



MAQBOOL TEXTILE MILLS LIMITED

36th

Annual Report

&

Financial Statements (Audited)

For the year ended June 30, 2025

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MISSION STATEMENT

The mission of Maqbool Textile Mills Limited is to contribute positively to the Socio-Economic growth of Pakistan through business and industrial pursuits endeavoring to achieve excellence in all spheres of such activity with effective and efficient management.

VISION STATEMENT

Maqbool Textile Mills Limited become a truly Professional Organization, achieve higher quality standards, utilize maximum capacity, capture expansion opportunities and become a least cost operator amongst its competitors.

We will strive to continue as a successful Company, make profit and thus create value for our shareholders without high risk to them, our Customers or employees.

QUALITY AND ENVIRONMENTAL POLICY

Our aim is to achieve the leadership of textile and spinning industry through quality products according to customer satisfaction. We thrive to achieve the above through the following measures:

- 1) Acquisition of quality raw material.
- 2) Manufacturing of high quality yarn as per customer satisfaction.
- 3) Continuous training and guidance to employees regarding quality and environment.
- 4) Continuous improvement, close watch and control in production process and environment.
- 5) Follow up of the system, regarding international quality and environmental laws.
- 6) Control of pollution discharge from industrial process.

COMPANY PROFILE
BOARD OF DIRECTORS

Ms. Romana Tanvir Sheikh	-Chairperson
Mian Tanvir Ahmad Sheikh	-Chief Executive Officer
Mian Anis Ahmad Sheikh	-Executive Director
Mian Aziz Ahmad Sheikh	-Non-Executive Director
Mian Atta Shafi Tanvir Sheikh	-Executive Director
Mian Bakhtawar Tanvir Sheikh	-Non-Executive Director
Mian Shafi Anis Sheikh	-Non-Executive Director
Nazir Ahmad Khan	-Independent Director
Syed Raza Abbas Jaffari	-Independent Director
Mr. Tariq Rahim Anwar	-Independent Director

AUDIT COMMITTEE

Nazir Ahmad Khan	- Chairman
Mian Aziz Ahmad Sheikh	- Member
Mian Bakhtawar Tanvir Sheikh	- Member

**HR & REMUNERATION
COMMITTEE**

Mr. Tariq Rahim Anwar	- Chairman
Mian Tanvir Ahmad Sheikh	- Member
Mian Shafi Anis Sheikh	- Member

DEPUTY CHIEF FINANCIAL OFFICER

Ahsan Raza

COMPANY SECRETARY

Muhammad Irfan Siddique

HEAD OF INTERNAL AUDIT

Sharjeel Anees

AUDITORS

M/s. Yousuf Adil
Chartered Accountants,
Mehar Fatima Tower,
Opposite High Court, Multan.

LEGAL ADVISOR

Mr. Khalil-ur-Rehman - Advocate
Lahore.

BANKERS

Habib Bank Limited
Bank Al-Habib Limited
Habib Metropolitan Bank Limited
United Bank Limited
Faysal Bank Limited
The Bank of Punjab
Bank Alfalah Limited (Islamic Banking)
Meezan Bank Limited
National Bank of Pakistan (Islamic Banking)
Askari Bank Limited
Bank Islami Pakistan Ltd.

REGISTERED OFFICE

2-Industrial Estate, Multan Cantt.

MILLS (Unit I-II-IV & Ginning Unit)

M.M. Road, Chowk Sarwar Shaheed,
Distt. Muzaffargarh.

MILLS (Unit III)

Rajana Road, Pirmahal,
Distt. Toba Tek singh.

SHARES REGISTRARS

M/s Hameed Majeed Associates (Pvt.) Ltd.
H.M House, 7-Bank Square, Lahore.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of the Company will be held on Wednesday October 28, 2025 at 11:30 AM at its registered office, 2-Industrial Estate, Multan, to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting of the Company held on November 27, 2024.
2. To receive, consider and adopt the Annual audited financial statements of the Company together with the Directors', Auditors' Reports and Chairman Review thereon for the year ended June 30, 2025.

In accordance with Section 233(6) of Companies Act, 2017 (the "Act") and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023 the Financial Statements of the Company have been posted through website of the Company which can be downloaded from the following weblink and QR enabled code:



<https://maqboolgroup.com/annual-reports/>

3. To appoint, auditors and fix their remuneration for the financial 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 proposed the appointment of M/s ShineWing Hameed Chaudhari & Co, Chartered Accountants, Multan after obtaining their consent for appointment as external auditors of the Company. The retiring auditors being eligible, have offered themselves for re-appointment.
4. To transact any other business with the permission of the Chair.

BY THE ORDER OF THE BOARD

Sd/-

(M.Irfan Siddique)

COMPANY SECRETARY

Multan, October 07, 2025

NOTES:

1. The Shares Transfer Books of the Company will remain closed from 21-10-2025 to 28-10-2025 (both days inclusive). Shares transfer received at the Company's Shares Registrar's Office, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore by the close of business on November 20, 2024 will be treated in time.
2. A member entitled to attend and vote at this meeting is entitled to appoint any other member as a proxy to attend, speak and vote instead of him/her. **A proxy must be a member.** Proxy Forms duly stamped with Rs.5/- 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.
3. For the convenience of Members, a Standard Request Form with appropriate details has been posted on

the Company's website. Those Members who opt to receive the annual audited financial statements through CD/DVD/USB instead in the form of hardcopies may apply to the Company Secretary at his postal or email address irfan@maqboolgroup.com

4. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting. In case of Proxy, the corporate entity shall also submit the documents required for the meeting alongwith the Proxy Form to the Company.
5. Pursuant to provisions of Section 134 of the Companies Act, 2017, if the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least seven days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.
6. The members and their proxies can attend the Annual General Meeting via video link using their smartphones/tablets. However, they are requested to register themselves by providing the following information alongwith copy of valid Computerized National Identity Card (both sides)/passport, attested copy of Board Resolution / power of attorney (in case of corporate shareholders) through email at irfan@maqboolgroup.com by October 14, 2025:-

Name of Member/ Proxyholder	Folio No./CDC Account No.	Cell No./ WhatsApp No.	CNIC No	Email ID
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7. The notice of meeting containing the QR enabled code and the weblink address to view and download the Annual Report including annual audited financial statements, is being dispatched to the members as per requirements of the Companies Act, 2017, on their registered addresses and e-mailed to the shareholders who have provided their valid email IDs to the Share Registrar of the Company. Further, the notice of meeting has also been posted on the Company's website: www.maqboolgroup.com. Furthermore, the notice has been published in English and Urdu languages in a daily newspaper of respective language having nationwide circulation.
8. The Members, who desire for receiving the AGM Notice containing annual audited Financial Statements / Annual Report through e-mail, are requested to update their e-mail IDs. The Annual Report for the year ended June 30, 2025 is available on website of the Company. However, hard copy of Annual Report will be provided free of cost on written request to the shareholder on Standard Request Form available on website www.maqboolgroup.com.
9. Members who could not collect their dividend / physical shares are requested to contact at the Registered Office of the Company to collect / enquire about their unclaimed dividends / physical shares, if any.
10. Members holding physical share certificates who have not yet submitted copy of their valid CNIC/NTN are once again requested to send a copy of their valid CNIC/NTN to our Share Registrar, Vision Consulting Limited. The shareholders while sending copy of CNIC/NTN must quote the respective folio numbers thereon enabling the Company to comply with the requirements of the Companies Act, 2017 and SROs issued thereunder in order to release the physical dividend warrants.
11. Pursuant to requirement of Section 242 of the Companies Act, 2017, any dividend payable in cash

declared by a listed company shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the information to the Company's Share Registrar at the address given herein above. In the case of shares held in CDC, the same information should be provided directly to the CDS participants for updating and forwarding to the Company. In case of non-submission of IBAN of 24 digits, the Company will withhold the payment of dividend under the Companies (Distribution of Dividends) Regulations, 2017. once again requested to send a copy of their valid CNIC/NTN to our Share Registrar, Vision Consulting Limited. The shareholders while sending copy of CNIC/NTN must quote the irrespective folio numbers thereon enabling the Company to comply with the requirements of the Companies Act, 2017 and SROs issued thereunder in order to release the physical dividend warrants.

12. The rates of deduction of income tax from dividend payments shall be applicable as per the Income Tax Ordinance, 2001. All shareholders are advised to check their status on Active Tax payers List (ATL) available on FBR Website and may, if required, take necessary actions for inclusion of their name in ATL to avail the lower rate of tax deduction.
13. All members who hold shares jointly are requested to provide in writing the following information regarding shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, Hameed Majeed Associates latest by October 20, 2025, other wise it will be assumed that the shares are equally held by the Principal Shareholder and Joint Shareholder(s)

Folio/CDC A/c. No.	Total Shares	Principal Shareholder		Joint Shareholder(s)		Signature(s)
		Name & CNIC#	Shareholding Proportion (No. of Shares)	Name & CNIC#	Shareholding Proportion (No. of Shares)	

14. As per Section 72 of the Companies Act, 2017, members of the Company, in their best interest, are requested once again to convert their physical shares into book-entry format the earliest possible.
15. Members are requested to notify immediately any change in their addresses. CDC beneficial owners maintaining their shares in electronic form should have their addresses updated with their participants or CDC Investor Account Services.
16. For any query / information, the shareholders may contact with the Company Secretary at the above Registered Office and/or The Manager of Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore.
17. Members can also avail Video Conference facility in (name of cities where facility can be provided keeping in view geographical dispersal of members). In this regard please fill the following and submit to the registered address of the Company within ten (10) days before holding of general meeting:

I/We, _____ of _____, being a member of MAQBOOL 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

CHAIRPERSON'S REVIEW REPORT U/S 192 OF THE COMPANIES ACT 2017
ON OVERALL BOARD PERFORMANCE AND BOARD'S ROLE IN ACHIEVING THE
COMPANY'S OBJECTIVES FOR YEAR ENDED JUNE 30, 2025

I take this opportunity to express my views on overall performance and effectiveness of the Board of Directors in leading the Company towards achieving its objectives..

Following the replacement of one of the Independent Directors, the Board reconstituted its two Committees:

- i. The Audit Committee which ensures effectiveness of internal controls and review the financial statements in order to ensure that the accounts fairly represent the financial position of the Company.
- ii. The HR Committee which overviews HR Policy framework and recommends selection and compensation of senior management team.

In order to engage in strategic planning, set leadership direction, and ensure the highest standards of ethical, moral, and legal conducts, the Board and its Committees are made up of members who have an appropriate mix of core competence, diversity, necessary skills, knowledge, qualification and experience. As required by the Listed Companies (Code of Corporate Governance) Regulations 2019, the Board has developed a mechanism for annual evaluation of the Board's performance. The performance evaluation ensures that all the statutory and legal requirements are fulfilled with regard to meeting, procedure and role of the Board. During the financial year 2024-2025 the Board successfully achieved targets and objects set for the growth of the Company keeping in view of the following:-

1. Performed effective and robust oversight.
2. Reviewed and approved overall corporate strategy, annual business plan, key financial indicators and other budgetary targets.
3. Ensured the quality and appropriateness of financial reporting and the transparency of disclosures in Annual and Quarterly Financial statements.
4. Carried out risk assessment especially regulatory legal requirements, market trends. Cotton supply and price, energy availability and cost, foreign exchange and fluctuations, interest rate and liquidity risk.
5. Reviewed the effectiveness of internal control system.

The contribution and commitment of each member of the Board and the employees of the Company, who ensured the Company's sustained growth is sincerely acknowledged.

Sd/-
Chairperson
Ms. Romana Tanvir Sheikh

Multan,
October 03, 2025

DIRECTORS' REPORT

In the name of Allah the Most Beneficent and the Merciful

Dear Shareholders,

On behalf of the Board of Directors of the Company, I am pleased to present before you the 36th Annual Report on the affairs of your Company along with the Audited Financial Statements of the Company for the year ended June 30, 2025.

PERFORMANCE OVERVIEW:

During the period under review, the Textile Industry in Pakistan faced serious challenges stemming from a combination of economic, policy, and operational factors. The key issues impacting the industry included the following:

1. A sharp increase in finance costs, driven by an unprecedented rise in markup rates following the State Bank of Pakistan's hike in policy rates.
2. Withdrawal of energy subsidies, resulting in a more than twofold increase in electricity costs.
3. General economic slowdown and recession, leading to reduced demand and underutilization of the Company's production capacity.
4. Limited availability of foreign exchange, adversely affecting the import of essential raw materials, spare parts, and machinery.
5. Inconsistent government policies, creating uncertainty and hampering long-term planning and investment.

The above factors restricted the production and sales volumes of the Company leading to decline in gross profit and consequent net loss for the year.

OPERATIONAL PERFORMANCE:

Year Ended	June-2025	June-2024
Total Production:		
Unit No.1	5,018,052 KG (20's Count)	6,942,422 KG (20's Count)
Unit No.2	4,348,118 KG (40's Count)	4,487,540 KG (40's Count)
Unit No.3	7,049,201 KG (30's Count)	7,407,231 KG (30's Count)
Unit No.4	3,885,716 KG (20's Count)	3,812,401 KG (20's Count)
Total Sales (Incl. Sales Tax)	Rs. 9,991,150,440	Rs. 11,848,125,011
Local Sales	Rs. 9,991,150,440	Rs. 9,876,770,084
Export Sales	Rs.	Rs. 1,971,354,927
Gross Profit/Loss	Rs. 379,646,619	Rs. 379,646,619
Net Profit/Loss	Rs. (827,613,054)	Rs. (698,417,085)

The main reason for the loss during the year under review was lower production and consequent lesser sales volumes. The fixed overhead costs increased because of increase in

minimum wages and salaries. Due to lesser production per unit burden of fixed costs further increased resulting in lesser margin. The uncompetitive energy tariff and markup rates further effected the margins. Had that the energy tariff been as per regionally competitive rates, and the markup rates in line with regional competitors, the financial results would have been much better.

ACCOUNTS:

The financial results for the year ended June 30, 2025 along with the comparative figures of the last year are summarized under the respective heads of Accounts below:

Year Ended	June-2025 (In Rupee)	June-2024 (In Rupee)
Sales-net	8,459,999,871	10,281,366,447
Cost of Goods Sold	(8,401,794,208)	(9,934,081,620)
Gross Profit/Loss	58,205,663	(347,284,827)
Other Income/Expenses	21,242,056	28,421,632
Selling and Distribution Expenses	(8,317,772)	(51,184,462)
Administrative Expenses	(196,212,059)	(262,268,492)
Finance Cost	(513,014,243)	(766,859,044)
Profit/Loss before Taxation	(638,096,354)	(704,605,539)
Final Tax	(3,729,409)	(19,688,489)
Revenue Taxes	(105,692,649)	(104,279,666)
Income Tax	(87,553,460)	130,156,609
Profit Loss for the year	(827,613,054)	(698,417,085)
Earnings per share-basic and diluted	(44.90)	(37.89)

FUTURE OUTLOOK

The future outlook of the textile sector is expected to remain tough. In this scenario, the whole industry is looking towards the Government to support the textile industry of Pakistan and help it to be competitive globally by providing electricity at regionally competitive rates. Good corporate Governance, marketing quality, production efficiency and financial discipline will remain in top focus of the management but optimal results from the textile industry are not possible unless the Government addresses all confronted issues positively including high increasing energy prices and the still high markup rates. The future performance depends upon the response of local and international markets along with business friendly policies of the Government for the textile sector which must, among others, ensure provision of regionally competitive energy rates and sustainable markup rates.

The Company faced with these multifaceted and mounting challenges has planned to implement major cost cutting measures and is aligning itself to tackle the current market threats. Your Company is committed to maintain optimum quality, product diversification, exploring new markets and achieving higher production efficiencies.

INSTALLATION OF SOLAR ENERGY SYSTEM:

To mitigate the high energy cost, the Company has proactively initiated measures to shift towards

more cost-effective and sustainable energy sources. As part of this initiative, the Company is pleased to report the successful installation of a **3.085 MW Solar Energy System** in the first phase. This system has been imported and commissioned, and is currently generating approximately 15000 **units of electricity average per day**, contributing to reduction in overall energy cost.

On the financial front, the **State Bank of Pakistan's policy rate has shown a downward trend**, currently standing at **11.50%**. A further reduction is anticipated in the upcoming quarter, which is expected to ease the Company's **finance cost** and improve overall financial performance.

REVALUATION OF FIXED ASSETS

Valuation of the fixed assets (Land, building & Machinery) of the Company was carried out as of June 30, 2024 by the independent valuers M/s KG Traders on the basis of market value to reflect the current fair value of the assets of the Company. The net effect after deletion/ addition in assets was accounted for in the financial statements of the Company accordingly.

