

ZEPHYR
TEXTILES LIMITED

Zephyr Textiles Limited
ANNUAL REPORT 2025

Contents

<u>Company Information</u>	02.
<u>Notice of Annual General Meeting</u>	03.
<u>Chairperson Review Report</u>	06.
<u>Directors' Report</u>	07.
<u>Gender Pay Gap Statement</u>	12.
<u>Horizontal Analysis</u>	13.
<u>Vertical Analysis</u>	14.
<u>Statement of Value Addition</u>	15.
<u>Financial Highlights</u>	16.
<u>Graphical Representation</u>	17.
<u>Pattern of Holding of the Shares</u>	18.
<u>Statement of Compliance with the Code of Corporate Governance</u>	20.
<u>Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance</u>	24.
<u>Auditors' Report to the Members</u>	25.
<u>Statement of Financial Position</u>	30.
<u>Statement of Profit or Loss</u>	31.
<u>Statement of Comprehensive Income</u>	32.
<u>Statement of Cash Flows</u>	33.
<u>Statement of Changes in Equity</u>	34.
<u>Notes of the Financial Statements</u>	35.
<u>Directors' Report in Urdu</u>	101.
<u>Chairperson Review Report in Urdu</u>	106.

BOARD OF DIRECTORS:	Mr. Mussaid Hanif Mr. Arbab Muhammad Khan Mr. Sheikh Muhammad Iqbal Ms. Tehniyat Mussaid Ms. Sabah Burhan Ms. Sarah Naviwala Ms. Ayesha Naweed	CEO Chairperson
AUDIT COMMITTEE:	Ms. Ayesha Naweed Ms. Sarah Naviwala Ms. Tehniyat Mussaid	Chairperson/Member Member Member
HR & REMUNERATION COMMITTEE:	Ms. Ayesha Naweed Mr. Arbab Muhammad Khan Ms. Sabah Burhan	Chairperson/Member Member Member
CHIEF FINANCIAL OFFICER:	Mr. Naveed Aleem	
COMPANY SECRETARY:	Mr. Abdul Jabbar	
AUDITORS:	BDO Ebrahim & Co.	Chartered Accountants
LEGAL ADVISOR:	Ahmad Law Firm Advocate High Court Suit No. 7, Block No. 9, Shabbir Town, Executive Suits, 2.5 Km Raiwind Road, Lahore-54000, Pakistan	
BANKERS TO THE COMPANY:	Habib Bank Limited Askari Bank Limited United Bank Limited Habib Metropolitan Bank Limited Bank Al Habib Limited	National Bank of Pakistan The Bank of Punjab Meezan Bank Limited Bank Islami Pakistan Limited
MILLS:	1 km, Balloki Bhai Pheru Road Bhai Pheru. Phone : 0494 - 512007-9, 513103-5 Fax : 0494 - 512011 63 km Gulshan Adda, Jumber Khurd, District Kasur.	(Weaving unit & Power plant) (Towel Unit)
REGISTERED & HEAD OFFICE:	3rd Floor, IEP Building, 97 B/D-I, Gulberg III, Lahore E-mail: info@zephyr.com.pk Website: www.zephyrtextiles.com Phone : 042 35782905 - 15 Fax : 042 35753202	

Note: Zephyr's Company Information & Financial Statements are also available at the above website.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting of **Zephyr Textiles Limited** ("ZTL" or "the Company") will be held at the Registered Office of the Company, 3rd Floor IEP Building, 97 B/D-I, Gulberg III, Lahore on Tuesday, October 28, 2025, at 10:30 AM to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting dated October 28, 2024.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2025 together with the Chairperson's Review Report, Directors' and Auditor's report thereon.

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

<https://zephyrtextiles.com/wp-content/uploads/2025/09/ZTLAnnual2025.pdf>



Scan QR Code for
Annual Report 2025

1. To appoint auditors for the year ending June 30, 2026 and to fix their remuneration. The Board of Directors, on recommendation of the Audit Committee has proposed the appointment of M/s. **BDO EBBRAHIM & CO. Chartered Accountants**, as auditors for the year ending on June 30, 2026.
2. To transact any other business with the permission of the Chair.

By Order of the Board

Abdul Jabbar

Company Secretary

Lahore:

Monday October 06, 2025.

NOTE:

➤ **BOOK CLOSURE NOTICE:**

Share transfer books of the company will remain closed from October 21, 2025 to October 28, 2025 (both days inclusive) and no transfer will be accepted during this period.

1. Instrument of Proxy

A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting. The CDC account holders are requested to bring their original CNIC and participant ID to attend the meeting. Form of proxy in English and Urdu languages is attached to the notice of meeting sent to the shareholders.

➤ **Participation through video conferencing facility**

The Company will provide the video link facility for participation in the meeting. The entitled shareholders interested in attending the Annual General Meeting (AGM) are requested to get themselves registered with the Company Secretary office at least Seven working days before the holding of the time of AGM at corporate.affairs@zephyr.com.pk by providing the following details:-

Name of Shareholder	CNIC Number	Folio Number	Cell Number.	Email Address

2. Upon receipt of the above information from interested shareholders, the Company will send the login details at their email addresses. On the AGM day, the shareholders will be able to login and participate in the AGM proceedings through their smart phone or computer devices from their any convenient location. The login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after identification process and verification process.
3. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the applicable guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No 1 of 2000.
4. Members are requested to be timely notified of any change in their addresses to our independent Share Registrar.

5. **Notice to Shareholders who have not provided CNIC:**

The shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs (if not already provided) directly to our Independent Share Registrar at the address given in Note No. 1.

➤ **Transmission of audited financial statements / notices through email**

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

<https://zephyrtextiles.com/wp-content/uploads/2025/09/ZTLAnnual2025.pdf>



Scan QR Code for
Annual Report 2025

In compliance with Section 223(6) of the Act and SECP Notice vide SRO787 (1)/2014 dated September 8, 2014, soft copies of the Annual Report 2024 are being emailed to those members who opted to receive such communication via email. Other members who wish to receive the Annual Report 2025 via email may file an application as per the form provided on the Company's website in compliance with the subject SRO.

Shareholders may request the Company Secretary or Share Registrar of the Company for transmitting the hard copy of Annual Report 2025 by filing a 'Standard Request Form' available on Company's website and the same will be provided at his / her registered address, free of cost, within one week of receipt of request.

➤ **Unclaimed Dividends:**

As per the provision of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the Commission for the credit of Federal Government after issuance of notices to the shareholders to file their claim. In this regard, a notice to shareholder was sent at their provided addresses and subsequently final notice was Published in newspapers having nationwide circulation.

Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged timely. In case, no claim is lodged with the Company in the given time, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244 (2) of companies Act, 2017.

Conversion of Shares into Book Entry Form (CDC)

Pursuant to provisions of Section 72 of the Companies Act, 2017 (the Act), all shares holders who having their physical shares are requested to convert all physical shares into the book-entry-form (CDC).

Deposit of Physical Shares in CDC Accounts

As per Section 72(2) of the Act, every existing company shall be required to replace its physical shares with book-entry form within four (4) years from the date of the promulgation of the Act. Further, vide its letter dated March 26, 2021, SECP has directed listed companies to pursue their such shareholders who are still holding shares in physical form to convert the same into book entry form. In order to ensure compliance with the aforementioned provision, all shareholders having physical shareholding are encouraged to open a CDC sub account with any of the brokers or an Investor Account directly with CDC to place their physical shares into scripless form. This will facilitate them in many ways, including safe custody and sale of shares, at any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

For any query / information, the investors may contact the Company / Share Registrar at the following:

Company's Registered Office	Share Registrar
3 rd Floor I.E.P Building 97-B / D-1	THK Associate
Gulberg-III, Lahore	32-C, Jami Commercial Street 2
Phone : 042-35782905-15	DHA Phase-VII, Karachi
Fax : 042-35753202	UAN : 021-111-000-322
Email : info@zephyr.com.pk	Email : info@thk.com.pk
Website : www.zephyrtextiles.com	Website : www.thk.com.pk

Chairperson's Review

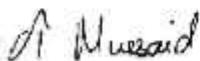
On behalf of the Board of Directors, I am please to present you, the Chairman's Review on the Board' performance and role in achieving the Company' objectives, in accordance with Section 192 of the Companies Act, 2017.

For the financial year June 30, 2025, the Board' overall performance and effectiveness have been assessed as satisfactory. For Board and committee meetings every member was provided with agenda, work papers and supporting materials with prior notice. The Board and committees met frequently and discharged their responsibilities in all duly convened meetings. The independent and non-executive directors were equally involved and participated in all decision-making process. It's important to highlight the key role played by the Committees (Audit Committee, Human Resource and Remuneration Committee) in underscoring and directing management towards areas of improvements. Looking ahead, the Board remains confident in the Company' ability to navigate ongoing challenges and capitalize on emerging opportunities. Our priorities will be to invest in people, processes, and technology to drive efficiency, grow our portfolio, and deepen customer relationships.

Key decisions made by the Board during the year included:

- ξ Approval of capital expenditures (CAPEX);
- ξ Review and approval of quarterly and annual financial statements;
- ξ Examination of internal audit and audit committee findings;
- ξ Oversight of related party transactions and;
- ξ Appointment of external auditors.

On behalf of the Board of Directors, I extend our sincere appreciation to all stakeholders for their continued support and encouragement throughout the year. The Board wishes to formally acknowledge the valuable contributions of the Company's management, whose dedication and professionalism have been instrumental in driving operational excellence and strategic progress.



Tehniyat Mussaid
Chairperson

Lahore:
September 30, 2025

Dear members,

The Directors of your Company takes pleasure in presenting before you the Annual Report along with audited financial statements and independent auditors' report thereon for the period ended June 30, 2025.

Financial Performance

Despite a challenging macro and micro-economic environment, your company has remained resilient and continued its operations effectively. The key financial results are summarized below:

Description	2025	2024	% Increase / (Decrease)
Net sales	8,279,470,879	8,393,875,256	(1.36)
Gross profit	815,166,605	896,667,273	(9.09)
EBITDA	570,852,915	647,464,069	(11.83)
Depreciation	229,232,846	203,018,840	12.91
Finance cost	261,301,508	293,003,323	(10.82)
Pre-tax profit	80,318,562	151,441,906	(46.96)
After tax profit	1,819,084	45,653,646	(96.02)
EPS	0.03	0.77	(96.02)

The year 2024-2025 proved to be one of both challenge and modest opportunity for the textile, garment and towel manufacturing sector in Pakistan. Despite significant headwinds ranging from raw material supply constraints and rising input costs to energy shortages and regulatory uncertainties the industry has shown cautious signs of recovery, particularly in value-added segments. The management team at Zephyr Textiles Ltd. presents this report to shareholders, summarizing the business environment, performance, and strategy ahead.

During the year under review, the Company recorded total net sales of PKR 8.28 billion, representing a slight decrease of 1.36% compared to the PKR 8.39 billion reported in 2024. The marginal decline in revenue reflects challenging market dynamics, including weaker consumer demand and increased competition across key product segments.

Gross profit for the year stood at PKR 815.17 million, a decline of 9.09% from the PKR 896.67 million reported in the previous year. The reduction in gross margin was primarily driven by elevated input costs and changes in the sales mix. The all new garment business is gearing up for the next financial year, until then the fixed cost has affected the profitability in financial year under review. Tariff difference for previous period has been charged in July 2025 bill as arrears from SNGPL which deteriorated the profitability as well.

Earnings before interest, tax, depreciation, and amortization (EBITDA) declined by 11.83%, from PKR 647.46 million in 2024 to PKR 570.85 million in 2025, largely due to increased operational expenses and cost pressures. The Company suffered loss of PKR 12.644 million on sale of looms in period under review as compared to gain of PKR 97.48 million on sale of looms.

Depreciation charges rose by 12.91%, from PKR 203.02 million to PKR 229.23 million, reflecting recent capital investments which will be economically utilized in next financial period. Despite these investments, the increase in non-cash expenses further impacted the Company's operating profit.

Finance costs declined by 10.82% to PKR 261.30 million, compared to PKR 293.00 million in 2024. This reduction was largely attributable to improved debt management and lower average interest rates during the period.

Profit before tax amounted to PKR 80.32 million, representing a 46.96% decrease from the PKR 151.44 million recorded in the prior year. After accounting for tax expenses, the Company posted a net profit after tax of PKR 1.82 million, significantly lower than the PKR 45.65 million earned in 2024, a 96.02% decline year-on-year.

Consequently, Earnings Per Share (EPS) also declined substantially from PKR 0.77 in 2024 to PKR 0.03 in 2025.

Company's BMR Policy

Our company recognizes the importance of Balancing, Modernization, and Replacement (BMR) as a core strategy to maintain competitiveness and support sustainable growth. The BMR policy is designed to ensure continuous improvement in efficiency, quality, and capacity across all production stages.

- **Balancing:** Regular assessments will be conducted to identify bottlenecks in the production process, with investments directed toward aligning machinery capacities and workflows for smooth, uninterrupted operations.
- **Modernization:** The company will prioritize upgrading machinery and adopting advanced technologies that enhance product quality, reduce production costs, conserve energy, and meet international compliance standards.
- **Replacement:** Obsolete, inefficient, or high-maintenance equipment will be systematically replaced with new, energy-efficient, and environmentally sustainable alternatives.

The Company invested handsome amount of PKR 405.17 million in BMR. This is further bifurcated in PKR 367.98 in plant and machinery and PKR 37.19 in other installations and equipment including 425kw solar system at weaving facility. Through this policy, the company aims to strengthen its position in both domestic and international markets by focusing on value-added textiles, improved productivity, reduced wastage, and compliance with sustainability requirements. BMR initiatives will be planned on a rolling basis, aligned with long-term strategic goals, customer demands, and global textile market trends.

Dividend

Keeping in view economic condition prevailing in the country, Company's needs and future ability of cash generation, the Board of Directors of the Company has not recommended dividend for the year ended June 30, 2025 (June 30, 2024: Nil).

Market Review

Pakistan's textile sector outlook for 2025 is shaped by both opportunities and challenges. Exports are expected to see moderate growth of around 5-10%, mainly driven by value-added segments such as garments and home textiles, while basic textiles like yarn and fabric remain under pressure. The industry continues to face major hurdles, including high input costs for energy, gas, and financing, supply chain instability due to cotton shortages and climate risks, as well as regulatory burdens and delays in export incentives. At the same time, strong opportunities exist in moving further up the value chain, adopting sustainability and compliance practices to meet global buyer requirements, leveraging preferential trade agreements, investing in technology and modernization, and exploring technical textiles. However, risks remain significant—persistent high costs, climate impacts like floods and droughts, and policy uncertainty could erode competitiveness against regional rivals. In terms of possible outcomes, a baseline scenario points to modest but steady growth, while an optimistic path—supported by reforms and investment—could push textile exports beyond USD 20 billion. On the other hand, if structural challenges are not addressed, the sector risks stagnation or even losing market share internationally.

Future Prospects

Despite the financial headwinds, the Company remained committed to its long-term strategic objectives, with continued investment in operational efficiency, supply chain optimization, and product quality improvement. The increase in depreciation reflects these long-term investments which are expected to yield improved performance in subsequent years.

Management has also taken proactive steps to contain costs and streamline operations, and these initiatives are expected to have a positive impact in the coming financial year.

The outlook for 2026 remains cautiously optimistic. While the operating environment is expected to remain challenging, the Company is focused on driving revenue growth, improving cost efficiency, and delivering value to shareholders. Emphasis will be placed on product innovation, customer engagement, and prudent financial management.

Corporate Governance

Board of Directors

Following are the directors of the Company:

1. Ms. Tehniyat Mussaid	Director/Chairperson
2. Mr. Mussaid Hanif	Executive Director/CEO
3. Mr. Arbab Muhammad Khan	Executive Director
4. Ms. Sabah Burhan	Director
5. Ms. Sarah Naviwala	Director
6. Ms. Ayesha Naweedy	Independent Director
7. Mr. Sheikh Muhammad Iqbal	Independent Director

Directors' Training Program

The Board of directors of the Company consist of 7 Directors out of which the following six directors have obtained a certificate for the Directors' Training Program offered by a local institution that meets the criteria specified by the Securities and Exchange Commission of Pakistan ("SECP"):

- Ms. Tehniyat Mussaid
- Ms. Sabah Burhan
- Mr. Arbab Muhammad Khan
- Mr. Sheikh Muhammad Iqbal
- Ms. Sarah Naviwala
- Ms. Ayesha Naweedy

The remaining one director includes chief executive of the Company meet the exemption requirement of the DTP.

Corporate Briefing Session

Corporate Briefing Session is being held annually to brief investors regarding the performance of the Company and future outlook.

Compliance of Corporate and Financial Reporting Framework

We are committed to good corporate governance and do comply with the requirements of Code of Corporate Governance Regulation 2017 (CCG 2017) included in the listing regulations of Pakistan Stock Exchange Limited. The statement of compliance with the CCG 2017 is enclosed.

Board Committees

Audit Committee

The Audit Committee is comprised of all three non-executive members of the board. The chairperson of the committee is an independent director. The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, four audit committee meetings were held, attendance position was as under:

Name	Designation	Meetings attended
Ms. Ayesha Naweedy	Chairperson/Member	4
Ms. Tehniyat Mussaid	Member	4
Ms. Sarah Naviwala	Member	4

Human Resource & Remuneration Committee

The HR and remuneration committee comprised of three members of whom two are non-executive directors and the Chairperson is an independent director. The Human Resource & Remuneration Committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, only one HR and Remuneration committee meeting were held and attendance position was as under:

Name	Designation	Meetings attended
Ms. Ayesha Naweed	Chairperson/Member	1
Mr. Arbab Muhammad Khan	Member	1
Ms. Sabah Burhan	Member	1

Meetings of the Board of Directors

During the year under review, four meetings of the Board of Directors of the Company were held and the attendance position is as follows:

S.No.	Name of Directors	No. of meetings attended
1.	Mr. Mussaid Hanif	4
2.	Mr. Arbab Muhammad Khan	4
3.	Ms. Tehniyat Mussaid	4
4.	Ms. Sabah Burhan	2
5.	Ms. Sarah Naviwala	2
6.	Mr. Sheikh Muhammad Iqbal	4
7.	Ms. Ayesha Naweed	4

Directors' Remunerations

The Board of Directors has approved Directors' Remuneration Policy. The main features of the policy are as follows:

- The Company shall not pay remuneration and meeting fee to its non-executive directors including independent directors.
- The Company shall reimburse or incur expenses of travelling and accommodation of Directors in relation to attending meetings of the Board and its Committees.
- The Directors' Remuneration Policy shall be reviewed and approved by the Board of Directors from time to time.

Refer to note 51 of financial statements of the Company for remuneration of Chief Executive Officer and Directors of the Company.

Directors' Statement

In compliance of the Code of Corporate Governance, we give below statements on Corporate and Financial reporting framework:

1. Financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of account of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. 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

5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern.
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Corporate Social Responsibility

Following is the brief summary of corporate social responsibility initiative taken by the Company:

Equal Opportunity Employment

The Company provides equal employment opportunities to employees and applicants without regard to race, color, religion, gender and disability status.

Environmental Protection

The Company further installed 425 kwh solar power plant in addition to existing 945 kwh solar power plant to shift to renewable energy from conventional sources and committed to ensure environment sustainability and cheap energy. The Company also installed Effluent Water Treatment Plant to treat waste water before its discharge in order to preserve clean water sources.

Employees Welfare

Introduced health insurance for employees and their families which are not covered under Government basic health schemes. Conducted workplace safety programs, reducing incident rates by 15%. Invested in training and development programs for the management and workers.

Ethical Governance

Strengthened compliance with anti-bribery and anti-corruption policies. Enhanced transparency by publishing sustainability metrics quarterly. Established whistle-blower policy to ensure accountability and trust.

External Auditors

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

Appreciation

The Board acknowledges the continued support of our shareholders, the dedication of our employees, and the confidence of our customers and business partners. We remain committed to restoring sustainable growth and improving shareholder value in the coming years.



Mussaid Hanif
Chief Executive

Lahore
September 30, 2025



Arbab Muhammad Khan
Director

Gender Pay Gap Statement

UNDER SECP'S CIRCULAR 10 OF 2024

Following is the Gender Pay Gap calculated for the year ended June 30, 2025

(1) Mean Gender Pay Gap:	0.95 %
(2) Median Gender Pay Gap:	4.15 %

The above percentage reflects the gender pay gap of relevant male versus female employees across the organization.



