035)	(118,044,442)
Short term investments (made) / disposed of - net		(32,058)	55,950,804
Proceeds from disposal of property, plant and equipment		6,735,000	4,650,000
Profit received on saving accounts / term deposit receipt		732,761	2,882,102
Net cash used in investing activities		(91,900,332)	(54,561,536)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing	35.2	30,400,000	-
Repayment of long term financing	35.2	(6,218,862)	-
Short term borrowings - net	35.2	49,865,546	(14,073,430)
Net cash from / (used in) financing activities		74,046,684	(14,073,430)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(41,491,278)	57,358,290
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		89,615,052	32,256,762
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	48,123,774	89,615,052

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, 2026

1. THE COMPANY AND ITS OPERATIONS

1.1 The National Silk and Rayon Mills Limited (the Company) is a public limited company incorporated in Pakistan on 27 June 1950 under the Companies Act, 1913 (Now Companies Act, 2017), and its shares are quoted on Pakistan Stock Exchange Limited on 28 May 1962. The registered office of the Company is situated at H 8-3, Aziz Avenue, Canal Road, Gulberg V, Lahore. The head office and production unit are situated at Dhuddiwala, Jaranwala Road, Faisalabad. The principal activity of the company is dyeing, bleaching, finishing and embroidery of fabric.

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:

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

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

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

b) Accounting convention

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

c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with the approved accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and judgements are continually evaluated and are based on historical experience and various other factors, including expedition of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. 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:

Useful lives, patterns of economic benefits and impairments

The estimate for revalued amount of freehold land is based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendation also includes estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets including intangible asset for possible impairment on an annual basis. If such indication exists, asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment along with intangible asset with a corresponding effect on the depreciation / amortization charge and impairment.

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 recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling price less estimated expenditure to make sales. Inventory write-down is made based on current market conditions and historical experiences. It could change significantly as a result of change in market conditions.

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. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Revenue from contracts with customers involving sale of goods and services

When recognizing revenue in relation to the sales of goods and services of processing / embroidery to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods and the services 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.

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.

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.

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

Following amendments to published approved accounting standard are mandatory for the Company's accounting periods beginning on or after 01 July 2025:

• Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'. Rates' – Lack of Exchangeability.

'The above-mentioned amendments to approved accounting standard did not have any impact on the amounts recognized 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 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.

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

Following standards, amendments and improvements to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2026 or later periods:

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 provision of resources to the entity.

'As per the current scenario, the Company will fall in Phase-III of the criteria as per the order from Securities and Exchange Commission of Pakistan (SECP) dated 31 December 2024. Therefore the effective date of these two sustainability standards for the Company is for annual reporting periods beginning on or after 01 July 2027.

'Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

'Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Contracts Referencing Nature–dependent Electricity (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

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 standards relevant to the Company, as result of the IASB's annual improvements project:

- IFRS 7 Financial Instruments: Disclosures;
- IFRS 9 Financial Instruments; and
- IAS 7 Statement of Cash flows.

The above standards, amendments and improvements are likely to have no significant impact on the financial statements apart from certain additional disclosures.

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

There are other standards and amendments to published approved standards that are mandatory for accounting periods beginning on or after 01 July 2026 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 Employees retirement benefit

The Company operates an employees' provident fund for all its permanent employees effective from 01 July 2016 by replacing unfunded gratuity scheme which was ceased earlier. Equal monthly contributions are made to the fund both by the Company and the employees at the rate of 8.33% percent of the basic salary. The Company's contributions to the Fund are recognized as an expense in the statement of profit or loss as and when incurred. Employees are eligible under the scheme on completion of prescribed qualifying period of service.

2.3 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. Provision are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.4 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 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.

2.5 Property, plant and equipment

a) Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the construction / erection period of qualifying assets and other directly attributable cost of bringing the assets to working condition.

Increases in the carrying amounts arising on revaluation of freehold land are recognized in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Valuations are performed frequently enough to ensure that the fair value of the revalued asset does not differ materially from its carrying amount.

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

b) Depreciation

Depreciation on operating fixed assets is charged to the statement of profit or loss applying 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. The Company charges the depreciation on additions from the month when the asset is available for use and on deletions upto the month preceding the month of disposal. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

c) De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

d) Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any. 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.

2.6 Intangible asset and amortization

Computer software acquired by the Company is stated at cost less accumulated amortization and any identified impairment loss. Software's costs are only capitalized when it is probable that future economic benefits attributable to the software will flow to the Company and the same is amortized applying the straight line method at the rates stated in Note 15 to these financial statements.

Amortization is charged to the statement of profit or loss on straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization is charged from the month in which the asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed of. Intangible asset is amortized over its estimated useful life of five years.

The Company assesses at each reporting date whether there is any indication that intangible asset may be impaired. If such indication exists, the carrying amount of such asset is reviewed to assess whether it is recorded in excess of its recoverable amount. When carrying value exceeds the respective recoverable amount, asset is written down to its recoverable amount and resulting impairment is recognized in the statement of profit or loss. When an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

2.7 Inventories

Cost of inventories is determined as follows:

Stores and spare parts

Stores and spares parts except for items in transit, are stated at lower of cost and net realizable value. Usable stores and spare parts are valued principally at moving average cost, while items considered obsolete are carried at nil value upto the reporting date. Items in transit are valued at cost comprising invoice amount plus other charges paid thereon accumulated upto the reporting date.

Stock-in-trade

Cost of raw materials is determined on weighted average cost. Materials in transit are valued at cost comprising invoice value plus other changes paid there on.

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

2.8 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 reporting 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 asset's carrying amount exceeds its recoverable amount. 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.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts along with other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.10 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 amortized 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.

At 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) or 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.

At fair value through profit or loss

'Changes in the fair value of equity investments at fair value through profit or loss are recognized 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.

2.11 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 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 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 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.

2.13 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company de-recognizes 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 de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company de-recognizes 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 expired.

2.14 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 statement of profit or loss over the period of the borrowings using the effective interest method.

2.15 Government grants

Grants from the Government are recognized 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 recognized in the profit or loss over the period necessary to match them with the costs that these are intended to compensate.

2.16 Trade debts and other receivables

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

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.17 Trade and other payables

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

2.18 Revenue recognition

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

i) Rendering of services

The Company provides dyeing and embroidery services to local customers. These services are sold separately and the Company's contract with the customers for services constitutes a single performance obligation. Revenue from a contract to provide services is recognized at 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.

ii) Sale of goods

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

iii) Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized 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.

iv) Rent

Revenue is recognized when rent is accrued.

v) Dividend

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

vi) Other income recognition

Other revenue is recognized when it is received or when the right to receive payment is established.

2.19 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.

2.20 Contingent assets

Contingent liabilities are disclosed when the Company has a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises form past events but is not recognized because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or when amount of this obligation cannot be measured with sufficient reliability.

2.21 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 Officer 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 Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, 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 two reportable business segments comprise of Dyeing and Embroidery.

Due to separate nature of both segments' operations, there are no transactions among the business segments.

2.22 Contract assets

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

2.23 Contract liabilities

'Contract liability is the obligation of the Company to transfer goods after providing services 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 received. Contract liabilities are recognized as revenue when the Company accomplishes its performance obligations under the contract.

2.24 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.

2.25 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. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Share capital

Ordinary shares of various classes are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3.2 Dividend and other appropriations

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

3.3 Earnings per share

The Company presents Earnings Per Share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3.4 Offsetting of financial instruments

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

3.5 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.

3.6 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.

3.7 Borrowing cost

Interest, mark-up and other charges on borrowings are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such borrowings. All other interest, mark-up and other charges are recognized in statement of profit or loss.

3.8 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 and any initial direct costs incurred.

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 of these assets are recognized as expense on straight-line basis over the lease term.

3.9 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 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 these are incurred.

Lease liabilities are measured at amortized 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.

4. AUTHORIZED SHARE CAPITAL

2026 (NUMBER OF SHARES)	2025		2026 RUPEES	2025 RUPEES
20,000,000	20,000,000	A - Class Ordinary shares of Rupees 10 each	200,000,000	200,000,000
400,000	400,000	B - Class Ordinary shares of Rupees 10 each	4,000,000	4,000,000
20,400,000	20,400,000		204,000,000	204,000,000

5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

15 051 267	15 051 267	A - Class Ordinary shares of Rupees 10 each fully paid in cash	150,512,670	150,512,670
320 100	320 100	B - Class Ordinary shares of Rupees 10 each fully paid in cash	3,201,000	3,201,000
181 807	181 807	A - Class Ordinary shares of Rupees 10 each issued as fully paid bonus shares	1,818,070	1,818,070
15,553,174	15,553,174		155,531,740	155,531,740

5.1 All shares other than B-class shares are equally eligible to receive dividends and represents one vote at shareholders' meetings of the Company. Shareholders of B-class shares will not participate in dividends unless a minimum 10% of dividend is paid to shareholders of A-class shares and will not exercise voting rights except when the management is found to be inefficient and debt servicing by the Company becomes unsatisfactory.

6. CAPITAL RESERVE - SURPLUS ON REVALUATION OF FREEHOLD LAND

Balance as on 01 July	1,123,279,091	1,123,279,091
Add: Surplus arising on revaluation during the year	80,250,000	-
Balance as on 30 June	1,203,529,091	1,123,279,091

Revaluation of freehold land of the Company was carried out on 29 June 2026 by an independent valuer, Messrs Creative Consultants & Construction applying current market rates.

7. LONG TERM FINANCING

From financial institution - secured

Long term finance (Note 7.1)	24,181,138	-
Less: Current portion shown under current liabilities	9,660,865	-
	14,520,273	-

7.1 'This finance is obtained from Primus Leasing Limited and is repayable in thirty six equal monthly installments starting from 25 October 2025 and ending on 25 September 2028. The rate of markup ranging from 16.08% to 16.44% per annum payable monthly. The loan is secured against title of vehicle owned by Mr. Faisal Tauheed, Chief Executive Officer of the Company.

