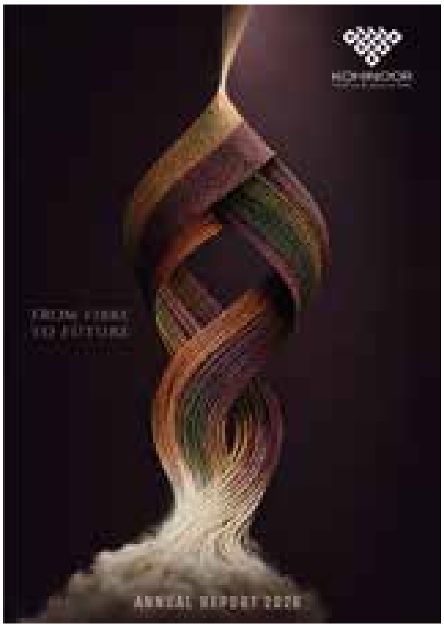
KOHINOOR
TEXTILE MILLS LTD.

FROM FIBRE TO FUTURE

ANNUAL REPORT 2026



FROM FIBRE TO FUTURE

At Kohinoor Textile Mills, every fibre carries possibility. “From Fibre to Future” reflects our journey of transforming raw materials into products, experience into innovation and ideas into progress. It represents our commitment to building on a strong heritage while moving confidently towards new opportunities.

The cover expresses this journey through interwoven strands rising from a natural fibre base. Each coloured thread represents the skills, ideas and contributions that come together to create something stronger. Their upward movement symbolises transformation, collaboration and the possibilities that lie ahead.

This Annual Report reflects our focus on quality, efficiency, innovation and responsible growth. As the textile industry evolves, Kohinoor Textile Mills remains committed to strengthening its capabilities, responding to change and creating lasting value. The future is shaped not by a single thread, but by the combined strength of people, knowledge and purpose.

CONTENTS

ABOUT THE REPORT

KOHINOOR TEXTILE MILLS LIMITED (KTML) corporate Annual Report 2026 covers the period from 1st July 2025 to 30th June 2026. All the activities and performance related data is related to KTML and its subsidiaries Maple Leaf Cement Factory Limited, Maple Leaf Capital Limited, Maple Leaf Power Limited, Pioneer Cement Limited & Novacare Hospitals (Pvt.) Limited and does not include any information or data related to its associated companies unless where required by legal and corporate regulations.

Annual Report 2026 gives an introduction & overview about the principal activities of the Company. Very brief and comprehensive information has been provided about business review, future outlook of the Company along with Governance structure, risk management framework, Performance and future strategies of the Company. Economic, environmental and corporate social responsibility data is also presented for the better understandability of users of financial statements about the operations of the Company.

Financial statements that are an integral part of Annual Report 2026 have been prepared in compliance with provisions and directives of Companies Act, 2017 and Code of Corporate Governance Regulations, 2019. Independent auditor's report is also part of ANNUAL REPORT 2026. There has been no change in the reporting period, boundary and scope of the Report.

This Annual Report is also available at: www.kmlg.com

COMPANY INFORMATION

Board of Directors

Mr. Tariq Sayeed Saigol	Chairman
Mr. Taufique Sayeed Saigol	Chief Executive
Mr. Sayeed Tariq Saigol	
Mr. Waleed Tariq Saigol	
Mr. Danial Taufique Saigol	
Ms. Jahanara Saigol	
Syed Muhammad Shabbar Zaidi	
Mr. Zulfikar Monnoo	
Syed Mohsin Raza Naqvi	

Audit Committee

Syed Muhammad Shabbar Zaidi	Chairman
Mr. Zulfikar Monnoo	Member
Mr. Sayeed Tariq Saigol	Member
Mr. Waleed Tariq Saigol	Member

Human Resource & Remuneration Committee

Mr. Zulfikar Monnoo	Chairman
Mr. Sayeed Tariq Saigol	Member
Mr. Danial Taufique Saigol	Member

Chief Financial Officer

Syed Mohsin Raza Naqvi

Company Secretary

Mr. Muhammad Ashraf

Head of Internal Audit

Mr. Fawad Ahmad Khan

Auditors

M/s. Riaz Ahmad & Company,
Chartered Accountants

Legal Adviser

Mr. Muhammad Amin Hashmi,
Advocate High Court

Bankers of the Company

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Bank Makramah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Share Registrar

Vision Consulting Limited
5-C, LDA Flats, 2nd Floor, Lawrence Road, Lahore
Tel: (00-92-42) 36283096-97
Fax: (00-92-42) 36312550
E-Mail: shares@vcl.com.pk

Registered Office

42-Lawrence Road, Lahore.
Tel: (00-92-42) 36302261-62
Fax: (00-92-42) 36368721

Mills:

Peshawar Road, Rawalpindi
Tel: (0092-51) 5495328-32
Fax: (0092-51) 5495304

Gulyana Road, Gujar Khan,
District Rawalpindi
Tel: (0092-51) 3564472-74

8 K.M., Manga Raiwind Road, District Kasur
Tel: (0092-42) 32560683-85,
Fax: (0092-42) 32560686-87

Website:

www.kmlg.com

Note: KTML's Financial Statements are also available at the above website.

KEY FINANCIAL HIGHLIGHTS 2026

01
REVENUE
RUPEES IN THOUSAND
58,340,462
2025: 59,414,125
↓ 1.81%

02
GROSS PROFIT
RUPEES IN THOUSAND
9,919,868
2025: 9,802,378
↑ 1.20%

03
PROFIT BEFORE TAX
RUPEES IN THOUSAND
4,991,625
2025: 4,617,583
↑ 8.10%

04
PROFIT AFTER TAX
RUPEES IN THOUSAND
5,031,326
2025: 2,749,816
↑ 83.00%

05
GROSS PROFIT RATIO
17.00%
2025: 16.5%
↑ 0.50%

06
SHAREHOLDER'S EQUITY
RUPEES IN THOUSAND
36,475,099
2025: 31,982,372
↑ 14.04%

07
RETURN ON FIXED ASSETS
19.86%
2025: 11.29%
↑ 8.57%

08
CURRENT RATIO
1.21
2025: 1.20
↑ 0.01

09
EARNINGS PER SHARE
Rs. 3.74
2025: Rs. 2.04
↑ 83.33%

10
CASH FLOW FROM OPERATIONS TO SALES
8.05%
2025: 4.95%
↑ 3.10%

11
EBITDA
Percentage to Sales
13.69%
2025: 14.99%
↓ 1.30%

12
INTEREST COVER RATIO
4.69
2025: 2.65 times
↑ 2.04 times

NON-FINANCIAL
KPIs

01 NATURAL CAPITAL

1. Rainwater harvesting reservoir with a capacity of **150,000** metric tons.
2. Solar plants with a total capacity of **37** Megawatt (2025: **35** Megawatt).
3. Reduction in carbon emissions is approximately **81.2** million pounds, equivalent to **35,446** tons annualy.
4. Installation of **20 TPH** biomass boiler (steam generated during financial year 2026: **78,767** MT).

02 MANUFACTURED CAPITAL

Installation of a new back-process at our Gujar Khan site to enhance the **variety in yarn production.**

03 INTELLECTUAL CAPITAL

State of the art Enterprise Resource Planning software i.e. Oracle R-12.

04 HUMAN CAPITAL

- Revenue per employee (Rupees in thousand) **8,850**
- Total Employee count **6,069**
- Female employees **144**

05 SOCIAL AND RELATIONSHIP CAPITAL

Contribution to National Exchequer

8.867

(Rupees in billion).

CORPORATE EVENTS
JUL-2025 TO JUN-2026

A	Announcement of the Annual Result	07-Aug-2025
B	Annual General Meeting	16-Oct-2025
C	Declaration of the 1st Quarter Accounts 2026	18-Oct-2025
D	Declaration of the Half Yearly Accounts 2026	25-Feb-2026
E	Declaration of the 3rd Quarter Accounts 2026	22-Apr-2026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ORGANISATION OVERVIEW AND EXTERNAL ENVIRONMENT

WWW.KMLG.COM/KTML

01 ORGANISATION OVERVIEW AND EXTERNAL ENVIRONMENT

OUR VISION

The Kohinoor Textile Mills Limited stated vision is to achieve and then remain as the most progressive and profitable Company in Pakistan in terms of industry standards and stakeholders interest.

OUR MISSION

The Company shall achieve its mission through a continuous process of having sourced, developed, implemented and managed the best leading edge technology, industry best practice, human resource and innovative products and services and sold these to its customers, suppliers and stakeholders.

VALUES

Committed to leading textile innovation, we aim to leave an enduring mark on the industry worldwide. Cheers to the next chapter, built on a foundation of seven decades of unmatched quality and progress.

OUR VALUES

EMPATHY

We share each others' feelings and emotions, making us a stronger, more cohesive team; we communicate effectively and approach challenges collectively.