Mussaid Hanif
Chief Executive

Date: Monday, 30 September 2025

Horizontal Analysis

(Rupees in Million)

	2025	Variance vs. Last Year Increase/ (Decrease) (%)	2024	Variance vs. Last Year Increase/ (Decrease) (%)	2023	Variance vs. Last Year Increase/ (Decrease) (%)	2022	Variance vs. Last Year Increase/ (Decrease) (%)	2021	Variance vs. Last Year Increase/ (Decrease) (%)	2020	Variance vs. Last Year Increase/ (Decrease) (%)
OPERATING RESULTS												
Sales - net	8,279.47	(1.36)	8,393.00	3.69	8,103.06	9.74	7,304.16	20.48	6,128.89	41.67	4,326.05	(15.03)
Cost of sales	7,464.30	(0.44)	7,497.21	0.95	6,881.45	3.68	6,645.02	24.07	5,321.34	35.60	3,824.32	(14.06)
Gross Profit	815.17	(9.09)	896.87	(26.60)	1,221.63	65.28	739.15	(6.47)	807.55	101.02	401.73	(23.30)
Distribution cost	401.83	(17.77)	488.88	11.22	439.38	31.37	334.46	58.80	219.88	60.60	131.31	(8.37)
Administrative expenses	122.91	(0.31)	131.19	13.37	115.72	17.58	98.35	9.87	89.52	5.98	84.47	(0.63)
Other operating expenses	46.79	(46.98)	84.47	(65.70)	209.66	485.98	46.06	(3.47)	47.71	113.02	22.40	126.22
Financial cost	281.30	(10.62)	293.00	54.56	189.58	92.93	98.26	(12.26)	111.99	(7.92)	121.02	(15.76)
Other operating income	95.98	(61.03)	202.12	54.12	153.98	64.90	99.20	633.38	13.53	(60.74)	34.45	897.29
Profit before levy and taxation	80.32	(46.08)	156.44	(59.14)	370.65	41.89	261.23	(27.63)	360.97	372.52	78.39	(48.81)
Provision for levy and taxation	78.50	(25.00)	105.79	(20.28)	132.69	87.85	78.05	34.24	58.80	178.24	21.32	(30.80)
PROFIT AFTER LEVY AND TAXATION	1.62	(96.02)	45.66	(80.51)	237.96	30.62	182.18	(39.89)	302.08	448.51	95.87	(93.26)
BALANCE SHEET												
NON-CURRENT ASSETS												
Property, plant and equipment	2,920.01	5.39	2,770.58	9.35	2,533.66	16.78	2,160.67	6.59	2,035.56	8.94	1,900.44	(0.33)
Capital work in progress	18.05	(67.33)	55.24	(26.55)	75.20	69.04	38.59	38.84	33.08	(67.73)	63.32	103.76
Long term deposits	25.47	0.59	25.33	(1.08)	25.60	3.30	24.76	0.09	22.74	1.22	22.47	0.03
TOTAL NON-CURRENT ASSETS	2,963.53	3.94	2,891.12	6.22	2,634.45	17.82	2,234.84	8.82	2,091.38	6.14	1,989.22	1.32
CURRENT ASSETS												
Stores, spare parts and issue tools	230.42	3.68	222.24	(14.86)	261.02	9.50	252.18	45.09	173.82	34.32	139.82	27.34
Stock in trade	1,942.04	26.17	1,530.27	6.66	1,456.79	8.58	1,341.66	(4.92)	1,411.06	27.82	1,103.93	20.70
Trade debts	361.40	72.38	557.81	0.11	557.18	(55.78)	581.41	(19.70)	823.67	16.20	708.87	(0.50)
Loans and advances	66.99	(52.01)	135.88	72.62	80.87	(10.70)	80.56	(32.33)	133.83	74.39	78.74	(23.84)
Trade deposits and short term prepayments	441.36	141.52	182.74	(65.84)	554.99	16.39	459.85	32.46	347.02	41.03	246.05	15.43
Other receivables	132.36	31.40	100.73	18.13	85.26	29.14	66.04	(51.96)	137.44	71.74	80.03	(7.39)
Investments	7.40	(84.84)	48.80	(54.80)	107.98	100.134	6.42	61.83	3.87	(93.71)	63.08	8274.43
Cash and bank balances	27.41	(52.58)	57.88	(63.03)	158.35	141.66	54.70	(17.87)	71.87	9.87	71.79	29.06
TOTAL CURRENT ASSETS	3,809.46	33.71	2,848.99	(12.68)	3,246.44	10.12	2,942.63	(5.37)	3,109.68	24.87	2,490.30	13.53
TOTAL ASSETS	6,772.99	18.82	5,700.11	(2.98)	5,874.90	13.49	5,176.67	(6.47)	5,201.08	16.51	4,479.52	7.76
CURRENT LIABILITIES												
Trade and other payables	1,913.53	34.43	1,423.41	(12.63)	1,629.13	33.35	1,221.66	(2.60)	1,252.97	47.06	882.08	46.91
Accrued mark-up	19.81	(27.67)	27.38	(47.61)	62.27	214.80	18.80	(23.92)	21.82	(9.46)	24.10	5.66
Short term borrowings	1,972.92	43.89	1,371.16	4.46	1,312.66	1.37	1,294.91	2.05	1,268.83	(3.89)	1,320.19	5.81
Current portion of long term financing	11.33	(65.56)	32.86	(5.67)	34.98	(83.08)	208.64	(20.19)	258.82	295.44	65.48	(80.79)
TOTAL CURRENT LIABILITIES	3,917.59	37.23	2,854.86	(6.76)	3,929.02	10.56	2,739.81	(2.24)	2,802.55	21.91	2,261.85	11.76
WORKING CAPITAL	(108.13)	1742.45	(15.87)	(102.78)	211.43	34.44	202.81	(51.03)	307.13	152.03	228.46	(60.15)
TOTAL CAPITAL EMPLOYED	2,855.40	0.38	2,845.25	(0.02)	2,845.88	16.78	2,436.86	1.60	2,398.51	8.15	2,217.87	3.97
NON-CURRENT LIABILITIES												
Long term financing	48.11	(18.40)	56.55	(38.07)	88.45	(28.32)	123.41	(48.94)	241.67	(30.96)	300.04	14.83
Deferred liabilities	279.37	30.53	213.78	(6.00)	227.43	8.09	210.41	8.00	194.83	(23.41)	254.37	5.51
TOTAL NON-CURRENT LIABILITIES	325.18	29.28	279.34	(16.42)	315.89	(5.37)	333.82	(23.52)	436.50	(27.78)	584.49	10.71
NET WORTH	2,550.22	(1.74)	2,574.91	1.78	2,529.99	20.39	2,103.03	7.39	1,962.01	21.62	1,613.26	1.85
NET WORTH REPRESENTED BY												
Issued, subscribed and paid-up capital	594.29	0.00	594.29	0.00	594.29	0.00	594.29	0.00	594.29	0.00	594.29	0.00
Accumulated profit and contribution from sponsor	1,582.65	4.60	1,493.87	9.71	1,381.64	19.38	1,140.57	16.48	975.20	36.68	716.44	7.45
Surplus on revaluation of property, plant and equipment	373.28	(23.31)	486.78	(15.21)	574.06	55.92	388.18	(5.24)	386.52	28.42	302.53	(7.21)
TOTAL NET WORTH	2,530.22	(1.74)	2,574.01	1.78	2,529.99	20.39	2,103.03	7.39	1,962.01	21.62	1,613.26	1.85
TOTAL LIABILITIES	6,772.99	18.82	5,700.11	(2.98)	5,874.90	13.49	5,176.67	(6.47)	5,201.08	16.51	4,479.52	7.76

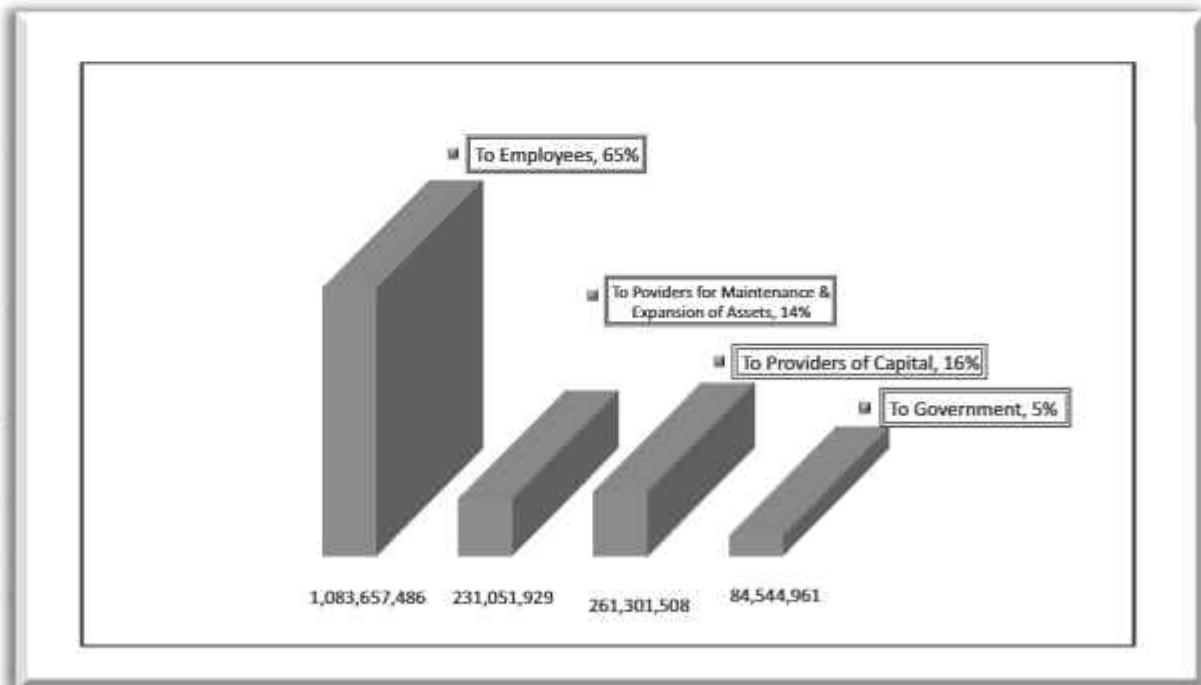
Vertical Analysis

(Rupees in Million)

	2025	% of Total Value	2024	% of Total Value	2023	% of Total Value	2022	% of Total Value	2021	% of Total Value	2020	% of Total Value
OPERATING RESULTS												
Sales - net	6,279.47	100.00	6,363.88	100.00	6,103.08	100.00	7,384.16	100.00	6,126.08	100.00	4,326.95	100.00
Cost of sales	7,464.30	90.15	7,497.21	89.32	6,881.45	84.92	6,845.02	89.89	5,321.34	86.82	3,824.32	90.71
Gross Profit	815.17	9.85	696.67	10.68	1,221.63	15.06	739.15	10.01	607.85	13.18	401.73	9.29
Distribution cost	401.83	4.85	488.68	5.82	439.30	5.42	134.45	4.53	210.88	3.44	131.31	3.04
Administrative expenses	122.91	1.48	131.18	1.56	115.72	1.43	95.35	1.33	89.52	1.46	84.47	1.95
Other operating expenses	44.79	0.54	84.47	1.01	269.88	3.33	46.06	0.62	47.71	0.78	22.40	0.52
Financial cost	261.30	3.16	293.00	3.49	189.58	2.34	98.26	1.33	111.68	1.83	121.82	2.81
Other operating income	95.98	1.16	252.12	3.00	163.59	2.02	99.20	1.34	13.53	0.22	34.45	0.80
Profit before levy and taxation	80.32	0.87	161.44	1.80	370.65	4.57	381.23	3.54	360.97	5.89	78.39	1.77
Provision for levy and taxation	78.50	0.95	105.79	1.26	102.88	1.54	78.05	1.07	58.89	0.96	21.32	0.49
PROFIT AFTER LEVY AND TAXATION	1.82	0.02	45.45	0.84	237.96	2.94	182.18	2.47	302.08	4.89	55.07	1.27
BALANCE SHEET												
NON-CURRENT ASSETS												
Property, plant and equipment	2,820.01	43.11	2,770.58	49.81	2,633.86	43.13	2,169.57	41.91	2,026.56	39.14	1,803.44	42.49
Capital work in progress	19.05	0.27	55.24	0.87	75.20	1.28	39.59	0.78	33.09	0.84	63.32	1.41
Long term deposits	25.47	0.38	25.33	0.44	26.80	0.44	24.78	0.48	22.74	0.44	22.47	0.50
TOTAL NON-CURRENT ASSETS	3,065.53	43.76	2,851.12	50.02	2,634.45	40.84	2,234.04	43.16	2,091.38	40.21	1,988.22	44.41
CURRENT ASSETS												
Stocks, spare parts and loose tools	230.42	3.40	222.24	3.90	261.02	4.44	252.18	4.82	173.02	3.94	139.82	3.12
Stock in trade	1,942.04	28.67	1,539.27	27.09	1,466.79	24.80	1,341.66	25.92	1,411.06	27.13	1,103.93	24.64
Trade debts	981.46	14.20	557.81	9.79	657.18	9.48	681.41	12.78	823.67	16.84	708.87	15.82
Loans and advances	66.99	0.99	139.88	2.45	80.87	1.38	80.56	1.75	133.83	2.57	76.74	1.71
Trade deposits and short term prepayments	441.36	6.52	182.74	3.21	534.99	9.11	459.85	8.88	347.02	6.67	246.05	5.49
Other receivables	132.36	1.95	100.73	1.77	85.28	1.45	66.04	1.28	137.44	2.54	80.03	1.79
Investments	7.40	0.11	48.80	0.86	107.98	1.84	6.42	0.12	3.87	0.08	63.08	1.41
Cash and bank balances	27.41	0.40	57.80	1.01	156.35	2.66	54.70	1.25	78.87	1.52	71.79	1.60
TOTAL CURRENT ASSETS	3,089.46	56.24	2,848.99	49.98	3,240.44	55.18	2,942.63	56.84	3,109.88	59.79	2,490.30	55.59
TOTAL ASSETS	6,772.99	100.00	6,700.11	100.00	5,874.90	100.00	5,176.67	100.00	5,201.06	100.00	4,479.52	100.00
CURRENT LIABILITIES												
Trade and other payables	1,013.53	28.28	1,423.41	24.97	1,628.13	27.73	1,321.86	23.80	1,252.87	24.09	862.08	19.02
Accrued mark-up	19.81	0.29	27.08	0.48	52.27	0.89	16.80	0.32	21.82	0.42	24.10	0.54
Short term borrowings	1,972.32	29.13	1,371.16	24.05	1,312.88	22.34	1,294.91	25.01	1,288.83	24.40	1,320.19	29.47
Current portion of long term financing	11.33	0.17	32.90	0.58	34.95	0.69	206.64	0.99	258.92	4.98	65.40	1.46
TOTAL CURRENT LIABILITIES	3,917.59	57.84	2,354.86	50.85	3,029.02	51.58	2,739.81	52.93	2,882.56	53.88	2,361.85	58.49
WORKING CAPITAL	(108.13)	(1.60)	(5.87)	(0.10)	211.43	3.60	202.81	3.82	307.13	6.91	229.45	6.10
TOTAL CAPITAL EMPLOYED	2,855.40	42.16	2,845.25	48.92	2,845.86	48.44	2,436.88	47.07	2,399.51	46.12	2,217.87	49.51
NON-CURRENT LIABILITIES												
Long term borrowings	46.11	0.68	56.86	0.99	80.45	1.61	123.41	2.38	241.87	4.86	350.04	7.81
Deferred liabilities	279.07	4.92	213.79	3.76	227.43	3.87	210.41	4.06	194.88	3.76	254.37	6.68
TOTAL NON-CURRENT LIABILITIES	325.18	4.80	270.34	4.76	315.89	5.35	333.82	6.45	436.30	8.39	604.41	13.49
NET WORTH	2,530.22	37.38	2,574.81	46.17	2,629.99	43.06	2,103.03	40.63	1,962.01	37.72	1,613.26	36.81
NET WORTH REPRESENTED BY												
Issued, subscribed and paid-up capital	594.29	8.77	594.29	10.43	594.29	10.12	594.29	11.48	594.29	11.43	594.29	13.27
Accumulated profit and contribution from sponsor	1,562.65	23.07	1,493.87	28.21	1,381.84	23.18	1,140.57	22.03	979.20	18.83	718.44	15.99
Surplus on revaluation of property, plant and equipment	373.28	6.61	486.78	8.54	574.08	9.77	368.18	7.11	382.52	7.47	302.53	6.76
TOTAL NET WORTH	2,530.22	37.38	2,574.81	46.17	2,629.99	43.06	2,103.03	40.63	1,962.01	37.72	1,613.26	36.81
TOTAL LIABILITIES	6,772.99	100.00	6,700.11	100.00	5,874.90	100.00	5,176.67	100.00	5,201.06	100.00	4,479.52	100.00

STATEMENT OF VALUE ADDITION

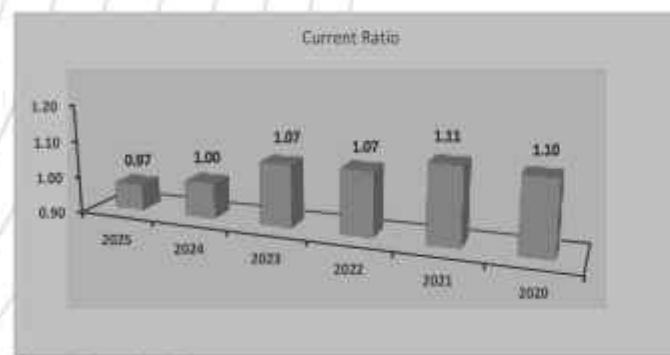
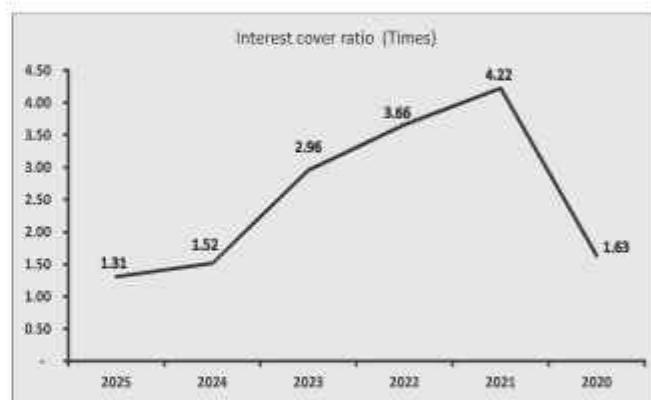
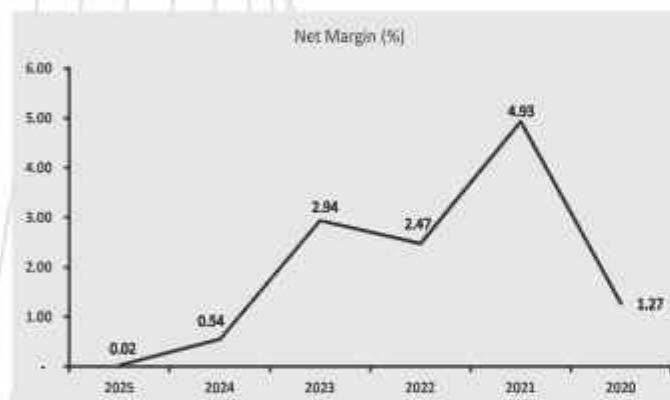
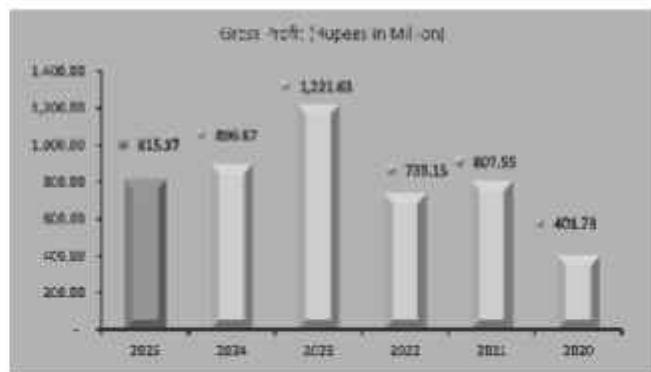
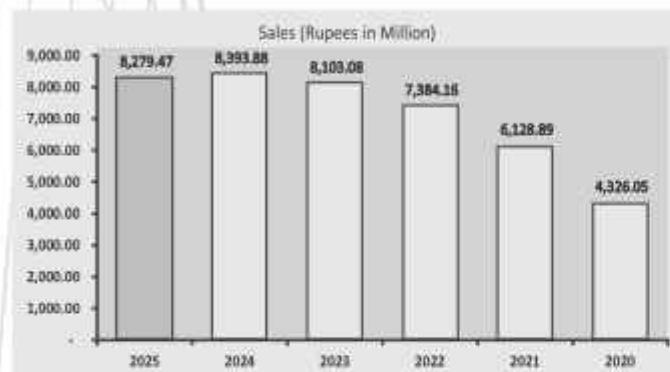
WEALTH GENERATED	2025		2024	
	Amount Rs.	%	Amount Rs.	%
Sales Revenue	8,279,470,879		8,393,875,256	
Other Income	95,980,563		252,116,827	
	8,375,451,442		8,645,991,583	
Less:				
Material & Services				
Material & Factory Cost	6,266,932,308		6,441,651,695	
Administrative Cost	54,770,851		58,613,985	
Distribution & Other Cost	393,192,399		515,588,555	
	6,714,895,558		7,015,854,235	
Total Wealth Generated	1,660,555,884	100	1,630,137,348	100
WEALTH DISTRIBUTED	2025		2024	
	Amount Rs.	%	Amount Rs.	%
To Employees				
Salaries & Benefits	1,083,657,486	65.26%	971,680,534	59.61%
To Government				
Levy and Taxation	78,499,478	4.73%	105,788,260	6.49%
Worker Profit Participation Fund	4,318,202	0.26%	8,121,733	0.50%
Worker Welfare Fund	1,727,281	0.10%	2,871,012	0.18%
To Providers of Capital				
Dividends to Share Holders	-	0.00%	-	0.00%
Mark Up/Interest on Borrowed Funds	261,301,508	15.74%	293,003,323	17.97%
To Providers for Maintenance & Expansion of Assets				
Depreciation	229,232,845	13.80%	203,018,840	12.45%
Profit Retained	1,819,084	0.11%	45,653,646	2.80%
	1,660,555,884		1,630,137,348	



Key Operating and Financial Data of Last Six Years

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Rupees in Million						
PROFIT AND LOSS						
Sales	8,279	8,394	8,103	7,384	6,129	4,326
Cost of sales	7,464	7,497	6,881	6,645	5,321	3,924
Gross profit	815	897	1,222	739	808	402
Operating profit	342	444	560	359	473	198
EBITDA	571	647	756	545	652	368
Financial & other charges	261	293	190	98	112	122
Levy and taxation	78	106	133	79	59	21
Net profit after levy and taxation	2	46	238	182	302	55
BALANCE SHEET						
Capital	594	594	594	594	594	594
Reserves and contribution from sponsor	1,563	1,494	1,362	1,141	979	716
Surplus on revaluation of fixed assets	373	487	574	368	389	303
Net worth	2,530	2,575	2,530	2,103	1,962	1,613
Long term liabilities	46	57	88	123	242	350
Deferred liabilities	279	214	227	210	195	254
Current liabilities	3,918	2,855	3,029	2,740	2,803	2,262
Total liabilities	4,243	3,125	3,345	3,074	3,239	2,866
Total equity & liabilities	6,773	5,700	5,875	5,177	5,201	4,479
Fixed assets	2,920	2,771	2,534	2,170	2,036	1,903
Capital work in progress	18	55	75	40	33	63
Long term deposits	25	25	26	25	23	22
Current assets	3,809	2,849	3,240	2,943	3,110	2,489
Total assets	6,773	5,700	5,875	5,177	5,201	4,479
INVESTOR INFORMATION						
Break up value per share (Rs.)	42.57	43.33	42.57	35.39	33.01	27.14
Bonus/cash dividend (Rs. In Million)	-	-	29.71	-	29.71	29.71
Earning per share (Rs.)	0.03	0.77	4.00	3.07	5.08	0.93
Return on equity (%)	0.07	1.77	9.41	8.66	15.40	3.41
Return on assets (%)	0.03	0.80	4.05	3.52	5.81	1.23
FINANCIAL RATIOS						
Gross margin (%)	9.85	10.68	15.08	10.01	13.18	9.29
Net margin (%)	0.02	0.54	2.94	2.47	4.93	1.27
EBITDA (%)	6.89	7.71	9.33	7.39	10.64	8.51
Current ratio	0.97	1.00	1.07	1.07	1.11	1.10
Long term debt to equity ratio (%)	03.97	04.96	14.86	26.74	29.71	36.64
Interest cover ratio (Times)	1.31	1.52	2.96	3.66	4.22	1.63
Gearing ratio (%)	36.64	36.64	43.57	47.53	52.48	52.48

Graphical Representation



Pattern of Share Holding As on June 30,2025

Incorporation Number 0039902

The Companies Ordinance, 1984 (Section 236 (1) & 464) Form 34

Number of Shareholders	Shareholding		Total Shares held
	From	To	
106	1	100	1,733
144	101	500	68,901
47	501	1000	46,099
79	1001	5000	235,190
23	5001	10000	179,014
8	10001	15000	102,000
11	15001	20000	208,501
3	20001	25000	73,500
6	25001	30000	169,798
1	30001	35000	31,700
1	35001	40000	40,000
5	40001	45000	221,392
3	45001	50000	143,000
1	55001	60000	55,500
1	65001	70000	68,000
1	75001	80000	77,280
1	80001	85000	80,510
1	90001	95000	92,500
3	95001	100000	300,000
1	100001	105000	105,000
1	140001	145000	142,120
1	160001	165000	160,268
1	250001	255000	253,036
1	290001	295000	294,200
1	300001	305000	302,500
1	405001	410000	405,861
1	530001	535000	532,000
1	990001	995000	994,000
1	1560001	1565000	1,561,000
1	1945001	1950000	1,949,171
1	2165001	2170000	2,166,800
1	2465001	2470000	2,465,300
1	2640001	2645000	2,644,139
1	4410001	4415000	4,411,556
1	4485001	4490000	4,485,151
1	4930001	4935000	4,932,416
1	5285001	5290000	5,288,277
1	7315001	7320000	7,317,951
1	16820001	16825000	16,823,365

Categories of Shareholders

As on June 30, 2025

Shareholder's category	No.of shareholders	Share held	Percentage
1 Directors, Chief Executive Officer and their spouses and minor children			
Mr. Mussaid Hanif	3	21,611,016	36.3545
Ms. Sabah Burhan	4	11,965,922	20.1293
Mr. Arbab Muhammad Khan	1	5,288,277	8.8960
Ms. Tehniyat Mussaid	2	4,026,300	6.7731
Ms. Sarah Naviwala	1	50,000	0.0841
Mr. Sheikh Muhammad Iqbal	1	19,500	0.0328
Mr. Ayesha Naweед	0	-	-
Total	12	42,961,015	72.27
2 Associated companies, undertaking and related parties	0	-	-
3 Executive	0	-	-
4 Public Sector Companies and Corporation	0	-	-
5 Banks, Development Financial Institutions, Non-Banking Financial Institutions	1	4,411,556	7.4212
6 General public - Local	436	11,770,120	19.7999
7 General public - Foreign	13	291,537	0.4904
8 Others	3	11,001	0.0185
Total	453	16,484,214.00	27.73
Grand Total	465	59,445,229.00	100.00
Shareholders holding 5% or more		Shares held	Percentage
Mr. Mussaid Hanif		21,611,016	36.3545
Ms. Sabah Burhan		11,965,922	20.1293
Mr. Arbab Muhammad Khan		5,288,277	8.8960
Ms. Tehniyat Mussaid		4,026,300	6.7731
Mr. Khitab Muhammad Khan		5,384,277	9.0575
The Bank of Punjab, Treasury Division		4,411,556	7.4212
General public		6,677,380	11.2328

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

Name of Company: ZEPHYR TEXTILES LIMITED (the "Company")

For the year ended: June 30, 2025

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

1. The total number of Directors are "seven" as per the following:

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

2. The composition of the Board of Directors is as follow:

Category	Names
Independent Directors	1. Ms. Ayesha Naweed 2. Mr. Sheikh Muhammad Iqbal
Executive Directors	3. Mr. Mussaid Hanif (CEO) 4. Mr. Arbab Muhammad Khan
Non-Executive Directors	5. Ms. Tehniyat Mussaid (Chairperson) 6. Ms. Sabah Burhan 7. Ms. Sarah Naviwala

Determination of number of independent Directors comes to 2.33 (rounded to 2.0) which is based on seven elected Directors. The Fraction of one-third is not rounded up, as the two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.

