

AZGARD9

TOMORROW'S DENIM TODAY

AZGARD NINE LIMITED
ANNUAL REPORT
2026



There's pride before fashion.

Commitment before fashion.

Courage imagination and passion before fashion.

There's innovation. There's trust.

**There's an entire world out there that
needs us to care... before fashion.**

We come before fashion.

And because we do, the future comes too.

AZGARD9. Future Before Fashion.

CEO MESSAGE



AHMED HUMAYUN SHAIKH

Chief Executive Officer – Azgard Nine Limited

This year, Azgard9 advanced its sustainability agenda by integrating cleaner technologies, optimizing resource use, and accelerating digitalization across operations. We strengthened focus on circularity, efficiency, and responsible innovation, ensuring competitiveness despite global and domestic challenges.

At the same time, we deepened our commitment to people by driving diversity, empowering women, and building a culture where performance and ideas thrive. This report shows these efforts reinforce our position as a future-ready leader in sustainable textiles, setting higher benchmarks for environmental stewardship, social responsibility, and product excellence.

A handwritten signature in black ink, appearing to read 'Ahmed Shaikh', written in a fluid, cursive style.

“Leading with purpose, forging a sustainable path”

AHMED HUMAYUN SHAIKH

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VISION

To go down in history as one of the leading names in the success story of denim.

MISSION

Because the world cannot wait for a more sustainable denim, we are here to accelerate the change: Faster, cleaner and smarter.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Zahid Mahmood
Chairman
Mr. Ahmed H. Shaikh
Chief Executive
Mr. Abid Hussain
Mr. Ihsan Ahmad
Ms. Maliha Sarda Azam
Mr. Nasir Ali Khan Bhatti
Syed Hasan Akbar Kazmi
Mr. Usman Rasheed

COMPANY SECRETARY

Mr. Rehan Umer Soomar

CHIEF FINANCIAL OFFICER

Mr. Muhammad Zahid Rafiq, FCA

AUDIT COMMITTEE

Mr. Ihsan Ahmad
Chairman
Mr. Nasir Ali Khan Bhatti
Mr. Usman Rasheed

HR & REMUNERATION COMMITTEE

Mr. Ihsan Ahmad
Chairman
Mr. Ahmed H. Shaikh
Ms. Maliha Sarda Azam

AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

SHARES REGISTRAR

M/s. Hameed Majeed Associates (Pvt.) Ltd.
H. M. House, 7-Bank Square, Lahore.
Ph: +92(0)42 37235081-82
Fax: +92(0)42 37358817

REGISTERED OFFICE

Ismail Aiwan-i-Science
Off: Shahrah-i-Roomi, Lahore-54600.
Ph: +92(0)42 35761794-5



BANKERS

Relationship with conventional side

JS Bank Limited
MCB Bank Limited
Habib Bank Limited
United Bank Limited
National Bank of Pakistan
Bank Makramah Limited
Bank Al Habib Limited
Sindh Bank Limited

Relationship with Islamic window operations

Al Baraka Bank Pakistan Limited
Faysal Bank Limited
BankIslami Pakistan Limited

E-MAIL

info@azgard9.com

PROJECT LOCATIONS

Textile & Apparel

Unit I

2.5 KM Off: Manga Raiwind Road,
District Kasur, Pakistan.
Ph: +92(0)42 35384081

Unit II

Atta Buksh Road, 18-KM, Off: Ferozepur
Road, Mouza Atari Saroba, Tehseel Cantt,
Lahore, Pakistan.
Ph: +92(0)333 0427020-1

WEB PRESENCE

www.azgard9.com



CHAIRMAN'S REVIEW

It is my privilege to present for your review the Annual Audited Financial Statements of the Company for the year ended June 30, 2026, together with an overview of the Board's overall performance. I also take this opportunity to invite you to attend the 33rd Annual General Meeting of the Company.

Review of the Company's performance

During the year under review, the Company navigated a dynamic and testing macroeconomic landscape. While global inflationary pressures showed signs of stabilization, high energy tariffs and volatile raw material prices continued to impact cost structures. Regional supply chain shifts and ongoing maritime freight adjustments, stemming from persistent geopolitical tensions, introduced additional layers of complexity to international trade.

The operating environment remained shaped by rigorous regulatory and trade developments. Following the implementation of reciprocal U.S. tariffs on Pakistan's textile exports in the prior year, the Company maintained a proactive stance, closely monitoring legal developments and optimizing its market positioning. Furthermore, the structural shift from the Final Tax Regime to the Normal Tax Regime, coupled with elevated advance tax requirements on exports and delayed realization of sales tax refunds, continued to exert pressure on working capital liquidity and finance costs.

Despite these hurdles, the Company delivered resilient earnings through rigorous cost control, structural operational efficiencies, and an intensified focus on high-value-added products. A notable milestone during the year was the successful execution and financial capitalization of our corporate biomass plant facility, with the steam turbine undergoing final integrated testing to optimize energy self-reliance and reduce long-term operational costs. The Board has maintained an active focus on clearing outstanding liabilities, reflecting our steadfast dedication to financial discipline, balance sheet strength, and sustainable long-term growth.

Review of the Board's performance

The Board has carried out its responsibilities with diligence and in the best interest of the Company throughout the year. It remains fully committed to advancing the Company's strategic objectives, guided by its core values and mission. The Board acknowledges its accountability for the corporate and financial reporting framework and is dedicated to maintaining the highest standards of governance. Its members bring the knowledge, expertise, and experience necessary to effectively oversee the business and ensure sustainable success.

The annual evaluation of the Board, its members, and Committees for the year ended June 30, 2026, was conducted by M/s. PKF F.R.A.N.T.S., Chartered Accountants. Appropriate disclosure of this appointment is made in the Directors' Report. Overall performance has been assessed as good, while recognizing that improvement is a continuous process.

The overall assessment of the Board is based on an evaluation of integral components, including structure and composition, compliance with statutory limitations, strategy and planning, operational effectiveness, monitoring and evaluation of performance, risk management and contingency planning, transparency and disclosures, and stakeholder engagement. The performance of individual Directors is assessed based on their qualifications, competence, integrity, commitment, and teamwork. Board Committees' performance evaluations reflect their task efficiency, operational effectiveness, and the facilitation and support they provide to the Board.

On behalf of the Board, I wish to thank our customers for their continued confidence in the Company. We deeply value the commitment and professionalism of our employees at all levels, whose daily contributions drive our performance. We also acknowledge the cooperation of our financial institutions, whose steadfast support remains integral to sustaining our growth and stability.

October 01, 2026



CHAIRMAN

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Azgard Nine Limited ("the Company") hereby present the Company's Annual Report accompanied by the Audited Financial Statements for the year ended June 30, 2026.

Financial statements have been endorsed by the Chief Executive Officer and the Chief Financial Officer having been recommended for approval by the Audit Committee of the Board and approved by the Board of Directors for presentation.

Principal Activities

Your Company's main business is the production and marketing of denim-focused textile and apparel products, ranging from yarn to retail-ready goods.

Macroeconomic Overview & Industry Performance

During the financial year ended June 30, 2026, Pakistan's textile exports witnessed a sluggish growth of 0.69% compared to the preceding year, marking one of the worst performances in recent history as the industry succumbed to severe macroeconomic and operational pressures.

The operating environment was plagued by elevated input costs that eroded international competitiveness. External shocks—including trade disruptions with or through Afghanistan, localized geopolitical tensions in the Middle East, and persistent shipping delays—significantly hampered export flows. Furthermore, the "supply shock" from the Iran–Israel conflict triggered massive spikes in global freight rates, soaring petrochemical prices, and increasing raw cotton costs. These macroeconomic burdens, coupled with increasingly stringent compliance requirements and intensifying competition from new market entrants, have compressed margins and eroded traditional cost advantages. Sustaining the export target now depends on stabilizing external supply chains and securing consistent energy pricing to protect global market share and restore profitability.

Domestically, the manufacturing sector continued to battle extreme headwinds:

- **Energy Tariffs:** Power and gas tariffs remained substantially higher than regional benchmarks (such as Bangladesh and Vietnam), choking margins for intermediate and value-added processing.
- **Labor Costs:** Following the government's upward revision of the minimum wage from Rs. 37,000 to Rs. 40,000 per month, labor overheads positioned Pakistan among the highest-cost producers in the region.
- **Taxation & Liquidity Squeeze:** The transition from the Final Tax Regime (FTR) to the Normal Tax Regime (NTR) in July 2024 fundamentally restructured the financial landscape. Although effective July 1, 2026, the additional 1% advance tax has been abolished and the standard tax deduction rate on export proceeds has been adjusted to 1.25%, the cumulative tax burden—compounded by the super tax—keeps the effective tax rate above 40%, placing the sector among the highest-taxed in the region. Combined with the withdrawal of zero-rating on local inputs and persistent backlogs in sales tax refunds, this created an intense liquidity squeeze, locking up crucial working capital and inflating financing costs.
- **Policy Environment & Government Incentives:** The industry continues to voice concerns over the absence of a long-term Textile Policy, leading to ad-hoc decision-making that discourages long-term investment in automation and AI-driven production. While the government recently announced an incentive scheme to boost exports—which the industry welcomes—our evaluation indicates that the allocated quantum of incentives is significantly lower compared to previous schemes.
- **Regulatory & Trade Shifts:** At the start of the year, amendments to the Export Facilitation Scheme (EFS) introduced more stringent requirements, reducing the utilization period for input goods from five years to nine months (which was subsequently adjusted to 18 months effective July 1, 2026). Even with the extension, this compressed timeframe continues to pose practical challenges, threatening to constrain supply chains, escalate costs, and disrupt export operations. On the international trade front, the finalization of the India–EU

Free Trade Agreement on January 27, 2026, fundamentally altered the competitive landscape by narrowing the tariff advantages Pakistan previously held under GSP+ status and leveling the playing field for regional rivals. Furthermore, recent trade concessions extended by the United States to Bangladesh and India have placed additional pressure on Pakistan's market share, requiring a swift pivot in our export strategy to remain a preferred supplier. Uncertainty surrounding reciprocal U.S. tariffs further compounded compliance and cost burdens.

Company Financial Performance

Following are the operating financial results of Azgard Nine Limited for the year ended June 30, 2026:

	Year ended June 30, 2026 Rupees	Year ended June 30, 2025 Rupees
Sales – net	42,499,824,076	40,602,107,754
Operating profit	2,592,976,940	2,901,350,851
Finance cost	(785,318,368)	(1,131,276,152)
Profit before taxes	1,490,691,349	1,452,756,130
Net Profit after taxes	869,871,478	701,802,854
Earnings per share	1.77	1.43

Despite the sweeping systemic and liquidity challenges, the Company demonstrated resilience, leveraging disciplined cost control, enhanced operational efficiencies, process improvements, and a strategic focus on value-added products to insulate its bottom line.

- Sales: The Company's net sales increased by 4.6% over the preceding year, reflecting steady customer retention and selective demand capture in core markets despite broad industry stagnation.
- Profitability: Net profit after tax improved significantly delivering a strong 24% bottom-line growth.

Corporate and Strategic Updates

Preference Shares Settlement:

In accordance with the approved settlement plan sanctioned by preference shareholders on January 18, 2024, all outstanding dividends have been cleared, and the principal amount along with accrued mark-up continues to be settled on time.

Financial Restructuring of Debts:

The creditors' Scheme of Arrangement, sanctioned by the Honorable Lahore High Court (LHC) on July 31, 2019, was successfully implemented on April 29, 2021. As previously reported, a substantial portion of the sale proceeds has been realized from the divestment of the Muzaffargarh unit. To date, the Agent Banks have distributed an amount of Rs. 765.63 million from the escrow account—along with net accrued profit, after deducting scheme-related expenses—directly to the creditors. Furthermore, the Agent Banks have communicated that the Honorable Lahore High Court has issued an order authorizing them to pursue all legal remedies available against the bidder regarding the remaining process, which includes terminating the bid and inviting fresh bids. Following the debt restructuring, the Company remains steadfast in its commitment to disciplined debt servicing.

Despite encountering a challenging operating environment and macroeconomic pressures during the year under review, the Company has consistently met all principal and mark-up obligations in strict accordance with the agreed repayment schedules.

Strategic Initiatives and Sustainable Manufacturing: Powering Our Future

To counter ongoing margin compression and navigate a rapidly changing global landscape, the Company is accelerating key structural enhancements. These include enhanced production planning, optimized capacity utilization, and the integration of advanced process automation. Concurrently, we are prioritizing aggressive cost optimization through end-to-end supply chain rationalization, rigorous waste reduction and reuse protocols, and better inventory controls to ensure liquidity remains stable despite external pressures.

A cornerstone of this strategic evolution is our leap toward cleaner, more responsible energy. We believe that industrial progress and environmental stewardship must go hand in hand. Agricultural waste—once viewed as the end of a cycle—is now becoming the renewable energy source that powers a new one.

Through our newly established Biomass Facility, we are taking a significant stride away from conventional fossil fuels.

Project Status & Commissioning Update: As of the close of the financial year, the civil, structural, and mechanical components of the Biomass Plant have been successfully completed and capitalized, while the steam turbine is undergoing its final testing and commissioning phases.

Through this project, there would be reduction in our reliance on conventional energy sources from the grid

Future Business Outlook

Sustaining export momentum will depend heavily on the rationalization of the national tax burden, automated and timely processing of sales tax refunds, and securing regionally competitive, consistent energy pricing. While external macroeconomic volatility is expected to persist, the Company remains firmly focused on aggressive cost management, operational excellence, and value addition to safeguard stakeholder value and reinforce its competitive market share.

Sustainable / CSR practices

The Company is focused on maintaining Corporate Social Responsibility (CSR) by incorporating sustainable and ethical practices in its core operations. The Management works towards empowering people by helping them develop the skills they need to succeed in a global economy. The Company works with local communities and tries to increase their capacity and knowledge regarding health, education, and general well-being.

The key to this approach are the employees of the Company who generously give their time, experience and talent to serve these communities; the Company encourages and facilitates them to do so.

The Company has many internationally recognized certifications focused on high standards for labor welfare and keeping the environment clean for a sustainable planet.

Sustainability Disclosure aligned with IFRS S1, S2 and SASB standards is given separately in the Annual Report including measures taken to promote Diversity, Equity and Inclusion.

Earnings per share

The earnings per share for the Company for the year ended June 30, 2026 is Rs 1.77 per share.

Dividends

Following a successful corporate restructuring, the Company has commenced debt servicing in compliance with the Creditors' Scheme of Arrangement sanctioned by the Lahore High Court. This mandates disciplined cash flow management to ensure all repayment obligations are met punctually.

Crucially, the Scheme entails a balloon payment of Rs. 4.97 billion due in April 2031, for which the Company has proactively initiated the establishment of a redemption reserve. Concurrently, broader macroeconomic headwinds—including escalating energy tariffs, heightened tax burdens, and elevated operational overheads—continue to exert pressure on profitability. Furthermore, organic growth in sales volumes has accelerated working capital requirements, necessitating prudent utilization of internal cash flows to sustain operations and safeguard liquidity.

In view of these long-term financial commitments, the upcoming bullet repayment in 2031, and prevailing liquidity parameters, surplus funds are presently unavailable for the distribution of dividends. Nevertheless, the Board remains firmly committed to enhancing shareholder value and will actively review dividend distributions as business performance and financial conditions improve.

New Zero Coupon PPTFCs Redemption Reserve

As disclosed in Note 8.4 to the annexed financial statements, the Company is allocating Rs. 710.17 million annually from unappropriated profits to this reserve in order to cover the outstanding liability of Rs. 4,971 million due in 2031.

Principal Risks, Uncertainties, and Mitigations

The Company's performance has shown gradual improvement; however, its operations remain subject to various external and structural risks. To safeguard stakeholder value, the management proactively identifies these challenges and implements targeted mitigation strategies:

1. Competitive Pressures and Margin Compression

- **Risk:** Intensifying competition in both domestic and regional markets poses a persistent threat to future revenue and profitability against a backdrop of ongoing margin compression.
- **Mitigation:** The Company is actively deploying structural enhancements, including advanced process automation, enhanced production planning, and optimized capacity utilization, to drive cost efficiencies and protect margins.

2. Technological Advancements and Operational Modernization

- **Risk:** Rapid technological evolution requires continuous innovation. The failure to adopt and integrate modern systems in a timely manner could erode competitiveness in local and international markets.
- **Mitigation:** Management addresses this through strategic capital investments, targeted facility modernizations, and continuous energy-efficiency upgrades across manufacturing operations.

3. Global Trade Dynamics, Tariff Exposure, and Supply Chain Volatility

- **Risk:** Volatility in global demand, protectionist trade measures (including US tariff frameworks), and regional shifts—such as European trade concessions extended to competing nations and stringent compliance benchmarks required for the renewal of Pakistan's GSP Plus status which expires on December 31, 2026 but will operate under a transition period extending until December 31, 2028, —pose potential risks to export volumes and market share.
- **Mitigation:** To cushion against external trade shocks, the Company maintains strict cost optimization protocols, end-to-end supply chain rationalization, tighter inventory controls, and agile production planning.

4. Policy, Regulatory Environment, and Sustainability Compliance

- **Risk:** The implementation timeline of the Textiles & Apparel Policy (2025–30) directly impacts sector-wide export competitiveness. Additionally, evolving corporate reporting standards, including the adoption of IFRS S1 and S2 frameworks, heighten regulatory and stakeholder expectations regarding climate transparency and environmental accountability.
- **Mitigation:** The Company actively monitors policy developments while advancing sustainable infrastructure—such as the operationalization of our new Biomass Facility—which directly addresses transitional climate risks by reducing conventional fuel dependency and lowering carbon exposure.

Disclosure on financial risk management is provided under Note 53 to the financial statements.

Post balance sheet events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's Report.

Related party transactions

The Company has presented all related party transactions before the Audit Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and the Board in their respective meetings. Related party transactions have been provided in Note 50 to the annexed financial statements for the year ended June 30, 2026.

Corporate briefing session

The Company has carried out a corporate briefing session on November 25, 2025. Presentation is available on the website of the Company www.azgard9.com.

Corporate governance, financial reporting and internal control systems

We are pleased to report that:

- The financial statements, prepared by the management of the Company present the state of affairs of the company fairly, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure from them has been adequately disclosed and explained.
- The system of internal controls is sound in design and has been effectively implemented and monitored. Emphasis is being done on control procedures to ensure that policies of the Company are adhered with and in case of any anomaly, timely rectification is done.
- The Board is satisfied that the Company is a going concern.
- Key operating and financial data for the last six years is annexed.
- There are no statutory payments on account of taxes, duties, levies, and charges which are outstanding as on June 30, 2026 except for those disclosed in the financial statements.
- Directors, Executives and their spouses and minor children did not carry any transaction in shares of the Company during the year.
- All Directors have acquired certification under a Directors' Training Program (DTP) or have obtained exemption from the Securities and Exchange Commission of Pakistan.

Under the creditors' scheme of arrangement approved by the Honorable Lahore High Court (“LHC”) vide order dated July 31, 2019, the Company has issued Sukuk certificates to Faysal Bank Limited (“FBL”) amounting to Rs. 193.52 million. Shariah Advisor has exempted the Sukuk issue from the requirement of external Shariah Audit under Regulation 12(1) of the Sukuk (Privately Placed) Regulations, 2017.

The statement of compliance with the best practices of Listed Companies (Code of Corporate Governance) Regulations, 2019 is provided in this annual report.

Board of Directors

The Board of directors of the Company is predominantly independent/non-executive which ensures transparency and good corporate governance. The non-executive directors bring to the Company their vast experience of business, governance and law, contributing valuable input and ensuring the Company's operations at a high standard of the principles of legal and corporate compliance.

Following is information/composition of directors and names of members of the Board's Committees.

The total numbers of Directors are eight (including Chief Executive Officer) as per the following:

- a) Male 7 b) Female 1

The composition of Board is as follows:

i.	Independent Directors	Mr. Abid Hussain
		Mr. Ihsan Ahmad
ii.	Non-executive Directors	Mr. Zahid Mahmood
		Ms. Maliha Sarda Azam
		Mr. Nasir Ali Khan Bhatti
		Syed Hasan Akbar Kazmi
		Mr. Usman Rasheed
iii.	Executive Director	Mr. Ahmed H. Shaikh
iv.	Female Director	Ms. Maliha Sarda Azam

The names of members of the Board's Committees are as follows:

i.	Audit Committee	Mr. Ihsan Ahmad – Chairman
		Ms. Nasir Ali Khan Bhatti - Member
		Mr. Usman Rasheed – Member
ii.	Human Resource and Remuneration Committee	Mr. Ihsan Ahmad – Chairman
		Ms. Maliha Sarda Azam – Member
		Mr. Ahmed H. Shaikh – Member

Following are names of directors who served on the Board during the year and number of Board and Committees' meetings held during the year ended June 30, 2026 along with status of attendance by each director:

Board of Directors' Meetings

Five (5) meetings were held during the period from July 1, 2025 to June 30, 2026:

Name of Directors	Eligibility	Attended
Mr. Zahid Mahmood	5	5
Mr. Abid Hussain	5	5
Mr. Ihsan Ahmad	5	5
Ms. Maliha Sarda Azam	5	5
Mr. Nasir Ali Khan Bhatti	5	5
Syed Hasan Akbar Kazmi	5	5
Mr. Usman Rasheed	5	5
Mr. Ahmed H. Shaikh	5	5

Human Resource and Remuneration Committee (HRRC) Meetings

Two (2) meetings were held during the period from July 1, 2025 to June 30, 2026:

Name of Directors	Eligibility	Attended
Mr. Ihsan Ahmad	2	2
Ms. Maliha Sarda Azam	2	2
Mr. Ahmed H. Shaikh	2	2

Audit Committee Meetings

Four (4) meetings were held during the period from July 1, 2025 to June 30, 2026:

Name of Directors	Eligibility	Attended
Mr. Ihsan Ahmad	4	4
Mr. Nasir Ali Khan Bhatti	4	4
Mr. Usman Rasheed	4	4

Board's Evaluation

A formal and effective mechanism is in place for annual evaluation of the performance of the Board, Members of the Board and Committees of the Board. M/s. PKF F.R.A.N.T.S., Chartered Accountants (PKF) were appointed for performing independent evaluation for the year ended June 30, 2026. PKF has a satisfactory rating under the Quality Control Review (QCR) program of the Institute of Chartered Accountants of Pakistan and is also registered with Audit Oversight Board of Pakistan. PKF was required to evaluate the performance of the Board as a whole, Members of the Board (individual Directors) and Committees of the Board (Audit Committee & Human Resource and Remuneration Committee) on the basis of Mechanism for Evaluation of Board's Own Performance devised by the Company and in accordance with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 and to submit report of findings along with recommendations for overall improvement in the governance structure of the Company.

Review report by the Chairman on the overall performance of the Board is attached.

Directors' Remuneration

The Company has a formal remuneration policy for its Directors (Executive and Independent/Non-Executive) and members of senior management duly approved by the Board of Directors. The Policy has been designed as a component of HR strategy and both are required to support business strategy. The Board believes that the Policy is appropriate and effective in its ability to attract and retain the best executives and Directors to run and manage the Company as well as to create congruence between Directors, executives, and shareholders. The policy aims to make Directors and senior management accountable for their governance and performance vis-à-vis determination and payment of compensation.

Following is detail of remuneration of Chief Executive:

Chief Executive	
-----Rupees-----	
Managerial remuneration	27,999,996
Medical	2,799,997
Utilities and house rent	11,200,006
Bonus	4,182,955
Post-employment benefits	2,692,307
	48,875,261

The Company is paying fees to Non-Executive Independent Directors for attending the Board and Committee meetings. The relevant information of remuneration/meeting fees paid to Directors is also disclosed in Note 58 to the annexed financial statements for the year ended June 30, 2026.

Appointment of Auditors

M/s.Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, completed its tenure of appointment with the Company and being eligible has offered its services for another term. The Board of Directors of Company, based on the recommendation of the audit committee of the Board, has proposed M/s.Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants for reappointment as auditors of the Company for the ensuing year. The audit committee has authorized the Board to fix the remuneration of auditors. Further, the Board has recommended to authorize Chief Executive Officer for the same.

Audit committee

The Board of Directors constituted a fully functional Audit Committee comprising three members; two are non-executive Directors and one is independent Director. The terms of reference of the Committee determined by the Board of Directors in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, inter alia, consist of ensuring transparent internal audits, accounting and control systems, adequate reporting structure as well as determining appropriate measures to safeguard the Company's assets.

Internal audit function

The Board has outsourced the internal audit function to M/s. PKF F.R.A.N.T.S, Chartered Accountants (a member firm of PKF International Limited) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. Further, a fulltime employee of the Company has been designated as Head of Internal Audit as required under the Regulations. Internal audit findings are reviewed by the Audit Committee, and where necessary, action is taken on the basis of recommendations contained in the internal audit reports.

Risk framework and internal control system

There is a Board's approved 'Governance of Risks and Internal Control Measures' policy that sets out how the Company manages risk throughout the organization and how the Risk and Internal Controls framework will be maintained.

The policy is intended to:

- Outline the risk management framework that The Company operates in pursuit of its business objectives;
- Provide the tools, processes and procedures to support the management of risk within the company's risk appetite;
- Create clear ownership and accountability for risk management throughout the organization;
- Set out the Company's risk policy categorization and enterprise-wide approach to managing risk;
- Identify the governance structures that will provide oversight of the risk management process.

Shareholding pattern

The shareholding pattern as at June 30, 2026 is annexed.

Classes/kinds of share capital

The Company's paid up/issued share capital consist of ordinary shares and non-voting ordinary shares. Ordinary shares have all rights and privileges including voting rights as provided in the applicable laws. Non-voting ordinary shares do not have any voting rights and any right to receive notice of, attend, or vote at any general meeting of the Company except as otherwise provided in the applicable laws. However, non-voting ordinary shares have all other rights of ordinary shares including the right to dividend and to share in the assets of the Company upon winding up.

Web presence

Annual and periodic financial statements of the Company are also available on the website of the Company www.azgard9.com for information of the shareholders and others.

Acknowledgment

We extend our deepest gratitude to our loyal customers, steadfast financial partners, and dedicated employees, whose relentless hard work is the engine of our growth. We are equally thankful to all stakeholders for remaining a cornerstone of our ongoing progress.

United by this shared commitment, we are confident that the Company will build upon its financial strength and reach new heights of success.

On behalf of the Board of Directors



Chief Executive Officer

Lahore

Date: October 01, 2026



Chairman

ممبران کیلئے ڈائریکٹرز رپورٹ:-

ایزگارڈ نائن لمیٹڈ (کمپنی) کے ڈائریکٹرز کمپنی کی سالانہ رپورٹ ساتھ آڈیٹڈ فنانشل اسٹیٹمنٹس برائے سال 30 جون 2026 پیش کر رہے ہیں۔ کمپنی کے حسابات تصدیق شدہ منجانب چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر جس کی بورڈ آڈٹ کمیٹی نے سفارش کی اور بورڈ آف ڈائریکٹرز نے پیش کرنے کی اجازت دی۔

اہم سرگرمیاں

آپ کی کمپنی کی توجہ دھاگہ، ڈینیم کپڑا اور تیارڈینم ملبوسات کی مصنوعات کی پیداوار اور مارکیٹنگ پر مرکوز ہے، جس میں دھاگے سے لے کر ٹیل ریڈی گڈز شامل ہیں۔

میکرو اکنامک جائزہ اور صنعت کی کارکردگی

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران، پاکستان کی ٹیکسٹائل برآمدات میں پچھلے سال کے مقابلے میں 0.69 فیصد کی سست نمود دیکھی گئی، جو حالیہ تاریخ کی بدترین کارکردگی میں سے ایک ہے کیونکہ صنعت شدید معاشی اور آپریشنل دباؤ کا شکار ہو گئی۔ آپریٹنگ ماحول بلند ان پٹ اخراجات سے دوچار تھا جس نے بین الاقوامی مسابقت کو ختم کر دیا۔ بیرونی جھٹکے — بشمول افغانستان کے ساتھ یا اس کے ذریعے تجارت میں رکاوٹیں، مشرق وسطیٰ میں مقامی جغرافیائی سیاسی تناؤ، اور مسلسل شپنگ میں تاخیر — نمایاں طور پر برآمدی بہاؤ میں رکاوٹ ڈالی۔ مزید برآں، ایران — اسرائیل تنازعہ سے "سپلائی جھٹکا" نے عالمی مال برداری کی شرحوں میں بڑے پیمانے پر اضافہ کیا، پیٹرکیمیکل کی قیمتوں میں اضافہ، اور خام کپاس کی قیمتوں میں اضافہ ہوا۔ یہ میکرو اکنامک بوجھ، تیزی سے سخت تعمیل کی ضروریات اور نئے مارکیٹ میں آنے والوں سے مسابقت کے ساتھ مل کر، نے مارجن کو کم کر دیا ہے اور روایتی لاگت کے فوائد کو ختم کر دیا ہے۔ برآمدی ہدف کو برقرار رکھنے کا انحصار اب بیرونی سپلائی چینز کو مستحکم کرنے اور عالمی منڈی کے حصص کی حفاظت اور منافع کی بحالی کے لیے توانائی کی مستقل قیمتوں کو حاصل کرنے پر ہے۔

گھریلو طور پر، مینوفیکچرنگ سیکٹر انتہائی سرد ہواؤں سے لڑتا رہا:

☆ توانائی کے نرخ: بجلی اور گیس کے نرخ خطے کے دیگر ممالک (جیسے بنگلہ دیش اور ویتنام) کے معیارات کے مقابلے میں نمایاں طور پر زیادہ رہے، جس سے درمیانی اور ویلیو ایڈڈ پروسیسنگ کے منافع کے مارجن شدید متاثر ہوئے۔

☆ مزدوری کے اخراجات: حکومت کی جانب سے کم از کم اجرت کو 37,000 روپے سے بڑھا کر 40,000 روپے ماہانہ کرنے کے بعد، مزدوری کے اخراجات نے پاکستان کو خطے میں پیداواری لاگت کے لحاظ سے مہنگے ترین ممالک کی صف میں لاکھڑا کیا۔

☆ ٹیکس اور نقد رقوم کی قلت: جولائی 2024 میں 'فائل ٹیکس رجیم' (FTR) سے 'نارمل ٹیکس رجیم' (NTR) کی طرف منتقلی نے مالیاتی منظر نامے کو بنیادی طور پر تبدیل کر دیا۔ اگرچہ یکم جولائی 2026 سے اضافی 1 فیصد ایڈوانس ٹیکس ختم کر دیا گیا ہے اور برآمدی آمدنی پر ٹیکس کٹوتی کی معیاری شرح کو 1.25 فیصد پر مقرر کیا گیا ہے، لیکن مجموعی ٹیکس کا بوجھ — جس میں 'سپر ٹیکس' بھی شامل ہے — موثر ٹیکس کی شرح کو 40 فیصد سے اوپر رکھتا ہے، جس سے یہ شعبہ خطے میں سب سے زیادہ ٹیکس ادا کرنے والے شعبوں میں شامل ہو گیا ہے۔ مقامی سطح پر حاصل کردہ خام مال پر 'زیورینٹنگ' کی سہولت کا خاتمہ اور سیلز ٹیکس کی واپسی میں مسلسل تاخیر نے مل کر نقد رقوم کی شدید قلت پیدا کر دی ہے، جس سے اہم ورکنگ کیپٹل پھنس گیا ہے اور مالیاتی اخراجات میں اضافہ ہوا ہے۔

☆ پالیسی ماحول اور حکومتی مراعات: صنعت طویل مدتی ٹیکسٹائل پالیسی کے فقدان پر مسلسل تحفظات کا اظہار کر رہی ہے، جس کے نتیجے میں عارضی یا ہنگامی بنیادوں پر فیصلے کیے جاتے ہیں؛ یہ صورتحال آٹومیشن اور مصنوعی ذہانت (AI) پر مبنی پیداوار میں طویل مدتی سرمایہ کاری کی حوصلہ شکنی کرتی ہے۔ اگرچہ حکومت نے حال ہی میں برآمدات بڑھانے کے لیے ایک مراعاتی اسکیم کا اعلان کیا ہے — جس کا صنعت خیر مقدم کرتی ہے — لیکن ہمارے جائزے سے پتہ چلتا ہے کہ مراعات کی مختص کردہ مقدار پچھلی اسکیموں کے مقابلے میں نمایاں طور پر کم ہے۔

☆ ضابطہ کار اور تجارتی تبدیلیاں: سال کے آغاز میں، 'ایکسپورٹ فیسیلیٹیشن اسکیم' (EFS) میں ترامیم کے ذریعے سخت شرائط متعارف کرائی گئیں، جن کے تحت

خام مال کے استعمال کی مدت کو پانچ سال سے کم کر کے نو ماہ کر دیا گیا (جسے بعد میں یکم جولائی 2026 سے 18 ماہ تک بڑھا دیا گیا)۔ مدت میں توسیع کے باوجود، یہ مختصر وقت اب بھی عملی مشکلات کا باعث بن رہا ہے، جس سے سپلائی چینز کے محدود ہونے، اخراجات بڑھنے اور برآمدی سرگرمیوں میں خلل پڑنے کا خدشہ ہے۔ بین الاقوامی تجارت کے محاذ پر، 27 جنوری 2026 کو بھارت اور یورپی یونین کے درمیان 'آزاد تجارتی معاہدے' کی حتمی منظوری نے مسابقتی منظر نامے کو بنیادی طور پر تبدیل کر دیا ہے؛ اس معاہدے نے ان ٹیرف فوائد کو کم کر دیا ہے جو پاکستان کو پہلے GSP+' ایٹشس' کے تحت حاصل تھے اور خطے میں موجود حریفوں کے لیے مسابقت کے یکساں مواقع پیدا کر دیے ہیں۔ مزید برآں، امریکہ کی جانب سے بنگلہ دیش اور بھارت کو دی جانے والی حالیہ تجارتی مراعات نے پاکستان کے مارکیٹ شیئر پر اضافی دباؤ ڈالا ہے، جس کے باعث ترجیحی سپلائی کی حیثیت برقرار رکھنے کے لیے ہماری برآمدی حکمت عملی میں فوری تبدیلی کی ضرورت ہے۔ باہمی امریکی محصولات (ٹیرفز) سے متعلق غیر یقینی صورتحال نے تعمیلی تقاضوں اور لاگت کے بوجھ میں مزید اضافہ کر دیا ہے۔

