

Stepping Into Tomorrow

Every Step Spun with Purpose



2026
ANNUAL REPORT


**TATA
PAKISTAN**

Stepping Into Tomorrow

Every Step Spun with Purpose

Great companies are not built in moments; they are built in motion, through one bold decision, one purposeful step, and one defining milestone at a time. From its first spindle to its place today as a future facing textile powerhouse, **TATA TEXTILE MILLS LTD.** nearly four decade journey has been shaped by conviction, resilience, and a commitment to progress. This year's report takes its cue from that very idea: growth as a climb, not a leap. Each step on our cover, Integrity, Respect, Teamwork, Accountability, and Innovation, represents not a slogan but a discipline the Company has practiced at every stage of its journey, and the very foundation on which this year's progress was built.

2025-26 has been a year defined by acceleration. What once took quarters to execute, we now execute in weeks. This is not change for its own sake; it is change spun with purpose, guided by the same values that have carried this Company since its first spindle turned in 1984. The arrow rising across our cover traces that same trajectory: a Company gaining not just height, but speed.

Our climb this year has also been one of expansion, in capacity and in capability. **TATA TEXTILE MILLS LTD.** has positioned itself not merely to keep pace, but to set it. Every investment we made this year, from technology upgrades to renewable energy integration, was made with tomorrow's mill in mind, not just today's output. Our continued efforts towards sustainability reflect a simple belief: that the Company we hand to the next generation must be stronger, greener, and more resilient than the one we inherited. Behind every step, quite literally, is the yarn: the product of that discipline, spun thread by thread into something the world relies on.

The staircase on our cover is not a metaphor for arrival; it is a metaphor for motion. There is no final step, no summit where the climb ends. Tomorrow is not the destination we are waiting to reach; it is the ground we are already standing on, taken one deliberate, values led step at a time.

This is **TATA TEXTILE MILLS LTD.** in FY 2025-26: **Stepping into Tomorrow.** Every step spun with purpose.





About this Report

Content

This Annual Report of TTML provides a comprehensive overview of the Company's performance during FY 2025-26. It presents essential background information, detailed financial and operational results, and management's commentary on key business drivers. Data is supported with graphs, charts, and analyses for better visualization and interpretation. Dedicated sections highlight digital transformation initiatives, governance practices, and stakeholder engagement. The Report also includes Annual Financial Statements, prepared in accordance with applicable accounting and reporting standards in Pakistan but doesn't include Sustainability Report, which will be published separately as part of Annual Report.

Scope and Boundary

The Report covers the financial year from July 01, 2025, to June 30, 2026, while also incorporating significant subsequent developments up to the date of publication. Financial analysis and reviews are based on audited financial statements for the year ended June 30, 2026, with relevant comparative information. No major changes have been made to the scope, boundary, or reporting framework compared to the previous year, except where specifically disclosed.

Disclaimer

This Report contains forward-looking statements reflecting management's current expectations. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated. They should not be considered as guarantees of future performance and are valid only as of the date of publication.

External Assurances and Reviews

The Company's Financial Statements have been audited by its statutory auditors, M/s Yousuf Adil, Chartered Accountants. The Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 has also been reviewed by the auditors.

Feedback

The Company values feedback and welcomes comments on its reporting. For any questions and/or suggestions, you may contact our team via email at ttml.corporate@tata-pakistan.com

Awards and Accolades



**1st Position in the
Best Corporate Report 2023**



**1st Position in the
Best Corporate Report 2024**



**Diamond Award at 3rd Skill
Development Recognition Awards 2024-25**



**Silver Recognition For
Employer of The Year 2025**

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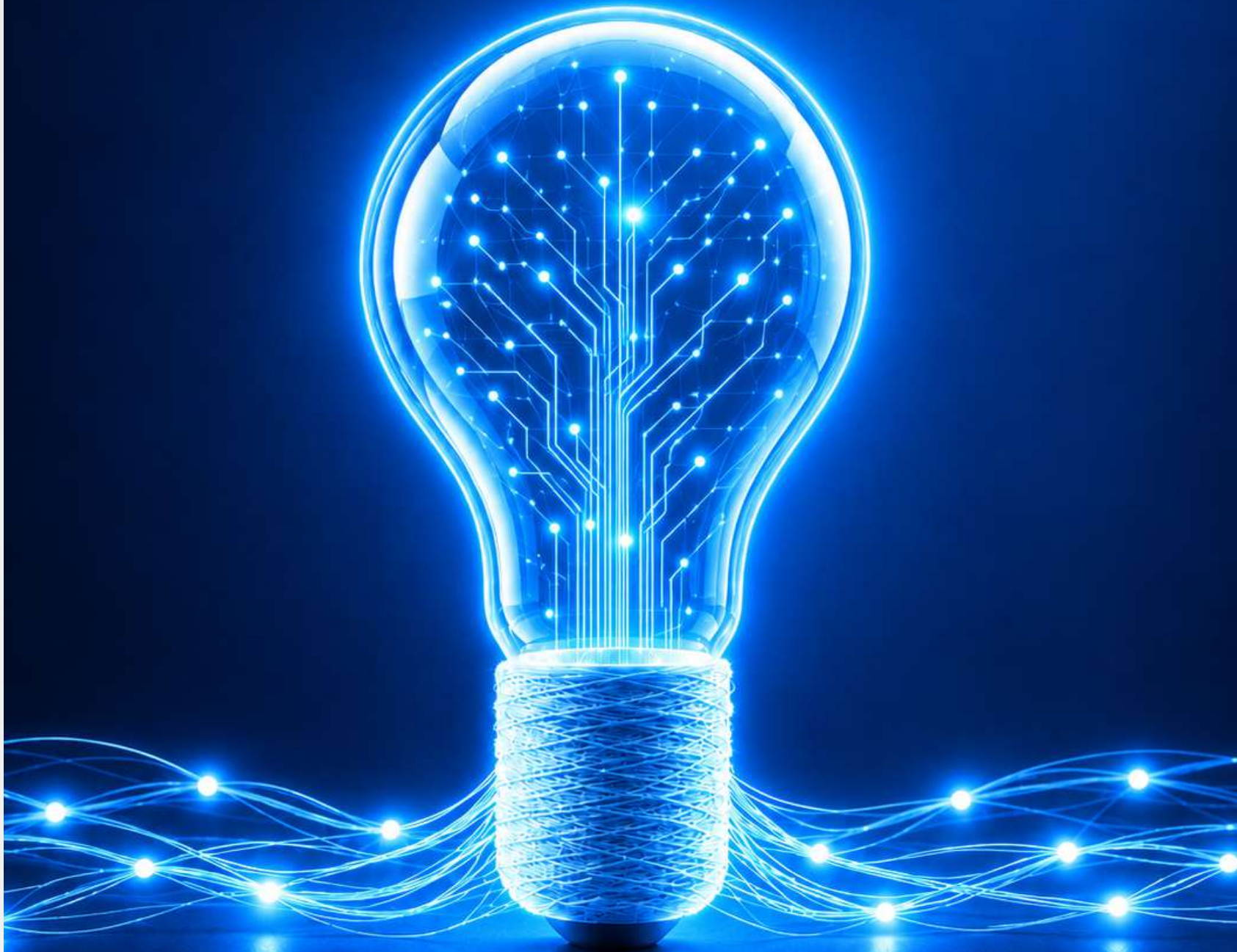
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PERFORMANCE HIGHLIGHTS



Organizational Overview and External Environment



Vision Statement

We envision our credibility as one of the World's leading companies known for its values, principally honest business practices and optimum quality standards in diversified product range with sustained growth.



Mission Statement

We shall remain committed to exceeding the highest expectations of our customers. We strive for the production of best quality yarns for high value products.



Culture

We are one team, committed to excellence, through continuous improvement, collaboration, and respect.

This culture statement captures the key elements of your culture statement:



One team

We are all part of the same team, working together towards a common goal.



Committed to excellence

We strive for the highest standards of performance and quality.



Continuous improvement

We are always looking for ways to improve our processes and results.



Collaboration

We work together to achieve our goals, sharing ideas and resources.



Respect

We treat each other with respect, regardless of our differences.

Values

Our core values comprise of the following four pillars which ensure our growth and lead us to the path of success.



Integrity

We contribute to support family-oriented work environment founded on trust, honesty and transparency, with open communication and fair dealing.



Respect

We value people as our valuable asset. Value and treat others as we would want others to treat/value us.



Teamwork

To own the business and work for mutual benefits of the company and individual work effectively with each other to achieve organizational goals with a helping and a positive attitude.



Accountability

To deliver excellence in results with commitment to all stakeholders take responsibility for the success of business marked by continuous development whilst achieving shareholders objectives.

Code of Conduct & Business Ethics

TTML is committed to conducting its business in accordance with the applicable laws, rules, and regulations and with the highest standards of business ethics. The Company's Code of Conduct captures its values and encompasses business principles and ethical standards that the Company is committed to upholding.

Honest and Ethical Conduct

The Company expects all directors and employees to act in accordance with the highest standards of personal and professional integrity, honesty, and ethical conduct, while working at the Company's premises, at offsite locations, at Company-sponsored business and social events, and/or at any other place where directors and employees represent the company. Honest conduct is considered to be free from fraud and/or deception, while ethical conduct conforms to accepted professional standards.

Conflicts of Interest

Employees are required to avoid engaging in activities that conflict with the Company's best interest. A conflict of interest occurs when a director or employee's actions or interests hinder their ability to perform their duties objectively and effectively, or when they receive improper personal benefits from their position. Any external business activity that affects one's ability to focus on their role at the Company must be disclosed to ensure no conflict with Company interests. Receiving non-nominal gifts or having significant ownership interests in a supplier, customer, business partner, or competitor can create conflicts of interest. Directors must disclose potential conflicts to the Board of Directors for approval, while employees must disclose to the Division Head and HR Head and seek approval.

Compliance with Applicable Laws, Rules, and Regulations

Directors and employees must adhere to all relevant laws, rules, and regulations, acquiring sufficient knowledge to recognize risks and seek advice when needed. For copyright protection, they must also avoid copying or transferring confidential or proprietary information from external sources unless officially authorized and legally permitted.

Confidentiality

Confidential Information must not be disclosed to unauthorized personnel or used for personal benefit by the employees to prevent harm to the Company or benefit to competitors. Directors and employees must safeguard sensitive data, use it only for business purposes, prevent unauthorized copying or disclosure, ensure electronic communications are correctly addressed and marked confidential, and avoid using it for personal gain or discussing it with unauthorized individuals throughout the employment period, and even after leaving the Company.

Insider Trading

Zero tolerance for the improper use of non-public or inside information. Employees aware of inside information must treat it with confidentiality and avoid unauthorized disclosures. This includes buying or selling company stock based on material, non-public information, creating an unfair advantage. Employees and directors with such information must not:

- a. Trade or transact company stock,
- b. Share the information with others who might trade based on it,
- c. Use the information for personal gain or to benefit others.

Fair Dealing

Fairness in dealings with employees, customers, suppliers, and competitors is essential. The Company enforces merit-based hiring, prohibits discrimination, and has zero tolerance for favoritism, harassment, and misuse of authority.

Protection and Proper Use of Company Assets

The Company assets must be safeguarded and used efficiently for legitimate purposes; misuse, theft, or waste is not tolerated.

Gifts and Entertainment

Receiving gifts from business partners is generally prohibited unless they are customary, non-influential, and in line with the Code of Conduct.

Limits of Authority

Actions on behalf of the Company must align with approved delegation limits. Only authorized individuals may sign or approve official documents and represent the Company.

Political Activities

Directors and employees may volunteer for political campaigns in their personal capacity, ensuring no conflict with their work responsibilities and company representation.

Representation in Media

Only authorized spokespersons may speak for the Company in media, particularly in the event of a crisis. Responsible social media use is required to protect the Company's reputation.

Post-Separation Responsibility

Upon leaving the Company, Directors and employees must return all assets and documents and continue to maintain confidentiality regarding information obtained during their employment with the company.



Company Information

Board of Directors

Mr. Mazhar Valjee - Chairman
Mr. Shahid Anwar Tata - Chief Executive
Mr. Adeel Shahid Tata - Executive Director
Mr. Bilal Shahid Tata - Non-Executive Director
Mr. Farooq Advani - Independent Director
Mr. Tayyeb Afzal - Independent Director
Ms. Samar Shahid - Non-Executive Director

Audit Committee

Mr. Tayyeb Afzal - Chairman
Mr. Bilal Shahid Tata - Member
Mr. Farooq Advani - Member
Mr. Ghazanfer Yaseen - Secretary

HR & Remuneration Committee

Mr. Mazhar Valjee - Chairman
Mr. Farooq Advani - Member
Mr. Adeel Shahid Tata - Member
Mr. Bilal Shahid Tata - Member
Ms. Samar Shahid - Member
Mr. Zarrar Nasir Khan - Secretary*

Chief Operating Officer

Mr. Adeel Shahid Tata

Chief Financial Officer

Mr. Muhammad Zaid Kaliya

Company Secretary

Mr. Muhammad Hussain

Head of Internal Audit

Mr. Ghazanfer Yaseen

Auditors

M/s. Yousuf Adil, Chartered Accountants

Legal Advisor

Sajeel Mirza Mann & Shah

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank AL Habib Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
HBL Islamic Banking
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
National Bank of Pakistan – AIBG
Samba Bank Limited
Soneri Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Development Financial Institution

PAIR Investment Company Limited
Pak Oman Investment Company Limited

Registered Office

6th Floor, Textile Plaza,
M.A. Jinnah Road, Karachi.
Tel: (92-21) 32426761, (92-21) 32426747
Fax: (92-21) 32426754
Email: ttm.corporate@tatapakistan.com

Factory Location

Khanpur, Baggasher, Muzaffargarh, Punjab
S.I.T.E. Kotri, District Jamshoro, Sindh and
Landhi Industrial Area, Karachi, Sindh.

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block ‘B’, S.M.C.H.S.,
Main Shahra-e-Faisal Karachi.
Tel: (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053

E-Communication

www.tatapakistan.com
https://www.linkedin.com/company/tata-pakistan/
https://www.youtube.com/@tatapakistan1

*Mr. Zarrar Nasir Khan appointed as a secretary of HRRC in place of Ms. Humera Ahmed with effect from September 04, 2026.

Group Legacy and Business Overview

TATA Pakistan is a well-established and reputable business group in Pakistan, with diversified operations in the textile and food sectors. Since the commencement of its business activities in 1969, the Group has developed a strong presence in textile spinning and has built a respected brand identity based on trust, consistent quality, and customer confidence. Over the years, the Group has also expanded its business portfolio into the food sector. TATA Pakistan continues to be recognized for its legacy of quality, focus on operational excellence, and progressive adoption of modern technology, positioning it as a reliable name in the industry.

Tata Textile Mills Ltd. (TTML)

TTML is a public limited company incorporated in 1987 under the Companies Ordinance, 1984 (repealed by the Companies Act, 2017) and listed on Pakistan Stock Exchange. In 2021, Island Textile Mills Ltd., Salfi Textile Mills Ltd., and Tata Energy Ltd. merged into TTML, thereby synergy and efficiency of the company enhanced. The registered office of the company is located in Textile Plaza, Karachi. The spinning units are located in Karachi, Kotri and Muzaffargarh. For a general review of TTML’s performance in comparison with last year and , please refer to Part VI- “Analysis of Financial Information” of this annual report.

Kotri Unit

Established in 1970 as Island Textile Mills Ltd. prior to the merger, the Kotri Unit was acquired by the Group in 1981 as an operational spinning facility located in the Kotri Industrial Estate, Sindh. Over the years, the unit has earned a strong reputation in cotton yarn spinning. In 2014, the Company initiated a strategic expansion plan, and commercial production commenced in 2015 with advanced, fully automated Rieter spinning machinery covering the complete process from blow room to winding. The unit currently has an installed capacity of 45,984 spindles. To support sustainable operations, a 3.58 MW solar power plant has been installed to generate renewable energy for the facility.

Landhi Unit

Established in 1968 as Salfi Textile Mills Ltd. prior to the merger, the Landhi Unit was acquired by the Group in 1983 and has maintained a prominent position in the yarn market for over four decades. In 2005, the unit underwent a comprehensive modernization programme, increasing its capacity to 36,708 spindles through the installation of state-of-the-art machinery and significantly enhancing its spinning production capability. In line with the Group’s focus on energy efficiency and renewable power, a 1 MW solar power plant has been installed at the facility.

Muzaffargarh Unit

Established in 1987, the Muzaffargarh Unit is a modern spinning facility dedicated to cotton yarn production. The unit, previously equipped with 44,400 spindles, has been expanded to 49,488 spindles and has contributed to positioning the TATA brand as a recognized market standard. Located in Muzaffargarh, the facility has recently undergone operational and technological upgrades. To optimize power generation costs and improve energy efficiency, the unit is supported by highly efficient gas generators and a 6.61 MW solar power plant.

Tata Best Foods Limited (TBFL)

After four decades of excellence in the textile industry, the group diversified into the food sector in 2010 as a public limited unlisted entity under the Companies Ordinance, 1984. TBFL's core business involves meat processing at its internationally accredited facility in Landhi, Karachi, where it prepares, processes, preserves, packages, and markets meat and related products for both export and local sales to restaurants, hotel chains, and grocery stores. The company’s feedlot facility and agricultural activity is located at Muzaffargarh. As a manufacturer and exporter, TBFL is playing a crucial role in the modernization of Pakistan's meat industry and contributes significantly to the economy through valuable foreign exchange.

Upcrop (Pvt.) Limited (UPPL)

UPPL is recently established in 2022, as a private limited entity under the Companies Act, 2017. UPPL is an innovative agricultural company founded with a vision to transform previously uncultivable land into productive agricultural units using advanced irrigation technology. The agricultural land of the company is situated at Muzaffargarh. The company is committed to integrating cutting-edge sensor technology to gather precise data on soil, weather, and crop health, optimizing agricultural operations through innovative solutions.

Corporate & Business Profile

Tata Textile Mills Limited (TTML) stands among Pakistan's leading manufacturers and suppliers of premium-quality yarn, with a legacy rooted in the group's inception in the late 1960s. Incorporated as a public limited company on April 15, 1987 and listed on the Pakistan Stock Exchange. TATA Pakistan has spent over five decades building a strong and distinguished presence in the textile sector by consistently delivering quality, reliability, and value to its customers.



With a strong focus on the B2B segment, the Company continues to serve as a trusted partner for both domestic and international markets, from its manufacturing facilities in Karachi (Sindh), Kotri (Sindh), and Muzaffargarh (Punjab). Its yarns serve a wide network of globally renowned textile and apparel brands, including Levi's, Zara, Adidas, Nike, Hugo Boss, GAP, H&M, and Primark. This performance is powered by modern, efficient machinery from globally renowned manufacturers such as Rieter, Truetzschler, Toyota, and Murata, reflecting TTML's unwavering commitment to precision, performance, and continuous improvement.

Backed by more than five decades of consistent business performance, TTML has earned a reputable position within Pakistan's textile spinning industry. The Company's focus on innovation, superior product quality, employee well-being, and ethical business practices has shaped a customer-centric portfolio comprising leading domestic and international clients. These long-standing relationships continue to strengthen TTML's market presence and reinforce its reputation as a trusted and dependable name across the textile value chain.

Governance & Operational Excellence Quality, Health, Safety & Environmental Stewardship

TTML places strong emphasis on health, safety, environmental stewardship, and sustainable growth – a reflection of its commitment to being a socially responsible organisation. Since 1990, the Company has operated under a Quality Management System aligned with ISO-9001, which forms the bedrock of its governance and operational excellence. This framework is now being expanded to integrate Occupational Health & Safety, Environmental Management, and Energy Management Systems, supported by digital transformation initiatives that enhance monitoring, efficiency, and compliance with global best practices. This discipline is reinforced by a rigorous, three-tier Quality Assurance system – spanning fibre testing, offline testing, and 100% online testing of finished yarn – administered by an independent QA department that benchmarks every batch against globally recognised standards, including ISO 139-compliant climate-controlled testing laboratories.

Globally Benchmarked Standards Compliance and Sustainability Certifications

TTML holds certifications across the following internationally recognised sustainability and quality standards:

- OEKO-TEX®
- Global Recycle Standard (GRS)
- Global Organic Textile Standard (GOTS)
- Recycled Claim Standard (RCS)
- Organic Content Standard (OCS)
- Regenagri® Content Standard

TTML is an active participant in several international forums that pursue sustainability initiatives across the cotton and textile value chain, including:

- International Cotton Association (ICA)
- Cotton Made in Africa (CMiA)
- Cotton USA Licensee
- Better Cotton Initiative (BCI)
- US Cotton Trust Protocol (USCTP)

TTML is a valued part of the supply chain for prominent global brands such as Primark and Inditex. This association has led the Company to maintain its registration with the Social & Labor Convergence Program (SLCP) and to actively utilise the Higg Index to measure and continually grow its sustainability practices.

Clean, Cost-Efficient Power Energy Management

TTML is committed to excellence in energy management by utilising a diversified mix of energy sources, focusing on cost efficiency while prioritising clean and sustainable energy for power generation. In line with this commitment, the Company has steadily scaled up its solar generation capacity to 11.14 MW while further capacity expansion is in process- a clear marker of its transition toward a greener, more resilient energy footprint.

Technology-Led Efficiency Digital Transformation & Governance

TTML has advanced its digital transformation by migrating to the Cloud-based ERP Oracle Fusion, enhancing integration, visibility, and automation across operations. Key initiatives include digital supplier portals, barcode systems, business intelligence dashboards, and an advanced HR management system. The adoption of Diligent Boards and paperless workflows has further strengthened governance and efficiency. Looking ahead, the Company's priorities include cyber risk management, advanced analytics, and expanding automation – ensuring operational resilience, sustainability, and long-term stakeholder value.

Engineered for Precision Product Portfolio

TTML has the capability to produce the following categories of yarn, engineered to meet exacting international specifications:

1. 100% Cotton Carded Knitting and Weaving Yarns
2. 100% Cotton Combed Knitting and Weaving Yarns
3. 100% Cotton Combed Compact Knitting and Weaving Yarns
4. 100% Cotton Carded Weaving Siro Yarns
5. 100% Cotton Combed Compact Weaving Siro Yarns
6. 100% Cotton Carded/Combed Slub / Siro-Slub Yarns
7. Zero Twist PVA Carded and Combed Yarns
8. 100% Cotton Plied Carded and Combed Yarns
9. Cotton / Polyester Blend Carded and Comb Yarn for Knitting and Weaving
10. Cotton / Tencel Blend Carded for Weaving Yarn
11. Cotton / Modal Blend Carded for Weaving Yarn
12. Cotton / Polyester Blend Carded and Comb Chain Yarn

From Yarn to Finished Fabric Applications

TTML's yarns form the foundation of a wide spectrum of finished textile products, and are widely employed across the following end-use categories:



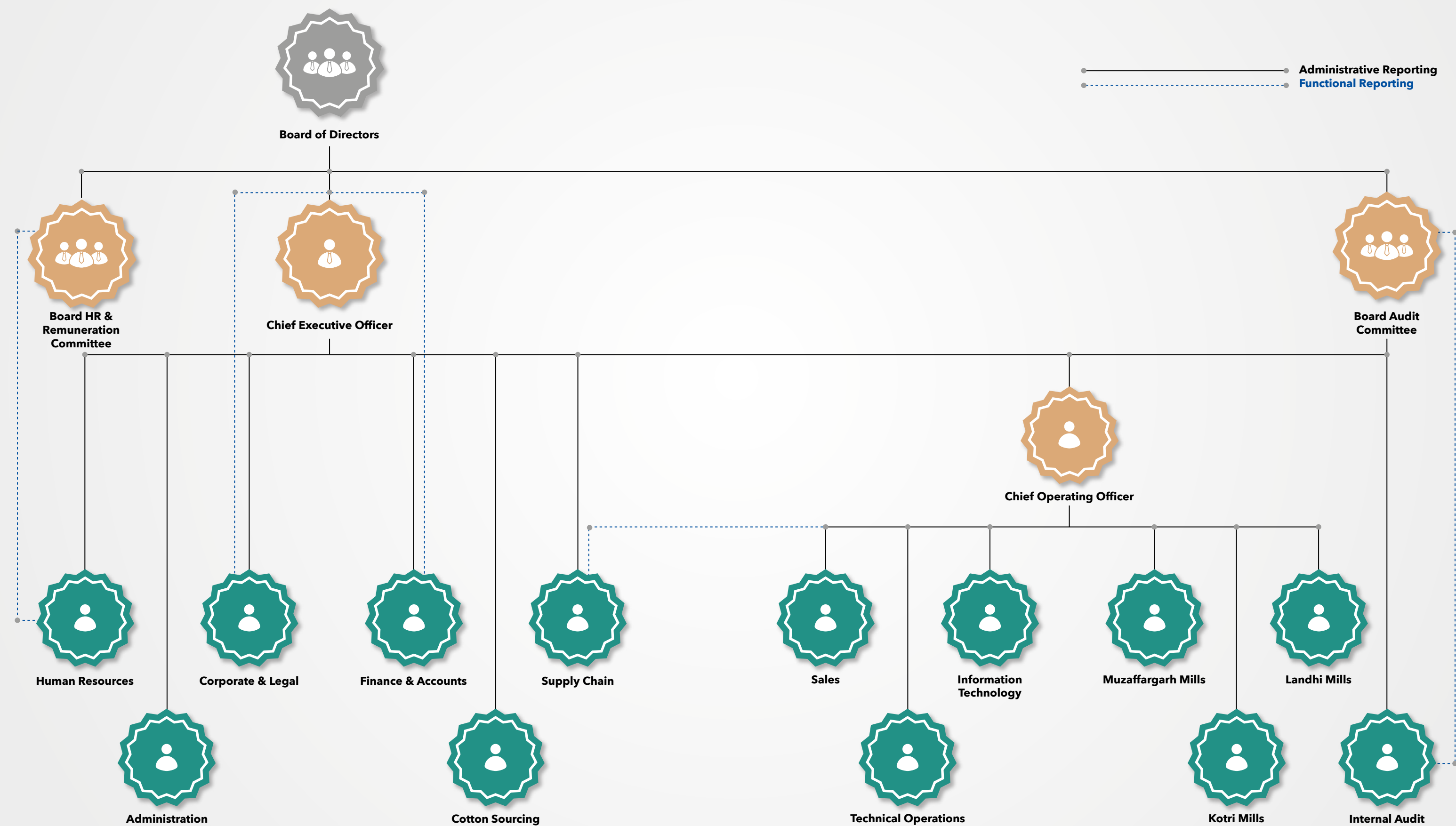
Geographical Spread

- Imported Cotton Buying Area**
Argentina | Brazil | Ivory Coast
Mexico | Tajikistan | Tanzania
Turkey | United States of America
- Local Cotton Buying Area**
Ahmed Pur East | Hala | Khair Pur
Rani Pur | Rohri | Sanghar | Shahdad Pur
Sui | Tando Adam | Yazman
- Export Sales**
Bangladesh | China
France | Japan
- Local Sales**
Faisalabad | Hyderabad, Sindh
Jhang | Karachi | Kasur
Lahore | Lasbela District | Multan
Nooriabad | Sialkot

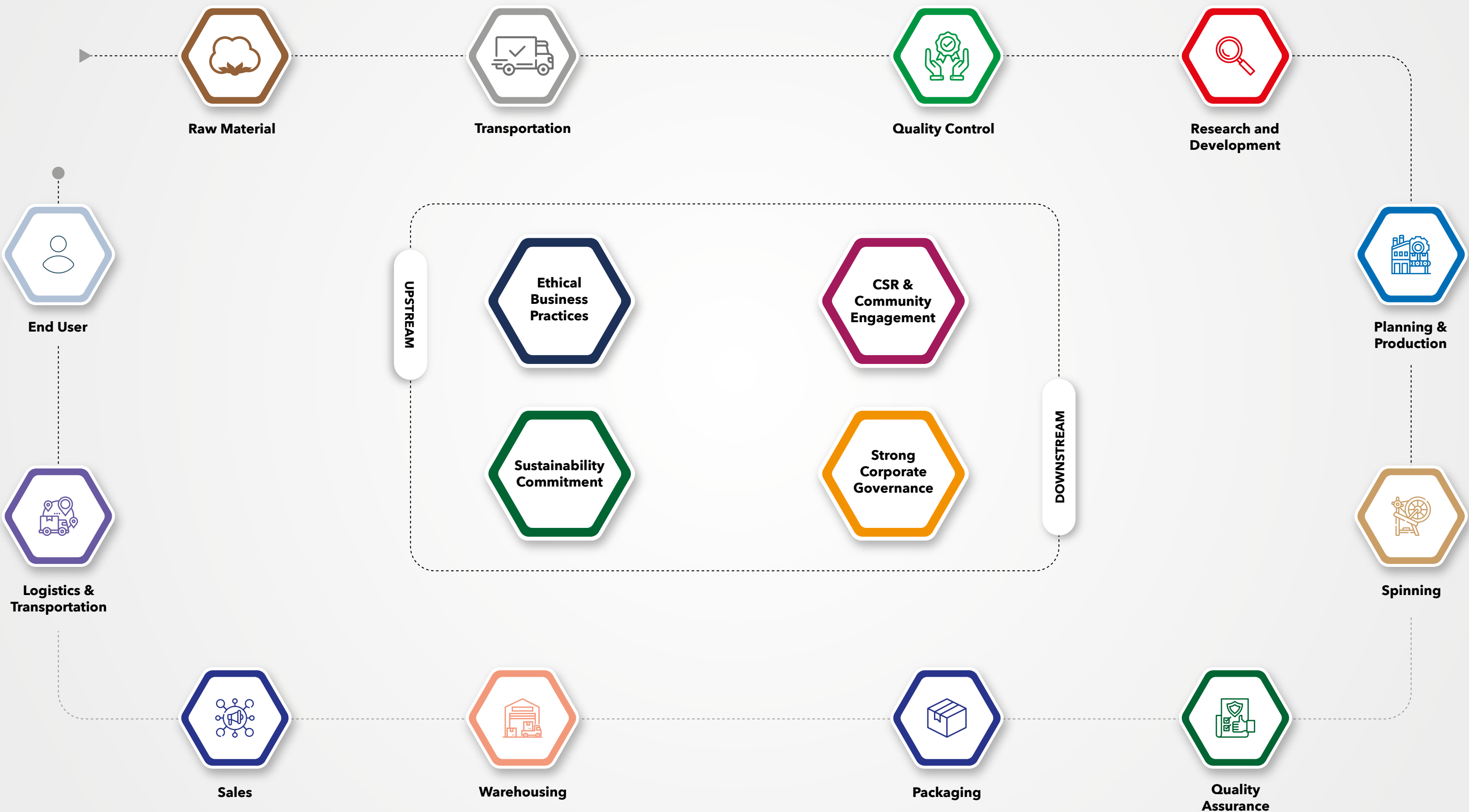


- Manufacturing Plant**
Landhi Industrial Area, Karachi, Sindh.
S.I.T.E, Kotri, District Jamshoro, Sindh.
Khanpur, Baggasher Muzaffargarh, Punjab.
- Registered Office**
6th floor, Textile Plaza, M.A Jinnah Road, Karachi, Sindh.
- Warehouses:**
North Western Industrial Zone, Port Qasim Authority, Karachi, Pakistan;
S.I.T.E Karachi, Pakistan.

Organizational Structure



Value Chain Positioning



STEEPLE Analysis

TTML's strategic planning is informed by a structured STEEPLE analysis, examining the Social, Technological, Economic, Environmental, Political, Legal, and Ethical factors that influence the Company's operating environment. For each dimension, the Company has developed a deliberate, proactive response designed to protect and strengthen its long-term competitiveness.

FACTORS



A strong commitment to social responsibility is essential for improving business performance and preventing adverse effects on stakeholders. Socio-cultural factors – including demographic attributes, norms, and local customs – meaningfully assist marketers in comprehending customer needs.



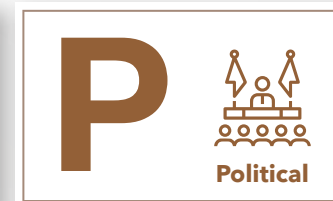
Technology is essential for sustained organisational growth and plays a key role in business success. Companies that understand how technology can reshape their industry and markets are better positioned to make well-informed decisions on expansion, product launches, and outsourcing. The latest technological advancements empower TTML to embark on a path of continued growth.



Economic factors – such as interest rates, inflation, taxation policies, and exchange rates – can significantly impact business financial performance. These factors affect consumer purchasing power, the cost of doing business, and demand for goods and services, and as a result have a direct bearing on the profitability, growth, and sustainability of businesses.



Climate change poses a critical threat, driving calamities that disrupt productivity, fuel inflation, and create adverse social impacts. The growing environmental crisis and resource scarcity oblige companies to embrace CSR, sustainability, and strict environmental regulatory compliance in order to avoid reputational loss and legal repercussions.



Political factors play a decisive role in shaping business outcomes. Frequent policy changes and instability in governance can challenge investor confidence and disrupt long-term planning. The extent of government intervention and overall political stability remain key determinants of market attractiveness and organizational performance.



Businesses are required to have a comprehensive understanding of the legal and regulatory frameworks that govern their operations, both domestically and internationally. Failure to comply with these requirements can result in serious consequences, including reputational damage, financial penalties, and other sanctions.



Ethical factors encompass the moral principles guiding corporate decision-making. Businesses are expected to align their strategies with ethical values, considering implications for profitability, employee well-being, and environmental responsibility. Adherence to ethical practice strengthens stakeholder trust, safeguards reputation, and supports sustainable organisational growth.

ORGANIZATION RESPONSE

As a socially responsible company, TMTL is committed to making a visible, positive impact on society. The Company actively supports a range of social causes, including educational programmes, healthcare initiatives, and environmental conservation efforts, in order to prioritise the well-being and safety of its employees and the wider community. TMTL believes that a healthy, secure workforce is essential to the Company's success and accordingly implements policies and programmes that promote employee health, safety, and work-life balance.

TTML is also dedicated to continuously extending its Corporate Social Responsibility (CSR) initiatives by sponsoring education and granting scholarships. The Company runs Jugnoo Sabaq, an adult literacy programme designed to equip staff with essential foundational education and knowledge, while also funding the education of labourers' children. TTML regularly evaluates its existing programmes and explores new opportunities to build a more sustainable and equitable future.

Management recognises the critical role of technological advancement in ensuring organisational success within today's dynamic business environment. To maintain a competitive edge, TTML consistently embraces new technologies and seeks innovative ways to improve operational efficiency.

The Company continuously commits significant financial resources to modernising its facilities and equipment, and has invested in upskilling its workforce through targeted training programmes that build the knowledge and capability needed to deploy and leverage new technologies effectively. Notable technology investments include the highly advanced cloud-based ERP system Oracle Fusion, Diligent Software, OPT Cotton, Power BI, bar-coding technology, and other automation tools. By embracing automation and AI, TTML streamlines business processes, enhances operational efficiency, and generates valuable data-driven insights that strengthen decision-making and long-term competitiveness.

The Company maintains a robust financial position by closely monitoring its financial ratios and proactively implementing strategies to mitigate the adverse effects of economic factors. TML's team includes professionals from business operations, finance, and taxation, who develop risk-management plans to hedge the impact of currency devaluation and interest-rate movements, undertake strategic tax planning to ensure tax obligations are met appropriately, and rigorously follow up on refunds.

The Company strictly follows all relevant laws and regulations and proactively takes environmentally friendly steps to generate long-term benefits for society through the efficient use of natural resources. To this end, TTML has invested in a solar energy project to produce clean power, reducing its dependence on depleting fuels and decreasing its carbon footprint. The Company has also installed water purification and filtration plants within its factory premises to provide clean water and sanitation for employees and the surrounding community, and periodically organises plantation drives to help combat climate change.

In addition, the Company has obtained certifications in the Global Organic Textile Standard (GOTS), the Organic Content Standard (OCS), the Global Recycle Standard (GRS), and the Recycled Claim Standard (RCS) – demonstrating that its products meet rigorous environmental and social standards. Together, these initiatives underscore the Company's commitment to safeguarding the environment and building a sustainable future.

The Company conducts consistent monitoring and analysis of the local and global political environment, including changes in tariff structures and taxation. While the adverse impact of political change is largely beyond TTML's control to mitigate directly, the Company takes a proactive approach to reduce potential downside by making timely strategic decisions. Changes in fiscal and monetary policy are actively tracked alongside key macroeconomic indicators.

The Company is committed to ensuring full compliance with all relevant laws and regulations. This involves staying current on new legislation and ensuring that every department is aware of, and adheres to, applicable requirements. To achieve this, the Company maintains a dedicated team of experienced professionals who provide specialised compliance guidance, and further engages legal and tax experts as retainers to guarantee comprehensive compliance with all legal and regulatory obligations. Management explicitly condemns corrupt and fraudulent practices, and is committed to operating with transparency and integrity in all its dealings, engaging professional consultants and legal counsel whenever required.

Ethical factors encompass the moral principles guiding corporate decision-making. Businesses are expected to align their strategies with ethical values, considering implications for profitability, employee well-being, and environmental responsibility. Adherence to ethical practice strengthens stakeholder trust, safeguards reputation, and supports sustainable organisational growth.

Production & Sales: The Effect of Seasonality on Business

TTML, one of the leading yarn manufacturers in Pakistan, is significantly influenced by cotton seasonality, with procurement linked to both the local harvest and international cropping cycles. This seasonality affects production, sales, and working capital, while the Company is also exposed to currency volatility and natural disasters. Despite TTML's robust inventory management, production planning, and market-driven sales strategies, seasonal fluctuations during the year remain a genuine operational challenge, with a meaningful impact on operational continuity and overall business performance.

The table below summarises indicative cotton procurement windows across TTML's key sourcing regions:

1	United States: Harvesting typically begins in late August or early September and continues through November or December, with variation by region and weather conditions.
2	West Africa (Mali, Burkina Faso, Ivory Coast, Benin): Harvesting often begins in September and can continue through April, with variation by region and weather conditions.
3	East Africa (Ethiopia, Tanzania): Procurement usually starts around April and can extend into early September.
4	Pakistan: Harvesting begins in late August/September and continues until December, with peak picking season from September to November.
5	China: Harvesting typically occurs from September to December, with the peak of the season generally in October.
6	Brazil: As a Southern Hemisphere producer, harvesting generally takes place from May to September, with the peak typically in June-July.
7	Argentina: Planting spans October through December. The harvest season generally begins in mid-February and continues through mid-July, with minor variation by weather and region.
8	Turkey: Follows a Mediterranean cropping cycle: planting generally from April to May, with harvesting from September through November depending on region and climate (earlier in the southeast, slightly later in the Aegean) – broadly aligned with other Northern Hemisphere producers such as the U.S. and China.
9	Mexico: Planting varies by region: spring cycle (March-May) and, in certain areas, an autumn cycle (August-September). Harvesting generally runs November through February, with the bulk of procurement in December-January.

Legitimate Needs and Interests of Key Stakeholders and Industry Trends

TTML recognizes that sustained business success is built on understanding and addressing the legitimate needs and expectations of its key stakeholders, while remaining responsive to evolving industry trends. The Company maintains regular engagement with stakeholders to ensure that their priorities are appropriately considered, balanced, and reflected in its strategic direction and operational decision-making.

Stakeholder Engagement and Value Creation

1	Customers: TTML is committed to delivering consistent, high-quality products supported by robust quality assurance systems. The Company aims to exceed customer expectations and strengthen long-term relationships through reliability, responsiveness, and continuous improvement.
2	Shareholders: The Company promotes transparency and accountability by providing timely financial statements, directors’ reports, and corporate briefing session(s), enabling investors to remain informed about business performance, strategic priorities, and industry developments.
3	Suppliers and Business Partners: TTML values its suppliers and business partners as essential contributors to operational efficiency and growth. The Company maintains diversified sourcing channels and fosters ethical, fair, and mutually beneficial relationships to support business continuity.
4	Employees: The Company recognizes its workforce as a key driver of sustainable success and remains committed to fair compensation, safe working conditions, professional development opportunities, and employee well-being.
5	Community: TTML plans and implement corporate social responsibility initiatives that aim to create meaningful value for local communities, with focus areas including education, healthcare, and environmental sustainability.
6	Regulators and Government Authorities: The Company maintains strict compliance with applicable laws, regulations, and governance requirements. TTML engages constructively with regulatory and government authorities and contributes to the national treasury through timely fulfillment of its eligible tax obligations.
7	Banks and Financial Institutions: TTML maintains trust and credibility with financial institutions through transparent dealings, timely settlement of obligations, and prudent financial risk management practices.

Monitoring Industry Trends

TTML closely monitors emerging trends, including sustainability, digital transformation, changing customer expectations, supply chain dynamics, and global market developments. This enables the Company to adapt its strategies, enhance operational resilience, and maintain long-term competitiveness.

Progress Through the Years

1990-2009

Expansion phase

- 1999:** Achieved Corporate ISO-9001 Certification.
- 2004:** TTML's Unit II commenced operations with 25,200 spindles in Muzaffargarh.
- 2005:** Became the first Usterized textile mill in Pakistan, achieved Supima Certifications, and enhanced capacity to 36,324 spindles of Salfi Textile Mills in Karachi
- 2007:** 100% production capacity enhancement at Landhi, Karachi.
- 2009:** Achieved OEKO TEX Standard 100 Certification.

1969-1989

Laying the Foundation

- 1969:** Acquisition of embroidery unit from Naveena Industries.
- 1981:** Acquisition of Island Textile Mills Ltd., marking the entry into cotton yarn spinning.
- 1983:** Entry into synthetic yarn with the acquisition of Salfi Textile Mills Ltd.
- 1991:** Establishment of a modern spinning unit with 19,200 spindles in Muzaffargarh.

2020-2026

Merger, Digital Transformation and Sustainability

- 2021:** Merger of Island Textile Mills Ltd., Salfi Textile Mills Ltd., and Tata Energy Ltd. into TTML.
- 2022:** Commissioned a 2.2 MW solar-powered energy plant.
- 2024:** Implemented cloud-based ERP "Oracle Fusion" as well as expanded solar energy capacity to 4.4 MW.
- 2025:** Expansion of solar energy capacity to 11.14 MW.
- 2026:** Expansion and modernization of production capacity to 49,488 spindles at Muzaffargarh.

2010-2019

Diversification and Technological Advancement

- 2010:** Diversified into meat processing with Tata Best Foods Ltd.
- 2012:** Became the first in Pakistan to install Uster Quantum 3 clearers and Trutzschler Securomat.
- 2013:** Implemented ERP Oracle EBS and joined the Better Cotton Initiative (BCI).
- 2014:** Passed the "Corporate Social Responsibility Audit" by SGS Pakistan.
- 2015:** Established the second unit of Island Textile Mills Ltd. in Kotri, with 26,784 spindles.

SWOT Analysis

TTML periodically undertakes a structured SWOT analysis to evaluate its internal capabilities alongside the external forces shaping Pakistan's textile spinning sector. This discipline allows the Company to build deliberately on its strengths, address emerging weaknesses, pursue value-accretive opportunities, and stay ahead of sector-wide threats – including those common to other PSX-listed textile spinning and composite peers operating in a similarly cyclical, commodity-linked environment.

S


STRENGTHS

- A well-established corporate image, underpinned by a robust value system.
- Disciplined commercial execution through the consistent implementation of industry best practices.
- A firm commitment to ethical business practices across all dealings.
- A skilled and experienced workforce, with a dedicated focus on Diversity, Equity & Inclusion (DE&I).
- Modern, well-invested manufacturing facilities.
- A state-of-the-art, cloud-based ERP platform with integrated Business Intelligence capabilities.
- In-house power generation capacity, supporting operational continuity.
- A strong track record of workforce development and retention.

W


WEAKNESSES

- Dependence on a commodity-based business model, which exposes margins to raw-material price volatility.
- High reliance on labor-intensive operations, which can constrain scalability and efficiency gains.
- Elevated working-capital requirements, driven by cyclical demand and procurement patterns.
- Comparatively limited product diversification, increasing vulnerability to shifts in customer preference.
- Operational dependence on a consistent energy supply, which can constrain efficiency during periods of shortage.

O


OPPORTUNITIES

- Potential to develop and market value-added yarn products.
- Scope to invest further in advanced, AI-enabled technologies across operations.
- Adoption of new sustainable practices to strengthen environmental credentials and attract eco-conscious customers.
- Expansion into new, currently untapped export markets.
- Horizontal as well as vertical diversification opportunities across the value chain.

T


THREATS

- Natural disasters, such as floods and earthquakes, impacting cotton crops and business operations.
- Economic instability, political uncertainty, and trade tensions – including tariff impositions and regulatory or policy change.
- Supply chain disruptions due to geopolitical situation.
- Continuously rising costs of doing business, including energy tariffs, taxation, and inflation.
- Abrupt fluctuations in interest and exchange rates.
- Volatility in raw-material prices, particularly cotton.
- Intense competition and aggressive pricing strategies across the textile industry.
- Unstable and inconsistent grid electricity supply.
- Oversupply of cotton yarn in the market.

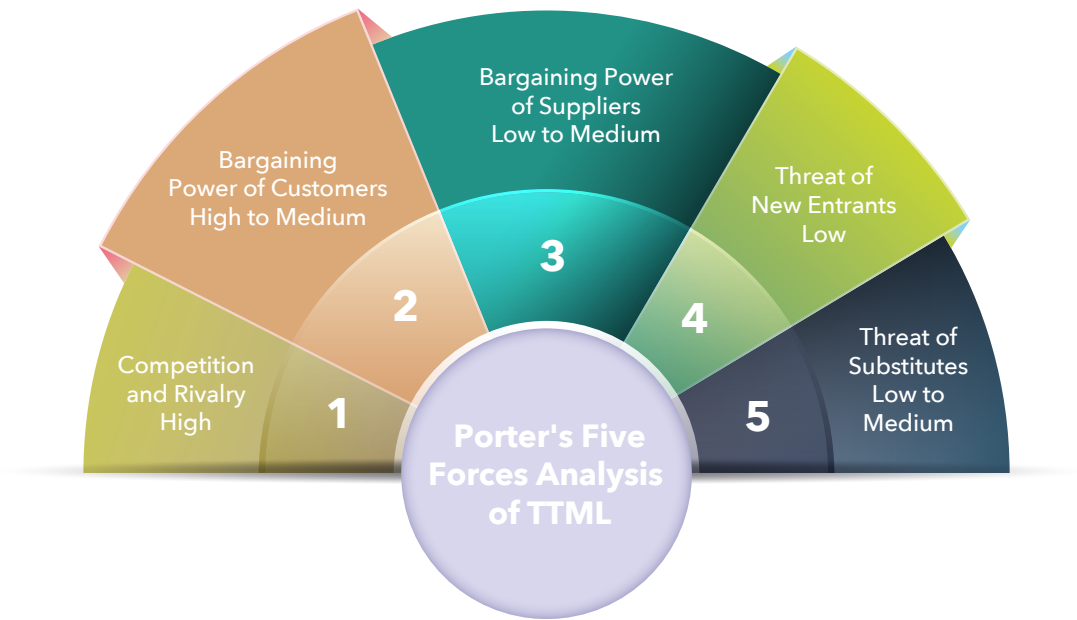
Competitive Landscape & Market Positioning

A Porter's Five Forces view of TTML's competitive dynamics, and the regulatory framework shaping its operations

TTML operates in a dynamic and intensely competitive textile industry, shaped by rapid innovation, exacting quality expectations, and strategic capacity expansion across the region. Despite pronounced competition – particularly from cost-driven producers in the domestic and international spinning market – TTML's sustained focus on continuous improvement and technological advancement enables it to navigate these pressures while capturing emerging opportunities.

To rigorously assess these competitive dynamics and inform corporate strategy, TTML employs Porter's Five Forces framework. This structured analysis underpins the Company's strategic decision-making, helping it reinforce its competitive advantage and respond effectively to evolving market conditions across Pakistan's textile spinning sector – a sector that remains one of the most fragmented and price-competitive segments of the economy.

Competitive Structure
Porter's Five Forces Analysis of TTML



1. Competition and Rivalry - High

- **Intense Rivalry:** The Company faces vigorous competition from both local and international players, with Chinese manufacturers in particular competing aggressively on price.
- **Overcapacity:** Excess spinning capacity across the sector, combined with low-cost yarn imports, continues to exert downward pressure on margins.
- **Differentiation Challenges:** A relatively concentrated product base and reliance on core yarn categories make it harder to differentiate from competitors on non-price factors.
- **Geographically Dispersed Competition:** A wide geographic spread of spinning mills across Pakistan intensifies competition for quality benchmarks, market share, and pricing.

2. Bargaining Power of Customers - High to Medium

- **High Purchaser Power:** Customers wield considerable bargaining leverage, given the ready availability of alternative suppliers and the intensity of competition within the sector.
- **Price Sensitivity and Switching Costs:** Buyers remain highly price-sensitive; TTML responds by offering market-competitive pricing and flexible credit terms.
- **Customer Relationship Management:** The Company places strong emphasis on customer relationship management, consistently raising its own bar for service quality and responsiveness.
- **Adapting to Innovation:** A highly competent technical department allows TTML to rapidly adopt new innovations and product advancements, keeping pace with evolving customer requirements.

3. Bargaining Power of Suppliers - Low to Medium

- **Supplier Influence:** As a sector highly dependent on raw materials – mainly cotton – price volatility can materially affect input costs; TTML mitigates this through diversified sourcing.
- **Established Supplier Relationships:** Long-standing supplier relationships give the Company meaningful negotiating leverage on pricing and delivery terms.
- **Fair Supplier Onboarding:** Transparent, well-governed onboarding processes, supported by appropriate oversight, ensure a reliable and accountable supplier base.

4. Threat of New Entrants - Low

- **Entry Barriers:** Significant capital investment in infrastructure, machinery, and R&D is required to compete at scale, moderating the pace of new entry.
- **Cost Edge:** Established players such as TTML benefit from economies of scale, cost advantages, and deep-rooted commercial relationships that are difficult for new entrants to replicate.
- **Brand Loyalty:** Long-standing firms have earned a degree of customer trust that newcomers find difficult to build in the near term.
- **Regulatory and Seasonal Risks:** New entrants must also navigate stringent regulatory requirements, the seasonal risks inherent to cotton yields, and the operational challenges of setting up capacity.

5. Threat of Substitutes - Low to Medium

- **Product Nature and Low Risk:** The nature of TTML's yarn products keeps the risk of substitution relatively remote, as alternative inputs do not pose a significant threat to the core business.

The Legislative and Regulatory Environment

TTML operates within a legislative and regulatory framework shaped by national laws, industry-specific regulations, and standards enforced by federal and provincial authorities. The Company remains fully committed to strict compliance, the maintenance of high governance standards, and close collaboration with relevant stakeholders to ensure ongoing adherence across every dimension of its operations.

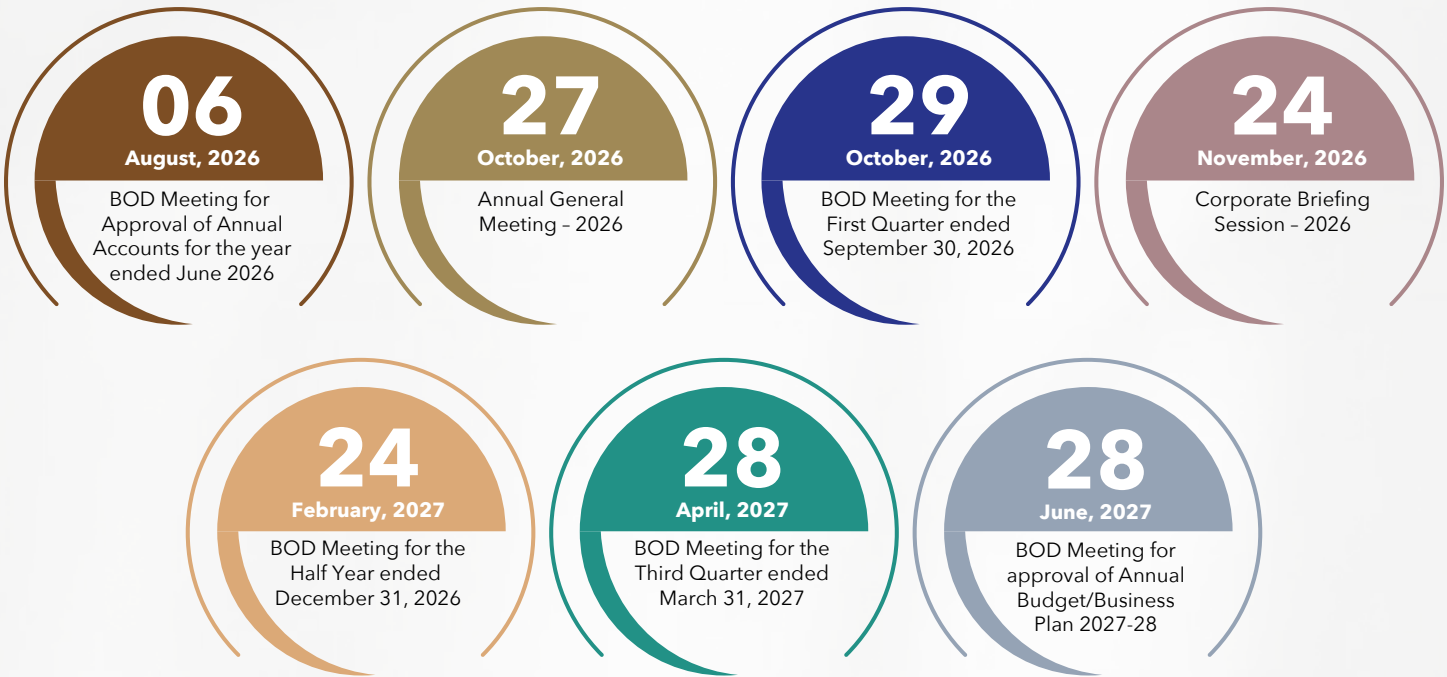
Corporate Governance & Compliance	TTML complies with the Companies Act, 2017, the Code of Corporate Governance, and applicable SECP regulations governing incorporation, reporting, auditing, and governance – safeguarding transparency and protecting investors' interests.
Taxation & Fiscal Policies	Tax obligations are administered by the Federal Board of Revenue (FBR) and provincial tax authorities, spanning income tax, sales tax, and duties. Incentives, levies, and import duties on raw materials and machinery meaningfully influence the Company's operating expenditure.
Labour Laws	TTML complies with labour regulations governing employee rights, wages, health and safety, and working conditions, primarily under the Factories Act, 1934, and the Employment of Labour (Standing Orders) Act, 1968.
Trade Regulations	TTML adheres to the policies of the Ministry of Commerce and the Trade Development Authority of Pakistan (TDAP), including export tariffs, quality certifications, and international trade agreements.
Environmental Regulations	The Company complies with the Pakistan Environmental Protection Agency and provincial authorities on pollution control, waste management, energy conservation, and resource sustainability – including adherence to the National Environmental Quality Standards (NEQS).

Calendar Of Corporate Events

Notable Events for The Financial Year



Tentative Dates for the Next Financial Year



Employee Engagement Activities - Notable Events



Strategy, Resource Allocation and Future Outlook



Strategy and Resource Allocation

From Plans to Performance

TTML is committed to shaping a brighter future through mindful decisions made today. The KPIs will continue to be relevant in the future. There have been no significant changes to the TTML's structure, objectives, or strategies compared to the previous year. The company's strategic objectives and plan are outlined below.