INTEGRITY

We ensure adherence to moral and ethical principles; we act with honesty, we do not compromise our values.

PASSION

It's about growth and success; we chase our goals and objectives (personal & professional) with the highest level of energy and enthusiasm.

COMPANY PROFILE & PRINCIPAL BUSINESS ACTIVITIES

Kohinoor Textile Mills Limited ("The Company"), founded as a private limited entity in 1953 and publicly listed in 1968, is a prominent, vertically integrated textile manufacturer. To ensure sustained growth and navigate evolving market dynamics, KTML has strategically expanded its operations to include spinning, weaving, processing, and home textiles.

The Company's production capabilities include state-of-the-art spinning facilities located in Rawalpindi and Gujjar Khan, equipped with 180,144 ring spindles, 768 MVS Spindles, and 3,648 open-end rotors for manufacturing a wide variety of yarn counts from both cotton and synthetic fibers. At Raiwind, 384 looms are dedicated to weaving a diverse range of griege fabrics. The Rawalpindi unit's processing division specializes in dyeing and printing fabrics for the home textile sector, with stitching facilities producing an extensive range of home textiles for the export market. Investments are underway to enhance both dyeing and stitching capacities to leverage broader market opportunities. Each of the three manufacturing locations features fully equipped laboratory facilities, crucial for maintaining quality control and optimizing processes.

Sustainability remains a core value of Kohinoor Textile Mills Limited (KTML), reflected in the Company's continued efforts to promote responsible environmental stewardship and resource efficiency. KTML continued to advance a range of initiatives, including micro-grid systems, the installation of biomass boiler, advanced ultrafiltration and sewage treatment facilities, and rainwater harvesting infrastructure.
The Company's rainwater harvesting initiative demonstrates its commitment to responsible water management by reducing reliance on external water sources and supporting the conservation of this vital natural resource. In addition, KTML continues to make significant progress in reducing its carbon footprint through renewable energy generation. The Company currently generates 37 MW of electricity from solar energy, reducing reliance on furnace oil-based power generation and avoiding an estimated

81.2 million pounds (35,446 metric tons) of carbon dioxide emissions annually.

In line with its commitment to becoming a more sustainable and environmentally responsible organization, KTML continues to expand its renewable energy portfolio through strategic investments in solar power generation. The Company is also strengthening its energy storage capabilities. A Letter of Intent (LOI) has been issued for the installation of the country's largest single-site battery energy storage system at the Company's Rawalpindi facility. The formal agreement is expected to be executed in the coming weeks.

The Company is further pursuing initiatives to enhance its wastewater treatment and recycling capabilities, with the objective of increasing the current 85% wastewater recycling rate and progressing towards its long-term goal of Zero Liquid Discharge (ZLD).

Collectively, these initiatives are expected to contribute to a reduction in the Company's carbon footprint and production costs, while supporting the conservation of groundwater and other natural resources. Through continued investment in renewable energy, water conservation, wastewater recycling, energy efficiency, and sustainable production practices, KTML remains committed to strengthening its environmental performance and promoting responsible and sustainable operations.

LEADING EDGE PRODUCTION CAPABILITIES

To meet the evolving demands of market integration, the Company has made significant investments in Information Technology, human resource training, and management development. This ongoing commitment supports the maintenance of our strong competitive position and drives continuous improvement towards achieving world-class manufacturing standards. KTML's operations are conducted with strict adherence to all applicable environmental, labor, corporate, and other legal requirements.

OUR PRODUCTS

Product Portfolio – Kohinoor Textile Mills Limited (KTML) offers a diversified product portfolio designed to serve a broad range of market requirements. Our principal product lines include:

i. **Yarn:** A comprehensive selection of yarn counts spun from cotton and synthetic fibers.

ii. **Greige Fabric:** High-quality fabrics in their natural, unfinished state.

iii. **Dyed and Printed Fabric:** Custom-processed fabrics for various applications.

iv. **Home Textiles:** A diverse array of finished goods, such as bed linen, quilts, embroidered items, and curtains.

Our products are sold in both local and global markets. The finished home textile division exports extensively to international markets, with a significant presence in Europe, the Americas, Canada, Australia, Asia, and Africa.

YARN

GREIGE FABRIC

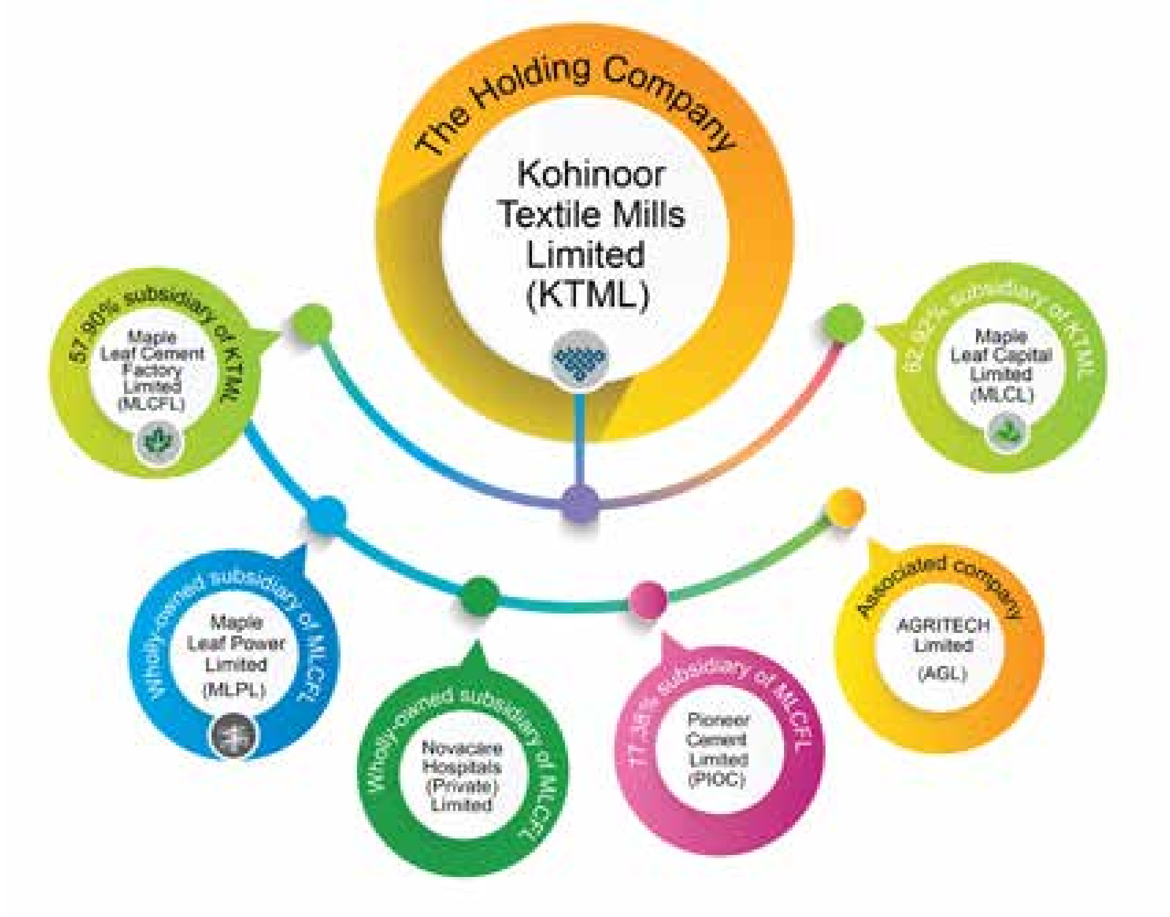


HOME TEXTILES




GROUP STRUCTURE

The Company is a part of Kohinoor Maple Leaf Group (KMLG). KMLG structure comprises of two listed public limited companies i.e. Kohinoor Textile Mills Limited (KTML) and Maple Leaf Cement Factory Limited (MLCFL), three unlisted public limited companies i.e. Maple Leaf Capital Limited (MLCL), Maple Leaf Power Limited (MLPL) and Pioneer Cement Limited (PIOC), and a private company i.e. Novacare Hospital (Private) Limited. Further Agritech Limited (AGL) is an associate of the Group.



Kohinoor Textile Mills Limited is a parent Company of other five below mentioned Companies. The initial capacity of its Rawalpindi Unit comprised 25,000 spindles. Later, fabric processing facilities were added and spinning capacity was augmented. Additional production facilities were acquired on the Raiwind-Manga Road near Lahore in District Kasur and on the Gulyana Road near Gujar Khan, by way of merger.

Maple Leaf Cement Factory Limited (MLCFL) was incorporated in Pakistan on 13 April 1960 under the Companies Act, 1913 (now the Companies Act, 2017) as a public company limited by shares. The Company is listed on Pakistan Stock Exchange. The cement factory is located at Iskanderabad District Mianwali in the province of Punjab. The principal activity of the Company is production and sale of cement. The Company is a subsidiary of Kohinoor Textile Mills Limited (the Holding Company).

