



SAIF GROUP



SAIF TEXTILE MILLS LIMITED



Certified ISO 14001:2015
Certified ISO 9001:2015
Certified ISO 17025



**36th
ANNUAL
REPORT
2025**



ENTITY RATING OF SAIF TEXTILE MILLS LIMITED

Long Term	A-
Short Term	A2

CREDIT RATING AGENCY



The Pakistan Credit Rating Agency Limited





Member of Better Cotton Initiative (BCI)



CONTENT



COMPANY INFORMATION **02**

VISION AND MISSION STATEMENT **04**

KEY PERFORMANCE INDICATORS **06**

ORGANIZATION CHART **09**

DIRECTORS' PROFILE **10**

NOTICE OF 36TH ANNUAL
GENERAL MEETING **14**

CHAIRMAN'S REVIEW REPORT **18**

DIRECTOR'S REPORT TO THE
MEMBERS **19**

PATTERN OF SHAREHOLDINGS **33**

STATEMENT OF COMPLIANCE WITH
THE LISTED COMPANIES (CODE
OF CORPORATE GOVERNANCE) **37**
REGULATIONS, 2019

INDEPENDENT AUDITORS' REVIEW
REPORT ON THE STATEMENT
OF COMPLIANCE CONTAINED IN
THE LISTED COMPANIES (CODE
OF CORPORATE GOVERNANCE)
REGULATIONS, 2019 **39**

INDEPENDENT AUDITOR'S
REPORT TO THE MEMBERS **40**

STATEMENT OF FINANCIAL
POSITION **46**

STATEMENT OF PROFIT OR LOSS **48**

STATEMENT OF OTHER
COMPREHENSIVE INCOME **49**

STATEMENT OF CHANGES IN
EQUITY **50**

STATEMENT OF CASH FLOWS **51**

NOTES TO THE FINANCIAL
STATEMENTS **52**

DIRECTOR'S REPORT TO THE
MEMBERS (URDU) **101**

PROXY FORM **111**

COMPANY INFORMATION

BOARD OF DIRECTORS

Javed Saifullah Khan	Chairman / Director
Assad Saifullah Khan	Chief Executive Officer / Director
Hoor Yousafzai	Director
Osman Saifullah Khan	Director
Asif Saifullah Khan	Director
Rana Muhammad Shafi	Director
Khalid Siddiq Tirmizey	Director
Abdul Rehman Qureshi	Director

AUDIT COMMITTEE

Khalid Siddiq Tirmizey	Chairman
Rana Muhammad Shafi	Member
Abdul Rehman Qureshi	Member

HR & REMUNERATION COMMITTEE

Abdul Rehman Qureshi	Chairman
Hoor Yousafzai	Member
Assad Saifullah Khan	Member

CHIEF FINANCIAL OFFICER

Muhammad Waseem Aslam

COMPANY SECRETARY

Umar Shahzad

HEAD OF INTERNAL AUDIT

Muhammad Adeel Raza

LEGAL ADVISOR

Salahuddin Saif & Aslam
(Attorney's at Law)

AUDITORS

M/s Shinewing Hameed Chaudhri & Co.
Chartered Accountants
HM House, 7-Bank Square, Lahore

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
First Habib Modaraba Bank Limited
First Women Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak China Investment Company Limited
Pak Iran Investment Company Limited
Sindh Bank Limited
Soneri Bank Limited
The Bank of Punjab
The Bank of Khyber
United Bank Limited

HEAD OFFICE

4th Floor, Kashmir Commercial
Complex 1032-E, Fazal-e-Haq Road,
Blue Area Islamabad.
Telephone: +92-51-2604733-35
Fax: +92-51-2604732
Email: stm@saifgroup.com

REGISTERED OFFICE

APTMA House, Tehkal Payan, Jamrud
Road, Peshawar
Telephone: +92-91-5843870, 5702941
Fax: +92-91-5840273
Email: peshawar@saifgroup.com

SHARES REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.
HM House, 7-Bank Square, Lahore
Telephone: +92-42-37235081-37235082
Fax: +92-42-37358817
Email: info@hmaconsultants.com

MILLS

Industrial Estate, Gadoon Amazai,
District Swabi
Telephone: +92-0938-270313, 270429
Fax: +92-0938-270514
Email: stmgn@saifgroup.com

CYBER

www.saiftextile.com

ABOUT US

Saif Textile Mills Limited (the Company) is a Public Limited Company incorporated in Pakistan on December 24, 1989 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchanges. The Company is principally engaged in manufacturing and sale of yarn. STM has 105,744 spindles and dyeing unit with 15 tons per day production capacity. The Saif Group (www.saifgroup.com) is one of Pakistan's leading industrial and services conglomerates, with primary operations in oil and gas exploration, power generation, textiles manufacturing, real estate development, healthcare services, information technology, and software development.

International accreditation agencies validate quality manufacturing procedures. STM holds certifications under ISO-9001:2015, ISO-14001:2015, and ISO-17025. Additionally, STM is certified by OEKO-TEX, BCI, GOTS, GRS, INDITEX and IKEA. Further certification with respect to Higg FSLM, Higg SLCP, and Higg FEM is in process. The Company has maintained "A-" for Long Term and "A2" for Short Term by PACRA with stable outlook.

Saif Textile Mills Ltd is a prominent name in the global textile industry, recognized for its commitment to innovation, quality, and customization. The Company specializes in producing a wide range of premium yarns and blends and cotton products designed to meet the diverse requirements of international markets and leading brands. Our product portfolio covers yarns made from 100% Cotton, Polyester/Cotton, 100% Spun Polyester, Bamboo, Coolmax, Acrylic, Modal, Tencel, Viscose, Silk, and other customized blends. Through its advanced manufacturing capabilities and adherence to international standards, Saif Textile Mills Ltd continues to be a trusted partner for renowned global brands, delivering excellence across the textile value chain.

STM ensures uninterrupted operations through a reliable energy infrastructure. In addition to a 9.9 MW grid connection from WAPDA, the Company operates a 12.2 MW gas-fired captive power plant and 812 KW of installed solar capacity. To further strengthen its sustainability initiatives, an additional 10 MW of solar power generation is currently under development.

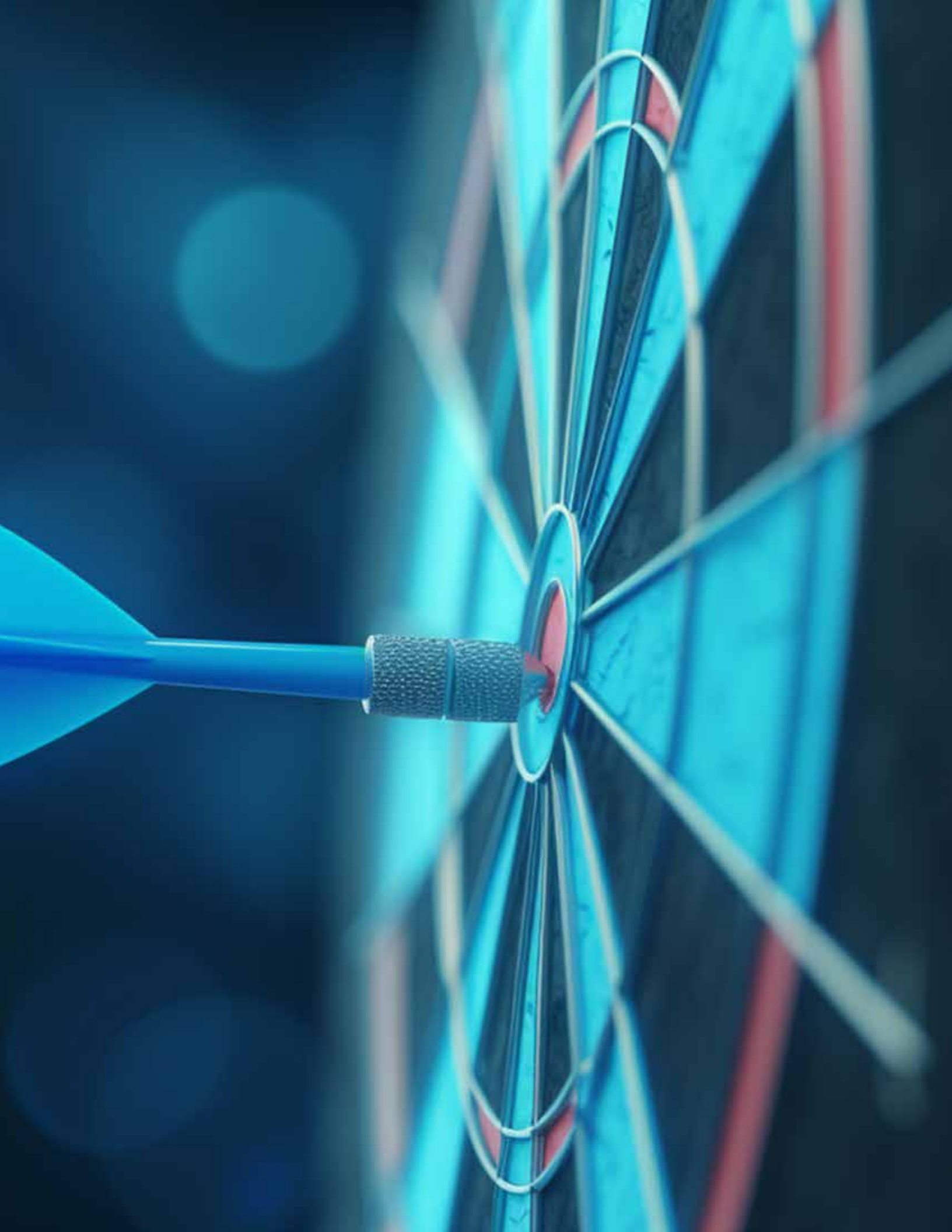


Vision

To attain market leadership through unmatched quality, a diverse and unique product mix, empowered employees, world class systems, and the highest ethical and professional standards.

Mission

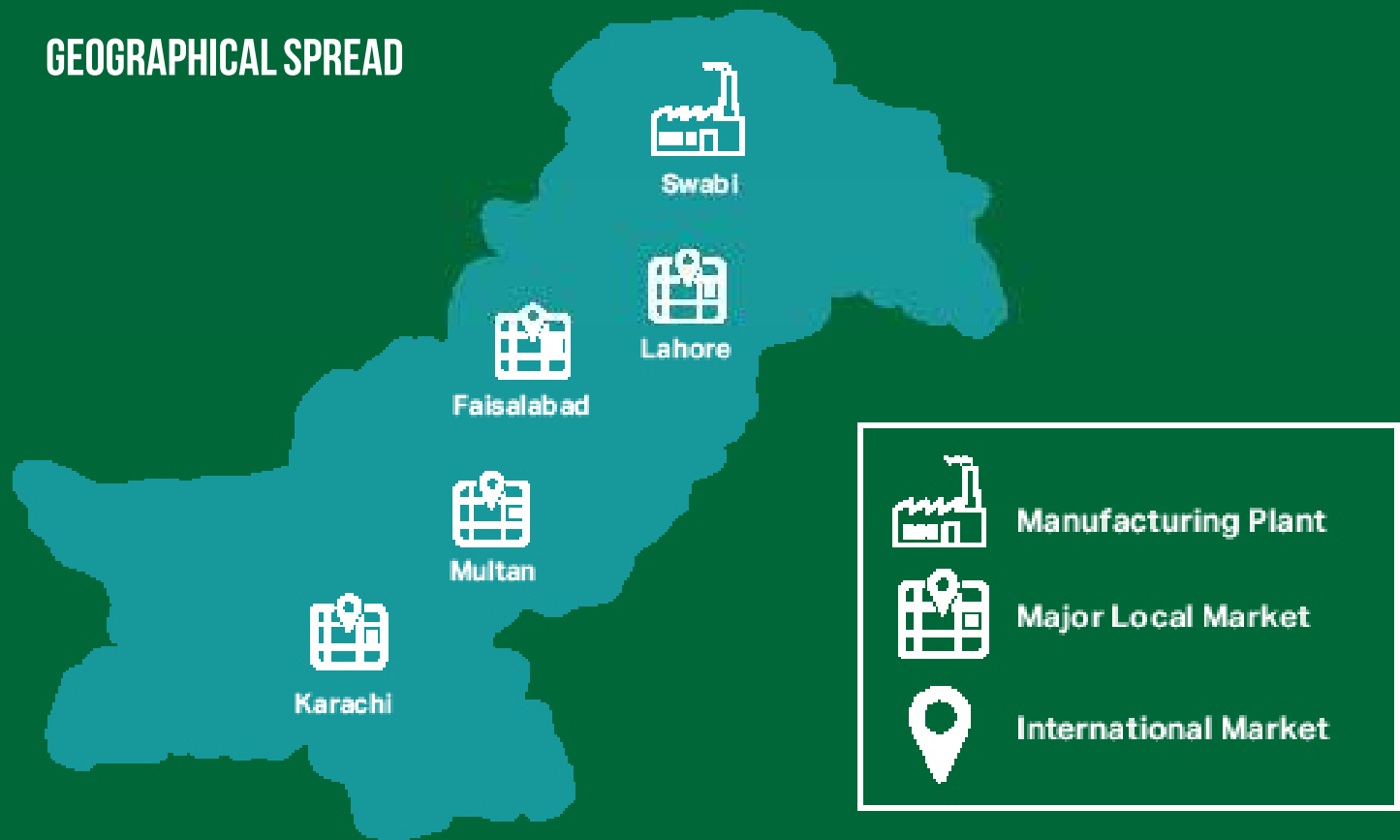
- Give our shareholders a competitive return on their investment through market leadership, sustainable business growth and sound financial management.
- Earn and sustain the trust of our stakeholders through efficient resource management.
- Provide the highest quality products and services consistent with customer needs and continue to earn the respect, confidence and goodwill of our customers and suppliers.
- Foster a culture of trust and openness in order to make professional life at the Saif Textile Mills Limited a stimulating and challenging experience for all our people.
- Strive for the continuous development of Pakistan while adding value to the textile sector.



KEY PERFORMANCE INDICATORS



GEOGRAPHICAL SPREAD



QUALITY STATEMENT, OUR PRODUCTS AND CUSTOMERS

Quality Statement

We strive to manufacture quality yarn as per our customer's requirement. This is achieved by:

Our commitment to quality

Extensive process monitoring and

Training of personnel

Our Products

Our products dyed yarns, melange yarns, special yarns for knitting and weaving and surgical cotton.

• Accru Yarn

Saif Textile is one of few largest fancy yarns manufacturing company in Pakistan. Our passion for fancy yarn has made us a trendsetter in this industry. We are constantly searching throughout the world to find ideas for new yarns, with various cottons & fibers to lead the industry with our innovative and top quality products.

Saif Textile Mills can deliver yarns fully palletized, as well as Soft wound yarn on Dye/Perforated plastic cones with the option of 4° 20' and 0° cylindrical cone angles. All yarns are Automatically Palletized (Sangrato, Italy), Sequentially contamination controlled – Joss Vision Shield and Loptex, Loepfe Zenit Yarn cleared.

• Dyed Yarn

Saif Textile also offers wide range of dyed yarns, produced and dyed with state of the art machinery from Thiese Germany with highly automated operations, automatic dyestuff machine from Date Color, Yarn dyeing shades are electronically measured by using state of the art spectrophotometers.

• Melange Yarn

Saif Textile focus on the supply of top dyed melange yarn keeping in view latest trends and fashion, care for environment and technology.

• Surgical Cotton

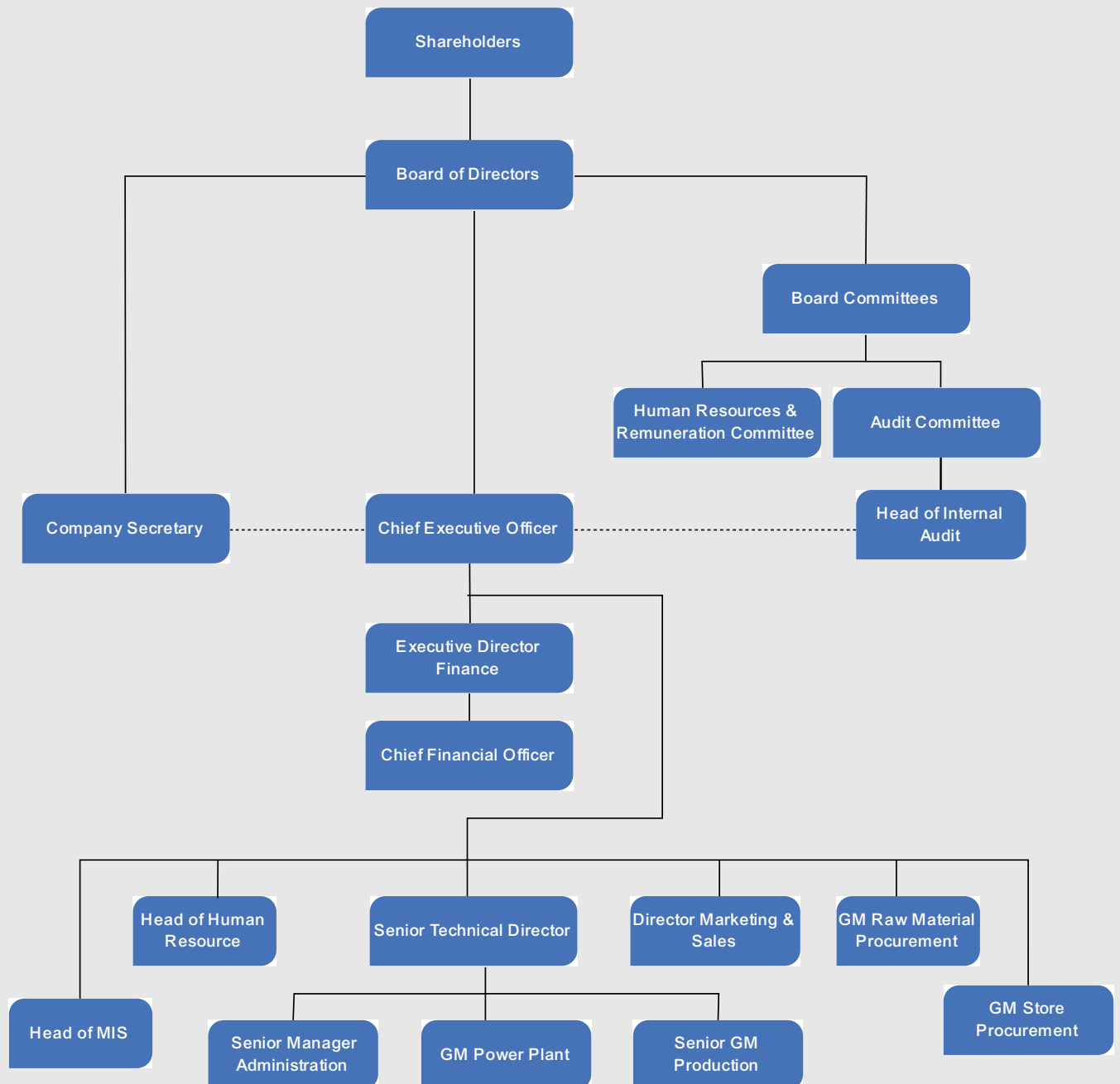
Surgical Cotton is being supplied to various local and international customers dealing with healthcare products.

Our Customers

Local (Karachi, Lahore, Multan and Faisalabad)

Export (Turkey, Poland, Germany, Geneva, Tajikistan and Russia)

ORGANIZATION CHART



DIRECTORS' PROFILE



Javed Saifullah Khan
(Chairman/Director)

Mr. Khan is a globally acclaimed business leader with deep and comprehensive expertise in introducing new projects in emerging markets. He has been serving as the Chairman of Saif Group for over three decades. He is also the Chairman of the Boards of Directors of Kohat Textile Mills Limited, Saif Power Limited (SPL), Saif Textile Mills Limited, and Saif Energy Limited. He also serves as Director of Saif Holdings Limited.

Under Mr. Khan's leadership, Saif Group have successfully established new businesses and developed projects in different sectors including Telecom, Power Generation, Healthcare, Textile, and Information Technology. It was his vision to set up SPL's power plant with gross capacity of 225 MWs which commenced commercial operations in April 2010. He is credited with launching Mobilink (now Jazz), the first ever GSM cellular company in the subcontinent, which is now the leading cellular company in Pakistan. He also developed Mediterranean Textile Company, located in Alexandria – Egypt, which produces yarn for the premium segment of the European shirting market.

Mr. Khan has served as Chairman of All Pakistan Textile Mills Association (APTMA) for two terms, Member Board of Directors of Pakistan International Airlines (PIA), and Board Member of Habib Bank Limited, and Member Board of Investment – Government of Pakistan.

He represented Pakistani employers in ILO meetings in Geneva twice, led APTMA delegation to ITMF conference in Cairo in 1984 and also represented Pakistan in textile quotas conference in Berlin in 1984. As a member of Prime Minister's entourage, he has visited USA, China, Germany and Italy.

In recognition of his expertise of Pakistan's corporate sector and his dedication to successfully attracting foreign direct investment into Pakistan, the Government of Pakistan awarded Mr. Khan the prestigious Sitara I Imtiaz, one of Pakistan's highest Civil Awards, in 2007.

Mr. Khan enjoys playing golf and takes keen interest in social welfare work, from the platform of Saifullah Khan Trust which serves the poor segment of society.

Mr. Khan graduated with a BA in Economics & History from Carnegie Mellon University and went on to receive his MBA from the University of Pittsburgh in 1973.



Barrister Assad Saifullah Khan
(CEO/Director)

Barrister Assad Saifullah Khan is the CEO of Saif and Kohat Textile Mills Ltd. and head of Legal Affairs for the Saif Group. As Head of the Legal Department he is responsible for coordinating all legal and contractual matters for Group subsidiaries and associated companies.

Barrister Assad Saifullah Khan brings with him the considerable experience gained through working in the UK and Pakistan. During his legal education, Barrister Assad Saifullah Khan worked with Orr, Dignam & Co (Islamabad) and as a caseworker for the current Deputy Leader of the Labor Party – the Right Honorable Harriet Harman MP, QC.

After completing the Bar Vocational Course, Barrister Assad interned for several months at J.D. Spicer & Co. a leading solicitor's practice in London, before moving back to Pakistan during the summer of 2007.

This was followed by a one-year tenure as an Associate at Hassan & Hassan (Lahore). Under the tutelage of Dr. Parvez Hassan, Barrister Assad handled company law cases and corporate work for several large multinationals.

Barrister Assad Saifullah Khan graduated from the University of Pennsylvania in 2004, majoring in History and Culture and a minor in French. He then moved to London to pursue his legal education by attaining his Common Professional Examination/ Graduate Diploma in Law from the College of Law in 2005, and certification in the Bar Vocational Course from the Inns of Court School of Law (ICSL) in 2007.



Osman Saifullah Khan
(Director)

Osman Khan currently serves as the Vice Chairman of the Saif Group, a diversified industrial and services conglomerate headquartered in Islamabad. Mr. Khan joined the Saif Group in 1995, and has held a variety of strategic and operating roles with the Group since that time. He serves as the Chairman of Saif Holding Ltd, the Group's holding company, as well as of the Group's textile manufacturing businesses. Osman Khan was formerly Chief Executive Officer of SkyElectric Pvt. Ltd, Pakistan's fastest growing solar company, and currently serves on the Board of Directors of the company.

Mr. Khan is associated with various industry advocacy platforms and is a member of the Pakistan Business Council (PBC). He has served on the Advisory Committee to the Planning Commission of Pakistan, served as a member of the Policy Board of the Securities and Exchange Commission of Pakistan (SECP) and is a member of the governing body of the Ghulam Ishaq Khan Institute of Engineering Sciences (GIKI).

Osman Saifullah Khan was elected unopposed to the Senate of Pakistan in March 2012 for a six year term and represented the Federal Capital Islamabad. He was Chairman of the Senate Standing Committee on Science & Technology and a member of the Senate Special Committee on China Pakistan Economic Corridor (CPEC).

He also served on three other Senate Committees: (i) Finance (ii) Information Technology & Telecommunications and (iii) Rules & Privileges.

Senator Khan was the mover of the private member's bill, the Domestic Workers (Employment Rights) Bill 2015, passed by the Senate on March 7th, 2016. His term in the Senate ended in March of 2018.

Osman Khan has a Master's degree in Engineering, Economics and Management from Christ Church, University of Oxford (1995), where he was a Britannia Scholar and a Master's degree in Business Administration (MBA) from the Graduate School of Business, Stanford University (2009).



Hoor Yousafzai FCA
(Director)

Hoor Yousafzai is the CEO of Saif Holdings Ltd, which is the holding company of Saif Group of Companies. In addition to being on the Boards of various Saif Group companies, she is also the Chairperson of the Board of Directors of Saif Power Ltd and Saif Healthcare Ltd. She is the CEO of Akbar Kare Institute, a leading institute that aims towards improving the lives of families with children suffering from lifelong disabilities due to Cerebral Palsy and Spina Bifida, irrespective of their wealth, class, or creed.

A seasoned, outcome-oriented leader and finance expert with over 20 years of experience, she has been actively responsible for establishing long-range goals, strategies, plans, and policies of Saif Group, with a primary focus on corporate taxation, regulatory compliance, project evaluations, and business sustainability.

Before joining Saif Group, Mrs. Yousafzai completed her CA articles in KPMG Chartered Accountants, Pakistan. In addition to being a Fellow Chartered Accountant, she also has a Master's Degree in Computer Science and Economics. She is an avid learner and received numerous distinctions during her educational years.



Asif Saifullah Khan
(Director)

Asif Saifullah Khan joined the Board of Saif Holdings Limited in 2020. After graduating from the University of Cambridge, he began his legal career in the corporate finance team of an international law firm in London. He then worked as legal counsel at asset management firms in London and Dubai. Throughout his legal career, Mr. Asif has been responsible for corporate, commercial, and regulatory compliance matters, dealing with significant stakeholders and regulators, including the London Stock Exchange, Bank of England, and the Financial Conduct Authority.

More recently Mr. Asif has worked with start-ups and SMEs in the technology sector advising on corporate, commercial, and fundraising matters.

He has a BA in International Studies and Arabic from Emory University, USA and an MA in Law from the University of Cambridge, UK. He was called to the Bar of England & Wales in 2011. He is an Advocate, Lahore High Court and a qualified Solicitor in England & Wales.



Rana Muhammad Shafi
(Director)

Rana Muhammad Shafi is an Advisor to the Board of Director of Saif Group of Companies. He advises the BOD for Investments, mergers and acquisition on new ventures and on financial matters of Saif Group Companies. He also advises on securitization of assets, treasury functions for acquisitions of funds for new projects and dealing with capital markets. He is also BOD member of Saif Textile Mills Limited and Saif Power Limited.

He has over 52 years of rich and varied experience in the field of Cost and Management Accounting, Financial & Corporate Accounting, Administration, Management control, Treasury & Financial Management. He has been associated with Saif Group since January 1981 and has worked in the capacities of Cost & Management Accountant, Chief Accountant, Commercial Manager, General Manager Finance, Executive Director Finance and Chief Financial Officer.