S.No.	Objectives	Priority	Timeline	Current Status	Strategy	Resource Allocation
1.	Sales growth and profitability	High	Short to Long term	Ongoing process	Maximizing sales and profitability through a multifaceted strategy that includes market research, customer relationship building, product improvement, sales force training, and market expansion.	Financial Capital Human Capital Social and Relationship Capital Natural Capital
2.	Continuous improvement and digital transformation	High	Medium to long term	Ongoing process	Establish top-tier productivity standards in technology, processes, and systems by exploring IoT possibilities to increase machine efficiencies, Optimization of Inventory management and control system. Utilization of Dashboards and automation to continuously enhance our operations efficiency, and make informed decisions.	Intellectual Capital Financial Capital Human Capital Social and Relationship Capital
3.	Strengthen the company's brand	High	Medium to long term	Ongoing process	To continuously monitor and incorporate the best industry practices within the Company that contributes to the stakeholders' well-being. Upholding the highest ethical, professional, and environmental standards in all aspects of its operations. Also promote the vision of Tata Pakistan through social media channels and create awareness. The Company has implemented a supplier portal to strengthen supplier relationships, improve collaboration, and enable smoother, more efficient operations.	Social and Relationship Capital Human Capital Intellectual Capital
4.	Enhance skills and capabilities of employees to support value-creation	High	Short to Medium term	Ongoing process	Strategically enrich employee skills and capabilities by offering a range of internal and external capacity development programs essential for fostering value creation.	Human Capital Financial Capital Intellectual Capital
5.	Build organization's sustainability reputation through increased ESG focus	High	Medium to long term	Ongoing process	Committed to sustainable practices that contribute to the betterment and long-term well-being of society. This includes environmentally conscious initiatives, social responsibility projects, and community engagement efforts.	Financial Capital Manufactured Capital Human Capital

Resource Allocation Plan	Strategy affected by	KPIs monitored	KPIs Future Relevance	Value Creation
Financial capital will support market expansion initiatives, while human capital is focused on sales force training and customer service. Relationship capital strengthens partnerships, and natural capital ensures reliable raw material supply, collectively driving sustained sales growth and profitability.	Changes in market demand and competitive conditions Resource shortages Technological changes Changes in laws & regulations	Profitability margin Improve customer satisfaction New markets	Yes	Economy of the Country, Customers & Stakeholders.
Intellectual and financial capital will be invested in advanced technologies, IoT integration, and automation. Human capital focuses on training and digital adoption, while social capital fosters collaboration, collectively enhancing productivity, innovation, and operational efficiency to achieve continuous improvement.	Technological changes Changes in market situation Resource shortages	Improved efficiency and productivity Product Quality Survey Inventory Management Optimization Fostering & monitoring of a strong digital culture	Yes	Customers & Shareholders
Intellectual Capital are allocated to research and development, technology integration, and data analytics systems supporting the brand's image as a forward-looking, sustainable leader. A skilled and motivated Human Capital is essential for executing the company's vision and upholding its values, thereby solidifying its brand integrity and securing future value. Social and Relationship Capital is directed toward community engagement, ethical sourcing partnerships, and transparent stakeholder communication enhancing the company's reputation, directly strengthening the brand's position in the market. The supplier portal further supports transparent communication, timely coordination, and stronger long-term supplier relationships, contributing to smoother operations.	ESG reporting and challenges Initiatives taken in promoting and enabling innovation Changes in laws & regulations	Improvement in External Customer Relations Supplier Code of Conduct compliance – 100% Employee feedback on system effectiveness for improved internal support Employee Satisfaction	Yes	Shareholders, Customers & employees
The Company makes significant investments through financial capital in the training and development of its staff and executives at both local and international levels. These initiatives enhance management and technical skills, equipping employees with the latest production techniques to improve overall efficiency and effectiveness (human capital). The Company develops intellectual capital through sustained investment in modern technologies that optimize performance and enable innovation.	Resource shortages Technological changes	Skills Enhancement Employee Satisfaction Feedback on employee engagement surveys	Yes	Employees
The Company remains committed to community contribution through active CSR initiatives supported by financial capital. To enhance sustainability, innovation focuses on reducing carbon footprints and adopting technologically advanced, eco-friendly machinery (manufactured capital). Moreover, efficient techniques are implemented to minimize waste and ensure the optimal use of natural resources in manufacturing (natural capital).	ESG reporting and challenges Initiatives taken in promoting and enabling innovation	CSR and Sustainability targets Carbon Emission & Water redemption	Yes	Environment & Society

Key Resources and Capabilities Providing Sustainable Competitive Advantage

The Company's sustained success and ability to maintain a competitive edge are primarily driven by its exceptional team, whose dedication, commitment, and alignment with the Company's values continue to deliver positive outcomes, even in periods of uncertainty. In addition, the following key resources and capabilities further support the Company's competitiveness:

- Continuous investment in modern plant and machinery
- State-of-the-art ERP systems and software
- A culture that promotes continuous learning, collaboration, and capability building
- A consistent focus on product improvement and optimal resource utilization
- In-house power generation, including renewable energy initiatives
- Relevant certifications that support a sustainable and responsible product portfolio
- Strong ethical, professional, and environmentally responsible business practices

Strategy for Market, Product & Service Development

TTML's strategy for market, product, and service development is centered on strengthening its core business by enhancing product quality, improving operational efficiency, and expanding market reach. The Company focuses on adopting advanced technologies, responding to customer needs, and exploring new channels to extend its customer base while retaining existing relationships. Operational excellence and a reliable value chain remain central to ensuring consistent product delivery and superior customer experiences. Through continuous improvement and market responsiveness, TTML seeks to sustain growth, reinforce competitiveness, and create long-term value in both domestic and international markets.

Factors Affecting the Strategic Approach & Resource Allocation

The Company's management remains confident in its strategic direction and resource allocation plan to achieve sustained progress within the industry. Nonetheless, several macroeconomic factors may directly or indirectly impact these plans. Key factors and their potential impacts are outlined below:

FACTORS	EFFECT ON STRATEGIC APPROACH	EFFECT ON RESOURCE ALLOCATION PLAN
Technological Changes: Advancements in technology create opportunities for progress but may also transform production processes, efficiency standards, and customer expectations. For TTML, this requires adapting quickly to evolving industry dynamics and market demands.	The Company has allied its strategy to remain agile in embracing innovation to align with shifting consumer needs and sustain competitiveness.	Technological adoption demands significant investment in Financial Capital for advanced systems, while also requiring skilled professionals to integrate these technologies, thereby impacting Human Capital and Intellectual Capital.
Sustainability challenges: refer to external pressures arising from environmental, social, and regulatory demands that affect how businesses operate.	Sustainability challenges such as climate change, resource scarcity, and natural resource depletion pose long-term risks to the textile sector. These issues also influence customer expectations, regulatory pressures, and global market dynamics, directly impacting TTML's business strategy.	Addressing these challenges requires investments in sustainable practices, energy efficiency, and compliance with environmental and CSR frameworks. Such initiatives strengthen Social and Relationship Capital while ensuring transparency with stakeholders. However, they also place additional demands on Financial Capital.
Promoting and Enabling Innovation: For TTML, promoting innovation means adopting advanced technologies, modernizing operations, and upskilling employees to strengthen competitiveness and ensure sustainable growth.	By fostering innovation, TTML strengthens its ability to respond to evolving market needs and technological advancements, ensuring long-term growth and reinforcing its competitive position in the textile spinning industry.	Innovation requires investment in advanced infrastructure, digital systems, and specialized expertise. TTML allocates significant resources to employee training and upskilling, embedding a culture of innovation and impacting both Financial and Human Capital.

FACTORS	EFFECT ON STRATEGIC APPROACH	EFFECT ON RESOURCE ALLOCATION PLAN
Resource shortages: Disrupt operations, compelling TTML to seek alternatives, potentially raising costs, affecting product quality, and impacting profitability and financial stability.	Resource shortages may disrupt production, affecting the Company's ability to maximize sales, sustain profitability, and maintain industry leadership.	To mitigate shortages, TTML may rely on alternative suppliers or markets (Social and Relationship Capital), potentially affecting product quality and increasing costs, thereby impacting Financial Capital.

Mission, Vision, and Strategic Objective Alignment

At TTML, strategic objectives are closely aligned with the Company's mission to produce high-quality yarn that exceeds customer expectations through innovation, operational excellence, and adherence to ethical business practices. These objectives further support the Company's vision of becoming a textile manufacturer of choice. Through the alignment of its mission, vision, and strategic priorities, TTML continues to strengthen operational efficiency, optimize costs, support sustainable growth, and create long-term value for all stakeholders.

Significant Plans and Decisions

Management, in consultation with the Board of Directors, remains focused on strengthening the Company's capabilities to anticipate risks, identify opportunities and formulate appropriate strategies to mitigate them while developing its strategic roadmap. Over the years, the Company has expanded and strengthened its business operations through strategic restructuring, mergers, and targeted modernization initiatives. During the year, Balancing, Modernization and Replacement (BMR) projects were undertaken at the Multan facility, resulting in an enhancement of the Company's installed capacity and operational capabilities. In view of the prevailing economic challenges and elevated energy tariffs, the Company does not currently envisage any significant restructuring, expansion, or discontinuation of operations, except as disclosed in the Directors' Report and Future Outlook.

Internal Controls Including IT Controls

TTML has established a comprehensive internal control framework covering financial, operational, and compliance-related processes. These systems and processes are regularly monitored by the Internal Audit function and reviewed by the Audit Committee to ensure their continued effectiveness. IT controls are embedded across core systems, including ERP platforms and cybersecurity environment, to safeguard data integrity, enhance process efficiency, and mitigate operational risks. Ongoing system upgrades, independent assessments, and staff training further reinforce TTML's governance standards, transparency, and overall control environment.

Payment of Debts

The Company remains committed to the timely settlement of all debt obligations through prudent financial management and strong operating cash flows. All repayments have been made in accordance with agreed schedules, reflecting the Company's disciplined approach to liquidity management and compliance with financing arrangements.

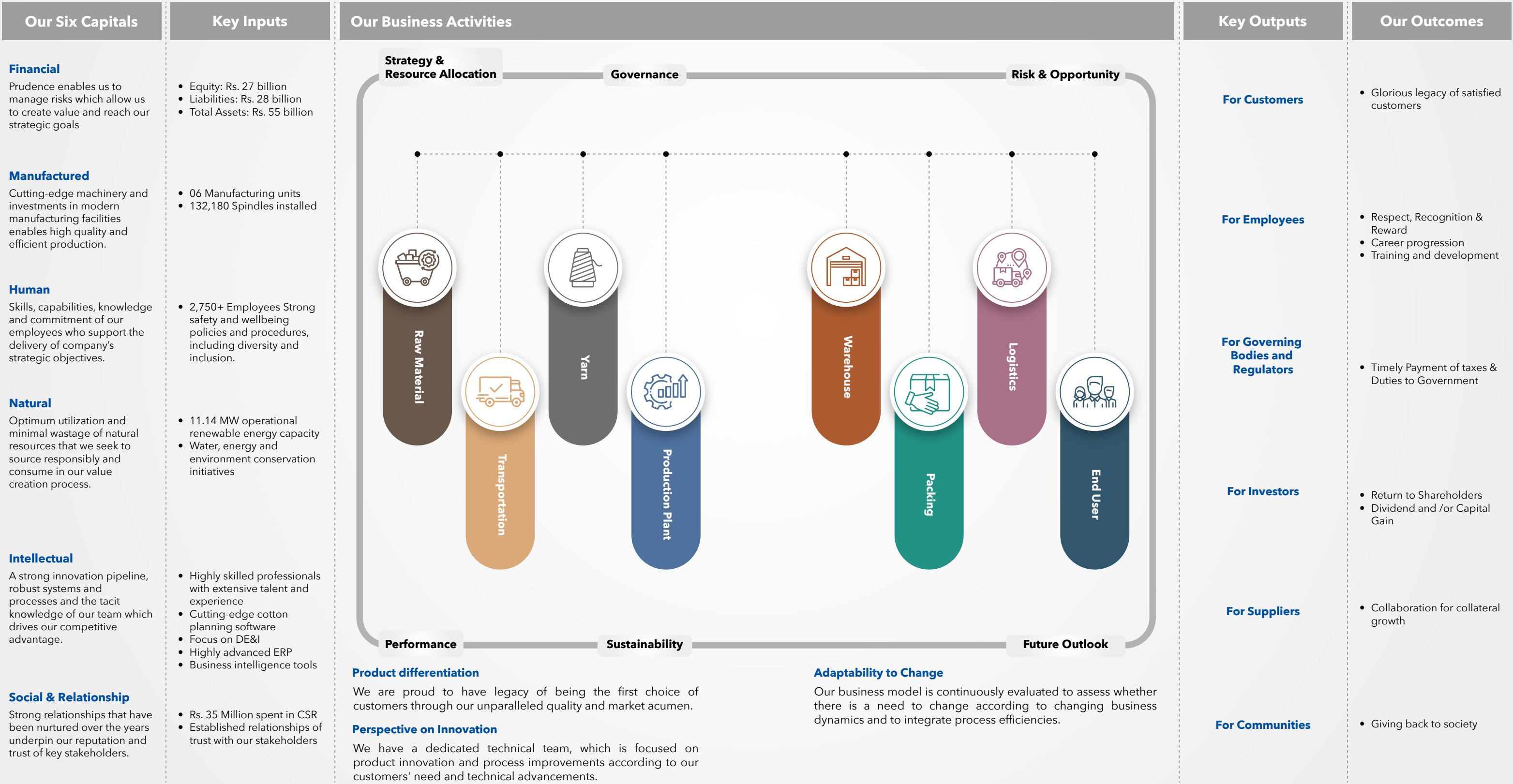
Strategy to Overcome any Liquidity Problems

The Board has adopted a proactive liquidity management strategy focused on maintaining strong relationships with reputable banks and financial institutions, ensuring access to adequate financing facilities, optimizing working capital, and continuously monitoring the Company's capital structure. The Company's gearing levels are regularly reviewed in line with business objectives, while management and the Board closely monitor capital structure ratios and compliance with loan covenants.

Our Business Model

An integrated approach to value-creation

Anchored to our core values and aligned with our vision, our business model is designed to reflect our integrated approach to deliver enhanced value for all stakeholders and continue progress towards creating a sustainable future. There is no material change in Company's business model during the year.



Forward Looking Statement

This forward-looking statement provides stakeholders with an overview of management’s vision and strategic direction for the Company. It highlights anticipated future performance based on current plans and assumptions, while recognizing that actual outcomes may differ due to local or global uncertainties. Stakeholders are encouraged to review this statement in conjunction with the Chairman’s Reviews and Directors’ Report, the Financial Analysis section, and other relevant parts of the Annual Report to make well-informed decisions regarding their relationship with the Company.

During FY2025-26, Pakistan’s economy continued to transition from stabilization toward a gradual recovery, supported by fiscal discipline, prudent monetary policy, improving external buffers and sustained engagement with multilateral partners. Economic activity gained momentum during FY2026, with early-year GDP growth strengthening, industrial activity rebounding and confidence improving; however, the outlook remains exposed to geopolitical tensions, elevated energy costs, external financing needs, climate-related shocks, and volatility in global commodity prices.

Looking ahead to FY2026-27, the economic environment is expected to remain cautiously positive, provided reform momentum continues and macroeconomic stability is preserved. World Bank assessments indicate that Pakistan’s recovery is strengthening but remains vulnerable to external shocks, limited fiscal space and structural constraints. Official outlooks also point to improved conditions entering FY2027, with stabilization gains supporting sustainable growth, while real GDP growth has been targeted around 4.0 percent. Inflationary pressures have eased substantially from earlier peaks, with average CPI inflation during FY2025-26 remaining within the targeted range; however, year-on-year inflation may remain sensitive to administered energy prices, exchange-rate movements, food supply disruptions and global oil prices. The Company will therefore continue to frame its plans around disciplined cost management, careful liquidity planning and flexible pricing strategies.

In the immediate horizon, the Company expects energy tariffs, cotton prices, fuel prices and finance costs to remain key determinants of margins and consumer purchasing power. At the same time, the rebound in Large-Scale Manufacturing during FY2025-26 signals improving industrial momentum. Textile and apparel activity has contributed to this recovery, supported by stabilization of supply chains however, the sector continues to face structural challenges from high energy costs, cotton-crop vulnerability, working-capital pressures and intense export-market competition. The Company’s management is confident that substantial capital investments in renewable energy projects made in previous years and in coming year will provide a competitive advantage by reducing exposure to energy price and availability volatility. TTML remains committed to strengthening sales performance, improving productivity, controlling plant costs and advancing business process improvements, while recognizing that profitability may remain under pressure from elevated input, financing and logistics costs. A dedicated budget has been allocated for FY2026-27, including Balancing, Modernization and Replacement (BMR) projects, expansion of renewable energy capacity by 5.3MW and embed AI technology in systems and processes, thereby strengthening human, manufactured, intellectual and social and relationship capital in alignment with stakeholder interests. The climate and heavy rainfall remain important risk factors for the textile value chain due to potential damage to cotton crops, disruptions in arrivals and ginning activity, higher raw-material costs and pressures on logistics. These factors may affect spinning-sector margins and availability of quality cotton, reinforcing the need for prudent procurement, diversified sourcing and operational flexibility.

By adhering to global best practices, the Company is committed to integrating Environmental, Social, and Governance (ESG) factors into its sustainable growth strategy with keen focus on fostering transparency in sustainability reporting. Key objectives include reducing emissions, increasing renewable energy portfolio, promoting sustainable practices and enhancing community engagement.

Moreover, in the medium-to-long term, the Company aspires to strengthen its versatile intellectual, manufacturing and human capital, positioning itself for future scenario. To support this vision, the Company is committed to strengthen digitalization, focusing on continued BMR of its manufacturing facilities. High-quality, locally manufactured yarn and premium customer relationships will differentiate the Company from its competitors and leverage its strong brand reputation. The Company remains committed to strengthening its Human and Intellectual Capital in the face of rising living costs, economic instability, and the resulting brain drain that continues to create a talent shortage. While employee turnover presents a challenge, management is focused on retaining high-performing talent and attracting qualified professionals through structured learning, development, and career progression strategy.

Furthermore, consistent and supportive government policies, along with a stable business environment, are critical to enabling sustainable growth, enhancing export competitiveness in key sectors such as textiles, and contributing to the nation’s long-term prosperity.

Analysis of Last Year’s Forward-Looking Statement/ Status of Projects

The Company plans to continue investing in BMR (Balancing, Modernization, and Replacement) of its manufacturing facilities and business intelligence solutions after the successful implementation of the revolutionary ERP system, cloud-based Oracle Fusion. During 2025-26, a comprehensive HR Management System (HRMS) aided with AI-based attendance system, advanced barcode technology went fully live at all locations.

Future Research & Development Initiatives

As the yarn spinning industry evolves, TTML is committed to pioneering advancements through strategic Research & Development (R&D) initiatives. Looking ahead, our focus will be on enhancing fiber quality and developing innovative spinning technologies to meet the growing demands of the textile market. TTML continuously invests and has further plans to invest significantly in advanced machinery and automation to improve production efficiency and reduce waste. Our technical team is also exploring new yarn blends and sustainable materials, aiming to create products that are both high-performing and environmentally friendly. Additionally, we are dedicated to implementing smart technologies such as IoT and AI to optimize production processes and ensure consistent quality control. By fostering a culture of continuous improvement and embracing cutting-edge research, TTML is poised to not only enhance our product offerings but also contribute to the sustainability and growth of the yarn spinning industry. Through these initiatives, TTML aims to strengthen its market position and deliver exceptional value to our customers and stakeholders.

Artificial Intelligence (AI) Adoption and Strategic Outlook

As part of its long-term digital transformation strategy, TTML is progressively adopting AI to enhance operational agility, strengthen decision-making, and drive innovation across its value chain. The Company has already initiated extensive training in AI technologies, particularly in advanced data analytics and process optimization. The company has incorporated training and development programs on AI into its annual objectives for the upcoming year. AI-driven forecasting models are planned to deploy to enhance supplier relationship, improve quality management, enable more accurate inventory planning, headcount planning, production scheduling, resource allocation and the deployment of AI chatbots within the ERP system to efficiently retrieve business reports and data. Initiatives implemented include the introduction of AI-powered tool for automated documentation, such as recording meeting minutes, email scheduling and attendance management. The adoption of AI aligns TTML with global best practices, reinforces its competitive positioning, and supports long-term sustainable growth in a rapidly evolving business landscape.

Source of Information & Assumptions Used for Projections/ Forecasts

The Company prepares annual budgets and forward-looking forecasts through a structured process that combines internal business data with relevant external information. Projections are based on historical performance, financial trends, market research, industry outlook, macroeconomic and microeconomic indicators, geopolitical developments, material cost expectations, exchange and interest rate assumptions, supply-demand dynamics, regulatory and taxation policies, analyst reports, industry publications and competitor analysis.

Internally, inputs are obtained from key functions including Sales, Finance and Treasury, Manufacturing and Operations, Human Resources, Technology and Engineering, and Information Technology. These inputs are reviewed against external sources before being incorporated into budgets, forecasts and strategic plans. The projections are reviewed and approved by the Board to ensure alignment with corporate strategy, long-term objectives and stakeholder interests. The Company continuously monitors changes in the internal and external environment and revises assumptions where necessary.

Where required, the Company also engages external consultants and advisory firms for specialized feasibility studies, market assessments and technical evaluations. This disciplined approach supports reliable forecasts, well-founded assumptions, informed decision-making and sustainable value creation.

Business Rationale for Major Capital Expenditure

The Company has operated at maximum capacity utilization over recent years and follows a systematic process to assess the need for major capital expenditure. Investment decisions are focused on capacity expansion, Balancing, Modernization and Replacement (BMR), energy efficiency, operational reliability, safety, sustainability and preservation of natural resources. Each major project is supported by detailed financial and technical evaluation, including payback period, net present value, internal rate of return, cash flow requirements and other relevant analysis. Capital expenditure is therefore undertaken only where it supports the Company’s strategic priorities, strengthens competitiveness, enhances production efficiency and contributes to long-term shareholder value.

Governance



Directors' Report

For The Year Ended June 30, 2026

The Board of Directors is pleased to present the Directors' Report and the audited Financial Statements of the Company for the year ending June 30, 2026.

With great gratitude we would like to share that our Annual Corporate Report for 2024 received the “1st position” for Best Corporate Reporting (BCR) in the Textile Category, for second consecutive year, in BCR awards jointly organized by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan.

Economic Environment

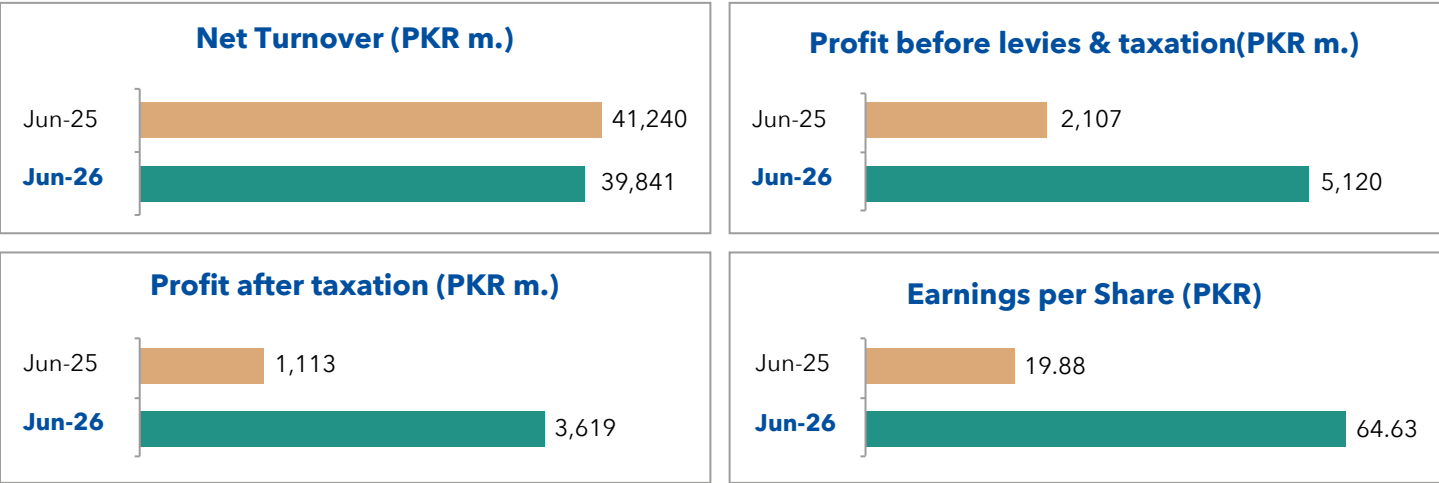
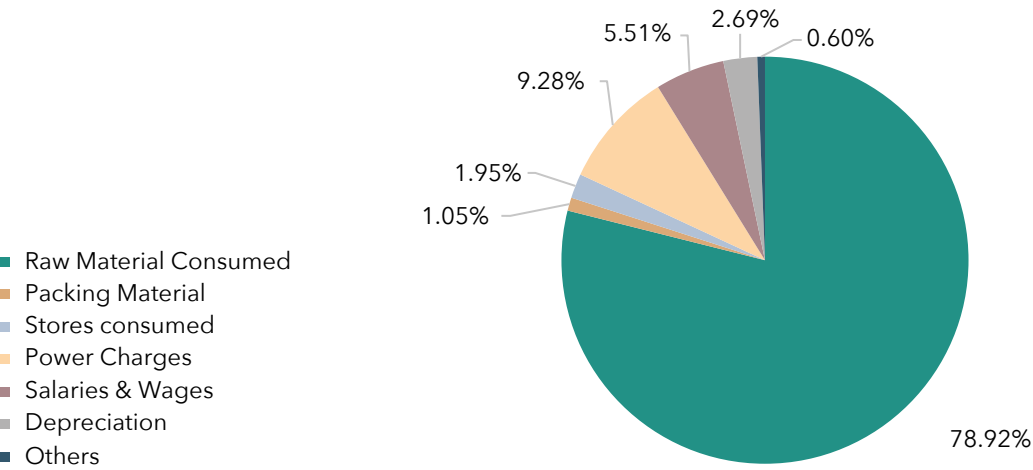
FY 2025-26 marked renewed economic momentum for Pakistan, with GDP growth accelerating to 3.7%, the strongest pace in four years. Though it is marginally below initial expectations due to escalating Middle East tensions. The recovery was supported by macroeconomic management, exchange rate stability and improved investor confidence. CPI inflation increased by 11.1% on year-on-year basis in June 2026. Fiscal consolidation remained strong, with the deficit narrowing to 0.7% of GDP and the primary balance in surplus. The external account posted a current account surplus of US\$72 million, and stable foreign exchange reserves, while improved investor confidence derived a historic 44% rally in the KSE-100 Index. The industrial sector grew by 3.51%, with manufacturing rising 6.6%, supported by a 6.1% increase in Large-Scale Manufacturing. However, domestic and external headwinds, including regional tensions and geopolitical volatility, continued to pressure energy costs and inflation. In response, the State Bank of Pakistan increased the policy rate from 11.0% to 11.5% in April 2026 to preserve macroeconomic stability.

Textile Sector

- Pakistan’s textile sector remained the country’s key export driver in FY 2025-26, with exports of approximately US\$17.97 billion compared to US\$17.91 billion last year, reflecting marginal growth of 0.34%. Performance across the value chain remained fragmented as value-added segments thrived through sustained international demand, while cotton yarn and cloth remained under pressure from elevated energy tariffs, high financing costs, imported input dependency and policy uncertainty.
- Domestic cotton availability remained a critical concern, with production falling to 5.67 million bales, a 40-year low against the government target of 11.1 million bales. The FY 2026-27 target has been reduced to 9.64 million bales, while USDA projects output closer to 5.05 million bales. These forecasts underscore the sector's urgent need for consistent policy support, competitive energy pricing and structural reforms to restore competitiveness.
- During the year, the Constitutional Court decided the matter of super tax in favor of FBR. Subsequently, FBR initiated immediate recovery actions against the taxpayers, including for the prior years. Mandatory digital invoice integration, requiring real-time reporting through approved integrators, imposing mills to undertake process redesigns, system upgrades, and staff training.
- A notable industry development was the settlement framework for the long-disputed Sindh Infrastructure Development Cess, which requires payment of outstanding dues in installments and reduction of rate of future levy by 1%. While this should ease transaction costs and port clearance bottlenecks, the settlement of past liabilities may strain cash flows, and full benefits remain contingent on uniform implementation.
- Additionally, the FBR's emerging mandate for electronic production monitoring and video analytics introduces further capital and recurring costs on for spinning units already facing margin pressure.

Financial Performance

Particulars	Year ended June 30, 2026	Year ended June 30, 2025	Variance	Variance %
----- Rs. in million -----				
Sales	39,841	41,240	(1,399)	-3.4%
Cost of Sales	(36,121)	(38,949)	2,828	7.3%
Gross Profit	3,720	2,291	1,429	62.4%
Distribution, Admin & Other expenses	(1,247)	(1,360)	113	8.2%
Finance Cost	(2,571)	(3,610)	1,039	28.8%
Other Income	5,218	4,786	432	9.0%
Profit before taxation	5,120	2,107	3,013	143.0%
Profit after taxation	3,619	1,113	2,506	225.2%
Earnings Rupees per Share	64.63	19.88	44.75	225.1%



During FY 2025-26, the Company delivered a stronger bottom-line performance despite a modest contraction in topline. Sales declined by 3.4% to Rs. 39,841 million (FY 2024-25: Rs. 41,240 million), primarily reflecting continued volume and pricing pressure in the spinning segment, together with the temporary closure of one unit under the ongoing BMR program. Notwithstanding the lower sales base, gross margin improved to 9.3% from 5.6% in the prior year, supported by a relatively favorable raw material margin. Finance cost reduced significantly by 28.8% to Rs. 2,571 million (FY 2024-25: Rs. 3,610 million), reflecting the benefit of a comparatively lower interest rate and continued focus on optimized working capital management. Other income increased to Rs. 5,218 million (FY 2024-25: Rs. 4,786 million), continuing to provide meaningful support to overall profitability. Consequently, profit before taxation increased by 143% to Rs. 5,120 million, while profit after taxation rose by 225% to Rs. 3,619 million. Earnings per share improved correspondingly to Rs. 64.63 compared with Rs. 19.88 in the preceding year.

Dividend

The Board of Directors is pleased to recommend a final cash dividend of Rs. 5 per share i.e. 50% for the year ended June 30, 2026 (2025: Rs. Nil per share).

Auditors

The present External Auditors M/s Yousuf Adil, Chartered Accountants have completed the annual audit for the year ended June 30, 2026, and issued an unqualified audit report. The auditors will retire at the conclusion of the Annual General Meeting of the Company and being eligible, have offered themselves for reappointment. As proposed by the Audit Committee, the Board recommends their appointment as auditors of the Company for the year ending June 30, 2027.

Digital Transformation

In FY 2025-26, the Company fortified its digital agenda, implementing FlowHCM HRMS and FlowFiz AI-aided camera attendance system. The Company also launched the revamped the Company's website, featuring enhanced functionality, a more engaging and user-friendly layout, and strengthened security protocols. The Oracle Fusion Supply Chain Modules digitalizing supplier price negotiations, and strengthening supplier onboarding, assessment and compliance, were also taken live. Integrated BI dashboards and barcode-based controls significantly improved data visibility and inventory tracking and planning. Furthermore, the successful deployment of Microsoft 365 enhanced workplace productivity, enabled secure collaboration and created greater value through more efficient digital workflows.

Human Capital

FY 2025-26 represented another year of meaningful progress in strengthening our human capital capabilities and reinforcing our position as an employer of choice. The Company received Employer of the Year – Silver Recognition and the Diamond Award for Skills Development, conferred by the Employers' Federation of Pakistan in acknowledgement of sustained excellence in people practices and capability building. Talent development remained a key priority, with 29,564 employee training hours delivered during the year, supported by the successful launch of a structured mentorship program, and long-service recognition for 98 employees who completed 15 or more years of dedicated service. To further enhance employee engagement, strengthen team spirit and foster a vibrant workplace culture, the Company organized various inclusive celebrations, themed observances, recreational activities and participation opportunities throughout the year.

Sustainability and Social Impact

In FY 2025-26, the Company intensified its holistic sustainability agenda focused on education, employee well-being, climate action and social inclusion. The Company continued to fund three fully equipped school campuses benefiting over 450 rural students, while the Jugnoo Sabaq Adult Literacy Program increased mill literacy to 93%. The Company also supported higher education for eight deserving employees and two students, offered internships to ten students, and introduced AI literacy sessions to build future-ready skills. Employee well-being was strengthened through 3,896 HSE training hours. On climate action, the Company generated over 16,060 MWh from renewable sources, further plans for renewable energy expansion, undertook tree plantation drives and reduced paper usage through digitalization. Social responsibility initiatives included donations for hospitals, support for underprivileged and special children, heat relief, TB screening, general medical camps and blood donation camps. The Company further strengthened its Diversity, Equity and Inclusion framework through equitable compensation reviews and inclusive recruitment, maintaining 2% differently abled workforce representation. Organizational capability was enhanced through technical certifications for 86 workers, civic responsibility training for 180 employees and 73 Learn Fest days. The gender pay gap analysis showed a mean disparity of 0.9%, reflecting equitable compensation for women across the organization, while the median gap of 10.6% reflects the current representation of employees across various grades and leadership levels. The Company continues to promote merit based career advancement and initiatives aimed at improving gender representation across the organization.

Sustainability-Related Risks & Opportunities

A detailed analysis on the Company's Sustainability related risk and its management, governance, and key metrics will be presented in Sustainability Report.

Credit Rating

In May 2026, the company maintained its stable and favorable credit rating of 'A' for Long-Term and 'A1' for Short-Term from PACRA. The rating agency's assessment reflects the company's strong creditworthiness and its robust capacity for timely repayment.

Contribution to the National Exchequer

During the year 2025-26, the Company contributed PKR 3.84Bn towards the National Exchequer by means of Government taxes compared to PKR 4.24Bn in FY 2024-25.

Adequacy of Internal Financial Control

The Board of Directors has employed an articulate paradigm of internal financial controls, promoting the culture of moral conduct and ethical obligation within the Company's systems and processes. Financial Controls are periodically reviewed to ensure these remain effective and are updated with amendments to any laws and regulations.

Change in the Nature of Business

No significant changes have occurred during the year concerning the nature of the business of the Company.

Financial Data and Graphs

Highlights of the operating/financial data and graphs are presented in this Report.

Principal Risks and Uncertainties

A detailed report on the Company's risk management philosophy, governance, and key risks and opportunities is presented in this Report.

Corporate Governance Matters

All matters pertaining to Policy, Board and Governance are addressed in the Corporate Governance Section are considered to be part of the Directors' Report.

Chairman's Review

The Directors of the Company endorse the contents of the Chairman's Review, which is deemed to be a part of the Directors' Report.

Future Outlook

Looking ahead to FY 2026-27, Pakistan’s economy is expected to sustain its cautious recovery, with GDP growth projected around 3.7%, supported by continued IMF-backed reforms and improving fiscal and external buffers. Globally, the IMF projects growth of 3.1% in 2026 and 3.2% in 2027, assuming Middle East disruptions remain limited in scope and duration. Nevertheless, risks from energy-market volatility, trade protectionism and geopolitical fragmentation require continued strategic agility. However, inflation, pushed higher by Middle East-driven energy costs, and a policy rate holding at 11.5% will continue to warrant disciplined financial planning. The textile spinning sector is at critical juncture: cotton ginning units continue shutting down after the 18% sales tax on ginning was retained despite industry assurances, triggering a sharp fall in cotton prices and compounding the distress of spinners already burdened by high energy tariffs and under-invoiced yarn imports. On a more encouraging note, the Finance Act 2026-27 reduced the standard rate from 10% to 8% and abolished Super Tax for companies deriving over 80% of revenue from exports, offering relief to industry. Looking ahead to FY 2026-27, strategic priorities include launching customer and quality management portals, AI-aided workflows, and API-driven treasury automation. These initiatives will further reinforce our secure and scalable IT infrastructure, driving long-term operational excellence. The Company will further expand its renewable energy footprint by approximately 5.3 MW of additional solar capacity, reinforcing its commitment to sustainable, cost-efficient operations, while ESG considerations remain firmly embedded within the Company's core corporate objectives. Despite near-term headwinds, the Company remains confident in the sector’s long-term resilience and will continue prioritizing operational efficiency, prudent financial management and ESG-led value creation.

Acknowledgements

The Board of Directors extends its sincere appreciation to all employees for their commitment, resilience, and dedication in navigating the year's challenges. We also gratefully acknowledge the continued support of our valued customers, suppliers, financial partners, and shareholders, whose trust and confidence have been instrumental to the Company's sustained progress and success.

For and on Behalf of the Board of Directors


Shahid Anwar Tata
Chief Executive


Adeel Shahid Tata
Director

Karachi:
Date: August 06, 2026

Chairman's Review Report

Dear Shareholders,

It is my pleasure to present the Chairman's Review of Tata Textile Mills Limited for the financial year ended June 30, 2026.

Economic & Industry Overview

During the year, Pakistan's economy showed signs of gradual stabilization supported by improving macroeconomic indicators and continued reform initiatives. Nevertheless, the textile sector continued to operate in a demanding environment characterized by elevated energy costs, raw material constraints, policy changes and geopolitical uncertainties affecting global supply chains. Against this backdrop, the Company remained focused on maintaining operational resilience and strengthening its competitive position.

Company Performance & Strategic Direction

Despite industry-wide challenges, the Company delivered a significantly improved financial performance through disciplined execution, operational efficiencies and prudent financial management. The Board remained focused on creating sustainable value by supporting initiatives that enhance productivity, strengthen customer relationships and improve long-term competitiveness.

The Company also continued to advance its strategic priorities through investments in technology, process improvement and modernization projects, ensuring it remains well-positioned to respond to evolving market requirements and future opportunities.

Governance & Board Effectiveness

The Board remains committed to the highest standards of corporate governance, transparency and accountability. During the year, the Board provided effective oversight of the Company's strategic objectives, financial performance, risk management framework and compliance obligations. The annual Board evaluation confirmed that the Board and its Committees continue to function effectively while maintaining a culture of constructive challenge and continuous improvement.

The Board also takes pride in the Company's continued recognition for excellence in corporate reporting, reflecting our commitment to maintaining high standards of disclosure and stakeholder communication.

Sustainability & Responsibility

Sustainability remains an integral component of the Company's long-term strategy. The Board recognizes that lasting success depends on responsible business practices, environmental stewardship and the development of our people. During the year, the Company continued to strengthen its ESG initiatives, invest in employee development, support local communities and pursue opportunities to reduce its environmental footprint.

The Board is encouraged by the progress made in embedding sustainability considerations into decision-making processes and business operations.

Risk Management & Internal Controls

The Board recognizes the importance of maintaining a robust risk management and internal control framework in an increasingly dynamic business environment. Through the Audit Committee and management, the Board regularly reviews key risks, internal controls and compliance processes to ensure that appropriate safeguards remain in place to protect the Company's assets and stakeholder interests.

Looking Ahead

While external uncertainties remain, the Board is confident that the Company's strong fundamentals, experienced management team and continued focus on innovation, efficiency and sustainability will support long-term growth and value creation. We remain committed to pursuing opportunities that strengthen our competitive position while maintaining financial discipline and responsible governance.

Acknowledgements

On behalf of the Board, I extend my sincere gratitude to our shareholders for their continued confidence and support. I also thank our customers, suppliers, financial institutions and business partners for their trust and collaboration.

Most importantly, I acknowledge the dedication and commitment of our employees and management team, whose efforts continue to drive the Company's success and resilience in a challenging environment.

Karachi: August 6, 2026


Warm regards,
Mazhar Valjee
Chairman



CEO's Message

Dear Shareholders,

The spinning sector continued to operate in a challenging environment during FY 2025-26, shaped by geopolitical tensions, elevated conversion costs, high energy tariffs, cotton availability constraints, pricing pressure, and margin compression across the value chain.

Against this backdrop, the Company invested in Balancing, Modernization and Replacement (BMR), raising installed spindle capacity from 127,092 to 132,180 spindles, a reflection of our continued commitment to long-term growth and sustainability.

During FY 2025-26, the Company delivered a stronger bottom line despite a modest topline contraction. Sales declined 3.4% to Rs. 39,841 million, reflecting pricing pressure and the temporary closure of one unit under the BMR program, while gross margin improved to 9.3% from 5.6% on a favorable raw material margin. Finance cost fell 28.8% to Rs. 2,571 million on lower interest rates and tighter working capital management, and other income rose to Rs. 5,218 million. As a result, profit after taxation rose 225% to Rs. 3,619 million, with earnings per share improving to Rs. 64.63 from Rs. 19.88. On this outlook, your Board is pleased to recommend a final cash dividend of Rs. 5 per share.

The Company remains dedicated to the highest standards of ethics, accountability, and transparency, a commitment reflected in securing first position for Best Corporate Reporting in the Textile Category for the second consecutive year at the BCR Awards, jointly organized by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan.

Our responsibility extends beyond our operations to the communities we serve. We meaningfully reduced our carbon footprint through the installation of 11.14 MW of renewable energy capacity, and advanced our CSR agenda through an adult literacy program, education sponsorships, and support for underprivileged communities and community health initiatives. These efforts were recognized with the Employer of the Year – Silver Award and Diamond Recognition for Skills Development from the Employers' Federation of Pakistan.

Looking ahead to FY 2026-27, we remain mindful of near-term headwinds, including cotton availability, energy tariffs, and fuel and financing costs. We will continue to invest in BMR, expand our renewable energy footprint, and deepen the use of Artificial Intelligence and digital tools across our operations, with ESG firmly embedded in our long-term strategy for sustainable value creation.

None of this would be possible without the dedication of our people and the continued trust of our shareholders, customers, and business partners. I extend my sincere gratitude to each of you, and I look forward to another year of shared progress and lasting impact.



Warm regards,
Shahid Anwar Tata
Chief Executive



Directors' Profile

Mr. Mazhar Valjee

Chairman / Independent Director

Mr. Mazhar Valjee is a seasoned business leader with a long-standing association with the House of Habib (HOH), where he has held Chief Executive Officer roles across several group companies. His CEO tenures include Indus Motor Company Limited, Thal Limited, Pakistan Jute & Synthetics Limited, Habib Metro Pakistan Limited, and Makro Habib Pakistan Limited.

Beyond the House of Habib, Mr. Valjee has served as CEO and Country Head of Schneider Electric Pakistan. He currently serves as Chairman of the Board for Tata Textile Mills Limited and Tata Best Foods Limited, and as an Independent Director on the boards of Pakistan Cables Limited and Dynea Pakistan Limited.

He has actively contributed to national policy and industrial development through his involvement with key platforms, including the Indigenization Committee of the Engineering Development Board, the Energy Committee of the OICCI, the Pakistan Jute Mills Association, the Pakistan-German Business Forum, the Pakistan-France Business Alliance, and the Young Presidents' Organization (YPO).

Committed to social impact, Mr. Valjee is associated with non-profit organizations including the Family Educational Services Foundation (FESF - Deaf Reach), KIRAN Patients Welfare Society, and The Hunar Foundation, among others.

He acquired business education from IBA Karachi, and has completed executive education programs at the Stanford-NUS Executive Program and the Yale School of Management.

He has been on the Board of Tata Textile Mills Ltd since July 24, 2020.



Mr. Shahid Anwar Tata

Chief Executive/ Director

Mr. Shahid Anwar Tata holds a Bachelor's degree in Commerce and has been with the family Textile Spinning business since Graduation. He is serving as Director and CEO of Tata Pakistan which comprises of independent public listed spinning mills and a food processing business.

With over 45 years of experience and untiring efforts have helped him to acquire deep insight and expertise in export and manufacturing activities. He has played a key role in making the brand name "TATA" renowned both locally and internationally.

Mr. Shahid Tata constantly strives to inspire his team of professionals in embracing modern technology for greater efficiency, and produce quality products, while maintaining fair and equitable dealing towards employees and workers.

Having a strong desire to give back to society, he is actively involved in philanthropy and supports many institutions in the health and education sectors, such as Aga Khan University Hospital, Indus Hospital, The Citizen Foundation, Pakistan, besides several other welfare & educational projects. Mr. Shahid Tata's dedication to the Textile Industry, education and Philanthropy showcases his commitment to making a positive impact on society. His leadership at Tata Pakistan has not only led to the success and growth of the Company but also to the development of future generations of textile professionals in Pakistan.

Mr. Shahid Tata is also a Member of the YPO Gold Pakistan which is a leading organization for CEOs worldwide.



Mr. Tayyeb Afzal

Independent Director

Mr. Tayyeb Afzal is a distinguished executive with over 45 years of experience across multiple sectors and geographies. His expertise spans financial services, manufacturing, and professional services, with a strong focus on risk governance, leadership, financial management, and strategic planning.

As Pakistan's first corporate leader to hold the Qualified Risk Director (QRD) designation from The DCRO Institute, he champions corporate governance and risk management best practices. He has served as an independent director, business advisor, and mentor, fostering talent and sustainable business growth.

Mr. Afzal has significantly contributed to public and private sector organizations, leading audit committees and optimizing financial performance. His expertise in IPO planning, M&A, and due diligence highlights his strategic insight and operational excellence. With experience in the U.K., Canada, and various Middle Eastern countries, he brings a global perspective to his roles. His deep understanding of diverse cultural and business landscapes enables him to navigate complex challenges and drive value across organizations.

Mr. Afzal is a Fellow Member of the Institute of Chartered Accountants of England & Wales (ICAEW) and The Association of Chartered Certified Accountants of the UK.



Mr. Farooq Advani

Independent Director

Mr. Farooq Advani brings with him over 50 years of experience in business and financial management in the Textile manufacturing, Power and Food businesses. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan (ICAP).

He worked for thirty years with Tata Pakistan in the areas of Accounts, Corporate Affairs, Sales Tax, Income Tax, HR, IT, Cost & Budget and Insurance. He has also served as the Director on the Board of Listed & unlisted Companies, Company Secretary, Chief Financial Officer, Head of Cost & Budget, Head of Information Technology and Project director of ERP Implementation.

He has Core Competencies in Financial Analysis, Audit Compliance, Internal Control, Operating and working Capital Management, Cash-flow Management and Modeling, Business Valuation, Cross Functional Team Leadership and Decision Making & Risk Analysis.



Mr. Adeel Shahid Tata

Director

Mr. Adeel Shahid Tata holds an undergraduate degree from the USA and brings more than 21 years of experience leading textile enterprises. He has driven a modernized approach to management across the group, distinguishing himself as a dynamic and results-oriented professional who continues to reshape the business landscape.

As Director, Mr. Tata's mandate spans operations, strategy, HR, and technology across the group's multi-plant manufacturing operations. He has spearheaded a company-wide transformation of the organization's IT systems, modernizing infrastructure and processes across all business functions.

Beyond his academic foundation, Mr. Tata has completed a range of professional courses spanning supply chain management, cotton administration, risk assessment, creative ideation, and negotiation strategies.

Mr. Tata has been an active member of YPO (Young Presidents' Organization), a preeminent global network of CEOs, where he served on the board of YPO Pakistan for more than eight years, including as Chapter Chair during 2021-2022.

He currently serves on the APTMA (All Pakistan Textile Mills Association) Central Managing Committee, a position he has held since 2025.



Mr. Bilal Shahid Tata

Director

Mr. Bilal Shahid Tata is an experienced business leader with a strong academic background. He holds a Master's Degree in Business Administration from Cardiff University, UK, and a bachelor's Degree from Clark University, USA, specializing in Finance.

Mr. Bilal is the founder and CEO of Tata Best Foods Ltd (TBFL), which operates a state-of-the-art Fully Integrated Meat Business including a 6000 Cattle Feedlot farm in Muzaffargarh, Punjab, a state-of-the-art Abattoir and further processing unit for marinated and cooked meat products. Under his leadership, TBFL has grown into one of the top exporters of Meat and its value-added products from Pakistan. The company has always pursued a culture of innovation. TBFL has the honor of being the first company in Pakistan to produce and export long shelf-life Vacuum Packed Chilled Meats. TBFL also pioneered the logistics for exporting Chilled Bone-in Beef and Goat meat to GCC countries by using refrigerated containers, thereby eliminating the need for costly Air Cargo. Currently almost 80% of the exports from Pakistan to UAE are moving by Sea. This has given Pakistan a substantial advantage in the GCC markets versus other international suppliers in this market segment. TBFL is also one of the first companies to export 'Heat Treated' Cooked and Marinated Beef products. TBFL operates a world class Feedlot Farm of 6000 Heads of cattle to ensure consistent supply of quality livestock. This farm will also serve as a model farm for other farmers who can apply the same concept to raise quality cattle for supply to Export abattoirs.

Mr. Bilal is also serving as a Director on the Board of Tata Textile Mills Ltd, Upcrop Ltd, Livestock and Dairy Development Board Government of Pakistan. These positions have provided him a deep insight into opportunities and challenges facing the Agri and Textile landscape of Pakistan and abroad.



Ms. Samar Shahid

Director

Ms. Samar Shahid is a psychologist and mental health counselor holding a Master's Degree in Psychology from Columbia University, New York and Bachelor's degree in Psychology, Education and International Relations from Brandeis University.

She has considerable experience in the field of education and has served with organizations such as the Karachi American School and Haque Academy. She also runs a private clinic serving as a mental health professional. Over the years she has participated in a number of skills training programs which have focused primarily on Human Development and Education. Keen on giving back to the community, she currently chairs the Charity and Donation Committee at Tata Pakistan. Ms. Shahid firmly believes that education and human development are the bedrock of any young, modern and dynamic society.

She is also on the Board of Tata Best Foods Limited and has been on the board for Tata Pakistan since 2018.



Board of Directors



Standing Left to Right: Mr. Adeel Shahid | Mr. Farooq Advani | Mr. Bilal Shahid | Ms. Samar Shahid
Seated Left to Right: Mr. Tayyeb Afzal | Mr. Mazhar Valjee | Mr. Shahid Anwar

Executive Management



Standing Left to Right: Mr. Rehan Zahoor | Mr. Younus Abdul Sattar | Mr. Syed Wasi Ul Hasan | Mr. Munawwar Alam | Mr. Zarrar Nasir Khan | Mr. Faisal Ismail | Mr. Muhammad Hanif Ashrafi | Mr. Malik Imran Zaheer | Mr. Abdul Shaji Khan
Seated Left to Right: Mr. Muhammad Hussain Rasheed | Mr. Adeel Shahid | Mr. Shahid Anwar | Mr. Muhammad Zaid Kaliya | Mr. Ghazanfer Yaseen



Yousuf Adil
Chartered Accountants

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Pakistan

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TATA TEXTILE MILLS LIMITED

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

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

The responsibility for compliance with the Regulations is that of the Board of the Company. Our responsibility is to review whether the Statement 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's 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 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 upon recommendation of the Audit Committee.

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

Yousuf Adil

Chartered Accountants

Place: Karachi

Date: August 10, 2026

UDIN: CR202610091bcD3htMff

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Tata Textile Mills Limited
Year ended: June 30, 2026

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

- The total number of directors are Seven as per the following
 - Male: Six
 - Female: One
- The composition of the Board of Directors (The Board) is as follows:

S.No.	Category	Names
i.	Independent Directors	Mr. Mazhar Valjee (Chairman)
		Mr. Tayyeb Afzal
		Mr. Farooq Advani
ii.	Non-Executive Directors	Mr. Bilal Shahid Anwar
		Ms. Samar Shahid
iii.	Executive Directors	Mr. Shahid Anwar (CEO)
		Mr. Adeel Shahid Anwar
iv.	Female Directors	Ms. Samar Shahid

The independent director meets the criteria of independence under the Companies Act, 2017 (‘Act’)

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 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.
- The Board has developed a vision / mission statement, overall corporate strategy, and significant policies for the Company. The Board has ensured that a complete record of particulars of significant policies along with their dates of approval or updating is maintained by the company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording, and circulating minutes of the meeting of the Board.
- The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations.

- The Board remained fully compliant with the provision with regard to their directors’ training program.
- The Board has approved the appointment of the Chief Financial Officer, Company Secretary, and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations.
- The Chief Financial Officer and Chief Executive Officer duly endorse the financial statements before approval of the Board.
- The Board has formed committees comprising of members given below:

a. Audit Committee

i.	Mr. Tayyeb Afzal	Chairman
ii.	Mr. Farooq Advani	Member
iii.	Mr. Bilal Shahid Anwar	Member

b. HR and Remuneration Committee

i.	Mr. Mazhar Valjee	Chairman
ii.	Mr. Farooq Advani	Member
iii.	Mr. Adeel Shahid Anwar	Member
iv.	Mr. Bilal Shahid Anwar	Member
v.	Ms. Samar Shahid	Member

- The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
- The frequency of meetings of the committee was as follows:
 - Board Audit Committee (BAC) Quarterly
 - HR and Remuneration Committee (HRRC) Bi - Annual
- The Board has set up an effective internal audit function supervised by a qualified Head of Internal Audit who is considered suitably experienced for the purpose and is conversant with the policies and procedures of the company.
- 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 (ICAP) and registered with the 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 ICAP 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.
- 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.
- We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33, and 36 of the Regulations have been complied with; and

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

S.No.	Non-Mandatory Requirement	Reg. No.	Explanation
1.	Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the HRRC.
2.	Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of the effectiveness of risk management procedures and present a report to the Board.	30 (1)	Currently, the board has not constituted a Risk Management Committee and the Company's BAC performs the requisite functions and apprises the board accordingly.
3.	Training and Development: Companies are also encouraged to arrange training for: i. at least one female executive every year under the Directors' Training program from year July 2020; and ii. at least one head of department every year under the Directors' Training program from July 2022.	19 (3)	The Company has not arranged any training under Directors' Training Program for female executives or head of the department during the year. However the Management intend to carry out such training the Coming years as required by the regulation.

On Behalf of The Board of Directors


Mazhar Valjee
Chairmen


Shahid Anwar Tata
Chief Executive

Karachi
Dated: August 06, 2026

Corporate Governance

Governance Framework

The main philosophy of business followed by TTML for more than four decades has been to create value for all stakeholders through fair and sound business practices, translated into policies approved by the Board and implemented throughout the Company to enhance the economic and social value of all stakeholders.

The Company is committed to maintaining high standards of corporate governance and complies with the applicable provisions of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan ("SECP"), the listing regulations of the Pakistan Stock Exchange Limited ("PSX"), the Companies Act, 2017 and other applicable laws and regulations.

TTML's corporate governance framework is founded on the Company's core values, Memorandum of Association, Article of Association, Code of Conduct, Board-approved policies and applicable laws and regulations. The framework promotes ethical behaviour, transparency, accountability and responsible decision-making, with the objective of protecting stakeholder interests and creating sustainable value for shareholders.

Compliance Statement

The Board of Directors confirms that, throughout the financial year ended June 30, 2026, the Company remained committed to complying with the applicable requirements of the Code of Corporate Governance, the listing requirements of the Pakistan Stock Exchange Limited, the Companies Act, 2017 and the Financial Reporting Framework of SECP.

- The financial statements for the year ended June 30, 2026 present fairly the state of affairs, the results of operations, cash flows and changes in equity of the Company.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements and any departures therefrom have been appropriately disclosed and explained.
- The internal control systems are sound in design and have been effectively implemented and monitored.
- There are no doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the applicable listing regulations.
- There have been no material changes since June 30, 2026, to the date of this report which would have a material adverse impact on the financial position of the Company.

The Board of Directors

The Board of Directors comprises qualified individuals possessing knowledge, experience and skills across various professions, providing effective oversight, strategic guidance and leadership to the Company.

The overall governance structure, composition and functioning of the Board remained unchanged during the year. The Board continues to maintain an appropriate mix of experience, professional backgrounds, skills and qualifications to effectively discharge its responsibilities.

The Board has formulated and approved the respective roles and responsibilities of the Chairman and Chief Executive Officer to ensure an appropriate separation of oversight and executive management responsibilities.

The Board has constituted two sub-committees, namely the Board Audit Committee ("BAC") and the Human Resources & Remuneration Committee ("HR&RC"). The BAC also oversees risk management, while the HR&RC oversees matters relating to human resources, remuneration and sustainability governance. The composition, roles and responsibilities of these committees are defined in their respective Terms of Reference.

The Board is provided with appropriate information and supporting documents in advance of each meeting to enable informed consideration and decision-making. The Board continues to exercise oversight over the Company’s strategy, financial reporting, risk management, internal controls, related party transactions, governance matters, major investments, capital expenditure and other significant matters.

The Board is headed by Chairman Mr. Mazhar Valjee, an Independent Director, and out of seven (7) directors, three (3) are independent directors. The current Board composition reflects a good mix of experience, backgrounds, skills, and qualifications. All directors have many years of experience and are fully aware of their duties and responsibilities under the Code of Corporate Governance. Six (6) Directors have acquired the formal Directors Training Certificates, while one (1) director got exemptions from SECP on meeting criteria. None of the directors are serving on more than seven listed companies, including TTML.

Composition of Board

The current Board composition reflects an appropriate mix of experience, diversity in backgrounds, skills and qualifications. All directors are aware of their duties and responsibilities under the Companies Act, 2017 and the applicable Code of Corporate Governance.

The composition of the Board is in compliance with the applicable requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

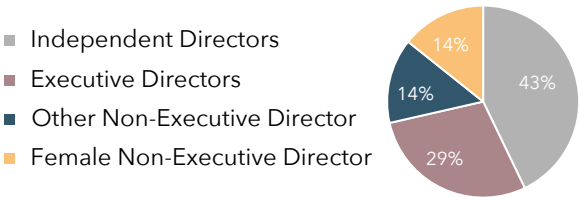
Total number of Directors by Gender

a. Male	6
b. Female	1



Total number of Directors by Category

i. Independent Directors	3
ii. Executive Directors	2
iii. Other Non-Executive Director	1
iv. Female Non-Executive Director	1



The names of the directors as at June 30, 2026 are as follows:

Independent Director			Executive Director		Non-Executive Director	
Mr. Mazhar Valjee	Mr. Farooq Advani	Mr. Tayyeb Afzal	Mr. Shahid Anwar	Mr. Adeel Shahid Anwar	Mr. Bilal Shahid Anwar	Ms. Samar Shahid
Chairman of the Board			Chief Executive			
Mr. Mazhar Valjee			Mr. Shahid Anwar			

Committees of the Board

Subsequent to the last year election of the Board of Directors, the Audit and Human Resources & Remuneration Committees were reconstituted. The following are the details of the members of each committee:

Board Committees							
Audit Committee			Human Resource and Remuneration Committee				
3 Member			5 Member				
Chairman	Member	Member	Chairman	Member	Member	Member	Member
Mr. Tayyeb Afzal	Mr. Farooq Advani	Mr. Bilal Shahid Anwar	Mr. Mazhar Valjee	Mr. Farooq Advani	Mr. Adeel Shahid Anwar	Mr. Bilal Shahid Anwar	Ms. Samar Shahid

Justification for Independence of Independent Directors

- Mr. Mazhar Valjee
- Mr. Farooq Advani
- Mr. Tayyeb Afzal

According to the requirements of Section 166 of the Companies Act, 2017, and the Code of Corporate Governance, it is mandatory for each listed company to have at least two independent directors or one-third of the Board members, whichever number is higher. An independent director is defined as a director who is not connected to or does not have any other relationship, whether pecuniary or otherwise, with the company, and who can be reasonably perceived as being capable of exercising independent business judgment without being influenced by any conflict of interest. The three independent elected directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per the requirement of the Companies Act, 2017 and Code of Corporate Governance 2019. Among the independent directors, there is an appropriate mix of individuals to ensure that there is an overall adequate level of knowledge and expertise for independent directors to effectively carry out their roles and functions vis-à-vis the Board and its committees.

Diversity in the Board

The diversity of the Board supports the Company’s strategic growth and resilience. Members bring a range of expertise and professional perspectives, supporting informed decision-making across areas critical to the Company’s operations and long-term success.