کمپنی کی مالیاتی کارکردگی

ایزگارڈ نائن لمیٹڈ کے آپریٹنگ مالیاتی نتائج برائے سال 30 جون 2026 درج ذیل ہیں۔

تفصیلات	سال ختمہ 30 جون 2026 (روپے)	سال ختمہ 30 جون 2025 (روپے)
فروختگی (Net)	42,499,824,076	40,602,107,754
آپریٹنگ منافع	2,592,976,940	2,901,350,851
مالیاتی اخراجات	(785,318,368)	(1,131,276,152)
منافع قبل از ٹیکسز	1,490,691,349	1,452,756,130
منافع بعد از ٹیکسز	869,871,478	701,802,854
منافع فی شیئر	1.77	1.43

نظامی اور لیکویڈیٹی چیلنجز کے باوجود، کمپنی نے پچک سال کا مظاہرہ کیا، نظم و ضبط لاگت پر قابو پاتے ہوئے، بہتر آپریشنل افادیت، عمل میں بہتری، اور اپنی ٹچلی لائن کو محفوظ رکھنے کے لیے ویلیو ایڈڈ پروڈکٹس پر سٹریٹجک فوکس کیا۔

☆ سیلز: کمپنی کی خالص فروخت میں پچکلے سال کے مقابلے میں 4.6% کا اضافہ ہوا، جو وسیع صنعت کے جمود کے باوجود بنیادی مارکیٹوں میں صارفین کی مستحکم برقراری اور منتخب طلب کی گرفت کو ظاہر کرتا ہے۔

☆ منافع بخش: ٹیکس کے بعد خالص منافع میں نمایاں طور پر بہتری آئی جس سے 24% ٹچلی سطح کی مضبوط نمو ہوئی۔

کارپوریٹ اور اسٹریٹجک اپڈیٹس

ترجیحی حصص کا تصفیہ:

18 جنوری 2024 کو ترجیحی شیئر ہولڈرز کے منظور شدہ سیٹلمنٹ پلان کے مطابق، تمام بقایا ڈیویڈنڈز کو کلیئر کر دیا گیا ہے، اور اصل رقم کے ساتھ جمع شدہ مارک اپ کا وقت پر تصفیہ ہونا جاری ہے۔

قرضوں کی مالیاتی تنظیم نو:

معزز لاہور ہائی کورٹ (LHC) کی جانب سے 31 جولائی 2019 کو منظور کردہ قرض دہندگان کے لیے انتظام ادائیگی کے منصوبے پر 29 اپریل 2021 کو کامیابی سے عمل درآمد کیا گیا۔ جیسا کہ پہلے اطلاع دی جا چکی ہے، مظفر گڑھ یونٹ کی فروخت سے حاصل ہونے والی رقم کا ایک نمایاں حصہ وصول ہو چکا ہے۔ اب تک، ایجنٹ بینکوں نے ایسکرو اکاؤنٹ سے 765.63 ملین روپے کی رقم۔ جس میں منصوبے سے متعلقہ اخراجات کی کٹوتی کے بعد حاصل ہونے والا خالص منافع بھی شامل ہے۔ براہ راست قرض دہندگان میں تقسیم کر دی ہے۔ مزید برآں، ایجنٹ بینکوں نے مطلع کیا ہے کہ معزز لاہور ہائی کورٹ نے انہیں بولی دہندہ کے خلاف بقیہ عمل کے سلسلے میں تمام دستیاب قانونی چارہ جوئی کرنے کا اختیار دینے کا حکم جاری کیا ہے؛ اس عمل میں بولی کو منسوخ کرنا اور نئی بولیاں طلب کرنا شامل ہے۔ قرضوں کی تنظیم نو کے بعد، کمپنی قرضوں کی ادائیگی کے نظم و ضبط کو برقرار رکھنے کے اپنے عزم پر ثابت قدم ہے۔

زیر جائزہ سال کے دوران کاروباری سرگرمیوں کے لیے مشکل حالات اور مجموعی معاشی (میکرو اکنامک) دباؤ کا سامنا کرنے کے باوجود، کمپنی نے طے شدہ ادائیگی کے نظام الاوقات کی سختی سے پاسداری کرتے ہوئے اصل زر اور مارک اپ (سود) کی تمام ذمہ داریوں کو مسلسل پورا کیا ہے۔

اسٹریٹجک اقدامات اور پائیدار مینوفیکچرنگ: ہمارے مستقبل کو تقویت دینا

جاری مارجن کمپریشن کا مقابلہ کرنے اور تیزی سے بدلتے ہوئے عالمی منظر نامے کو نیوگیٹ کرنے کے لیے، کمپنی کلیدی ساختی اضافہ کو تیز کر رہی ہے۔ ان میں بہتر پیداواری منصوبہ بندی، صلاحیت کا بہتر استعمال، اور جدید عمل آئوٹیشن کا انضمام شامل ہے۔ اس کے ساتھ ساتھ، ہم آخر سے آخر تک سپلائی چین ریشلائزیشن، سخت فضلے میں کمی اور دوبارہ استعمال کے پروٹوکولز، اور بیرونی دباؤ کے باوجود لیکویڈیٹی کو مستحکم رکھنے کو یقینی بنانے کے لیے بہتر انوینٹری کنٹرول کے ذریعے لاگت کی جارحانہ اصلاح کو ترجیح دے رہے ہیں۔

اس اسٹریٹجک ارتقاء کا ایک سنگ بنیاد صاف ستھری، زیادہ ذمہ دارانہ توانائی کی طرف ہماری چھلانگ ہے۔ ہم سمجھتے ہیں کہ صنعتی ترقی اور ماحولیاتی ذمہ داری کو ساتھ ساتھ چلنا چاہیے۔ زرعی ویسٹ — جسے کبھی سائیکل کے اختتام کے طور پر دیکھا جاتا تھا — اب قابل تجدید توانائی کا ذریعہ بن رہا ہے جو ایک نئے کوطاقت دیتا ہے۔

ہماری نئی قائم کردہ بائیو ماس سہولت کے ذریعے، ہم روایتی حیوانی جیواشم ایندھن سے ایک اہم قدم اٹھا رہے ہیں۔ پروجیکٹ کی حیثیت اور کمیشننگ اپ ڈیٹ: مالی سال کے اختتام تک، بائیو ماس پلانٹ کے سول، ساختی، اور میکینیکل اجزاء کامیابی کے ساتھ مکمل اور کپٹلائز ہو چکے ہیں، جبکہ سٹیٹ ٹرانسپورٹ اپنے آخری ٹیسٹنگ اور کمیشننگ کے مراحل سے گزر رہی ہے۔ اس پروجیکٹ کے ذریعے گریڈ سے توانائی کے روایتی ذرائع پر ہمارا انحصار کم ہوگا۔

مستقبل کے نقطہ نظر سے ٹیکسٹائل کاروبار

برآمدات کی رفتار کو برقرار رکھنے کا بہت زیادہ انحصار قومی ٹیکس کے بوجھ کو درست کرنے، سیلز ٹیکس ریفرنڈم کی خود کار اور بروقت پروسیڈنگ، اور علاقائی سطح پر مسابقتی، مستقل توانائی کی قیمتوں کو محفوظ بنانے پر ہوگا۔ اگرچہ بیرونی معاشی اتار چڑھاؤ برقرار رہنے کی توقع ہے، کمپنی اسٹیک ہولڈر کی قدر کو محفوظ رکھنے اور اپنے مسابقتی مارکیٹ شیئر کو تقویت دینے کے لیے جارحانہ لاگت کے انتظام، آپریشنل عمدگی، اور ویلیو ایڈیشن پر مضبوطی سے مرکوز ہے۔

کارپوریٹ سماجی ذمہ داری اور پائیدار طرز عمل

کمپنی اپنے بنیادی کاموں میں پائیدار اور اخلاقی طریقوں کو شامل کر کے کارپوریٹ سماجی ذمہ داری (CSR) کو برقرار رکھنے پر مرکوز ہے۔ انتظامیہ لوگوں کو بااختیار بنانے کے لیے کام کرتی ہے تاکہ وہ ان مہارتوں کو تیار کر سکیں جن کی انہیں عالمی معیشت میں کامیابی کے لیے درکار ہے۔ کمپنی مقامی کمیونٹیز کے ساتھ کام کرتی ہے اور صحت، تعلیم، اور عمومی بہبود کے حوالے سے ان کی صلاحیت اور علم میں اضافہ کرنے کی کوشش کرتی ہے۔

اس نقطہ نظر کی کلید کمپنی کے ملازمین ہیں جو ان کمیونٹیز کی خدمت کے لیے اپنا وقت، تجربہ اور ہنر دل کھول کر دیتے ہیں۔ کمپنی انہیں ایسا کرنے کے لیے حوصلہ افزائی اور سہولت فراہم کرتی ہے۔

کمپنی کے پاس بہت سے بین الاقوامی سطح پر تسلیم شدہ سٹیفیکیشنز ہیں جو مزدوروں کی بہبود اور پائیدار سیارے کے لیے ماحول کو صاف رکھنے کے لیے اعلیٰ معیارات پر مرکوز ہیں۔

SASB اور S2, S1 IFRS معیارات کے ساتھ منسلک پائیداری کا انکشاف سالانہ رپورٹ میں الگ سے دیا گیا ہے جس میں تنوع، مساوات اور شمولیت کو فروغ دینے کے لیے اٹھائے گئے اقدامات شامل ہیں۔

فی شیئر آمدنی

30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی فی شیئر آمدنی 1.77 روپے فی شیئر ہے۔

منافع

ایک کامیاب کارپوریٹ سٹرکچرنگ کے بعد، کمپنی نے لاہور ہائی کورٹ کی طرف سے منظور شدہ کریڈٹرز اسکیم آف اریجنٹ کی تعمیل میں قرض کی خدمت شروع کر دی ہے۔ یہ نظم و ضبط کیش فلو مینجمنٹ کو یقینی بناتا ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ ادائیگی کی تمام ذمہ داریاں وقت کی پابندی سے پوری ہوں۔

اہم طور پر، اسکیم میں اپریل 2031 میں واجب الادا 4.97 بلین روپے کی بیلون ادائیگی شامل ہے۔ جس کے لیے کمپنی نے فعال طور پر ایک ریڈمپشن ریزرو کے قیام کا آغاز کیا ہے۔ اس کے ساتھ ساتھ، وسیع تر میکرو اکنامک ہیڈ وینڈز — بشمول توانائی کے بڑھتے ہوئے ٹیرف، بڑھے ہوئے ٹیکس کے بوجھ، اور اعلیٰ آپریشنل اور ہیڈز — منافع پر دباؤ ڈالتے رہتے ہیں۔ مزید برآں، سیلز کے حجم میں نامیاتی نمونے کام کرنے والے سرمائے کی ضروریات کو تیز کر دیا ہے، جس سے آپریشن کو برقرار رکھنے اور لیکویڈیٹی کی حفاظت کے لیے اندرونی نقدی کے بہاؤ کے محتاط استعمال کی ضرورت ہے۔

ان طویل مدتی مالیاتی وعدوں کے پیش نظر، 2031 میں آئندہ بلٹ ادائیگی، اور موجودہ لیکویڈیٹی پیرامیٹرز، منافع کی تقسیم کے لیے فی الحال اضافی فنڈز دستیاب نہیں ہیں۔ اس کے باوجود، بورڈ حصص یافتگان کی قدر کو بڑھانے کے لیے مضبوطی سے پر عزم ہے اور کاروباری کارکردگی اور مالی حالات بہتر ہونے پر ڈیویڈنڈ کی تقسیم کا فعال طور پر جائزہ لے گا۔

نئے زیر کوپن PPTFCs کی ادائیگی (ریڈمپشن) کے لیے ریزرو

منسلک مالیاتی گوشواروں کے نوٹ 8.4 میں بیان کردہ تفصیلات کے مطابق، کمپنی 2031 میں واجب الادا 4,971 ملین روپے کی بقیہ ذمہ داری کو پورا کرنے کی غرض سے، غیر مختص شدہ منافع میں سے سالانہ 710.17 ملین روپے اس ریزرو میں مختص کر رہی ہے۔

بنیادی خطرات، غیر یقینی صورتحال اور تدارک کے اقدامات

کمپنی کی کارکردگی میں بتدریج بہتری آئی ہے، تاہم، اس کے کاروباری امور بدستور مختلف بیرونی اور ساختی خطرات سے دوچار ہیں۔ اسٹیک ہولڈرز کے مفادات کے تحفظ کے لیے، انتظامیہ ان چیلنجوں کی پیشگی نشاندہی کرتی ہے اور ان کے تدارک کے لیے مخصوص حکمت عملیوں پر عمل درآمد کرتی ہے:

1 مسابقتی دباؤ اور مارجن میں کمی

- ☆ خطرہ: مقامی اور علاقائی دونوں منڈیوں میں بڑھتا ہوا مقابلہ اور مارجن میں مسلسل کمی کا رجحان مستقبل کی آمدنی اور منافع کے لیے مستقل خطرہ ہے۔
- ☆ تدارک: کمپنی لاگت میں بچت اور مارجن کے تحفظ کے لیے فعال طور پر ساختی بہتری لا رہی ہے، جس میں جدید عمل کی خود کاری، پیداواری منصوبہ بندی میں بہتری، اور صلاحیت کے بہترین استعمال جیسے اقدامات شامل ہیں۔

2 تکنیکی پیش رفت اور آپریشنل جدید کاری

- ☆ خطرہ: ٹیکنالوجی میں تیزی سے ہوتی تبدیلیوں کے لیے مسلسل جدت طرازی کی ضرورت ہے۔ جدید نظاموں کو بروقت اپنانے اور ضم کرنے میں ناکامی مقامی اور بین الاقوامی منڈیوں میں مسابقتی صلاحیت کو کمزور کر سکتی ہے۔
- ☆ تدارک: انتظامیہ اس مسئلے سے نمٹنے کے لیے اسٹریٹجک سرمایہ کاری، سہولیات کی ہدف شدہ جدید کاری، اور مینوفیکچرنگ کے عمل میں توانائی کی بچت کے لیے مسلسل اپ گریڈیشن جیسے اقدامات کر رہی ہے۔

3 عالمی تجارت کے عوامل، ٹیرف کے اثرات، اور سپلائی چین میں اتار چڑھاؤ

- ☆ خطرہ: عالمی طلب میں اتار چڑھاؤ، تحفظ پسندانہ تجارتی اقدامات (بشمول امریکی ٹیرف فریم ورک)، اور علاقائی تبدیلیاں — جیسے کہ حریف ممالک کو یورپی

تجارتی مراعات کا ملنا اور پاکستان کے Plus GSP اسٹیٹس کی تجدید کے لیے سخت تعمیلی معیارات (یہ اسٹیٹس 31 دسمبر 2026 کو ختم ہو رہا ہے لیکن 31 دسمبر 2028 تک کے عبوری دور میں لاگو رہے گا)۔ برآمدی حجم اور مارکیٹ شیئر کے لیے ممکنہ خطرات کا باعث ہیں۔

☆ تدارک: بیرونی تجارتی جھٹکوں کے اثرات کو کم کرنے کے لیے، کمپنی لاگت کو بہترین سطح پر رکھنے کے سخت اصولوں، سپلائی چین کو مکمل طور پر منظم کرنے، انویسٹری پر سخت کنٹرول، اور چکدار پیداواری منصوبہ بندی پر عمل پیرا ہے۔

4 پالیسی، ریگولیٹری ماحول، اور پائیداری کے معیارات کی تعمیل

☆ خطرہ: ٹیکسٹائل اینڈ اپیرل پالیسی (2025-30) کے نفاذ کا ٹائم لائن براہ راست پورے شعبے کی برآمدی مسابقت پر اثر انداز ہوتا ہے۔ مزید برآں، کارپوریٹ رپورٹنگ کے بدلے ہوئے معیارات، بشمول IFRS S1 اور S2 فریم ورک کا نفاذ، ماحولیاتی شفافیت اور ماحولیاتی جوابدہی کے حوالے سے ریگولیٹرز اور اسٹیک ہولڈرز کی توقعات میں اضافہ کرتے ہیں۔

☆ تدارک: کمپنی پالیسی میں ہونے والی پیش رفت پر گہری نظر رکھتی ہے اور ساتھ ہی پائیدار بنیادی ڈھانچے کو فروغ دے رہی ہے۔ جیسے کہ ہماری نئی بائیو ماس سہولت کا فعال ہونا۔ جو روایتی ایندھن پر انحصار کم کر کے اور کاربن کے اخراج میں کمی لا کر موسمیاتی تبدیلیوں سے جڑے عبوری خطرات کا براہ راست مقابلہ کرتی ہے۔

مالیاتی خطرات کے انتظام سے متعلق تفصیلات مالیاتی گوشواروں کے نوٹ نمبر 53 میں فراہم کی گئی ہیں۔

بیلنس شیٹ کے بعد کے واقعات

اس بیلنس شیٹ سے متعلق مالی سال کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حیثیت پر اثر انداز ہونے والی کوئی اہم تبدیلیاں یا ذمہ داریاں رونما نہیں ہوئی ہیں۔

متعلقہ فریقین کے ساتھ لین دین

کمپنی نے متعلقہ فریقین کے ساتھ ہونے والے تمام لین دین کو آڈٹ کمیٹی اور بورڈ کے سامنے جائزے اور منظوری کے لیے پیش کیا ہے۔ ان لین دین کی منظوری آڈٹ کمیٹی اور بورڈ نے اپنے متعلقہ اجلاسوں میں دی ہے۔ متعلقہ فریقین کے ساتھ لین دین کو 30 جون 2026 کو ختم ہونے والے سال کے لیے منسلک مالیاتی گوشواروں کے نوٹ نمبر 50 میں فراہم کی گئی ہیں۔

کارپوریٹ بریفنگ سیشن

کمپنی نے 25 نومبر 2025 کو ایک کارپوریٹ بریفنگ سیشن منعقد کیا۔ اس کی پریزنٹیشن کمپنی کی ویب سائٹ www.azgard9.com پر دستیاب ہے۔

کارپوریٹ گورننس، مالیاتی رپورٹنگ اور اندرونی کنٹرول کے نظام

ہم رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں:

☆ کمپنی کی انتظامیہ کی طرف سے تیار شدہ مالیاتی اسٹیٹمنٹس کمپنی کی حالت، اس آپریشنز، کیش فلو اور ایکوٹی میں ہونے والی تبدیلیوں کے متعلق نتائج صحیح طور پر بتاتی ہیں۔

☆ کمپنی کے اکاؤنٹس کو مناسب طریقے میں رکھا گیا ہے۔

☆ مالیاتی اسٹیٹمنٹس کی تیاری تسلسل کیساتھ متعلقہ اکاؤنٹنگ پالیسی کے تحت ہے اور اکاؤنٹنگ حسابات، مناسب اور محتاط فیصلہ پر کئے گئے ہیں۔

☆ عالمی مالیاتی رپورٹنگ معیارات جیسا کہ پاکستان میں لاگو ہیں مالیاتی اسٹیٹمنٹس کی تیاری میں ان کو اپنایا گیا ہے اور کسی قسم کی کمی کی صورت میں مناسب وضاحت کی گئی ہے۔

☆ کمپنی کے اندرونی کنٹرول میں موثر طریقہ سے عمل درآمد اور نگرانی کی گئی ہے تاکہ کمپنی کی پالیسیز و طریقہ کار پر قابو پانے کو یقینی بنانے پر زور دیا ہے تاکہ

☆ کسی بے قاعدگی کی صورت میں کمپنی بروقت طور پر اس کو درست کر سکے۔

☆ بورڈ مطمئن ہے کہ کمپنی کی حیثیت ایسی ہے کہ یہ کام کرتی رہے گی۔

- ☆ پچھلے چھ سال کے قلمی آپریٹنگ اور مالیاتی اعداد و شمار منسلک کئے گئے ہیں۔
- ☆ 30 جون 2026 تک ٹیکسز، ڈیوٹیز، لیویز اور اخراجات کی مد میں کوئی ادائیگی بقایا نہیں ہے ماسوائے ان کے جو مالیاتی اسٹیٹمنٹس میں بیان کی گئی ہیں۔
- ☆ ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں نے سال کے دوران کمپنی کے حصص میں کوئی لین دین نہیں کیا۔
- ☆ تمام ڈائریکٹرز نے ڈائریکٹرز ٹریڈنگ پروگرام (DTP) کے تحت سرٹیفیکیشن حاصل کر لی ہے یا سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے اسٹشٹی حاصل کر لیا ہے۔

31 جولائی 2019 کو معزز لاہور ہائی کورٹ کے حکم نامے کے ذریعے منظور شدہ قرض دہندگان کی اسکیم کے تحت کمپنی نے فیصل بینک لمیٹڈ کو 193.52 ملین روپے کے سکوک ٹھیکہ جاری کئے شریعہ ایڈوائزری نے سکوک کے اجراء کو بیرونی آڈٹ سے سکوک (پرائیویٹ پبلک ریگولیشنز 2017) کے مطابق 12(1) کے تحت مٹنی قرار دیا ہے۔

لٹریچر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت بہترین طریقوں کی اسٹیٹمنٹ آف مپلائنس اس سالانہ رپورٹ میں مہیا کی گئی ہے۔

بورڈ آف ڈائریکٹرز

کمپنی کے بورڈ کے زیادہ ڈائریکٹرز بنیادی طور پر غیر جانبدار / نان ایگزیکٹو ہیں جو شفافیت اور اچھی کارپوریٹ گورننس کی وجہ بنتے ہیں۔ نان ایگزیکٹو ڈائریکٹرز کمپنی کیلئے کاروبار، گورننس اور قانون کا وسیع تجربہ رکھتے ہیں۔ قیمتی مشورے دیتے ہیں اور کمپنی کے اونچے درجے کے معاملات کے قانونی اصولوں اور کارپوریٹ کمپلائنس کو یقینی بناتے ہیں۔

ڈائریکٹرز کی معلومات / تشکیل اور بورڈ کمیٹیوں کے ممبران کے نام درج ذیل ہیں۔

بورڈ آف ڈائریکٹرز کی مجموعی تعداد آٹھ ہے (بشمول چیف ایگزیکٹو آفیسر) تفصیل مندرجہ ذیل ہے۔

(اے) مرد 7 (بی) خاتون 1

بورڈ کی ترتیب مندرجہ ذیل ہے:

i	آزاد ڈائریکٹرز	جناب عابد حسین جناب احسان احمد
ii	نان ایگزیکٹو ڈائریکٹرز	جناب زاہد محمود محترمہ ملیحہ صارفہ اعظم جناب ناصر علی خان بھٹی سید حسن اکبر کاظمی جناب عثمان رشید
iii	ایگزیکٹو ڈائریکٹرز	جناب احمد ایچ شیخ سی ای او
iv	خاتون ڈائریکٹر	محترمہ ملیحہ صارفہ اعظم

بورڈ کمیٹیوں کے ممبران کے نام مندرجہ ذیل ہیں:

i	آڈٹ کمیٹی	جناب احسان احمد - چیئر مین جناب ناصر علی خان بھٹی - ممبر جناب عثمان رشید - ممبر
ii	ہیومن ریسورس اینڈ معاوضہ کمیٹی	جناب احسان احمد - چیئر مین محترمہ ملیحہ صارفہ اعظم - ممبر جناب احمد ایچ شیخ - ممبر

سال ختمہ 30 جون 2026 کے دوران ڈائریکٹرز کے نام جنہوں نے بورڈ اور کمیٹیز میں خدمات انجام دیں، کے میٹنگز کی تعداد اور ہر ڈائریکٹر کی حاضری کی تفصیل مندرجہ ذیل ہے۔

بورڈ آف ڈائریکٹرز کی میٹنگز

بورڈ آف ڈائریکٹرز کی سال کے دوران پانچ میٹنگز 01 جولائی 2025 تا 30 جون 2026 تک منعقد ہوئی ہیں۔

ڈائریکٹرز کے نام	اہلیت	حاضری
جناب زاہد محمود	5	5
جناب عابد حسین	5	5
جناب احسان احمد	5	5
محترمہ ملیحہ صاروہ اعظم	5	5
جناب ناصر علی خان بھٹی	5	5
سید حسن اکبر کاظمی	5	5
جناب عثمان رشید	5	5
جناب احمد امجد شیخ	5	5

ہیومن ریسورس اور معاوضہ کمیٹی (HRRC) کی میٹنگز

سال 01 جولائی 2025 تا 30 جون 2026 کے دوران دو میٹنگز منعقد ہوئی ہیں۔

ڈائریکٹرز کے نام	اہلیت	حاضری
جناب احسان احمد	2	2
محترمہ ملیحہ صاروہ اعظم	2	2
جناب احمد امجد شیخ	2	2

آڈٹ کمیٹی کی میٹنگز

سال 01 جولائی 2025 تا 30 جون 2026 تک چار میٹنگز منعقد ہوئی ہیں۔

ڈائریکٹرز کے نام	اہلیت	حاضری
جناب احسان احمد	4	4
جناب ناصر علی خان بھٹی	4	4
جناب عثمان رشید	4	4

بورڈ کی کارکردگی کا جائزہ

بورڈ اور بورڈ کی کمیٹیوں کے ارکان کی سالانہ کارکردگی کے جائزہ کیلئے رسمی اور موثر طریقہ کار موجود ہے۔ (PKF) M/S PKF F.R.A.N.T.S. چارٹرڈ اکاؤنٹنٹس کو 30 جون 2026 کے لئے آزادانہ کارکردگی کے جائزہ کیلئے مقرر کیا گیا ہے۔ PKF کا آئی کیپ کے QCR میں تسلی بخش درجہ ہے اور آڈٹ اور سائبر بورڈ میں رجسٹرڈ ہے جس کا تقرر کیا گیا ہے تاکہ بورڈ کی کارکردگی مجموعی طور پر اور بورڈ ممبران کی کارکردگی انفرادی طور پر اور بورڈ / کمیٹیوں (آڈٹ کمیٹی اور HRR کمیٹی) کمپنی کی طے کردہ اور لٹھ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے وضع کردہ طریقہ کار کے مطابق کارکردگی کا جائزہ لیں اور اپنی سفارشات کے ساتھ اپنی رپورٹ پیش کریں تاکہ کمپنی کے گورننگ سٹرکچر میں بہتری لائی جاسکے۔

بورڈ کی مجموعی کارکردگی پر چیئرمین کی طرف سے جائزہ رپورٹ منسلک ہے۔

ڈائریکٹرز کا مشاہرہ

کمپنی میں اپنے (ایگزیکٹو اور آزاد/نان ایگزیکٹو) ڈائریکٹر اور سینئر مینجمنٹ کے ممبران کے لئے بورڈ آف ڈائریکٹرز سے منظور شدہ مشاہرہ پالیسی موجود ہے۔ پالیسی کو ایسے تیار کیا گیا ہے کہ یہ HR کی حکمت عملی کا حصہ ہے اور دونوں کاروبار کی حکمت عملی کے لئے مددگار ہیں۔ بورڈ کو یقین ہے کہ متعلقہ پالیسی کارآمد ہے اور بہترین ایگزیکٹوز اور ڈائریکٹرز کو راغب کرتی ہے۔ تاکہ وہ کمپنی کے ساتھ منسلک رہیں اور اس کو بہتر انداز میں چلا سکیں اور ڈائریکٹرز، ایگزیکٹوز اور حصہ داران کے درمیان رابطہ کا باعث بنیں۔ پالیسی کا مقصد ڈائریکٹرز اور سینئر انتظامیہ کو گورننس اور کارکردگی کے لئے جواب دہ بنانا ہے جس میں معاوضہ کا تعین اور ادائیگی شامل ہے۔ چیف ایگزیکٹو کے مشاہرے کی تفصیلات مندرجہ ذیل ہیں۔

چیف ایگزیکٹو روپے	
27,999,996	مینجرل مشاہرہ
2,799,997	میڈیکل
11,200,006	یوٹیلیٹی اور ہاؤس رینٹ
4,182,955	بونس
2,692,307	بعد از ملازمت فوائد
48,875,261	

کمپنی اپنے نان ایگزیکٹو، آزاد ڈائریکٹرز کو بورڈ اور کمیٹیوں کی میٹنگز میں شرکت کیلئے معاوضہ ادا کر رہی ہے۔ متعلقہ مشاہرہ / میٹنگ فیس کی معلومات جو ڈائریکٹرز کو ادا کی گئیں منسلک شدہ مالیاتی اسٹیٹمنٹس 30 جون 2026 کے نوٹ 58 میں بھی بیان کی گئی ہیں۔

آڈیٹرز کی تعیناتی

میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس نے کمپنی کے ساتھ اپنی تقرری کی مدت مکمل کی ہے اور اہل ہونے کے ساتھ اپنی خدمات کو اگلی مدت کیلئے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر آنے والے سال کے لئے دوبارہ تعیناتی کیلئے کمپنی کے آڈیٹر کے طور پر میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کا نام تجویز کیا ہے۔ آڈٹ کمیٹی نے بورڈ آف ڈائریکٹرز کو اور مزید بورڈ آف ڈائریکٹرز نے چیف ایگزیکٹو آفیسر کو آڈیٹرز کے مشاہرہ کے تعین کے لئے مجاز کیا ہے۔

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز پر مشتمل ایک مکمل فعال آڈٹ کمیٹی تین ممبران پر مشتمل ہے جس میں سے دو نان ایگزیکٹو ڈائریکٹرز ہیں اور ایک غیر جانبدار ڈائریکٹر ہے۔ کمیٹی کی ٹرم آف ریفرنس لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق بورڈ آف ڈائریکٹرز نے وضع کی ہے، پس اس میں یقینی شفاف انٹرنل آڈٹ، اکاؤنٹنگ اور انتظامی کنٹرول رپورٹنگ سٹرکچر اور کمپنی کے اثاثہ جات کو محفوظ کرنا شامل ہیں۔

انٹرنل آڈٹ فنکشن

بورڈ نے انٹرنل آڈٹ فنکشن کو M/s PKF F.R.A.N.T.S، چارٹرڈ اکاؤنٹنٹس (PKF) انٹرنیشنل لمیٹڈ کی ایک رکن فرم) کو آڈٹ سروس کر دیا ہے جنہیں اس مقصد کے لئے موزوں اور تجربہ کار سمجھا جاتا ہے اور کمپنی کی پالیسیوں اور طریقہ کار سے واقف ہیں۔ مزید برآں، کمپنی کے ایک کل وقتی ملازم کو ضابطوں کے تحت مطلوبہ انٹرنل آڈٹ کے سربراہ کے طور پر نامزد کیا گیا ہے۔ انٹرنل آڈٹ کے نتائج کا آڈٹ کمیٹی جائزہ لیتی ہے اور جہاں ضروری ہو، انٹرنل آڈٹ رپورٹس میں موجود سفارشات کی بنیاد پر کارروائی کی جاتی ہے۔

رسک فریم ورک اور انٹرنل کنٹرول سسٹم

رسک گورننس اینڈ انٹرنل کنٹرول اقدامات کی پالیسی بورڈ آف ڈائریکٹرز سے منظور شدہ ہے جو کہ تعین کرتی ہے کہ تمام تنظیم میں کمپنی کیسے رسک اور انٹرنل کنٹرول فریم ورک کو لاگو کئے ہوئے ہے۔

پالیسی کا مقصد مندرجہ ذیل ہے۔

- ☆ رسک مینجمنٹ کا ڈھانچہ ایسا ہے کہ کمپنی اپنے کاروباری مقاصد حاصل کر سکے۔
- ☆ ایسا طریقہ کار رسک انتظامیہ کو وضع کرنا، جس کی کمپنی کو خطرہ پر قابو کرنے کے لئے ضرورت ہو۔
- ☆ تنظیم میں رسک انتظامیہ کے لئے واضح ملکیت اور جوابدہی پیدا کرنا۔
- ☆ کمپنی کی رسک پالیسی کی نوعیت کا تعین اور رسک مینجمنٹ کے لئے وسیع سوچ۔
- ☆ ایسے گورننس ڈھانچے کی تشخیص جو کہ رسک مینجمنٹ عمل کا احاطہ کرے۔

شیئر ہولڈنگ پیٹرن

شیئر ہولڈنگ پیٹرن 30 جون 2026 منسلک کیا گیا ہے۔

شیئر کیپیٹل کی نوعیت اور اقسام

کمپنی نے ادا شدہ حصص سرمایہ عمومی حصص اور نان ووٹنگ عمومی حصص پر مشتمل ہے۔ عمومی حصص کو تمام حقوق اور مراعات، بشمول حق رائے دہی لاگو قوانین کے مطابق حاصل ہیں۔ نان ووٹنگ عمومی حصص داران کو حق رائے دہی، حاضری اور اجلاس کا نوٹس وصول کرنے کا حق حاصل نہیں، سوائے وہ حقوق جو کسی اور قوانین میں مہیا کیے گئے ہیں۔ البتہ نان ووٹنگ حصص داران کو تمام عمومی حصص والے دیگر حقوق حاصل ہیں، بشمول منافع کا حق اور کمپنی کے اثاثوں میں حصہ کا حق، وائنڈنگ اپ پر۔

ویب موجودگی

کمپنی کی سالانہ اور عبوری مالیاتی سسٹیم منٹس، شیئر ہولڈرز اور دیگر کی معلومات کیلئے ایزگارڈ نائن کی ویب سائٹ www.azgard9.com پر موجود ہے۔

اعتراف

ہم اپنے وفادار صارفین، مستقل مزاج مالیاتی شراکت داروں اور پر عزم ملازمین کا تہہ دل سے شکریہ ادا کرتے ہیں، جن کی انتھک محنت ہماری ترقی کا اصل محرک ہے۔

ہم تمام متعلقہ فریقین (اسٹیک ہولڈرز) کے بھی بے حد مشکور ہیں جو ہماری جاری پیش رفت میں ایک بنیادی ستون کی حیثیت رکھتے ہیں۔ اس مشترکہ عزم کے ساتھ، ہمیں یقین ہے کہ کمپنی اپنی مالیاتی مضبوطی کو مزید مستحکم کرے گی اور کامیابی کی نئی بلندیوں کو سر کرے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے


چیرمین


چیف ایگزیکٹو آفیسر

10 اکتوبر 2026

CONTINUED COMMITMENT

SUSTAINABILITY DISCLOSURE 2026

This report highlights the impact we have made in fulfilling our commitment to the planet and its people.