He is a certified director under Listed Companies (Code of Corporate Governance), Regulations, 2019. He has conducted a number of workshops on corporate accounting, leadership management and treasury financing. Before joining Saif Group, he has been associated with Ali Textile Mills Ltd., Jhang, Mansoor Textile Mills Ltd., Lahore and Nishat Mills Ltd. Faisalabad.

He holds a Master's Degree in Commerce from the University of Punjab and Cost and Management Accountant Finalist from Institute of Cost and Management Accountants of Pakistan.



Abdul Rehman Qureshi
(Director)

Mr. Abdul Rehman Qureshi is a member of the company's Board elected as an independent director. He is law graduate of the Punjab University, Lahore and possesses a vast and varied experience in various capacities as Chairman, Commissioner, Advisor and Chief Legal Affairs while working at senior level in the erstwhile Corporate Law Authority (CLA) and the Securities and Exchange Commission of Pakistan (SECP), the apex regulator of the Capital Market, Non-Banking Finance Companies, Insurance Industry and the entire corporate sector. He has been on the faculty of the International Islamic University, Islamabad (evening classes), teaching company law and comparative securities laws. He has also been Member, Board of Governors of the Institute of Management Sciences, Peshawar. Mr. Qureshi attended several international courses, seminars, training programs and workshops on various subjects related to corporate laws and corporate governance particularly in the countries like Australia, Japan, India, USA and U.K. Besides, he acted as members of various committees and commissions constituted to review and revamp the corporate laws namely the company law, Securities Law, Insurance Law, and Banking Laws. He has been associated to prepare the final draft of the Companies Act, 2017.



Khalid Siddiq Tirmizey
(Director)

Mr. Khalid S. Tirmizey has over 31 years' experience in banking industry, including as qualified proven chief executive with experience of over 21 years in The Bank of Punjab and Fayal Bank Limited. Overseeing and enhancing fiscal profitability, managing strategic and operations leadership with optimal personnel management. Highly focused, self-driven, sets aims and targets with total dedication to maintain a reputation built on quality, service and unwavering ethics. Highly knowledgeable of banking regulations and compliance that resonate with the best interests of all stakeholders including customers, employees and the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 36th Annual General Meeting of Saif Textile Mills Limited (the Company) will Insha'Allah be held on Friday, October 24, 2025 at 12:00 Noon at its registered office, APTMA House Tehkal Payan, Jamrud Road, Peshawar, to transact the following business:

- **ORDINARY BUSINESS:-**

1. To confirm the minutes of the last Annual General Meeting of the Company held on October 25, 2024.
2. To receive, consider and adopt the annual audited Financial Statements of the Company together with the Chairman's Review, the Directors' and Auditors' Reports thereon for the year ended June 30, 2025.
3. To appoint auditors and fix their remuneration for the year ending June 30, 2026. A notice pursuant to the provisions of sub-section (2) of section 246 of the Companies Act, 2017 is hereby given that the Board upon recommendation of the Audit Committee has recommended the name of M/s Shinewing Hameed Chaudhri & Co., Chartered Accountants, who being eligible, have offered themselves for re-appointment as external auditors of the company after obtaining their consent.

- **SPECIAL BUSINESS:-**

4. To consider and if deemed fit, approve and ratify the transactions already executed and to be executed by the Company with the related parties in its ordinary course of business by passing the following special resolution:-

RESOLVED THAT the Company be and is hereby authorized to share common expenses with M/s Kohat Textile Mills Limited an associated Company or any other associated Company. The common expenses may include but not limited to office rents, administrative salaries, utility expenses, repair and maintenance and other miscellaneous expenses etc. (collectively the "Administrative Expenses"), in respect of its joint offices.

RESOLVED FURTHER THAT the transactions entered into by the Company in its ordinary course of business with the related parties during the year ended June 30, 2025 as disclosed in notes to the Financial Statements are hereby ratified and approved.

ALSO RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to execute/ approve all the transactions to be carried out in its ordinary course of business with Related Parties during the ensuing year ending June 30, 2026 and in this connection the Chief Executive be and is hereby also authorized to take any and all necessary actions and to sign execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

A statement of material facts required under Section 134(3) of the Companies Act, 2017 in respect of Special Business to be transacted at the forthcoming Annual General meeting is annexed.

5. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD



Umar Shahzad
Company Secretary

Peshawar,
October 2, 2025

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. The Shares Transfer Books of the Company will remain closed from October 18, 2025 to October 24, 2025 (both days inclusive). Transfers received in order at the office of the Company's Shares Registrar M/s Hameed Majeed Associates (Pvt) Limited, HM House, 7-Bank Square, Lahore by the close of business on dated October 17, 2025 will be treated in time.
2. Circulation of Annual Report through QR Code and through Web-link: In accordance with Section 223 of the Companies Act, 2017 and pursuant to SRO 389(I)/2023 dated 21 March 2023 of the Securities & Exchange Commission, the Company obtained members' approval at the 34th Annual General Meeting held on 27 October 2023 to circulate the Annual Report to members through a QR-enabled code and web-link. The Annual Report is available on the Company's website and can be downloaded through the following QR code and web-link.

<https://saiftextile.com/financials/#annual-report>



3. The Company has electronically transmitted the Annual Report 2025 via email to members whose email addresses are available with the Company's Share Registrar, M/s Hameed Majeed Associates (Pvt) Limited while printed notices of the AGM, along with the weblink and QR code to download the Annual Report, have been dispatched to members whose email addresses are not available. The Company will provide hard copies of the Annual Report to any member upon request, at their registered address, free of cost, within one week of receiving such a request, if the request is made by the member using the standard request form available on the Company's website or by email at ca.stml@saifgroup.com.
4. Members or proxies who wish to attend the AGM via video link or other electronic means are requested to email the Company a clear copy of both sides of their valid Computerized National Identity Card (CNIC) along with their Name, Folio Number, Cell number, and Number of Shares held. Please use the subject 'Registration for AGM of STM' and send this information/document to umar.shahzad@saifgroup.com at least 48 hours before the time of the AGM. Only those members whose names appear in the Register of Members of the Company as at October 17, 2025, will be entitled to attend and vote at the AGM.
5. A member entitled to attend and vote at the meeting may appoint another person/member as a proxy to attend, speak and vote on behalf of him/her. Forms duly stamped with Rs.50/- revenue stamp, signed and witnessed by two persons, in order to be valid must be received at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
6. Any individual beneficial owners of CDC, entitled to attend and vote at the meeting must bring his/her CNIC or passport to prove his/her identity and the proxy shall produce his/ her original CNIC or passport. In case of corporate members, the Boards' resolution or power of attorney with specimen signatures of the nominee shall require to be produced at the time of the meeting.

NOTICE OF ANNUAL GENERAL MEETING

7. Members are requested to submit an attested photocopy of their valid Computerized National Identity Cards (CNICs) as per SECP's direction, if not provided earlier.
8. Change in Address: Members are requested to promptly notify any change in their address.
9. **E-Voting / Voting by Postal Ballot:** The Company shall provide its members with facilities for e-voting and voting by postal ballot for all businesses classified as special business, in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018.

E-Voting Procedure: **a)** Details of the e-voting facility will be shared through an e-mail with those members who have their valid CNIC numbers, cell numbers and registered e-mail address available in the register of the members of the Company by the close of business on October 17, 2025. **b)** E-voting facility will be available to eligible members from October 21, 2025, 9:00 am and shall close on October 23, 2025 at 5:00 pm. **c)** Members can cast their votes at any time in this period. Once the vote on a resolution is cast by a member, he/she shall not be allowed to change it subsequently.

10. Pursuant to Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail such facility, please fill the following form and submit to the registered address of the Company atleast seven (07) days before the date of the annual general meeting.

I/ We, _____ of _____, being a member of Saif Textile Mills Limited, holder of _____ Ordinary Shares as per Register Folio No. / CDC A/C No. _____ hereby opt for Video Conference facility at _____.

Signature of member

11. **DIVIDEND PAYMENTS THROUGH ELECTRONIC MODE:**

In order to receive the future dividends through electronic mode as per requirements of Section 242 of the Companies Act, 2017, members are requested to provide the following detail to our share registrar M/s Hameed Majeed Associates (Pvt.) Limited:

Name of Member	
Folio / CDS Account No.	
CNIC	
Email	
Title of Bank of Account	
Bank Account (IBAN) Number (24-Digits)	
Bank's Name	
Branch Name and Address	
Contact No.	

NOTICE OF ANNUAL GENERAL MEETING

12. Pursuant to Section 244 of the Companies Act, 2017 any shares issued, or dividend declared by the Company which remains unclaimed or unpaid for a period of three years from the date it became due and payable shall vest with the Federal Government after compliance with the procedures prescribed under the Companies Act, 2017. Members, who for any reason, could not claim their dividend, are advised to contact our Share Registrar M/s Hameed Majeed Associates (Pvt) Limited, HM House, 7-Bank Square, Lahore and collect/enquire about their unclaimed dividend. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedures, all such dividend(s) appearing as outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government.
13. As per Section 72 of the Companies Act, 2017 every company is required to replace its physical shares with book-entry form. Members having physical shares are therefore requested to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into book-entry form. This will facilitate them in many ways including safe custody/online trading of shares, easy transfer of ownership, no risk of damage/lost/duplicate shares, instant credit of entitlements (bonus/right issue) etc.
14. As per SECP's SRO 452 dated March 17, 2025, no gifts shall be distributed at the General Meetings.

STATEMENT OF MATERIAL FACTS U/S 134(3) OF THE COMPANIES ACT, 2017

Agenda no. 4:

The transactions conducted with associated companies require the approval of the Board on the recommendation of the audit committee on the quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, since a majority of the company's directors were interested in the said transactions due to their common directorship and holding of shares in the associated companies, the quorum of the directors could not be formed for approval of these transactions pursuant to section 207 of the Companies Act, 2017, thus, these transactions are being placed before the members for their approval.

REVIEW REPORT BY THE CHAIRMAN

I am pleased to present my review of the overall performance of the Board of Directors (the "Board") of Saif Textile Mills Limited (the Company) and its effectiveness in achieving the Company's objectives for the year ended June 30, 2025.

The Board has diligently carried out its duties in the best interests of the Company's shareholders, effectively and efficiently managing the Company's affairs. The Company remains committed to adhering to the best practices of corporate governance and complies with all relevant requirements of the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (The Code), pertaining to the composition, meetings, and procedures of the Board and its Committees.

For the financial year ended on June 30, 2025, an annual evaluation of the Board was conducted in accordance with the directives of the Code. I am delighted to report that the Board has diligently fulfilled its duties in compliance with the law and in the best interests of the Company and its shareholders. The overall performance of the Board was assessed based on several factors, including its adherence to the vision, mission, and values; active involvement in strategic planning; policy formulation; oversight of the organization's business activities; supervision of financial resource management; effective fiscal control; and unbiased treatment of all employees. The Board has ensured that it maintains adequate representation of non-executive, independent, and female directors on both the Board and its committees, as mandated by the Code. Additionally, the members of the Board and its respective committees possess the necessary skills, experience, and knowledge to effectively manage the Company's affairs.

The Board diligently and consistently oversees and monitors performance of the Company and its sub-committees. The Board has formulated short, medium, and long-term plans to achieve its strategic goals. During the financial year 2024-25, the Board made significant contributions to the Company by fulfilling the following functions:

- Performed effective and robust oversight of the Company's operations
- Ensured the quality and appropriateness of financial reporting and the transparency of disclosures in annual and quarterly financial statements
- Conducted risk assessment, especially, of regulatory and legal requirements, market trends, raw material supply and price, energy availability and cost, interest rate and liquidity risks
- Ensured that the adequate system of internal controls is in place with regular reviews through self-assessment mechanism and internal audit activities
- Oversaw the governance and management of the Company's sustainability risks and opportunities, including environmental, social, and governance (ESG) considerations.
- Promoted diversity, equity, and inclusion (DE&I) to support gender equality.



Javed Saifullah Khan

Chairman

Place: Islamabad

Date: September 30, 2025

DIRECTORS' REPORT TO THE MEMBERS

DEAR MEMBERS,

The Directors of Saif Textile Mills Limited are pleased to present 36th Annual Report along with audited financial statements and auditor's report thereon for the year ended June 30, 2025.

This report has been prepared in accordance with Section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 and will be submitted to the shareholders at the 36th Annual General Meeting of the Company to be held on October 24, 2025.

FINANCIAL PERFORMANCE

The principal business activity of your Company is the manufacturing and sale of yarn.

During the year under review, the Company's turnover declined by 5% to Rs. 11.6 billion. Although average selling rates improved, production volumes fell due to the curtailment of mill operations caused by unprecedented escalation in gas tariffs. Consequently, cost of sales decreased by only 1%, resulting in a 4% reduction in gross profit, which stood at Rs. 1.2 billion.

Management maintained strict financial discipline, and operating expenses were reduced compared to the previous year. Finance costs also declined, mainly on account of a reduction in the Karachi Interbank Offered Rate (KIBOR) along with effective treasury management. Despite these measures, the Company reported a loss after taxation of Rs. 388 million.

CREDIT RATING CERTIFICATION:

The entity rating of the Company has been maintained at A- for Long Term and A2 for Short Term by Pakistan Credit Rating Agency Limited (PACRA) with stable outlook.

CERTIFICATIONS:

The Company is certified by ISO in following: -

- a) 14001:2015 (Environment Management Systems).
- b) 9001:2015 (Quality Management Systems).
- c) 17025 (Laboratory Accreditation Standard).

In addition, the company is also certified in following:

- a) Global Organic Textile Standard (GOTS)
- b) Global Recycled Standard (GRS)
- c) Organic Content Standard (OCS)
- d) Oeko-Tex Standard 100
- e) Better Cotton Initiative (BCI)
- f) INDITEX
- g) IKEA

New certifications which are in process:

- a) Facility Social & Labor Module (Higg FSLM)
- b) Social & Labor Convergence Program (Higg SLCP)
- c) Facility Environmental Module (Higg FEM)

EARNINGS / (LOSS) PER SHARE

Loss per share during the period under report works out to Rs.14.70 per share (2024: Rs.0.44 earnings per share).

PROFIT APPROPRIATION

In order to avail growth opportunities, strengthen the balance sheet and to generate higher returns for the shareholders in the future, the Board in its meeting held on September 30, 2025 has recommended that no dividend be distributed for the year ended June 30, 2025 (June 30, 2024: cash dividend Rs. Nil per share i.e., Nil %).

DIRECTORS' REPORT TO THE SHAREHOLDERS

FUTURE OUTLOOK

The outlook for Pakistan's economy is gradually improving, with declining inflation, monetary easing, and reform measures under the government's Uraan Pakistan program creating a more supportive environment for businesses. These positive developments are expected to stimulate industrial activity and strengthen investor confidence, although challenges such as high debt levels, external sector pressures, and energy constraints will require sustained policy attention.

For the textile sector, stable demand in both domestic and export markets, supported by lower financing costs and government initiatives, provides a strong platform for growth. With consistent policy support, reliable energy supply, and a continued shift towards value-added products, the textile industry is well-positioned to deliver sustainable growth and contribute significantly to Pakistan's exports and economic progress in the coming year.

Historically, the company has been key player in providing high-end and value-added yarn in textile industry in local and international markets. The Company is deeply focused on improving its core competencies including manufacturing and sale of high-end yarns, melange yarn, fiber and yarn dyeing and surgical cotton.

Company's sponsors and management reaffirm their commitment to making company profitable and sustainable through ensuring their leadership and all other sources required.

SUBSEQUENT EVENTS

The Company has achieved 100% capacity utilization and shown significant improvement in operations.

Further, company has entered into installation

of 10 MW Solar Power Plant to reduce the power cost significantly. Through this arrangement company will be able to completely rely on solar for its power requirement. The project will be operational in December 2025.

Furthermore, a biomass boiler has been successfully commissioned and is in operation subsequent to the balance sheet date, further enhancing the Company's energy efficiency and sustainability profile.

CHAIRMAN'S REVIEW

The Chairman's review is included in annual report briefly explaining the overall performance of the Board of Directors along with performance of the Board members and its committees and their effective role in meeting the challenges being faced. The Directors endorse the contents of the Chairman's review.

CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

The Directors are fully cognizant of its responsibilities as laid down in the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan and form a part of the Listing Regulations of the Pakistan Stock Exchange.

We confirm that

- a. The financial statements together with the notes thereon have been drawn in conformity with the Companies Act, 2017 and International Financial Reporting Standards as applicable in Pakistan. These financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b. Proper books of the accounts have been maintained by the Company.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

DIRECTORS' REPORT TO THE SHAREHOLDERS

- d. The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.
- e. Chief Executive and Chief Financial Officer duly endorsed the financial statements before the approval of the Board.
- f. International Financial Reporting Standards, as applicable in Pakistan have been duly followed in preparation of the financial statements. Any departure thereof has been adequately disclosed and explained.
- g. All liabilities in regard to the payment on account of taxes, duties, levies and charges have been fully provided and will be paid in due course or where claim was not acknowledged as debt the same are disclosed as contingent liabilities in the notes to the financial statements.
- h. There is no significant doubt about the Company's ability to continue as a going concern.
- i. There has been no material departure from the best practices of Corporate Governance.
- j. We have an Audit Committee, and HR & Remuneration Committee the members of which are from the Board of Directors and the Chairman of both committees is an independent director.
- k. The Board has adopted Vision, Mission and a Statement of Overall Corporate Strategy.
- l. The key operating and financial data of the Company for last six years is given below;

	YEAR ENDED JUNE 30,					
	2025	2024	2023	2022	2021	2020
Operating Fixed Assets (Rs. In 000')	7,595,727	7,923,952	8,305,579	6,513,614	6,433,338	6,552,480
Net Worth (Rs. In 000')	3,747,210	4,148,550	4,145,185	3,931,757	3,670,112	3,161,279
Turnover (Rs. In 000')	11,593,946	12,248,662	11,692,412	12,665,019	10,646,677	7,651,433
Gross Profit (Rs. In 000')	1,233,504	1,793,279	462,417	2,360,929	1,891,651	637,418
Profit / (loss) from Operations (Rs. In 000')	832,283	1,924,286	(80,428)	1,644,248	1,355,246	226,969
Profit/(loss)-After Taxation (Rs. In 000')	(388,321)	11,566	(1,133,861)	282,077	526,877	(671,610)

DIRECTORS' REPORT TO THE SHAREHOLDERS

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitment affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the Statement of Financial Position relates and the date of the report, other than disclosed in the Financial Statements, or in this report.

MODERNIZATION & EXPANSION

Your Company is committed to modernize and expand production line according to rapidly changing technology.

• Composition of the Board

The board of Directors as at June 30, 2025 consist of:

	Elected Directors	Numbers
a)	Male	07
b)	Female	01

	Composition	Numbers
a)	Independent Directors	02
b)	Non-Executive Directors	05
c)	Executive Director	01

• Committees of the Board

Following are the details of the member of each committee:

	Audit Committee	
1.	Khalid Siddiq Tirmizey	Chairman
2.	Abdul Rehman Qureshi	Member
3.	Rana Muhammad Shafi	Member

	Human Resource and Remuneration Committee	
1.	Abdul Rehman Qureshi	Chairman
2.	Hoor Yousafzai	Member
3.	Assad Saifullah Khan	Member

• Attendance of Board Meetings and its Committees

During the year four meetings of the Board of Directors, four meetings of the Board Audit Committee and one meeting of the HR & Remuneration Committee were held. Attendance of the Directors is as under:

S.No.	Name of Director/Member	Number of Board Meetings Attended	Number of Audit Committee Meetings Attended	Number of HR & Remuneration Committee Meetings Attended
1	Javed Saifullah Khan	04	-	-
2	Osman Saifullah Khan	03	-	-
3	Hoor Yousafzai	02	-	01
4	Assad Saifullah Khan	04	04	01
5	Asif Saifullah Khan	02	-	-
6	Abdul Rehman Qureshi	03	04	-
7	Rashid Ibrahim *	01	02	-
8	Sohail Hussain Hydari *	04	-	-

* In May 2025, Sohail Hussain Hydari resigned from his positions as Chief Executive Officer and as a member of the Board of Directors. Subsequently, Assad Saifullah Khan was appointed as Chief Executive Officer, and Rana Muhammad Shafi joined the Board as Director. Furthermore, Rashid Ibrahim also resigned from the Board in May 2025, and Khalid Siddiq Tirmizey was appointed as an Independent Director.

Leave of absence was granted to Directors who could not attend any of the above meetings.

CODE OF CONDUCT

As per the Corporate Governance guidelines, the Company has prepared Code of Conduct and communicated throughout the Company.

PERFORMANCE EVALUATION OF DIRECTORS ON THE BOARD

The Board of Directors comprises of highly professional individuals. All members possess reasonable qualifications, high caliber and diversified experience. Furthermore, they have in-depth knowledge of business processes and strategic vision.

The evaluation of Board's role of oversight and its effectiveness is continual process, which is appraised by the Board itself. The board has adopted a highly structured process to evaluate its own performance, as well as individual performances of every member. Comprehensive questionnaires are developed in the conformity with Code of Corporate Governance and International best Practices. The core areas of focus are:-

- I) Alignment of corporate goals and objectives with the vision and mission of the Company;
- II) Strategy formulation for sustainable operation;

III) Board's independence; and

IV) Evaluation of Board's Committees performance in relation to discharging their responsibilities set out in respective terms of reference

The overall performance of the board remained satisfactory.

CEO PERFORMANCE EVALUATION

The performance of the CEO is formally appraised through the evaluation system which is based on quantitative and qualitative values. It includes the performance of the business, the accomplishment of objectives with reference to profits, organization building, succession planning, corporate success and compliance with applicable regulatory requirements.

DIRECTORS' REMUNERATION

The remuneration of the Board members is approved by Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no director takes part in deciding his/her remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meetings. There is only one executive director who is also the Chief Executive Officer of the Company. Please refer to note 46 of the notes to financial statements for information on remuneration of Chief Executive Officer and Directors for the year ended June 30, 2025.

DIRECTOR'S TRAINING

The directors of the Company are adequately trained to perform their duties and are aware of their powers and responsibilities under the Companies Act 2017 and the regulations of PSX rule book.

STATEMENT OF ETHICS & BUSINESS PRACTICES

The Statement of Business Ethics and Core Values provide the framework on which the Company conducts its business. The Board of Directors and the employees of the Company are the custodians of the excellent reputation for conducting our business according to the highest principles of business ethics. The following principles constitute the business ethics & the core values of the Company.

- Demonstrate honesty, integrity, fairness and ethical behavior when interacting within or outside the organization.
- Compliance with all Laws & Regulations as a good corporate citizen.
- Commitment to run the business in an environment that is sound & sustainable.
- Belief in the principles of reliability, credibility and transparency in business transactions
- To be an equal opportunity employer
- Safeguard shareholders' interest
- Ensure Health & Safety environment to protect our people, neighbors, customers & visitors.
- Encourage the business challenges.
- Investment in Human Capital.
- Proper financial disclosure of the conflict of interest transactions, if any.
- Accountability & responsibility.
- Good & effective public relations.
- Promotion of culture of excellence by exceeding the expectations of all stakeholders.
- Customer satisfaction for continued growth.

- Encourage employees to be creative & innovative.
- Respect for all stakeholders.
- Reliable & dependable supplier, enhancement of profitability to benefit shareholders, employees and the Government.

SAFEGUARDING OF RECORDS

The Company puts great emphasis for storage and safe custody of its financial records. The Company is using Microsoft Dynamics 365 (ERP) for recording its financial information. The access to electronic documentation has been secured through implementation of a comprehensive password protected authorization system. Remote disaster recovery sites have been adequately set up for maintaining backup server and data in case our primary server encounters any issues.

HUMAN CAPITAL MANAGEMENT

During the year, efforts were made to increase the efficiency & accountability of employees, while improving services to our customers and streamlining our administration. Company remains passionate about promoting and maintaining a positive culture of employee and attracting, retaining & developing talent across. As part of its human capital strategy, the Company appreciates equal opportunity employment. While we ensure compliance with the prevailing labor laws, we follow best practices in industrial relations and ensure a productive and positive work environment for all. To maintain its competitive advantage, the Company will continue investing in its people to develop a diverse and highly competitive talent pool, fully capable of managing the future challenges of the business.

CORPORATE SOCIAL RESPONSIBILITY

The Company considers social, environmental and ethical matters in the context of the overall business environment. The Company is committed to work in the best interest of all the stakeholders. Being socially responsible, Company has established a dispensary for its' workers. The company arranged sports activities between the teams of different local organizations. Company provides the financial support to low paid salaried employees to finance the education expenses of employees' children. The Company arranges free medical camps for its employees. We also encourage our team members to dedicate their time and to take active participation in such activities.

SUSTAINABILITY

The Board acknowledges its responsibility towards sustainability risks and opportunities alongside emphasis on environmental, social, and governance principles (ESG). We have prioritized our efforts to support community development and empower our workforce.

The Company also understands the requirements of IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures". However, these IFRSs are not early adopted by the Company. Our Diversity, Equality, and Inclusion (DE&I) approach underscores our commitment to respecting each team member and ensuring an equitable and supportive work environment conducive to growth. As a proud equal opportunity employer, we create an environment where all employees feel that they can learn, contribute, and grow.

RETIREMENT BENEFIT FUNDS

The Company operates a non-funded defined benefit plan (Gratuity Scheme) for its permanent employees. The latest actuarial valuation was carried out on June 30, 2025.

HEALTH, SAFETY AND ENVIRONMENT

We feel our responsibility in maintaining best possible standards towards health and safety of not only our dedicated employees but also the people near our factory premises. Life insurance and medical insurance is provided to employees. Proper first aid medical assistance is provided in factory in case of any injury. A dedicated social security hospital is also located near our factory premises. We also ensure the compliance of our production facility with ISO health, safety and environmental standards. Our production facility does not discharge any harmful material. However, we have strict compliance towards wastage and disposal. Regular fire drill exercises and protection sprays against seasonal diseases are carried out in the factory and residential colonies as well. As part of Company's clean and green energy policy, 850 KW solar power project is operating and an additional 10 MW solar power project is currently underway, which will not only reduce energy costs but also positively impact the environment.

INFORMATION TECHNOLOGY

Information Technology Division (ITD) continues to be a key component and provides an extensive range of computing and communication services, facilities and infrastructure for use by its employees. The ITD is aligned to the business needs of the organization, ensuring that the solutions delivered are relevant to the needs of the business. Our Vision involves strengthening decision making, using improved analytics and dashboards capability and as a strategy will focus on other state of the art applications, reduce paper footprint and increase its reach to customers by deploying latest technology.