- Business Operations & Corporate Governance
- Technology & Manufacturing
- Sales & Marketing
- Legal & Risk Management
- Accounting & Finance
- Global Business Strategy
- Health, Safety and Environment
- Digital Transformation
- Environmental, Social and Governance (ESG)

By combining a broad range of skills and perspectives with a forward-looking approach, the Board’s diversity supports the Company’s ability to innovate, adapt and grow sustainably.

Decisions taken by the Board and Delegated to Management

The Company conducts quarterly Board meetings to approve important matters, with urgent decisions addressed through signed circular resolutions, duly signed by the directors and presented at the subsequent Board meeting for their noting/ ratification.

The Board oversees and approves, as applicable, annual budgets including capital expenditure, strategic investments, expansion, risk management, governance matters, policy endorsement, related party transactions, appointment of key management positions and financial statements of the Company. Final dividends are recommended by the Board and approved by shareholders in the General Meeting.

Delegation to Board committees and management is followed by appropriate monitoring through subsequent Board meetings. Day-to-day operational matters are managed by the executive team led by the CEO. The CEO has been entrusted by the Board with primary responsibility for conducting routine business operations effectively and ethically, in line with Board-approved strategies and objectives, including production, sales, revenue, cost, profitability and compliance targets.

Management is responsible for identification and administration of key risks and opportunities arising in the ordinary course of business and for establishing and maintaining effective internal controls and financial reporting in conformity with approved accounting standards and applicable legal requirements.

Directors’ Training Program (DTP)

The Directors of the Company are adequately trained to perform their duties and are aware of their powers and responsibilities under the Companies Act, 2017 and applicable PSX requirements.

The Chairman, in collaboration with the Company Secretary and senior management, ensures that Board members are provided with the information necessary to effectively discharge their duties and responsibilities. None of the Company’s Directors has attended the Directors Training Program in the current year, as they have either completed the Director’s Certification from authorized institutions in past or exempted by SECP.

Directors’ Orientation Session

The Company follows the practice of conducting orientation sessions for directors, aimed at familiarizing them with relevant laws, regulations, the Company’s operations and their respective roles and duties. This enables directors to effectively oversee the Company’s operations on behalf of shareholders.

Performance Evaluation of the Directors on the Board

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has approved a formal policy and process for conducting annual performance evaluations of the Board and its committees.

- overall corporate objectives;
- governance structure of the Company;
- statutory and regulatory compliance;
- effectiveness and collaboration; and
- value addition.

The assessment of the Board’s performance is conducted internally, without the engagement of external consultants, in accordance with the process approved by the Board.

All members of the Board participate in the evaluation process and provide feedback through a comprehensive questionnaire covering whether the Board has discharged its duties diligently and with foresight. Responses are handled confidentially by the Company Secretary and are reviewed to identify areas for improvement and enhance overall Board effectiveness. The exercise supports continuous improvement in Board effectiveness, governance, skills, competencies and strategic oversight.

External Oversight of Functions

TTML ensures that its functions operate effectively through regular monitoring, benchmarking and assessment against established objectives and applicable best practices.

- The Internal Audit department reviews processes and functions regularly.
- Manufacturing processes are evaluated against relevant industry practices.
- Information systems and network security are subject to periodic review by internal and external auditors.
- Professional training is facilitated where appropriate to reinforce relevant industry and professional practices.

Detail of Share Trading

During FY 2025-26, no transactions in the Company's shares were carried out by the Chief Executive Officer, Directors, Chief Financial Officer, Company Secretary, Head of Internal Audit, other Executives, or their spouses and minor children, except for the following transaction:

Sr. No.	Name of Director	Opening	Buy	Sale	Balance on
		01-Jul-2025			30-Jun-2026
1	Mr. Tayyeb Afzal (Independent Director)	6,500	-	6,000	500

Role and Responsibility of the Chairman

The Chairman of the Board provides leadership and direction to the Board of Directors and is accountable to the Board. The Chairman acts as a direct link between the Board and the Company’s management through the Chief Executive Officer and communicates Board decisions where appropriate, ensuring compliance with applicable laws, the Code of Corporate Governance, Listing Regulations and other applicable requirements.

- Issuing letters to directors outlining their roles, obligations, powers and responsibilities, together with remuneration and entitlements, in accordance with the Companies Act, 2017 and the Company’s Articles of Association;
- Leading the Board and ensuring that it effectively discharges its responsibilities;

- Presiding over meetings of the Board and General Meetings of shareholders and ensuring that relevant information is available for informed discussion;

- Liaising and coordinating with the Chairs of the Board’s committees;

- Overseeing formal succession planning for the Board, CEO, CFO and other key senior management positions;

- Safeguarding shareholders’ interests;

- Providing Board-level oversight of risk governance, risk tolerance and internal controls;

- Providing assurance that board meeting minutes adhere to the requirements of Companies Act 2017 and Code of Corporate Governance 2019;

- Overseeing key business risks, including cybersecurity risks, and supporting appropriate IT and digital strategies;

- Supporting the integration of sustainability and ESG considerations into the Company’s strategy and long-term value creation; and

- Supporting Board oversight of diversity, equity and inclusion and initiatives aimed at enhancing diversity and female participation.

Role and Responsibility of the Chief Executive Officer (CEO)

The CEO is responsible for leading the development and execution of the Company’s long-term strategy under the direction and supervision of the Board of Directors, with a view to creating sustainable shareholder value.

The CEO is ultimately responsible for the day-to-day management of the Company and for implementing the Company’s objectives, strategies and policies as approved by the Board. The CEO acts as the principal liaison between the Board and Management and communicates to the Board on behalf of Management.

- Placing significant matters before the Board of Directors and/or its committees for information, consideration or decision, as appropriate;

- Managing the affairs of the Company, including financial and operational matters, subject to the supervision and control of the Board and in accordance with the Companies Act, 2017;

- Implementing Board-approved strategies and policies, efficiently safeguarding Company resources and ensuring statutory compliance;

- Exercising the powers, authorities and discretions vested in the CEO under the Companies Act, 2017, the Company’s Articles of Association and Board-approved delegations;

- Entering into and executing contracts, financing arrangements and other instruments within the authority delegated to the CEO and subject to applicable approvals;

- Exercising powers bona fide and for the benefit of the Company as a whole;

- Endorsing the quarterly, half-yearly and annual financial statements in accordance with applicable requirements before their consideration by the Board;

- Closely monitoring operating and financial results against approved plans and budgets;

- Ensuring effective reporting mechanisms throughout the organization;

- Managing risks and opportunities in accordance with the risk management framework approved by the Board;

- Ensuring compliance with applicable laws, regulations and corporate governance principles.

The CEO may delegate such powers to directors, managers, agents or other persons as considered appropriate, except those powers required by law, the Articles of Association or Board resolutions to be exercised personally or for which Board approval is required.

The CEO shall not attend meetings of the Board Audit Committee except by invitation.

Chief Financial Officer, Company Secretary and Head of Internal Audit

The Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit possess the requisite qualifications and experience as prescribed under the applicable provisions of the Code of Corporate Governance and the Companies Act, 2017.

The appointment, remuneration, and terms & conditions of employment of the CFO, the Company Secretary, and the Head of Internal Audit (on recommendation of the Board Audit Committee) were determined by the Board of Directors. The removal of the CFO, Head of Internal Audit and Company Secretary, whenever applicable, is done with the approval of the Board of Directors.

Business Philosophy & Corporate Governance Practices Exceeding Legal Requirements

At TTML, we believe in ethical practices, sustainable manufacturing processes, transparent reporting to shareholders and sound corporate governance practices to support long-term success and sustainable value creation.

The Board members actively participate in meetings to provide guidance on business activities and operational plans, review corporate operations and formulate and review significant policies. The Board recognizes its responsibility for the protection and efficient utilization of Company assets for legitimate business objectives and compliance with laws and regulations.

The Chairman ensures that Board discussions and consequent decisions are duly recorded and circulated to directors within the prescribed timeline. The CFO and Company Secretary attend Board meetings as required. Periodic financial statements and other working papers are circulated sufficiently in advance to enable informed decision-making.

The Company seeks to adopt best practices in addition to mandatory regulatory requirements, including enhanced Board diversity, robust health, safety and environmental practices, transparent corporate reporting and appropriate disclosures. Governance practices exceeding legal obligations include adherence to best corporate reporting standards recommended by ICAP and ICMAP, superior diversity on the Board with three independent directors (exceeding the regulatory minimum of two), and comprehensive disclosures in the Annual Report such as materiality assessment, ratios, reviews, risk metrics, and graphs. The Company has also implemented robust Health, Safety, and Environment strategies to safeguard employees, equipment, and continuously meet international standards.

Timely Communication of Financial Results

The quarterly unaudited financial statements and the half-yearly financial statements (reviewed by the Auditors) were duly circulated within thirty (30) days and sixty (60) days, respectively, along with the Directors’ Review. Annual Financial Statements, Board of Directors’ Reports, Auditors’ Reports, and other statutory statements and information are approved by the board within 40 days, well before the time limit defined in the Companies Act 2017.All periodic financial statements are endorsed by the CEO and the CFO in accordance with applicable requirements before circulation to the Board. Half-yearly and annual accounts are reviewed by the external auditors before being presented to the Audit Committee and Board of Directors for approval.

Risk & Opportunity Management

Management periodically reviews major strategic, financial and operating risks faced by the business. Key risks and opportunities are assessed considering their likelihood, potential impact and appropriate mitigation measures.

The Company continues to monitor risks arising from local and international cotton production and supply availability, cotton pricing, international logistics and shipping, international yarn pricing, exchange rate fluctuations, finance costs, international trade developments and the geopolitical environment, together with other factors that may affect future financial performance.

Internal Control Framework

The Board of Directors recognizes that sound risk oversight, risk management and internal control are fundamental requirements of good corporate governance. Accordingly, an effective system of internal controls has been established and is monitored by the Board Audit Committee.

The Company maintains an internal control framework with clear structures, authority limits, accountabilities, policies and procedures, enabling the Audit Committee and Board to understand key risk areas and implement controls to mitigate those risks. The Head of Internal Audit, supported by the relevant internal audit team, performs internal control and assurance activities in accordance with the approved internal audit plan.

Sustainability Measures

Sustainability remains central to TTML’s strategy and long-term value creation. The Company is progressing initiatives relating to responsible resource consumption, energy efficiency, emissions reduction, water stewardship, waste minimization, climate resilience and the use of sustainable materials across its value chain. TTML is further strengthening the identification, assessment and disclosure of sustainability-related risks, opportunities, metrics and targets. The Company shall publish its comprehensive Sustainability Report, including the disclosures required under IFRS S1 and IFRS S2 pursuant to the applicable SECP notification, within the transition period allowed by SECP and in accordance with the prescribed regulatory requirements and timelines.

Engaging Stakeholders & Transparency

The development and maintenance of strong stakeholder relationships is important to the Company. TTML seeks to provide accurate, timely and transparent information through appropriate announcements, regulatory disclosures, its website and other communication channels.

The Company encourages shareholder participation in General Meetings by providing financial results and other relevant information within prescribed timelines, enabling shareholders to participate on an informed basis.

Stakeholders include, among others, customers, employees, government authorities, shareholders, suppliers, local communities and bankers.

Issues Raised at Last AGM

No significant issues were raised at the 39th Annual General Meeting held on October 21, 2025.

Presence of the Board Audit Committee Chairman at the AGM

The Chairman of the Board Audit Committee attended the Annual General Meeting, held on October 21, 2025 to address shareholders’ concerns and questions, if any, regarding the Audit Committee’s scope, role and responsibilities. During the meeting, no significant issues were raised.

Pattern of Shareholding

A statement on the pattern of shareholding, including categories of shareholders and shares held by directors and executives as at June 30, 2026, is annexed to the Annual Report in accordance with the applicable reporting framework.

Mechanism for Providing Information and Recommendations to the Board

Formal Reporting Line

The Company’s organizational structure consists of various departments and divisions led by respective heads. Divisional and functional heads are responsible for their areas and provide information and recommendations through established reporting lines, and the Board can then have access to them.

Employees

TTML follows an open-door approach under which employees are encouraged to express their views, provide suggestions, raise grievances and communicate concerns to management. Matters of significant nature may be escalated to the Managing Committee, Board of Directors or relevant Board committees. The Company also has a Policy on Protection against Harassment at the Workplace to enable employees to raise serious concerns to the management regarding the business or Company without fear and repercussions.

The CEO meets departmental and divisional heads regularly, providing an opportunity for direct communication of concerns, suggestions and operational matters.

Shareholders

The Annual General Meeting provides shareholders with an opportunity to raise questions and provide suggestions on financial, economic, social and other matters. The Chairman, CEO, COO and CFO respond to shareholders’ questions as appropriate.

The Company provides contact details of relevant personnel through appropriate channels for general and specific investor queries.

Disclosures on Board’s Policies

a. Risk Management and Internal Control Policies

The Board oversees the governance of risk and determines the Company's risk appetite by establishing risk management policies. The objective is to ensure that management maintains a sound system of risk identification, risk management, and related systemic and internal controls to safeguard assets, resources, reputation, and the interests of the Company and shareholders. An effective internal control system is considered essential to achieving overall business objectives and strategy in critical areas of operations, reporting, and compliance. This system is established and effectively implemented at all levels within the Company.

The Board conducts a vigilant and thorough assessment of both internal and external risks the Company might face. A rigorous approach to risk management is followed through an Enterprise Risk Register, which includes a detailed analysis of each risk, evaluating its likelihood and potential impact, and outlining controls and strategies to mitigate these risks. The CFO and his team prepares and updates the risk-related report and evaluates the effectiveness of controls, reporting to the COO and CEO, it is also share with BAC and to the Board for their review. Board members' diversified skills, knowledge, and experience enable them to identify and manage key risks and promote an appropriate balance between risk and opportunities. The Board's Audit Committee is responsible for internal control oversight, including reviewing internal and external auditors' reports.

For IT governance, the Board is proactively involved in directing and controlling management actions for effective monitoring of cybersecurity risks and assessments, even without explicit legal or regulatory requirements. A comprehensive set of security policies is established to guide employees on best practices for cybersecurity across digital platforms and operations, which are regularly reviewed and updated. Simulated phishing exercises are conducted to test and improve employee awareness.

b. Related Party Transactions Policy

i. Approved policy for related party transactions

The Company has a Related Party Policy that sets out the framework for transactions between the Company and its related parties based on applicable laws and regulations. Management must ensure that all necessary details concerning related party transactions are sent to the Audit Committee and Board of Directors at least seven days prior to the Board meeting. These details are placed before the Audit Committee for recommendation, and then before the Board for review and approval. The Company maintains proper record of all transactions pertaining to Related Parties and relevant details have been appropriately disclosed in Note 38 of the Financial Statements in accordance with Fourth schedule of Companies Act 2017. The relevant details of remuneration of CEO and Executive Director have been appropriately disclosed in Note 34 of the Financial Statements in accordance with Companies Act 2017.

ii. Disclosure of Director’s Interest in Significant Contracts and Arrangements

Transactions not executed at arm's length price must be separately presented with justification for Board consideration and approval based on Audit Committee recommendation. The Board approves pricing methods for related party transactions to ensure they are equivalent to arm’s length terms, with the Comparable price method preferred.

Directors are periodically reminded to avoid actual, potential, or perceived conflicts of interest and to excuse themselves from any discussion or voting on matters that would give rise to a conflict of interest. The Company's Code of Conduct emphasizes avoiding activities that conflict with the Company's best interest, requiring disclosure of any close relatives being suppliers or competitors. Employees are required to disclose any situation where there is a possibility of conflict. Directors are required to disclose directorships or memberships in other corporate bodies at appointment and annually, which is used to update the list of related parties.

iii. Remuneration of Non-Executive Directors Including Independent Directors for Attending Board Meetings and General Meetings:

The Board has a formal policy and transparent procedures for fixing the remuneration of Directors. As per the Articles of the Company, the Board of Directors is authorized to fix Directors' remuneration. Non-executives, including the independent directors are entitled only to meeting fee.

iv. Retention of Board Fee by the Executive Director earned by Him against His Services as Non-Executive Director in other Companies

An executive director of the Company may serve as a Non-Executive Director on the board of any other company by virtue of the Companies Act, 2017. Fees paid by any other company, in compliance with the remuneration policy of that respective company and approved by its Board, may be retained by the Executive Director in lieu of services rendered as a Non-Executive Director.

v. Conflict of Interest Policy

The Company ensures that actual or perceived conflicts of interest are managed with transparency and integrity. Directors are periodically reminded to disclose any potential conflicts and to abstain from discussions where such conflicts may arise. Policies and strategies are in place to identify, communicate, and address conflicts, thereby safeguarding impartial decision-making and reinforcing the Company's commitment to ethical governance and accountability.

c. Human Resource Management

The Company considers its human resources to be a key asset and maintains a Human Resource Management Policy covering human resource management and succession planning.

- **Preparation of succession plan:** This is an ongoing process to identify, evaluate, and develop potential employees for future leadership positions, attracting talented and capable individuals to fill required roles through recruitment, on-the-job training, and capability development programs.
- **Merit-based recruitment:** The Company prides itself on providing equitable employment opportunities, free of discrimination, by implementing a merit-based non-discriminatory recruitment process. Talent hunt programs reflect the commitment to being an equal opportunity employer.
- **Performance-based appraisal system:** Performance evaluation of all employees is carried out periodically. Remuneration and benefits are performance-based or market-based.
- **Promotion, reward and motivation:** The Company provides a healthy working environment and optimal growth opportunities to employees to keep them motivated and give them a sense of belonging.
- **Training and development:** Extensive training and a supportive work environment are provided to adapt creativity and innovation. Employees' skills and competencies are enhanced through on-job training, educational growth, and career development opportunities.
- **Diversity, Equity & Inclusion (DE&I) policy:** Diversity is a core value, emphasizing continuous collaboration and communication among employees while respecting differences in gender, ethnicity, national origin, caste, creed, age, religion, cultural background, languages, educational background, abilities, etc. The Board lays particular emphasis on the fair treatment of employees irrespective of their background and restricts discrimination. The management is committed to promoting diversity, including female representation in all departments, and strives to hire persons with disabilities and diverse cultural backgrounds to promote an inclusive work environment. The management has introduced policy framework whereas roadmap for diversity project is approved. Annual targets and strategy have been approved to oversees progress toward achieving their objectives.
- **Employee engagement/feedback:** Employees are encouraged to express views, provide suggestions, and raise concerns directly to management or through emails/phone. Employee engagement activities, including festive celebrations, team building sessions, health awareness campaigns, and social gatherings, are organized to foster a positive work environment. An internal newsletter also serves as a communication tool.

d. Security Clearance of Foreign Directors

The Board of Directors of TTML did not include any foreign Directors on board, so there was no need for security clearance.

e. Board Meetings held outside Pakistan

During the year, no Board meeting was held outside Pakistan as all directors are based in Pakistan.

f. Social and Environmental Responsibility including Procurement, Waste and Emissions

The Company remains committed to responsible and sustainable business practices by integrating environmental and social considerations into its operations and strategy. Efforts focus on environmental protection, social well-being, ethical conduct and responsible resource use.

- Environmental protection through compliance with applicable environmental requirements and efforts to reduce waste, energy and water consumption;
- Responsible use of natural resources and increased use of renewable and recyclable resources;
- Promotion of sustainable fibres and certified materials where commercially and operationally appropriate;
- Investment in renewable energy, including solar power, to reduce reliance on fossil fuels and support lower emissions;
- Water purification and filtration measures and plantation initiatives; and
- Ethical procurement, responsible waste management and emissions management aimed at minimizing the Company's environmental footprint.

g. Communication with Stakeholders

A healthy relationship with stakeholders is important to the Company’s long-term success. TTML maintains open lines of communication, provides relevant information and seeks feedback from stakeholders through appropriate channels.

Stakeholders may access the Company Secretary for grievances and concerns. Business activities with stakeholders are conducted through fair, legal and ethical means. The Company maintains a dedicated section on its website for accurate, transparent and timely information for investors and shareholders.

h. Dividend Policy

The Board considers the Company’s profitability, liquidity, investment requirements, financial position and applicable legal and regulatory requirements when determining dividend recommendations. TTML’s general dividend philosophy is to maximize shareholder returns from Profit After Tax (PAT), with a target of distributing at least 30% of PAT unless a lower payout is justified. Dividends, when declared, are disbursed within the stipulated timelines in accordance with the Companies Act 2017 and SECP regulations. The Board recommended 50% dividend i.e. Rs. 5/share for the year ended June 30, 2026.

i. Investors’ Relationship and Grievances

The Company recognizes the importance of timely and fair disclosure of material information to stakeholders to facilitate informed investment decisions and maintain a level playing field.

The Company seeks to safeguard investors’ and shareholders’ interests by addressing grievances efficiently, fairly and confidentially and within applicable timelines. Investors are provided appropriate avenues to raise concerns, queries and feedback, and remedial action is taken where necessary. Appropriate remedial action is taken immediately to avoid future recurrences. A designated email address is created to facilitate investors for queries, grievances, and feedback.

j. Employees’ Health, Safety and Protection

The Company is committed to providing a healthy and safe working environment. The HSE function oversees compliance with applicable health, safety and environmental laws and regulations and supports the integration of sustainability objectives into operations.

The Company maintains relevant HSE procedures, conducts internal reviews and facilitates external assessments where appropriate to strengthen safety and security.

k. Whistleblowing Policy

The Whistleblowing Policy provides a mechanism for employees and third parties, including suppliers, customers and dealers, to report malpractice, impropriety or unethical conduct.

Reportable matters may include financial malpractice, non-compliance with legal obligations, inappropriate disclosure of confidential information, deviations from fair financial reporting, health and safety or environmental concerns, unlawful activity and other improper or unethical behaviour.

Reports are handled confidentially and the Company seeks to protect persons raising concerns in good faith from retaliation, subject to applicable policy provisions.

l. Anti-Harassment Policy to Safeguard the Rights and Well-Being of Employees

The Company’s Code of Conduct and applicable policies provide mechanisms for protection against harassment at the workplace. The Company maintains appropriate procedures, including an Inquiry Committee and designated competent authority, in accordance with applicable law.

The policy is intended to safeguard the rights, dignity and well-being of employees and to promote a respectful and inclusive workplace.

m. Safety of Records of the Company

The Company maintains appropriate document and record control mechanisms for retaining, safeguarding and retrieving corporate documents and data. Important documents are kept securely, while other records may be maintained through appropriate record-management arrangements.

Accounting and financial information is maintained through the Company’s ERP environment, with access to electronic documentation protected through authorization controls and password-protected access mechanisms.

n. Information Technology (IT) Policy

The Company maintains an Information Technology Policy to support the effective and efficient use of IT resources, establish priorities and strategy, enhance productivity and deliver appropriate services to users.

The IT governance structure includes an IT Steering Committee comprising senior management responsible for major IT decisions. The IT Head is responsible for communication and implementation of IT security policies, while Internal Audit provides independent monitoring of compliance with applicable IT policies.

The IT Policy covers information security, human resource security, access control, information system acquisition, development and maintenance, business continuity, incident management, website governance and the Company’s ERP environment.

Board Review on Business Continuity or Disaster Recovery Plan

The Board oversees the Company’s Business Continuity and Disaster Recovery arrangements to support the continued availability of critical systems and business functions and to minimize disruption in the event of unforeseen incidents.

Disaster recovery arrangements are designed to facilitate timely transition to backup operations and restoration of normal operations following a disruption. In terms of Business Continuity Planning, we’ve dedicated significant efforts to maintain seamless business operations. TTML have developed comprehensive Business Continuity Plans (BCP) to safeguard the organization and its resources, guaranteeing minimal disruption in case of unforeseen events by ensuring the availability of critical business functions.

Board's Disclosure on Enterprise Resource Planning (ERP)

1. Integration of Core Business Processes

TTML continues to demonstrate leadership in the adoption of advanced technology through the migration of its Oracle E-Business Suite ERP to the cloud-based Oracle Fusion Cloud platform. Following the successful implementation of Oracle Fusion Cloud in FY 2022-23, the Company has entered a phase of operational stability and continuous optimization. The implementation was completed successfully across two structured phases, and the key core modules are now fully operational. These core applications and newly implemented modules have enabled TTML to seamlessly integrate its diverse business operations, enhance reporting capabilities through real-time information, and foster cross-functional synergies that support informed and timely decision-making at all organizational levels. The IT and management teams remain committed to further optimizing ERP functionality through the integration of AI bots, refinement of workflows, implementation of CRM and Quality modules, advanced barcode-based asset management, API driven treasury function and enhancement of analytics capabilities. These initiatives are intended to provide more actionable insights, facilitate data-driven decision-making, and strengthen collaboration across departments.

2. Management Support, Continuous Updates & User Training

The IT Steering Committee chaired by the Chief Operating Officer and reporting to the CEO remains central to keeping the organization technologically advanced and efficient. The Committee continually introduces new initiatives to improve processes and controls, employing a standardized Application Lifecycle Management process for holistic implementation. The Committee oversees the entire process chain, ensuring that business process owners evaluate risks associated with system upgrades impacting both ERP systems and broader business activities. To ensure the effective use of core applications, the IT management team incorporates user feedback and industry’s best practices into ERP enhancement.

3. ERP Project Control & Risk Management

The IT team continues to proactively manage and mitigate control risks associated with ERP systems. Risks are identified, assessed, and mitigated in a timely and structured manner. To ensure system integrity, independent IT General Controls (GITC) audits are conducted by external auditors covering IT Governance, Access Security, Program Change Management and Data Centre Operations. Any issues identified are promptly addressed and rectified. The Company maintains a proactive risk management framework to address potential ERP-related challenges including rigorous testing, and user acceptance protocols before system changes are rolled out.

To maintain a controlled environment, access to sensitive information and segregation of duties are strictly enforced across all Oracle Fusion modules . A comprehensive policy requires multiple levels of approval from senior management and the IT compliance function for any user rights requests – ensuring ERP systems remain secure, compliant, and auditable.

Report of the Board Audit Committee on adherence to the Code of Corporate Governance 2019

The members of the Board Audit Committee are pleased to present their report to the shareholders for the year ended June 30, 2026.

Composition of Board Audit Committee (BAC or Committee) Members

The Composition of the BAC is as mentioned in the table below:

Name of Director as a Director	Position in Committee	Category of Director
Mr. Tayyeb Afzal	Chairman	Independent Director
Mr. Farooq Advani	Member	Independent Director
Mr. Bilal Shahid Anwar	Member	Non-Executive Director

Profile of BAC Members

Mr. Tayyeb Afzal is an accomplished C-Level executive with extensive experience spanning over 45 years across various sectors and geographies. His expertise lies in financial services, manufacturing and professional services, particularly in the areas of risk governance, leadership, financial management, and strategic planning. Tayyeb’s profession credentials as the Fellow of the Institute of Chartered Accountants of England & Wales (ICAEW) and the Fellow of the Association of the Chartered Certified Accountants (ACCA) of the UK, attest to his technical proficiency and commitment to upholding the highest standards of ethical conduct and professional excellence.

Mr. Farooq Advani is a seasoned professional having experience around five decades of business and financial management in the Textile manufacturing, Power and Food businesses. He is a Fellow Member of Institute of Chartered Accountant of Pakistan (ICAP).

Mr. Bilal holds an MBA with specialization in Finance and has more than 15 years of experience in Business Management, with expertise in financial and strategic analysis. He is the Founder and CEO of Tata Best Foods Limited, which operates a state-of-the-art, fully integrated meat business comprising a 6,000-cattle feedlot farm in Muzaffargarh, Punjab, a modern abattoir, and a further processing unit for marinated and cooked meat products. He also serves as a Director of Upcrop Limited and as a Director of the Livestock and Dairy Development Board, Government of Pakistan.

All the Committee members possess economic, financial and business acumen, and are financially literate.

Meetings of the Board Audit Committee

The Committee met five (5) times during the year, attendance of the members at these meetings is stated in the Directors’ Report. Quarterly meetings were held primarily to review and recommend interim and annual financial statements to the Board of Directors (Board) for its considerations and approval.

The Chief Operating Officer and Chief Financial Officer (CFO) of the Company attend the Committee meetings upon invitation. Internal auditors are present at all Committee meetings, while the attendance of External Auditors is based on the specific requirements of the meetings.

The Committee Secretary, who also serves as the Head of Internal Audit, circulates a synopsis of the meetings to all members, directors, and, where necessary, to the CFO prior to the next Board meeting. The minutes of the meetings are subsequently shared with the relevant stakeholders. The Chairman provides updates of all significant matters discussed in the meeting to the Board.

Financial Statements

The Committee has concluded its annual review, of the conduct and operations of the Company during the year ended June 30, 2026, and reports that:

- The financial statements of the Company for the year ended June 30, 2026 have been prepared on a going concern basis under requirements of Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations.
- These financial statements present a true and fair view of the Company’s state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review.
- In line with the Auditors (Reporting Obligations) Regulations, 2018 issued by SECP, the External Auditors have issued unmodified audit reports in respect of the above financial statements for the year ended June 30, 2026.
- Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements.
- The Committee reviewed quarterly, half-yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors.
- Accounting estimates are based on reasonable and prudent judgment.
- The Company in accordance with the Companies Act, 2017, has maintained proper and adequate accounting records and the external reporting is consistent with management process and adequate for shareholders’ needs.
- The Chief Executive Officer, Director and the Chief Financial Officer have endorsed the financial statements of the Company, while the Chief Executive Officer and a Director have signed the Directors’ Report. They acknowledge their responsibility for true and fair presentation of the Company’s financial condition and results, compliance with regulations, applicable accounting standards, establishment, and maintenance of internal controls and systems of the Company.
- The Committee has reviewed all related party transactions prior to approval by the Board.
- The Company has issued a “Statement of Compliance with the Code of Corporate Governance” which has also been reviewed and certified by the External Auditors of the Company.
- Understanding and compliance with Company codes and policies has been affirmed by the members of the Board, the Management and employees of the Company. Equitable treatment of shareholders has also been ensured.
- Trading and holdings of Company’s shares by Directors and executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholding.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive Officer and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

Risk Management and Internal Controls

- The Company has developed a sound mechanism for identification of risks and assigning appropriate criticality level and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company and presented to the Board Audit Committee for information and review.
- The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function, which is duly reviewed by the Committee for effectiveness.
- The Internal Audit department is responsible for monitoring of compliance, inherent and other risks associated with the internal controls and other areas of operations of the Company.
- The Company’s approach towards risk management and types and detail of risks along with mitigating measures are disclosed in relevant section of the Annual Report.

Internal Audit

- The Company’s system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Board Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders’ wealth at all levels within the Company.
- The Internal Audit department has carried out its duties under the charter defined by the Committee. The Committee has reviewed material Internal audit findings, took appropriate action or brought the matters to the Board’s attention where required.
- The Board Audit Committee has provided proper arrangement for staff and management to report to Board Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit has direct access to the Chairman of the Board Audit Committee. The Committee met with the Head of Internal Audit and other members of internal audit function without the presence of CFO and external auditor.
- The recommendations of the internal auditors were agreed for implementation in due course of time and there was no point of conflict between the management and the internal auditors.
- The Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company’s objectives, including a reliable financial reporting system and compliance with laws and regulations.

External Auditors

- The external auditors of the Company, M/s. Yousuf Adil, Chartered Accountants, have completed the audit of financial statements of the Company for the year ended June 30, 2026 and review of the “Statement of Compliance with the Code of Corporate Governance” for the year ended June 30, 2026 and shall retire on the conclusion of the 40th Annual General Meeting.
- The Board Audit Committee has discussed the audit process and the observation, if any, of the External Auditors regarding the preparation of the financial statements including compliance with the applicable regulations or any other issues.

- The External Auditors attended all the Board Audit Committee meetings where their reports were discussed. At year-end meeting, the Committee met the External Auditors without the presence of the management. The Committee discussed the audit process and any observation identified during audit of the financial statements and checking compliance with the applicable regulations or any other issues.
- The External Auditors also attended General Meetings of the Company during the year and have confirmed attendance of the 40th Annual General Meeting scheduled for October 27, 2026. The Auditors have also indicated their willingness to continue as external auditors.
- The External Auditors do not provide any services other than external audit of the Company. The audit firm has no financial or other relationship of any kind with the Company except that of External Auditors.
- Being eligible, M/s. Yousuf Adil, Chartered Accountants have offered themselves to be re-appointed as external auditors for the financial year 2026-2027. The Committee being satisfied with the performance of external auditors has recommend them to the Board for reappointment for the year ending June 30, 2027.

Annual Report 2026

- The Company has issued a very comprehensive Annual Report which besides presentation of the financial statements and the Directors’ Reports of the Company, also discloses other information much in excess of the regulatory requirements to offer an in depth understanding about the management style, the policies set in place by the Company, its performance during the year, and future prospects to various stakeholder of the Company.
- The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc., and the Board Audit Committee believes that the Annual Report 2026 gives a detailed view of how the Company evolved, its state of affairs and future prospects.

Self - Evaluation of The Audit Committee

- The Board Audit Committee believes that it has carried out responsibilities to the full, in accordance with terms of reference approved by the Board, which included principally the items mentioned above and the actions taken by the Board Audit Committee in respect of each of these responsibilities. Evaluation of the Board performance, which also included members of the Board Audit Committee was carried out separately.

Whistle Blowing

- The Company has whistle blowing policy in place. No instance was reported to the Board Audit Committee during the year, which is indicative of a strong governance and sound ethical practices.


Tayyeb Afzal
Chairman
Board Audit Committee

Karachi:
Date: August 04, 2026

Terms of Reference of Committees of the Board

The Board of Directors have constituted Audit Committee and Human Resource and Remuneration Committee to work under its guidance. Details about the composition and terms of reference of both committees are as under:

Board Audit Committee (BAC)

Mr. Tayyeb Afzal	Chairman (Independent)
Mr. Farooq Advani	Member (Independent)
Mr. Bilal Shahid Anwar	Member (Non-Executive)
Mr. Ghazanfer Yaseen	Secretary

The committee consists of three members, including two independent directors, one of them serves as the chairman.



Standing left to right: Mr. Bilal Shahid Anwar | Mr. Tayyeb Afzal | Mr. Farooq Advani | Mr. Ghazanfer Yaseen

Purpose and independence

The BAC's primary objective is to adhere to the Listed Companies (Code of Corporate Governance) Regulations, 2019, and carry out tasks assigned by the Board accordingly. These responsibilities encompass reviewing and advising on financial policies and reports, ensuring the Company's financial practices align with these regulations, and investigating any financial matters that arise.

Meeting

The BAC meets at least once every quarter of each financial year. The secretary of BAC calls meetings at the request of the BAC chairman, the external auditors, or the head of internal audit. Unless all BAC members unanimously agree otherwise in writing, each member of the BAC and any other person required to attend will receive notice of each meeting confirming the venue, time, date, and agenda of items to be discussed no later than seven calendar days before the meeting.

Quorum of meetings

A minimum of two (2) members must be present to constitute a quorum. If the Chairman of the BAC is unavailable for a valid reason, another member of the BAC may lead the meeting with the consensus of the committee.

Minutes of meeting

The BAC Secretary (Head of Internal Audit) shall circulate the draft minutes of the meeting to all BAC members and the CFO within seven (7) calendar days of the meeting. The final minutes shall be circulated within fourteen (14) calendar days of the meeting. If this is not practicable, the BAC Chairman shall communicate a synopsis of the proceedings to the Board, which shall be prepared by the BAC Secretary. The minutes of the BAC meeting shall be approved by the Chairman of the next BAC meeting.

Terms of reference

a. Financial Reporting

- Oversee the preparation of financial statements and disclosures that are in accordance with applicable laws and regulations and reasonably portray the company's financial condition, results of operations, plans, and long-term commitments.
- Review the annual and interim financial statements of the company prior to their approval by the board, focusing on:
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - The going concern assumptions
 - Any changes in accounting policies and practices
 - Compliance with applicable accounting standards
 - Compliance with statutory and regulatory requirements
 - All related party transactions
 - Determination of appropriate measures to safeguard the company's assets
 - Review of preliminary announcements of results prior to external communication and publication
- Determine the company's compliance with relevant statutory requirements.
- Review the external auditors' opinion on the financial statements of the company.
- Review management letters issued by external auditors and the management responses thereto.

b. Oversight of controls

- Understand the company's system of internal control and control process.
- Review material findings of audit and ascertain that the internal control system, including financial controls, accounting system, and reporting structure, are adequate and effective.
- Review the company's statement on internal controls prior to endorsement by the board and internal audit reports.

c. Internal Audit

- The BAC has oversight of the internal audit function.
- The Head of Internal Audit reports to the BAC and has direct access to the Chairman of the BAC and its members.
- The BAC reviews the scope and extent of internal audit and ensures that it has adequate resources and is appropriately placed within the company.
- The BAC approves the internal audit plan and ensures that it is aligned with the BAC's own goals and objectives.
- The BAC reviews the results of internal audits and considers any major findings or recommendations.
- The BAC may advise internal audit department to perform investigations or other services in matters of concern to the BAC.
- The BAC considers any other issue or matter as may be assigned by the Board.

Human Resource & Remuneration Committee (HR&RC)

Mr. Mazhar Valjee	Chairman (Independent)
Mr. Adeel Shahid Anwar	Member
Mr. Bilal Shahid Anwar	Member (Non-Executive)
Mr. Farooq Advani	Member (Independent)
Ms. Samar Shahid	Member (Non-Executive)
Mr. Zarrar Nasir Khan	Secretary*

The Human Resource and Remuneration Committee (HR&RC) is constituted by the Board of Directors. It is comprised of five members, with a majority being non-executive directors. There are two Independent Directors including the Chairman.



Standing left to right: Ms. Samar Shahid | Mr. Bilal Shahid Anwar | Mr. Zarrar Nasir Khan
Seated left to right: Mr. Adeel Shahid Anwar | Mr. Mazhar Valjee | Mr. Farooq Advani

Meeting

The HR&RC shall meet at least once in a financial year and may meet more often if requested by a member of the Board, the committee itself, or the CEO. The HR head or any other person appointed by the Board may act as the Secretary of the committee.

The committee members do not participate in the proceedings of the committee when an agenda item relating to his/her performance or review, or renewal of the terms and conditions of his/her service comes up for consideration.

Terms of reference

- Recommends to the board a policy framework for determining remuneration of directors and senior management.
- Undertakes an annual formal process of evaluating the performance of the board as a whole and its committees.
- Recommends human resource management policies to the board.
- Evaluates the performance of the executive officer and reviews the company's management succession plan.
- Recommends to the Board the selection, evaluation, compensation, development (including retirement benefits) and succession planning of the CEO, Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit.
- Consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer.
- Oversees employee development by monitoring HR aspects of organizational learning and development.
- Ensures that the performance management system is achieving its objectives of fairly rewarding employee performance and is in line with company objectives.

*Mr. Zarrar Nasir Khan appointed as a secretary of HRRC in place of Ms. Humera Ahmad with effect from September 04, 2026.

- Has authority to discuss any relevant matters with management and to request appropriate reports, explanations, and/or activity modifications.
- May delegate its authority to the chairman or any other member of the committee when it deems appropriate and in the best interest of the company.
- Ensures the Company has an anti-harassment policy in place to safeguard the rights and well-being of employees.
- Oversee sustainability governance, setting strategies, priorities, and targets for long-term value creation while ensuring compliance with ESG guidelines.

Directors’ Participation in Board and Sub Committee Meetings

The attendance of the directors is as follows:

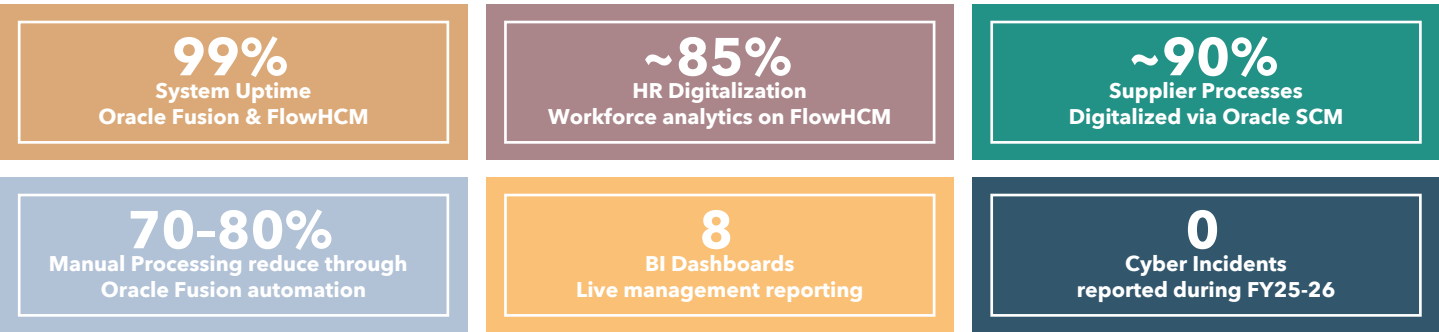
Name of Director	Number of Meetings Attended					
	Board Meeting In-Person	Board Meeting Online	Audit Committee In-Person	Audit Committee Online	Human Resource & Remuneration Committee In-Person	Human Resource & Remuneration Committee Online
Meetings held during 2025-2026	👤👤👤👤👤👤		👤👤👤👤👤		👤👤	
Mr. Mazhar Valjee	👤👤👤👤👤👤	-	N/M	-	👤👤	-
Mr. Shahid Anwar	👤👤👤👤👤👤	-	N/M	-	N/M	-
Mr. Adeel Shahid Anwar*	👤👤👤👤👤	💻	👤👤👤👤👤	-	👤👤	-
Mr. Bilal Shahid Anwar	👤👤👤👤👤	💻	👤👤👤👤	💻	👤	💻
Mr. Farooq Advani	👤👤👤👤👤👤	-	👤👤👤👤👤	-	👤👤	-
Mr. Tayyeb Afzal	👤👤👤👤👤	💻	👤👤👤👤👤	-	N/M	-
Ms. Samar Shahid	👤👤👤👤👤	💻	N/M	-	-	💻

👤 In-Person
💻 Online

*Mr. Adeel Shahid Anwar attended all meetings of the Audit Committee by way of invitation.
N/M: Not a member.
Leave of absence was granted to the Director who could not attend the Meetings due to their preoccupation.

IT Governance & Digital Transformation

Governed by Strategy. Powered by Innovation. Built for Industry 4.0.



1. Board Responsibility, AI Strategy & Legal Compliance

The Company recognizes Information Technology as a strategic enabler of business performance, operational resilience, effective governance and sustainable value creation. During FY2025-26, the Company continued to strengthen its technology environment through enhanced governance, cybersecurity, digital transformation, process automation and infrastructure modernization.

The Board holds ultimate responsibility for the Company's IT strategy, including AI adoption, cybersecurity resilience, and regulatory compliance. In the event of a breach or material incident, the Board is engaged immediately through established escalation and governance channels.

The Company's AI strategy is anchored in measurable operational value with AI-powered camera attendance, Oracle Fusion AI Agents, AI-aided minutes recording and Business Intelligence dashboards already implemented and operational. The Board monitors technology investments against business outcomes through the IT Steering Committee.

2. IT Governance Framework, Board-Level Oversight & It Steering Committee

TTML has a comprehensive IT Governance Framework, anchored as per the Company's strategic objectives and vision, covering IT strategy, risk management, cybersecurity, access control, change management, business continuity, and disaster recovery across all mills, offices, and cloud environments.

A dedicated IT Steering Committee provides management-level oversight of IT governance and cybersecurity matters. The Committee is chaired by the Chief Operating Officer, with the Head of IT serving as Secretary, and meets monthly, or as required, to review audit findings, monitor the Company's cybersecurity posture, approve digital initiatives, and ensure that IT risks are reviewed at the appropriate governance level. Ultimate strategic approval rests with the CEO. The Head of IT is responsible for implementing, monitoring, and reviewing IT policies and procedures, and lead enterprise risk assessments, oversees employee training, and reports relevant findings to the Committee. Board audit committie looks after the Board-level oversight of IT governance and cybersecurity matters.



3. Digital Transformation & Artificial Intelligence - Industry 4.0 in Action

The Company has made decisive, measurable progress on its digital transformation journey. Technology is no longer a support function, it is a core strategic driver of efficiency, transparency, and value creation across the organization.

Initiative	Impact & Achievement
Oracle Fusion Cloud ERP	Core ERP migrated in two phases - Phase I (Finance, Budget control, Procurement) and Phase II (Manufacturing, Project, Fixed Assets, EAM). Automated workflows reduced manual processing time by 70-80%.

Initiative	Impact & Achievement
Supply Chain Management	Supplier onboarding, price negotiations, and compliance now ~90% digitalized. Real-time supplier visibility across the full procurement lifecycle.
AI-Powered Workforce management	FlowFiz AI-aided biometric camera attendance deployed - eliminating manual registers, reducing proxy risk, and generating real-time workforce analytics.
Human Resource ERP	Complete digitalization of all human resource processes. Every employee across mills and offices onboarded - payroll, leave, and HR records fully digital.
Digitalized Treasury Operations	Eliminated manual paperwork and cheque costs through online pay order process, Successful implementation of the MT-940 for bank statement reporting and successful implementation of RTGS & Bank transfer automation.
Business Intelligence - 8 Dashboards	Integrated BI dashboards deployed across key functions real-time management visibility supporting faster, data-driven leadership decisions.
Barcode-Based Inventory Controls	Barcode integration extended across all mills improving inventory tracking accuracy and enabling real-time stock visibility.
Microsoft 365 - Digital Workspace	Secure collaboration, digital approvals, centralized data management and paperless workflows reducing physical documentation dependency.
Diligent Board Software	Board notices and meeting minutes have been digitalized through Diligent Board Software, enabling secure cloud-based meetings. Introduction of AI-assisted recording of minutes.

4. Early Warning System & Cybersecurity Incident Management

The Company maintains defined controls and procedures for identifying, assessing, and communicating cybersecurity risks and incidents in a timely manner. The IT governance framework establishes clear escalation protocols ensuring that material cybersecurity events are promptly communicated to the IT Steering Committee and senior management.

Real-time monitoring of network activity, firewall logs, privileged accounts, and inactive user accounts forms the foundation of the Company's early warning capability. Any high-risk activity triggers immediate escalation through established governance channels. Reflecting the effectiveness of these controls, no cybersecurity incidents were officially confirmed during FY2025-26, with core systems maintaining approximately 99% uptime.

5. Independent Security Assessment & Third-Party Review

During FY2025-26, the Company engaged an independent external auditor to conduct a formal IT General Controls (GITC) review of its technology environment covering IT Governance, Access Security, Program Change Management, and Data Centre & Network Operations. This assessment included a structured evaluation of the Company's core enterprise applications. The independent review provided objective assurance over the Company's IT control environment and identified areas for further enhancement, which management has proactively addressed. This structured engagement with an independent third party demonstrates the Company's commitment to transparent, accountable, and continuously improving IT governance - benchmarked against recognized control frameworks.

Oracle Fusion Cloud, as a globally recognized SaaS platform, is additionally governed by Oracle's own internationally certified security and compliance posture - including SOC 1, SOC 2, and ISO 27001 certifications - providing an additional layer of independent assurance over the platform's security environment.

6. Cybersecurity Resilience, Disaster Recovery & Cyber Insurance

The Company operates a multi-layered cybersecurity framework covering cloud and on-premises environments built on the pillars of confidentiality, integrity, and availability. Key controls include enterprise-wide antivirus with real-time threat monitoring, multi-factor authentication, role-based access control, periodic access reviews, and continuous network and firewall monitoring.

Business Continuity and Disaster Recovery arrangements are formally established, supported by Oracle's vendor-managed global DR infrastructure with a platform-level RTO of 12 hours and RPO of 1 hour. For on-premises file server data, the Company maintains daily backups replicated to an off-site location, with a targeted RTO of 2-3 hours and RPO of up to 24 hours.

Resilience and steadiness are supported through established DRP and BCP frameworks. Ongoing monitoring, periodic audits, and a robust control environment have supported in no incidence of cyber events. The Company has not procured a dedicated cyber insurance policy, while these measures collectively reduce reliance on external risk-transfer mechanisms.

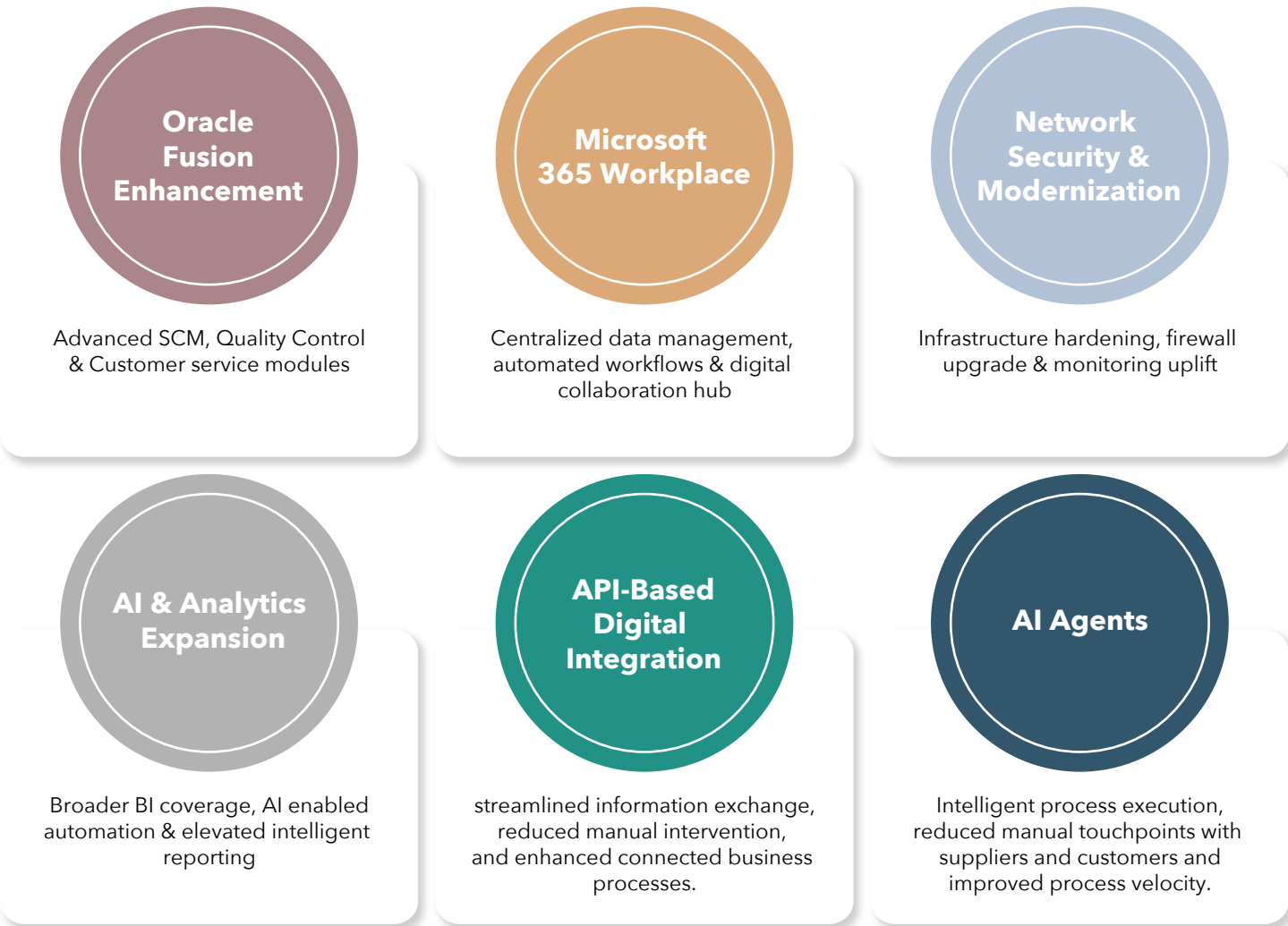
7. Cybersecurity Awareness & Employee Education

The Company actively promotes cybersecurity awareness across its workforce through a structured, ongoing communications program. Rather than one-time training events, the Company deploys regular cybersecurity awareness communications ensuring employees remain continuously informed of evolving threats and their responsibilities.

Awareness Activity	Frequency	Coverage
Phishing Awareness Emails Password Security Change	Periodic / As threats emerge 45 days	All IT users across mills & offices All system users

Continued communications on cybersecurity cover phishing threats, password security, social engineering, responsible internet and data use, reporting protocols for suspected incidents, and emerging cybersecurity risks. The program ensures that the human element consistently the most targeted vulnerability in any organization is actively strengthened through awareness and behavioral reinforcement.

8. Technology Roadmap - FY2026-27



Tata Textile Mills Limited remains committed to purposeful, responsible, and measurable digital transformation. Industry 4.0 is not a future state - it is our present direction. Every initiative implemented is grounded in real business value: efficiency, transparency, resilience, and sustainable growth.

Risk Governance and Framework Oversight

The Board is responsible for the Risk Management Framework. TTML’s risk management policies and procedures are thoroughly documented and consistently applied across the organization. The framework undergoes regular reviews and updates to adapt to evolving business conditions and emerging risks. TTML’s Risk governance structure includes various layers of responsibility, from the board level down to operational teams, with each level playing a distinct role in risk oversight. Through combined experience, expertise and effective business reporting, Management remains aware of internal and external developments.

Determining level of risk tolerance

TTML’s approach to risk management is designed to provide reasonable, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated, and all information that may be required to be disclosed is reported to Company’s senior management, including the CEO, COO and CFO. TTML has clearly defined its risk appetite and tolerance levels, which reflects the level of risk we are prepared to accept in pursuit of our strategic objectives, while our risk tolerance establishes specific thresholds for acceptable risk levels. These parameters are aligned with our strategic goals and stakeholder expectations.

Policy

The Company has a risk management policy, approved by the Board, which supports strategic and business objectives, and ensures the continuity of operations in all circumstances. The Risk Management Policy of the company provides a structured framework to identify, assess, and manage risks that may impact business objectives. Risks are systematically identified and documented in a digital risk register and addressed through defined strategies. This policy safeguards resources, ensures compliance, supports business continuity, and promotes accountability, continuous improvement, and sustainable growth.

Robust assessment of the principal risks and uncertainty

The Board of Directors of the Company has established corporate strategy and business objectives. Conducting a robust assessment of the principal risks is essential for maintaining the integrity and sustainability of the corporate objectives. The Board’s Audit Committee is responsible for internal control in the company. The Internal and External Auditors’ reports are submitted to the Audit Committee for their review, which after detailed deliberations along with suggestions are submitted to the Board of Directors. The potential risks include:

- Macroeconomic Risk: Persistently high inflation and unstable economic and unpredictable political conditions have a significant impact on company’s financial resilience.
- Geopolitical and Market Risk: Sales remain under pressure due to geopolitical tensions, supply chain disruptions, and reduced demand driven by inflation, putting pressure on sales volumes and revenue growth.
- Currency and Financial Risk: Exchange rate volatility increases the cost of imported raw materials, while high policy rates significantly impact financing costs, potentially affecting solvency and liquidity.
- Operational Risk: Rising inflation, particularly in energy & fuel and labor costs, escalating conversion costs, directly impacting profitability and liquidity.
- Technological Risk: Failure to keep pace with technological advancements could lead to inefficient processes, product obsolescence, and reduced competitiveness, threatening long-term sustainability.
- Regulatory and Legal Risk: Rapid changes in trade policies, including custom duties and taxation, pose compliance challenges.
- Competitive Risk: Intensifying domestic and global competition puts downward pressure on margins, potentially affecting profitability and market share.

Risk Analysis Matrix

Probability					
Impact		Unlikely	Likely	Most Likely	Expected
	Substantial	Low	Medium Natural disaster	High Cotton price volatility High-Interest rates adversity Concentration risk	Substantial Global geopolitical instability Economic and political instability of the country
	High	Low	Low Exchange Rate Volatility Information System and Cyber Security Risk	Medium Health, Safety and Environmental Risks Changes in laws and regulations Technological advancement	High Energy cost escalation Risk of global supply chain
	Medium	Low Bad Debt	Low Risk of litigation Skilled Employees Turnover	Low	Medium
	Low	Low Maintenance Risk	Low	Low	Low

Following are the major principal risks, which may affect our business operations and mitigating strategies for controlling these risks. Sources of risks, assessment of likelihood and magnitude of their impact are also mentioned against each risk.

Strategic Risks

Risk	Area of Impact	Source of Risk	Mitigating Strategy
Global geopolitical instability The current global environment is characterized by intense geopolitical friction and economic turbulence. Persistent conflicts in the Middle East and the Russia-Ukraine region, compounded by the Red Sea and Strait of Hormuz crises, have caused significant shipping delays and a sharp rise in maritime insurance premiums. Import costs for critical raw materials and volatile energy and commodity prices have risen significantly and intensified global competition - fueled by US-China trade tensions, the Pakistan-India conflict and escalating water disputes - continues to dampen investor confidence. Assessment: Likelihood: Expected Impact: Substantial Ranking: 1	Financial Capital, Social & Relationship Capital Strategic Objectives: Sales growth and profitability	External	This is a macro-level risk arising from the global environment and is largely unavoidable. Management continuously monitors global geopolitical and economic developments and their potential impact on trade routes, shipping costs, input prices and investor sentiment, and adjusts operational and financial planning accordingly.
Economic and political instability of the country Unstable economic and political conditions can make it difficult for businesses to make strategic business and investment decisions and maximize returns. Changes in the external environment can also have a significant impact on businesses. Assessment: Likelihood: Expected Impact: Substantial Ranking: 2	Financial Capital, Social & Relationship Capital Strategic Objectives: Sales growth and profitability	External	This is largely an unavoidable macro-level risk. The Company believes in an open and transparent relationship with the Govern-ment, regulator and other political stakeholders. As part of APTMA, the Company, through its representatives, provides valuable suggestions to the regulator. Management regularly monitors the economic and legal impact of Government policies and political actions on the Company.
Concentration risk The Company's current operations are exclusively concentrated within the spinning sector. This single-segment focus exposes the Company to heightened systemic risk, as profitability is entirely dependent on the volatile spread between raw cotton prices and yarn market rates. Any downturn in the spinning industry directly impacts the entirety of revenue. Assessment: Likelihood: Most Likely Impact: Substantial Ranking: 5	Financial Capital, Manufactured Capital Strategic Objectives: Sales growth and profitability	Internal	The Group has diversified into the food business through associate company and holds investments in shares. To ensure long-term sustainability, the Company continues to evaluate opportunities for industry diversification, vertical expansion, and additional investment in listed securities.