ISO 9001:2015 QMS AND ISO 14001:2015 EMS CERTIFICATION

Your Directors are pleased to report that your Company is quite successfully maintaining its ISO 9001:2015 Certification for Quality Management System and the ISO 14001:2015 Certification for Environmental Management System.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Board of Directors and management are aware of their responsibilities under the Listed Companies (Code of Corporate Governance) Regulations 2019 and Rule Book of the Pakistan Stock Exchange. The Company remains committed to the principles of good corporate management practice with emphasis on transparency and disclosures. Your Company is cognizant to monitor its performance to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

In compliance of corporate law, the Board Members/Directors are pleased to confirm the following:

- a) The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and change in equity.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statement and accounting estimates are based on reasonable and prudent judgment.
- D) The financial statements have been prepared in accordance with **International Financial Reporting Standards (IFRS)**, as applicable in Pakistan.
- E) The Company has implemented a sound system of internal controls, which is effectively designed, implemented, and monitored.
- F) The Company's financial position is expected to get stable, ensuring its ability to continue as a going concern.

RELATED PARTY TRANSACTIONS:

The Company has made detailed disclosures about the related party transaction in the financial

statements annexed with the annual report. Such disclosure is in line with the requirement of the Companies Act, 2017 and applicable international Financial Reporting Standards.

FINANCIAL HIGHLIGHTS:

Key operating and financial data of the last six years is given in Annex 1.

BOARD MEETINGS:

During the year ended June 30, 2025 Seven (6) meetings of the Board of Directors were held. Attendance of each Director is given below:

Sr. No.	Name of Director	Designation	No. of Meetings Attended
1.	Mrs. Romana Tanvir Sheikh	Chairperson	6
2.	Mian Tanvir Ahmad Sheikh	Chief Executive Officer	6
3.	Mian Anis Ahmad Sheikh	Executive Director	6
4.	Mian Aziz Ahmad Sheikh	Director	5
5.	Mian Atta Shafi Tanvir Sheikh	Executive Director	5
6.	Mian Bakhtawar Tanvir Sheikh	Director	5
7.	Mian Shafi Anis Sheikh	Executive Director	5
8.	Mr. Tariq Rahim Anwar	Independent Director	5
9.	Mr. Nazir Ahmad Khan	Independent Director	6
10.	Syed Raza Abbas Jaffery	Independent Director	6

The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:

Sr. No.	Name of Member	Designation	No. of Meetings Attended
1.	Nazir Ahmad Khan	Chairman	1
2.	Mian Aziz Ahmad Sheikh	Member	4
3.	Mian Bakhtawar Tanvir Sheikh	Member	4

The HR&R Committee held one (1) meeting during the year. Attendance by each member was as follows:

Sr. No.	Name of Member	Designation	No. of Meetings Attended
1.	Mr. Tariq Rahim Anwar	Chairman	1
2.	Mian Tanvir Ahmad Sheikh	Member	1
3.	Mian Shafi Anis Sheikh	Member	1

COMPOSITION OF BOARD

The Board of the Company consists of 10 Directors with following composition:

Independent Directors	3
Other Non-Executive Directors	4
Executive Directors	3

BOARD EVALUATION:

In accordance with the Code of Corporate Governance (CCG) and the Companies Act, 2017 the evaluation of the Board, its committees, and individual directors was conducted. The Board is

assisted by sub-committees i.e., the Audit Committee and the HR&R Committee, and these sub-committees held meetings during the year as per the stipulations of CCG. It is also important to recognize the key role played by the sub-committees in assisting Board of Directors in performing their duties.

STATEMENT OF ETHICS AND BUSINESS PRACTICES:

The Board has prepared and circulated the Statement of Ethics and Business Practices signed by every Director and employee of the Company as a token of acknowledgment of his / her understanding of the standards of conduct in relation to anybody associated of dealing with the Company

WEB PRESENCE:

All periodic financial statements, including Annual Reports, are readily available on the Company's official website at www.maqboolgroup.com. This facilitates easy access to important financial information for investors, shareholders, and other stakeholders, in line with the Company's commitment to transparency and timely disclosure.

AUDITORS

The Company's current auditors, M/s Yousuf Adil, Chartered Accountants, Multan, retire at the conclusion of the forthcoming Annual General Meeting and, being eligible, have offered themselves for re-appointment for the financial year 20252026.

In addition, the Company has also received consent from M/s ShineWing Hameed Chaudhry & Co., Chartered Accountants, expressing their willingness to act as external auditors for the same period.

The Audit Committee has duly considered both audit firms and has proposed to place both options before the members at the Annual General Meeting for their consideration and selection of the external auditors for the financial year 20252026.

Accordingly, this matter is submitted to the shareholders for their decision and approval.

PATTERN OF SHAREHOLDING

A statement showing pattern of shareholdings of the Company and additional information as at June 30, 2025 is annexed to this report.

RELATIONS WITH LABOUR AND STAFF

Your Directors are happy to report that relations with labour and staff of the Company remained cordial throughout the year.

ACKNOWLEDGEMENT

Your Directors acknowledge the best cooperation as usual enjoyed by your Company from all relevant Financial Institutions, its bankers as listed below and wish to record their appreciation for the same and hope their support to the Company will continue in future as well.

**Habib Bank Ltd.,
Bank AL Habib Ltd.,**

**National Bank of Pakistan
Bank Al-Falah Ltd. (Islamic)**

**Habib Metropolitan Bank Ltd.,
United Bank Ltd.,
The Bank of Punjab
National Bank of Pakistan (Islamic)**

**Faysal Bank Ltd. (Islamic)
Askari Bank Ltd.,
Meezan Bank Ltd.
Bank islami Pakistan Ltd.**

The Directors also acknowledged the sincere efforts of the entire team of **MAQBOOL TEXTILE MILLS LIMITED** for their role in the successful operations of the Mills during the year. We also thank all our valued customers, suppliers, stakeholders for their commitment to the Company and look forward to sharing further successes with them in the coming years.

The dedicated hard work of all employees of the Company, working in these challenging circumstances, keeping the operations of the Company smooth is also acknowledged.

MANAGEMENT COMMENTS ON AUDITOR'S BASIS FOR QUALIFIED OPINION

1. The Company has outstanding trade debts aggregating to Rs.1,077.61 Million as at June 30, 2025 as disclosed in note 8 to the financial statements are all considered good as its major portion of the same has also been subsequently stands realized and there is no doubtful amount involved in it. Therefore assessment of expected credit loss (ECL) was not necessary and not required.
2. The amount of Rs.108.61 Million is considered good except of Rs.1.794 Million provision for which already made. The balance advance is of routine nature and considered good.
3. The loan obtained from M/s Faisal Bank Limited amounting Rs.162.60 Million is long term loan in the form of diminishing musharka which is repayable on monthly basis which is regularly been paid. Due to the nature of the loan being long term the same has correctly being classified under long term loan.

On behalf of the Board of Directors

Sd/-

Ms. Romana Tanvir Sheikh
CHAIRPERSON

**Multan,
October 3, 2025**

ڈائریکٹرز رپورٹ

شروع اللہ کے نام سے جو بڑا مہربان اور رحم کرنے والا ہے

معزز حصص داران:

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے، میں 30 جون، 2025 تک ختم ہونے والے سال کے لئے کمپنی کے آڈٹ کردہ مالی بیانات کے ساتھ ساتھ آپ کی کمپنی کے معاملات پر 36 ویں سالانہ رپورٹ پیش کر رہا ہوں۔

کارکردگی:

زیر پوٹ مدت کے دوران، پاکستان کی ٹیکسٹائل اینڈ سٹری متعدد وجوہات کی بنا پر برے طرح متاثر ہوئی، بشمول پرین تک محدود نہیں: (i) اسٹیٹ بینک آف پاکستان کی پالیسی ریٹ میں اضافہ کے نتیجے میں مارک اپ ریٹ کی شرح میں غیر معمولی اضافہ کی وجہ سے مالیاتی لاگت میں اضافہ، (ii) توانائی کی قیمتوں میں سبسڈی کی واپسی کے نتیجے میں بجلی کی قیمت میں دوگنا اضافہ، (iii) عام کساد بازاری اور معیشت کی سست روی جس کے نتیجے میں کمپنی کی پیداواری صلاحیت میں کمی، (iv) خام مال، اسپنیر پارٹس اور مشینری کی درآمد کے لئے زرمبادلہ کی کمی، (v) حکومت کی متضاد پالیسیاں، غیر یقینی صورت حال پیدا کرنا اور طویل مدتی منصوبہ بندی اور سرمایہ کاری میں رکاوٹ۔ مندرجہ بالا عوامل کی وجہ سے، کم پیداوار، پیداوار کی زیادہ لاگت کے ساتھ کم فروخت کی وجہ سے سال کے دوران مجموعی منافع میں کمی کی وجہ سے خالص نقصان ہوا۔

آپریشن:

Year Ended	June-2025	June-2024
Total Production:		
Unit No.1	5,018,052 KG (20's Count)	6,942,422 KG (20's Count)
Unit No.2	4,348,118 KG (40's Count)	4,487,540 KG (40's Count)
Unit No.3	7,049,201 KG (30's Count)	7,407,231 KG (30's Count)
Unit No.4	3,885,716 KG (20's Count)	3,812,401 KG (20's Count)
Total Sales (Incl. Sales Tax)	Rs. 9,991,150,440	Rs. 11,848,125,011
Local Sales	Rs. 9,991,150,440	Rs. 9,876,770,084
Export Sales	Rs. -	Rs. 1,971,354,927
Gross Profit/Loss	Rs. 58,205,663	Rs. 347,284,827
Net Profit/Loss	Rs. (827,613,054)	Rs. (698,417,085)

زیر جائزہ سال کے دوران نقصان کی بنیادی وجہ پیداوار اور اس کے نتیجے میں فروخت کا کم حجم تھا۔ کم از کم اجرت اور تنخواہوں میں اضافے کی وجہ سے مقررہ اور ہیڈ اخراجات میں اضافہ ہوا۔ کم پیداوار کی وجہ سے فی یونٹ مقررہ لاگت کے بوجھ میں مزید اضافہ ہوا جس کے نتیجے میں مارجن کم ہوا۔ غیر مسابقتی توانائی ٹیرف اور مارک اپ کی شرح نے مارجن کی مزید متاثر کیا۔ اگر توانائی کے نرخ علاقائی مسابقتی نرخوں کے مطابق ہوتے اور مارک اپ کی شرح علاقائی حریفوں کے مطابق ہوتی تو مالیاتی نتائج بہت بہتر ہوتے۔

اس سال 30 جون 2025 کو ختم ہونے والے سال کے مالیاتی نتائج کے ساتھ گزشتہ سال کے موازنہ اعداد و شمار درج ذیل ہیں۔

Year Ended	June-2025 (In Rupee)	June-2024 (In Rupee)
Sales-net	8,459,999,871	10,281,366,447
Cost of Goods Sold	(8,401,794,208)	(9,934,081,620)
Gross Profit/Loss	58,205,663	347,284,827
Other Income/Expenses	21,242,056	28,421,632
Selling and Distribution Expenses	(8,317,772)	(51,184,462)
Administrative Expenses	(196,212,059)	(262,268,492)
Finance Cost	(513,014,243)	(766,859,044)
Profit/Loss before Taxation	(638,096,354)	(704,605,539)
Final Tax	(3,729,409)	(19,688,489)
Revenue Taxes	(105,692,649)	(104,279,666)
Income Tax	(87,553,460)	130,156,609
Loss for the year	(827,613,054)	(698,417,085)
Earnings per share-basic and diluted	(44.90)	(37.89)

مستقبل آؤٹ لک:

ٹیکسٹائل سیکٹر کے مستقبل کا نقطہ نظر مستقبل میں کافی سخت ہونے کی توقع ہے۔ اس صورت حال میں پوری صنعت حکومت کی طرف دیکھ رہی ہے کہ وہ پاکستان کی ٹیکسٹائل انڈسٹری کو سپورٹ کرے اور اسے عالمی سطح پر مسابقتی بنانے میں مدد کرے۔

انتظامیہ کی طرف سے اچھی کارپوریٹ گورننس، مارکیٹنگ کا معیار، پیداواری کارکردگی اور مالیاتی نظم و ضبط سب سے زیادہ توجہ کا مرکز رہے گا لیکن ٹیکسٹائل انڈسٹری سے بہترین نتائج اس وقت تک ممکن نہیں جب تک حکومت توانائی کی قیمتوں میں زبردست اضافہ اور بے مثال مارک اپ ریٹ سمیت تمام درپیش مسائل کو مثبت انداز میں حل نہ کرے۔

مستقبل کے نتائج کا انحصار ٹیکسٹائل سیکٹر کیلئے حکومت کی کاروباری دوستانہ پالیسیوں کے ساتھ مقامی اور بین الاقوامی منڈیوں کے ردعمل پر ہے جو کہ دوسروں کے ساتھ ساتھ، علاقائی سطح پر مسابقتی توانائی کی شرحوں کی فراہمی کو یقینی بنائے۔

کمپنی کو ان کثیر جہتی اور بڑھتے ہوئے چیلنجز کا سامنا ہے اور اس نے پوری کمپنی میں لاگت میں کمی کے بڑے اقدامات کو لاگو کرنے کا منصوبہ بنایا ہے اور مارکیٹ کے موجودہ خطرات سے نمٹنے کیلئے خود کو صاف بندی کر رہی ہے۔ آپ کی کمپنی بہترین معیار، مصنوعات کی تنوع، نئی منڈیوں کی تلاش اور پیداواری صلاحیتوں کو حاصل کرنے کیلئے بھی پرعزم ہیں۔

سولر انرجی سسٹم کی تنصیب:

توانائی کے غیر معمولی طور پر اب تک کے بلند ترین نرخوں کے چیلنج سے نمٹنے کے لئے، کمپنی نے شمسی نظام کے ذریعے سستے توانائی کے ذرائع یعنی سولر سسٹم سے بجلی پیدا کرنے کا انتظام کیا ہے۔ اس سلسلے میں، آپ کی کمپنی کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ پہلے مرحلے میں 3.085 میگا واٹ کا سولر انرجی سسٹم کی تنصیب مکمل ہو گئی ہے۔ اس نظام کو درآمد کیا گیا ہے اور اسے شروع کیا گیا ہے، اور فی الحال 15,000 پونٹ اوسط یومیہ بجلی پیدا کر رہا ہے، جس سے توانائی کی مجموعی لاگت میں کمی آئی ہے۔ مالیاتی محاذ پر، اسٹیٹ بینک کی کالیدی پالیسی کی شرح مسلسل کم ہو رہی ہے اور فی الحال 11.50% تک کم ہو گئی ہے سہ ماہی کے دوران پالیسی کی شرح میں مزید کمی بھی متوقع ہے جس سے کمپنی کو مالیاتی لاگت کو کم کرنے میں بھی مدد ملے گی۔

مستقل اثاثوں کی قیمتوں کا از سر نو تعین:

موجودہ میلے کی عکاسی کرنے کے لئے آزاد قدردان ایم اس کے جی ٹریڈرز نے کمپنی کے مقررہ اثاثوں (زمین، عمارت اور مشینری) کی قیمت 30 جون 2025 کو انجام دی تھی۔ کمپنی کے اثاثوں کی قیمت، اثاثوں میں حذف ہونے پر رضائے کے بعد خالص اثاثہ کمپنی کے مالی بیانات میں ہوتا ہے۔

آئی ایس او 9001:2015 کیو ایم ایس سند اور آئی ایس او 14001:2015 ای ایس ایس سند:
آپ کے ڈائریکٹران اس بات کا اظہار کرتے ہوئے خوشی محسوس کرتے ہیں کہ کمپنی نے کامیابی کے ساتھ آئی ایس او 9001:2015 کو ایٹمی منجمنٹ سسٹم اور آئی ایس او 14001:2015 ماحولیاتی منجمنٹ سسٹم کی اسناد کو جاری رکھا ہوا ہے۔

کوڈ آف کارپوریٹ گورننس کی پیروی:

بورڈ آف ڈائریکٹرز اور انتظامیہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور پاکستان سٹاک ایکسچینج کی رول بک کے تحت اپنی ذمہ داری سے آگاہ ہیں۔ کمپنی شفافیت اور انکشافات پر زور دینے کے ساتھ اچھے کارپوریٹ منجمنٹ پریکٹس کے اصولوں پر قائم ہے۔ آپ کی کمپنی مالیاتی اور غیر مالیاتی معلومات کی درستگی، جامعیت اور شفافیت کو بڑھانے کیلئے اپنی کارکردگی کی نگرانی کیلئے باخبر ہیں۔
کارپوریٹ قانون کی تعمیل میں، بورڈ کے ارکان / ڈائریکٹرز درج ذیل کی تصدیق کرتے ہوئے خوش ہیں:

1- کمپنی کے تیار کردہ مالیاتی نتائج واضح طور پر کمپنی کے معاملات، پیداوار کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو ظاہر کرتے ہیں۔

2- کمپنی نے صحیح اکاؤنٹس کی کتب مرتب کی ہوئی ہیں۔

3- مالیاتی نتائج کی تیاری میں اکاؤنٹنگ پالیسیوں کو تسلسل سے لاگو کیا جاتا ہے۔

4- مالیاتی نتائج کی تیاری میں پاکستان میں رائج بین الاقوامی اکاؤنٹنگ معیار کو لاگو کیا جاتا ہے۔

5- کمپنی کا اندرونی نگرانی کا نظام اچھا بنایا گیا ہے اور اسے مؤثر طور پر لاگو و جانچا جاتا ہے۔

6- کمپنی کی مالی حالت نہ صرف اچھی ہے بلکہ اس بات کو یقینی بناتی ہے کہ اس کا کاروبار پروان چڑھتا رہے گا۔

متعلقہ پارٹی لین دین:

کمپنی نے سالانہ رپورٹ کے ساتھ منسلک مالی بیانات میں متعلقہ فریق کے لین دین کے بارے میں تفصیلی انکشافات کئے ہیں۔ اس طرح کا انکشاف کمپنیز ایکٹ 2017، اور قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کے تقاضوں کے مطابق ہیں۔

فنانشل ہائی لائنس:

سابقہ چھ سالوں کا بنیادی پیداواری اور مالیاتی مواد ضمیمہ ایک میں دیا گیا ہے۔

بورڈ کے اجلاس:

سال ختمہ 30 جون 2025 کے دوران بورڈ آف ڈائریکٹرز کے سات (6) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری نیچے دی گئی ہے۔

ڈائریکٹر کا نام	عہدہ	تعداد حاضری اجلاس
مس رومانہ تنویر شیخ	چیر پرسن	6
میاں تنویر احمد شیخ	چیف ایگزیکٹو آفیسر	6
میاں انیس احمد شیخ	ایگزیکٹو ڈائریکٹر	6
میاں عزیز احمد شیخ	ڈائریکٹر	5
میاں عطاء شفیق تنویر شیخ	ایگزیکٹو ڈائریکٹر	5
میاں بختا ورتنویر شیخ	ڈائریکٹر	5
میاں شفیق انیس شیخ	ڈائریکٹر	5
مسٹر طارق رحیم انور	انڈیپنڈنٹ ڈائریکٹر	5
مسٹر نظیر احمد خاں	انڈیپنڈنٹ ڈائریکٹر	6
سید رضا عباس جعفری	انڈیپنڈنٹ ڈائریکٹر	6

سال کے دوران آڈٹ کمیٹی کی چار (4) اجلاس منعقد ہوئے ہر ایک ممبر کی حاضری درج ذیل ہے:

ممبر کا نام	عہدہ	حاضری
نظیر احمد خاں	چیرمین	1
میاں عزیز احمد شیخ	رکن	4
میاں بختا ورتنویر شیخ	رکن	4

ایچ آر اینڈ آر کمیٹی کی سال کے دوران ایک (1) اجلاس منعقد ہوا۔ ہر ایک ممبر کی حاضری درج ذیل ہے۔

ممبر کا نام	عہدہ	حاضری
مسٹر طارق رحیم انور	چیرمین	1
میاں تنویر احمد شیخ	رکن	1
میاں شفیق انیس شیخ	رکن	1

بورڈ کی ترکیب

کوڈ آف کارپوریٹ گورننس اوپینیز ایکٹ 2017 کے مطابق بورڈ، اس کی کمیٹی اور انفرادی ڈائریکٹر کا جائزہ لیا گیا۔ بورڈ کی ذیلی کمیٹی یعنی آڈٹ کمیٹی اور HR&R کمیٹی کی مدد حاصل ہے اور ان ذیلی کمیٹیوں نے CCG کی شرائط کے مطابق سال کے دوران میٹنگس کی۔ بورڈ آف ڈائریکٹر کو اپنے فرائض کی انجام دہی میں معاونت کرنے میں ذیلی کمیٹیوں کے کلیدی کردار کو تسلیم کرنا بھی ضروری ہے۔

اخلاقیات اور کاروباری طریقوں کا بیان:

بورڈ نے کمپنی کے ہر ڈائریکٹر اور ملازم کے دستخط شدہ اخلاقیات اور کاروباری طریقوں کا بیان تیار کیا ہے۔ جو کمپنی کے ساتھ کام کرنے سے وابستہ کسی سے تعلق سے طرز عمل کے معیارات کے بارے میں اس کی سمجھ کے اعتراف کے نشان کے طور پر ہے۔

ویب کی موجودگی:

کمپنی کے تمام متواتر مالی بیانات بشمول سالانہ رپورٹس کمپنی کی ویب سائٹ www.maqboolgroup.com پر سرمایہ کاروں اور شیئر ہولڈرز کے لئے معلومات کے لئے دستیاب ہیں۔

آڈیٹرز:

آپ کی کمپنی کے آڈیٹرز میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس ملتان ریٹائر ہونے اور اہل ہونے کی وجہ سے اگلے سال دوبارہ تقرری کیلئے خود کو پیش کرتے ہیں۔ تاہم، کمپنی نے سال 2025-2026 کیلئے کمپنی کے بیرونی آڈیٹرز کے طور پر تقرری کیلئے میسرز شائن ونگ حمید چوہدری اینڈ کو۔ سے رضامندی حاصل کر لی ہے۔ کمپنی کی آڈٹ کمیٹی نے سال 2025-2026 کے لئے بیرونی آڈیٹرز کے انتخاب اور تقرری پر غور کرنے کے لئے دونوں کو سالانہ جنرل میٹنگ کے سامنے رکھنے پر غور کیا اور تجویز کیا ہے۔ اس کے مطابق وہی ارکان کے غور اور فیصلے کے لئے ان کے سامنے رکھتے ہیں۔

حصص داری کا اسلوب: کمپنی کا 30 جون، 2025ء کا حصص داری کا اسلوب لف کر دیا گیا ہے۔

سٹاف اور لیبر کے ساتھ تعلقات: آپ کے ڈائریکٹران اس بات کی اطلاع دیتے ہوئے خوشی محسوس کرتے ہیں کہ پورے سال لیبر اور سٹاف کے درمیان خوش گوار تعلقات استوار رہے۔

اکنالجمنٹ (سراہنا):

آپ کے ڈائریکٹرز حسب معمول آپ کی کمپنی کے تمام متعلقہ مالیاتی اداروں، بینکرز کی طرف سے حاصل کیے گئے بہترین تعاون کو تسلیم کرتے ہیں، اور ایس کیلئے اپنی تعریف ریکارڈ کرنا چاہتے ہیں اور امید کرتے ہیں کہ مستقبل میں بھی ان کا تعاون جاری رہے گا۔ ڈائریکٹرز نے مقبول ٹیکسٹائل ملز لمیٹڈ کی پوری ٹیم کے سال بھر کے دوران ملز کے کامیاب آپریشنز ان کے کردار کو سراہا۔ ہم اپنے تمام قابل قدر صارفین، سپلائرز، اسٹیک ہولڈرز کا کمپنی کے ساتھ وابستگی پر شکر یہ ادا کرتے ہیں اور آنے والے سالوں میں ان کے ساتھ مزید کامیابیاں بانٹنے کے منتظر ہیں۔ کمپنی کے تمام ملازمین کی محنت، نین مشکل حالات میں کام کرتے ہوئے، کمپنی کے آپریشنز کو ہموار رکھنے کا اعتراف کیا جاتا ہے۔

Habib Bank Ltd.,	National Bank of Pakistan
Bank AL Habib Ltd.,	Bank AL-Falah Ltd.(Islamic)
Habib Metropolitan Bank Ltd.,	Faysal Bank Ltd. (Islamic)
United Bank Ltd.,	Askari Bank Ltd.,
The Bank Of Punjab	Meezan Bank Ltd.
National Bank of Pakistan(Islamic)	Bankislami Pakistan Ltd.

آڈیٹرز کی کو الیفائنڈ رائے کیلئے منجمنٹ کے تبصرے

1- کمپنی کے پاس 30 جون 2025 تک مجموعی طور پر 1077.61 ملین روپے کے بقایا تجارتی قرضے ہیں جیسا کہ نوٹ 8 میں مالیاتی گوشواروں میں ظاہر کیا گیا ہے، سبھی کو اچھا سمجھا جاتا ہے کیونکہ اس کا بڑا حصہ بھی بعد میں حاصل ہو چکا ہے اور اس میں کوئی شک نہیں ہے۔ اس لئے متوقع کریڈٹ نقصان (ECL) کی تشخیص ضروری نہیں تھی اور نہ ہی ضرورت تھی۔

2- 108.61 ملین روپے کی رقم اچھی سمجھی جاتی ہے سوائے 1.794 ملین کے پروویژن کے جو پہلے ہی بنائی گئی ہے۔ توازن پیشگی معمول کی نوعیت کی ہے اور ایسے اچھا سمجھا جاتا ہے۔

3- میسرز فیصل بینک سے حاصل کردہ قرض 162.60 ملین روپے کا طویل مدتی قرضہ کم کرنے والے مشترکہ کی شکل میں ہے جو ماہانہ بنیادوں پر قابل ادائیگی ہے جس کی ادائیگی باقاعدگی سے کی جاتی ہے۔ قرض کی نوعیت طویل مدتی ہونے کی وجہ سے اسے صحیح طریقے سے طویل مدتی قرض کی تحت درجہ بندی کیا گیا ہے۔

بورڈ آف ڈائریکٹرز

دستخط

مس رومانہ تنویر شیخ، چیئر پرسن

ملتان - 103 اکتوبر 2025ء

SIX YEAR KEY OPERATING AND FINANCIAL DATA

BALANCE SHEET

	2025	2024	2023	2022	2021	2020
Authorized Capital	1,000,000,000	1,000,000,000	500,000,000	500,000,000	500,000,000	200,000,000
Issued, subscribed and paidup capital	184,320,000	184,320,000	184,320,000	184,320,000	184,320,000	168,000,000
Share premium	65,280,000	65,280,000	65,280,000	65,280,000	65,280,000	-
Reserve	-	168,000,000	168,000,000	168,000,000	168,000,000	168,000,000
Unappropriated profit/(Loss) Surplus on revaluation of property, plant and equipment	(719,741,055)	(135,525,326)	630,760,398	828,283,416	606,821,489	425,179,002
Total Equity	2,020,077,493	2,090,700,372	1,580,516,928	1,637,396,190	1,086,594,358	1,133,642,519
Liabilities						
Deferred/long term liabilities	2,263,691,065	1,270,660,336	1,203,954,688	1,380,118,205	1,181,651,759	739,111,838
Short term liabilities	5,203,870,332	5,445,231,180	4,782,027,642	3,746,924,205	2,184,018,733	2,601,951,471
Total liabilities	7,467,561,397	6,715,891,516	5,985,982,330	5,127,042,410	3,365,670,492	3,341,063,309
Total equity and liabilities	9,017,497,835	9,088,666,562	8,614,859,656	8,010,322,016	5,476,686,339	5,235,884,830
Fixed assets						
owned	5,470,501,091	5,236,427,242	4,461,204,766	4,394,408,320	3,451,763,800	2,787,728,910
Long term deposits	6,869,989	8,714,089	11,222,314	11,926,564	10,266,514	8,181,889
Current assets	3,540,126,755	3,843,525,231	4,029,240,507	3,603,987,132	2,014,656,025	2,439,974,031
Total assets	9,017,497,835	9,088,666,562	8,501,667,587	8,010,322,016	5,476,686,339	5,235,884,830

PROFIT AND LOSS ACCOUNT

Turnover (net)	8,459,999,871	10,281,366,447	9,837,136,934	10,381,068,277	7,351,740,827	5,841,689,559
Gross profit/(loss)	58,205,663	347,284,827	655,943,987	1,148,653,217	720,967,377	620,022,492
Profit/(loss) before taxation	(638,096,354)	(704,605,539)	(305,892,174)	504,652,866	272,527,932	132,229,230
Taxation	(189,516,700)	6,188,454	(56,833,074)	(236,140,617)	(116,256,952)	(105,837,473)
Profit/(loss) for the year	(827,613,054)	(698,417,085)	(362,725,248)	268,512,249	156,270,980	26,391,757

DISTRIBUTION

Cash dividend (Rs. per share)	Nil	Nil	Nil	1.00	1.75	NIL
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RATIOS

Breakup value	84	129	143	156	115	113
EPS	(44.90)	(37.89)	(19.68)	14.57	9.08	1.57
ROE	1.76	(2.48)	(0.35)	0.22	0.15	0.03
Current Ratio	0.68 : 1	0.71 : 1	0.87 : 1	0.96 : 1	0.92 : 1	0.94 : 1
Debt/Equity Ratio without Surplus	(3.36)	2.13	0.66	0.67	0.94	0.52
Debt/Equity Ratio with Surplus	1.02	0.25	0.26	0.29	0.46	0.21

PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning Unit-I

Spindles installed and worked	No.	27,696	27,696	27,696	27,696	27,696	27,696
Shift worked	No.	609	860	930	1,080	1,092	912
Standard production after conversion into 20's count	Kgs	12,106,987	12,106,987	12,106,987	12,106,987	12,106,987	10,370,373
Actual production of yarn after conversion into 20's count	Kgs	5,018,052	6,942,422	8,673,792	10,063,174	11,659,952	7,447,249

Spinning Unit-II

Spindles installed and worked	No.	27,864	27,864	27,864	27,864	27,864	27,864
Shift worked	No.	910	948	950	1,080	1,092	917
Standard production after conversion into 40's PC count	Kgs	4,558,526	4,558,526	4,558,526	4,558,526	4,558,526	4,784,702
Actual production of yarn after conversion into 40's PC count	Kgs	4,348,118	4,487,540	3,790,430	4,369,095	4,429,605	3,459,402

Spinning Unit-III

Spindles installed and worked	No.	26,664	26,664	26,664	26,664	26,664	26,664
Shift worked	No.	1,004	1,039	950	1,080	1,092	905
Standard production after conversion into 20's count	Kgs	7,939,375	7,939,375	7,939,375	7,939,375	7,939,375	7,669,765
Actual production of yarn after conversion into 20's count	Kgs	7,049,201	7,407,231	5,834,782	7,148,517	7,540,536	6,715,980

Spinning Unit-IV

Machines installed and worked	No.	576	576	576	576	-	-
Shift worked	No.	990	987	980	525	-	-
Standard production after conversion into 20's count	Kgs	4,006,649	4,006,649	4,006,649	4,006,649	-	-
Actual production of yarn after conversion into 20's count	Kgs	3,885,716	3,812,401	3,719,875	3,242,558	-	-



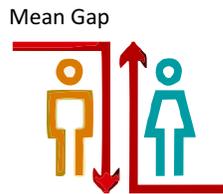
Gender Pay Gap statement under SECP Circular 10 of 2024

At Maqbool Textile Mills Limited, we are committed to promoting workplace equality and ensuring compliance with the SECP circular on the gender pay gap.

Globally, the gender pay gap remains a significant challenge, reflecting disparities in earnings between men and women arising from factors such as occupational segregation, differences in work experience, and industry dynamics.

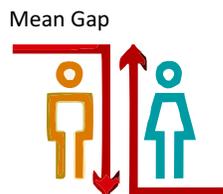
Despite the challenges faced by Pakistan's chemical sector, we are dedicated to fostering greater gender inclusion within the industry. An overview of our current gender pay gap is presented below:

1. Mean Gender Gap :



The mean pay for Women is 103.5% higher than that of men

2. Median Gender Gap :



The median pay for Women is 10% lower than that of men

For and on behalf of board

Tanvir Ahmed Sheikh
Chief Executive Officer

**STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019
Year Ended June 30, 2025**

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the listing regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

Maqbool Textile Mills Limited (the company) has applied the principles contained in the Code of Corporate Governance in the following manner:

1. The total number of Directors are 10 as per the following:

- i. Mian Tanvir Ahmad Sheikh
- ii. Ms. Romana Tanvir Sheikh
- iii. Mian Anis Ahmad Sheikh
- iv. Mian Aziz Ahmad Sheikh
- v. Mian Atta Shafi Tanvir Sheikh
- vi. Mian Bakhtawar Tanvir Sheikh
- vii. Mian Shafi Anis Sheikh
- viii. Mr. Syed Raza Abbas Jaffery (Rep. NIT)
- ix. Mr. Nazir Ahmad Khan
- X. Mr. Tariq Rahim Anwar

2. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

S. No	Category	Name Of Directors
1	<u>Independent Director*</u>	1. Mr. Nazir Ahmad Khan 2. Mr. Syed Raza Abbas Jaffery 3. Mr. Tariq Rahim Anwar
2	<u>Executive Director</u>	1. Mr. Tanvir Ahmad Sheikh 2. Mr. Anis Ahmad Sheikh 3. Mr. Atta Shafi Tanvir Sheikh
3	<u>Non-Executive Director</u>	1. Ms. Romana Tanvir Sheikh 2. Mr. Aziz Ahmad Sheikh 3. Mr. Bakhtawar Tanvir Sheikh 4. Mr. Shafi Anis Sheikh

*The Independent Director meets the requirements as prescribed in PSX Rules Book.