WHISTLE BLOWING POLICY

The Company is committed to the highest standards of openness, honesty, and accountability. In line with its commitment, the Company encourages employees and / or third parties (suppliers, customers, dealers, etc.) with serious concerns about any aspect of the Company's work, to come forward and blow the whistle on those concerns. These concerns may include but not limited to the following:

- Financial malpractice or impropriety or fraud
- Failure to comply with a legal obligation
- Disclosure of confidential information within or outside the Company
- Deviation from full and fair reporting of the Company's financial position
- Dangers to health and safety or the environment
- Unlawful civil and criminal activity
- Improper conduct or unethical behavior

All reporting shall be handled in a confidential manner. It shall be ensured that the person raising the issue, if not anonymous, is not targeted or penalized for raising the matter in all circumstances. Confidentiality shall be maintained to the fullest extent possible. However, if the person raising the issue has acted with false / malicious intent, disciplinary action shall be taken against the person.

HUMAN RESOURCE MANAGEMENT

Human Resource planning and management is one of the most important considerations with the senior management. The Company has established a HR&R Committee which is involved in the selection, evaluation, compensation and succession planning of key management

personnel. It is also involved in recommending improvements in the human resource policies and procedures and their periodic review.

RISK MANAGEMENT & INTERNAL CONTROL

The Company's risk management policy implicates to continually assess the environment to build resilience against any threats. The Board has effectively implemented and monitored the internal control framework through an independent internal audit function which is completely independent from external audit function.

CORPORATE BRIEFING SESSION

The Company held its annual Corporate Briefing Session (CBS) on November 19, 2024, at APTMA House, Tehkal Payan, Jamrud Road, Peshawar. We consider CBS as an opportunity to interact with the stakeholders and prospective investors, whereby the Company takes the opportunity to apprise the local and foreign investors about the business environment and economic indicators of the country, explain its financial performance, competitive environment in which the Company operates, investment decisions, challenges faced as well as business outlook.

TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties during the year were carried out at arm's length and were placed before the Board Audit Committee and the Board for review and approval. These transactions were made and disclosed in compliance with Code of Corporate Governance.

CUSTOMER FOCUSING

Company believes that its valued customers are the foundation of its business success. Company policies are fully customers focused. A continuous liaison with the market and

customers has always enabled your Company to best understand the needs to offer best suitable products and service level to the customers to remain the first choice.

JOB CREATION FOR LOCAL COMMUNITY

Your Company has introduced hundreds of jobs for skilled and unskilled local individuals in and around its factory premises. Employment generation not only improves the buying power of the local population but also gives them a fair opportunity to improve their standard of living.

EXTERNAL AUDITORS

The present auditors, M/s Shinewing Hameed Chaudhri & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment. As suggested by the Audit Committee, the Board recommends their appointment as auditors of the Company to hold office from the conclusion of this Annual General Meeting to be held on October 24, 2025 until conclusion of next Annual General Meeting.

COMMUNICATION

The Company focuses on the importance of communication with the shareholders. The annual, half yearly and quarterly reports are

distributed to them within the time specified in the Companies Act, 2017. The activities are updated on its website at www.saiftextile.com, on timely basis.

GENDER PAY GAP STATEMENT

Your Company is an equal opportunity employer and there is no gender pay discrimination in the company. The Mean gender pay gap and Median gender pay gap are (78%) and (76%) respectively.

PATTERN OF SHAREHOLDING

Pattern of shareholdings of the Company in accordance with the Companies Act, 2017 as at June 30, 2025 is annexed.

ACKNOWLEDGMENT

The Directors express their sincere gratitude to the Company's shareholders, financial institutions, and valued customers for their continued trust and support. We also extend our deep appreciation to our employees for their unwavering dedication, loyalty, and hard work. Their contributions remain the cornerstone of the Company's success, and we look forward to their continued commitment in the years ahead.

On behalf of the board of Directors



ASSAD SAIFULLAH KHAN

Chief Executive Officer



RANA MUHAMMAD SHAFI

Director

Place: Islamabad

Dated: September 30, 2025

The Company considers social, environmental, and ethical matters in the context of the overall business environment. The Company is committed to work in the best interest of all the stakeholders, in particular the community in which we live and forms our customer base. STML was incorporated with the aim of providing employment to the locals.

Environment Protection

Textile manufacturing especially dyeing can cause significant harm to environment if adequate measures are not taken to mitigate hazardous effects of textile processes. The Company is deeply concerned and has established a waste water treatment plant at production facilities of Dyeing.

Energy Conservation

In addition to investing in the alternative energy sources, conservation of energy sources are under special focus of the Company. The Company is in the process of replacement of conventional tube lights with LED lights and installation of solar panels.

Iftar Arrangements

Iftar arrangements were made during the Holy Month of Ramdan at factory premises, like previous years. This benevolent gesture was open for all, bringing ease and joy to the locality.

Masjid

A masjid has been built by the STML in Gadoon industrial area to facilitate both, employees and locals.

Equal Opportunity Employer

The Company believes in providing equal opportunity to everyone around. The Company laws in this regard have complied with and no discrimination upon race, religion, age, national origin, gender, or disability is acceptable. No harassment or discrimination of any kind is tolerated; directors and employees adhere standards with regard to child labor and forced labor.

Occupational Safety and Health

STML has a comprehensive policy for health and safety standards. The Company provide each employee with a safe work environment and comply with all applicable health and safety laws. Workers are engaged in manufacturing activities after taking into account professional safety measures. STML also provide health and life insurance to its employees.

Educational Assistance for Children of Employees

STML provide Educational Assistance to low income staff members, so that they can afford quality education for their children. This assistance is provided till completion of secondary school certification. A special school bus is also arranged for providing free conveyance to children.

Medical Benefits

STML provide medical facilities to all regular employees and their immediate family members. The company has also established dispensary at its production facility.

HORIZONTAL ANALYSIS

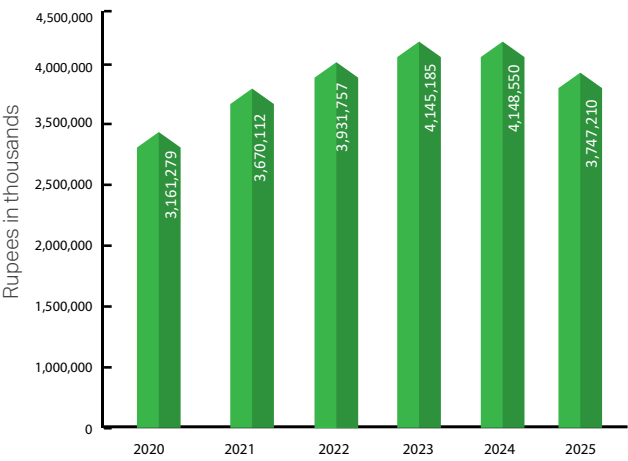
	2025	Variance vs Last year increase/ (decrease)%	2024	Variance vs Last year increase/ (decrease)%	2023	Variance vs Last year increase/ (decrease)%	2022	Variance vs Last year increase/ (decrease)%	2021	Variance vs Last year increase/ (decrease)%
	(Rupees in million)									
Operating Results										
Sales-net	11,594	(5.35)	12,249	4.76	11,692	(7.68)	12,665	18.96	10,647	39.15
Cost of sales	10,360	(0.91)	10,455	(6.90)	11,230	8.99	10,304	17.69	8,755	24.82
Gross Profit	1,234	(31.22)	1,794	287.98	462	(80.42)	2,361	24.82	1,892	196.95
Distribution cost	201	(12.23)	229	20.59	190	(25.82)	256	22.49	209	25.15
Administrative expenses	232	(7.57)	251	(26.06)	339	6.75	318	13.82	279	14.51
Other operating expenses	-	(100.00)	22	(86.42)	162	(24.66)	215	147.98	87	725.71
Finance Cost	1,251	(23.72)	1,640	9.55	1,497	89.02	792	18.92	666	(22.15)
Exchange fluctuation gain/ (loss)	0.3	(137.04)	(0.8)	(370.00)	0.3	(94.00)	5	100.00	3	(50.00)
Other operating income	31	(95.10)	633	326.26	149	106.25	72	89.22	38	245.91
Profit / (Loss) before taxation										
minimum and final tax levies	(419)	(247.33)	284	(118.02)	(1,577)	(284.03)	857	24.02	691	(210.74)
Minimum and final tax levies	145	(4.92)	153	4.10	146	-	-	-	-	-
Profit / (loss) before taxation	(564)	(528.05)	132	(107.64)	(1,724)	(301.12)	857	24.02	691	(210.74)
Taxation	(176)	(247.16)	120	(120.27)	(590)	(202.61)	575	249.54	165	242.71
Profit / (loss) after taxation	(388)	(3,306.78)	12	(101.07)	(1,134)	(502.00)	282	(46.44)	527	(178.35)
Balance Sheet										
NON CURRENT ASSETS										
Property, plant and equipment	7,596	(4.14)	7,924	(4.60)	8,306	27.51	6,514	1.25	6,433	(1.81)
Intangible assets	-	-	-	-	-	-	-	(100.00)	2	(57.50)
Long term investments	15	0.15	15	-	15	24.00	12	(2.83)	12	2.92
Long term loans	4	63.23	3	(88.45)	23	12.56	21	6.70	19	(3.00)
Long term deposits	52	69.44	31	(13.25)	35	8.53	32	35.86	24	59.33
Total non current assets	7,667	(3.83)	7,972	(4.86)	8,379	27.36	6,579	1.36	6,491	(1.70)
CURRENT ASSETS										
Stores, spare parts and loose tools	245	(18.14)	300	(20.71)	378	22.55	308	2.85	300	(26.31)
Stock-in-trade	2,913	(20.76)	3,676	31.57	2,794	(29.62)	3,970	71.94	2,309	(8.26)
Trade debts	3,053	69.47	1,802	18.00	1,527	(39.91)	2,541	11.66	2,276	24.76
Loans and advances	28	48.93	19	(70.63)	63	(37.00)	100	27.89	78	10.13
Trade deposits and short term prepayments	18	868.63	2	(76.25)	8	35.59	6	36.26	4	116.50
Other receivables	49	(3.56)	51	(32.00)	75	(21.96)	96	90.11	51	(0.88)
Investments	-	-	-	-	-	(100.00)	3	(88.51)	26	8.83
Deposit for shares	-	-	-	-	-	-	-	-	-	-
Prepaid tax levies	-	(100.00)	5	76.16	3	-	-	-	-	-
Taxation - net	309	(8.09)	336	(6.40)	359	64.11	219	(32.14)	323	(5.64)
Tax refunds due from Government	5	(95)	111	2,126	5	-	5	(0.60)	5	0.60
Cash and bank balances	33	61.35	21	29.38	16	(62.79)	43	(2.89)	44	8.00
Total current assets	6,654	5.25	6,322	20.93	5,228	(28.30)	7,291	34.64	5,416	2.49
Total assets	14,321	0.19	14,294	5.05	13,607	(1.90)	13,871	16.50	11,906	0.16
CURRENT LIABILITIES										
Trade and other payables	1,468	22.26	1,201	59.71	752	(56.07)	1,712	83.40	934	(16.13)
Contract liabilities	165	-	78	-	109	-	-	-	-	-
Unpaid dividend	-	(100.00)	0	(2.08)	0	-	0	95,900.00	0	(99.99)
Unclaimed dividend	9	5.31	9	(0.06)	9	(0.07)	9	0.08	9	(1.26)
Accrued mark-up and interest	596	38.55	430	3.74	414	130.27	180	57.41	114	(50.50)
Short term borrowings	6,041	8.49	5,568	(6.09)	5,929	14.06	5,198	26.86	4,097	(3.86)
Current portion of non-current liabilities	341	(15.55)	404	(30.62)	582	(21.52)	742	(11.69)	840	203.16
Provision for tax levies	145	(4.60)	152	4.33	146	-	-	-	-	-
Total current liabilities	8,765	11.77	7,842	(1.25)	7,941	1.28	7,841	30.82	5,994	1.66
WORKING CAPITAL	(2,111)	38.85	(1,520)	(43.97)	(2,713)	393.89	(549)	(4.94)	(578)	(5.53)
TOTAL CAPITAL EMPLOYED	5,556	(13.89)	6,452	13.87	5,666	(6.04)	6,030	1.98	5,913	(1.31)
NON CURRENT LIABILITIES										
Long term financing	967	(25.27)	1,295	111.54	612	(45.74)	1,128	(30.34)	1,619	(29.22)
Liabilities against assets subject to finance lease	-	-	-	-	-	(100.00)	9	(61.81)	23	(22.76)
Deferred income - government grant	4	(51.23)	9	(39.86)	14	(35.64)	22	778.61	3	-
Long term deposits	14	(5.00)	14	(26.65)	19	47.53	13	56.55	8	(23.64)
Staff retirement benefits - gratuity	245	8.36	226	(2.16)	231	(8.29)	252	18.46	213	31.24
Deferred taxation - net	579	(23.83)	760	18.00	644	(4.54)	675	79.27	376	12.66
Total Non current liabilities	1,809	(21.47)	2,303	51.47	1,521	(27.54)	2,099	(6.41)	2,242	(20.75)
Net worth	3,747	(9.68)	4,149	0.08	4,145	5.45	3,931	7.10	3,670	16.09
Net worth represented by:										
Issued, subscribed and paid-up capital	264	-	264	-	264	-	264	-	264	-
Reserves	1,108	(21.44)	1,410	8.29	1,302	(45.67)	2,397	15.49	2,075	37.90
Surplus on revaluation of PPE	2,375	(3.99)	2,474	(4.07)	2,579	102.96	1,271	(4.49)	1,331	(4.42)
	3,747	(9.67)	4,148	0.07	4,145	5.44	3,932	7.13	3,670	16.08
Total liabilities	14,321	0.19	14,294	5.05	13,607	(1.90)	13,871	16.51	11,906	0.16

VERTICAL ANALYSIS

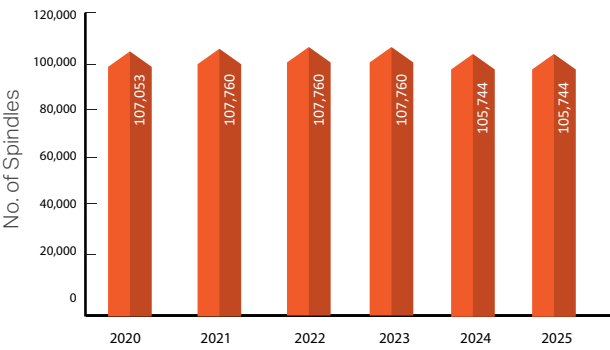
	2025	%	2024	%	2023	%	2022	%	2021	%
Operating Results										
Sales-net	11,594	100.00	12,249	100.00	11,692	100.00	12,665	100.00	10,647	100.00
Cost of sales	10,360	89.36	10,455	85.35	11,230	96.05	10,304	81.36	8,755	82.23
Gross Profit	1,234	10.64	1,794	14.65	462	3.95	2,361	18.64	1,892	17.77
Distribution cost	201	1.73	229	1.87	190	1.62	256	2.02	209	1.96
Administrative expenses	232	2.00	251	2.05	339	2.90	318	2.51	279	2.62
Other operating expenses	0	-	22	0.18	162	1.39	215	1.70	87	0.82
Finance Cost	1,252	10.80	1,640	13.39	1,497	12.80	792	6.25	666	6.26
Exchange fluctuation gain / (loss)	0.3	0.00	(0.8)	(0.01)	0	0.00	5	0.04	3	0.03
Other operating income	31	0.27	633	5.17	149	1.27	72	0.57	38	0.36
Profit / (Loss) before taxation										
minimum and final tax levies	(419)	(3.61)	284	2.32	(1,577)	(13.49)	857	6.77	692	6.50
Minimum and final tax levies	145	1.25	153	1.24	146	1.25	-	-	-	-
Profit / (loss) before taxation	(564)	(4.87)	132	1.08	(1,723)	(14.74)	857	6.77	692	6.50
Taxation	(176)	(1.52)	120	0.98	(444)	(3.79)	575	4.54	165	1.55
Profit / (loss) after taxation	(388)	(3.35)	12	0.10	(1,134)	(9.70)	282	2.23	527	4.95
Balance Sheet										
NON CURRENT ASSETS										
Property, plant and equipment	7,596	53.04	7,924	55.43	8,306	61.04	6,514	46.96	6,433	54.04
Intangible assets	0	-	-	-	-	-	-	-	2	0.02
Long term investments	15	0.10	15	0.10	15	0.11	12	0.09	12	0.10
Long term loans	4	0.03	3	0.02	23	0.17	21	0.15	19	0.16
Long term deposits	52	0.36	31	0.21	35	0.26	32	0.23	24	0.20
Total non current assets	7,667	53.53	7,972	55.77	8,379	61.58	6,579	47.43	6,491	54.52
CURRENT ASSETS										
Stores, spare parts and loose tools	245	1.71	300	2.10	378	2.78	308	2.22	300	2.52
Stock-in-trade	2,913	20.34	3,676	25.72	2,794	20.53	3,970	28.62	2,309	19.39
Trade debts	3,053	21.32	1,802	12.60	1,527	11.22	2,541	18.32	2,276	19.11
Loans and advances	28	0.19	19	0.13	63	0.46	100	0.72	78	0.66
Trade deposits and short term prepayments	18	0.13	2	0.01	8	0.06	6	0.04	4	0.03
Other receivables	49	0.34	51	0.36	75	0.55	96	0.69	51	0.43
Investments	0	-	-	-	-	-	3	0.02	26	0.22
Deposit for shares	0	-	-	-	-	-	-	-	-	-
Prepaid tax levies	0	-	5	0.03	3	0.02	-	-	-	-
Taxation - net	309	2.16	336	2.35	359	2.64	219	1.58	323	2.71
Tax refunds due from Government	5	0.04	111	0.78	5	0.04	5	0.04	5	0.04
Cash and bank balances	33	0.23	21	0.14	16	0.12	43	0.31	44	0.37
Total current assets	6,654	46.47	6,322	44.23	5,228	38.42	7,292	52.57	5,415	45.48
Total assets	14,321	100.00	14,294	100.00	13,607	100.00	13,871	100.00	11,906	100.00
CURRENT LIABILITIES										
Trade and other payables	1,468	10.25	1,201	8.40	752	5.53	1,712	12.34	934	7.84
Contract liabilities	165	1.15	78	0.55	109	0.80	-	-	-	-
Unpaid dividend	0	-	0	0.00	0	0.00	0	0.00	0	0.00
Unclaimed dividend	9	0.06	9	0.06	9	0.06	9	0.06	9	0.07
Accrued mark-up and interest	596	4.16	430	3.01	414	3.05	180	1.30	114	0.96
Short term borrowings	6,041	42.18	5,568	38.95	5,929	43.57	5,198	37.47	4,097	34.42
Current portion of non-current liabilities	341	2.38	404	2.82	582	4.28	742	5.35	840	7.05
Provision for tax levies	145	1.01	152	1.06	146	1.07	-	-	-	-
Total current liabilities	8,765	61.20	7,842	54.87	7,942	58.36	7,840	56.52	5,994	50.34
WORKING CAPITAL	(2,111)	(14.74)	(1,520)	(10.64)	(2,713)	(19.94)	(549)	(3.96)	(579)	(4.86)
TOTAL CAPITAL EMPLOYED	5,556	38.80	6,452	45.14	5,666	41.64	6,031	43.48	5,912	49.66
NON CURRENT LIABILITIES										
Long term financing	967	6.75	1,295	9.06	612	4.50	1,128	8.13	1,619	13.60
Liabilities against assets subject to finance lease	0	-	-	-	-	-	9	0.06	23	0.19
Deferred income - government grant	4	0.03	9	0.06	14	0.11	22	0.16	3	0.03
Long term deposits	14	0.09	14	0.10	19	0.14	13	0.09	8	0.07
Staff retirement benefits - gratuity	245	1.71	226	1.58	231	1.69	252	1.82	213	1.79
Deferred taxation - net	579	4.04	760	5.32	644	4.73	675	4.86	376	3.16
Total Non current liabilities	1,809	12.63	2,303	16.11	1,520	11.17	2,099	15.13	2,242	18.83
Net worth	3,747	26.17	4,149	29.02	4,146	30.47	3,932	28.35	3,670	30.83
Net worth represented by:										
Issued, subscribed and paid-up capital	264	1.84	264	1.85	264	1.94	264	1.90	264	2.22
Reserves	1,108	7.74	1,410	9.87	1,302	9.57	2,397	17.28	2,075	17.43
Surplus on revaluation of PPE	2,375	16.59	2,474	17.31	2,579	18.95	1,271	9.16	1,331	11.18
	3,747	26.17	4,148	29.02	4,145	30.46	3,932	28.35	3,670	30.83
Total liabilities	14,321	100.00	14,294	100.00	13,607	100.00	13,871	100.00	11,906	100.00

GRAPHICAL ANALYSIS

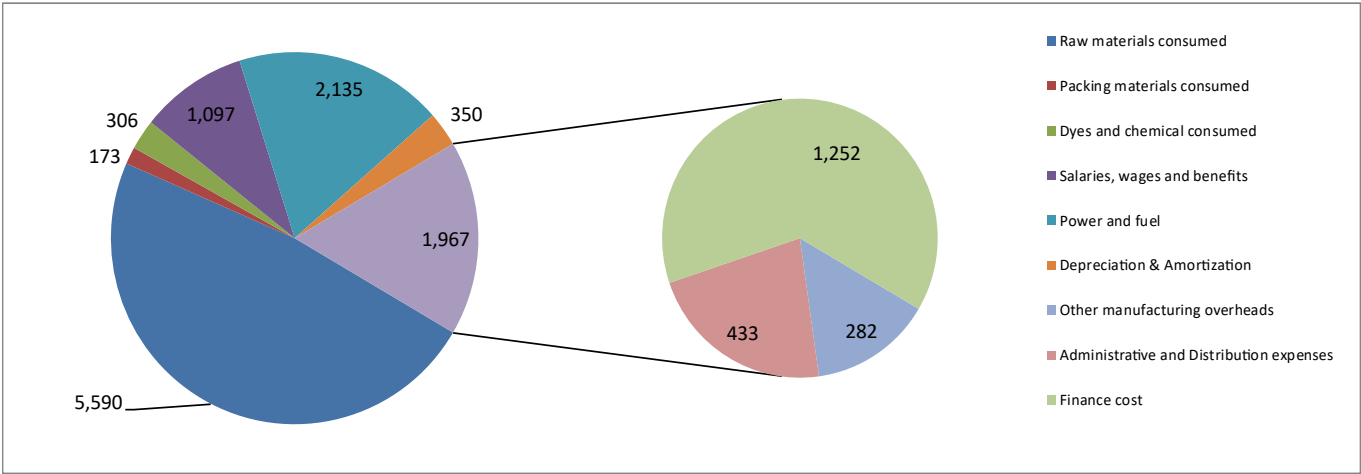
Net Worth



Spindles Installed

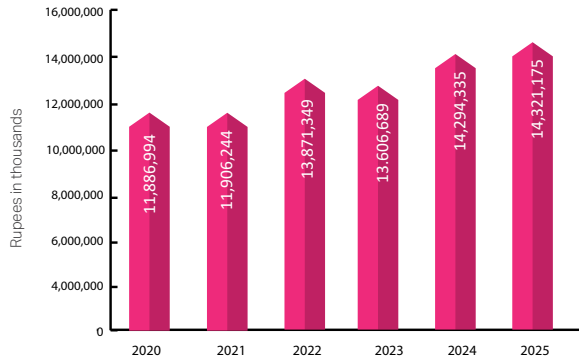


Cost Distribution

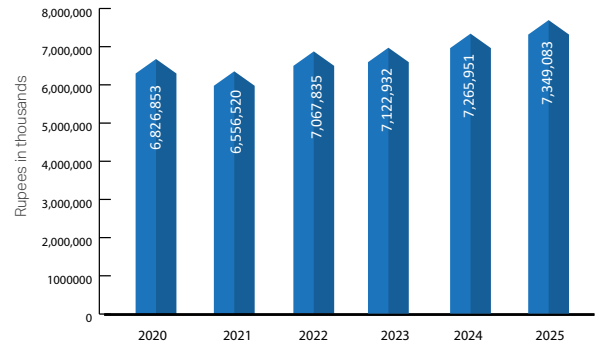


GRAPHICAL ANALYSIS

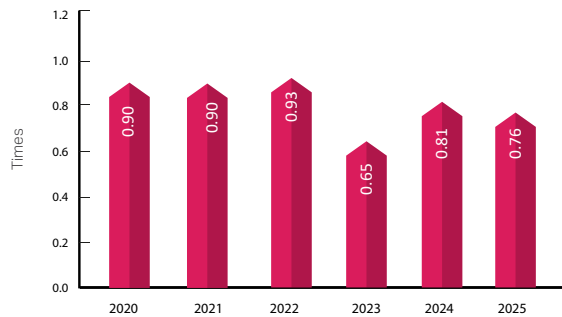
Total Assets



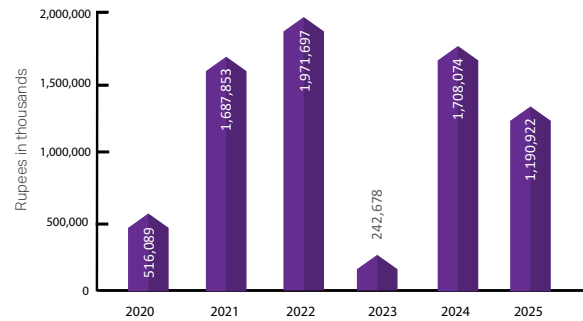
Total debt



Current Ratio



EBITDA



PATTERN OF SHAREHOLDINGS

As at June 30, 2025

Number of ShareHolders	Shareholdings From	To	Total Number of Share Held	Percentage of Total Capital
401	1 -	100	17,237	0.07
438	101 -	500	119,749	0.45
150	501 -	1000	122,843	0.47
256	1001 -	5000	543,404	2.06
53	5001 -	10000	417,990	1.58
17	10001 -	15000	212,817	0.81
8	15001 -	20000	149,188	0.56
8	20001 -	25000	183,723	0.70
10	25001 -	30000	282,085	1.07
5	30001 -	35000	159,642	0.60
3	35001 -	40000	119,848	0.45
1	40001 -	45000	40,001	0.15
4	45001 -	50000	199,980	0.76
2	50001 -	55000	105,500	0.40
1	55001 -	60000	60,000	0.23
2	60001 -	65000	122,800	0.46
1	85001 -	90000	87,850	0.33
1	100001 -	105000	101,500	0.38
1	110001 -	115000	111,360	0.42
2	115001 -	120000	235,157	0.89
1	120001 -	125000	121,100	0.46
2	125001 -	130000	255,450	0.97
2	140001 -	145000	282,013	1.07
1	170001 -	175000	175,000	0.66
2	180001 -	185000	366,514	1.39
1	190001 -	195000	194,891	0.74
1	195001 -	200000	200,000	0.76
2	210001 -	215000	420,639	1.59
1	215001 -	220000	217,000	0.82
1	225001 -	230000	226,000	0.86
1	285001 -	290000	288,159	1.09
1	295001 -	300000	299,215	1.13
1	435001 -	440000	437,286	1.66
2	720001 -	725000	1,445,889	5.47
1	825001 -	830000	829,846	3.14
1	830001 -	835000	831,333	3.15
1	1530001 -	1535000	1,532,871	5.80
1	1795001 -	1800000	1,800,000	6.81
1	13095001 -	13100000	13,097,000	49.59
1,388			26,412,880	100.00