Risk	Area of Impact	Source of Risk	Mitigating Strategy
Changes in laws and regulations Non-compliance with applicable laws and regulations, including taxation, imposition of duties, or revision in schemes such as the Export Facilitation Scheme (EFS), can have a substantial impact on the Company's position. This may also lead to decreased customer confidence, damaged relationships with stakeholders, and increased legal and financial risks. Assessment: Likelihood: Most Likely Impact: High Ranking: 10	Financial Capital, Social & Relationship Capital Strategic Objectives: Sales growth and profitability	External	This risk is mostly unavoidable. The Company regularly monitors the economic, financial and legal impact of Government policies and political actions and may contest implications in courts of law or raise concerns at appropriate forums. Management keeps a close watch on changes in regulations and promptly adjusts business strategy and operations to take advantage of the incentives offered, disseminating relevant information to all process owners.
Technological advancement Failure to keep up with technological advancements can render production processes obsolete and inefficient, delay the launch of technologically sound products, or make existing products relatively obsolete, all of which can negatively impact sales. Assessment: Likelihood: Most Likely Impact: High Ranking: 11	Intellectual Capital, Manufacturing Capital Strategic Objectives: Continuous improvement and innovation	External / Internal	To achieve cost competitiveness and optimum production efficiency, the Company continues to invest substantially in the modernization of its existing manufacturing facilities, opting for the latest state-of-the-art technology. The Company uses OPT Cotton for raw material planning and barcode technology for inventory tracking and control, and has invested in an advanced cloud-based ERP (Oracle Fusion) along with business-intelligence enabled dashboards. The Company has recently implemented FlowHCM and API Payments.

Operational Risks

Risk	Area of Impact	Source of Risk	Mitigating Strategy
Cotton price volatility The cost of raw materials is a significant component of the cost of goods sold. An increase in the price of raw materials will have a direct impact on profitability and price competitiveness. Assessment: Likelihood: Most Likely Impact: Substantial Ranking: 3	Financial Capital Strategic Objectives: Sales growth and profitability	External	Although market conditions remain unpredictable, TTML mitigates this risk through a proactive procurement strategy. The local crop yield remains below expectation, so the Company procures cotton both locally and internationally – approximately 60% of cotton consumed in the current year was procured internationally. The Company's experienced procurement team leverages a diversified supplier base and high-volume purchasing, continuously monitors commodity markets, and builds inventory buffers.
Natural Disaster Impact on business and production facilities in case of natural disaster. Assessment: Likelihood: Likely Impact: High Ranking: 8	Manufactured Capital Strategic Objectives: Sales growth and profitability	External	Field SOPs and emergency preparedness guidelines are in place to deal with situations related to extreme weather conditions such as flooding, earthquake etc. The Company has its production facilities in three different cities, reducing the probability of natural disasters impacting the entire company's operations. The Company has comprehensive insurance coverage in case of any catastrophic event. The Company's ERP is cloud-based and accessible from remote locations; a formal Disaster Recovery Plan (DRP) is being developed to further strengthen emergency response capability.
Energy cost escalation The rising cost of energy in Pakistan, particularly natural gas, can have a significant impact on businesses, leading to reduced productivity and operational disruptions. Assessment: Likelihood: Expected Impact: High Ranking: 6	Financial Capital Strategic Objectives: Sales growth and profitability	External	The Company mitigates energy cost escalation through a diversified power mix and continued investment in renewable energy, with cumulative investment of Rs. 1,171 million to date and further expansion underway. In response to rising natural gas costs, the Company has increased reliance on grid and solar power, optimizing usage based on availability, cost efficiency, and environmental impact to maintain competitive energy costs.
Risk of global supply chain Disruptions such as the recent Red Sea crisis and Strait of Hormuz tensions pose a significant risk by potentially increasing the cost and time for importing raw materials and exporting finished goods. Such risks could lead to delays in production schedules, increased inventory holding costs, and reduced competitiveness in international markets. Assessment: Likelihood: Expected Impact: High Ranking: 7	Financial Capital Strategic Objectives: Sales growth and profitability	External	The Company mitigates supply chain risk through continuous monitoring of geopolitical developments affecting trade routes and logistics. Adequate inventory levels are maintained and adjusted in response to potential disruptions, while local cotton procurement is used, where appropriate, to support stock availability and reduce reliance on delayed imported cotton arrivals.

Risk	Area of Impact	Source of Risk	Mitigating Strategy
Information System and Cyber Security Risk Technology risks having potential impact due to technology disruption, cyber-attack and breaching of controls to disrupt business processes posing adverse impact on confidentiality, integrity and functioning of organization processes. Data is a significant digital asset of TTML; The risk involves potential disruption or breach of controls that could compromise the confidentiality, integrity, and availability of information across the Company. Assessment: Likelihood: Likely Impact: High Ranking: 13	Financial capital Strategic Objective: Sales growth and profitability Continuous improvement and innovation	External / Internal	The Company's ERP database is cloud-based across three locations. The primary threats include unauthorized access and breaches, infrastructure vulnerability, and backup resilience. Data security is ensured through encrypted transmissions, secure connections, and firewalls to prevent malicious activity. Periodic reviews, IT audits, penetration testing, and multi-factor authentication further strengthen cybersecurity controls and ensure compliance with evolving data protection standards.
Skilled Employees Turnover High turnover of skilled employees can disrupt operations, make it difficult to find replacements, and increase costs. It can also prevent the company from achieving its goals. Assessment: Likelihood: Likely Impact: Medium Ranking: 15	Human Capital Strategic Objectives: Enhance skills and capabilities of employees to support value-creation	Internal	The Company regularly participates in compensation surveys and evaluates and reports its annual gender pay gap analysis to ensure market-competitive compensation and benefits. The Company drives employee engagement activities and invests heavily in training and development to support career growth, while strengthening benefits, encouraging internal promotions and rotations.
Maintenance Risk Possibility of production loss due to capacity or breakdown factor. Assessment: Likelihood: Unlikely Impact: Low Ranking: 17	Manufactured Capital Strategic Objective: Sales growth and profitability	Internal	Effective technical monitoring programs with regards to preventive maintenance are in place to ensure maximum plant efficiency and capacity utilization. The company has successfully implemented Enterprise Asset Management (EAM) to effectively manage and maintain its operational assets and equipment and scheduled maintenance of the assets.

Compliance Risks

Risk	Area of Impact	Source of Risk	Mitigating Strategy
Health, Safety and Environmental Risks Actual or potential threat of adverse effects on health, safety, and the environment arising from the Company's activities and facilities. Workplace accidents and injuries, or inadequate emergency preparedness, can lead to increased expenses, legal responsibilities, harmed reputation, reduced efficiency, and lowered employee morale, all of which collectively affect the Company's overall performance. Assessment: Likelihood: Most Likely Impact: High Ranking: 9	Natural Capital, Social/ Human Capital Strategic Objective: Sales growth and profitability, Continuous improvement and innovation	Internal	The Company maintains fire safety and emergency response protocols across all its locations, supported by dedicated firefighting equipment, routine safety drills, and comprehensive employee training, along with health and life insurance for employees. Various environmentally friendly initiatives including solar projects, tree plantation drives, water management, recycling, energy conservation, and a Waste Heat Recovery unit and Reverse Osmosis (RO) plant, are being implemented to reduce environmental harm. Management actively evaluates further facility-specific improvements, including enhanced emergency egress arrangements, to ensure the safety and security policy remains effective company-wide.
Risk of litigation Risk of potential exposure to significant legal proceedings. Any instance of non-compliance may result in regulatory penalties, loss of customers, and damage to its reputation. Assessment: Likelihood: Likely Impact: Medium Ranking: 14	Social and Relationship Capital Strategic Objective: Sales growth and profitability	External	Zero tolerance stance of the Company against any non-compliance, whether internal or external. Checklists of all applicable laws, rules, regulations, and social audit standards are maintained and updated regularly by the legal and compliance department and periodically reviewed by Internal Audit to ensure compliance with legal requirements. Significant litigation cases are handled through reputable law firms engaged by the Company which specialize in particular areas. Additionally, the in-house legal affairs team supports operations through effective SOPs and additional review steps for significant contractual and regulatory obligations of the Company.

Financial Risks

Risk	Area of Impact	Source of Risk	Mitigating Strategy
High-Interest rates adversity Interest rate hikes can make it challenging for businesses to make sound operational and financing decisions. This can lead to investor uncertainty, which can have a negative impact on shareholder returns. Assessment: Likelihood: Most Likely Impact: Substantial Ranking: 4	Financial Capital Strategic Objectives: Sales growth and profitability	External	Current SBP policy rate is 11.5%, higher compared to regional competitors. To mitigate the impact of rising interest rates, the Company focuses on optimizing inventory levels, optimizing receivables management, and generating operational cash inflows to reduce reliance on borrowed funds.
Exchange Rate Volatility The devaluation of the Pakistani rupee against foreign currencies could have a material adverse impact on the company's financial performance. The company imports a significant portion of its raw materials and components, and the devaluation will make these imports more expensive. Further, the Company has obtained a Foreign Exchange Loan (FE-Loan). As a result, the company's profits could decline, and its financial performance could be materially adversely affected. Assessment: Likelihood: Likely Impact: High Ranking: 12	Financial Capital Strategic Objectives: Sales growth and profitability	External	A dedicated finance team actively monitors the forex market, leveraging fluctuations to the Company's advantage. Foreign exchange exposure reports are regularly reviewed to forecast potential risks and ensure timely mitigation.
Bad Debts The Company's cash flow and profitability could be adversely affected by bad debts. Assessment: Likelihood: Unlikely Impact: Medium Ranking: 16	Financial Capital Strategic Objectives: Sales growth and profitability	Internal	The Company diligently assesses customer financial health and creditworthiness during onboarding and continually evaluates them. This proactive approach helps mitigate the potential impact of bad debts, ensuring a more secure financial position. The Company assesses and makes provision for doubtful debts as per policy on a quarterly basis.

Opportunities

Opportunity	Area of Impact	Source	Strategic Objective
Deployment of state-of-the-Art Machinery State-of-the-art technology for production that result in efficiencies and lower costs. This will result not only in attracting and retaining new customers but will also increase value for stakeholders.	Manufactured Capital Strategic Objective: Continuous improvement and innovation	Automate repetitive and time-consuming tasks using Robotic Process Automation (RPA) and AI-driven analytics to optimize workflows and reduce operational costs.	Establish top-tier productivity standards in technology, processes, and systems by exploring IoT possibilities to increase machine efficiencies and optimization of Inventory management and control system. Utilization of Dashboards and automation to continuously enhance our operations efficiency and make timely informed decisions. The Company has implemented Advanced HRMS and AI aided cameras for process efficiency and efficient human capital management.
Sustainable and Eco-friendly Products There is growing consumer demand for eco-friendly and sustainable textiles. Developing products using organic cotton, recycled fibers, and environmentally friendly processes can open up new market segments.	Social and responsibility Capital Strategic Objectives: Build organization's sustainability reputation through increased ESG focus	Invest in sustainable sourcing, develop green certifications, and market products as environmentally conscious alternatives	Ongoing investments in renewable initiatives that lower energy expenses while also helping reduce the company's carbon footprint. Committed to sustainable practices that contribute to the betterment and long-term well-being of society. This includes environmentally conscious initiatives, social responsibility projects, and community engagement efforts.
Digital Transformation and AI Digital transformation provides an opportunity to connect business functions through reliable data, integrated systems, automated workflows, and analytics-led decision-making, creating faster visibility across procurement, inventory, finance, sales, human resources, and compliance.	Intellectual capital Strategic Objectives: Continuous improvement and innovation	Strengthen ERP utilization, digitized approvals, master-data discipline, reporting workflows, and analytics capabilities to improve transparency, control, forecasting, and cross-functional coordination.	Use digital transformation as an enterprise intelligence and governance platform by enhancing data quality, system integration, cybersecurity controls, automated reporting, and real-time dashboards. AI and analytics can support exception reporting, demand and inventory forecasting, customer and supplier insights, compliance monitoring, and evidence-based management decisions, thereby creating value through speed, transparency, risk control, and responsiveness rather than through production machinery upgrades alone.
Efficient and congenial work environment An effective and congenial work environment presents significant opportunities for a business. Such an environment enhances productivity, employee satisfaction, and overall organizational performance. By focusing on creating a positive and efficient workplace, companies can achieve higher employee retention, improved teamwork, and increased innovation.	Human Capital Strategic Objectives: Enhance skills and capabilities of employees to support value-creation	Provide congenial work environment where employee feels motivated	Strategically enhance employee skills and capabilities by offering a range of internal and external capacity development programs essential for fostering value creation. Additionally, this approach will facilitate the recruitment of a substantial pool of qualified, young talents with the potential to evolve into the next generation of highly skilled specialists and executives. The Company ensures to create value and to keep the employees motivated and loyal by providing Optimal growth opportunities, Market based remuneration package, Career planning and development through mentoring and trainings and Succession planning with the aim to create future leaders.

Risk of Supply Chain: Environmental, Social, and Governance Incidents

As a yarn manufacturing company heavily reliant on cotton, we recognize the impact that environmental, social, and governance incidents can have on our supply chain.

Risk	Mitigation
Environmental Risks: Acknowledge the vulnerability of our cotton supply to environmental factors such as climate change, adverse weather conditions, and water scarcity.	TTML's strategy involves collaborating closely with cotton suppliers to enhance their sustainability practices. We maintain optimum raw material inventory levels to avoid the excessive import of raw materials, indirectly impacting bill of payment.
Social Risks: Labor issues, human rights concerns, and social unrest can affect the stability of our cotton supply.	We actively engage with our suppliers to ensure safe working conditions, and adherence to ethical standards. Regular assessments & supplier evaluations are conducted to monitor compliance and address any potential disruptions stemming from social issues.
Governance Risks: Effective governance is crucial in maintaining the integrity of our supply chain.	We closely monitor regulatory changes and potential shifts in governance that might impact on cotton suppliers. TTML's approach through assessment of suppliers includes thorough due diligence to ensure suppliers operate within legal frameworks and uphold ethical business practices.

Stakeholders Engagement Policy

The Company is committed to fostering sustainable value creation for all stakeholders. As a public listed company, we recognize our responsibility to ensure that business practices align with stakeholder interests while balancing long-term corporate goals with social and environmental responsibility.

Our policy emphasizes that listening to stakeholders and addressing their concerns proactively is essential for business success and continuous improvement. We seek to understand stakeholder insights and align business operations with their needs to create shared value.

Steps Taken by the Management to Encourage Minority Shareholders' Participation in Annual General Meeting

The Company remains committed to safeguarding the interests of minority shareholders by facilitating their active participation in general meetings. The following measures were undertaken during the year:

- Timely dissemination of AGM notices through the Pakistan Stock Exchange and publication in both English and Urdu newspapers in compliance with regulatory requirements.
- Dispatch of meeting notices to shareholders’ registered addresses, with clear agenda details.
- Circulation of the Annual Report in electronic form and provision of hard copies on request prior to the AGM.
- Facilitation of proxy voting by sending proxy forms (in English and Urdu) with notices and making them available on the Company’s website.
- Holding meetings in secure and easily accessible venues, ensuring shareholder convenience.
- Encouraging shareholders to raise queries, provide feedback, and actively engage during AGMs.
- Compliance with all relevant regulatory requirements to enhance shareholder participation.

Investors’ Relations Section on the Corporate Website

The Company has established a dedicated Investors' Relations section on its corporate website (www.tatapakistan.com) to ensure transparent and timely communication with investors and shareholders. The section includes:

- Financial statements and quarterly reports.
- Notices of general meetings, proxy forms, and agendas.
- Policies, codes, and governance-related disclosures.
- Investor grievance redressal contact details.

The website is updated regularly to ensure availability of accurate and relevant information in compliance with regulatory requirements.

Corporate Briefing Session

A corporate briefing session was conducted on November 20, 2025, via Zoom, to update shareholders’ interests and analysts on the Company’s operational and financial performance for the year ended June 30, 2025. The session was led by the Chief Financial Officer, Director, Company Secretary and Financial Controller, where management team were present. It provided stakeholders with an overview of financial results, operational highlights, and strategic direction, followed by an interactive Q&A session to address shareholder queries and gather feedback.

Such sessions are a key component of the Company’s engagement strategy to maintain transparency and strengthen investor confidence.

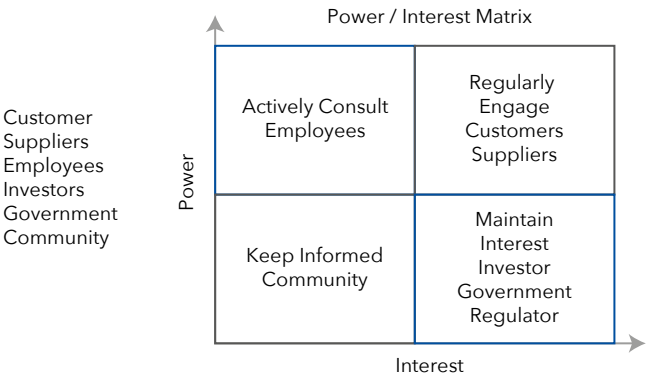
Redressal of Investors' Complaints

The Company has established effective mechanisms for investor grievance handling and ensures timely redressal of all concerns. A dedicated Investor Relations contact is available through the corporate website for lodging complaints.

For the year ended June 30, 2026, no investor complaints were received.

Stakeholder Engagement

TTML recognizes stakeholder engagement as a strategic priority that goes beyond compliance. By fostering transparent communication, fairness, and collaboration, the Company builds trust, strengthens resilience, and creates sustainable long-term value for shareholders, employees, customers, communities, and all other stakeholders.



Sr. No.	Stakeholder And Management Initiatives	Engagement Mechanism and Frequency of Engagement	Key Engagements
1	Shareholders / Investors Ensure regular communication through annual and quarterly reports, Annual and Extra ordinary general meeting(s), and corporate briefings. Promote transparency in financial reporting and governance practices. Provide accessible grievance redressal mechanisms.	• Annual General Meetings (AGMs) (A) • Quarterly Reports (Q) • Annual Reports (A) • Corporate Briefing (A) • Investor Queries (as needed) • Company Website(O)	• Share price and liquidity • Business expansions • Corporate governance and risk management practices • Return on investment (ROI) • Social and environmental impact • Working Capital requirements
2	Customers Deliver high-quality products and services that meet expectations. Maintain transparent communication to build trust. Actively seek and incorporate feedback. Uphold ethical practices including consumer rights and data protection. Innovate continuously through digital and sustainable solutions.	• Customer service channels (O) • Feedback surveys (R) • Meetings (R) • Direct communication (O) • Digital platforms (R)	• Product quality and reliability • Environmental footprint • Ethical labour practices • Sustainable supply chain • Competitive pricing
3	Suppliers and Business Partners Engage in fair, transparent, and mutually beneficial relationships. Promote responsible sourcing and supply chain sustainability. Conduct regular assessments to ensure compliance with ethical and quality standards. Implement ethical procurement guidelines to prevent corruption.	• Supplier meetings (R) • Audits, Assessments (P) • Contracts (R) • Training and awareness programs (O)	• Timely payments and ease of transacting via supplier portal • Constructive feedback • Guidance on social and environmental conformity • Opportunities for economic development and business growth • Evaluation through balance scorecard

Sr. No.	Stakeholder And Management Initiatives	Engagement Mechanism and Frequency of Engagement	Key Engagements
4	Banks and Financial Institutions Maintain transparency in financial dealings. Ensure timely loan repayments and adherence to contractual obligations. Strengthen financial risk management to protect stakeholder interests.	- Formal meetings (R) - Reports(R) - Disclosures (R) - Corporate briefing (A)	- Compliance with regulations - Timely payment of financial obligation - Contribution to economic growth
5	Regulators and Government Authorities Comply with all applicable laws, regulations, and industry standards. Engage proactively with regulators to influence policy development and governance improvements. Foster a culture of compliance and risk management.	- Regulatory filings (as required) - Inspections (as required) - Consultations (O) - Dialogue sessions (as needed) - Compliance reports (P)	- Compliance with all applicable regulatory requirements - Timely payment of regulatory dues and taxes - Contribution to economic growth - Environmental and social implications
6	Employees Promote diversity, inclusion, and meritocracy. Provide fair compensation, safe working conditions, and career growth opportunities. Foster open communication and engagement programs. Offer learning and development opportunities. Encourage work-life balance and well-being initiatives.	- Performance reviews (O) - Surveys (R) - Trainings (R) - Town halls (R) - HR portals (O) - Grievance handling (as needed)	- Attractive remuneration packages - Opportunities for training and development - Safe and conducive workplace - Career Progression Opportunities
7	Local Communities and Society Invest in CSR initiatives focused on education, healthcare, and environmental sustainability. Minimize environmental footprint through responsible practices. Engage in community development aligned with social impact objectives. Measure and report CSR impact.	- CSR programs(O) - Community meetings (O) - Collaboration for Literacy programs for Labors and their children (O) - Public reports (as required)	- Opportunities for socio-economic development - Employment opportunities - Livelihood and community development - Environmental preservation
8	Media Maintain professional and transparent media relationships. Designate a corporate communications team for media and crisis communication. Ensure accurate, timely, and consistent messaging to protect and enhance reputation.	- Press releases (as needed) - Corporate briefing (A) - Company website (O) - Social media (O) - Crisis communication protocols (as needed)	- Accurate and timely information - Company updates via digital platforms - CEO video message
O - Ongoing R - Regularly P - Periodically A - Annual Q - Quarterly			

Performance and Position

Methods & Assumptions Used in Compiling the Indicators

Key Performance Indicators (KPIs) reflect the Company’s returns and are compiled using financial and non-financial methods and assumptions. For non-financial indicators, the Company considers market position, competitors’ strengths, employee capabilities and general market conditions. Financial performance is reviewed through sales, gross profit, profit after tax and earnings per share. Market price reflects investor perception, while comparison with book value helps assess confidence in the Company’s shares.

The Company’s dividend policy aims to enhance shareholder wealth while maintaining long-term financial sustainability. Dividend decisions consider distributable profits, expansion needs, capital structure, debt ratios, market conditions, share price performance and legal compliance. For the year under review, Rs.5 per share i.e 50% dividend was declared.

The key assumptions used for compiling financial indicators are:

Financial Position

- Appropriateness of capital mix of the Company
- Proportion of financial leverage in debt equity mix
- Monitoring current and quick ratio

Financial Performance

- Growth in export and local sales
- Exploring opportunities to source the best quality raw materials at competitive prices
- Managing key components of variable cost
- Initiating and maintaining techniques for optimal fixed cost absorption
- Increasing green energy use to reduce variable cost

Liquidity Position

- Monitoring of funds used in / generated from operating, investing and financial cash flow activities
- Reviewing funds used in working capital management
- Effectively segregating cash and non-cash items

All indicators are based on fundamental assumptions and are periodically reviewed and monitored. The Company performs variance analysis against comparative figures and budgeted targets, with results presented quarterly to the Board and monthly to the Management. These outcomes support the reporting of financial information to users of the annual financial statements.

Analysis on Financial & Non-Financial Performance

Financial Performance

Financial Performance in Comparison with Prior Year

During the year, the Company generated revenue of Rs. 39.84 billion as compared to Rs. 41.24 billion in the preceding year. Although revenue remained under pressure due to a challenging business environment, the Company demonstrated strong resilience and delivered an outstanding improvement in profitability. The year was marked by several external and operational challenges, including volatility in raw material prices, higher energy and fuel costs, inflationary pressures, supply chain constraints, competitive market conditions, and the impact of changing interest rates on the overall cost structure. Despite these headwinds, the Company achieved net profit after tax of Rs. 3,619 million from Rs. 1,113 million in the previous year. Gross profit margin also improved to 9.3% from 5.6%, while net profit margin increased substantially to 9.1% from 2.7% last year.

A brief analysis of the Company’s financial performance in comparison to the prior year has been reported in the ‘Financial performance’ section of Directors’ Report. Further details can also be viewed in the ‘Horizontal / Vertical Analysis’ section of this Annual Report.

Financial Performance in Comparison with Budget

Management prepares and monitors annual budgets and quarterly forecasts to ensure financial, operational, and capital strategies are executed as planned. Post-execution reviews strengthen accountability for expenditure, while systematic monitoring helps identify remedial actions, assess progress on new initiatives, and gather insights impacting future undertakings.

Financial KPI (2026 Vs 2025)

The KPIs evaluated to measure achievement against objectives has been detailed below:



Non-Financial KPI

Human Capital

Objectives	KPIs Monitored
Efficient human capital management in a systematic and efficient manner.	Implementation of HR management system to adopt best industry practices and efficiently align individual objectives with corporate objectives with predefined grading structure to appraise employees fairly.
Monitoring training and skilled labor efficiencies.	Continued evaluation of learning and capacity development initiatives to evaluate the results and outcomes of external / internal training and assess and identify further learning needs for the employees.

Manufactured Capital

Objectives	KPIs Monitored
Operational excellence	Significant capital expenditure was incurred during the year on technologically advanced machinery to enhance labor productivity, reduce costs, and improve energy efficiency.
Maintenance of quality of yarn	Product quality is monitored at every stage of the production cycle to ensure that our products always meet the expectations of our customers. Regular Customers’ feedback on quality was obtained and recorded.
Philosophy of innovation, continuous improvement and growth	Adoption of latest techniques and processes across all critical contemporary performance units and various improvements in the production process were recorded. The new process development initiatives are focused on promoting innovation.

Intellectual Capital

Objectives	KPIs Monitored
Leverage technology for business process automations	Significant investment has been continuously made in the deployment of a state-of-the-art Cloud-based ERP solution and HR management system. Efficiencies were further enhanced through the integration of data flow from several modules with business-intelligence enabled dashboard reporting, Supplier Relationship Module, implementation of MT940 and digitalization of treasury operations.
Best Corporate Governance and ethical approach	Ensuring that SOP’s, work instructions & job descriptions are aligned with appropriate policies. Zero tolerance was postered towards any fraudulent activity.
Retention, recruitment and development of employee capabilities	Functional strength of the Company is sustained by retaining highly qualified and skilled employees across all cadres and conducting regular training sessions for them to enhance their competencies.

Social & Relationship Capital

Objectives	KPIs Monitored
Contribute responsibly as a corporate entity	Active participation and contribution in CSR activities, including sponsorships, education scholarships, adult literacy program and donations, reflect a strong sense of responsibility towards society in the areas of education, health and community welfare.

Natural Capital

Objectives	KPIs Monitored
Embracing and encouraging environmental sustainability practices	Adopted several environmental sustainability measures, including optimized natural resource consumption, efficient use of sustainable raw materials for yarn production, greater reliance on solar energy, and minimal use of depleting natural gas for power generation.

Non-Financial Performance in Comparison with Budget

The Company also places emphasis on its non-financial key performance indicators and accordingly allocated budget for the growth of its manufactured, human, social, and intellectual capital during the year. The management regularly evaluated the aforementioned KPIs and significant deviations from the previous year were examined for timely corrective actions. These KPIs and corporate objectives are reviewed by the Board on a quarterly basis. The management anticipates these KPIs to be relevant in the future as well to assess the Company’s performance.

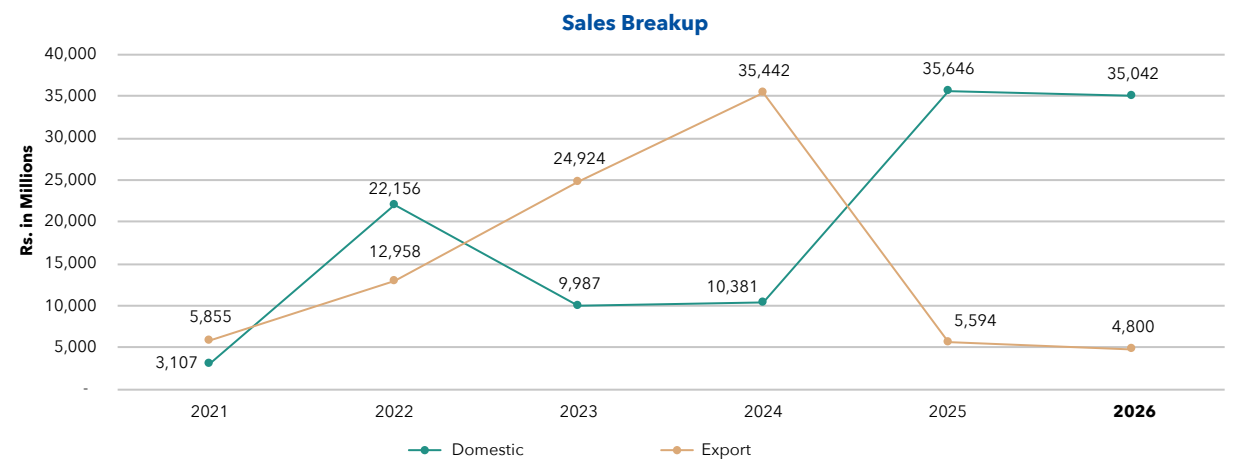
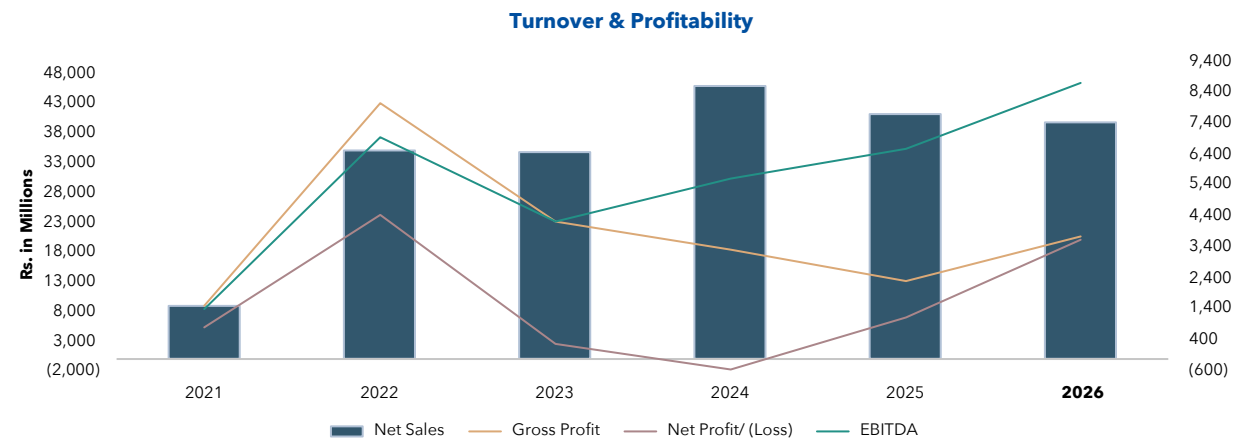
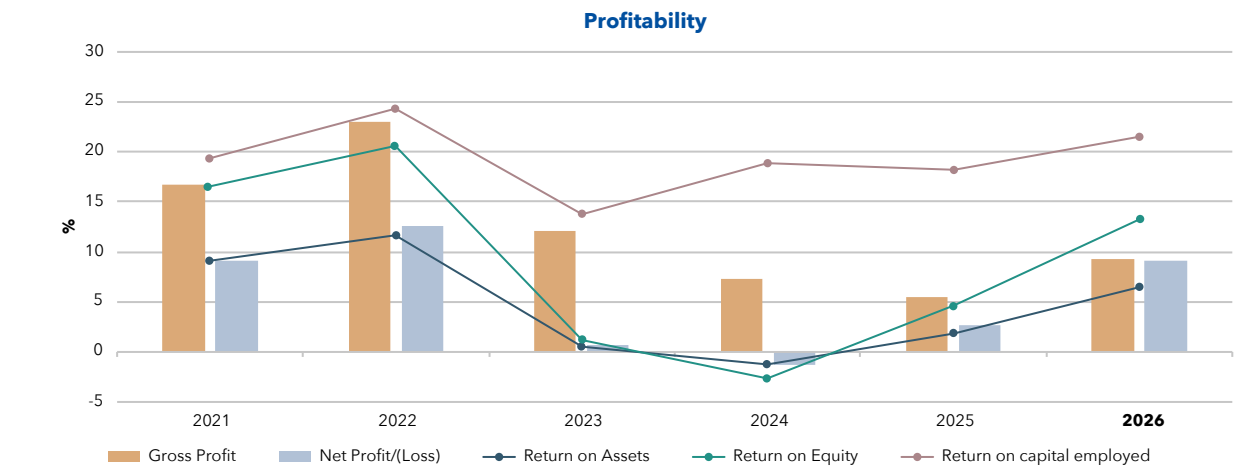


Key Operating & Financial Data

Ratios	UOM	2026	2025	2024	2023	2022	2021
Profitability Ratios							
Gross Profit Ratio	%	9.34	5.55	7.28	12.16	22.94	16.80
Net Profit / (Loss) to sales	%	9.08	2.70	(1.21)	0.75	12.65	9.19
EBITDA Margin to sales	%	21.86	16.02	12.29	12.14	19.75	15.59
Operating leverage ratio	Times	(10.18)	(1.98)	1.27	77.89	1.49	27.31
Return on Equity	%	13.25	4.70	(2.65)	1.22	20.60	16.54
Return on capital employed	%	21.45	18.21	18.88	13.77	24.33	19.43
Shareholders' Funds	Times	0.29	0.20	0.24	0.24	0.28	0.30
Return on Shareholders' Funds	%	22.88	9.38	(5.30)	2.39	41.47	30.49
Total Shareholder Return	%	9.51	103.98	(4.32)	2.55	(3.52)	174.77
Liquidity Ratios							
Current Ratio	Times	1.49	1.23	1.20	1.16	1.42	1.46
Quick/Acid test Ratio	Times	0.96	0.67	0.69	0.50	0.60	0.84
Cash on current liabilities	Times	0.004	0.01	0.02	0.01	0.02	0.40
Cash flow from operations to Sales	Times	0.09	0.05	0.08	0.13	0.21	0.16
Cash flow to capital expenditures	Times	1.82	2.00	4.65	2.14	4.88	26.00
Cash flow coverage ratio	Times	0.13	0.06	0.16	0.18	0.45	0.35
Investment / Market Ratios							
(Loss)/ Earnings per Shares	Rs	64.63	19.88	(9.89)	4.65	79.35	47.54
Price/Earning ratio	Times	2.12	6.52	(6.43)	14.28	0.88	1.79
Price to Book ratio	Times	0.28	0.31	0.17	0.17	0.18	0.30
Dividend Yield ratio	Times	0.04	0.00	0.00	0.08	0.18	0.00
Dividend Payout ratio	Times	0.08	0.00	0.00	1.07	0.16	0.00
Dividend Cover ratio	Times	12.93	0.00	0.00	0.93	6.35	0.00
Cash Dividend per Share	Rs	5.00	0.00	0.00	5.00	12.50	0.00
Breakup value per share with revaluation surplus	Rs	487.93	423.12	373.84	381.82	385.16	287.39
Breakup value per share without revaluation surplus	Rs	282.56	211.86	186.62	194.72	191.34	155.91
Market Value per Share as at June 30th	Rs	137.04	129.71	63.59	66.46	69.68	85.18
Highest market value during the year	Rs	293.94	129.71	86.00	75.79	90.70	91.36
Lowest market value during the year	Rs	85.40	34.05	57.57	50.89	56.61	29.15
Capital Structure Ratios							
Financial Leverage ratio	Times	0.71	1.09	0.84	0.79	0.50	0.60
Weighted average cost of debt	%	11.76	14.67	21.49	16.76	9.62	7.39
Debt to equity ratio (book value)	%	23.74	26.70	21.22	13.22	19.12	13.55
Debt to equity ratio (market value)	%	18.84	27.34	18.56	11.52	16.56	10.74
Total debt to equity ratio	%	102.34	144.38	112.08	116.11	76.59	82.77
Net assets per share	Times	48.79	42.31	37.38	38.18	38.52	28.74
Interest Cover / Time Interest earned ratio	Times	2.99	1.58	1.06	1.26	5.27	4.59

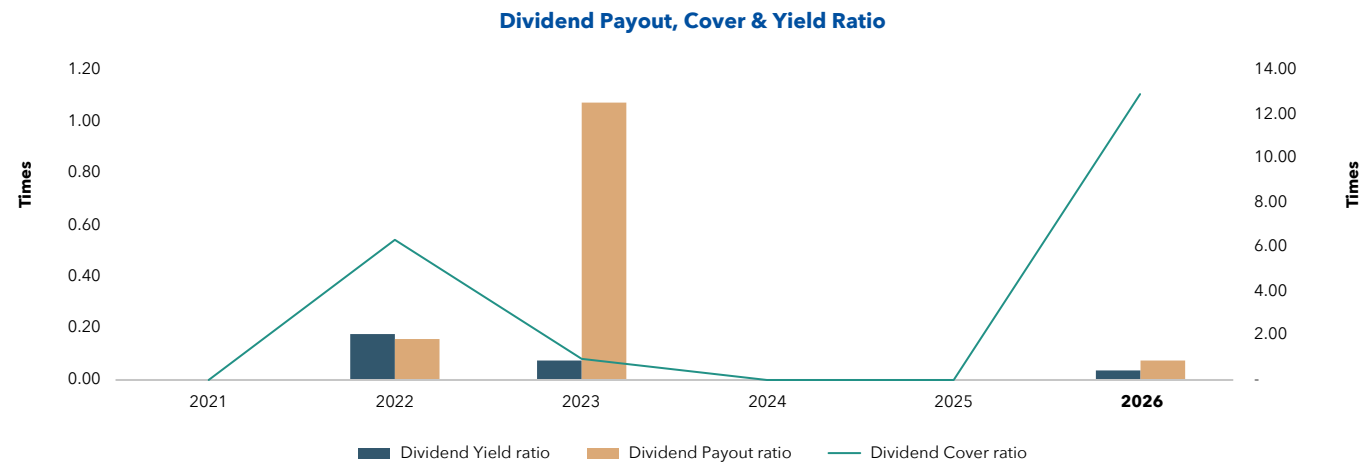
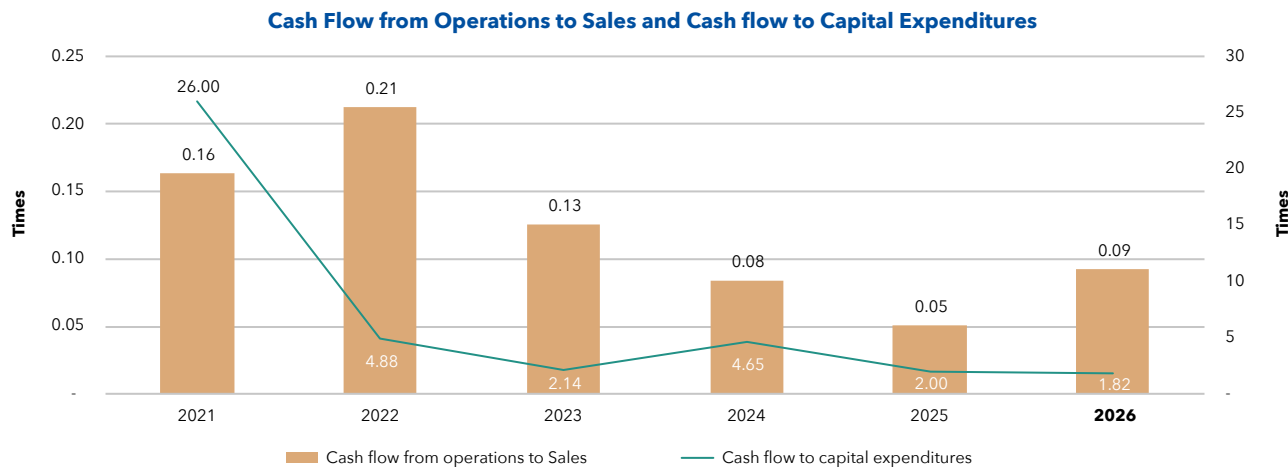
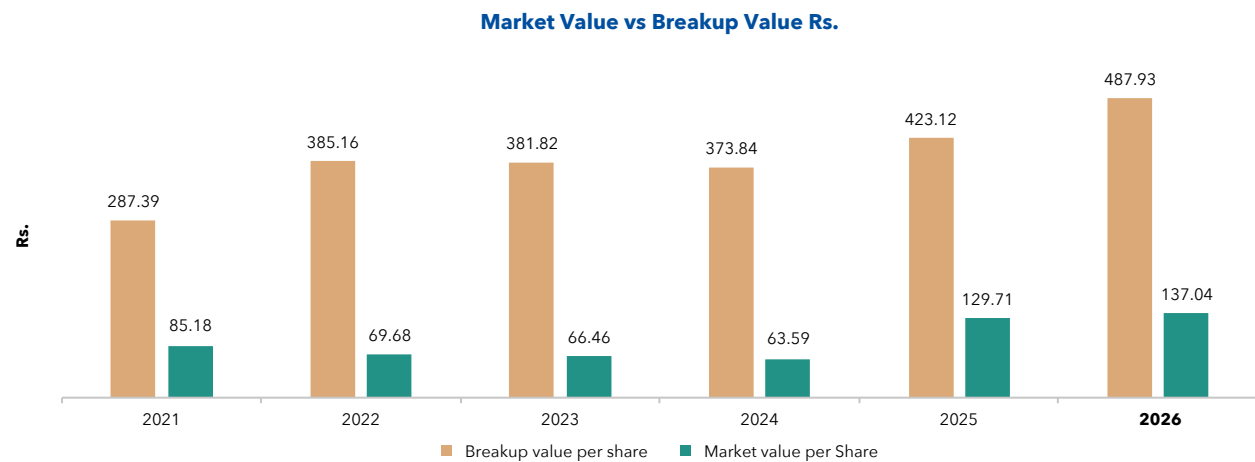
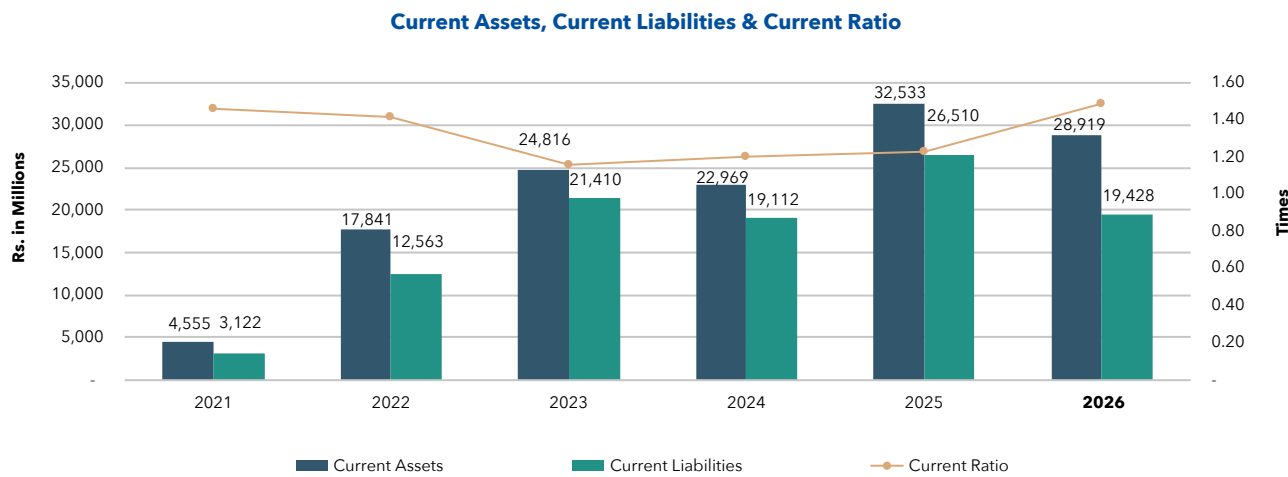
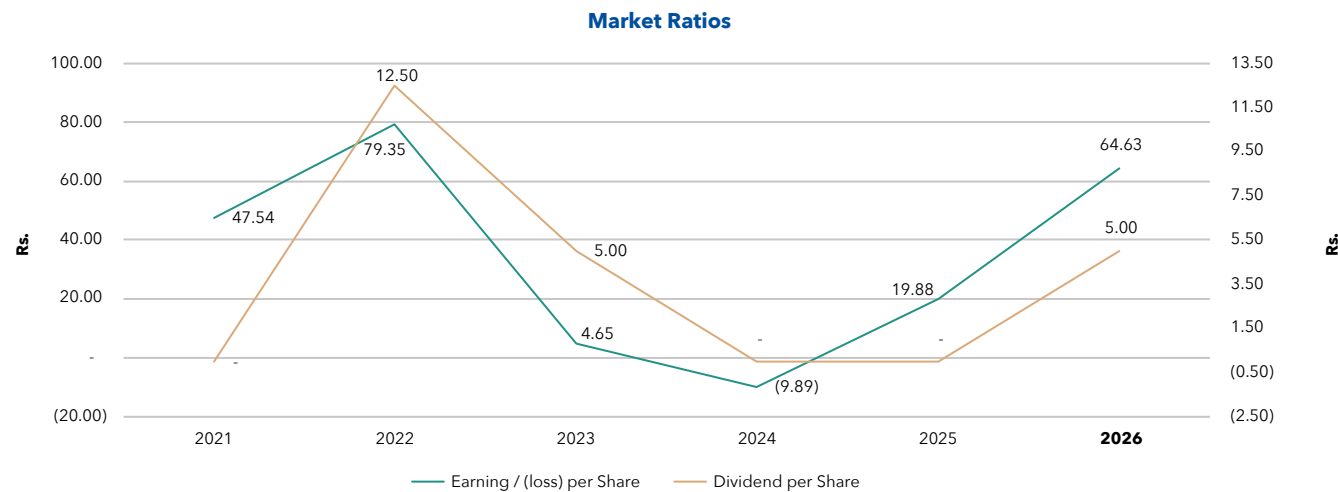
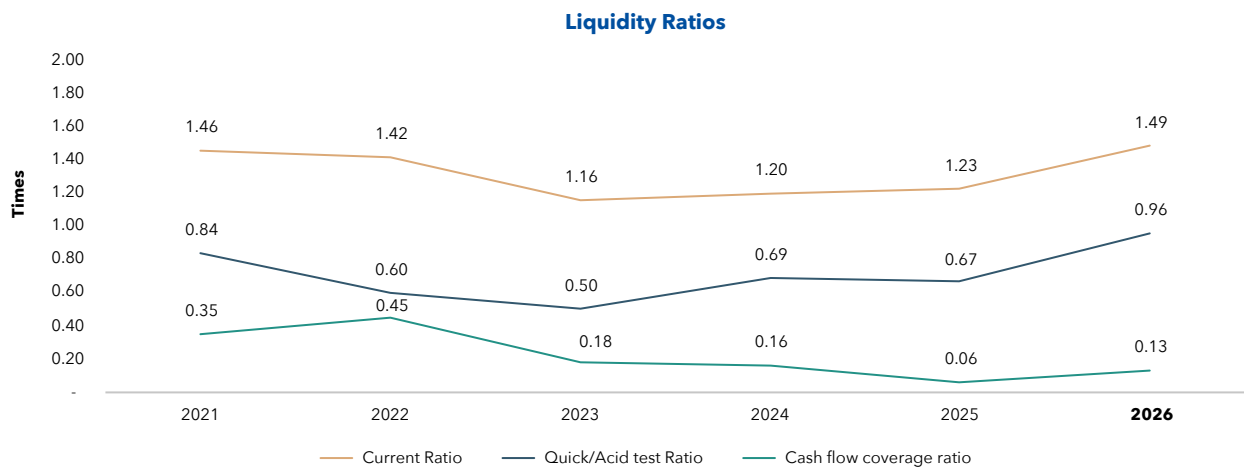
Ratios	UOM	2026	2025	2024	2023	2022	2021
Activity / Turnover Ratios							
Total Assets Turnover ratio	Times	0.72	0.71	1.03	0.75	0.92	0.98
Fixed Assets Turnover ratio	Times	1.51	1.63	2.14	1.63	1.73	1.97
No. of days in Inventory	Days	89	132	79	162	137	92
No. of days in Receivables	Days	61	52	55	68	43	35
No. of days in Payables	Days	20	26	18	49	31	21
Operating cycle	Days	130	158	116	181	149	106
Inventory Turnover Ratio	Times	4.08	2.76	4.64	2.26	2.67	3.95
Debtors Turnover Ratio	Times	6.00	6.91	6.60	5.26	8.28	10.39
Creditors Turnover Ratio	Times	17.90	14.04	19.81	7.46	11.77	17.42
Return on assets	%	6.55	1.92	(1.25)	0.56	11.67	9.05
Non-financial Ratios							
Production per Employee	Kg in '000	18.27	14.47	14.36	13.54	13.87	14.02
Revenue per Employee	Rs. in '000	14,961	13,209	14,460	11,139	10,621	2,676
Spares Inventory as % of Assets Cost	%	0.97	1.31	1.33	0.86	0.38	0.50
Maintenance Cost as % of Operating Expenses	%	0.20	0.18	0.16	0.23	0.19	0.16

Financial Ratios



Profitability Ratios

The profitability ratios strengthened markedly during the year, building on the recovery seen in the prior period. Sales revenue declined by 3% to Rs. 39.84 billion from Rs. 41.24 billion, due to temporary closure of one unit under BMR project. However, gross profit rose to Rs. 3.72 billion from Rs. 2.29 billion, with the gross profit margin improving to 9.3% from 5.6%, as the Company achieved better cost efficiencies and optimize cotton procurement despite persistently high energy tariffs and input costs. Finance cost eased by 29% to Rs. 2.57 billion on the back of declining policy rates as well as optimization of working capital, while other income increased by 9% to Rs. 5.22 billion, driven by dividend income and mark to market gains on investments. Consequently, net profit after tax more than tripled to Rs. 3.62 billion from Rs. 1.11 billion, a 225% increase over last year. Return on Equity (ROE) improved to 13.25% from 4.70% last year, Return on Assets (ROA) rose to 6.55% from 1.92%, while Return on Capital Employed (ROCE) increased to 21.45% from 18.21% previously.

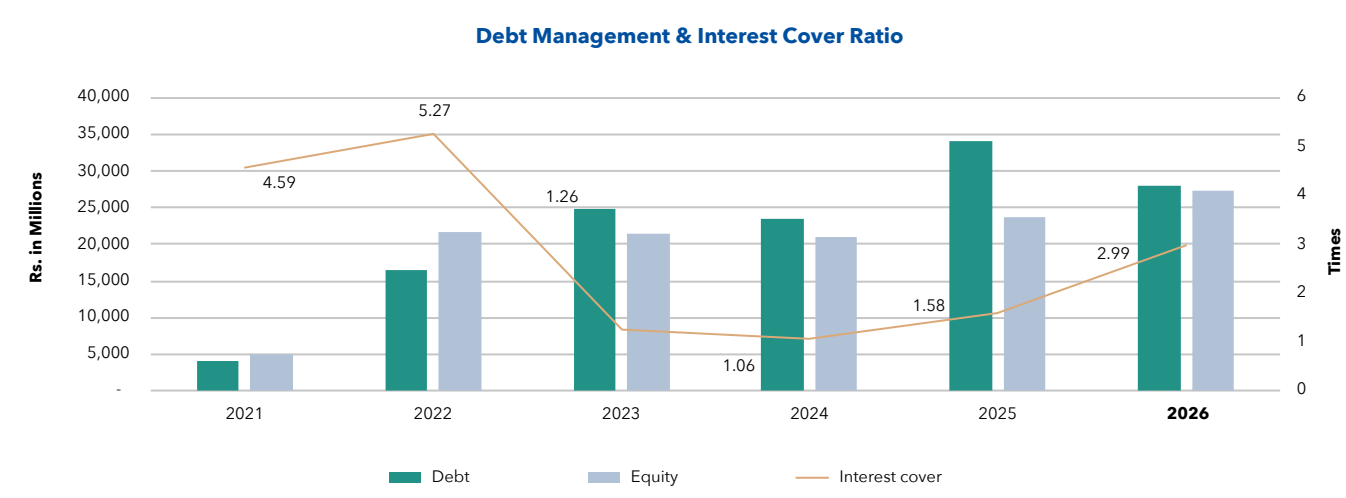
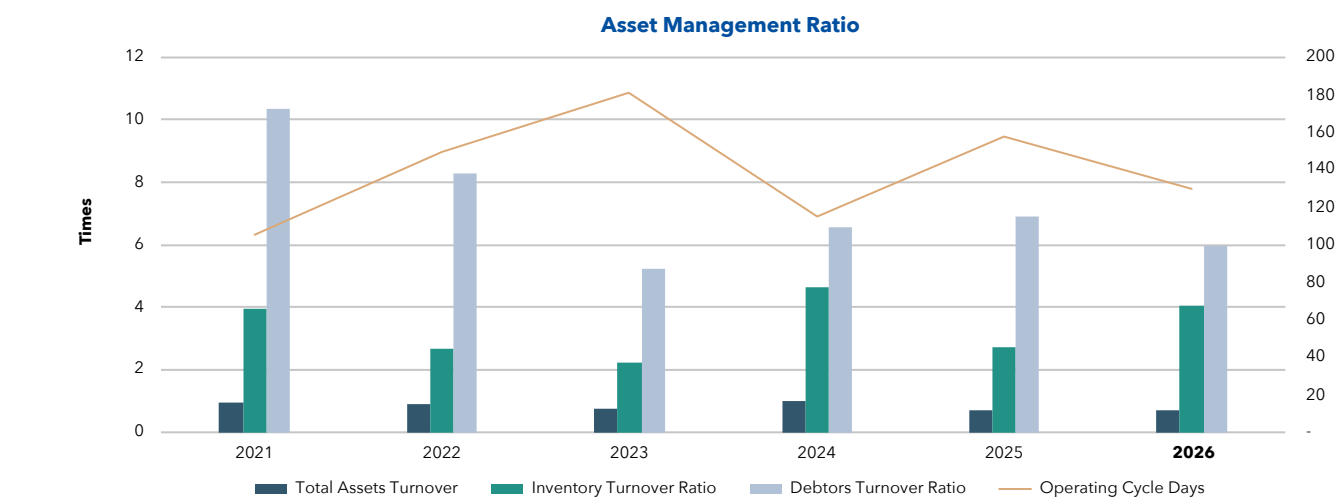
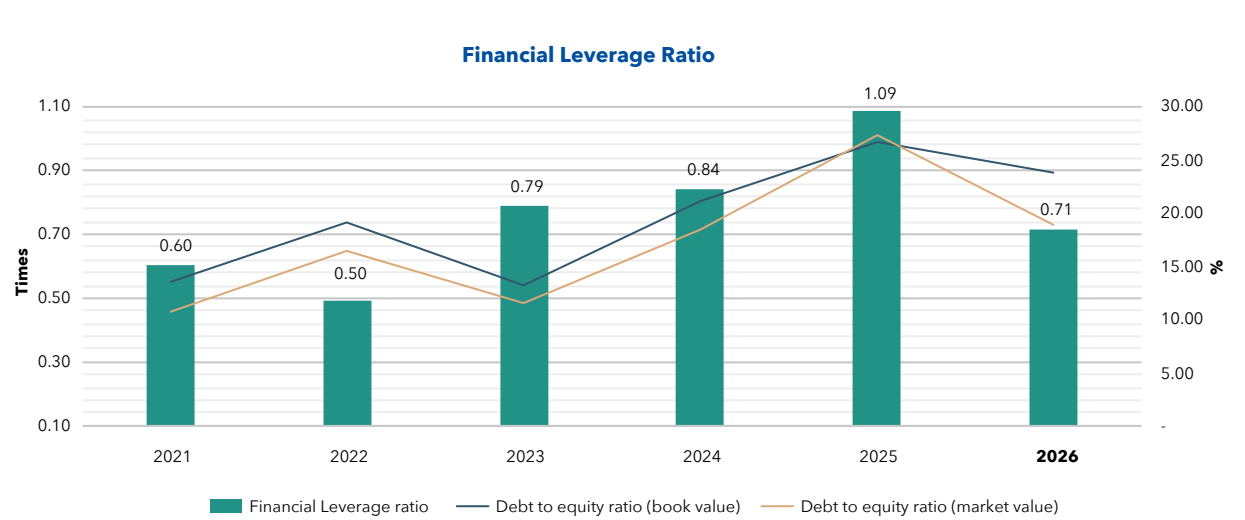
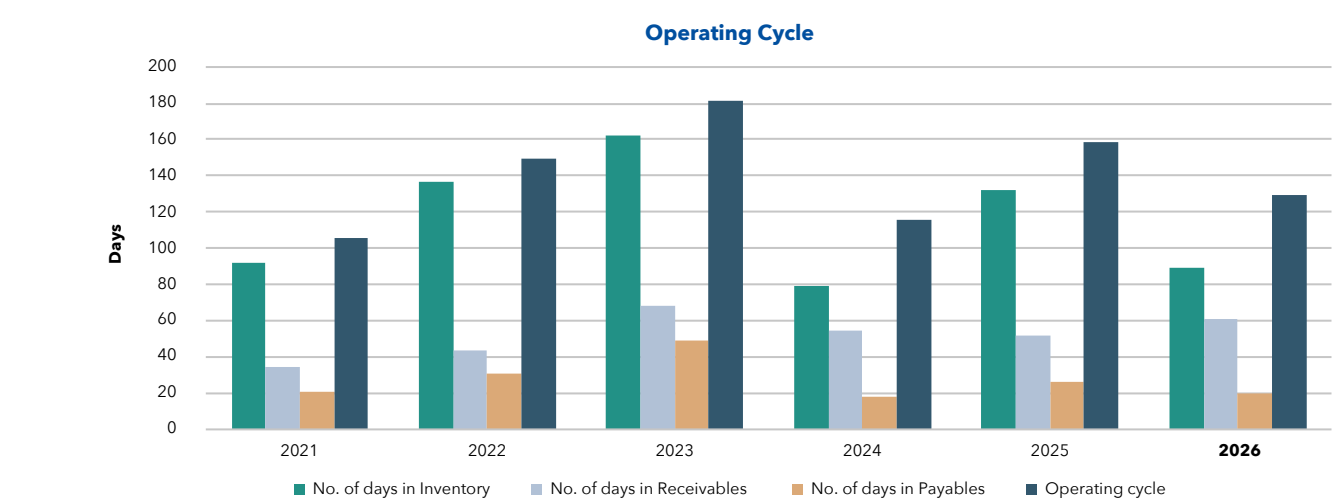


Liquidity Ratios

The Company's liquidity position improved considerably during the year, reflecting lower reliance on short-term borrowings and disciplined working capital management as well as disposal of TDR on settlement of SIDC case. The current ratio strengthened to 1.49 times in 2026 from 1.23 times in 2025, while the quick ratio improved to 0.96 times from 0.67 times, indicating a slight efficient short-term solvency position. Cash flow from operations to sales improved to 0.09 times from 0.05 times last year, reflecting the recovery in operating cash generation. The cash flow coverage ratio also rose to 0.13 times from 0.06 times, while cash flow to capital expenditure declined to 1.82 times from 2.00 times, owing to increased CAPEX on account of BMR during the year. Overall, the ratios reflect better liquidity position compared to the prior year.