*The number of Independent Directors as per the PSX Policy should be one third of the Board of Directors, which in case of MQTM comes to 3 of total 10 Directors. Because as per universal rule of mathematics if fraction is lower than 0.50% it will rounding to lower number

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the act and these regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected for this purpose. The board has complied with the requirements of act and the regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Majority of the Directors of the Company are exempt from the requirement of the directors training program or has obtained the exemption certificate:
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, Including their remuneration and terms of employment and complied relevant requirements of the Regulations.
11. Deputy CFO and CEO duly endorsed the financial statement before approval of the board.
12. The board has formed committees comprising of members given below:

- i. The board has constituted an Audit Committee. It comprises of three members, of whom two are non-executive directors and one independent director. The Chairman of the Committee is also a Independent Director.

Name of Member of Committee	Designation
i. Mr. Nazir Ahmad Khan	Chairman
ii. Mian Aziz Ahmad Sheikh	Member
iii. Mian Bakhtawar Tanvir Sheikh	Member

- ii. The board has constituted a Human Resource (HR) & Remuneration Committee comprises of three members, of whom majority are non-executive directors including the Chairman of the committee.

Name of Member of Committee	Designation
i. Mr. Tariq Rahim Anwar	Chairman
ii. Mian Tanvir Ahmad Sheikh	Member
iii. Mian Shafi Anis Sheikh	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 (quarterly/half yearly/yearly) of the committee were as per following:
 - i. Audit Committee 4 Meetings
 - ii. H.R. Committee 1 Meeting
15. The board has setup an effective internal audit function.
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 ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

SR	Non-Mandatory Requirement	Explanation	Regulation No.
1	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors as it may deem appropriate in its circumstances	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee.	29(1)
2	Risk Management Committee The Board may constitute the Risk Management committee of such number and class of directors as it may deem appropriate in its circumstances to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and the Company's Internal Auditor, performs the requisite functions and apprises the board accordingly	30(1)
3	Disclosure of Significant Policies The Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (1)/2024 dated 12 June 2024	Currently, the Company has voluntarily disclosed its CSR policy on its website. However, the Company is committed to comply with this requirement and is planning to place other significant policies as per requirement of the regulation including policies for DE&I and anti-harassment.	35 (1,3,4) and 10 (4)
4	Sustainability Risks and Opportunities The Board has been made responsible to consider Sustainability Risks and Opportunities and make policies to promote diversity, equity and inclusion (DE&I) and make strategies, priorities and targets. Also board is required to periodically review and monitor and disclose the assessment of risks and disclose measures taken.	On June 12, 2024, the SECP has amended the Regulations, and added these requirements. Board will assess the requirement and will make policies in due course of time.	10 (A.1)
5	Appointment of Chief Financial Officer Regulation 25 requires that the financial statements of a listed company must be signed by the Chief Executive Officer and the Chief Financial Officer. The Board has not appointed a Chief Financial Officer following the departure of the previous CFO. This is non-compliance with the requirement.	Currently, the Company confirms that the process to appoint a new CFO is actively in progress and new CFO will be appointed in due course. A Deputy CFO is currently discharging CFO responsibilities in an acting capacity.	25

On behalf of the Board of Directors

Chairperson
 Multan
 03.10.2025

Chief Executive Officer

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Maqbool 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 **Maqbool 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.

Further, we highlight below instances of non-compliance with the requirement of the regulation as reflected in the note reference where these are stated in the Statement of Compliance:

Sr. No	Note	Description
I.	10,11	The position of Chief Financial Officer has vacant from March 1, 2025 till reporting date and the board has not made appointment there against as required by the Regulation.

Chartered Accountants

Place: Multan

Date: October 6, 2025

UDIN # CR202510180sVHp0udLz

INDEPENDENT AUDITORS' REPORT

To the members of Maqbool Textile Mills Limited Report on the Audit of the Financial Statements

Qualified Opinion

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

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

Basis for Qualified Opinion

1. The Company has outstanding trade debts aggregating to Rs. 1,077.62 million as at June 30, 2025 as disclosed in note 8 to the financial statements. The management has not performed an assessment of the expected credit loss (ECL) on these outstanding trade debts as required under International Financial Reporting Standard 9 "Financial Instruments" (IFRS 9). Consequently, we were unable to determine whether any adjustments were necessary to the carrying amount of trade debts, the related impairment loss, and the associated disclosures in the financial statements.
2. Loans, advances and prepayments (please refer note 9 to the financial statements), includes an amount of Rs. 102.61 million disclosed as advances to suppliers, out of which there is no movement in advances aggregating to Rs. 46.65 million since last year. The management has not performed an assessment to determine whether these advances are impaired, as required by International Accounting Standard 36 "Impairment of Assets" (IAS 36). We were unable to obtain sufficient appropriate audit evidence to assess the recoverability of these balances. Consequently, we were unable to determine whether any adjustments were necessary to the carrying amount of advances to suppliers, the related impairment loss, and the associated disclosures in the financial statements.

3. The Company has obtained a loan from a bank which is subject to certain financial covenants. As at the reporting date, the Company has breached these covenants, resulting in an event of default under the terms of the loan agreement. Consequently, the loan has become payable on demand. However, management has classified this loan as a non-current liability, which is not in compliance with International Accounting Standard 1 “Presentation of Financial Statements”, as liabilities that are payable on demand must be classified as current. In our view, this has resulted in an overstatement of non-current liabilities and an understatement of current liabilities by Rs 130.85 million.

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

Material Uncertainty relating to Going concern

We draw attention to note 1.2 to the financial statements, which indicates that as of June 30, 2025, Company's current liabilities exceeded its current assets by Rs. 1,663.74 million and its accumulated losses stood at Rs. 719.74 million. These conditions, along with other matters as set forth in note 1.2 to the financial statements, indicate existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matters was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

In addition to the matter described in the Basis for Qualified Opinion section, following is the key audit matter:

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
Revenue Recognition	
<p>The Company's sales comprise of revenue from the sale of yarn this has been disclosed in note 26 to the financial statements.</p> <p>Revenue from the contract is recognized, when control related to the sale of goods is transferred and the performance obligation is satisfied i.e. on dispatch of goods (note 4.4.11).</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of control to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.</p>	<p>Our audit procedures to address the Key Audit Matter included the following:</p> <p>Obtained an understanding of and assessing the design and implementation and operating effectiveness of controls around recognition of revenue;</p> <p>Assessed the appropriateness of the Company's accounting policies for revenue recognition in light of IFRS -15 'Revenue from contracts with customer;</p> <p>Checked on a sample basis whether the recorded sales transactions were based on transfer of goods to the customer, satisfying the performance obligation and were recorded in the appropriate accounting period; and</p> <p>Testing timeliness of revenue recognition by comparing individual sales transaction before and after the year end to underlying documents.</p>

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and the Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Sufyan

Chartered Accountants

Multan

Date: October 06, 2025

UDIN: AR202510180V0TsdQKnX

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,470,501,091	5,236,427,242
Long term deposits		6,869,989	8,714,089
		5,477,371,080	5,245,141,331
Current assets			
Stores and spares	6	163,504,299	202,017,003
Stock in trade	7	1,317,976,168	1,838,369,038
Trade debts	8	1,077,617,048	549,587,043
Loans, advances and prepayments	9	136,230,846	281,317,864
Due from Government	10	739,542,118	801,320,970
Advance taxes and levy	11	90,855,921	153,038,445
Other financial assets	12	10,228,833	10,386,500
Cash and bank balances	13	4,171,522	7,488,368
		3,540,126,755	3,843,525,231
Total assets		9,017,497,835	9,088,666,562
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	14	184,320,000	184,320,000
Share premium	14	65,280,000	65,280,000
General reserve		-	168,000,000
Surplus on revaluation of property, plant and equipment - net of deferred tax	15	2,020,077,493	2,090,700,372
Accumulated losses		(719,741,055)	(135,525,326)
		1,549,936,438	2,372,775,046
Loan from director	16	28,046,079	16,701,079
		1,577,982,517	2,389,476,125
Non-current liabilities			
Long term financing	17	1,296,264,879	400,256,906
Deferred grant	18	42,315,394	57,989,629
Lease liabilities	19	14,828,152	15,737,598
Deferred taxation	20	802,139,160	712,635,574
Staff retirement benefits - gratuity	21	80,097,401	67,339,550
		2,235,644,986	1,253,959,257
Current liabilities			
Trade and other payables	22	2,814,881,943	1,942,476,099
Accrued mark up	23	96,086,176	180,557,187
Short term borrowings	24	1,729,645,285	3,040,183,675
Loan from directors	25	195,224,500	-
Current portion of long term financing	17	226,924,479	125,121,715
Current portion of deferred grant	18	15,674,235	17,457,174
Current portion of lease liabilities	19	13,063,251	8,910,104
Unclaimed dividend		6,532,010	6,532,010
Provision for levy		105,838,453	123,993,216
		5,203,870,332	5,445,231,180
Contingencies and commitments	26		
Total equity and liabilities		9,017,497,835	9,088,666,562

The annexed notes from 1 to 49 form an integral part of these financial statements.

Sd/
Chief Executive Officer

Sd/
Director

Sd/
Deputy Chief Financial Officer

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

	Note	2025 Rupees	2024 Rupees
Revenue from contracts with customers	27	8,459,999,871	10,281,366,447
Cost of goods sold	28	<u>(8,401,794,208)</u>	<u>(9,934,081,620)</u>
Gross profit		58,205,663	347,284,827
Other income	29	<u>21,242,056</u>	<u>28,421,632</u>
		79,447,719	375,706,459
Selling and distribution expenses	30	<u>8,317,772</u>	<u>51,184,462</u>
Administrative expenses	31	<u>196,212,059</u>	<u>262,268,492</u>
		(204,529,831)	(313,452,954)
		(125,082,112)	62,253,505
Finance cost	32	<u>(513,014,242)</u>	<u>(766,859,044)</u>
Loss before final taxes, revenue taxes and income tax		(638,096,354)	(704,605,539)
Final taxes	33	<u>3,729,409</u>	<u>(19,688,489)</u>
Loss before revenue taxes and income tax		(634,366,945)	(724,294,028)
Revenue taxes	34	<u>(105,692,649)</u>	<u>(104,279,666)</u>
Loss before income tax		(740,059,594)	(828,573,694)
Income tax	35	<u>(87,553,460)</u>	<u>130,156,609</u>
Loss after taxation		<u>(827,613,054)</u>	<u>(698,417,085)</u>
Earnings per share - basic and diluted	36	<u>(44.90)</u>	<u>(37.89)</u>

The annexed notes from 1 to 49 form an integral part of these financial statements.

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

	Note	2025 Rupees	2024 Rupees
Loss after taxation		(827,613,054)	(698,417,085)
Other comprehensive income:			
Items that will not be reclassified to statement of profit or loss			
Remeasurement of defined benefit obligation - gratuity	21	6,724,572	(3,856,740)
Related tax thereon		(1,950,126)	1,118,455
		4,774,446	(2,738,285)
Surplus on revaluation of property, plant and equipment		-	833,493,832
Related tax thereon		-	(210,448,891)
Effect of change in tax rate on opening revaluation surplus		-	(64,799,782)
		-	558,245,159
Other comprehensive income for the year		4,774,446	555,506,874
Total comprehensive income for the year		(822,838,608)	(142,910,211)

The annexed notes from 1 to 49 form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Deputy Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025**

Sd/-
Chief Executive

	Capital Reserves		Revenue Reserve		Loan from director	Total
	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	General reserve		
Balance as at June 30, 2023	184,320,000	65,280,000	1,580,516,928	168,000,000	517,568,329	2,515,685,257
Loss for the year	-	-	-	-	(698,417,085)	(698,417,085)
Other comprehensive income for the year	-	-	558,245,159	-	(2,738,285)	555,506,874
Total comprehensive income for the year	-	-	558,245,159	-	(701,155,370)	(142,910,211)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental 'depreciation - net of deferred tax	-	-	(48,061,715)	-	48,061,715	-
Transactions with owners:						
Loan from directors	-	-	-	-	16,701,079	16,701,079
Balance as at June 30, 2024	184,320,000	65,280,000	2,090,700,372	168,000,000	(135,525,326)	2,389,476,125
Loss for the year	-	-	-	-	(827,613,054)	(827,613,054)
Other comprehensive income for the year	-	-	-	-	4,774,446	4,774,446
Total comprehensive income for the year	-	-	-	-	(822,838,608)	(822,838,608)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	(70,622,879)	-	70,622,879	-
Transfer from general reserve to accumulated losses	-	-	-	(168,000,000)	168,000,000	-
Transactions with owners:						
Loan from directors	-	-	-	-	11,345,000	11,345,000
Balance as at June 30, 2025	184,320,000	65,280,000	2,020,077,493	-	(719,741,055)	1,577,982,517

Rupees

Balance as at June 30, 2023

Loss for the year

Other comprehensive income for the year

Total comprehensive income for the year

Transfer from surplus on revaluation of property, plant and equipment on account of incremental 'depreciation - net of deferred tax

Sd/-
Director

Transactions with owners:

Loan from directors

Balance as at June 30, 2024

Loss for the year

Other comprehensive income for the year

Total comprehensive income for the year

Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax

Transfer from general reserve to accumulated losses

Transactions with owners:

Loan from directors

Balance as at June 30, 2025

The annexed notes from 1 to 49 form an integral part of these financial statements.

Sd/-
Deputy Chief Financial Officer

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(740,059,594)	(828,573,694)
Adjustments for:			
Depreciation on property, plant and equipment		246,337,515	212,974,505
Interest income on term finance certificate		(1,793,847)	(2,365,796)
Amortization of deferred grant		(17,457,174)	(21,453,988)
Provision for staff retirement benefits - gratuity		42,611,184	37,474,148
Finance cost		513,014,242	766,859,044
Gain on sale of property, plant and equipment		(1,991,035)	(52,528)
Final taxes		(3,729,409)	19,688,489
Revenue taxes		105,692,649	104,279,666
		882,684,125	1,117,403,540
Operating cash flows before working capital changes		142,624,531	288,829,846
(Increase) / decrease in current assets			
Stores and spares		38,512,704	13,468,655
Stock in trade		520,392,870	(193,737,082)
Trade debts		(528,030,005)	854,499,215
Loans, advances and prepayments		145,087,018	(87,455,304)
Sales tax refundable		47,114,747	(414,954,015)
		223,077,334	171,821,469
(Decrease) / increase in current liabilities			
Trade and other payables		872,405,844	514,514,869
Cash generated from operations		1,238,107,709	975,166,184
Tax/ (Levies) paid		(43,271,375)	(138,076,378)
Gratuity paid		(23,128,761)	(39,782,857)
Finance cost paid		(597,485,253)	(748,596,531)
		(663,885,389)	(926,455,766)
Net cash generated from operating activities		574,222,320	48,710,418
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(481,060,144)	(154,784,621)
Proceeds from disposal of property and equipment		18,507,903	134,000
Long term deposits		1,844,100	2,508,225
Interest received on term finance certificates		1,951,514	2,374,963
Net cash used in investing activities		(458,756,627)	(149,767,433)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from director		206,569,500	16,701,079
Proceeds from long term financing		400,555,000	-
Repayment of long term financing		(108,363,864)	(137,265,535)
Repayment of lease liabilities		(12,624,385)	(17,774,423)
Short term borrowings - net		58,564,591	(260,339,376)
Dividend paid		-	(283,870)
Net cash generated / (used in) from financing activities		544,700,842	(398,962,125)
Net (decrease) / increase in cash and cash equivalents (A+B+C)		660,166,535	(500,019,140)
Cash and cash equivalents at beginning of the year		(1,668,542,313)	(1,168,523,173)
Cash and cash equivalents at end of the year	39	(1,008,375,778)	(1,668,542,313)

The annexed notes from 1 to 49 form an integral part of these financial statements.