PATTERN OF SHAREHOLDINGS

As at June 30, 2025

Sr. #	Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	8	7,500	0.0284
2	Associated Companies, Undertakings and Related Parties	1	13,097,000	49.5857
3	NIT and ICP	2	128,678	0.4872
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	2	1,184	0.0045
5	Modarbas and Mutual Funds	8	1,896,811	7.1814
6	General Public (Local)	1,343	10,888,527	41.2243
7	Others	24	393,180	1.4886
	TOTAL:	1,388	26,412,880	100.0000
	Shareholders holding 10% or more voting rights			
	SAIF HOLDINGS LIMITED		13,097,000	49.5857

PATTERN OF SHAREHOLDINGS

As at June 30, 2025

Sr. No	Name Of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children			
1	JAVED SAIFULLAH KHAN	1,000	0.0038
2	OSMAN SAIFULLAH KHAN	3,500	0.0133
3	HOOR YOUSUFZAI	500	0.0019
4	ASSAD SAIFULLAH KHAN	500	0.0019
5	ASIF SAIFULLAH KHAN	500	0.0019
6	RANA MUHAMMAD SHAFI	500	0.0019
7	KHALID SIDDIQ TIRMIZEY	500	0.0019
8	ABDUL REHMAN QURESHI	500	0.0019
Running Total:		7,500	0.0284
Associated Companies, Undertakings and Related Parties			
1	SAIF HOLDINGS LTD.	13,097,000	49.5857
Running Total:		13,097,000	49.5857
NIT and ICP			
1	NATIONAL BANK OF PAKISTAN	127,450	0.4825
2	INVESTMENT CORP OF PAKISTAN	1,228	0.0046
Running Total:		128,678	0.4872
Banks, Development Financial Institutions, Non Banking Financial Institutions			
1	NATIONAL BANK OF PAKISTAN	1,129	0.0043
2	ATLAS BOT INVESTMENT BANK LTD.	55	0.0002
Running Total:		1,184	0.0045
Modarbas and Mutual Funds			
1	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,532,871	5.8035
2	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	217,000	0.8216
3	FIRST UDL MODARABA	4,669	0.0177
4	CRESCENT STANDARD MODARABA	14	0.0001
5	FIRST I.B.L. MODARABA	977	0.0037
6	CDC - TRUSTEE AKD OPPORTUNITY FUND	141,000	0.5338
7	GOLDEN ARROW SELECTED STOCK FUND LIMITED	215	0.0008
8	FIRST INTER FUND MODARABA	65	0.0002
Running Total:		1,896,811	7.1814
General Public (Local)			
Running Total:		10,888,527	41.2243

PATTERN OF SHAREHOLDINGS

As at June 30, 2025

Sr. No	Name Of Shareholders	Shares Held	Percentage
Others			
1	FIKREES (PRIVATE) LIMITED	500	0.0019
2	KTRADE SECURITIES LIMITED	1	0.0000
3	MRA SECURITIES LIMITED - MF	2,500	0.0095
4	THE NORTHERN TRUST COMPANY	100	0.0004
5	EASTMAN CONSULTING (PVT) LTD.	50	0.0002
6	MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED	105	0.0004
7	TAURUS SECURITIES LIMITED	100	0.0004
8	FORTUNE SECURITIES LIMITED	200	0.0008
9	JAVED OMER VOHRA & CO. LTD.	8,758	0.0332
10	INTERNATIONAL SECURITIES LTD.	118	0.0004
11	MORGAN STANLEY TRUST CO.	100	0.0004
12	DR. ARSLAN RAZAQUE SECURITIES (PVT.) LIMITED	210	0.0008
13	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	4,440	0.0168
14	KHADIM ALI SHAH BUKHARI & CO. LIMITED	80	0.0003
15	BMA CAPITAL MANAGEMENT LTD.	344	0.0013
16	PYRAMID INVESTMENTS (PVT) LTD.	495	0.0019
17	MAPLE LEAF CAPITAL LIMITED	1	0.0000
18	AMPLE SECURITIES (PRIVATE) LIMITED	182,558	0.6912
19	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT F	6,455	0.0244
20	S.H. BUKHARI SECURITIES (PVT) LIMITED	500	0.0019
21	SARFRAZ MAHMOOD (PRIVATE) LTD	500	0.0019
22	PRUDENTIAL SECURITIES LIMITED	26	0.0001
23	Y.S. SECURITIES & SERVICES (PVT) LTD.	1,083	0.0041
24	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSIO	183,956	0.6965
Running Total:		393,180	1.4886
Grand Total:		26,412,880	100.0000

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

Saif Textile Mills Limited for the Year Ended June 30, 2025

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

1. The total number of directors are Eight (08) as per the following:

Directors	Numbers
a) Male	07
b) Female	01

2. The composition of Board is as follows:

S.No	Directors	Numbers
a.	Independent Directors*	Khalid Siddiq Tirmizey Abdul Rehman Qureshi
b.	Non-executive Directors	Javed Saifullah Khan Osman Saifullah Khan Hoor Yousafzai Asif Saifullah Khan Rana Muhammad Shafi
c.	Executive Director **	Assad Saifullah Khan
d.	Female Directors	Hoor Yousafzai

*Fractional requirement for independent directors has not been rounded up as one and presently the Company has two independent directors. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, therefore, the 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 the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. None of the directors attended Directors' Training Program during the year. Three (3) of the directors are exempt from Director Training Program on the basis of their qualification and experience and remaining five (5) have completed their Directors' Training.
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

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

Saif Textile Mills Limited for the Year Ended June 30, 2025

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	
	Khalid Siddiq Tirmizey	Chairman
	Abdul Rehman Qureshi	Member
	Rana Muhammad Shafi	Member
b)	HR and Remuneration Committee	
	Abdul Rehman Qureshi	Chairman
	Hoor Yousafzai	Member
	Assad Saifullah Khan	Member

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

14. The frequency of meetings of the committee during the year 2024-25 were as per following:

- a) **Audit Committee** - Four (04) Meetings
b) **Human Resource and Remuneration Committee** - One (01) Meeting

15. The Board has set up an effective internal audit function and the persons assigned the responsibilities are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given

a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all the requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



Javed Saifullah Khan

Chairman

Place: Islamabad

Date: September 30, 2025

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF SAIF TEXTILE MILLS LIMITED

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

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

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

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

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

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

*ShineWingHameed Chaudhri
& Co.*

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

Lahore: September 30, 2025

UDIN: CR202510195jvDoWZOm8

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAIF TEXTILE MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **SAIF TEXTILE MILLS LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss, the statement of other 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 significant 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, statement of profit or loss, statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the loss, other comprehensive loss, 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 Auditors' 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 judgement, were of most significance in our audit of the financial statements of the current year. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAIF TEXTILE MILLS LIMITED

Following are the key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	Revenue As described in notes 3.24 and 32, the Company generates revenue from the sale of goods to domestic as well as foreign customers. During the year ended June 30, 2025, the Company generated net revenue of Rs.11.594 billion as compared to Rs.12.249 billion during the previous year. Considering the significance of amounts involved and that the revenue is a key indicator of performance measurement of the Company, we have considered revenue recognition as a key audit matter.	Our audit procedures to assess recognition of revenue, amongst others, included the following: - obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifically in relation to recognition of revenue and timing thereof; - evaluated the appropriateness of the Company's revenue recognition policies, in accordance with the relevant IFRS; - reviewed, on a sample basis, sale transactions near the reporting date to assess whether transactions were recorded in the relevant accounting year; - performed substantive analytical procedures including developing an expectation of the current year revenue based on trend analysis information taking into account historical sale and market patterns; - correlated the revenue transactions with movement in receivables and monetary balances and compared with the results from our balance confirmation procedures; - reconciled revenue recorded in the books of account on a sample basis with underlying accounting records including dispatch and delivery documents; and - reviewed and assessed the adequacy of related disclosures made in the financial statements in accordance with the applicable financial reporting standards and the Companies Act, 2017.
2.	Contingencies The Company is subject to material litigations including Gas Infrastructure Development Cess (GIDC), taxation and other matters at different courts which require management to make assessment and judgements with respect to likelihood and impact of such litigations on the financial statements of the Company. The details of contingencies including that relating to GIDC Act, 2015 and the Supreme Court of Pakistan (SCP) Judgment regarding the same along with management's assessment thereon have been disclosed in note 18 to the financial statements.	In response to this matter, our audit procedures included: - Discussed legal cases with the legal department of the Company to understand the management's view point and obtained management's assessment regarding their implications on the Company's financial statements; - Obtained independent opinion from legal advisors dealing with such cases in the form of confirmations; - Examined legal expense ledgers to assess any litigations or claims, which may result in material misstatement of the financial statements;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAIF TEXTILE MILLS LIMITED

S. No.	Key audit matters	How the matter was addressed in our audit
	Management has engaged independent legal consultants on these matters. The accounting for and disclosures of contingencies is complex and is a matter of significance in our audit because of the judgements required to determine the level of certainty on these matters. Due to the magnitude of amount involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgement and estimates to assess the same including related financial impacts, we have considered above referred contingencies as one of the key audit matters.	- Reviewed the documents for legal and tax proceedings maintained by the management, including Judgments passed by the SCP and studied the related provisions of the GIDC Act, 2015; - Evaluated all the legal cases in line with the requirements of IAS 37 (Provisions, contingent liabilities and contingent assets); and - Assessed the disclosures of legal exposures and provisions for completeness and accuracy.
3.	Financing obligations and compliance with related covenant requirements (note 7) At the reporting date, the Company has outstanding long term financing facilities aggregating Rs.1,304 million, which constitute approximately 12% of total liabilities of the Company. The Company's key operating / performance indicators including liquidity, gearing and finance cost are significantly influenced by its existing portfolio of financing. These financing arrangements include both financial and non-financial covenants that the Company is required to comply with. Management has engaged independent legal consultants on these matters. 'Given the ongoing significance of financing arrangements and the sensitivity of compliance with the underlying covenants, we considered this area a key focus during our audit. Accordingly, this matter has been identified as a key audit matter.	Our audit procedures to assess recognition of revenue, amongst others, included the following: - reviewed terms and conditions of financing agreements entered into by the Company with various banks and financial institutions; - circularised direct balance confirmations to banks and financial institutions and verified payments from relevant statements; - reviewed maturity analysis of financing to ascertain the classification of financing as per their remaining maturities; - assessed the status of compliance with financing covenants and also inquired from the management with regard to their ability to ensure future compliance with the covenants; - checked on test basis the calculations of finance cost recognised in the statement of profit or loss; and - assessed the adequacy of disclosures made in respect of the long term financing obligations in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAIF TEXTILE MILLS LIMITED

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information, which comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAIF TEXTILE MILLS LIMITED

- 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 auditors' 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 auditors' 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 year and are therefore the key audit matters. We describe these matters in our auditors' 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 other 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 auditors' report is Nafees ud din.

ShineWing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

LAHORE; September 30, 2025

UDIN: AR2025101951wjhNfL3Y

FINANCIAL STATEMENTS



STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

		2025	2024
	Note	Rupees in '000	
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital			
30,000,000 ordinary shares of Rs.10 each		300,000	300,000
Issued, subscribed and paid-up capital	4	264,129	264,129
Reserves	5	265,884	265,867
Unappropriated profit		841,950	1,144,442
Surplus on revaluation of property, plant and equipment	6	2,375,247	2,474,112
Total shareholders' equity		3,747,210	4,148,550
Non-current Liabilities			
Long term financing	7	967,393	1,294,619
Deferred income - government grant	8	4,194	8,603
Long term deposits	9	13,519	14,233
Staff retirement benefits - gratuity	10	244,886	226,139
Deferred taxation	11	578,785	759,930
		1,808,777	2,303,524
Current Liabilities			
Trade and other payables	12	1,468,361	1,201,169
Contract liabilities	13	165,145	78,358
Unpaid dividend		0	473
Unclaimed dividend		9,042	8,586
Accrued mark-up and interest	14	595,757	430,154
Short term borrowings	15	6,040,687	5,567,518
Current portion of non-current liabilities	16	341,003	403,814
Provision for tax levies	17	145,193	152,189
		8,765,188	7,842,261
		10,573,965	10,145,785
Contingencies and Commitments	18		
		14,321,175	14,294,335

The annexed notes 1 to 52 form an integral part of these financial statements.



MUHAMMAD WASEEM ASLAM
Chief Financial Officer



RANA MUHAMMAD SHAFI
Director



ASSAD SAIFULLAH KHAN
Chief Executive Officer

STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

		2025	2024
	Note	Rupees in '000	
Assets			
Non-current Assets			
Property, plant and equipment	19	7,595,727	7,923,952
Long term investments	20	14,903	14,886
Long term loans	21	4,391	2,688
Long term deposits		51,799	30,570
		<u>7,666,820</u>	<u>7,972,096</u>
Current Assets			
Stores, spare parts and loose tools	22	245,320	299,718
Stock-in-trade	23	2,912,842	3,675,635
Trade debts	24	3,053,435	1,801,804
Loans and advances	25	27,552	18,549
Short term prepayments	26	18,404	1,907
Other receivables	27	49,184	51,258
Deposit for shares	28	0	0
Prepaid tax levies		0	4,951
Taxation	29	309,184	336,433
Tax refunds due from Government	30	5,034	111,261
Bank balances	31	33,400	20,723
		<u>6,654,355</u>	<u>6,322,239</u>
		<u>14,321,175</u>	<u>14,294,335</u>

The annexed notes 1 to 52 form an integral part of these financial statements.



MUHAMMAD WASEEM ASLAM
Chief Financial Officer



RANA MUHAMMAD SHAFI
Director



ASSAD SAIFULLAH KHAN
Chief Executive Officer

STATEMENT OF PROFIT OR LOSS

For the Year Ended June 30, 2025

		2025	2024
	Note	Rupees in '000	
Sales - net	32	11,593,946	12,248,662
Cost of sales	33	(10,360,442)	(10,455,383)
Gross profit		1,233,504	1,793,279
Distribution cost	34	(200,867)	(229,263)
Administrative expenses	35	(231,852)	(250,662)
Other income	36	31,498	633,043
Other expenses	37	0	(22,111)
Profit from operations		832,283	1,924,286
Finance cost	38	(1,251,631)	(1,639,767)
		(419,348)	284,519
Exchange fluctuation gain / (loss) - net	39	334	(807)
(Loss) / profit before taxation, minimum and final tax levies		(419,014)	283,712
Minimum and final tax levies	17	(145,416)	(152,500)
(Loss) / profit before taxation		(564,430)	131,212
Taxation	40	176,109	(119,646)
(Loss) / profit after taxation		(388,321)	11,566
		----- Rupees -----	
(Loss) / earnings per share - basic and diluted	41	(14.70)	0.44

The annexed notes 1 to 52 form an integral part of these financial statements.



MUHAMMAD WASEEM ASLAM
Chief Financial Officer



RANA MUHAMMAD SHAFI
Director



ASSAD SAIFULLAH KHAN
Chief Executive Officer

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Year Ended June 30, 2025

		2025	2024
	Note	Rupees in '000	
(Loss) / profit after taxation		(388,321)	11,566
Other comprehensive income / (loss)			
Item that will not be reclassified subsequently to statement of profit or loss:			
Loss on re-measurement of staff retirement benefit obligation	10	(18,072)	(11,552)
Impact of deferred tax		5,036	3,350
		(13,036)	(8,202)
Item that will be reclassified to statement of profit or loss in subsequent periods:			
Unrealised gain on remeasurement of investment at fair value through other comprehensive income	20	17	0
Total comprehensive (loss) / income for the year		(401,340)	3,364

The annexed notes 1 to 52 form an integral part of these financial statements.



MUHAMMAD WASEEM ASLAM
Chief Financial Officer



RANA MUHAMMAD SHAFI
Director



ASSAD SAIFULLAH KHAN
Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY

For the Year Ended June 30, 2025

Share Capital	Reserves				Surplus on revaluation of property, plant and equipment	Total	
	Capital	Revenue	Unappropriated profit	Unrealised loss on financial assets at fair value through other comprehensive income			
Rupees in '000							
Balance as at July 01, 2023	264,129	115,981	150,000	1,036,356	(114)	2,578,834	4,145,186
Total comprehensive income for the year ended June 30, 2024							
- profit for the year	0	0	0	11,566	0	0	11,566
- other comprehensive loss	0	0	0	(8,202)	0	0	(8,202)
	0	0	0	3,364	0	0	3,364
Surplus on revaluation of property, plant and equipment realised during the year (net of deferred taxation)							
- on account of incremental depreciation	0	0	0	103,545	0	(103,545)	0
- upon sale of revalued assets	0	0	0	1,177	0	(1,177)	0
Balance as at June 30, 2024	264,129	115,981	150,000	1,144,442	(114)	2,474,112	4,148,550
Balance as at July 01, 2024							
Total comprehensive loss for the year ended June 30, 2025							
- loss for the year	0	0	0	(388,321)	0	0	(388,321)
- other comprehensive loss	0	0	0	(13,036)	17	0	(13,019)
	0	0	0	(401,357)	17	0	(401,340)
Surplus on revaluation of property, plant and equipment realised during the year (net of deferred taxation)							
- on account of incremental depreciation	0	0	0	98,865	0	(98,865)	0
Balance as at June 30, 2025	264,129	115,981	150,000	841,950	(97)	2,375,247	3,747,210

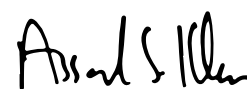
The annexed notes 1 to 52 form an integral part of these financial statements.



MUHAMMAD WASEEM ASLAM
Chief Financial Officer



RANA MUHAMMAD SHAFI
Director



ASSAD SAIFULLAH KHAN
Chief Executive Officer

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2025

		2025	2024
	Note	Rupees in '000	
Cash generated from operating activities	42	1,023,318	843,804
Cash flows from investing activities			
Additions to property, plant and equipment		(33,325)	(33,044)
Sale proceeds of operating fixed assets	19.5	6,273	34,044
Net cash (used in) / generated from investing activities		(27,052)	1,000
Cash flows from financing activities			
Long term financing - obtained		0	1,101,981
- repaid		(394,447)	(596,610)
Lease liabilities		0	(6,372)
Short term borrowings - net		473,169	238,287
Finance cost paid		(1,062,294)	(1,577,553)
Dividends paid		(17)	(9)
Net cash used in financing activities		(983,589)	(840,276)
Net increase in cash and cash equivalents		12,677	4,528
Cash and cash equivalents - at beginning of the year		20,723	16,195
Cash and cash equivalents - at end of the year	31	33,400	20,723

The annexed notes 1 to 52 form an integral part of these financial statements.



MUHAMMAD WASEEM ASLAM

Chief Financial Officer



RANA MUHAMMAD SHAFI

Director



ASSAD SAIFULLAH KHAN

Chief Executive Officer

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

Saif Textile Mills Limited (the Company) is a Public Limited Company incorporated in Pakistan on December 24, 1989 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange. The Company is principally engaged in manufacture and sale of yarn.

1.1 Geographical location and addresses of major business units including mills / plant of the Company are as under:

Sawabi

Industrial Estate, Gadoon Amazai

Purpose

Mills / factory

Peshawar

APTMA house, Tehkal Payan, Jamrud Road

Registered office

Islamabad

4th Floor, Kashmir Commercial Complex,

Head office

Fazal-e-haq road, Blue Area

Karachi

Plot No. 36, New Karachi Cooperative Housing

Marketing & Sales office

Society, Near Dolmen Mall Tariq Road

Faisalabad

P-17, Near Allied Bank Ltd, Montgomery Bazar

Marketing & Sales office

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand unless otherwise specified.

2.4 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR INTERPRETATIONS TO EXISTING STANDARDS

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

2.4.1 Standards, amendments and interpretations to accounting standards that are effective in current year

Certain standards, amendments and interpretations to International Financial Reporting Standards (IFRSs) are effective for accounting period beginning on July 01, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements, except for the following:

Amendment to International Accounting Standard (IAS) 1 – Classification of liabilities as current or non-current

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendment, the requirement for a right to be unconditional has been removed and instead, the amendment requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a Company complying with conditions (covenants) specified in a loan arrangement. The IASB, after reconsidering certain aspects of the amendment, reconfirmed that only covenants with which a Company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

The above amendment did not result in any significant changes to these financial statements.

2.4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2025 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(a) IFRS S1 General Requirements for Disclosure of Sustainability - Related Financial Information and IFRS S2 Climate - Related Disclosures (effective for annual period beginning on July 01, 2025)

These standards include the core framework for the disclosure of material information about sustainability - related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate - related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability - related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability - related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability - related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas ('GHG') emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

(b) Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for annual period beginning on January 01, 2026)

The amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

An important clarification brought about in these amendments is that a payment instruction (e.g. a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence derecognised. The previous practice of financial liabilities being derecognised upon issuance of cheques would need to be reconsidered.

(c) Annual improvements to International Financial Reporting Standards – Volume 11 (effective for annual period beginning on January 01, 2026)

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

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

(d) IFRS 18 - Presentation and Disclosure in Financial Statements (effective for annual period beginning on January 01, 2027)

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is yet to assess the impact of this Standard and amendments to existing standards on its financial statements.

2.4.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Judgements, estimates and assumptions made by the management that may have a significant risk of material adjustments to the financial statements in the subsequent years are as follows:

(a) Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable, an estimate of recoverable amount of asset is made if indicators of impairment are identified. Useful lives, residual values and depreciation method of property, plant and equipment are stated in notes 3.10 and 19.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(b) Stores & spares and stock-in-trade

The Company estimates the net realisable value of stores & spares and stock-in-trade to assess any diminution in the respective carrying values. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make sale - notes 3.14 and 3.15.

(c) Provision for impairment of trade debts

Impairment losses related to trade and other receivables, are calculated using simplified approach of expected credit loss (ECL) model. Management use actual credit loss experience over past years for the calculation of ECL. Trade and other receivables are written off when there is no reasonable expectation of recovery - note 3.16.

(d) Staff retirement benefits - gratuity

The present value of this obligation depends on a number of factors that is determined on actuarial basis using a number of assumptions. Any change in these assumptions will impact carrying amount of this obligation. The present value of the obligation and underlying assumptions are stated in notes 3.5 and 10.

(e) Income taxes and tax levies

In making the estimates for income taxes and tax levies, the Company takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual charge of income taxes and tax levies, if any, is disclosed as a contingent liability - notes 3.7, 17 and 29.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2024.

3.1 Borrowings and borrowing cost

These are recognised initially at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings as interest expense.

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

3.2 Interest rate and cross currency swaps

In certain cases, the Company uses interest rate and cross currency swaps to hedge its risk associated primarily with mark-up payments and foreign currency fluctuations. The calculation involves use of estimates with regard to mark-up and foreign currency rates, which fluctuate with the market forces.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

3.3 Leases

The Company leases vehicles and office buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

3.4 Government grants

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with IFRS 9 (Financial instruments). The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. The benefit is accounted for in accordance with IAS 20 (Accounting for government grants and disclosure of government assistance). The entity considers the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate.

3.5 Staff retirement benefits (gratuity)

The Company operates an un-funded staff retirement gratuity scheme for its eligible employees. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on June 30, 2025 on the basis of the projected unit credit method by an independent Actuary.

The liability recognised in the statement of financial position in respect of retirement gratuity scheme is the present value of defined benefit obligation at the end of reporting period. The amount arising as a result of remeasurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

3.6 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which approximates fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

3.7 Tax levies and taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in statement of other comprehensive income or directly in equity. In this case, the tax is also recognised in statement of other comprehensive income or directly in equity, respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

(a) Current year

Provisions for current taxation and tax levies are based on taxable income and gross amount of revenue or other basis respectively at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax and tax levies includes adjustments, where necessary, relating to prior years, which arise from assessments framed / finalised during the year.

(b) Deferred

The Company accounts for deferred taxation using the statement of financial position liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is recognised for taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited to the statement of profit or loss except for deferred tax arising on surplus on revaluation of property, plant and equipment, which is charged to revaluation surplus.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.8 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised in the period in which these are approved.

3.9 Financial liabilities

Classification and subsequent measurement

Financial liabilities are classified and measured at amortised cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

Derecognition

Financial liabilities are derecognised when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.10 Property, plant and equipment

Leasehold land, buildings on leasehold land, plant & machinery, generators, electric installations and air-conditioning equipment are shown at fair value, based on valuations

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

carried-out with sufficient regularity by external independent Valuers, less subsequent amortisation / depreciation. Any accumulated amortisation / depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The remaining property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Capital work-in-progress is stated at cost. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use. Cost of some items of plant and machinery consists of historical cost and exchange fluctuation effects on foreign currency loans capitalised during prior years. Borrowing costs are also capitalised for the period upto the date of commencement of commercial production of the respective plant and machinery, acquired out of the proceeds of such borrowings. Historical cost includes expenditure that is directly attributable to the acquisition of items.

The revaluation is measured on individual asset; if an asset's carrying amount is increased as a result of revaluation, the surplus is recognised in statement of other comprehensive income and accumulated in equity under the heading of revaluation surplus on property, plant and equipment. However, the surplus is recognised in statement of profit or loss to the extent that it reverses revaluation decrease of the same asset previously recognised in statement of profit or loss. If an asset's carrying amount is decreased as a result of revaluation, the deficit on revaluation of asset is recognised in statement of profit or loss. However, the decrease is recognised in statement of other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

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

Depreciation on operating fixed assets, except leasehold land, is charged to income applying reducing balance method so as to write-off the depreciable amount of an asset over its remaining useful life at the rates stated in note 19.1. Leasehold land is amortised over the lease term using the straight-line method. The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant.

Depreciation on additions to operating fixed assets is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed-off.

Gain / loss on disposal of property, plant and equipment, if any, is taken to statement of profit or loss.

3.11 Right-of-use assets

Right-of-use assets are initially measured based on the initial amount of the lease liabilities 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 incentive received. The right-of-use assets are depreciated over the lease term on the expected

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Company recognised right of use assets equal to the present value of lease payments.

3.12 Intangible assets - computer software

Computer software is stated at cost less accumulated amortisation. Software cost is only capitalised when it is probable that future economic benefits attributable to the software will flow to the Company and the same is amortised applying the straight-line method at the rate stated in note 19.7.

3.13 Financial assets

Initial measurement

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

- fair value through other comprehensive income (FVTOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent Measurement

- ***Equity Instruments at FVTOCI***

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss. Other net gains and losses are recognised in statement of other comprehensive income and are never reclassified to the statement of profit or loss.