TOMORROW'S DENIM TODAY

AZGARD9

ANGGARDO



OVER 120+ YEARS OF EXCELLENCE

OUR COMMITMENT

Our commitment to sustainability has been acknowledged by leading global accreditation bodies, proving our leadership in eco-friendly practices. This commitment is integral to our design principles, where our state-of-the-art technology guarantees that every product, we manufacture, is optimized for water efficiency, energy reduction and use of recycled materials. The impact of our efforts extends beyond environmental benefits, as we prioritize the well-being of planet, the quality of products and the welfare of people.

OUR MISSION

Our goal is to become a zero waste and carbon neutral company by 2030. We intend to recycle all our industrial waste and offset the total CO₂ emissions from the facility.

OUR CAPACITIES



YARN

15K ton/year



FABRIC

42 million meters/year



GARMENT

15 million pcs/year



TURNOVER

\$14.5 million



EMPLOYEES

10,839

WE ARE A WORLD LEADING

MANUFACTURER

ESTABLISHING THE STANDARDS THAT OTHERS ASPIRE TO



SUSTAINABILITY APPROACH

Our approach to main stream sustainability is focused on **Planet**, **Product** and **People**.

3PS'



PLANET

More than **50%** reduction
in water consumption



PRODUCT

Upto **60%** recycled
materials content



PEOPLE

Well Being : Social,
Professional and Environmental

We continue to meet the highest level of sustainable
productions standard by **OEKO TEX STeP**

WATER STEWARDSHIP

We are taking proactive measures to minimise the water consumption in producing fabrics and garments.



OVER **50%**

**REDUCTION
IN WATER
CONSUMPTION**



One of the lowest water consumption in the industry acknowledged by "GREEN TO WEAR"

RENEWABLE

THE WAY FORWARD

2.5MW

SOLAR ENERGY

ENVIRONMENTAL BENEFITS (Annually)



732
TONS
COAL SAVED



886
TONS
CO₂ REDUCED



1,212
EQUIVALENT
TREES PLANTED

99%

of Thermal Energy
from Renewable
Sources

Delivering and moving
ahead of our commitment

CHEMICALS & WASTE MANAGEMENT



CHEMICALS

Ranked among top 3% manufacturers globally. 100% of our chemicals comply with the top level of ZDHC – Level 3.



CHEMISTRY

Using REACH & BlueSign approved chemistry. Our products meet RSL & MRSL requirements of the customers worldwide.



EFFLUENT QUALITY

Target achieved for Progressive Level before 2025. Our ultimate goal is to achieve ZERO liquid discharge by 2030.

WE ARE ESTABLISHING THE STANDARDS THAT OTHERS ASPIRE TO.

GLOBALLY RECOGNISED

Our achievements have been acknowledged by globally renowned third-party accrediting bodies.

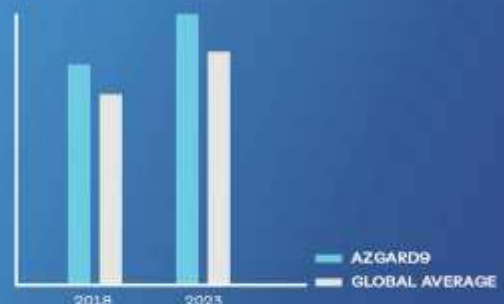


ACHIEVED THE HIGHEST LEVEL (3)

First in Pakistan to be entitled for "CARE FOR WATER" & "CARE FOR PLANET"



FAR AHEAD OF GLOBAL AVERAGE.



Committed to maintaining a leading position, globally

SUSTAINABILITY DISCLOSURE

Building a Sustainable Denim Textile Business | IFRS S1 & IFRS S2 Compliance Report

Reporting Horizon: FY 2025-2026	Industry Classification: Apparel (Composite of spinning, weaving, dyeing and stitching units)
Reporting Standard: IFRS S1 & IFRS S2	Company Status: Public Company Limited by Shares and Listed on Pakistan Stock Exchange Limited

Executive Statement & Reporting Boundary

This Sustainability Disclosure presents the Company's strategic, operational, and financial disclosures under IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures). As a denim textile manufacturer operating in Pakistan, the Company integrates Environmental, Social, and Governance (ESG) principles into its enterprise decision-making. In accordance with IFRS S1/S2 value chain boundaries, this disclosure covers physical assets, operational facilities, administrative functions, and material financial risks upstream across cotton cultivation and downstream to customer delivery.

Estimates, Assumptions, and Measurement Uncertainty

The preparation of sustainability-related financial disclosures may require the use of estimates, assumptions, and management judgement, particularly where information cannot be directly measured or where measurement methodologies continue to evolve. The Company uses reasonable and supportable information available at the reporting date to develop such estimates and assumptions.

Key areas of judgement include:

- The selection and classification of sustainability topics
- The assessment of likelihood and impact
- The assignment of time horizons
- The classification of climate-related risks and opportunities
- The identification of relevant value chain effects
- The determination of materiality thresholds

Key Limitations

This year represents the Company's first reporting cycle developed with reference to the IFRS Sustainability Disclosure Standards. Certain areas under process which includes Climate scenario analysis and value-chain information and Selected emissions data.

Comparative Information

Prior-period comparative metrics and year-on-year analysis are not presented in this report. This year serves as the current reporting baseline for relevant sustainability performance and metrics and targets.

1. IFRS S1: General Sustainability Governance & Core Framework

IFRS S1 acts as the primary "Operating System" for sustainability reporting, requiring disclosures to establish an explicit link between sustainability risk exposures and enterprise value preservation (impacts on cash flows, EBITDA, balance sheet resilience, and cost of capital).

1.1 Sustainability Governance Structure

The Board of Directors maintains overall oversight of the Company's sustainability and climate strategy. The governance framework ensures strategic alignment across operational, financial, and risk management domains:

Governance Body	Key Responsibilities & Oversight Scope
Board of Directors	Approves long-term sustainability strategy, oversees material ESG and climate-related enterprise risks, reviews capital allocations, and monitors progress against quantitative multi-year reduction targets.
Board Sustainability Committee (Responsibilities delegated to Human Resource and Remuneration Committee)	Monitors ESG performance metrics quarterly, evaluates climate scenario assessments, oversees regulatory compliance (SECP ESG guidelines), and recommends strategic investments in green infrastructure.
Executive Management	Implements Board-approved sustainability policies, embeds ESG parameters into daily operations, allocates operational resources, and enforces supplier compliance frameworks across facilities.
Functional Departments	Execute department-level ESG initiatives across processing, sourcing, HR, EHS, quality, and compliance; collect primary activity data for Scope 1-3 emissions and resource intensity metrics.
Internal Audit & Risk Governance	Evaluates internal control mechanisms surrounding ESG data collection and integrates sustainability risk drivers directly into the Enterprise Risk Management (ERM) framework.

1.2 Four Pillars Alignment (IFRS S1 & S2 Task Force on Climate-related Financial Disclosures Architecture)

1. Governance: Oversight by Board Sustainability Committee (Responsibilities delegated to Human Resource and Remuneration Committee); links executive leadership accountability to verifiable resource reduction, workplace safety targets, and climate risk management.

2. Strategy: Integrates sustainable raw material sourcing, low-liquor water efficiency, biomass cogeneration, and circular waste recycling into core commercial strategies to withstand input cost shocks.

3. Risk Management: Systematic 5-step process (Identification, Assessment, Prioritization, Mitigation, Monitoring) integrated into the corporate ERM matrix to manage supply chain and physical hazards.

4. Metrics & Targets: Quantitative tracking of Scope 1 & 2 emissions, total energy/water consumption, chemical replacement volumes, safety hours, and multi-year improvement targets aligned with SASB standards.

1.3 Stakeholder Engagement Matrix

Stakeholder Group	Primary Areas of Engagement	Financial Materiality Relevance
Shareholders & Investors	Financial returns, ESG governance, climate risk resilience, IFRS S1/S2 alignment.	Lower borrowing costs, protection of enterprise value.
Customers (Export/Brands)	Responsible sourcing, zero hazardous chemicals, low-carbon products, supply chain traceability.	Revenue retention, prevention of order cancellations, preferred vendor status.
Employees & Workforce	Health & safety, technical skills development, fair wages, workplace diversity.	Labor productivity, reduction of downtime, retention of specialized talent.
Suppliers & Farmers	Sustainable cotton practices, chemical compliance, ethical labor standards.	Mitigation of input price volatility, delivery timeliness, operational continuity.
Regulators & SECP	Environmental compliance, effluent standards, ESG guidance adherence, tax filings.	Prevention of legal penalties, operational license security.

2. Value Chain Mapping & SASB Materiality Alignment

Textile manufacturing risks extend far beyond facility walls. In compliance with IFRS S1 guidance, the Company maps financial materiality across all four tiers of the textile supply chain, referencing the SASB Apparel, Accessories & Footwear Standard (CG-AA).

Supply Chain Level	Operational Scope	Material Risk Factors	Financial Impact Mechanism
Tier 4: Raw Materials	Cotton farming, synthetic fiber synthesis, forestry.	Water scarcity, extreme heatwaves, pest outbreaks, volatile raw cotton yields.	Raw material price spikes (+10-15% input cost), gross margin compression.
Tier 3: Processing	Spinning, yarn formation.	Energy supply instability, grid power tariffs, machinery thermal inefficiencies.	Elevated conversion costs, asset impairment, production lead-time delays.
Tier 2: Fabric Production	Weaving, dyeing, wet finishing.	High water withdrawal, chemical effluent discharge, thermal energy loss.	Regulatory fines, mandatory effluent treatment CapEx, water access caps.
Tier 1: Garment Assembly	Cutting, sewing, washing, laser finishing.	Workplace safety hazards, labor health issues, worker productivity drop during heatwaves.	Downtime losses, increased healthcare costs, factory audit failures.
Downstream Ops	Warehousing, export logistics, customer distribution.	Freight fuel surcharges, carbon border adjustments (EU CBAM), packaging regulations.	Increased distribution cost, border tariffs, inventory obsolescence risks.

3. Quantitative Performance, Action Plans & Progress (Metrics & Targets)

The Company tracks precise quantitative baseline metrics, actual operational progress to demonstrate strategic resilience and continuous operational improvement.

Impact Area	Specific Action Plans	Current Status (2025-26)	Targets 2026-27
Water Consumption	Low-liquor washing machine replacement, recipe optimization, laser/ozone machine expansion, leak audits.	-10% Absolute -28% Normalized drop*	-5%
Wastewater Recycling	Effluent treatment plant (ETP) upgrades, process water recovery loop expansion.	+20.8% Recycled (Process water basis)	6%
Carbon/GHG Emissions	Conveyor air-drying, high-efficiency tumbler dryers, 6 MW biomass cogen, 1.5 MW solar PV.	-18% Normalized*	-7%
Higg Facility Environmental Module (Higg FEM)	Annual Higg FEM assessment, and continuous improvement across water, energy, GHG emissions, wastewater, chemicals and waste management.	+2%	2%
Chemical Reduction	Substitution of conventional chemicals with eco-friendly bio-based and ZDHC-compliant formulas.	-14% Normalized* (Absorbed production growth)	-3%
Circular Economy / Waste	Leno waste recycling, segregation of post-industrial denim scraps, recycling partnership.	+19% Recycled Absolute waste diverted	2%
H&S Training	Structured safety workshops, machine handling training, emergency response drills.	+20.4% Hours Expanded man-hours	15%
Workplace Safety	100% safety protocol compliance, continuous risk assessment, floor monitoring.	100% Achieved Zero severe injuries Target: Zero Fatalities	100%

*Note: Normalized metrics are calculated relative to overall production output growth.

4. Priority Raw Material

Priority Raw Material (Name)	Amount Purchased (Metric Tons)	Amount Certified, By Standard Certification/Standard & Associated Discussion	Amount Certified
Local Cotton	1,883	Organic	1,883
Yarn In-house	2,280	Organic and BCI	2,280
Yarn Out-source	13,381	Organic and BCI	13,381
Polyester	1,044	OEKO-TEX	1,044
Recycle Fiber	4,815	-	-
Fabric In-house	7,512	Organic and BCI	7,512
Fabric Out-source	2,783	Organic and BCI	2,783

5. Material Sustainability Risks & Opportunities and Climate Related Risks & Opportunities

5.1. Sustainability-Related Risks & Opportunities

Matter	Nature	Time Horizon	Potential Financial Effect
Business Ethics (Corruption & Unethical Conduct)	Risk	Short/Medium	Revenue concentration, working capital, receivables credit risk.
Whistleblowing, Harassment & Workplace Fairness	Risk	Short/Medium	Increased operating costs, order loss, legal penalties, brand damage.
Training & Education / Succession Readiness	Risk / Opp.	Medium/Long	Leadership readiness, operational efficiency, health & safety compliance.
Hollow sustainability Claims	Risk	Short/Medium	Regulatory fines, brand erosion, customer order loss.
Cybersecurity & Data Privacy	Risk	Short/Medium	Business interruption, regulatory penalties, loss of customer trust.
Hazardous Wet-Process Effluent Discharge	Risk	Short/Long	Regulatory fines, plant shutdown costs, legal defense expenses.
Responsible & Sustainable Supply Chain	Opportunity	Medium/Long	Improved customer acquisition, investor confidence, supply chain resilience.
Diversity, Inclusion & High-Performing Workforce	Opportunity	Medium/Long	Talent retention, productivity gains, enhanced innovation.
Health & Safety (OH&S Management Systems)	Opportunity	Short/Medium	Reduced compensation/insurance costs, productivity gains, avoided fines.
Certified Sustainable Yarns & Products	Opportunity	Short/Medium	Revenue growth, premium pricing, margin expansion.
Access to Sustainable / Green Finance	Opportunity	Medium/Long	Lower cost of capital, improved liquidity and borrowing terms.
Recycled-Fibre& Low-Carbon Products	Opportunity	Short/Medium	Revenue mix shift, access to eco-conscious market segments.
Market Expansion into Underserved Niches	Opportunity	Short/Medium	Revenue diversification, reduced regional market concentration risk.

5.2 Climate-Related Risks & Opportunities

Matter	Type / Nature	Driver	Potential Financial Effect
Rising Energy Costs & Supply Insecurity	Transition Risk	Market / Tech	Increased operating tariffs; CAPEX for efficiency & self-generation.
Climate Transition Market Access & Inflation	Transition Risk	Market / Rep	Asset write-downs, revenue loss, higher input costs.
Sustainable Finance Capital Access Risk	Transition Risk	Relational	Restricted capital access, higher borrowing margins.
Energy Efficient Equipment Adoption	Transition Opp.	Technology	Reduced energy costs per unit, enhanced competitiveness.
Renewable Energy & Decarbonisation	Transition Opp.	Technology	Energy cost avoidance, reduced carbon footprint, buyer alignment.
Water Scarcity & Abstraction Constraints	Physical Risk (Chronic)	Chronic Water Stress	Production disruption, higher alternate water sourcing costs.
Climate-Driven Raw Cotton Disruption	Physical Risk (Chronic)	Extreme Weather	Procurement price spikes, imported cotton dependence, working capital pressure.

5.3 Scenario Analysis & Strategic Resilience

The Company conducts qualitative scenario assessments across two distinct climate pathways:

- 1.5°C Orderly Transition Scenario: High carbon pricing and strict buyer ESG mandates. Enterprise resilience is maintained via early investment in 1.5 MW solar PV, biomass energy, and low-water processing.
- 4°C High Warming Scenario (Physical Hot-House): Extreme weather frequency and water stress. Enterprise resilience is supported by supplier diversification, water recycling (20.8% process water recovery), and localized inventory buffers.

6. Strategic Priorities & SDG Alignment Framework

The Company's long-term strategy aligns its five core sustainability priorities directly with international United Nations Sustainable Development Goals (SDGs):

Strategic Priority	Core Operational Action Plan	Targeted UN SDG Alignment
1. Climate Action	Biomass cogen (6 MW), solar power (1.5 MW), conveyor air-drying, thermal leak elimination.	SDG 13: Climate Action SDG 7: Affordable & Clean Energy
2. Resource Efficiency	Low-liquor washing units, ozone/laser washing, 20.8% process water recycling loop.	SDG 6: Clean Water & Sanitation SDG 12: Responsible Consumption SDG 15: Life on Land
3. Responsible Supply Chain	Zero hazardous chemical substitution, leno waste recycling (+19%), ZDHC checks.	SDG 9: Industry & Innovation SDG 12: Responsible Production SDG 3: Good Health & Well-being SDG 15: Life on Land
4. People & Communities	Zero workplace fatalities, 632,530+ health & safety training hours, equal opportunity practices.	SDG 8: Decent Work & Economic Growth SDG 3: Good Health & Well-being SDG 5: Gender Equality SDG 10: Reduced Inequalities
5. Strong Governance	Board Sustainability Committee oversight, full ERM risk integration, transparent disclosures.	SDG 16: Peace, Justice & Strong Institutions



7. Enterprise Risk Management (ERM) & Principal Mitigations

Material Enterprise Risk	Risk Description & Trigger	Specific Operational Mitigation Measures
Climate Change & Energy	Grid power instability and rising fossil fuel costs impacting plant margins.	Deployment of 6 MW biomass cogeneration plant and 1.5 MW solar PV array; system heat recovery.
Water Scarcity	Groundwater table drop in manufacturing zones affecting wet processing operations.	Process water recycling expansion (+20.8%), deployment of zero-water laser and ozone technologies.
Supply Chain Disruption	Cotton raw material availability and price spikes due to climatic events.	Diversified raw material sourcing, cotton stock buffering, long-term supplier agreements.
Environmental Compliance	Tightening SECP, local EPA, and international buyer chemical/effluent standards.	Routine environmental audits, ETP continuous monitoring, ZDHC-compliant eco-chemical substitution.
Occupational Health & Safety	Industrial accidents, thermal heat stress, and machine operating hazards.	Mandatory EHS protocols, over 632,000 annual safety training man-hours, continuous risk audits.
Cybersecurity & Data Privacy	Disruption of operational data systems, PLM, and financial disclosure tools.	Enterprise IT security controls, continuous data backups, employee phishing and safety awareness training.

8. Future Roadmap & Implementation Horizons

Horizon	Key Strategic Objectives	Expected Enterprise Outcomes
Short-Term (1-2 Years)	- Achieve FY 2026-27 targets (-5% water, -7% normalized GHG). - Integrate Scope 3 primary data platform across top 5 suppliers. - Expand worker H&S training hours by +15%.	Strengthened compliance with SECP & IFRS S1/S2 rules; immediate operational cost savings.
Medium-Term (3-5 Years)	- Expand solar infrastructure capacity beyond 1.5 MW. - Scale circular denim initiatives and post-industrial fiber recycling. - Integrate Digital Product Passports (DPPs) for export traceability.	Enhanced international buyer preference.
Long-Term (Beyond 5 Years)	- Net-Zero Scope 1 and Scope 2 operational trajectory. - Closed-loop water recycling across 100% of wet processing operations. - Fully sustainable raw cotton supply chain integration.	Long-term enterprise value creation, lower cost of capital, and sector leadership in sustainable denim.

Methodological References & Data Integrity: This disclosure was compiled referencing IFRS S1 General Requirements, IFRS S2 Climate Disclosures, SECP ESG Reporting Guidelines, and SASB Apparel, Accessories & Footwear Metrics (CG-AA). Primary facility data of the Company was collected directly from site energy meters, ETP logs, and EHS management records.

TRADEMARKS

INDUSTRY
LEADING
INNOVATIONS

ORBIT

Solution-based recycling of textile waste using RENEWCELL fibers.



RGEN9

Made from regenerative cotton.



REVIVE

Recycled fibres from post consumer and industrial waste.



DENIM9

100% Bio-degradable Jeans.



EVER FIT

A shape memory denim, engineered for the best fit.



AMBI CLEAR

Energy efficient, zero salt, zero steam dyeing technology.



ARCANE

Denim free from the elastane slippage.





Our Denim 9.0™ collection is carefully crafted to ensure its longevity and recyclability. Every detail, from the fabric to the linings and patches, is designed with recyclability in mind.



The global standard for recyclable products

REVIVETM

State-of-the-art process for recycling post-industrial and post-consumer cotton waste. We are producing high-quality materials that the industry could use to create new yarns and fabrics.

PRODUCT OFFERINGS



YARNS

Upto **70%** recycled content



FABRICS

Upto **40%** recycled content



GARMENTS

Upto **40%** recycled material



RECYCLED POLYESTER

Through collaboration we offer recycled polyester with embedded translucent tracer

Pioneer in circular
fashion technology

C · O₂ · A · T

WE WON
GOLD

WORLD'S FIRST DENIM COMPANY TO WIN GOLD

(In creative design category at Cannes Lions international festival of creativity)

**GARMENT
OF THE FUTURE**

"A living, breathing piece of clothing
that produces oxygen"

GLOBAL ACCREDITATIONS

Our commitment to maintaining the highest levels of quality and excellence.



GLOBAL PARTNERSHIPS



Achieving excellence and driving progress in all that we do.

INTERNATIONAL CUSTOMERS

ZARA

PULL&BEAR

MANGO

ONLY

ONLY & SONS

NEWYORKER

JDY

ICHI

next

TALLY WEIJL

CALZEDONIA

M O H I T O

AÉROPOSTALE

BLEND

RESERVED

MEDICINE

TIFFOSI

ASOS

GR O U P E
BEAUMANOIR

THE STING COMPANIES
SOURCING & PRODUCTIONS

LUCKY*BRAND

NAUTICA

RE/DONE


house

WOMEN EMPOWERMENT



Gender Pay Gap

Mean Gap

Mean pay for men is 11% higher than that of women.

Median Gap

Median pay for men is 8% higher than that of women.

WELFARE COMMUNITY CENTRE

We established a community welfare center with a dedicated focus on empowering women. This center offers free operational training opportunities, equipping women with the tools they need to succeed.

Our mission goes beyond skill-building;
we are committed to fostering an environment where:

- Honesty is paramount
- Self-esteem is nurtured
- Mentorship is encouraged
- Every individual's worth is recognized
- Girls remain in school
- Negativity is challenged
- Injustice is confronted
- Female colleagues are fully supported

SUSTAINABILITY CHALLENGES AND CONTROL MEASURES

The Company commits to a comprehensive sustainability strategy aligned with global best practices and regulatory requirements. The Company has outlined its priorities, actionable targets, governance frameworks, and key initiatives to drive environmental stewardship, social responsibility, governance and economic resilience. The Board has assigned sustainability related responsibilities to Human Resource and Remuneration Committee.

The Company's sustainability challenge identifies and addresses principal risks. The Company conducts regular reviews and performance assessments to evaluate the financial and operational impacts of the risks.



The Company has defined specific goals/targets and action plan for managing environment related risks: water reduction through machine and process upgrades; wastewater recycling improvement; carbon footprint reduction via solar, biomass, and energy-efficient equipment; chemical reduction using eco-friendly alternatives; enhanced waste recycling; and health and safety improvements through training and risk management. Progress is monitored to ensure accountability and effective implementation. Real-time data is monitored through properly designed evaluation sheets. ANL aligns its sustainability strategy with the UN SDGs to contribute to broader climate action. Operational optimization is driven by material innovation (natural indigo development) and implementation of POWER BI to analyze and report real time manufacturing highlighting areas requiring intervention for better productivity and efficiency. Customer collaboration is made by hosting annual visits and supplier assessment is conducted by onsite evaluations for local and virtual for international suppliers. Stakeholder feedback is regularly gathered through different forums and integrated into sustainability planning.

Sustainability initiatives also lead to manage/mitigate risks including customers and stakeholders trust and reputation as well as reduced financial costs.



The Company's CSR encompasses economic, legal, ethical and philanthropic responsibilities and ensure that the activities leave a perceptible impact on the lives of target beneficiaries. ANL considers employees as its assets and is committed to provide best possible employment conditions and working environment. The Company is committed to contribute to the health and wellbeing of the local community and employees. CSR activities include medical camps, vocational trainings, distribution of general food items in local community, educational camps, plantation, environment protection campaigns like 'go plastic free', 'conserve water' and celebrations like Christmas, Independence Day, Women's Day, Eids, etc. Diversity, Equity and Inclusion (DE&I) is also considered as social obligation and measures are taken to promote DE&I that are disclosed in this report. All these initiatives effectively manage/mitigate the relevant risks including stakeholders'/customers' trust and reputation.



Governance is also top priority at ANL that includes board quality, independence, and accountability; and the board's oversight of strategy, risk management, performance and disclosure including sustainability. The Company is committed to strengthen ethical frameworks, internal controls, corporate governance structures, ensure regulatory compliance, and transparency in reporting and operations. Best efforts are made to effectively collaborate with stakeholders' including shareholders and regulators. These initiatives help in managing/mitigating relevant risks including stakeholders' trust, regulatory actions and reputation.

DIVERSITY, EQUITY AND INCLUSION MEASURES

The Company believes that diversity, equity and inclusion (DE&I) is a cornerstone of a just and progressive society. Yet, women face systemic barriers that hinder their full participation in education, employment, leadership, and community life. Promoting their inclusion is not only a social responsibility, but it is a strategic imperative for equitable and sustainable development. Further, differently abled are also important part of our society and require equal opportunities for education, employment and social inclusion.

To ensure measurable impact and sustainable outcomes, ANL has taken certain measures including but not limited to:



SKILLS & TRAINING

Vocational and on-the-job training programs for girls, widows, and women from underserved communities.



MENTORSHIP

Development of mentorship networks and leadership pipelines to empower female role models from marginalized backgrounds.



SUPPORT & WELL-BEING

Facilitation including job placement, career growth, meals & refreshments, pink bus service, safe and better workplace, health & wellness support, placement of female security guards, dedicated washrooms & prayer area, day-care, etc. and for differently abled facilities like ramps, easy walkways, etc.



COMMUNITY COLLABORATION

Collaborations with training centers, local NGOs, & notables to upskill female workers and promote mindset change and community support.



POLICY & REPRESENTATION

Enforcement of gender-sensitive policies and affirmative actions to ensure representation in governance and employment.

MOMENTS AT AZGARD9

People at the heart of
our community

CELEBRATIONS



CHRISTMAS DAY



INDEPENDENCE DAY



INDEPENDENCE DAY

BLOOD DONATION



IFTAR DINNER



EXCELLENCE RECOGNITION



EXIBITIONS



HAJJ LUCKY DRAW





CUSTOMER CENTRIC



AZGARD 9 X PATHFINDER



WOMEN'S DAY

AL WASIYO WELFARE FOUNDATION



PLANTATION DRIVE

ENVIRONMENT DAY



SUBSIDIZED FOOD

TRANSPORT FACILITY

DORMITORIES

AZGARD9

For any inquiries regarding this report please reach out to us at
info@azgard9.com
We appreciate your feedback.
Thank you.

NOTICE OF THIRTY THIRD ANNUAL GENERAL MEETING

Notice is hereby given that Thirty Third Annual General Meeting of the Members of AZGARD NINE LIMITED ('the Company') will be held on Tuesday, October 27, 2026 at 11:30 am at the Registered Office of the Company Ismail Aiwani-Science, Off: Shahrah-i-Roomi, Lahore, Pakistan; to transact the following businesses:

1. To confirm the minutes of Thirty Second Annual General Meeting of the Company held on October 27, 2025;
2. To receive, consider and adopt the audited financial statements of the Company for the financial year ended June 30, 2026, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report;
3. To appoint the Statutory Auditors for the year ending June 30, 2027 and to fix their remuneration. The Board of Directors on the recommendation of Audit Committee has recommended the appointment of retiring auditors, Messers Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants who being eligible have offered themselves for re-appointment;
4. To transact any other business with the permission of the Chair.

By order of the Board

REHAN UMER SOOMAR
Company Secretary

October 01, 2026
Lahore

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 21, 2026 to October 27, 2026 (both days inclusive). Transfers received in order at the Office of Company's Share Registrar M/s. Hameed Majeed Associates (Private) Limited, H. M. House, 7-Bank Square, Lahore, Pakistan ('Registrar') at the close of business on October 20, 2026 will be considered in time to attend and vote at the Meeting.
2. Financial Statements for the year ended June 30, 2026 will be available at the website of the Company www.azgard9.com twenty one days before the date of meeting.

Further, the Company is transmitting Annual Report for the year ended June 30, 2026 through email to those members whose email addresses are available with the Company. However, the members may request a hard copy of Annual Report free of cost and in this respect standard request form is available at the website of the Company www.azgard9.com for convenience of members.

3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
4. In pursuance of Circular No. 4 of 2021 dated February 15, 2021 issued by the Securities and Exchange Commission of Pakistan; the members shall also be entitled to attend this meeting through video link facility/electronic means after completing verification and identification requirements. Members interested in attending this meeting through video link facility/electronic means are requested to register themselves by submitting following particulars at email address companysecretary@azgard9.com before the close of business (i.e. 05.00 pm) on October 23, 2026:

Name	*CNIC No. / Passport No. (in case of foreigner)	Folio No./ CDC Account No.	Mobile No.	No. of Shares Held

* Please also attach legible scanned copy of CNIC/Passport (in case of foreigner).

Registration request must be sent through email address available/registered with the Company i.e. provided by CDC in case of shares held in book entry form in CDS or available with the Company in case of shares held in physical form

The Company will send the link of video/electronic facility and other relevant information to respective members in order to enable them to access the video/electronic facility and attend this meeting. Please note that requirements of Note 5 below shall be followed in case of proxy/ representative of corporate body and link of video/electronic facility shall only be sent upon receipt of original documents.

It is clarified that members attending this meeting by availing above facility shall only vote through postal ballot (if required) in accordance with the relevant requirements.

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

A. FOR ATTENDING THE MEETING:

- i. In case of individuals, the account holders and/or sub-account holders and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or Passport at the time of attending the Meeting.
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. FOR APPOINTING PROXIES:

- i. In case of individuals, the account holders and/or sub-account holders and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
 - ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.
 - v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
6. Members may avail video conference facility for this Annual General Meeting at Karachi, provided the Company receives consent (standard format is given below) atleast 07 days prior to the date of the Meeting from members holding in aggregate 10% or more shareholding residing at above location.

The Company will intimate respective members regarding venue of the video-link facility before the date of Meeting along with complete information necessary to enable them to access the facility.

"I/we _____ of _____ being member(s) of Azgard Nine Limited, holder of _____ Ordinary Share(s) as per Registered Folio No./CDC Account No. _____ hereby opt for video conference facility at Karachi in respect of 33rd Annual General Meeting of the Company.

Signature of Member"

7. Members can exercise their right to poll subject to meeting of requirement of Section 143 to 145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.
8. No gifts will be distributed at the Meeting.
9. For any query/problem/information, Members may contact the Company at email companysecretary@azgard9.com and/or the Share Registrar of the Company at address given herein above and at (+92 42) 37235081-82, email info@hmaconsultants.com may also visit website of the Company www.azgard9.com for notices/information.

IMPORTANT NOTICES TO SHAREHOLDERS

Members are requested to notify/submit the following information/documents; in case of book entry securities in CDS to their respective participants/investor account services and in case of physical shares to the Registrar of the Company, at the address given herein above, by quoting their folio numbers and name of the Company, if not earlier notified/submitted:

- **Change in Address:** Change in their addresses, if any.
- **Submission of copy of CNIC/NTN:** Valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity). Please note that CNIC number is mandatory for payment of cash dividend and in the absence of this information payment of dividend shall be withheld.
- **Dividend Mandate Information:** Dividend mandate information mentioning title of bank account, International Bank Account Number (IBAN), bank name, branch name, code and address towards direct transfer/credit of cash dividend in your accounts. Please note that all future dividends shall only be paid through online bank transfer as required under Section 242 of the Companies Act, 2017. For convenience, a Standard Request Form has also been made available on the Company's website: www.azgard9.com
- **Email Address:** Valid email addresses as pursuant to Section 223 of the Companies Act, 2017, the Company is allowed to send audited financial statements and reports to its members electronically. For convenience, a Standard Request Form has also been made available on the Company's website: www.azgard9.com

Unclaimed Dividend/Shares

Information of unclaimed dividend/shares has been placed at the website of the Company www.azgard9.com. Respective shareholders are requested to contact Share Registrar of the Company to collect their unclaimed dividend/shares.

Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017; after the commencement of Act from a date notified by the Commission, a company having share capital, shall have shares in book-entry form only. 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 Commission. Therefore, members having shares in physical form are informed to make necessary arrangements to replace their physical shares with book-entry form in CDS. The benefits of holding shares in book-entry form in CDS include safe custody, no loss of shares, instant credit of bonus and right shares entitlements, instant sale of shares as trading of physical shares is not permitted as per existing regulations of the stock exchange, no requirement of transfer deed for transfer/sale of book-entry shares and easy pledge of shares for availing any finance facility.