The Independent Directors meet the criteria of independence as defined under the Companies Act, 2017. However, one of the Independent Director holds 0.033% shares of the Company.

3. The Directors have confirmed that none of them is serving as a Director of more than seven listed Companies (Excluding the listed subsidiaries of listed holding companies where applicable), including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with the date on which they were approved or amended has been maintained.
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 Act and the Regulations with respect to frequency, recording and circulating minutes of Meeting of Board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. The Board of Directors of the Company consist of seven (7) Directors out of which the six (6) Directors have obtained a certificate for the Directors' Training Program offered by a local institution that meets the criteria specified by the Securities and Exchange Commission of Pakistan ("SECP") : The remaining one (1) Directors including chief executive of the Company meet the exemption requirement of the DTP.
10. During the year, there was no appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit.
11. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
12. The Board of Directors have formed committees comprising of the members given below:

Audit Committee:	Ms. Ayesha Naweed Ms. Tehniyat Mussaid Mr. Sarah Naviwala	Chairperson/ Member Member Member
Human Resource & Remuneration Committee:	Ms. Ayesha Naweed Mr. Arbab Muhammad Khan Ms. Sabah Burhan	Chairperson/ Member Member 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** 4 quarterly
 - b. **HR and Remuneration Committee** 1 annual meeting
15. The Board has set up an effective internal audit function and the persons involved 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 3,6,7,8,27,32,33 and 36 been complied with.
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

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

Sr. No	Requirement	Explanation of Non-Compliance	Regulation No.
1.	<p>Policies</p> <p>The Board shall ensure that complete record of particulars of the significant policies along with their dates of approval or updating is maintained by the Company.</p> <p>As per regulations "Disclosure of significant policies on website" the Company may post the following on its website:</p> <ul style="list-style-type: none"> • Key element of its significant policies • Brief synopsis of terms of reference of the Board Committees • Key element of the directors' remuneration policy 	The Company is in the process of developing significant policies in documented form and the same will be posted in the website.	10 35
2.	<p>Role of the Board and its members to address Sustainability Risks and Opportunities</p> <p>The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.</p>	At present the Board provides governance and oversight in relation to the Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024, and applicable to the Company subsequent to June 2026, and the Board will adhere to the requisite compliance in a timely manner.	10(A)
3.	<p>Nomination Committee</p> <p>The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.</p>	The responsibilities as prescribed for the nomination committee are being taken care of at board level as and when needed so a separate committee is not considered to be necessary.	29
4.	<p>Risk Management Committee</p> <p>The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.</p>	Currently, the Board has not constituted a risk management committee and senior officer of the Company performs the requisite functions and apprise the Board accordingly. When needed so a separate committee is not considered to be necessary.	30

Mussaid

Tehniyat Mussaid
Chairperson

Lahore:
September 30, 2025

Mussaid Hanif

Mussaid Hanif
Chief Executive

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 Zephyr Textiles Limited for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

Further we highlight below instances of non-compliance with the requirement of the regulations as reflected in the paragraph reference where it is stated in the statement of Compliance:

Paragraph	Reference	Description
I	10	The Company has not developed significant policies in documented form.
II	10(A)	The board has not constituted a separate committee to address Sustainability Risks and Opportunities.
III	29	The board has not constituted a separate Nomination Committee.
IV	30	The board has not constituted a separate Risk Management Committee.
V	35	The Company has not post significant policies on its website

LAHORE

DATED: 03 OCT 2025

UDIN: CR202510131hUoNARMFa

Muhammad Imran

CHARTERED ACCOUNTANTS

Engagement Partner: Muhammad Imran

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEPHYR TEXTILES LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

S. No	Key audit matters	How the matters were addressed in our audit
1.	Trade receivable & revenue recognition (Refer note 36 and 15 to the annexed financial statements) The Company is principally engaged in the production and sale of fabric, towels, knitting and other related items, in the local and export markets. • Revenue from sale of goods is recognized when the performance obligation is satisfied by transferring control of promised goods to the customers.	Our audit procedures in relation to the revenue, included the following: <ul style="list-style-type: none">Understood and evaluated management controls over revenue and checked their validation;Performed verification of sales with underlying documentation including dispatch documents and sales invoices;Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the correct period;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEPHYR TEXTILES LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

<ul style="list-style-type: none"> • We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of an inherent risk of material misstatement and significant audit risk as part of the audit process. <p>Trade receivable:</p> <p>As at June 30, 2025, the Company's gross trade receivables were Rs. 996.346 million against which provision of Rs. 34.881 million has been recognized.</p> <p>We identified recoverability of trade receivables as key audit matter as it involves significant management judgement in determining the expected credit loss.</p>	<ul style="list-style-type: none"> • Verified that sales prices are approved by the appropriate authority; • Performed analytical procedures to analyze variation in the price and quantity sold during the year; • Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and • Assessed the adequacy of disclosures made in the financial statements related to revenue. <p>Our key audit procedures to valuation of trade receivables included:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's processes and design and implementation of internal controls relating to credit control processes (credit limits), debt collection process and making expected credit loss for doubtful receivables. • Testing the accuracy of aging report, on sample basis, by comparing individual balances in the report with underlying documentation. • Assessing the appropriateness of assumptions and estimates made by management for the expected credit loss by comparing on sample basis, historic cash collection, actual write offs and cash receipts from customers subsequent to reporting date. • Circulated external confirmations and performed alternative audit procedures in the absence of receipts of external confirmations.
<p>2. Inventory valuation</p> <p>As at June 30, 2025, the Company held Rs. 1,942.040 million in inventories. Given the size of the inventory balance relative to the total assets of the Company and the estimates and judgements described below, the valuation of inventory required significant audit attention.</p>	<p>Our audit procedures involved assessing the Company's accounting policies over recognizing and valuation of inventory in compliance with applicable accounting standards.</p> <ul style="list-style-type: none"> • We tested the costing of the inventory and performed net realizable value testing to

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEPHYR TEXTILES LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

<p>As disclosed in Note 5.6, inventory is held at the lower of cost and net realizable value determined using the weighted average cost method / prime cost - plus appropriate production overheads determined on weighted average basis. At year end, the valuation of inventory is reviewed by management and the cost of inventory is reduced where inventory is forecast to be sold below cost.</p> <p>The determination of whether inventory will be realized for a value less than cost requires management to exercise judgement and apply assumptions. Management undertakes the following procedures for determining the level of write down required:</p> <ul style="list-style-type: none"> • Use inventory aging reports together with historical trends to estimate the likely future salability of slow-moving and older inventory items; • The Company reviews the carrying amount of inventories on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related inventories. • Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost and net realizable value and a specific write down is recognized if required. <p>Refer to Notes 5.6 & 13 of the financial statements</p>	<p>assess whether the cost of the inventory exceeds net realizable value.</p> <ul style="list-style-type: none"> • We performed an analytical review of the inventory to compare and investigate any unexpected or unusual variation between current year and prior year and discuss these with management and also corroborate with underlying record. • We checked final stock valuation sheet to physical stock takingsheet to ensure that all items are included. • We reconciled final stock valuation sheet to general ledger and stock ledger and checked amount to appropriate sources and investigate unusual items. • We assessed the Company's disclosures in the financial statements in respect of inventory. • We checked that the provision made is appropriate in the circumstances. • Attended the physical inventory count conducted by the Company, observed the count procedures, performed test counts on a sample basis, and assessed the appropriateness and reasonableness of management's process for ensuring completeness and accuracy of inventory records.
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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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEPHYR TEXTILES LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEPHYR TEXTILES LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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 cash flows and the statement of changes in equity 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 Muhammad Imran.

LAHORE

DATED: 03 OCT 2025

UDIN: AR202510131ZAChrEvVJ

Bano Ebrahim.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	2,888,976,924	2,674,565,278
Operating fixed assets	8	459,448	94,484,672
Right of use asset	9	18,048,239	55,238,714
Capital work in progress		2,907,484,611	2,824,288,664
Intangible assets	10	299,878	1,508,050
Long term deposits	11	25,474,124	25,325,624
		2,933,258,613	2,851,122,338
CURRENT ASSETS			
Stores, spares and loose tools	12	230,424,873	222,237,433
Stock in trade	13	1,942,040,058	1,539,271,888
Loans and advances	14	66,992,300	139,590,974
Trade debts	15	961,464,521	557,808,008
Trade deposits and prepayments	16	25,314,615	12,927,175
Tax refunds due from Government	17	373,986,586	167,568,980
Taxation - net	18	42,059,645	2,248,840
Other receivables	19	132,362,795	100,734,730
Short term investments	20	7,400,239	48,802,438
Cash and bank balances	21	27,409,493	57,800,455
		3,809,455,125	2,848,990,921
NON CURRENT ASSET HELD FOR SALE			
Freehold land	22	30,275,000	-
TOTAL ASSETS			
		6,772,988,738	5,700,113,259
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	23	625,000,000	625,000,000
Capital reserves			
Issued, subscribed and paid up share capital	23.2	594,287,290	594,287,290
Surplus on revaluation of property, plant and equipment	24	373,283,383	486,755,448
Contribution from sponsor	25	39,000,000	-
Revenue reserves			
Accumulated profit		1,523,646,635	1,493,865,963
		2,530,217,308	2,574,908,701
NON CURRENT LIABILITIES			
Long term financing	26	44,722,309	54,489,583
Deferred liabilities	27	279,070,999	213,791,826
Lease liabilities	28	-	-
Deferred grant	29	1,390,684	2,063,301
		325,183,992	270,344,710
CURRENT LIABILITIES			
Trade and other payables	30	1,866,592,689	1,412,617,994
Contract liabilities	31	46,108,472	9,964,970
Mark-up accrued	32	19,806,465	27,384,882
Short term borrowings	33	1,972,919,250	1,371,160,751
Unclaimed dividend		829,907	829,907
Current portion of long term liabilities	34	11,330,655	32,901,344
		3,917,587,438	2,854,859,848
TOTAL EQUITY AND LIABILITIES			
		6,772,988,738	5,700,113,259
CONTINGENCIES AND COMMITMENTS			
	35		

The annexed notes from 1 to 63 form an integral part of these financial statements.

ansarai
CHIEF EXECUTIVE

C. J.
DIRECTOR

David A. A.
CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
Sales - net	36	8,279,470,879	8,393,875,256
Cost of sales	37	(7,464,304,274)	(7,497,207,983)
Gross profit		815,166,605	896,667,273
Distribution cost	38	(401,828,169)	(488,680,100)
Administrative expenses	39	(122,911,511)	(131,185,622)
Other operating expense	40	(44,787,418)	(84,472,649)
Other income	41	95,980,563	252,116,327
		(473,546,535)	(452,222,044)
Operating profit		341,620,070	444,445,229
Finance costs	42	(261,301,508)	(293,003,323)
Profit before taxation and levy		80,318,562	151,441,906
Levy	43	(105,742,226)	(85,772,325)
(Loss) / profit before income tax		(23,174,824)	65,669,581
Taxation	44	27,242,748	(20,015,935)
Profit after taxation		1,819,084	45,653,646
Earnings per share - basic and diluted (Rupees)	45	0.03	0.77

The annexed notes from 1 to 63 form an integral part of these financial statements.

ansarali

CHIEF EXECUTIVE

Chowdhury

DIRECTOR

Chowdhury

CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
Profit for the year		1,819,084	45,653,646
Other comprehensive (loss) / income for the year			
Items that will not be reclassified subsequently to profit or loss			
Loss on remeasurement of staff retirement benefit plan	27.2	(1,913,196)	(807,725)
Related deferred tax	27.1.1	554,827	71,183
		(1,358,369)	(736,542)
Deferred income tax relating revaluation surplus on property plant and equipments due to rate change	24.1	(84,152,108)	-
Items that will be reclassified subsequently to profit or loss		-	-
Total comprehensive (loss) / income for the year		<u>(83,691,393)</u>	<u>44,917,104</u>

The annexed notes from 1 to 63 form an integral part of these financial statements.

ansarali
CHIEF EXECUTIVE

C. J. Rao
DIRECTOR

David Alis
CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	Note	Issued, subscribed and paid-up shares capital (Rupees)	Contribution from sponsor (Rupees)	Surplus on revaluation of fixed assets (Rupees)	Accumulated profit (Rupees)	Total (Rupees)
Balance as at July 01, 2024		594,287,290	-	574,060,494	1,361,643,813	2,529,991,507
Total comprehensive income for the year ended June 30, 2024						
Profit for the year		-	-	-	45,653,646	45,653,646
Other comprehensive income for the year						
Actuarial loss on staff retirement benefits		-	-	-	(736,542)	(736,542)
Transfer of surplus on revaluation on disposal of property, plant and equipment - net of tax		-	-	(41,654,028)	41,654,028	-
Transfer of incremental depreciation from revaluation surplus on property, plant and equipment - net of tax		-	-	(35,926,283)	35,926,283	-
Effect of rate change related to revaluation surplus	24.1	-	-	(9,724,735)	9,724,735	-
Transaction with entity's owner						
Loan from director - net		-	-	-	-	-
Balance as at June 30, 2024		594,287,290	-	486,755,448	1,493,865,963	2,574,908,701
Total comprehensive income for the year ended June 30, 2024						
Income for the year		-	-	-	1,819,084	1,819,084
Other comprehensive income for the year						
Actuarial loss on staff retirement benefits		-	-	-	(1,358,369)	(1,358,369)
Transfer of surplus on revaluation on disposal of property, plant and equipment - net of tax	24.1	-	-	(4,254,193)	4,254,193	-
Transfer of incremental depreciation from revaluation surplus on property, plant and equipment - net of tax	24.1	-	-	(25,065,764)	25,065,764	-
Effect of rate change related to revaluation surplus	24.1	-	-	(84,152,108)	-	(84,152,108)
Transaction with entity's owner						
Transfer of Loan from director / Contribution from sponsor - net	25	-	39,000,000	-	-	39,000,000
Balance as at June 30, 2025		594,287,290	39,000,000	373,283,383	1,523,646,635	2,530,217,308

The annexed notes from 1 to 63 form an integral part of these financial statements.


Anuradha

CHIEF EXECUTIVE


C. J. Rao

DIRECTOR


C. Venkatesh

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

		June 30, 2025 (Rupees)	June 30, 2024 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from operating activities before working capital changes	48	531,056,135	527,915,220
(Increase)/ decrease in current assets			
Stores, spare parts and loose tools		(8,187,440)	38,782,338
Stock in trade		(402,768,170)	(82,483,949)
Trade debts		(344,164,344)	51,507,852
Loans and advances		70,177,839	(61,460,342)
Trade deposits and prepayments		(12,387,440)	589,070
Other receivables		(31,628,065)	(18,502,315)
Tax refund due from government		(217,030,015)	378,666,719
		(945,987,635)	307,099,373
Increase / (decrease) in current liabilities			
Trade and other payables		435,334,850	(189,300,527)
Contract liabilities		36,143,502	(7,915,060)
		471,478,352	(197,215,587)
		56,546,852	637,799,006
Cash flows generated from operations			
Finance cost paid		(220,607,085)	(267,524,731)
Taxes and levy paid		(145,553,031)	(104,997,373)
Staff retirement benefits - gratuity paid		(23,284,598)	(122,214,458)
		(389,444,714)	(494,736,562)
Net cash (used in) / generated from operating activities		(332,897,862)	143,062,444
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		18,192,394	211,524,793
Capital expenditure incurred		(367,979,381)	(535,359,038)
Refund of cost in right of use asset		-	3,995,000
Long term deposits		(148,500)	276,670
Short term investments-net		42,755,691	60,279,581
Net cash used in investing activities		(307,179,796)	(259,282,994)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing repaid		(9,767,274)	(9,621,844)
Lease liability paid		(21,388,900)	(31,067,820)
Loan from directors - net		39,000,000	-
Short term borrowings - net		612,890,308	(68,661,119)
Net cash generated from / (used in) financing activities		620,734,134	(109,350,783)
Net increase in cash and cash equivalents		(19,343,524)	(225,571,333)
Cash and cash equivalents at the beginning of the year		(69,364,296)	156,348,980
Effect of exchange rate changes on cash and cash equivalents		84,371	(141,943)
Cash and cash equivalents at the end of the year	49	(88,623,449)	(69,364,296)

The annexed notes from 1 to 63 form an integral part of these financial statements.

ansarali
CHIEF EXECUTIVE

C. J. P.
DIRECTOR

David A. C.
CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

Zephyr Textiles Limited ("the Company") was incorporated in Pakistan on February 26, 1999 as a private limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). Subsequently on October 04, 2004, it was converted into a public limited Company and its shares are quoted on Pakistan Stock Exchange Limited (PSX). The Company is principally engaged in the manufacturing, dying and trading of woven cloth which also includes towels.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 3rd Floor, IEP Building, 97B/D-1, Gulberg III, Lahore, Punjab. The manufacturing facilities of the Company are located as follows:

Manufacturing Facilities	Address
Weaving Unit and Power plant	1 KM, Balloki Bhai Pheru Road, Bhai Pheru.
Towel Unit	63 KM, Gulshan Adda, Jamber Khurd, District Kasur.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

3.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain financial instruments, which are carried at fair values and / or amortized cost, staff retirement benefits - gratuity which is carried at present value of defined benefit obligation net of fair value of plan assets and certain items of property, plant and equipment at revalued amounts. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

3.3 Functional and presentation currency

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

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements.

Effective date
(annual periods
beginning on or
after)

January 01, 2024

Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.

January 01, 2024

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

January 01, 2024

Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants.

January 01, 2024

Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements.

January 01, 2024

4.2 New accounting standards, amendments and interpretations that are not yet effective

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments.

January 01, 2026

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments.

January 01, 2026

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Effective date (annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability.	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).	January 01, 2026
IFRS 17 Insurance Contracts.	January 01, 2027
Certain annual improvements have also been made to a number of IFRSs and IASs.	
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.	

5 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented in these financial statements except as stated otherwise in notes to these financial statements.

5.1 Property, plant and equipment

a) Owned assets

Property, plant and equipment are initially recognized at acquisition cost. Subsequently, property, plant and equipment, except for free hold land, building on free - hold land and plant & machinery are stated at cost less accumulated depreciation and impairment, if any. Free - hold land, building on free - hold land and plant & machinery are stated at revalued amounts less subsequently accumulated depreciation and impairment allowance, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Cost of property, plant and equipment consists of historical cost, borrowing costs pertaining to the erection and other directly attributable costs of bringing the assets to their working condition or for commencement of commercial production.

Depreciation on all the items of property, plant and equipment except for free - hold land is charged to income applying the reducing balance method at the rates specified in Note 7.1.

Depreciation on additions to property, plant and equipment is charged from the date the asset becomes available for use, while for disposals, depreciation is charged up to the date of disposal.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

Gain/loss on disposal of property, plant and equipment is credited or charged to profit or loss account in the year of disposal.

Any surplus arising on revaluation of property, plant and equipment is credited to the surplus on revaluation of property, plant and equipment account. Revaluation is carried with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment is transferred directly to accumulated (loss)/profit. Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

b) Capital work in progress

Capital work in progress is stated at cost less impairment allowance, if any. Cost of property, plant and equipment consists of historical cost, borrowing costs pertaining to the erection/construction period and other directly attributable costs of bringing the assets to their working condition or for commencement of commercial production. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use.

c) Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indications exist, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Impaired assets are reviewed for possible reversal of the impairment at each statement of financial position date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognized. A reversal of impairment loss is recognized in the profit and loss account.

5.2 Intangible assets

Intangible assets (including computer software) acquired by the Company are stated at cost less accumulated amortization and impairment allowances, if any.

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are expensed as incurred.

Amortization is charged to statement of profit or loss on straight line basis over a period of five years. Amortization on addition is charged from the year the asset is put to use while no amortization is charged in the year the asset is disposed off.

5.3 Investments

Investments are stated at fair value plus directly attributable transaction costs. Subsequently investments which are traded in active market, fair value is determined by reference to quoted market price and the investments for which a quoted market price is not available, or the fair value cannot be reasonably calculated, are measured at cost, subject to impairment review at each balance sheet date.

Any gain or loss arising from a change in fair value is recognized in the statement of profit or loss.

5.4 Leases

Right of use assets

The right of use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right of use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

Lease liability

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Subsequently lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of its assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

5.5 Stores, spares and loose tools

These are valued at lower of moving average cost and net realizable value less impairment, if any, except for items in transit, which are valued at cost comprising of invoice value plus other charges paid thereon till the statement of financial position date. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools. For items which are slow moving and / or identified as surplus to the company's requirements, adequate provision is made for any excess book value over estimated realisable value.

5.6 Stock-in-trade

Stock in trade is valued at lower of cost and net realizable value (NRV), except waste which is valued at net realizable value. Materials in transit are stated at cost comprising invoice value plus other charges paid thereon.

Cost of major components of stock in trade is determined as follows:-

Raw materials - at weighted average cost.

Work in process and

Finished goods - at prime cost plus appropriate production overheads determined on weighted average basis.

Stock in transit Invoice value plus other charges paid thereon up to the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Adequate provision is made for slow moving and obsolete items. Provision for obsolete and slow moving stock in trade is based on management's estimate and is recognised in financial statements whenever necessary.