- ***Debt Instruments at FVTOCI***

These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in statement of other comprehensive income. On derecognition, gains and losses accumulated in statement of other comprehensive income are reclassified to the statement of profit or loss.

- ***Debt Instruments at FVTPL***

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the statement of profit or loss.

- ***Financial Assets measured at amortised cost***

These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

Derecognition

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

3.14 Stores, spare parts and loose tools

Stores, spare parts and loose tools are stated at cost. The cost of inventory is based on moving average cost. Items in transit are stated at cost accumulated upto the reporting date. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for identified obsolete and slow moving items.

3.15 Stock-in-trade

Basis of valuation are as follows:

<u>Particulars</u>	<u>Mode of valuation</u>
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Raw materials:

At mills	- At lower of moving average cost and market value.
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In transit	- At cost accumulated to the statement of financial position date.
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Work-in-process	- At manufacturing cost.
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Finished goods	- At lower of cost and net realisable value.
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Waste	- At net realisable value.
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- Cost in relation to work-in-process and finished goods consists of prime cost and appropriate production overheads. Prime cost is allocated on the basis of moving average cost.
- Provision for obsolete and slow moving stock-in-trade is determined based on the management's assessment regarding their future usability.
- Net realisable value signifies the selling price in the ordinary course of business less cost of completion and cost necessary to be incurred to effect such sale.

3.16 Trade debts and other receivables

These are classified at amortised cost and are initially recognised and measured at fair value of consideration receivable. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

3.17 Financial assets 'at fair value through profit or loss'

Financial assets 'at fair value through profit or loss' are marked to market using the closing market rates and are carried on the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to statement of profit or loss in the period in which these arise.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

3.18 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and balances with banks.

3.19 Impairment loss

The carrying amounts of the Company's assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indication exists, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the statement of profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

3.20 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.21 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rates prevailing on the date of transactions. Assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates prevailing on the reporting date except where forward exchange rates are booked, which are translated at the contracted rates. Exchange differences, if any, are taken to statement of profit or loss.

3.22 Impairment

(a) Financial assets

The Company assesses on a forward looking basis for the expected credit loss (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Further, the Company follows simplified approach to measuring ECL, which uses a lifetime expected loss allowance for all trade and other receivables. Management uses actual credit loss experience over past years for calculation of ECL.

For debt instruments measured at FVOCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

For bank balances, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indication exists, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the statement of profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

3.23 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

3.24 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis:

Sale of goods

- revenue from local sale of goods is recognised at the point of time when the customer obtains control of the goods, which is generally at the time of delivery / dispatch of goods to customers;
- revenue from the export sale of goods is recognised at the point in time when the customer obtains control over the goods dependent on the relevant incoterms of shipment. Generally, it is on the date of bill of lading or at the time of delivery of goods to the destination port;

Other sources of revenue

- dividend income from investments is recognised when the Company's right to receive dividend is established; and
- return on bank deposits / interest income is recognised using applicable effective interest rate. Income is accrued as and when the right to receive the income is established.

3.25 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however, certain information about the Company's products, as required by the approved accounting standards, is presented in note 48 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2025	2024		2025	2024
--- No. of shares ---			--- Rupees in '000 ---	
17,312,468	17,312,468	ordinary shares of Rs.10 each issued for cash	173,125	173,125
9,100,412	9,100,412	ordinary shares of Rs.10 each issued as fully paid bonus shares	91,004	91,004
<u>26,412,880</u>	<u>26,412,880</u>		<u>264,129</u>	<u>264,129</u>

4.1 Saif Holdings Limited held 13,097,000 shares of the Company as at June 30, 2025 and 2024.

4.2 Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of a shareholder.

5. RESERVES

	Note	2025	2024
		---- Rupees in '000 ----	
Capital - share premium account	5.1	115,981	115,981
Revenue - general reserve	5.2	150,000	150,000
Unrealised loss on financial assets at fair value through other comprehensive income		(97)	(114)
		<u>265,884</u>	<u>265,867</u>

5.1 Share premium account

Premium received on:

3,820,780 shares @ Rs.7 per share issued during the year 1992

26,745 26,745

2,303,569 shares @ Rs.5 per share issued during the year 1996

11,518 11,518

562,019 shares @ Rs.5 per share allotted during the year 1997

2,810 2,810

7,500,000 shares @ Rs.10 per share allotted during the year 2007

75,000 75,000
116,073 116,073

Less: preliminary expenses written-off during the year 1992

92 92
115,981 115,981

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

5.1.1 This represents excess of consideration received on issue of ordinary shares over face value on ordinary shares issued. This reserve can only be utilised for the purposes specified in section 81 of the Companies Act, 2017.

5.2 This represents reserves funds set aside from unappropriated profit.

6. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net

6.1 The Company had revalued its leasehold land, buildings on leasehold land, plant & machinery, generators, electric installations and air conditioning equipment during the financial years ended 2006, 2009, 2016, 2018 and 2020. These fixed assets were revalued by independent Valuers on the basis of market value / depreciated market values.

6.2 The Company, during the financial year ended June 30, 2023, has again revalued its above mentioned fixed assets. The latest revaluation exercise has been carried-out by M/s. MYK Associates (Pvt.) Ltd. (Independent Valuers and Consultants) to replace the carrying amounts of these assets with the market value / depreciated market values. The net appraisal surplus arisen on latest revaluation aggregating Rs.1,920.651 million has been credited to this account to comply with the requirements of International Accounting Standard 16. The year-end balance has been arrived at as follows:

	2025	2024
	---- Rupees in '000 ----	
Opening balance	2,474,112	2,578,834
Less: transferred to unappropriated profit on account of (net of deferred taxation):		
- incremental depreciation for the year	98,865	103,545
- sale of revalued assets	0	1,177
Closing balance	<u>2,375,247</u>	<u>2,474,112</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

		2025	2024
	Note	---- Rupees in '000 ----	
7. LONG TERM FINANCING - Secured			
United Bank Limited (UBL)			
- demand finance - II	7.1	4,985	24,925
- long term finance facility (LTFF)	7.1	48,995	120,065
Habib Bank Limited (HBL)			
- demand finance - II	7.2	0	20,209
- term loan	7.3	9,734	12,776
- long term finance facility (LTFF)	7.4	21,597	57,318
Soneri Bank Limited (SBL)			
- term finance - II	7.5	30,861	44,577
Askari Bank Limited (ABL)			
- diminishing musharakah	7.6	0	10,732
Dubai Islamic Bank Pakistan Limited (DIB)			
- islamic finance facility - II	7.7	7,250	13,050
- islamic finance facility - III	7.8	13,032	38,245
- diminishing musharakah (ITERF)	7.9	85,052	108,322
The Bank of Khyber (BoK)			
- demand finance	7.10	0	60,000
First Women Bank Limited (FWB)			
- demand finance	7.11	45,000	105,000
Bank Alfalah Limited (BAF)			
- diminishing musharakah	7.12	0	8,750
Meezan Bank Limited (MBL)			
- diminishing musharakah	7.13	37,500	68,750
Associated Company - Saif Power Limited (SPL)			
- long term loan	7.14	999,981	999,981
		1,303,987	1,692,700
Less: current portion grouped under current liabilities		336,594	398,081
		967,393	1,294,619

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

- 7.1** The Company, during the year ended June, 30, 2017, had obtained a demand finance facility of Rs.500 million from UBL. During the financial year ended June 30, 2018, UBL converted the said facility in demand finance of Rs.100 million and LTFF under SBP scheme of Rs.400 million. UBL against the demand finance facility, disbursed Rs.100 million in five tranches of different amount and Rs.397.385 million under LTFF in twenty four tranches of different amounts. Each tranche under the finance facilities is repayable in 20 equal quarterly instalments commenced from January, 2018. The demand finance facility carries mark-up at the rate of 3-months KIBOR+125 basis points; whereas LTFF carries mark-up at SBP rate of 2% + 3% spread. Effective mark-up rates charged, during the current financial year, on demand finance and LTFF ranged from 13.28% to 23.16% and 5% (2024: 22.06% to 24.28% and 5%) per annum respectively. These finance facilities are secured against first joint pari passu hypothecation charge over present and future fixed and current assets of the Company for Rs.667 million.
- 7.2** These finances have been obtained from HBL against a demand finance facility of Rs.100 million. HBL, against the said facility, disbursed Rs.99.626 million in twenty tranches of different amounts. The principal balance is repayable in 20 equal quarterly instalments. This finance facility carries mark-up at the rate of 3-months KIBOR+1%; effective mark-up rates charged, during the current financial year, ranged from 12.09% to 21.20% (2024: 17.87% to 25.03%) per annum. This finance facility is secured against first joint pari passu hypothecation charge of Rs.134 million over all present and future fixed and current assets of the Company.
- 7.3** These finances have been obtained from HBL against a term loan finance facility of Rs.25 million. HBL, against the said facility, has disbursed Rs.24.336 million. The principal balance is repayable in 40 equal quarterly instalments commenced from September, 2019. This finance facility carries mark-up at the rate of 3-months KIBOR + 1% ; effective mark-up rates charged, during the current financial year ranged from 13.09% to 21.24% (2024: 22.46% to 23.90%) per annum. This finance facility is secured against first joint pari passu hypothecation charge of Rs.34 million over all present and future fixed and current assets of the Company.
- 7.4** These finances have been obtained from HBL against a long term finance facility (LTFF) under SBP scheme of Rs.230 million. HBL, against the said facility, has disbursed Rs.215.433 million in twelve tranches of different amounts. The principal balance is repayable in 20 equal quarterly instalments commenced from May, 2021. This finance facility carries mark-up at SBP rate of 2% +1%; effective mark-up rate charged during the current financial year was 3% (2024: 3%) per annum. This finance facility is secured against first joint pari passu hypothecation charge of Rs.307 million over all present and future fixed and current assets of the Company.
- 7.5** The Company, during the financial year ended June 30, 2023, had arranged a term finance facility amounting Rs.70 million from SBL to finance the purchase of solar power panels under category-II of SBP financing scheme for renewable energy. SBL, against the said facility, disbursed Rs.65.151 million in a single tranche. The principal balance is repayable in 19 equal quarterly instalments commenced from January, 2023 and carries profit at

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

the rate of 3 months KIBOR + 1.5% per annum; effective mark-up rates charged, during the current financial year, ranged from 13.59% to 21.74% (2024: 22.96% to 24.62%) per annum. This finance facility is secured against joint pari passu charge over current and fixed assets of the Company for Rs. 93.333 million with 25% margin.

- 7.6** These finances have been obtained from ABL against a diminishing musharakah finance facility of Rs.83 million. ABL against the said finance facility, has disbursed Rs.73.590 million. The principal balance of this finance facility is repayable in 48 equal monthly instalments commenced from October, 2020. This finance facility carries profit at the rate of 3-months KIBOR+200 basis points per annum payable monthly basis; effective profit rates charged, during the current financial year, ranged from 14.09% to 23.72% (2024: 22.68% to 25.12%) per annum. This finance facility is secured against joint pari passu charge on current and fixed assets of the Company for Rs.111 million.
- 7.7** These finances have been obtained from DIB against an islamic finance facility of Rs.155 million. The principal balance is repayable in 20 equal quarterly instalments commenced from December, 2021. This finance facility carries profit at the rate of 3-months KIBOR+1.50%; effective profit rates charged, during the current financial year, ranged from 12.63% to 22.91% (2024: 22.91% to 25.44%) per annum. This finance facility is secured against first joint pari passu hypothecation charge over all present and future fixed and current assets of the Company for Rs.214 million.
- 7.8** These finances have been obtained from DIB against an islamic finance facility (under SBP scheme) of Rs.126 million. The principal balance is repayable in 20 equal quarterly instalments commenced from January, 2022. This finance facility carries profit at SBP rate+3.00%; effective profit rate charged, during the current financial year, was 5% (2024: 5%) per annum. This finance facility is secured against first joint pari passu hypothecation charge over all present and future fixed and current assets of the Company for Rs.214 million.
- 7.9** The Company, during the financial year ended June 30, 2022, had obtained a diminishing musharakah (ITERF) facility of Rs.150 million from DIB to finance CAPEX of Auto Cones replacement. The principal balance is repayable in 20 equal quarterly instalments commenced from November, 2023. This finance facility carries mark-up at SBP rate of 1% + 4% spread per annum payable quarterly; effective mark-up rate charged during the current financial year was 5% (2024: 5%) per annum. This finance facility is secured against first joint pari passu charge of Rs.200 million over present and future current and fixed assets of the Company.
- 7.10** These finances have been obtained from BoK against a demand finance facility of Rs.300 million. The principal balance is repayable in 10 equal quarterly instalments commenced from September, 2019. This finance facility carries mark-up at the rate of 6-months KIBOR + 1.25%; effective mark-up rates charged, during the current financial year, ranged from 13.36% to 21.38% (2024: 22.73% to 24.22%) per annum. This finance facility is secured against first joint pari passu hypothecation charge over all present and future fixed and current assets of the Company for Rs.400 million.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

- 7.11** These finances have been obtained from FWB against a demand finance of Rs.300 million. The principal balance is repayable in 20 equal quarterly instalments commenced from April, 2021. This finance facility carries profit at the rate of 3-months KIBOR+1.50%; effective profit rate charged, during the current financial year, ranged from 13.64% to 21.74% (2024: 22.96% to 24.41%) per annum. This finance facility is secured against first joint pari passu hypothecation charge of Rs.400 million over all present and future fixed and current assets of the Company.
- 7.12** The Company has arranged an islamic finance facility from BAF amounting Rs.35 million. The principal balance is repayable in 16 equal quarterly instalments commenced from September, 2021. This finance facility carries profit at the rate of SBP +2.5%; effective profit rates charged, during the current financial year, ranged from 14.55% to 22.74% (2024: 21.74% to 24.10%) per annum. This finance facility is secured against first joint pari passu hypothecation charge of Rs.46.667 million over all present and future fixed and current assets of the Company.
- 7.13** The Company, during the financial year ended June 30, 2022, had obtained a diminishing musharakah facility of Rs.100 million from MBL to finance construction of godown under ongoing BMR. The principal balance is repayable in 16 equal quarterly instalments commenced from January, 2023. This finance facility carries mark-up at the rate of 3 months KIBOR + 1% per annum payable quarterly; effective mark-up rates charged, during the current financial year, ranged from 13.09% to 21.24% (2024: 22.46% to 23.90%) per annum. This finance facility is secured against first joint pari passu charge of Rs.133.33 million over present and future fixed assets of the Company.
- 7.14** The Company, during the preceding financial year, has entered into a loan agreement with SPL to obtain an unsecured long term loan upto an amount of Rs.1,000 million for debt servicing and working capital requirements. SPL, against the said facility, has disbursed Rs.999.981 million in twenty two tranches of unequal amounts. The principal balance is repayable in 28 equal quarterly instalments commencing from September, 2025. The finance facility carries mark-up at the rate of 0.1% + the average borrowing cost rate of SPL. The effective mark-up rates charged by SPL, during the current financial year, ranged from 13.00% to 22.06% (2024: 22.52% to 23.57%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

8. DEFERRED INCOME - GOVERNMENT GRANT

		2025	2024
	Note	---- Rupees in '000 ----	
Government grant against temporary economic refinance facility	8.1	8,603	14,336
Less: current portion grouped under the current liabilities		4,409	5,733
		<u>4,194</u>	<u>8,603</u>

8.1 This relates to the difference between the fair value and actual proceed of temporary economic refinance facility loan obtained under SBP's refinance scheme. It is being amortised over the period of ten years from the date of loan disbursement with an amount equal to the difference between the finance cost charged that would have been charged to statement of profit or loss at market rate and the interest paid as per the scheme.

8.2 The Company has adhered to the terms of the grants. During the year, Rs. 5,733 thousand (2024: Rs.6,844 thousand) has been recognised in the statement of profit or loss.

9. LONG TERM DEPOSITS

These deposits have been received in accordance with the Company's Car Incentive Scheme and against these deposits vehicles have been provided to the employees. These are adjustable after specified periods by transfer of title of vehicles to the respective employees.

10. STAFF RETIREMENT BENEFITS - Gratuity

10.1 The Company's obligation as per the latest actuarial valuation in respect of defined benefit gratuity plan is as follows:

The movement in the present value of defined benefit obligation is as follows:

	2025	2024
	---- Rupees in '000 ----	
Balance at beginning of the year	226,139	230,624
Current service cost	36,990	44,444
Interest cost	28,570	29,256
Benefits paid	(64,885)	(89,737)
Remeasurement of obligation	18,072	11,552
Balance at end of the year	<u>244,886</u>	<u>226,139</u>
Expense recognised in statement of profit or loss is as follows:		
Current service cost	36,990	44,444
Interest cost	28,570	29,256
Charge for the year	<u>65,560</u>	<u>73,700</u>
Remeasurement recognised in statement of other comprehensive income		
Experience adjustment	<u>18,072</u>	<u>11,552</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

Actuarial assumptions used

	2025	2024
Discount rate	11.75%	14.75%
Expected rate of increase in future salaries	9.75%	12.75%
Demographic assumptions		
- Mortality rates (for death in service)	SLIC (2001-05)	SLIC (2001-05)
- retirement age	60 years	60 years

10.2 Sensitivity analysis for actuarial assumptions:

The calculation of defined benefit obligation is sensitive to assumptions set-out above. The following table summarizes how defined benefit obligation would have increased / decreased as a result of change in respective assumption by one percent.

	Increase in assumptions	Decrease in assumptions
	--- Rupees in '000' ---	
Discount rate	244,098	269,852
Increase in salaries	270,574	223,069

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

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected maturity analysis of undiscounted obligation is as follows:

Time in years	Rupees in 000'
1	23,121
2	21,138
3	20,885
4	43,031
5	25,624
next five years	238,425

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

10.3 Comparison of present value of defined benefit obligation and experience adjustment on obligation for five years is as follows:

	2025	2024	2023	2022	2021
	----- Rupees in '000 -----				
Present value of defined benefit obligation	244,886	226,139	230,624	251,868	212,613
Experience adjustment: loss on obligation	18,072	11,552	22,876	28,310	24,731

10.4 Based on the Actuary's advice, the expected contribution for the year ending June 30, 2026 to gratuity plan amounts to Rs.72.912 million.

10.5 Gratuity includes liability in respect of key management personnel amounting Rs.nil (2024: Rs.11.561 million)

11. DEFERRED TAXATION - net

	Note	2025	2024
		-- Rupees in '000 --	
This is composed of the following:			
Taxable temporary difference arising in respect of:			
- accelerated tax depreciation allowances		780,865	814,742
- surplus on revaluation of property, plant and equipment		687,156	752,677
		1,468,021	1,567,419
Deductible temporary differences arising in respect of:			
- unused tax losses		685,811	604,587
- provision for doubtful deposit for shares		2,787	2,900
- provision for doubtful debts		24,211	26,242
- staff retirement benefits - gratuity		68,247	65,580
- minimum tax recoverable against normal tax charge in future years	11.1	108,180	108,180
		889,236	807,489
Net deferred tax liability		578,785	759,930

11.1 Deferred tax asset on minimum tax paid under section 113 of the Income Tax Ordinance, 2001 aggregating Rs. 479.610 million (2024: Rs. 603.318 million) has not been recognised in these financial statements based on the uncertainty of availability of future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

12. TRADE AND OTHER PAYABLES

		2025	2024
	Note	-- Rupees in '000 --	
Creditors		290,905	397,301
Due to related parties	12.1	6,363	16,383
Bills payable	12.2	104,080	302,554
Sales tax payable		178,399	0
Accrued expenses		885,614	481,931
Security deposits	12.3	3,000	3,000
		<u>1,468,361</u>	<u>1,201,169</u>
12.1 Due to related parties			
Saif Holdings Limited		721	1,136
Saif Healthcare Limited		2,286	595
Saif Power Limited		0	14,652
Saif Energy Limited		3,356	0
		<u>6,363</u>	<u>16,383</u>

12.2 These are secured against import documents.

12.3 This represents interest free security deposit received from the Company's transport contractor. The amount received has been utilised for the purpose of business in accordance with the written agreement with the contractor.

13. CONTRACT LIABILITIES

The Company, during the year, has recognised revenue aggregating Rs 71.942 million (2024: Rs.103.916 million) out of the contract liabilities balance outstanding at beginning of the year.

14. ACCRUED MARK-UP AND INTEREST

		2025	2024
	Note	-- Rupees in '000 --	
Long term financing		12,152	37,636
Short term financing		158,498	255,572
Loans from Associated Companies		425,107	136,946
		<u>595,757</u>	<u>430,154</u>

15. SHORT TERM BORROWINGS

Running / cash finances - secured	15.1	4,541,105	4,598,904
Loans from Associated Companies			
- Saif Holdings Limited	15.2	0	0
- Saif Power Limited	15.3	1,499,582	968,614
		<u>6,040,687</u>	<u>5,567,518</u>

15.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.4.386 billion (2024: Rs.5.183 billion) and are secured against pledge of stocks, charge on fixed and current assets of the Company and lien over underlying export documents. These finance facilities, during the current financial year, carried mark-up at the rates ranging from 11.97% to 24.44% (2024: 18.05% to 25.96%) per annum and

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

are expiring on various dates by April, 2026. Facilities available for opening letters of credit and guarantee from various commercial banks aggregate Rs. 2.013 billion (2024: Rs.3.598 billion) of which the amount remained unutilised at the year-end was Rs.1.484 billion (2024: Rs.2.935 billion). These facilities are secured against lien over import documents and charge on fixed assets of the Company and are expiring on various dates by September, 2026.

15.2 The Company, during the financial year ended June 30, 2023, had entered into a loan agreement with Saif Holdings Limited (an Associated Company that held 49.58% share capital of the Company) to obtain an unsecured loan upto an amount of Rs.770 million for working capital requirements. The loan carried mark-up at average local borrowing cost rate of the lender + 0.1% spread. The effective mark-up rates charged by the lender, during the preceding financial year, ranged from 22.71% to 23.31% per annum. The loan was repayable by December 31, 2023. The Company, during the preceding financial year, had paid Rs.170 million in respect of principal balance whereas remaining principal balance of Rs.600 million was waived-off by the lender with mutual agreement dated January 26, 2024.

15.3 The Company, during the preceding financial year, has entered into a loan agreement with Saif Power Limited (an Associated Company) to obtain an unsecured running finance facility upto Rs.1,500 million for debt servicing and meeting its working capital requirements. The loan carries mark-up at rate of 0.1% above the lender's average borrowing cost or KIBOR for the relevant period whichever is higher; the effective mark-up rate charged by the lender, during the current financial year, ranged from 13.00% to 22.06% (2024: 22.93%) per annum.

16. CURRENT PORTION OF NON-CURRENT LIABILITIES		2025	2024
	Note	-- Rupees in '000 --	
Long term financing	7	336,594	398,081
Government grant	8	4,409	5,733
		<u>341,003</u>	<u>403,814</u>
17. PROVISION FOR TAX LEVIES - Net			
Balance at beginning of the year		152,189	145,877
Add: provision made for the:			
- current year	29.2	145,193	152,189
- prior year		223	311
		<u>145,416</u>	<u>152,500</u>
Less: adjustment made against completed assessments		152,412	146,188
		<u>145,193</u>	<u>152,189</u>

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 Guarantees aggregating Rs.311.654 million (2024: Rs.311.654 million) have been issued by banks of the Company to different parties including Government institutions and Sui Northern Gas Pipelines Limited.

18.1.2 Gas Infrastructure Development Cess ("GIDC") was initially imposed as a levy on gas consumers in the year 2011 vide GIDC Act, 2011. The said Act was challenged before the Peshawar High Court ("PHC") that declared the levy of GIDC unconstitutional. The Government

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

challenged the PHC's judgment before the Supreme Court of Pakistan ("SCP"). The SCP upheld the PHC's judgment declaring GIDC a fee and not a tax that could not be introduced through money bill. Soon after the said judgment, GIDC Ordinance, 2014 was promulgated through which GIDC was again imposed. The Ordinance was also given retrospective effect from December 15, 2011. While the Ordinance was still in the field, the Government sought a review of the SCP's judgment, which was also dismissed by the SCP.

In May, 2015, the Government had passed the GIDC Act, 2015 whereby GIDC was again imposed on gas consumers. The Company had filed a writ petition before the PHC and challenged the validity of the GIDC Act, 2015. The PHC dismissed the writ petition of the Company vide its judgment dated May 31, 2017 and declared the GIDC Act, 2015 to be intra vires the Constitution. The Company had preferred an appeal to the SCP against the said judgment of PHC. The SCP, vide its detailed judgment dated August 13, 2020, had declared the GIDC Act, 2015 as valid and constitutional. The SCP in its said judgment stated that the Cess under GIDC Act, 2015 is applicable only to those consumers of natural gas which on account of their industrial or commercial dealings had passed on GIDC burden to their end customers / clients.

Subsequently, the Company has filed a review petition against the said judgment of the SCP for waiver of the full amount of GIDC Cess on the ground that the Company, being spinning unit and producing raw materials for weaving sector, has not passed on the burden of GIDC to its customers. The SCP has dismissed the afore-mentioned review petition vide its judgment dated November 02, 2020; however, SCP has mentioned in its said judgment that the companies claiming any relief under the GIDC Act, 2015 may approach the right forum. In case of an adverse decision, the contingent liability aggregates to Rs.279.645 million, calculated on the basis of applicable rate for industry from June, 2015 to October, 2018 because from October, 2018 the gas tariff is inclusive of all charges including GIDC and therefore GIDC is not applicable afterwards.

It is pertinent to mention that SNGPL, as per the SCP's judgment dated August 13, 2020, has raised GIDC demand amounting Rs.35.439 million in the month of August, 2020 and total quantum of 24 instalments aggregated Rs.850.542 million.

In February, 2021, the Company had filed a writ petition No. 872-P/2021 before the PHC claiming non-applicability of GIDC Act, 2015 and had sought relief against the recovery of GIDC Instalment bills. The PHC, vide its judgment dated June 15, 2022, had dismissed the writ petition on the ground of non-maintainability. Afterwards, the Company had filed another writ petition No. 2459-P/2022 challenging recovery of GIDC on various grounds. The PHC had passed an interim order dated July 07, 2022 and thereby restrained SNGPL from cutting off the gas supply and recovering GIDC from the Company.

The management maintains that since the Company has not passed on the burden of GIDC to its consumers, it is not liable to pay GIDC as it clearly falls within the ambit of the exemption in line with section 8(2) of the GIDC Act, 2015.

SNGPL, following the Court's order, corrects gas bill of each month by removing the GIDC amount and requests payment for the net bill amount only i.e., excluding GIDC.

Additionally, para 42(iv) of the SCP's judgment dated August 13, 2020 categorically stated that:

The Federal government shall take all steps to commence work on the laying of the North South pipeline within six months and on TAPI pipeline as soon as its laying in Afghanistan reaches the stage where the work of laying pipeline on Pakistan soil can conveniently start

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

and on IP pipeline as soon as the sanctions on Iran are no more an impediment in its laying. In case no work is carried out on North-South pipeline within the prescribed time and for laying any of the two other major pipelines (IP and TAPI) though the political conditions become conducive, the purpose of levying Cess shall be deemed to have been frustrated and the GIDC Act, 2015 would become permanently in-operational and considered dead for all intents and purposes."