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

1. GENERAL INFORMATION

1.1 Maqbool Textile Mills Limited (the "Company") was incorporated in Pakistan on December 03, 1989 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange. The registered office of the Company is situated at 2-Industrial Estate Multan, Pakistan. The Company is principally engaged in manufacturing and sale of yarn, cotton seed and cotton lint. The Company's area of the mill at unit 1, unit 2 and unit 4 is 65.64 acres located at M.M. Road, Chowk Sarwar Shaheed, District Muzaffargarh and area of unit 3 is 21.81 acres located at Rajana Road, Pirmahal, District Toba Tek Singh.

1.2 During the year, The Company has incurred loss of Rs. 827.61 million (2024: 698.42 million), resulting in accumulated losses of Rs. 719.74 million (2024: 135.53 million) as at the reporting date. Moreover, at the reporting date, the Company's current liabilities exceed its current assets by Rs. 1,663.74 million (2024: 1,601.70).

The loss resulted primarily due to higher electricity prices, high monetary policy rate and consumption of raw material at high prices. In June 2025, the Company has installed a solar system with a capacity of 3.3 MW which is expected to reduce fuel and power expenses in future years and furthermore, monetary policy rate were also reduce from 20% to 11% which is expected to reduce further. The Board of Directors in its meeting held on 25 August, 2025, approved the sale of piece of land measuring 122 Kanals 4 Marlas which is expected to contribute positive cash flows into the Company. Additionally, the directors has also provided an interest free loan to the Company to improve its cashflow and have further provided a letter of support to the Company to continue providing sufficient funds to keep the Company as a going concern. Considering the earlier mentioned factors, the financial statements have been prepared on going concern basis.

2. STATEMENT OF COMPLIANCE

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

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

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

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

3. ADOPTION OF NEW AND REVISED ACCOUNTING 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:

3.1 ***New amendments that are effective for the year ended June 30, 2025***

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

Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants

Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements

3.2 ***Standards and amendments to IFRS that are not yet effective***

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or

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

	Effective from accounting period beginning on or after
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'	January 01, 2025
- Clarification on how entity accounts when there is long term lack of Exchangeability	
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7'	January 01, 2026
'Financial instruments disclosures' - Classification and measurement of financial instruments	
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7	January 01, 2026
'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	

3.2.1 Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

3.3 Significant estimates

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 reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

Significant areas requiring the use of management estimates in these financial statements relate to the revaluation of certain item of property, plant and equipment, useful life of depreciable assets, employee retirement benefits, provision for doubtful receivables and taxation.

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1. Basis of measurement

These financial statements have been prepared under historical cost convention except indicated in note 4.4.1, 4.4.5, 4.4.9, 4.4.10, 4.4.12 and 4.4.17.

4.2. Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

4.3. Critical judgements and accounting estimates in applying the accounting policies

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other resources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on the ongoing basis. Revisions to accounting estimates are recognized in the period in which estimate is revised if the revision affects only that period, or in the period of revision and future period if the revision affects both current and future periods.

In preparing these financial statements, the significant judgement made by the management in applying accounting policies include:

- useful lives of property, plant and equipment (notes 4.4.1 and 5.1)
- provision for staff retirement benefits (notes 4.4.10 and 21)
- Taxation (notes 4.4.9, 32, 33 and 34)
- revaluation of property, plant and equipment (notes 4.4.1, 5.4 and 5.5)
- provision for trade debts under expected credit loss model (note 4.4.5.1(d))
- provision against suppliers (note 9)

4.4. Accounting policies

4.4.1 Property, plant and equipment

Property, plant and equipment except freehold land, building on freehold land, plant and machinery, generator and electric fittings and installations and capital work-in-progress are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land, building on freehold land, plant and machinery, generator and electric fittings and installations are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses, if any. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the statement of financial position date. Any revaluation increase arising on the revaluation of such asset is credited in 'Surplus on revaluation of property, plant and equipment'. A decrease in the carrying amount arising on revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation account relating to previously revalued assets.

To the extent of incremental depreciation charged on revalued assets, the related surplus on revaluation (net of deferred tax) is transferred directly to retained earnings/unappropriated profit. Depreciation on property, plant and equipment, except freehold land and capital work-in-progress, is charged to statement of profit or loss applying reducing balance method over the estimated useful lives of the assets at the rates shown in note 5.1 to the financial statements.

Depreciation on additions is charged from the month the asset is available for use up to month immediately preceding the date of disposal. Gains and losses on disposal of property, plant and equipment if any, are recognized in statement of profit or loss, as and when incurred. Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

4.4.2 Right-of-use assets and lease liabilities

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the company.

The lease liabilities are initially measured at the present value of the minimum lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. At initial recognition, liabilities were discounted using the Company's incremental borrowing rate. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective

interest rate.

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 on a straight line method over the lease term as this method most closely reflects the expected 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.

4.4.3. Capital work-in-progress

Capital work-in-progress (CWIP) is stated at cost less any recognized impairment loss. All expenditures connected to the specific assets incurred during installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are ready for their intended use.

4.4.4. Impairment of non-financial assets

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

Where impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised recoverable amount but limited to the extent of carrying amount that would have been determined had no impairment loss been recognized in prior periods. Reversal of impairment loss is recognized as income.

4.4.5. Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit or loss.

4.4.5.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

a) Debt instruments measured at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating

interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

As at reporting date, the Company carries cash and cash equivalents and trade debts at amortised cost.

b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments that meet specified conditions and are measured subsequently at fair value through other comprehensive income (FVTOCI).

As at reporting date, the Company does not hold any debt instrument classified as at FVTOCI.

c) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

As at reporting date, the Company does not hold any equity instrument classified as at FVTOCI.

d) Financial assets measured subsequently at fair value through profit or loss (FVTPL)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

As at reporting date, the Company does not hold any equity instrument classified as at FVTPL.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost, as well as on financial guarantee contracts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade debts. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Definition of default:

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the trade debts are unlikely to pay its trade payables, including the Company, in full (without taking into account any collateral held by the Company).

Write-off policy

The Company writes off financial assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any

recoveries made against financial assets written-off are recognised in statement of profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in statement of profit or loss.

4.4.5.2. Financial liabilities

Subsequent measurement of financial liabilities

Financial liabilities that are not

- contingent consideration of an acquirer in a business combination,
- held-for-trading, or
- designated as at FVTPL.

are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

4.4.5.3. Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit or loss.

4.4.5.4. Offsetting of financial assets and financial liabilities

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

4.4.6. Stores and spares

These are valued at lower of cost and net realizable value, determined on moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon.

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

4.4.7. Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined as :

<i>Raw material</i>	<i>Weighted average cost.</i>
<i>Material in transit</i>	<i>Cost accumulated up to statement of financial position date.</i>
<i>Work in process</i>	<i>Average manufacturing cost.</i>
<i>Finished goods</i>	<i>Average manufacturing cost.</i>
<i>Waste</i>	<i>Net realizable value.</i>

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated cost necessary to be incurred to effect such sale.

4.4.8. 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, balances with banks and running finances.

4.4.9. Taxation / Revenue Taxes / Final Taxes

Current

Charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, as per Income Tax Ordinance, 2001.

Revenue Taxes

Revenue taxes includes amount representing excess of :

- a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation; and
- b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax stream taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as revenue taxes.

The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

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

In these financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are calculated on a basis other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised as prepaid assets.

Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average enacted tax rate.

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

4.4.10. Staff retirement benefits - gratuity

The main features of the scheme operated by the Company for its employees are as follows:

Defined benefit plan

The Company operates an unfunded gratuity scheme for all employees according to the terms of employment subject to a minimum qualifying period of service. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits irrespective of the qualifying period.

4.4.11. Revenue recognition

Revenue from contracts with customers is recognised at the point in time when the performance obligation is satisfied

i.e. control of goods is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled to in exchange for those goods.

4.4.12. Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the refinance scheme are included in current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the tenure of the loan.

4.4.13. Foreign currency translation

Transactions in foreign currencies are translated at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in profit or loss for the period.

4.4.14. Borrowing costs

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

All other borrowing costs are charged to statement of profit or loss in the period in which they are incurred.

4.4.15. Dividend

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

4.4.16. Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the amortised cost of the consideration to be paid in future for goods and services received whether billed to the Company or not.

4.4.17. Provisions

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

4.4.18. Earnings per share

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

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2025 Rupees	2024 Rupees
Operating fixed assets	5.1	5,371,541,578	5,211,232,773
Right of use assets	5.7	34,859,513	25,194,469
Capital work in progress		64,100,000	-
		5,470,501,091	5,236,427,242

5.1 Operating fixed assets

Particulars	Cost / Revalued amount			Accumulated depreciation		Written down value as at June 30, 2025	Rate %		
	At July 01, 2024	Additions/ (disposals)	Revaluation adjustment	At June 30, 2025	At July 01, 2024			Charge for the year	Revaluation adjustment
Land - freehold	716,628,000	-	-	716,628,000	-	-	-	716,628,000	-
Buildings on freehold land	1,341,421,000	-	-	1,341,421,000	-	67,071,050	-	1,274,349,950	5
Plant and machinery	3,048,722,000	122,855,314	-	3,171,577,314	-	155,577,171	-	3,016,000,143	5
Generator	15,650,517	-	-	15,650,517	10,187,134	546,338	-	4,917,045	10
Electric fittings and installations	151,416,447	289,482,003	-	440,898,450	93,454,938	12,623,969	-	334,819,543	15
Tools and equipment	9,697,215	-	-	9,697,215	3,523,187	617,406	-	5,556,622	10
Office equipment	17,232,844	505,300	-	17,738,144	8,829,718	856,234	-	8,052,192	10
Telephone installations	4,143,521	-	-	4,143,521	2,656,243	148,728	-	1,338,550	10
Furniture and fixtures	12,226,329	208,100	-	12,434,429	8,105,668	424,685	-	3,904,076	10
Arms and ammunitions	928,795	40,000	-	968,795	587,106	36,169	-	345,520	10
Weighing scales	2,398,842	-	-	2,398,842	1,868,426	53,042	-	1,921,468	10
Tube well	1,186,036	-	-	1,186,036	954,631	23,141	-	977,772	10
Fire extinguishing equipment	1,708,142	-	-	1,708,142	1,384,381	32,376	-	1,416,757	10
Vehicles	47,814,793	-	-	19,578,033	28,390,276	2,285,779	-	14,925,119	20
		(28,236,760)		(28,236,760)		(15,750,936)			
	5,371,174,481	413,090,717	-	5,756,028,438	159,941,708	240,296,088	-	384,486,860	
		(28,236,760)		(28,236,760)		(15,750,936)			

For comparative period

Particulars	Cost / Revalued amount			Accumulated depreciation			Written Down Value as at June 30, 2024	Rate %	
	At July 01, 2023	Additions/ (Disposals)	Revaluation Adjustment	At June 30, 2024	At July 01, 2023	Charge for the year			Revaluation Adjustment
Land - freehold	608,820,000	-	107,808,000	716,628,000	-	-	-	716,628,000	-
Buildings on freehold land	1,042,056,204	1,537,680	297,827,116	1,341,421,000	53,293,783	49,470,156	(102,763,939)	1,341,421,000	5
Plant and machinery	3,372,648,149	142,488,916	(466,415,065)	3,048,722,000	651,268,165	140,241,677	(791,509,842)	3,048,722,000	5
Generator	15,650,517	-	-	15,650,517	9,580,091	607,043	-	10,187,134	10
Electric fittings and installations	143,501,652	7,914,795	-	151,416,447	84,187,931	9,267,007	-	57,961,509	15
Tools and equipment	9,590,215	107,000	-	9,697,215	2,843,684	679,503	-	3,523,187	10
Office equipment	16,449,344	783,500	-	17,232,844	7,941,852	887,866	-	8,403,126	10
Telephone installations	3,730,021	413,500	-	4,143,521	2,509,971	146,272	-	2,656,243	10
Furniture & fixtures	12,226,329	-	-	12,226,329	7,647,817	457,851	-	4,120,661	10
Arms & ammunitions	928,795	-	-	928,795	549,141	37,965	-	341,689	10
Weighing scales	2,398,842	-	-	2,398,842	1,809,491	58,935	-	1,868,426	10
Tube well	1,186,036	-	-	1,186,036	928,919	25,712	-	231,405	10
Fire extinguishing equipment	1,708,142	-	-	1,708,142	1,348,408	35,973	-	323,761	10
Vehicles	34,090,348	13,858,445	-	47,814,793	26,144,248	2,298,556	-	19,424,517	20
	5,264,984,594	166,969,836	(60,779,949)	5,371,174,481	850,053,501	204,161,988	(894,273,781)	5,211,232,773	

5.2 Disposal of property, plant and equipment of book value exceeding Rs. 500,000

Particulars	Cost	Accumulated Depreciation	Carrying value	Sale proceeds	Gain / (loss)	Mode of Disposal	Relationship	Particulars of buyers
For the year ended 2025								
Vehicle								
Fortuner ACQ-070	9,592,080	5,695,905	3,896,175	4,000,000	103,825	Negotiable	Third Party	Mr Ali
Honda Civic ACK-070	4,829,180	2,640,982	2,188,198	2,500,000	311,802	Negotiable	Third Party	Mr Ali
Grande MNB-19-70	2,951,000	2,093,608	857,392	1,000,000	142,608	Negotiable	Third Party	Mr Salman
Toyota GLI MND-19-70	2,878,000	1,958,514	919,486	848,274	(71,212)	Sale and Leaseback	Third Party	First Habib Mudaraba
Honda City AYP-159	1,800,000	698,400	1,101,600	1,840,000	738,400	Negotiable	No Relation	Rana Pervaiz
Toyota GLI AUB-10-231	1,600,000	586,667	1,013,333	1,013,333	-	Negotiable	Director Spouse	Mrs Rameen Anis Sheikh
Wagner AEG-663	1,530,000	836,944	693,056	643,182	(49,874)	Sale and Leaseback	Third Party	First Habib Mudaraba
Suzuki Swift MNA-10-302	1,460,000	425,833	1,034,167	1,034,167	-	Negotiable	Director Spouse	Mrs Rameen Anis Sheikh
	26,640,260	14,936,853	11,703,407	12,878,956	1,175,549			

	Note	2025 Rupees	2024 Rupees
5.3 Allocation of depreciation			
Cost of goods sold	28	236,512,912	200,350,366
Administrative expenses	31	<u>9,824,603</u>	<u>12,624,139</u>
		<u><u>246,337,515</u></u>	<u><u>212,974,505</u></u>

5.4 Revaluation of freehold land, building on free hold land and plant & machinery was carried out as on June 30, 2024 by independent valuer M/s K.G. Traders (Pvt.) Limited. Revaluation surplus has been credited to surplus on revaluation of property, plant and equipment. The basis used for the revaluation of these assets were as follows:

Freehold land and building on free hold land

Fair market value of the land was assessed through inquiries from various estate agents, brokers and builders / developers and keeping in view the location of the property, its size, status, utilization, cost of new construction, construction standard, depreciation cost factor, state of infrastructure and current trends in prices of real estate in the vicinity of the property.

Plant and machinery

Fair market value of the plant and machinery was assessed through inquiries of local authorized dealers who deal in old and new similar type of plant and machineries. Replacement value was then ascertained from competitive rates of the plant and machinery and thereafter, an average depreciation factor was applied on the replacement value of the plant and machinery.