Net realizable value represents the estimated selling prices in the ordinary course of business less expenses incidental to make the sale.

5.7 Trade debts and other receivables

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years. The Company applies a simplified approach in calculating Expected Credit Loss (ECL). The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company recognises a loss allowance based on lifetime ECLs at each reporting date. The impairment allowance is recognized in the statement of profit or loss. These assets are written off when there is no reasonable expectation of recovery.

5.8 Taxation

a) Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

b) Deferred

Deferred tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognised for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited to the statement of profit or loss, except in case of items charged or credited directly to equity in which case it is included in the statement of comprehensive income. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

5.9 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in the statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is recognized as a levy.

5.10 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 profit and loss account over the period of the borrowings using the effective interest method.

Short term borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

5.11 Borrowing cost

Interest, markup and other charges on finances are capitalized up to the date of commissioning of respective qualifying asset acquired out of the proceeds of such finances. All other interest, markup and other charges are recognized in profit and loss account.

5.12 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and subsequently measured at amortised cost. Exchange gains and losses arising on transaction in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

5.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

5.14 Deferred grant

The deferred grant is measured upon initial recognition as the difference between fair value of the loan and loan proceeds. The fair value of the loan is the present value of the loan proceed received, discounted using the prevailing market rates of interest for a similar instrument. Subsequently, the grant is recognized in statement of profit or loss, in line with the recognition of interest expenses the grant is compensating.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

5.15 Cash and bank balances

Cash in hand and at banks are carried at nominal amount.

5.16 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and 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.

5.17 Non current asset held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and are available for immediate sale and sale is highly probable. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

5.18 Dividend and appropriation to reserve

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

5.19 Financial instruments

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

a) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity Instrument - FVOCI

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

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

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

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Impairment

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

The Company recognizes loss allowance for Expected Credit Losses (ECLs), except for the following, which are measured at 12-month ECLs, on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime 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).

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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

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 a financial asset in its entirety or a portion thereof.

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 applies the IFRS 9 simplified approach to measure the expected credit losses which uses a lifetime expected loss allowance. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Management uses actual credit loss experience over a past years to base the calculation of ECL.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI 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.

b) Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

5.20 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.21 Foreign currency transactions and translation

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the profit and loss account.

5.22 Staff retirement benefits

The Company's employees benefits comprise of gratuity fund.

a) Defined benefit plan - Gratuity Fund

The Company operates an unfunded gratuity scheme (defined benefit plan) covering all eligible employees, payable at the cessation of employment. Contribution is made in accordance with actuarial recommendations. Actuarial valuation is conducted by an independent actuary, annually using projected unit credit method related details of which are given in note 27.2 to the financial statements. The obligation at the balance sheet date is measured at the present value of the estimated future cash outflows. All contributions are charged to profit or loss for the year.

During the year from July 01, 2023, the Company has revised its retirement benefits policy. Under the new policy, all officers and above, both existing and newly hired, are entitled to participate in the Voluntary Pension Scheme (VPS). In line with this change, the Company has withdrawn gratuity on a permanent basis for officers and above. However, gratuity will continue to be provided to labor/workers in accordance with the current policy.

b) Defined contribution plan - Voluntary Pension Scheme (VPS)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Under the Voluntary Pension Scheme (VPS), the Company establishes individual pension accounts for all eligible employees with the NAFA Islamic Pension Fund, managed by NBP. The Company and its employees contribute equally to the pension fund at a rate of 8.33% of the employee's basic salary on a monthly basis. Staff is eligible for Voluntary Pension Scheme upon confirmation of their job. The Company's obligation under this defined contribution plan is limited to contributions made by the Company, which is recognized as an expense in the profit or loss account as and when incurred.

Moreover, employees are responsible for making their own investment decisions, including choosing from available investment options such as money market, stock market and debt instruments. Withdrawals from the pension fund against loan are permitted, subject to obtaining a No Objection Certificate (NOC) from the Company.

5.23 Revenue recognition

Revenue comprises the fair value for the sale of goods net of sales taxes and discounts. Revenue from the sale of goods is recognized when control of the goods passes to customers and the customers can direct the use of and substantially obtain all the benefits from the goods.

Revenue is recognized when specific criteria have been met for each of the Company's activities as described below.

Revenue from contracts with customers

Sale of goods

- Sale of goods is recognized when the Company has transferred control of the products to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products.
- Local sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides with delivery of goods.
- Export sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides either with the date of bill of lading or upon delivery to customer or its representative, based on the terms of arrangements.

Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

Contract liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Others

- Scrap sales are recognized on delivery to customers.
- Return on deposits is accrued using effective interest rate.
- Export and other rebates are accounted for on accrual basis. Investment and interest income is recognized on time proportion basis.
- Capital gains or losses arising on sale of investments are taken to income in the period in which they arise.
- Dividend income on ordinary shares is recognized when the right to receive dividend has been established.

5.24 Related party transactions

Transactions with related parties are based on the Board's approval. Prices usually for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller. The prices and transaction may vary from the market / arm's length as well but subject to the Board approval.

5.25 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which 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 the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

5.26 Share capital

Share capital is classified as equity and recognized at the face value. Incremental costs, net of tax, directly attributable to the issue of new shares are shown as a deduction in equity.

5.27 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.28 Segment reporting

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

5.29 Loans, advances, deposits, prepayments and other receivables

Loans, advances, deposits, prepayment and other receivables are carried at original amount less provision made for doubtful receivables based on a review of all outstanding amounts at the year end. Balance considered irrecoverable are written off.

6 USE OF JUDGMENTS AND ESTIMATES

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision 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 revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to Company's financial statements are:

- Property, plant and equipment	5.1
- Stock in trade	5.6
- Trade debts - unsecured	5.7
- Long term employee benefits	5.22
- Taxation	5.8
- Stores, spare parts and loose tools	5.5

a) Income taxes

The Company takes into account relevant provisions of the current income tax laws while providing for current and deferred taxes as explained in note 5.8 to these financial statements.

b) Defined benefit plan

Certain actuarial assumptions have been adopted by external professional valuer for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect unrecognized gains and losses in those years.

c) Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuers and recommendation of technical teams of the Company. Further, the Company reviews the value of the assets for possible impairment on an annual basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment. As explained in note 7 to these financial statements, the Company has revalued its free hold land as on June 30, 2023.

d) Stores and spares

Management has made estimates for realizable amount of slow moving and obsolete stores and spares items to determine provision for slow moving and obsolete items. Any future change in the estimated realizable amounts might affect carrying amount of stores and spares with corresponding affect on amounts recognized in profit and loss account as provision / reversal.

e) Financial instrument

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

f) Provision for doubtful receivables

The Company uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

g) Fair value measurement

A number of assets and liabilities included in the financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Establishment's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilised are (the fair value hierarchy):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

h) Provision and contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on its 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 balance sheet date.

i) Impairment of assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

j) Stock-in-trade

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

7.1 Operating fixed assets

The following is the statement of property, plant and equipment:

Description	Freehold land	Buildings on freehold land	Link road	Non factory building	Plant and machinery	Furniture and fixtures	Vehicles	Electrical installation	Office and IT equipments	Total	
										2025 Rupees	2024 Rupees
										7.1	2,888,976,924
(Rupees)											
Net carrying value basis											
Year ended June 30, 2025											
Opening net book value (NBV)	527,220,059	454,207,259	13,265,833	63,629,096	1,479,548,593	5,838,821	77,591,664	40,167,503	13,095,550	2,674,565,278	
Additions (at cost)	-	12,586,559	-	-	87,517,537	1,020,589	7,781,069	3,534,017	3,387,555	11,582,732	
Transferred from CWP	-	8,877,462	-	-	280,465,068	-	-	-	-	289,742,530	
Transferred from ROU	-	-	-	-	84,760,096	-	-	-	-	84,760,096	
Disposals (NBV)	-	-	-	-	(26,186,352)	-	(297,408)	-	-	(26,483,760)	
Transferred to non current asset held for sale - Note 22	(30,275,000)	-	(23,089,893)	(663,288)	(6,363,000)	(163,371,546)	(622,788)	(15,836,309)	(4,113,441)	(4,699,281)	(30,275,000)
Depreciation charge	-	452,581,387	12,602,545	57,266,996	1,742,733,396	6,236,622	69,239,016	39,588,079	11,783,824	(218,759,546)	
Closing net book value	496,945,059	452,581,387	12,602,545	57,266,996	1,742,733,396	6,236,622	69,239,016	39,588,079	11,783,824	2,888,976,924	
Gross carrying value basis											
Year ended June 30, 2025											
Cost/revalued amount	496,945,059	578,002,328	30,953,318	105,096,079	2,723,710,383	13,809,738	149,042,586	104,360,696	46,318,179	4,248,238,366	
Accumulated depreciation	-	(125,420,941)	(18,350,773)	(47,829,083)	(980,976,987)	(7,573,116)	(79,803,570)	(64,772,617)	(34,534,355)	(1,359,261,442)	
Net book value	496,945,059	452,581,387	12,602,545	57,266,996	1,742,733,396	6,236,622	69,239,016	39,588,079	11,783,824	2,888,976,924	
Net carrying value basis											
Year ended June 30, 2024											
Opening net book value (NBV)	402,042,060	465,841,100	13,964,029	70,700,000	1,357,025,500	5,773,339	50,714,151	41,798,036	13,050,459	2,420,908,614	
Additions (at cost)	125,178,059	11,659,827	-	-	369,782,961	649,600	40,472,795	2,655,600	4,923,568	555,522,410	
Disposals (NBV)	-	(23,293,668)	(698,196)	(7,070,004)	(136,235,060)	(584,118)	(375,579)	-	-	(111,400,187)	
Depreciation charge	-	454,207,259	13,265,833	63,629,096	1,479,548,593	5,838,821	(13,219,703)	(4,286,133)	(4,878,477)	(190,265,359)	
Closing net book value	527,220,059	454,207,259	13,265,833	63,629,096	1,479,548,593	5,838,821	77,591,664	40,167,503	13,095,550	2,674,565,278	
Gross carrying value basis											
Year ended June 30, 2024											
Cost/revalued amount	527,220,059	556,538,307	30,953,318	105,096,079	2,301,402,461	12,789,149	144,562,937	100,826,679	42,930,624	3,822,319,613	
Accumulated depreciation	-	(102,331,048)	(17,687,485)	(41,466,083)	(821,853,868)	(6,950,128)	(66,971,273)	(60,659,176)	(29,835,074)	(1,147,754,355)	
Net book value	527,220,059	454,207,259	13,265,833	63,629,096	1,479,548,593	5,838,821	77,591,664	40,167,503	13,095,550	2,674,565,278	
Depreciation rate % per annum											
7.2 Land - freehold of the Company is located at Bhai Phelu and Jumber, Punjab, Pakistan, with an area of 1,091.25 kanals and 79.35 acres. Details of factory and residential buildings of the company constructed on this land are as follows:	33	33	33	33	33	33	33	33	33	33	33

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

7.5 Allocation of gain/(loss) is as follows:

Other income
Other operating expenses
Total-net

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

7.6 The freehold covering areas 10.44 acres has been purchased from the directors of the Company during the prior year as approved by members through EOGM held on April 13, 2023. The freehold land covering areas 9.845 acres has been purchased from other individual (relative of directors). The land has been purchased for expansion purposes.

7.7 Fair value measurement (revalued property, plant and equipment)

Fair value measurement of free hold land, building on free hold land and plant and machinery was based on the valuations carried out on June 30, 2023 by M/s Tristar International Consultant (Private) Limited an independent valuer not connected with the Company and is on the panel of Pakistan Bankers Association and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations.

7.8 Valuation techniques used to derive level 3 fair values

Valuations for buildings on freehold land and plant and machinery are based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking into account of the age, conditions, and obsolescence. Land was valued on the basis of fair market value. The fair value measurement of the assets are categorized as Level 3. Reconciliation of fair value level 3 has been mentioned in note 5.1.

7.9 Land - freehold, buildings on freehold land, non factory building and plant and machinery represents values subsequent to revaluation as at June 30, 2023. Had there been no revaluation, the cost, accumulated depreciation, and book value of the revalued property, plant and equipment as on June 30, 2025 would have been as follows:

Description	Cost as at	Accumulated depreciation as at	Book value as at	Book value as at
	2025	2025	2025	2024
	Rupees	Rupees	Rupees	Rupees
Land-freehold	390,311,436	-	390,311,436	420,586,436
Buildings	543,819,742	226,326,460	317,493,282	312,502,740
Plant and machinery	2,641,312,069	1,081,786,614	1,559,525,455	1,268,024,352
	<u>3,575,443,247</u>	<u>1,308,113,074</u>	<u>2,267,330,173</u>	<u>2,001,113,528</u>

7.10 The forced sale value of revalued assets as per latest available revaluation reports are as follows:

Particulars	Date of revaluation	2025	2024
		Note	Rupees
Freehold Land	June 30,2023		321,633,600
Buildings	June 30,2023		429,232,880
Plant and machinery	June 30,2023		1,085,620,400
			<u>1,836,486,880</u>
			<u>1,836,486,880</u>

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

	Note	2025 Rupees	2024 Rupees
8 RIGHT OF USE ASSETS (RoU)			
Generators	8.1	-	93,835,108
Line rent - spun poles	8.3	459,448	649,564
		<u>459,448</u>	<u>94,484,672</u>
8.1 Generators			
Net carrying value basis			
Year ended June 30, 2025			
Opening net book value (NBV)		93,835,108	104,261,231
Additions (at cost)		-	-
Transferred to operating fixed assets	8.2	(84,760,096)	-
Depreciation charge		(9,075,012)	(10,426,123)
Closing net book value		-	93,835,108
Gross carrying value basis			
Year ended June 30, 2025			
Cost		116,819,306	116,819,306
Accumulated depreciation		(32,059,210)	(22,984,198)
Net book value		<u>84,760,096</u>	<u>93,835,108</u>
Depreciation rate % per annum		10	10
8.2	The generators have been obtained on finance lease from Primus Leasing Limited. During the year upon completion of lease terms it has been transferred to operating fixed assets.		
8.3 Line rent - spun poles			
Opening net book value (NBV)		649,564	5,763,750
Addition (at cost) during the year		-	-
Refund / adjustment (at cost) during the year	8.3.2	-	(3,995,000)
Amortisation charge for the year		(190,116)	(1,119,186)
		<u>459,448</u>	<u>649,564</u>
8.3.1	The Company has a lease contract with the National Highway Authority for the use of spun poles. Lease liability against this right-of-use asset has been paid off at the start of the contract.		
8.3.2	During the year 2024, the National Highway Authority reassessed the rent amount and determined that it had been overcharged. As a result, the overcharged amount was refunded to the Company. This reimbursement has been accounted for as a reduction in the cost of the right-of-use asset, without any reduction in the scope of the lease arrangement. Consequently, this transaction does not qualify as a lease modification under IFRS 16.		
9 CAPITAL WORK IN PROGRESS			
Plant and machinery	9.1.1	18,048,239	55,038,714
Building	9.1.2	-	200,000
Advance against vehicle	9.1.3	-	-
		<u>18,048,239</u>	<u>55,238,714</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
9.1 Movement of carrying amount is as follows:			
9.1.1 Plant and machinery			
Balance at start of the year		55,038,714	74,042,086
Additions (at cost) during the year		243,474,593	312,624,053
Transferred to operating fixed assets during the year	7.1	(280,465,068)	(331,627,425)
Balance at the end of the year		<u>18,048,239</u>	<u>55,038,714</u>
9.1.2 Building			
Balance at start of the year		200,000	-
Additions (at cost) during the year		8,677,462	11,859,827
Transferred to operating fixed assets during the year	7.1	(8,877,462)	(11,659,827)
Balance at the end of the year		<u>-</u>	<u>200,000</u>
9.1.3 Advance against vehicle			
Balance at start of the year		-	1,160,000
Additions (at cost) during the year		-	-
Transferred to operating fixed assets during the year	7.1	-	(1,160,000)
Balance at the end of the year		<u>-</u>	<u>-</u>
10 INTANGIBLE ASSETS			
Software		<u>299,878</u>	<u>1,508,050</u>
10.1 Software			
Net carrying value as at July 01			
Opening balance as on July 01,		1,508,050	2,716,222
Addition during the year		-	-
Amortization charge		(1,208,172)	(1,208,172)
Net book value as at June 30,		<u>299,878</u>	<u>1,508,050</u>
Gross carrying value as at 30 June			
Cost		6,040,861	6,040,861
Accumulated amortization		(5,740,983)	(4,532,811)
Net book value		<u>299,878</u>	<u>1,508,050</u>
Amortization % per annum		20%	20%
The amortization charge for the year has been allocated as follows:			
Administrative expenses	39	<u>1,208,172</u>	<u>1,208,172</u>

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

	Note	2025 Rupees	2024 Rupees
11 LONG TERM DEPOSITS			
Security deposits-LESCO		9,795,502	9,795,502
Security deposits-SNGPL		12,863,675	12,715,175
Other security deposits	11.1	2,814,947	2,814,947
		<u>25,474,124</u>	<u>25,325,624</u>
11.1	This includes security deposit against rented premises. The said deposit is refundable at the expiry of the respective rent agreement or on vacation of the rented premises. These deposits do not carry any interest or mark-up and are not recoverable within one year. IFRS 9 requires long-term non interest bearing financial assets to be discounted at average borrowing rate of the Company. The impact of discounting is considered insignificant by the management.		
12 STORE SPARES AND LOOSE TOOLS			
Stores:			
in hand	12.1	99,713,384	82,455,421
Spares:			
in hand	12.1	111,702,664	120,057,428
Packing material		21,344,913	22,060,672
		<u>232,760,961</u>	<u>224,573,521</u>
Less: Provision for obsolete stores and spares	12.2	2,336,088	2,336,088
		<u>230,424,873</u>	<u>222,237,433</u>
12.1	Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.		
12.2	Movement of provision for obsolete stores and spares is as follows:		
Opening balance		2,336,088	8,149,994
Provision made during the year		-	-
Reversal of provision during the year	12.2.1	-	(5,813,906)
		<u>2,336,088</u>	<u>2,336,088</u>

12.2.1 This represents the reversal of a previously recognized provision for stores and spares, related to obsolete or slow-moving stock, upon the issuance of such inventory.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
13 STOCK IN TRADE			
Raw materials:			
in hand		396,573,156	380,576,318
Work in process		99,644,757	131,348,823
Finished goods:			
in hand		1,244,472,706	994,964,689
in transit	13.1	212,421,026	43,453,645
		1,456,893,732	1,038,418,334
Less: Provision for slow moving and obsolete stock	13.2	11,071,587	11,071,587
		1,942,040,058	1,539,271,888
13.1	This represents stock in transit Rs. 212.421 million (2024 : Rs. 43.454 million) which was still on the way or on the port at the year end.		
13.2	Provision for stock in trade under the control of third party:		
Opening balance	13.3	11,071,587	11,071,587
Provision made during the year		-	-
		11,071,587	11,071,587
13.3	This represents a provision created against stock under the control of third party which was placed for processing/sale at third-party premises, however, due to conflict the customer has confiscated the stock. The Company has filed a case against the customer. However, on prudence basis a provision has been made in the books of account.		
13.4	Stock in trade includes stocks amounting to Rs. 46.864 million (2024: Rs. 39.970 million) which is placed at third party premises for toll manufacturing or other processing purposes.		
13.5	Stock-in-trade up to a maximum amount of Rs. 1,694.486 million (2024: Rs. 1,219.538 million) are under hypothecation of commercial banks as security for short term borrowings.		
14 LOANS AND ADVANCES			
Unsecured			
Considered good			
To employees	14.1	12,091,496	11,412,496
To director	14.2	-	-
To suppliers		47,436,576	43,864,478
		59,528,072	55,276,974
Considered doubtful			
Suppliers		12,743,077	10,322,242
Less: Allowance for expected credit losses (ECL)	14.3	(12,743,077)	(10,322,242)
Against letter of credits		7,464,228	84,314,000
		66,992,300	139,590,974

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

14.1 These advances are provided for general purposes in accordance with the terms of their employment, which is not past due. These advances are unsecured, interest free and payable on demand. This includes advances provided to employees to meet business expenses and are settled as and when the expenses are incurred. These advances do not carry any interest or mark-up.

	Note	2025 Rupees	2024 Rupees
14.2	The movement of director advance is as follows:		
	Against expenses		
	Balance at start of the year		
	Addition during the year	1,944,345	-
	Advance (adjusted) during the year	(1,944,345)	-
	Balance at the end of the year	-	-

14.2.1 The maximum amount due from director at the end of any month during the year was Rs. 1.944 million (2024: Nil).

14.3 Movement of allowance for ECL is as follows:

Balance at start of the year	10,322,242	7,584,680
Allowance charge during the year	2,420,835	2,737,562
Balance at the end of the year	12,743,077	10,322,242

15 TRADE DEBTS

Secured - Considered good - against letter of credit	595,947,650	236,002,122
Unsecured (local)		
Considered good	365,516,871	321,805,886
Considered doubtful	34,881,282	29,000,812
	400,398,153	350,806,698
	996,345,803	586,808,820
Less: Allowance for expected credit losses (ECL)	(34,881,282)	(29,000,812)
	961,464,521	557,808,008

15.1 Movement of allowance for ECL is as follows:

Balance at start of the year	29,000,812	19,158,215
Allowance charge during the year	5,880,470	9,842,597
Balance at the end of the year	34,881,282	29,000,812

16 TRADE DEPOSITS AND PREPAYMENTS

Prepayments	2,656,569	4,206,622
Margin deposits	22,658,046	8,720,553
	25,314,615	12,927,175

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		Note	2025 Rupees	2024 Rupees
17	TAX REFUNDS DUE FROM GOVERNMENT			
	Sales tax refundable - net		445,472,053	228,442,038
	Less: Provision for sales tax refund due from government	17.1	100,648,813	100,648,813
			344,823,240	127,793,225
	Income tax refund	17.3	29,163,346	39,775,755
			<u>373,986,586</u>	<u>167,568,980</u>
17.1	Movement of provision is as follows:			
	Balance at start of the year		100,648,813	100,648,813
	Allowance charge during the year		-	-
	Balance at the end of the year	17.2	<u>100,648,813</u>	<u>100,648,813</u>
17.2	This represents a provision made against disallowed/deferred / missing claims/inputs which are not reconciled with the FBR system (Starr). The Company has processed and submitted manual claims and also planning to pursue the matter with FTO. However, on a prudence basis, a provision has been made for old outstanding balances.			
17.3	During the prior year, Company has adjusted the refund of Rs. 10.612 million for which prior year adjustment has been passed during the year.			
18	TAXATION / LEVY-NET			
	Advance / prepaid taxes and taxes withheld		145,553,031	104,997,373
	Adjustments for prior year	44	-	(2,811,870)
	Taxation for the year	44	-	(14,164,338)
	Levy for the year	44	(103,493,386)	(85,772,325)
	Closing balance		<u>42,059,645</u>	<u>2,248,840</u>
19	OTHER RECEIVABLES			
	Unsecured			
	Considered good			
	Export rebate receivable		90,482,658	56,915,744
	Duty drawback receivable	19.1	41,849,315	43,619,988
	Other receivables		30,822	198,998
	Considered doubtful			
	Duty drawback receivable		7,475,509	7,475,509
	Less: Allowance for expected credit losses (ECL)	19.2	7,475,509	7,475,509
			-	-
			<u>132,362,795</u>	<u>100,734,730</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

19.1 This represents balances aggregating to Rs. 41.849 million are appearing in the books of accounts for more than one year against receivable on duty drawback under para 1(2) (b) of Textile Division Notification No. 1(42-B)/TID/18-TR-II and EPD Circular Letter No. 21 against 10% or more increase in export performance. This represents performance-based receivables against export is Rs. 34.877 million and regular receivable is Rs. 6.972 million.