Maple Leaf Power Limited (MLPL) a wholly owned subsidiary of MLCFL, an unlisted public limited company, has established a 40 MW Coal Fired Power Plant at Iskanderabad, District Mianwali which has successfully started its commercial production on 12th October 2017. The project was completed within budget and as per the planned timelines. The principal activity of MLPL is to generate, purchase, transform, distribute and supply electric power to MLCFL. The project has added another reliable and inexpensive source of power compared to the national grid and has reduced dependency on the same.

Maple Leaf Capital Limited (MLCL) was incorporated in Pakistan on 25 April 2014 under the Companies Ordinance 1984 (now the Companies Act, 2017) as a public company limited by shares. The principal object of MLCL is to buy, sell, hold or otherwise acquire or invest its capital in any sort of financial instruments. MLCL is a subsidiary of KTML.

Pioneer Cement Limited (PIOC) Pioneer Cement Limited (PIOC) was incorporated in Pakistan as a public company, limited by shares, on 09 February 1986. Its shares are quoted on the Pakistan Stock Exchange Limited. The registered office of PIOC is situated at 64-B/1, Gulberg III, Lahore. PIOC was acquired by MLCFL, which is subsidiary of Holding Company. 'The principal activity of PIOC is the manufacture and sale of cement. The production facility is located at Chenki, District Khushab, Punjab. The plant has an annual production capacity of 5,194,500 tons.

Novacare Hospitals (Private) Limited (Novacare) was incorporated in Pakistan on 21 March 2023, by Andalus Holdings (ADGM) Limited (Andalus), represented by directors Mr. Faraz Minai and Mr. Ghalib Hafiz, Novacare nominee directors each holding 1 share. Andalus, based in Abu Dhabi, is incorporating a company in Pakistan to which these shares will be transferred. On May 10, 2023, Andalus entered into an agreement with the MLCFL that along with its affiliates. It is subsidiary of MLCFL, which is subsidiary of the Holding Company. MLCFL entered into an agreement with NHPL that MLCFL would invest in NHPL, maintaining at least a 66.66% shareholding. The agreement granting the MLCFL ordinary shares, has a term of eight years with a one-year extension option. The principal line of business of NHPL is to establish, manage, and operate healthcare facilities, including hospitals, pharmacies, nursing homes, clinics, laboratories, dental clinics, and healthcare centres. NHPL aims to provide healthcare and surgical services, including the treatment of various diseases. NHPL is currently in the pre-commencement phase and has purchased land for hospital on which it has begun construction work. The registered office of the Company is situated at Plot No. 11-12, Central Commercial - Sector C, Phase-V, Defence Housing Authority, Islamabad.

Agritech Limited Maple Leaf Cement Limited holds 201,663,428 (2025: 201,663,428) ordinary shares with a par value of Rs 10 each, representing 33.66% (2025: 33.66%) of AGL's share capital. The market value of the Group's investment in the ordinary shares of AGL as at June 30, 2026, was Rs 10,375.583 million. AGL became associate of the Group on January 10, 2025.

GEOGRAPHICAL PRESENCE

Regional Office
25-West Wharf Road,
Karachi

Mills
Gulyana Road,
Gujar Khan,
Rawalpindi

Mills
Peshawar Road,
Rawalpindi

Head office
42 - Lawrence
Road, Lahore

Mills
8 K.M., Manga Raiwind
Road, District: Kasur

ORGANIZATION CHART

Legends

CFO : Chief Financial Officer
GM : General Manager
BPR : Business Process Re-engineering
TQM : Total Quality Management
SOP : Standard Operating Procedure

—— Administrative Reporting
- - - - Functional Reporting

ANNUAL PERFORMANCE REVIEW

The Company's profit after tax for the 2025–26 financial year increased significantly compared with the previous year, primarily due to a one-off reversal of the deferred tax liability following a change in the tax regime. However, the pre-tax results of the Company for period under review are similar to those of the previous year, holding strong despite increased global uncertainty from shifting tariff regimes, volatile and uncertain shipping routes and schedules, and international conflicts.

During the year under review, Company's sales decreased by 1.8% to Rs.58,340 million (2025: Rs.59,414 million), while cost of sales decreased by 2.4% to Rs. 48,421 million (2025: Rs.49,612 million). This resulted in gross profit of Rs. 9,920 million (2025: Rs.9,802 million). Operating profit for the year under review stood at Rs. 6,344 million (2025: Rs.7,416 million), whereas profit before tax for the year remained Rs. 4,992 million (2025: Rs. 4,618 million). The Company recorded a deferred tax income of Rs. 1,139 million (2025: Deferred tax expense of Rs. 543 million) during the year. The Company made an after-tax profit of Rs. 5,031 million (2025: Rs.2,750 million). Earnings per share for the year ended 30 June 2026 were at Rs. 3.74 against Rs. 2.04 for the last year.

During the year under review, Group's consolidated revenue increased to Rs. 143,465 million (2025: Rs. 128,030 million), while cost of sales increased to Rs. 101,213 million (2025: Rs. 92,063 million). This resulted in gross profit of Rs. 42,252 million (2025: Rs.35,967 million). Earnings per share for the year ended 30 June 2026 were Rs. 14.77 against Rs. 12.24 for the last year.

PERFORMANCE OVERVIEW OF ACTIVITIES, PRODUCTS, SERVICES AND SEGMENTS

The Company's business is primarily divided into three reportable segments i.e. Spinning, Weaving and Processing and Home Textile.

The results of the Company's Spinning divisions are essentially the same as those of the previous year, remaining strong despite heavy competition from imported yarns persisting for most of the year; unfortunately, the positive impacts of the increasing costs of yarn were off-set by increases in global commodity prices partially driven by conflicts in the Middle East, and uncertainty around the availability of raw materials in the supply chain. The expansion of the back-process at the Company's Gujar Khan division was successfully completed, and has paid dividends in allowing the Company to adapt its yarn mix to where it can operate most competitively.

The results of the Weaving division are slightly lower than those of the previous year, as the increased costs of imported yarn in the second half of the financial year could not be fully passed-through to customers. Further, as end-customers in the Company's traditional export markets in Europe face higher costs-of-living due to increased oil prices and potential fuel shortages, there appears to be a slow-down in demand.

Despite uncertainty around tariffs, shipping routes and schedules, and global conflicts, the Home Textiles division's profitability rose significantly, with a marked increase in revenues. The Company continues to drive profitability through value-addition, offering more complex and niche products which our competitors do not. We expect this to provide greater resilience as we navigate the coming financial year.

Further, during the year the Company has incurred CAPEX of Rs. 2.6 billion, with notable amount being spent on the back process at Company's Gujjar Khan site, drawing machines and solar power plant. This will reap benefits to the Company in the coming years.

VALUE CHAIN ANALYSIS

Kohinoor Textile Mills Limited (KTML) manages a fully integrated value chain to ensure seamless operations and consistent quality, from raw material sourcing to the delivery of finished products. Our core business centers on the production and sale of premium yarn, griege cloth, and finished home textile products. This process involves the meticulous blending of local and imported cotton and man-made fibers, along with dyes, chemicals, and various accessories, which are processed through sophisticated manufacturing techniques to achieve the desired output.

KTML ensures operational stability and an uninterrupted power supply with a diversified captive power generation portfolio that includes the National Grid, gas/HFO sources, and a 35-megawatt solar plant. This robust energy infrastructure not only provides a competitive advantage and enhances efficiency, but the solar generation also helps mitigate the company's carbon footprint by reducing CO_2 emissions by approximately 34,833 metric tons annually.

We maintain operational excellence and mitigate production risks through a proactive and sophisticated maintenance strategy. Our specialized Project Management Committee (PMC) employs advanced techniques such as predictive, preventive, and proactive maintenance to maximize machine uptime and efficiency. This methodical approach ensures the adequate functionality of all machinery and equipment, enhancing cost-effectiveness and demonstrating our rigorous approach to managing operational risk.

Upstream in our value chain, KTML leverages strong, long-standing relationships with suppliers in both local and international markets to ensure a reliable flow of high-quality raw materials. Downstream, our dedicated marketing team fosters close ties with customers. We prioritize their feedback, addressing complaints and suggestions at the highest level of management to drive continuous product and service enhancement, reinforcing our customer-first commitment. This blend of vertical integration, technological investment, and proactive management underpins our ability to deliver superior products and sustained value to all stakeholders.

CUSTOMER LANDSCAPING AND MARKET POSITIONING

Threat of new competition

The threat of new competition is substantial. Pakistan's economy relies heavily on its textile sector, and international markets also pose a significant competitive threat. To maintain a competitive edge, it is imperative for the organization to continuously update its technology and adapt to evolving customer requirements, ensuring the production of high-quality goods at the lowest possible cost.