		2026 RUPEES	2025 RUPEES
8.	**DEFERRED INCOME TAX LIABILITY**		
	The deferred income tax liability originated due to timing differences relating to:		
	Taxable temporary difference		
	Accelerated tax depreciation	37,100,049	33,364,916
	Deductible temporary differences		
	Gratuity payable - ceased	(62,851)	(62,851)
	Allowance for expected credit losses	(3,682,952)	(3,131,818)
	Provision for doubtful advances to suppliers	(250,119)	(191,952)
	Workers' profit participation fund	(1,933,369)	(1,809,263)
	Workers' welfare fund	(1,939,535)	(1,939,733)
	Minimum tax	-	(5,303,993)
		(7,868,826)	(12,439,610)
		29,231,223	20,925,306

8.1 Movement in the deferred income tax liability balance is as follows:

	2026		
	Balance as on 01 July	**Recognized in statement of profit or loss**	**Balance as on 30 June**
Accelerated tax depreciation	33,364,916	3,735,133	37,100,049
Gratuity payable - ceased	(62,851)	-	(62,851)
Allowance for expected credit losses	(3,131,818)	(551,134)	(3,682,952)
Provision for doubtful advances to suppliers	(191,952)	(58,167)	(250,119)
Workers' profit participation fund	(1,809,263)	(124,106)	(1,933,369)
Workers' welfare fund	(1,939,733)	198	(1,939,535)
Minimum tax carried forward:			
Available	(13,360,603)	13,360,603	-
Movement in deferred income tax not recognized	8,056,610	(8,056,610)	-
Deferred income tax recognized	(5,303,993)	5,303,993	-
	20,925,306	8,305,917	29,231,223

	2025		
	Balance as on 01 July	**Recognized in statement of profit or loss**	**Balance as on 30 June**
Accelerated tax depreciation	31,503,676	1,861,240	33,364,916
Gratuity payable - ceased	(62,851)	-	(62,851)
Allowance for expected credit losses	(2,176,638)	(955,180)	(3,131,818)
Provision for doubtful advances to suppliers	(28,733)	(163,219)	(191,952)
Workers' profit participation fund	-	(1,809,263)	(1,809,263)
Workers' welfare fund	-	(1,939,733)	(1,939,733)
Unrealized gain on investment at FVTPL	19,187	(19,187)	-
Minimum tax carried forward:			
Available	(20,294,049)	6,933,446	(13,360,603)
Movement in deferred income tax not recognized	14,990,056	(6,933,446)	8,056,610
Deferred income tax recognized	(5,303,993)	-	(5,303,993)
	23,950,648	(3,025,342)	20,925,306

8.2 Deferred income tax asset has been recognised to the extent that the realization of related tax benefits is probable from future taxable profits. It is probable that sufficient taxable profits will be available for utilization of recognized deferred income tax asset.

		2026 RUPEES	2025 RUPEES
9.	**TRADE AND OTHER PAYABLES**		
	Creditors	392,643,320	464,514,188
	Accrued liabilities	63,489,739	62,770,418
	Gas Infrastructure Development Cess (GIDC) Payable (Note 9.1)	27,109,729	27,109,729
	Payable to Employees' Provident Fund Trust	746,740	792,254
	Income tax deducted at source	1,641,952	1,067,921
	Gratuity payable - ceased	216,727	216,727
	Sales tax payable	10,903,697	6,679,555
	Workers' profit participation fund (Note 9.2)	6,666,789	6,238,837
	Workers' welfare fund (Note 9.3)	6,688,053	6,688,735
		510,106,746	576,078,364

9.1 This represents Gas Infrastructure Development Cess (GIDC) which was levied through GIDC Act, 2015. Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. Meanwhile the Company along with other industrial gas consumers has obtained interim relief dated 23 February 2021 from Lahore High Court, Lahore which restrained Sui Northern Gas Pipelines Limited (SNGPL) from recovering GIDC prior to promulgation of GIDC Act, 2015.

9.2	**Workers' profit participation fund**		
	Balance as on 01 July	6,238,837	4,967,539
	Add:		
	Provision for the year (Note 29)	5,891,845	6,029,234
	Interest for the year (Note 31)	565,341	806,252
		12,696,023	11,803,025
	Less: Payments made during the year	(6,029,234)	(5,564,188)
	Balance as on 30 June	6,666,789	6,238,837
9.3	**Workers' welfare fund**		
	Balance as on 01 July	6,688,735	4,351,906
	Add: Provision for the year (Note 29)	2,227,594	2,336,829
	Less: Payments made during the year	(2,228,276)	-
	Balance as on 30 June	6,688,053	6,688,735

10. CONTRACT LIABILITIES

These represent unsecured contract liabilities of the Company towards various parties. The amount of Rupees 2.601 million included in contract liabilities at 30 June 2025 has been recognised as revenue (Note 25) during the year (2025: Rupees 16.928 million).

11. SHORT TERM BORROWINGS

From banking company - secured		
Cash finance	99,542,704	49,677,158

11.1 This represents finance obtained from banking company which is secured against first charge of Rupees 400 million on present and future fixed assets (land and building) of the Company and hypothecation charge of same amount on present and future current assets of the Company, registered mortgage of Rupees 1 million, equitable mortgage of Rupees 275 million and additional equitable mortgage of Rupees 124 million over land and building of the Company along with personnel guarantees of all directors of the Company.

11.2 Rates of mark up charged during the year ranged from 13.88% to 14.74% (2025: 15.93% to 23.99%) per annum.

		2026 RUPEES	2025 RUPEES
12.	**ACCRUED MARK-UP**		
	Long term financing	405,619	-
	Short term borrowings	2,366,644	266,957
		2,772,263	266,957

13. CONTINGENCIES AND COMMITMENTS

a) Contingencies

(i) SNGPL raised a demand amounting to Rupees 39.805 million against recovery of gas pilferage from the Company, which was reduced to Rupees 26.618 million by Review Committee of SNGPL on 24 May 2012. This amount was firstly deposited by the Company in parts but later was adjusted by SNGPL in its monthly bills. On 17 February 2022, OGRA conducted a hearing on request of SNGPL regarding this adjustment but the decision of OGRA is awaited. In the view of management on advice of legal counsel, the OGRA's decision will be in favour of the Company, and therefore no liability can be arisen.

(ii) Guarantee of Rupees 6.550 million (2025: Rupees 6.550 million) is issued by the Bank of the Company to Faisalabad Electric Supply Company Limited (FESCO) against electricity connection.

b) Commitments

(i) Letters of credit for capital expenditure are of Rupees Nil (2025: Nil).

(ii) Letters of credit other than for capital expenditure are of Rupees 43.066 million (2025: Rupees 64.099 million).

14.	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating fixed assets (Note 14.1)	1,589,840,759	1,448,694,876
	Capital work-in-progress (Note 14.2)	-	4,239,308
		1,589,840,759	1,452,934,184

14.1 Operating fixed assets

	Freehold land	Buildings on freehold land		Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Pipeline and electric fitting	Total
		Factory	Residential						
	RUPEES								
At 30 June 2024									
Cost / revalued amount	1,123,500,000	41,006,147	104,888	514,382,779	3,072,740	3,510,289	52,000,241	20,885,418	1,758,462,502
Accumulated depreciation	-	(26,225,691)	(100,566)	(330,394,368)	(807,998)	(2,674,710)	(23,263,397)	(13,058,454)	(396,525,184)
Net book value	1,123,500,000	14,780,456	4,322	183,988,411	2,264,742	835,579	28,736,844	7,826,964	1,361,937,318
Year ended 30 June 2025									
Opening net book value	1,123,500,000	14,780,456	4,322	183,988,411	2,264,742	835,579	28,736,844	7,826,964	1,361,937,318
Additions	-	-	-	26,115,089	7,604,310	-	16,761,997	67,469,968	117,951,364
Disposals:									
Cost	-	-	-	-	-	-	(2,970,687)	-	(2,970,687)
Accumulated depreciation	-	-	-	-	-	-	1,851,068	-	1,851,068
	-	-	-	-	-	-	(1,119,619)	-	(1,119,619)
Depreciation charge	-	(1,478,046)	(216)	(19,615,016)	(627,173)	(83,558)	(6,845,369)	(1,424,809)	(30,074,187)
Closing net book value	1,123,500,000	13,302,410	4,106	190,488,484	9,241,879	752,021	37,533,853	73,872,123	1,448,694,876
At 30 June 2025									
Cost / revalued amount	1,123,500,000	41,006,147	104,888	540,497,868	10,677,050	3,510,289	65,791,551	88,355,386	1,873,443,179
Accumulated depreciation	-	(27,703,737)	(100,782)	(350,009,384)	(1,435,171)	(2,758,268)	(28,257,698)	(14,483,263)	(424,748,303)
Net book value	1,123,500,000	13,302,410	4,106	190,488,484	9,241,879	752,021	37,533,853	73,872,123	1,448,694,876
Year ended 30 June 2026									
Opening net book value	1,123,500,000	13,302,410	4,106	190,488,484	9,241,879	752,021	37,533,853	73,872,123	1,448,694,876
Additions	-	-	-	72,486,008	1,077,255	-	25,257,889	4,754,191	103,575,343
Effect of surplus on revaluation	80,250,000	-	-	-	-	-	-	-	80,250,000
Disposals:									
Cost	-	-	-	-	-	-	(3,823,917)	-	(3,823,917)
Accumulated depreciation	-	-	-	-	-	-	2,919,224	-	2,919,224
	-	-	-	-	-	-	(904,693)	-	(904,693)
Depreciation charge	-	(1,330,241)	(205)	(22,051,731)	(972,748)	(75,202)	(9,547,933)	(7,796,707)	(41,774,767)
Closing net book value	1,203,750,000	11,972,169	3,901	240,922,761	9,346,386	676,819	52,339,116	70,829,607	1,589,840,759
At 30 June 2026									
Cost / revalued amount	1,203,750,000	41,006,147	104,888	612,983,876	11,754,305	3,510,289	87,225,523	93,109,577	2,053,444,605
Accumulated depreciation	-	(29,033,978)	(100,987)	(372,061,115)	(2,407,919)	(2,833,470)	(34,886,407)	(22,279,970)	(463,603,846)
Net book value	1,203,750,000	11,972,169	3,901	240,922,761	9,346,386	676,819	52,339,116	70,829,607	1,589,840,759
Annual rate of depreciation (%)	-	10	5	10	10	10	20	10	

14.1.1 Had there been no revaluation, the value of freehold land would have been lower by Rupees 1,203.529 million (2025: Rupees 1,123.279 million). The book value of freehold land on cost basis is Rupees 0.221 million (2025: Rupees 0.221 million).