		2025	2024
	Note	Rupees	Rupees
19.2	Movement of allowance for ECL is as follows:		
	Balance at start of the year	7,475,509	1,521,372
	Allowance charge during the year	-	5,954,137
	Balance at the end of the year	<u>7,475,509</u>	<u>7,475,509</u>

20 SHORT TERM INVESTMENTS

	At amortised cost		
	Term deposits receipts - TDR	20.1	5,000,000
	Investment at fair value through profit or loss account	20.2	<u>2,400,239</u>
			<u>43,802,438</u>
			<u>7,400,239</u>
			<u>48,802,438</u>
20.1	This represents investment in Term Deposit Receipts (TDRs) with The Bank of Punjab, having a maturity period of less than one year and maturing on September 04, 2025. These carry mark-up ranging from 7.5% (2024: 20%) per annum.		
20.2	Investment at fair value through profit or loss account		
	Listed entities		
	Pak Electron Limited	20.3	38,666
	Attock Refinery Limited	20.3	8,832
	Samba Bank Limited	20.3	233,975
			281,473
			313,567
	Mutual funds		
	Atlas Money Market Fund	20.3	90,804
	Faysal Funds	20.3	38
	JS Growth Fund	20.3	1,884,548
	NBP Funds	20.3	26,684
	Alfalalah Money Market Fund	20.3	116,692
			2,118,766
			<u>43,488,871</u>
			<u>2,400,239</u>
			<u>43,802,438</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

20.3 Equity securities

		2025	2024
	Note	Rupees	Rupees
Listed shares			
Cost/opening carrying value		313,567	202,364
Gain/(loss)/other adjustments on investments		(32,094)	111,203
Carrying value		281,473	313,567
Mutual funds			
Cost/opening carrying value		43,488,871	102,773,569
Gain/(loss)/other adjustments on investments		(41,370,105)	(59,284,698)
Carrying value		2,118,766	43,488,871
		2,400,239	43,802,438
		2025	2024
		Number of shares/units	Cost/opening carrying value
			Cost/opening carrying value
Listed shares			
Pak Electron Limited	944	23,326	38,666
Attock Refinery Limited	13	4,571	8,832
Samba Bank Limited	24,500	285,670	233,975
	25,457	313,567	(32,094)
Mutual funds			
Atlas Money Market Fund	160	81,548	9,256
Faysal Money Market Fund	1,022	105,342	(105,342)
JS Growth Fund	4,791	1,230,293	654,255
NBP Cash Plan - II Fund	4,202,798	42,071,688	(42,071,688)
NBP Financial Sector Income Fund	1,278	-	13,645
NBP Money Market Fund	1,300	-	13,039
Alfalah Money Market Fund - II	1,129	-	116,692
Faysal Islamic Cash Fund	0,38	-	38
	4,212,478	43,488,871	(41,370,105)
Total equity securities	4,237,935	43,802,438	(41,402,199)
	4,212,478	43,488,871	(41,370,105)
	4,237,935	43,802,438	(41,402,199)
		2,400,239	4,234,228
			102,975,933
			(59,173,495)
			43,488,871
			43,802,438

During the year, Company has made investments amounting to Rs. 42,358 million and disposed off investments amounting to Rs. 85,144 million and adjustment against gain or loss amounting to Rs. 1,353 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
21 CASH AND BANK BALANCES			
Cash in hand		1,972,807	3,459,593
Cheques in hand		7,252,748	-
Cash at banks - local currency			
Current accounts		4,917,219	-
Cash at banks - foreign currency			
Current accounts		11,232,837	53,238,502
Saving accounts	21.3	2,033,882	1,102,360
	21.4	<u>27,409,493</u>	<u>57,800,455</u>
21.1	Cheques in hand has been subsequently deposited into bank accounts.		
21.2	Cash and bank balances includes foreign currency amounting to US\$ 0.045 (2024: USD\$ 0.175) and EUR 0.0013 million (2024: EUR 0.018).		
21.3	This carries mark up at the rate 2.57% (2024: 3.92%) per annum.		
21.4	This includes balance in dormant bank accounts amounting to Rs. 2.073 million.		
22 NON CURRENT ASSET HELD FOR SALE			
Freehold land		<u>30,275,000</u>	<u>-</u>
22.1	During the year, the Company entered into an agreement to sell a land area of 01 kanal 18 marla & 78 Sq. ft, with a carrying amount of Rs. 30.275 million. Based on this, the land has been classified as a non-current asset held for sale. The total sale value, as per the sale agreement, is Rs. 32.500 million of which Rs. 30.00 million has been received by the company (disclosed in note 30 to these financial statements). This land was previously under dispute, as disclosed in the financial statements for the year ended June 30, 2024. The sale process is ongoing, and management expects the transaction to be finalized in due course.		
22.2	Detail of disposals of assets held for sale		
Carrying amount as at year end		30,275,000	
Sale proceed		32,500,000	
Particular of buyers		Wasif Iqbal	
Mode of disposal		Negotiation	
23 SHARE CAPITAL			
23.1 Authorized share capital			
62,500,000 (June 30, 2024: 62,500,000) ordinary shares of Rs. 10/- each		<u>625,000,000</u>	<u>625,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
23.2 Issued, subscribed and paid up share capital			
51,901,483 (June 30, 2024: 51,901,483)			
ordinary shares of Rs. 10/- each fully paid in cash		519,014,830	519,014,830
7,527,246 (June 30, 2024: 7,527,246)			
ordinary shares of Rs. 10/- each issued as fully paid bonus shares		75,272,460	75,272,460
		<u>594,287,290</u>	<u>594,287,290</u>
23.2.1 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.			
23.2.2 There is no movement in the share capital accordingly reconciliation has not been prepared.			
24 SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT			
Surplus arising on revaluation	24.1	482,196,665	523,492,379
Less: Related deferred tax liability	24.1	108,913,282	36,736,931
		<u>373,283,383</u>	<u>486,755,448</u>
24.1 Surplus arising on revaluation		2025	2024
Balance brought forward		523,492,379	608,570,450
Revaluation during the year		-	-
Less: Transferred to equity in respect of incremental depreciation charged during the year - (net of deferred tax)		25,065,764	35,926,283
Related deferred tax liability during the year transferred to profit and loss account		10,238,129	3,472,101
Transfer of surplus on revaluation on disposal of PPE - (net of deferred tax)		4,254,193	41,654,028
Transfer to profit or loss on disposal of PPE		1,737,628	4,025,659
		(41,295,714)	(85,078,071)
		482,196,665	523,492,379
Less: Related deferred tax effect:			
Balance as at July 01,		36,736,931	34,509,956
Deferred tax impact for the year		84,152,108	9,724,735
Effect of rate change		(1,737,628)	(4,025,659)
Transfer to profit or loss on disposal of PPE		(10,238,129)	(3,472,101)
Incremental depreciation charged during the year transferred to profit and loss account		(108,913,282)	(36,736,931)
		<u>373,283,383</u>	<u>486,755,448</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

24.2 The Company's freehold land, buildings on freehold land, plant and machinery have been revalued by M/s. Tristar International Consultants (Private) Limited, an independent valuer not connected with the Company and approved by Pakistan Banks' Association (PBA). The basis of revaluation for items of these fixed assets were as follows:

Freehold land

Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all other relevant factors as well.

Buildings on freehold land

Construction specifications were noted for each building and structure and new construction rates were applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

Plant and machinery

For the valuation of the plant and the machinery, a depreciation factor of 10% and an appreciation factor of 25% were applied due to inflation in prices of imported as well as local machinery. Value of plant and machinery assessed on lump sum basis to determine current replacement value.

24.3 The revaluation surplus on property plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with the section 241 of the Companies Act, 2017.

		Note	2025	2024
			Rupees	Rupees
25	CONTRIBUTION FROM SPONSOR			
	Unsecured			
	Chief Executive	25.1	39,000,000	-
25.1	This represents unsecured interest free long term loan from director of the Company to meet the working capital and long term requirements. This is payable on discretion of the Company and will be paid as and when convenient to the Company. This has been disclosed / classified in accordance with TR -32 "Directors' Loan" clause 3.3 "Contractual Directors' loan" that is interest free and repayable at the discretion of the Company, issued by the Institute of Chartered Accountants of Pakistan.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	26 LONG TERM FINANCING	Secured:	Mark-up based financing from conventional bank: The Bank of Punjab	2024		2025	2024
				Note	Rupees		
26.1				26.1	55,343,989	65,111,263	
					55,343,989	65,111,263	
				34	10,621,680	10,621,680	
					44,722,309	54,489,583	
26.1	The Bank of Punjab			26.4	37,148,247	43,904,139	
	Term finance L.T.F.F	April-21	SBP rate +3%	67	08 Quarterly		
	Term finance - SBP	Apr-21	SBP rate +4%	36,78	38 Quarterly	18,195,742	21,207,124
	Renewable energy scheme					55,343,989	65,111,263
				34	10,621,680	10,621,680	
					44,722,309	54,489,583	
26.2	Movement of term finance - SBP Renewable energy scheme			26.3	21,207,124	24,073,076	
	Opening balance at start of the year				—	—	
	Disbursements during the year				(3,865,788)	(3,865,789)	
	Repayments during the year				—	—	
	Deferred grant recognized year				—	—	
	Unwinding of discount on liability				854,406	999,837	
	Closing balance at the end of the year				18,195,742	21,207,124	
26.3	The Company obtained a term finance facility under the 'SBP renewable energy scheme' introduced by the State Bank of Pakistan at the rate ranging of 6% from Bank of Punjab (BOP). ICAP issued the guidance for accounting of said financing through circular No. 11/2020 dated August 17, 2020 and based on that circular, referring to the requirement of IAS-20.						
26.4	It represents long term financing from commercial banks (stated above) and the amounts claimed by such institutions. Markup is leviable along with installment (except interest free loans) as per schedule stated above. These loans are secured by a first-ranking pari passu charge over the Company's current assets amounting to Rs. 134 million and fixed assets amounting to Rs. 427 million executed through the joint pari passu agreement with the lenders of the Company and joint memorandum of deposit of title deeds, equitable mortgage charge on land and personal guarantees of the directors of the Company.						

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		Note	2025 Rupees	2024 Rupees
27	DEFERRED LIABILITIES			
	Deferred tax liabilities	27.1	165,948,018	120,205,132
	Staff retirement benefits	27.2	113,122,981	93,586,694
			<u>279,070,999</u>	<u>213,791,826</u>
27.1	Deferred tax liabilities			
	Deferred tax liability comprises as follows:			
	Taxable temporary differences			
	Tax depreciation allowances		106,728,985	99,521,045
	Revaluation surplus		108,913,282	36,736,928
	Right of use		133,240	8,326,745
	Deductible temporary differences			
	Deferred tax related to actuarial loss (OCI)		554,827	71,183
	Provision for gratuity		32,250,838	8,247,608
	Lease liabilities		-	1,884,961
	Provision for doubtful debts (ECL)		10,115,572	3,214,585
	Provision for doubtful advances		3,695,492	909,678
	Provision for stocks		3,210,760	1,181,592
	Provision for sales tax refund due from government		-	8,869,979
			<u>165,948,018</u>	<u>120,205,132</u>
27.1.1	The gross movement in the deferred tax liability during the year is as follow:			
	Balance as at July 01,		120,205,132	117,236,588
	Charge to the statement of profit or loss	44	(37,854,395)	3,039,727
	Charge to the statement of OCI		83,597,281	(71,183)
	Balance as at June 30		<u>165,948,018</u>	<u>120,205,132</u>
27.1.2	Owing to uncertainty relating to future taxable profits, against which the Company can utilize its deferred tax asset, the Company has not recognized any deferred tax asset related minimum tax credits amounting to Rs. 149.625 million (2024: Rs. 22.026 million). Expiry of minimum tax and excess of corporate alternative tax carried forward is as follows:			
	Expiry tax year	Nature		
	2027	Minimum tax-2022	7,557,579	7,557,579
	2027	Minimum tax-2024	14,468,311	14,468,311
	2028	Minimum tax-2025	103,493,386	-
			<u>125,519,276</u>	<u>22,025,890</u>
	Expiry tax year	Nature		
	2031	Business loss - 2025	83,128,634	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

27.1.3 The Company's income is subject to taxation under the Minimum Tax Regime (MTR) / Normal Tax Regime (NTR). Accordingly, deferred tax has been calculated based on the assumption that the accounting and tax written-down values are the same, in line with the advice provided by the Company's tax advisor, who confirmed that no temporary differences existed in the past due to the application of the Final Tax Regime.

27.2 Staff retirement benefits

a) General description

The scheme provides for terminal benefits for all its permanent employees who qualify for the gratuity scheme. The defined benefit payable to each employee at the end of his service comprises of total number of years of his service multiplied by last drawn basic salary including cost of living allowance.

Annual charge is based on actuarial valuation carried out by an independent approved valuer M/s TRT Associates as at June 30, 2025 using the Projected Unit Credit method.

The Company faces the following risks on account of gratuity:

Interest rate risk - The present value of the defined benefit liability is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post-employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability, and vice versa.

Salary risk - The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the liability and vice versa.

Withdrawal rate risk - The present value of the defined benefit liability is calculated by reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate will decrease the liability and vice versa.

Mortality rate risk - The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during employment. An increase in the life expectancy of the participants will increase the liability and vice versa.

b) Significant actuarial assumptions	2025	2024
	Percentage Per annum	Percentage

Following are significant actuarial assumptions used in the valuation:

Discount rate	11.75%	14.75%
Expected rate of increase in salary	10.75%	13.75%
Withdrawal rates	9.5%	9.5%
Expected mortality rate	10.5%	10.5%
Retirement age	60	60

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

	Note	2025 Rupees	2024 Rupees
c)	Reconciliation of payable to defined benefit plan		
	Present value of obligation and liability recognized in balance sheet	113,122,981	93,586,694
d)	Movement of the liability recognized in the statement of financial position		
	Balance sheet liability at the beginning of the year	93,586,694	169,572,420
	Amount recognized during the year	40,907,689	45,421,007
	Amount paid during the year	(23,284,598)	(122,214,458)
	Unrecognised actuarial loss	1,913,196	807,725
	Present value of defined benefit obligation	113,122,981	93,586,694
e)	Charge for the year		
	Current service cost	28,679,860	27,748,022
	Interest cost	12,227,829	17,672,985
	Charge for the year	40,907,689	45,421,007
f)	The expected charge in respect of defined benefit plan for the year ending June 30, 2026 will be Rs. 46.342 million.		
g)	Sensitivity analysis		
	The impact of 1% change in following variables on defined benefit obligation is as follows:		
		Rupees	
		Increase in assumption	Decrease in assumption
	2025		
	Discount rate	105,182,616	125,813,612
	Salary increase	125,810,830	105,181,324
	2024		
	Discount rate	86,104,413	102,993,324
	Salary increase	102,991,046	86,103,356
h)	Maturity profile		
	Time in year		
	1	10,741,630	8,175,240
	2	13,427,839	10,269,108
	3	16,294,175	13,351,425
	4	19,870,316	16,517,119
	5	22,563,408	19,183,735
	6-10 onwards	139,775,133	117,326,562

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		Note	2025 Rupees	2024 Rupees
i)	Remeasurement chargeable to other comprehensive income			
	Experience adjustment and actuarial loss on obligation		1,913,196	807,725
	Related deferred tax	27.1.1	(554,827)	(71,183)
			<u>1,358,369</u>	<u>736,542</u>
j)	The charge for the year has been allocated as follows:			
	Cost of sales	37.2	39,963,111	37,907,213
	Selling and distribution expenses	38.1	-	2,971,679
	Administrative and general expenses	39.1	944,578	4,542,115
			<u>40,907,689</u>	<u>45,421,007</u>
k)	Historical information			
	Present value of defined benefit obligation			
	2024 Rupees	2023 Rupees	2022 Rupees	2021 Rupees
	<u>94,169,972</u>	<u>169,572,420</u>	<u>134,674,090</u>	<u>118,346,459</u>
28	LEASE LIABILITIES			
	Against right of use assets			
	Lease liabilities		21,388,900	44,722,026
	Payments / adjustments during the year		(30,139,470)	(31,067,820)
	Interest expense during the year		8,750,570	7,734,694
	Less: Current portion	34	-	(21,388,900)
			<u>-</u>	<u>-</u>
28.1	Maturity analysis-contractual undiscounted cash flow			
	Less than one year		-	28,478,835
	One to five year		-	-
	More than five year		-	-
	Total undiscounted lease liability		<u>-</u>	<u>28,478,835</u>
28.2	When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate which is 13.8% per annum.			
28.3	The lease agreement less than one year are not classified under IFRS-16 leases.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		Note	2025 Rupees	2024 Rupees
29	DEFERRED GRANT			
	Deferred grant		2,099,659	2,954,065
	Current portion of grant	34	(708,975)	(890,764)
			<u>1,390,684</u>	<u>2,063,301</u>

29.1 This represents deferred grant recognised in respect of the benefit of below-market interest rate on long term finance facility as referred to in note 26.2. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The reconciliation of the carrying amount is as follows:

29.2 Following is the movement in government grant during the year:

Opening balance as at July 01.		2,954,065	3,953,902
Addition during the year	26.2	-	-
Amortized during the year	41	(854,406)	(999,837)
Closing balance as at June 30		<u>2,099,659</u>	<u>2,954,065</u>

30 TRADE AND OTHER PAYABLES

Creditors		1,151,918,544	827,922,875
Accrued liabilities	30.1 & 30.2	264,069,451	210,436,627
Pension fund payable	30.3	2,744,877	6,073,553
Tax deduction at source		71,312,476	40,051,891
Workers' Profit Participation Fund	30.4	95,720,944	79,033,932
Workers' Welfare Fund	30.5	23,298,576	21,571,295
Payable against purchase of land	30.6	186,589,686	186,589,686
Gas infrastructure development cess payable	30.7	40,938,135	40,938,135
Advance against sale of land	30.8	30,000,000	-
		<u>1,866,592,689</u>	<u>1,412,617,994</u>

30.1 Employees Old-Age Benefits Institution has issued notification for EOBI contribution and deduction based on revised minimum wage rates. The industry has gone into litigation the decision of which is still pending. However, the Company has recorded the contribution/provision amounting to Rs. 89.074 million for EOBI as per the revised rates on a prudence basis based on the recommendation of the legal advisor as it may not eventually be decided in the

30.2 Sui Northern Gas Pipelines Limited has charged cost of supply relating to RLNG supplies in the billing month of July 2025 based on the actualization of RLNG prices for the period from April 2015 to June 2022, as notified by Oil and Gas Regulatory Authority vide Notification No. OGRA-FIN-28-11(18)/2020 dated March 28, 2025. The Company along with other industrial units has challenged the levy of such adjustment and filed writ petition before the Honourable Lahore High Court. The matter is pending adjudication. However, the Company has made a provision amounting to Rs. 11.628 million on prudence basis during the year ended June 30, 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
30.3 Pension fund payable			
Opening balance		6,073,553	-
Contribution made by employees		13,458,057	11,051,826
Contribution made by employer		13,458,057	11,051,826
Transferred to final settlement account		-	-
Payments made to fund by employer		(15,122,395)	(8,015,050)
Deduction made from employees on the behalf of fund		(15,122,395)	(8,015,049)
		<u>2,744,877</u>	<u>6,073,553</u>
30.4 Workers' Profit Participation Fund			
Opening balance as at July 01,		79,033,932	61,813,284
Expense for the year	40	4,318,202	8,121,733
Payment made during the year		-	-
Interest on funds utilized in Company's business	30.4.1	12,368,810	9,098,915
Closing balance as at June 30		<u>95,720,944</u>	<u>79,033,932</u>
30.4.1	Mark up on Workers' Profit Participation Fund has been provided at 16.28% per annum (2024: 14.72% per annum).		
30.5 Workers' Welfare Fund			
Opening balance as at July 01,		21,571,295	18,936,018
Expense for the year	40	1,727,281	2,871,012
Payment made during the year		-	(235,735)
Closing balance as at June 30		<u>23,298,576</u>	<u>21,571,295</u>
30.6 Payable against purchase of land			
To directors of the Company			
Mussaid Hanif	30.6.1	140,323,978	140,323,978
Arbab Muhammad Khan	30.6.1	40,554,326	40,554,326
Sabah Burhan	30.6.1	5,711,382	5,711,382
		<u>186,589,686</u>	<u>186,589,686</u>

30.6.1 This represents payable to directors against purchased of land during the year 2023 and 2024. This is payable on demand.

30.7 Pursuant to the order of Honourable Supreme Court of Pakistan in August, 2020 and its subsequent dismissal of review petition in November 2020, the Company is making accrual of levy as per GIDC monthly billing by Sui Northern Gas Pipeline Limited (SNGPL).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

However, due to stay order granted by the High Court of the Sindh, the Company is not paying the levy. Due to non-payment of the levy, SNGPL is charging surcharge on unpaid amount. As of June 30, 2025, the surcharge charged to the Company is Rs. 221.747 million against which the Company is not making any accrual and is confident based on the advice of its legal counsel, that no liability will be raised to the Company relating to this surcharge.

		2025	2024
		Note	Rupees
		Rupees	Rupees
Provision for Gas infrastructure development cess			
	Opening balance as at July 01,	40,938,135	49,212,112
	Reclassified under accrued liabilities	31	-
	Closing balance as at June 30	<u>40,938,135</u>	<u>40,938,135</u>
30.8	This amount represents advance received against sale of land (disclosed in note 22 to these financial statements). The sale process is currently in progress, and management expects the transaction to be finalized in due course		
31	CONTRACT LIABILITIES		
	Opening balance as at July 01,	9,964,970	17,880,030
	Advance received	1,024,631,479	223,580,977
	Income recognised	<u>(988,487,977)</u>	<u>(231,496,037)</u>
	Closing balance as at June 30	<u>46,108,472</u>	<u>9,964,970</u>
31.1	Contract balances primarily comprises of contract liabilities, representing advance consideration received from customers for the purchase of products. Balance as at reporting date amounted to Rs. 46.108 million (2024: Rs. 9.965 million). Revenue recognized during the reporting period which was included in the contract liabilities at the beginning of the period amounted to Rs. 9.965 million (2024: Rs. 231.496 million).		
32	ACCRUED MARK-UP		
	Long term financing	776,087	915,006
	Short term borrowings	<u>19,030,378</u>	<u>26,469,876</u>
		<u>19,806,465</u>	<u>27,384,882</u>
33	SHORT TERM BORROWINGS		
	Secured		
	Mark-up based borrowings from conventional banks		
	Running finances		
	The Bank of Punjab - ERF	33.1	495,106,000
	Habib Metropolitan Bank Limited	33.2	100,000,000
	National Bank of Pakistan Limited	33.3	420,000,000
	United Bank Limited	33.4	115,000,000
	Habib Bank Limited	33.5	237,000,000
	The Bank of Punjab - RF	33.6	69,004,820
		<u>1,436,110,820</u>	<u>1,236,996,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Foreign bills discounting			
National Bank of Pakistan Limited	33.7	185,623,297	-
The Bank of Punjab	33.8	64,771,273	-
Habib Bank Limited	33.9	99,519,942	-
United Bank Limited	33.10	70,860,976	-
		420,775,488	-
Temporary bank overdraft			
Bank over draft	33.12	116,032,942	127,164,751
Unsecured			
From related party			
Loan from director	33.13	-	7,000,000
		1,972,919,250	1,371,160,751

33.1 This represents short term export refinance facilities from Bank of Punjab aggregated to Rs. 565.00 million (2024: Rs. 565.00 million) and carries mark-up of SBP rate plus 1% on utilized limits. This facility is secured against first pari passu charge and joint pari passu charge over present and future current assets of the Company and also on exports documents.