Threat from substitute products

It's widely acknowledged that textiles have significantly enriched our world. The vibrancy and beauty surrounding us are largely due to innovative and appealing textile products. From a commercial standpoint, there are currently no direct substitutes for textiles, thus eliminating the threat from substitute products at this time.

Bargaining power of customers

Customers wield considerable bargaining power due to intense competition within the industry. Furthermore, rapid technological advancements and shifting fashion trends have made textile operations increasingly intricate. In such a dynamic environment, only businesses that proactively respond can thrive. To mitigate this risk, KTML has established an internal product development department. This department, staffed with experts, is adept at introducing new designs and diverse product formations to effectively meet changing customer demands.

Bargaining power of suppliers

Large manufacturing companies typically benefit from a broad base of supplier's eager to collaborate, and KTML is no exception. The company engages with a vast network of approved vendors, all with a history of upholding professional business ethics, thereby fostering healthy competition among them. Consequently, the Company enjoys strong bargaining power while adhering to established business norms. KTML has implemented a comprehensive vendor selection process, overseen by the Audit Department, to ensure both transparency and fairness. Accepting goods or services from unapproved vendors is strictly against company policy. Raw materials are sourced from both local and international markets. Extensive Letter of Credit (LC) lines are utilized to facilitate seamless transactions with foreign parties, while fuel and other input costs are managed thorough market research and negotiations to safeguard the Company's interests.

Intensity of competitive rivalry

The textile sector is characterized by strong competitive forces, with rival companies aggressively vying for market share and competing on price. Textile companies are geographically dispersed across Pakistan, intensifying competition in terms of both market share and pricing. KTML has diligently worked to cultivate brand loyalty, expand its market presence, establish an efficient supply chain, and become the preferred choice for customers seeking superior quality products.

EFFECT OF SEASONALITY ON BUSINESS IN TERMS OF PRODUCTION AND SALES

The Company's primary business revolves around the manufacturing and sale of yarn. Throughout the year, there were notable fluctuations in the demand and supply within the cotton and related markets. However, management effectively navigated these shifts by strategically procuring local and imported cotton, and by utilizing synthetic fiber as an alternative to organic cotton. In the export sector, sales typically experience an uplift during specific international events like Christmas, Easter, and Halloween. To capitalize on these trends, the marketing team actively conducts regular trend analyses to anticipate upcoming demand well in advance of these festivals. The Company also addresses seasonality through effective inventory and production management.

KEY ELEMENTS OF BUSINESS MODEL

KTML's core business activities include the manufacturing of yarn and cloth, the processing and stitching of cloth, and the trading of textile products. The following outlines the key elements comprising its business model:

Key Elements of Our Business	Model Relevance with Our Business Processes
Input Raw material	Cotton, Cotton Waste
Business Process	Spinning, Weaving, Processing and Stitching
Output	Yarn, Cloth, Home Textiles
Outcomes	Social and Economic Benefits and active contribution towards UN SDGs.

FACTORS EFFECTING EXTERNAL ENVIRONMENT

FACTOR	IMPACT	KTML RESPONSE
P POLITICAL	• Changes in Government's macroeconomic policies, applicable rules & regulations and political instability may adversely impact the Company's business.	• Strategic impact of changes in political horizon is carefully monitored by the management of the Company. • Business analysis / projections are made on continuous basis so that operational decisions may be made more effectively. • Corporate briefings and roadshows are conducted, both at national and international level, to mitigate the impact of Government policies and actions on the market capitalization of the company.

FACTOR	IMPACT	KTML RESPONSE
E ECONOMIC	• Exchange rate fluctuation, Price hikes in major input materials, comparatively low production of local cotton crop and high cost of energy may adversely impact the Company's business.	• The Company met price hikes in input costs by efficient procurement of local & imported cotton, including utilization of synthetic fibre as an alternate of organic cotton to maintain core competitiveness. • Investment into alternate energy sources like solar based power generation, including renewable energy sources to mitigate the effect of high energy prices as compared to competitors in the region. • In addition various energy conservation measures, waste heat recovery bio-mass boilers are also utilized. • Effective inventory management by meticulously reviewing inventory holding periods. • Deployed various cost reduction initiatives to control production and non-production related fixed costs.

FACTOR	IMPACT	KTML RESPONSE
S SOCIAL	• Stakeholders show a preference for organizations that uphold CSR standards. • Companies providing accessible healthcare and education facilities tend to experience improved employee retention rates. • There is a noticeable shift in attitudes towards prioritizing the well-being of the wider public.	• The company is dedicated to meeting the standards of Corporate Social Responsibility. • The Board has sanctioned the establishment of Al-Aleem Medical College within the Gulab Devi Educational Complex, emphasizing the Company's commitment to providing educational resources to the public. • Additionally, the Company has actively participated in medical social service initiatives. Notably, it generously endowed the Gulab Devi Chest Hospital in Lahore with a cutting-edge cardiac facility, known as the Sayeed Saigol Cardiac Complex.

FACTOR	IMPACT	KTML RESPONSE
T TECHNO-LOGY	• Outdatedness of production facilities in terms of technology. • Presence of information technology structures and Management Information Systems (MIS) software.	• Company has always given priority to latest technological developments and kept investing on Batch Manufacturing Record (BMR) to avoid any risk of technical obsolescence. • Company continuously invests in the robust hardware and software for system upgradation and MIS. • The Company has installed Oracle EBS Suite which facilitates financials and supply chain.

FACTOR	IMPACT	KTML RESPONSE
L LEGAL	• Perspective on and endorsement of renewable energy sources. • Addressing air pollution and the depletion of underground water reserves. • Increasing emphasis on environmentally-conscious behaviors.	• Operating efficient waste water treatment plant for safe industrial effluent discharge. • Enhancing operational efficiencies with solar-based power generation. • Implementing tree planting initiatives to reduce harmful gas emissions and maintain groundwater levels. • Certified to ISO 14001 and ISO 18001 standards for effective Environmental Management System (EMS) and Occupational Health and Safety Assessment.

FACTOR	IMPACT	KTML RESPONSE
E ENVIRONM-ENTAL	• Attitude towards and support for renewable energy. • Air pollution & Lowering of underground water belt. • Growing attention towards “green” attitudes.	• Company is successfully operating waste water treatment plant to ensure the safe discharge of industrial effluents. • Solar based power generation has also augmented the operational efficiencies of the Company. • Planting trees to limit the emission of harmful gases in the atmosphere and to ensure maintenance and lifting up the underground water level by reducing the evaporation process. • The Company has been approved to the standards of ISO 14001 and ISO 18001 for complying with an effective Environmental Management System (EMS) and Occupational Health and Safety Assessment Series (OHSAS) requirements.

Note: In connection with risk and opportunities pertaining to the Company, Board’s efforts for determining level of risk, Board’s statement regarding robust assessment of risks, information about default in payment of any debt and inadequacy in capital structure have been covered in the Directors’ Report.

SWOT ANALYSIS

At Kohinoor Textile Mills Limited (KTML), we employ the SWOT analysis as a strategic tool to align our strengths with potential opportunities and overcome weaknesses to mitigate market and other external threats. The management at KTML regards the following aspects of the SWOT analysis as pertinent to our operations.

STRENGTHS

- Cutting-edge equipment for top-tier quality.
- Experienced, skilled management.
- Customer-centric approach.
- Strong local and global branding.
- Vertically integrated units for efficiency.
- Diverse fuel mix for optimal operation.
- Captive power production.
- Solar energy utilization.
- Efficient information systems.

WEAKNESSES

- Operating leverage is significant due to the capital-intensive nature of the industry.
- Challenges arise from delays in refund processing by regulatory departments.
- The efficiency of labor productivity is a key consideration.
- Infrastructure issues affect our operations.

OPPORTUNITIES

- Rupee devaluation is poised to enhance export revenue.
- There is an opportunity to diversify product offerings in emerging markets, both locally and abroad.
- A growing population is a catalyst for increased fabric demand.
- The Government's commitment ensures utilities are provided at controlled rates.
- Consideration is given to the reutilization of treated effluent.

THREATS

- Elevated costs for imported raw materials.
- Limited access to premium local cotton.
- Intense competition from textile-centric nations.
- A high tax burden on operations.
- Concerns over potential fuel price escalation.
- Economic and political instability poses a challenge.
- Reduced business activity due to stringent tax measures by the Federal Board of Revenue.

POSITION IN VALUE CHAIN

Kohinoor Textile Mills Limited (KTML) operates as a vertically integrated unit, dedicated to providing superior-quality products to our valued customers. Upstream in our value chain are the activities involved in sourcing raw materials for production, while downstream operations focus on delivering finished goods to meet customer expectations. As the oldest textile manufacturer in Pakistan, KTML enjoys robust and mutually beneficial relationships with all critical stakeholders in the value chain. This places our company in the following position:

CODE OF BUSINESS CONDUCT AND ETHICAL PRINCIPLES

The following principles constitute the code of conduct which all Directors and employees of Kohinoor Textile Mills Limited are required to apply in their daily work and observe in the conduct of Company's business.