FINANCIAL HIGHLIGHTS

Six Years at a glance

	Year ended 30 June 2026	Year ended 30 June 2025	Year ended 30 June 2024	Year ended 30 June 2023	Year ended 30 June 2022	Year ended 30 June 2021
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Operating performance (Rs. 000)

Sales - net	42,499,824	40,602,108	36,517,176	31,571,123	33,768,786	22,070,231
Export sales-gross	40,694,160	38,438,827	34,471,835	28,983,688	31,480,292	19,377,821
Local sales-gross	1,805,664	2,163,281	2,045,341	2,366,169	2,082,986	2,017,655
Gross profit	5,052,165	4,976,855	4,583,619	5,087,307	4,658,174	3,188,597
Operating profit	2,592,977	2,901,351	2,426,737	2,907,225	2,147,303	1,600,552
Profit before tax	1,490,691	1,452,756	1,169,210	1,914,427	1,146,663	7,773,229
Profit after tax	869,871	701,803	675,320	1,470,453	693,051	7,559,400

Financial position (Rs. 000)

Equity without surplus	12,853,843	11,901,791	11,118,359	10,365,402	8,769,533	4,579,736
Surplus on revaluation of property plant & equipment	2,782,568	2,902,238	2,685,790	2,959,427	3,121,944	3,414,941
Equity with surplus	15,636,412	14,804,029	13,804,149	13,324,829	11,891,477	7,994,677
Long term debt	5,285,983	5,576,491	5,769,510	5,890,870	6,176,878	10,007,499
Property, plant and equipment	14,322,670	12,093,040	10,969,445	10,164,751	10,623,690	10,232,591

Financial analysis

Current ratio (times)*	1.80	2.26	2.31	2.56	2.09	2.62
Debt to equity (ratio)	25:75	27:73	29:71	31:69	34:66	56:44

Profitability analysis

Operating profit to sales (%)	6.11	7.15	6.65	9.21	6.36	7.25
Earnings per share (Rs.)	1.77	1.43	1.37	2.99	1.41	15.38

* (excluding current portion of long term debt)



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

Name of Company: Azgard Nine Limited (the Company)
Year ended: 30-06-2026

The Company has complied with the requirements of the Listed Companies(Code of Corporate Governance) Regulations, 2019(the Regulations) in the following manner:

1. The total numbers of Directors are eight (including Chief Executive Officer) as per the following:

a) Male 7 b) Female 1

2. The composition of Board is as follows:

i.	Independent Directors*	Mr. Abid Hussain
		Mr. Ihsan Ahmad
ii.	Non-executive Directors	Mr. Zahid Mahmood
		Ms. Maliha Sarda Azam
		Mr. Nasir Ali Khan Bhatti
		Syed Hasan Akbar Kazmi
		Mr. Usman Rasheed
iii.	Executive Director	Mr. Ahmed H. Shaikh
iv.	Female Director	Ms. Maliha Sarda Azam

* Election of Directors was held in April 2024. The Board comprised of seven elected Directors and appointed Chief Executive Officer (deemed Director). Fraction for independent Directors has not been rounded up as the Company has two independent Directors and comply with the minimum requirement of independent Directors. Both independent Directors have requisite competencies, diversity, skill, knowledge and experience to discharge and execute their duties competently, therefore, appointment of a third independent Director is not warranted.

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
9. All Directors have acquired certification under a Directors' Training Program (DTP) or have obtained exemption from the Securities and Exchange Commission of Pakistan;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
 - a) **Audit Committee**

Mr. Ihsan Ahmad	- Chairman
Mr. Nasir Ali Khan Bhatti	- Member
Mr. Usman Rasheed	- Member
 - b) **HR and Remuneration Committee**

Mr. Ihsan Ahmad	- Chairman
Mr. Ahmed H. Shaikh	- Member
Ms. Maliha Sarda Azam	- Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following:
 - a) **Audit Committee**

Quarterly - Four meetings were held during the financial year with at least one meeting in each quarter

 - b) **HR and Remuneration Committee**

Yearly-Two meetings were held during the financial year

15. The Board has outsourced the internal audit function to M/s. PKF F.R.A.N.T.S, Chartered Accountants (a member firm of PKF International Limited) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. Further, a fulltime employee of the Company has been designated as Head of Internal Audit as required under the Regulations;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Regulation No.	Non-Mandatory Requirements	Explanation
19	Directors' Training: (3) Companies are also encouraged to arrange training for:	The Company is committed to arrange such trainings/courses for its officers that are more relevant to their job descriptions and beneficial for the Company. However, the Company may/will consider required training, if and when necessary, on case-to-case basis.

Regulation No.	Non-Mandatory Requirements	Explanation
	(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.	
29	Nomination Committee: (1) 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.	The Board takes care of the responsibilities prescribed for Nomination Committee, therefore, separate Nomination Committee is not considered necessary.
30	Risk Management Committee: (1) The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has devised Risk and Internal Controls Governance Framework and responsibilities have been assigned to Audit Committee through relevant Policy. Therefore, separate Risk management Committee is not considered necessary.



AHMED H. SHAIKH
Chief Executive Officer

Date: October 01, 2026



ZAHID MAHMOOD
Chairman

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of **AZGARDNINE LIMITED** Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 [the 'Regulations'] prepared by the Board of Directors of **AZGARD NINE LIMITED** for the year ended **30 June 2026** in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

The engagement partner on the review resulting in this independent auditor's review report is **ALI RAZA JAFFERY**.



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore | 01 October 2026

UDIN: CR202610704s2gSvQJuT

SHARIAH REVIEW REPORT FOR AZGARD NINE LIMITED SUKUK-1

Under Shariah Governance Regulations, 2023

For the Year Ended June 30, 2026

In pursuance to sub-regulation (3) of regulation 23 under SECP, Shariah Governance Regulations 2023, this Shariah Review Report is for the year ended June 30, 2026, with reference to Azgard Nine Limited SUKUK-1 amounting to Rs. 193,520,000/- with redemption in 20 Quarterly instalments after the grace period of 2 years, and profit @ 5% p.a.

This Shariah Review Report was concluded after a detailed review of the relevant documents, procedures and Shariah guidelines, mechanism and SUKUK structure.

- (a) In my opinion, the transactions, the relevant documentation, and the procedures adopted have been in accordance with the Shariah principles and rules;
- (b) In my opinion, the affairs have been carried out in accordance with Shariah principles and rules and relevant Shariah opinions issued from time to time; and
- (c) In my opinion, no charity for any earnings that have been realized from sources or by means prohibited by Shariah was due for credit to the charity account.

Issued by:



Mufti Muhammad Abdullah
Shariah Advisor
SECP/IFD/SA/115

Date: 13-August-2026

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the members of AZGARD NINE LIMITED Report on the Audit of Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Sr.	Key audit matter	How our audit addressed the Key Audit Matter
1.	Revenue recognition	
	Refer to notes 5.15.1 and 36 to the annexed financial statements. The amount of revenue is the most significant class of transaction on the statement of profit or loss. Net revenue is reported at Rs. 42,500 million. We identified revenue recognition as a key audit matter since it is a key performance measure for the Company and gives rise to the risk associated with the judgement in determining the timing of satisfaction of performance obligations as well as creates an incentive for fraudulently overstating revenue by recognizing revenue before such performance obligations are satisfied.	Our audit procedures in respect of recognition of revenue, amongst others, included the following: - Assessing the appropriateness of the Company's revenue recognition accounting policies by comparing with accounting standards; - Obtaining understanding of and testing the design and operating effectiveness of controls design to ensure that revenue is recognized in the appropriate accounting period and testing, on a sample basis, invoices and credit notes, recorded before and after the reporting period with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and - Critically assessing manual journals posted to revenue to identify unusual or irregular items.

Sr.	Key audit matter	How our audit addressed the Key Audit Matter
2.	Valuation of stock in trade	
	Refer to notes 5.12.2 and 27 to the annexed financial statements. Stock in trade amounts to Rs 5,714.83 million as at the reporting date. The valuation of stock in trade at cost has different components, which includes judgment in relation to the allocation of labour and overheads which are incurred in bringing the stock to its present location and condition. Judgment has also been applied by management in determining the Net Realizable Value ['NRV'] of stock in trade. The estimates and judgments applied by management are influenced by the amount of direct costs incurred historically, expectations of repeat orders to utilize the stock in trade, sales contract in hand and historically realized sales prices The significance of the balance coupled with the judgment involved has resulted in the valuation of stock in trade being identified as a key audit matter.	Our audit procedures in respect of valuation of stock in trade, amongst others, included the following: - Assessing historical costs recorded in the stock in trade valuation; testing on a sample basis with purchase invoices; - Obtaining an understanding of management's process for allocating raw material, labour, and overhead costs to stock of finished goods and work in process and evaluating the appropriateness and consistency of the allocation bases used; - Testing the reasonability of assumptions applied by the management in allocating direct labour and direct overhead costs to stock in trade; and - Assessing management's determination of the net realizable value of stock in trade by performing tests on the sales prices secured by the Company for similar or comparable items of stock in trade.
3.	Litigation with Taybah Capital Limited	
	Refer to notes 2.3.1(c) and 22.1.25 to the annexed financial statements. The Company is a defendant in ongoing litigation with Taybah Capital Limited comprising of a claim of EUR 1.033 million awarded by the Court of Venice and liquidation damages of EUR 2.049 million awarded by the Court of Vicenza. The Company has filed an appeal against order of the Court of Vicenza before the Italian Supreme Court and is planning to file an appeal before the Court of Appeal of Venice against order of the Court of Venice. Based on legal counsel's advice, management has determined that these claims and awards do not meet the recognition criteria for a provision under IAS 37 Provisions, Contingent Liabilities, and Contingent Assets. Accordingly, no liability has been recognized in the statement of financial position, and the matter has instead been disclosed as a contingent liability. The significance of the amounts involved, combined with the reliance on legal interpretation regarding enforceability across jurisdictions, makes this matter a key audit matter.	Our audit procedures in respect of litigation with Taybah Capital Limited, amongst others, included the following: - Understanding and evaluating management's process for identifying and assessing contingent liabilities, including the involvement of legal counsel; - Obtaining confirmations and correspondence directly from the Company's external legal advisors regarding the status of the litigation, the likelihood of success, and potential financial exposure; - Discussing the matter with management and those charged with governance to understand the basis of judgments applied in concluding whether a provision was required or disclosure alone was sufficient; - Obtained legal opinion from the Company's legal advisors, evaluated their competence and objectivity, and assessed whether their opinion adequately addressed the enforceability of the judgments in Pakistan in light of the applicable legal framework and the facts of the case; and - Evaluated the adequacy of disclosures made in the financial statements in respect of the contingency, to assess whether they appropriately describe the nature of the matter, uncertainties involved, and potential financial impact.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 user taken on the basis of these financial statements.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **ALI RAZA JAFFERY**.



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore | 01 October 2026

UDIN: AR202610704hm3kKaJDj

STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
EQUITY AND LIABILITIES			
EQUITY			
Authorized share capital	6	15,000,000,000	15,000,000,000
Issued ordinary share capital	7	4,913,753,370	4,913,753,370
Capital reserves	8	4,742,288,879	4,032,114,593
Revaluation surplus	9	2,782,568,310	2,902,237,912
Retained earnings		3,197,800,998	2,955,922,841
TOTAL EQUITY		15,636,411,557	14,804,028,716
LIABILITIES			
NON-CURRENT LIABILITIES			
Redeemable capital	10	3,777,989,684	3,804,126,757
Long term borrowings	11	131,250,000	-
Lease liabilities	12	137,975,857	-
Employees retirement benefits	13	1,630,970,932	1,265,980,758
Deferred mark-up	14	74,134,626	112,709,911
Deferred taxation	15	136,383,783	296,168,063
		5,888,704,882	5,478,985,489
CURRENT LIABILITIES			
Trade and other payables	16	4,799,763,453	3,652,044,818
Unclaimed dividend on ordinary shares		3,753,252	3,753,252
Short term borrowings	17	3,960,200,360	2,686,388,660
Accrued mark-up/profit on borrowings	18	112,924,758	205,014,237
Levies payable	19	543,446,256	778,907,920
Income taxes payable	20	209,893,640	114,340,654
Current maturity of non-current liabilities	21	1,010,029,191	1,500,053,224
		10,640,010,910	8,940,502,765
TOTAL LIABILITIES		16,528,715,792	14,419,488,254
CONTINGENCIES AND COMMITMENTS			
22			
TOTAL EQUITY AND LIABILITIES		32,165,127,349	29,223,516,970
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	23	14,322,670,313	12,093,040,142
Long term investments	24	224,333,580	124,333,580
Long term advances	25	20,269,998	-
Long term deposits	26	215,971,020	163,264,370
		14,783,244,911	12,380,638,092
CURRENT ASSETS			
Stores, spares and loose tools		529,433,092	347,673,265
Stock in trade	27	5,714,833,804	5,667,465,821
Trade receivables	28	5,052,434,661	3,859,253,072
Receivable against sale of spinning unit	29	706,412,075	706,412,075
Deposits and prepayments	30	828,621,339	1,362,269,330
Advances and other receivables	31	1,078,343,455	1,464,966,869
Short term investments	32	631,866,377	138,603,560
Tax refunds due from government	33	1,636,197,824	1,152,040,570
Funds for restructuring scheme	34	134,492,197	892,167,454
Cash and bank balances	35	1,069,247,614	1,252,026,862
		17,381,882,438	16,842,878,878
TOTAL ASSETS		32,165,127,349	29,223,516,970

The annexed notes from 1 to 64 form an integral part of these financial statements

Lahore

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
Revenue from contracts with customers	36	42,499,824,076	40,602,107,754
Cost of sales	37	(37,447,659,249)	(35,625,252,649)
Gross profit		5,052,164,827	4,976,855,105
Other income	38	760,327,840	848,472,138
Selling and distribution expenses	39	(1,776,744,064)	(1,850,740,611)
Administrative expenses	40	(1,239,244,416)	(1,001,763,045)
Other expenses	41	(160,647,330)	(125,331,557)
		(3,176,635,810)	(2,977,835,213)
Impairment (allowance)/reversal for expected credit losses	53.1.6	(42,879,917)	53,858,821
Operating profit		2,592,976,940	2,901,350,851
Finance cost	42	(785,318,368)	(1,131,276,152)
Notional interest expense	10.11 & 14.1 & 26.2.2	(316,967,223)	(317,318,569)
Profit before levies and income taxes		1,490,691,349	1,452,756,130
Provision for levies	43	(511,850,501)	(507,711,734)
Profit before income taxes		978,840,848	945,044,396
Provision for income taxes	44	(108,969,370)	(243,241,542)
Profit after income taxes		869,871,478	701,802,854
Basic earnings per share	46	1.77	1.43

The annexed notes from 1 to 64 form an integral part of these financial statements

Lahore

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
Profit after income taxes		869,871,478	701,802,854
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurements of defined benefit obligation	13	(41,959,921)	(55,861,992)
Income tax relating to items that will not be reclassified	45	4,471,284	353,938,714
		(37,488,637)	298,076,722
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
Other comprehensive (loss)/income after income taxes		(37,488,637)	298,076,722
Total comprehensive income		832,382,841	999,879,576
<i>The annexed notes from 1 to 64 form an integral part of these financial statements</i>			

Lahore

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF CASH FLOWS

For the year ended June 30, 2026

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	48	3,974,773,207	3,930,038,056
Payments for:			
Mark-up on borrowings - <i>Conventional instruments</i>		(364,308,057)	(464,236,620)
Profit on borrowings - <i>Shariah compliant instruments</i>		(13,091,971)	(6,003,244)
Interest on lease liabilities		(12,915,795)	(11,780)
Income taxes and levies under Income Tax Ordinance, 2001		(1,249,121,536)	(874,734,333)
Employees retirement benefits		(158,714,636)	(166,048,779)
Net cash generated from operating activities		2,176,621,212	2,419,003,300
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,969,994,911)	(1,979,077,892)
Proceeds from disposal of property, plant and equipment		7,155,569	9,814,746
Proceeds against receivable from sale of Muzaffargarh unit		-	7,304,571
Purchase of short term investments		(488,910,173)	(7,693,886)
Acquisition of long term investments		(100,000,000)	-
Profit on certificates received		21,212,627	-
Proceeds from disposal of short term investments		-	24,513,532
Dividend received during the year		54,049	596,275
Net cash used in investing activities		(3,530,482,839)	(1,944,542,654)
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of redeemable capital		(468,014,059)	(509,563,629)
Redeemable capital obtained		182,710,710	-
Long term borrowings obtained		150,000,000	-
Repayment of long term borrowings		(625,020,793)	-
Repayment of lease liabilities		(29,724,405)	(217,955)
Transaction costs paid during the year		(37,148,346)	(58,746,795)
Payment of dividend on preference shares		(29,984,669)	-
Net increase in short term borrowings		107,795,174	122,790,695
Net cash used in from financing activities		(749,386,388)	(445,737,684)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,103,248,015)	28,722,962
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		1,777,922,683	1,745,142,828
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT		(3,223,016)	4,056,893
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	47	(328,548,348)	1,777,922,683

The annexed notes from 1 to 64 form an integral part of these financial statements

Lahore

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2026

	Capital reserves						Total equity
	Issued ordinary share capital	Share premium	Reserve on merger	Preference shares redemption reserve	New zero coupon PPTFCs redemption reserve	Total capital reserves	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
As at 01 July 2024	4,913,753,370	2,358,246,761	105,152,005	148,367,255	710,174,286	3,321,940,307	13,804,149,140
Total comprehensive income for the year							
Profit after income taxes	-	-	-	-	-	-	701,802,854
Other comprehensive income after income taxes	-	-	-	-	-	-	298,076,722
	-	-	-	-	-	-	999,879,576
Other transactions							
Incremental depreciation	-	-	-	-	-	-	-
Transfer of revaluation surplus upon disposal of operating fixed assets	-	-	-	-	-	(131,378,731)	131,378,731
Transfer from retained earnings to new zero coupon PPTFCs redemption reserve	-	-	-	-	710,174,286	(516,505)	516,505
	-	-	-	-	-	-	(710,174,286)
	-	-	-	-	710,174,286	(131,895,236)	(578,279,050)
As at 30 June 2025	4,913,753,370	2,358,246,761	105,152,005	148,367,255	1,420,348,572	2,902,237,912	14,804,028,716
As at 01 July 2025	4,913,753,370	2,358,246,761	105,152,005	148,367,255	1,420,348,572	4,032,114,593	14,804,028,716
Total comprehensive income for the year							
Profit after income taxes	-	-	-	-	-	-	869,871,478
Other comprehensive income	-	-	-	-	-	-	(37,488,637)
	-	-	-	-	-	-	832,382,841
Other transactions							
Incremental depreciation	-	-	-	-	-	-	-
Transfer of revaluation surplus upon disposal of operating fixed assets	-	-	-	-	-	(119,944,894)	-
Transfer from retained earnings to new zero coupon PPTFCs redemption reserve	-	-	-	-	710,174,286	-	-
	-	-	-	-	-	-	(710,174,286)
	-	-	-	-	710,174,286	(119,944,894)	(590,229,392)
As at 30 June 2026	4,913,753,370	2,358,246,761	105,152,005	148,367,255	2,130,522,858	2,782,568,310	15,636,411,557

The annexed notes from 1 to 64 form an integral part of these financial statements

Lahore

Chief Executive Officer

Director

Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

1 LEGAL STATUS AND OPERATIONS

Azgard Nine Limited [the 'Company'] was incorporated under the repealed Companies Ordinance, 1984 on 20 January 1993. The Company is a 'Public Company Limited by Shares' and is listed on Pakistan Stock Exchange Limited. The Company is a composite of spinning, weaving, dyeing and stitching units engaged in the manufacturing of yarn, denim and denim products.

1.1 Location of business units

Registered Office	Ismail Aiwan-e-Science, off Shahrah-e-Roomi, Lahore, Pakistan
Manufacturing Unit - 1	2.5 KM, off Manga, Raiwind Road, District Kasur, Pakistan.
Manufacturing Unit - 2	18 KM, Atta Buksh Road, off Ferozepur Road, Mouza Atari Saroba, Tehseel Cantt, Lahore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards 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 as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Employee retirement benefits	Present value
Freehold land, buildings on freehold land, plant and machinery	Revalued amounts
Investments	Fair value
Other financial assets	Amortized cost

2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.3.1 Critical accounting judgements

Critical accounting judgements made by the management in the application of accounting and reporting standards that have significant effect on the financial statements are as follows:

(a) Business model assessment (see note 5.1.2)

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

(b) Significant increase in credit risk (see note 5.18.1)

Expected credit losses ['ECL'] are measured, based on the Company's risk grading framework, at an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

(c) Provisions and contingencies (see note 5.9)

The Company has reviewed its position regarding the ongoing litigation with Taybah Capital Limited ['TCL'], involving TCL's original claim of EUR 7 million in the Court of Venice and the liquidation damages of EUR 2.049 million awarded to TCL by the Court of Vicenza. The Court of Venice awarded TCL claim of EUR 1.033 million against the original claim of EUR 7 million. Based on legal counsel's advice and in light of related legal considerations, management has determined that both TCL's award of EUR 1.033 million awarded by the Court of Venice together with the legal costs incurred by the TCL and the liquidation damages of EUR 2.049 million awarded by the Court of Vicenza do not satisfy the criteria for recognition as a 'Provision' under IAS 37 Provisions, Contingent Liabilities, and Contingent Assets, as judgements of Italian courts cannot be directly executed in Pakistan. Consequently, no liability has been recorded in the statement of financial position.

2.3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

(a) Calculation of impairment allowance for expected credit losses on financial assets (see note 53.1.2)

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Company uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. If the ECL rates on financial assets carried at amortized cost were higher (lower) by 10%, the loss allowance on those assets would have been higher (lower) by Rs. 902.93 million (30-Jun-25: Rs. 860.19 million).

(b) Revaluation of freehold land and buildings on freehold land (see note 55.2.1)

Most recent revaluation of freehold land and buildings on freehold land was carried out by an independent valuer, Hamid Mukhtar and Company (Private) Limited, on 30 June 2024. Revalued amounts of land and building have been determined by reference to local market values taking into account prevailing fair market prices under the position and circumstances present on the date of valuation and current market scenario for properties of similar nature in the immediate neighborhood and adjoining areas. Land is valued using market comparable approach that reflects recent transaction prices for similar properties. Significant inputs include estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition. Building is valued using cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. Significant inputs include estimated construction costs and other ancillary expenditure.

A 5% increase in estimated purchase price of land, including non-refundable purchase taxes and other costs directly attributable to the acquisition of land or in estimated construction cost of buildings and other ancillary expenditure would result in a significant increase in fair value of freehold land and building on freehold land by Rs. 78.698 million (30-Jun-25: Rs. 78.698 million) and Rs. 118.78 million (30-Jun-25: Rs. 121.677 million) respectively.

(c) Revaluation of plant and machinery (see note 55.2.1)

Most recent revaluation of Freehold land and buildings on freehold land was carried out by an independent valuer, Hamid Mukhtar and Company (Private) Limited, on 30 June 2024. Revalued amounts of plant and machinery are determined by using cost approach that reflects the cost to the market participants to construct or acquire machinery of comparable utility and age, adjusted for obsolescence and depreciation. Significant inputs include estimated construction/acquisition costs and other ancillary expenditure.

A 5% increase in estimated construction/acquisition cost of machinery and other ancillary expenditure would result in a significant increase in fair value of plant and machinery by Rs. 427.733 million (30-Jun-25: Rs. 304.573 million).

(d) Present value of defined benefit obligation (see note 13)

The determination of the Company's defined benefit obligation depends on certain assumptions, which include selection of the discount rate, average rate of increase in salaries and mortality rates. The discount rate is set by reference to market yields at the end of the reporting period on government bonds as there is no deep market for high quality corporate bonds in Pakistan. Average rate of increase in salary are based on market expectations, inflation and historical trends. Mortality rates are based upon SLIC(2001-05) mortality table. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Company's financial statements within the next year.

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date has been determined by an independent actuary, TRT Associates. The principal assumptions used in determining present value of defined benefit obligation are:

	30-Jun-26	30-Jun-25
Discount rate	11.75%	11.75%
Expected rate of increase in salary	10.00%	11.25%
Mortality rates	SLIC 2001-05	SLIC 2001-05
Withdrawal factor	Age Based	Age Based
Retirement age of the employee	60 years	60 years

An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

	30-Jun-26		30-Jun-25	
	Change in actuarial assumption	Defined benefit obligation Rupees	Change in actuarial assumption	Defined benefit obligation Rupees
Discount rate	+ 1%	1,512,199,587	+ 1%	1,180,817,615
	- 1%	1,759,109,725	- 1%	1,357,316,065
Expected rate of increase in salary	+ 1%	1,759,070,829	+ 1%	1,357,286,052
	- 1%	1,512,181,011	- 1%	1,180,803,110

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

(e) Provisions for levies and current tax under Income Tax Ordinance, 2001 (see note 43 and 44)

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provisions for current tax and levies under the Income Tax Ordinance, 2001 [the Ordinance] and in presenting tax contingencies.

The provision for levies and current tax under the Ordinance are estimated at Rs. 531.26 million (30-Jun-25: Rs. 507.71 million) and Rs. 208.18 million (30-Jun-25: Rs. 121.93 million) respectively. The management believes that the provision for current tax and levies made in the financial statements is sufficient to discharge related liabilities under the Ordinance.

(f) Deferred tax on temporary differences in non-tax/levy regime (see note 15)

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The Company is subject to non-tax/levy regime whereby taxes under Income Tax Ordinance, 2001 are levied on turnover or other basis and are not based on taxable profits. Significant management judgement is required to determine whether the Company is expected to be assessed in non-tax/levy regime for the foreseeable future, and the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Credit (30-Jun-25: Provision) for deferred tax of Rs. 155.31 million (30-Jun-25: Rs. 128.9 million) has been estimated after taking into account historical and future turnover and profit trends and their taxability under the current tax law. The Company has unused minimum tax credit amounting to Rs. 499.57 million (30-Jun-25: 154.78 million) as at the reporting date and available for adjustment against taxable profits accruing upto tax year 2028. However, the Company has not recognised deferred tax asset on the available minimum tax credit as the Company is subject to and expects to remain in non-tax/levy regime for the foreseeable future.

2.4 Presentation currency

These financial statements have been presented in Pak Rupees which is the Company's functional currency. The amounts reported in these financial statements have been rounded to the nearest Rupees unless specified otherwise.

2.5 Date of authorization for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 01 October 2026.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

The following new and revised International Financial Reporting Standards [IFRS] and International Accounting Standards [IAS], interpretations of and amendments to IFRS and IAS are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures, except as stated otherwise.

3.1 Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

3.2 IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

The standard provides guidance on identifying sustainability-related risks and opportunities and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

3.3 IFRS S2 Climate-related Disclosures

The standard provides guidance on identifying climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	01 January 2026
Amendments IFRS 9 and IFRS 7 regarding the power purchase agreements	01 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	01 January 2026
IFRS 17 Insurance Contracts	01 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	01 January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2026
Amendments to IAS 21 regarding translation to hyperinflationary presentation currency	01 January 2026

Other than aforementioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan for adoption.

- IFRS 1 First Time Adoption of International Financial Reporting Standards

- IFRS 20 Regulatory Assets and Regulatory Liabilities

The Company intends to adopt these new standards on their effective dates, subject to notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's financial statements other than in presentation/disclosures.

5 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Financial instruments

5.1.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

5.1.2 Classification

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in accordance with the substance of contractual provisions. The Company determines the classification of its financial instruments at initial recognition as follows:

(a) *Financial assets at amortized cost*

These are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cashflows 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.

(b) *Financial assets at fair value through other comprehensive income ['fair value through OCI']*

These are:

- (i) financial assets held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets 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; and
- (ii) investments in equity instruments, that are not held for trading nor contingent consideration recognized by the Company as acquirer in a business combination, for which the Company makes an irrevocable election at initial recognition to present changes in fair value on subsequent measurement in other comprehensive income.

(c) *Financial assets at fair value through profit or loss*

These are financial assets which have not been classified as 'financial assets at amortized cost' or as 'financial assets at fair value through other comprehensive income', are mandatorily measured at fair value through profit or loss or for which the Company makes an irrevocable election at initial recognition to designate as 'financial asset at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

(d) *Financial liabilities at amortized cost*

These are financial liabilities which are not derivatives, financial guarantee contracts, commitments to provide loans at below-market interest rate, contingent consideration payable to an acquirer in a business combination or financial liabilities that arise when transfer of a financial asset does not qualify for derecognition.

(e) *Financial liabilities at fair value through profit or loss*

These are financial liabilities which have not been classified as 'financial liabilities at amortized cost' or for which the Company makes an irrevocable election at initial recognition to designate as 'financial liabilities at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

5.1.3 Measurement

Measurement methods adopted are explained in individual policy statements associated with each financial instrument.

5.1.4 De-recognition

A financial asset is derecognized when the Company's contractual rights to the cash flows from the financial assets expire or when the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the financial asset. A financial liability is derecognized when the Company's obligations specified in the contract expire or are discharged or cancelled.

5.1.5 Off-setting

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

5.1.6 Regular way purchases or sales of financial assets

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 market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

5.2 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity. Dividends on ordinary shares are charged directly against equity as a deduction from retained earnings, when approved by the ordinary shareholders of the Company.

5.3 Preference share capital

Preference shares that pay a fixed rate of dividend and that have a mandatory redemption feature at a future date and accordingly they carry a contractual obligation to deliver cash and, therefore, are recognized as a liability.

Preference shares that do not have a fixed maturity, and where the Company does not have a contractual obligation to deliver cash or another financial asset to the holder of preference shares and if these will or may be settled in the issuer's own equity instruments, these are either, a non-derivative that includes no contractual obligation for the Company to deliver a variable number of its own equity instruments or a derivative that will be settled only by the Company exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments, are recognized as equity.

Dividends on preference shares recognized as a liability are recognized in profit or loss. Dividends on preference shares recognized as equity are charged directly against equity as a deduction from retained earnings when declared by the Board of Directors.

5.4 Share premium

Share premium represents excess of the fair value of consideration received against issues of shares over the par value of those shares. Share premium is recognized as equity under Section 81 of the Companies Act, 2017.

5.5 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis. Transaction costs included in the carrying amount of the loans are amortized over the lives of loans using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

5.6 Leases as 'lessee'

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for the short-term leases and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

A right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Subsequent to initial recognition, a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognized, using rate specified in note 23, using reducing balance method over the shorter of lease term and useful life of the right-of-use asset, unless the lease transfers ownership of the underlying asset to the Company by the end of lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment assets. In addition, the right-of-use asset is adjusted for certain remeasurements of the related lease liability.

Lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in measurement of lease liability comprise:

- Fixed lease payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Subsequent to initial recognition, lease liability is measured at amortized cost using effective interest method whereby the carrying amount of lease liability is increased to reflect the interest thereon and decreased to reflect lease payments made. Interest is recognized in profit or loss.

Lease liability is remeasured whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate, unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the related right-of-use asset, except where the carrying amount of right-of-use asset is reduced to zero. In that case, any adjustment exceeding the carrying amount of the right-of-use asset is recognized in profit or loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs.

5.7 Short-term leases

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

5.8 Trade and other payables

5.8.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.8.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

5.9 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

5.10 Property, plant and equipment

Freehold land, buildings on freehold land and plant and machinery held for use in the production or supply of goods or services or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses, except for freehold land, which is not depreciated. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land, buildings and plant and machinery is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land, buildings and plant and machinery is recognized as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus relating to a previous revaluation of that asset.

All other items or property, plant and equipment (office equipment and fixtures, electric installations, computer hardware and allied items, vehicles) are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses.

Assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the cost of material, labor and appropriate overheads directly relating to the construction, erection and installation of the asset and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other assets of the same class, commences when the assets are ready for their intended use.

Depreciation is recognized in profit or loss, using rates specified in note 23, so as to write off the cost or revalued amounts of assets (other than freehold land and assets under construction) over their estimated useful lives, using the reducing balance method, with the exception of right-of-use assets, for which the lease does not transfer ownership of the underlying asset to the Company at the end of lease term, which are depreciated over the shorter of lease term and useful lives of the underlying assets, using straight line method.

Depreciation on an item of property, plant and equipment commences from the month in which the item is ready for intended use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Incremental depreciation being the difference between depreciation based on the revalued amounts recognized in profit or loss and depreciation based on the historical cost, net of tax, is reclassified from the revaluation surplus to retained earnings. On the subsequent disposal or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation surplus is transferred directly to retained earnings.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of such items is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.

5.11 Investments

5.11.1 Investment in unlisted debt and equity securities

Investments in unlisted debt and equity securities are classified as 'financial assets at fair value through other comprehensive income'. On initial recognition, these are measured at fair value on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized in other comprehensive income. Gains and losses on de-recognition are recognized in profit or loss. Dividend income is recognized in profit or loss when right to receive payment is established.

5.11.2 Investments in listed equity securities and mutual funds

Investments in listed equity securities and mutual funds are classified as 'financial assets at fair value through profit or loss [FVTPL]' unless the Company makes an irrevocable election at initial recognition, for a particular investment, to present subsequent changes in fair value in other comprehensive income in which case these are classified as 'financial assets at fair value through other comprehensive income [FVTOCI]'. On initial recognition, these are measured at fair value as on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized in profit or loss except where the Company has made an irrevocable election at initial recognition to present these changes in other comprehensive income. Cumulative gains and losses from changes in fair value recognized in other comprehensive income are transferred to retained earnings on derecognition. Dividend income is recognized in profit or loss when right to receive payment is established.