14.1.2 Forced sale value of freehold land was Rupees 1,023.188 million.

		2026 RUPEES	2025 RUPEES
14.1.3	**Depreciation charge for the year has been allocated as follows:**		
	Cost of sales (Note 26)	37,597,290	27,066,768
	Administrative expenses (Note 28)	4,177,477	3,007,419
		41,774,767	30,074,187

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

Particulars	Location	Area of land	Covered area of buildings
		Kanals	Sq. ft.
Manufacturing facility and head office	Dhuddiwala, Jaranwala Road,	80.25	312 996

		Plant and machinery	Pipeline and electric fitting	Total
14.2	**Capital work-in-progress**	RUPEES	RUPEES	RUPEES
	At 30 June 2024	-	4,146,230	4,146,230
	Additions during the year	27,184,399	63,903,770	91,088,169
	Transferred to operating fixed assets during the year	(26,115,089)	(64,880,002)	(90,995,091)
	At 30 June 2025	1,069,310	3,169,998	4,239,308
	Additions during the year	71,416,698	-	71,416,698
	Transferred to operating fixed assets during the year	(72,486,008)	(3,169,998)	(75,656,006)
	At 30 June 2026	-	-	-

		2026 RUPEES	2025 RUPEES
15.	**INTANGIBLE ASSET**		
	Computer software		
	Net carrying value basis		
	Opening net book value	1,291,591	2,700,597
	Amortization charged during the year (Note 28)	(1,291,591)	(1,409,006)
	Closing net book value	-	1,291,591
	Gross carrying value		
	Cost	7,045,032	7,045,032
	Accumulated amortization	(7,045,032)	(5,753,441)
	Closing net book value	-	1,291,591
	Amortization rate (per annum)	20%	20%
16.	**LONG TERM DEPOSITS AND PREPAYMENT**		
	Security deposits	34,313,868	26,217,046
	Prepayment	103,250	224,818
		34,417,118	26,441,864
	Current portion shown under current assets (Note 21)	(103,250)	(121,568)
		34,313,868	26,320,296
17.	**STORES AND SPARE PARTS**		
	Dyes and chemicals	116,929,882	96,585,948
	Thread, textured / filament yarn (Note 17.1)	12,338,068	24,162,365
	Coal	20,760,248	3,156,124
	Spare parts	7,193,841	6,041,872
	Packing materials	1,736,245	981,761
	Other stores	5,444,110	3,988,156
		164,402,394	134,916,226

17.1 These includes thread, textured / filament yarn in transit amounting to Rupees Nil (2025: Rupees 7.655 million).

17.2 Other stores and spare parts includes items which may result in fixed capital expenditure but are not distinguishable.

18.	**STOCK IN TRADE**		
	Raw materials	-	534,996

		2026 RUPEES	2025 RUPEES
19.	**TRADE DEBTS**		
	Considered good:		
	Unsecured - local	493,077,402	438,280,806
	Allowance for expected credit losses (Note 19.3)	(12,699,836)	(10,799,371)
		480,377,566	427,481,435

19.1 Revenue is recognized at the time of delivery of goods after providing services and sale of goods, while payment is generally due within 15 to 30 days from issuing invoice in case of local sales.

19.2 As at 30 June 2026, trade debts receivable amounting to Rupees 254.702 million (2025: Rupees 188.153 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 ageing analysis of these trade debts is as follows:

Not yet due	225,675,698	239,328,605
Past due but not impaired:		
Upto 1 month	124,527,237	117,148,530
1 to 6 months	109,724,959	58,222,205
More than 6 months	20,449,672	12,782,095
	254,701,868	188,152,830
	480,377,566	427,481,435

19.3	**Allowance for expected credit losses**		
	Balance as on 01 July	10,799,371	7,505,647
	Recognized during the year (Note 29)	1,900,465	3,293,724
	Balance as on 30 June	12,699,836	10,799,371
20.	**LOANS AND ADVANCES**		
	Considered good:		
	Advance to suppliers / service providers	6,146,983	13,587,353
	Letters of credit	157,468	301,386
		6,304,451	13,888,739
	Considered doubtful:		
	Advance to suppliers / service providers	862,478	661,904
	Provision for advances to suppliers (Note 20.1)	(862,478)	(661,904)
		-	-
		6,304,451	13,888,739
20.1	**Provision for doubtful advances to suppliers**		
	Balance as on 01 July	661,904	99,078
	Recognized during the year (Note 29)	200,574	562,826
	Balance as on 30 June	862,478	661,904
21.	**PREPAYMENTS AND OTHER RECEIVABLES**		
	Considered good:		
	Profit receivable on term deposit receipt / saving accounts	69,355	41,848
	Current portion of long term deposits and prepayment (Note 16)	103,250	121,568
	Prepayments	944,739	700,092
		1,117,344	863,508
22.	**TAXATION AND LEVY - NET**		
	Advance tax and prepaid levy	93,881,675	91,126,437
	Provision for taxation	(30,796,537)	(30,667,080)
	Levy payable	(14,304)	(360,735)
		63,070,834	60,098,622
23.	**SHORT TERM INVESTMENTS**		
	At amortized cost - Term deposit receipt (Note 23.1)	305,000	305,000
	At fair value through profit or loss (FVTPL) - Mutual funds (Note 23.2)	514,523	482,465
		819,523	787,465

23.1 This represents term deposit receipt issued by National Bank of Pakistan having maturity period of 6 months with roll over facility. This investment is carried at amortized cost. Rate of profit ranged from 4.04% to 6.25% (2025: 9.46% to 9.58%) per annum.

23.2 At fair value through profit or loss (FVTPL) - Mutual funds

	2026			2025		
	Carrying value	Fair value adjustment	Market Value	Carrying value	Fair value adjustment	Market Value
	---------- RUPEES ----------					
NBP Income Fund of Fund - NBP Cash 8 510 (2025: 7 950) units held	85,097	-	85,097	79,571	(75)	79,496
Meezan Daily Income Fund 8 588 (2025: 8 059) units held	429,426	-	429,426	402,969	-	402,969
	514,523	-	514,523	482,540	(75)	482,465

23.2.1 The fair value of funds are based on the Net Asset Value (NAV) being the current bid price at reporting date as quoted by the respective asset management companies.

		2026 RUPEES	2025 RUPEES
24.	**CASH AND BANK BALANCES**		
	With banks:		
	on current accounts	3,678,662	85,799,776
	on saving accounts (Note 24.1)	6,816,124	3,502,821
		10,494,786	89,302,597
	Cash in hand	1,628,988	312,455
	Call deposit receipt	36,000,000	-
		37,628,988	312,455
		48,123,774	89,615,052

24.1 Rate of profit on saving account was ranging from 2.47% to 9.00% (2025: 2.78% to 13.10%) per annum.

25.	**REVENUE FROM CONTRACTS WITH CUSTOMERS**		
	Export sales - Dyed fabric	-	17,633,177
	Local sales (Note 25.1)	-	11,398,548
	Processing income (Note 25.2)	2,461,484,840	2,422,358,935
		2,461,484,840	2,451,390,660
25.1	**Local sales**		
	Dyed fabric	-	13,450,287
	Less: Sales tax	-	2,051,739
		-	11,398,548
25.2	**Processing income**		
	Dyeing services	2,402,064,596	2,333,438,514
	Less: Sales tax	366,416,633	355,948,248
		2,035,647,963	1,977,490,266
	Embroidery services	502,583,141	525,091,640
	Less: Sales tax	76,746,264	80,222,971
		425,836,877	444,868,669
		2,461,484,840	2,422,358,935
26.	**COST OF SALES**		
	Salaries, wages and other benefits (Note 26.1)	179,003,872	185,418,530
	Dyes, chemicals and cloth consumed	1,215,097,481	1,265,963,008
	Thread, textured / filament yarn consumed	169,986,931	140,417,740
	Fuel and power	571,838,630	560,549,044
	Stores and spare parts consumed	60,113,048	44,318,034
	Oil and greases consumed	12,270,573	10,858,136
	Packing materials consumed	28,303,905	22,382,719
	Repair and maintenance	1,259,990	3,915,682
	Depreciation (Note 14.1.3)	37,597,290	27,066,768
		2,275,471,720	2,260,889,661

26.1 Salaries, wages and other benefits include provident fund contribution of Rupees 3.384 million (2025: Rupees 3.505 million) by the Company.

27.	**DISTRIBUTION COST**		
	Salaries and other benefits (Note 27.1)	2,958,508	3,094,356
	Shipping and freight charges	-	583,235
		2,958,508	3,677,591

27.1 Salaries and other benefits include provident fund contribution of Rupees 0.278 million (2025: Rupees 0.258 million) by the Company.

		2026 RUPEES	2025 RUPEES
28.	**ADMINISTRATIVE EXPENSES**		
	Salaries, wages and other benefits (Note 28.1)	18,162,172	15,083,302
	Directors' remuneration	15,800,000	12,000,000
	Rent, rates and taxes	103,326	123,714
	Traveling and conveyance	1,077,514	1,166,895
	Electricity and water	6,768,804	5,820,379
	Communication expenses	2,201,345	1,992,885
	Printing and stationery	201,000	199,500
	Software's maintenance	-	-
	Vehicles' running	3,218,782	3,450,007
	Fees and subscriptions	984,648	1,350,336
	Legal and professional	308,927	184,754
	Auditor's remuneration (Note 28.2)	1,278,500	1,205,000
	Newspapers and advertisement	90,800	87,700
	Entertainment	1,709,970	859,984
	Insurance	2,217,029	2,466,027
	Amortization (Note 15)	1,291,591	1,409,006
	Depreciation (Note 14.1.3)	4,177,477	3,007,419
	Others	30,712	14,916
		59,622,597	50,421,824

28.1 Salaries, wages and other benefits include provident fund contribution of Rupees 0.986 million (2025: Rupees 1.004 million) by the Company.

28.2	**Auditor's remuneration**		
	Audit fee	950,000	950,000
	Half yearly review	150,000	150,000
	Reimbursable expenses	95,000	50,000
	Sales tax	83,500	55,000
		1,278,500	1,205,000
29.	**OTHER EXPENSES**		
	Workers' profit participation fund (Note 9.2)	5,891,845	6,029,234
	Workers' welfare fund (Note 9.3)	2,227,594	2,336,829
	Donations (Note 29.1)	75,000	225,000
	Loans and advances written off	-	280,601
	Sales tax refundable written off	-	16,942,705
	Allowance for expected credit losses - net (Note 19.3)	1,900,465	3,293,724
	Provision for doubtful advances to suppliers (Note 20.1)	200,574	562,826
	Net exchange loss	1,542,749	626,697
	Unrealized loss on remeasurement of investment at FVTPL	-	75
		11,838,227	30,297,691

29.1 There is no interest of any director or his / her spouse in donees' fund.

30.	**OTHER INCOME**		
	Income from financial assets		
	Profit on saving accounts / term deposit receipt	760,268	1,528,200
	Dividend income	49,323	1,214,781
	Gain on sale of investments at FVTPL	-	151,585
		809,591	2,894,566
	Income from non-financial assets		
	Scrap sales	2,238,108	1,975,771
	Gain on disposal of property, plant and equipment	5,830,307	3,530,381
		8,068,415	5,506,152
		8,878,006	8,400,718
31.	**FINANCE COST**		
	Markup on		
	- Long term financing	3,424,713	-
	- Short term borrowings	6,681,529	1,521,705
	Interest on workers' profit participation fund (Note 9.2)	565,341	806,252
	Bank charges and commission	648,085	764,285
		11,319,668	3,092,242
32.	**LEVY**		
	Levy for the year (Note 32.1)	14,304	360,735

32.1 Levy represents final tax under relevant provisions of Income Tax Ordinance, 2001.

		2026 RUPEES	2025 RUPEES
33.	**TAXATION**		
	Current (Note 33.1)	30,796,537	30,667,080
	- Prior year adjustment	-	12,361
	Deferred tax (Note 8.1)	8,305,917	(3,025,342)
		39,102,454	27,654,099

33.1 Provision for taxation represents normal tax on taxable income under relevant provisions of Income Tax Ordinance, 2001.