While the Company will ensure that all employees are fully aware of these principles, it is the responsibility of each employee to implement the Company's policies. Contravention is viewed as misconduct.

The code emphasizes the need for a high standard of honesty and integrity which are vital for the success of any business.

ETHICAL PRINCIPLES

1. Directors and employees are expected not to engage in any activity which can cause conflict between their personal interest and the interest of the Company such as interest in an organization supplying goods / services to the Company or purchasing its products. In case a relationship with such an organization exists, the same must be disclosed to the Management.

2. Dealings with third parties which include Government officials, suppliers, buyers, agents and consultants must always ensure that the integrity and reputation of the Company are not in any way compromised.

3. Directors and employees are not allowed to accept any favours or kickbacks from any organization dealing with the Company.

4. Directors and employees are not permitted to divulge any confidential information relating to the Company to any unauthorized person. Nor should they, while communicating publicly on matters that involve Company business, presume to speak for the Company unless they are certain that the views that they express are those of the Company and it is the Company's desire that such views be publicly disseminated.

5. All employees share a responsibility for the Company's good public relations particularly at the community level. Their readiness to help with religious, charitable, educational and civic activities is accordingly encouraged provided it does not create an obligation that interferes with their commitment to the Company's best interests.

6. The Company has strong commitment to the health and safety of its employees and preservation of the environment and the Company will persevere towards achieving continuous improvement of its Health, Safety and Environment (HSE) performance by reducing potential hazards, preventing pollution and improving awareness. Employees are required to operate the Company's facilities and processes keeping this commitment in view.

7. Commitment and team work are key elements to ensure that the Company's work is carried out effectively and efficiently. Also all employees will be equally respected and actions such as sexual harassment and disparaging remarks based on gender, religion, race or ethnicity will be avoided.

SIGNIFICANT EVENTS THAT OCCURRED DURING THE YEAR AND AFTER THE REPORTING PERIOD

The significant events which occurred during the year ended June 30, 2026 and after the reporting period are as follows:

- The installation of additional 2MW solar based power generation capacity.

- The installation of 20 TPH biomass boiler for steam generation.

- The installation of back-process at the Company's Gujjar Khan site is completed and has commenced operations during the year.

- Synthetic fiber, fuel prices and freight rates began to rise during the later half of the year due to conflict in Middle East putting pressure on the Company's profit margins and cash flows.

THE LEGITIMATE NEEDS, INTERESTS OF KEY STAKEHOLDERS AND INDUSTRY TRENDS

Kohinoor Textile Mills Limited (KTML) has established innovative and industry-leading practices to understand and meet the needs and interests of all its stakeholders, thereby setting trends within the industry.

To consistently surpass customer expectations, KTML delivers products of reliable quality. The Company has invested in an in-house Quality Assurance department to ensure all products conform to relevant standards.

For shareholders, the Company provides timely updates on its performance and emerging trends by publicly issuing periodic financial statements, along with directors' commentary on performance and future prospects. It also holds investor briefing sessions to address all analyst inquiries.

We have diversified our sources for cotton, cotton waste, and other materials, which guarantees an uninterrupted supply of raw materials for our production process.

The Company designs its Corporate Social Responsibility (CSR) activities to maximize their positive impact on the communities where it operates. KTML contributes to the national economy by paying its due share of taxes promptly. As a major exporter, the Company regularly generates foreign exchange, which helps strengthen the country's reserves.

THE LEGISLATIVE AND REGULATORY ENVIRONMENT IN WHICH THE ORGANIZATION OPERATES

As a publicly listed company operating in a critical market sector, Kohinoor Textile Mills Limited (KTML) navigates a highly regulated environment. A multitude of regulatory requirements must be met, and governmental authorities closely monitor the organization for any potential legal infringements.

Our Company regularly engages with the following key areas of law:

- The Companies Act of 2017, which governs the Company's overall management.
- The Sales Tax Act of 1990, which regulates the sales tax rate on textile products.
- The Federal Excise Act of 2005, which regulates the excise duty on various textile products.
- The Income Tax Ordinance of 2001, which imposes taxes on the income derived from the Company's business and operations.
- Labour and Employment laws, which define workers' rights and the Company's obligations to its employees.
- Various federal and provincial laws pertaining to the protection of Pakistan's environment.
- The Pakistan Stock Exchange Regulations, which govern the operations of listed companies, and the Listed Companies (Code of Corporate Governance) Regulations of 2017, which detail the procedures, composition, and management protocols for publicly listed companies.

KTML takes pride in ensuring full legal compliance and implements meticulous precautions to prevent any risk of liability from a legal breach.

THE POLITICAL ENVIRONMENT WHERE THE ORGANIZATION OPERATES AND OTHER COUNTRIES THAT MAY AFFECT THE ABILITY OF THE ORGANIZATION TO IMPLEMENT ITS STRATEGY

The political environment significantly impacts any organization's ability to execute its strategy. Political instability negatively effects consumers, businesses, investors, financial markets, and economic policymakers. Chronic political uncertainty has particularly hindered Pakistan's economic growth. In such circumstances, political pressures have often resulted in short-term macroeconomic policies and frequent policy changes, which is not ideal. The economic challenges facing the country, including declining foreign exchange reserves, rising inflation, and increasing interest rates, contribute to a slowdown in economic activity. Consequently, both domestic political instability and these economic challenges have an impact on the Company's business.

SIGNIFICANT CHANGES FROM PRIOR YEARS

The following represent the most significant changes from the previous year:

- Finance costs decreased due to a lower policy rate throughout the year.
- A subsidized power tariff for the industry resulted in lower energy prices compared to the previous year.
- The capacity of our solar plant expanded from 35MW to 37MW.

STRATEGY AND RESOURCE ALLOCATION

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02 STRATEGY AND RESOURCE ALLOCATION


URA®

STRATEGIC OBJECTIVES 2026-2027

Supported by Dedication to Robust ESG Principles

With Optimal Operational Performance

OBJECTIVE TIME SPAN

SHORT TERM OBJECTIVES

Maintain competitiveness through the efficient utilisation of capacity and the cost-effective acquisition of resources.

MEDIUM TERM OBJECTIVES

Modernizing the production facility and capitalizing on economies of scale to make the organization able to lower costs while ensuring the delivery of high-quality products.

LONG TERM OBJECTIVES

The objective is to emphasize the importance of utilizing renewable energy sources to ensure a cost-effective and uninterrupted power supply. Additionally, the objective is to prioritize compliance with both international and local quality management standards and integrate.

STRATEGIES AND MANAGEMENT OBJECTIVES

Our management's core objective is to cultivate a highly customer-driven, empowered, and cross-functional culture throughout the Company to maximize stakeholder returns. We are committed to achieving and maintaining the highest quality standards by implementing Key Performance Indicators (KPIs) in all critical areas. A dedicated Total Quality Management (TQM) team has been established to continuously monitor these KPIs and take instant corrective actions where necessary. All our objectives are pursued with collective wisdom and empathy. We believe that training is, and will remain, the foundation of our process-driven approach. Accordingly, management training programs were regularly held in 2025-26 and will continue into 2026-27. We have also formed specific teams to focus on key areas, including energy, strategy, and cultural development. Through effective energy management and other cost-reduction measures, we have successfully reduced our variable costs. Our strong financial and non-financial results to date reflect the achievement of our strategic objectives, which are continuously evaluated against predetermined targets to ensure we are increasing stakeholder wealth.

SIGNIFICANT CHANGES FROM PRIOR YEARS

There have been no material changes to the Company's fundamental objectives or strategies compared to the previous year.

ENTITY'S SIGNIFICANT RESOURCES

The Company's most significant resources are our human capital, financial strength, and advanced technology. We have recruited a team of professionals with extensive expertise in the latest technologies to effectively design and implement improvements for our production processes, networking, and control systems. Our dedicated Human Resources team is responsible for managing the employee life cycle, from selection to retirement. We are committed to adding value to our human resources through extensive training and development programs.

EFFECT OF TECHNOLOGICAL CHANGE ON THE COMPANY STRATEGY AND RESOURCE ALLOCATION

Technological advancements in manufacturing and information systems play a transformative role in the textile industry. By leveraging these advancements, KTML enhances labor productivity and reduces overall manufacturing costs, which allows us to serve our global customer base more effectively. Our ongoing Balancing, Modernization, and Replacement (BMR) initiatives demonstrate our commitment to delivering state-of-the-art products that meet evolving customer requirements.

PROCESSES USED TO MAKE STRATEGIC DECISIONS AND TO ESTABLISH & MONITOR THE CULTURE OF THE ORGANIZATION

Our strategic decision-making process is a well-defined, multi-step procedure that includes identifying outcomes, analyzing problems, researching solutions, developing and weighing alternatives, and selecting and executing the best solution. To monitor and reinforce our organizational culture, KTML's management uses a variety of tools, including internal staff engagement surveys, focused "Pulse" surveys, focus groups, interviews, and exit interviews. These qualitative methods are complemented by quantitative data from sources such as whistleblowing reports.