33.2 This represents short-term post-shipment working capital facilities from Habib Metropolitan Bank Limited aggregated to Rs. 100.00 million (2024: Rs. 150.00 million) and carries a markup of 3 months kibor rate plus 2% on utilized limits. This facility is secured against joint pari passu of Rs. 150.00 million on current assets of the Company registered with SECP which will be upgraded to joint pari passu within 180 days of disbursement.

33.3 This represents short term export refinance facilities from National Bank of Pakistan Limited aggregated to Rs. 420.00 million (2024: Rs. 420.00 million) and carries mark-up of SBP rate plus 1% on utilized limits. This facility is secured against joint pari passu of Rs. 427.00 million on fixed assets and 134.00 million on current assets of the Company.

33.4 This represents short-term pre-shipment export financing facilities from United Bank Limited aggregated to Rs. 150.00 million (2024: Rs. 150.00 million) and carries a mark-up of 1 month kibor rate plus 1.5% on utilized limits. This facility is secured against joint pari passu over current and future fixed assets and present and future current assets of the company registered with SECP which will be upgraded to joint pari passu within 120 days of disbursement along with lien of exports documents.

33.5 This represents short term export refinance facilities from Habib Bank Limited aggregated to Rs. 237.00 million (2024: Rs. 237.00 million) and carries mark-up of SBP rate plus 1% on utilized limits. This facility is secured against joint pari passu over current and future fixed assets and present and future current assets of the company registered with SECP which will be upgraded to joint pari passu within 120 days of disbursement along with lien of exports documents.

This facility is also secured against the personal guarantees of Mr. Mussaid Hanif, Mr. Arbab Muhammad Khan, Ms. Sabah Burhan and Ms. Tehniyat Mussaid along with personal net worth statements.

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

33.6 This represents short term running finance facility from Bank of Punjab aggregated to Rs. 100.00 million (2024: Rs. Nil) and carries mark-up of 3 months KIBOR plus 2% on utilized limits. This facility is secured against first pari passu charge and joint pari passu charge over present and future current assets of the Company and also on exports documents.

33.7 This represents short term foreign bills discounting facility from National Bank of Pakistan aggregated to Rs. 200.00 million (2024: Rs. 200.00 million) and carries markup on delayed realization of 1 month KIBOR + 2%. This facility is secured against joint pari passu charge of Rs. 134 million over fixed assets Rs. 134 million over current assets and also on exports documents.

33.8 This represents short term foreign bills discounting facility from The Bank of Punjab aggregated to Rs. 100.00 million (2024: Rs. 100.00 million) and carries markup on delayed realization of 3 months KIBOR + 5%. This facility is secured against joint pari passu charge of Rs. 768.30 million over fixed assets Rs. 301.00 million over current assets registered with SECP and also on exports documents.

This facility is also secured against the personal guarantees of Mr. Mussaid Hanif and Mr. Arbab Muhammad Khan along with personal net worth statements.

33.9 This represents short term foreign bills discounting facility from Habib Bank Limited aggregated to Rs. 175.00 million (2024: Rs. 175.00 million) and carries markup on delayed realization of FBP facility rate + 2%. This facility is secured against joint pari passu charge of Rs. 394.00 million over current and future fixed assets and present and future current assets of the company registered with SECP along with lien of exports documents.

This facility is also secured against the personal guarantees of Mr. Mussaid Hanif, Mr. Arbab Muhammad Khan, Ms. Sabah Burhan and Ms. Tehniyat Mussaid along with personal net worth statements.

33.10 This represents short term foreign bills discounting facility from United Bank Limited aggregated to Rs. 75.00 million (2024: Rs. 75.00 million) and carries a mark-up of 1 month kibor rate plus 3% on utilized limits. This facility is secured against joint pari passu over current and future fixed assets and present and future current assets of the company registered with SECP which will be upgraded to joint pari passu within 120 days of disbursement along with lien of exports documents.

33.11 The Company has total credit facilities of Rs. 2,022 million (2024: Rs. 1,522 million) at the year end. Whereas the Company has availed credit facilities of Rs. 1,788.106 million (2024: Rs. 1,236.996 million) and unavailed credit facilities of Rs. 233.894 million (2024: Rs. 285.004 million) at the year end.

33.12 This balance represents temporary credit amounts arising from cheques issued to suppliers in advance of future purchases. This also includes cheques which were issued prior to the period end in anticipation of future deposits, but remain outstanding as of the reporting date.

33.13 This represents loan obtained from one director which was interest free and payable on demand. During the year, Company has revised the agreement of loan from director and it is now payable on Company's discretion, hence transferred to equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		Note	2025 Rupees	2024 Rupees
34	CURRENT PORTION OF LONG TERM LIABILITIES			
	Current portion of deferred grant	29	708,975	890,764
	Current portion of lease liability	28	-	21,388,900
	Current portion of long term financing	26	10,621,680	10,621,680
			<u>11,330,655</u>	<u>32,901,344</u>
35	CONTINGENCIES AND COMMITMENTS			
35.1	Contingent liabilities and assets			
35.1.1	The Company has filed a recovery suit against the Punjab Cotton Mills Limited for Rs. 5.107 million along with interest. The execution was filed which is still pending.			
35.1.2	M/s. M. J. Industries had filed a suit against the Company for declaration for Rs. 0.545 million. The case was dismissed by the Honourable Civil Judge, Lahore. M/s. M. J. Industries had filed an application for the restoration of the suit which was also rejected by the Civil Judge, Lahore. The Company has filed a recovery suit against the M/s M. J. Industries for Rs. 0.545 million. The summon and notices have been issued to the defendant and the case is pending due to non appearance of the defendant before the Honourable Civil Judge, Lahore. The Company is hopeful of settlement of the case in its favor.			
35.1.3	The Company has filed a recovery suit against the M/s. Amtex Limited for Rs. 2.917 million. The case is decreed in favour of Zephyr Textiles Limited by the Honourable Judge, high Court, Lahore. The case is pending for execution.			
35.1.4	M/s. Sitara Textiles has filed a suit against the Company for recovery of damages against non performance of contract no. LO417 for supply of fabric. According to legal confirmation status, suit is pending for framing of issues. The Company has filed a suit against M/s. Sitara Textiles Limited for financial loss, cost of sales loss, loss of business and loss due to breach of contract for Rs. 37.680 million. The Company is hopeful of settlement of the case in its favor. M/s. Sitara Textiles has filed an other suit against the Company for financial loss and loss due to breach of contract for Rs. 65.724 million. The case is pending before Supreme Court of Pakistan. The Company has again filed an other suit against M/s. Sitara Textiles Limited for financial loss and loss due to breach of contract for Rs. 65.724 million. The case is pending before Supreme Court of Pakistan.			
35.1.5	The Company has filed suit for recovery of Rs. 34.027 Millions for unauthorized sale of shares by First Pakistan Capital Limited. The case is pending before Senior Civil Judge Lahore.			
35.1.6	The Company has filed a suit against old tenants for vacation of property purchased by the Company situated at Ek Moria Pull Lahore. The matter is pending for adjudication. Certain suits were filed against the Company regarding the said property which are as under:			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

- Muhammad Sajid (the plaintiff) has filed a suit for permanent injunctions and declaration against interfering the possession of plaintiff property by pretending that the suit property has been purchased by Zephyr Textiles Limited (the defendant) through registered sales deed bearing distavez no. 2775 dated 01-09-2010, whereas the purchased property of the defendant is separate and different from the suit property of the plaintiff. The case is dismissed by the Court during the year.

Sh. Zafar Iqbal V/s. M/s Zephyr Textiles Limited. Sh. Zafar Iqbal has filed a suit for cancellation of registry with respect to the said property purchased by the Company, the case is pending for adjudication. The company is hopeful for settlement of the above stated suits in its favor.

During the year, the Company entered into an agreement to sell the aforementioned property as part of an out-of-court settlement. Upon completion of the transfer, the relevant documents will be submitted to court for case closure.

- 35.1.7 The Company's declared taxable income and tax liability for tax year 2015 was amended by the Taxation Officer and raised a further demand of Rs. 119.552 million against the Company. This order was challenged by the Company with the Appellate Tribunal Inland Revenue, which is pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company, therefore no provision has been made in these financial statements.
- 35.1.8 The Company's declared taxable income and tax liability for tax year 2017 was amended by the Taxation Officer and raised a further demand of Rs. 759.218 million against the Company. This order was challenged by the Company with the CIR(A), which is pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company, therefore no provision has been made in these financial statements.
- 35.1.9 The Company's declared taxable income and tax liability for tax year 2021 was amended by the Taxation Officer and raised a further demand of Rs. 33.260 million against the Company. This order was challenged by the Company with the Appellate Tribunal Inland Revenue, which is pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.
- 35.1.10 The Company's declared taxable income and tax liability for tax year 2014 was amended by the Taxation Officer and raised a further demand of Rs. 42.939 million against the Company. The Company challenged this demand before the Commissioner Inland Revenue (Appeals) [CIR(A)], who subsequently annulled it via Order No. 09 dated September 13, 2019. However, the tax department, being aggrieved by the CIR(A)'s decision, filed an appeal before the Appellate Tribunal Inland Revenue, where the matter remains pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

35.1.11 The tax authorities have raised a tax demand of Rs. 57.570 million under section 122(5A) for the tax years 2011, 2012, and 2013 through orders No. 29, 30, and 31, all dated December 18, 2015. The company, dissatisfied with these orders, filed independent appeals with the Commissioner Inland Revenue (Appeals) [CIR-A]. The CIR-A partially allowed the appeals, deleting some additions while upholding others. Both the company and the tax department, dissatisfied with the CIR-A's decision, filed further appeals before the Appellate Tribunal Inland Revenue (ATIR). The ATIR issued a consolidated order for all three years, remanding certain issues to the department for reassessment while upholding certain additions against the company. Subsequently, both the company and the tax department challenged the ATIR's decision by filing petitions before the High Court, where the matter is currently pending adjudication.

35.1.12 Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregate to Rs. 123.399 million (June 30, 2024: Rs. 128.399 million).

35.1.13 The Company has filed a case against Chenone Stores for the recovery of Rs. 24.00 million pending in the Additional District Judge Lahore.

35.1.14 The Company has filed a case against Chenone Stores for the recovery of Rs. 13.00 million pending in the Civil Judge Lahore.

35.1.15 During the year, the tax authorities raised a demand of Rs. 0.852 million along with a 100% penalty of Rs. 0.852 million under Section 11E of the Sales Tax Act, 1990, for the tax periods from July 2018 to March 2024, through Order No. 14/2025 dated March 11, 2025. Being dissatisfied with this order, the Company has filed an appeal before the Commissioner Inland Revenue (Appeals).

35.2 Commitments

Commitments as on June 30, 2025 were as follows:

- a) Contracts for capital expenditure are Rs. 18.048 million (June 30, 2024: Rs. 14.545 million).
- b) Against letters of credit amounting to Rs. 97.657 million (June 30, 2024: Rs. 131.146 million).
- c) Contracts against sale of Rs. 958.871 million (June 30, 2024: Rs. 911.032 million).
- d) Commitments for lease payments has been made under the relevant note.
- e) Foreign bills purchased by banks amounting to Rs. 420.775 million (June 30, 2024: Rs. 227.693 million).

	Note	2025	2024
		Rupees	Rupees
36 SALES			
Gross local sales		2,574,690,120	3,036,746,115
Sales tax		(399,004,237)	(432,744,432)
Net local sales		2,175,685,883	2,604,001,683
Export sales		6,048,002,564	5,728,860,968
Total sales		8,223,688,447	8,332,862,651
Sales discount		(5,750,656)	(7,434,795)
Export rebate		61,533,088	68,447,400
		8,279,470,879	8,393,875,256

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

36.1 The entity is involved in manufacturing and trading of fabric, towels, knitting and other related items. The performance obligation is satisfied upon delivery of goods. The Company makes sales against advances as well as on credit terms. In case of credit sales, payment is generally due within 30 to 60 days from the date of delivery of goods.

		Note	2025 Rupees	2024 Rupees
36.2	Timing of revenue recognition - net			
	Goods and services transferred at a point in time		8,279,470,879	8,393,875,256
36.3	Geographical market			
	Pakistan (local)-net		2,175,685,883	2,604,001,683
	France		277,429,854	1,394,784,788
	Italy		1,575,525,185	1,604,365,793
	Germany		1,176,654,495	1,204,036,708
	USA		592,806,767	520,506,538
	Sri Lanka		856,076,851	475,569,025
	Belgium		133,942,822	160,828,299
	United Kingdom		41,895,589	70,675,741
	Portugal		418,228,531	114,974,378
	Sweden		17,207,756	17,824,922
	Hong Kong		83,781,011	85,894,789
	Greece		432,019,991	36,786,615
	Spain		23,194,099	9,107,636
	New Zealand		-	4,231,364
	Lithuania		23,548,478	12,576,427
	Czech Republic		-	2,442,408
	Poland		2,287,004	14,255,537
	United Arab Emirates		332,938,550	-
	Australia		16,919,578	-
	China		43,546,003	-
			8,223,688,447	8,332,862,651
37	COST OF SALES			
	Raw materials consumed	37.1	4,281,001,271	4,130,220,577
	Other overheads:			
	Salaries, wages and other benefits	37.2	990,505,602	872,195,853
	Freight		32,310,190	21,941,367
	Loading and unloading		11,626,141	9,916,301
	Store material consumed		165,122,070	210,334,687
	Packing, sizing and lubricants consumed		959,986,419	899,610,610
	Processing and conversion charges		196,073,402	134,992,229
	Fuel and power		930,401,670	1,061,995,616
	Insurance expense		13,614,804	12,673,999

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Rent expense		1,200,000	1,050,000
Repair and maintenance		9,070,480	11,832,591
Vehicle running and maintenance		18,407,245	16,634,878
Communication charges		1,325,328	948,637
Travelling, conveyance and entertainment		16,697,112	11,987,685
Fee and subscription		8,608,491	21,453,881
Printing and stationary		660,077	466,105
Depreciation expense PPE	7.1	197,601,236	171,815,126
Depreciation expense RoU	8	9,265,128	11,545,309
Other expenses		7,598,940	8,286,213
		3,570,074,335	3,479,681,087
Opening work in process		131,348,823	114,052,797
Closing work in process		(99,644,757)	(131,348,823)
		31,704,066	(17,296,026)
Cost of goods manufactured		7,882,779,672	7,592,605,638
Opening stock of finished goods		1,038,418,334	943,020,679
Closing stock of finished goods		(1,456,893,732)	(1,038,418,334)
		(418,475,398)	(95,397,655)
		7,464,304,274	7,497,207,983

37.1 Raw materials consumed

Raw material as at July 01,		380,576,318	410,786,050
Purchases of raw material		4,296,998,109	4,100,010,845
Less: Raw material as at June 30	13	396,573,156	380,576,318
Raw materials consumed		4,281,001,271	4,130,220,577

37.2 Salaries, wages, and other benefits include Rs. 39,963 million (2024: Rs. 44,997 million) and Rs. 9,550 million (2024: 8,946 million) of staff retirement benefits and pension fund respectively.

37.3 The movement of finished goods produced for sale is as follows:

Finished goods as at July 01,		1,038,418,334	943,020,679
Add: Finished goods produced during the year		1,763,568,148	1,015,856,107
Less: Sale of finished goods during the year		1,345,092,750	920,458,452
Finished goods as at June 30		1,456,893,732	1,038,418,334

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		Note	2025 Rupees	2024 Rupees
38	DISTRIBUTION COST			
	Selling and distribution expense - local		3,693,207	4,485,440
	Selling and distribution expense - export		237,383,162	215,275,402
	Staff salaries and benefits	38.1	36,798,472	37,346,452
	Commission and claims		53,644,882	176,110,821
	Rent, rates and taxes		3,512,756	4,179,064
	Communication charges		24,951,464	13,631,508
	Travelling, conveyance and entertainment		6,423,293	2,700,943
	Vehicle running and maintenance		7,235,814	7,280,659
	Repair and maintenance		1,580	17,300
	Office utilities charges		223,589	262,677
	Insurance expense		1,609,440	1,664,660
	Fees and subscription		10,308,669	7,170,824
	Depreciation expense	7.1	10,579,233	9,224,997
	Other selling and distribution expense		5,462,608	9,329,353
			<u>401,828,169</u>	<u>488,680,100</u>
38.1	Salaries, wages, and other benefits include Nil (2024: Rs. 4.585 million) and Rs. 2.106 million (2024: Nil) in respect of staff retirement benefits.			
39	ADMINISTRATIVE EXPENSES			
	Directors remuneration	54	5,400,000	5,400,000
	Staff salaries and benefits	39.1	50,953,411	56,738,229
	Rent, rates and taxes		4,809,256	5,030,451
	Communication charges		3,519,195	3,651,186
	Printing and stationary		1,445,238	2,024,561
	Travelling, conveyance and entertainment		6,447,243	9,745,178
	Vehicle running and maintenance		10,326,891	9,405,841
	Repair and maintenance		1,051,956	2,352,573
	Auditor's remuneration	39.2	2,135,500	1,930,500
	Legal and professional charges		3,672,500	4,466,052
	Office utilities charges		10,572,537	8,107,269
	Insurance expense		1,590,194	2,012,434
	Fees and subscription		3,596,769	5,209,441
	Depreciation expense	7.1	10,579,077	9,225,236
	Amortization expense	10.1	1,208,172	1,208,172
	Other administrative expenses		5,603,572	4,678,499
			<u>122,911,511</u>	<u>131,185,622</u>
39.1	Salaries, wages, and other benefits include Rs. 0.945 million (2024: Rs. 6.274 million) and Rs. 1.803 million (2024: Rs. 1.732 million) of staff retirement benefits and pension fund respectively.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		Note	2025 Rupees	2024 Rupees
39.2	Auditor's Remuneration			
	Audit fee		1,650,000	1,500,000
	Half yearly review		220,500	220,500
	Out of pocket		100,000	60,000
	Code of corporate governance review		165,000	150,000
			<u>2,135,500</u>	<u>1,930,500</u>
40	OTHER OPERATING EXPENSES			
	Loss on sale of fixed asset	7.4	12,643,958	1,444,661
	Loss on investment - at fair value		86,957	180,203
	Exchange loss and discounting factor		15,556,591	53,316,481
	Workers' profit participation fund	30.4	4,318,202	8,121,733
	Workers' welfare fund	30.5	1,727,281	2,871,012
	Expected credit loss against trade debtors	15.1	5,880,470	9,842,597
	Expected credit loss against advances to suppliers	14.3	2,420,835	2,737,562
	Provision against duty drawback	19.2	-	5,954,137
	Agriculture expense		1,965,381	-
	Other expenses		76,263	4,263
	Advances written off	40.1	111,480	-
			<u>44,787,418</u>	<u>84,472,649</u>
40.1	This represents advances given to employees written off during the year.			
41	OTHER INCOME			
	Income from financial assets			
	Profit on term deposits certificates		531,128	376,343
	Profit on foreign currency account		83,111	207,483
	Profit on investment - at fair value		1,440,449	1,286,289
	Dividend income		51,468	26,854,354
	Exchange gain		80,787,287	115,009,048
	Income from non financial assets			
	Profit on sale of fixed asset	7.4	4,352,591	101,569,067
	Unwinding - deferred grant - loan	26.2	854,406	999,837
	Reversal of provision on stock		-	5,813,906
	Agriculture income	41.1	5,333,673	-
	Other income		2,546,450	-
			<u>95,980,563</u>	<u>252,116,327</u>
41.1	This represents the agricultural income from the temporary cultivation of land acquired for expansion during the financial year 2023-24. The land, measuring 56 acres, was purchased with the intention of installing solar panels and extending the warehouse and factory. However, as of June 30, 2025, the installation and extension had not commenced. Management considers this cultivation a one-time activity with an immaterial impact; accordingly, disclosures under IAS 41 are not deemed necessary in the financial statements.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Management has assessed the requirements of IAS 41 – Agriculture. Given that:

- the cultivation was a one-time, temporary activity,
- the agricultural produce was disposed of during the year with no biological assets or agricultural activity ongoing at June 30, 2025, and
- the financial impact of such income is immaterial in the context of the Company's financial statements.

	42 FINANCE COSTS	Note	2025	2024
			Rupees	Rupees
	Mark-up on long term loans		3,321,191	3,901,241
	Mark-up on short term loans		197,922,456	241,030,583
	Mark-up on WPPF	30.4.1	21,648,810	9,098,915
	Mark-up on delayed realization	42.1	2,180,040	1,586,552
	Mark-up on subsidized loan	29.2	854,406	999,837
	Mark-up on lease		8,750,575	7,734,694
	Bank charges and commission		26,624,030	28,651,501
			<u>261,301,508</u>	<u>293,003,323</u>

42.1 This represents discounting markup on export sales contracts during the year.

43 LEVY

Final taxes	43.1	-	70,013,960
Minimum tax differential	43.2	103,493,386	15,758,365
Prior year		2,248,840	-
		<u>105,742,226</u>	<u>85,772,325</u>

43.1 This represents final taxes paid under section 154 (1) of Income Tax ordinance (ITO, 2001) @ 1% representing levy in terms of requirements of IFRIC 21 and IAS 37.

43.2 This represents Minimum taxes paid under Section 113 of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

44 TAXATION

Current			
- Current period		-	5,920,159
- Super tax		-	8,244,179
- prior year	44.4 & 17.3	12,860,487	2,811,870
		<u>12,860,487</u>	<u>16,976,208</u>
Deferred			
- current year		(37,854,395)	3,039,727
		<u>(37,854,395)</u>	<u>3,039,727</u>
		(24,993,908)	20,015,935
Net levy and tax charged		<u>78,499,478</u>	<u>105,788,260</u>

44.1 The rate of tax has been fixed at 29% for Tax Year 2021 and onwards by taxation authorities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

44.2 Reconciliation of tax charge

Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account is as follows:

	Note	2025 Rupees	2024 Rupees
Current tax liability for the year as per applicable tax laws		116,353,873	86,990,168
Portion of current tax liability as per tax laws, representing income tax under IAS 12		(10,611,647)	(16,976,208)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37		(105,742,226)	(70,013,960)
Difference		-	-

44.3 The aggregate of minimum / final tax and income tax amounting to Rs. 103,493 million (2024: Rs. 99,937 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

44.4 This represents a difference between net taxation charged in the financials and the income tax return filed in the last year due to advance tax not taken into account and excess provision in previous years as disclosed in note 44.6.

44.5 The tax charge for current year represents the minimum tax and final tax under the Income Tax Ordinance, 2001, so numerical reconciliation between the average effective tax rate and the applicable tax rate is not prepared and presented.