33.2 Reconciliation between levy and tax expense and accounting profit

Accounting profit before levy and taxation	109,152,126	111,412,369
Tax on profit @ 29%	31,654,117	32,309,587
Effect of final tax regime taxed at lower rates	-	(57,718)
Prior year adjustment	-	(12,361)
Effect of deferred income tax	8,305,917	(3,025,342)
Effect of incomes / expenses which are not considered in determining tax liability	(843,276)	(1,199,332)
Current tax liability and levy as per applicable tax laws	39,116,758	28,014,834
Levy (Note 32)	(14,304)	(360,735)
Taxation (Note 33)	(39,102,454)	(27,654,099)
	-	-

34. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

		2026	2025
Profit for the year	(Rupees)	70,035,368	83,397,535
Weighted average number of ordinary shares	(Numbers)	15 553 174	15 553 174
Earnings per share	(Rupees)	4.50	5.36

		2026 RUPEES	2025 RUPEES
35.	**CASH GENERATED FROM OPERATIONS**		
	Profit before levy and taxation	109,152,126	111,412,369
	Adjustments for non-cash charges and other items:		
	Depreciation (Note 14.1)	41,774,767	30,074,187
	Amortization on intangible asset (Note 15)	1,291,591	1,409,006
	Gain on disposal of property, plant and equipment (Note 30)	(5,830,307)	(3,530,381)
	Allowance for expected credit losses - net (Note 29)	1,900,465	3,293,724
	Provision for doubtful advances to suppliers (Note 29)	200,574	562,826
	Provision for workers' profit participation fund (Note 29)	5,891,845	6,029,234
	Provision for workers' welfare fund (Note 29)	2,227,594	2,336,829
	Exchange loss - net	1,438,505	626,697
	Profit on saving accounts / term deposit receipt (Note 30)	(760,268)	(1,528,200)
	Unrealized loss on remeasurement of investment at FVTPL	-	
	Sales tax refundable written off	-	16,942,705
	Loans and advances written off	-	280,601
	Finance cost (Note 31)	11,319,668	3,092,242
	Working capital changes (Note 35.1)	(133,961,034)	(5,045,579)
		34,645,526	165,956,335

		2026 RUPEES	2025 RUPEES
35.1	**Working capital changes**		
	(Increase) / decrease in current assets:		
	- Stores and spare parts	(29,486,168)	(5,386,570)
	- Stock-in-trade	534,996	16,611,458
	- Trade debts	(54,796,596)	32,465,192
	- Loans and advances	7,383,714	(5,195,119)
	- Prepayments and other receivables	(226,329)	588,826
		(76,590,383)	39,083,787
	(Decrease) / increase in current liabilities:		
	- Trade and other payables	(67,837,393)	(52,244,765)
	- Contract liabilities	10,466,742	8,115,399
		(57,370,651)	(44,129,366)
		(133,961,034)	(5,045,579)

35.2 Reconciliation of movement of liabilities to cash flows from financing activities:

	2026		2025
	Long term financing	Short term borrowings	Short term borrowings
	----------RUPEES----------		
Balance as at 01 July	-	49,677,158	63,750,588
Proceeds from long term financing	30,400,000	-	-
Borrowings obtained / (repaid) - net	-	49,865,546	(14,073,430)
Repayment of long term financing	(6,218,862)	-	-
Balance as at 30 June	24,181,138	99,542,704	49,677,158

36. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements in respect of remuneration including benefits to the Chief Executive Officer, Director and Executives of the Company are as follows:

DESCRIPTION	2026			2025		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
	----------RUPEES----------					
Managerial remuneration	7,900,000	7,900,000	6,249,600	6,000,000	6,000,000	1,444,440
Contribution to provident fund	-	-	119,952	-	-	119,952
	7,900,000	7,900,000	6,369,552	6,000,000	6,000,000	1,564,392
Number of persons	1	1	2	1	1	1

36.1 The Chief Executive Officer and one Director are provided with Company maintained vehicles and residential telephones.

36.2 No remuneration or meeting fee was paid to any other director of the Company.

37. PROVIDENT FUND

As at the reporting date, The National Silk and Rayon Mills Limited - Employees' Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

38. NUMBER OF EMPLOYEES

	2026	2025
Number of employees as at 30 June	382	391
Average number of employees during the year	389	389

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise other related parties and key management personnel. Detail of transactions with related parties along with basis of relationship, other than those which have been disclosed elsewhere in these financial statements are as follows:

Name	Basis of relationship	Nature of transactions	2026	2025
			RUPEES	RUPEES
Other related parties				
Mr. Kashif Tauheed	Director of the Company	Loan repaid	-	16,056,688
The National Silk and Rayon Mills Limited - Employees' Provident Fund Trust	Post employment contribution plan	Contribution made	4,647,134	4,767,651

39.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, Director and Executive is disclosed in Note 36.

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 ended		Percentage of shareholding
		2026	2025	
Sh. Faisal Tauheed	Chief Executive Officer	Yes	Yes	-
Sh. Kashif Tauheed	Director	Yes	Yes	-
Mrs. Samira Faisal	Director	No	No	-
Mrs. Tahira Kashif	Director	No	No	-
Sh. Mustafa Faisal Tauheed	Director	No	No	-
Mr. Imran Ali Safdar	Director	No	No	-
Mr. Shahzad Ehsan	Director	No	No	-

40. PLANT CAPACITY AND ACTUAL PRODUCTION

	M/U	2026	2025
Cloth processing			
Rated capacity	Meters	62,804,000	62,804,000
Actual processing	Meters	27,403,633	28,251,168
Percentage of utilization of rated capacity		43.63%	44.98%
Embroidery processing			
Rated capacity	Meters	8,607,500	8,607,500
Actual processing	Meters	3,209,753	3,242,175
Percentage of utilization of rated capacity		37.29%	37.67%
Number of working days		308	311

40.1 REASONS FOR LOW PRODUCTION

Under utilization of available capacity is due to different melange of cloth and stitches per meter of embroidery cloth available for processing and unsustained supply of electricity and sui gas.

41. SEGMENT INFORMATION

	Dyeing		Embroidery		Total - Company	
	2026	2025	2026	2025	2026	2025
	RUPEES					
Revenue from contracts with customers	2,035,647,963	2,006,521,991	425,836,877	444,868,669	2,461,484,840	2,451,390,660
Cost of sales	(1,884,238,127)	(1,850,592,359)	(391,233,593)	(410,297,302)	(2,275,471,720)	(2,260,889,661)
Gross profit	151,409,836	155,929,632	34,603,284	34,571,367	186,013,120	190,500,999
Distribution cost	(2,446,686)	(3,010,196)	(511,822)	(667,395)	(2,958,508)	(3,677,591)
Administrative expenses	(49,307,888)	(41,271,471)	(10,314,709)	(9,150,353)	(59,622,597)	(50,421,824)
	(51,754,574)	(44,281,667)	(10,826,531)	(9,817,748)	(62,581,105)	(54,099,415)
Profit before levy and taxation unallocated income and expenses	99,655,262	111,647,965	23,776,753	24,753,619	123,432,015	136,401,584
Unallocated income 'and expenses:						
Other expenses					(11,838,227)	(34,017,852)
Other income					8,878,006	12,120,879
Finance cost					(11,319,668)	(3,092,242)
Levy					(14,304)	(360,735)
Taxation					(39,102,454)	(27,654,099)
Profit after taxation					70,035,368	83,397,535

41.1 Reconciliation of reportable segment assets and liabilities:

Total assets for reportable segments	1,027,666,387	884,621,077	230,097,449	218,809,449	1,257,763,836	1,103,430,526
Unallocated assets					1,130,606,677	1,105,301,588
Total assets as per statement of financial position					2,388,370,513	2,208,732,114

Unallocated assets represent major portion of property, plant and equipment excluding plant and machinery, intangible asset, long term deposits, loans and advances, prepayments and other receivables, corporate and tax assets and cash and bank balances.

Total liabilities for reportable segments	408,340,634	432,980,634	1,700,072	38,464,198	410,040,706	471,444,832
Unallocated liabilities					273,785,590	183,028,433
Total liabilities as per statement of financial position					683,826,296	654,473,265

Unallocated liabilities represent some portion of trade and other payables, unclaimed dividend, accrued mark-up, short term borrowings and deferred income tax liability.

41.2 All non-current assets of the Company as at reporting dates are located in Pakistan.

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

41.4 Geographical information

The Company's segment wise revenue from external customers as per geographical locations is detailed below:

	Dyeing		Embroidery		Total - Company	
	2026	2025	2026	2025	2026	2025
	RUPEES					
Pakistan	2,035,647,963	1,988,888,814	425,836,877	444,868,669	2,461,484,840	2,433,757,483
South Africa	-	17,633,177	-	-	-	17,633,177
	2,035,647,963	2,006,521,991	425,836,877	444,868,669	2,461,484,840	2,451,390,660

41.5 The Company's revenue form external customers in respect of services / products is detailed below:

Dyeing Services	2,035,647,963	1,977,490,266	-	-	2,035,647,963	1,977,490,266
Embroidery Services	-	-	425,836,877	444,868,669	425,836,877	444,868,669
Dyed fabric	-	29,031,725	-	-	-	29,031,725
	2,035,647,963	2,006,521,991	425,836,877	444,868,669	2,461,484,840	2,451,390,660

41.6 Revenue from major customers

Revenue from major customers of the Company's Dyeing segment includes two customers (2025: two customers) representing Rupees 587.317 million (2025: Rupees 713.430 million). Revenue from Embroidery segment of the Company does not include any major customer.

42. FINANCIAL RISK MANAGEMENT

42.1 Financial risk factors

The Company's activities expose it to certain 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's Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. Risk management is carried out by the Company's finance department under policies approved by the Board.