RESOURCE ALLOCATION

A core aspect of Kohinoor's entrepreneurial strategy involves identifying and capitalizing on operational opportunities. We are dedicated to leveraging both our existing products and new innovative solutions to consistently drive growth and strengthen our presence in global markets. Key drivers for future organic growth include strategic investments in new projects and enhancing the productivity of our current operations. In the year under review, we solidified our foundation for future expansion through targeted investments in our existing businesses and the development of innovations that are crucial to achieving the Company's stated vision.

Key opportunity	Impact area	Strategy to materialize
Growing demand in local market Source: External	Social capital, Relationship capital and Financial capital	In the last few years we have increased yarn production capacity and has adequate capacity of fabric printing by adding a latest machine of digital printing technology.
Cost reduction by using innovative production technology. Source: Internal	Manufactured capital	The Company, realizing the importance of reducing energy cost has an active waste heat recovery plant at site which converts heat from power engine into steam, which was previously lost, into energy. Furthermore, the 37-MW solar power plant provides cheap electricity to the Company.
Development of human relations/ resource. Source: Internal	Human capital	Development of human resource is engraved in the Company's mission statement & long-term objectives. Through extensive trainings and development programs, human resource capital is adding value to the Company with their professional ability, caliber and integrity.
Improvements in the business process. Source: Internal	Financial capital	The Company can achieve substantial profits by operating at maximum capacity, maximizing output and revenue. Efficiently managing cash flow ensures sufficient liquidity for obligations and investments. Making sound liquid investments generates additional income, and effective stock control reduces costs and minimizes risk.

COMPANY'S STRATEGY ON MARKET DEVELOPMENT, PRODUCT AND SERVICE DEVELOPMENT

The Company's strategy for market, product, and service development is directly aligned with its core business goals, prioritizing innovation and differentiation. We aim to enhance our product offerings by integrating advanced technologies, actively responding to customer feedback, and exploring new service models designed to meet evolving customer needs. Our primary objective is to expand the customer base and increase revenue while retaining existing valuable customers and markets. This expansion may involve entering new geographical areas, targeting new demographic segments, or introducing products to new customer groups.

Simultaneously, an effective operational cycle is critical for successful market development, service, and product management. An efficient value chain ensures that products are manufactured and delivered effectively, and that customers are fully satisfied with their overall service experiences. This operational efficiency significantly impacts the success of our market development strategy and our products' market performance. By continuously refining its products and services, the Company endeavors to maintain a strong competitive edge and drive sustainable growth in both existing and new markets.

KEY PERFORMANCE INDICATORS (KPIs)

Following are some of the critical performance measures and indicators against stated objectives of the Company.

Sr. No.	Objectives	Measures
1	Effective use of available resources and improved capacity utilization of the Company's production facilities.	Efficient Production Planning and Control (PPC) department with responsibility to plan orders on timely basis in order to minimize the idle time.
2	Modernization of production facilities in order to ensure the most effective production.	Efficient and state of the art and management information system.
3	Effective marketing and innovative concepts.	Increase in contribution margin and sales volume.
4	Strengthening independence in terms of secure supply of low-cost services and resources, including energy supply, transportation and logistics services.	Decrease in variable cost.
5	Explore alternative energy resources.	Reduced dependence on National Grid by increasing Solar Power capacity.
6	Further improvements in corporate governance through restructuring of assets and optimization of management processes.	Number of notices received from government.
7	Implementation of effective technical and human resource solutions. Personnel development, creating proper environment for professional growth of highly skilled professionals, ensuring safe labour environment, competitive staff remuneration and social benefits in accordance with scope and quality of their work.	Well organized Human Resource Department. Number of non-conformities raised.
8	Compliance with local and international environmental and quality management standards, implementation of technologies allowing to comply with the limitations imposed on pollutant emissions.	Compliance with ISO requirements and specific requirements from various international customers.
9	Implementation of projects in social and economic development of communities.	Allocation of funds for CSR.

Management believes that current key performance measures continue to be relevant in future as well.

ALIGNING STRATEGIC OBJECTIVES WITH VISION & MISSION

The linkage of strategic objectives with vision, mission and objectives is fundamental to the Company's success and sustainability. At KTML, strategic objectives are meticulously crafted to align with the core mission to manage a textile business entity aimed at producing quality products through innovative technology and effective resource management, maintaining high ethical and professional standards, and coming up to the expectations of all our customers. We strive to achieve the highest possible operating efficiencies and expand the business so that we are able to deliver maximum value to stakeholders.

Furthermore, the vision of the Company is to achieve and then remain as the most progressive and profitable Company in Pakistan in terms of industry standards and stakeholders interest, pursuing sustained leadership in the markets where it competes and making its valuable contribution to the Country's exports. This alignment fosters coherence and unity within the organization, enabling it to channel its resources and efforts effectively towards achieving its long-term goals.

DIRECTORS RESPONSIBILITY FOR INTERNAL CONTROL AND IT GOVERNANCE

The Board of Directors acknowledges its overarching responsibility for providing strategic oversight and ensuring the maintenance of a robust system of internal control and sound IT governance across the organization. We affirm that these systems are designed to safeguard assets, ensure the accuracy and integrity of financial and operational reporting, support effective risk management, and promote compliance with applicable standards and policies.

The Board confirms that an effective framework of internal control is in operation and is subject to periodic review and enhancement. The state of the Company's affairs, together with its operational and , has been duly reviewed and is comprehensively presented in the Directors' Report, Chairman's overview and the audited financial statements. The Board further confirms that the financial statements present a true and fair view of the Company's financial position and results of operations and are prepared in accordance with applicable financial reporting standards and consistently applied accounting policies.

Recognizing the critical importance of information technology in today's business environment, the Board exercises diligent oversight over IT governance, information security, and digital risk management.

Particular emphasis is placed on the effectiveness of user access controls, change management processes, segregation of duties, and the integrity of core business systems that support financial reporting. Periodic evaluations of IT general and application controls are conducted, and any identified areas for improvement are promptly addressed to maintain control effectiveness.

The Board remains committed to strengthening cybersecurity resilience, ensuring data privacy, and fortifying the Company's technology infrastructure to mitigate emerging risks and safeguard stakeholder interests. These initiatives are integral to supporting operational continuity and sustaining long-term organizational performance.

Through these measures, the Board reaffirms its unwavering commitment to the highest standards of governance, transparency, and accountability. We remain confident in the Company's ability to achieve its strategic objectives, protect shareholder value, and uphold the trust of all stakeholders.

SIGNIFICANT PLANS AND DECISIONS

The Company continues its commitment to sustainability with the successful installation of a new bio-mass boiler which will reduce our carbon footprint and decrease costs. We continue to work towards further water reuse and recycling with newer technologies which is the need of the hour. Increase in solar capacity continues to be the cornerstone of the Company's sustainability strategy.

Looking ahead, we have several promising projects on the horizon, including country's largest single site battery storage system to be installed at the Company's Rawalpindi facility along with additional 9.3-MW solar power,

KEY RESOURCES WHICH PROVIDE SUSTAINABLE COMPETITIVE ADVANTAGE

As one of Pakistan's oldest and largest textile companies, Kohinoor Textile Mills Limited (KTML) strategically deploys its resources and capabilities to maintain a sustainable competitive advantage over its rivals. Key resources and capabilities that contribute to this advantage include:

REGULAR TECHNOLOGICAL UPGRADES

Management continuously invests significant capital in upgrading our technological infrastructure across manufacturing, management, and information systems. These advancements improve labor productivity and reduce overall manufacturing costs, ensuring the Company remains competitive and cost-efficient.

ENERGY EFFICIENCY AND REDUCTION OF CARBON FOOTPRINT

KTML is focused on energy conservation, operational efficiencies, and reducing its carbon footprint. Our effluent emissions are regularly monitored, and we have installed state-of-the-art equipment to control effluent discharge, mitigating its environmental impact. We are dedicated to ensuring a healthy environment for our employees and the local community. The Company's commitment to exploring sustainable energy sources is demonstrated by our installation of a 37 MW solar power project, with more initiatives planned for the future.

QUALITY CONTROL

The Company's reputation as a high-quality supplier provides a significant competitive advantage over rivals. We have established fully equipped laboratory facilities for quality control and process optimization at all three KTML sites, with checks performed at every stage of the production chain. Our ISO 9001:2015 certification underscores our firm belief in the necessity of a robust Quality Management System.

ECONOMIES OF SCALE

The advantages of leveraging modern technology and the latest infrastructure result in reduced production costs. We constantly review our operational process costs to reduce them on a sustainable basis and drive further efficiencies through continuous process improvements.

HUMAN RESOURCES

Human resource development is a central part of our mission and long-term strategy. Through comprehensive training and development programs, KTML has cultivated a highly skilled workforce, which is a vital source of sustainable advantage over our competitors.