5.5 Forced sale value of the above revalued items of property, plant and equipment is as follows:

	Rupees
Land - freehold	573,302,400
Buildings on freehold land	1,073,136,800
Plant and machinery including generator and electric fittings and installations	<u>2,438,977,600</u>
	<u><u>4,085,416,800</u></u>

5.6 Had there been no revaluation, the related carrying amounts of freehold land, buildings on freehold land, plant and machinery would have been as follows:

	Note	2025 Rupees	2024 Rupees
Land - freehold		33,481,524	33,481,524
Buildings on freehold land		303,579,880	248,956,663
Plant and machinery		2,207,531,493	2,163,258,309
Generator		3,503,285	3,285,497
Electric fittings and installations		<u>55,951,803</u>	<u>55,597,149</u>
		<u><u>2,604,047,985</u></u>	<u><u>2,504,579,142</u></u>

5.7 Right of use asset

Cost		
Opening balance	48,640,530	70,057,030
Additions during the year	15,706,470	-
Transfer to owned vehicle	-	(21,416,500)
Closing balance	64,347,000	48,640,530
Accumulated depreciation		
Opening balance	23,446,061	23,783,357
Charge for the year	6,041,426	8,759,989
Transfer to owned vehicle	-	(9,097,285)
	<u>29,487,487</u>	<u>23,446,061</u>
Closing Balance	<u><u>34,859,513</u></u>	<u><u>25,194,469</u></u>

	Note	2025 Rupees	2024 Rupees
6. STORES AND SPARES			
Stores and spares		150,454,041	173,258,504
Packing material		13,050,258	28,758,499
		<u>163,504,299</u>	<u>202,017,003</u>
7. STOCK IN TRADE			
Raw materials		253,844,646	621,021,584
Work in process		68,366,339	82,971,035
Finished goods:			
-Yarn		992,403,548	1,130,563,194
-Waste		3,361,635	3,813,225
		<u>995,765,183</u>	<u>1,134,376,419</u>
		<u>1,317,976,168</u>	<u>1,838,369,038</u>
8. TRADE DEBTS			
Considered good			
Local - unsecured	8.1, 8.2	<u>1,077,617,048</u>	<u>549,587,043</u>
8.1	Local trade debts are non-interest bearing and are generally on 61 to 89 day terms.		
8.2	Local trade debts include debtors with a carrying amount of Rs. 2.95 million (2024: Rs. 2.95 million) which are past due at the reporting date but not impaired as there has not been any significant change in credit quality and the amounts are still considered recoverable.		
8.2.1	Aging of amounts past due but not impaired		
	90 - 120 days	-	-
	120 days and above	2,947,409	2,947,409
		<u>2,947,409</u>	<u>2,947,409</u>
9. LOANS, ADVANCES AND PREPAYMENTS			
Advance to suppliers - considered good		100,816,925	94,443,446
Advance to suppliers - considered doubtful		1,794,628	1,794,628
Loans to employees - considered good		7,916,366	10,305,790
		<u>110,527,919</u>	<u>106,543,864</u>
Provision against to suppliers		(1,794,628)	(1,794,628)
		<u>108,733,291</u>	<u>104,749,236</u>
L/Cs in transit		25,554,474	174,611,547
Minimum tax deposited under protest	35.2	848,021	848,021
Prepayments		1,095,060	1,109,060
		<u>136,230,846</u>	<u>281,317,864</u>
12. DUE FROM GOVERNMENT			
Sales Tax Recoverable		674,615,611	721,730,358
Income Tax Refundable		64,926,507	79,590,612
		<u>739,542,118</u>	<u>801,320,970</u>
13. ADVANCE TAXES AND LEVY			
Income tax		-	29,045,229
Levy		90,855,921	123,993,216
		<u>90,855,921</u>	<u>153,038,445</u>

12. OTHER FINANCIAL ASSETS
At amortised cost

Term finance certificates	12.2	10,000,000	10,000,000
Accrued profit		228,833	386,500
		10,228,833	10,386,500

12.1. Term finance certificates

2025	2024			
Number of certificates				
2,000	2,000	Bank Al Habib Limited	10,000,000	10,000,000

This represents investment in AA+ rated, unsecured, subordinated and perpetual term finance certificate of Bank Al Habib Limited having face value of Rs. 5,000 per certificate and carries profit at the rate of 6 Months KIBOR + 1.65% per annum.

	Note	2025 Rupees	2024 Rupees
13. CASH AND BANK BALANCES			
Cash in hand		332,820	2,977,845
Cash at banks - current accounts		3,838,702	4,510,523
		4,171,522	7,488,368

14. SHARE CAPITAL

2025	2024			
Number of shares				
100,000,000	100,000,000	Authorized Ordinary shares of Rs. 10 each	1,000,000,000	1,000,000,000
18,432,000	18,432,000	Issued, subscribed and paid up Ordinary shares of Rs. 10 each fully paid in cash	184,320,000	184,320,000

14.1 SHARE PREMIUM

	65,280,000	65,280,000
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14.2 The Company has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

14.3 The general reserve is used from time to time basis to transfer profits from un-appropriated profit. There is no policy of regular transfer. General reserves are not usable for profit distribution.

	Note	2025 Rupees	2024 Rupees
15. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Opening balance		2,665,616,750	1,898,689,629
Addition during the year	15.1	-	833,493,832
On account of incremental depreciation charged during the year - net of tax		(70,622,879)	(48,061,715)
Related deferred tax liability on incremental depreciation		(28,845,964)	(18,504,996)
		(99,468,843)	(66,566,711)
Carried forward		2,566,147,907	2,665,616,750

	Note	2025 Rupees	2024 Rupees
Less: related deferred tax liability			
Opening balance		574,916,378	318,172,701
Addition during the year	15.1	-	210,448,891
Related deferred tax liability on incremental depreciation		(28,845,964)	(18,504,996)
Deferred tax due to rate change		-	64,799,782
		<u>546,070,414</u>	<u>574,916,378</u>
Closing balance		<u>2,020,077,493</u>	<u>2,090,700,372</u>
15.1 The Company has revalued its freehold land, building on free-hold land, plant and machinery as on June 30, 2024 as disclosed in note 5.3 and 5.4 of the financial statements.			
	Note	2025 Rupees	2024 Rupees
16. LOAN FROM DIRECTOR			
Mian Anis Ahmed Sheikh		<u>28,046,079</u>	<u>16,701,079</u>
16.1 This loan is interest free and obtained during the year 2024 and 2025 to meet the operational financing needs of the Company. These is repayable at the discretion of the Company and its repayment term is not defined.			
17. LONG TERM FINANCING			
From banking companies - secured			
Habib Bank Limited			
- LTFF II	17.1	-	12,292,240
- LTFF IV	17.2	-	2,708,094
		-	15,000,334
Bank Al Habib Limited			
- Term Finance I	17.3	38,394,688	44,301,563
- Term Finance II	17.4	513,500,000	-
- Term Finance III	17.5	204,755,000	-
- TERF	17.6	431,854,143	504,579,083
		1,188,503,831	548,880,646
Fysal bank Limited			
Diminishing Musharaka I	17.7	10,555,555	36,944,444
Diminishing Musharaka II	17.8	152,119,600	-
		162,675,155	36,944,444
Askari Bank Limited			
-Termfinance	17.9	40,000,000	-
National Bank Limited			
-Diminishing Musharaka	17.10	190,000,000	-
		1,581,178,986	600,825,424
Deferred grant	18	(42,315,394)	(57,989,629)
		1,538,863,592	542,835,795
Current portion of long term loans		(226,924,478)	(125,121,715)
Current portion of deferred grant	18	(15,674,235)	(17,457,174)
		<u>1,296,264,879</u>	<u>400,256,906</u>

17.1 Habib Bank Limited - LTFF II

This finance had been obtained from HBL for Extension/BMR of Unit No.1. The loan was repayable in 16 equal quarterly installments with one year grace period, commenced from December 28, 2019. Repayment of principal of this loan was deferred for 1 year from March 27, 2020 to March 26, 2021 as per SBP circular no 14 dated March 26, 2020. It carried markup at flat rate of 4%. This finance was secured against first pari passu charge amounting to Rs. 600 million over the fixed assets of the Company and personal guarantees of directors of the Company.

17.2 Habib Bank Limited - LTFF IV

This finance had been obtained from HBL for reprofiling/refinancing of capital expenditures (CAPEX) already incurred by the Company. This loan was obtained on August 8, 2019. This loan was transferred to LTF finance after approval from SBP. It was repayable in 16 quarterly installments commenced from December 28, 2019 and is secured against first pari passu charge amounting to Rs. 600 million over the fixed assets of the Company and personal guarantees of directors of the Company. Repayment of principal of this loan was deferred for 1 year from March 27, 2020 to March 26, 2021 as per SBP circular no 14 dated March 26, 2020. It carried markup at the rate of 4%.

17.3 Bank AL Habib Limited - Term Finance I

This finance has been obtained from Bank Al Habib Limited for reprofiling/refinancing of CAPEX already incurred by the company. The loan was obtained on December 31, 2019 without grace period. It is repayable in 16 quarterly installments commencing from March 31, 2020 and is secured against first pari passu charge amounting to Rs. 267 million over fixed assets of the company and personal guarantees of directors of the company. Repayment of principal of this loan was deferred for 1 year from March 27, 2020 to September 20, 2021 as per SBP circular no 14 dated March 26, 2020. It carries markup at the rate of 6 month KIBOR + 1.50%.

17.4 Bank AL Habib Limited - Term Finance II

This finance represents the conversion of short term working capital facilities available from Bank Al Habib Limited for the purpose of re-profiling of balance sheet. This finance is repayable in 16 equal quarterly installments, commencing from February 07, 2026. It carries markup at the rate of 6MK + 0.5% per annum and is secured against charge over fixed assets of the Company and personal guarantees of director.

17.5 Bank AL Habib Limited - Term Finance III

This finance has been obtained from Bank Al Habib Limited for import of renewable energy equipment related to the solar project of 3MW from Orient Energy System. The loan is repayable in 6 semi-annual installments with one year grace period, commencing from January 31, 2026. It carries mark up at rate of 6MK + 1.5% per annum and secured against charge over fixed assets of the Company and personal guarantees of director.

17.6 Bank Al Habib Limited - TERF

This loan is obtained from Bank Al Habib Limited under SBP's Temporary economic relief finance (TERF) for refinancing of CAPEX. This loan is repayable in 32 equal quarterly installments commencing from November, 2022 with 2 year grace period. It carries mark up at flat rate of 4%. It is secured against first pari passu charge amounting to Rs. 1,355.4 million over fixed assets of the company and personal guarantees of directors of the company.

17.7 Faysal Bank Limited - Diminishing Musharaka I

This loan has been obtained from Faysal Bank Limited for refinancing the CAPEX carried by the Company from its own cash flows. This loan is repayable in 24 equal monthly installments with no grace period, commencing from December 31, 2024. It carries markup at the rate of 1 month KIBOR + 1% per annum and is secured against ranking charge of bank over fixed asset of the Company and personal guarantees of directors.

17.8 Faysal Bank Limited - Diminishing Musharaka II

This loan has been converted for refinancing the CAPEX carried by the Company from its own cash flows. This loan is repayable in 36 equal monthly installments with no grace period, commencing from

December 31, 2024. It carries markup at the rate of 1 month KIBOR + 1% per annum and is secured against joint pari passu charge on present and future assets of the Company amounting to Rs. 210.667 million with 25% Margin and personal guarantees of the directors.

17.9 Askari Bank - Term Finance

An amount of Rs. 40 million has been converted from the Finance against packing credit facility into the long term finance by Askari Bank Limited on 4 June 2025. The loan is repayable in 24 equal monthly installements, commenced from August 1, 2025. It carries markup at the rate of 1 month KIBOR + 1.5%. This finance is secured against first pari passu charge amounting to Rs. 134 million over the current assets of the Company and first pari passu charge of Rs. 118 million over the fixed assets of the Company with a margin of 25%.

17.10 National Bank of Pakistan - Diminishing Musharaka

This finance has been obtained from National Bank of Pakistan for reprofiling of existing working capital facility into the long term finance on 6 March 2025. The loan is repayable in 16 equal quarterly installements, commenced from July 2, 2026. It carries markup at the rate of 3 month KIBOR + 1.5%. This finance is secured against the exclusive charges of the Rs 267 Million over the present and future fixed assets of unit 3 of the Company.

	2025 Rupees	2024 Rupees
18. DEFERRED GRANT		
As at beginning of the year	75,446,803	96,900,791
Amortised during the period	<u>(17,457,174)</u>	<u>(21,453,988)</u>
As at end of the year	57,989,629	75,446,803
Less: Current Portion	<u>(15,674,235)</u>	<u>(17,457,174)</u>
Non current portion	<u><u>42,315,394</u></u>	<u><u>57,989,629</u></u>
19. LEASE LIABILITIES		
Present value of minimum lease payments	27,891,403	24,647,702
Current portion shown under current liabilities	<u>(13,063,251)</u>	<u>(8,910,104)</u>
	<u><u>14,828,152</u></u>	<u><u>15,737,598</u></u>

Minimum lease payments have been discounted at an implicit interest rate ranging from 12.95% to 26.59% per annum (2024: 18.64% to 24.66% per annum) to arrive at their present values. The lessee has the option to purchase the assets after expiry of the lease term.

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

2025	Minimum lease payment	Future finance charge	Present value of lease liability
------(Rupees)-----			
Not later than one year	16,036,753	2,973,502	13,063,251
Later than one year and not later than five years	<u>17,196,696</u>	<u>2,368,544</u>	<u>14,828,152</u>
	<u><u>33,233,449</u></u>	<u><u>5,342,046</u></u>	<u><u>27,891,403</u></u>
2024	Minimum lease payment	Future finance charge	Present value of lease liability
------(Rupees)-----			
Not later than one year	13,054,721	4,144,617	8,910,104
Later than one year and not later than five years	<u>17,672,816</u>	<u>1,935,218</u>	<u>15,737,598</u>
	<u><u>30,727,537</u></u>	<u><u>6,079,835</u></u>	<u><u>24,647,702</u></u>

19.1 During the year, the Company sold two vehicles to First Habib Modaraba under a sale and leaseback arrangement which resulted a loss of Rs. 0.12 million and create a right of use assets of Rs. 1.65 million and lease liability of Rs. 5.68 million.

20. DEFERRED TAXATION

20.1 The liability for deferred taxation comprises timing differences relating to:

Taxable temporary differences on	Note	2025	2024
		Rupees	Rupees
-Surplus on revaluation of PPE		546,070,415	574,916,379
-Accelerated tax depreciation on PPE		467,207,418	425,850,415
		<u>1,013,277,833</u>	<u>1,000,766,794</u>
Deductible temporary differences on:			
-Provision for staff retirement benefits - gratuity		(23,228,246)	(19,528,470)
-Brought forward tax losses	20.2	(187,389,985)	(268,082,308)
-Provision for doubtful receivables		(520,442)	(520,442)
		<u>802,139,160</u>	<u>712,635,574</u>

20.2 The Company has not recognized deferred tax asset against difference of minimum tax chargeable u/s 113 and tax payable under Part I, Division II of the First Schedule of Income Tax Ordinance, 2001. The Company does not expect that there will be sufficient taxable profit in foreseeable future against which difference of minimum tax and normal tax liability will be adjusted.

Tax period to which minimum tax Relates	Tax period to which minimum tax will expire	Amount
June 30, 2023	June 30, 2026	118,259,877
June 30, 2024	June 30, 2027	104,133,862
June 30, 2025	June 30, 2027	105,692,649
		<u>328,086,388</u>

20.3 Deferred tax asset on deductible temporary difference arising due to business losses available for carry forward under section 56 of the Income Tax Ordinance, 2001 has not been recognised as sufficient taxable profit may not be available for adjustment/utilization in the foreseeable future. The business losses available would expire as follows:

Tax period to which business Losses relates	Tax period to which business losses will expire	Amount
June 30, 2024	June 30, 2030	423,909,528
June 30, 2025	June 30, 2031	395,316,351
		<u>819,225,879</u>

20.4 Movement for the year ended June 30, 2025

	Balance as at July 01, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in Revaluation Surplus	Balance as at June 30, 2025
----- Rupees -----					
Taxable temporary difference:					
Surplus on revaluation of property, plant and equipment	574,916,379	(28,845,964)	-	-	546,070,415
Accelerated tax depreciation	425,850,415	41,357,003	-	-	467,207,418
Deductible temporary difference:					
Brought forward tax losses	(268,082,308)	80,692,323	-	-	(187,389,985)
Provision against suppliers	(520,442)	-	-	-	(520,442)
Provision for staff retirement benefits - gratuity	(19,528,470)	(5,649,902)	1,950,126	-	(23,228,246)
June 30, 2025	<u>712,635,574</u>	<u>87,553,460</u>	<u>1,950,126</u>	-	<u>802,139,160</u>

Movement for the year ended June 30, 2024

	Balance as at July 01, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in Revaluation Surplus	Balance as at June 30, 2024
----- Rupees -----					
Taxable temporary difference:					
Surplus on revaluation of property, plant and equipment	318,172,702	(18,504,996)	275,248,673	-	574,916,379
Accelerated tax depreciation	348,041,971	77,808,444	-	-	425,850,415
Deductible temporary difference:					
Brought forward tax losses	(81,262,177)	(186,820,131)	-	-	(268,082,308)
Provision for doubtful receivables	(432,566)	(87,876)	-	-	(520,442)
Provision for staff retirement benefits - gratuity	(15,857,965)	(2,552,050)	(1,118,455)	-	(19,528,470)
June 30, 2024	568,661,965	(130,156,609)	274,130,218	-	712,635,574

21. STAFF RETIREMENT BENEFITS - GRATUITY

The Company has a defined benefit plan comprising an un-funded gratuity scheme for its permanent employees. Latest actuarial valuation has been conducted as at June 30, 2025.