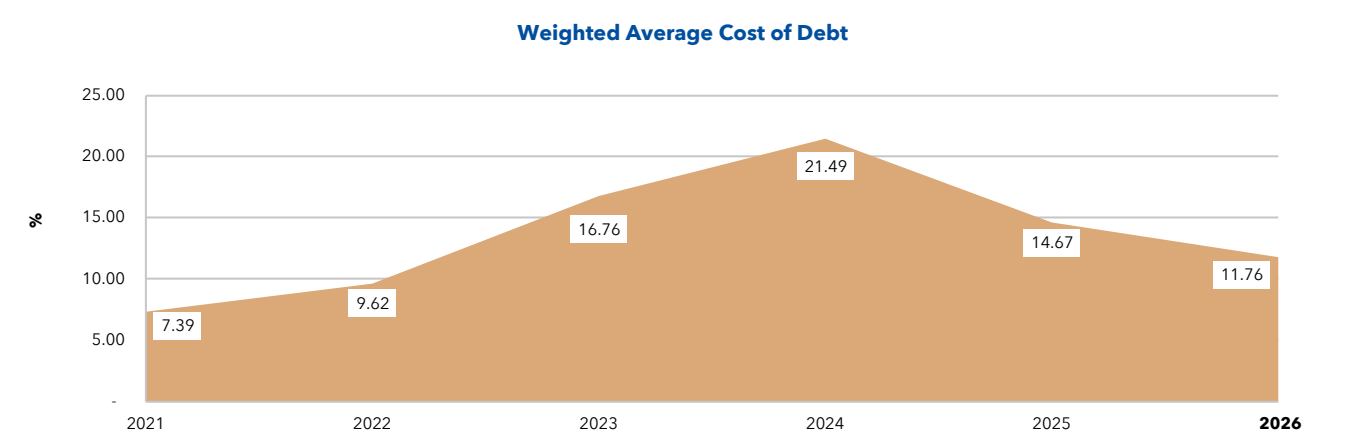
Investment / Market Ratios

In 2026, the Company recorded earnings per share (EPS) of Rs. 64.63, significantly higher than Rs. 19.88 reported in 2025, reflecting the improvement in profitability. The price-to-earnings ratio eased to 2.13 times from 6.52 times last year, as the market sentiments were effected by geo-political conditions. The price-to-book ratio also moderated slightly to 28.16% from 30.66%, while the breakup value per share increased to Rs. 487.93 (with surplus) from Rs. 423.12 in the prior year. The company declared final dividend of Rs. 5 per share i.e 50% at year end. The Company's market value per share recorded at Rs. 137.04 at year-end, from Rs. 129.71 in 2025, with highest market value during the year reaching Rs.293.94.



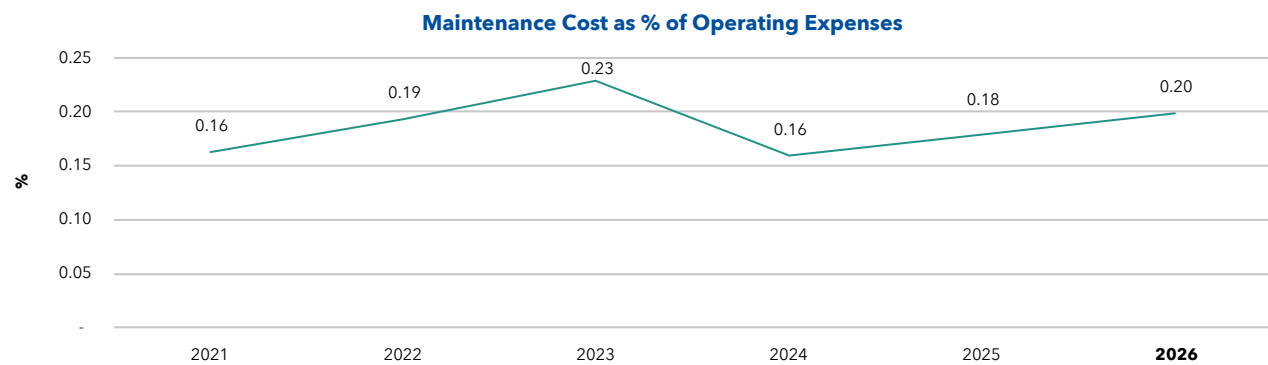
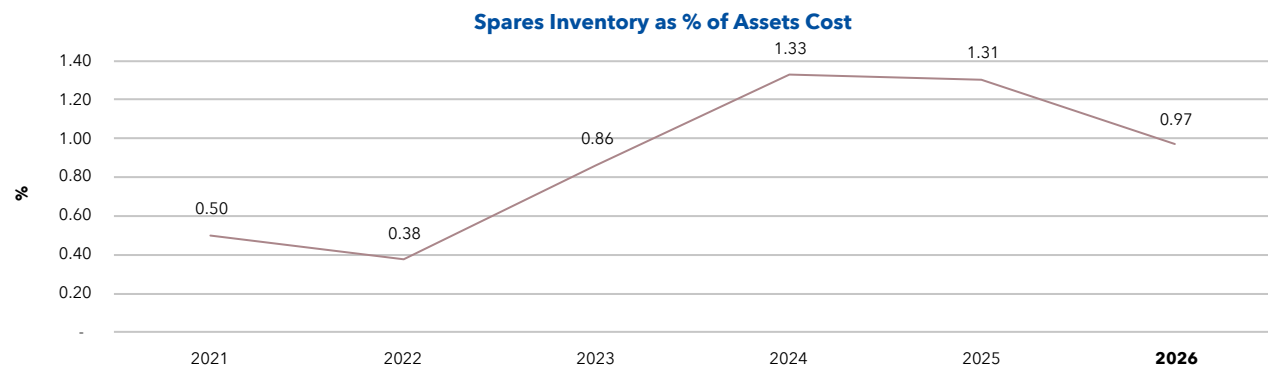
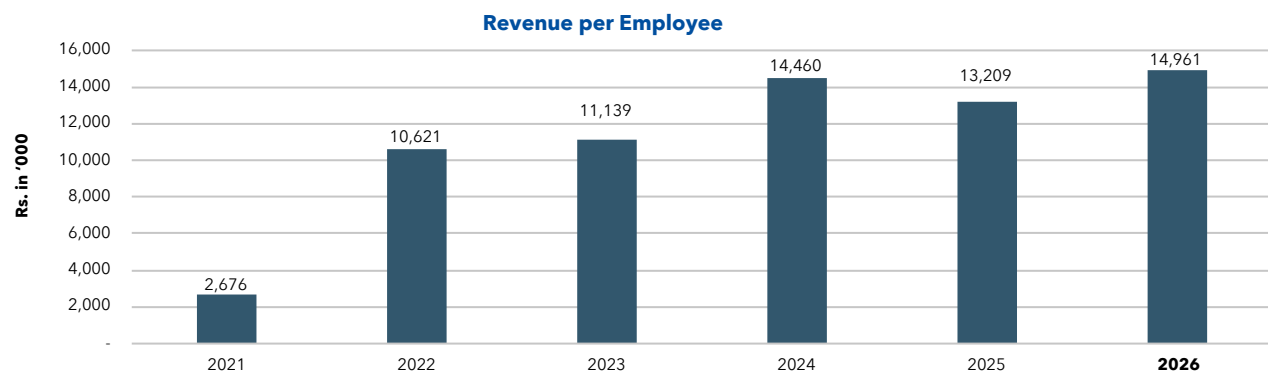
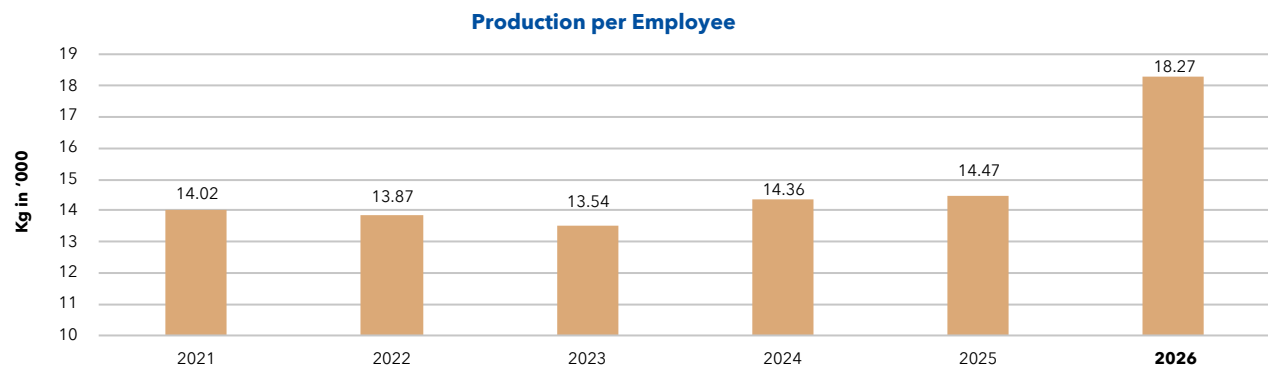
Activity Ratios

In 2026, the Company's activity ratios showed a broadly improving trend. Inventory turnover increased sharply to 4.08 times from 2.76 times in 2025, with inventory holding days reducing to 89 days from 132, reflecting improved inventory management following the elevated stock levels of the prior year. The total asset turnover ratio remain slightly same to 0.72 times from 0.71 times, while fixed asset turnover declined to 1.51 times from 1.63 times, reflecting the higher fixed asset base following continued CAPEX. Debtor turnover decrease to 6.00 times from 6.91 times, extending receivable days to 61 from 52, while payable days shortened to 20 from 26. As a net result, the operating cycle shortened considerably to 130 days from 158 days in 2025, reflecting the improvement in inventory management.



Capital Structure Ratios

In 2026, the Company's capital structure reflected a reduced reliance on debt financing as the financial leverage ratio eased to 0.71 times from 1.09 times in 2025, on the back of repayments of Rs. 14.45 billion short-term borrowings during the year. The debt-to-equity ratio also declined to 23.74% on a book value basis (from 26.70%) and to 18.83% on a market value basis (from 27.34%), reflecting a lower share of debt in the capital mix alongside growth in shareholders' equity. The weighted average cost of debt eased further to 11.76% from 14.67% in 2025 due to declining SBP target policy rates. The interest coverage ratio nearly doubled to 2.99 times from 1.58 times in 2025, indicating a much better debt-servicing capacity supported by higher operating profitability and lower finance costs. Overall, net assets per share increased to Rs. 48.79 from Rs. 42.31.

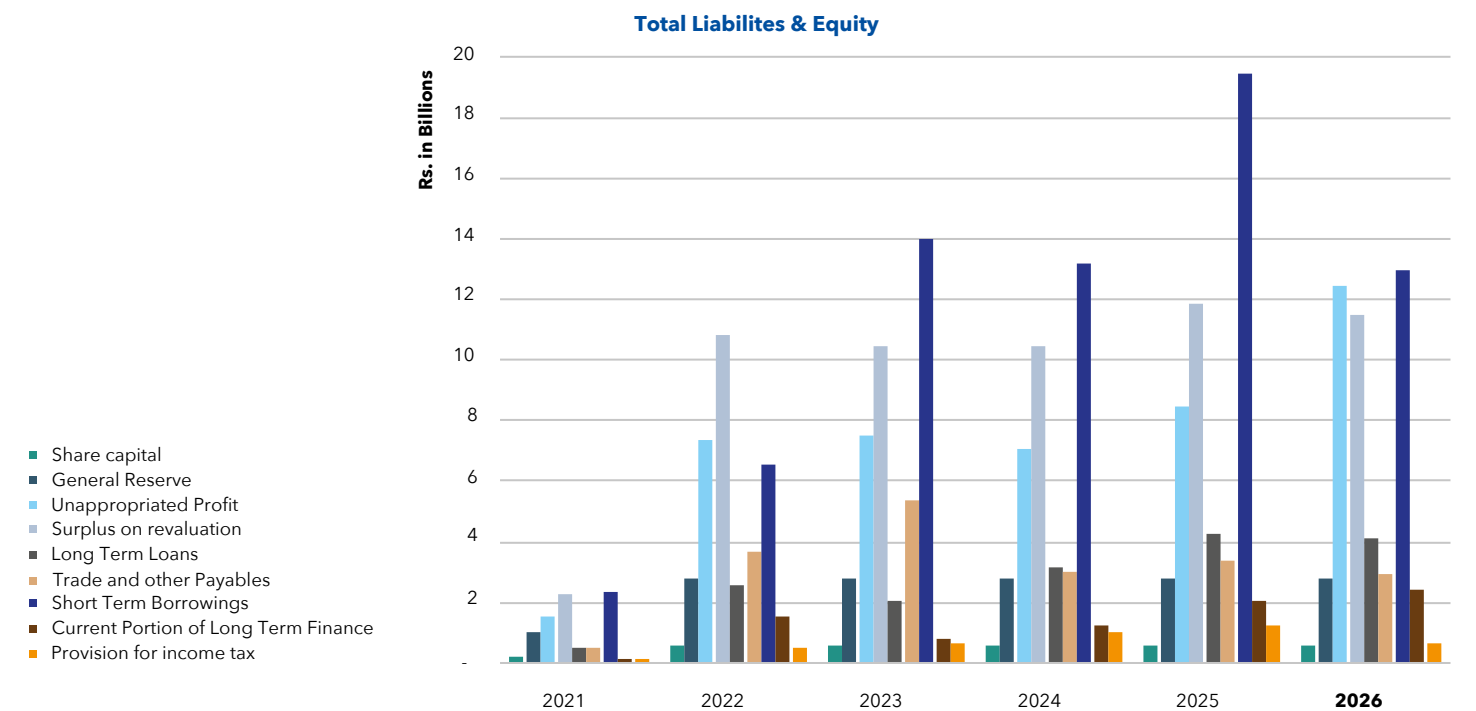
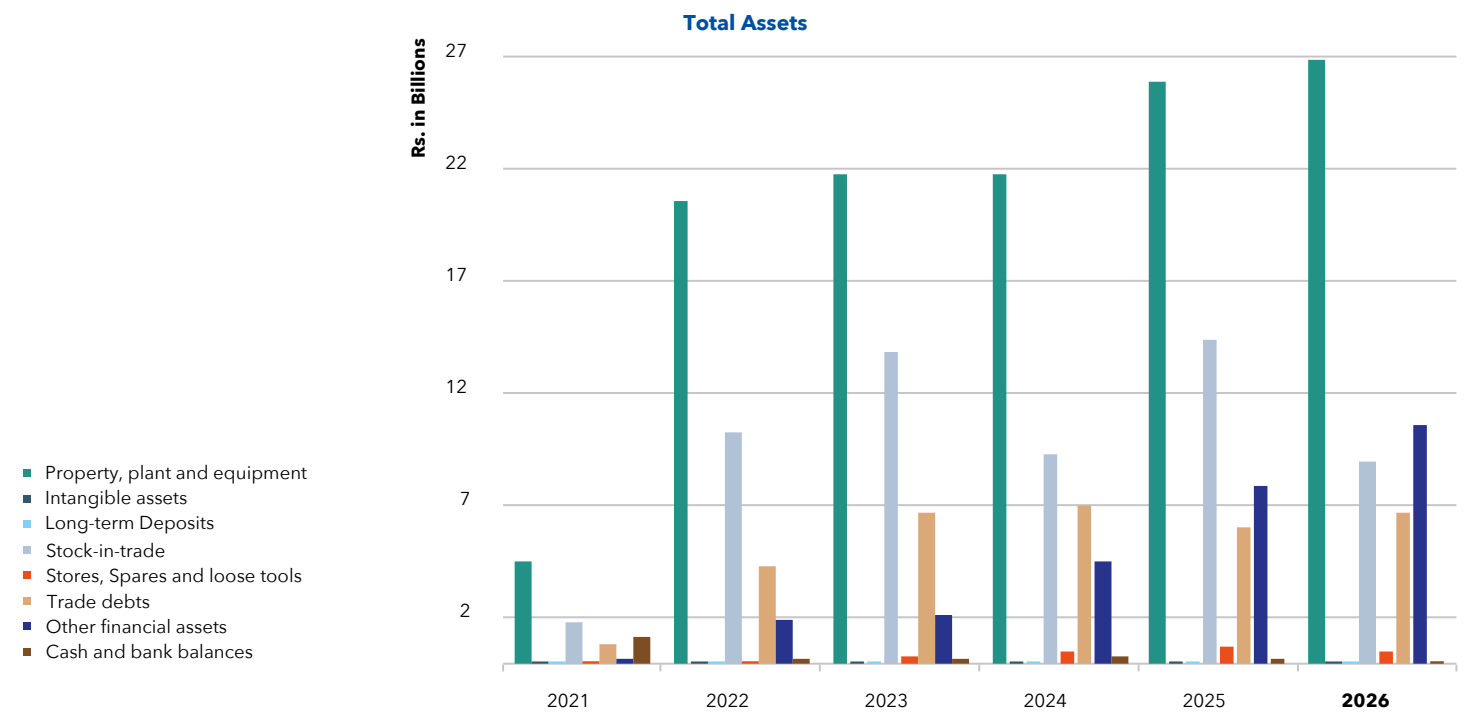


Non-Financial Ratios

The non-financial ratios for 2026 reflect sustained operational efficiency. Production per employee rose to 18.27 thousand kg from 14.47 thousand kg in 2025. Revenue per employee also improved to Rs. 14,961 thousand, compared to Rs. 13,209 thousand in 2025, despite the decline in overall sales revenue, reflecting improved workforce productivity. Spares inventory as a percentage of total assets eased to 0.97% from 1.31%, while maintenance costs as a percentage of operating expenses remained broadly stable at 0.20% compared to 0.18% last year, consistent with the Company's continued focus on cost-effective maintenance practices. Overall, the ratios indicate a well-balanced approach toward efficiency, resource allocation, and operational resilience.

Financials at a Glance

Statement of Financial Position as at June 30, 2026



Financials at a Glance

Statement of Profit or Loss for the year ended June 30, 2026



Analysis of Financial Position

Property, plant and equipment
Other non current assets
Current assets
Total assets

Shareholders' equity
Non current liabilities
Current portion of long term financing
Current portion of deferred government grant
Short term borrowings
Other current liabilities
Total equity & liabilities

Vertical Analysis

Property, Plant and Equipment
Other non current assets
Current assets
Total assets

Shareholders' equity
Non current liabilities
Current portion of long term financing
Short term borrowings
Other current liabilities
Total equity & liabilities

Horizontal Analysis

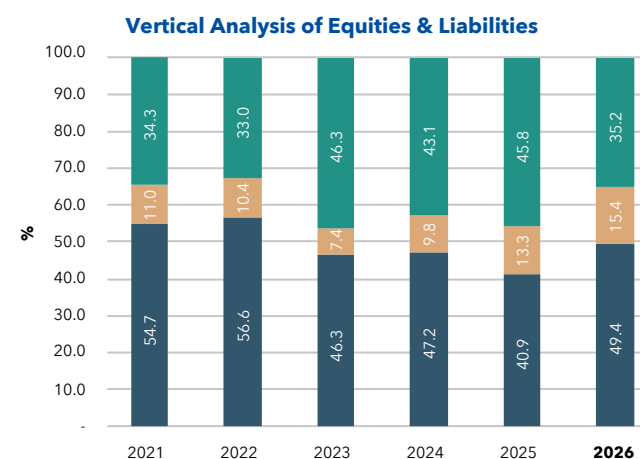
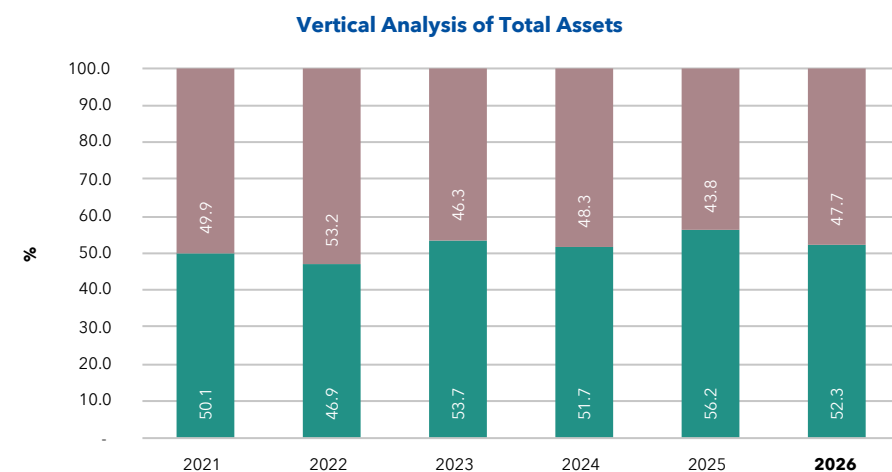
Property, Plant and Equipment
Other non current assets
Current assets
Total assets

Shareholders' equity
Non current liabilities
Current portion of long term financing
Short term borrowings
Other current liabilities
Total equity & liabilities

	2026	2025	2024	2023	2022	2021
----- Rupees in million -----						
Property, plant and equipment	26,351	25,353	21,411	21,368	20,231	4,536
Other non current assets	10	13	14	18	11	8
Current assets	28,919	32,533	22,968	24,816	17,841	4,555
Total assets	55,280	57,899	44,393	46,202	38,083	9,099
Shareholders' equity	27,321	23,692	20,933	21,379	21,567	4,979
Non current liabilities	8,531	7,697	4,350	3,412	3,954	999
Current portion of long term financing	2,393	2,035	1,255	774	1,554	139
Current portion of deferred government grant	-	-	-	-	3	6
Short term borrowings	12,968	19,419	13,143	14,014	6,572	2,328
Other current liabilities	4,067	5,056	4,712	6,623	4,433	648
Total equity & liabilities	55,280	57,899	44,393	46,202	38,083	9,099

----- Percentage -----						
Property, Plant and Equipment	47.7	43.8	48.2	46.3	53.1	49.9
Other non current assets	0.0	0.0	0.0	0.0	0.0	0.1
Current assets	52.3	56.2	51.7	53.7	46.9	50.1
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
Shareholders' equity	49.4	40.9	47.2	46.3	56.6	54.7
Non current liabilities	15.4	13.3	9.8	7.4	10.4	11.0
Current portion of long term financing	4.3	3.5	2.8	1.7	4.1	1.5
Short term borrowings	23.5	33.5	29.6	30.3	17.3	25.6
Other current liabilities	7.4	8.7	10.6	14.3	11.6	7.2
Total equity & liabilities	100.0	100.0	100.0	100.0	100.0	100.0

----- Percentage -----						
Property, Plant and Equipment	3.9	18.4	0.2	5.6	346.0	(4.0)
Other non current assets	(23.1)	(7.1)	(22.2)	63.6	37.5	(20.0)
Current assets	(11.1)	41.6	(7.5)	39.1	291.7	16.6
Total assets	(4.5)	30.4	(3.9)	21.3	318.5	5.3
Shareholders' equity	15.3	13.2	(2.1)	(0.9)	333.2	19.6
Non current liabilities	10.8	76.9	27.5	(13.7)	295.8	(12.0)
Current portion of long term financing	17.6	62.2	62.1	(50.2)	1,018.0	631.6
Short term borrowings	(33.2)	47.8	(6.2)	113.2	182.3	(12.7)
Other current liabilities	(19.6)	7.3	(28.9)	49.4	584.1	(1.2)
Total equity & liabilities	(4.5)	30.4	(3.9)	21.3	318.5	5.3



Vertical Analysis

Property, Plant & Equipment

Property, plant and equipment increased by Rs. 1,836 million during the year, mainly due to continued Capex in BMR and other cost efficiency projects. As total assets declined by 4.5% while the fixed asset base continued to expand, the ratio of property, plant and equipment to total assets increased to 47.7% from 43.8% in the prior year.

Stock in Trade

The ratio of stock in trade to total assets decreased significantly to 16.0% from 24.4% in the prior year, as inventory levels decreased to Rs. 8.85 billion from Rs. 14.11 billion held at the prior year-end.

Other Financial Assets

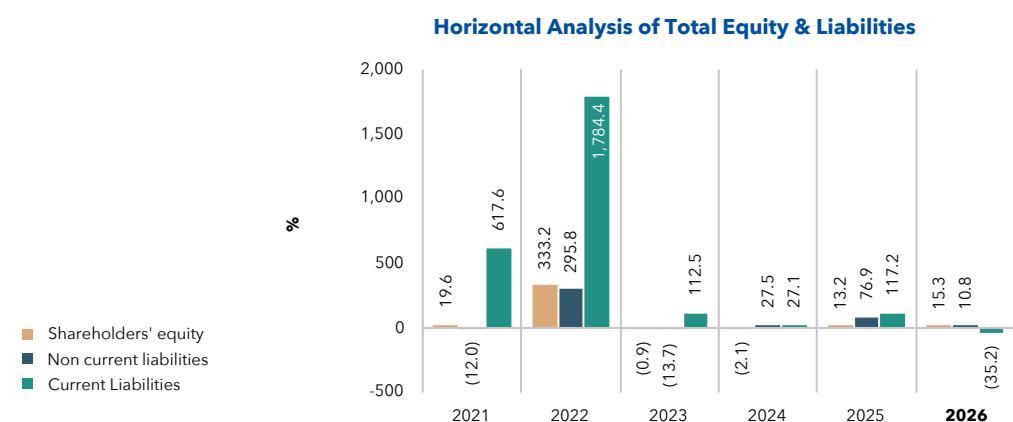
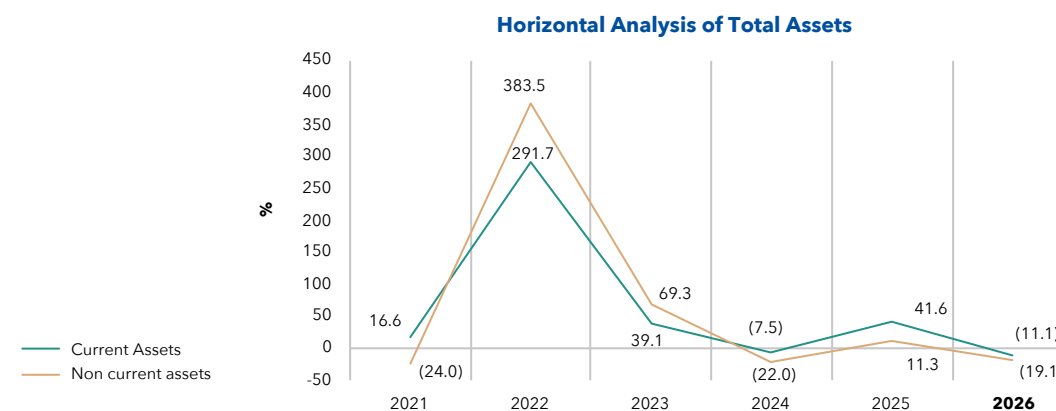
Other Financial Assets increased by Rs. 2.647 billion from last year to Rs. 10.40 billion, mainly due to unrealized gains on investment in listed securities, however, there was significant decrease in term deposit receipts due to conclusion of bank guarantees on settlement of SIDC dispute.

Current Liabilities

The Company's current liabilities decreased by 27% to Rs. 19.43 billion from Rs. 26.51 billion in the prior year, primarily reflecting a 33% reduction in short-term borrowings as the Company deleveraged during the year on the back of improved working capital management.

Long Term Finance

The percentage of long-term finance to total equity and liabilities increased to 11.7% from 10.9% in the prior year, as the Company acquired long-term financing to support ongoing capital expenditure.



Horizontal Analysis

Non-Current Assets

Non-Current Assets of the Company comprise of property, plant & equipment, intangible assets and long-term deposits. The non-current assets of the Company have increased by 481% from Rs. 4.5 billion in 2021 to Rs. 26.35 billion by 2026, mainly due to merger, continuous investment in advance machinery, modernization and balancing of manufacturing facilities and installation of Solar power plants.

Current Assets

Stock in trade decreased during the year. Whereas, other financial assets increased on account of unrealized gains on investment in listed securities. Trade debts also increased during the year due to sluggish market activity.

Other receivables mainly include sales tax receivable, which declined during the year as previously accumulated carry forward balances were adjusted and refund were recovered. Sales tax refunds recovery depends on several considerations including but not limited to pending verification of sales tax claim by the sales tax department on the basis of the sales tax audit and funds available at the Government treasury.

Equity

During the past six years, the Company's share capital primarily increased due to merger in 2022. The reserves of the Company witnessed several fluctuations over the period, mainly due to profit retention to finance capital expenditure. Resultantly, following a further year of strong profitability, total shareholders' equity increased by 15% during the year to Rs. 27.32 billion, an increase of 449% since 2021. A significant increase in 2025 and 2022 was reflected due to surplus on revaluation of land and plant and machinery.

Non-Current Liabilities

Non-current liabilities comprise of deferred taxation, SIDC payable, retirement benefits and Long-term financing. During the year, non-current liabilities increased by 11% to Rs. 8.53 billion, mainly due to a 30% rise in deferred liabilities relating to SIDC payable and deferred taxation.

Current Liabilities

The current liabilities decreased during the year, mainly due to a reduction in short-term borrowings. Due to settlement agreement of SIDC, its deferred payment transferred to non-current liability.

Analysis of Profit or Loss

	2026	2025	2024	2023	2022	2021
----- Rupees in million -----						
Revenue from contract with customers - net	39,841	41,240	45,824	34,911	35,114	8,962
Cost of sales	(36,121)	(38,949)	(42,486)	(30,666)	(27,060)	(7,456)
Gross profit	3,720	2,291	3,338	4,245	8,054	1,506
Administration, selling and distribution expenses	(1,148)	(1,105)	(1,081)	(1,045)	(1,011)	(271)
Other operating expenses	(99)	(255)	(62)	(179)	(1,047)	(82)
Other income	5,218	4,786	2,579	392	212	9
Operating profit/(loss) before financing cost	7,691	5,717	4,774	3,413	6,208	1,162
Finance cost	(2,571)	(3,610)	(4,497)	(2,705)	(1,179)	(253)
Profit/(Loss) before taxation	5,120	2,107	277	708	5,029	909
Taxation	(1,501)	(994)	(830)	(448)	(586)	(85)
Profit/(Loss) after taxation	3,619	1,113	(553)	260	4,443	824

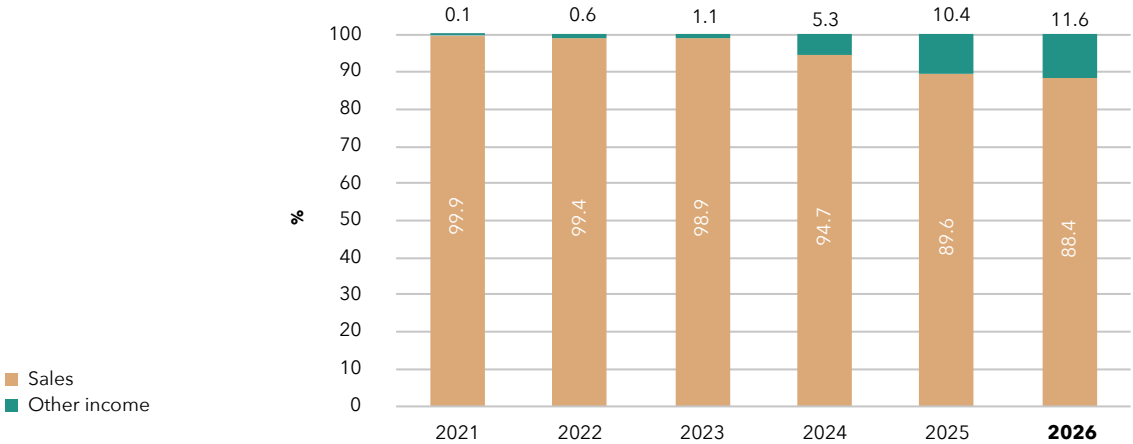
Vertical Analysis

	----- Percentage -----					
Net sales	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(90.7)	(94.4)	(92.7)	(87.8)	(77.1)	(83.2)
Gross profit	9.3	5.6	7.3	12.2	22.9	16.8
Administration, selling and distribution expenses	(2.9)	(2.7)	(2.4)	(3.0)	(2.9)	(3.0)
Other operating expenses	(0.3)	(0.6)	(0.1)	(0.5)	(3.0)	(0.9)
Other income	13.1	11.6	5.6	1.1	0.6	0.1
Operating profit/(loss) before financing cost	19.3	13.9	10.4	9.8	17.7	13.0
Finance cost	(6.5)	(8.8)	(9.8)	(7.8)	(3.4)	(2.8)
Profit/(Loss) before taxation	12.9	5.1	0.6	2.0	14.3	10.2
Taxation	(3.8)	(2.4)	(1.8)	(1.3)	(1.7)	(1.0)
Profit/(Loss) after taxation	9.1	2.7	(1.2)	0.7	12.7	9.2

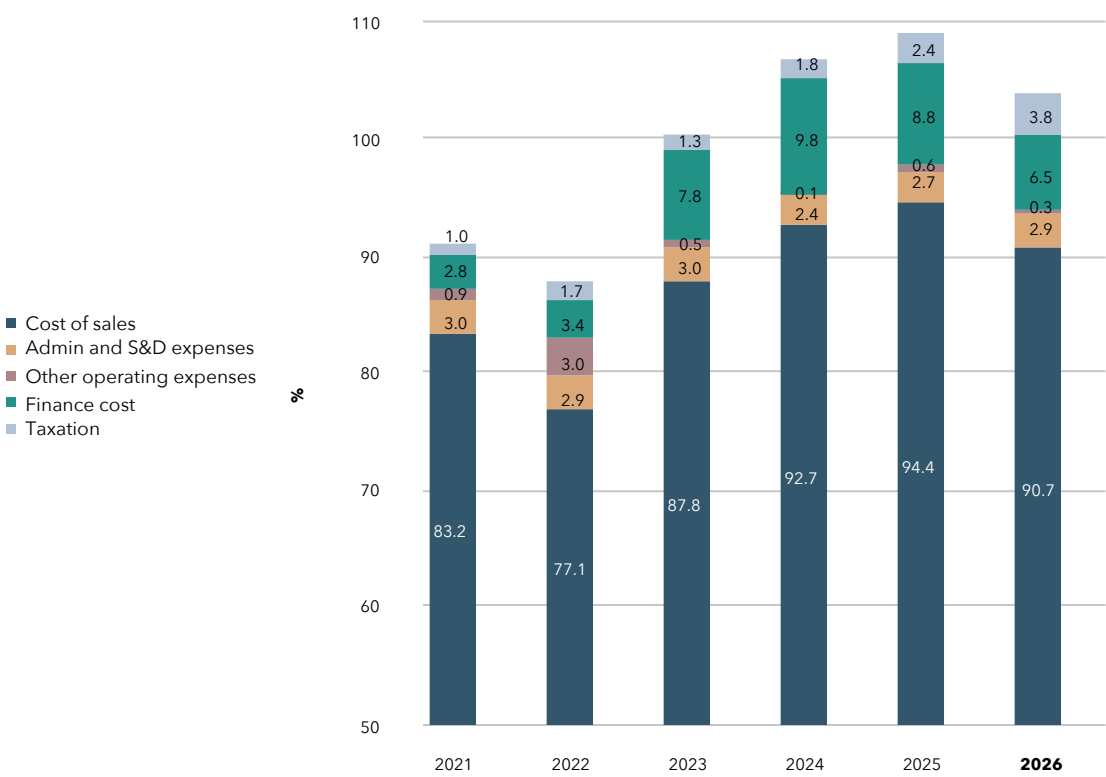
Horizontal Analysis

	----- Percentage -----					
Net sales	(3.4)	(10.0)	31.3	(0.6)	291.8	33.2
Cost of sales	(7.3)	(8.3)	38.5	13.3	262.9	19.6
Gross profit	62.4	(31.4)	(21.4)	(47.3)	434.8	202.4
Administration, selling and distribution expenses	3.9	2.2	3.4	3.4	273.1	23.2
Other operating expenses	(61.1)	310.7	(65.4)	(82.9)	1,176.8	(52.6)
Other income	9.0	85.6	557.9	84.9	2,255.6	(18.2)
Operating profit/(loss) before financing cost	34.5	19.8	39.9	(45.0)	434.3	901.7
Finance cost	(28.8)	(19.7)	66.3	129.4	366.0	(36.1)
Profit/(Loss) before taxation	143.0	660.8	(60.9)	(85.9)	453.3	(424.6)
Taxation	51.0	19.8	85.3	(23.6)	589.4	73.5
Profit/(Loss) after taxation	225.0	(301.3)	(312.7)	(94.2)	439.2	(350.5)

Vertical Analysis of Total Income



Vertical Analysis of Expense



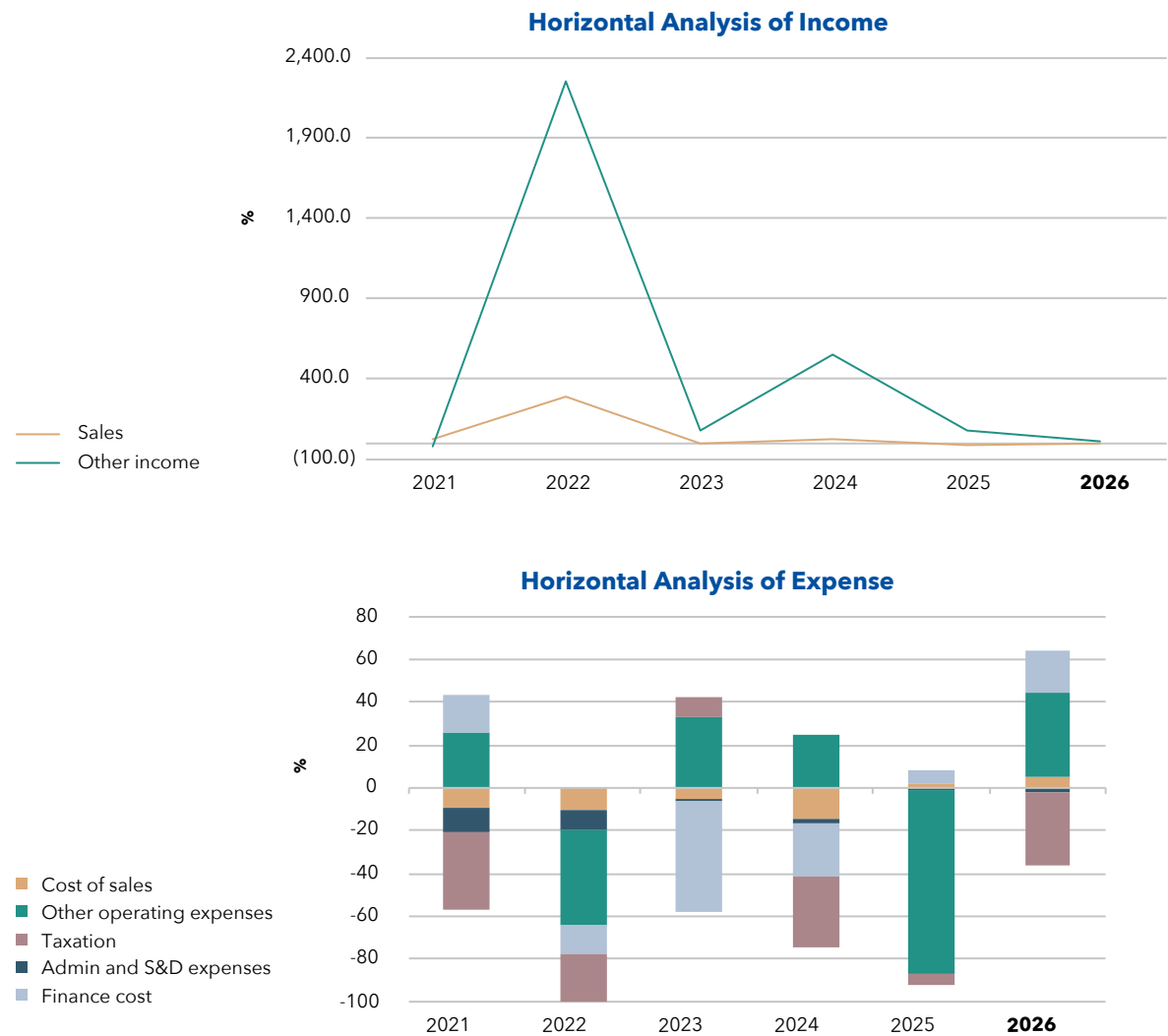
Vertical Analysis

Gross Profit

The gross profit increased to Rs. 3.72 billion from Rs. 2.29 billion last year, reflecting improved cost efficiencies and slight easing of input cost pressures during the year. As a result, the gross profit margin improved to 9.3% from 5.6% as compared to last year. Cost of sales was also impacted during the year as unit production was closed due to BMR. The management's continued focus on efficiencies and economies of scale, despite persistently high energy tariffs, supported this revival in margins.

Profit After Tax

Net profit after tax increased to Rs. 3,619 million from Rs. 1,113 million last year, due to increase in other income from 11.6% of sales to 13.1% of sales. The decline in finance cost, following easing policy rates, and recovery in gross margins contributed to the improvement in profitability. Increase in Other income is mainly attributable to dividend income from listed securities, unrealized gains on investments, and gain on discounting of SIDC during the year.



Horizontal Analysis

Sales & Cost of Sales

Sales revenue declined by 3% during the year, following a 10% decline in the prior year, due to temporary production halt at one unit under BMR project in current year and decline in yarn sales price. The cost of sales decreased by 7.3% during the year due to decreased in raw material cost and improvement in energy cost due to solar, exceeding the 3.4% decline in sales and contributing to the improvement in gross profit margin. Gross profit revived by decline in raw material prices from last year despite persistent increase in energy tariffs.

Finance Cost

The finance cost decreased by 29% during the period, amounting to Rs. 2,571 million, mainly due to declining policy rates and reduction in short term borrowings. However, long-term borrowing increased during the year on account of significant CAPEX in machinery is recognized.

Analysis of Cash Flows

Net cash (used in)/generated from operating activities
Net cash (outflows)/inflows from investing activities
Net cash (outflows)/inflows from financing activities
Net (decrease)/increase in cash and cash equivalents

Vertical Analysis

Net cash generated/(used in) from operating activities
Net cash inflows/(outflows) from investing activities
Net cash inflows/(outflows) from financing activities
Cash and cash equivalents

Horizontal Analysis

Net cash (used in)/generated from operating activities
Net cash (outflows)/inflows from investing activities
Net cash (outflows)/inflows from financing activities
Net increase/(decrease) in cash and cash equivalents

2026	2025	2024	2023	2022	2021
----- Rupees in million -----					
5,908	(8,749)	811	(3,565)	832	1,527
189	523	(1,296)	(2,216)	(3,401)	(304)
(4,390)	6,373	927	(552)	1,174	471
1,707	(1,853)	442	(6,333)	(1,395)	1,694

----- Percentage -----					
346.1	472.2	183.5	56.3	(59.7)	90.1
11.1	(28.2)	(293.2)	35.0	243.9	(17.9)
(257.2)	(343.9)	209.7	8.7	(84.2)	27.9
100.0	100.0	100.0	100.0	100.0	100.0

----- Percentage -----					
(167.5)	(1,178.8)	(122.8)	(528.5)	(45.5)	(929.8)
(63.9)	(140.4)	(41.5)	(34.8)	1,018.9	18.7
(168.9)	587.5	(267.9)	(147.0)	149.4	(192.9)
(192.1)	(519.2)	(107.0)	354.1	(182.3)	(278.9)

Comments on Cash flows

Cash Flows from Operating Activities

During the year, the Company generated net cash of Rs. 5,908 million from operating activities, a strong turnaround from the net cash outflow of Rs. 8,749 million in the prior year. This was mainly driven by the profit generation by operations during the year, coupled with a reduction in cash tied up in inventory and sales tax as well as decrease in finance cost paid due to decrease in SBP target policy rate.

Cash Flows from Investing Activities

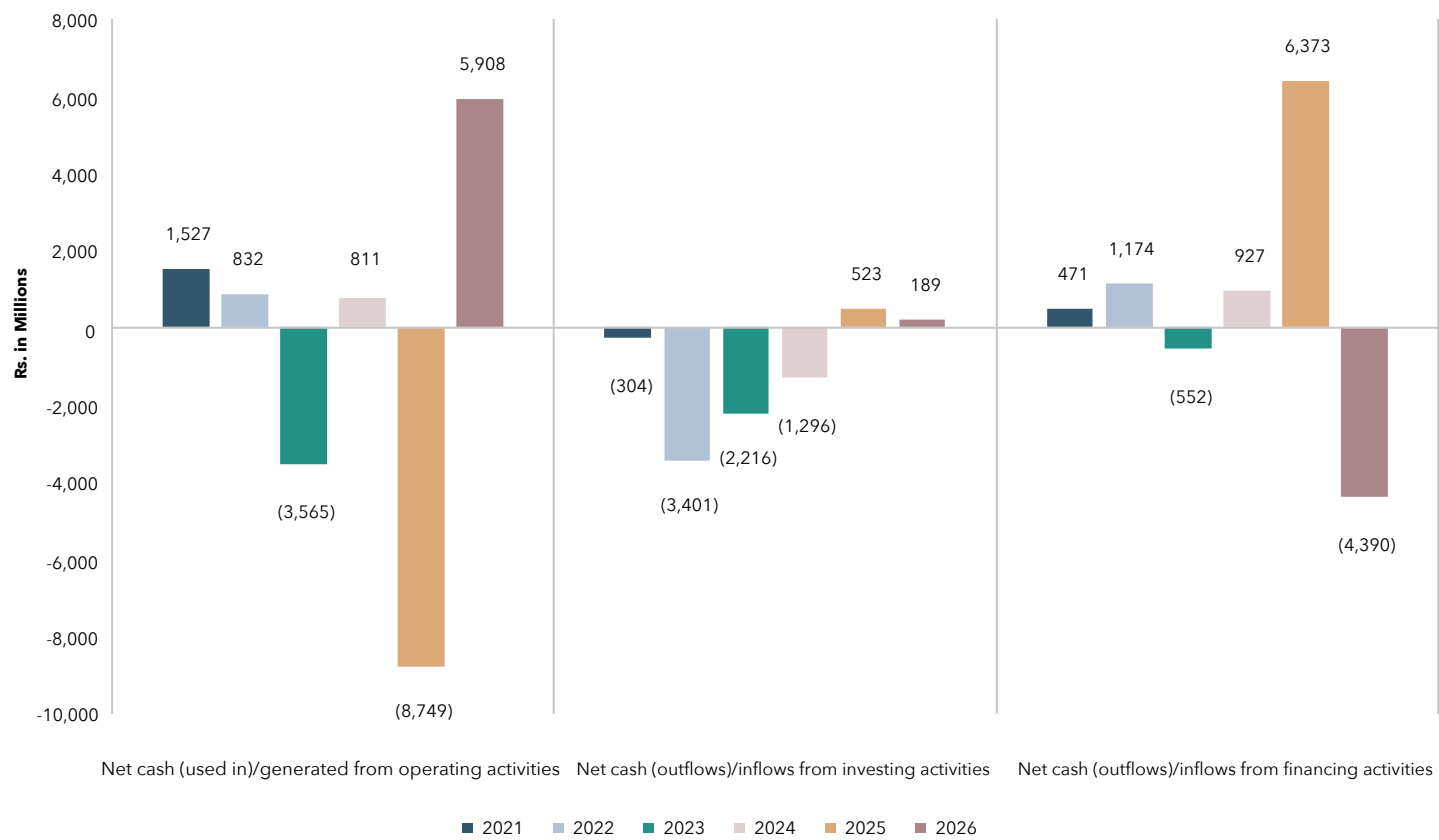
Net cash generated from investing activities amounted to Rs. 189 million in 2026, compared to Rs. 523 million in 2025. This decline was mainly on account of the substantially higher capital expenditure incurred on plant, machinery and related civil works during the year, largely offset by dividends received and disposal of TDR.

Cash Flows from Financing Activities

The Company's net cash flow from financing activities turned negative at Rs. 4,390 million during the year, as compared to a net inflow of Rs. 6,373 million in the prior year. This reflects the Company's deleveraging during the year, as it repaid short-term borrowings and made scheduled repayments against long-term financing, supported by the strong recovery in operating cash generation.

Net Increase in Cash and Cash Equivalents

As a combined result of the above, the Company recorded a net increase in cash and cash equivalents of Rs. 1,707 million during the year, compared to the net decrease of Rs. 1,853 million in the prior year, reflecting the overall strengthening of the Company's cash flow position despite continued repayment of borrowings and high capital expenditure.



Statement of Cash Flows - Direct Method

For the year ended June 30, 2026

A. CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customer
Cash Paid to Suppliers, Employees and Others
Finance cost paid
Income taxes paid
Defined benefit obligations paid
Staff compensated absences paid
Provident fund paid

Net cash (used in) / generated from operating activities

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment
Proceeds from disposal of property, plant and equipment
Investment in market treasury bills
Disposal/(Purchase) of other financial assets
Proceeds from disposal of market treasury bills
Profit received on term deposits and saving accounts
Proceeds from disposal of other financial assets
Dividends received during the period
Long term deposits

Net cash used in investing activities

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long term finance obtained
Repayments of long term finance
Short term borrowings obtained - net of payments
Dividend paid

Net cash (used in) / generated from financing activities

Net decrease in cash and cash equivalents (A+B+C)

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

June 30, 2026	June 30, 2025
---- (Rupees in '000) ----	
39,175,325	42,208,974
(28,986,995)	(45,931,374)
(2,666,926)	(3,894,544)
(1,295,871)	(947,322)
(223,345)	(85,839)
(33,509)	(37,646)
(60,776)	(61,600)
5,907,903	(8,749,351)
(2,030,044)	(1,044,253)
110,633	297
-	(19,999,597)
1,189,130	(481,515)
-	20,573,831
203,601	210,838
-	704,784
714,880	558,538
331	-
188,531	522,923
2,380,000	3,239,300
(2,218,320)	(1,357,157)
(4,550,997)	4,492,992
(607)	(1,956)
(4,389,924)	6,373,179
1,706,510	(1,853,249)
(10,895,498)	(9,042,249)
(9,188,988)	(10,895,498)

DuPont Analysis



Years	Profit Margin (A)	Asset Turnover (B)	Equity Multiplier (C)	ROE (A*B*C)
2026	9.08%	0.72	2.02	13.25%
2025	2.70%	0.71	2.44	4.70%
2024	-1.21%	1.03	2.12	-2.65%
2023	0.75%	0.75	2.19	1.23%
2022	12.65%	0.92	1.77	20.60%
2021	9.19%	0.98	1.83	16.53%

Commentary on DuPont Analysis

Net Sales decreased by 3% during 2026, due to temporary closure of one unit under BMR. However, the Company's profitability improved significantly, supported by improvement in gross margins and a 9% increase in other income.

Gross margins improved by around 3.8 percentage reflecting improved cost efficiencies and slight easing of input cost pressures during the year, lifting the net profit margin to 9.08% from 2.70% last year.

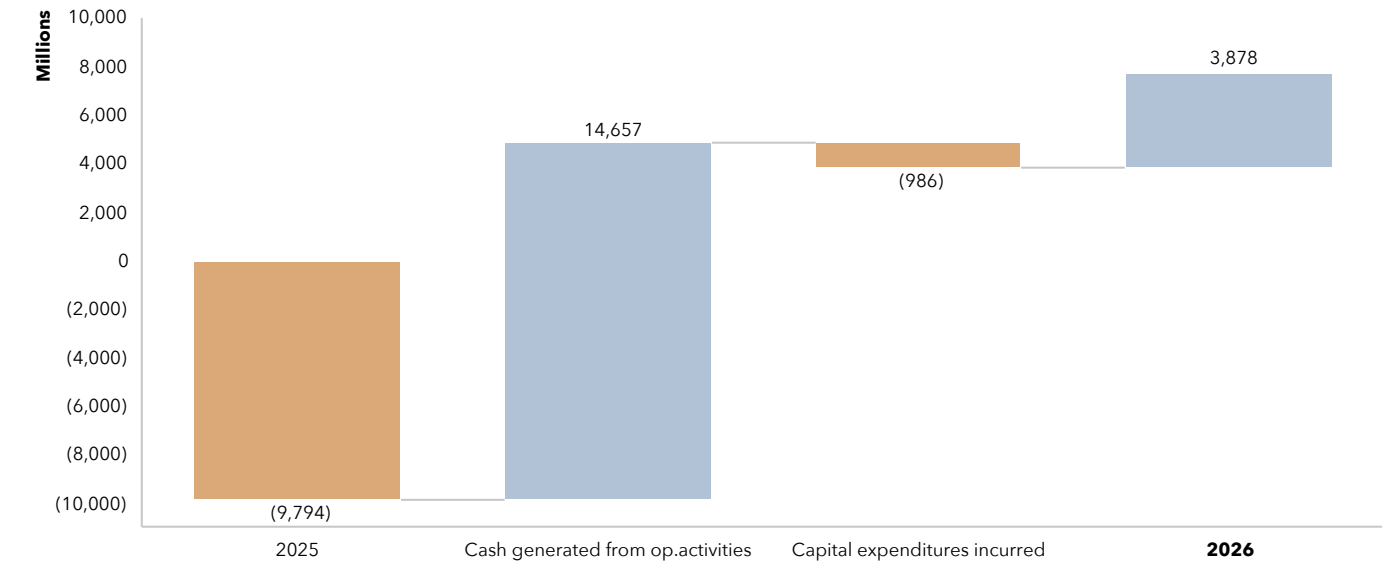
The dupont analysis indicates that improvement in ROE to 13.25% is driven by improvement in profit margin. Asset turnover remains the same. The decline in equity multiplier from 2.44 to 2.02 is also a positive indicator.

Free Cash Flow

June 30, 2026

Cash generated from / (used in) operating activities
Less: Capital expenditures incurred

June 30, 2026	June 30, 2025
---- (Rupees in '000) ----	
5,907,903	(8,749,351)
(2,030,044)	(1,044,253)
3,877,859	(9,793,604)



Comment

Free cash flows turned significantly positive at Rs. 3.88 billion during the year, compared to a negative free cash flow of Rs. 9.79 billion in the prior year, as working capital pressures relating to inventory, taxation and finance cost eased considerably. This improvement was achieved despite capital expenditures increase to Rs. 2.03 billion mainly due to BMR. Overall, the substantial recovery in operating cash generation more than offset the higher capital spending during the year, resulting in a marked improvement in the Company's free cash flow position.

Economic Value Added

June 30, 2026

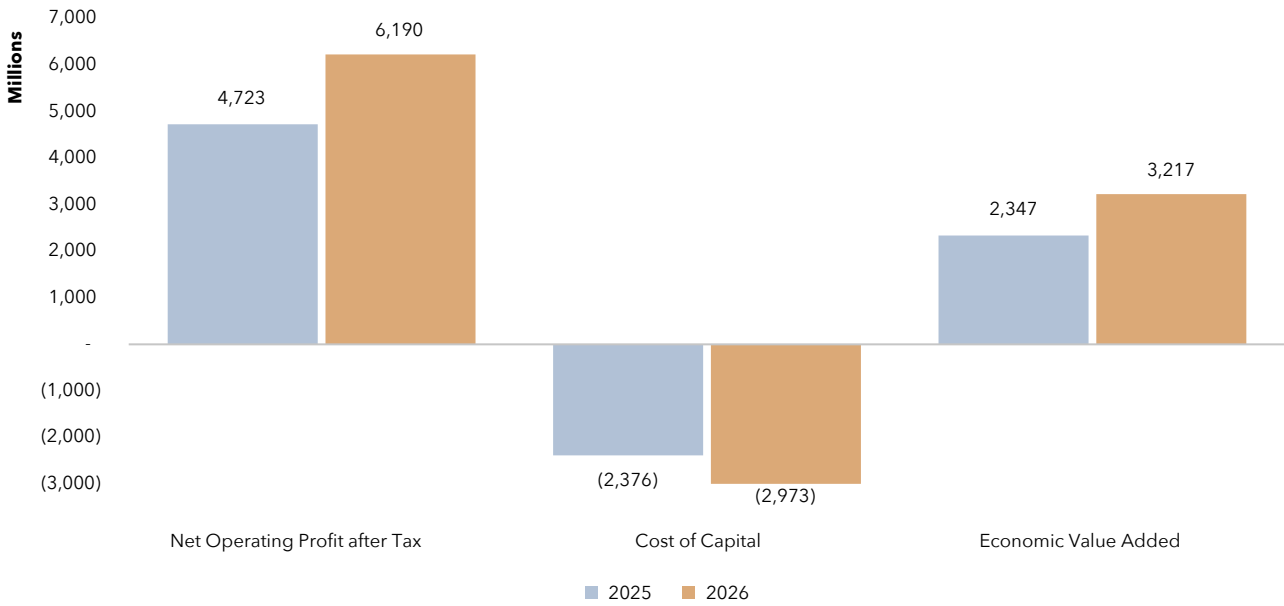
Net Operating Profit after Tax
Cost of Capital

Economic Value Added

Cost of Capital

Total Assets
Less: Current Liabilities
Invested Capital
WACC
Cost of Capital

June 30, 2026	June 30, 2025
---- (Rupees in '000) ----	
6,190,423	4,723,043
(2,973,071)	(2,375,690)
3,217,352	2,347,353
55,280,099	57,899,287
(19,428,103)	(26,510,073)
35,851,996	31,389,214
8.29%	7.57%
2,973,071	2,375,690



Comment

EVA is the relevant yardstick for measuring economic profits. Economic value addition increased further to Rs. 3.22 billion from Rs. 2.35 billion last year, an increase of 37%, mainly on account of a 31% increase in net operating profit after tax, supported by improved margins and lower finance cost. The Company's WACC increased slightly to 8.29% from 7.57% in the prior year, mainly on account of the higher cost of equity implied by the Company's improved return on equity, partly offset by a lower after-tax cost of debt. Consequently, the cost of capital increased to Rs. 2.97 billion from Rs. 2.38 billion; however, since the growth in NOPAT outpaced the rise in cost of capital, the Company continued to generate positive economic value for its shareholders.