Since the work on IP (Iran-Pakistan Pipeline Project) and TAPI (Turkmenistan-Afghanistan-Pakistan-India) gas pipelines did not commence within six months as ordered by the SCP; therefore, the provisions of GIDC Act, 2015 regarding recovery and applicability of GIDC are no longer applicable and enforceable.

18.1.3 The OGRA, while citing the judgment of the SCP dated May 10, 2019 in civil appeal in number 159-L to 2014-L of 2018 titled Sui Northern Gas Pipelines Ltd, Vs Bulleh Shah Packaging (Pvt.) Ltd., has passed the judgment that the consumers who are having supply of natural gas for industrial use and having in-house electricity generation facility for self-consumption fall in the category of industrial consumers and are subject to the corresponding tariff. The OGRA also directed SNGPL to adjust the excess amount paid. Excess amount paid by the Company amounts to Rs.72.440 million, which is expected to be adjusted by SNGPL in future gas bills. The Company has not accounted for this amount as receivable in its financial statements.

18.1.4 The Company has challenged SRO # 584(I)/2017 by filing a writ petition dated May 15, 2018, before the PHC, challenging the levy of further tax @ 1% on textile goods usable as industrial inputs if supplied to unregistered person under section 3(A) of the Sales Tax Act, 1990. The PHC has granted stay and against the charging of further tax and the Respondents have been asked to submit their comments. The petition before the PHC is pending adjudication. However, in a similar case, Lahore High Court has decided the matter in favour of industry vide its judgment dated December 11, 2018.

18.1.5 The Finance Act, 2018 had amended section 5A (Tax on undistributed profits) of the Income Tax Ordinance, 2001 and introduced tax on every public company at the rate of 5% of its accounting profit before tax for the year. However, this tax would not apply in case the Company distributes 20% of the accounting profit through cash dividend within six months of the end of the said year.

The dividend paid by the Company for the financial year 2019 did not meet the minimum prescribed distribution rate of amended section 5A. In case the judgment of the Court is not in favour of the Company; the Company will be liable to pay additional tax at the rate of 5% of its profit before tax for the financial year ended June 30, 2019. As at reporting date no charge has been recorded in this respect.

A writ petition has been filed before the Peshawar High Court against amendment in section 5A. The Court has issued notice to the respondents; presently, the writ petition is pending adjudication.

18.1.6 A constitutional petition was filed before the Islamabad High Court challenging the vires of section 4C (Super tax on high earning persons) of the Income Tax Ordinance, 2001. The subject petition was decided through a consolidated order dated April 18, 2023 in favour of the petitioner. The Department has filed an intra court appeal before the Division Bench, which is pending adjudication.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

18.1.7 A writ petition was filed during November, 2019 against amendments made in section 65B (Tax credit for investment) of the Income Tax Ordinance, 2001 through Finance Act, 2019. The petition was dismissed vide order dated March 08, 2022. Against the said order civil petition for leave to appeal has been filed before the Supreme Court of Pakistan, which is pending adjudication.

18.1.8 The Company has filed a writ petition before the PHC challenging the impugned notification, which revised RLNG prices for the period from April, 2015 to June, 2022. The Court has restrained SNGPL from collecting the disputed amount of RLNG. The petition is pending adjudication.

18.1.9 The Company has filed a writ petition before the PHC challenging the levy on gas supplied to Captive Power Plants through the Off the Grid (Captive Power Plants) Levy Ordinance, 2025. The Court has restrained SNGPL from collecting the levy. The petition is pending adjudication.

18.2 Commitments

18.2.1 Commitments against irrevocable letters of credit outstanding at the year-end were for Rs.113.800 million (2024: Rs.48.870 million).

18.2.2 The Company has entered into Ijarah arrangements for thirty three (2024: thirty) vehicles with Bank Alfalah Limited, Meezan Bank Limited and First Habib Modaraba. Aggregate commitments for rentals under Ijarah arrangements as at June 30, 2025 were as follows:

		2025	2024
	Note	-- Rupees in '000 --	
Not later than one year		25,047	28,625
Later than one year but not later than five years		25,640	37,796
		<u>50,687</u>	<u>66,421</u>
19. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	19.1	7,494,350	7,819,614
Capital work-in-progress (plant & machinery)		2,202	2,202
Stores and spares held for capital expenditure		99,175	102,136
		<u>7,595,727</u>	<u>7,923,952</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

19.1 Operating Fixed assets - tangible

Owned														
Lease hold land	Buildings on leasehold land	Plant & machinery	Generators	Electric installations	Airconditioning equipment	Furniture and fixtures	Office equipment	Telephone installations	Weighting scales	Fire extinguishing equipment	Gas fittings	Vehicles	Total	

----- Rupees in '000 -----

COST / REVALUATION

Balance as at July 01, 2023	1,014,130	2,156,624	5,798,124	968,569	122,011	130,120	41,536	77,954	8,538	3,992	6,709	1,262	11,144	10,340,713
Additions during the year	0	2,202	9,386	3,211	0	0	19	1,382	162	0	0	0	6,142	22,504
Transfer from right of use to owned	0	0	0	0	0	0	0	0	0	0	0	0	40,566	40,566
Disposals for the year	(542)	0	(85,103)	(12,327)	0	0	0	(1,558)	(1,125)	0	0	0	0	(100,655)
Balance as at June 30, 2024	1,013,588	2,158,826	5,722,407	959,453	122,011	130,120	41,555	77,778	7,575	3,992	6,709	1,262	57,852	10,303,128
Balance as at July 01, 2024	1,013,588	2,158,826	5,722,407	959,453	122,011	130,120	41,555	77,778	7,575	3,992	6,709	1,262	57,852	10,303,128
Additions during the year	0	2,470	1,240	28,750	1,436	0	228	1,507	553	102	0	0	0	36,286
Disposals during the year	0	0	0	0	0	0	0	(551)	(255)	0	0	0	(10,190)	(10,996)
Balance as at June 30, 2025	1,013,588	2,161,296	5,723,647	988,203	123,447	130,120	41,783	78,734	7,873	4,094	6,709	1,262	47,662	10,328,418

DEPRECIATION

Balance as at July 01, 2023	0	0	1,906,876	134,805	0	27,143	20,030	40,592	3,949	2,467	3,384	942	7,837	2,148,025
Charge for the year	11,022	107,881	193,775	41,760	6,101	5,149	2,152	3,730	420	153	333	32	1,787	374,295
Transfer from right of use to owned	0	0	0	0	0	0	0	0	0	0	0	0	30,966	30,966
On disposals during the year	(112)	0	(58,638)	(10,212)	0	0	0	(505)	(305)	0	0	0	0	(69,772)
Balance as at June 30, 2024	10,910	107,881	2,042,013	166,353	6,101	32,292	22,182	43,817	4,064	2,620	3,717	974	40,590	2,483,514
Balance as at July 01, 2024	10,910	107,881	2,042,013	166,353	6,101	32,292	22,182	43,817	4,064	2,620	3,717	974	40,590	2,483,514
Charge for the year	11,018	102,619	184,046	40,762	5,802	4,891	1,939	3,441	370	142	299	29	3,281	358,639
On disposals during the year	0	0	0	0	0	0	0	(252)	(70)	0	0	0	(7,763)	(8,085)
Balance as at June 30, 2025	21,928	210,500	2,226,059	207,115	11,903	37,183	24,121	47,006	4,364	2,762	4,016	1,003	36,108	2,834,068

BOOK VALUE AS AT

JUNE 30, 2024	1,002,678	2,050,945	3,680,394	793,100	115,910	97,828	19,373	33,961	3,511	1,372	2,992	288	17,262	7,819,614
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BOOK VALUE AS AT

JUNE 30, 2025	991,660	1,950,796	3,497,588	781,088	111,544	92,937	17,662	31,728	3,509	1,332	2,693	259	11,554	7,494,350
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Depreciation rate (%)

-	5	5	5	5	5	5	10	10	10	10	10	10	10	20
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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

- 19.2** Had the operating fixed assets been recognised under the cost model, the carrying amounts of each revalued class of operating fixed assets would have been as follows:

	2025	2024
	--- Rupees in '000 ---	
- leasehold land	111,897	113,439
- buildings on leasehold land	481,835	504,671
- plant & machinery	2,801,427	2,947,593
- generators	601,911	604,492
- electric installations	38,919	39,462
- air-conditioning equipment	44,196	46,522
	<u>4,080,185</u>	<u>4,256,179</u>

- 19.3** Leasehold land of the Company and buildings thereon represent 398,257 (2024: 398,257) square meters of land located at Industrial Estate, Gadoon Amazai, District Sawabi, Khyber Pakhtunkhwa.

- 19.4** Based on the latest revaluation exercise carried-out on June 30, 2023, forced sale value of the Company's revalued assets was Rs.6,655.140 million.

19.5 Disposal of operating fixed assets

Asset Description	Cost / Revaluation	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer
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----- Rupees in '000 -----

Items with individual net book value exceeding Rs. 500,000 each

Vehicle

Honda Civic	2,872	2,056	816	816	0	As per company policy	Mr. Noman Shakeel (ex- employee).
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Aggregate value of items having individual book value not exceeding Rs. 500,000 each

Vehicles	7,318	5,707	1,611	5,071	3,460	-----do-----	Various employees.
	10,190	7,763	2,427	5,887	3,460		
Office equipment	551	252	299	248	(51)	Negotiation	Ex-employees.
Telephone installation	255	70	185	138	(47)	-----do-----	-----do-----
2025	<u>10,996</u>	<u>8,085</u>	<u>2,911</u>	<u>6,273</u>	<u>3,362</u>		
2024	100,655	69,772	30,883	34,044	3,161		

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

19.6 Depreciation for the year has been apportioned as under:

	2025	2024
	-- Rupees in '000 --	
Cost of sales	349,608	366,205
Administrative expenses	9,031	8,090
	<u>358,639</u>	<u>374,295</u>

19.7 Intangible assets - Computer software

Computer software, having cost of Rs.19.265 million, which has been fully amortised at the rate of 20% per annum, is still in use of the Company.

20. LONG TERM INVESTMENT - at FVTOCI

	Note	2025	2024
		--- Rupees in '000 ---	
Debt Instruments			
Habib Bank Ltd.			
25 term finance certificates of Rs.100,000 each	20.1	2,500	2,500
Adjustment arising from re-measurement to fair value		(100)	(117)
		<u>2,400</u>	<u>2,383</u>
Soneri Bank Ltd.			
25 term finance certificates of Rs.100,000 each	20.2	2,500	2,500
Adjustment arising from re-measurement to fair value		3	3
		<u>2,503</u>	<u>2,503</u>
Equity securities - un-quoted			
Naymat Collateral Management Company Ltd.			
1,000,000 ordinary shares of Rs.10 each		10,000	10,000
		<u>14,903</u>	<u>14,886</u>

20.1 These carry profit at the rate of 3 months KIBOR + 1.60%. Effective profit rates earned, during the current financial year, ranged from 13.63% to 21.86% (2024: 22.94% to 24.20%) per annum.

20.2 These carry profit at the rate of 6 months KIBOR + 1.70%. Effective profit rates earned, during the current financial year, ranged from 13.92% to 21.81% (2024: 23.16% to 23.83%) per annum.

21. LONG TERM LOANS - Considered good

	Note	2025	2024
		--- Rupees in '000 ---	
Loans and advances to employees	21.1	5,583	4,039
Less: amounts due within the following twelve months shown under current assets		1,192	1,351
		<u>4,391</u>	<u>2,688</u>

21.1 These loans are interest free and have been advanced for construction of house, employees' children educational expenses and for other purposes. These are recoverable in monthly instalments and are adjustable against the gratuity balances of the employees at the end of respective employment terms.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

22. STORES, SPARE PARTS AND LOOSE TOOLS

	2025	2024
	--- Rupees in '000 ---	
Stores	109,746	162,889
Spare parts	134,539	136,587
Loose tools	1,035	242
	245,320	299,718

23. STOCK-IN-TRADE

Raw materials:		
- at mills	609,265	824,969
- in transit	177,255	362,554
	786,520	1,187,523
Work-in-process	300,668	340,073
Finished goods	1,825,654	2,148,039
	2,912,842	3,675,635

23.1 Stock-in-trade include inventories valuing Rs.1,205.650 million (2024: Rs.1,455.530 million) which are pledged with commercial banks as security for short term borrowings (note 15).

24. TRADE DEBTS

	Note	2025	2024
		--- Rupees in '000 ---	
Unsecured - local		3,082,669	1,828,207
Secured			
- export		51,564	36,475
- local		6,075	27,611
		57,639	64,086
Less: allowance for expected credit loss	24.1	(86,873)	(90,489)
		3,053,435	1,801,804

24.1 Provision for impairment

Balance at beginning of the year	90,489	88,389
Charge for the year	0	20,251
Written-off during the year	3,616	18,151
Balance at end of the year	86,873	90,489

25. LOANS AND ADVANCES - Considered good

Current portion of long term loans to employees	21	1,192	1,351
Advances to:			
- employees		3,024	3,464
- suppliers		23,336	13,734
		27,552	18,549

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

26. SHORT TERM PREPAYMENTS

		2025	2024
	Note	-- Rupees in '000 --	
Prepayments	26.1	18,404	1,907

26.1 These prepayments have been made against different day to day expenses.

27. OTHER RECEIVABLES

		2025	2024
	Note	-- Rupees in '000 --	
Due from a related party	27.1	0	2,068
Receivable from Sui Northern Gas Pipelines Ltd.	27.2	23,331	23,331
Advances against letters of credit		173	179
Mark-up subsidy claims receivable	27.3	25,680	25,680
		49,184	51,258

27.1 This balance had arisen in the normal course of business and was due from Saif Energy Ltd.

27.1.1 The maximum outstanding balance due from the related parties at the end of any month during the year was as follows:

	2025	2024
	-- Rupees in '000 --	
- Saif Energy Ltd.	3,286	2,068
- Mediterranean Textile Company (S.A.E.), Egypt	0	25,257
	3,286	27,325

27.2 This represents excessive gas bills paid, during the financial year ended June 30, 2010 and 2015, under protest against which the Company has filed a complaint with the Oil & Gas Regulatory Authority, Islamabad. Presently, the Company's case is pending with the Regional Detection & Evaluation Committee of Sui Northern Gas Pipelines Ltd. for final decision.

27.3 These represent mark-up subsidy claims booked under the Government's "Technology Up-gradation Support Order 2010". These claims have been duly verified by the relevant banks of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

28. DEPOSIT FOR SHARES

		2025	2024
	Note	-- Rupees in '000 --	
Security Electric Power Company Ltd. - SEPCL (an Ex - Associated Company)	28.1	10,000	10,000
Less: provision for doubtful deposit for shares	28.2	10,000	10,000
		0	0

28.1 The Company had deposited Rs.5 million during the financial year ended September 30, 1994 and Rs.5 million during the financial year ended September 30, 1998 with SEPCL for purchase of shares. Shares against these deposits, however, have not been issued so far.

28.2 Full provision against these doubtful deposits was made as the management was of the view that SEPCL had abandoned the project due to IPP crisis and SEPCL utilised this amount in payment of penalty imposed by the Private Power Infrastructure Board (Ministry of Water and Power). The Company had filed a complaint before the Wafaqi Muhtasib for recovery of the said deposit along with penalty. As remote chances of recovery existed, full provision for doubtful deposits for shares was made in the books of account during the financial year ended September 30, 2000.

29. TAXATION - Net

	2025	2024
	--- Rupees in '000 ---	
Balance of advance tax at beginning of the year	336,433	359,433
Add: income tax deducted / paid during the year	120,212	120,377
	456,645	479,810
Less : adjustments made against completed assessments	147,461	143,377
Balance of advance tax at end of the year	309,184	336,433

29.1 Income tax assessments of the Company have been finalised by the Income Tax Department or deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (the Ordinance) upto the tax year 2024.

29.2 No numeric tax rate reconciliation has been given in these financial statements as provisions made for the current financial year represents tax payable under sections 113 (Minimum tax on the income of certain persons) and 154 (Exports) of the Ordinance.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

30. TAXES REFUNDS DUE FROM GOVERNMENT

		2025	2024
	Note	-- Rupees in '000 --	
Minimum tax paid under protest	30.1	5,034	5,034
Sales tax refundable		0	106,227
		<u>5,034</u>	<u>111,261</u>

- 30.1** The Company had made payments aggregating Rs.12.736 million till September 30, 2003 under protest; however, Rs.3.000 million were adjusted against the completed assessment during the financial year ended September 30, 2004. The Company, during the financial year ended June 30, 2008, had received refund of Rs.4.702 million.

31. BANK BALANCES

		2025	2024
	Note	-- Rupees in '000 --	
Cash at banks on:			
- current accounts	31.1	33,357	20,666
- saving accounts		43	57
		<u>33,400</u>	<u>20,723</u>

- 31.1** These include foreign currency balances of U.S.\$ 956 (2024: U.S.\$ 956).

32. SALES - Net

		2025	2024
		--- Rupees in '000 ---	
Own manufactured goods:			
Local			
- yarn		13,169,227	12,974,702
- waste		122,851	107,483
- surgical cotton		91,127	86,580
		<u>13,383,205</u>	<u>13,168,765</u>
Export			
- yarn		16,681	133,253
- surgical cotton		133,727	343,882
		<u>150,408</u>	<u>477,135</u>
Trading activities:			
Local raw materials		120,170	461,202
		<u>13,653,783</u>	<u>14,107,102</u>
Less: sales tax		2,059,837	1,858,440
		<u>11,593,946</u>	<u>12,248,662</u>

- 32.1** All the contracts with the customers were under one performance obligation and the revenue has been recognised at the point in time when the goods have been transferred to the customers.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

33. COST OF SALES

	Note	2025 --- Rupees in '000 ---	2024
Raw materials consumed	33.1	5,590,495	7,470,334
Salaries, wages and benefits	33.2	1,096,505	1,023,297
Packing materials consumed		172,902	235,030
Dyes and chemicals consumed		305,658	352,724
Power and fuel		2,135,308	1,670,446
Repair and maintenance		188,880	231,092
Depreciation	19.6	349,608	366,205
Insurance		43,077	43,984
Rent		5,282	9,258
Vehicles' running and maintenance		24,450	19,442
Travelling and conveyance		6,589	4,774
Textile cess		88	107
Others		13,868	12,272
		9,932,710	11,438,965
Adjustment of work-in-process			
Opening		340,073	426,686
Closing		(300,668)	(340,073)
		39,405	86,613
Cost of goods manufactured		9,972,115	11,525,578
Adjustment of finished goods			
Opening stock		2,148,039	911,443
Purchases		65,942	166,401
Closing stock		(1,825,654)	(2,148,039)
		388,327	(1,070,195)
		10,360,442	10,455,383
33.1 Raw materials consumed			
Opening stock		1,187,523	1,455,718
Purchases (for manufacturing)		5,071,047	6,844,430
Cost of raw materials sold		117,742	356,522
		5,188,789	7,200,952
		6,376,312	8,656,670
Less: closing stock		786,520	1,187,523
		5,589,792	7,469,147
Add: cotton cess		703	1,187
		5,590,495	7,470,334

33.2 These include Rs.38.241 million (2024: Rs.42.990 million) in respect of staff retirement benefits - gratuity.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

34. DISTRIBUTION COST

	Note	2025 --- Rupees in '000 ---	2024
Staff salaries and benefits	34.1	37,090	41,774
Travelling		4,155	5,809
Vehicles' running and maintenance		5,835	5,858
Communication		423	436
Loading and unloading		30,680	24,912
Freight on local yarn sales		73,567	77,925
Freight on export yarn sales		18,803	32,541
Export expenses		416	1,273
Insurance		1,824	990
Commission on sales		28,074	37,745
		<u>200,867</u>	<u>229,263</u>

34.1 These include Rs.8.745 million (2024: Rs.9.832 million) in respect of staff retirement benefits - gratuity.

35. ADMINISTRATIVE EXPENSES

	Note	2025 --- Rupees in '000 ---	2024
Directors' meeting fee		495	660
Salaries and benefits	35.1	116,199	136,442
Travelling and conveyance		2,079	2,205
Rent, rates and taxes		16,265	7,438
Ijarah rentals		20,473	19,956
Entertainment		3,879	3,967
Communication		2,523	4,885
Printing and stationery		1,581	2,309
Electricity, gas and water		7,978	7,216
Insurance		4,976	4,407
Repair and maintenance		2,973	3,432
Vehicles' running and maintenance		13,656	20,513
Advertisement		198	303
Fees and subscription		21,916	14,912
Newspapers and periodicals		86	103
Depreciation related to operating fixed assets	19.6	9,031	8,090
Depreciation related to right of use assets		0	9,493
Auditors' remuneration	35.2	2,151	2,030
Legal and professional (other than Auditors)		5,348	2,101
Others		45	200
		<u>231,852</u>	<u>250,662</u>

35.1 These include Rs.18.573 million (2024: Rs. 20.879 million) in respect of staff retirement benefits - gratuity.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

35.2 Auditors' remuneration

	2025	2024
	--- Rupees in '000 ---	
Statutory audit		
- current year	1,863	1,700
- prior year	0	(274)
Half yearly review	168	184
Certification charges	105	395
Out-of-pocket expenses	15	25
	<u>2,151</u>	<u>2,030</u>

35.3 The Company, during the current financial year, has shared administrative expenses aggregating Rs.5.935 million (2024: Rs.7.934 million) with Kohat Textile Mills Ltd. a related party on account of proportionate expenses of the combined offices at Karachi and Lahore. These expenses have been booked in the respective heads of account.

36. OTHER INCOME

	Note	2025	2024
		--- Rupees in '000 ---	
Sale of scrap - net of sales tax of Rs.3,875 thousand (2024: Rs.3,930 thousand)		21,526	21,834
Loan liability waived-off by an Associated Company	15.2	0	600,000
Profit on bank deposits		6	25
Profit on term finance certificates		871	1,179
Amortisation of government grant	8.2	5,733	6,844
Gain on sale of operating fixed assets	19.5	3,362	3,161
		<u>31,498</u>	<u>633,043</u>

37. OTHER EXPENSES

		2025	2024
Donations	37.1	0	1,860
Provision for impairment of trade debts - net	24.1	0	20,251
		<u>0</u>	<u>22,111</u>

37.1 No amount was donated during the current year; [2024: these included Rs.1.500 million and Rs. 0.360 million donated to Akbar Kare Institute and Wadaan Foundation for Sustainable Development (Technical and Training Institute) respectively. These companies have been set up under section 42 of the Companies Act, 2017. Following directors of the Company are directors in both the Companies:

- Ms. Hoor Yousafzai
- Mr. Osman Saifullah Khan
- Mr. Rana Muhammad Shafi

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

38. FINANCE COST

	Note	2025 --- Rupees in '000 ---	2024
Mark-up on long term financing		62,710	261,070
Mark-up on short term borrowings		757,514	1,145,852
Mark-up on loans from Associated Companies		380,678	121,353
Lease finance charges		0	730
Local bills discounting charges		26,996	64,217
Bank and other charges		23,733	46,545
		<u>1,251,631</u>	<u>1,639,767</u>

39. EXCHANGE FLUCTUATION GAIN / (LOSS)

Exchange fluctuation gain / (loss) on foreign debtors - net		334	(807)
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40. TAXATION

Deferred	11	(176,109)	119,646
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41. (LOSS) / EARNINGS PER SHARE

(Loss) / profit after taxation attributable to ordinary shareholders		(388,321)	11,566
--	--	-----------	--------

---- No. of shares ----

Weighted average number of ordinary shares outstanding during the year		<u>26,412,880</u>	<u>26,412,880</u>
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----- Rupees -----

(Loss) / earnings per share - basic		<u>(14.70)</u>	<u>0.44</u>
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41.1 Diluted

A diluted (loss) / earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2025 and June 30, 2024 which would have any effect on the (loss) / earnings per share if the option to convert is exercised.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

42. CASH FLOW FROM OPERATING ACTIVITIES

	Note	2025 --- Rupees in '000 ---	2024
(Loss) / profit for the year - before taxation, minimum and final tax levies		(419,014)	283,712
Adjustments for non-cash charges and other items:			
Depreciation and amortisation		358,639	383,788
Staff retirement benefits - gratuity (net)		675	(16,037)
Gain on sale of operating fixed assets - net	36	(3,362)	(3,161)
Finance cost		1,227,898	1,593,222
Exchange fluctuation (gain) / loss on foreign debtors - net	39	(334)	807
Payable balance of loan waived-off by an Associated Company	36	0	(600,000)
Profit before working capital changes		1,164,502	1,642,331
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		54,398	78,433
Stock-in-trade		762,793	(881,788)
Trade debts		(1,251,297)	(275,984)
Loans and advances		(9,003)	44,109
Short term prepayments		(16,497)	6,146
Other receivables		2,074	23,596
Tax refunds due from Government		106,227	(106,227)
(Decrease) / increase in current liabilities:			
Trade and other payables		267,192	448,913
Contract liabilities		86,787	(30,582)
		2,674	(693,384)
Cash generated from operating activities		1,167,176	948,947
Taxes and levies paid		(120,212)	(125,328)
Long term loans		(1,703)	20,632
Long term deposits		(21,229)	4,671
Long term deposits from employees		(714)	(5,118)
Net cash generated form operating activities		1,023,318	843,804

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

43.1 Financial Risk Factors

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

- market risk
- credit risk; and
- liquidity risk.

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

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as currency risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

43.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on financing, import of raw materials, plant & machinery, stores & spares, foreign debtors and claim receivables denominated in U.S. Dollar. The Company's exposure to foreign currency risk for U.S. Dollar is as follows:

2025	Rupees	U.S. \$
	----- in '000 -----	
Bills payable	104,080	366
Trade debts	(51,564)	(182)
Bank balances	(282)	(1)
	(51,846)	(183)
Gross reporting date exposure	52,234	184
Outstanding letters of credit	113,800	401
Net exposure	166,034	584

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

2024	Rupees	U.S. \$
	----- in '000 -----	
Bills payable	302,554	1,085
Trade debts	(36,475)	(131)
Bank balances	(279)	(1)
	(36,754)	(132)
Gross reporting date exposure	265,800	953
Outstanding letters of credit	48,870	175
Net exposure	314,670	1,128

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2025	2024	2025	2024
U.S. Dollar to Rupee	283.39	282.60	284.10	278.80

At June 30, 2025, if Rupee had strengthened by 10% against U.S.\$ with all other variables held constant, loss after taxation for the year would have been lower by Rs.5.227 million (net) mainly as a result of foreign exchange gain / loss on translation of foreign currency financial assets and liabilities; [2024: if Rupee had strengthened by 10% against U.S.\$ with all other variables held constant, profit after taxation for the year would have been higher by Rs.26.574 million (net) mainly as a result of foreign exchange gain / loss on translation of foreign currency financial assets and liabilities].