	Note	2025 Rupees	2024 Rupees
Liability recognized in the statement of financial position			
Present value of defined benefit obligation		<u>80,097,401</u>	<u>67,339,550</u>
Movement in liability for defined benefit obligation			
Opening balance		67,339,550	65,791,519
Charge for the year		42,611,184	37,474,148
Actuarial loss		(6,724,572)	3,856,740
Benefits paid during the year		(23,128,761)	(39,782,857)
Provision for gratuity		<u>80,097,401</u>	<u>67,339,550</u>
Change in present value of defined benefit obligation			
Opening defined benefit obligation		67,339,550	65,791,519
Current service cost for the year		34,384,346	30,015,383
Interest cost for the year		8,226,838	7,458,765
Benefits paid during the year		(23,128,761)	(39,782,857)
Remeasurement of obligation		(6,724,572)	3,856,740
		<u>80,097,401</u>	<u>67,339,550</u>
Charge for the year			
Current service cost		34,384,346	30,015,383
Interest cost		8,226,838	7,458,765
		<u>42,611,184</u>	<u>37,474,148</u>
Charge for the year has been allocated as follows:			
Cost of goods sold	28.2	39,940,464	35,512,267
Administrative expenses	30.1	2,670,720	1,961,881
		<u>42,611,184</u>	<u>37,474,148</u>
Total remeasurements chargeable to other comprehensive income			
Remeasurement of obligation:			
Actuarial gain due to changes in financial assumption		(275,223)	(110,342)
Actuarial loss due to experience adjustments		(6,449,349)	3,967,082
		<u>(6,724,572)</u>	<u>3,856,740</u>

The latest actuarial valuation for gratuity scheme was carried out as at June 30, 2025 using Projected Unit Credit Method. The following significant assumptions have been used for valuation of defined benefit obligation of the company:

	2025	2024
- Discount rate	11.75%	14.75%

- Expected increase in eligible salary	9.75%	12.75%
- Average expected remaining working life time	10 years	10 years
- Mortality rate	SLIC (2001-2005)	SLIC (2001-2005)

Maturity Profile

Average duration of liability	9 Years	9 Years
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Expected expenses for the next year

The expected expense for the next year 2026 works out to Rs. 48.76 million.

Sensitivity analysis as at June 30, 2025

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected rate of salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

- If the discount rate is 100 basis points higher / (lower), the defined benefit obligation would decrease by Rs. 6.8 million/ (increase by Rs. 7.5 million).
- If the expected rate of salary increases / (decreases) by 100 basis points, the defined benefit obligation would increase by Rs. 7.5 million / (decrease by Rs. 6.8 million).

Furthermore in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statement of financial position.

	Note	2025 Rupees	2024 Rupees
22. TRADE AND OTHER PAYABLES			
Creditors		436,544,165	595,789,373
Contract liabilities (Advances from customers)		1,132,653,117	404,373,968
Accrued liabilities		291,043,339	270,461,056
Payable to foreign suppliers		11,515,745	34,526,273
Due to associates		304,631,458	
Tax deducted at source		115,046,710	81,218,683
Sales tax payable		503,705,564	535,725,201
Workers' welfare fund		16,716,020	16,716,020
Others		3,025,825	3,665,525
		<u>2,814,881,943</u>	<u>1,942,476,099</u>
23. ACCRUED MARKUP			
Accrued mark-up on:			
- Long term financing		41,726,452	8,909,616
- Short term borrowings		54,359,724	171,647,571
		<u>96,086,176</u>	<u>180,557,187</u>
24. SHORT TERM BORROWINGS			
From banking companies - secured			
Running finance	24.1	1,012,547,300	1,676,030,681
Cash finance	24.2	517,221,168	804,893,555
Murabaha finance	24.3	199,876,817	559,259,439
		<u>1,729,645,285</u>	<u>3,040,183,675</u>

- 24.1** These running finance facilities have been obtained from various Banks for working capital requirements, and are secured against personal guarantee of directors and joint pari passu charge over current assets of the Company. Running finance facilities carry mark up at the rates ranging from 12.38% to 23.49% per annum (2024: 20.85% to 25.03% per annum).

- 24.2** These facilities have been obtained from various Banks for working capital requirements, and are secured against pledge of cotton bales, MM fiber, and yarn in lock and key under bank's muccaddum. Cash finance facilities carry mark up at the rates ranging from 12.13% to 21.85% per annum (2024: 22.34% to 24.99% per annum).
- 24.3** These facilities have been obtained from various banks for working capital requirements, and are secured against joint pari passu charge of Rs. 723 million over present and future current assets of the Company and personal guarantee of directors of the Company. These facilities carries profit at the rate ranging from 12.97% to 22.79% per annum (2024: 18.95% to 24.78% per annum).
- 24.4** Short term borrowings are available from various commercial banks under mark-up arrangements aggregating to Rs. 4,773.64 million (2024: Rs. 5,046 million) of which facilities remained un-utilized at the year end amounted to Rs. 3,114.9 million (2024: Rs. 2,005.8 million).

	2025	2024
	Rupees	Rupees
25. LOAN FROM DIRECTORS		
Mian Tanvir Ahmad Sheikh	62,775,000	-
Mrs. Romana Tanvir Sheikh	82,645,000	-
Mrs. Rameen Anis Sheikh	7,952,500	-
Mr. Atta Shafi Tanvir Sheikh	41,852,000	-
	<u>195,224,500</u>	<u>-</u>
25.1 This loan is interest free provided by director of the company for working capital requirement and repayable on demand.	25.1	-

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

The Company during the year ended September 30, 1999, filed a written petition with the Lahore High Court Multan Bench against the Chairman, Administrator Town Committee Muzaffargarh praying that the respondent be ordered to implement the orders of the Lahore High Court regarding the refund of the Zila Tax collected from the petitioner to the tune of Rs. 0.886 million. In this respect an amount of Rs. 0.161 million has been received against Zila Tax. The refund of the balance amount of Rs. 0.725 million is still pending.

26.2 The Company has imported textile machinery availing exemption from custom duty and sales tax on importation thereof under S.R.Os 554(1)/98, 987(1)/99 and 369(1)/2000. The Company has submitted indemnity bonds to the Customs Authorities in this regard. In case the conditions of aforementioned S.R.Os are violated, the amount of customs duty and sales tax exempted aggregating Rs. 65.283 million shall be recoverable by the Customs Authorities along with such penalties imposed in this regard under Section 202 of the Customs Act, 1969.

26.3 Commitments

Commitments outstanding at the end of the year in respect of irrevocable letter amounted to Rs. 390.96 million (2023: Rs. 360.38 million) and guarantees issued to Faisalabad Electric Supply Company on behalf of the Company is Rs. 18.02 million (2024: Rs. 18.02 million).

	Note	2025	2024
		Rupees	Rupees
27. REVENUE FROM CONTRACTS WITH CUSTOMERS			
Local			
-Yarn		9,856,655,716	9,727,464,837
-Waste		34,385,453	113,865,811
-Viscose		23,524,477	22,680,556
-Polyster		11,102,384	12,758,880
-Tencil		65,482,410	-
		<u>9,991,150,440</u>	<u>9,876,770,084</u>
Export			
-Yarn		-	1,595,730,423
Indirect export			

-Yarn		-	375,624,504
		9,991,150,440	11,848,125,011
Less: Sales tax		(1,524,074,168)	(1,534,396,772)
Less: Commission		(7,076,401)	(32,361,792)
		8,459,999,871	10,281,366,447
28. COST OF GOODS SOLD			
Raw materials consumed	28.1	5,698,613,749	6,833,224,939
Power and fuel		1,603,010,994	2,427,741,478
Salaries, wages and benefits	28.2	465,833,204	560,669,767
Depreciation	5.3	236,512,912	200,350,366
Stores consumed		98,897,267	128,072,889
Packing materials consumed		124,355,571	142,508,690
Repair and maintenance		3,487,820	21,172,561
Insurance		17,816,439	18,804,446
Others		50,320	40,080
		8,248,578,276	10,332,585,216
Work-in-process:			
-Opening stock		82,971,035	87,726,734
-Closing stock		(68,368,339)	(82,971,035)
		14,604,696	4,755,699
Cost of goods manufactured		8,263,182,972	10,337,340,915
Finished goods:			
-Opening stock		1,134,376,419	731,117,124
-Closing stock		(995,765,183)	(1,134,376,419)
		138,611,236	(403,259,295)
		8,401,794,208	9,934,081,620
28.1 Raw materials consumed			
Opening stock		621,021,584	825,788,098
Purchases and purchase expenses		5,331,436,811	6,627,437,160
		5,952,458,395	7,453,225,258
Closing stock		(253,844,646)	(621,021,584)
		5,698,613,749	6,832,203,674
Cotton cess		-	1,021,265
		5,698,613,749	6,833,224,939

28.2 These include Rs. 39.9 million (2024: Rs. 35.51 million) in respect of staff retirement benefits.

	Note	2025 Rupees	2024 Rupees
29. OTHER INCOME			
Income from assets other than financial assets			
Insurance claims		-	910,000
Amortization of deferred grant		17,457,174	21,453,988
Interest income on term finance certificates		1,793,847	2,365,796
Profit on sale of fixed asset		1,991,035	52,528

	Exchange Gain	-	3,639,320
		21,242,056	28,421,632
30.	SELLING AND DISTRIBUTION EXPENSES		
	Export expenses (including freight on export sales)	756,598	35,683,812
	Export development surcharge	-	3,836,297
	Freight, forwarding and others	7,561,174	11,664,353
		8,317,772	51,184,462
31.	ADMINISTRATIVE EXPENSES		
	Directors' meeting fee	525,000	925,000
	Directors' remuneration	38,330,760	38,330,530
	Salaries and benefits	31.1 107,814,601	126,919,627
	Vehicles running and maintenance	12,306,421	24,353,786
	Travelling and conveyance	3,455,026	6,731,670
	Repairs and maintenance	150,364	8,007,147
	Electricity and gas	5,310,659	8,046,524
	Depreciation	5.3 9,824,603	12,624,139
	Communication	2,979,179	4,505,364
	Printing and stationery	604,217	5,029,051
	Insurance	3,118,925	4,691,186
	Fee and subscription	3,808,908	11,143,609
	Entertainment	1,976,632	4,299,005
	Donation	31.2 869,394	1,815,114
	Auditors' remuneration	31.3 1,700,000	1,850,000
	Legal and professional	1,087,430	676,806
	Rent, rates and taxes	2,030,890	712,905
	Others	319,050	1,607,029
		196,212,059	262,268,492
31.1	These include Rs. 2.7 million (2024: Rs. 1.9 million) in respect of staff retirement benefits.		
31.2	None of the directors or their spouses had any interest in the donee's fund.		
		2025	2024
	Note	Rupees	Rupees
31.3	Auditors' remuneration		
	Statutory audit fee	1,200,000	1,200,000
	Half yearly review	300,000	300,000
	CDC free float shares certification	100,000	100,000
	CDC agreed upon procedure report	-	150,000
	Review report on Code of Corporate Governance	100,000	100,000
		1,700,000	1,850,000
32.	FINANCE COST		
	Mark up on:		
	-Long term financing	107,822,736	67,074,332
	-Short term borrowings	396,375,431	659,107,542
	-Lease liabilities	4,215,048	8,183,316
	Bank charges	4,601,027	32,493,854
		513,014,242	766,859,044
33.	FINAL TAXES		
	Final taxes on:		
	- export sales	-	19,713,549



	Prior year		<u>(3,729,409)</u>	<u>(25,060)</u>
			<u>(3,729,409)</u>	<u>19,688,489</u>
33.1	This represents final taxes paid on export sales as per section 154 of the Income Tax Ordinance, 2001, and recognised as levy in line with the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.			
34.	REVENUE TAXES			
	Minimum taxes		105,838,453	104,279,666
	Prior year		<u>(145,804)</u>	-
			<u>105,692,649</u>	<u>104,279,666</u>
34.1	This represents provision for minimum tax under sections 113 of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levy in these financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.			
		Note	2025	2024
			Rupees	Rupees
35.	INCOME TAX			
	Deffered		<u>87,553,460</u>	<u>(130,156,609)</u>
35.1	Tax charge reconciliation			
	Applicable tax rate		29%	29%
	Loss before income tax		<u>(740,059,594)</u>	<u>(828,573,695)</u>
	Tax on accounting loss before tax		-	-
	Effect of deffered tax		87,553,460	(130,156,609)
	Prior year tax adjustment		-	-
	Current year provision		<u>87,553,460</u>	<u>(130,156,609)</u>
35.2	The Company, in view of the Supreme Court of Pakistan's Judgment dated June 04, 1997 is not liable to pay minimum tax under section 80-D of the repealed Income Tax Ordinance, 1979. Consequently, Minimum Tax paid under protest and tax deducted at source till September 30, 1999 were accounted for as loans, advances and prepayments, as disclosed in note 11.			
36.	EARNINGS PER SHARE - BASIC AND DILUTED			
	There is no dilutive effect on the basic earnings pershare of the Company which is based on:			
			2025	2024
	Loss for the year	Rupees	(827,613,054)	(698,417,085)
	Weighted average number of shares	Number	<u>18,432,000</u>	18,432,000
	Earnings per share - basic and diluted	Rupees	<u>(44.90)</u>	<u>(37.89)</u>
37.	FINANCIAL RISK MANAGEMENT			
37.1	The Company is exposed to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.			
37.2	Credit risk and concentration of credit risk			
	Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. Out of the total financial assets of Rs. 1106.47 million (2024: Rs. 583.50 million), the Company manages credit risk in trade debts by assigning credit limits to its customers and thereby does not have significant exposure to any individual customer.			
	Credit risk of the Company arises principally from long term deposits, trade debts, loans and advances			

and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2025 Rupees	2024 Rupees
Financial assets as per statement of financial position			
Long term deposits		6,869,989	8,714,089
Trade debts		1,077,617,048	549,587,043
Loans and advances		7,916,366	10,305,790
Other financial assets		10,228,833	10,386,500
Bank balances		3,838,702	4,510,523
		<u>1,106,470,938</u>	<u>583,503,945</u>

37.2.1 Credit risk related to Trade debts

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company's credit risk is concentrated to 6 counterparties which constitute more than 50% of the total receivables. The parties were evaluated by the management before granting them such credit terms.

37.2.2 Credit risk with banking companies

The Company limits its exposure to credit risk by only investing in highly liquid securities and only with counterparties that have a good credit rating. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations. The names and credit ratings of major banks, where the Company maintains bank balances as at June 30, 2025 are as follows:

Bank Name	Rating Agency	Short Term Loans	Long Term Loans
The Bank of Punjab	PACRA	A1+	AA+
Askari Bank Limited	PACRA	A1+	AA+
Allied Bank Limited	PACRA	A1+	AAA
Bank Al Habib Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
Bank Alfalah Limited	PACRA	A1+	AA+
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	VIS	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Meezan Bank Limited	VIS	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
United Bank Limited	VIS	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA

37.3 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 38.3.3 below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

37.3.1 Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Effective rate of interest	1 - 3 months	3 months - 1 year	1 - 5 years	Total
----- Rupees -----					
Financial liabilities					
Interest bearing					
Long term finance	4% - 21.63%	20,383,713	206,540,765	1,354,254,508	1,581,178,986
Short term borrowings	12.13% - 23.49%	-	1,729,645,285	-	1,729,645,285
Lease liabilities		3,081,439	9,981,812	13,627,102	27,891,403
Non interest bearing					
Unclaimed dividends		6,532,010	-	-	6,532,010
Trade and other payables		739,103,249	-	-	739,103,249
Accrued mark up		96,086,176	-	-	96,086,176
June 30, 2025		865,186,587	1,946,167,862	1,367,881,610	4,180,437,109
Financial liabilities					
Interest bearing					
Long term finance	4% - 24.47%	31,280,429	93,841,286	475,703,709	600,825,424
Short term borrowings	18.95% - 25.03%	-	3,040,183,675	-	3,040,183,675
Lease liabilities		3,448,665	9,606,056	17,672,816	30,727,537
Non interest bearing					
Unclaimed dividends		6,532,010	-	-	6,532,010
Trade and other payables		900,776,702	-	-	900,776,702
Accrued mark up		180,557,187	-	-	180,557,187
June 30, 2024		1,122,594,993	3,143,631,017	493,376,525	4,759,602,535

37.3.2 The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Total
----- Rupees -----					
Financial Assets					
Non interest bearing					
Long term deposits	-	-	-	6,869,989	6,869,989
Trade debts	-	1,077,617,048	-	-	1,077,617,048
Loans and advances	-	108,733,291	-	-	108,733,291
June 30, 2025	-	1,186,350,339	-	6,869,989	1,193,220,328
Financial Assets					
Non interest bearing					
Long term deposits	-	-	-	8,714,089	8,714,089
Trade debts	-	549,587,043	-	-	549,587,043
Loans and advances	-	104,749,236	-	-	104,749,236
June 30, 2024	-	654,336,279	-	8,714,089	663,050,368

37.3.3 Financing Facilities

Amount utilized	1,729,645,285	3,040,183,675
Amount un-utilized	3,114,996,641	2,005,816,325

37.4 Market risk management

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 optimizing returns.