5.12 Inventories

5.12.1 Stores, spares and loose tools

Stores, spares and loose tools are generally held for internal use and are valued at lower of cost and net realizable value. Cost is determined on the basis of moving average except for items in transit, which are valued at invoice price plus related cost incurred up to the reporting date. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

5.12.2 Stock in trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

Category	Basis of determination of cost
Raw materials	Moving average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Stock in transit	Invoice price plus related cost incurred up to the reporting date

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labor and an appropriate proportion of manufacturing overheads.

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

5.13 Trade and other receivables

5.13.1 Financial assets

These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost less accumulated impairment losses. Amortized cost is measured using the effective interest method, with interest recognized in profit or loss.

5.13.2 Non-financial assets

These, on initial recognition, are measured at cost. Subsequent to initial recognition, these are measured at cost less accumulated amortization.

5.14 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash in hand and bank balances. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and bank balances less running finances.

5.15 Contracts with customers

5.15.1 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue from a contract with customer when the Company satisfies an obligation specified in that contract. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Yarn, Denim Fabric, Garments, Waste and others	Performance obligations are satisfied when goods are dispatched to customers, except for exports, where performance obligations are satisfied on shipment. Invoices are generated at that point in time. Invoices are usually payable within a period ranging from 30 days to 120 days. Discounts are allowed based on the payment terms and volume of sales. There are no customer loyalty programs or warranty provisions. However, some contracts allow for return of goods if those do not meet the requirements or specifications provided in the contract.	Revenue is recognized at a point in time when the goods are dispatched/shipped to customers.

5.15.2 Contract assets

Contract assets represents consideration receivable for work performed up to the reporting date where performance obligations have been satisfied but invoices have not been issued to customers.. These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost less accumulated impairment losses. Amortized cost is measured using the effective interest method, with interest recognized in profit or loss. A contract asset is reclassified to a trade receivable once the Company has an unconditional right to payment i.e. when the invoice is issued.

5.15.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

5.16 Government grants

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

5.17 Employee benefits

5.17.1 Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of services or property and equipment as permitted or required by the approved accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

5.17.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of remeasurements which are recognized in statement of comprehensive income. The amount recognized on statement of financial position represents the present value of defined benefit obligation which is measured at present value using projected credit unit method.

5.18 Impairment

5.18.1 Financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset.

Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of trade debts, for which the Company recognizes lifetime expected credit losses estimated using internal credit risk grading based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions, and an assessment for both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or loss.

5.18.2 Non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro-rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

5.19 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

5.19.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

5.19.2 Deferred taxation

Deferred tax is accounted for by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized.

5.20 Basic earnings per share

Basic earnings per share 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.

5.21 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by accounting and reporting standards applicable in Pakistan.

5.22 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in profit or loss.

5.23 Fair value measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Company's accounting policies and disclosures require the measurement of fair values.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5.24 Segment reporting

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

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly other income and expenses, finance cost and certain provisions including those for levies and taxes.

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
6 AUTHORIZED SHARE CAPITAL		
Ordinary shares of Rs. 10 each		
900,000,000 (30-Jun-25: 900,000,000) voting shares	9,000,000,000	9,000,000,000
300,000,000 (30-Jun-25: 300,000,000) non-voting shares	3,000,000,000	3,000,000,000
	12,000,000,000	12,000,000,000
Preference shares of Rs. 10 each		
300,000,000 (30-Jun-25: 300,000,000) non-voting shares	3,000,000,000	3,000,000,000
	15,000,000,000	15,000,000,000
7 ISSUED ORDINARY SHARE CAPITAL		
Voting ordinary shares		
359,773,025 (30-Jun-25: 359,773,025) shares issued for cash	3,597,730,250	3,597,730,250
62,548,641 (30-Jun-25: 62,548,641) shares issued as fully paid bonus shares	625,486,410	625,486,410
12,276,073 (30-Jun-25: 12,276,073) shares issued as consideration for machinery	122,760,730	122,760,730
50,811,992 (30-Jun-25: 50,811,992) shares issued as consideration on merger	508,119,920	508,119,920
	4,854,097,310	4,854,097,310
Non-voting ordinary shares		
5,196,894 (30-Jun-25: 5,196,894) shares issued for cash	51,968,940	51,968,940
768,712 (30-Jun-25: 768,712) shares issued as fully paid bonus shares	7,687,120	7,687,120
	59,656,060	59,656,060
	4,913,753,370	4,913,753,370

8	CAPITAL RESERVES	Note	30-Jun-26	30-Jun-25
			Rupees	Rupees
	Share premium	8.1	2,358,246,761	2,358,246,761
	Reserve on merger	8.2	105,152,005	105,152,005
	Preference shares redemption reserve	8.3	148,367,255	148,367,255
	New zero coupon PPTFCs redemption reserve	8.4	2,130,522,858	1,420,348,572
			4,742,288,879	4,032,114,593
8.1	This represents premium on issue of ordinary shares recognized under Section 81 of the Companies Act, 2017.			
8.2	On 19 December 2002, the net assets of Nafees Cotton Mills Limited were merged into the Company. The reserve represents the excess of the value of net assets of Nafees Cotton Mills Limited as on the date of merger over the fair value of consideration for merger.			
8.3	This reserve has been created for redemption of preference shares issued by the Company as required to be created and maintained under the terms of issue. See note 10.5.			
8.4	This represents reserve created for redemption of new zero coupon PPTFCs. See note 10.4.			
9	REVALUATION SURPLUS	Note	30-Jun-26	30-Jun-25
			Rupees	Rupees
	Gross amount			
	As at the beginning of the year		3,071,351,627	3,217,928,444
	Transfer to retained earnings on disposal of revalued assets		-	(573,998)
	Incremental depreciation transferred to retained earnings		(133,272,104)	(146,002,819)
	As at the end of the year		2,938,079,523	3,071,351,627
	Income tax adjustments			
	As at the beginning of the year		(169,113,715)	(532,138,702)
	Transfer to retained earnings on disposal of revalued assets		-	57,493
	Incremental depreciation transferred to retained earnings		13,327,210	14,624,088
	Income tax adjustment for changes in effective tax rate	45	275,292	348,343,406
	As at the end of the year		(155,511,213)	(169,113,715)
			2,782,568,310	2,902,237,912
10	REDEEMABLE CAPITAL	Note	30-Jun-26	30-Jun-25
	Conventional instruments			
	Privately placed term finance certificates	10.1	66,692,994	150,361,474
	Privately placed term finance certificates	10.2	100,240,982	100,039,494
	Sub-privately placed term finance certificates	10.3	577,090,393	876,513,393
	New zero coupon privately placed term finance certificates	10.4	4,971,220,000	4,971,220,000
	Redeemable preference shares	10.5	-	36,940,831
			5,715,244,369	6,135,075,192
	Shariah compliant instruments			
	Sub-sukuk certificates	10.6	77,408,000	116,112,000
	Diminishing Musharaka	10.7	88,446,260	-
	Diminishing Musharaka	10.8	66,688,702	-
			232,542,962	116,112,000
			5,947,787,331	6,251,187,192
	Unamortized transaction costs	10.10	(154,604,041)	(159,601,257)
	Unamortized notional interest	10.11	(1,588,072,424)	(1,873,127,171)
			4,205,110,866	4,218,458,764
	Current maturity presented under current liabilities	21	(427,121,182)	(414,332,007)
			3,777,989,684	3,804,126,757

- 10.1** These represent privately placed term finance certificates issued by the Company in 2012 under a Settlement Agreement ['the Agreement'] with JS Global Capital Limited, dated 22 October 2012 effective from 19 October 2012. The issue was later restructured in 2021 pursuant to the Lahore High Court Approved Creditors' Scheme of Arrangement ['Approved Scheme'] (see note 53.2.2). The total issue comprised of 12 certificates, each with a face value of Rs. 27.21 million.

The issue carries mark-up at 5% per annum, payable quarterly. Principal redemption is structured in twenty equal quarterly installments with the first installment due in July 2023. However, as per the terms of Approved Scheme, the maximum tenor for redemption of these certificates is ten years from the effective date of issue i.e. 29 April 2021. In order to protect the interests of certificate holders, JS Bank Limited has been appointed as trustee under a trust deed for the issue of privately placed term finance certificates executed on 23 October 2012.

The issue is secured by a common security arrangement, the details of which are presented in note 10.9.

- 10.2** These represent privately placed term finance certificates issued by the Company in 2012 under a Settlement Agreement ['the Agreement'] with JS Global Capital Limited, dated 22 October 2012 effective from 19 October 2012. The issue was later restructured in 2021 pursuant to the Lahore High Court Approved Creditors' Scheme of Arrangement ['Approved Scheme'] (see note 53.2.2). The total issue comprised of 21,720 certificates, each with a face value of Rs. 10,000.

The issue carries mark-up at 5% per annum, payable quarterly. Principal redemption is structured in twenty equal quarterly installments with the first installment due in July 2023. However, as per the terms of Approved Scheme, the maximum tenor for redemption of these certificates is ten years from the effective date of issue i.e. 29 April 2021. In order to protect the interests of certificate holders, JS Bank Limited has been appointed as trustee under a trust deed for the issue of privately placed term finance certificates executed on 23 October 2012.

The issue is secured by a common security arrangement, the details of which are presented in note 10.9.

- 10.3** These represent sub-privately placed term finance certificates issued by the Company to its secured creditors pursuant to the Lahore High Court Approved Creditors' Scheme of Arrangement ['Approved Scheme'] (see note 53.2.2). The total issue comprised of 611,296 certificates, each with a face value of Rs. 5,000.

The issue carries mark-up at 5% per annum, payable subject to sufficient excess cash being available with the Company for distribution. In the event that the Company does not have sufficient excess cash available for servicing of annual mark-up, the Company shall issue unsecured zero coupon privately placed term finance certificates, from time to time, to certificate holders against the mark-up amount due. The unsecured zero coupon privately placed term finance certificates so issued shall be paid at a future date as per the Company's available cash flows within 10 years from time zero date after payment of all other long term liabilities (except new zero coupon privately placed term finance certificates). Principal redemption is structured in twenty equal quarterly installments with the first installment due in July 2023. However, as per the terms of Approved Scheme, the maximum tenor for redemption of these certificates is ten years from the effective date of issue i.e. 29 April 2021. In order to protect the interests of certificate holders, Pak Brunei Investment Company Limited has been appointed as investment agent under the sub-PPTFC issuance agreement executed on 28 September 2021.

The issue is secured by a common security arrangement, the details of which are presented in note 10.9.

- 10.4** These represent zero coupon privately placed term finance certificates issued by the Company to its secured creditors pursuant to the Lahore High Court Approved Creditors' Scheme of Arrangement ['Approved Scheme'] (see note 53.2.2). The total issue comprised of 1,020,702 certificates, each with a face value of Rs. 5,000.

The issue does not carry any mark-up. These certificates are redeemable in bullet on maturity in April 2031. However, the Company has made an early redemption of 26,458 certificates during the year ended 30 June 2023.

The issue is secured by ranking hypothecation and mortgage charge, each for an amount up to Rs. 7,000 million, on assets of the Company, in favor of National Bank of Pakistan, as security agent and personal guarantee of the sponsor director.

- 10.5** These represent non-voting, non-participatory, partly convertible, and cumulative preference shares that were originally redeemable on 24 September 2010. During the year 2024, the outstanding liability relating to these preference shares together with the associated unpaid dividend and mark-up amounting Rs. 9.41 million and Rs. 180.63 million respectively was restructured and rescheduled under a settlement plan approved by the preference shareholders in their meeting held on 18 January 2024.

Under the approved settlement plan, the entire outstanding preference dividend was fully discharged in the year 2024, while the remaining preference share liability and accrued mark-up were restructured into two settlement categories. Preference shareholders holding up to 2,500 shares had their outstanding balance of Rs. 1.32 million fully settled. For preference shareholders holding more than 2,500 shares, the preference shares are structured to be redeemed in equal bi-annual installments over a two-year period commencing in June 2024 whereas, the related accrued mark-up will be discharged over a three-year period in equal bi-annual installments, with first installment due in June 2026. Furthermore, with the approval of the settlement plan, the accrual of mark-up on outstanding preference shares liability has ceased, thereby rendering these instrument mark-up free.

- 10.6** These represent privately placed sukuk certificates issued by the Company to Faysal Bank Limited pursuant to the Lahore High Court Approved Creditors' Scheme of Arrangement ['Approved Scheme'] (see note 53.2.2). The total issuance comprised 38,704 Sub Sukuk Certificates having face value of Rs. 5,000 each.

The issue carries profit at 5% per annum, payable subject to sufficient excess cash being available with the Company for distribution. In the event that the Company does not have sufficient excess cash available for servicing of annual mark-up, the Company shall issue unsecured zero coupon privately placed sukuk certificate, from time to time, to certificate holder against the mark-up amount due. The unsecured zero coupon privately placed sukuk certificates so issued shall be paid at a future date as per the Company's available cash flows within 10 years from time zero date after payment of all other long term liabilities (except new zero coupon privately placed term finance certificates). Principal redemption is structured in twenty equal quarterly installments with the first installment due in July 2023. However, as per the terms of Approved Scheme, the maximum tenor for redemption of these certificates is ten years from the effective date of issue i.e. 29 April 2021. In order to protect the interests of certificate holder, Pak Brunei Investment Company Limited has been appointed as investment agent under the sub-PPTFC issuance agreement executed on 28 September 2021.

The issue is secured by a common security arrangement, the details of which are presented in note 10.9.

- 10.7** This represents diminishing musharakah facility of Rs. 100 million sanctioned by First Habib Modaraba to finance the acquisition of vehicles. The facility is secured by creating a charge over operating fixed assets of the Company and post dated cheques of installments. The facility carries profit at three months KIBOR plus 2.00% per annum, payable monthly. The principal is repayable in sixty equal monthly installments with the first installment due in December 2025.
- 10.8** This represents diminishing musharakah facility of Rs. 100 million sanctioned by First Habib Modaraba to finance the acquisition of vehicles. The facility is secured by creating a charge over operating fixed assets of the Company and post dated cheques of installments. The facility carries profit at three months KIBOR plus 2.00% per annum, payable monthly. The principal is repayable in sixty equal monthly installments with the first installment due in March 2026.
- 10.9** All redeemable capital and long term borrowings, with the exception of new zero coupon privately place term finance certificates (see note 10.4), redeemable preference shares (see note 10.5) and diminishing musharaka (see note 10.7) are secured by way of a common security which is as follows:

- First priority hypothecation and mortgage charge, each for Rs. 23,809 million, on the Company's assets in favor of National Bank of Pakistan, as security agent; and

- Personal guarantee of sponsor director.

	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
10.10 Transaction costs			
As at beginning of the year		159,601,257	133,726,945
Recognized during the year		37,148,346	58,746,795
Amortized during the year	42	(42,145,562)	(32,872,483)
As at end of the year		154,604,041	159,601,257
10.11 Unamortized notional interest			
As at beginning of the year		1,873,127,171	2,169,520,426
Amortized during the year	10.11.1	(286,046,257)	(296,393,255)
Impact of reassessment	38 & 10.11.2	991,510	-
As at end of the year		1,588,072,424	1,873,127,171

10.11.1 Notional interest is being amortized at rates ranging from 8.14% to 21.73% per annum applied on opening balance of amortized cost of related financial liabilities.

10.11.2 This represents the reassessment of the sub-PPTFCs following the acceleration of scheduled payments, resulting in a modification of the contractual future cash flows.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
11 LONG TERM BORROWINGS			
Settlement finance facility	11.1	456,188,139	1,081,208,932
Long term finance facility	11.2	150,000,000	-
		606,188,139	1,081,208,932
Current maturity presented under current liabilities	21	(474,938,139)	(1,081,208,932)
		131,250,000	-

11.1 This represents settlement finance created pursuant to the Lahore High Court Approved Creditors' Scheme of Arrangement ['Approved Scheme'] (see note 53.2.2). The finance carries mark-up at 5% per annum. The principal liability will be settled through the proceeds from disposal of the Company's spinning unit at Muzaffargarh and 13,805,427 preference shares in Agritech Limited held by the Company. The finance is secured by equitable mortgage over the spinning unit, charge and right over actual proceeds from disposal of spinning unit and preferences shares, first hypothecation charge and equitable mortgage over the Company's assets and personal guarantee of sponsor director, each for Rs. 1,441.61 million, in favour of Bank Makramah Limited, as security agent. In case sales proceeds received by the Company are insufficient for making any payment due under the settlement finance facility, the treatment and settlement terms will be mutually settled between the Company and the agents appointed pursuant to the Approved Scheme. The assets related to spinning unit of the Company have been sold and their proceeds are being received in the escrow account (see note 34) for onward payment of the settlement finance. Accordingly, the entire outstanding balance has been classified as current liability (see note 21.1).

During the year, settlement finance amounting to Rs. 625 million is settled from the proceeds realized in the Escrow Account from the sale of machinery and building of the Muzaffargarh unit.

11.2 This represents long term finance facility of Rs. 250 million sanctioned by Pak Libya Holding Company (Private) Limited to finance the capital expenditures relating to biomass power project. The facility is secured by charge over all present and future current and fixed assets of the Company and personal guarantee of sponsor director convertible to personal guarantee of the sponsor director with National Bank of Pakistan as common security agent (see note 10.9). The facility carries markup at three months KIBOR plus 1.90% per annum, payable quarterly. The principal is repayable in sixteen equal quarterly installments with the first installment due on 31 March 2027.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
12 LEASE LIABILITIES			
Present value of minimum lease payments	12.1 & 12.2	207,370,443	-
Current maturity presented under current liabilities	21	(69,394,586)	-
		137,975,857	-

12.1 These represent liabilities against right-of-use assets comprising buildings. The interest rate implicit in lease is 12.53% per annum. Lease rentals are payable over a tenor of 3 years.

12.2 The amount of future minimum lease payments and the period in which these payments will become due are as follows:

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
Not later than one year	89,544,420	-
Later than one year but not later than five years	150,093,504	-
Total future minimum lease payments	239,637,924	-
Finance charge allocated to future periods	(32,267,481)	-
Present value of future minimum lease payments	207,370,443	-
Not later than one year	(69,394,586)	-
Later than one year but not later than five years	137,975,857	-

13 EMPLOYEES RETIREMENT BENEFITS

The Company operates an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. The scheme is administered by the management of the Company under the supervision and directions of the Board of Directors of the Company. The amount recognized on statement of financial position represents present value of defined benefit obligation.

	Note	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
13.1 Movement in the present value of the defined benefit obligation			
As at beginning of the year		1,265,980,758	978,693,584
Charged to profit or loss for the year	13.2 & 13.3	504,687,944	403,004,230
Benefits paid during the year		(158,714,636)	(166,048,779)
Remeasurements recognized in other comprehensive income	13.4	41,959,921	55,861,992
Benefits due but not paid		(22,943,055)	(5,530,269)
As at the end of the year		1,630,970,932	1,265,980,758
13.2 Charge to profit or loss			
Service cost		366,607,594	271,300,881
Interest cost		138,080,350	131,703,349
		504,687,944	403,004,230
13.3 The charge to profit or loss has been allocated as follows			
Cost of sales	37	401,250,301	337,920,042
Selling and distribution expenses	39	36,309,504	24,096,292
Administrative expenses	40	67,128,139	40,987,896
		504,687,944	403,004,230
13.4 Remeasurements recognized in other comprehensive income			
Actuarial (gains)/loss arising from:			
Changes in financial assumptions		(165,493,922)	(1,333,208)
Experience adjustments		207,453,843	57,195,200
		41,959,921	55,861,992

13.5 Average duration of the defined benefit obligation

The average duration of the defined benefit obligation is 8 years.

13.6 Expected charge to profit or loss for the next financial year

The expected charge to profit or loss for the year ending 30 June 2027 amounts to Rs. 611.237 million.

13.7 Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to the market yields at the reporting date on high quality corporate bonds, or where there is no deep market in such bonds, by reference to the market yields on government bonds. A decrease in market yield resulting in a lower discount rate will increase the defined benefit liability, and vice versa.

Salary risk: The present value of defined benefit obligation is calculated by reference to future salaries of plan participants. An increase in salary of plan participants will increase the defined benefit obligation and vice versa.

Withdrawal rate risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the withdrawal rate/attrition rate of plan participants. An increase in the withdrawal rate may increase/decrease the defined benefit liability and vice versa depending on the age-service distribution of the exiting employees.

Mortality rate risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during employment. An improvement in the mortality rates of the participants may increase/decrease the defined benefit liability and vice versa depending on the age-service distribution of the exiting employees.

14 DEFERRED MARK-UP

This represents mark-up accrued on redeemable preference shares (see note 10.5). This mark-up is not due for payment within twelve months from the reporting date and thus has been recognized as non-current liability.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
As at beginning of the year		179,908,008	179,908,008
Paid during the year		(29,984,669)	-
As at the end of the year		149,923,339	179,908,008
Unamortized notional interest	<i>14.1</i>	(37,213,429)	(62,685,812)
		112,709,910	117,222,196
Current maturity presented under current liabilities	<i>21</i>	(38,575,284)	(4,512,285)
		74,134,626	112,709,911
14.1 Unamortized notional interest			
As at beginning of the year		62,685,812	83,611,125
Amortized during the year		(25,472,383)	(20,925,313)
		37,213,429	62,685,812

- 14.1.1** Notional interest is being amortized at 21.73% per annum applied on opening balance of amortized cost of deferred mark-up liability.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
15 DEFERRED TAXATION			
Deferred tax liability on taxable temporary differences	15.1	412,100,860	512,406,734
Deferred tax asset on deductible temporary differences	15.1	(275,717,077)	(216,238,671)
		136,383,783	296,168,063

15.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	30-Jun-26			
	As at 01-Jul-25 <i>Rupees</i>	Recognized in profit or loss <i>Rupees</i>	Recognized in OCI <i>Rupees</i>	As at 30-Jun-26 <i>Rupees</i>
Deferred tax liabilities				
Property, plant and equipment	496,420,585	(119,262,741)	(275,292)	376,882,552
Right-of-use assets	-	19,757,904	-	19,757,904
Redeemable capital	15,986,149	(525,745)	-	15,460,404
	512,406,734	(100,030,582)	(275,292)	412,100,860
Deferred tax assets				
Investments	-	1,693,643	-	1,693,643
Lease liabilities	-	(20,737,044)	-	(20,737,044)
Trade receivables	(49,621,144)	(79,409)	-	(49,700,553)
Other receivables	(39,813,032)	(4,062,997)	-	(43,876,029)
Employees retirement benefits	(126,804,495)	(32,096,607)	(4,195,992)	(163,097,094)
	(216,238,671)	(55,282,414)	(4,195,992)	(275,717,077)
	296,168,063	(155,312,996)	(4,471,284)	136,383,783
	30-Jun-25			
	As at 01-Jul-24 <i>Rupees</i>	Recognized in profit or loss <i>Rupees</i>	Recognized in OCI <i>Rupees</i>	As at 30-Jun-25 <i>Rupees</i>
Deferred tax liabilities				
Property, plant and equipment	1,235,245,474	(390,481,483)	(348,343,406)	496,420,585
Redeemable capital	38,780,814	(22,794,665)	-	15,986,149
	1,274,026,288	(413,276,148)	(348,343,406)	512,406,734
Deferred tax assets				
Investments	(300,326,985)	300,326,985	-	-
Trade receivables	(143,202,531)	93,581,387	-	(49,621,144)
Other receivables	(25,469,744)	(14,343,288)	-	(39,813,032)
Employees retirement benefits	(283,821,139)	162,611,952	(5,595,308)	(126,804,495)
	(752,820,399)	542,177,036	(5,595,308)	(216,238,671)
	521,205,889	128,900,888	(353,938,714)	296,168,063

- 15.2** Deferred tax has been recognized at 10.00% (30-Jun-25: 10.02%) of temporary differences pertaining to income from business. Deferred tax arising from timing differences pertaining to income from investment in mutual funds and debt securities, taxable as a separate block under the provisions of the Ordinance, has been calculated, at 25% and 39% respectively of the timing differences based on tax rates notified by the Government of Pakistan for future tax years for such income.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
16 TRADE AND OTHER PAYABLES			
Trade creditors		2,642,296,762	2,267,799,524
Advances from customers		76,353,140	91,721,847
Accrued liabilities	<i>16.1</i>	1,874,441,143	1,127,661,200
Tax deducted at source		40,846,887	27,173,034
Sales tax payable		3,777,416	3,341,291
Workers' Profits Participation Fund	<i>16.2</i>	98,374,555	90,818,214
Workers' Welfare Fund	<i>16.3</i>	37,381,250	34,498,996
Other payables		26,292,300	9,030,712
		4,799,763,453	3,652,044,818
16.1	These include employees retirement benefits amounting to Rs. 53.95 million (30-Jun-25: Rs. 30.98 million) due but unpaid as at the reporting date.		
16.2 Workers' Profits Participation Fund			
As at beginning of the year		90,818,214	56,111,006
Charged to profit or loss for the year	<i>41</i>	98,374,555	90,818,214
Paid during the year		(90,818,214)	(56,111,006)
As at end of the year		98,374,555	90,818,214
16.3 Workers' Welfare Fund			
As at beginning of the year		34,498,996	-
Charged to profit or loss for the year	<i>41</i>	32,627,357	34,498,996
Paid during the year		(29,745,103)	-
As at end of the year		37,381,250	34,498,996
17 SHORT TERM BORROWINGS			
Secured			
Export refinances	<i>17.1 & 17.2</i>	2,370,094,441	2,250,245,565
Bills payable	<i>17.1 & 17.2</i>	57,817,760	69,871,462
		2,427,912,201	2,320,117,027
Unsecured			
Book overdraft	<i>17.3</i>	1,532,288,159	366,271,633
		3,960,200,360	2,686,388,660

- 17.1** These facilities have been obtained from various banking companies and financial institutions for working capital requirements and are secured by way of common securities referred to in note 10.9, lien over firm export orders/documents, demand promissory notes and pledge of stocks.

- 17.2** Export refinances represent post shipment refinance facilities under Export Facilitation Scheme of State Bank of Pakistan. These carry mark-up at SBP refinance rate plus banks' spread of 1.00% per annum with effective rates ranging from 4.50% to 8.50% (30-Jun-25: 8% to 19%) per annum. Bills payable represent payables against letters of credit and carry commission at rates ranging from 0.10% to 0.20% per quarter.
- 17.3** These represent cheques issued by the Company in excess of balances at bank which have been presented for payments after the reporting period.
- 17.4** The aggregate un-availed short term borrowing facilities as at the reporting date amounts to Rs. 1,413.97 million (30-Jun-25: Rs. 1,300.29 million). Un-utilized limits for opening of letters of credit as at the reporting date amounts to Rs. 1,105.53 million (30-Jun-25: Rs. 371.87 million).

	Note	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
18 ACCRUED MARK-UP/PROFIT ON BORROWINGS			
<i>Redeemable capital</i>			
Conventional instruments		6,421,031	9,725,427
Shariah compliant instruments		1,472,954	1,002,062
		7,893,985	10,727,489
<i>Long term finances</i>			
Conventional borrowings		91,960,745	167,303,702
		91,960,745	167,303,702
<i>Short term borrowings</i>			
Conventional borrowings		13,070,028	26,983,046
		13,070,028	26,983,046
		112,924,758	205,014,237
19 LEVIES PAYABLE			
As at beginning of the year		778,907,920	654,717,130
Charged to profit or loss for the year	43	511,850,501	507,711,734
Other adjustments		84,412,513	-
Paid/adjusted during the year		(831,724,678)	(383,520,944)
As at end of the year		543,446,256	778,907,920
20 INCOME TAXES PAYABLE			
As at beginning of the year		114,340,654	73,325,476
Charged to profit or loss for the year	44	264,282,366	114,340,654
Other adjustments		27,512,013	-
Paid/adjusted during the year		(196,241,393)	(73,325,476)
As at end of the year		209,893,640	114,340,654
21 CURRENT MATURITY OF NON-CURRENT LIABILITIES			
Redeemable capital	10	427,121,182	414,332,007
Long term borrowings	11	474,938,139	1,081,208,932
Lease liabilities	12	69,394,586	-
Deferred markup	14	38,575,284	4,512,285
		1,010,029,191	1,500,053,224

- 21.1** The current maturity of long term borrowings includes current maturity of settlement finance (See note 11.1), amounting to Rs. 456.19 million (30-Jun-25: Rs. 1,081.20 million).

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

- 22.1.1** Counter Guarantees given by the Company to its bankers as at the reporting date amount to Rs. 285.79 million (30-Jun-25: Rs. 285.79 million).

- 22.1.2** Bills discounted as at reporting date aggregate to Rs. 1,829.34 million (30-Jun-25: Rs. 1,951.11 million).

- 22.1.3** The Company has issued indemnity bonds amounting to Rs. 159.38 million (30-Jun-25: Rs. 404.87 million) in favor of Collector of Customs and Sales Tax department in lieu of levies under various statutory notifications and these are likely to be released after the fulfilment of the terms of related notifications.

- 22.1.4** The Company has not accrued expense relating to Gas Infrastructure Development Cess ['GIDC'] billed to the Company prior to the promulgation of The Gas Infrastructure Development Cess Act, 2015 [the 'Act']. Total amount billed to the Company is Rs. 98.19 million. The Company vide petition W.P. No. 42168-20, filed before the Honourable Lahore High Court ['THLHC'] against the Federation of Pakistan ['FOP'] and Sui Northern Gas Pipelines Limited ['SNGPL'], challenged this retrospective recovery of GIDC arrears for periods prior to the promulgation of the act. THLHC vide order dated 27 September 2021 disposed of the Company's petition by deciding in favour of the Company and by setting aside the GIDC recovery for periods prior to enactment of the act. FOP/SNGPL has filed an appeal before division bench of THLHC which is pending adjudication. The management of the Company expects favorable outcome of the case.

- 22.1.5** The Company, vide W.P. No. 49533-20, filed before the Honourable Lahore High Court ['THLHC'] against the Federation of Pakistan and Sui Northern Gas Pipelines Limited ['SNGPL'], challenged the imposition of late payment surcharges on Re-gasified Liquefied Natural Gas ['RLNG']. The recovery of such late payment surcharges has been stayed by THLHC vide its order dated 09 October 2020. The matter is currently pending adjudication, and no further date of hearing has been fixed to date.

- 22.1.6** The Company, vide W.P. No. 9920-21, filed before the Honourable Lahore High Court ['THLHC'] against the Federation of Pakistan and Sui Northern Gas Pipelines Limited ['SNGPL'], has challenged the charging of higher captive tariff rates applicable to its industrial connections.

The petition challenges the applicability of the higher captive tariff rates charged by SNGPL to the Company's industrial connections. The Company has sought appropriate relief from THLHC, including determination of the applicable tariff and consequential relief in respect of the amounts charged/recovered under the higher tariff rates. The THLHC has issued notices to the respondents in the matter. The proceedings are currently pending adjudication and, as at the reporting date, no further date of hearing has been fixed.

- 22.1.7** The Company, vide Petition No. 1277 of 2026 filed before the Honourable Lahore High Court against the Federation of Pakistan, Sui Northern Gas Pipelines Limited ['SNGPL'] and Oil and Gas Regulatory Authority ['OGRA'], has challenged the impugned determination and notification dated 28 November 2025, whereby retrospective adjustment in the sale price of Re-gasified Liquefied Natural Gas ['RLNG'] was made for the period from December 2015 to June 2022. Consequent to the aforesaid determination, SNGPL raised an RLNG tariff claim and gas bill dated March 2026, including the disputed amount relating to the impugned instalment.

The Honourable Lahore High Court, vide its order dated 12 January 2026, has suspended recovery of the disputed RLNG tariff and directed SNGPL to issue a revised gas bill for the month of December 2025 after excluding the disputed amount of RLNG tariff. No further date is fixed for hearing.

- 22.1.8** The Company, vide Petition No. 21181 of 2026 filed before the Honourable Lahore High Court against the Federation of Pakistan, Sui Northern Gas Pipelines Limited ['SNGPL'] and Oil and Gas Regulatory Authority ['OGRA'], has challenged the impugned determination and notification dated 17 February 2026, whereby retrospective adjustment in the sale price of Re-gasified Liquefied Natural Gas ['RLNG'] was made for the period from July 2022 to March 2024. Consequent to the aforesaid determination, SNGPL raised an RLNG tariff claim and gas bill for the month of March 2026, including the disputed amount relating to the impugned instalment.

The Honourable Lahore High Court, vide its order dated 09 April 2026, has suspended recovery of the disputed RLNG tariff and directed SNGPL to issue a revised gas bill for the month of March 2026 after excluding the disputed amount of RLNG tariff. No further date is fixed for hearing.