44.6 Comparison of tax provision against tax assessments

Years	Excess/ (Short)	Tax provision Rupees	Tax assessment/ tax return
2023-24	1,622,575	99,936,663	98,314,088
2022-23	2,171,860	98,319,896	96,148,036
2021-22	(10,298,033)	79,077,923	89,375,956

44.6.1 As at June 30, 2025, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, the provision in accounts for income tax is sufficient as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

45 EARNINGS PER SHARE - BASIC AND DILUTED

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

	2025	2024
Profit after taxation - in Rs.	1,819,084	45,653,646
Weighted average number of ordinary shares	59,428,729	59,428,729
Earnings per share - basic and diluted - (Rs.)	0.03	0.77

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

6 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of related staff retirement funds, directors and key management personnel. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:

46.1 The balances with related parties have also been disclosed in the relevant notes to the financial statements.

46.2 The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (note 54)".

446.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

47

RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Unclaimed dividend	Loan from directors	Long term financing	Short term borrowing	Lease liabilities	Total
			Rupees			
As at June 30, 2024						
Changes from financing cash flows						
Dividend paid	-	-	-	-	-	-
Loan from directors - net	-	39,00,000	-	-	-	39,00,000
Short term borrowings - net	-	-	-	612,890,308	-	612,890,308
Long term financing	-	-	(9,767,274)	-	-	(9,767,274)
Lease liabilities - net	-	-	-	-	-	-
Total changes from financing cash flows	-	39,00,000	(9,767,274)	612,890,308	(21,388,900)	(21,388,900)
Other changes	-	-	-	-	-	-
Adjustment of Government grant	-	-	-	-	-	-
Total liability related other changes	-	-	-	-	-	-
As at June 30, 2025	829,907	39,00,000	55,343,989	1,856,886,308	-	1,952,060,204
As at June 30, 2023						
Changes from financing cash flows						
Dividend paid	-	-	-	-	-	-
Loan from directors - net	-	-	-	-	-	-
Short term borrowings - net	-	-	-	(68,661,119)	-	(68,661,119)
Long term financing	-	-	(9,621,844)	-	-	(9,621,844)
Lease liabilities - net	-	-	-	-	(31,067,820)	(31,067,820)
Total changes from financing cash flows	-	-	(9,621,844)	(68,661,119)	(31,067,820)	(109,350,783)
Other changes	-	-	-	-	-	-
Adjustment of Government grant	-	-	-	-	-	-
Dividend declared	-	-	-	-	-	-
Total liability related other changes	-	-	-	-	-	-
As at June 30, 2024	829,907	-	65,111,263	1,243,996,000	21,388,900	1,331,326,070

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		Note	2025 Rupees	2024 Rupees
48	CASH FLOWS FROM OPERATING ACTIVITIES			
	(Loss) / profit before tax		(25,423,664)	65,669,581
	Adjustments for items not involving movement of funds:			
	Depreciation on property, plant and equipment	7.3	218,759,546	190,265,359
	Depreciation on Right of use asset	8	9,265,128	11,545,309
	Amortization	10.1	1,208,172	1,208,172
	Levy		105,742,226	85,772,325
	Provision for expected credit loss		8,301,305	18,534,296
	Provision for duty drawback		-	5,954,137
	Loss/ (gain) on disposal property, plant and equipment	7.4	8,291,366	(100,124,406)
	Gain on sale of investments	41	(1,353,492)	(1,106,086)
	Staff retirement benefits - gratuity	27.2	40,907,689	45,421,007
	Provision for WPPF & WWF	40	6,045,483	10,992,745
	Interest on Workers' Profit Participation Fund	42	12,368,810	9,098,915
	Unwinding of discount	41	(854,406)	(999,837)
	Finance cost	42	213,028,668	247,518,213
	Exchange gain - net		(65,230,696)	(61,834,510)
	Net cash flow before working capital changes		<u>531,056,135</u>	<u>527,915,220</u>

49 CASH AND CASH EQUIVALENTS

Cash and bank balances	21	27,409,493	57,800,455
Bank over draft	33	(116,032,942)	(127,164,751)
		<u>(88,623,449)</u>	<u>(69,364,296)</u>

50 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

50.1 Risk management of financial instruments

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance related risks to the entity.

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

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly.

50.1.1 Risk management framework

The Board of Directors have the overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect to changes in market conditions and the Company's activities. The Company through its training and management standards and procedures aims to maintain a disciplined and constructive control environment in which employees understand their roles and responsibilities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

50.1.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter party fail completely to perform as contracted and arise principally from trade debts, loans and advances, trade deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of a company's performance to developments affecting a particular industry.

		2025	2024
	Note	Rupees	Rupees
Long term deposits	11	25,474,124	25,325,624
Loans and advances	14	66,992,300	139,590,974
Trade debts	15	961,464,521	557,808,008
Trade deposits and prepayments	16	25,314,615	12,927,175

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	Rupees	Rupees
Other receivables	19	132,362,795	100,734,730
Short term investments	20	7,400,239	48,802,438
Bank balances	21	18,183,938	54,340,862
		<u>1,237,192,532</u>	<u>939,529,811</u>

Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

Trade debts		961,464,521	557,808,008
Banking companies and financial institutions		33,048,405	187,457,300
Others		242,679,606	194,264,503
		<u>1,237,192,532</u>	<u>939,529,811</u>

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Credit terms are approved by the approval committee. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 30 to 60 days to reduce the credit risk.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The maximum exposure to credit risk for trade debts at the balance sheet date by geographic region is as follows:

Export		595,947,650	236,002,122
Domestic		400,398,153	350,806,698
	15	<u>996,345,803</u>	<u>586,808,820</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Trade receivables by geographical split is as follows:

Country	Sales			Trade debts	
	LC	Others	Total	Outstanding balance	
				2025	2024
Pakistan	-	2,175,685,883	2,175,685,883	400,398,153	350,806,698
France	277,429,854	-	277,429,854	10,832,250	12,564,067
Italy	1,575,525,185	-	1,575,525,185	158,291,136	43,277,613
Germany	1,176,654,495	-	1,176,654,495	96,868,631	13,740,449
USA	592,806,767	-	592,806,767	41,506,098	131,419,860
Sri Lanka	856,076,851	-	856,076,851	55,232,346	19,156,534
Belgium	133,942,822	-	133,942,822	-	-
United Kingdom	41,895,589	-	41,895,589	-	-
Portugal	418,228,531	-	418,228,531	-	1,243,229
Sweden	17,207,756	-	17,207,756	188,153,374	1,625,962
Hong Kong	83,781,011	-	83,781,011	-	5,926,232
Greece	432,019,991	-	432,019,991	28,755,031	-
Spain	23,194,099	-	23,194,099	-	-
New Zealand	-	-	-	-	-
Lithuania	23,548,478	-	23,548,478	-	-
Czech Republic	-	-	-	-	7,048,176
Poland	2,287,004	-	2,287,004	-	-
Emirates	332,938,550	-	332,938,550	16,308,784	-
Australia	16,919,578	-	16,919,578	-	-
China	43,546,003	-	43,546,003	-	-
Total	5,654,598,433	2,175,685,883	8,223,688,447	996,345,803	586,808,820

The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

		2025	2024
	Note	Rupees	Rupees
Local debtors		400,398,153	350,806,698
Foreign debtors		595,947,650	236,002,122
	15	<u>996,345,803</u>	<u>586,808,820</u>

The aging along with loss allowance of trade receivable at the reporting date is as follows:

June 30, 2025	Weighted average loss rate	Gross carrying amount	Loss allowance
Past due 0 - 30 days	0.13%	697,842,454	910,126
Past due 31 - 60 days	0.80%	242,234,423	1,948,160
Past due 61 - 90 days	1.71%	12,698,093	217,282
Past due 91 - 120 days	3.72%	12,220,242	455,125
Past due over 120 days	100.00%	31,350,591	31,350,589
		<u>996,345,803</u>	<u>34,881,282</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	Weighted average loss rate	Gross carrying amount	Loss allowance
June 30, 2024			
Past due 0 - 30 days	0.08%	443,741,505	347,756
Past due 31 - 60 days	0.80%	88,021,323	700,840
Past due 61 - 90 days	3.49%	17,604,265	613,714
Past due 91 - 120 days	5.58%	10,699,967	596,742
Past due over 120 days	100.00%	26,741,760	26,741,760
		<u>586,808,820</u>	<u>29,000,812</u>

The company's most significant customers, are dealers from whom the receivable was Rs. 304.727 million (2024: Rs. 350.807 million) and foreign debtors amounting to Rs. 175.172 million (2024: Rs. 236.002 million) of the total carrying amount as at June 30, 2025.

Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that no impairment allowance is necessary in respect of trade debtors past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable ground to believe that the amounts will be recovered in short course of time.

On the basis of expected credit loss an amount of Rs. 8.30 million (2024: Rs. 18.53 million) has been charged to profit and loss account and upto balance sheet an amount of Rs. 55.10 million (2024: Rs. 46.80 million) has been provided for as expected credit loss as fully explained on note 14.3 & 15.1.

The Company's bank balances can be assessed with reference to external credit ratings as follows:

Cash and bank balances

The Company held cash and cash equivalents in the form of temporary overdraft balance amounting to Rs. 88.623 million. These cash and cash equivalents are held with banks and financial institutions counterparties, which are rated A1+ to AAA, based on PACRA ratings. Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects short term maturities of the exposure. The Company considers its cash and cash equivalents have low credit risk based on the external ratings of the counterparties. 12 month probabilities of default are based on historical data supplied by PACRA and VIS rating agency for each credit rating. Loss given default (LGD) parameters generally reflect assumed recovery rates based on recovery rates assumed in Basel Guidelines for unsecured exposures.

Advances, deposits and other receivables

Advances, deposits and other receivables mainly comprise of advances to employees against salaries and deposits with government entities. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	2025	2024
	Rupees	Rupees
Bank balances	18,183,938	54,340,862
Short term investment	5,000,000	5,000,000
Other receivables	7,464,228	84,314,000
	<u>30,648,166</u>	<u>143,654,862</u>

Credit quality of financial assets

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

	Rating Agency	Ratings		2025	2024
		Short Term	Long Term	Rupees	Rupees
Bank Balances					
National Bank of Pakistan	JCR-VIS	A1+	AAA	1,970,104	765,693
MCB Bank Limited	PACRA	A1+	AAA	-	-
Bank Al Falah Limited	PACRA	A1+	AA+	2,040,390	2,040,390
Askari Bank Limited	PACRA	A1+	AA+	1,215,685	33,542
United Bank Limited	JCR-VIS	A1+	AAA	284,542	6,339,342
Habib Bank Limited	JCR-VIS	A1+	AAA	6,721,269	-
The Bank of Punjab	PACRA	A1+	AA+	1,929,155	-
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	3,576,741	-
Bank Al Habib Limited	PACRA	A1+	AAA	30,330	-
Bank Islami	PACRA	A1	AA-	30,000	-
Faysal Bank Limited	PACRA	A1+	AA	385,722	-
Bank Overdraft Balances					
Habib Bank Limited	JCR-VIS	A-1+	AAA	(12,076,244)	(29,390,276)
The Bank of Punjab	PACRA	A1+	AA+	(40,757,530)	(7,703,776)
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	(17,475,834)	(13,196,326)
Bank Al Habib Limited	PACRA	A1+	AAA	(6,647,987)	(754,976)
Meezan Bank Limited	JCR-VIS	A-1+	AAA	(38,455,429)	(6,786,074)
Faysal Bank Limited	PACRA	A1+	AA	-	(24,171,428)
United Bank Limited	JCR-VIS	A-1+	AAA	(619,918)	-
				<u>(97,849,004)</u>	<u>(72,823,889)</u>
Short term borrowings					
The Bank of Punjab	JCR-VIS	A-1+	AAA	564,110,820	529,996,000
Habib Metropolitan Bank Limited	JCR-VIS	A-1+	AAA	100,000,000	-
National Bank of Pakistan Limited	PACRA	A1+	AA+	420,000,000	420,000,000
United Bank Limited	PACRA	A1+	AA+	115,000,000	50,000,000
Habib Bank Limited	JCR-VIS	A1+	AAA	237,000,000	237,000,000
				<u>1,240,412,812</u>	<u>1,091,348,222</u>

The Company has not recognised an impairment allowance on bank balances during the year ended June 30, 2025, as the impact was immaterial.

50.1.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flow	Six months or less	Six to twelve months	One to two years	Two to five years
————— 2025 —————						
Financial liabilities						
Long term financing	55,343,989	56,120,076	6,768,901	6,768,901	13,305,854	29,276,420
Trade and other payables	1,643,515,816	1,643,515,816	1,643,515,816	-	-	-
Mark-up accrued	19,806,465	19,806,465	19,806,465	-	-	-
Short term borrowing	1,972,919,250	1,972,919,250	1,972,919,250	-	-	-
Unclaimed dividend	829,907	829,907	829,907	-	-	-
	3,692,415,427	3,693,191,514	3,643,840,339	6,768,901	13,305,854	29,276,420
————— 2024 —————						
Financial liabilities						
Long term financing	65,111,263	66,026,269	5,310,840	5,310,840	8,769,430	46,635,159
Lease liabilities	21,388,900	28,478,836	14,239,418	14,239,418	-	-
Trade and other payables	1,265,887,323	1,265,887,323	1,265,887,323	-	-	-
Mark-up accrued	27,384,882	27,384,882	27,384,882	-	-	-
Short term borrowing	1,371,160,751	1,371,160,751	1,371,160,751	-	-	-
Unclaimed dividend	829,907	829,907	829,907	-	-	-
	2,751,763,026	2,759,767,968	2,684,813,121	19,550,258	8,769,430	46,635,159

50.1.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

a) Currency risk

The Company is exposed to currency risk on trade debts, import of raw materials and stores and spares and export sales that are denominated in a currency other than the respective functional currency of the Company, primarily in U.S. dollar. The Company's exposure to foreign currency risk is as follows:

	Note	2025 Rupees	2024 Rupees
Trade debts		595,947,650	236,002,122
Gross balance sheet exposure		595,947,650	236,002,122
Outstanding letters of credit	35.2	(97,657,042)	(131,146,000)
Net exposure		498,290,608	104,856,122

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2025	2024	2025	2024
USD to PKR	281.20	284.35	283.60	278.80
Euro to PKR	315.33	308.15	332.25	298.41
GBP to PKR	370.41	358.10	388.97	351.85

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US dollar, Euro or Pound sterling with all other variables held constant, post tax profit for the year would have been lower by the amount shown below.

	2025	2024
Effect on profit or loss		
Loss	<u>59,594,765</u>	<u>23,600,212</u>

The weakening of the PKR against US dollar, Euro or Pound Sterling would have had an equal but opposite impact on the post tax profits / loss.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loans and short term borrowings. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk. At the balance sheet date the interest rate profile of the Group's interest - bearing financial instruments is as follows:

	Effective rate Percentage	Carrying amount		
		2025 Rupees	2024 Rupees	
Financial liabilities				
Variable rate instruments:				
Long term loans	SBP+4% to SBP+3%	55,343,989	65,111,263	
Short term borrowings	SBP+1%	1,972,919,250	1,371,160,751	
Lease liabilities	13.8%	-	21,388,900	
		<u>2,028,263,239</u>	<u>1,457,660,914</u>	

Effective interest rates are mentioned in the respective notes to the financial statements.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased/(increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit and loss	
	100 bp increase	100 bp decrease
As at June 30, 2025		
Cash flow sensitivity - Variable rate financial liabilities	<u>(20,282,632)</u>	<u>20,282,632</u>
As at June 30, 2024		
Cash flow sensitivity - Variable rate financial liabilities	<u>(14,576,609)</u>	<u>14,576,609</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on (loss) / profit for the year and assets / liabilities of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

50.1.5 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 instruments traded in the market. The Company is not exposed to commodity price risk since it has a diverse portfolio of commodity suppliers.

In case of 1% increase / decrease in the net asset values of the investments subject to price risk the profit for the year and total comprehensive income of the Company would be higher / lower by Rs. 0.024 million (2024: Rs. 0.438 million).

51 RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee. The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

52 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

5.3 FINANCIAL INSTRUMENTS BY CATEGORY

	Carrying value			Fair value				
	Financial assets at amortized cost	FVTPL - equity instrument	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
On-Balance sheet financial instruments								
As at June 30, 2025								
Financial assets measured at fair value investments classified as FVTPL				2,400,239				2,400,239
Financial assets at amortised cost								
Short term investments	5,000,000			5,000,000				
Loan and advances	66,992,300			66,992,300				
Long-term deposits	25,474,124			25,474,124				
Trade debts	961,464,521			961,464,521				
Trade deposits	22,658,046			22,658,046				
Other receivable	132,362,795			132,362,795				
Cash and bank balances	27,409,493			27,409,493				
	1,241,361,279	2,400,239		1,243,761,518				2,400,239
Financial liabilities at amortised cost								
Long term financing - secured				55,343,989				
Trade and other payables				1,643,515,816	1,643,515,816			
Accrued markup				19,806,465	19,806,465			
Short-term borrowings - secured				1,972,919,250	1,972,919,250			
Unclaimed dividend				829,907	829,907			
		3,692,415,427	3,692,415,427					
As at June 30, 2024								
Financial assets measured at fair value investments classified as FVTPL				43,802,438				43,802,438
Financial assets at amortised cost								
Short term investments	5,000,000			5,000,000				
Loan and advances	139,590,974			139,590,974				
Long-term deposits	25,325,624			25,325,624				
Trade debts	557,808,008			557,808,008				
Trade deposits	8,720,553			8,720,553				
Other receivable	100,734,730			100,734,730				
Cash and bank balances	57,800,455			57,800,455				
	894,980,344	43,802,438		938,782,782	43,802,438			43,802,438
Financial liabilities at amortised cost								
Long term financing - secured				65,111,263	65,111,263			
Trade and other payables				1,265,867,323	1,265,867,323			
Lease liability				21,388,900	21,388,900			
Accrued markup				27,384,882	27,384,882			
Short-term borrowings - secured				1,371,160,751	1,371,160,751			
Unclaimed dividend				829,907	829,907			
		2,751,763,026	2,751,763,026					

53.1 The Company has revalued certain fixed assets at fair value and classified under property, plant and equipment. The carrying value and level of fair value of these non-financial assets have been disclosed in the relevant note to the condensed interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

54 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	Rupees					
Managerial remuneration	2,000,000	2,000,000	1,600,000	1,600,000	111,959,076	38,148,240
House rent allowance	800,000	800,000	640,000	640,000	44,783,630	15,259,296
Utilities	200,000	200,000	160,000	160,000	11,195,908	3,814,824
	3,000,000	3,000,000	2,400,000	2,400,000	167,938,614	57,222,360
Number of persons	1	1	7	7	58	23

54.1 The Company also provides the Chief Executive and some of the Directors and Executives with Company maintained cars and mobile phones in accordance with their terms of employment.

54.2 No meeting fee was paid to the directors for attending the meetings of the board. Some of the directors and executives are provided with free use of company cars.

54.3 Retirement and other long term benefits include benefits provided under provident fund, gratuity, pension and accumulated compensated absences.

55 CAPACITY AND PRODUCTION

Measuring Unit	Installed capacity		Actual production		Reason for shortfall
	2025	2024	2025	2024	
Square meter in millions @ 50 picks	67.73	49.10	36.63	36.63	Cautious production
Tons	5,362	5,362	4,703	4,397	strategy based on actual demands.
Tons	6,799	6,799	5,894	5,339	
Tons	738	738	455	483	

55.1 It is difficult to determine precisely the production capacity in textile weaving mills since it fluctuates widely depending on various factors such as speed, width and construction of cloth woven etc.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	2025 Number	2024 Number
56 NUMBER OF EMPLOYEES		
Number of employees at June 30,		
Permanent		
Head office	67	66
Factory	1083	1037
Average number of employees during the year		
Permanent		
Head office	67	63
Factory	1060	1034

57 CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- (ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The management at all times seeks to earn returns higher than its weighted average cost of capital, by increasing efficiencies in operations, so as to increase profitability.

	2025 Rupees	2024 Rupees
The proportion of debt to equity at the year end was:		
Long term loans	55,343,989	65,111,263
Short term borrowings	1,972,919,250	1,371,160,751
Total debt	2,028,263,239	1,436,272,014
Total equity	2,530,217,308	2,574,908,701
Total equity and debt	4,558,480,547	4,011,180,715
Gearing ratio (Debt:Equity)	44:56	33:67

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

58 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All other significant transactions and events that have affected the Company's financial position and performance during the period have been adequately disclosed in the notes to these financial statements.

59 CORRESPONDING FIGURES

59.1 Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year except following for better or correct presentation:

Item description	From	To	Amount
Current tax	Levy	Taxation	5,920,159

60 DISCLOSURE REQUIREMENT FOR ALL SHARE ISLAMIC INDEX

Description	Explanation			
Balances as at June 30:				
Assets				
Investments	Placed under shariah permissible arrangement	7,400,239	48,802,438	
Loans and advances	Placed under shariah permissible arrangement	66,992,300	139,590,974	
Bank balances	Placed under shariah permissible arrangement	18,183,938	54,340,862	
Liabilities				
Short term borrowings	Placed under shariah permissible arrangement	1,972,919,250	1,371,160,751	
Advances	Placed under shariah permissible arrangement	46,108,472	9,964,970	

Transactions for the year ended June 30:

Sales - net	Placed under shariah permissible arrangement	8,279,470,879	8,393,875,256
Profit on deposits with banks	Placed under shariah permissible arrangement	83,111	207,483

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Profit on term deposit receipt	Placed under shariah permissible arrangement	531,128	376,343
Exchange (loss) / gain earned	Placed under shariah permissible arrangement	65,230,696	61,692,567

61 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

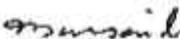
There are no significant adjusting or non adjusting event after the reporting date requiring adjustment or disclosure in financial statements except elsewhere disclosed in these financial statements.