Statement of Value Additions and its Distribution

Wealth generated

Sales including sales tax
Other income

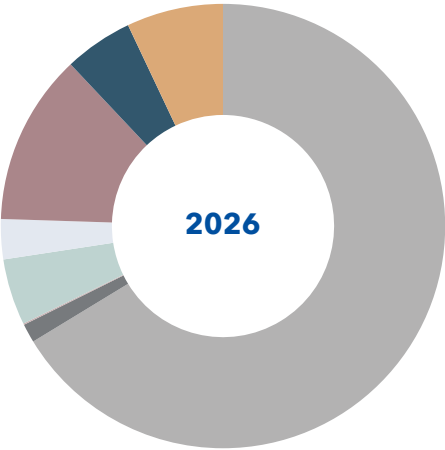
June 30, 2026		June 30, 2025	
Rupees in '000	%	Rupees in '000	%
46,256,822	89.86%	48,365,140	91.00%
5,217,985	10.14%	47,85,914	9.00%
51,474,807	100.00%	53,151,054	100.00%

Wealth distribution

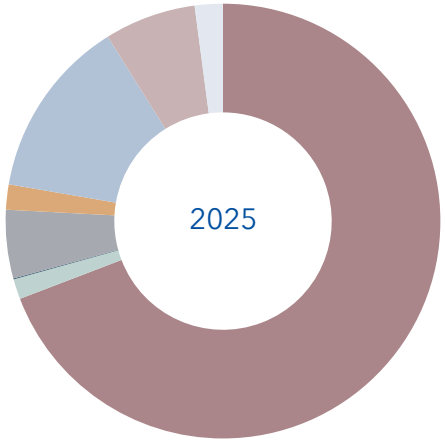
Cost of sales
Administrative, distribution and others
Charity
Employees
Income tax
Sales tax
Financial charges
Dividend to shareholders
Allocated from business

June 30, 2026		June 30, 2025	
Rupees in '000	%	Rupees in '000	%
34,129,382	66.30%	36,769,850	69.18%
704,887	1.37%	796,470	1.50%
49,380	0.10%	35,476	0.07%
2,483,813	4.83%	2,706,522	5.09%
1,501,481	2.92%	994,483	1.87%
6,415,441	12.46%	7,125,210	13.41%
2,571,272	5.00%	3,609,892	6.79%
607	0.00%	1,956	0.00%
3,618,544	7.03%	1,111,195	2.09%
51,474,807	100.00%	53,151,054	100.00%

- Cost of sales
- Charity
- Income tax
- Financial charges
- Allocated from business
- Administrative, distribution and others
- Employees
- Sales tax
- Dividend to shareholders



- Cost of sales
- Charity
- Income tax
- Financial charges
- Allocated from business
- Administrative, distribution and others
- Employees
- Sales tax
- Dividend to shareholders



Share Price Sensitivity Analysis

Share prices depend on overall market performance, investor confidence in the economy, the overall fundamentals of the company and policies issued/imposed by Government and regulatory bodies. Being a responsible and law-compliant entity, the company circulates price sensitive information to the stock exchange in accordance with the requirements of listing regulations in a timely manner. The PSX demonstrated an upward trend during the end of current FY on account of decline in inflation, support through IMF program and tightening monetary policies having an impact on the investors' confidence.

The Company's share price was PKR 137.04 per share on June 30, 2026, as compared to PKR 129.71 per share on June 30, 2025. During the year the market price of share observed fluctuation from the lowest of PKR 85.40 per share on March 30, 2026, to highest of PKR 293.94 per share on July 23, 2025.

The Company's share price is sensitive to the following uncontrollable external factors:

Availability of Raw Material

The Company's performance is largely dependent upon the availability of raw materials, which is highly sensitive to seasonal fluctuations. Thus, any negative or positive change in the cotton availability and yield will affect the Company's performance and influence the share price.

Raw Material Cost Volatility

The production of yarn requires mainly cotton and fibers, which constitutes a significant portion of the Company's total annual expenditures. A rise in major input prices can cause a negative impact on margins, therefore lowering the EPS, which further lowers the share price.

Selling Price and Demand

Sales volume is driven by various factors including plant production capacities and demand & supply situation. An increase in demand of yarn may result in an increase in market price and will contribute towards better profitability and Earnings per share (EPS) which will ultimately increase the share price.

High Energy Tariffs

One of the most crucial factors for the survival of the textile sector in the country is the availability of gas and electricity, shaping its performance. The disrupted supply of natural gas and electricity as well as unfavorable policy related to renewable energy influences the entity to shift to costly alternatives like HFO generators, which directly affect the Company's financial position. High energy tariff of Natural gas, RLNG, and HFO as well as grid tariffs of transmission & distribution companies also impacted the Company's profitability.

Exchange Rate

The company generated 12% of its revenue from exports and imported 60% of its raw materials, through which the entity is exposed to exchange rate risk. Any favorable or unfavorable movement in exchange rates might affect the Company's profitability and hence, affect the share price. The Company has adopted effective strategies to minimize and hedge the risk of exchange rates.

Interest Rate

The Company's finance cost is 6.5% of the turnover, which affects the bottom line and liquidity position of the company. Any adverse interest rate movement will affect the Company's profitability and hence affect the share price.

Stock Market

A company's share price depends on overall market performance of PSX, investor confidence in the economy and particular sector and the overall fundamentals of the Company. Positive sentiments, news flows prevailing in the market may result in an appreciation of the share price of the Company.

Government Policies

The Company is exposed to Government regulations, tax regulations, policies which directly affect the Company's financial performance which in turn may affect the share price. Any change in Government policies related to the textile sector may substantially impact on the share price of the Company.

Political Instability

A favorable and consistent political system provides an ideal environment for companies to thrive. On the contrary, unstable law and order jeopardize business growth. Political instabilities, volatile government policies, strikes and protests, and hurdles in the supply chain affect the Company's sales. The stable political situation in the Country improves the overall business performance and investor confidence and encourages foreigners to deal with some of the prominent companies in the Country, which may have an impact on the Company's share price.

Agriculture

The agricultural sector serves as the backbone of Country's economy and employs the majority of the population either directly or indirectly in agriculture related activities therefore, the well-being of this sector is vital for the country's overall economic performance. Good environmental conditions for cotton crops, having required rainfalls, results in optimal quality of cotton at cheaper prices. The times when these factors are favorable, textile sector's sales boost due to the availability of quality cotton at cheaper rates which generate higher profit margins for producing various types of yarn which in turn positively affect the share price of the Company.

Investment in Shares

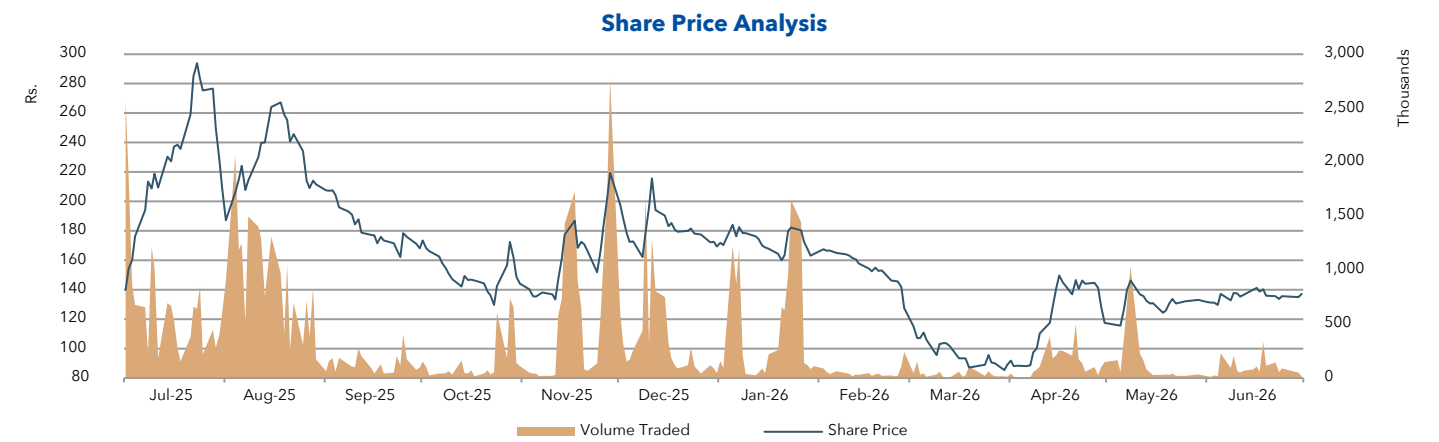
A company's share price depends on the overall market performance of PSX. TTML invested in shares of other listed entities, and the value of its investment portfolio fluctuates with market conditions. If the prices of the shares invested increase, it enhances the company's asset base and financial strength, which in turn may positively influence its own share price. This linkage highlights how investment decisions and market performance collectively impact shareholder value.

Sensitivity Analysis of Change in Market Capitalization

Share Price as of June 30, 2026	Rs. 137.04
Market Capitalization as of June 30, 2026	Rs. 7,673,364,863

Change in Share Price by	Change in Market Capitalization
+10%	Rs. 767,336,486
-10%	Rs. (767,336,486)

Month	Highest Rs.	Lowest Rs.	Closing Rs.	Volume traded during the month
Jul-25	311.00	135.00	208.18	16,119,510
Aug-25	284.00	168.62	211.61	17,957,235
Sep-25	220.00	154.38	168.13	2,960,279
Oct-25	185.30	120.00	144.18	3,476,219
Nov-25	222.59	125.00	219.47	12,738,883
Dec-25	222.50	145.84	169.25	8,329,705
Jan-26	197.00	155.01	164.45	10,277,880
Feb-26	170.00	127.56	127.58	988,541
Mar-26	119.40	82.00	88.90	767,142
Apr-26	155.10	86.16	117.49	3,043,096
May-26	152.50	113.99	133.13	3,082,674
Jun-26	144.00	126.03	137.04	1,841,497

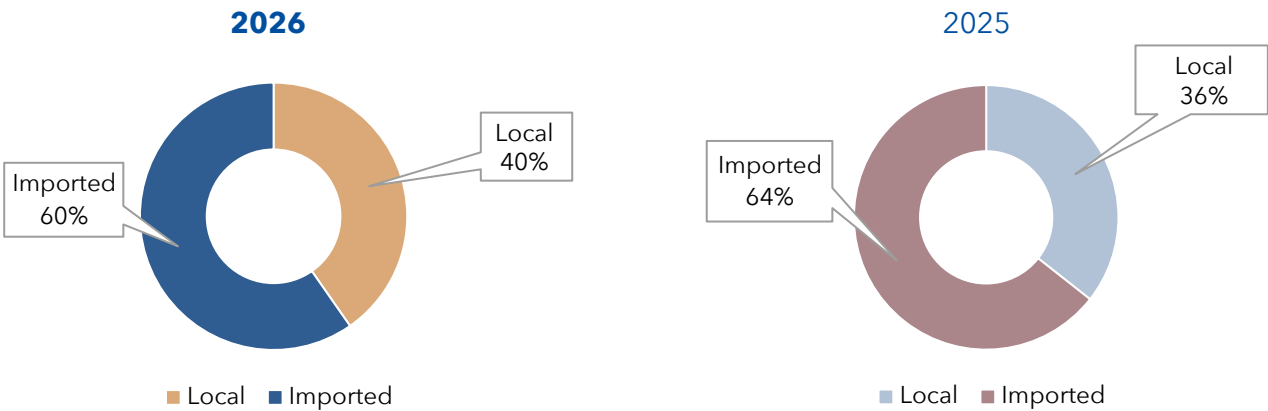


Composition of Local vs. Imported Material / Sensitivity Analysis

TTML is the Country’s trusted manufacturer and supplier of quality yarn. The company’s raw materials comprise of Cotton & fibers and packing materials. Imported raw material and local raw material represent 60% and 40% of total Purchases for the year ended June 30, 2026, and were 64% and 36% in the corresponding year, respectively. Considering impact of import on company, As at June 30, 2026, if the Pakistani Rupee had weakened /strengthened by 10% against the US Dollars with all variables held constant, profit or loss for the year would have been lower/ higher by Rs. 67 million (June 30, 2025: Rs.12 million), hence profitability of the company is sensitive to such fluctuation. This analysis assumes that all other variables, in particular, interest rates remain constant. Management takes necessary measures to mitigate such impacts as per Company’s risk management policies.

The composition of the raw material procured during the fiscal year is stated as follows:

Year	2026		2025	
Raw Material	KG in ‘000’	Rs. in ‘000’	KG in ‘000’	Rs. in ‘000’
Local	18,366	7,793,689	23,891	11,585,402
Imported	27,199	12,584,897	43,178	21,724,308
Total	45,565	20,378,585	67,070	33,309,710



Major Capital Expenditures

With the aim of remaining competitive on the Local and global grounds, the Company rigorously invests in new technologically advanced machinery. The purpose of the investment is to reduce the cost of production by achieving operational excellence and serving customers better in terms of quality. This year, the Company incurred a CAPEX of Rs. 2,030 million, primarily directed towards upgrading existing machinery with modern, technologically advanced equipment.

Disclosure of Market Share of the Company

The Company holds over four decades of experience in Pakistan’s spinning industry, operating 132,180 spindles. The Company’s prominence stands out in the spinning sector, despite the high level of competition. The market share of the Company cannot be determined accurately due to the unavailability of reliable industry data.

CEO Presentation Video on the Company's Business

Video presentation by CEO briefing about the business overview, performance, strategy and outlook has been uploaded on the media section of the Company's website and can be viewed at www.tatapakistan.com/tata-textile-mills

Striving for Excellence in Corporate Reporting



Statement of Compliance of International Financial Reporting Standards (IFRS)

The Financial Statements of the Company have been prepared in accordance with the International Financial Reporting Standards issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017. Further, there are certain standards and interpretations which are yet to be effective in Pakistan and certain standards not adopted by SECP, as disclosed in note 3(b) of the financial statements. However, the management believes that these standards and interpretation do not have any material impact on the financial statements of the Company.

Adoption & Statement of Adherence with the International Integrated Reporting Framework (IIRF)

TTML is committed to creating value for the company and its stakeholders through a strategic approach. The company's core strength is its focus on economic, social, technological, and environmental factors, and their associated impacts, to achieve sustainable corporate value.

This report is formed to help stakeholders understand the company's operations by presenting information in a clear and concise manner. By adopting the Integrated Reporting Framework, the company is bridging the gap between financial and non-financial information. The integration of financial, social, and environmental aspects is a powerful way to communicate the company's performance, activities, and the strategic importance of aligning sustainability considerations with business approaches to the market and society.

Management Approach

TTML is in the process towards adopting the International Integrated Reporting Framework (IIRF) and following the best corporate governance practices. The IIRF requires strong commitment from the company's management, who are ultimately responsible for communicating the company's performance to its stakeholders. The framework also emphasizes the importance of connectivity of information, ensuring that all stakeholders have a clear understanding of the company's philosophy and attitude towards achieving enhanced stakeholder value and customer satisfaction.

Excellence in Integrated Reporting

The key objective of integrated reporting (IR) is to create a bridge between the guiding principles and content elements of an organization. This means that IR reports should provide a comprehensive overview of the organization's performance, taking into account both financial and non-financial factors. The content elements of IR have been briefly discussed in this report.

The Company aligns its Annual Report with the International Integrated Reporting (IIR) Framework to provide a comprehensive overview of its strategy, governance, performance, and prospects in the context of its external environment, and their contribution to value creation over the short, medium, and long term. The information disclosed herein has been mapped against the following elements of the IIR Framework:

- a. Organizational overview and external environment
- b. Strategy and resource allocation
- c. Risks and opportunities
- d. Governance
- e. Performance and position
- f. Future outlook
- g. Stakeholder relationships and engagement
- h. Corporate Social Responsibility and Sustainability.

Application of the Integrated Reporting Framework

The company is compliant with the Integrated Reporting Framework (IRF) which is divided into two major segments:

- Guiding Principle of this Report
- Content Element of this Report

Guiding Principle of this Report

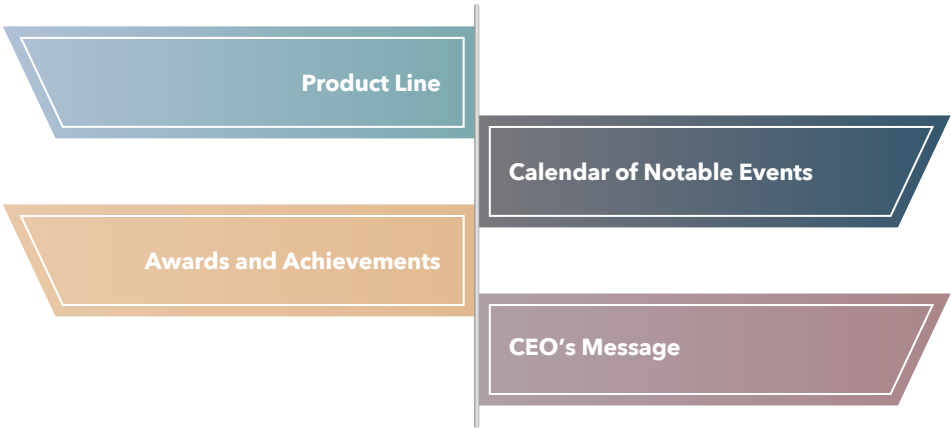


Content Elements of this Report



Disclosures Beyond BCR

The Company, in order to promote transparency in its dealings, has added certain additional information for its stakeholders, which is beyond the required criteria of BCR (checklist enclosed in this report). Details are as follows:



Best Corporate Report Awards 2026

Checklist 2026

BCR Ref #	Section & Task	Page Reference
1	Organizational Overview and External Environment	
1.01	Mission, vision, code of conduct, ethics and values.	10
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	16
1.03	Geographical location and address of all business units including sales units and plants.	18
1.04	The legislative and regulatory environment in which the company operates.	32
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	16
1.06	Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	N/A
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	N/A
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	20-21
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	8, 15
1.10	Description of the performance of the various activities / product(s) / service(s) /segment(s) of the entity and its group entities during the period under review	
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	22-23
1.12	a. Explanation of significant factors effecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response.	24-25
	b. The effect of seasonality on business in terms of production and sales.	26
1.13	The legitimate needs, interests of key stakeholders and industry trends.	27
1.14	SWOT Analysis of the company.	30
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	31-32
1.16	History of major events.	28-29
1.17	Details of significant events occurred during the year and after the reporting period.	33
2	Strategy and Resource Allocation	
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve these objectives.	36-37

BCR Ref #	Section & Task	Page Reference
2.02	Resource allocation plans to implement the strategy. Resource mean ‘Capitals’ including: a. Financial Capital; b. Human Capital; c. Manufactured Capital; d. Intellectual Capital; e. Social and Relationship Capital; and f. Natural Capital.	36-37
2.03	The capabilities and resources of the company that provide sustainable competitive a dvantage, resulting in value creation by the company.	38-39
2.04	Company's strategy on market development, product and service development.	
2.05	The effects of the given factors on company strategy and resource allocation: a) Technological changes b) Sustainability reporting and challenges, c) Initiatives taken by the company in promoting and enabling innovation, d) Resource shortages (if any).	
2.06	Key performance indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	36-37
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	39
2.08	Board’s statement on the internal controls including IT controls of the company.	
2.09	Board’s statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	
2.1	a. Information about defaults in payment of any debts with reasons and its repayment plans. b. Board strategy to overcome liquidity problem and plans to meet operational losses.	
3	Risks and Opportunities	
3.01	Key risks and opportunities (internal and external), including Sustainability-related risks and opportunities affecting availability, quality and affordability of Capitals.	88-94
3.02	Company's robust assessment of the principal risks and uncertainties being faced, including those that would threaten the business model, future performance and solvency or liquidity. This may include operational risk, IT risk, regulatory risk, legal risk, political risk, strategic risk, and credit risk etc.	85-87
3.03	Risk Management Framework covering principal risk and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	88-94
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).	95
4	Sustainability Disclosures & Corporate Social Responsibility (CSR)	

BCR Ref #	Section & Task	Page Reference
4.01	Disclosure of the role of the Board to address the company's sustainability risks and opportunities, as required under the recent amendments of the SECP 'Listed Companies (Code of Corporate Governance) Regulations, 2019, SECP SRO 920/2024 dated June 12, 2024 for the following: - Disclosures of company specific sustainability-related risks and opportunities (climaterelated risks and opportunities) and their impact on the financial performance in the short, medium and long term and how these are managed or mitigated; - Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company. - Disclosure of company's sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored. - Boards are encouraged to adopt of the SECP's ESG Disclosure Guidelines (https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/).	To be covered in Sustainability Report FY 2025-26
4.02	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability. - Social initiatives - financial inclusion, research and development, employment generation, community health and education, and health and safety of staff etc.; - Environmental initiatives - climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle), how does the company reduce pollution, depletion and degradation of natural resources; and indirect like investment/financing in green /sustainable project. - Technological innovation - use of advanced technology, innovative ideas leading to sustainability practices like energy-efficient processes or eco-friendly product designs; - Information on consumption and management of materials, energy, water, emissions and waste.	
4.03	- Has the board established a dedicated sustainability committee, having at least one female director, or assign additional responsibilities to an existing board committee. - Has the committee submitted to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	
4.04	Board's statement for the adoption of CSR best practices including Board's commitment to promote CSR and how the company's sustainable practices can affect the financial performance of the company.	
4.05	Highlights of the company's performance, policies, initiatives for CSR.	
5	Governance	
5.01	Board composition: - Leadership structure of those charged with governance. - Name of independent directors indicating justification for their independence. - Diversity in the board i.e. competencies, requisite knowledge & skills, and experience. - Profile of each director including education, experience and engagement of in other entities as CEO, Director, CFO or Trustee etc. - No. of companies in which the executive director of the reporting organization is serving as non-executive director.	54-57, 63-65
5.02	A brief description about role of the Chairman and the CEO.	66-67

BCR Ref #	Section & Task	Page Reference
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	65
5.04	Chairman's Review Report on the overall performance of the board including: - Effectiveness of the role played by the board in achieving the company's objectives; - Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year'; - Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	50
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	63, 68
5.06	Annual evaluation of performance, along with description of criteria used for the members of the board including CEO, Chairman and board's committees.	66
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in three years.	
5.08	Details of formal orientation courses for directors.	
5.09	Directors' Training Program (DTP) attended by directors, female executive and head of department from the institutes approved by the SECP and names of those who availed exemptions during the year.	65
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	66
5.11	Disclosure about related party transactions: - Approved policy for related party transactions. - Details of all related parties transactions, along with the basis of relationship describing common directorship and percentage of shareholding. - Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement. - Disclosure of director's interest in related party transactions. - In case of conflict, disclosure of how conflicts are managed and monitored by the board.	70
5.12	Disclosure of Board's Policy on the following significant matters: - Risk Management and internal control policies. - Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives. - Remuneration of non-executive directors including independent directors for attending board meetings and general meetings. - Retention of board fee by the executive director earned by him against his services as non-executive director in other companies. - Security clearance of foreign directors. - Board meetings held outside Pakistan. - Human resource management including: •Preparation of succession plan; •Merit based recruitment; •Performance based appraisal system; •Promotion, reward and motivation; •Training and development; •Diversity, Equity & Inclusion (DE&I) policy; and •Employee engagement /feedback. - Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions. - Communication with stakeholders. - Dividend policy.	70 71 70 70 71 71 71 71 72 72

BCR Ref #	Section & Task	Page Reference
	k. Investors' relationship and grievances. l. Employee health, safety and protection. m. Whistle blowing policy. n. Anti-harassment policy to safeguard the rights and well-being of employees o. Safety of records of the company.	72 72 72 72 72
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	73
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	68
5.15	Disclosure about: a. Shares held by Sponsors / Directors / Executives; b. Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors/Executives or close family member of Directors/Executives etc.) or foreign shareholding (if any).	196-198
5.16	Details about Board meetings and its attendance.	81
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	78-81
5.18	Timely Communication: Date of authorization of financial statements by the board of directors: Within 40 days - 6 marks Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries) Within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	68
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a. Composition of the committee with at least one member qualified as "financially literate" and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b. Committee's overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed. c. Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure. d. Role of Internal Audit in risk management and internal control, and approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance. e. Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommended instituting remedial and mitigating measures. f. An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor,; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded. g. If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h. The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy. i. Results of the self-evaluation of the Audit Committee carried out of its own performance. j. Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	74-77

BCR Ref #	Section & Task	Page Reference
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	69
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including: a. how it is designed to manage and integrate the functions of core business processes/ modules like finance, HR, supply chain and inventory management in a single system; b. management support in the effective implementation and continuous updation; c. details about user training of ERP software; d. how the company manages risks or control risk factors on ERP projects; e. how the company assesses system security, access to sensitive data and segregation of duties.	73
5.22	Disclosure about the Government of Pakistan policies related to company's business/sector in Directors' Report and their impact on the company business and performance.	46-48
5.23	Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	48
6	Analysis of the Financial Information	
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators showing linkage between: a. Past and current performance; b. Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred as well as future prospects of profits.	100-103
6.02	a. Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators. b. Explanation of negative change in the performance as compared to last year.	105-112
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	113-122
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	123
6.05	a. Information about business segment and non-business segment; and b. Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	160
6.06	Disclosure of market share of the company and share price sensitivity analysis.	128-130
6.07	Statement of value added and its distribution with graphical presentation: a. Employees as remuneration; b. Government as taxes (separately direct and indirect); c. Shareholders as dividends; d. Providers of financial capital as financial charges; e. Society as donation; and f. Retained within the business.	127

BCR Ref #	Section & Task	Page Reference
6.08	Statement of Economic value added (EVA) [EVA = NOPAT - WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital].	126
6.09	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	130
7	Business Model	
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per International applicable Framework.	40-41
7.02	Explanation of any material changes in the entity's business model during the year.	
8	Disclosures on IT Governance and Cybersecurity	
8.01	The Board responsibility statement on the IT system/ controls and AI strategy of the company including compliance of legal and regulatory requirements regarding data privacy and cyber security and how the board is engaging with management in case of any breaches.	82-84
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	
8.03	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	
8.04	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	
8.05	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	
8.06	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	
8.07	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (Artificial Intelligence (AI), RPA, Data Analytics, Block Chain, Cloud Computing etc.) to improve transparency and governance, value creation and reporting.	
8.08	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	
9	Future Outlook	
9.01	Forward-looking statement in narrative and quantitative form including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	42
9.02	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year and whether the performance of the company is aligned with the forward looking statement.	43-44

BCR Ref #	Section & Task	Page Reference
9.03	Disclosures about the company's future plans for AI adoption and its potential impact on the company's long-term strategy.	43-44
9.04	Disclosure about company's future Research & Development initiatives.	
9.05	Sources of information and assumptions used for projections / forecasts in the forward-looking statement and assistance taken by any external consultant.	
10	Stakeholders Relationship and Engagement	
10.01	Stakeholders engagement policy of the company and how the company has identified its stakeholders.	96-97
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how these relationships are likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a. Institutional investors; b. Customers & suppliers; c. Banks and other lenders; d. Media; e. Regulators; f. Local committees; and g. Analysts.	97-98
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	96
10.04	Investors' Relations section on the corporate website with all relevant information including audited annual reports are available in the section.	
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	
10.06	a. Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b. disclosure of brief summary of Corporate Analyst briefing conducted during the year.	
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	127
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	
10.09	Disclosure of whistle blowing mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in the Audit Committee's report.	72,77,96
11	Striving for Excellence in Corporate Reporting	
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	132-133
11.02	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	134-143

BCR Ref #	Section & Task	Page Reference
12	Specific Disclosures of the Financial Statements	
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	Refer end
13	Assessment based on Qualitative Factors	
13.01	Assessment of overall quality of information contained in the annual report based on the following qualitative factors: a. Clarity, simplicity and lucidity in presentation of Financial Statements. b. Theme on the cover page. c. Effective use of presentation tools, particularly, diagrams, graphs, charts, smart arts, icons, tables and infographics in the annual report. d. Effectiveness and relevance of photos and graphs e. Effectiveness of the theme on the cover page.	Overall report
	Annexure I - Financial Ratios (refer section 6 of the criteria) Non-Financial Sector Profitability Ratios a. Gross Profit ratio b. Net Profit to Sales c. EBITDA Margin to Sales d. Operating leverage ratio e. Return on Equity f. Return on Capital employed g. Shareholders' Funds h. Return on Shareholders' Funds i. Return on Investment j. Total Shareholder Return	105-106
	Liquidity Ratios a. Current ratio b. Quick / Acid test ratio c. Cash to Current Liabilities d. Cash flow from operations to Sales e. Cash flow to capital expenditures f. Cash flow coverage ratio	
	Investment /Market Ratios a. Earnings per Share (EPS) and diluted EPS b. Price Earnings ratio c. Price to Book ratio d. Dividend Yield ratio e. Dividend Payout ratio / Dividend Cover Ratio f. Cash Dividend per share / Stock Dividend per share g. Market value per share at the year end and high/low during the year h. Breakup value per share i. Without Surplus on Revaluation of property, plant and equipment. ii. With Surplus on Revaluation of Property plant and equipment including the effect of all Investments. iii. Including Investment in Related Party at fair /market value and also with Surplus on Revaluation of property plant and equipment. i. DuPont Analysis j. Free Cash Flow k. Economic Value Added (EVA)	
		124 125 126

BCR Ref #	Section & Task	Page Reference
	Capital Structure a. Financial leverage ratio b. Weighted average cost of debt c. Debt to Equity ratio (as per book and as per market value) d. Net assets per share e. Interest Cover / Time Interest earned ratio	105-106
	Activity / Turnover Ratios a. Total Assets turnover ratio b. Fixed Assets turnover ratio c. No. of Days in Inventory d. No. of Days in Receivables e. No. of Days in Payables f. Operating cycle	
	Non-Financial Ratios a. % of Plant Availability b. Customer Satisfaction Index c. Production per Employee (for manufacturing)/ Employee Productivity Rate (for service industry) d. Revenue per Employee e. Staff turnover ratio f. Spares Inventory as % of Assets Cost g. Maintenance Cost as % of Operating Expenses h. Customer Retention Ratio	
	Annexure II - Specific Disclosures of the Financial Statements (refer section 12 of the criteria)	
1	Fair value of Property, Plant and Equipment.	163
2	Particulars of significant/ material assets and immovable property including location and area of land.	153
3	Capacity of an industrial unit, actual production and the reasons for shortfall.	185
4	Specific disclosures required for shariah compliant companies/ companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	N/A
5	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53 (I)/2022 dated January 12, 2022)	N/A
6	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	N/A
7	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	N/A

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF TATA TEXTILE MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Tata Textile Mills Limited** (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit , other comprehensive income , the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was 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 this matter.

Following is the key audit matter:

Key Audit Matter	How Our Audit Addressed The Key Audit Matter
1. Revenue Recognition The Company is engaged in manufacturing and sale of yarn. Revenue recognition policy has been explained in note 4.18 and the related amounts of revenue recognized during the year are disclosed in note 23 to the financial statements. The Company generates revenue from sale of goods to domestic as well as export customers. Revenue from the local (including indirect exports) and export sales is recognized when control of goods is transferred to the customer. We identified revenue recognition as a key audit matter because it is a significant performance indicator for the Company and there is a risk that revenue may not have been recorded at the correct point in time i.e. upon dispatch of goods from the mills for local sales and upon handover to the shipping company for export salesin accordance with the Company's accounting policy	 Our key audit procedures to assess the recognition of revenue, amongst others, included the following: • Obtained an understanding of the accounting policy and Company's accounting process for revenue recognition; • Inspected customer agreements on a sample basis and assessed whether the Company's revenue recognition policies are consistent with the requirements of IFRS 15, including the identification of performance obligations, determination of the transaction price, allocation of the transaction price (where applicable), and recognition of revenue upon the transfer of control to customers. • Inspected, on a sample basis, dispatch advices, Goods Dispatch Notes (GDNs), and Bills of Lading (BLs) to assess whether local and export sales were recognised upon the transfer of control to customers in accordance with IFRS 15. • Performed revenue cut-off testing by comparing sales transactions recorded immediately before and after the year-end with the relevant supporting documentation.

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 annual report, but does not include the financial statements and our auditor’s report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns; and
- Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business.
- 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 Nadeem Yousuf Adil.


Chartered Accountants

PLACE: Karachi
DATE: August 10, 2026
UDIN: AR202610091aNU7r9Wuh

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

Assets

Non-current assets

Property, plant and equipment
Intangible assets
Long term deposits

Current assets

Stores, spares and loose tools
Stock in trade
Trade debts
Loans and advances
Short term prepayments
Other receivables
Other financial assets
Due from Government
Cash and bank balances

Total assets

EQUITY AND LIABILITIES

Share capital and reserves

Share capital
General reserve
Unappropriated profits
Surplus on revaluation of operating fixed assets - net of tax

Non-current liabilities

Long term finance
Deferred liabilities

Current liabilities

Trade and other payables
Interest / mark up accrued
Short term borrowings
Current portion of long term finances
Unclaimed dividend
Provision for levies and taxation

Total equity and liabilities

Contingencies and commitments

The annexed notes from 1 to 44 form an integral part of these financial statements.


Shahid Anwar Tata
Chief Executive


Muhammad Zaid Kaliya
Chief Financial Officer


Adeel Shahid Tata
Director

		June 30, 2026	June 30, 2025
Note		---- (Rupees in '000) ----	
5	26,351,142	25,352,671	
6	5,936	8,763	
	4,396	4,727	
	26,361,474	25,366,161	
7	535,234	755,998	
8	8,854,835	14,110,360	
9	6,636,547	5,970,491	
10	192,234	497,796	
	25,788	23,566	
	68,931	265,700	
11	10,402,950	7,755,855	
12	2,117,492	2,874,934	
13	84,614	278,426	
	28,918,625	32,533,126	
	55,280,099	57,899,287	
14	559,936	559,936	
	2,805,996	2,805,996	
	12,455,373	8,496,803	
15	11,499,674	11,829,527	
	27,320,979	23,692,262	
16	4,093,904	4,290,293	
17	4,437,113	3,406,659	
	8,531,017	7,696,952	
18	2,958,265	3,379,230	
19	410,833	445,330	
20	12,967,746	19,419,065	
16	2,392,707	2,034,638	
	21,815	22,422	
	676,737	1,209,388	
	19,428,103	26,510,073	
	55,280,099	57,899,287	
21			

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

		June 30, 2026	June 30, 2025
Note	----	(Rupees in '000)	----
Revenue from contract with customers - net	22	39,841,381	41,239,930
Cost of goods sold	23	(36,120,883)	(38,949,113)
Gross profit		3,720,498	2,290,817
Distribution cost	24	(502,449)	(443,948)
Administrative expenses	25	(645,415)	(660,818)
Other operating expenses	26	(98,715)	(254,439)
Finance cost - net	27	(2,571,272)	(3,609,892)
		(3,817,851)	(4,969,097)
Other income - net	28	5,217,985	4,785,914
Profit before levies and taxation		5,120,632	2,107,634
Levies	29	(931,204)	(773,379)
Profit before taxation		4,189,428	1,334,255
Taxation	30	(570,277)	(221,104)
Profit for the year		3,619,151	1,113,151
		-----	(Rupees)
		-----	-----
Earnings per share - basic and diluted	31	64.63	19.88

The annexed notes from 1 to 44 form an integral part of these financial statements.


Shahid Anwar Tata
Chief Executive


Muhammad Zaid Kaliya
Chief Financial Officer


Adeel Shahid Tata
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2026

		June 30, 2026	June 30, 2025
Note	----	(Rupees in '000)	----
Profit for the year		3,619,151	1,113,151
Other comprehensive income			
Items that will not be reclassified subsequently to the statement of profit or loss			
Remeasurement of defined benefit obligation deferred tax thereon	17.1.2	13,515 (3,919)	(14,152) 1,863
		9,596	(12,289)
Adjustment of deferred tax relating to surplus on revaluation of operating fixed assets due to change in tax rate	15	(30)	(1,295,550)
Surplus on revaluation of operating fixed assets deferred tax thereon		- -	3,728,879 (774,643)
Other comprehensive income		9,566	1,646,397
Total comprehensive income for the year		3,628,717	2,759,548

The annexed notes from 1 to 44 form an integral part of these financial statements.


Shahid Anwar Tata
Chief Executive


Muhammad Zaid Kaliya
Chief Financial Officer


Adeel Shahid Tata
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2026

		Capital reserves	Revenue reserves	Total	
	Issued, subscribed and paid up capital	Revaluation surplus	General reserve	Unappropriated profit	
Note	----- (Rupees in '000) -----				
Balance as at June 30, 2024	559,936	10,482,983	2,805,996	7,083,799	20,932,714
Profit for the year	-	-	-	1,113,151	1,113,151
Other comprehensive income:					
Remeasurement of defined benefit plan - net of tax	-	-	-	(12,289)	(12,289)
Adjustment of surplus on revaluation of operating fixed assets due to change in rate	-	(1,295,550)	-	-	(1,295,550)
Surplus on revaluation of operating fixed assets	-	3,728,879	-	-	3,728,879
deferred tax thereon	-	(774,643)	-	-	(774,643)
Total comprehensive profit for the year ended June 30, 2025	-	1,658,686	-	1,100,862	2,759,548
Transferred from surplus on revaluation of operating fixed assets on account of:					
- incremental depreciation	-	(312,142)	-	312,142	-
- disposal of operating fixed assets	-	-	-	-	-
	-	(312,142)	-	312,142	-
Balance as at June 30, 2025	559,936	11,829,527	2,805,996	8,496,803	23,692,262
Profit for the year	-	-	-	3,619,151	3,619,151
Other comprehensive income:					
Remeasurement of defined benefit plan - net of tax	-	-	-	9,596	9,596
Adjustment of surplus on revaluation of operating fixed assets due to change in rate	-	(30)	-	-	(30)
Total comprehensive profit for the year ended June 30, 2026	-	(30)	-	3,628,747	3,628,717
Transferred from surplus on revaluation of operating fixed assets on account of:					
- incremental depreciation	-	(295,657)	-	295,657	-
- disposal of operating fixed assets	-	(34,166)	-	34,166	-
	-	(329,823)	-	329,823	-
Balance as at June 30, 2026	559,936	11,499,674	2,805,996	12,455,373	27,320,979

The annexed notes from 1 to 44 form an integral part of these financial statements.


Shahid Anwar Tata
Chief Executive


Muhammad Zaid Kaliya
Chief Financial Officer


Adeel Shahid Tata
Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

A. CASH FLOWS FROM OPERATING ACTIVITIES

		June 30, 2026	June 30, 2025
Note	----- (Rupees in '000) -----		
	Profit before levies and taxation	5,120,632	2,107,634
	Adjustments for non-cash items and others:		
	Depreciation on operating fixed assets	5.1.1 1,013,405	883,472
	Amortisation of intangible assets	6.1 2,827	4,296
	Reversal for slow moving stores, spares and loose tools	7.2 (4,556)	-
	(Reversal) / Provision for doubtful trade debts	9.3.2 (7,001)	38,486
	Unrealised gain on remeasurement at fair value	11.2 (3,836,225)	(3,302,523)
	Provision for defined benefit obligations	17.1.2 111,622	123,907
	Provision for compensated absences	37,918	37,391
	Provision for defined contribution plan - provident fund	62,146	63,524
	Finance cost	27 2,571,272	3,609,892
	Realised gain on sale of other financial assets	28 -	(138,584)
	Profit on term deposits, saving accounts and market treasury bills	28 (158,111)	(784,810)
	Dividend income	28 (714,880)	(558,538)
	Gain on discounting of SIDC	28 (476,037)	-
	Gain on disposal of operating fixed assets - net of loss	28 (31,308)	(35)
	Operating cash flows before working capital changes	3,691,704	2,084,112
	(Increase) / decrease in current assets		
	Stores, spares and loose tools	225,321	(165,125)
	Stock in trade	5,255,525	(4,957,448)
	Trade debts	(659,055)	930,558
	Loans and advances	305,562	(415,006)
	Short term prepayments	(2,222)	(676)
	Other receivables	151,279	(95,344)
	Sales taxes	929,690	(1,397,697)
	(Decrease) / increase in current liabilities		
	Trade and other payables	496,273	294,226
	Net cash generated from / (used in) operations	10,394,077	(3,722,400)
	Finance cost paid	(2,666,926)	(3,894,544)
	Taxes paid - net	(1,295,871)	(947,322)
	Defined benefit obligations paid	(223,345)	(85,839)
	Staff compensated absences paid	(33,509)	(37,646)
	Provident fund paid	(60,776)	(61,600)
	Sindh Infrastructure Development Cess paid	(205,747)	-
	Net cash generated from / (used in) operating activities	5,907,903	(8,749,351)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment
Proceeds from disposal of operating fixed asset
Investment in market treasury bills
Disposal / (Purchase) of other financial assets
Proceeds from disposal of market treasury bills
Proceeds from disposal of other financial assets
Dividends received during the period
Profit received on term deposits and saving accounts
Long term deposits

Net cash generated from investing activities

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long term finance obtained
Repayments of long term finance
Short term borrowings obtained
Repayments of short term borrowings
Dividend paid

Net cash (used in) / generated from financing activities

Net Increase / (decrease) in cash and cash equivalents (A+B+C)

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
	(2,030,044)	(1,044,253)
	110,633	297
	-	(19,999,597)
	1,189,130	(481,515)
	-	20,573,831
	-	704,784
28	714,880	558,538
	203,601	210,838
	331	-
	188,531	522,923
	2,380,000	3,239,300
	(2,218,320)	(1,357,157)
	14,456,410	14,073,005
	(19,007,407)	(9,580,013)
	(607)	(1,956)
	(4,389,924)	6,373,179
	1,706,510	(1,853,249)
	(10,895,498)	(9,042,249)
32	(9,188,988)	(10,895,498)

The annexed notes from 1 to 44 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1. Legal Status and Nature of Business

1.1 The Company and its Operations

Tata Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan on April 15, 1987 under the Companies Ordinance, 1984 (repealed by The Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The principal activity of the company is manufacturing and sale of yarn.

Following are the geographical locations and addresses of all business units of the Company:

Head Office:

The registered office of the Company is situated at 6th floor, Textile Plaza, M.A. Jinnah Road, Karachi, in the province of Sindh.

Manufacturing facilities:

The Company has following manufacturing units:

- a) 10-KM M.M. Road, Khanpur, Baggasher, Muzaffargarh, Punjab, Pakistan;
- b) HX-1, Landhi Industrial Area, Karachi, Sindh, Pakistan; and
- c) A/12, SITE, Kotri, District Jamshoro, Sindh, Pakistan.

Warehouses:

The Company has following warehouses:

- a) W5/02 and W5/03, North Western Industrial Zone, Port Qasim Authority, Karachi, Sindh, Pakistan; and
- b) F - 242, S.I.T.E Karachi, Sindh, Pakistan.

2. Basis of preparation

2.1 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 (the Act);
- Provisions of and directives issued under the Act; and
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Act.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- Operating fixed assets which are carried at revalued amounts in accordance with IAS 1 'Property, plant and equipment' as disclosed in note 4.1 and 5.1.
- Employees' retirement benefits which is carried at present value of defined benefit obligation in accordance with the requirement of IAS-19 'Employee Benefits', as disclosed in note 4.13 and 17.1.
- certain financial instruments measured at fair value.


Shahid Anwar Tata
Chief Executive


Muhammad Zaid Kaliya
Chief Financial Officer


Adeel Shahid Tata
Director

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency. Figures have been rounded off to the nearest rupee in thousands.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgment that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Areas where judgments and estimates made by the management that may have a significant effect on the amounts recognised in the financial statements are included in the following notes:

	Note
- Useful lives and revaluation of certain items of operating fixed assets	4.1.1
- Useful lives of intangible assets	4.2
- Valuation of stores and spares and stock in trade	4.3 & 4.4
- Impairment of non-financial assets and financial assets	4.5 & 4.8
- Retirement benefit obligation	4.13
- Taxation / Revenue taxes / Final taxes	4.17

3. Adoption of new and revised accounting standards

a. New amendment that is effective for the year ended June 30, 2026

The following amendment is effective for the year ended June 30, 2026. These amendments 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.

- Lack of Exchangeability (Amendments to IAS 21)

b. Standard and amendments to IFRS that are not yet effective

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments 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 except those mention in note 3.1.

	Effective from Accounting period beginning on or after
- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments.	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements	January 01, 2026
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027

Effective from Accounting period beginning on or after

- IFRS 19 Subsidiaries without Public Accountability: Disclosures

January 01, 2027

3.1 In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 Regulatory Assets and Regulatory Liabilities

4. Material Accounting Policies Information

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

4.1 Property, Plant and Equipment

4.1.1 Operating fixed assets

Operating fixed assets except freehold land, buildings on freehold land, plant and machinery and electric installations are stated at cost less accumulated depreciation and impairment, if any. Freehold land, building, plant and machinery and electric installations are stated at revalued amount being the fair value at the date of revaluation, less subsequent accumulated depreciation and impairment losses, if any. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the reporting date.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 5.1 to these financial statements. Depreciation on all additions in operating fixed assets is charged from the date in which the asset is available for use and depreciation ceases on the date of disposal. The residual values, depreciation method and assets' useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Additions to property, plant and equipment are initially recognised as Capital Work in Progress (CWIP). Upon completion and when the asset is available for its intended use, the related costs are transferred to the appropriate category of property, plant and equipment. Subsequent costs are capitalised as part of the carrying amount of the asset, or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably, including eligible borrowing costs. All other repair and maintenance costs are recognised in the statement of profit or loss in the period in which they are incurred.

Gains and losses on disposal are recognised in the statement of profit or loss, and the related surplus on revaluation of operating fixed assets is recorded in statement of comprehensive income.

Increases in the carrying amount arising on revaluation of operating assets are recognised, net of tax, recognised in statement of comprehensive income and accumulated in reserves in shareholders’ equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in statement of other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and other comprehensive income and depreciation based on the asset’s original cost, net of tax, is reclassified from the revaluation surplus to retained earnings.

4.1.2 Capital Work in Progress

Capital work in progress (CWIP) is stated at cost less any impairment loss, if any. All expenditures connected to specific assets incurred during installation and construction period are carried under CWIP. Expenditures also include borrowing costs as referred to in note 4.15. Items are transferred to operating fixed assets as and when assets are ready for their intended use.

4.2 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably.

Costs associated with maintaining computer software programs are generally recognised as an expense when incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any, thereon.

Intangible assets with a definite useful life are amortised on a straight line basis over its useful life. Amortisation on all additions in intangible assets is charged from the date in which the asset is available for use and it ceases on the date of disposal. Amortisation charge is recognised in the statement of profit or loss. The rates of amortisation are disclosed in note 6.

4.3 Stores, spares and loose tools

These are valued at cost. The cost is determined on moving average basis less allowance for obsolete and slow moving items. Stores, spares and loose tools in transit are stated at invoice values plus other charges incurred thereon up to the reporting date.

4.4 Stock in trade

Stock in trade is stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

4.5 Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that assets except stock in trade may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the statement of profit or loss. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in revaluation surplus.

4.6 Contract liabilities

When a customer pays consideration before the Company transfers goods or services to the customer, an advance is recognised when the payment is made or the payment is due (whichever is earlier). Advances are recognised as revenue when the Company fulfils its performance obligations under the contract.

4.7 Short term prepayments

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition these are measured at amortised cost.

4.8 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

4.8.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

A. Trade debts

Trade debts and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for expected credit losses (ECL), if any. The Company always measures the loss allowance for trade debts at an amount equal to lifetime ECL. The ECL on trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Trade debts and other receivables considered irrecoverable are written off.

Exchange gains or losses arising in respect of trade and other receivables in foreign currency are adjusted from their respective carrying amounts.

- Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default ('PD') of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

B. Other financial assets

Other financial assets are measured at amortised cost as they are held within a business model whose objective is to hold assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Other financial assets comprises of investments carried at fair value through profit or loss (FVTPL) and term deposit receipts (TDRs) which are carried at amortised cost.

C. Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

D. Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the entity has transferred substantially all risks and rewards of ownership.

4.8.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of profit or loss.

A. Bank borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added in the carrying amount of the borrowing.

B. Trade and other payables

Trade and other payables are recorded initially at fair value and subsequently measured at amortised cost. Generally, this results in their recognition at their nominal value.

4.9 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position, if the Company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.10 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks and short term running finances. Running finances are shown with short term borrowings in current liabilities on the statement of financial position / cash finance.

4.11 Share capital

Ordinary shares are classified as equity and are recorded at their face value.

4.12 Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved for distribution to shareholders.

4.13 Retirement benefit obligation

The Company manages funded scheme for its non-workmen and unfunded scheme for its workmen, the details of which are as follows:

i. Defined benefit plan - Workmen

The Company operates a gratuity scheme for all its employees under workmen category who have completed the minimum qualifying period of service as defined under the scheme. Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation and charged to statement of profit or loss and statement of other comprehensive income. All actuarial gains and losses are recognised in statement of comprehensive income as they occur. The most recent valuation was carried out as at June 30, 2026 using 'Projected Unit Credit Method'. The amount recognised in the statement of financial position represents the present value of defined benefit obligation.

ii. Defined contribution plan - Non-Workmen and Executives

The Company operates an approved contribution provident fund for staff. Equal monthly contributions are made both by the Company and employees to the Fund at the rate of 8.34% of the gross salary.

4.14 Compensated absences

The Company provides for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned based on one gross salary of the employee. Under the policy, leave of 10 days for all staff only working in shifts can be accumulated and carried forward.

4.15 Borrowing cost

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset. Borrowing costs eligible for capitalisation are determined using effective interest rate method.

4.16 Provisions

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of the past event and it is probable that an outflow 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 reporting date and adjusted to reflect the current best estimate.

4.17 Taxation

i. Current tax

Current Tax comprises of expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company’s views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

ii. Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, and tax credits, 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 asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

iii. Levies

The tax charged under Income Tax Ordinance, 2001 (the Ordinance), which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income is classified as levies in the statement of profit or loss as these levies fall under the scope of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

a. Revenue tax

Revenue tax include levies as per IFRIC 21, minimum tax on imported goods and export sales under the Ordinance. A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- those outflows of resources that are within the scope of other standards.
- fines or other penalties that are imposed for breaches of the legislation.

b. Final tax

Final tax includes tax charged / withheld / paid on certain income streams under various provisions of the Ordinance. Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

4.18 Revenue recognition

Revenue from contracts with customers is recognised at the point in time when the performance obligation is satisfied i.e. control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods.

For each sale transaction, purchase order forms a contract between the Company and a customer and the goods to be delivered under that contract are the Company's identified performance obligation, the contract contains determined and allocated transaction price. The Company satisfies a performance obligation on delivery of goods to the customer and recognises the revenue.

Dividend income is recognised on the date on which the Company's right to receive the dividend is established.

Interest income is recognised on a time proportionate basis using the effective rate of return.

4.19 Earnings per share

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

4.20 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. On the basis of its internal reporting structure, the Company considers itself to be a single reporting segment.

4.21 Foreign currency transactions and translation

Foreign currency transactions are translated into Pakistan Rupees (functional currency) using the exchange rate prevailing at the dates of transactions. Monetary assets and liabilities in foreign currencies are translated at year end into Pakistan Rupees using the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translations of monetary assets and liabilities denominated in foreign currencies at reporting date are included in the statement of profit or loss.

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress

Note	June 30, 2026	June 30, 2025
5.1	25,542,605	24,798,672
5.2	808,537	553,999
	26,351,142	25,352,671

5.1 Operating fixed assets

June 30, 2026										
Particulars	Cost / revalued amount at July 01, 2025	Transfers during the year	Disposals during the year	Cost / revalued amount at June 30, 2026	Accumulated depreciation at July 01, 2025	Depreciation for the year	Depreciation on disposals	Accumulated depreciation at June 30, 2026	Written down value at June 30, 2026	Rate
(%)										
Owned										
Freehold land	1,268,461	-	-	1,268,461	-	-	-	-	1,268,461	-
Leasehold land	4,233,555	-	-	4,233,555	-	-	-	-	4,233,555	-
Buildings on freehold land	1,593,361	174,159	-	1,767,520	270,383	66,875	-	337,258	1,430,262	5
Buildings on leasehold land										
- Godown	497,386	-	-	497,386	99,330	19,903	-	119,233	378,153	5
- Mills	3,687,354	25,398	-	3,712,752	684,523	150,884	-	835,407	2,877,345	5
- Others	119	-	(119)	-	108	-	(108)	-	-	10
Office premises	3,607	-	-	3,607	2,535	107	-	2,642	965	10
Plant, machinery and electric installations	17,944,068	1,577,306	(79,451)	19,441,923	3,802,668	714,748	(2,262)	4,515,154	14,926,769	5-10
Factory and workshop equipment	111,610	8,030	(597)	119,043	64,384	4,918	(510)	68,792	50,251	10
Lease hold improvements	342,245	-	-	342,245	123,589	21,866	-	145,455	196,790	10
Furniture and fixtures	127,764	4,511	(3,411)	128,864	69,164	5,886	(2,627)	72,423	56,441	10
Office equipment	185,957	14,885	(820)	200,022	134,723	12,374	(688)	146,409	53,613	10-30
Vehicles	211,190	32,374	(6,125)	237,439	156,598	15,844	(5,003)	167,439	70,000	20
June 30, 2026	30,206,677	1,836,663	(90,523)	31,952,817	5,408,005	1,013,405	(11,198)	6,410,212	25,542,605	

June 30, 2025

Particulars	Cost / revalued amount at July 01, 2024	Transfers during the year	Disposals during the year	Revaluation Surplus during the year	Cost / revalued amount at June 30, 2025	Accumulated depreciation at July 01, 2024	Depreciation for the year	Depreciation on disposals	Accumulated depreciation at June 30, 2025	Written down value at June 30, 2025	Rate
(Rupees in '000) ----- (%)											
Owned											
Freehold land	959,087	-	-	309,374	1,268,461	-	-	-	-	1,268,461	-
Leasehold land	3,485,230	-	-	748,325	4,233,555	-	-	-	-	4,233,555	-
Buildings on freehold land	1,096,728	3,376	-	493,257	1,593,361	226,788	43,595	-	270,383	1,322,978	5
Buildings on leasehold land											
- Godown	407,221	-	-	90,165	497,386	83,125	16,205	-	99,330	398,056	5
- Mills	3,183,061	4,380	-	499,913	3,687,354	552,983	131,540	-	684,523	3,002,831	5
- Others	119	-	-	-	119	107	1	-	108	11	10
Office premises	3,607	-	-	-	3,607	2,416	119	-	2,535	1,072	10
Plant, machinery and electric installations	15,478,891	877,332	-	1,587,845	17,944,068	3,173,376	629,292	-	3,802,668	14,141,400	5-10
Factory and workshop equipment	107,694	3,916	-	-	111,610	59,380	5,004	-	64,384	47,226	10
Lease hold improvements	342,245	-	-	-	342,245	99,294	24,295	-	123,589	218,656	10
Furniture and fixtures	114,879	12,885	-	-	127,764	63,160	6,004	-	69,164	58,600	10
Office equipment	179,085	8,398	(1,526)	-	185,957	122,222	13,769	(1,268)	134,723	51,234	10-30
Vehicles	211,237	-	(47)	-	211,190	142,991	13,648	(41)	156,598	54,592	20
June 30, 2025	25,569,084	910,287	(1,573)	3,728,879	30,206,677	4,525,842	883,472	(1,309)	5,408,005	24,798,672	

5.1.1 Depreciation for the year has been allocated as under:

	June 30, 2026	June 30, 2025
Note ----- (Rupees in '000) -----		
Cost of goods manufactured	23.1	826,056
Distribution cost	24	881
Administrative expenses	25	56,535
	1,013,405	883,472

5.1.2 Had there been no revaluation the related figures of freehold land, buildings on freehold land, plant, machinery and electric installations, would have been as follows:

	June 30, 2026	
June 30, 2025		
----- (Rupees in '000) -----		
Freehold land	89,617	89,617
Leasehold land	30,639	30,639
Buildings on freehold land	1,129,991	811,355
Buildings on leasehold land		
-Godown	145,555	85,569
-Mills	1,379,971	768,197
Plant, machinery and electric installations	14,349,290	8,919,310
	17,125,063	10,704,687

Revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations was carried out on September 30, 2003, June 30, 2008, June 30, 2012, December 31, 2015, June 30, 2018, June 30, 2019, June 30, 2022 and June 30, 2025. All the revaluations were conducted by the independent professional valuer M/s. Iqbal A. Nanjee & Co (Private) Limited on the basis of market value or depreciated replacement values as applicable. In estimating the fair value of the assets, the highest and best use of the premises is its current use. As a result, revaluation surplus of Rs. 3,729 million has been credited to equity account to comply with the requirements of International Accounting Standards 16 'Property, Plant and Equipment' in June 30, 2025. The forced sales values of freehold land, buildings on freehold land, leasehold land, building on leasehold land and property, plant machinery and electric installations at that time was Rs. 4,283 million, Rs. 3,767 million, and Rs. 11,313 million respectively.