(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 receivables and short term borrowings that exist due to transactions in foreign currencies at the year end.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to the trade debts, trade and other payables and short term borrowings. The Company's exposure to currency risk was as follows:

	2026	2025
Trade and other payables - USD	343,812	190,364

Following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	280.34	279.03
Reporting date rate	278.55	284.10

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit before levy and taxation for the year would have been Rupees 4.458 million (2025: Rupees 2.518 million) lower / higher, 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. At the year end, the Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Index of Mutual Funds Association of Pakistan (MUFAP) on the Company's profit before levy and taxation for the year. The analysis is based on the assumption that the equity index had increased / decreased by 10% with all other variables held constant and the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit before levy and taxation	
	2026	2025
	RUPEES	RUPEES
MUFAP (10% increase)	47,902	44,917
MUFAP (10% decrease)	(47,902)	(44,917)

(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 from short term borrowings, term deposit receipt and bank balance in saving account. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rates 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:

	2026	2025
	RUPEES	RUPEES
Fixed rate instruments		
Term deposit receipt	305,000	305,000
Floating rate instruments		
Financial assets		
Bank balance - saving account	6,816,124	3,502,821
Financial liabilities		
Long term financing	24,181,138	-
Short term borrowings	99,542,704	49,677,158

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 1.088 million (2025: Rupees 0.430 million) lower / higher, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

The maximum exposure to credit risk at the reporting date was as follows:

Long term deposits	34,313,868	26,217,046
Trade debts	480,377,566	427,481,435
Other receivables	69,355	41,848
Short term investments	819,523	787,465
Bank balances	10,494,786	89,302,597
	526,075,098	543,830,391

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales contracts and credit terms are approved by the senior management and where considered necessary, advance payments are obtained from certain parties. Export sales to customer is secured through letters of credit. The management has set a maximum credit period limit for each type of customers in order to reduce the credit risk.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts. Management uses actual historical credit loss experience, credit risk characteristics and past days due, adjusted for forward-looking factors specific to the debtors and the economic environment to determine expected credit loss allowance.

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			2026	2025
	Short Term	Long term	Agency	RUPEES	RUPEES
Banks:					
Conventional bank accounts					
Habib Bank Limited	A1+	AAA	VIS	206,372	70,080
National Bank of Pakistan	A1+	AAA	PACRA	296,230	60,257,764
MCB Bank Limited	A1+	AAA	PACRA	35,823	115,966
Bank AL Habib Limited	A1+	AAA	PACRA	5,945,382	19,847,340
Askari Bank Limited	A1+	AA+	PACRA	21,453	23,453
The Bank of Punjab	A1+	AAA+	PACRA	125,940	125,940
Bank Alfalah Limited	A1+	AAA	PACRA	30,653	30,653
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	124,239	91,563
Allied Bank Limited	A1+	AAA	PACRA	533,551	233,028
United Bank Limited	A1+	AAA	VIS	594,778	60,308
Sub total				7,914,421	80,856,095
Shariah compliant bank accounts					
BankIslami Pakistan Limited	A1	AA-	PACRA	7,023	7,023
Bank Makarmah Limited	A2	A-	VIS	157,582	157,582
Meezan Bank Limited	A1+	AAA	VIS	1,388,859	5,444,018
Bank Alfalah Limited	A1+	AAA	PACRA	1,026,901	2,837,879
Sub total				2,580,365	8,446,502
Total				10,494,786	89,302,597
Investments:					
Term deposit receipt					
National Bank of Pakistan	A1+	AAA	PACRA	305,000	305,000
Mutual funds					
NBP Income Fund of Fund - NBP Cash		AM(1)	PACRA	85,097	79,496
Meezan Daily Income Fund		AA-(f)	PACRA	429,426	402,969
Sub total				514,523	482,465
Total				819,523	787,465
Grand total				11,314,309	90,090,062

Based on the past experience and deliberations management has recognized allowance for expected credit losses in respect of trade debts as given in Note 19.3 to these financial statements.

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 counterparties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2026, the Company had Rupees 0.457 million (2025: Rupees 0.323 million) available borrowing limits from financial institutions and Rupees 48.124 million (2025: Rupees 89.615 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 amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2026:

	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	24,181,138	29,013,529	6,447,451	6,447,451	12,894,902	3,223,725
Trade and other payables	456,133,059	456,133,059	456,133,059	-	-	-
Short term borrowings	99,542,704	107,028,315	107,028,315	-	-	-
Accrued mark-up	2,772,263	2,772,263	2,772,263	-	-	-
Unclaimed dividend	594,836	594,836	594,836	-	-	-
	583,224,000	595,542,002	572,975,924	6,447,451	12,894,902	3,223,725

Contractual maturities of financial liabilities as at 30 June 2025:

	Carrying amount	Contractual cash flows	6 months or less
	---------- RUPEES ----------		
Non-derivative financial liabilities:			
Trade and other payables	527,284,606	527,284,606	527,284,606
Short term borrowings	49,677,158	53,253,913	53,253,913
Accrued mark-up	266,957	266,957	266,957
Unclaimed dividend	594,836	594,836	594,836
	577,823,557	581,400,312	581,400,312

The rates of mark-up have been disclosed in Note 7.1 and Note 11.2 to these financial statements. The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 30 June.

42.2 Financial instruments by categories

	2026			2025		
	At fair value through profit or loss	At amortized cost	Total	At fair value through profit or loss	At amortized cost	Total
	RUPEES					
Assets as per statement of financial position						
Long term deposits	-	34,313,868	34,313,868	-	26,217,046	26,217,046
Trade debts	-	480,377,566	480,377,566	-	427,481,435	427,481,435
Other receivables	-	69,355	69,355	-	41,848	41,848
Short term investments	514,523	305,000	819,523	482,465	305,000	787,465
Cash and bank balances	-	48,123,774	48,123,774	-	89,615,052	89,615,052
	514,523	563,189,563	563,704,086	482,465	543,660,381	544,142,846

	At amortized cost	
	2026 RUPEES	2025 RUPEES
Financial liabilities as per statement of financial position		
Long term financing	24,181,138	-
Trade and other payables	456,133,059	527,284,606
Short term borrowings	99,542,704	49,677,158
Accrued mark-up	2,772,263	266,957
Unclaimed dividend	594,836	594,836
	583,224,000	577,823,557

42.3 Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

	2026			2025		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
	RUPEES					
Assets as per statement of financial position						
Long term deposits and prepayment	34,313,868	-	34,313,868	26,217,046	103,250	26,320,296
Trade debts	480,377,566	-	480,377,566	427,481,435	-	427,481,435
Prepayments and other receivables	69,355	1,047,989	1,117,344	41,848	821,660	863,508
Short term investments	819,523	-	819,523	787,465	-	787,465
Cash and bank balances	48,123,774	-	48,123,774	89,615,052	-	89,615,052
	563,704,086	1,047,989	564,752,075	544,142,846	924,910	545,067,756

	2026			2025		
	Financial liabilities	Other than financial liabilities	Total as per statement of financial position	Financial liabilities	Other than financial liabilities	Total as per statement of financial position
	RUPEES					
Liabilities as per statement of financial position						
Long term financing	24,181,138	-	24,181,138	-	-	-
Trade and other payables	456,133,059	53,973,687	510,106,746	527,284,606	48,793,758	576,078,364
Short term borrowings	99,542,704	-	99,542,704	49,677,158	-	49,677,158
Accrued mark-up	2,772,263	-	2,772,263	266,957	-	266,957
Unclaimed dividend	594,836	-	594,836	594,836	-	594,836
	583,224,000	53,973,687	637,197,687	577,823,557	48,793,758	626,617,315

42.4 Offsetting financial assets and financial liabilities

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

42.5 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, and to make adjustments to it in the light of changes in economic conditions, the Company may adjust the amount of dividends to be paid to shareholders or issue new shares. 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 net borrowings divided by total capital employed. Borrowings represents long term financing and short term borrowings obtained by the Company as referred to Note 7 and Note 11 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company monitors capital on the basis of gearing ratio calculated as follows:

	2026 RUPEES	2025 RUPEES
Borrowings	123,723,842	49,677,158
Total equity	1,704,544,217	1,554,258,849
Total capital employed	1,828,268,059	1,603,936,007
	PERCENTAGE	
Gearing ratio	6.77	3.10

The increase in gearing ratio resulted primarily from increase in revaluation surplus of freehold land of the Company.

43. 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 recognized 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 following three levels. An explanation of each level follows underneath the table:

	Level 1	Level 2	Level 3	Total
Recurring fair value measurements	---------- RUPEES ----------			
Financial assets				
At 30 June 2026				
At fair value through profit or loss - Mutual funds	514,523	-	-	514,523
Total financial assets	514,523	-	-	514,523
At 30 June 2025				
At fair value through profit or loss - Mutual funds	482,465	-	-	482,465
Total financial assets	482,465	-	-	482,465

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 the 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. Certain financial assets and financial liabilities are 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 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 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 maximize 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 technique used to value listed financial instruments include the use of quoted market prices.

44. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made for the non-financial assets that are recognized 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 non-financial assets into the following three levels.

	Level 1	Level 2	Level 3	Total
	---------- RUPEES ----------			
At 30 June 2026				
Freehold land	-	1,203,750,000	-	1,203,750,000
Total non-financial assets	-	1,203,750,000	-	1,203,750,000
At 30 June 2025				
Freehold land	-	1,123,500,000	-	1,123,500,000
Total non-financial assets	-	1,123,500,000	-	1,123,500,000

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.

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.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land (classified as property, plant and equipment) at least after every three years. The management updates the assessment of the fair value of freehold land, taking into account the most recent independent valuation. The management determines freehold land's value within a range of reasonable fair value estimates. The best evidence of fair value of freehold land is current prices in an active market for similar lands.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land. The latest valuation of freehold land was performed by Messrs Creative Consultants & Construction as at 29 June 2026.

Changes in fair values are analyzed during the valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

45. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART 1 OF SCHEDULE IV OF THE COMPANIES ACT, 2017

	Description	NOTE	2026	2025
			RUPEES	RUPEES
	Statement of Financial Position - Liability Side			
i)	Financing (long-term, short-term, or lease financing) obtained as per Islamic mode:			
	Long term financing		-	-
	Short term borrowings		-	-
	Lease financing		-	-
ii)	Interest or mark-up accrued on any conventional loan or advance	12	2,772,263	266,957
	Statement of Financial Position - Asset Side			
iii)	Long term and short term shariah compliant investments	23.2	429,426	402,969
iv)	Shariah-compliant bank deposits, bank balances and TDRs	42.1	2,580,365	8,446,502
	Statement of Profit or Loss			
v)	Revenue earned from shariah compliant business segment	25	2,461,484,840	2,451,390,660
vi)	Break - up of late payments or liquidated damages		-	-
vii)	Gain / (loss) or dividend earned on shariah compliant investments or share of (loss) / profit from shariah-compliant associate		41,435	1,204,217
viii)	Profit earned from Shariah-compliant bank deposits, bank balances or TDRs	30	728,879	1,496,395
ix)	Exchange (loss incurred) / gain earned from actual currency	29	(1,542,749)	-
x)	Exchange gain earned using conventional derivative financial instruments		-	-
xi)	Profit paid on Islamic mode of financing		-	-
xii)	Total Interest earned on any conventional loan or advance		-	-
	Source and detailed breakup of other income			
	Shariah compliant			
	Income from non-financial assets:			
	Profit on saving accounts	30	728,879	1,496,395
	Dividend income		41,435	1,204,217
	Gain on sale of property, plant and equipment	30	5,830,307	3,530,381
	Scrap sales	30	2,238,108	1,975,771
	Non-Shariah compliant			
	Profit on TDR	30	31,389	31,805
	Dvidend income		7,888	10,564
	Gain on sale of investments at FVTPL	30	-	151,585

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

Bank Name	Relationship
Meezan Bank Limited	Bank balance
Bank Makramah Limited	Bank balances
BankIslami Pakistan Limited	Bank balances
Bank Alfalah Limited	Bank balances

46. UNUTILIZED CREDIT FACILITIES

	Funded		Non-funded	
	2026	2025	2026	2025
	RUPEES			
Total facilities	100,000,000	50,000,000	180,000,000	180,000,000
Utilized at the end of the year	99,542,704	49,677,158	140,807,785	132,386,920
Unutilized at the end of the year	457,296	322,842	39,192,215	47,613,080

47. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 06, 2026 by the Board of Directors of the Company.