The weakening of Rupee against U.S. Dollar would have had an equal but opposite impact on loss after taxation.

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

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

	2025	2024	2025	2024
	Effective rate		Carrying amount	
Financial liabilities	%	%	---	---
Variable rate instruments			in '000	
Long term financing	3.00 to 23.72	3.00 to 25.44	1,303,987	1,692,700
Short term borrowings	11.97 to 24.44	18.05 to 25.96	6,040,687	5,567,518

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2025, if interest rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, loss after taxation for the year would have been higher / lower by Rs.73.447 million mainly as a result of higher / lower interest expense on variable rate financial liabilities; (2024: if interest rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit after taxation for the year would have been lower / higher by Rs.72.602 million mainly as a result of higher / lower interest expense on variable rate financial liabilities).

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result 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 instruments or its issuer or factors affecting all similar financial instruments traded in the market.

The Company is exposed to equity securities price risk because of its investments classified as fair value through other comprehensive income. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the board of directors.

43.3 Credit risk exposure and concentration of credit risk

Credit risk represents the risk of a loss to the Company if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

Credit risk primarily arises from trade debts and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 30 days to reduce the credit risk. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2025 along with comparative is tabulated below:

	2025	2024
	--- Rupees in '000 ---	
Long term investments	14,903	14,886
Long term deposits	51,799	30,570
Trade debts	3,140,308	1,892,293
Other receivables	49,011	51,079
Bank balances	33,400	20,723
	<u>3,289,421</u>	<u>2,009,551</u>
Trade debts exposure by geographic region is as follows:		
Domestic	3,088,744	1,855,818
Export	51,564	36,475
	<u>3,140,308</u>	<u>1,892,293</u>

The majority of export debts of the Company are situated in Europe, Asia and South America.

	Exposure at default	Expected credit Loss
The expected credit allowance for trade debts at the reporting date is calculated below:		
Not yet due	1,267,135	0
Past due :		
1 - 30 days	723,650	0
31 - 60 days	400,408	0
61 - 90 days	298,409	27,001
91 - 120 days	263,223	26,000
120 days and above	187,483	33,872
	<u>3,140,308</u>	<u>86,873</u>

The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company has estimated credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. At the reporting date, the Company's management believes

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

that required impairment allowance in respect of doubtful trade debts has been accounted for, as trade debts aggregating Rs.1,465.710 million have been realised subsequent to the year-end and for other trade debts there are reasonable grounds to believe that the amounts will be realised in short course of time. Further, major export debts are secured through letters of credit.

Investments comprise of share-holdings in listed and un-listed securities. The management assesses the credit quality ratings of its holdings and diversifies its portfolio accordingly.

43.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity 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.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
2025	----- Rupees in '000 -----				
Long term financing	1,303,987	1,973,370	524,446	1,285,518	163,406
Trade and other payables	1,289,962	1,289,962	1,289,962	0	0
Accrued mark-up and interest	595,757	595,757	595,757	0	0
Short term borrowings	6,040,687	6,826,783	6,826,783	0	0
Unclaimed dividends	9,042	9,042	9,042	0	0
	<u>9,239,435</u>	<u>10,694,914</u>	<u>9,245,990</u>	<u>1,285,518</u>	<u>163,406</u>

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
2024	----- Rupees in '000 -----				
Long term financing	1,692,700	2,890,875	705,436	1,772,500	412,939
Trade and other payables	1,201,169	1,201,169	1,201,169	0	0
Accrued mark-up and interest	430,154	430,154	430,154	0	0
Short term borrowings	5,567,518	6,146,511	6,146,511	0	0
Unpaid dividends	473	473	473	0	0
Unclaimed dividends	8,586	8,586	8,586	0	0
	<u>8,900,600</u>	<u>10,677,768</u>	<u>8,492,329</u>	<u>1,772,500</u>	<u>412,939</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark-up rates effective at the respective year-ends. The rates of interest / mark-up have been disclosed in the respective notes to these financial statements.

43.5 Fair value measurement of financial instruments

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The Company's financial assets measured at fair value consists of level 2 financial assets aggregating Rs.4.903 million (2024: Rs.4.886 million) and level 3 financial assets amounting Rs.10 million (2024: Rs.10 million). The carrying values of other financial assets and liabilities reflected in the financial statements approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

43.6 Financial instruments by category

	Amortised cost		Financial assets at fair value through OCI	Financial assets at fair value through OCI
	2025	2024	2025	2024
Financial assets as per statement of financial position	----- Rupees in '000 -----			
Long term investments	0	0	14,903	14,886
Long term loans	4,391	2,688	0	0
Long term deposits	51,799	30,570	0	0
Trade debts	3,140,308	1,892,293	0	0
Loans and advances	4,216	4,815	0	0
Other receivables	49,011	51,079	0	0
Bank balances	33,400	20,723	0	0
	<u>3,283,125</u>	<u>2,002,168</u>	<u>14,903</u>	<u>14,886</u>

	Financial liabilities measured at amortised cost	
	2025	2024
Financial liabilities as per statement of financial position	-- Rupees in '000 --	
Long term financing	1,303,987	1,692,700
Long term deposits	13,519	14,233
Trade and other payables	1,289,962	1,201,169
Accrued mark-up and interest	595,757	430,154
Short term borrowings	6,040,687	5,567,518
Unpaid dividend	0	473
Unclaimed dividend	9,042	8,586
	<u>9,252,954</u>	<u>8,914,833</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

43.7 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Long term financing	Short term borrowings	Accrued mark-up and interest	Dividend
2025	----- Rupees in '000 -----			
Balance as at July 01, 2024	1,692,700	6,167,518	430,154	9,059
Changes from financing activities				
Finances (repaid) / obtained	(394,447)	473,169	0	0
Transferred to deferred income	5,733	0	0	0
Finance cost paid	0	0	(1,062,294)	0
Dividend paid	0	0	0	(17)
Total changes from financing cash flows	1,303,986	6,640,687	(632,140)	9,042
Other changes				
Mark-up / interest expense	0	0	1,227,898	0
Balance as at June 30, 2025	1,303,986	6,640,687	595,758	9,042

	Long term financing	Lease Liabilities	Short term borrowings	Accrued mark-up and interest	Dividend
2024	----- Rupees in '000 -----				
Balance as at July 01, 2023	1,180,485	6,372	5,929,231	414,485	9,068
Changes from financing activities					
Finances obtained	1,101,981	0	0	0	0
Finances (repaid) / obtained	(596,610)	0	238,287	0	0
Transferred to deferred income	6,844	0	0	0	0
Reassessment due to mark-up rate change	0	751	0	0	0
Repayment / adjustment of finance lease liabilities	0	(7,853)	0	0	0
Finance cost paid	0	0	0	(1,577,553)	0
Dividends paid	0	0	0	0	(9)
Total changes from financing cash flows	1,692,700	(730)	6,167,518	(1,163,105)	9,059
Other changes					
Mark-up / interest expense	0	730	0	1,593,222	0
Balance as at June 30, 2024	1,692,700	0	6,167,518	430,117	9,059

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

44. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. It is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (long term financing and short term borrowings as shown in the statement of financial position) less bank balances. Total equity includes all capital and reserves of the Company that are managed as capital. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

	2025	2024
	--- Rupees in '000 ---	
Total borrowings	7,349,083	7,265,951
Less: Bank balances	33,400	20,723
Net debt	7,315,683	7,245,228
Total equity	3,747,210	4,148,550
Total capital	11,062,893	11,393,778
Gearing ratio	66%	64%

45. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Associated Companies, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Details of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

45.1 Name and nature of relationship

Associated Companies and undertaking (due to common directorship)

Saif Holdings Ltd.

Kohat Textile Mills Ltd.

Mediterranean Textile Company (S.A.E.), Egypt

Akbar Kare Institute

Wadaan Foundation for Sustainable Development

Saif Power Limited

Saif Energy Limited

Saif Healthcare Limited

Related Party (due to common directorship)

Sui Northern Gas Pipelines Limited (SNGPL)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

Key management personnel

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

45.2 Significant transactions with the related parties

	2025	2024
	--- Rupees in '000 ---	
Sales of:		
- raw materials	34,998	0
- operating fixed assets	0	16,752
Purchase of:		
- raw materials	206,272	151,179
- sui gas expense accrued	1,777,529	1,644,535
Loans obtained	530,968	1,968,595
Loan repaid	0	170,000
Balance of loan waived-off	0	600,000
Mark-up on loans	380,678	177,890
Donations paid	0	1,860
Key management personnel		
- remuneration and other employment benefits	12,226	10,722

46. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	Chief Executive		Executives	
	2025	2024	2025	2024
	----- Rupees in '000 -----			
Meeting fees	60	90	0	0
Managerial remuneration	0	0	26,664	33,438
House rent and utilities	0	0	14,665	18,391
Retirement benefits	0	0	1,182	1,599
Medical expenses reimbursed	0	0	283	1,624
	60	90	42,794	55,052
Number of persons	1	1	12	15

46.1 Meeting fees of Rs.435 thousand (2024: Rs.525 thousand) were also paid to seven (2024: six) non-executive directors during the year.

46.2 Some of the executives have also been provided with the Company maintained cars and residential telephones.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

47.	CAPACITY AND PRODUCTION		2025	2024
47.1	Spinning units			
	No. of spindles installed		105,744	105,744
	Average of spindles shifts installed	Figure in '000	115,790	116,107
	Average of spindles shifts worked	Figure in '000	72,032	92,700
	No. of days worked		365	366
	No. of shifts worked		1,095	1,098
	Average count		34.25	35.98
	Actual production	Kgs Figure in '000	12,088	14,810

It is difficult to describe precisely the production capacity in textile spinning industry since it fluctuates widely depending on various factors, such as count of yarn spun, spindles speed, twist per inch and raw materials used, etc. It also varies according to the pattern of production adopted in a particular year.

47.2	Dyeing		2025	2024
	Cotton / Fibre Dyeing Unit			
	Total number of days worked		365	366
	No. of shifts worked		1,095	1,098
	Installed capacity	Kgs Figure in '000	5,475	4,563
	Actual production	Kgs Figure in '000	3,245	3,103

48. OPERATING SEGMENT

These financial statements have been prepared on the basis of single reportable segment.

- 48.1 Yarn sales represent 97% (2024: 93%) of the total sales of the Company.
- 48.2 99% (2024: 97%) of the Company's sales relate to customers in Pakistan.
- 48.3 All non-current assets of the Company as at June 30, 2025 are located in Pakistan.
- 48.4 The Company does not have any customer having sales of ten percent or more during the year ended June 30, 2025 and 2024.

49.	NUMBER OF EMPLOYEES		2025	2024
	Total number of employees as at June 30,		1,837	1,998
	Average number of employees during the year		1,745	1,958

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

50. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed as required under Paragraph 10 of item VI and item VII of Part I of the 4th Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

	2025		2024	
	Carried under		Carried under	
	Non - Sharia arrangements	Sharia arrangements	Non - Sharia arrangements	Sharia arrangements
	----- Rupees in '000 -----			
Long term financing	1,161,153	142,834	1,444,851	247,849
Short term borrowings	3,506,851	2,533,836	3,234,832	2,332,685
Bank balances - current and deposits	18,731	14,669	8,045	12,678
Profit earned from bank deposits	6	0	22	3
Profit paid	595,060	434,506	768,431	607,331

The Company has banking relationship with Islamic windows of conventional banking system as well as Shariah compliant banks only.

51. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made in these financial statements.

52. DATE OF AUTHORISATION

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



MUHAMMAD WASEEM ASLAM
Chief Financial Officer



RANA MUHAMMAD SHAFI
Director



ASSAD SAIFULLAH KHAN
Chief Executive Officer

حصہ داری کی تفصیل:

کمپنیز ایکٹ 2017 کے مطابق 30 جون 2025 کو کمپنی کی حصہ داری کا نمونہ (Pattern of Shareholdings) منسلک (annexed) ہے / کیا گیا ہے۔

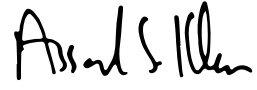
اہم نوٹ

ڈائریکٹرز کمپنی کے اراکین، مالیاتی اداروں اور صارفین کے تعاون کے لیے ان کے مشکور ہیں۔ ڈائریکٹرز کمپنی کے ملازمین کی مسلسل خدمات، وفاداری اور کوششوں کے لیے حیران تحسین پیش کرنا چاہیں گے۔ ہم آنے والے دنوں میں اسی تعاون اور لگن کے منتظر ہیں۔

بورڈ کے لیے اور اس کی جانب سے



رانا محمد شفیع
ڈائریکٹر



اسد سیف اللہ خان
چیف ایگزیکٹو آفیسر

جگہ: اسلام آباد
تاریخ: 30، ستمبر 2025

انسانی وسائل کا انتظام:

یہ بات بالکل درست ہے کہ ہیومن ریسورس پلاننگ اور مینجمنٹ (انسانی وسائل کی منصوبہ بندی اور انتظام) سینیئر مینجمنٹ کے لیے سب سے اہم غور و فکر میں سے ایک ہے۔ اسی اہمیت کے پیش نظر، کمپنی نے ایک HR&R کمیٹی (ہیومن ریسورس اور ریویو زبیشن کمیٹی) قائم کی ہے جو کہ کلیدی انتظامی عملے کے انتخاب، ترقی، معاوضے اور حبالین کی منصوبہ بندی میں شامل ہے۔ یہ کمیٹی انسانی وسائل کی پالیسیوں اور طریقہ کار میں بہتری لانے اور ان کا وقت آوقتاً حوالہ لینے کی سفارشات پیش کرنے میں بھی اپنا کردار ادا کرتی ہے۔

رکٹ مینجمنٹ اور اندرونی کنٹرول:

کمپنی کی رکٹ مینجمنٹ پالیسی (خطہ کے انتظام کی پالیسی) ماحول کا مسلسل حوالہ لینے پر زور دیتی ہے تاکہ کسی بھی خطہ کے خلاف پلک پیدا کی جاسکے۔ بورڈ نے ایک آزاد اندرونی آڈٹ فنکشن کے ذریعے اندرونی کنٹرول مندرجہ درجہ کو مؤثر طریقے سے لاگو کیا ہے اور اس کی نگرانی کی ہے، یہ فنکشن خارجی آڈٹ (External Audit) کے فنکشن سے مکمل طور پر آزاد ہے۔

کارپوریٹ بریڈنگ سیشن:

ہائرس، جیٹال پلان، جسروڈ روڈ، پشاور KPTMA 19 نومبر 2024 کو (CBS) کمپنی نے اپنا سالانہ کارپوریٹ بریڈنگ سیشن منعقد کیا۔ ہم سی بی ایس کو اسٹیک ہولڈرز اور مکمل سرمایہ کاروں کے ساتھ بات چیت کرنے کا ایک موقع سمجھتے ہیں، جس کے تحت کمپنی معاشی اور غیر ملکی سرمایہ کاروں کو ملک کے کاروباری ماحول اور اقتصادی اشاریوں کے بارے میں آگاہ کرنے، اس کی مالی کارکردگی، معاشی ماحول کی وضاحت کرنے کا موقع مندرجہ ذیل ہے جس میں کمپنی سرمایہ کاری کے فیصلے، درپیش چیلنجز کے ساتھ ساتھ کاروباری نقطہ نظر پر کام کرتی ہے۔

متعلقہ مندرجوں کے ساتھ لین دین:

سال کے دوران متعلقہ مندرجوں کے ساتھ تمام لین دین (تمام معاملات (از منسلک پیمر کے گئے، یعنی ان کی شرائط و ضوابط ایسی تھیں جیسے غیر متعلقہ مندرجوں کے ساتھ ہوتی ہیں۔ یہ تمام لین دین حوالہ اور منظوری کے لیے بورڈ آف کمیٹی اور بورڈ کے سامنے پیش کیے گئے۔ یہ معاملات کارپوریٹ گورننس کوڈ کی مکمل تعمیل میں کیے گئے اور ظاہر کیے گئے ہیں۔

کسٹروکٹ:

کمپنی کا خیال ہے کہ اس کے متاثر شدہ صارفین اس کی کاروباری کامیابی کی بنیاد ہیں۔ کمپنی کی پالیسیاں مکمل طور پر صارفین پر مرکوز ہیں۔ مارکیٹ اور صارفین کے ساتھ مکمل رابطے ہمیشہ آپ کی کمپنی کو اس متاثر بنایا ہے کہ وہ صارفین کو پسند کر کے برقرار رکھنے کے لیے بہترین موزوں پروڈکٹس اور سروسز کی مکمل تعمیل میں کیے گئے اور ضروریات کو بہتر طریقے سے سمجھ سکے۔

ذریعوں کی تخلیق برائے معاشی کمیٹی:

کمپنی نے اپنی فیکٹری کے احاطے اور اس کے آس پاس کے علاقے میں مابہر اور غیر مابہر معاشی امور کے لیے سیکٹروں ملازمتیں متعارف کرائی ہیں۔ روزگار کی یہ تخلیق صرف معاشی آبادی کی قوت خرید میں اضافہ کرتی ہے بلکہ انہیں اپنے معیار زندگی کو بہتر بنانے کا ایک مناسب موقع بھی مندرجہ ذیل ہے۔

بیرونی آؤٹسورس:

موجودہ آؤٹسورسز، میسرز سائن ونگ حمید چوہدری اینڈ کو چارٹرڈ اکاؤنٹنٹس، سیکرٹریٹس، سیکرٹریٹس اور چوکنہ وہ دوبارہ تقرری کے اہل ہیں، لہذا وہ اپنے آپ کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ آؤٹسورس کمیٹی کی تجویز پر، بورڈ ان کی بطور کمیٹی آؤٹسورس تقرری کی سفارش کرتا ہے تاکہ وہ اس سالانہ جنرل میٹنگ (جو ۲۴ اکتوبر ۲۰۲۵ کو منعقد ہوگی) کے اختتام سے لے کر آئندہ سالانہ جنرل میٹنگ کے اختتام تک اپنے عہدے پر فائز رہیں۔

مواصلات:

کمپنی شیئر ہولڈرز کے ساتھ رابطے کی اہمیت پر توجہ مرکوز کرتی ہے۔ سالانہ، ششماہی اور سہ ماہی رپورٹس ان کو کمپنیز ایکٹ 2017 میں بیان کردہ وقت کے اندر تقسیم کی جاتی ہیں۔ سرگرمیاں اس کی ویب سائٹ

پر بروقت بنیادوں پر اپ ڈیٹ کی جاتی ہیں۔ www.saitextile.com

اہم اصطلاحات:

ہماری کمپنی مساوی مواقع مندرجہ ذیل والا ادارہ ہے اور یہاں جنسی بنیاد پر احسرت میں کوئی تفریق نہیں کی جاتی۔ کمپنی میں تمام ملازمین کو ان کے کام کی مقدار اور کارکردگی کی بنیاد پر معاوضہ دیا جاتا ہے۔ تاہم، ہماری تازہ ترین گنتی کے مطابق، اوسط جنسی احسرت کا فرق 78 (Mean Gender Pay Gap) فیصد ہے اور ڈیٹا جنسی احسرت کا فرق 76 (Median Gender Pay Gap) فیصد ہے۔ یہ اعداد و شمار ظاہر کرتے ہیں کہ مختلف سطحوں اور شعبوں میں مردوں کے مقابلے میں خواتین کی مجموعی تعداد اور تنخواہ کی تقسیم میں ایک واضح تفاوت موجود ہے۔ ہم اس فرق کی وجوہات کو سمجھنے، خاص طور پر عملی تنخواہ والے عہدوں پر خواتین کی نمائندگی کو بہتر بنانے اور مساوی کام کے لیے مساوی احسرت کے اصول کو برسرِ عمل پر مبنی رکھنے کے لیے پرعزم ہیں۔

پائیداری (سٹینڈیلٹی):

پرزور دینے کے ساتھ ساتھ ماحولیاتی خطرات اور (ESG) بورڈ ماحولیاتی، سماجی، اور حکمرانی کے اصولوں مواقع کے حوالے سے اپنی ذمہ داری کو تسلیم کرتا ہے۔ ہم نے کمیونٹی کی ترقی اور اپنی انفرادی قوت کو بہتر بنانے کے لیے اپنی ترجیحی بنیاد پر کوشش کی ہے۔ سالانہ شہر کاری مہم نے گزشتہ 3 سالوں میں اجتماعی طور پر 5000 سے زیادہ درخت لگائے ہیں۔ اس کے نتیجے میں کاربن کے اخراج کو کم کر کے مثبت ماحولیاتی اثرات مسترب ہوئے ہیں۔

کے تقاضے پائیداری سے متعلق مالی معلومات کے انکشاف کے لیے عمومی تقاضے IFRS S1 کمپنی "موسم سے متعلق انکشافات کے تقاضوں" کو بھی سمجھتی ہے۔

ہمارا جد اگانہ انداز، مساوات، اور شمولیت (DE&I) کا نقطہ نظر ہم کے ہر کن کا احترام کرنے اور ترقی کے کام کے لیے سازگار، منصفانہ اور معاون ماحول کو یقینی بنانے کے لیے ہمارے عزم کو واضح کرتا ہے۔

ایک وقتاً فوقتاً مادی مواقع منرا ہم کرنے والے مالکان کے طور پر، ہم ایک ایسا ماحول بناتے ہیں جہاں تمام ملازمین محسوس کرتے ہیں کہ وہ سیکھ سکتے ہیں، اپنا حصہ ڈال سکتے ہیں اور ترقی کر سکتے ہیں۔

ریسک منصف پیفٹ منڈز:

کمپنی اپنے مستقل ملازمین کے لیے ٹان فنڈ ڈگریجوٹی سکیم شروع کی ہے۔ تازہ ترین انکچوریل ویلیو ایسٹن 30 جون 2024 کو کی گئی۔

صحت، حفاظت اور ماحول:

ہم اپنے سرشار ملازمین کے ساتھ ساتھ اپنی فیکٹری کے احاطے کے آس پاس رہنے والے لوگوں کی صحت اور حفاظت کے لیے بہترین ممکنہ معیار کو برقرار رکھنے میں اپنی ذمہ داری محسوس کرتے ہیں۔ ملازمین کو **لائف انشورنس اور میڈیکل انشورنس** منرا ہم کی جاتی ہے۔ کسی بھی چھٹ کی صورت میں فیکٹری میں مناسب **ابستدائی طبی امداد (first aid)** دی جاتی ہے۔ ہماری فیکٹری کے مشرب ایک وقف شدہ **سوشل سکیورٹی ہسپتال** بھی واقع ہے۔ ہم **صحت، حفاظت اور ماحولیاتی ISO معیارات** کے ساتھ اپنی اپید اواری سہولت کی تعمیل کو بھی یقینی بناتے ہیں۔ ہماری اپید اواری سہولت کوئی بھی نقصان دہ مواد خارج نہیں کرتی ہے۔ تاہم، ہم فضلہ (wastage) اور خٹکانہ لگنے (disposal) کے حوالے سے سختی سے تعمیل کرتے ہیں۔ فیکٹری اور رہائشی کالونیوں میں بھی ہاتھ بندھناؤ کی مشقیں اور موسمی بیساریوں کے خلاف تحفظ کے اسپرے کیے جاتے ہیں۔ کمپنی کی صاف اور سبز توانائی کی پالیسی کے حصے کے طور پر، 850 کلواٹ کاسولر پاور پروڈیجٹ کام کر رہا ہے اور ایک انسانی 10 میگاواٹ کاسولر پاور پروڈیجٹ فی الحال زیر عمل ہے، جو صرف توانائی کے اخراج صحت کو کم کرے گا بلکہ ماحول پر بھی مثبت اثر ڈالے گا۔

انفرمیشن ٹیکنالوجی:

ایک کلیدی جزو کے طور پر کام کر رہا ہے اور اپنے ملازمین کے استعمال (ITD) انفرمیشن ٹیکنالوجی ڈویژن کے لیے کمپیوٹنگ اور مواصلاتی خدمات، سہولیات اور انفراسٹرکچر کی ایک وسیع رینج منرا ہم کرتا ہے۔ آئی ٹی ڈی کمپنی کی کاروباری ضروریات کے مطابق ہے، اس بات کو یقینی بناتا ہے کہ منرا ہم کردہ حل کاروباری ضروریات کے مطابق ہوں۔ ہمارے ڈیٹن میں فیصلہ سازی کو مضبوط بنانا، بہتر تجزیات اور ڈیٹش بورڈز کی صلاحیت کا استعمال شامل ہے اور ایک حکمت عملی کے طور پر دیگر جدید ترین ایپلی کیشنز پر توجہ مرکوز ہے گی، کاغذ کے استعمال کو کم کرے گا اور جدید ترین ٹیکنالوجی کو تعینات کر کے صارفین تک اپنی رسائی کو بڑھا دے گا

رازداری کے ساتھ شکایات درج کرنے کی پالیسی:

کمپنی دیانتداری، ایسا نداری اور جود ہی کے اعلیٰ ترین معیاروں کی پابند ہے۔ اپنی اس وابستگی کے تحت، کمپنی اپنے ملازمین اور / یا تیسرے منریقوں (سپلائرز، صارفین، ڈیلرز وغیرہ) کی حوصلہ اندازی کرتی ہے کہ وہ کمپنی کے کام کے کسی بھی پہلو کے بارے میں سنگین خدشات رکھتے ہیں تو سامنے آئیں اور ان خدشات پر و سل بکریں۔ "ان خدشات میں شامل ہو سکتے ہیں، لیکن یہ صرف ان تک محدود نہیں ہیں:"

- مالی بدانتظامی (Financial malpractice)، بے مناسبتی (impropriety)، یا دھوکہ دہی (fraud)
- فتانوی ذمہ داری کی تعمیل میں ناکامی
- کمپنی کے اندر یا باہر خفیہ معلومات کا افشا
- کمپنی کی مالی پوزیشن کی مکمل اور منصفانہ رپورٹنگ سے انحراف
- صحت اور حفاظت یا ماحول کو خطرہ
- غیر فتانوی بول اور فوجیداری سرگرمی
- نامناسب روپ یا غیر اخلاقی سلوک

تمام رپورٹس کو انتہائی رازداری کے ساتھ منشا جاتے گا۔ یہ بات یقینی بنائی جائے گی کہ اگر معاملہ اٹھانے والا شخص گمنام نہیں ہے، تو کسی بھی صورت میں اس شخص کو یہ معاملہ اٹھانے پر ہدف نہیں بنایا جائے گا اور نہ ہی اسے کوئی سزا دی جائے گی۔ رازداری کو ممکنہ حد تک برقرار رکھا جائے گا۔ البتہ، اگر معاملہ اٹھانے والے شخص نے جھوٹی یا بدینتی پر مبنی ریت سے کام کیا ہے، تو اس شخص کے خلاف تادیبی کارروائی کی جائے گی۔