SMART LOGISTICS SETUP AND SUPPLY-CHAIN MANAGEMENT

Our supply chain, supported by a strong network of business partners across all areas, serves as a crucial source of competitive advantage.

VALUE CREATED BY THE BUSINESS USING THESE RESOURCES AND CAPABILITIES

By leveraging these key resources and capabilities, KTML creates value for its stakeholders in the following ways:

Shareholders: We strive to provide a reasonable return on investment.

Employees: We offer a safe and inclusive working environment and provide new challenges to develop our workforce.

Customers: We provide high-quality products that meet their expectations.

Communities: We invest in health, education, and skills development within our local communities.

Suppliers and service providers: We build and maintain long-term, mutually beneficial partnerships.

Government: We contribute to the national exchequer and generate economic value for society.

RISKS AND OPPORTUNITIES AND COMPLIANCE

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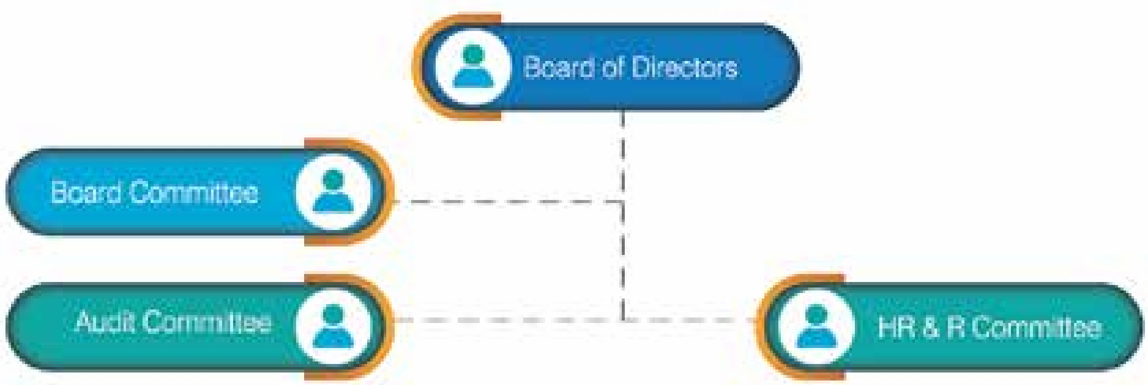
03 RISKS, OPPORTUNITIES AND COMPLIANCE

RISK MANAGEMENT FRAMEWORK INCLUDING RISK MANAGEMENT METHODOLOGY

RISK MANAGEMENT PLANNING:
Our risk management planning process establishes a clear scope, defining the purpose and boundaries of our risk management activities. This includes setting specific goals and desired outcomes. We employ a range of techniques and tools for risk assessment and mitigation, such as risk assessments, modeling, and simulations.



KTML's Risk management framework embodies the risk management process. Company's Risk management process is based on the following 5 principles.

- **Risk Identification:** We proactively identify and document all foreseeable risks that could impact our corporate objectives. This process includes detailing the source of each risk and its potential consequences.

- **Risk Assessment and Analysis:** Each identified risk is assessed for its potential likelihood and impact severity. This analysis allows us to prioritize risks for further examination and categorize them to identify areas of heightened exposure. We also use statistical models to analyze the collective effect of multiple risks on our objectives.

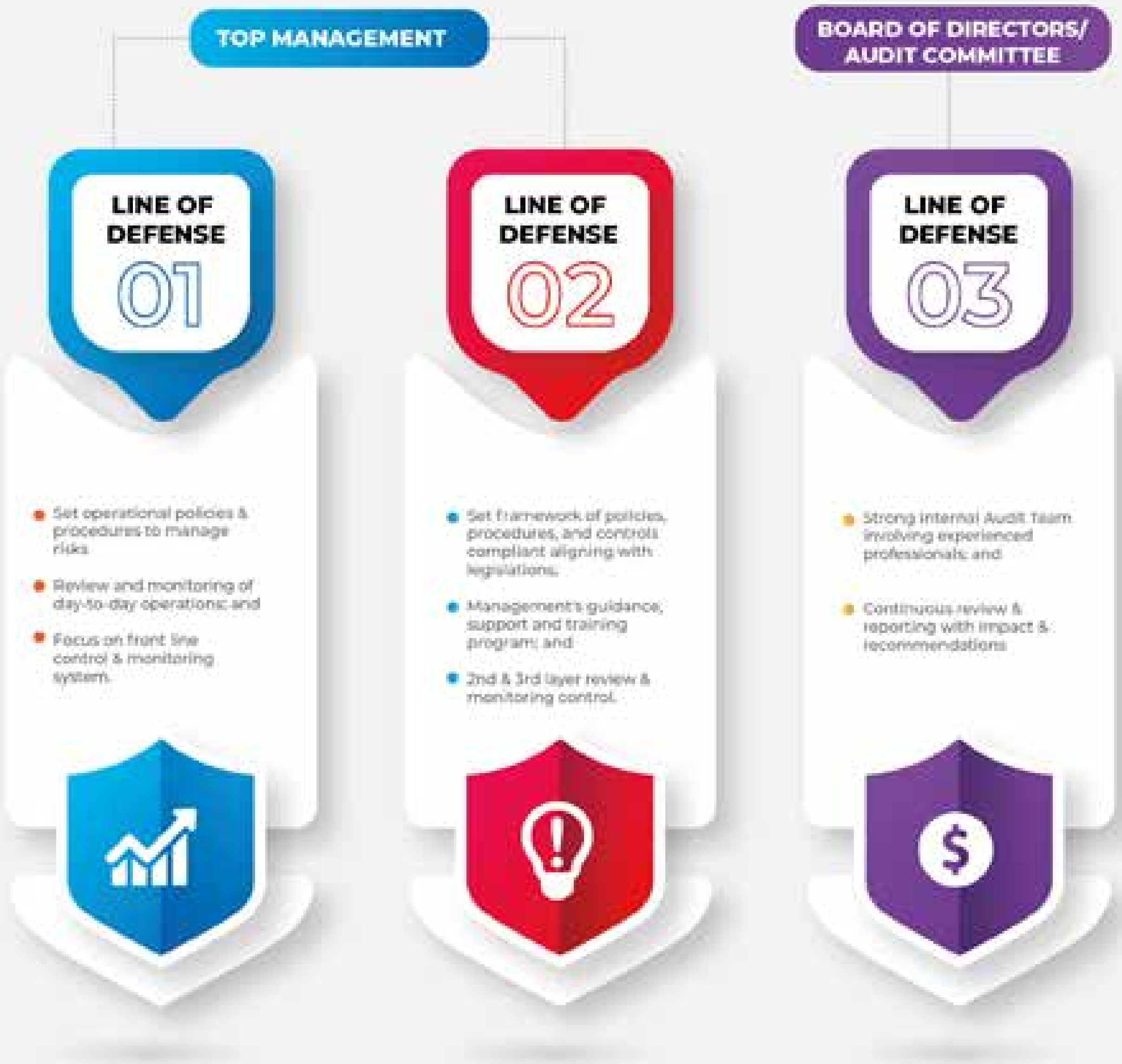
- **Risk Response Development:** We develop tailored strategies to address each specific risk and our overall risk exposure. This involves selecting a strategy that is both appropriate for the risk and feasible for the organization. Assigning clear ownership for each response is crucial for effective implementation and accountability.

- **Risk Monitoring:** We meticulously execute our risk response plans while continuously monitoring their impact on our risk exposure. Relevant risk information is communicated to stakeholders with a level of detail and frequency that meets their needs and expectations.

- **Risk Review:** Our risk management procedures are periodically reviewed. This process allows us to evaluate the status of existing risks, assess the effectiveness of our responses, identify emerging risks, and conduct a comprehensive review of our entire risk management framework.

RISK MANAGEMENT FRAMEWORK

Our Risk Management Framework (RMF) is a structured and comprehensive process designed to identify potential threats and formulate strategies to eliminate or mitigate their impact. It also establishes mechanisms for effective monitoring and evaluation of these strategies. We recognize that robust risk management is vital for the long-term sustainability and enhanced shareholder value of the organization, and as such, it is a key component of our management system. The RMF is aligned with WHIPLC's operating model, adopting an integrated, "three lines of defense" approach. This structure facilitates the clear communication and escalation of risk and control-related matters across the organization.



RISK ASSESSMENT
MATRIX

Following a detailed risk analysis, we use a risk assessment matrix to categorize risks based on their potential impact and likelihood. Risks classified as Low or Low-Medium are considered within our acceptable range and are assigned a lower priority. Risks in the Medium and Medium-High categories require specific control measures to mitigate potential threats. Risks classified as High demand immediate attention and action to ensure the Company’s continued effective operation.