5.1.3 Disposal of operating fixed assets

Details of operating fixed assets disposed off during the year having net book value Rs.500,000 and above are as follows:

Particulars	Cost / revalued amount	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	Mode of disposal and relationship	Particulars of buyer
----- (Rupees in '000) -----							
Plant and Machinery	1,000	8	992	1,639	647	Negotiation	Shoukat Textile Traders
Plant and Machinery	2,000	24	1,976	6,780	4,804	Negotiation	Riaz Textile Mills (Pvt) Ltd.
Plant and Machinery	50,451	1,529	48,922	52,537	3,615	Negotiation	Buy Sell Corporation
Plant and Machinery	12,000	200	11,800	24,396	12,596	Negotiation	Gencom Spares & Services
Plant and Machinery	3,300	106	3,194	3,860	666	Negotiation	Al Rehmat Auto Mobiles
Plant and Machinery	2,500	52	2,448	2,373	(75)	Negotiation	AL Hammad Traders
Plant and Machinery	7,500	313	7,187	6,071	(1,116)	Negotiation	Unique Impex
Vehicles	2,315	1,815	500	4,350	3,850	Negotiation	Iqbal Ahmed Khan
Vehicles	3,766	3,149	617	5,950	5,333	Negotiation	Syed Imran

5.1.4

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

	Location	Usage of immovable property	Total Area (In acres)
a.	10-KM M.M. Road, Khanpur, Baggasher, Muzaffargarh, Punjab, Pakistan	Manufacturing facility	151.60
b.	A/12, SITE, Kotri, District Jamshoro, Sindh, Pakistan	Manufacturing facility	13.73
c.	HX-1, Landhi Industrial Area, Karachi, Sindh, Pakistan	Manufacturing facility	18.80
d.	W5/02 and W5/03, North Western Industrial Zone, Port Qasim Authority, Karachi, Sindh, Pakistan	Warehouse	10.00
e.	F - 242, S.I.T.E Karachi, Sindh, Pakistan.	Warehouse	0.50

5.2

Capital work in progress

June 30, 2026

Movement in balance during the year:

Opening balance
Additions
Borrowing cost capitalised during the year
Transfer to operating fixed assets

Closing balance

529,929	20,761	3,309	553,999
249,951	1,721,148	58,945	2,030,044
61,157	-	-	61,157
(199,557)	(1,585,336)	(51,770)	(1,836,663)
641,480	156,573	10,484	808,537

June 30, 2025

Movement in balance during the year:

Opening balance
Additions
Borrowing cost capitalised during the year
Transfer to operating fixed assets
Transfer to intangible assets
Closing balance

Plant, machinery and electric installations			
Civil works		Others	Total
----- (Rupees in '000) -----			
349,447	11,583	6,327	367,357
131,925	886,510	25,818	1,044,253
56,313	-	-	56,313
(7,756)	(877,332)	(25,199)	(910,287)
-	-	(3,637)	(3,637)
529,929	20,761	3,309	553,999

6.

INTANGIBLE ASSETS

Cost			Amortisation				
As at July 01, 2025	Transfers during the year	As at June 30, 2026	As at July 01, 2025	Charge for the year	As at June 30, 2026	Book value as at June 30, 2026	Rate of Amortisation
(Rupees in '000)							(%)
7,009	-	7,009	7,009	-	7,009	-	20
1,593	-	1,593	1,593	-	1,593	-	20
43,198	-	43,198	34,435	2,827	37,262	5,936	20
51,800	-	51,800	43,037	2,827	45,864	5,936	
Cost			Amortisation				
As at July 01, 2024	Transfers during the year	As at June 30, 2025	As at July 01, 2024	Charge for the year	As at June 30, 2025	Book value as at June 30, 2025	Rate of Amortisation
(Rupees in '000)							(%)
7,009	-	7,009	5,757	1,252	7,009	-	20
1,593	-	1,593	1,593	-	1,593	-	20
39,561	3,637	43,198	31,391	3,044	34,435	8,763	20
48,163	3,637	51,800	38,741	4,296	43,037	8,763	

6.1 Amortisation for the year has been allocated as under:

Cost of goods manufactured
Administrative expenses

		June 30, 2026	June 30, 2025
Note		---- (Rupees in '000) ----	
23.1		177	1,881
25		2,650	2,415
		2,827	4,296

7. STORES, SPARES AND LOOSE TOOLS

Stores and spares
Loose tools

Provision for slow moving stores, spares and loose tools

7.1	550,594 34	775,914 34
	550,628	775,948
7.2	(15,394)	(19,950)
	535,234	755,998

7.1 It includes stores, spares and loose tools in transit amounting to Rs.11.77 million (June 30, 2025: Rs. 140.36 million).

7.2 The movement in provision during the year is as follows:

Opening balance
Reversal for the year
Closing balance

		June 30, 2026	June 30, 2025
Note		---- (Rupees in '000) ----	
		19,950	19,950
		(4,556)	-
		15,394	19,950

8. STOCK IN TRADE

Raw material
Work in process
Finished goods
Waste stock

8.1 & 8.2	7,273,446	10,352,502
	250,714	350,017
8.3	1,190,582	3,321,257
	140,093	86,584
	8,854,835	14,110,360

8.1 Raw material includes stock in transit amounting to Rs. 3,037.12 million (June 30, 2025: Rs. 1,834.46 million).

8.2 The net realisable value (NRV) of the raw material was higher than its cost and does not require any provision in the current year.

8.3 The net realisable value of the finished goods was lower than its cost as at year end which resulted in a write down amounting to Rs.11.29 million (June 30, 2025: Rs. 182.30 million).

9. TRADE DEBTS

Considered good

Export - secured
Local - unsecured

Considered doubtful

Local - unsecured
Provision for doubtful debts

		June 30, 2026	June 30, 2025
Note		---- (Rupees in '000) ----	
9.1		22,542	57,587
9.2 & 9.3		6,614,005	5,912,904
		6,636,547	5,970,491
9.3		35,133	42,133
9.3		(35,133)	(42,133)
		-	-
		6,636,547	5,970,491

9.1 These are secured against letters of credit in favor of the Company.

9.2 Trade debts are non-interest bearing and are generally on 7 to 90 days credit term.

9.3 As at June 30, 2026, trade debts aggregating Rs. 6,637 million (June 30, 2025: Rs. 5,971 million).The provision for bad debts stands at Rs. 35.133 million (June 30, 2025: Rs. 42.133 million). The ageing of trade debts is as follows:

9.3.1 Ageing of trade debts

Not past due
1 - 30 days
31 - 90 days
91 days and above

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
	4,053,764	3,584,847
	1,862,493	1,485,859
	703,211	819,218
	17,079	80,567
	6,636,547	5,970,491

9.3.2 The movement in provision during the year is as follows:

Opening balance
(Reversal) / Provision for the year
Closing balance

	42,134	3,648
	(7,001)	38,486
	35,133	42,133

10. LOANS AND ADVANCES

Considered good

Loan to employees
Advance to suppliers
Advance for expenses
Advance against letters of credit

10.1	14,940	863
	65,522	342,940
	696	121
	111,076	153,872
	192,234	497,796

10.1 These represent interest free loans to employees, which are repayable on demand as per Company's policy. These are adjustable against salaries. It includes Vehicle loan to Head office and Mills staff.

11. OTHER FINANCIAL ASSETS

Amortised cost

Term Deposit Receipts (TDRs)

At fair value through profit or loss

Investment in listed securities

United Bank Limited
22,340,000 ordinary shares of Rs.5 each

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
11.1	402,002	1,591,132
11.2 & 11.3	10,000,948	6,164,723
	10,402,950	7,755,855

11.1 These carry mark up rate at 10.00% to 11.50% (June 30, 2025: 10.21% to 21.50%) per annum and have a maturity period of 12 months.

		June 30, 2026	June 30, 2025
	Note	---- (Rupees in '000) ----	
11.2	Movement in investment in listed securities:		
	Opening balance	6,164,723	3,428,401
	Unrealised gain on remeasurement at fair value	3,836,225	3,302,523
	Disposed off during the year	-	(566,201)
	Closing balance	11.3 10,000,948	6,164,723

11.3 These shares are pledged against term financing facility from commercial banks as disclosed in note 16.1.

		June 30, 2026	June 30, 2025
	Note	---- (Rupees in '000) ----	
12.	DUE FROM GOVERNMENT		
	Advance income tax		
	Refundable	365,140	130,464
	Advance	782,524	868,403
	Levies - Final tax	107,232	83,781
		1,254,896	1,082,648
	Sales tax refundable		
	Refundable / Carry forward	612,596	1,792,286
	Advance	250,000	-
		862,596	1,792,286
		2,117,492	2,874,934

13.	CASH AND BANK BALANCES		
	Cash at bank		
	In current accounts		
	- Local currency	13.1 82,394	268,759
	- Foreign currency	13.2 937	8,027
		83,331	276,786
	In savings accounts	13.3 51	587
		83,382	277,373
		1,232	1,053
	Cash in hand	84,614	278,426

13.1 This includes Shariah-compliant balances amounting to Rs. 39.69 million (June 30, 2025: Rs. 106.73 million).

13.2 This includes Shariah-compliant balances amounting to Rs. 78,236 (June 30, 2025: Rs. 79,795).

13.3 These carry interest rates ranging from 6.50% to 7.73% (June 30, 2025: 9.5% to 19%) per annum.

14.	SHARE CAPITAL		
		June 30, 2026	June 30, 2025
	(Number of shares in '000)	Authorised capital	
	100,000	100,000	Ordinary shares of Rs. 10 each
		June 30, 2026	June 30, 2025
	----- (Rupees in '000) -----		
	1,000,000	1,000,000	

		June 30, 2026	June 30, 2025			June 30, 2026	June 30, 2025
	(Number of shares in '000)			Issued, subscribed and paid-up capital	Note	---- (Rupees in '000) ----	
				Ordinary shares of Rs. 10 each			
	13,100	13,100		- issued for cash		131,000	131,000
	4,225	4,225		- issued as bonus shares		42,247	42,247
	38,669	38,669		- issued in pursuant to amalgamation	14.2	386,689	386,689
	55,994	55,994				559,936	559,936

14.1 The Company has one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14.2 Amalgamation reserve

The High Court of Sindh sanctioned the amalgamation of Island Textile Mills Limited (ILTM), Salfi Textile Mills Limited (SALT), and Tata Energy Limited (TEL) under the Companies Act 2017, effective July 01, 2021. Following approval, Tata Textile Mills Limited (TATM) absorbed all assets, liabilities, and contracts of the amalgamated companies. In consideration, TATM issued fully paid ordinary shares to ILTM, TEL, and SALT shareholders based on a court-approved swap ratio. The merger was accounted for using the predecessor value method, incorporating net assets at their June 30, 2021 carrying amounts, with any excess over shares issued adjusted in equity. The difference between the net assets and other reserves acquired and share capital issued against those net assets has been recorded as 'Amalgamation Reserve'. Financial statements reflect results from July 01, 2021, onward, with no prior period restatement, and the transaction was treated as non-cash for cash flow reporting purposes.

15. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF TAX

15.1 This represents surplus over book value resulting from the revaluation of freehold land, buildings on freehold land, plant and machinery and electric installations as disclosed in note 5.1.

		June 30, 2026	June 30, 2025
		---- (Rupees in '000) ----	
Opening balance		14,457,833	11,055,248
Revaluation during the year		-	3,728,879
Transferred to unappropriated profit on account of			
- incremental depreciation		(295,657)	(312,142)
- disposal of operating fixed assets		(34,166)	-
Related deferred tax liability		13,515	(14,152)
		(316,308)	(326,294)
Closing balance		14,141,525	14,457,833

	June 30, 2026	June 30, 2025
Note	----- (Rupees in '000) -----	
	2,628,306	572,265
	-	774,643
	30	1,295,550
	13,515	(14,152)
	-	-
	(2,641,851)	(2,628,306)
	11,499,674	11,829,527

Related deferred tax liability

Opening balance
Effect of revaluation carried out during the year
Adjustment due to change in rate on
- income subject to final tax regime

Transferred to statement of profit or loss of:

- incremental depreciation
- disposal

Closing balance

16. LONG TERM FINANCE

From banking companies (Secured) - At amortised cost

Term finances	16.1	5,612,953	5,219,603
SBP - LTFF	16.2	840,176	1,065,147
SBP REEF - Solar project	16.3	33,482	40,181
		6,486,611	6,324,931

Current portion shown under current liabilities

Term finances	16.1	(2,172,040)	(1,802,974)
SBP - LTFF	16.2	(213,968)	(224,965)
SBP REEF - Solar project	16.3	(6,699)	(6,699)
		(2,392,707)	(2,034,638)
		4,093,904	4,290,293

16.1 These are secured against joint pari passu charge on all present and future fixed assets including, plant and machinery (excluding land and buildings), and investments in listed securities. These facilities are subject to mark up at the rate of 1-3 months' KIBOR plus 0.5% to 2% per annum (June 30, 2025: 1-3 months' KIBOR plus 0.5% to 2% per annum). These loans are repayable in equal quarterly installments upto September 2033.

16.2 These facilities are secured against joint pari passu charge on fixed assets (excluding land and buildings), and are subject to SBP mark up rate of 2% to 8% plus bank spread of 1.5% to 2.5% per annum (June 30, 2025: SBP mark up rate of 2% to 8% plus bank spread of 1.5% to 2.5% per annum). These are payable in 7 years with principal and mark up payable in half yearly installments.

16.3 These facilities are obtained to finance solar project under SBP financing scheme for Renewable Energy. These facilities are secured against joint pari passu charge on fixed assets (excluding land and buildings). These facilities are subject to SBP mark up rate of 2% plus bank spread of 2% per annum (June 30, 2025: SBP mark up rate of 2% plus bank spread of 2% per annum). These are repayable in 32 equal quarterly installments and have various maturity dates.

16.4 Reconciliation of liabilities arising from long term financing activities

The table below details changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes, if any. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

Term finances
SBP - LTFF
SBP REEF - Solar project

- Term finances
- Syndicate loan financing
- SBP - LTFF
- SBP REEF - Solar Project

17. DEFERRED LIABILITIES

Defined benefit obligations
Compensated absence
Deferred taxation
Sindh Infrastructure Development cess

17.1 Defined benefit obligations

Defined benefit plans

Workmen	17.1.1	365,269	434,676
Non-workmen	17.1.10	13,099	68,930
		378,368	503,606

17.1.1 Workmen - Defined benefit plan

The details of the workmen - defined benefit plan obligation based on actuarial valuations carried out by independent actuary as at June 30, 2026 using the Projected Unit Credit Method, in accordance with the requirement of IAS 19 "Employee benefits". Accordingly, provision has been made in these financial statements to cover obligation in accordance with actuarial recommendation are as follows:

		June 30, 2026	June 30, 2025
Net liability in the statement of financial position	Note	---- (Rupees in '000) ----	
Present value of defined benefit obligation	17.1.3	365,269	434,676

June 30, 2026			
July 01, 2025	Obtained during the year	(Repaid) during the year	June 30, 2026
----- (Rupees in '000) -----			
5,219,603	2,380,000	(1,986,650)	5,612,953
1,065,147	-	(224,971)	840,176
40,181	-	(6,699)	33,482
6,324,931	2,380,000	(2,218,320)	6,486,611

	June 30, 2025		
July 01, 2024	Obtained during the year	(Repaid) during the year	June 30, 2025
----- (Rupees in '000) -----			
3,088,793	3,239,300	(1,108,490)	5,219,603
12,757	-	(12,757)	-
1,297,092	-	(231,945)	1,065,147
44,146	-	(3,965)	40,181
4,442,788	3,239,300	(1,357,157)	6,324,931

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
17.1	378,368 8,302	503,606 3,893
17.2	3,559,151	2,899,160
17.3	491,292	-
	4,437,113	3,406,659

17.1.1	365,269	434,676
17.1.10	13,099	68,930
	378,368	503,606

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
17.1.3	365,269	434,676

17.1.2 Expense recognised in the statement of profit or loss and other comprehensive income

- Recognised in statement of profit or loss

Current service cost
Interest cost

- Recognised in other comprehensive income

Actuarial (gain) / loss on defined benefit obligation

17.1.3 Movement in defined benefit obligation during the year

Opening balance
Current service cost
Interest cost
Actuarial (gain) / loss
Benefits paid
Closing balance

17.1.4 The principal assumptions used in the valuation of defined benefit obligation (Workmen - Defined benefit scheme) are:

Discount rate (% per annum)
Expected rate of salary increase (% per annum)
Mortality rate

Expected withdrawal rate for actuarial assumptions

17.1.5 Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are:

For current year

Discount rate
Expected rate of salary increase
Withdrawal limited
Mortality rate

For comparative year

Discount rate
Expected rate of salary increase
Withdrawal limited
Mortality rate

June 30, 2026	June 30, 2025
----- (Rupees in '000) -----	

68,634	77,418
42,988	46,489
111,622	123,907
(13,515)	14,152

434,676	355,866
68,634	77,418
42,988	46,489
(13,515)	14,152
(167,514)	(59,249)
365,269	434,676

June 30, 2026	June 30, 2025
----- (Rupees in '000) -----	

12.25	12.25
12.25	12.25
Adjusted	Adjusted
SLIC 2001-05	SLIC 2001-05
Moderate	Moderate

Impact on obligation	
Increase in assumption	Decrease in assumption
----- (Rupees in '000) -----	

1%	(35,836)	42,674
1%	44,063	(37,590)
10%	20,470	(21,818)
1 year	309	(313)

Impact on obligation	
Increase in assumption	Decrease in assumption
----- (Rupees in '000) -----	

1%	(42,742)	50,939
1%	52,589	(44,827)
10%	21,621	(23,516)
1 year	(333)	330

The sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability for gratuity recognised within the statement of financial position.

17.1.6 The scheme exposes the Company to the actuarial risks such as:

Salary risks

The risks that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experience is different. The effect depends upon the beneficiaries' service / age distribution and the benefit.

Longevity risks

The risk arises when the actual lifetime of the retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

17.1.7 The weighted average duration of the defined benefit obligation is year 10.78 years (June 30, 2025: 10.61 years).

17.1.8 The expected maturity analysis of undiscounted retirement benefit obligation is:

Year 1
Year 2
Year 3
Year 4
Year 5
Year 6 and above

Undiscounted payments	
June 30, 2026	June 30, 2025
----- (Rupees in '000) -----	
20,345	24,362
23,109	29,341
25,379	33,552
27,222	36,982
38,543	39,704
427,301	679,869

17.1.9 There are no plan assets against defined benefit obligation.

17.1.10 Non-workmen - Defined benefit plan during the year

Opening balance
Charge
Payment
Closing balance

		June 30, 2026	June 30, 2025
Note	----- (Rupees in '000) -----		
17.1.11	68,930	94,363	
	-	4,983	
	(55,831)	(30,416)	
	13,099	68,930	

17.1.11 No provision for gratuity has been recognised during the year in respect of non-workmen staff. Effective from June 30, 2021, the Company revised its post-employment benefit policy, whereby non-workmen staff became eligible for a provident fund in place of a gratuity fund. Accordingly, the closing balance represents the outstanding gratuity liability as at June 30, 2026 relating to employees covered under the previous policy, which will be settled in due course.

17.2 Deferred taxation

June 30, 2026				
As at the beginning of the year	Statement of profit or loss	Other comprehensive income / Revaluation Surplus	As at the end of the year	
(Rupees in '000)				

Movement for the year ended June 30, 2026

Deferred tax liabilities on taxable temporary differences arising in respect of:

Operating fixed assets

Surplus on revaluation of operating fixed assets

Unrealised gain on short term investment

Deferred tax assets on deductible temporary differences arising in respect of:

Intangible assets

Defined benefit obligations

Leave encashment

Provision for doubtful debts

Provision for stores, spares and loose tools

Trade and other payables

Sindh Infrastructure Development Cess payable

Accrued Profit on TDRs

Capital losses on securities u/s 37A

Unused tax losses

602,325	291,231	-	893,556
2,613,845	(1)	30	2,613,874
1,046,120	863,150	-	1,909,270
4,262,290	1,154,380	30	5,416,700
(967)	725	-	(242)
(147,522)	33,876	3,919	(109,727)
(1,129)	(1,279)	-	(2,408)
(12,219)	12,219	-	-
(5,786)	1,322	-	(4,464)
-	(150,396)	-	(150,396)
-	(200,060)	-	(200,060)
-	-	-	-
(17,725)	17,725	-	-
(1,177,782)	(212,470)	-	(1,390,252)
2,899,160	656,042	3,949	3,559,151

June 30, 2025				
As at the beginning of the year	Statement of profit or loss	Other comprehensive income / Revaluation Surplus	As at the end of the year	
(Rupees in '000)				

Movement for the year ended June 30, 2025

Deferred tax liabilities on taxable temporary differences arising in respect of:

Operating fixed assets

Surplus on revaluation of operating fixed assets

Deferred tax assets on deductible temporary differences arising in respect of:

Intangible assets

Defined benefit obligations

Leave encashment

Provision for doubtful debts

Provision for stores, spares and loose tools

Unrealised gain on short term investment

Capital losses on securities u/s 37A

Unused tax losses

424,415	177,910	-	602,325
572,265	(28,613)	2,070,193	2,613,845
996,680	149,297	2,070,193	3,216,170
(253)	(714)	-	(967)
(37,450)	(108,209)	(1,863)	(147,522)
(345)	(784)	-	(1,129)
(304)	(11,915)	-	(12,219)
(1,659)	(4,127)	-	(5,786)
165,531	880,589	-	1,046,120
(17,725)	-	-	(17,725)
(396,356)	(781,426)	-	(1,177,782)
708,119	122,711	2,068,330	2,899,160

17.2.1 No deferred tax asset has been recognised on the minimum tax amounting to Rs. 498.02 million as per section 113, adopting a conservative approach, in view of the uncertainty surrounding future taxable income and the limited carry-forward periods, in accordance with the requirements of IAS 12 - Income Taxes.

17.3 SINDH INFRASTRUCTURE DEVELOPMENT CESS

Sindh Infrastructure Development Cess (SIDC)
Current portion

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
17.3.1	689,861 (198,569)	1,256,118 (1,256,118)
	491,292	-

17.3.1 Movement in SIDC Cess Payable / Provision

Opening balance	1,256,118	866,830
Charge	115,527	389,288
Gain on discounting of SIDC	(476,037)	-
Paid during the period	(205,747)	-
Closing balance	689,861	1,256,118

17.3.2 This balance represents payable in respect of the Sindh Infrastructure Development Cess (SIDC) imposed by the Excise and Taxation Department, Government of Sindh(GoS), under the Sindh Finance Ordinance, 2001. The levy was challenged by the Company, along with other companies, before the Sindh High Court (SHC), which, through its interim order dated May 31, 2011, directed the Company to pay 50% of the cess in cash and furnish a bank guarantee for the remaining 50% until final adjudication. Accordingly, the Company cummulatively paid Rs. 516.68 million in cash and recognised a provision for the balance amount supported by a bank guarantee from year 2015-2021. From year 2021 onwards, following the SHC's order dated June 4, 2021 regarding settlement of the remaining cess, the Company filed an appeal before the Honorable Supreme Court of Pakistan, which subsequently directed, through its interim order dated September 9, 2021, that all consignments be released upon submission of a 100% bank guarantee pending final disposal of the case. However prudence basis management maintained a provision of Rs. 1,371.645 million up to the date of the settlement agreement (June 30, 2025: Rs. 1,256.11 million).

During the year, the GoS introduced a settlement scheme, whereby companies with pending litigation were offered to withdraw their cases and settle their existing SIDC liability under a relaxed long-term repayment schedule, and consequently resulting in a reduced effective cess rate for future liability. The Company opted for the settlement agreement with the GoS dated April 22, 2026.

Furthermore, all bank guarantees provided against the Company's SIDC liability were encashed and adjusted in full settlement of the guaranteed amount. In accordance with the agreed repayment schedule, the Company paid one instalment of Rs. 205.746 million during the current year, representing 15% of the total settlement amount. Thereafter, two further instalments of Rs. 205.746 million each are payable during the year 2027 and 2028, following which the remaining outstanding balance will be repaid in forty-eight equal quarterly instalments of Rs.15.717 million commencing from July 2028.

18. TRADE AND OTHER PAYABLES

Creditors:
Foreign
Local

Other supplier
Accrued liabilities
Provident fund payable
Contract liabilities
Withholding income tax
Foreign bills payable
Sales tax payable
Workers' profit participation fund
Current portion - SIDC
Others

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
	9,789	127,808
	79,996	36,802
18.1	89,785	164,610
	386,565	358,434
18.2	840,160	802,392
	12,706	11,336
	8,594	22,756
	44,462	28,980
	693,147	184,490
	75,543	30,934
18.3	90,129	575
17.3	198,569	1,256,118
	518,605	518,605
	2,958,265	3,379,230

18.1 Creditors are non-interest bearing and are normally settled between 30 to 45 days terms.

18.2 This includes provision of Rs. 78.28 million (June 30, 2025: 78.28 million) which relates to the amalgamated company Tata Energy Limited (TEL), Late Payment Surcharge on differential of rate for Captive Power Producer (CPP) and Independent Power Producer (IPP) claimed by Sui Southern Gas Company Limited (SSGCL) on gas bills have not been accounted for in the financial statements since 2009 but adequate provision has been made in this regard. TEL along with other power generation companies filed a suit in the High Court of Sindh (single bench) against this claim as they were contesting that all the companies were IPPs.

The High Court of Sindh in its order dated June 30, 2015 declared that all these companies are not IPPs. The plaintiff preferred intra court appeal which was also turned down vide order dated August 18, 2016 and thereafter filed civil petition before Supreme Court of Pakistan which is still pending adjudication.

Amalgamated Company also filed a suit in the High Court of Sindh in respect of late payment surcharge charged on the bills for the month of July and August 2017. The Court in its interim order dated August 17, 2017 has suspended the demand of late payment surcharge on those bills till next hearing.

TEL also filed a suit in the High Court of Sindh in respect of late payment surcharge charged on the bills for the month of July and August 2017. The Court in its interim order dated August 17, 2017 has suspended the demand of late payment surcharge on those bills till next hearing.

18.3 Workers' Profit Participation Fund

Opening balance
Allocation for the year
Interest on funds utilised in the Company's business

Payments made to the fund
Closing balance

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
	575	14,415
29	254,467	105,400
18.3.1	8	411
	255,050	120,226
	(164,921)	(119,651)
	90,129	575

18.3.1 Interest on funds utilised is charged at the rate of 12.50% (June 30, 2025: 23%) per annum.

19. INTEREST / MARK UP ACCRUED

Long term finance
Short term borrowings

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
19.1	173,979	136,424
	236,854	308,906
	410,833	445,330

19.1 This includes mark up accrued on borrowings obtained under Islamic financing arrangements amounting to Rs.116.73 million (June 30, 2025: Rs. 81.09 million).

20. SHORT TERM BORROWINGS

From banking companies - secured

Running finance / cash finance
Finance against import
Finance against export

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
20.1 & 20.5	9,273,602	11,173,924
20.2 & 20.6	3,694,144	8,245,141
20.3	-	-
20.4	12,967,746	19,419,065

20.1 These are subject to mark up at the rate of 1-6 months' KIBOR plus spread ranging between 0.5% to 1.25% per annum (June 30, 2025: 1-6 months' KIBOR plus spread ranging between 0.5% to 1.25% per annum). These facilities are secured against pledge of stock and joint pari passu charge over current assets.

20.2 These facilities are secured against pledge of imported cotton stock and trust receipts. These facilities are subject to mark up at the rate of 1-6 months' KIBOR plus spread ranging between 0.50% to 1.25% per annum (June 30, 2025: mark up at the rate of 1-6 months' KIBOR plus spread ranging between 0.50% to 1.25% per annum).

These facilities also include Foreign Exchange (FE-25) Import Financing subject to mark up based on rate of ranging between 5% - 7% per annum (June 30, 2025: mark up based on rate ranging between 5.6% - 6.95% per annum). These facilities are secured against pledge of stock.

20.3 These are subject to mark up based on the rate ranging between 3% to 3.5% (June 30, 2025:mark up based on ranging between 4% to 5%). These facilities are secured against joint pari passu over present and future current assets of the company.

20.4 Total facilities available from various commercial banks amounts to Rs. 27,265 million (June 30, 2025: Rs. 28,530 million) out of which the aggregate unavailed short term facilities amounted to Rs. 14,298 million (June 30, 2025: Rs. 9,111 million).

20.5 This includes outstanding running finance amounting to Rs. 4,687 million (June 30, 2025: Rs. 3,449 million) obtained under an Islamic mode of financing.

20.6 This includes outstanding finance against import amounting to Rs. 980 million (June 30, 2025: Rs. 2,167.94 million) obtained under an Islamic mode of financing.

20.7 Reconciliation of liabilities arising from short term financing activities

The table below details changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes, if any. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	June 30, 2026			
	July 01, 2025	Obtained during the year	(Repaid) during the year	June 30, 2026
	----- (Rupees in '000) -----			
Running finance / cash finance	11,173,924	35,689,172	(37,589,494)	9,273,602
Finance against import	8,245,141	14,062,563	(18,613,560)	3,694,144
Finance against export	-	393,847	(393,847)	-
	19,419,065	50,145,582	(56,596,901)	12,967,746

	June 30, 2025			
	July 01, 2024	Obtained during the year	(Repaid) during the year	June 30, 2025
	----- (Rupees in '000) -----			
Running finance / cash finance	9,390,575	22,561,746	(20,778,397)	11,173,924
Finance against import	3,629,049	14,072,873	(9,456,781)	8,245,141
Finance against export	123,100	132	(123,232)	-
	13,142,724	36,634,751	(30,358,410)	19,419,065

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

There are no contingencies to report as at June 30, 2026 and June 30, 2025.

21.2 Commitments

- (i) Civil works
- (ii) Letters of credits against:

Plant and machinery

Stores and spares

Raw material
- (iii) Bank guarantees issued on behalf of the Company
- (iv) Bills discounted:

Export

Local
- (v) Outstanding sales contract

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
	228,000	298,823
	-	914,279
	37,611	93,341
	1,623,148	997,067
	1,660,759	2,004,687
21.2.1	846,625	2,099,803
	568,578	397,176
	1,211,741	1,364,188
	1,780,319	1,761,364
	2,512,439	4,107,851

21.2.1 This includes bank guarantee related to SIDC amounting to Rs. Nil (June 30, 2025: Rs. 1,269.10 million).

22. REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Export sales

- Yarn
- Yarn (Indirect exports)
- Yarn (Export facilitation scheme)

Local sales

- Yarn
- Raw material
- Store and spares
- By-product

Sales tax

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
	4,200,054	1,646,378
	707,626	4,649,510
	-	6,902
	4,907,680	6,302,790
	38,788,588	38,886,364
	89,697	151,573
	1,574	-
	2,469,283	3,024,413
	41,349,142	42,062,350
	(6,415,441)	(7,125,210)
22.1	39,841,381	41,239,930

22.1 INFORMATION BY GEOGRAPHICAL AREA

- Pakistan
- China
- Japan
- Bangladesh

35,666,211	39,607,747
4,133,103	1,551,446
35,889	31,764
6,178	48,973
39,841,381	41,239,930

23. COST OF GOODS SOLD

Cost of goods manufactured
Finished goods (including waste):
Opening balance
Yarn Purchase
Closing balance

Cost of goods sold

Cost of raw material sold
Cost of store and spares sold

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
23.1	33,975,993	39,598,243
	3,407,841	2,621,355
	-	8,685
8	(1,330,675)	(3,407,841)
	2,077,166	(777,801)
	36,053,159	38,820,442
	66,746	128,671
	978	-
	36,120,883	38,949,113

23.1 Cost of goods manufactured

Raw material consumed
Stores and spares consumed
Packing material consumed
Power and fuel
Staff salaries and benefits
Reversal of provision for slow moving - stores and spares
Depreciation
Amortisation
Insurance
Repairs and maintenance
Other overheads

Work in process:
Opening balance
Closing balance

23.1.1	26,263,106	30,984,678
	703,486	1,133,126
	378,454	426,285
	3,351,274	3,724,040
23.1.2	1,991,501	2,179,263
7	(4,554)	-
5.1.1	970,630	826,056
6.1	177	1,881
	59,909	87,873
	59,484	76,322
	103,223	47,671
	33,876,690	39,487,195
	350,017	461,065
	(250,714)	(350,017)
	99,303	111,048
	33,975,993	39,598,243

23.1.1 Raw material consumed during the year

Opening balance
Purchases

Closing balance

	10,352,502	6,070,492
	23,184,050	35,266,688
	33,536,552	41,337,180
8	(7,273,446)	(10,352,502)
	26,263,106	30,984,678

23.1.2 Staff salaries and benefits includes Rs.111.62 million (2025: Rs. 124.52 million) in respect of defined benefit plan and Rs. 35.68 million (2025: Rs. 35.70 million) in respect of defined contribution plan.

24. DISTRIBUTION COST

Brokerage and commission
Staff salaries and benefits
Inland freight on export
Export development surcharge
Miscellaneous export expenses
Ocean freight
Local freight and handling
Wharfage
Forwarding charges
Godown expense
Depreciation
Insurance
Bank charges
Others

24.1 Staff salaries and benefits include Rs. 2.45 million (2025: Rs. 2.49 million) in respect of defined contribution plan.

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
24.1	202,753	162,239
	37,809	39,723
	22,162	7,548
	2,431	4,005
	11,568	10,382
	15,134	6,738
	185,808	203,937
	10,524	3,936
	653	399
	3,478	271
5.1.1	1,087	881
	284	279
	7,355	3,157
	1,403	453
	502,449	443,948

25. ADMINISTRATIVE EXPENSES

Staff salaries and benefits
Directors' remuneration
Directors' meeting fee
Rent, rates and taxes
Travelling and conveyance
Legal and professional
Fees and subscription
Depreciation
Amortisation
Vehicles running
Repairs and maintenance
Printing and stationery
Postage and telephone
Utilities
Insurance
Others

25.1 Staff salaries and benefits includes Rs.Nil (2025: Rs. 0.54 million) in respect of defined benefit plan and Rs. 24.02 million (2025: Rs. 22.14 million) in respect of defined contribution plan.

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
25.1	396,065	436,096
	58,438	51,440
	10,800	9,150
	626	352
	8,294	5,301
	20,932	13,920
	41,021	39,313
5.1.1	41,688	56,535
6.1	2,650	2,415
	10,061	6,149
	13,946	2,563
	5,256	2,982
	5,956	10,676
	15,562	15,797
	6,558	5,971
	7,562	2,158
	645,415	660,818

26. OTHER OPERATING EXPENSES

Realised foreign exchange loss - net
Donations
(Reversal) / Provision for doubtful debts
Bad debts written off
Auditors' remuneration
Sales tax written off

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
	37,223	114,803
26.1	49,380	35,476
9.3.2	(7,001)	38,486
	9,529	-
26.2	3,660	3,328
	5,924	62,346
	98,715	254,439

26.1 Donation charged in these financial statements is paid to The Citizen Foundation Rs. 17.16 million, The Aga Khan Hospital & Medical College Foundation Rs. 10 million, Indus hospital Rs. 6 million, Developments in Literacy Rs. 4.5 million, Baitul Sukoon Trust Cancer Hospital Rs. 4 million, Lahore University of Management Sciences Rs. 2.4 million.

26.2 Auditors' remuneration

Statutory audit fee
Half yearly review
Review of Statement of compliance of code of corporate governance
Out of pocket expenses

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
	2,529	2,299
	498	453
	300	273
	333	303
	3,660	3,328

27. FINANCE COST - NET

Interest / mark up on:
Long term finances
Short term borrowings
Workers' profit participation fund

	27.1	729,322	644,309
		1,729,139	2,818,385
		8	411
		2,458,469	3,463,105
		127,733	167,197
		24,435	19,862
		21,792	16,041
		2,632,429	3,666,205
	5.2	(61,157)	(56,313)
		2,571,272	3,609,892

Letters of credit discounting charges
Bank guarantee commission
Bank charges

Less: borrowing cost capitalised

27.1 This includes finance cost on borrowings obtained under Islamic modes of financing amounting to Rs. 563.90 million (2025: Rs. 836.26 million).

28. OTHER INCOME - NET

Gain on other financial assets:
Unrealised gain on equity instruments
Realised gain on disposal

Gain on discounting of SIDC

Profit on:
- Term deposit receipts
- Savings accounts
- Investment in Government treasury bills

Gain on disposal of operating fixed assets - net of loss
Dividend income
License income from associated company

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
11.2	3,836,225	3,302,523
	-	138,584
	3,836,225	3,441,107
17.3.1	476,037	-
	158,018	210,359
	93	218
	-	574,233
28.1	158,111	784,810
	31,308	35
	714,880	558,538
	1,424	1,424
	5,217,985	4,785,914

28.1 This includes profit earned on Shariah-compliant bank balances amounting to Rs.Nil (2025: Rs.1,605).

29. LEVIES

Excess of minimum tax over normal tax
Income tax under final tax regime

Provision for :
Workers' Welfare Fund
Workers' Profit Participation Fund

29.1 These represent provision for minimum tax and super tax under sections 113 and 4C, respectively, of the Ordinance. The provision for minimum tax and super tax has been recognised as levies in these financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

29.2 These represent final taxes paid on dividend income as per section 5 of the Ordinance, respectively, and are recognised as levy in line with the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

30. INCOME TAX - NET

Current
for the year
prior year

Deferred

	June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----	
29.1	569,505	610,042
29.2	107,232	83,781
	676,737	693,823
	-	(25,844)
18.3	254,467	105,400
	254,467	79,556
	931,204	773,379

30.1 Relationship between income tax expense and accounting profit

Profit before levies and taxation (after Workers' Profit Participation Fund)

Tax at applicable rate of 29% (2025: 29%)
Impact of adjustment of prior period tax
Tax effect of income under minimum tax regime representing levies as per IFRIC 21
Tax effect on dividend income representing levies as per IFRIC 21
Effect of super tax
Others

	4,866,165	2,028,078
	1,411,188	588,143
	(85,765)	66,655
	498,017	515,499
	107,232	83,781
	71,488	94,543
	(1,431,883)	(1,127,517)
	570,277	221,104

30.2 Management has a practice of recording tax expense based on the generally accepted interpretation of tax laws and accordingly sufficient provision in respect of taxation has been provided in these financial statements.

31. EARNINGS PER SHARE - BASIC AND DILUTED

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

Profit for the year (Rupees in '000)

Weighted average ordinary shares outstanding during the year (Numbers in '000)
Earnings per share (Rupees)

	June 30, 2026	June 30, 2025
Note		
	3,619,151	1,113,151
14	55,994	55,994
	64.63	19.88

32. CASH AND CASH EQUIVALENTS

		June 30, 2026	June 30, 2025
	Note	----- (Rupees in '000) -----	
Cash and bank balances	13	84,614	278,426
Running / cash finances	20	(9,273,602)	(11,173,924)
		(9,188,988)	(10,895,498)

33. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

As per the requirements of the fourth schedule to the Act, Shariah compliant companies and companies listed on the Islamic index shall disclose the following:

	June 30, 2026	June 30, 2025
--	---------------	---------------

Statement of Financial Position

	Note	Shariah	Conventional	Total	Shariah	Conventional	Total
----- (Rupees in '000) -----							
Assets							
Short term Investments (including TDRs)	11	-	10,402,950	10,402,950	-	7,755,855	7,755,855
Long term Investments		-	-	-	-	-	-
Cash and bank balances	13	39,766	44,848	84,614	106,805	171,621	278,426
Accrued income		-	5,983	5,983	-	51,473	51,473
Liabilities							
Long term borrowings (other than leases)	16	-	6,486,611	6,486,611	-	6,324,931	6,324,931
Long term borrowings (leases)		-	-	-	-	-	-
Accrued mark-up / profit	19	116,730	294,103	410,833	81,091	364,239	445,330
Short term borrowings	20	5,666,994	7,300,752	12,967,746	5,393,847	14,025,218	19,419,065
Statement of Profit or Loss							
Revenue from contracts with customers	22	39,841,381	-	39,841,381	41,239,930	-	41,239,930
Late payments and liquiditated damages		-	-	-	-	-	-
Dividend earned	28	-	714,880	714,880	-	558,538	558,538
Share of profit from associates		-	-	-	-	-	-
Profit on TFCs and TDRs	28	-	158,018	158,018	-	210,359	210,359
Profit on saving accounts	28	-	93	93	2	216	218
Realised foreign exchange loss - net	26	37,223	-	37,223	114,803	-	114,803
Exchange gain earned - derivative financial instruments		-	-	-	-	-	-
Mark-up / profit paid		528,263	2,138,663	2,666,926	899,214	2,995,330	3,894,544
Mark-up / profit earned on loan or advance		-	-	-	-	-	-
Profit on government treasury bills	28	-	-	-	-	574,233	574,233
License income from associated company	28	1,424	-	1,424	1,424	-	1,424
Gain on discounting of SIDC	28	-	476,037	476,037	-	-	-
Unrealised gain equity instruments	28	-	3,836,225	3,836,225	-	3,302,523	3,302,523
Realised gain on disposal	28	-	-	-	-	138,584	138,584

Relationship with Shariah Compliant financial institutions

The Company maintains banking relationships with Shariah-compliant banks and Islamic windows of conventional banks, including Dubai Islamic Bank Limited, BankIslami Pakistan Limited, Meezan Bank Limited, Habib Bank Limited, Bank of Khyber and National Bank of Pakistan.

34.1 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration and benefits to the Chief Executive, Director and Executives are as follows:

	June 30, 2026			June 30, 2025		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
----- (Rupees in '000) -----						
Managerial remuneration	27,166	20,000	424,274	23,720	17,400	385,064
Performance bonus / Ex-gratia	3,000	2,250	32,324	2,790	1,800	26,034
Retirement benefits	2,025	1,428	28,893	1,858	1,331	26,704
Utilities	2,569	-	-	2,541	-	-
	34,760	23,678	485,491	30,909	20,531	437,802
----- (Number) -----						
Persons	1	1	119	1	1	97

34.1 The Chief Executive and Executive Director are entitled for use of cars owned and maintained by the Company.

34.2 An amount of Rs. 10.80 million (2025: Rs. 9.15 million) has been charged in these financial statements in respect of fees paid to Directors for attending the board and its committee meetings.

35. PLANT CAPACITY AND ACTUAL PRODUCTION

Spindles installed (Number)	132,180	127,092
Spindles worked (Number)	112,531	123,107
Shifts per day (Number)	3	3
Installed capacity after conversion into 20/s count-kgs (Number in '000)	50,950	45,729
Actual production of yarn after conversion into 20/s count-kgs (Number in '000)	48,655	45,174

It is difficult to describe precisely the production capacity in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed, twist per inch, raw material used, etc. During the year, the production capacity of the Company has been enhanced. Actual production is less than the installed capacity due to BMR of one unit at Multan. Planned maintenance shutdowns are in line with the industry demand.

36. NUMBER OF EMPLOYEES

Average during the year

As at

June 30, 2026	June 30, 2025
----- (Number) -----	
2,663	3,122
2,750	3,020

37. PROVIDENT FUND RELATED DISCLOSURES

The investment out of provident fund have been made in accordance with the provisions of section 218 of the Act, and the conditions specified thereunder.

38. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors, key management personnel and their relatives. The Company carries out transactions with various related parties at agreed rates. Details of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

38.1 Name and nature of relationship

			June 30, 2026	June 30, 2025
			---- (Rupees in '000) ----	
Name of related party	Relationship with the party	Nature of transactions		
Tata Best Foods Limited	Associated undertaking	License income from associated company	1,424	1,424
Pakistan Cables Limited	Common Director	Purchase of Cables	8,846	-
Staff retirement funds	Staff benefit plan	Expense charged to Provident fund	62,146	63,524
		Provident fund payable	12,706	11,336

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

39.1 Financial instrument by category

Financial assets as per statement of financial position

At amortised cost:

		June 30, 2026	June 30, 2025
Long term deposits		4,396	4,727
Trade debts - net of provision	9	6,636,547	5,970,491
Other financial assets	11	402,002	1,591,132
Loans to employees		-	-
Other receivables		68,931	265,700
Cash and bank balances	13	84,614	278,426
		7,196,490	8,110,476

At fair value:

Investment in listed securities	11.2	10,000,948	6,164,723
		17,197,438	14,275,199

Financial liabilities as per statement of financial position

At amortised cost:

Long term finance (Inclusive of current portion)	16	6,486,611	6,324,931
Trade and other payables	18	2,739,537	3,295,985
Unclaimed dividend		21,815	22,422
Interest / mark up accrued on borrowings	19	410,833	445,330
Short term borrowings	20	12,967,746	19,419,065
		22,626,542	29,507,733

39.2 Financial risk management

39.2.1 Financial risk factors

Introduction and overview

The Company has exposure to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk

This note presents information about the Company's exposure to each of the above risks, Company's objectives, policies and processes for measuring and managing risk and fair value of financial instruments.

Financial risk factors and risk management framework

The Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarised as follows:

39.2.2 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, foreign exchange rates or the equity prices 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.

Under market risk the Company is exposed to currency risk, interest rate risk and other price risk (equity price risk).

a. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales, purchases and borrowings, which, are entered in a currency other than Pak Rupees. As at reporting date, the financial assets and liabilities exposed to currency risk are as follows:

		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	Note	----(USD)----		---- (Rupees in '000) ----	
Trade debts	9	81,072	203,057	22,542	57,587
Foreign currency bank balances	13	3,368	28,305	937	8,027
Foreign bills payable	18	(2,492,886)	(650,529)	(693,147)	(184,490)

The following significant exchange rates applied during the year:

	Average rates		Reporting date rates	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	----- (Rupees in '000) -----			
US Dollars to PKR	280.00	279.69	278.05	283.60

As at June 30, 2026, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollars with all variables held constant, profit or loss for the year would have been lower / higher by Rs. 67 million (June 30, 2025: Rs.12 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as in previous year.

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.

The Company's interest rate risk arises from bank deposit accounts, long term finance, term deposit receipts and short term borrowings amounting to Rs. 19,454 million (financial liabilities on a net basis) (June 30, 2025: Rs. 25,743 million). These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

		Carrying amount	
		June 30, 2026	June 30, 2025
Variable rate instruments	Note	---- (Rupees in '000) ----	
Financial assets:			
Saving accounts with banks	13	51	587
Financial liabilities:			
Long term finance	16	6,486,611	6,324,931
Short term borrowings	20	12,967,746	19,419,065
		(19,454,357)	(25,743,996)
		(19,454,306)	(25,743,409)
Net financial liabilities at variable interest rates			

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit for the year and shareholder's equity by Rs. 194.54 million (June 30, 2025: Rs. 257.43 million). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2026.

		June 30, 2026	
		June 30, 2025	
Fixed rate instruments	Note	---- (Rupees in '000) ----	
Financial assets:			
Term deposit receipts	11	402,002	1,591,132

c. Equity price risk

Equity price risk is 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 currency risk or interest rate 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. As at year end, there are no financial instruments other than investment in listed securities that are subject to equity price risk.

A reasonably possible change of 5% increase or decrease in fair values at the reporting date would have increased / decreased the income statement by Rs. 500.05 million (June 30, 2025: Rs. 308.24 million) and consequently financial instruments would be affected by the same amount. The analysis assumes that all other variables remain constant.

39.2.3 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. 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 ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Company arises principally from long term deposits, trade debts, other receivables, other financial assets and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

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

		June 30, 2026	June 30, 2025
Note	---- (Rupees in '000) ----		
Long term deposits		4,396	4,727
Trade debts - net of provision	9	6,636,547	5,970,491
Other receivables		68,931	265,700
Other financial assets	11	402,002	1,591,132
Bank balances	13	83,382	277,373
		7,195,258	8,109,423

The credit risk on liquid funds (bank balances) is limited because the counter parties are banks with a reasonably high credit rating.

Name of bank	Credit rating	
	Short term	Long term
Allied Bank Limited	A1+	AAA
Askari Bank Limited	A1+	AA+
Bank Alfalah Limited	A1+	AAA
Bank of Punjab	A1+	AA+
BankIslami Pakistan Limited	A1	AA-
Bank Al Habib	A1+	AAA
Bank of Khyber	A1	A+
Dubai Islamic Bank Pakistan Limited	A1+	AA
Faysal Bank Limited	A1+	AA
Habib Metropolitan Bank Limited	A1+	AA+
Habib Bank Limited	A1+	AAA
JS Bank Limited	A1+	AA
Meezan Bank Limited	A1+	AAA
MCB Bank Limited	A1+	AAA
National Bank of Pakistan	A1+	AAA
Samba Bank Limited	A1	AA
Soneri Bank Limited	A1+	AA-

Credit risk related to receivables

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable, where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The Company always measures the provision for doubtful debts for trade debts at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised a loss allowance of Rs. 35.133 million (June 30, 2025: Rs. 42.133 million) against all local trade debts.

The Company has not recognised any provision for expected credit losses on other receivables as it includes income from term deposit receipts, receivable from Nazir High Court and LC margin receivable.

Credit risk related to other assets

Credit risk from other assets primarily relates to Company's investment in term deposits issued by bank (Note 11). The risk is managed through ensuring that investments are made in instruments issued by reputed banks with good credit ratings. Loans to employees are secured against their defined contribution balances. The credit rating of the investee banks is as follows:

Banks	Investment type	Long term rating	Short term rating
Soneri Bank Limited	Term deposit receipt	AA-	A1+
United Bank Limited	Equity investment	AAA	A1+

39.2.4 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.79% (June 30, 2025: 83%) of the Company's debt will mature in less than one year at June 30, 2026 based on the carrying value of borrowings reflected in the financial statements.

Liquidity and interest risk table

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	June 30, 2026					
	Average Interest rate	Less than 1 month	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years
						Total
(Rupees in '000)						
Long term financing including current portion	1-3 month KIBOR plus 0.5% to 2%, SBP rate 2% to 8%plus bank spread i.e. (1.5% to 2.5%) and fixed rate of 2%	121,900	622,850	1,647,957	2,765,660	1,328,244
						6,486,611
Trade and other payables	N/A	994,955	1,744,582	-	-	-
Unclaimed dividend	N/A	21,815	-	-	-	-
						2,739,537
Interest / mark up accrued on loans	N/A	173,979	236,854	-	-	-
						21,815
Short-term borrowings						410,833
Running finance / cash finance	One to six months KIBOR plus 0.5% to 1.25%	-	9,273,602	-	-	-
						9,273,602
Finance against import / export	One to six months KIBOR plus 0.5% to 1.25% and One to six months 5% to 7% inclusive of LIBOR	-	3,694,144	-	-	-
						3,694,144
		1,312,649	15,572,032	1,647,957	2,765,660	1,328,244
						22,626,542

	June 30, 2025					
	Average Interest rate	Less than 1 month	1 - 3 months	3 months - 1 years	1 - 5 years	More than 5 years
						Total
(Rupees in '000)						
Long term financing including current portion	3 month KIBOR plus 0.5% to 8%, SBP rate plus bank spread i.e. (1% to 2.5%) and fixed rate of 2%	189,280	342,659	1,502,705	4,125,146	165,140
						6,324,930
Trade and other payables	N/A	520,089	2,254,335	-	-	-
Unclaimed dividend	N/A	22,422	-	-	-	-
						2,774,424
Interest / mark up accrued on loans	N/A	136,424	308,906	-	-	-
						22,422
Short-term borrowings						445,330
Running finance / cash finance	One to six months KIBOR plus 0.5% to 1.25%	-	11,173,926	-	-	-
						11,173,926
Finance against imports / export	One to six months KIBOR plus 0.5% to 1.25% and One to six months 4% to 6.95% inclusive of LIBOR	-	8,245,139	-	-	-
						8,245,139
		868,215	22,324,965	1,502,705	4,125,146	165,140
						28,986,171

40. OPERATIONAL RISK

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operational behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- equirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective; and
- operational and qualitative track record of the plant and equipment suppliers and related service providers.

41. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

The Company holds investment in listed securities classified as fair value through profit or loss and the fair value of such investments is based on quoted market prices as at June 30, 2026.

- Level 1:

fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:

fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:

fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2026, the Company holds investment in listed securities classified as fair value through profit or loss and the fair value of such investments is based on quoted market prices.

The Company's freehold land, buildings on freehold land, leasehold land, buildings on leasehold land, plant, machinery and electric installations are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Company's freehold land, building and plant and machinery as at June 30, 2025 were performed by M/s Iqbal A. Nanjee & Company (Private) Limited (valuer), independent valuer not related to the Company. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery. The fair values of the freehold land and leasehold land were determined by ascertaining the current market values of similar land, which are being sold in the near surroundings. The fair value of the buildings on freehold land and leasehold land was determined by carrying out the physical inspection of building with actual measurement and have worked out covered area of each building occupation wise with specification of civil works. The fair value of the plant, machinery and electric installations was determined by comparing the values of similar plants from various machinery dealers. In estimating the fair value of the assets, the highest and best use of the premises is its current use.

Details of Company's assets and liabilities measured at fair value and information about the fair value hierarchy as at end of June 30, 2026 and June 30, 2025 are as follows:

June 30, 2026			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
Non- financial assets measured at fair value:			
Freehold land	-	1,268,461	1,268,461
Buildings on freehold land	-	1,430,262	1,430,262
Leasehold land	-	4,233,555	4,233,555
Building on leasehold land	-	3,255,498	3,255,498
Plant and machinery and electric installations	-	14,926,769	14,926,769
	-	25,114,545	25,114,545
Financial assets measured at fair value:			
Investment in listed securities	-	-	10,000,948
	-	-	10,000,948

June 30, 2025			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
Non- financial assets measured at fair value:			
Freehold land	-	1,268,461	1,268,461
Buildings on freehold land	-	1,322,978	1,322,978
Leasehold land	-	4,233,555	4,233,555
Building on leasehold land	-	3,400,887	3,400,887
Plant and machinery and electric installations	-	14,141,400	14,141,400
	-	24,367,281	24,367,281
Financial assets measured at fair value:			
Investment in listed securities	6,164,723	-	6,164,723
	6,164,723	-	6,164,723

There were no transfers between levels of fair value hierarchy during the year.

42. CAPITAL RISK MANAGEMENT

The objectives of the Company when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for stakeholders, and to maintain a strong capital base to support the sustained development of its business. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders or issue new shares. The Company's overall strategy remains unchanged from previous year.

The gearing ratio as at June 30, 2026 and June 30, 2025 were as follows:

	June 30, 2026	June 30, 2025
	---- (Rupees in '000) ----	
Total debts	19,454,357	25,743,996
Cash and bank balances	(84,614)	(278,426)
Net debt	19,369,743	25,465,570
Total equity	27,320,979	23,692,262
Adjusted capital	46,690,722	49,157,832
	----- (%) -----	
Gearing ratio	41.49	51.80

43. GENERAL

43.1 Non-Adjusting Event

The Board of Directors in their meeting held on August 06, 2026 have proposed a final cash dividend of Rs. 5 (2025: Rs. Nil), amounting to Rs. 279.97 million (2025: Nil), for approval of the members at the Annual General Meeting of the company.