- 22.1.9** Sui Northern Gas Pipelines Limited ['SNGPL'] imposed a detection bill amounting to Rs. 134.495 million, including a late payment surcharge of Rs. 48.412 million. The Company, through a constitutional petition (W.P. No. 8568/2023), has sought a refund of the late payment surcharge charged and recovered by SNGPL in respect of the aforementioned detection bill.
- 22.1.10** Employees' Old Age Benefits ['EOB'] contribution for employees is being calculated based on a basic salary of Rs. 13,000 instead of minimum wages notified for relevant financial years. The Company believes that the statutory increase in the minimum wage does not apply based on Supreme Court judgment (PLD 2017 SC 28) dated 27 September 2016, which has declared amendments made in Employees' Old Age Benefits Act, 1976 (and other welfare laws) as ultra vires to the Constitution of Pakistan as a result of which any statutory increase in contributions after 2005 is not legally binding on entities operating in Pakistan. Estimated amount involved is of Rs 32 million.
- 22.1.11** The Company made Employees' Old Age Benefits ['EOB'] contributions between Rs. 8,000 to Rs. 10,000 per month at the rate of 6% (including 1% employee's share), equivalent to approximately Rs. 480–600 per employee per month, in line with the amendments introduced through the Finance Act, 2005. However, the Supreme Court, vide its judgment dated 10 November 2016, declared the amendments made under the Finance Acts of 2005–2008 as ultra vires the Constitution of Pakistan, effective retrospectively from 01 July 2005. Consequently, the contribution payable was restricted to Rs. 170 per employee per month. Accordingly, the Company filed a petition under Section 33 before the Adjudicating Authority of Employees' Old-Age Benefits Institution ['EOBI'], seeking reimbursement/adjustment of Rs. 298.66 million, representing the excess amount paid to EOBI from July 2005 to June 2017, inclusive of a 50% increase. The Adjudicating Authority, however, disposed of the petition on 10 March 2020 pending the outcome of the review petition filed by EOBI in the Supreme Court, after which the matter will be decided in accordance with the Court's judgment. The Company has filed an appeal against the petition disposed off by the Adjudicating Authority before Board of Trustees of EOBI at Karachi, which is still pending final decision.
- 22.1.12** Employees' Old-Age Benefits Institution ['EOBI'] through its letter dated 05 August 2019 raised a demand of Rs. 151.90 million inclusive of 50% increase on account of the contribution less paid from July 2015 to June 2019. The Company filed a complaint under section 33 of Employees' Old Age Benefits Act, 1976 before the Adjudicating Authority and challenged the validity of the claim. The Adjudicating Authority, vide order dated 22 December 2021 has restrained to press the recovery of the claim instituted by the EOBI till the final outcome of the review petition filed by EOBI in Supreme Court upon which the matter will be resolved in accordance with the Judgement passed by the Court.
- 22.1.13** Employees' Old-Age Benefits Institution ['EOBI'] through its letter dated 20 May 2020 raised a demand of Rs. 14.73 million inclusive of 50% increase on account of the contribution less paid from July 2012 to January 2020. The Company filed a complaint under section 33 of Employees' Old Age Benefits Act, 1976 before the Adjudicating Authority and challenged the validity of the claim. The Adjudicating Authority vide order dated 22 December 2021 has restrained to press the recovery of the claim instituted by the EOBI till the final outcome of the review petition filed by EOBI in Supreme Court upon which the matter will be resolved in accordance with the Judgement passed by the Court.
- 22.1.14** The Company has a claim of Rs. 37.61 million against Lahore Electric Supply Company ['LESCO'] in respect of excess billing arising from the application of peak-hour tariff rates to consumption during off-peak hours. The Electric Inspector, vide order dated 03 May 2016, allowed the Company's claim and directed LESCO to refund the excess amount. LESCO subsequently filed an appeal before the Appellate Board of the National Electric Power Regulatory Authority ['NEPRA'] against the said order, which was dismissed vide order dated 24 July 2017. Thereafter, LESCO challenged the aforesaid orders before the Honourable Lahore High Court ['THLHC'] through W.P. No. 80812/17. The LHC, vide judgment dated 20 February 2026, disposed of the petition, allowing LESCO to avail the alternate statutory remedy available under the law. Separately, the Company has filed W.P. No. 56586/17 before THLHC seeking implementation of the aforesaid orders. The Company's petition remains pending adjudication.
- 22.1.15** The Company has a claim of Rs. 18.59 million against Lahore Electric Supply Company ['LESCO'] in respect of excess billing for the period from March 2012 to May 2013 arising from the application of peak-hour tariff rates to off-peak consumption. The Electric Inspector, vide order dated 22 December 2016, allowed the Company's claim and directed LESCO to refund the excess amount. LESCO subsequently filed an appeal before the Appellate Board of the National Electric Power Regulatory Authority ['NEPRA'], which, vide order

dated 14 December 2017, allowed LESCO's appeal and set aside the aforesaid order of the Electric Inspector. The Company challenged the said NEPRA order before the Honourable Lahore High Court through Writ Petition No. 150117/18. The matter is currently pending adjudication.

- 22.1.16** In respect of tax year 2007, the Deputy Commissioner Inland Revenue ['DCIR'] amended the Company's assessment under section 122(4)/122(5) of the Income Tax Ordinance, 2001, vide order dated 20 June 2009. The amendment made additions totaling Rs. 687.228 million, comprising proration of expenses against export sales and dividend income; additions under section 21 for short deduction of tax on freight and commission and non-deduction of tax on salaries; addition of interest income under section 39; non-business financial charges; and disallowance of certain other expenditures. As a result, the loss available for carry-forward was reduced to Rs. 225.377 million, against the taxable loss of Rs. 401.088 million originally self-assessed by the Company. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) ['CIR(A)'], who, vide order dated 22 March 2011, amended the order of the DCIR and deleted all the additions except Rs. 100,000 on account of donation. Aggrieved by the CIR(A) order, the Department filed an appeal before the Appellate Tribunal Inland Revenue ['ATIR'], Lahore Bench, which confirmed the order of the CIR(A) and dismissed the Department's appeal vide order dated 26 June 2012 in ITA No. 598/LB/2011. Later on, the department filed a reference bearing P.T.R. no. 51/2012 before the Honourable Lahore High Court which is currently pending adjudication.
- 22.1.17** In respect of Tax Years 2008 and 2009, the Additional Commissioner Inland Revenue ['ACIR'], vide order dated 15 January 2015 passed under section 122(5A) of the Income Tax Ordinance, 2001, amended the assessments by disallowing the adjustment of brought forward depreciation losses amounting to Rs. 589.731 million with dividend income, determining tax liability of Rs. 147.336 million. The Company filed appeals against the said amendments before the Commissioner Inland Revenue (Appeals) ['CIR(A)'], who, vide order dated 07 May 2015, dismissed the Company's appeals. Being aggrieved by the orders of the CIR(A), the Company filed appeals before the Appellate Tribunal Inland Revenue ['ATIR'], Lahore Bench. The ATIR, vide consolidated orders dated 15 January 2016 in ITA Nos. 2100/LB/2014 and 1118/LB/2015, set aside the orders passed by the DCIR and CIR(A). Thereafter, the Department filed references before the Honourable Lahore High Court ['LHC'] bearing ITR Nos. 284/2016, 267/2016 and 268/2016. The LHC, vide order dated 24 October 2025, dismissed the references bearing ITR Nos. 284/2016 and 267/2016. Reference bearing ITR No. 268/2016 was last heard on 09 February 2026 and remains pending adjudication. No further date of hearing has been fixed to date.
- 22.1.18** For tax year 2008, the Additional Commissioner Inland Revenue ['ACIR'], through an order dated 30 June 2009 passed under Section 122(5A) of the Income Tax Ordinance, 2001, amended the assessment by determining taxable income at Rs. 14.070 million, resulting in a refund of Rs. 72.89 million. Subsequently, the Commissioner Inland Revenue ['CIR'], vide order dated 16 May 2014, held that the tax treatment adopted by the ACIR in respect of dividend income during the proceedings under Section 122(5A) of the Income Tax Ordinance, 2001 was erroneous. Consequently, the ACIR recomputed the Company's tax liability and raised a tax demand of Rs. 52.27 million. The Company filed an appeal against the said orders before the Commissioner Inland Revenue (Appeals) ['CIR(A)']. The CIR(A), vide order dated 09 September 2014, vacated the order of the ACIR and upheld the order of the CIR. The Company filed an appeal before the Appellate Tribunal Inland Revenue ['ATIR'] against the order of CIR(A), who vide order dated 29 June 2011 decided the case in the favour of the Company and annulled the order of CIR(A). Later on, the department filed references before the Lahore High Court, against the order of the ATIR in ITA No. 599/LB/2011. The references are currently pending adjudication before the Lahore High Court with last hearing held on 23 June 2026.
- 22.1.19** For Tax Year 2009, the Deputy Commissioner Inland Revenue ['DCIR'], vide order dated 24 August 2010 passed under Sections 122(1)/122(5) of the Income Tax Ordinance, 2001, amended the assessment by determining the Company's income at Rs. 367.931 million and the corresponding tax liability at Rs. 214.864 million. The assessment included certain additions, including disallowance of depreciation amounting to Rs. 563.141 million, along with adjustments in respect of other admissible deductions claimed by the Company in its self-assessment. The Company filed an appeal against the said order before the Commissioner Inland Revenue (Appeals) ['CIR(A)']. The CIR(A), vide order dated 22 March 2011, dismissed the Company's appeal on the grounds that the Company had revised its return after issuance of the audit notice. Being aggrieved by the order of the CIR(A), the Company filed an appeal before the Appellate Tribunal Inland Revenue ['ATIR']. The ATIR, vide order No. 455/LB/2011 dated 19 April 2011, decided the matter in favour of the Company by setting aside the orders passed by the DCIR and CIR(A) and directed the DCIR to accept the revised return filed by the Company. The Department, being aggrieved by the order of the ATIR, filed a reference before the Honourable Lahore High Court ['LHC'] bearing PTR No. 210/2011. The LHC, vide order dated 22 March 2022, decided the matter in favour of the Company. Subsequently, the Department filed Civil Petition for Leave to Appeal ['CPLA'] No. 1876/L/2022 before the Honourable Supreme Court of Pakistan. The matter is currently pending adjudication before the Honourable Supreme Court of Pakistan.

- 22.1.20** In respect of tax year 2019, the Additional Commissioner Inland Revenue ['ACIR'], vide order dated 19 October 2022, amended the assessment under section 122(9) of the Ordinance. In doing so, the ACIR imposed super tax of Rs. 12.79 million, disallowed the set-off of unused tax depreciation carried forward from tax year 2013 against profit on debt of Rs. 23.91 million and taxed profit on sales tax refund bonds of Rs. 1.59 million which was treated as notional income by the Company. Furthermore, while amending the deemed order for tax year 2019, the ACIR also amended the order for tax year 2013, reducing the assessed depreciation from Rs. 333.92 million to Rs. 85.78 million. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], who, vide order dated 27 May 2024, directed the ACIR to recompute the super tax liability, reassess the treatment of profit on debt and profit on sales tax refund bonds and deleted the impugned addition relating to unused tax depreciation. Dissatisfied with the outcome, the Company filed an appeal before the Appellate Tribunal Inland Revenue on 25 June 2024, who vide order dated 15 December 2025 remanded the case back to CIR(A) to reassess the case on the basis of the evidence placed before him.
- 22.1.21** In respect of tax year 2021, the Additional Commissioner Inland Revenue ['ACIR'], through an order dated 25 September 2023 under Section 122(5A) of the Income Tax Ordinance, 2001, amended the assessment by treating profit on debt as normal income and disallowing mark-up expenses and adjustment against brought forward losses. Consequently, normal tax liability was assessed at Rs. 6.22 million against nil liability declared by the Company. The Company filed an appeal before the Commissioner Inland Revenue Appeals [CIR(A)], who, vide order dated 27 May 2024, referred the matter back to the Additional Commissioner Inland Revenue for reconsideration in light of Apex Court decisions. The Company subsequently filed an appeal before the Appellate Tribunal Inland Revenue on 25 June 2024, who vide order dated 15 December 2025 remanded the case back to CIR(A) to reassess the case on the basis of the evidence placed before him.
- 22.1.22** In respect of tax year 2022, Additional Commissioner Inland Revenue ['ACIR'], through an order dated 28 September 2023 under Section 122(5A) of the Income Tax Ordinance, 2001, amended the assessment by raising super tax liability, treating profit on debt as normal income and disallowing mark-up expenses and adjustment against brought forward losses. This resulted in a tax liability of Rs. 30.10 million against nil liability declared by the Company. The Company filed an appeal before the Commissioner Inland Revenue Appeals [CIR(A)], who, vide order dated 27 May 2024, referred the matter back to the Additional Commissioner Inland Revenue for reconsideration in light of Apex Court decisions. The Company subsequently filed an appeal before the Appellate Tribunal Inland Revenue on 25 June 2024, who vide order dated 15 December 2025 remanded the case back to CIR(A) to reassess the case on the basis of the evidence placed before him.
- 22.1.23** On 23 May 2025, the Assistant Commissioner Inland Revenue ['ACIR'] passed a post-refund order under the Sales Tax Act, 1990, creating a sales tax demand of Rs. 280 million along with a penalty of Rs. 14 million for the period September 2024 to November 2024. The Company filed an appeal before the Appellate Tribunal Inland Revenue ['ATIR'] on the basis of monetary threshold. The ATIR vide order dated 18 September 2025 decided the matter in favor of the Company by deleting the entire demand except for Rs. 1.03 million pertaining to inadmissible input tax claimed by the Company, in respect of which the ATIR directed the ACIR to conduct fresh proceedings and verify records to determine the admissibility of input tax. The matter is a pending adjudication.
- 22.1.24** On 21 December 2015, the Commissioner Inland Revenue ['CIR'] passed an assessment order disallowing input tax credit amounting to Rs. 3.003 million on the grounds that the Company had made purchases from blacklisted/suspended suppliers and claimed input tax credit in respect thereof during the tax periods from July 2011 to March 2015, in contravention of sections 7, 8(1)(d) and 26 of the Sales Tax Act, 1990. The Company challenged the said order before the Commissioner Inland Revenue (Appeals) [CIR(A)], who, vide order dated 17 February 2016, disposed of the Company's appeal. Subsequently, the Company filed an appeal before the Appellate Tribunal Inland Revenue [ATIR]. The ATIR, vide order dated 08 October 2020, allowed the Company's appeal and set aside the orders passed by the CIR and CIR(A). Being aggrieved by the decision of the ATIR, the CIR filed a reference bearing STR No. 42266 of 2021 before the Honourable Lahore High Court [LHC]. The matter is currently pending adjudication.
- 22.1.25** Montebello S.R.L ['MBL'] was placed into bankruptcy by an Italian court (the Court of Vicenza) in 2015, with a court-appointed trustee taking control of the company's affairs. In 2021, an entity incorporated in the United Arab Emirates, Taybah Capital Ltd. [TCL], assumed conduct of the liquidation process of MBL. From these insolvency events emerged two distinct litigation tracks in Italy that are relevant to the Company.

The first is the liquidation or insolvency track before the Court of Vicenza, followed by appellate stages in Venice and Rome. During the liquidation, creditors, including TCL, filed claims, and the Company also filed a claim in its own right. The Court of Vicenza accepted TCL's claim and awarded approximately EUR 2,048,783. The Company appealed, and the Court of Appeal of Venice partially accepted certain grounds on points of law but left intact, on the merits, the trial-level outcome in favor of TCL. The Company has since filed a further appeal to the Supreme Court of Cassation in Rome. As per the Company's Italian counsel, the Cassation stage is confined to issues of law and that, while the appeal remains pending, the practical exposure there is largely limited to costs.

The second track is a separate damages action brought by TCL directly against the Company before the Court of Venice. TCL commenced this suit by writ of summons dated 31 March 2021 for an amount of approximately EUR 7 million alleging that the Company's dealings with MBL gave rise to recoverable loss. In 2023 the Venice court appointed an independent technical expert to assess quantum and related matters. The expert filed a final report on 21 November 2023 that, according to the Company's Italian counsel, substantially narrowed the claim. The report identifies and quantifies certain items as 'preferential' transactions or analogous concepts under Italian law therefore not giving rise to compensable damage. Following the expert phase and party submissions, TCL applied in 2025 to introduce further documentation; the Venice court granted this request, re-opened the record, and reset the timetable. A hearing for clarification of the conclusions was conducted during May–July 2025. Subsequently, the Court of Venice, vide its order dated 22 June 2026, directed the Company to pay TCL an amount of EUR 1.033 million, together with monetary revaluation and interest thereon up to the date of full settlement, as well as the legal costs incurred by TCL. The amount awarded by the Court is substantially lower than TCL's original claim of EUR 7 million, which was subsequently reduced by the TCL to EUR 5 million. The order of the Court substantially upholds the position maintained by the Company in respect of the underlying claim. To achieve an even better result, the Company is currently planning to file an appeal with the Court of Appeal of Venice.

In view of the Court of Venice having awarded TCL an amount of EUR 1.033 million, which is substantially lower than its original claim of EUR 7 million, the Company's intention to challenge the said order before the Court of Appeal of Venice, and for reasons specified in note 2.3.1(c), the Company has not recorded any provision in these financial statements.

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
22.2 Commitments		
22.2.1 Commitments under irrevocable letters of credit for:		
- Purchase of plant, machinery and loose tools	169,897,534	526,388,662
- Purchase of raw material	126,239,172	18,712,155
	296,136,706	545,100,817
22.2.2 Commitments for capital expenditure		
- Commitments for capital expenditure	331,551,418	592,370,479
	331,551,418	592,370,479
22.2.3 Commitments under short term leases		

The Company has various rented premises under short term lease arrangements. Lease agreement covers a period of up to one year and is renewable/extendable on mutual consent. Lease rentals are payable monthly/quarterly in advance. Commitments for payments in future periods under the lease agreement are as follows:

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
Payments not later than one year	17,252,418	44,281,403
Payments later than one year	-	-
	17,252,418	44,281,403

22 PROPERTY, PLANT AND EQUIPMENT

30-Jun-26

Particulars	COST / REVALUED AMOUNTS						DEPRECIATION						Net book value as at 30-Jun-26 Rupees
	As at 01-Jul-25 Rupees	Additions Rupees	Disposals Rupees	Revaluation adjustments Rupees	Transfers Rupees	As at 30-Jun-26 Rupees	Rate %	For the year Rupees	Disposals Rupees	Revaluation adjustments Rupees	Transfers Rupees	As at 30-Jun-26 Rupees	
Operating fixed assets													
Freehold land	1,573,950,000	-	-	-	-	1,573,950,000	-	-	-	-	-	-	1,573,950,000
Buildings on freehold land	2,835,546,111	16,116,808	-	-	48,688,716	2,900,353,655	5	122,746,674	-	-	-	524,754,484	2,375,599,171
Plant and machinery	8,250,294,389	90,653,236	-	-	3,056,171,815	11,397,119,440	10	683,615,692	-	-	-	2,842,455,056	8,554,664,384
Office equipment and fixtures	626,741,700	39,014,608	-	-	-	665,756,308	10	387,513,764	-	-	-	25,421,456	252,821,456
Electrical installations	318,703,297	31,039,712	-	-	-	349,743,009	10	165,266,801	-	-	-	181,709,695	168,033,314
Computer hardware and allied items	200,370,505	18,656,086	-	-	-	219,026,591	30	154,384,984	-	-	-	48,744,694	170,281,897
Vehicles	329,880,384	28,578,790	(3,020,500)	-	-	355,438,674	20	121,085,809	(2,713,160)	-	-	165,021,097	190,417,577
	14,135,486,386	224,059,240	(3,020,500)	-	3,104,860,551	17,461,387,677		3,389,098,532	(2,713,160)	-	-	4,297,157,081	13,164,230,596
Capital work in progress													
Buildings	11,393,294	198,622,023	-	-	(48,688,716)	161,326,581	-	-	-	-	-	-	161,326,581
Plant and machinery	1,335,256,994	2,363,013,498	-	-	(3,056,171,815)	642,098,677	-	-	-	-	-	-	642,098,677
	1,346,650,288	2,561,635,521	-	-	(3,104,860,551)	803,425,258	-	-	-	-	-	-	803,425,258
Assets acquired under diminishing machinery													
Vehicles	-	193,993,520	(21,595,150)	-	-	172,398,370	20	16,369,423	(1,406,472)	-	-	14,962,951	157,435,419
	-	193,993,520	(21,595,150)	-	-	172,398,370		16,369,423	(1,406,472)	-	-	14,962,951	157,435,419
Right of use assets													
Buildings	-	237,094,848	-	-	-	237,094,848	33.33	39,515,808	-	-	-	39,515,808	197,579,040
Vehicles	-	-	-	-	-	-	20	-	-	-	-	-	-
	-	237,094,848	-	-	-	237,094,848		39,515,808	-	-	-	39,515,808	197,579,040
	15,482,138,674	3,216,783,129	(24,615,650)	-	-	18,673,306,153		3,389,098,532	(4,119,832)	-	-	4,351,635,840	14,322,070,313

30-Jun-25

Particulars	30-Jun-25												Net book value as at 30-Jun-25 Rupees
	COST / REVALUED AMOUNTS					DEPRECIATION							
	As at 01-Jul-24 Rupees	Additions Rupees	Disposals Rupees	Revaluation adjustments Rupees	As at 30-Jun-25 Rupees	Rate %	As at 01-Jul-24 Rupees	For the year Rupees	Disposals Rupees	Revaluation adjustments Rupees	Transfers Rupees	As at 30-Jun-25 Rupees	
Operating fixed assets													
Freehold land	1,573,950,000	-	-	-	1,573,950,000	-	-	-	-	-	-	-	1,573,950,000
Buildings on freehold land	2,615,798,690	-	-	-	2,835,548,111	5	284,528,690	117,479,120	-	-	-	402,007,810	2,433,540,301
Plant and machinery	7,299,501,078	34,212,467	(10,397,948)	-	8,250,294,389	10	1,532,828,078	629,104,102	(3,092,816)	-	-	2,138,839,364	6,091,455,025
Office equipment and fixtures	610,213,764	16,527,936	-	-	626,741,700	10	361,866,333	25,647,431	-	-	-	387,513,764	239,227,936
Electrical installations	289,479,659	29,223,638	-	-	318,703,297	10	149,836,165	15,430,636	-	-	-	165,266,801	153,436,496
Computer hardware and allied items	178,612,152	21,758,353	-	-	200,370,505	30	138,475,547	15,909,437	-	-	-	154,384,984	45,985,521
Vehicles	256,928,359	75,051,805	(4,882,780)	-	329,880,384	20	79,547,410	42,921,230	(3,245,348)	-	1,862,517	121,085,809	208,794,575
	12,824,483,702	176,774,199	(15,280,728)	-	14,135,488,386		2,547,082,223	846,491,956	(6,338,164)	-	1,862,517	3,389,098,532	10,746,389,854
Capital work in progress													
Buildings	137,582,742	93,559,973	-	-	11,393,294	-	-	-	-	-	-	-	11,393,294
Plant and machinery	553,492,066	1,708,743,720	-	-	1,335,256,994	-	-	-	-	-	-	-	1,335,256,994
	691,074,808	1,802,303,693	-	-	1,346,650,288		-	-	-	-	-	-	1,346,650,288
Assets acquired under diminishing musharaka													
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Right of use assets													
Buildings	-	-	-	-	-	33.33	-	-	-	-	-	-	-
Vehicles	2,783,000	-	-	-	(2,783,000)	-	1.814,071	48,446	-	-	(1,862,517)	-	-
	2,783,000	-	-	-	(2,783,000)	-	1.814,071	48,446	-	-	(1,862,517)	-	-
	13,518,341,510	1,979,077,892	(15,280,728)	-	15,482,138,674		2,548,896,294	846,540,402	(6,338,164)	-	-	3,389,098,532	12,093,040,142

23.1 Free hold land of the Company is located at Manga with a total area of 71.54 Acres including covered area of 1,389,022 square feet.

23.2 Additions to capital work in progress include borrowing cost amounting to Rs. 9,693 million (30-Jun-25: Rs. nil) included in cost of buildings at a capitalization rate of 12.96%. The related capital expenditure has been financed by long term borrowings.

23.3 Transfers represent transfers from capital work in progress on related assets becoming available for use and those from right-of-use assets on transfer of ownership at the end of lease term.

23.4 Disposal of operating fixed assets

30-Jun-26						
Cost / revalued amount Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain on disposal Rupees	Mode of disposal	Particulars of buyer
Vehicles						
Assets having net book value less than Rs. 500,000 each						
3,020,500	2,713,360	307,140	4,650,000	4,342,860	Negotiation	Various buyers.
3,020,500	2,713,360	307,140	4,650,000	4,342,860		
30-Jun-25						
Cost / revalued amount Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain/(loss) on disposal Rupees	Mode of disposal	Particulars of buyer
Plant and Machinery						
Auto coro spinning machine						
3,302,200	1,047,733	2,254,467	2,500,000	245,533	Negotiation	Waqas Sana-Ullah, Lahore.
7,095,748	2,045,083	5,050,665	5,084,746	34,081	Negotiation	Al-Mushtaq Corporation, Faisalabad.
10,397,948	3,092,816	7,305,132	7,584,746	279,614		
Vehicles						
Toyota Corolla						
2,031,280	1,282,469	748,811	2,200,000	1,451,189	Negotiation	Musa Auto Workshop, Lahore.
2,783,000	1,894,815	888,185	-	(888,185)	Company policy	Chaudhry Riaz Ahmed (executive employee)
68,500	68,064	436	30,000	29,564	Insurance claim	Jubilee General Insurance.
4,882,780	3,245,348	1,637,432	2,230,000	592,568		
15,280,728	6,338,164	8,942,564	9,814,746	872,182		

		30-Jun-26	30-Jun-25
	Note	Rupees	Rupees
23.5	The depreciation charge for the year has been allocated as follows:		
Cost of sales	37	881,755,987	781,612,338
Administrative expenses	40	84,901,153	64,928,064
		966,657,140	846,540,402

- 23.6 Most recent valuation of land, building and plant and machinery was carried out by an independent valuer, Hamid Mukhtar and Company (Private) Limited, on 30 June 2024 and was incorporated in the financial statements for the year then ended. For basis of valuation, refer to note 2.3.2(b) and (c).

Had there been no revaluation, the net book values of revalued items of property, plant and equipment would have been as follows:

	30-Jun-26		
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees
Freehold land	190,982,598	-	190,982,598
Buildings on freehold land	1,931,813,844	231,974,707	1,699,839,137
Plant and machinery	23,155,607,477	15,480,295,198	7,675,312,279
	30-Jun-25		
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees
Freehold land	190,982,598	-	190,982,598
Buildings on freehold land	1,867,008,300	144,794,350	1,722,213,950
Plant and machinery	20,008,782,426	14,894,385,293	5,114,397,133

- 23.7 As per most recent valuation, forced sale values of freehold land, buildings on freehold land and plant and machinery are as follows:

	Rupees
Freehold land	1,259,160,000
Buildings on freehold land	1,748,450,000
Plant and machinery	5,766,673,000

24 LONG TERM INVESTMENTS

These represent investments in unlisted debt and equity securities which have been designated as 'financial assets at fair value through other comprehensive income'. However, due to absence of information required for estimation of fair values of these unlisted investments reliably, these investments have been carried at cost less accumulated impairment.

	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
Investment in unlisted debt securities	24.1	224,333,580	124,333,580
Investment in unlisted equity securities	24.2	-	-
		224,333,580	124,333,580

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
24.1 Investment in unlisted debt securities			
Agritech Limited			
26,238,785 (30-Jun-25: 26,238,785) preference shares of Rs. 10 each Cost of investment	24.1.1	262,387,853	262,387,853
Accumulated impairment		-	-
		262,387,853	262,387,853
13,805,427 preference shares classified as short term investment	32.1	(138,054,273)	(138,054,273)
		124,333,580	124,333,580
JS Bank Limited			
1,000 (30-Jun-25: nil) privately placed term finance certificates of Rs. 100,000 each Cost of investment	24.1.2	100,000,000	-
		100,000,000	-
		224,333,580	124,333,580

- 24.1.1** This represents investment in Term Finance Certificates ['TFCs'] issued by Agritech Limited ['AGL'] and converted into unlisted, redeemable, non-convertible, cumulative preference shares in the year 2025. The original issue was scheduled for redemption in thirteen unequal semi-annual instalments with the first installment due in July 2013. However, pursuant to AGL's restructuring scheme sanctioned by the Honorable Lahore High Court effective 31 December 2013, AGL made a partial payment of Rs. 3.69 million with the remaining balance settled through the issuance of 26.23 million redeemable preference shares of Rs. 10 each. These preference shares provide the Company with preferred right of dividend at one year KIBOR plus 4% per annum on cumulative basis and carry limited voting rights.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
24.1.1.1 Changes in impairment allowance			
As at beginning of the year		-	110,923,065
Reversed during the year	53.1.6 (b)	-	(110,923,065)
As at end of the year		-	-

- 24.1.2** This represents investment in unsecured, privately placed, subsequently listed and subordinated Term Finance Certificates ['TFCs'] issued by JS Bank Limited ['JSBL'] under the investment agreement dated 29 June 2026. The issue carries profit at three months KIBOR plus 2%. The tenor of the issue is ten years and is structured to be redeemed in a manner that 0.24% of the issue amount will be redeemed during first nine years whereas the remaining 99.76% will be redeemed in 4 equal quarterly installments with final maturity due in June 2036. The terms of the agreement provided for the listing of these term finance certificates within one hundred and twenty days from the issue date.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
24.2 Investment in unlisted equity securities			
Montebello s.r.l.			
6,700,000 ordinary shares with a capital of Euro 6,700,000			
Cost	24.2.1	2,625,026,049	2,625,026,049
Accumulated impairment		(2,625,026,049)	(2,625,026,049)
		-	-

- 24.2.1** This represents investment in ordinary shares of Montebello s.r.l ['MBL'], previously a related party, incorporated in Italy. The Company holds 100% shareholding in MBL. However, due to circumstances described in note 22.1.25, the Company has ceased to exercise control over activities of MBL in terms of paragraph 7 of International Financial Reporting Standard 10 'Consolidated Financial Statements'. Therefore, the Company has ceased recognizing and presenting MBL as its subsidiary.

25 LONG TERM ADVANCES

This represents advances to employees against salaries and post employment benefits. These advances are extended for a period of more than twelve months and hence are classified as long term advances.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
Advances to employees	31.1	31,878,999	-
Current maturity presented under current assets	31	(11,609,001)	-
		20,269,998	-

26 LONG TERM DEPOSITS

Utility companies and regulatory authorities	26.1	200,099,503	163,264,370
Lease deposits	26.2	15,871,517	-
		215,971,020	163,264,370

26.1 These have been deposited with various utility companies and regulatory authorities. These are classified as 'financial assets at amortized cost' under IFRS 9 which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

26.2 This represents deposits placed with the lessors against the right of use of underlying asset under the lease arrangement (see note 12). The deposits are refundable upon expiry or termination of the underlying lease arrangement. These deposits are classified as 'financial assets at amortized cost' under IFRS 9 which are required to be carried at amortized cost.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
As at beginning of the year		-	-
Transferred from deposits and prepayments	26.2.1	9,000,000	-
Deposited during the year		12,320,100	-
As at end of the year		21,320,100	-
Unamortized notional interest	26.2.2	(5,448,583)	-
		15,871,517	-

26.2.1 This represents deposit previously placed with the lessor under the short term lease arrangement and therefore classified as short term security deposit. However, upon expiry of the underlying lease arrangement, the Company entered into a separate lease arrangement for a period of three years during the year. The terms of the lease agreement provided for the Company to adjust the deposit, previously placed with the lessor under the expired lease arrangement, with the deposit demand raised under the new lease arrangement.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
26.2.2 Unamortized notional interest			
As at beginning of the year		-	-
Recognized during the year	26.2.2.1	6,358,285	-
Amortized during the year	26.2.2.1	(909,702)	-
		5,448,583	-

26.2.2.1 Notional interest is being recognized and amortized at 12.53% per annum, being the implicit rate in the lease (see note 12.1).

27 STOCK IN TRADE

Raw material		1,420,622,317	1,032,343,548
Work in process		2,528,717,797	2,413,351,074
Finished goods	27.1	1,765,493,690	2,221,771,199
		5,714,833,804	5,667,465,821

27.1 Finished goods include stock in transit amounting to Rs. 302.87 million (30-Jun-25: Rs. 498.96 million).

27.2 Finished goods includes stock of waste valued at Rs. 20.94 million (30-Jun-25: Rs. 5.32 million). The entire stock of waste is valued at net realizable value.

27.3 Detail of stock in trade pledged as security is presented in note 57 to the financial statements.

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
28 TRADE RECEIVABLES			
<i>Local</i>			
- secured, considered good	28.1	890,910,507	455,812,353
- unsecured, considered good		524,970,791	471,298,159
- unsecured, considered impaired		19,498,079	19,558,285
		1,435,379,377	946,668,797
<i>Foreign</i>			
- secured, considered good	28.1	2,483,164,464	1,870,541,722
- unsecured, considered good		1,150,185,188	1,056,735,071
- unsecured, considered impaired	28.2	480,711,162	480,711,162
		4,114,060,814	3,407,987,955
		5,549,440,191	4,354,656,752
Impairment allowance for expected credit losses	28.3	(497,005,530)	(495,403,680)
		5,052,434,661	3,859,253,072

28.1 These are secured against letters of credit of local and international banks.

28.2 This includes an amount of Rs. 452.53 million (30-Jun-25: 452.53 million) receivable from Montebello s.r.l, previously a related party. Due to the facts presented in 22.1.25, the amount due is considered 'in-default' and thus an equivalent impairment allowance has been recognized.

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
28.3 Impairment allowance for expected credit losses			
As at beginning of the year		495,403,680	493,801,830
Recognized during the year	53.1.6	1,601,850	1,601,850
As at end of the year		497,005,530	495,403,680

29 RECEIVABLE AGAINST SALE OF SPINNING UNIT

This represents receivable against the disposal of the Company's spinning unit at Muzaffargarh ['Muzaffargarh Unit'] sold pursuant to Creditors' Scheme of Arrangement referred to in note 53.2.2. The release of funds relating to the land portion has been delayed on the part of the buyer. The agent banks are addressing this delay and actively working to resolve the related issues. The full amount is expected to be received in the near future. Upon realization of the complete proceeds, distributions will be made to creditors in accordance with the approved scheme of arrangement. Title of land and building is in the name of Azgard Nine Limited while original property documents are with the agent bank.