37.4.1 Interest rate risk management

Interest / mark-up rate risk arises from the possibility that changes in interest / mark-up rates will affect the value of financial instruments. The Company has significant amount of interest based financial assets and financial liabilities which are largely based on variable interest / mark-up rates, therefore the Company has to manage the related finance cost which exposes it to the risk of 1 month, 3 months and 6 months KIBOR.

37.4.2 The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the statement of financial position date are as follows:

	2025	2024
	Rupees	Rupees
Short term borrowings	1,729,645,285	3,040,183,675
Other Financial Assets	10,000,000	10,000,000
Long term loans	1,523,189,358	525,378,621
Lease Liability	27,891,403	24,647,702
	<u>3,290,726,046</u>	<u>3,600,209,998</u>

37.4.3 Interest rate sensitivity

If interest rates had been 100 basis points lower / higher and all other variables were held constant, the Company's profit for the year would have been lower / higher by Rs. 33.34 million (2024: Rs. 36.66 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

37.5 Foreign exchange risk management

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and balances held in foreign currency. However currently, the Company's foreign exchange risk exposure is restricted to amounts receivable from foreign entities. As at June 30, 2025, the total foreign currency risk exposure was 11.5 million in respect of trade debts only.

37.6 Foreign currency sensitivity analysis

At June 30, 2025, if the Rupee had weakened / strengthened by 10% against the US Dollar with all other variables held constant, profit for the year would have been higher / lower by Rs. 1.15 million (2024: Rs. 3.4 million), mainly as a result of foreign exchange losses / gains on translation of foreign currency trade debts which are US\$, the closing exchange rate of US\$ at year end was Rs. 283.76.

37.7 Determination of fair values
Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Fair value estimation

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measured fair value of financial instruments.

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

The Company does not have any other financial instruments to be classified other than mention below.

The Company follows the revaluation model for its free hold land, building on free hold land, plant and machinery, generator and electric fittings and installations. The fair value measurement as at June 30, 2024 was performed by K.G. Traders (Private) Limited. K.G. Traders (Private) Limited is on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on the panel of State Bank of Pakistan and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations.

The fair value of the assets was determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the property/project, condition, size, utilization, and other relevant factors. In estimating the fair value of free hold land, building on free hold land and plant and machinery, generator and electric fittings and installations, the highest and best use of these assets is their current use.

Since the date of last revaluation, there has been no material change in the market factors that derive fair value of these properties, therefore, management believes that the carrying value of these non financial assets approximate its fair market value.

Other financial assets include term finance certificate. Term finance certificate are valued at amortized cost.

June 30, 2025

	Level 1	Level 2	Level 3	Total
-----Rupees-----				
Freehold land	-	716,628,000	-	716,628,000
Building on freehold land	-	1,274,349,950	-	1,274,349,950
Plant and machinery	-	3,016,000,143	-	3,016,000,143
Generator	-	4,917,045	-	4,917,045
Electric fittings and installations	-	334,819,543	-	334,819,543
	-	5,346,714,681	-	5,346,714,681

June 30, 2024

	Level 1	Level 2	Level 3	Total
-----Rupees-----				
Freehold land	-	716,628,000	-	716,628,000
Building on freehold land	-	1,341,421,000	-	1,341,421,000
Plant and machinery	-	3,048,722,000	-	3,048,722,000
Generator	-	5,463,383	-	5,463,383
Electric fittings and installations	-	57,961,509	-	57,961,509
	-	5,170,195,892	-	5,170,195,892

37.8 Financial instruments by category

The accounting policies for financial instruments have been applied for line items below:

	2025 Rupees	2024 Rupees
Financial assets at amortised cost		
Long term deposits	6,869,989	8,714,089
Trade debts	1,077,617,048	549,587,043
Loans and advances	7,916,366	10,305,790
Other financial assets	10,228,833	10,386,500
Cash and bank balances	4,171,522	7,488,368
	<u>1,106,803,758</u>	<u>586,481,790</u>
Financial liabilities at amortised cost		
Long term financing	1,523,189,358	525,378,621
Short term borrowings	1,729,645,285	3,040,183,675
Lease Liability	27,891,403	24,647,702
Accrued mark up	96,086,176	180,557,187
Trade and other payables	739,103,249	900,776,702
Unclaimed dividend	6,532,010	6,532,010
	<u>4,122,447,481</u>	<u>4,678,075,897</u>

38. CAPITAL RISK MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

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

The Company monitors capital on the basis of the debt-to-equity ratio calculated as a ratio of total debt to equity.

The debt-to-equity ratios as at 30 June were as follows:

	2025 Rupees	2024 Rupees
Total debt	2,326,168,375	1,989,626,120
Less: cash and cash equivalents	1,008,375,778	1,668,542,313
Net debt	3,334,544,153	3,658,168,433
Total equity	1,549,936,438	2,372,775,046
Adjusted capital	<u>4,884,480,591</u>	<u>6,030,943,479</u>
Debt-to-adjusted capital ratio	68%	61%

The increase in the debt-to-equity ratio in 2025 resulted primarily due to increase in borrowings of the Company through commercial banks as in note 26.

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

39. CASH AND CASH EQUIVALENTS

		2025 Rupees	2024 Rupees
Cash and bank balances	13	4,171,522	7,488,368
Running finance	24	(1,012,547,300)	(1,676,030,681)
		<u>(1,008,375,778)</u>	<u>(1,668,542,313)</u>

40.
**DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH
NON-PERMISSIBLE BUSINESS ACTIVITIES**

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278 (I) / 2024 dated August 15, 2024:.

STATEMENT OF FINANCIAL POSITION

		2025	2024
Liabilities	Note	Rupees	Rupees
Short term borrowings as per islamic mode	24	149,790,000	152,900,000
Interest or mark-up accrued on conventional loans	23	481,697,932	178,722,249
Assets			
Shariah compliant short term investment		-	-
Shariah compliant bank balances		208,773	204,999

STATEMENT OF PROFIT OR LOSS

Revenue from contracts with customers	27	8,459,999,871	10,281,366,447
Profit paid on islamic mode of financing		38,897,063	86,784,179

Dividend Income

Shariah compliant		-	-
Shariah non-compliant		-	-

Exchange gain on export

Shariah compliant		-	-
Shariah non-compliant	29	-	3,639,320

Interest income

Shariah compliant		-	-
Shariah non-compliant		1,793,847	2,365,796

Other income - Other

Shariah compliant		-	-
Shariah non-compliant		19,448,209	22,416,516

Relationship with Shariah-compliant financial institutions:

The Company has relationships with shariah compliant banks in respect of bank balances and availed borrowing facilities as mentioned above.

41. REMUNERATION TO CHIEF EXECUTIVE OFFICER AND DIRECTOR

Particulars	June 30, 2025		June 30, 2024	
	Chief Executive	Directors	Executives	Chief Executive
Managerial remuneration	9,000,000	19,800,000	8,600,000	9,000,000
Utilities	2,129,448	4,463,139	-	2,578,098
	11,129,448	24,263,139	8,600,000	11,578,098
Number of persons	1	2	4	1

41.1 Chief executive and executive directors are provided with Company maintained cars and utilities at residence.

41.2 Meeting fee amounting to Rs. 525,000 (2024: Rs.925,000) was paid to non-executive directors and independent directors of the Company during the year.

42. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amount due to related parties as shown under trade and other payable (Note 22), remuneration to chief executive officer and director (Note 39) and Loan from directors (Note 16). Mehmooda Maqbool Mills Limited is associated undertaking based on common directorship.

43. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

At June 30, 2024	June 30, 2025		June 30, 2024		Total
	Lease Liabilities	Unclaimed dividend	Deferred grant	Long term finance	
24,647,702	6,532,010	75,446,803	525,378,621	1,364,152,994	1,996,158,130
15,864,160	-	-	400,555,000	-	416,419,160
(12,624,385)	-	-	(108,363,864)	58,564,591	(62,423,658)
27,887,477	6,532,010	57,989,629	1,523,189,358	717,097,985	2,332,696,458

44. PLANT CAPACITY AND ACTUAL PRODUCTION

		2025	2024
Spinning Unit-1			
Spindles installed and worked	No.	27,696	27,696
Shift worked	No.	609	860
Standard production after conversion into 20's count	Kgs	12,106,987	12,106,987
Actual production of yarn after conversion into 20's count	Kgs	5,018,052	6,942,422
Spinning Unit-II			
Spindles installed and worked	No.	27,864	27,864
Shift worked	No.	910	948
Standard production after conversion into 40's count	Kgs	4,558,526	4,558,526
Actual production of yarn after conversion into 40's count	Kgs	4,348,118	4,487,540
Spinning Unit-III			
Spindles installed and worked	No.	26,664	26,664
Shift worked	No.	1,004	1,039
Standard production after conversion into 30's count	Kgs	7,939,375	7,939,375
Actual production of yarn after conversion into 30's count	Kgs	7,049,201	7,407,231
Spinning Unit-IV			
MVS spindles installed	No.	576	576
Shift worked	No.	990	987
Standard production after conversion into 20's count	Kgs	4,006,649	4,006,649
Actual production of yarn after conversion into 20's count	Kgs	3,885,716	3,812,401

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

45. NUMBER OF EMPLOYEES

The number of employees for the year ended June 30 were as follows:

	2025	2024
	Number	
Total number of employees	1,258	1,073
Average number of employees during the year	1,166	1,186

46. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison and better presentation. However, no significant reclassification/rearrangement has been made:

Reclassified from	Reclassified to	Reason	Rupees
Selling and Distribution	Revenue	Better presentation	32,361,792
Equity	Current Liabilities	Better presentation	16,701,079

47. SALES PERCENTAGE REPORTING

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

Sales percentage on unit basis is as follows:

	2025	2024
	In Percent	
Unit 1	14.40%	28.38%
Unit 2	33.39%	28.52%
Unit 3	35.96%	30.67%
Unit 4	16.24%	12.42%

48. DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue on October 03, 2025 by the Board of Directors of the Company.

49. GENERAL

Figures have been rounded-off to the nearest rupee except stated otherwise.



Sd/-
Chief Executive

Sd/-
Director

Sd/-
Deputy Chief Financial Officer

THE COMPANIES ACT, 2017
PATTERN OF SHAREHOLDING

1. Incorporation Number **0020652**
2. Name of the Company **Maqbool Textile Mills Limited**
3. Pattern of holding the share held by the shareholders as at 30.06.2025

Number of ShareHold	Shareholdings From	To	Total Number of Share Held	Percentage of Total
97	1 -	100	3,906	0.02
295	101 -	500	134,899	0.73
93	501 -	1000	89,149	0.48
54	1001 -	5000	138,015	0.75
7	5001 -	10000	52,345	0.28
4	10001 -	15000	50,000	0.27
1	15001 -	20000	19,000	0.10
2	20001 -	25000	41,600	0.23
1	25001 -	30000	28,600	0.16
1	35001 -	40000	37,159	0.20
1	60001 -	65000	60,500	0.33
1	125001 -	130000	128,000	0.69
2	150001 -	155000	305,475	1.66
1	155001 -	160000	156,500	0.85
1	205001 -	210000	209,000	1.13
1	210001 -	215000	212,000	1.15
1	235001 -	240000	238,000	1.29
2	245001 -	250000	500,000	2.71
1	360001 -	365000	361,500	1.96
2	380001 -	385000	766,000	4.16
2	430001 -	435000	866,000	4.70
1	485001 -	490000	490,000	2.66
2	495001 -	500000	1,000,000	5.43
1	700001 -	705000	704,985	3.82
3	775001 -	780000	2,328,915	12.64
2	830001 -	835000	1,666,872	9.04
1	890001 -	895000	894,500	4.85
1	1495001 -	1500000	1,497,781	8.13
1	1665001 -	1670000	1,666,089	9.04
1	1795001 -	1800000	1,798,621	9.76
1	1985001 -	1990000	1,986,589	10.78

584	18,432,000	100.00
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Maqbool Textile Mills Ltd.
Categories Detail

As on: June 30, 2025.

P Date: 30/09/2025

Page #: 1 of 2

S Type: Complete

Sr. #	Folio Number	Name	Shares Held	Per % Total Capital
Category				
Directors, Chief Executive Officer, and their spouse and minor children				
1	CDC-264	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (RAZA ABBAS JAFFERY)	1,666,089	9.0391
2	CDC-143	TANVIR AHMAD SHEIKH	433,000	2.3492
3	7555	MR. TARIQ RAHEEM ANWAR	2,500	0.0136
4	7568	MR. NAZIR AHMAD KHAN	2,500	0.0136
5	15	MR. SHAFI MUJEEB ANIS SHEIKH	209,000	1.1339
6	CDC-141	SHEIKH AZIZ AHMAD	383,000	2.0779
7	CDC-142	ANIS AHMAD SHEIKH	383,000	2.0779
8	7	SHEIKH AZIZ AHMED	1,986,589	10.7779
9	9	MR. ATTA SHAFI TANVIR SHEIKH	500,000	2.7127
10	11	MR. BAKHTAWAR TANVIR SHEIKH	500,000	2.7127
11	3	MR. TANVIR AHMAD SHEIKH	1,798,621	9.7581
12	4	MRS. ROMANA TANVIR SHEIKH	833,286	4.5209
13	5	MIAN ANIS AHMAD SHEIKH	1,497,781	8.1260
Running Total			10,195,366	55.3134
			Directors, Chief Executive Officer, and their spouse and minor children	

Banks, Development Financial Institutions, Non Banking Financial Institutions

1	7170	NATIONAL DEVELOPMENT FINANCE CORPORATION (INVESTER)	1,500	0.0081
2	CDC-145	NATIONAL BANK OF PAKISTAN	936	0.0051
Running Total			2,436	0.0132
			Banks, Development Financial Institutions, Non Banking Financial Institutions	

General Public (Local)

Running Total			6,418,531	34.8228
			General Public (Local)	

Others

1	CDC-266	AKIK CAPITAL (PRIVATE) LIMITED	500	0.0027
2	CDC-179	TRUSTEE-TREET CORPORATION LTD.-GROUP	500	0.0027
3	CDC-257	EMP.SUPERANNUATION FUND	6,000	0.0326
4	CDC-268	FIKREES (PRIVATE) LIMITED	894,500	4.8530
5	CDC-130	TREET CORPORATION LIMITED	212,000	1.1502
6	CDC-136	TRUSTEES TREET CORPORATION LTD GROUP EMPLOYEES SERVICE FUND	1	0.0000
7	CDC-176	MAPLE LEAF CAPITAL LIMITED	3,000	0.0163
8	CDC-125	TIME SECURITIES (PVT.) LTD.	238,000	1.2912
9	CDC-126	TRUSTEES TREET CORP LIMITED-GROUP EMPLOYEES PROVIDENT FUND	128,000	0.6944
		TRUSTEES TREET CORP LIMITED-GROUP EMPLOYEES GRATUITY FUND		

Maqbool Textile Mills Ltd.
Categories Detail

As on: June 30, 2025.

P Date: 30/09/2025

Page #: 2 of 2

S Type: Complete

Sr. #	Folio Number	Name	Shares Held	Per % Total Capital
Category				
10	CDC-127	TRUSTEES TREET CORP LTD-GROUP EMPLOYEES	156,500	0.8491
11	CDC-39	SUPERANNUATION FUND	19,000	0.1031
12	CDC-78	MASOOD FABRICS LTD	152,321	0.8264
13	CDC-83	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	5,345	0.0290
		TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST		
Running Total			1,815,667	9.8506
			Others	
Grand Total:			18,432,000	100.0000

FORM OF PROXY

I,FOLIO NO.

S/o.....

Resident of

being a member of MAQBOOL TEXTILE MILLS LIMITED, hereby appoint.

.....

of

as my proxy in my absence to attend and vote for me and on my behalf at the (Ordinary or / and Extraordinary as the case may be) General Meeting of the Company to be held

on the and at any adjournment thereof

As witness my hand this

day of2025

Signed by the said

In presence of

**Five Rupees
Revenue Stamp**

Witness:

Name:

Address:

CNIC No. :

Signature:

IMPORTANT

This form of proxy, duly completed, must be deposited at the Company's Head Office 2-Industrial Estate, Multan not less than 48 hours before the time for holding the meeting