62 DATE OF AUTHORIZATION FOR ISSUE

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

63 GENERAL

Amounts have been rounded off to the nearest rupees unless otherwise stated.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ملازمین کی فلاں و بہبود

ملازمین اور ان کے اہل خانہ کے لیے میانچہ انشورنس متعارف کرائی جو سرکاری میانچہ اکیم کے تحت کوئی نہیں تھے۔ ورک پلیس سیٹن پر ڈگر امر منعقد کیے گئے جن سے خادمات کی شرح میں 15% کی آئی۔ میہنگ اور درکر کے لیے زینگ اور ڈی پیٹ پر ڈگر اہمیت سرمایہ کاری کی گئی۔

اخلاقی گورنمنس

اندرا و رشتہ ستائی اور انسداد بد نمائی پالیسیوں پر عمل درآمد ہر یہ دنخت کیا گیا۔ خلافت میں اضافے کے لیے پائیداری میکس سماں بینا دوں پر شائع کیے گئے۔ جو بہادر اور احتجاج کوئی بنا نے کے لیے دل بلور پائیںی متعارف کرائی گی۔

میروںی آڈیئر

ODO اہم ایڈیٹ کمپنی، چارڑا کا وکٹس (موجودہ آڈیئر) کمپنی کی سالانہ عام میٹنگ کے اختتام پر بیان ہوں گے۔ چونکہ وہ دوبارہ تقری کے اہل ہیں، الجدا وہ مالی سال 30 جون 2026 کے لیے اپنی خدمات پیش کر رہے ہیں۔ آٹ کمپنی کی سفارش پر بورڈ آف ڈائریکٹر نے ODO اہم ایڈیٹ کمپنی کو دوبارہ تقری کے لیے آنے والی سالانہ عام میٹنگ میں حصہ یافتگان کی مشوری کے لیے تجویز کیا ہے۔

اٹھار تشر

بورڈ تھارے حصہ یافتگان کے تعاون، ملازمین کی محنت و گکن، اور صارفین و کاروباری شرکت داروں کے انتہا کا تہذیل سے ٹکریا دا کردا ہے۔ ہم آنکھہ ہر سوں میں پائیدار ترقی بحال کرنے اور حصہ یافتگان کی دلپیوں میں بہتری لانے کے لیے پر عزم ہیں۔

میڈیا
مختتم ارباب محمد خان
ڈائریکٹر

مختتم مساعد حنیف
چیف ایگزیکٹو
لاہور
30 جنوری 2025

بورڈ آف ڈائریکٹرز کے اجلاس

سال کے درمیان کمپنی کے بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ حاضری کی تفصیل صوب ذیل ہے
ڈائریکٹرز کی اجلاس میں حاضری

نمبر	ڈائریکٹرز کے نام	حاضری میں کمپنی کے اجلاسوں کی تعداد
1.	جناب مسادہ صیف	4
2.	جناب ارباب محمد خان	4
3.	محترمہ تینیت مسادہ	4
4.	محترمہ صباح برہان	2
5.	محترمہ سارہ شتوی والا	2
6.	جناب شیخ محمد اقبال	4
7.	محترمہ عائشہ نوریہ	4

ڈائریکٹرز کی معاوضہ پالیسی

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کی ریموویشن پالیسی منظور کی ہے۔ اس پالیسی کی تینیاں تفصیلات درج ذیل ہیں:

☆ کمپنی غیر ریگولیٹڈ ڈائریکٹرز کو کمیٹی کی تفصیلات پالیسی ادا کرنے کے لئے ادا کرنے گی۔

☆ کمپنی ڈائریکٹرز کے بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت سے متعلق غیری اور ریاضی اخراجات برداشت کرے گی یا ائمیں داہم کرے گی۔

☆ ڈائریکٹرز کی ریموویشن پالیسی و تائپو ٹائم بورڈ آف ڈائریکٹرز کے ذریعے نظر ہانی اور منظوری کے لیے پیش کی جائے گی۔

☆ کمپنی کے چیف ایجنسیکٹو افیسر اور ڈائریکٹرز کے معاون کی تفصیل کے لیے مالیاتی پیاہات کے نوٹ 51 کا حوالہ دیا جائے۔

ڈائریکٹرز کا کامیابان

کارپوریٹ گورننس کوڈ کی توجیل میں، ہم ذیل میں کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے حوالے سے بیانات پیش کرتے ہیں:

1- مالی پیاہات، جو کمپنی کے میجنت نے تیار کیے ہیں، کمپنی کی مالی حالت، بتائی گئی، کیش فلو اور ریکوئیٹ میں تبدیلیوں کو درست طور پر پیش کرتے ہیں۔

2- کمپنی کی باقاعدہ کتابیں (اکاؤنٹس) برقرار رکھی گئی ہیں۔

3- مناسب اکاؤنٹنگ پالیسیوں کو مالی پیاہات کی تیاری میں مسلسل را گویا کیا ہے اور اکاؤنٹنگ تجھیے معقول اور قابل تفصیل کی بخیار پر کیے جائے ہیں۔

4- ہیں الاؤ ای مالیاتی رپورٹنگ معیارات (IFRS)، جو پاکستان میں لا گوئیں، مالی پیاہات کی تیاری میں اختیار کیے گئے ہیں اور کسی بھی اخراج کی تکمیل و ضاحت کی گئی ہے۔

5- اندر وی کلرول کا لفاظ ذیل میں مذکور اور گل دا آندگانی میں کارگر ہے۔

6- کمپنی کی جاری میشیت (Going Concern) پر کسی قسم کے اہم تکوں و شہادت موجود نہیں ہیں۔

7- اسٹک ریگیشنز میں بیان کردہ کارپوریٹ گورننس کی بہترین پر یکسرت کوئی بڑی انحرافی عمل نہیں ہوا۔

کارپوریٹ سوچل ریپورٹیشن (CSR)

کمپنی کی جانب سے انجامے گئے CSR اقدامات کا خلاصہ درج ذیل ہے:

ساوی روکار کے موقع

کمپنی لازمیں اور اسید و اروں کو اسکل، ریگ، ندیب، بھسی یا محدودی کی بخیار پر امتیاز کے بغیر ساوی روکار کے موقع فراہم کرتی ہے۔

ماحولیاتی تحدی

کمپنی نے موجود 945 کلوواٹ سولر پارک پلائٹ کے مطابق 425 کلوواٹ سولر پارک پلائٹ نصب کیا تاکہ رواجی ذرائع سے تجدیدی تو انائی کی طرف منتقل ہو جائے۔

کمپنی نے دیسٹ والر کے اخراج سے قبل اس کے علاوہ کے لیے اعلانات و اگریٹسٹ پلائٹ بھی نصب کیا تاکہ صاف پانی کے خارج ہو جو ظرہ رکھیں۔

یورڈ آف ڈائریکٹرز 7 ایکین پر مشتمل ہے جن میں سے درج ذیل 6 ڈائریکٹرز نے ایس ای سی پی (SECP) کے مقرہ معايর کے مطابق مقامی ادارے سے ڈائریکٹرز ٹریننگ پرограм (DTP) کا سرٹیفیکیٹ حاصل کیا ہے:

مکتبہ تہذیت مساعد

• مختصر مہہ صاحب برمان

• جناب ارماب محمد خان

• حناب شیخ محمد اقبال

• محمد مهنا زيد

بِسْ يَٰٰ رَبِّ الْعَالَمِينَ

کار پوریت بینت - اسکاٹ لندن پر سلیمانیا جا

CCG) کی تامین مدد در بات اعلیٰ کرتے ہیں۔ یہی 2017 کے ساتھیں کامیاب نہیں۔

بورڈ کشاں

卷之三

آٹھ کمیٹیاں ہوئیں کیونکہ اس کی تحریک میں ایک آزادی اور یکتیز ہیں۔ آٹھ کمیٹیاں ہیں تو یہ کارکے مطابق ڈسداریاں انجام دے رہی ہے۔ مال کے دروازے ہمارے ہی ہیں جن میں ٹھیکنگ کی تفصیل درج ہوئی ہے:

نام	جهد و ارکانیت	حاضری
محترم عالی‌ترین نویل	چیخ پریان امیر	4
محترم تدبیت مساعد	تمبر	4
محترم سارو شنی و والا	تمبر	4

جعفر بن مسعود

یہ کمیتی یعنی اداکین پر مشتمل ہے جن میں دو غیر اگریکٹو اور اگریکٹو ہیں جنکے پیسے ایک آزاد اور ایک سریز ہیں۔ کمیتی بھی اپنے تو امید کار کے مطابق کام کر رہی ہے۔ سال کے ودران ایک اجلاس منعقد ہوا جس کی حاضری دریں ذلیل ہے۔

نام	عده/ارزیت	حاضری
مختار سعادت‌نژاد	تمبر	1
جناب ارباب محمدخان	تمبر	1
مختار مصباح‌برهان	تمبر	1

بِسْمِ اللّٰہِ الرَّحْمٰنِ الرَّحِیْمِ

پیداواری میں رکاوٹس کی شاہدی کے لیے باقاعدہ جائزے لیے جائیں گے اور سرمایہ کاری ایسے شعبوں میں کی جائے گی جہاں مشینری اور درک طوکو ہم آنگک کرنے کی ضرورت ہو۔ ماڈرنائزیشن: کمپنی مشینری کی اپ گرینیشن اور چینی تکنالوژی کے استعمال کو ترجیح دے گی تاکہ صنعتات کے معیار میں بہتری، پیداواری لگات میں کمی، تلاشی کی بیچت اور عالمی معیار کی تحریک ملک میں پورے گئے۔

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِيْمِ

پر اپنی، غیرموقتی ریزایاد و یکی بحال کی ضرورت والی مشینی کو مرحلہ اور ادا کی بچانے والی اور ماحصل دوست تبادل مشینی سے تبدیل کیا جائے گا۔ کمپنی نے BMR میں 405.17 ملین روپے کی سرمایہ کاری کی ہے، جس میں سے 367.98 ملین روپے پلات اور مشینی پر اور 19.37 ملین روپے دیگر اتنا لیٹھر اور آلات پر خرچ کیے گئے، جن میں 425 کلووات کا سول سلیم و یونگ لیٹھر میں شامل ہے۔ اس پالیسی کے ذریعے کمپنی کا مفہودہ ملکی و بین الاقوامی با رکیٹ میں اپنی پوزیشن مضبوط بنانا، وظیفوں کی یورپیں نکال پر توجہ دعا، پھر اوری صلاحیت میں بھری لانا، خصائص کم کرنا اور پائندہ اداری کے شعبوں پر عمل دار آنکھیں بنانا ہے۔

卷之三

مک میں موجودہ معاشری حالات، کمپنی کی ضروریات اور مستقبل میں کیش جریشیں کی صلاحیت کو ملاحظہ رکھتے ہوئے، کمپنی کے بروڈ آئی فار کیمز نے 30 جون 2025 کو قائم ہونے والے سال کے لئے کسی ڈویوڈن کی سفارشات نہیں کی (30 جون 2024 تک کوئی ڈویوڈن نہیں دیا گا تھا)۔

مکالمہ

سال 2025 کے لیے پاکستان کے بیکارائل سکریٹ کا مظہر نام موافق اور پنجابی دروں سے عبارت ہے۔ وظیفہ یہ یونیورسٹیوں میں اگر منش اور دوام بیکارائل کی بدولت برآمدات میں 10-15% تک اضافہ مزبوری ہے، جبکہ دوام کا اور پیزے میں بیانی شعبے باقاعدہ فکاری میں گے۔ صنعت کو بلند رینا اپنی گیس اور فناں لیگ لگات، پیاس کی اور موکی خطرات کے باعث پلانی چینی میں عدم احکام، اور یہ آمدی مرادات میں تاثیر جھیلے ہے۔ مسائل کا سامنا ہے۔ درمری طرف، وظیفہ چینیں میں آگے بڑھتے، پائیداری اور عالمی تجید اور اس کے تاخوں کے مطابق پڑھنے، تجارتی مجاہدوں کے موافق قے فاکہہ اخلاقی، چینیاتی اور مادر نازیں میں سرمایہ کاری کرنے اور بیکاری کی سوت بڑھتے کے امکانات بھی ہیں۔ تاہم خطرات بھی نہیں ہیں۔ بلکہ لگات، ہوسیاتی اثرات میں سیالب اور نیک سالی اور پاہی کی غیر تحقیقی صورت میں صنعت کی سماحت کو کمزور کر سکتی ہے۔ بیاری مظہر نام۔ عمومی بکری مظہر نام کو طرف اشارہ کرتا ہے، جبکہ اصلاحات اور سرمایہ کاری کی صورت میں برآمدات 20 ارب ڈالر سے تجاوز کر سکتی ہیں۔ بصورت دیگر، اگر بیانی شعبے اسکی عمل در کے گھر تو صنعت کے محدود عالمی منڈی میں بارک شیر کھوئے کے امکانات موہر جدید ہیں۔

متجل کامکاٹ

ماليٰ مددگاری کے باوجود کوئی اپنی طویل المدى عکت عملی کے لیے پر عزم رہی اور آپریشن کا رکرداری، سیالیٰ میں کے بہتر استعمال اور صنعتیات کے معیار میں بہتری کے لیے سرمایہ کاری حاصل کرے۔

میتوانند از این احتمالات که قوای خارجی که از این کشورها برخوردارند را می‌دانند.

کار لیبر - شنگوخت

سید علی کلشن

1.	محترمہ تہذیت مساعد	ڈاکٹر کیمپر اچیر پرہ سن
2.	جناب مساعد حنف	اگریز کیٹوڈا ہیر کیمپر / اسی ای اور
3.	جناب ارباب محمد خان	اگریز کیٹوڈا ہیر کیمپر
4.	محترمہ صاحب رہمان	ڈاکٹر کیمپر
5.	محترمہ سارہ نیوی والا	ڈاکٹر کیمپر
6.	محترمہ عائشہ نویید	آزادو ڈاکٹر کیمپر
7.	جناب شیخ محمد اقبال	آزادو ڈاکٹر کیمپر

معزز اکیپ

آپ کی کمپنی کے وزاریکٹر کو یہ خوشی ہے کہ: آپ کے سامنے سالانہ فروخت بھروسہ شہری مالیاتی بیانات اور آزاد ایکٹر کی رپورٹ برائے دست اختیار پر 30 جون 2025 پر ٹیکر دی جائے جائے۔

مالی کارکردگی

چاہے میکرو اور میکرو معاشری حالات کتنے ہی مشکل کیوں نہ رہے ہوں، آپ کی کمپنی نے ثابت تدبی کا مظاہرہ کیا اور اپنے آپ شرمنٹر انداز میں جاری رکھے۔ اہم مالی تائگ کا خاصہ درج ذیل ہے:

فیصد اضافہ (کی)	2024	2025	تغییارات
(1.36)	8,393,875,256	8,279,470,879	نالص فروخت
(9.09)	896,667,273	815,166,605	مجموعی اضافہ
(11.83)	647,464,069	570,852,915	EBITDA
12.91	203,018,840	229,232,846	کٹٹی برائے اٹھجات
(10.82)	293,003,323	261,301,508	مالی ایگ
(46.96)	151,441,906	80,318,562	نیکس سے قبل منافع
(96.02)	45,653,646	1,819,084	نیکس کے بعد منافع
(96.02)	0.77	0.03	EPS

سال 2024-2025 پاکستان کی ٹیکنالوگی، گرمنس اور تولیہ سازی کی صنعت کے لیے ایک ایسا سال تھا جو جس میں مذکوٰات کے ساتھ ساتھ معمولی موافق بھی سسراے۔ یہ مال کی فراہمی میں رکاوٹیں، بھوتی ہوئی پیداواری لگت، تو ایسی کی کی اور ریگویٹری غیر ٹینی حالات جیسے بائے ساکل کے باوجود صنعت نے خاص طور پر ویڈیو ایڈیشن (Value Added) شعبوں میں تجارتی معاشر کی علامات غایہ برکیں۔ زیرِ نیکس ایکٹر کی میکس پر فروخت صحنیں یا نیکس کے سامنے پیش کر رہی ہے جس میں کاروباری مانوں، کارکروگی اور مستقبل کی حکمت عملی کا خلاصہ دیا گیا ہے۔

چاہے وہ سال کے دوران کمپنی نے کل نالص فروخت 28.8 ارب روپے پر ریکارڈ کی جو 2024 کی 39.39 ارب روپے کے مقابلے میں 36% کی کوتاہر کرتی ہے۔ آمدی میں یہ کمپنی کے چلنج برکرداری پر وکٹ شعبوں میں بھوتی ہوئی مسایبات کی عکاسی کرتی ہے۔

سال کا بھوتی محتاج 17.815 ملین روپے پر رہا جگہ اس سال کے 896.67 ملین روپے کے مقابلے میں 9.09% کم ہے۔ بھوتی مارچن میں کی کی بیانی ویڈیو خام مال کی ٹنڈل ایگ اور سیکس میں تبدیل ہی ہے۔ ٹنڈل گرمنس ایکٹر کے سامنے تیاری کر رہی ہے، تاہم موجودہ مالی سال میں نیکس کا ساتھ نے محتاج پر اڑا۔ اس کے علاوہ جولائی 2025 میں اس این ٹیپی ایس کی طرف سے نیوف کے ساتھ فرق کے بنا یا جات کی مدد میں عائدیں نے بھی محتاج کو ہریدار کر دیں۔

اینی آئی ڈی ڈی اے (EBITDA) 11.83% کی کے ساتھ 2024 میں 46.96 ملین روپے سے گت کر 2025 میں 570.85 ملین روپے پر رہا جس کی بڑی وجہ یہ ہے ہوئے آپ پینگ اخراجات اور لگات کا دہ دھن۔ کمپنی کو موجودہ سال میں لوزر کی فروخت پر 12.644 ملین روپے کا انتصان اٹھا تاپے اچک گرگر شست سال 97.48 ملین روپے کا فائدہ ہوا تھا۔ ذیجی میں ایشن 12.91% اضافہ کے ساتھ 203.02 ملین روپے سے 229.23 ملین روپے ہو گئی، جو عالیہ سرماہی کاری کا نتیجہ ہے جو اسکے مالی سال میں اقتصادی طور پر استعمال ہو گی۔ اگرچہ یہ سرماہی کاری میں اضافہ کے لیے فائدہ مند ہیں، تاہم غیر نفاذ اخراجات میں اضافہ کمپنی کے اپنے پینگ منافع کو متاثر کر گی۔

نیکس کا ساتھ 10.82% 10.82% کی کے ساتھ 293.00 ملین روپے (2024) سے گت کر 261.30 ملین روپے رہی، جس کی بڑی وجہ بہتر ترند یا تائی نہیں اور کم اوسط شرح مدد چھی۔

نیکس سے قبل منافع 80.32 ملین روپے پر رہا، جو گرگر شست سال کے 151.44 ملین روپے کے مقابلے میں 46.96% کی کوتاہر کرتا ہے۔ نیکس اخراجات کے بعد کمپنی نے محض 1.82 ملین روپے کا نالص محتاج کیا، جو 2024 میں عامل شدہ 45.65 ملین روپے کے مقابلے میں 96.02% کی ہے۔ تیٹا فی حصہ ایگ (Adm) (EPS) بھی 0.77 روپے سے 0.03 روپے ہو گئی۔

کمپنی کی BMR پالیسی

کمپنی چلنا لگ، ہزار نرٹیشن اور ٹیکٹسٹ (BMR) کو مسایبات برقرار رکھنے اور پائیدار ترقی کی ایک بیانی حکمت عملی کے طور پر تضمیں کرتی ہے۔ اس پالیسی کا مقصود پیداواری میں کے ہر مرحلے میں استعداد، معیار اور گھنیائی کو بہتر بنا ہا۔

بوروڈ آف ڈائریکٹرز کی جانب سے، مجھے خوشی ہے کہ میں آپ کے سامنے چیئر میں کا جائزہ پیش کر رہی ہوں، جو بوروڈ کی کارکردگی اور کمپنی کے مقاصد کے حصول میں اس کے کردار سے متعلق ہے، اور کمپنیزا یکٹ 2017 کی دفعہ 192 کے مطابق ہے۔

مالی سال 30 جون 2025 کے لیے بوروڈ کی موثر اور مجموعی کارکردگی کو اطمینان بخش تر کر دیا گیا ہے۔ بوروڈ اور کمیٹیوں کے اجلاسوں کے لیے ہر کن کو پیشگوئی اطلاع کے ساتھ ایجاد کروکر پیش اور معاون مواد فراہم کیا گیا۔ بوروڈ اور کمیٹیاں کثرت سے اجلاس کرتی رہیں اور تمام باضابطہ طلب کردہ اجلاسوں میں اپنی ذمہ داریاں مخصوصی انجام دیں۔ آزاد اور نان ایگزیکٹو ڈائریکٹرز بھی فیصلوں کے تمام مرحلیں مساوی طور پر شریک اور فعال رہے۔ یہ امر قابل ذکر ہے کہ کمیٹیوں (آڈٹ کمیٹی، ہیومن ریسورس آئنڈری ہیومن کمیٹی) نے انتظامیہ کی رہنمائی اور بہتری کے لیے قابل توجہ کردار ادا کیا۔

آنکھوں کے لیے، بوروڈ کو کمپنی کی صلاحیت پر کمل اعتماد ہے کہ وہ جاری چیلنجز سے مؤثر طور پر نجٹ سکے گی اور ابھرتے ہوئے موقع سے بھر پور فائدہ اٹھائے گی۔ ہماری ترجیحات میں افرادی قوت، نظام اور نیکنا لوگی میں سرمایہ کاری شامل ہے تاکہ کارکردگی میں بہتری لائی جاسکے، اپنے پورٹفولیو کو دعست دی جاسکے اور صارفین کے ساتھ تعلقات کو مزید مضبوط بنایا جاسکے۔

سال کے دوران بوروڈ کی جانب سے یہے گئے اہم فیصلوں میں شامل ہیں:

- ☆ سرمایہ جاتی اخراجات (CAPEX) کی منظوری؛
- ☆ سماں اور سالانہ مالیاتی بیانات کا جائزہ اور منظوری؛
- ☆ داخلی آڈٹ اور آڈٹ کمیٹی کی رپورٹوں کا معائنہ؛
- ☆ متعلقہ فریقوں کے ساتھ لین دین کی گرامی؛ اور
- ☆ ہیروئی آڈیٹرز کی تقری۔

بوروڈ آف ڈائریکٹرز کی جانب سے، میں تمام اسٹیک ہولڈرز کا دلی شکریہ ادا کرتی ہوں جنہوں نے سال بھر مسلسل تعاون اور حوصلہ افزائی فراہم کی۔ بوروڈ باضابطہ طور پر کمپنی کے انتظامیہ کی قسمی خدمات کا اعتراف کرتا ہے، جن کی لگن اور پیش دورانہ صلاحیت نے عملی کارکردگی میں بہتری اور اسٹریٹجیک ترقی کے حصول میں اہم کردار ادا کیا ہے۔

لحنن صدیقہ، مالی اہر

محمد تہبیت مسعود
چیئر پس

لاہور

30 ستمبر 2025

زیور ٹیکسٹ ملز لمپیڈ

پرائیسی فارم

میں اہم کمی امساہے میں بول سکے اور دوست ڈال سکے۔

چوادہ کے کوائنٹ

- 15 -

卷之三

卷之三

کمپیوٹر آئیز قومی شناختی کارڈ کا نمبر:-

فیلم

سی ڈی ای کھاتی نمبر: ۱۰۰

شخص کی تعداد:-

261

برائے ایکی فارم کمپنی کے رجسٹرڈ فنڈز اور میں اچھا سب کے انتخاب سے کم از کم ۲۸ سو ہزار روپیہ میں جمع کرنا ہوا ہے۔ بصورت دیگر وہ قابل تقدیم نہ ہوگا۔

ZEPHYR TEXTILES LIMITED

3rd Floor IEP Building 97-B/D-1, Gulberg III, Lahore

PROXY FORM

I/ We,

Of

Being a member of ZEPHYR TEXTILES LTD, hereby appoint

Being a member of ZEPHYR TEXTILES LTD, hereby appoint

(NAME)

Of _____ another member of the company

Or failing him/ her _____

(NAME)

Of _____ another member of the company

(being member of the company) as my/ our proxy to attend vote for and on my / our behalf at the Annual General Meeting of the company held at its Registered Office, 3rd Floor IEP Building 97/B/D-1, Gulberg III, Lahore on October 28, 2025 at 10:30 AM and at every adoomments thereof.

As witnessed given under my / our hand (s) this _____ day of _____ 2025.

1. Witness: _____
Signature: _____
Name: _____
Address: _____

Affix
Revenue
Stamps of
Rs. 5/-

Signature of Member

2. Witness: _____
Signature: _____
Name: _____
Address: _____

Shares held _____
Shareholders' _____
CDC A/c # _____
CNIC #: _____

Notes:

1. Proxies, in order to effective, must be reached at the Company's Registered Office, not less than 48 hours the time of holding the meeting and must be duly stamped, signed and witnessed.
2. CDC shareholders, entitled to attend and vote at this meeting, must bring with them their National identity card / passport in original to prove his / her identity, and in case of proxy, must enclosed an attested copies of his/her NIC or passport. Representative of Corporate members should bring the usual documents required for such purpose.



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