48. CORRESPONDING FIGURES

Corresponding figures have been re-arranged / or reclassified, wherever necessary for the purpose of comparison. However, no significant reclassification have been made except as detailed below for the purpose of better presentation and understanding:

Reclassified from	Reclassified to	2025
		Rupees
Trade and other payables	Contract liabilities	6,930,644
Other income - Reversal of allowance for expected credit losses	Other expenses - Allowance for expected credit losses - net	3,720,161

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

Pattern of Shareholding

as at June 30, 2026

1.1 Name of the Company	**THE NATIONAL SILK & RAYON MILLS LIMITED**	

2.1. Pattern of holding of the shares held by the shareholders as at	**30-06-2026**

2.2 No. of Shareholders	**------Shareholdings------ From**	**To**	**Total Shares Held**
501	1	100	14,290
149	101	500	37,677
42	501	1,000	29,463
24	1,001	5,000	47,511
4	5,001	10,000	26,814
1	10,001	15,000	10,900
2	15,001	20,000	34,533
2	40,001	45,000	81,776
1	55,001	60,000	57,024
1	100,001	105,000	104,198
1	105,001	110,000	107,500
1	230,001	235,000	233,055
3	345,001	350,000	1,050,000
1	1,475,001	1,480,000	1,479,144
1	2,060,001	2,065,000	2,061,639
1	2,300,001	2,305,000	2,304,588
2	2,495,001	2,500,000	5,000,000
1	2,870,001	2,875,000	2,873,062
738			**15,553,174**

2.3 Categories of Shareholders	**Shares Held**	**Percentage**
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	15,308,362	98.4260%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	900	0.0058%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
2.3.5 Insurance Companies	20	0.0001%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	13,759,433	88.4670%
2.3.8 General Public		
a. Local	241,539	1.5530%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
- Joint Stock Companies	2,353	0.0151%

Categories of Shareholding

required under Code of Corporate Governance (CCG)
as at June 30, 2026

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	SH. FAISAL TAUHEED	5,373,062	34.5464%
2	SH. KAHSIF TAUHEED	4,020,144	25.8477%
3	MS. AMNA TAUHEED	350,000	2.2503%
4	MS. SAADIA TAUHEED	350,000	2.2503%
5	MST. SAMIRA FAISAL	2,304,588	14.8175%
6	MST. TAHIRA KASHIF	2,061,639	13.2554%
7	MR. SHEHZAD IHSAN	2,500	0.0161%
8	SH. TAUHEED ELAHI PURI	107,500	0.6912%
9	MRS. SHAHIDA TAUHEED	115,098	0.7400%
10	MST. SAIMA TAUHEED	350,000	2.2503%
11	MR. MUSTAFA TAUHEED	40,776	0.2622%
12	MR. IMRAN ALI SAFDAR	-	0.0000%
13	MR. MAHAD KASHIF	233,055	1.4984%
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		20	0.0001%
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	SH. FAISAL TAUHEED	5,373,062	34.5464%
2	SH. KAHSIF TAUHEED	4,020,144	25.8477%
3	MST. SAMIRA FAISAL	2,304,588	14.8175%
4	MST. TAHIRA KASHIF	2,061,639	13.2554%

Summary of Last Six Years Financial Results

Description	2026	2025	2024	2023	2022	2021
Trading Results						
Turnover	2,461,484,840	2,451,390,660	2,154,203,869	1,758,081,798	1,302,943,379	1,087,044,667
Gross Profit	186,013,120	190,500,999	155,605,067	53,487,008	111,683,928	102,083,657
Operating Profit (Loss)	120,471,794	114,504,611	97,815,480	5,153,840	65,641,885	63,986,961
Profit/(Loss) before taxation	109,152,126	111,412,369	96,408,727	(3,633,273)	52,867,484	56,491,860
Profit/(Loss) after taxation	70,035,368	83,397,535	66,303,535	(22,932,736)	14,251,470	45,087,373
Balance Sheet						
Shareholders equity	155,531,740	155,531,740	155,531,740	155,531,740	155,531,740	155,531,740
Unappropriated profit/(loss)	345,483,386	275,448,018	192,050,483	125,746,948	148,679,684	134,428,214
Surplus on revaluation of fixed assets	1,203,529,091	1,123,279,091	1,123,279,091	1,123,279,091	561,529,091	561,529,091
Tangible fixed assets	1,589,840,759	1,452,934,184	1,366,083,548	1,366,046,875	820,161,917	831,599,418
Net Current Assets	764,215,886	728,186,043	787,178,057	609,506,131	532,595,129	425,042,161
Earning per share before tax	7.00	7.20	6.20	(0.23)	3.40	3.63
Earning per share after tax Share break-up value	4.50	5.36	4.26	(1.47)	0.92	2.90
Significant Ratios:						
Gross Profit %	7.56	7.77	7.22	3.04	8.57	9.59
Operating profit to sales	4.89	4.67	4.54	0.29	5.04	5.89
Profit before tax to sales	4.43	4.54	4.48	(0.21)	4.06	5.20
Profit after tax to sales	2.85	3.40	3.08	(1.30)	1.09	4.15
Return on equity	45.03	53.62	42.63	(14.74)	9.16	28.99
Current Ratio	1.19	1.15	1.01	1.01	0.97	0.98

اجلاس میں شرکت کرنے والوں کے نام

نام	میٹنگز کی تعداد میں شرکت کی۔
شہزاد احسان	4
شیخ مصطفیٰ فیصل توحید	4
مسز طاہرہ کاشف	4

ہیومن ریسورس اینڈ ریمونریشن کمیٹی (کمیٹی برائے انسانی وسائل ومعاوضہ جات):

کارپوریٹ گورننس کے ضابطہ کار کی ضروریات کی تعمیل میں، بورڈ آف ڈائریکٹرز نے یہ کمیٹی تشکیل دی ہے جو تین ارکان (بشمول چیئرمین) پر مشتمل ہے؛ جن میں سے دو نان ایگزیکٹو ڈائریکٹرز اور ایک آزاد ڈائریکٹر ہے۔ بورڈ کی جانب سے کمیٹی کے تفصیلی 'ٹرمز آف ریفرنس' (کام کے دائرہ کار کی شرائط) ارکان کو باقاعدہ طور پر پہنچا دیے گئے تھے۔

بورڈ کی تشکیل

بورڈ 5 مرد اور 2 خواتین ڈائریکٹرز پر مشتمل ہے جس کی تشکیل حسب ذیل ہے:

آزاد ڈائریکٹر	2
دیگر نان ایگزیکٹو ڈائریکٹرز	3
ایگزیکٹو ڈائریکٹر	2
ڈائریکٹرز کی کل تعداد	7

نان ایگزیکٹو ڈائریکٹرز کی معاوضے کی پالیسی

کمپنی کے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے نان ایگزیکٹو اور آزاد ڈائریکٹرز کی فیس کا تعین بورڈ کی جانب سے وقتاً فوقتاً کیا جاتا ہے۔

چیف ایگزیکٹو اور ڈائریکٹرز کا معاوضہ پیکج

چیف ایگزیکٹو اور ڈائریکٹر کے معاوضے کے پیکج کی تفصیلات مالیاتی گوشواروں کے نوٹس (وضاحتی نوٹ) میں ظاہر کی گئی ہیں۔

صنفی بنیاد پر اجرت کے فرق (Gender Pay Gap) سے متعلق بیان

ایس ای سی پی (SECP) کے سرکلر نمبر 10 مجریہ 2024 کی تعمیل میں، 30 جون 2026 کو ختم ہونے والے سال کے لیے صنفی بنیاد پر اجرت کا فرق (Gender Pay Gap) ذیل میں درج ہے:

i) اوسط صنفی اجرت کا فرق (Mean): صفر ii) وسطانی صنفی اجرت کا فرق (Median): صفر iii) کوئی دیگر ڈیٹا: صفر

مالیاتی گوشوارے

اسٹاک ایکسچینجز کے لسٹنگ ضوابط کے تحت، چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر اپنے دستخطوں سے تصدیق شدہ مالیاتی گوشوارے بورڈ آف ڈائریکٹرز کے غور وخوض اور منظوری کے لیے پیش کرتے ہیں۔ بورڈ، غور وخوض اور منظوری کے بعد، ان مالیاتی گوشواروں پر دستخط کرنے اور ان کے اجرا و ترسیل کی اجازت دیتا ہے۔

کمپنی کے مالیاتی گوشواروں کا آڈٹ کمپنی کے آڈیٹرز، ریاض احمد اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) نے باقاعدہ طور پر کیا ہے۔ آڈیٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے مالیاتی گوشواروں پر 'کلین آڈٹ رپورٹ' (بغیر کسی تحفظات کے رپورٹ) اور 'ضابطہ کار رپورٹ گورننس' کے بیان پر 'کلین ریویو رپورٹ' جاری کی ہے، اور ان کی رپورٹس مالیاتی گوشواروں کے ساتھ منسلک ہیں۔ اس بیلنس شیٹ سے متعلقہ مالی سال کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان، کمپنی کی مالی حیثیت پر اثر انداز ہونے والے ہنگامی حالات (contingencies) اور وعدہ شدہ ذمہ داریوں (commitments) میں کوئی نمایاں تبدیلی واقع نہیں ہوئی ہے۔

متعلقہ فریقین کے ساتھ لین دین اور ٹرانسفر پرائسنگ

کمپنی کی پالیسی ہے کہ اس بات کو یقینی بنایا جائے کہ متعلقہ فریقین (related parties) کے ساتھ کیے جانے والے تمام لین دین 'آرمس لینتھ' (یعنی غیر جانبدارانہ اور مارکیٹ کے مساوی شرائط) کی بنیاد پر ہوں۔ کمپنی نے پاکستان میں اسٹاک ایکسچینجز کے لسٹنگ ضوابط میں شامل 'ٹرانسفر پرائسنگ' کے بہترین طریقوں کی مکمل تعمیل کی ہے۔

ڈائریکٹرز کے تربیتی پروگرام:

کمپنی کے ڈائریکٹرز، شیخ فیصل توحید اور شیخ کاشف توحید نے 'انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان' کے ڈائریکٹر ٹریننگ پروگرام کے تحت سرٹیفکیشن حاصل کی، جبکہ جناب شہزاد احسان، جناب عمران علی صفدر، محترمہ سمیرا فیصل، محترمہ طاہرہ کاشف اور جناب مصطفیٰ فیصل نے 'انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان' سے سرٹیفکیشن حاصل کی۔

شیئر ہولڈنگ کا نمونہ:

مقررہ فارمیٹ کے مطابق شیئر ہولڈنگ کا نمونہ منسلک ہے، جس میں 'کارپوریٹ گورننس کے ضابطہ کار' (Code of Corporate Governance) کے تحت درکار معلومات بھی شامل ہیں۔

ڈائریکٹرز وغیرہ کی جانب سے ٹریڈنگ:

سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور ان کے شریک حیات و نابالغ بچوں کی جانب سے شیئرز کی کوئی خرید و فروخت (ٹریڈنگ) نہیں کی گئی۔

اظہار تشکر

ہم اپنے تمام عملے کے ارکان کا شکریہ ادا کرنا چاہتے ہیں کہ انہوں نے سال کے دوران درپیش چیلنجز کا جس طرح سامنا کیا۔ ان کی سخت محنت اور عزم و لگن انتہائی قابلِ ستائش ہے اور ان نتائج میں اس کی عکاسی ہوتی ہے۔

ہم اپنے سپلائرز، شیئر ہولڈرز، بینکرز اور مالیاتی اداروں کی جانب سے ملنے والی حوصلہ افزائی اور تعاون کے بھی شکر گزار ہیں۔

بورڈ کی جانب سے

شیخ فیصل توحید
چیف ایگزیکٹو

شیخ کاشف توحید
ڈائریکٹر

لاہور: 06 اکتوبر 2026

ضابطگی کی نشاندہی کرنے سے متعلق پالیسی) کو بورڈ آف ڈائریکٹرز نے منظور کیا ہے اور کمپنی کی ویب سائٹ پر آویزاں کیا گیا ہے۔

کارپوریٹ گورننس کے ضابطے کی پاسداری

پاکستان اسٹاک ایکسچینج کی جانب سے اپنی لسٹنگ ریگولیشنز میں وضع کردہ کارپوریٹ گورننس کے ضابطے کی وہ شرائط جو 30 جون 2026 کو ختم ہونے والے سال سے متعلق ہیں، کمپنی نے اپنالی ہیں اور ان کی مکمل پاسداری کی گئی ہے:

ضابطہ اخلاق

بورڈ نے ضابطہ اخلاق اپنالیا ہے۔ تمام ملازمین کو اس ضابطے سے آگاہ کردیا گیا ہے اور ان کے لیے لازم ہے کہ وہ صارفین، سپلائرز اور ریگولیٹرز کے ساتھ معاملات میں ان اصولوں کی پاسداری کریں۔

اسٹیک ہولڈرز (متعلقہ فریقین) کے ساتھ تعلقات

ہم اپنے سپلائرز، صارفین اور کاروباری شراکت داروں کے ساتھ باہمی طور پر فائدہ مند تعلقات استوار کرنے کے لیے پرعزم ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک

کمپنیز ایکٹ 2017 اور کارپوریٹ گورننس کے ضابطے کی تعمیل میں، ہم ذیل میں کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک سے متعلق بیانات پیش کررہے ہیں:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ یہ مالیاتی گوشوارے کمپنی کے امور کی صورتحال، آپریشنز کے نتائج، کیش فلو (نقد رقوم کی آمد و رفت) اور ایکویٹی میں ہونے والی تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
- کمپنی نے کھاتوں (بکس آف اکاؤنٹ) کا مناسب ریکارڈ برقرار رکھا ہے۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں رائج 'انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز' (بین الاقوامی مالیاتی رپورٹنگ کے معیارات) کی پیروی کی گئی ہے اور اگر ان سے کوئی انحراف کیا گیا ہے تو اس کی مناسب وضاحت اور انکشاف کیا گیا ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مستحکم ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے۔ اس نظام کی نگرانی اندرونی آڈٹ اور نگرانی کے دیگر طریقہ کار کے ذریعے مسلسل کی جارہی ہے۔ اندرونی کنٹرول کی نگرانی کا عمل جاری رہے گا جس کا مقصد کنٹرولز کو مزید مضبوط بنانا اور نظام میں بہتری لانا ہے۔
- کمپنی کی بطور 'گوئنگ کنسرن' (یعنی کاروبار جاری رکھنے والی اکائی کے طور پر) کام جاری رکھنے کی صلاحیت پر کوئی نمایاں شبہ موجود نہیں ہے۔
- لسٹنگ کے ضوابط میں درج کارپوریٹ گورننس کے بہترین طریقوں سے کوئی نمایاں انحراف نہیں کیا گیا ہے۔
- گزشتہ چھ سالوں کے اہم آپریشنل اور مالیاتی اعداد و شمار خلاصہ شدہ شکل میں منسلک ہیں۔
- ٹیکسوں اور لیویز (محصولات) کے بارے میں معلومات مالیاتی گوشواروں کے نوٹس میں فراہم کی گئی ہیں۔
- عملے کے ریٹائرمنٹ کے فوائد (پروویڈنٹ فنڈ) کے سلسلے میں سرمایہ کاری اور بینک بیلنس کی مالیت 41,851,197 روپے ہے۔ سرمایہ کاری کی مالیت میں واجب الادا منافع (accrued profit) بھی شامل ہے۔
- مالی سال کے اختتام اور سالانہ رپورٹ کی تاریخ کے درمیان مالیاتی پوزیشن پر اثر انداز ہونے والی کوئی نمایاں تبدیلیاں یا ذمہ داریاں (کمٹمنٹس) رونما نہیں ہوئی ہیں۔
- کمپنی کو درپیش بنیادی خطرات میں سخت مسابقت، روپے کی قدر میں کمی، گیس کی بڑھتی ہوئی قیمتیں اور توانائی کے اخراجات وغیرہ شامل ہیں۔
- کمپنی کی پیداوار کا ماحول پر کوئی منفی اثر نہیں پڑتا کیونکہ ہمارا پلانٹ اور آپریشنز بین الاقوامی اور قومی ماحولیاتی معیارات کے عین مطابق ہیں۔
- مالی سال کے دوران کمپنی کے کاروبار کی نوعیت یا کسی ایسی دوسری کمپنی جس میں کمپنی کا مفاد (حصہ داری) شامل ہو، کے حوالے سے کوئی تبدیلیاں رونما نہیں ہوئی ہیں۔
- نان ایگزیکٹو اور آزاد ڈائریکٹرز کے لیے معاوضے کا پیکیج طے کرنے کی کوئی پالیسی موجود نہیں ہے کیونکہ وہ کسی بھی قسم کے معاوضے کے حقدار نہیں ہیں۔ • ان مالیاتی گوشواروں میں ظاہر کردہ رقوم کے علاوہ، ٹیکسوں، لیویز (levies) اور چارجز کی مد میں کوئی واجب الادا قانونی ادائیگیاں باقی نہیں ہیں۔

بورڈ آف ڈائریکٹرز کے اجلاس:

بورڈ کا اجلاس سال کے دوران 4 بار منعقد ہوا اور متعلقہ ڈائریکٹرز کی حاضری حسب ذیل رہی:

ڈائریکٹرز	اجلاس میں حاضری
شیخ فیصل توحید	4
شیخ کاشف توحید	4
مسز سمیرا فیصل	4
مسز طاہرہ کاشف	4
شہزاد احسان	4
شیخ مصطفیٰ فیصل توحید	4
عمران علی صفدر	4

بورڈ کی آڈٹ کمیٹی

'کوڈ آف کارپوریٹ گورننس' (Code of Corporate Governance) کے نفاذ کے وقت سے ہی بورڈ کی ایک آڈٹ کمیٹی قائم ہے۔ آڈٹ کمیٹی کے اپنے 'ضابطہ کار' (terms of reference) ہیں جن کا تعین بورڈ آف ڈائریکٹرز نے 'لسٹنگ ریگولیشنز' اور 'کوڈ آف کارپوریٹ گورننس' میں فراہم کردہ ہدایات کے مطابق کیا ہے۔

یہ کمیٹی ہر سہ ماہی میں کم از کم ایک بار اجلاس منعقد کرتی ہے اور بورڈ کی نگرانی کی ذمہ داریوں کو پورا کرنے میں معاونت کرتی ہے، خاص طور پر شیئر ہولڈرز کو مالی اور غیر مالی معلومات کی فراہمی اور ان کے جائزے، اندرونی کنٹرول اور رسک مینجمنٹ (خطرات کے انتظام) کے نظام، اور آڈٹ کے عمل کے حوالے سے۔ اسے انتظامیہ سے معلومات طلب کرنے اور مناسب سمجھے جانے پر بیرونی آڈیٹرز سے براہِ راست مشاورت کرنے کا اختیار حاصل ہے۔ چیف فنانشل آفیسر (CFO) اکاؤنٹس پیش کرنے کے لیے دعوت پر باقاعدگی سے بورڈ آڈٹ کمیٹی کے اجلاس میں شرکت کرتے ہیں۔ ہر اجلاس کے بعد، کمیٹی کے چیئرمین بورڈ کو رپورٹ پیش کرتے ہیں۔

آڈٹ کمیٹی دو نان ایگزیکٹو ڈائریکٹرز اور ایک آزاد ڈائریکٹر (جو کہ چیئرمین بھی ہیں) پر مشتمل ہے۔ سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے۔ ہر رکن کی حاضری کی تفصیل ذیل میں دی گئی ہے:

ڈائریکٹرز کی جائزہ رپورٹ

نیشنل سلک اینڈ ریون ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کو 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

آپریٹنگ نتائج	2026	2025
	روپے	
کل منافع	186,013,120	190,500,999
فروخت، ترسیل اور انتظامی اخراجات	74,419,332	84,397,106
نقصان / منافع قبل از ٹیکس	109,152,126	111,412,369
ٹیکس	(39,116,758)	(28,014,834)
نقصان / منافع بعد از ٹیکس	70,035,368	83,397,535
نقصان / منافع فی حصص	**4.50**	**5.36**

کارکردگی کا جائزہ (اسکور کارڈ)

کمپنی پائیدار ترقی اور قدر میں اضافے (value creation) کے اپنے طویل مدتی مقصد کو پورا کرنے کے لیے پرعزم ہے۔ یہ اہداف آپریشنل عمدگی، مصنوعات کے تنوع (product portfolio diversification)، لاگت میں کمی اور مضبوط سرمایہ جاتی ڈھانچے پر مسلسل توجہ مرکوز کر کے حاصل کیے جا رہے ہیں۔