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
30 DEPOSITS AND PREPAYMENTS			
Security deposits		8,375,055	15,655,055
Margin deposits	30.1	42,252,010	471,987,693
Prepaid levies		777,994,274	874,626,582
		828,621,339	1,362,269,330

30.1 These represents deposits held by financial institutions against bank guarantees and letters of credit.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
31 ADVANCES AND OTHER RECEIVABLES			
Advances to suppliers		531,491,556	669,625,583
Advances to employees			
- against salaries and post employment benefits	31.1	12,938,722	51,224,955
- against purchases and expenses		62,028,167	71,561,299
Rebate receivable		407,461,278	628,527,061
Letters of credit		50,499,273	449,386
Insurance claims receivable		-	7,670,889
Receivable under novation agreement	31.2	-	33,000,000
Dividend receivable	31.3	-	-
Other receivables		2,315,458	2,907,696
Current maturity of long term advances	25	11,609,001	-
		1,078,343,455	1,464,966,869

31.1 These include advances to employees against future salaries and post employment benefits in accordance with the Company policy. Reconciliation of carrying amount of advances to executives is as follows:

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
As at the beginning of the year	21,920,890	18,874,291
Paid during the year	24,170,000	21,468,000
Recovered during the year	(19,797,165)	(18,421,401)
As at the end of the year	26,293,725	21,920,890

31.2 This represents amount transferred to Dubai Islamic Bank ['DIB'], pursuant to the Novation Agreement dated 26 June 2014 between the Company, DIB and Agritech Limited for novation of a receivable of Rs. 33 million. During the year, AGL transferred preference shares of an equivalent amount to DIB, which were intended to be ultimately vested in the Company. However, a dispute subsequently arose among DIB, AGL and the Company regarding the ownership of these preference shares. Consequently, DIB refunded the amount of Rs. 33 million to the Company.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
31.3 Dividend receivable			
Gross amount due	31.3.1	438,760,292	397,482,225
Impairment allowance for expected credit losses	31.3.2	(438,760,292)	(397,482,225)
		-	-

31.3.1 This represents mark-up receivable on Term Finance Certificates ['TFCs'] issued by Agritech Limited ['AGL']. In the year 2024, the outstanding markup receivable was restructured by AGL, pursuant to AGL's restructuring scheme sanctioned by the Honorable Lahore High Court effective 31 December 2013, whereby AGL made a partial payment of Rs. 12.67 million while remaining mark-up was converted into dividend payable on preference shares. Following the successful completion of legal formalities regarding induction of these preference shares into the central depository system in previous year, the Company has recognized dividend accrued up to 30 June 2026 as income and receivable. However, as the chances of recovery are considered remote, impairment allowance equivalent to the gross amount of dividend receivable has been made.

31.3.2 Impairment allowance for expected credit losses

		30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
As at the beginning of the year		397,482,225	342,019,831
Recognized during the year	53.1.6 (a)	41,278,067	55,462,394
As at the end of the year		438,760,292	397,482,225

		Note	30-Jun-26	30-Jun-25
			Rupees	Rupees
32	SHORT TERM INVESTMENTS			
	Financial assets at fair value through other OCI	32.1	138,054,273	138,054,273
	Financial assets at fair value through profit or loss	32.2	589,812	549,287
	Financial assets at amortized cost	32.3	493,222,292	-
			631,866,377	138,603,560

32.1 Financial assets at fair value through other OCI

This represents investment in preference shares issued by Agritech Limited ['AGL'] classified as 'financial assets at fair value through other comprehensive income', held for the settlement of the Company's outstanding debt finances pursuant to the Creditors' Scheme of Arrangement duly sanctioned by the Honourable Lahore High Court, whereby, a part of the restructured debts are intended to be settled through the proceeds realized from these instruments and have therefore been classified as short term investments. (see note 24.1.1). The particulars of the investment are as follows:

		Note	30-Jun-26	30-Jun-25
			Rupees	Rupees
	Agritech Limited			
	13,805,427 preference shares of Rs. 10 each (30-Jun-25: 13,805,427 preference shares of Rs. 10 each)			
	Cost of investment	24	138,054,273	138,054,273
			138,054,273	138,054,273

32.2 Financial assets at fair value through profit or loss

These represent investments in mutual funds. These, being held for trading, are required to be measured at fair value through profit or loss mandatorily. Accordingly, these have been classified as 'financial assets at fair value through profit or loss'. Particulars of investments are as follows:

		Note	30-Jun-26	30-Jun-25
			Rupees	Rupees
	Investment in mutual fund units			
	Cost of investment	32.2.1	602,007	563,634
	Changes in fair value		(12,195)	(14,347)
			589,812	549,287
32.2.1	Investment in mutual fund units			
	Al Meezan Investment Management Limited			
	1,027.1653 units (30-Jun-25: 963.8822 units)			
	Market value per unit: Rs. 50 (30-Jun-25: Rs. 50)			
	Cost of investment		51,358	48,194
	Changes in fair value		-	-
			51,358	48,194
	Al Habib Asset Management Limited			
	2,538.5848 units (30-Jun-25: 2,374.3771 units)			
	Market value per unit: Rs. 101.1296 (30-Jun-25: Rs. 100.4693)			
	Cost of investment		260,639	244,141
	Changes in fair value		(3,913)	(5,589)
			256,726	238,552

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
ABL Funds		
1,9347.1699 units (30-Jun-25: 18,057.7509 units)		
Market value per unit: Rs. 10.0229 (30-Jun-25: Rs. 10.0171)		
Cost of investment	195,394	183,097
Changes in fair value	(1,479)	(2,211)
	193,915	180,886
HBL Islamic Money Market Fund		
861.0834 units (30-Jun-25: 804.0509 units)		
Market value per unit: Rs. 101.9794 (30-Jun-25: Rs. 101.5544)		
Cost of investment	94,616	88,202
Changes in fair value	(6,803)	(6,547)
	87,813	81,655
	589,812	549,287

32.3 Financial assets at amortized cost

These represent investment in certificates and have been classified as 'financial assets at amortized cost'. Particulars of the investment are as follows:

	Note	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
Investment in certificates			
Pak Libya Holding Company (Private) Limited	32.3.1	361,750,659	-
First Habib Modaraba	32.3.2	131,471,633	-
		493,222,292	-

32.3.1 This represents investment in certificates under Certificate of Investment Scheme of Pak Libya Holding Company (Private) Limited for a period of 30 days and carry profit at rates ranging from 11.75% to 11.80% per annum.

32.3.2 This represents investment in certificates issued by First Habib Modaraba for a period of six months and carry profit at rates ranging from 9.75% to 11.00% per annum.

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
33 TAX REFUNDS DUE FROM GOVERNMENT		
Income tax refundable/adjustable	451,718,915	22,006,616
Sales tax refundable/adjustable	1,184,478,909	1,130,033,954
	1,636,197,824	1,152,040,570

34 FUNDS FOR RESTRUCTURING SCHEME

These represent funds received against disposal of assets pursuant to the Creditors' Scheme of Arrangement referred to in note 53.2.2. These funds are held in an Escrow account maintained with Bank Makramah Limited and will be utilized to settle the liabilities of the Company restructured under the Approved Scheme. These carry return under at rates ranging from 7.50% to 10.55% per annum (30-Jun-25: 9.55% to 19.05% per annum).

	Note	30-Jun-26	30-Jun-25
		Rupees	Rupees
35 CASH AND BANK BALANCES			
Cash in hand		4,229,597	6,049,867
Bank balances			
- current accounts in local currency		40,122,792	114,599,471
- deposit accounts in local currency	35.1	936,030,745	993,021,239
- retention accounts in foreign currency	35.2	88,864,480	138,356,285
		1,065,018,017	1,245,976,995
		1,069,247,614	1,252,026,862

35.1 These carry return at rates ranging from 6.29% to 11.00% per annum (30-Jun-25: 9.25% to 19.15% per annum).

35.2 These represent Exporters' Special Foreign Currency Accounts maintained to retain a portion of export proceeds in accordance with Chapter 12 of the Foreign Exchange Manual of the State Bank of Pakistan.

36 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	30-Jun-26		
		Local Rupees	Export Rupees	Total Rupees
Sale of goods	36.1	1,847,224,584	42,288,650,376	44,135,874,960
Processing income		268,681,722	-	268,681,722
Waste and others		16,582,798	-	16,582,798
Gross revenue		2,132,489,104	42,288,650,376	44,421,139,480
Sales tax		(326,825,315)	(1,544,915,147)	(1,871,740,462)
Export development surcharge		-	(31,826,445)	(31,826,445)
Trade discounts		-	(17,748,497)	(17,748,497)
		1,805,663,789	40,694,160,287	42,499,824,076
		30-Jun-25		
		Local Rupees	Export Rupees	Total Rupees
Sale of goods	36.1	2,406,438,307	40,217,475,500	42,623,913,807
Processing income		140,490,529	-	140,490,529
Waste and others		15,211,735	-	15,211,735
Gross revenue		2,562,140,571	40,217,475,500	42,779,616,071
Sales tax		(398,859,947)	(1,693,517,318)	(2,092,377,265)
Export development surcharge		-	(75,056,913)	(75,056,913)
Trade discounts		-	(10,074,139)	(10,074,139)
		2,163,280,624	38,438,827,130	40,602,107,754

36.1 Export of goods include indirect exports, taxable under Section 154 (3b) of the Income Tax Ordinance, 2001, amounting to Rs. 8,852.86 million (30-Jun-25: Rs. 9,349.66 million) and realized exchange gain amounting to Rs. 54.47 million (30-Jun-25: Rs. 77.717 million)

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
37 COST OF SALES			
Raw material, chemicals and packing material consumed		23,138,400,372	23,040,774,274
Stores, spares and loose tools consumed		772,044,747	704,611,860
Salaries, wages and benefits	37.1	7,933,864,498	5,944,353,607
Fuel and power		2,811,519,362	2,635,237,576
Traveling, conveyance and entertainment		520,312,915	463,523,191
Rent, rates and taxes		58,123,623	85,847,594
Fee and subscription		14,396,670	5,790,424
Insurance		37,972,357	63,442,370
Repair and maintenance		52,793,959	126,757,942
Processing charges		859,439,712	1,023,623,383
Depreciation on property, plant and equipment	23.5	881,755,987	781,612,338
Printing and stationery		22,325,105	19,890,348
Communication		3,057,157	3,702,761
Miscellaneous		741,999	459,659
Manufacturing cost		37,106,748,463	34,899,627,327
Work in process			
As at beginning of the year		2,413,351,074	3,679,053,342
As at end of the year		(2,528,717,797)	(2,413,351,074)
		(115,366,723)	1,265,702,268
Cost of goods manufactured		36,991,381,740	36,165,329,595
Finished goods			
As at beginning of the year		2,221,771,199	1,681,694,253
As at end of the year		(1,765,493,690)	(2,221,771,199)
		456,277,509	(540,076,946)
		37,447,659,249	35,625,252,649
37.1	These include charge in respect of employees retirement benefits amounting Rs. 401.25 million (30-Jun-25: Rs. 337.92 million).		
38 OTHER INCOME			
Gains on financial instruments			
Return on bank deposits		340,895,763	451,057,982
Dividend income	38.1	41,332,116	56,058,669
Gain on disposal of short term investments		-	793,907
Profit on certificates		25,638,845	-
Foreign exchange gain - <i>unrealized</i>		-	24,843,471
Gain on early termination of diminishing musharaka		413,403	-
Reassessment gain	10.11	991,510	-
Changes in fair value of short term investments		2,152	-
		409,273,789	532,754,029
Others			
Export subsidies and rebates		344,752,731	311,333,095
Gain on disposal of property, plant and equipment	23.4	4,342,860	872,182
Rental income		1,958,460	1,936,995
Service income PSDF		-	968,483
Miscellaneous		-	607,354
		351,054,051	315,718,109
		760,327,840	848,472,138

- 38.1** This includes dividend on preference shares amounting to Rs. 41.28 million (30-Jun-25: Rs. 55.46 million) recognized on successful completion of legal formalities regarding induction of these preference shares into the central depository system. See note 31.3.

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
39 SELLING AND DISTRIBUTION EXPENSES			
Salaries, wages and benefits	39.1	487,981,931	481,069,862
Commission		219,915,884	167,271,429
Utilities		1,970,756	2,833,578
Traveling, conveyance and entertainment		134,606,801	128,648,490
Repair and maintenance		2,576,262	2,683,566
Rent, rates and taxes		4,851,189	6,265,299
Insurance		22,687,762	1,562,430
Freight and other expenses		613,879,896	776,852,479
Printing and stationery		599,954	577,910
Communication		1,045,589	1,308,728
Advertisement and marketing		265,389,486	264,241,922
Fee and subscription		20,830,489	17,364,153
Miscellaneous		408,065	60,765
		1,776,744,064	1,850,740,611

- 39.1** These include charge in respect of employees retirement benefits amounting Rs. 36.31 million (30-Jun-25: Rs. 24.1 million).

40 ADMINISTRATIVE EXPENSES

Salaries and benefits	40.1	743,848,098	646,742,481
Traveling, conveyance and entertainment		202,594,689	101,958,246
Fuel and power		22,108,770	28,743,283
Repair and maintenance		80,507,341	61,586,693
Rent, rates and taxes		24,504,077	13,879,666
Insurance		8,715,700	5,200,514
Printing and stationery		5,884,807	5,871,988
Communication		13,711,286	11,585,719
Legal and professional		8,014,000	22,045,678
Auditor's remuneration	40.2	5,953,640	5,256,500
Depreciation	23.5	84,901,153	64,928,064
Fee and subscription		35,956,123	29,893,478
Miscellaneous		2,544,732	4,070,735
		1,239,244,416	1,001,763,045

- 40.1** These include charge in respect of employees retirement benefits amounting Rs. 67.13 million (30-Jun-25: Rs. 40.99 million).

40.2 Auditor's remuneration

Annual statutory audit		3,801,600	3,360,000
Limited scope review		1,050,000	1,050,000
Review report under Code of Corporate Governance		392,040	346,500
Certifications		210,000	-
Out of pocket expenses		500,000	500,000
		5,953,640	5,256,500

41	OTHER EXPENSES	Note	30-Jun-26	30-Jun-25
			Rupees	Rupees
	Loss on financial instruments			
	Changes in fair value of short term investments		-	14,347
	Foreign exchange loss - <i>unrealized</i>		28,222,418	-
			28,222,418	14,347
	Others			
	Workers' Profit Participation Fund		98,374,555	90,818,214
	Workers' Welfare Fund	41.1	32,627,357	34,498,996
	Donation	41.2	1,423,000	-
			132,424,912	125,317,210
			160,647,330	125,331,557
41.1	Workers' Welfare Fund			
	Current year		37,381,250	34,498,996
	Prior year		(4,753,893)	-
			32,627,357	34,498,996
41.2	Particulars of donees to whom donations exceed Rs. 1,000,000 or 10% of total amount of donation, whichever is higher are as follows:			
	American Eagle Outfitters Foundation		1,423,000	-
			1,423,000	-
42	FINANCE COST			
	Mark-up/profit on borrowings:			
	redeemable capital		59,432,520	71,990,558
	long term borrowings		32,849,756	54,060,443
	short term borrowings		183,334,903	347,413,421
			275,617,179	473,464,422
	Interest on lease liabilities		12,915,795	11,780
	Amortization of transaction cost	10.10	42,145,562	32,872,454
	Bank charges and commission		454,639,832	624,927,496
			785,318,368	1,131,276,152
43	PROVISION FOR LEVIES			
	Levies under Income Tax Ordinance, 2001			
	Current year	43.1	531,261,313	507,711,734
	Prior year		(19,410,812)	
			511,850,501	507,711,734
43.1	Levies under Income Tax Ordinance, 2001 ['the Ordinance'] have been recognized under section 4C, 5 and 113 (30-Jun-25: section 5 and 113) of the Ordinance.			

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
44 PROVISION FOR INCOME TAXES			
Current taxation			
for current year	<i>44.1</i>	208,176,332	121,926,047
for prior years		56,106,034	(7,585,393)
		264,282,366	114,340,654
Deferred taxation			
attributable to origination and reversal of temporary differences		(155,106,170)	318,341,256
attributable to changes in tax rates		(206,826)	(189,440,368)
	<i>15.1</i>	(155,312,996)	128,900,888
		108,969,370	243,241,542

44.1 Provision for current taxation has been recognized under section 4C, 18 and 39 (30-Jun-25: section 4C, 18 and 37A) of the Income Tax Ordinance, 2001 ['the Ordinance'].

44.2 The income tax assessments of the Company up to and including tax year 2025 have been completed by the concerned income tax authorities or are deemed to have been so completed under the provisions of section 120 of the Ordinance except as explained in note 22.1.16, 22.1.17, 22.1.18, 22.1.19, 22.1.20 and 22.1.21.

44.3 Estimated liability payable with return of income to be filed under section 114 of the Income Tax Ordinance 2001, subject to adjustment of taxes and levies paid/deducted in advance and available refunds, comprises the following:

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
Levies under Income Tax Ordinance, 2001	<i>43</i>	531,261,313	507,711,734
Income taxes		208,176,332	121,926,047
		739,437,645	629,637,781

44.4 Reconciliation between average effective tax rate and applicable tax rate for the year is as follows:

	<i>Unit</i>	30-Jun-26	30-Jun-25
Profit before income taxes	<i>Rupees</i>	978,840,848	945,044,396
Provision for income taxes	<i>Rupees</i>	108,969,370	243,241,542
Average effective tax rate	<i>%</i>	11.13	25.74
Tax effects of:			
Adjustments for prior years	<i>%</i>	(5.73)	0.80
Provision for deferred taxation	<i>%</i>	15.87	(13.64)
Provision for statutory levies	<i>%</i>	(10.72)	(5.38)
Income chargeable to tax at different rates	<i>%</i>	0.00	0.01
Income not chargeable to tax	<i>%</i>	0.10	0.27
Inadmissible deductions and other adjustments	<i>%</i>	(40.74)	(16.76)
Admissible deductions	<i>%</i>	50.60	18.98
Applicable tax rate	<i>%</i>	20.51	10.02

45 INCOME TAXES RECOGNIZED IN OTHER COMPREHENSIVE INCOME

		30-Jun-26		
		Origination and reversal of temporary differences <i>Rupees</i>	Changes in tax rates <i>Rupees</i>	Total <i>Rupees</i>
Current taxation		-	-	-
Deferred taxation		-	-	-
Remeasurements of defined benefit obligation		(4,195,992)	-	(4,195,992)
Revaluation reserve		-	(275,292)	(275,292)
		(4,195,992)	(275,292)	(4,471,284)
		(4,195,992)	(275,292)	(4,471,284)
		30-Jun-25		
		Origination and reversal of temporary differences <i>Rupees</i>	Changes in tax rates <i>Rupees</i>	Total <i>Rupees</i>
Current taxation		-	-	-
Deferred taxation		-	-	-
Remeasurements of defined benefit obligation		(5,595,308)	-	(5,595,308)
Revaluation reserve		-	(348,343,406)	(348,343,406)
		(5,595,308)	(348,343,406)	(353,938,714)
		(5,595,308)	(348,343,406)	(353,938,714)

		<i>Unit</i>	30-Jun-26 <i>Rupees</i>	30-Jun-25 <i>Rupees</i>
46	BASIC EARNINGS PER SHARE			
	Earnings			
	Profit attributable to ordinary shareholders	<i>Rupees</i>	869,871,478	701,802,854
	Shares			
	Weighted average number of ordinary shares outstanding	<i>No. of shares</i>	491,375,337	491,375,337
	Basic earnings per share	<i>Rupees</i>	1.77	1.43
47	CASH AND CASH EQUIVALENTS			
	Cash and bank balances	35	1,069,247,614	1,252,026,862
	Funds for restructuring scheme	34	134,492,197	892,167,454
	Short term borrowings - book overdraft	17	(1,532,288,159)	(366,271,633)
			(328,548,348)	1,777,922,683

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CASH GENERATED FROM OPERATIONS**Profit before income taxes****Adjustments for non-cash and other items:**

	30-Jun-26 <i>Rupees</i>	30-Jun-25 <i>Rupees</i>
Profit before income taxes	978,840,848	945,044,396
Adjustments for non-cash and other items:		
Interest on borrowings	275,617,179	473,452,642
Interest on lease liabilities	12,915,795	11,780
Foreign exchange loss/(gain) - <i>unrealized</i>	28,222,418	(24,843,471)
Gain on disposal of short term investment	-	(793,907)
Dividend income	(41,332,116)	(56,058,669)
Profit on certificates	(25,638,845)	-
Changes in fair value of short term investments	(2,152)	14,347
Gain on disposal of property, plant and equipment	(4,342,860)	(872,182)
Gain on early termination of diminishing musharaka	(413,403)	-
Reassessment gain	(991,510)	-
Depreciation on property, plant and equipment	966,657,140	846,540,402
Provision for Workers' Profit Participation Fund	98,374,555	90,818,214
Impairment allowance/(reversal) for expected credit losses	42,879,917	(53,858,821)
Provision for employees retirement benefits	504,687,944	403,004,230
Amortization of transaction costs	42,145,562	32,872,483
Notional interest expense	311,518,640	317,318,568
Provision for levies	511,850,501	507,711,734
	2,722,148,765	2,535,317,350
	3,700,989,613	3,480,361,746
Changes in working capital		
Long term advances	(31,878,999)	-
Long term deposits	(52,706,650)	(123,439,998)
Stores, spares and loose tools	(181,759,827)	(129,318,180)
Stock in trade	(47,367,983)	1,899,213,923
Trade receivables	(1,219,782,841)	389,736,615
Deposits and prepayments	437,015,683	(389,461,978)
Advances and other receivables	398,308,141	102,127,377
Tax refunds due from government	(54,444,955)	(426,107,360)
Trade and other payables	1,026,401,025	(873,074,089)
	273,783,594	449,676,310
Cash generated from operations	3,974,773,207	3,930,038,056

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CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	30-Jun-26			
	Redeemable capital <i>Rupees</i>	Long term borrowings <i>Rupees</i>	Lease liabilities <i>Rupees</i>	Short term borrowings <i>Rupees</i>
As at beginning of the year	6,251,187,192	1,081,208,932	-	2,320,117,027
Obtained during the year	182,710,710	150,000,000	237,094,848	107,795,174
Interest on lease liabilities	-	-	12,915,795	-
Repaid during the year	(468,014,059)	(625,020,793)	(42,640,200)	-
Early termination of diminishing musharaka	(18,096,512)	-	-	-
Adjusted against security deposits	-	-	-	-
As at end of the year	5,947,787,331	606,188,139	207,370,443	2,427,912,201

	30-Jun-25			
	Redeemable capital <i>Rupees</i>	Long term borrowings <i>Rupees</i>	Lease liabilities <i>Rupees</i>	Short term borrowings <i>Rupees</i>
As at beginning of the year	6,760,750,821	1,081,208,932	773,955	2,197,326,332
Obtained during the year	-	-	-	122,790,695
Interest on lease liabilities	-	-	11,780	-
Repaid during the year	(509,563,629)	-	(229,735)	-
Adjusted against security deposits	-	-	(556,000)	-
As at end of the year	6,251,187,192	1,081,208,932	-	2,320,117,027

50 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The details of the Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date, are as follows:

Name of related party	Nature and basis of relationship
JS Bank Limited	Associated entities of Jahangir Siddiqui and Company Limited ['JSCL'], a significant shareholder of the Company. JSCL holds and controls 121,158,363 ordinary shares in the Company.
Unit Trust of Pakistan	
JS Large Cap Fund	
JS Global Capital Limited	
JS Principal Secure Fund	
JS Income Fund	Key Management Personnel [Chairman]
JS Growth Fund	
Mr. Zahid Mahmood	
Mr. Ahmed Humayun Shiekh	
Mr. Abid Hussain	
Mr. Ihsan Ahmad	
Ms. Maliha Sarda Azam	
Mr. Nasir Ali Khan Bhatti	
Mr. Syed Hassan Akbar Kazmi	
Mr. Usman Rasheed	

The Company continues to have a policy whereby all transactions with related parties entered into in the ordinary course of business are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction with the exceptions as approved by the Board of Directors. Detail of transactions with related parties during the reporting period and balances with them as at the reporting date are as follows:

		30-Jun-26 <i>Rupees</i>	30-Jun-25 <i>Rupees</i>
50.1 Transactions with related parties			
Nature of relationship	Nature of transactions		
Associated entities of JSCL	Mark-up expense	22,837,130	26,839,144
	Mark-up paid/settled	39,600,154	17,888,648
	Fee paid to trustee	1,500,000	1,500,000
	Return on bank deposits	13,617,536	20,085,524
Key Management Personnel	Short term employee benefits	41,999,999	41,999,999
	Bonus	4,182,955	28,354,655
	Meeting fee	3,820,000	3,120,000
	Post employment benefits	2,692,307	2,692,307

50.2 Balances with related parties

		30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
Nature of relationship	Nature of balances		
Associated Companies	Settlement finance	60,562,361	144,937,131
	Redeemable capital	728,382,352	822,176,027
	Short term borrowings	112,000,000	112,000,000
	Mark-up payable	18,436,530	35,199,557
	Bank balances	268,207,718	458,750,036
Key Management Personnel	Short term employee benefits	3,500,000	3,500,000
	Bonus	4,182,955	28,354,655
	Post employment benefits	29,615,383	26,923,076

51 CONTRACTS WITH CUSTOMERS

51.1 Disaggregation of revenue

Revenue from all contracts with customers is recognized at a point in time when performance obligations are satisfied. Information on disaggregation of revenue by operating segment and geographical origin is presented in note 56.

51.2 Contract balances

There are no contract assets as at the reporting date. The information about receivables and contract liabilities arising from contracts with customers is as follows:

Nature of balance	Presented in financial statements as	Note	30-Jun-26	30-Jun-25
			Rupees	Rupees
Receivables	Trade receivables	28	5,052,434,661	3,859,253,072
Contract liabilities	Advances from customers	16	76,353,140	91,721,847

51.2.1 Changes in contract assets and liabilities

There are no contract assets as at the reporting date. Significant changes in contract liabilities during the year are as follows:

As at beginning of the year		91,721,847	113,353,052
Revenue recognized against contract liability as at beginning of the year		(91,721,847)	(113,353,052)
Net increase due to cash received in excess of revenue recognized		76,353,140	91,721,847
As at end of the year	51.2	76,353,140	91,721,847

51.3 Impairment losses

The Company during the year has recognized Rs. 1.60 million (30-Jun-25: Rs. 1.60 million) as impairment loss for expected credit losses on receivables (trade receivables) arising from the Company's contracts with customers.

52 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
52.1 Financial assets			
<i>Cash in hand</i>	35	4,229,597	6,049,867
<i>Financial assets at amortized cost</i>			
Long term advances	25	31,878,999	-
Long term deposits	26	215,971,020	163,264,370
Trade receivables	28	5,052,434,661	3,859,253,072
Receivable against sale of spinning unit	29	706,412,075	706,412,075
Security deposits	30	8,375,055	15,655,055
Margin deposits	30	42,252,010	471,987,693
Advances to employees	31	12,938,722	51,224,955
Insurance claims receivable	31	-	7,670,889
Receivable under novation agreement	31	-	33,000,000
Dividend receivable	31	-	-
Investment in certificates	32	493,222,292	-
Funds for restructuring scheme	34	134,492,197	892,167,454
Bank balances	35	1,065,018,017	1,245,976,995
		7,762,995,048	7,446,612,558
<i>Financial assets classified at fair value through OCI</i>			
Investment in debt securities	24	362,387,853	262,387,853
Investment in equity securities	24	-	-
		362,387,853	262,387,853
<i>Financial assets mandatorily classified at fair value through profit or loss</i>			
Investment in mutual funds	32	589,812	549,287
		589,812	549,287
		8,130,202,310	7,715,599,565
52.2 Financial liabilities			
<i>Financial liabilities at amortized cost</i>			
Redeemable capital	10	4,205,110,866	4,218,458,764
Long term borrowings	11	606,188,139	1,081,208,932
Lease liabilities	12	207,370,443	-
Deferred markup	14	112,709,910	117,222,196
Trade creditors	16	2,642,296,762	2,267,799,524
Accrued liabilities	16	1,874,441,143	1,127,661,200
Unclaimed dividend on ordinary shares		3,753,252	3,753,252
Short term borrowings	17	3,960,200,360	2,686,388,660
Accrued mark-up/profit on borrowings	18	112,924,758	205,014,237
		13,724,995,633	11,707,506,765

53 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and control and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board reviews and agrees policies for managing each of these risks.

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

The management team of the Company is responsible for administering the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

53.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

53.1.1 Credit risk management practices

In order to minimize credit risk, the Company has adopted a policy of only dealing with creditworthy counterparties and limiting significant exposure to any single counterparty. The Company only transacts with counterparties that have reasonably high external credit ratings. Where an external rating is not available, the Company uses an internal credit risk grading mechanism. Particularly for customers, a dedicated team responsible for the determination of credit limits uses a credit scoring system to assess the potential as well as existing customers' credit quality and assigns or updates credit limits accordingly. The ageing profile of trade receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

The Company reviews the recoverable amount of each financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each financial asset.

The Company considers a financial asset to have low credit risk when the asset has reasonably high external credit rating or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due in the normal course of business based on history with the counterparty.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. This is usually the case with various customers of the Company where the Company has long standing business relationship with these customers and any amounts that are past due by more than 30 days in the normal course of business are considered 'performing' based on history with the customers. Therefore despite the foregoing, the Company considers some past due trade receivables to have low credit risk where the customer has a good history of meeting its contractual cash flow obligations and is expected to maintain the same in future.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk.

The Company considers 'default' to have occurred when the financial asset is credit-impaired. A financial asset is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery.

The Company's credit risk grading framework comprises the following categories:

Category	Description	<u>Basis for recognizing ECL</u>
Performing	The counterparty has low credit risk	Trade receivables: Lifetime ECL Other assets: 12-month ECL
Doubtful	Credit risk has increased significantly since initial recognition	Lifetime ECL
In-default	There is evidence indicating the asset is credit-impaired	Lifetime ECL
Write-off	There is no realistic prospect of recovery	Amount is written-off

53.1.2 Exposure to credit risk

Credit risk principally arises from debt instruments held by the Company as at the reporting date. The maximum exposure to credit risk as at the reporting date is as follows:

	Note	30-Jun-26 Rupees	30-Jun-25 Rupees
Financial assets at amortized cost			
Long term advances	25	31,878,999	-
Long term deposits	26	215,971,020	163,264,370
Trade receivables	28	5,549,440,191	4,354,656,752
Receivable against sale of spinning unit	29	706,412,075	706,412,075
Security deposits	30	8,375,055	15,655,055
Margin deposits	30	42,252,010	471,987,693
Advances to employees	31	12,938,722	51,224,955
Insurance claims receivable	31	-	7,670,889
Receivable under novation agreement	31	-	33,000,000
Dividend receivable	31	438,760,292	397,482,225
Investment in certificates	32	493,222,292	-
Funds for restructuring scheme	34	134,492,197	892,167,454
Bank balances	35	1,065,018,017	1,245,976,995
		8,698,760,870	8,339,498,463
Financial assets classified at fair value through OCI			
Investment in debt securities	24	362,387,853	262,387,853
		362,387,853	262,387,853
		9,061,148,723	8,601,886,316

53.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to internal credit risk grading. The credit quality of the Company's financial assets exposed to credit risk is as follows:

30-Jun-26				
	Credit rating / risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance
			Rupees	Rupees
Long term advances	Performing	12-month ECL	31,878,999	-
Long term deposits	Performing	12-month ECL	215,971,020	-
Trade receivables	Performing	Lifetime ECL	5,049,230,950	-
	In-default	Lifetime ECL	500,209,241	497,005,530
			5,549,440,191	497,005,530
Receivable against sale of spinning unit	Performing	12-month ECL	706,412,075	-
Security deposits	Performing	12-month ECL	8,375,055	-
Margin deposits	A2 - A1+	12-month ECL	42,252,010	-
Advances to employees	Performing	12-month ECL	12,938,722	-
Insurance claims receivable	AA++	12-month ECL	-	-
Receivable under novation agreement	A1+	12-month ECL	-	-
Dividend receivable	Doubtful	12-month ECL	438,760,292	438,760,292
Funds for restructuring scheme	Performing	12-month ECL	134,492,197	-
Bank balances	A1 - A1+	12-month ECL	1,065,018,017	-
Investment in debt securities	Performing	12-month ECL	855,610,145	-
			9,061,148,723	935,765,822

30-Jun-25				
	Credit rating / risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance
			Rupees	Rupees
Long term advances	Performing	12-month ECL	-	-
Long term deposits	Performing	12-month ECL	163,264,370	-
Trade receivables	Performing	Lifetime ECL	3,854,387,305	-
	In-default	Lifetime ECL	500,269,447	495,403,680
			4,354,656,752	495,403,680
Receivable against sale of spinning unit	Performing	12-month ECL	706,412,075	-
Security deposits	Performing	12-month ECL	15,655,055	-
Margin deposits	A2 - A1+	12-month ECL	471,987,693	-
Advances to employees	Performing	12-month ECL	51,224,955	-
Insurance claims receivable	AA++	12-month ECL	7,670,889	-
Receivable under novation agreement	A1+	12-month ECL	33,000,000	-
Dividend receivable	Doubtful	12-month ECL	397,482,225	397,482,225
Funds for restructuring scheme	Performing	12-month ECL	892,167,454	-
Bank balances	A1 - A1+	12-month ECL	1,245,976,995	-
Investment in debt securities	Doubtful	12-month ECL	262,387,853	-
			8,601,886,316	892,885,905

(a) Long term deposits

Long term deposits comprise security deposits placed with various utility companies and regulatory authorities. These deposits are substantially perpetual in nature. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(b) Trade receivables

For trade receivables, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on trade receivables by using internal credit risk gradings. As at the reporting date, all trade receivables are considered 'performing' as there is no significant increase in credit risk in respect of these receivables since initial recognition, except for trade receivables amounting to Rs. 500.21 million (30-Jun-25: Rs. 500.27 million) which are considered doubtful. The ageing analysis of trade receivables as at the reporting date is as follows:

30-Jun-26				
	Internal risk grading	Average loss rate %	Gross amount due Rupees	Accumulated impairment Rupees
Not yet due	Performing	0.00	4,868,817,251	-
Past due by up to six months	Performing	0.00	177,424,878	-
Past due by six months to one year	Performing	0.00	2,988,821	-
Past due by more than one year	Doubtful/In-default	99.36	500,209,241	497,005,530
			5,549,440,191	497,005,530

30-Jun-25				
	Internal risk grading	Average loss rate %	Gross amount due Rupees	Accumulated impairment Rupees
Not yet due	Performing	0.00	3,673,627,120	-
Past due by up to six months	Performing	0.00	179,170,379	-
Past due by six months to one year	Performing	0.00	1,589,806	-
Past due by more than one year	Doubtful/In-default	99.03	500,269,447	495,403,680
			4,354,656,752	495,403,680

(c) Receivable against sale of spinning unit

These are recoverable against sale of Muzaffargarh unit. The agent banks are actively pursuing the recovery of this receivable. The full amount is expected to be received in the near future. No credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made, because the title of land and building is in the name of the Company while original property documents are with the agent bank.