کسپنی کے ڈائریکٹرز اپنے منہرائش کی انجہام دہی کے لیے مناسب ترتیب یافتہ ہیں، اور کسپنیز ایکٹ 2017 اور پی۔ ایس۔ بیکس باک کے ضوابط کے تحت اپنے اعتبارات اور ذمہ داریوں سے آگاہ ہیں۔

کاروباری اخلاقیات اور بنیادی اقدار کا بیان وہ مندرجہ درجہ ہے جس پر کمپنی اپنا کاروبار کرتی ہے۔ یورڈ آف ڈائریکٹرز اور کمپنی کے ملازمین کا رویہ کاروباری اخلاقیات کی اعلیٰ ترین اقدار کے مطابق ہمارے کاروبار کو چلانے کے لیے بہترین شہرت کے حامل ہیں۔ درج ذیل اصول کاروباری اخلاقیات اور کمپنی کی بنیادی اقدار کو تفصیل دیتے ہیں۔

- ریکارڈ کی حفاظت:

نظم و عشق برائے انسانی سرمایہ کاری:

کاروباري سماجي ذمہ داری:

کمپنی مجموعی کاروباری ماحول کے تحت نظر میں سماجی، ماحولیاتی اور اخلاقی معاملات پر غور کرتی ہے۔ کمپنی تمام اسٹیک ہولڈرز، خاص طور پر اس کی یو بی کے بہترین مفاد میں کام کرنے کے لیے پرعزم ہے۔ سماجی طور پر ذمہ دار ہونے کے ناطے، کمپنی نے سوشل سیکیورٹی ڈسپنری کے لیے مفت زمین اور اسکول کو مفت عمارت فراہم کی ہے۔ کمپنی نے مختلف معیاری تنظیموں کی بیجوں اور شمالی علاقوں کے درمیان کھیلوں کی سرگرمیوں کو اہتمام کیا۔ کمپنی ملازمین کے بچوں کے تعلیمی اخراجات کو پورا کرنے کے لیے کم تنخواہ والے ملازمین کو مالی مدد فراہم کرتی ہے۔ کمپنی ملازمین کے لیے مندرجہ ذیل کمپ کے اخراجات کرتی ہے۔ ہر سال مقررہ انداز کے ذریعے ملازمین کو کوچ ادا کرنے کے لیے بھیجا جاتا ہے۔ ایم این جی کے اراکین کو بھی حوصلہ دیتے ہیں کہ وہ اس سرگرمیوں میں بڑھ چڑھ کر حصہ لینے کے لیے اپنا وقت وقف کریں

بورڈ میٹنگز اور کمیٹیوں کی حاضری کے بارے میں عمومی اصول:

سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس، بورڈ آف ڈائریکٹرز کے چار اجلاس اور ایگزیکٹو کمیٹی کا ایک اجلاس منعقد ہوا۔ ڈائریکٹرز کی حاضری حسب ذیل ہے:

نمبر شمار	ڈائریکٹر / ممبر کا نام	بورڈ میٹنگز میں حاضری کی تعداد	آؤٹ کمیٹی میٹنگز میں حاضری کی تعداد	ایچ آر اور معاونہ کمیٹی میٹنگز میں حاضری کی تعداد
1	حبابہ سیف اللہ حنان	04	-	-
2	عثمان سیف اللہ حنان	03	-	-
3	حور یوسف زئی	02	-	01
4	اسد سیف اللہ حنان	04	04	01
5	آصف سیف اللہ حنان	02	-	-
6	عبدالرحمن مہریشی	03	04	-
7	راشد ابراہیم	01	02	-
8	سہیل حسین حیدری	04	-	-

مئی 2025 میں، سہیل حسین حیدری نے چیف ایگزیکٹو آفیسر اور بورڈ آف ڈائریکٹرز کے رکن کی حیثیت سے اپنے عہدوں سے استعفیٰ دے دیا۔ اس کے بعد، اسد سیف اللہ حنان کو چیف ایگزیکٹو آفیسر کے طور پر تعینات کیا گیا، اور رانا محمد شفیع نے ڈائریکٹر کے طور پر بورڈ میں شمولیت اختیار کی۔ ستمبر 2025 میں بورڈ سے استعفیٰ دے دیا، اور ان کی جگہ خالد صدیق ترمذی کو ایک آزاد ڈائریکٹر (Independent Director) کے طور پر تعینات کیا گیا۔ نادانستہ طور پر مذکورہ بالا کسی بھی میٹنگ میں شریک نہ ہو سکے والے ڈائریکٹر کو رخصت (Leave of absence) دے دی گئی۔

ضابطہ اخلاق:

کارپوریٹ گورننس کے ضابطہ اخلاق کے مطابق، کمپنی نے کوڈ آف کنڈکٹ تیار کیا ہے اور پوری کمپنی میں اس کو بھیج / تقسیم کر دیا گیا ہے۔

بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ:

بورڈ آف ڈائریکٹرز انتہائی پیشہ ورانہ اور پر مشتمل ہوتا ہے۔ تمام ممبران معقول قابلیت، اعلیٰ صلاحیت اور متنوع تجربہ کے مالک ہیں۔ ستمبر 2025 میں، ان کے پاس کاروباری عمل اور اسٹریٹجک وژن کا وسیع علم ہے۔ بورڈ کے نگران کے کردار اور اس کی تائید کا جائزہ ایک مسلسل عمل ہے، جس کا نتیجہ بورڈ خود کرتا ہے۔ بورڈ نے اپنی کارکردگی کے ساتھ ساتھ ہر رکن کی انفرادی کارکردگی کا جائزہ لینے کے لیے ایک انتہائی منظم طریقہ کار اپنایا ہے۔ جامع سوالنامے کوڈ آف کارپوریٹ گورننس اور بہترین بین الاقوامی قوانین کے مطابق تیار کیے گئے ہیں۔

متاثرہ بنیادی نکات درج ذیل ہیں

ا۔ کمپنی کے وژن اور مشن کے ساتھ کارپوریٹ اہداف اور مقاصد کی ہم آہنگی

ب۔ پائیدار آپریشن کے لیے حکمت عملی کی تشکیل؛

ج۔ بورڈ کی خود مختاری؛ اور۔

د۔ متعلقہ شعبہ میں مقرر کردہ اپنی ذمہ داریوں کو نبھانے کے سلسلے میں بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ

بورڈ کی مجموعی کارکردگی تسلی بخش رہی۔

سی ای او کی کارکردگی کا جائزہ:

CEO کی کارکردگی کا جائزہ (evaluation) ایک ایسے نظام کے ذریعے کیا جاتا ہے جو مقصداری (quantitative) اور معیاری (qualitative) معیاروں پر مبنی ہوتا ہے۔ اس میں کاروبار کی کارکردگی، منافع کے حوالے سے مقاصد کا حصول، تنظیم سازی (organization building)، حاشیہ کا منصوبہ بندی (succession planning)، کارپوریٹ کامیابی اور متاثرہ ریلوے شریقی تقاضوں کی تعمیل شامل ہے

ڈائریکٹرز کا معاونہ:

بورڈ ممبران کے معاون کی منظوری بورڈ خود کرتا ہے۔ تاہم، کوڈ آف کارپوریٹ گورننس کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاون کا فیصلہ کرنے میں حصہ نہ لے۔ کمپنی میٹنگ میں شریک کی فیس کے علاوہ نان ایگزیکٹو ڈائریکٹرز کو معاونہ ادا نہیں کرتی ہے۔ 30 جون 2025 میں ڈائریکٹرز اور سی ای او کے معاون کے بارے میں معلومات کے لیے، براہ کرم مالیاتی میٹنگ کے نوٹس 46 کا حوالہ دیں۔

جون 30						
2020	2021	2022	2023	2024	2025	
6,552,480	6,433,338	6,513,614	8,305,579	7,923,952	7,595,727	عملیاتی مستقل اثاثے (روپے ہزاروں میں)
3,161,279	3,670,112	3,931,757	4,145,185	4,148,550	3,747,210	حاصل مالیت (روپے ہزاروں میں)
7,651,433	10,646,677	12,665,019	11,692,412	12,248,662	11,593,946	منہرہ خست (روپے ہزاروں میں)
637,418	1,891,651	2,360,929	462,417	1,793,279	1,233,504	محبوبی منافع (روپے ہزاروں میں)
226,969	1,355,246	1,644,248	(80,428)	1,924,286	832,283	عملی منافع / (نقصان) (روپے ہزاروں میں)
(671,610)	526,877	282,077	(1,133,861)	11,566	(388,321)	نیکس کے بعد منافع / (نقصان) (روپے ہزاروں میں)

بیاد کی تبدیلیاں اور ذمہ داریاں:

کسپنی کی مالی حالت پر اثر ڈالنے والی کوئی بڑی تبدیلی یا نیا معاہدہ اس مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان نہیں ہوا۔ صرف وہی باتیں شامل ہیں جو مالی بیانات یا اس رپورٹ میں بیان کی گئی ہیں۔

جدید کاری اور توسیع:

آپ کی کسپنی تیزی سے بدلتی ہوئی ٹیکنالوجی کے مطابق پروڈکشن لائن کو جدید اور وسعت دینے کے لیے پر عزم ہے۔

بورڈ کی تھکیل:

30 جون 2025 تک بورڈ آف ڈائریکٹرز پر مشتمل ہے:

تعداد	کپوزیشن	تعداد	منتخب ڈائریکٹرز
2	خود مختار ڈائریکٹرز	7	مسرد
5	دیگران ایگزیکٹو ڈائریکٹرز		
1	ایگزیکٹو ڈائریکٹرز		
		1	خواتین

بورڈ کی کمیٹیاں:

ہر کمیٹی کے اراکین کی تفصیلات درج ذیل ہیں

اڈس کمیٹی:

چیمبرمین	حسن صدیق ترمذی
رکن	عبدالرحمن مشرینی
رکن	رانا محمد شفیع

انسانی وسائل اور معاوضہ کمیٹی:

چیمبرمین	عبدالرحمن مشرینی
رکن	حوریونگنی
رکن	اسد سیف اللہ حسان

مستقل کاشتہ نظر / اعلم:

پاکستان کی معیشت کا منظر نامہ بہتر بننا ہو رہا ہے، کیونکہ مچھائی میں کمی، مالیاتی پالیسی میں نرمی اور حکومت کے "اڑان پاکستان" پروگرام کے تحت اصلاحاتی اقدامات کاروباروں کے لیے زیادہ معاون ماحول پیدا کر رہے ہیں۔ یہ مثبت پیش رفت صنعتی سرگرمی کو فروغ دینے اور سرمایہ کاروں کے اعتماد کو مضبوط کرنے کی توقع ہے، تاہم بلند فٹنڈر کی سطح، سیرونی شعبے کے دباؤ اور توانائی کے مسائل جیسے چیلنجز مسلسل پالیسی توجہ کے تحت مٹائی جاتی رہیں گے۔

ٹیکسٹائل شعبے کے لیے معیشتی اور برآمدی دونوں منڈیوں میں مستحکم طلب، کم فٹ انسٹنگ لاگت اور حکومتی اقدامات ترقی کے لیے مضبوط بنیاد فراہم کرتے ہیں۔ مستقل پالیسی تعاون، فٹنڈر سے توجہ دہانی کی فراہمی اور ویلیو ایڈڈ مصنوعات کی طرف سے رجحان کے ساتھ، ٹیکسٹائل صنعت پائیدار ترقی دینے اور آنے والے سال میں پاکستان کی برآمدات اور معاشی ترقی میں نمایاں کردار ادا کرنے کے لیے بہتر طور پر مستعد ہے۔

تاریخی طور پر، یہ کمپنی معیشتی اور بین الاقوامی منڈیوں میں ٹیکسٹائل کی صنعت میں اعلیٰ معیار (high-end) اور اضافی قدر (value-added) والی یارن فراہم کرنے میں ایک کلیدی کردار ادا رہی ہے۔ کمپنی اپنی بنیادی صلاحیتوں کو بہتر بنانے پر گہری توجہ مرکوز کر رہی ہے، جن میں اعلیٰ معیار کی یارن اور میلاؤ یارن کی تیاری اور مندرجہ ذیل، فٹنڈر اور یارن کی رنگائی (dyeing)، اور سر جیکل کاٹن شامل ہیں۔ کمپنی کے سرپرست (sponsors) اور انھیں اپنی قیادت اور درکار دیگر تمام وسائل کو یقینی بناتے ہوئے، کمپنی کو منافع بخش (profitable) اور پائیدار (sustainable) بنانے کے اپنے عزم کا اعادہ کرتے ہیں۔

بعد کے واقعات:

کمپنی نے 100 فیصد پیداواری صلاحیت حاصل کر لی ہے اور آپریشنز میں نمایاں بہتری دکھائی ہے۔

مسزیدہ رآں، کمپنی نے بجلی کے احسن احباب کو نمایاں طور پر کم کرنے کے لیے 10 میگا واٹ کاسولر پاور پلانٹ لگانے کا کام شروع کر دیا ہے۔ اس اقدام کے ذریعے، کمپنی اپنی بجلی کی ضرورت کے لیے مکمل طور پر شمسی توانائی پر انحصار کر سکے گی۔ یہ منصوبہ دسمبر 2025 تک فعال ہو جائے گا۔

اس کے علاوہ، بائو ماس بولر (biomass boiler) سسٹمز کی تاریخ کے بعد کامیابی سے شروع کر دیا گیا ہے اور آپریشنل ہے۔ یہ اقدام کمپنی کی توانائی کی کارکردگی اور پائیداری کے پرمٹائل کو مسزیدہ بڑھا رہا ہے۔

چیزیں میں کاجائزہ:

"چیزیں میں کاجائزہ" سالانہ رپورٹ میں شامل کیا گیا ہے جس میں بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی کے ساتھ ساتھ بورڈ ممبران اور اس کی کمیٹیوں کی کارکردگی اور درجہ بندی چیلنجز سے نمٹنے میں ان کے مؤثر کردار کی مختصر وضاحت کی گئی ہے۔ ڈائریکٹرز نے چیزیں میں کے جائزے کے مندرجہ ذیل توثیق کر دی ہے۔

ادارائی نظام و خطہ اور مالیاتی رپورٹنگ مندرجہ ذیل:

کمپنی کے ڈائریکٹرز اپنی ذمہ داریوں سے پوری طرح واقف ہیں، جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے حباری کردہ کوڈ آف کارپوریٹ گورننس میں بیان کیا گیا ہے، اور وہ پاکستان اسٹاک ایکسچینج کے حباری کردہ اصول و ضوابط کا حصہ ہیں۔

ہم تصریح کرتے ہیں کہ:

ا۔ مالیاتی گوشواروں کے ساتھ دیے گئے نوٹس کو کمپنیز ایکٹ 2017 اور پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ معیار کے مطابق تیار کیا گیا ہے، یہ مالیاتی گوشوارے اس کی کاروباری نتائج، اس کے نقدی کے بہاؤ اور ایکٹیو میں ہونے والی تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔

ب۔ کمپنی میں حسابات کی تفصیلات کے لیے مناسب انداز میں کتابیں تیار کی گئی ہیں۔

ج۔ مالیاتی گوشواروں کی تیاری میں مناسب حساباتی پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور حساباتی تخمینے اور دانشمندانہ فیصلوں پر مبنی ہیں۔

د۔ اندرونی گرفت کے نظام کو ڈیزائن اعتبار کے لحاظ سے بہت مضبوطی اور موثر انداز میں نافذ العمل ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔

چیتھ۔ ایگزیکٹو اور چیف فنانشل آفیسر نے بورڈ کی منظوری سے پہلے مالیاتی گوشواروں کی باضابطہ توثیق کی۔

ر۔ مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیار، جیسا کہ پاکستان میں لاگو ہوتا ہے، کو مد نظر رکھا گیا ہے۔ اس میں کسی بھی قسم کی پہلو کو مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

ز۔ شیکسوں، ڈیویڈوں، لیورز اور چار جبر کی ادائیگی کے سلسلے میں تمام واجبات مکمل طور پر مندرجہ ذیل کی گئی ہیں اور مقررہ وقت پر ادا کر دی جائیں گی یا جہاں ان دعوے بطور مشرف تسلیم نہیں کیا گیا، انہیں مالیاتی گوشواروں کے نوٹس میں اضافی واجبات کے طور پر ظاہر کیا گیا ہے۔

س۔ کمپنی کی بڑھی ہوئی کاروباری صلاحیت کے تسلسل میں کسی قسم کا کوئی شک و شبہ نہیں ہے۔

شش۔ اداراتی نظم و ضبط کے بہترین طور طریقوں سے کمپنی کو کوئی بھی مادی امر نہیں چھوڑا گیا۔

ص۔ ہمارے پاس ایک آڈٹ کمیٹی اور بیورسز اینڈ ریویژن (انسانی وسائل و معاشیات) کی کمیٹی ہے۔ جس کے اراکین بورڈ آف ڈائریکٹرز سے ہیں اور

دونوں کمیٹیوں کا ایک خود مختار ڈائریکٹر ہے۔

ط۔ انٹرئل کنٹرول کی نگرانی ایک مسلسل عمل ہے جس کا مقصد کنٹرولز کو مضبوطی اور نظام میں مسزیدہ بہتری ہے۔

ظ۔ کمپنی کا گزشتہ چھ سالوں کا اہم اپریشن (کاروباری امور چلانے) اور اعداد و شمار درج ذیل دیے گئے ہیں۔

محترم ممبران،

سیفٹ ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں پر آڈیٹر کی رپورٹ کے ساتھ 36 ویں سالانہ رپورٹ پیش کرنے پر خوشی محسوس کرتے ہیں۔

اس رپورٹ کو کمپنیز ایکٹ 2017 کی دفعہ 227 اور سڈ کمپنیز (کارپوریٹ گورننس کوڈ) ریگولیشنز 2019 کے مطابق تیار کیا گیا ہے اور یہ کمپنی کے 36 ویں سالانہ عام اجلاس میں، 24 اکتوبر 2025 کو منعقد ہوگا، شیئرز ہولڈرز کو پیش کی جائے گی۔

مالیاتی جائزہ:

کمپنی کی بنیادی کاروباری سرگرمی دھانگے کی تیاری اور منروخت ہے۔

سال کے دوران، کمپنی کی ٹرن اوور میں 5% کمی واقع ہوئی اور یہ 11.6 ارب روپے تک محدود رہی۔ اگرچہ اوسط منروخت کے نرخ بہتر ہوئے، تاہم پیداوار کی مقدار میں کمی واقع ہوئی کیونکہ گیس ٹیرف میں بڑے مثال اضافے کے باعث مل کے آپریشنز محدود کرنا پڑے۔ نتیجتاً، منروخت کی لاگت میں صرف 1% کمی آئی، جس کے باعث مجموعی منافع میں 4% کمی ہوئی جو 1.2 ارب روپے رہا۔

انتظامیہ نے سخت مالیاتی ڈسپلن برقرار رکھا، اور آپریٹنگ اخراجات میں گزشتہ سال کے مقابلے میں کمی آئی۔ فنانس لاگت میں بھی کمی واقع ہوئی، جس کی بنیادی وجہ کراچی انٹرپرائز انڈسٹریز (KIBOR) میں کمی کے ساتھ ساتھ موثر نرٹری منیجمنٹ تھی۔ ان اقدامات کے باوجود، کمپنی نے ٹیکس کے بعد 388 ملین روپے کا نقصان ظاہر کیا۔

کریڈٹ ریٹنگ سرٹیفیکیشن:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) کی جانب سے کمپنی کی اینٹی ریٹنگ کو مستحکم آؤٹ لک کے ساتھ لانگ ٹرم کے لیے A- اور شارٹ ٹرم کے لیے A2 پر برقرار رکھا گیا ہے۔

سرٹیفیکیشن:

کمپنی کی طرف سے تصدیق شدہ ISO معیار ہیں:

14001:2015 (ماحولیاتی نظم و نسق کا نظام)

9001:2015 (کوالٹی مینجمنٹ سسٹم)

17025 لیبارٹری کی منظوری کا معیار / لیبارٹری ایکریڈیٹیشن سسٹمز

مزید برآں کمپنی مندرجہ ذیل میں بھی تصدیق شدہ ہے:

گلوبل آرگینک ٹیکسٹائل اسٹینڈرڈ (جی او ٹی ایس)

گلوبل ری سائییکڈ اسٹینڈرڈ (جی آر ایس)

آرگینک کونٹینٹ اسٹینڈرڈ (او سی ایس)

اوکیو۔ ٹیکس اسٹینڈرڈ 100

سیڑ کاشن ایٹمی ایٹو (بی سی آئی)

ایئر-ٹیکس

آئی کیو

ذیر عمل سرٹیفیکیشن:

سہولت سماجی اور مسز دوری ماڈیول (گپ ایف ایس ایل ایم)

سماجی اور مسز دوری کور جینس پروگرام (گپ ایس ایل سی پی)

سہولت ماحولیاتی ماڈیول (گپ ایف ای ایم)

نقصان فی حصہ:

ذیر غور مدت کے دوران فی سہم نقصان Rs.14.70 رہا (بمقابلہ 2024 میں فی سہم Rs.0.44 آمدنی)

منافع کی تقسیم:

مستقبل میں ترقی کے مواقع سے فائدہ اٹھانے، بیلنس شیٹ کو مضبوط بنانے اور شیئرز ہولڈرز کے لیے زیادہ منافع کمانے کی غرض سے، بورڈ نے 30 ستمبر 2025 کو منعقدہ اپنی میٹنگ میں سیف سٹارشس کی ہے کہ 30 جون 2025 کو ختم ہونے والے سال کے لیے کوئی منافع تقسیم نہ کیا جائے (30 جون 2024: نقد منافع فی سہم Rs. صفر یعنی صفر فیصد)۔

SAIF TEXTILE MILLS LIMITED
BALLOT PAPER FOR VOTING THROUGH POST

For the Special business at the Annual General Meeting to be held on **Friday, October 24, 2025 at 12:00 Noon** at its registered office, **APTMA House, Tehkal Payan, Jamrud Road, Peshawar**, as well as through electronic means.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent:

ca.shtml@saifgroup.com

Name of shareholder/joint shareholders	
Registered Address	
Folio /CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC / Passport No. (in case of foreigner) (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	
Name of Authorized Signatory	
CNIC / Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolutions by placing tick (✓) mark in the appropriate box below:

S. No.	Agenda / Description of Resolutions	I/we assent to the Resolution(s) (FOR)	I/we dissent to the Resolution(s) (AGAINST)
1.	Agenda item no. 4 To ratify and approve transactions entered into by the Company with related parties in its ordinary course of business by passing the following special resolution: - “RESOLVED THAT the Company be and is hereby authorized to share common expenses with M/s. Kohat Textile Mills Limited an associated Company or any other associated Company. The common expenses may include but not limited to office rents, administrative salaries, utility expenses, repair and maintenance and other miscellaneous expenses etc. (collectively the “Administrative Expenses”), in respect of its joint offices. RESOLVED FURTHER THAT the transactions entered into by the Company in its ordinary course of business with the related parties during the year ended June 30, 2025 as disclosed in notes to the Financial Statements are hereby ratified and approved. ALSO RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to execute/ approve all the transactions to be carried out in its ordinary course of business with Related Parties during the ensuing year ending June 30, 2026 and in this connection the Chief Executive be and is hereby also authorized to take any and all necessary actions and to sign execute any and all such documents/indentures as may be required in this regard on behalf of the Company.”		

NOTES:

1. Duly filled postal ballot should be sent to the Chairman of **Saif Textile Mills Limited** at **4th Floor, Kashmir Commercial Complex, Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan.** or (Email: ca.stml@saifgroup.com)
2. Copy of CNIC/ Passport No. (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach the Chairman within business hours by or before October 23, 2025. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC/ Passport No. (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. This postal Ballot paper is also available for download from the website of Saif Textile Mills Limited at **www.saiftextile.com**. Members may download the Ballot paper from the website or use an original/photocopy published in newspapers.

Signature of shareholder(s)/ Proxy Holder(s)/Authorized Signatory
(in case of corporate entity, please affix company stamp)

Place: _____

Date: _____

FORM OF PROXY

I/we.....of.....being a member of
Saif Textile Mills Limited hereby appoint Mr./Ms.....
offailing whom Mr./Ms.....
ofas my proxy to attend act for me, and on my behalf, at the Annual
General Meeting of the Company to be held on Friday, 24 October, 2025 at 12:00 noon
and any adjournment there of.
Dated thisday of2025.

Revenue
Stamp
Rs..50/-

Specimen Signature of Proxy

Folio No.....

Participant I.D No.....

Sub Account No.

Signature of Shareholder

Specimen Signature of Alternate Proxy

Folio No.....

Folio No.....

Participant I.D No.....

Participant I.D No.....

Sub Account No.....

Sub Account No.....

Note:

- i) If a member is unable to attend the Meeting, he/she may appoint another member as his/her proxy and send this form to Saif Textile Mills Limited, APTMA House, Tehkal Payan, Jamrud Road, Peshawar to reach not less than 48 hours before the time appointed for holding the meeting.
- ii) Attested copies of CNIC or the Passport of the beneficial owners and the Proxy shall be furnished with the Proxy form.
- iii) The Proxy shall produce his original CNIC or original Passport at the time of the meeting.
- iv) 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.

فارم آف پراسی

[illegible]

مورخه _____ برونز _____ ماه _____ 2025

پراسی کے دستخط کا نمونہ۔

فولیو نمبر۔

شرکت کنندہ کی شناختی کارڈ نمبر۔

ذیلی اکاؤنٹ نمبر۔

متبادل پراسی کے دستخط کا نمونہ۔

فولیو نمبر۔

شرکت کنندہ کی شناختی کارڈ نمبر۔

ذیلی اکاؤنٹ نمبر۔

حصہ دار کا دستخط _____
 فولیو نمبر _____
 شرکت کنندہ کی شناختی کارڈ نمبر _____
 ذیلی اکاؤنٹ نمبر _____

نوٹ:

- (i) اگر کوئی ممبر اجلاس میں حاضر ہونے سے قاصر ہے تو وہ اپنا پراکسی تعینات کرنے کا مجاز ہے اور فارم ہذا کو اجلاس کے انعقاد کے لئے مقررہ وقت سے کم از کم ۴۸ گھنٹے پہلے تک سیف ٹیکسٹائل ملز لمیٹڈ واقع آسٹن ہاؤس، تہ کال پایاں، جمروڈ روڈ، پشاور میں جمع کرادے۔
- (ii) مستفید مالکان اور پراکسی کے شناختی کارڈ یا پاسپورٹ کے مصدقہ نقول پراکسی فارم کے ساتھ منسلک ہونا چاہیئے۔
- (iii) اجلاس کے وقت پراکسی کو اپنا اصلی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔
- (iv) کمپنی ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ بشمول نمونہ دستخط (بشرطیکہ پہلے سے کمپنی کو فراہم نہ کیا گیا ہو) پراکسی فارم کے ساتھ جمع کرنا ہوگا۔



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