43.2 Corresponding Figures

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

44. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the board of directors of the Company and authorised for issue on Augsut 06, 2026


Shahid Anwar Tata
Chief Executive


Muhammad Zaid Kaliya
Chief Financial Officer


Adeel Shahid Tata
Director

Stakeholders
Information



Pattern of Shareholding

as at June 30, 2026

No. of Shareholders	Shareholdings'slab		Total Shares Held
	From	To	
1858	1	100	74,680
1628	101	500	420,165
644	501	1000	463,383
757	1001	5000	1,591,341
106	5001	10000	766,764
40	10001	15000	489,023
13	15001	20000	226,322
11	20001	25000	258,973
9	25001	30000	251,920
4	30001	35000	129,321
1	35001	40000	40,000
2	40001	45000	83,142
4	45001	50000	198,000
1	50001	55000	51,024
2	55001	60000	114,551
1	60001	65000	60,255
2	65001	70000	136,125
1	80001	85000	81,800
2	85001	90000	175,386
2	100001	105000	206,845
1	245001	250000	248,020
2	250001	255000	504,572
1	275001	280000	279,058
2	280001	285000	568,337
1	475001	480000	479,013
1	1465001	1470000	1,469,744
1	2060001	2065000	2,063,192
1	2275001	2280000	2,276,152
1	4310001	4315000	4,310,670
1	4560001	4565000	4,561,607
1	4580001	4585000	4,582,485
1	28830001	28835000	28,831,744
5102			55,993,614

Categories of Shareholders

CATEGORIES OF SHAREHOLDERS

Directors, their Spouse(s) and Minor Children	9	42,788,559	76.42
NIT & ICP	6	2,373,862	4.24
Banks, Development Finance Institutions, Non-Banking Financial	2	4,768	0.01
Insurance Companies	3	105,938	0.19
Modarabas and Mutual Funds	2	29,507	0.05
Others	33	2,223,593	3.97
General Public-Foreign	47	85,878	0.15
General Public-Local	5,000	8,381,509	14.97
	5,102	55,993,614	100.00

DETAIL OF CATEGORIES OF SHAREHOLDERS

Directors, Their Spouse(S) & Minor Children

Mr. Mazhar Valjee	(Chairman/Director)	1	7,040	0.01
Mr. Shahid Anwar	(Chief Executives)	1	28,831,744	51.49
Mr. Adeel Shahid Anwar	(Director)	1	4,561,607	8.15
Mr. Bilal Shahid Anwar	(Director)	1	4,582,485	8.18
Mr. Farooq Advani	(Director)	1	500	0.00
Mr. Tayyeb Afzal	(Director)	1	500	0.00
Ms. Samar Shahid	(Director)	1	4,310,670	7.70
Mrs. Saiqa Shahid	(W/o Mr. Shahid Anwar)	1	479,013	0.86
Mrs. Sara Adeel	(W/o Mr. Adeel Shahid Anwar)	1	15,000	0.03
		9	42,788,559	76.42

Associated Companies, Undertakings and Related Parties

NIT & ICP

Investment Corporation of Pakistan	4	91,730	0.16
IDBL (ICP UNIT)	1	5,980	0.01
CDC - Trustee National Investment (Unit) Trust	1	2,276,152	4.07
	6	2,373,862	4.24

Banks, Development Financial Institutions, Non-Banking

Financial Institutions

National Development Finance Corporation	1	3,223	0.01
National Bank of Pakistan	1	1,545	0.00
	2	4,768	0.01

Insurance Companies

Central Insurance Co. Ltd.	2	3,576	0.01
Premier Insurance Limited	1	102,362	0.18

Modarabas and Mutual Funds

B.R.R Investment (Pvt) Limited	2	29,507	0.05
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Others

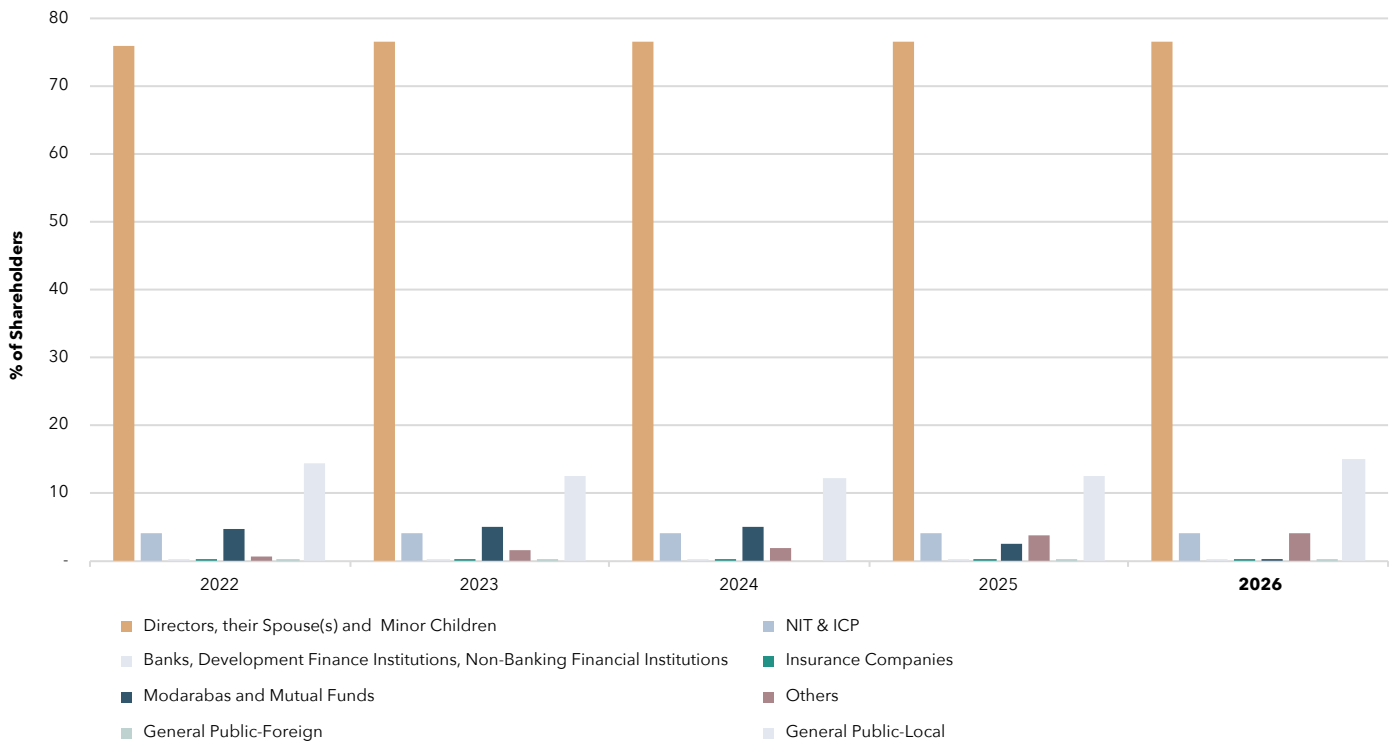
General Public

Foreign	47	85,878	0.15
Local	5,000	8,381,509	14.97
	5,047	8,467,387	15.12
Grand Total	5,102	55,993,614	100

Shareholders Holding 10% or more

Shahid Anwar

Shareholders Composition Over the Years



Notice of Annual General Meeting

Notice is hereby given that the Forty (40th) Annual General Meeting (AGM) of the Shareholders of **Tata Textile Mills Limited** (the Company) will be held on Tuesday, October 27, 2026, at 01:30 p.m. at the Pakistan Stock Exchange, Dr. Shamshad Akhtar Auditorium, PSX Administration Building, I.I. Chundrigar Road, Karachi, as well as through video link to transact the following businesses:

Ordinary Business

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

As required under Section 223(7) of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company, which can be downloaded from the following web link:

<https://tatapakistan.com/investor-information/#information>



- To appoint statutory auditors and to fix their remuneration. The shareholders are hereby notified that the Board and the Board Audit Committee have recommended the re-appointment of M/s Yousuf Adil, Chartered Accountants, as auditors of the Company.
- To elect seven (7) Directors of the Company as fixed by the Board of Directors in accordance with Section 159(1) and 161(1) of the Companies Act, 2017 for a term of three years commencing October 26, 2026. The following Directors are retiring and are eligible for re-election:
 - Mr. Mazhar Valjee
 - Mr. Shahid Anwar
 - Mr. Adeel Shahid Anwar
 - Mr. Bilal Shahid Anwar
 - Mr. Farooq Advani
 - Mr. Tayyeb Afzal
 - Ms. Samar Shahid
- To consider and approve the payment of the final cash dividend for the year ended June 30, 2026, @ 50% i.e. Rs. 5.00 per share, as recommended by the Board of Directors.

Special Business

- To ratify and approve all transactions carried out with related parties disclosed in the financial statements for the year ended June 30, 2026, and authorize the Board of Directors of the Company to approve the potential transactions with related parties intended to be carried out in the financial year 2026-27, by passing the following special resolutions with or without modifications:
 - "RESOLVED that the transactions carried out with related parties as disclosed in Note No. 38 of the audited financial statements for the year ended June 30, 2026, be and are hereby ratified and approved."
 - "FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to approve all related party transactions to be carried out during the financial year ending June 30, 2027. These transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval."
- To transact any other business with the permission of the Chairman.

Statements of Material Facts under Section 134(3) about special business and under section 166(3) relating to the Election of Directors are annexed.

By Order of the Board of Directors

Muhammad Hussain
Company Secretary

Karachi:
Dated: October 05, 2026

Notes

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from **October 20, 2026, to October 27, 2026** (both days inclusive). Transfer requests received at the Company's Share Registrar's Office at CDC Share Registrar Services Limited (CDCSRL) Office CDC, House, 99-B Block "B", S.M.C.H.S. Main Shahra-e-Faisal, Karachi, at the close of business on **October 19, 2026**, will be considered in time to attend and vote at the AGM.

2. Participation in the Meeting

- i. All shareholders of the Company shall authenticate their identities by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In the case of the corporate entity, the Board of Directors' resolution/power of attorney with the representative's specimen signature shall be produced at the meeting.

A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote at the meeting.

For appointing proxies

- i. A member shall not be entitled to appoint more than one proxy. If a member appoints more than one proxy and more than one form of proxy is deposited by a member with the Company, all such forms of proxy shall be rendered invalid. The proxy must be a member of the Company.
- ii. Instrument appointing a proxy must be received at the Registered Office of the Company at 6th floor, Textile Plaza, M.A. Jinnah Road, Karachi, duly signed at least 48 hours before the time of the meeting.
- iii. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- iv. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- v. Attested copies of CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- vi. Proxy Form may also be downloaded from the Company's website i.e. www.tatapakistan.com

3. Participation in the AGM through a video link

Pursuant to circular 4 of 2021 issued by SECP, Shareholders who wish to participate virtually in the AGM are requested to register themselves by providing the following information with a valid copy of CNIC (both sides) / Passport, attested copy of board resolution/power of attorney (in case of corporate shareholders) through email with subject "Registration for Tata AGM" at ttn.corporate@tatapakistan.com by October 26, 2026:

Name of Member / Proxy Holders	CNIC No.	Folio No. / Participant Id / Account No.	Cell No. / WhatsApp's No.	Email ID.

Video conference link details and login credentials will be shared with shareholders whose information is received through their registered email address within the specified time. Furthermore, shareholders may log in only through their registered email addresses. Members are encouraged to attend the AGM through video link and by consolidating their attendance through proxies.

4. E-Voting / Postal ballot

The Members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (the "Regulations"), as amended through S.R.O.2192(I)/2022 dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan (SECP), the SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business. Accordingly, the shareholders of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in the AGM to be held on Tuesday, October 27, 2026 at 01:30 p.m.

For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.tatapakistan.com to download.

i. Procedure for e-Voting

- a. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 19, 2026.
- b. The web address, and login details will be communicated to members via email on October 20, 2026. The security codes will be communicated to members through SMS from the web portal of CDCSRL Share Registrar Services Limited (being the e-voting service provider).
- c. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d. Members shall cast vote online at any time from October 21, 2026. Voting shall close on October 26, 2026, at 5:00 p.m. Once a Member casts a vote on the resolution, he/she shall not be allowed to change it subsequently.

ii. Procedure for voting through postal ballot paper

The members shall ensure that duly filled and signed ballot paper along with a copy of CNIC should reach the Chairman of the meeting through post at the Company's address at 6th floor, Textile Plaza, M.A. Jinnah Road, Karachi, or email chairman@tatapakistan.com one day before the day of poll, during working hours i.e., till 5:00 p.m. on October 26, 2026. The signature on the ballot paper shall match with the signature on CNIC.

In the same manner, the members will also be allowed to exercise the right to vote through electronic voting facility and postal ballot for the election of directors, if required and the number of persons who offer themselves to be elected is more than the number of directors fixed under Section 159 of the Act, voting shall be conducted in the manner and as per the procedures contained in the Regulations.

5. Appointment of Scrutinizer

In accordance with the regulation 11 of the Companies (Postal Ballot) Regulation 2018 (the Regulation), the Board of the Company has appointed M/s. BDO Ibrahim & Company Chartered Accountants, a QCR rated audit firm, to act as scrutinizer of the Company for election of Directors in the meeting and to undertake other responsibilities as defined in regulation 11A of the Regulations.

6. Consent For Video Conference Facility:

Pursuant to Section 134(1)(b) of the Act, if the Company receives consent form from shareholders holding aggregate 10% or more shareholding residing at a geographical location to participate in the meeting through video conference at least seven days before the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

7. Contesting for Election of Directors

Any member seeking to contest the election of Directors shall file with the Company at its registered office 6th Floor, Textile Plaza, M.A. Jinnah Road, Karachi, not later than fourteen (14) days before the date of AGM his /her intention to offer himself/ herself for the election of directors in terms of Section159(3) of the Companies Act 2017, via notice in terms of the aforementioned sections together with:

- i.

Consent to Act as a Director (Appendix to Form-9) in accordance with Section 167 of the Companies Act 2017;

ii.

Detailed profile, along with office address, in accordance with S.R.O 1196(1)/ 2019 dated October 3, 2019;

iii.

Attested copy of CNIC;

iv.

Declaration that:
- i.

He/she is aware of his/her duties and powers under prevailing law, the Listing Regulations of the Pakistan Stock Exchange and the Memorandum and Articles of Association of the Company;

ii.

He/she is not a minor, of unsound mind or an undischarged insolvent;

iii.

He/she is borne on the register of National Taxpayers;

iv.

He/she has not been convicted by a Court as a defaulter on Account of payment of a loan to Financial Institution(s);

v.

He/she is not serving as Director of more than Seven listed Companies, including the Company;

vi.

Neither he/she, nor his/her spouse, is engaged in the Business of Stock Brokerage;

vii.

He/she is aware of, and will adhere to, the restrictions of the “Closed Period”, that will be announced periodically by the Company.
- v.

Independent Director(s) will be elected through the process of election of directors in terms of Section 159 of the Act and they shall meet the criteria laid down in Section 166 of the Act, and the Companies (Manner and Selection of Independent Directors) Regulations, 2018, accordingly the following additional documents are to be submitted by the candidates intending to contest election of directors as an independent director:

i.

Declaration by Independent Director(s) under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations 2019.

ii.

Undertaking on non-judicial stamp paper that he/she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulation, 2018.

The final list of contesting directors will be circulated not later than seven (7) days before the date of the AGM in terms of Section 159(4) of the Companies Act, 2017. Further, the website of the Company will also be updated with the required information.

8. Change / Update of Shareholders’ Particulars:

Members having physical shareholding are requested to notify their change of address, (if any) immediately to Company’s Share Registrar CDCSRL. Whereas, CDC account holders are requested to contact their respective CDC Participant/Broker/Investor Account Services.

9. CNIC / NTN

Pursuant to the directive of the SECP, CNIC of members are mandatorily required to be mentioned on the Tax/ Zakat certificate. Members therefore, are requested to submit a copy of their valid CNIC (if not already provided) to the Company’s Share Registrar M/s CDC Share Registrar Service Limited.

10. Payment of Cash Dividend Electronically (Mandatory)

In accordance with the provisions of Section 242 of the Companies Act, 2017, and Regulation 4 of the Companies (Distribution of Dividends) Regulations 2017, listed companies are required to pay cash dividends to their shareholders only through electronic mode directly into bank accounts designated by the entitled shareholders.

Accordingly, the Shareholders are requested to fill in the Electronic Credit Mandate Form and send the duly signed form along with a copy of CNIC / NTN to our Share Registrar in case of physical shares. In case shares are held in CDC, then the Electronic Credit Mandate Form must be submitted directly to the shareholder’s broker/participant / CDC account services.

In case of non-receipt of IBAN details, the Company will be constrained to withhold payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017.

11. Unclaimed Dividends and Bonus Shares

Shareholders, who for any reason could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact the Company’s Share Registrar, CDCSRL, to collect/enquire about their unclaimed dividend or pending shares, if any. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three (3) years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the SECP.

12. Deduction of Withholding Tax on the Amount of Dividend

Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Withholding of tax on dividends based on the ‘Active’ and ‘Non-Active’ status of Members shall be @ 15% and 30% respectively. ‘Active’ means a person whose name appears on the Active Taxpayers List available at the e-portal of FBR (<http://www.e.fbr.gov.pk/>) and ‘Non-Active’ means a person whose name does not appear on the Active Taxpayers List.

Further, according to clarification received from the Federal Board of Revenue (FBR), withholding tax will be determined separately on the Active/Non-Active status of the principal Member as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

Joint shareholders should notify the proportion of their shareholding to the Company’s Share Registrar by October 19, 2026. If the proportion of shareholding is not notified then each joint shareholder shall be presumed to hold an equal proportion of shares.

13. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017, i.e. May 31, 2017.

The shareholder having physical shareholding may open a CDC sub-account with any of the brokers or investors’ accounts directly with the CDC to place their physical shares into scrip-less 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 the existing regulations of the Stock Exchange.

14. Transmission of Audited Financial Statements and Notices of AGM through Email

Under the provisions of section 223(6) of the Act, all listed companies are permitted to circulate their annual financial statements, along with the Auditor’s Report, Directors’ Report, Chairman Review Report and notice of Annual General Meetings (“Annual Report”), to its shareholders through email, subject to the availability of email addresses of shareholders with the Company’s Share Registrar CDCSRL. The printed copy of the financial statement can be provided to the member upon request. Pursuant to S.R.O. 452(I)/2025, Notice of the AGM shall be circulated to members at their registered email addresses provided to the Company, in accordance with applicable laws.

15. Intimation of No Gift Distribution

The SECP, vide Circular No. 2 of 2018 dated February 9, 2018, and S.R.O. 452(I)/2025 dated March 17, 2025, has strictly prohibited companies from offering or distributing gifts, incentives, or any similar benefits (including but not limited to tokens, coupons, meals, or takeaway packages) to members at or in connection with general meetings. In accordance with Section 185 of the Companies Act, 2017, any non-compliance with these directives constitutes a punishable offence, and companies found in violation may be subject to enforcement actions and penalties. Members are hereby informed that no gifts will be distributed at the meeting.

Statement Under Section 134 (3) of The Companies Act, 2017

Agenda No. 5

- 1. All transactions carried out by the company with related parties during the year ended June 30, 2026, are given in the related parties note no.38 of the Annual Financial Statement of the Company.

The Company carried out transactions with related parties as per the approved Related Party Transactions Policy and approved by the Board as recommended by the Audit Committee on a quarterly basis pursuant to clause 15 of the Listed Companies Code of Corporate Governance Regulations 2019.

The transactions with related parties have been approved by the Board in the Quarterly and annual financial statements during the financial year 2025-26. However, the Board decided to place the above-related party transactions before the shareholders in the AGM for ratification and approval, considering the interests/concerns of the majority of directors due to common directorship.

- 2. Authorization to the Board of Directors for all transactions to be carried out with related parties during the ensuing year ending June 30, 2027.

The Company is expected to be conducting transactions with related parties as per the approved Related Party Transactions Policy. All transactions entered into or to be entered into with related parties require the recommendation of the Audit Committee, and such transactions shall be placed before the Board of Directors for approval. In order to promote transparent business practices, the shareholders are recommended to authorize the Board of Directors of the Company to approve transactions with the related parties for the year ending June 30, 2027, which transactions shall be deemed to be approved by the shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal ratification/ approval.

The Directors are interested in the resolution only to the extent of their common directorships and their shareholding in the associated companies.

Statement Under Section 166 (3) of The Companies Act, 2017

This statement sets out the material facts concerning the Election of Directors to be carried out at the AGM.

As a listed company, the Company is required to have Independent Directors on its Board in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019. The Company shall ensure that its election of independent Directors complies with the requirements of Sections 159 and 166(2) of the Companies Act 2017, the Companies (Manner and Selection of Independent Directors) Regulations 2018 and that such Independent Directors are included in the databank of Independent Directors maintained by the Pakistan Institute of Corporate Governance. Core competencies: diversity, skillset, knowledge and experience of the election contestants shall also be considered during the finalization of Independent Directors.

The Directors are not interested, directly or indirectly, in the above other than as Shareholders of the Company and that they are eligible to contest the Election for Directorship.

Form of Proxy

The Company Secretary
Tata Textile Mills Limited
6th Floor, Textile Plaza, M.A. Jinnah Road, Karachi

I/We_____ of _____(full address), being a Member of Tata Textile Mills Limited and holder of _____, Ordinary Share(s) as per Share Register Folio / CDC Account No._____ hereby appoint Mr/Mrs./M/s. _____, having Share Register Folio / CDC Account No. _____ as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf at the 40th Annual General Meeting of the company to be held on October 27, 2026 and at any adjournment thereof.

Signed this _____ day of _____ 2026.

Witness 1 _____
Signature _____
Name _____
CNIC # _____

Witness 2 _____
Signature _____
Name _____
CNIC # _____

Notes:

1. This instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation, either under the common seal or under the hand of an official or attorney so authorized. No person shall be appointed as a proxy who is not a member of the company qualified to vote, except that a corporation being a member may appoint a person who is not a member.
2. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the registered office of the Company not less than 48 (forty-eight) hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default, the instrument of a proxy shall not be treated as valid.
3. CDC Shareholders or their Proxies should bring their original CNICs or Passports along with the Participant's ID Number and Account Number to facilitate their identification. A detailed procedure is given in the Notes to the Notice of AGM.

پراکسی فارم (مختارنامہ)

جناب کمپنی سیکریٹری

ٹاٹا ٹیکسٹائل ملز لمیٹڈ

۶ فلور ٹیکسٹائل پلازہ، ایم اے جناح روڈ، کراچی۔

میں / ہم _____ کا / کی _____
مکمل پتہ بحیثیت رکن ٹاٹا ٹیکسٹائل ملز لمیٹڈ اور حامل _____ عام حصص بمطابق رجسٹرڈ فولیو نمبر/ سی ڈی سی اکاؤنٹ نمبر _____
بذریعہ ہذا محترم /محترمہ _____ رجسٹرڈ فولیو نمبر/ سی ڈی سی اکاؤنٹ نمبر _____

مورخہ 27 اکتوبر 2026ء

کو اپنے / ہمارے ایما پر: _____
منعقد ہونے والے کمپنی کے 40th اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختار نامہ (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

ممبر کے دستخط

آج بروز بتاریخ 2026 کو میرے / ہمارے دستخط سے گواہوں کی تصدیق سے جاری ہوا۔

1۔ گواہان _____
دستخط: _____
نام: _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____
2۔ گواہان _____
دستخط: _____
نام: _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

نوٹ:

- 1- اس فارم کے ذریعے کسی پراکسی (نمائندہ) کی تقرری تحریری صورت میں ہونی چاہیے، جو تقرر کنندہ کے دستخط سے یا اس کے ایسے وکیل کے دستخط سے ہو جو تحریری طور پر باختیار ہو۔ اگر تقرر کنندہ کوئی کارپوریشن ہو، تو یہ تقرری یا تو کمپنی کی مہر کے تحت یا کسی ایسے عہدیدار یا وکیل کے دستخط سے ہونی چاہیے جو مجاز ہو۔ کسی ایسے شخص کو پراکسی (نمائندہ) مقرر نہیں کیا جاسکتا جو کمپنی کا رکن نہ ہو اور ووٹ دینے کا اہل نہ ہو، البتہ اگر کوئی کارپوریشن رکن ہو تو وہ کسی ایسے شخص کو جو رکن نہ ہو پراکسی مقرر کر سکتی ہے۔
- 2- پراکسی (نمائندہ) کی تقرری کا فارم اور پاور آف اٹارنی یا کوئی اور مجاز دستاویز (اگر ہو)، جس کے تحت اس پر دستخط کیے گئے ہوں، یا اس اختیار نامے کی نوٹری سے تصدیق شدہ نقل، کمپنی کے رجسٹرڈ دفتر میں اجلاس کے وقت سے کم از کم 48 (اڑتالیس) گھنٹے قبل جمع کرائی جانی چاہیے، جس میں اس دستاویز میں نامزد شخص کو ووٹ دینا ہے۔ بصورت دیگر، پراکسی کا یہ فارم قابل قبول نہیں سمجھا جائے گا۔
- 3- سی ڈی سی (CDC) شیئر ہولڈرز یا اُن کے پراکسی حضرات کو اپنی شناخت کی تصدیق کے لیے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ، نیز پرائیویٹ آئی ڈی نمبر (Participant ID's) اور اپنا اکاؤنٹ نمبر ساتھ لانا ضروری ہے۔ تفصیلی طریقہ کار سالانہ عمومی اجلاس (AGM) کے نوٹس کی ہدایات میں درج ہے۔

اقتصادی اور صنعتی جائزہ:

سال کے دوران، پاکستان کی معیشت نے بتدریج استحکام کے آثار دکھائے جس کی حمایت میکرو اکنامک اشاریوں میں بہتری اور مسلسل اصلاحاتی اقدامات سے ہوئی۔ اس کے باوجود، ٹیکسٹائل کے شعبے نے توانائی کی بلند قیمتوں، خام مال کی رکاوٹوں، پالیسی میں تبدیلیوں اور عالمی سپلائی چینز کو متاثر کرنے والی جغرافیائی سیاسی غیر یقینی صورتحال کی وجہ سے ایک مشکل ماحول میں کام جاری رکھا۔ اس پس منظر میں، کمپنی کی توجہ عملی کارکردگی میں ثابت قدمی کو برقرار رکھنے اور اپنی مسابقتی پوزیشن کو مضبوط بنانے پر مرکوز رہی۔

کمپنی کی کارکردگی اور اسٹریٹجک سمت:

صنعت کے وسیع دشواریوں کے باوجود، کمپنی نے نظم و ضبط، آپریشنل افادیت اور سمجھدار مالیاتی انتظام کے ذریعے نمایاں طور پر بہتر مالی کارکردگی پیش کی۔ بورڈ کی توجہ پیداواری صلاحیت کو بڑھانے، صارفین سے تعلقات کو مضبوط بنانے اور طویل مدتی مسابقت کو بہتر بنانے والے اقدامات کی حمایت کرتے ہوئے پائیدار قدر پیدا کرنے پر مرکوز رہی۔

کمپنی نے ٹیکنالوجی، عمل میں بہتری اور جدت کے منصوبوں میں سرمایہ کاری کے ذریعے اپنی ترجیحات حکمت عملی کو آگے بڑھانا بھی جاری رکھا، اس بات کو یقینی بناتے ہوئے کہ یہ مارکیٹ کی ترقی پزیر ضروریات اور مستقبل کے مواقع کا جواب دینے کے لیے اچھی پوزیشن میں ہے۔

گورننس اور بورڈ کی موثریت:

بورڈ کا رپورٹ گورننس، شفافیت اور جوابدہی کے اعلیٰ ترین معیارات پر قائم ہے۔ سال کے دوران، بورڈ نے کمپنی کے حکمت عملی کے مقاصد، مالیاتی کارکردگی، خطروں سے نمٹنے کی حکمت عملی اور تعمیل کی ذمہ داریوں کی موثر نگرانی فراہم کی۔ بورڈ کی سالانہ جائزے نے تصدیق کی کہ بورڈ اور اس کی کمیٹیاں تعمیری دشواریوں اور مسلسل بہتری کے عمل کو برقرار رکھتے ہوئے مؤثر طریقے سے کام کرتی رہیں۔

بورڈ کو کارپوریٹ رپورٹنگ میں بہترین کارکردگی کے لیے کمپنی کی مسلسل پہچان پر بھی فخر ہے، جو کہ کمپنی متعلقہ فریقین کو شفاف رابطے کے اعلیٰ معیار کو برقرار رکھنے کے لیے ہمارے عزم کی عکاسی کرتا ہے۔

پائیداری اور ذمہ داری:

پائیداری کمپنی کی طویل مدتی حکمت عملی کا ایک لازمی جزو ہے۔ بورڈ تسلیم کرتا ہے کہ دیرپا کامیابی کا انحصار ذمہ دارانہ کاروباری طریقوں، ماحولیاتی ذمہ داری اور ہمارے لوگوں کی ترقی پر ہے۔ سال کے دوران، کمپنی نے اپنے ماحولیاتی تحفظ، سماجی ذمہ داری اور مضبوط گورننس (ESG) اقدامات کو مضبوط بنانے، ملازمین کی ترقی میں سرمایہ کاری، مقامی برادری کی حمایت اپنے اور اپنے ماحولیاتی اثرات کو کم کرنے کے مواقع کی تلاش جاری رکھی۔

فیصلہ سازی کے عمل اور کاروباری کارروائیوں میں پائیداری کے تحفظات کو شامل کرنے میں ہونے والی پیشرفت سے بورڈ کی حوصلہ افزائی ہوتی ہے۔

ریسک مینجمنٹ اور اندرونی کنٹرول:

بورڈ تیزی سے متحرک کاروباری ماحول میں ایک مضبوط خطروں سے نمٹنے کی حکمت عملی اور اندرونی ضابطہ کے ڈھانچے کو برقرار رکھنے کی اہمیت کو تسلیم کرتا ہے۔ آڈٹ کمیٹی اور انتظامیہ کے ذریعے، بورڈ باقاعدگی سے اہم خطرات، اندرونی ضابطوں اور تعمیلات اور کمپلائنسز کے عمل کا جائزہ لیتا ہے تاکہ یہ یقینی بنایا جاسکے کہ کمپنی کے اثاثوں اور اسٹیک ہولڈر کے مفادات کے تحفظ کے لیے مناسب حفاظتی اقدامات موجود رہیں۔

ایک نظر مستقبل پر:

اگرچہ بیرونی غیر یقینی صورتحال برقرار ہے، بورڈ کو یقین ہے کہ کمپنی کے مضبوط بنیادی اصول، تجربہ کار انتظامی ٹیم اور جدت، کارکردگی اور پائیداری پر مسلسل توجہ طویل مدتی ترقی اور قدر کی تخلیق میں معاون ثابت ہوگی۔ ہم ایسے مواقع کے حصول کے لیے پرعزم ہیں جو مالیاتی نظم و ضبط اور ذمہ دارانہ طرز حکمرانی کو برقرار رکھتے ہوئے ہماری مسابقتی پوزیشن کو مضبوط کرتے ہیں۔

انظہار تشکر:

بورڈ کی جانب سے، میں اپنے حصص یافتہ کے مسلسل اعتماد اور تعاون کے لیے ان کا تہہ دل سے شکریہ ادا کرتا ہوں۔ میں اپنے صارفین، فراہم کنندہ، مالیاتی اداروں اور کاروباری شراکت داروں کے اعتماد اور تعاون کے لیے ان کا بھی شکریہ ادا کرتا ہوں۔

سب سے اہم بات، میں اپنے ملازمین اور انتظامی ٹیم کی لگن اور عزم کو تسلیم کرتا ہوں، جن کی کوششیں ایک مشکل ماحول میں کمپنی کو کامیابی اور ثابت قدمی سے آگے بڑھاتی ہیں۔

منظہر والہ
چیئر مین

کراچی: 16 اگست 2026

کاروبار کی نوعیت میں تبدیلی:

کمپنی کے کاروبار کی نوعیت سے متعلق سال کے دوران کوئی خاص تبدیلیاں نہیں ہوئیں۔

مالیاتی اعداد و شمار اور گراف:

عملی/مالی اعداد و شمار اور گراف کی جھلکیاں اس رپورٹ میں پیش کی گئی ہیں۔

بنیادی خطرات اور غیر یقینی صورتحال:

کمپنی کے پائیداری سے متعلق خطرے اور اس کے انتظام، نظم و نسق، اور کلیدی میٹرکس پر ایک تفصیلی تجزیہ پائیداری کی رپورٹ میں پیش کیا جائے گا۔

کارپوریٹ گورننس کے معاملات:

پالیسی، بورڈ اور گورننس سے متعلق تمام معاملات کو کارپوریٹ گورننس سیکشن میں دیا گیا ہے اور انہیں ڈائریکٹرز کی رپورٹ کا حصہ سمجھا جاتا ہے۔

چیئرمین کا جائزہ:

کمپنی کے ڈائریکٹرز چیئرمین کے جائزے کے مندرجات کی توثیق کرتے ہیں، جسے ڈائریکٹرز کی رپورٹ کا حصہ سمجھا جاتا ہے۔

مستقبل کی حکمت عملی:

مالی سال 2026-27 کو آگے دیکھتے ہوئے، پاکستان کی معیشت کی محتاط بحالی برقرار رہنے کی توقع ہے، جی ڈی پی کی نمو %3.7 فیصد کے لگ بھگ متوقع ہے، جس کی حمایت IMF کی حمایت یافتہ اصلاحات اور مالیاتی اور بیرونی بفرز کو بہتر بنانے سے حاصل ہے۔ عالمی سطح پر، آئی ایم ایف نے 2026 میں %3.1 فیصد اور 2027 میں %3.2 فیصد کی ترقی کا منصوبہ بنایا ہے، یہ فرض کرتے ہوئے کہ مشرق وسطیٰ میں رکاوٹیں محدود دائرہ کار اور مدت میں رہیں گی۔ اس کے باوجود، توانائی کی منڈی کے اتار چڑھاؤ، تجارتی تحفظ پسندی اور جغرافیائی سیاسی تقسیم کے خطرات کو مسلسل حکمت عملی میں چستی کی ضرورت ہے۔ تاہم، مشرق وسطیٰ سے چلنے والی توانائی کی قیمتوں کی وجہ سے افراط زر میں اضافہ، اور پالیسی ریٹ %11.5 پر برقرار رہے گا جو نظم و ضبط کی مالی منصوبہ بندی کی ضمانت دیتا رہے گا۔ ٹیکسٹائل اسپننگ سیکٹر نازک موڑ پر ہے۔ صنعتی یقین دہانیوں کے باوجود جنگ پر %18 سیلنٹیکس برقرار رکھنے کے بعد کاٹن جنگ یونٹس بند ہو رہے ہیں، جس سے کپاس کی قیمتوں میں زبردست گراوٹ آئی ہے اور اسپنرز کی پریشانی میں اضافہ ہو رہا ہے جو پہلے ہی توانائی کے بھاری ٹیرف اور کم لاگت کے بوجھ تلے دبے ہوئے ہیں۔ مزید حوصلہ افزانہ پُر، (Finance Act) 2026-27 نے معیاری شرح کو %10 سے کم کر کے %8 کر دیا اور صنعتوں کو ریلیف کی پیشکش کرتے ہوئے برآمدات سے %80 سے زیادہ آمدنی حاصل کرنے والی کمپنیوں کے لیے سپرنٹیکس کو ختم کر دیا۔ مالی سال 2026-27 آگے دیکھتے ہوئے، اسٹریٹجک

ترجیحات میں صارفین اور معیار کے انتظام کے پورٹلز (Customer quality management Portals) کا آغاز، AI سے مدد یافتہ کام کی ترتیب، اور API سے چلنے والے خزانے کی خودکاری (Treasury Automation) شامل ہیں۔ یہ اقدامات ہمارے محفوظ اور قابل توسیع IT کے بنیادی ڈھانچے کو مزید تقویت دیں گے، طویل مدتی عملی عمدگی کو آگے بڑھاتے ہیں۔ کمپنی اپنی قابل تجدید توانائی کے اثرات کو تقریباً 5.3 میگا واٹ اضافی شمسی صلاحیت کے ذریعے مزید وسعت دے گی، پائیدار، لاگت سے موثر کارروائی کے لیے اپنی وابستگی کو تقویت دے گی، جبکہ ESG کے تحفظات کمپنی کے بنیادی کارپوریٹ مقاصد میں مضبوطی سے جڑے ہوئے ہیں۔ قریبی مدت کے حالات کے باوجود، کمپنی سیکٹر کی طویل مدتی ثابت قدمی اور عملی کارکردگی پر اعتماد ہے اور سمجھدار مالیاتی انتظام اور ESG کی زیر قیادت قدر کی تخلیق کو ترجیح دیتی رہے گی۔

اظہار تشکر:

بورڈ آف ڈائریکٹرز تمام ملازمین کو سال کے چیلنجوں سے نمٹنے میں ان کے عزم، لچک اور لگن کے لیے ان کی مخلصانہ تعریف کرتے ہیں۔ ہم اپنے قابل قدر صارفین، فراہم کنندہ، مالیاتی شراکت داروں، اور حصص یافتگان کی مسلسل حمایت کو بھی شکر گزار طور پر تسلیم کرتے ہیں، جن کا اعتماد کمپنی کی مسلسل ترقی اور کامیابی میں اہم کردار ادا کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے



عدیل شاہد ٹاٹا

ڈائریکٹر



شاہد انور ٹاٹا

چیف ایگزیکٹو

کراچی: تاریخ 6 اگست، 2026

آڈیٹرز:

موجودہ ایکسٹرنل آڈیٹرز میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس نے 30 جون 2026 کو ختم ہونے والے سال کا سالانہ آڈٹ مکمل کر لیا ہے، اور ایک مثبت آڈٹ رپورٹ جاری کر دی ہے۔ آڈیٹرز کمپنی کی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے اور اہل ہونے کی وجہ سے، انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ جیسا کہ آڈٹ کمیٹی کی تجویز ہے، بورڈ 30 جون 2027 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹر کے طور پر ان کی تقرری کی سفارش کرتا ہے۔

ڈیجیٹل ٹرانسفارمیشن:

مالی سال 2025-26 میں، کمپنی نے FlowHCM HRMS اور FlowFiz AI-aided کی مدد سے شناختی تصویر کے ذریعے حاضری کے نظام (Camera Attendance System) کو نافذ کرتے ہوئے اپنے عددی منشور (Digital Agenda) کو مضبوط کیا۔ کمپنی نے نئی ویب سائٹ کا بھی انعقاد کیا، جس میں بہتر فعالیت، زیادہ پرکشش اور صارف دوست ترتیب، اور مضبوط حفاظتی ضابطہ شامل ہیں۔ (Oracle Fusion) ترسیل کے نظام کے جزو (Supply chain module) کو ڈیجیٹلائز کرنے والے فراہم کنندہ کی قیمتوں کے مذاکرات، اور فراہم کنندہ کے انضمام کا عمل (Supplier onboarding)، تشخیص اور تعمیل کو مضبوط بنانا، بھی براہ راست کیا۔ مربوط Business Intelligence Dashboard اور barcode پر مبنی اختیارات نے اعداد و شمار کی مرئیت اور مال تجارت کی نشاندہی اور منصوبہ بندی کو نمایاں طور پر بہتر بنایا ہے۔ مزید برآں، Mircosoft 365 کی کامیاب تعیناتی نے کام کی جگہ کی پیداواری صلاحیت کو بڑھایا، محفوظ تعاون کو فعال کیا اور زیادہ موثر برقی نظام کار (Digital workflow) کے ذریعے بہتر قدر پیدا کی۔

انسانی سرمایہ:

ہماری انسانی سرمائے کی صلاحیتوں کو مضبوط کرنے اور من پسند آجر کے طور پر اپنی پوزیشن کو مضبوط بنانے میں مالی سال 2025-26 بمعنی پیش رفت کے ایک اور سال کی نمائندگی کرنا ہے۔ کمپنی کو ایمپلائرز آف دی ایئر - سلور ریلکینیشن اور ڈائمنڈ ایوارڈ برائے ہنرمندی کا ایوارڈ ملا، جو ایمپلائرز فیڈریشن آف پاکستان کی طرف سے لوگوں کے طریقوں اور صلاحیتوں کی تعمیر میں پائیدار عمدہ کارکردگی کے اعتراف میں دیا گیا۔ صلاحیت کی ترقی ایک کلیدی ترجیح رہی، سال کے دوران ملازمین کے 29,564 تربیتی اوقات فراہم کیے گئے، جس میں ایک رہنمائی کے باقاعدہ نظام (mentorship program) کے کامیاب آغاز نے معاونت کی۔ وفاداری اور عزم کے اعتراف میں، 98 ملازمین کو طویل خدمت ایوارڈز سے نوازا گیا۔ جنہوں نے 15 یا اس سے زائد برسوں پر محیط خدمات انجام دی ہیں۔ ملازمین کی شمولیت کو مزید بڑھانے، ٹیم کے جذبے کو مضبوط کرنے اور کام کی جگہ پر ایک متحرک ثقافت کو فروغ دینے کے لیے، کمپنی نے سال بھر مختلف جامع تقریبات، مرکزی خیال پر مبنی تقریبات، تفریحی سرگرمیوں اور اس میں شرکت کے مواقع کا اہتمام کیا۔

پائیداری اور سماجی اثرات:

مالی سال 2025-26 میں، کمپنی نے تعلیم، ملازمین کی فلاح و بہبود، ماحول دوست کی کارروائی اور سماجی شمولیت پر توجہ مرکوز کرتے ہوئے اپنے مجموعی پائیداری کے منشور کو تیز کیا۔ کمپنی نے 450 سے زیادہ دیہی طلباء کو مستفید کرنے والے تین مکمل سہولیات سے آراستہ اسکول کیمپس مالی معاونت جاری رکھا، جبکہ جگنو سبق

بالغ خواندگی پروگرام نے مل خواندگی کو 93% تک بڑھا دیا۔ کمپنی نے آٹھ مستحق ملازمین اور دو طالب علموں کے لیے اعلیٰ تعلیم کی مالی مدد بھی کی، دس طلبہ کو انٹرن شپ کی پیشکش کی، اور مستقبل کے لیے ہنر کی تعمیر کے لیے AI خواندگی کے سیشنز متعارف کرائے گئے۔ HSE کے 3,896 تربیتی گھنٹے کے ذریعے ملازمین کی فلاح و بہبود کو تقویت ملی۔ ماحول دوست کی کارروائی پر، کمپنی نے قابل تجدید ذرائع سے 16,060 میگا واٹ سے زیادہ بجلی پیدا کی، قابل تجدید توانائی کی توسیع کے مزید منصوبے بنائے، درخت لگانے کی مہم چلائی اور ڈیجیٹلائزیشن کے ذریعے کاغذ کے استعمال کو کم کیا۔ سماجی ذمہ داری کے اقدامات میں ہسپتالوں کے لیے عطیات، پسماندہ اور خصوصی بچوں کے لیے امداد، گرمی سے نجات، ٹپ دق (TB) کی جانچ، جنرل میڈیکل کمپ اور خون کے عطیہ کے کمپ شامل تھے۔ کمپنی نے یکساں معاوضے کے جائزوں اور جامع بھرتی کے ذریعے اپنے تنوع، مساوات اور شمولیت کی حکمت عملی کو مزید مضبوط کیا، 2% جسمانی معذور افراد کی قوت کی نمائندگی کو برقرار رکھا۔ 86 کارکنوں کے لیے تکنیکی سرٹیفیکیشن، 180 ملازمین کے لیے شہری ذمہ داری کی تربیت اور 73 (learnfest) کے دنوں کے ذریعے تنظیمی صلاحیت کو بڑھایا گیا۔ صنفی تنخواہ کے فرق کے تجزیہ نے 0.9% کا اوسط تفاوت ظاہر کیا، جو پوری تنظیم میں خواتین کے لیے مساوی معاوضے کی عکاسی کرتا ہے، جب کہ 10.6% کا درمیانی فرق مختلف درجات اور قیادت کی سطحوں پر ملازمین کی موجودہ نمائندگی کی عکاسی کرتا ہے۔ کمپنی میرٹ کی بنیاد پر کیریئر کی ترقی اور اقدامات کو فروغ دینا جاری رکھے ہوئے ہے جس کا مقصد پوری تنظیم میں صنفی نمائندگی کو بہتر بنانا ہے۔

پائیداری سے متعلق خطرات اور مواقع:

کمپنی کے پائیداری سے متعلق خطرے اور اس کے نظم و نسق ورکلیدی میٹرس پر تفصیلی تجزیہ اس رپورٹ میں پیش کیا گیا ہے۔

کریڈٹ ریٹنگ:

مئی 2026 میں، کمپنی نے PACRA سے طویل مدتی کے لیے 'A' اور مختصر مدت کے لیے 'A1' کی اپنی مستحکم اور سازگار کریڈٹ ریٹنگ برقرار رکھی۔ ریٹنگ ایجنسی کا اندازہ کمپنی کی مضبوط ساکھ اور بروقت ادائیگی کے لیے اس کی مضبوط صلاحیت کو ظاہر کرتا ہے۔

ادائیگیاں:

سال 2025-26 کے دوران، کمپنی نے مالی سال 2024-25 میں 4.24Bn PKR کے مقابلے میں سرکاری ٹیکسوں کے ذریعے قومی خزانے میں 3.84Bn PKR کا حصہ ڈالا۔

اندرونی مالیاتی ضابطگی کی شفافیت:

بورڈ آف ڈائریکٹرز نے کمپنی کے نظام اور عمل کے اندر اخلاقی طرز عمل اور اخلاقی ذمہ داری کی ثقافت کو فروغ دیتے ہوئے اندرونی مالیاتی ضابطگی کا ایک واضح نمونہ استعمال کیا ہے۔ مالیاتی ضابطگوں کا وقتاً فوقتاً جائزہ لیا جاتا ہے تاکہ یہ یقینی بنایا جاسکے کہ یہ موثر رہیں اور کسی بھی قوانین اور ضوابط میں ترمیم کے ساتھ ان کو اپ ڈیٹ کیا جاتا ہے۔

پیشین گونیاں مسابقت کو بحال کرنے کے لیے سیٹھ کی مستقل پالیسی معاونت، مسابقتی توانائی کی قیمتوں کے تعین اور ساختی اصلاحات کی فوری ضرورت پر زور دیتی ہیں۔

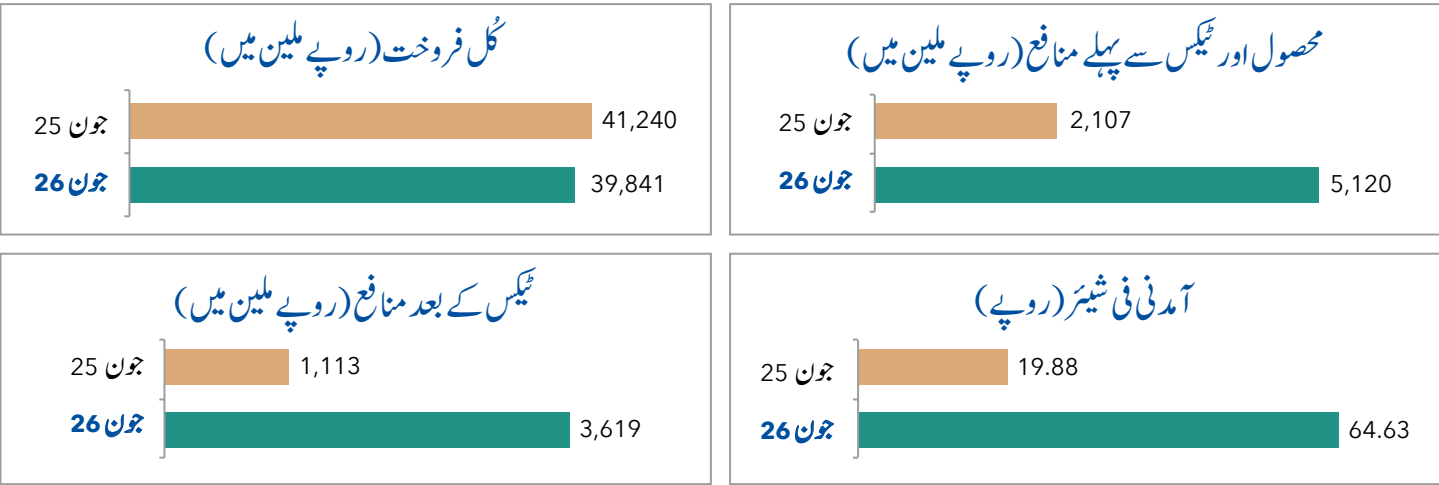
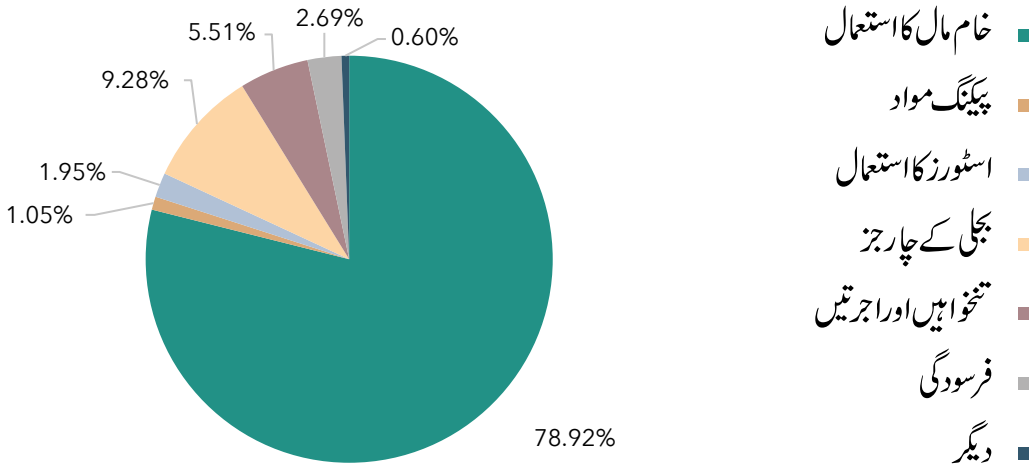
سال کے دوران، آئینی عدالت نے سپرنٹس کے معاملے کا فیصلہ ایف بی آر کے حق میں کیا۔ اس کے بعد، ایف بی آر نے ٹیکس دہندگان کے خلاف بشمول پچھلے سالوں فوری وصولی کی کارروائیاں شروع کیں، عددی رسیدوں کے انضمام (Digital Invoice Integration) کو لازمی قرار دیا، جس نے منظور شدہ تکمیل کاروں (Integrators) کے ذریعے ساتھ ساتھ درجہ بندی کی ضرورت کو اجاگر کیا، ملز میں طریقہ کار کی تشکیل نو (Process redesign)، نظام کے فعل میں بہتری اور عملہ کی تربیت کو بھی لازمی کرنا پڑا۔

ایک قابل ذکر صنعتی تکمیل طویل عرصے سے متنازعہ بنیادی ترقیاتی ڈھانچہ سیس (Sindh Infrastructure Development Cess) کے تصفیہ کی حکمت عملی، جس کے لیے اقساط میں بقایا واجبات کی ادائیگی اور مستقبل میں لیوی کی شرح میں %1 فیصد کمی کی ضرورت ہوتی ہے۔ اگرچہ اس سے لین دین کے اخراجات اور بندرگاہ کی نکاسی (Port Clearance) کی رکاوٹوں کو کم کرنا چاہئے، مگر ماضی کی ذمہ داریوں کا تصفیہ نقدی بہاؤ کو روک سکتا ہے، اور مکمل فوائد، یکساں نفاذ پر منحصر ہیں۔

مزید برآں، الیکٹرانک پروڈکشن مانیٹرنگ اور ویڈیو اینالٹکس کے لیے ایف بی آر کا ابھرتا ہوا مینڈیٹ اسپننگ یونٹس کے لیے جو پہلے سے مارجن کے دباؤ کا سامنا کر رہے ہیں، مزید سرمائے اور بار بار آنے والے اخراجات متعارف کرائے ہیں۔

مالی کارکردگی:

تفصیلات	سال 30 جون 2026 کو ختم ہوا۔	سال 30 جون 2025 کو ختم ہوا۔	تغیر	تغیر %
(روپے ملین میں)				
فروخت	39,841	41,240	(1,399)	-3.4%
فروخت کی لاگت	(36,121)	(38,949)	2,828	7.3%
مجموعی منافع	3,720	2,291	1,429	62.4%
تقسیم، ایڈمن اور دیگر اخراجات	(1,247)	(1,360)	113	8.2%
مالیاتی لاگت	(2,571)	(3,610)	1,039	28.8%
دوسری آمدنی	5,218	4,786	432	9.0%
ٹیکس سے پہلے منافع	5,120	2,107	3,013	143.0%
ٹیکس کے بعد منافع	3,619	1,113	2,506	225.2%
آمدنی روپے فی شیئر	64.63	19.88	44.75	225.1%



مالی سال 2025-26 کے دوران، کمپنی نے مجموعی آمدنی (ٹاپ لائن) میں معمولی کمی کے باوجود منافع (باٹم لائن) کے اعتبار سے بہتر کارکردگی کا مظاہرہ کیا۔ فروخت میں 3.4 فیصد کمی واقع ہوئی اور یہ 39,841 ملین روپے (مالی سال 2024-25: 41,240 ملین روپے) رہی؛ اس کی بنیادی وجہ اسپننگ کے شعبے میں حجم اور قیمتوں کے حوالے سے مسلسل دباؤ کے ساتھ ساتھ جاری 'بی ایم آر' (BMR) پروگرام کے تحت ایک یونٹ کی عارضی بندش تھی۔ فروخت کی سطح کم ہونے کے باوجود، خام مال کے مارجن میں نسبتاً سازگار صورتحال کی بدولت مجموعی مارجن (Gross Margin) گزشتہ سال کے 5.6 فیصد سے بڑھ کر %9.3 فیصد ہو گیا۔ مالیاتی اخراجات میں نمایاں طور پر 28.8 فیصد کمی آئی اور یہ 2,571 ملین روپے (مالی سال 2024-25: 3,610 ملین روپے) رہ گئے، جس کی وجہ نسبتاً کم شرح سود اور کام کے لیے سرمایہ (Working Capital) کے بہترین انتظام پر مسلسل توجہ مرکوز رکھنا ہے۔ دیگر آمدنی بڑھ کر 5,218 ملین روپے (مالی سال 2024-25: 4,786 ملین روپے) ہو گئی، جس نے مجموعی منافع بخشی میں اہم معاونت فراہم کی۔ نتیجتاً، ٹیکس سے قبل منافع %143 فیصد اضافے کے ساتھ 5,120 ملین روپے ہو گیا، جبکہ ٹیکس کے بعد منافع %225 فیصد اضافے کے ساتھ 3,619 ملین روپے تک پہنچ گیا۔ اسی مناسبت سے فی حصص آمدنی بھی بہتر ہو کر 64.63 روپے ہو گئی، جبکہ گزشتہ سال یہ 19.88 روپے تھی۔

نقد منافع (Cash Dividend):

بورڈ آف ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے لیے حتمی نقد منافع 5 روپے فی حصص یعنی %50 فیصد (2025 روپے صفر فی حصص فائنل نقد منافع) کی سفارش کرتے ہوئے خوش ہے۔

ڈائریکٹرز کی رپورٹ

30 جون 2026 کو ختم ہونے والے سال کے لیے

بورڈ آف ڈائریکٹرز کو 30 جون 2026 کو ختم ہونے والے سال کے لیے ڈائریکٹرز کی رپورٹ اور کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کو پیش کرنے پر خوشی ہے۔

بہت شکرگزاری کے ساتھ ہم یہ بتانا چاہیں گے کہ 2024 کے لیے ہماری سالانہ کارپوریٹ رپورٹ نے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) اور انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان (ICMAP) کے مشترکہ طور پر منعقدہ بی سی آریاوارڈز میں مسلسل دوسرے سال ٹیکسٹائل کمیونٹی میں بہترین کارپوریٹ رپورٹنگ (BCR) کے لیے "پہلی پوزیشن" حاصل کی۔

اقتصادی ماحول:

مالی سال 2025-26 نے پاکستان کے لیے نئی اقتصادی رفتار متعین کی، جس میں جی ڈی پی کی شرح نمو %3.7 فیصد تک پہنچ گئی، جو چار سالوں میں سب سے مضبوط رفتار ہے۔ اگرچہ مشرق وسطیٰ میں بڑھتی ہوئی کشیدگی کی وجہ سے یہ ابتدائی توقعات سے معمولی کم ہے۔ اس بحالی کو کلیاتی معاشی نظام، زرمبادلہ کی شرح میں استحکام اور سرمایہ کاروں کے بہتر اعتماد سے مدد ملی۔ جون 2026 میں سالانہ بنیادوں پر افراط زر (CPI) میں %11.1 فیصد اضافہ ہوا۔ مالیاتی استحکام مضبوط رہا، خسارہ GDP کے %0.7 تک محدود اور سرپلس میں بنیادی توازن رہا۔ بیرونی اکاؤنٹ نے کرنٹ اکاؤنٹ میں US\$72 ملین کا سرپلس پوسٹ کیا، اور غیر ملکی زرمبادلہ کے مستحکم ذخائر، جبکہ بہتر سرمایہ کاروں کے اعتماد نے KSE-100 انڈیکس میں %44 کی تاریخی ریلی حاصل کی۔ صنعتی شعبے میں %3.51 فیصد اضافہ ہوا، مینوفیکچرنگ میں %6.6 فیصد اضافہ ہوا، جس میں بڑے پیمانے پر مینوفیکچرنگ میں %6.1 فیصد اضافہ ہوا۔ تاہم، علاقائی کشیدگی اور جغرافیائی سیاسی اتار چڑھاؤ سمیت گھریلو اور بیرونی سرگرمیاں، توانائی کی قیمتوں اور افراط زر پر دباؤ ڈالتی رہیں۔ اس کے جواب میں، اسٹیٹ بینک آف پاکستان نے میکرو اکنامک استحکام کو برقرار رکھنے کے لیے اپریل 2026 میں پالیسی ریٹ کو %11.0 سے بڑھا کر %11.5 کر دیا۔

ٹیکسٹائل سیکٹر:

پاکستان کا ٹیکسٹائل سیکٹر مالی سال 2025-26 میں ملک کا کلیدی برآمدی محرک رہا، جس کی برآمدات گزشتہ سال 17.91 بلین امریکی ڈالر کے مقابلے میں تقریباً 17.97 بلین امریکی ڈالرتھیں، جو کہ %0.34 فیصد کی معمولی نمو کو ظاہر کرتی ہے۔ قدر کی زنجیر میں کارکردگی منتشر رہی کیونکہ قدر افزودہ طبقے مسلسل بین الاقوامی مانگ کے ذریعے ترقی کرتے رہے، جب کہ سوتی دھاگے اور کپڑا بلند توانائی کے ٹیرف، بھاری مالیاتی اخراجات، درآمدی درکار مواد انحصار اور پالیسی کی غیر یقینی صورتحال کے دباؤ میں رہے۔

کپاس کی مقامی دستیابی ایک تشویش ناک امر رہی، پیداوار 5.67 ملین گانٹھوں تک گر گئی، جو کہ 11.1 ملین گانٹھوں کے حکومتی ہدف کے مقابلے میں 40 سال کی کم ترین سطح ہے۔ مالی سال 2026-27 کا ہدف 9.64 ملین گانٹھوں تک کم کر دیا گیا ہے، جبکہ USDA کا تخمینہ 5.05 ملین گانٹھوں کے قریب ہے۔ یہ

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