زیرِ جائزہ مدت کے دوران کمپنی کا خالص ٹرن اوور 2,461,484,840 روپے (2025: 2,451,390,660 روپے) رہا، جس میں معمولی اضافہ دیکھا گیا۔ اس کارکردگی پر پیداواری لاگت اور مال برداری (فریٹ) کے بڑھتے ہوئے اخراجات کے ماحول کے ساتھ ساتھ مجموعی طلب میں کمی کے اثرات مرتب ہوئے؛ طلب میں اس کمی کی وجوہات میں مسلسل افراطِ زر، مغربی سرحد پر جغرافیائی سیاسی (geopolitical) کشیدگی اور امریکہ-ایران تنازعہ شامل ہیں۔

منافعِ حصص (Dividend):

بورڈ آف ڈائریکٹرز نے کمپنی کی نقد بہاؤ کی صورتحال (liquidity position) اور بلند شرح سود کے تناظر کو مدنظر رکھتے ہوئے 30 جون 2026 کو ختم ہونے والے سال کے لیے منافعِ حصص (ڈیویڈنڈ) کی سفارش نہیں کی ہے۔

قرض کی ذمہ داری:

اللہ تعالیٰ کے فضل و کرم سے، اتنے چیلنجوں کے باوجود، کمپنی اپنی مالیاتی ذمہ داریوں اور قرض کی ادائیگیوں کو بروقت پورا کر رہی ہے۔ قومی خزانے میں حصہ:

ایک ذمہ دار شہری کی حیثیت سے، آپ کی کمپنی نے قومی خزانے میں انکم ٹیکس، سیلز ٹیکس، کسٹم ڈیوٹیز اور ایکسائز کی مد میں 483.15 ملین روپے کا حصہ ڈالا، جبکہ گزشتہ برس یہ رقم 479.76 ملین روپے تھی

انسانی وسائل کا انتظام اور ملازمین کے ساتھ تعلقات:

ہمارا پختہ یقین ہے کہ ہمارے لوگ ہی ہمارا سب سے قیمتی اور اہم اثاثہ ہیں۔ ملازمین کو برقرار رکھنے کے حوالے سے کمپنی کی پالیسی بہترین اور بے مثال ہے۔ بے مثال رہنما ہونے کی اپنی روایت کو برقرار رکھنے کے لیے، ہم ہر سطح پر بہترین صلاحیتوں کے حامل افراد کو متاثر کرنے اور ملازمت کے لیے اولین پسندیدہ ادارہ بننے کی کوشش کرتے ہیں۔ کمپنی اپنے موجودہ ملازمین کو متحرک اور کام میں مصروف (engaged) رکھ کر ان کی ترقی کے لیے کوشاں رہتی ہے۔ ہمارا ایچ آر (HR) شعبہ اعلیٰ صلاحیت کے حامل ملازمین کی شناخت کے لیے مختلف ذرائع استعمال کرتا ہے اور انہیں مزید نکھارنے کے لیے مختلف تربیتی پروگراموں کا اہتمام کرتا ہے۔ اعلیٰ قابلیت کے حامل پیشہ ور افراد کی پرجوش ٹیم کے ساتھ، انتظامیہ کو یقین ہے کہ کاروبار مقامی اور بین الاقوامی منڈیوں میں مزید ترقی کرے گا۔ ہم واضح طور پر متعین کردہ اختیارات کے ڈھانچے (authority matrices)، پالیسیوں، طریقہ کار اور نظاموں کے ذریعے کاروباری ضروریات کو پورا کرنے کے لیے اپنے عمل کی منظم ترقی پر بھرپور توجہ مرکوز رکھے ہوئے ہیں۔ انعامات اور پذیرائی کا عمل شفاف کارکردگی کے انتظام کے نظام اور طریقہ کار سے منسلک رہے گا۔

ملازمین کی شمولیت اور فلاح و بہبود کی سرگرمیوں کا مقصد ملازمین کو کام میں مصروف اور متحرک رکھنا ہے۔ یہ سرگرمیاں ہمارے لوگوں کو متاثر کرنے اور ان کی صلاحیتوں کو نکھارنے کا کام بھی کرتی ہیں۔ کمپنی کے پاس اپنے ملازمین کے لیے فلاح و بہبود کی مستقل حکمت عملی موجود ہے۔ کارکنوں کے لیے طبی سہولیات اور ابتدائی طبی امداد (فرسٹ ایڈ) کی فراہمی بھی یقینی بنائی جاتی ہے۔ پلانٹ میں عبادت اور مذہبی تعلیمات سیکھنے کے لیے ایک مسجد بھی موجود ہے۔ کمپنی تمام ملازمین کی کھیلوں اور مختلف نصابی سرگرمیوں سے ہٹ کر دیگر سرگرمیوں (extracurricular activities) میں شرکت کی حوصلہ افزائی اور حمایت کرتی ہے۔

کارپوریٹ اور سماجی ذمہ داری:

کمپنی معاشرے اور فلاح و بہبود کے حوالے سے اپنی ذمہ داری سے بخوبی آگاہ ہے۔ کمپنی نے اپنی کارپوریٹ سماجی ذمہ داری کو پورا کرنے کے لیے کئی اقدامات کیے ہیں اور اپنے ملازمین، ان کے اہل خانہ، مقامی برادری اور مجموعی طور پر معاشرے کی فلاح و بہبود کے لیے مناسب مالی معاونت کا سلسلہ جاری رکھا ہے۔

اندرونی مالیاتی کنٹرول

ڈائریکٹرز اندرونی مالیاتی کنٹرول کے حوالے سے اپنی ذمہ داری سے آگاہ ہیں۔ انتظامیہ اور آڈیٹرز (اندرونی اور بیرونی دونوں) کے ساتھ بات چیت کے ذریعے، وہ اس بات کی تصدیق کرتے ہیں کہ کمپنی کی جانب سے مناسب کنٹرولز (نظامِ نگرانی) نافذ کیے گئے ہیں۔

کمپنی کے قانونی آڈیٹرز:

موجودہ آڈیٹر، میسرز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، اپنی مدت مکمل کر رہے ہیں اور اہل ہونے کی بنا پر، انہوں نے دوبارہ تقرری کے لیے اپنی رضامندی ظاہر کی ہے۔ بورڈ کی آڈٹ کمیٹی نے 30 جون 2027 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی بھی سفارش کی ہے۔

ملازمین کی ریٹائرمنٹ کے فوائد

کمپنی اپنے ملازمین کے لیے ایک فنڈڈ کنٹریبیوٹری پراویڈنٹ فنڈ اسکیم چلاتی ہے، اور اس فنڈ میں ملازمین کی تنخواہوں کی بنیاد پر ماہانہ بنیادوں پر رقوم جمع کرائی جاتی ہیں۔

حصص کی قیمت کا رجحان

زیرِ جائزہ سال کے دوران، 10 روپے فی حصص کی قیمت کم از کم 71.36 روپے تک گری اور زیادہ سے زیادہ 236.10 روپے تک پہنچی، جبکہ 30 جون 2026 کو اس کا اختتامی بھاؤ 188.34 روپے رہا۔

بورڈ کی جانب سے وژن، مشن اور کارپوریٹ حکمتِ عملی کی منظوری

لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2019 کے تحت، بورڈ آف ڈائریکٹرز نے کمپنی کے وژن، مشن اور کارپوریٹ حکمتِ عملی کا بغور جائزہ لیا اور انہیں منظور کیا۔ یہ دستاویز اس نظریے کی جامع عکاسی کرتی ہے جس کے تحت کمپنی کا قیام عمل میں آیا تھا۔ ہم اس بات کو یقینی بناتے ہیں کہ ہمارا وژن اور مشن ہماری مجموعی کارپوریٹ حکمتِ عملی کے لیے سمت کا تعین کریں۔ پورا ادارہ اس مقصد سے جڑا ہوا اور متحرک ہے، اور یہ ہمارے روزمرہ کے کاروباری امور میں فیصلہ سازی کے معیار کے طور پر کام کرتا ہے۔

وسل بلوئنگ (بدعنوانی کی نشاندہی) کی پالیسی

لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2019 کے تحت، کمپنی دیانتداری، اخلاقی اقدار اور احتساب کے اعلیٰ معیارات کے حصول کے لیے پرعزم ہے۔ اسی مناسبت سے، کمپنی کی 'وسل بلوئنگ پالیسی' (بدعنوانی یا بے

نمائندگی کا فارم (پراکسی فارم)

میں/ہم ----------

کے ----------

دی نیشنل سلک اینڈ ریان ملز لمیٹڈ کے رکن اور عام شیئر کے حامل کی حیثیت کے ----------

---------- (شیئرز کی تعداد)

رجسٹر کا فولیو نمبر --------

اور/یا سی ڈی سی فولیو کا آئی ڈی نمبر ----------

اور ذیلی اکاؤنٹ نمبر ----------، ---------- کے

---------- یا ---------- کے ----------

کو کمپنی کے 76 واں سالانہ عام اجلاس جو بدھ، 28 اکتوبر 2026 کو سہ پہر 3 بجے ایوانِ نور ایونٹ کمپلیکس، 10 سوک سنٹر، جوہر ٹاؤن، ایل ڈی اے آفس، لاہور میں منعقد ہوگا، میں میرے/ہمارے لئے اور میری/ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں/کرتے ہیں۔

گواہ: 1 گواہ: 2

دستخط---------- ----------

نام---------- ----------

پتہ---------- ----------

سی این آئی سی نمبر---------- ----------

نوٹ: پراکسی فارم/نمائندگی فارم کو موثر ہونے کے لیے سالانہ اجلاس سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے۔ اور اس پر دستخط، ریونیو ٹکٹ اور شہادت ہونا ضروری ہے۔

FORM OF PROXY

Folio No.

I/WE _____

Of _____

Being a member of The National Silk & Rayon Mills Limited hereby appoint

(Name)

Of _____

(Another member of the) failing him

(Name)

Of _____

(Another member of the Company) to attend, act and vote for me and on my/our behalf at the 76th Annual General Meeting of the Shareholders of The National Silk & Rayon Mills Limited will be held at Ewan-e-Noor Event Complex, 10-Civic Centre, Johar Town, LDA Office, Lahore on wedesday 28th of October 2026 at 3.00 p.m. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2026

Signature on
Revenue Stamp
of Correct Value

(Signature should agree with the specimen Signature registered with the Company)

Date: _____

NOTE:
Proxy form must be signed across a correct value Revenue Stamp and it should be deposited in the Registered Office of the company not later than 48 hours before time of holding the meeting.

The National Silk & Rayon Mills Ltd.

Manufacturer & Exporter of Quality Textile Products

Jaranwala Road, Faisalabad - Pakistan
Tel: 0092 41 8721760-61, Fax: 0092 41 8712216
Email: info@nationalsilk.com Web: www.nationalsilk.com