(d) Security deposits

These represent security deposits against short term leases. All premises are in possession of the Company. No credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

(e) Margin deposits

These are placed with a financial institution. Due to long standing business relationship with this financial institution and considering its strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

(f) Advances to employees

Advances to employees have been given against future salaries and post-employment benefits. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(g) Insurance claims receivable

These are recoverable from insurance company with reasonably high credit rating as determined by independent credit rating agency. Due to long standing business relationships with this counterparty and considering its strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

(h) Receivable under novation agreement

These are recoverable from a banking company with reasonably high credit rating as determined by independent credit rating agency. Due to long standing business relationships with this counterparty and considering its strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

(i) Dividend receivable

Dividend receivable is considered credit-impaired as chances of recovery thereof is considered remote. Accordingly, impairment allowance equal to the gross carrying amount of dividend receivable has been made.

(j) Funds for restructuring scheme

These are placed with a financial institution. Due to long standing business relationship with this financial institution and considering its strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

(k) Bank balances

The bankers of the Company have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(l) Investment in debt securities

The management expects to recover the carrying amount of this investment in full. Therefore, no credit risk has been associated with these financial assets and accordingly no impairment loss allowance has been made.

53.1.4 Concentrations of credit risk

The Company's maximum exposure to credit risk, as at the reporting date, by type of counter-party is as follows:

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
Customers	5,549,440,191	4,354,656,752
Banking companies and financial institutions	1,241,762,224	2,650,803,031
Utility companies and regulatory authorities	224,346,075	178,919,425
Others	2,013,721,234	1,417,507,108
	9,029,269,724	8,601,886,316

The Company's two (30-Jun-25: four) significant customers account for Rs. 1,799.93 million (30-Jun-25: Rs. 1,879.75 million) of trade receivables as at the reporting date, apart from which, exposure to any single customer does not exceed 10% of trade receivables as at the reporting date. Impairment allowance recognized against amounts due from these significant customers amounts to Rs. Nil (30-Jun-25: Rs.452.53 million).

53.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets with the exception of trade receivables, which are partially secured through letters of credit and investment in debt securities which are secured by charge over issuer's operating assets.

53.1.6 Changes in impairment allowance for expected credit losses

The changes in impairment allowance for expected credit losses are as follows:

	<i>Note</i>	30-Jun-26	30-Jun-25
		<i>Rupees</i>	<i>Rupees</i>
As at beginning of the year		892,885,905	946,744,726
Impairment loss:			
recognized during the year	53.1.6(a)	42,879,917	57,064,244
reversed during the year	53.1.6(b)	-	(110,923,065)
Net change in impairment allowance		42,879,917	(53,858,821)
As at end of the year		935,765,822	892,885,905
(a) Impairment loss recognized during the year			
Trade receivables		1,601,850	1,601,850
Dividend receivable	31.3.2	41,278,067	55,462,394
		42,879,917	57,064,244
(b) Impairment loss reversed during the year			
Investment in debts securities	24.1.1.1	-	110,923,065
		-	110,923,065

53.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

53.2.1 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management of the Company closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers. Details of undrawn facilities that the Company has at its disposal to further reduce liquidity risk are referred to in note 17.4. There were no changes in the Company's approach to liquidity risk management during the year.

53.2.2 Financial restructuring and settlement with preference shareholders

The creditor's scheme of arrangement approved by the Honourable Lahore High Court vide order dated 31 July 2019 was finalized on 29 April 2021 whereby overdue debt finances and related financial liabilities were restructured. This financial restructuring has significantly reduced debt burden and related finance cost of the Company. See notes 10.1, 10.2, 10.3, 10.4, 10.6, 10.9, 11.1, 29 and 34.

The settlement plan for the outstanding preference shares was approved by the preference shareholders in their meeting dated 18 January 2024. The Company is complying with the payment plan in accordance with timelines agreed with the preference shareholders. Nothing is overdue as at reporting date in this regard. See notes 10.5 and 14.

53.2.3 Exposure to liquidity risk

The following is the analysis of contractual maturities of financial liabilities, including estimated interest payments.

	30-Jun-26				
	Carrying amount <i>Rupees</i>	Contractual cash flows <i>Rupees</i>	One year or less <i>Rupees</i>	Two to three years <i>Rupees</i>	More than three years <i>Rupees</i>
Redeemable capital	4,205,110,866	6,054,138,752	382,840,831	639,004,167	5,032,293,754
Long term borrowings	606,188,139	660,209,302	495,167,925	102,031,694	63,009,683
Lease liabilities	207,370,443	239,637,924	89,544,420	150,093,504	-
Deferred markup	112,709,910	149,923,340	59,969,336	89,954,004	-
Trade creditors	2,642,296,762	2,642,296,762	2,642,296,762	-	-
Accrued liabilities	1,874,441,143	1,874,441,143	1,874,441,143	-	-
Dividend payable	3,753,252	3,753,252	3,753,252	-	-
Short term borrowings	3,960,200,360	3,999,921,943	3,999,921,943	-	-
Accrued mark-up/profit on borrowings	112,924,758	112,924,758	112,924,758	-	-
	13,724,995,633	15,737,247,176	9,660,860,370	981,083,369	5,095,303,437

	30-Jun-25				
	Carrying amount <i>Rupees</i>	Contractual cash flows <i>Rupees</i>	One year or less <i>Rupees</i>	Two to three years <i>Rupees</i>	More than three years <i>Rupees</i>
Redeemable capital	4,218,458,764	6,341,703,944	502,167,591	868,316,353	4,971,220,000
Long term borrowings	1,081,208,932	1,248,512,637	1,248,512,637	-	-
Lease liabilities	-	-	-	-	-
Deferred markup	117,222,196	179,908,008	29,984,668	119,938,672	29,984,668
Trade creditors	2,267,799,524	2,267,799,524	2,267,799,524	-	-
Accrued liabilities	1,127,661,200	1,127,661,200	1,127,661,200	-	-
Dividend payable	3,753,252	3,753,252	3,753,252	-	-
Short term borrowings	2,686,388,660	2,703,917,858	2,703,917,858	-	-
Accrued mark-up/profit on borrowings	205,014,237	205,014,237	205,014,237	-	-
	11,707,506,765	14,078,270,660	8,088,810,967	988,255,025	5,001,204,668

53.3 Market risk

53.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency.

(a) Currency risk management

The Company manages its exposure to currency risk through continuous monitoring of expected/forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities/payments to assets/receipts, using source inputs in foreign currency. The Company maintains foreign currency working capital lines in order to finance production of exportable goods. Proceeds from exports are used to repay/settle/rollover the Company's obligations under these working capital lines which substantially reduces exposure to currency risk in respect of such liabilities. Balances in foreign currency are also maintained in current and saving/deposits accounts with banking companies.

(b) Exposure to currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

30-Jun-26					
	EURO Rupees	USD Rupees	AED Rupees	CNY Rupees	Total Rupees
Financial assets					
Trade receivables	505,024,722	3,589,324,401	-	19,711,691	4,114,060,814
Cash at banks	31,568,956	57,295,523	-	-	88,864,479
	536,593,678	3,646,619,924	-	19,711,691	4,202,925,293
Financial liabilities					
Trade creditors	(78,757,344)	(78,177,400)	-	-	(156,934,744)
Bills payable	-	(15,231,096)	-	-	(15,231,096)
	(78,757,344)	(93,408,496)	-	-	(172,165,840)
	457,836,334	3,553,211,428	-	19,711,691	4,030,759,453
Commitments	-	(296,136,706)	-	-	(296,136,706)
Net exposure	457,836,334	3,257,074,722	-	19,711,691	3,734,622,747
30-Jun-25					
	EURO Rupees	USD Rupees	AED Rupees	CNY Rupees	Total Rupees
Financial assets					
Trade receivables	807,791,031	2,524,939,009	23,501,678	51,756,237	3,407,987,955
Cash at banks	11,965,705	126,302,658	-	-	138,268,363
	819,756,736	2,651,241,667	23,501,678	51,756,237	3,546,256,318
Financial liabilities					
Trade creditors	(107,494,924)	(53,731,513)	-	-	(161,226,437)
Bills payable	-	(2,437,800)	-	-	(2,437,800)
	(107,494,924)	(56,169,313)	-	-	(163,664,237)
	712,261,812	2,595,072,354	23,501,678	51,756,237	3,382,592,081
Commitments	(147,651,901)	(397,448,917)	-	-	(545,100,818)
Net exposure	564,609,911	2,197,623,437	23,501,678	51,756,237	2,837,491,263

(c) Sensitivity analysis

A five percent appreciation in Pak Rupee against foreign currencies would have increased profit for the year and equity as at the reporting date by Rs. 403.08 million (30-Jun-25: Rs. 338.26 million). A five percent depreciation in Pak Rupee would have had an equal but opposite effect on profit for the year and equity. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for levies and income taxes for the year. There were no changes in the methods and assumptions used in preparing the sensitivity analysis.

53.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

(a) Interest rate risk management

The Company manages interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points. There were no changes in Company's approach to interest rate risk management during the year.

(b) Exposure to interest rate risk

The effective interest rates for interest bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest bearing financial instruments as at the reporting date are as follows:

	30-Jun-26	30-Jun-25
	Rupees	Rupees
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	6,248,840,508	7,295,455,293
Variable rate instruments		
Financial assets	1,663,745,234	1,885,188,693
Financial liabilities	2,675,229,403	2,250,245,565

(c) Fair value sensitivity analysis for fixed rate instruments

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

(d) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year and equity as at the reporting date by Rs. 10.11 million (30-Jun-25: Rs. 3.65 million). A decrease of 100 basis points would have had an equal but opposite effect on loss for the year and equity. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

53.3.3 Price risk

Other price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments.

(a) Equity price risk management

The Company is exposed to price risk in respect of its investments in mutual funds, however the same is considered to be insignificant considering the size of investment portfolio.

(b) Sensitivity analysis

A ten percent appreciation in prices of mutual funds units as at reporting date would have increased profit and equity as at the reporting date by Rs. 0.06 million (30-Jun-25: Rs. 0.06 million). A ten percent diminution in prices of mutual funds units as at the reporting date would have had equal but opposite effect on equity and profit for the year. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation and levies for the year.

54 CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders. The Company's objective when managing capital is to safeguard the Company's ability to continue as going concern while providing returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure through debt and equity balance. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue of new shares. Consistent with others in industry, the Company monitors capital on the basis of gearing ratio which is debt divided by total capital employed. Debt comprises of redeemable capital, long term borrowings, lease liabilities, deferred mark-up and current maturity of non-current liabilities. Total capital employed includes total equity plus debt. The gearing ratios as at the reporting date are as follows:

	<i>Unit</i>	30-Jun-26	30-Jun-25
Total debt	<i>Rupees</i>	5,285,983,399	5,576,491,149
Total equity	<i>Rupees</i>	15,636,411,557	14,804,028,716
Total capital employed	<i>Rupees</i>	20,922,394,956	20,380,519,865
Gearing ratio	<i>% age</i>	25.26	27.36

The Company is not subject to externally imposed capital requirements, except those related to maintenance of debt covenants, commonly imposed by the providers of debt finance. There were no changes in the Company's approach to capital management during the year.

55 FAIR VALUE MEASUREMENTS

55.1 Financial instruments

55.1.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

Assets	Hierarchy	Valuation technique and key inputs	30-Jun-26	30-Jun-25
			<i>Rupees</i>	<i>Rupees</i>
Investment in mutual funds	Level 1	Quoted prices in an active market	589,812	549,287

55.1.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements of financial instruments as at the reporting date.

55.1.3 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value at the end of each reporting period to approximate their fair values as at the reporting date.

55.2 Assets other than financial instruments

55.2.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

Assets	Hierarchy	Valuation technique and key inputs	30-Jun-26 Rupees	30-Jun-25 Rupees
Freehold land	Level 2	Land is valued using market comparable approach that reflects recent transaction prices for similar properties. Significant inputs include estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition.	1,573,950,000	1,573,950,000
Buildings on freehold land	Level 2	Building is valued using cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. Significant inputs include estimated construction costs and other ancillary expenditure.	2,375,599,171	2,433,540,301
Plant and machinery	Level 2	Plant and machinery is valued using cost approach that reflects the cost to the market participants to construct or acquire machinery of comparable utility and age, adjusted for obsolescence and depreciation. Significant inputs include estimated construction/acquisition costs and other ancillary expenditure.	8,554,664,384	6,091,455,025

55.2.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements of assets other than financial instruments.

56 SEGMENT INFORMATION

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

Information about the Company's reportable segments as at the reporting date is as follows:

	Nature of business																	
	Spinning segment				Weaving segment				Garment segment				Elimination				Total	
	30-Jun-26	30-Jun-25	Rupees		30-Jun-26	30-Jun-25	Rupees		30-Jun-26	30-Jun-25	Rupees		30-Jun-26	30-Jun-25	Rupees			
Spinning segment																		
Weaving segment																		
Garment segment																		
Stitching and sale of denim garment																		
Segment revenues and results																		
Revenue from contracts with customers																		
External	1,989,865,384	2,729,066,438		9,524,399,505	11,265,029,350		30,985,559,187	26,608,011,966		-			42,499,824,076		40,602,107,754			
Inter-segment	1,242,989,890	632,563,715		10,627,916,679	8,809,593,270		9,351,490	56,104,134		(11,880,258,059)		(9,498,261,119)	-		-	-		
	3,232,855,274	3,361,630,153		20,152,316,184	20,074,622,620		30,994,910,677	26,664,116,100		(11,880,258,059)		(9,498,261,119)	42,499,824,076		40,602,107,754			
Cost of sales																		
External	(1,855,557,376)	(2,613,118,249)		(7,270,286,656)	(8,476,135,253)		(28,321,815,217)	(24,535,999,147)		-		-	(37,447,659,249)		(35,625,252,649)			
Inter-segment	(1,242,989,890)	(632,563,715)		(10,627,916,679)	(8,809,593,270)		(9,351,490)	(56,104,134)		11,880,258,059		9,498,261,119	-		-	-		
	(3,098,547,266)	(3,245,681,964)		(17,898,203,335)	(17,285,728,523)		(28,331,166,707)	(24,592,103,281)		11,880,258,059		9,498,261,119	(37,447,659,249)		(35,625,252,649)			
Gross profit	134,308,008	115,948,189		2,254,112,849	2,788,894,097		2,663,743,970	2,072,012,819		-		-	5,052,164,827		4,976,855,105			
Selling and distribution expenses	(43,264,888)	(47,171,791)		(376,514,900)	(451,865,227)		(1,356,964,276)	(1,351,703,593)		-		-	(1,776,744,064)		(1,850,740,611)			
Administrative expenses	(166,478,613)	(138,903,505)		(534,671,758)	(446,117,656)		(538,094,045)	(416,741,884)		-		-	(1,239,244,416)		(1,001,763,045)			
	(209,743,501)	(186,075,296)		(911,186,658)	(897,982,883)		(1,895,058,321)	(1,768,445,477)		-		-	(3,015,988,480)		(2,852,503,656)			
(Loss)/profit from operations	(75,435,493)	(70,127,107)		1,342,936,191	1,890,911,214		768,685,649	303,567,342		-		-	2,036,176,347		2,124,351,449			
Adjustments for common items																		
Other income													760,327,840		848,472,138			
Other expenses													(160,647,330)		(125,331,557)			
Impairment (allowance)/reversal for expected credit losses													(42,879,917)		53,858,821			
Finance cost													(785,318,368)		(1,131,276,152)			
Notional interest expense													(316,967,223)		(317,318,569)			
Provision for levies													(511,850,501)		(507,711,734)			
Provision for income taxes													(108,969,370)		(243,241,542)			
Profit after income taxes													869,871,478		701,802,854			

56.2 Segment assets and liabilities

	Spinning segment		Weaving segment		Garment segment		Elimination		Total	
	30-Jun-26 Rupees	30-Jun-25 Rupees	30-Jun-26 Rupees	30-Jun-25 Rupees	30-Jun-26 Rupees	30-Jun-25 Rupees	30-Jun-26 Rupees	30-Jun-25 Rupees	30-Jun-26 Rupees	30-Jun-25 Rupees
Segment assets										
Total assets for reportable segments	2,858,963,757	2,932,686,896	13,747,674,577	12,300,532,609	13,349,469,405	12,519,378,281	(2,374,966,178)	(1,959,533,518)	27,581,141,561	25,793,064,268
Property, plant and equipment	-	-	-	-	-	-	-	-	3,593,293,634	2,275,348,108
Long term investments	-	-	-	-	-	-	-	-	224,333,580	124,333,580
Short term investments	-	-	-	-	-	-	-	-	631,866,377	138,603,560
Funds for restructuring scheme	-	-	-	-	-	-	-	-	134,492,197	892,167,454
	2,858,963,757	2,932,686,896	13,747,674,577	12,300,532,609	13,349,469,405	12,519,378,281	(2,374,966,178)	(1,959,533,518)	32,165,127,349	29,223,516,970
Segment liabilities										
Total liabilities for reportable segments	955,307,092	682,167,787	4,195,936,864	2,665,506,937	4,677,647,129	4,430,426,769	(2,374,966,178)	(1,672,290,023)	7,453,924,907	6,105,811,470
Corporate liabilities - common	-	-	-	-	-	-	-	-	9,074,790,885	8,313,676,784
	955,307,092	682,167,787	4,195,936,864	2,665,506,937	4,677,647,129	4,430,426,769	(2,374,966,178)	(1,672,290,023)	16,528,715,792	14,419,488,254

56.3 Inter-segment sales and purchases

Inter-segment sales and purchases, which are priced at negotiated rates, have been eliminated from company totals.

56.4 Geographical information

The segments of the Company are managed on a worldwide basis, but manufacturing facilities and sales offices are operated in Pakistan. In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

56.4.1 Segment revenue

	30-Jun-26 Rupees	30-Jun-25 Rupees
Foreign revenue		
Asia		
Europe	472,690,494	1,576,376,476
South America	29,411,543,980	26,940,919,718
North America	-	-
Africa	2,255,328,053	734,458,924
Indirect exports	78,551,867	-
	8,476,045,893	9,187,072,012
	40,694,160,287	38,438,827,130
Local revenue		
Pakistan	1,805,663,789	2,163,280,624
	1,805,663,789	2,163,280,624
	42,499,824,076	40,602,107,754
Non-current assets		
Pakistan	14,783,244,911	12,380,638,092
	14,783,244,911	12,380,638,092

56.5 Information about major customers

There are two (30-Jun-25: two) significant external customer to whom sales in excess of 10% of the Company's total sales were made during the year. Revenue derived from these significant external customers amounts to Rs. 16,131.73 million (30-Jun-25: 12,370.30 million).

57 MORTGAGES AND CHARGES

First

Hypothecation of all present and future assets and properties

Mortgage over land and building

Ranking

Hypothecation of all present and future assets and properties

Mortgage over land and building

Hypothecation of all present and future assets and properties

Mortgage over land and building

Hypothecation of all present and future current assets

Pledge

Finished goods

30-Jun-26	30-Jun-25
<i>Rupees</i>	<i>Rupees</i>
23,809,949,179	23,809,949,179
23,809,949,179	23,809,949,179
11,666,666,667	11,666,666,667
11,666,666,667	11,666,666,667
1,084,000,000	750,000,000
750,000,000	750,000,000
120,000,000	-
139,115,420	185,871,948

58 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

	30-Jun-26		
	Chief Executive <i>Rupees</i>	Directors <i>Rupees</i>	Executives <i>Rupees</i>
Managerial remuneration	27,999,996	-	566,410,101
Medical	2,799,997	-	77,633,743
Utilities and house rent	11,200,006	-	207,782,473
Bonus	4,182,955	-	-
Meeting fee	-	3,820,000	-
Post employment benefits	2,692,307	-	66,635,587
	48,875,261	3,820,000	918,461,904
Number of persons	1	7	247
	30-Jun-25		
	Chief Executive <i>Rupees</i>	Directors <i>Rupees</i>	Executives <i>Rupees</i>
Managerial remuneration	27,999,996	-	468,964,877
Medical	2,799,997	-	50,154,862
Utilities and house rent	11,200,006	-	47,059,689
Bonus	28,354,655	-	-
Meeting fee	-	3,120,000	-
Post employment benefits	2,692,307	-	188,458,458
	73,046,961	3,120,000	754,637,886
Number of persons	1	7	186

- 58.1** Chief executive, directors and certain executives have been provided with free use of the Company's vehicles.
- 58.2** No remuneration has been paid to non-executive directors, with the exception of meeting fee.
- 58.3** Vehicle having net book value of Rs. 233,935 (30-Jun-25: Rs. 0.89 million) was transferred to an executive employee. See note 23.4.

59 SHAHRIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE COMPANIES ACT, 2017

	30-Jun-26	30-Jun-25
	<i>Rupees</i>	<i>Rupees</i>
Statement of financial position		
Liabilities		
Short term borrowings as per Islamic mode	-	-
Long term borrowings as per Islamic mode	248,040,854	116,112,000
Lease liability as per Islamic mode	-	-
Interest or mark up accrued on conventional loans or advances	110,437,384	204,012,169
Assets		
Long term and short term shariah compliant investments	128,160,601	310,735
Shariah compliant bank deposits, bank balances, and TDRs	184,890,270	5,853,674
Statement of profit or loss		
Revenue earned from a shariah compliant business segment	42,473,560,117	40,605,013,232
Break-up of late payments or liquidated damages	-	-
Gain/loss or dividend earned on shariah compliant investments or share of profit from shariah compliant associates	7,293,071	864,154
Profit earned from shariah compliant bank balances/ deposits or TDRs	33,401,709	309,891,334
Exchange gain earned from actual currency	54,467,019	77,717,390
Exchange gain earned using conventional derivative financial instruments	-	-
Profit paid on islamic mode of financing	5,081,888	6,003,244
Total interest earned on any conventional loan or advance	-	-
Source and detail of other income:		
Income from Bank Deposits-Shariah compliant	33,401,709	309,891,334
Gain on sale of Investments-Shariah compliant	7,293,071	864,154

59.1 Relationship with shariah compliant banks:

Name of Bank	Relationship with Bank
Faysal Bank Limited	Sukuk certificates holder and bank balances
Meezan Bank Limited	Bank balances
Al Baraka Bank (Pakistan) Limited	Bank balances

60 PLANT CAPACITY AND ACTUAL PRODUCTION

	Unit	30-Jun-26	30-Jun-25
Spinning			
Number of rotors installed	No.	3,776	3,776
Annual installed capacity converted into 10s count	Kgs	13,925,069	13,925,069
Actual production converted into 10s count	Kgs	5,836,754	6,689,922
Weaving			
Number of looms installed	No.	242	242
Annual installed capacity converted into 48.5 picks	Meters	39,583,007	40,037,984
Actual production converted into 48.5 picks	Meters	23,368,810	23,281,842
Garments			
Number of stitching machines installed	No.	3,154	2,696
Annual installed capacity	Pcs	15,366,288	13,134,912
Actual production	Pcs	13,482,248	11,616,644

	30-Jun-26	30-Jun-25
61 NUMBER OF EMPLOYEES		
Total number of employees	10,839	8,310
Average number of employees	9,841	8,029

62 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

	30-Jun-26 Rupees	30-Jun-25 Rupees
The following have been reclassified for better presentation.		
Rental income	1,958,460	1,936,995
<i>Reclassified from Revenue from contracts with customers > Local sales > Sale of goods</i>		
<i>Reclassified to Other income > Other gains > Rental income</i>		
Punjab Skill Development Fund	-	968,483
<i>Reclassified from Revenue from contracts with customers > Local sales > Sale of goods</i>		
<i>Reclassified to Other income > Other gains > Punjab Skill Development Fund</i>		
Utilities	1,970,756	2,833,578
<i>Reclassified from Selling and distribution expenses > Repair and maintenance</i>		
<i>Reclassified to Selling and distribution expenses > Utilities</i>		

64 GENERAL

Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period except for those referred to in note 63.

Lahore


Chief Executive Officer


Director


Chief Financial Officer

FORM 20
PATTERN OF SHAREHOLDING

(ORDINARY SHARES)

[Pursuant to Section 227(2)(f) of the Companies Act, 2017 read with Regulations 30 of the Companies Regulations, 2024]

PART-I

1.1 Name of the Company

AZGARD NINE LIMITED
PART-II

2.1 Pattern of holding of the shares held
by the Shareholders as at

3	0	0	6	2	0	2	6
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2.2

Number of Shareholders	Shareholdings		Total Shares held
	from	to	
873	1	100	28,789
908	101	500	325,174
808	501	1000	729,890
1656	1001	5000	4,641,750
643	5001	10000	5,203,967
208	10001	15000	2,673,757
158	15001	20000	2,904,736
101	20001	25000	2,357,770
70	25001	30000	1,980,630
45	30001	35000	1,470,122
43	35001	40000	1,644,754
27	40001	45000	1,167,843
61	45001	50000	3,008,555
15	50001	55000	791,135
24	55001	60000	1,404,218
11	60001	65000	689,952
13	65001	70000	880,559
13	70001	75000	964,995
13	75001	80000	1,028,180
10	80001	85000	824,183
8	85001	90000	705,417
3	90001	95000	277,623
40	95001	100000	3,991,308
10	100001	105000	1,030,214
4	105001	110000	440,000
5	110001	115000	559,686
2	115001	120000	237,500
3	120001	125000	375,000
3	125001	130000	387,000
5	130001	135000	668,546
2	135001	140000	276,102
3	140001	145000	425,349
9	145001	150000	1,341,311
3	155001	160000	476,000

Number of Shareholders	Shareholdings		Total Shares held
	from	to	
1	160001	165000	162,000
3	165001	170000	509,691
4	170001	175000	691,343
1	175001	180000	180,000
2	180001	185000	365,299
2	185001	190000	377,500
1	190001	195000	190,642
9	195001	200000	1,796,000
1	200001	205000	204,000
1	205001	210000	206,100
1	210001	215000	211,000
3	220001	225000	670,180
2	225001	230000	459,462
3	235001	240000	715,001
4	245001	250000	1,000,000
1	255001	260000	260,000
1	270001	275000	270,590
2	285001	290000	571,639
1	290001	295000	292,000
5	295001	300000	1,500,000
1	310001	315000	314,107
1	325001	330000	325,160
1	330001	335000	333,854
1	355001	360000	356,000
1	370001	375000	375,000
1	385001	390000	389,500
4	395001	400000	1,600,000
1	400001	405000	405,000
1	430001	435000	430,448
1	445001	450000	450,000
1	465001	470000	470,000
1	470001	475000	475,000
1	475001	480000	478,523
1	485001	490000	490,000
1	495001	500000	500,000
2	520001	525000	1,045,748
1	525001	530000	528,468
1	530001	535000	535,000
1	540001	545000	542,510
1	555001	560000	558,500
1	585001	590000	588,015
1	595001	600000	600,000
2	610001	615000	1,226,226
1	630001	635000	631,500
1	700001	705000	704,500
1	705001	710000	709,001
1	795001	800000	800,000
1	905001	910000	905,744
1	915001	920000	917,100
1	995001	1000000	1,000,000

Number of Shareholders	Shareholdings		Total Shares held
	from	to	
1	1035001	1040000	1,035,854
1	1095001	1100000	1,100,000
1	1250001	1255000	1,254,000
1	1315001	1320000	1,316,131
1	1495001	1500000	1,500,000
1	1970001	1975000	1,973,717
1	2270001	2275000	2,275,000
1	2570001	2575000	2,571,275
1	3790001	3795000	3,793,570
1	4025001	4030000	4,026,283
1	4575001	4580000	4,580,000
1	4995001	5000000	5,000,000
1	6595001	6600000	6,600,000
1	7195001	7200000	7,195,284
1	13675001	13680000	13,679,450
1	19585001	19590000	19,586,000
1	22425001	22430000	22,425,550
1	47135001	47140000	47,137,692
1	121155001	121160000	121,158,363
1	141970001	141975000	141,972,196
5903	TOTAL		485,409,731

2.3	Categories of Shareholders	Shares held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor children	141,973,330	29.25%
2.3.2	Associated Companies, undertakings and related parties	121,158,363	24.96%
2.3.3	NIT and ICP	8,398	0.00%
2.3.4	Banks, Development Financial Institutions, Non-Banking Financial Institutions	33,287	0.01%
2.3.5	Insurance Companies	7,151,275	1.47%
2.3.6	Modarabas and Mutual Funds	4,357,920	0.90%
2.3.7	Shareholders holding 10%	263,130,559	54.21%
2.3.8	<u>General Public</u>		
	a. Local	142,157,866	29.29%
	b. Foreign	111,917	0.02%
2.3.9	<u>Others</u>		
	Investment Companies	40,616	0.01%
	Joint Stock Companies	67,500,928	13.91%
	Provident/Pension Funds and Misc.	915,831	0.19%



Form of Proxy Azgard Nine Limited

I/We _____

son of/daughter of/wife of _____

a member of Azgard Nine Limited and holder of _____ ordinary shares as

per Registered Folio No. _____ do hereby appoint Mr./Ms./Mrs. _____

son of/daughter of/wife of _____ or failing him/her

Mr./Ms./Mrs. _____

son of/daughter of/wife of _____

who is also member of the Company vide Registered Folio No. _____

as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company to be held on Tuesday, the 27th October 2026 at 11:30 a.m. at the Registered Office of the Company, Ismail Aiwani-Science, Off: Shahrah-i-Roomi, Lahore and at any adjournment thereof.

In witness whereof on this _____ day of _____ 2026.

WITNESSES

1. Signature _____

Name _____

Address _____

CNIC _____

2. Signature _____

Name _____

Address _____

CNIC _____

Affix Revenue
Stamp

Member's Signature
Over Revenue Stamp

NOTE:

1. The Form of Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.
2. CDC Shareholders, entitled to attend and vote at this meeting, must bring with them their National Identity Cards/Passport in original to authenticate his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport. Representative of corporate members should bring the usual documents for such purpose.

AFFIX
CORRECT
POSTAGE

The Company Secretary
AZGARD NINE LIMITED
Ismail Aiwan-i-Science
Off: Shahrah-i-Roomi
Lahore-54600, Pakistan.



پراکسی فارم ایزگارڈ نائن لمیٹڈ

میں / ہم
ولد / دختر / زوجہ
ایزگارڈ نائن لمیٹڈ کا / کی ممبر اور ہولڈر
عمومی شیئر ز اور رجسٹرڈ فو لیو نمبر جناب / محترمہ
ولد / دختر / زوجہ
کا تقرر کرتا / کرتی ہوں یا اس کے ناکام ہونے پر جناب / محترمہ
ولد / دختر / زوجہ
جو کہ خود بھی کمپنی کا / کی رجسٹرڈ فو لیو نمبر کے تحت ممبر ہے میرے / ہمارے پرو کسی کے طور پر شرکت کرے، تقریر / بیان کرے،
میرے / ہمارے لئے ووٹ دے کمپنی کے تین سو سالانہ اجلاس عام جو کہ بروز منگل 27 اکتوبر 2026 بوقت 11:30 بجے صبح
بمقام کمپنی کے رجسٹرڈ آفس: اسماعیل ایوان سائنس، آف شاہراہ رومی، لاہور میں منعقد ہوگا اور اسکے کسی التواء کی صورت میں۔
مورخہ 2026 کو رد و گواہان تحریر کیا ہے۔

ریونیوٹکٹ لگائیں
ریونیوٹکٹ پر
ممبر کے دستخط

گواہ شد	گواہ شد
دستخط	دستخط
نام	نام
پتہ	پتہ
شناختی کارڈ نمبر	شناختی کارڈ نمبر

نوٹ:

- 1۔ پراکسی فارم کو لازمی طور پر کمپنی کے رجسٹرڈ آفس میں اجلاس سے 48 گھنٹے قبل جمع کروائیں۔
- 2۔ CDC شیئر ہولڈرز اجلاس میں شامل ہونے اور ووٹ دینے کے اہل اپنا شناختی کارڈ / پاسپورٹ اپنی شناخت کے طور پر پیش کریں گے اور پراکسی کی صورت میں لازمی تصدیق شدہ شناختی کارڈ یا پاسپورٹ کی کاپی منسلک کریں گے۔ کارپوریٹ ممبرز کے نمائندگان اس مقصد کیلئے عمومی کاغذات ہمراہ لائیں گے۔

AFFIX
CORRECT
POSTAGE

The Company Secretary
AZGARD NINE LIMITED
Ismail Aiwan-i-Science
Off: Shahrah-i-Roomi
Lahore-54600, Pakistan.



www.azgard9.com

AZGARD9

Address

Ismail Aiwan-e-Science,
Off Shahrah-e-Roomi,
Lahore-54600, Pakistan.

Contact

Phone:
+92(0)4235761794-5

Email

info@azgard9.com

   /AZGARD9LTD