RISKS AND OPPORTUNITIES ANALYSIS

OBJECTIVES

The Board of Directors is committed to minimizing risks and capitalizing on opportunities to systematically and sustainably enhance the company's value for all stakeholders. To achieve this, management has adopted a comprehensive risk management and internal control framework aligned with our business philosophy and corporate objectives.

A. STRATEGY FORMULATION

Management conducts an annual review of the Strategic Objectives to ensure they reflect stakeholder expectations and serve as leading indicators of the company's success. To achieve these objectives, we develop specific strategies, which are approved by the Board of Directors and are subject to adjustment in response to changes in the external business environment or internal organizational factors.

B. KEY RISKS AND OPPORTUNITIES OF CAPITALS

Form of Capital	Key Risk	Key opportunity	Time Horizon
Financial Capital	• High energy cost • Inflation	• Cost optimization • Renewable energy	Short to medium term
Human Capital	• High turnover	• Succession planning • Appraisal system	Short to medium term
Manufactured Capital	• Obsolescence of technology	• Adopting new technologies and continuous improvement in process	Long term
Social and Relationship	• Loss of stakeholders confidence, bad reputation	• Cultivating connections throughout the value chain and expanding the Company's portfolio.	Medium to long term
Natural Capital	• Water shortages	• Rain water harvesting and waste water treatment plant for recycling	Medium to long term

C. RISK ASSESSMENT

The risk assessment process is an ongoing effort that brings attention to various uncertainties that could potentially hinder the company's objectives and lead to losses if left unaddressed. These risks and uncertainties can originate from both external and internal factors. The broad categories of risks that could impede the company's operations include strategic, commercial, operational, and financial risks.

RISKS TYPE	IMPLICATION
Strategic Risks	Strategic risks encompass the uncertainties and undiscovered opportunities inherent in a company's strategic goals. These risks are of paramount concern to the Board of Directors as they affect the entire business rather than being limited to a specific unit or department.
Commercial Risks	Commercial risks are the possible financial losses that can result from the actions or behaviors of trading partners or the conditions within the market where the Company conducts its business.
Operational Risks	Operational Risk refers to the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events.
Financial Risks	Financial risk is a comprehensive term that encompasses various types of risk related to aspects such as financing, profitability, liquidity, and credit within a business context.

D. MATERIALITY APPROACH

Management considers materiality a key component of effective communication with stakeholders. The company has adopted a materiality approach based on a combination of stakeholder engagement, understanding environmental limits, and strategic alignment. This process enhances transparency, credibility, and the evidence base for identifying and disclosing material issues related to risks and opportunities. The company believes the following are the major risks that may affect operations, along with their mitigation strategies.

E. CORPORATE OBJECTIVES, RISKS AND MITIGATION STRATEGIES

Corporate Objective	Risk	Assessment	Mitigation Strategies
Industry Competition: To maintain Company's prominent position among leading export oriented Textile Companies.	**Strategic Risk:** There is increasing competition among existing market players. Further, threat from new entrants are foreseen in the operating segment. **Source: External** **Commercial Risk:** Increasing prices of overheads may affect the buying potential of customers and profit margins. **Source: External**	**Likelihood:** Medium **Magnitude:** High **Likelihood:** Medium **Magnitude:** High	Company operates as a vertically integrated unit. Management takes proactive decisions and selects the product mix in spinning and weaving segments which may positively counter the adverse uncontrollable affects in the sales of home textile segment.
Legislative and Legal Environment: To operate in a stable market being compliant with all relevant laws of the country and international regulations.	**Strategic Risk:** More stringent legal requirements within the Country and in exportable markets. Changes and Reforms in existing laws & regulations and legal uncertainties. **Source: External** **Commercial Risk:** Demand from international customers for being compliant for labor, health & safety and raw material quality standards. **Source: External**	**Likelihood:** High **Magnitude:** Medium **Likelihood:** Low **Magnitude:** High	Management exercises due care for procurement of raw materials. To meet the Health and Safety standards, the Company is actively following requirements of various certifications.
Technology: To produce the best and highest quality product that meets the demands of Customers and quality standards.	**Strategic Risk:** Technological shift may render production process obsolete and cost inefficient. **Source: External**	**Likelihood:** Low **Magnitude:** High	Management continuously investing considerable amounts for upgradation of technological infrastructure in order to remain competitive and cost efficient.
Operations: To ensure continuity of operations without any disruptions in supply of resource, continuous production and minimize idle time.	**Operational Risk:** Company relies on various third parties for sourcing of quality goods and services. Business constraints faced by associated ventures may adversely affect the customer servicing of the Company. **Source: External/Internal**	**Likelihood:** Low **Magnitude:** High	Management believes in the capacity building of internal and external trading partners / vendors in order to increase their potential for timely sourcing of required goods & services to the Company.

Corporate Objective	Risk	Assessment	Mitigation Strategies
Human Capital: To recruit and retain the best people and provide adequate training to ensure high quality skilled force.	**Operational Risk:** Loss of the qualified and competent staff. **Source: Internal**	**Likelihood:** Low **Magnitude:** Low	Management is continuously investing in the capacity building of its employees. A rigorous succession plan is also in place aimed to prepare the future leaders.
Health and Safety: To ensure health and safety of employees in workplaces.	**Operational Risk:** Accidents can take place which can cause serious injuries to employees. **Source: Internal** Unforeseen calamities and natural disasters may result in human loss. **Source: External**	**Likelihood:** Low **Magnitude:** Medium	Suitably qualified and well equipped health and safety department is operational which continuously monitors the HSE conditions in the Company and takes the remedial actions as and when required.
Environment: To ensure environment friendly products and processes.	**Operational Risk:** Hazardous emissions and discharges into air and water beyond the prescribed limits. Waste from operations may be disposed off in an inappropriate manner. **Source: Internal**	**Likelihood:** Low **Magnitude:** Medium	Management has installed the waste water treatment plant in order to meet the requirements of various regulatory authorities. Apart from that, various initiatives are in process to reduce to the maximum possible discharge of hazardous chemicals in water and air.
Finance: To maintain strong financial position and produce which is reflective of the Company's scale of business and Shareholders' expectations.	**Financial Risk:** Increase in the cost of borrowing may limit the avenues for availability of sufficient working capital. **Source: External** Payment defaults by counter parties may leave the Company with inadequate resources for discharging its own liabilities. **Source: External** Devaluation of PKR may further adversely affect the raw materials cost of spinning segment. **Source: External**	**Likelihood:** Low **Magnitude:** Medium **Likelihood:** Low **Magnitude:** Medium **Likelihood:** Low **Magnitude:** Medium	Management has addressed the risk of shortage of working capital by availing sufficient lines from the diversified financial institutions in order to meet the short term finance requirements of the company. Moreover, average credit period of the Company is also being improved along with improved operating cycle. Credit risk from counter parties is being addressed by frequent reviews of outstanding balances of major parties, and reconciliations after short time intervals to avoid the chance of disputed amounts / transactions.

F. OPPORTUNITY ANALYSIS

Unlocking and exploiting operational opportunities is an important aspect of Kohinoor's entrepreneurial activities. The company is committed to using existing products and developing new solutions to systematically enhance its growth and strengthen its position in global markets. Investing in new projects and increasing the productivity of existing ones are key elements for future organic growth. In the year under review, the company strengthened its foundation for future growth by making selective investments and developing innovations that support the achievement of its vision.

In connection with risks and opportunities, the Board's efforts for determining the level of risk, its statement regarding a robust assessment of risks, and information about any default in debt payment or capital structure inadequacy have been covered in the Director's Report.

INITIATIVES TAKEN BY MANAGEMENT IN PROMOTING & ENABLING INNOVATION

Innovation begins with a deep understanding of customer requirements. At KTML, the management team is intently focused on understanding customers, their sensitivities, preferences, and desires. Regular monitoring of customer interaction, sales, and retention is a standard management practice that helps the company remain innovative in meeting ever-changing customer needs.

BOARD'S EFFORTS FOR DETERMINING AND ASSESSING THE COMPANY'S LEVEL OF RISK TOLERANCE

The Board's efforts regarding the company's risks and opportunities, its determination of risk tolerance, and its assessment of risks have been addressed in the Director's Report. This includes covering information on any default in debt payment or capital structure inadequacy.

Key opportunity	Strategy to materialize
Strategic Risks	Defined as the uncertainties and untapped opportunities in strategic intent, these are key matters for the Board and affect the entire business.
Commercial Risks	These refer to potential losses arising from trading partners or the market in which the company operates.
Operational Risks	These are risks resulting from breakdowns in internal procedures, people, and systems.
Financial Risks	This is an umbrella term covering multiple types of risks associated with financing, profitability, liquidity, and credit.

PRINCIPAL RISKS AND UNCERTAINTIES:

The major risks and challenges faced by the Company are as follows:

- Export margins have come under pressure due to intensifying competition at both global and regional levels, coupled with higher tariffs on shipments to the United States.
- Higher energy prices as compared to other competitors in the region.
- Overall inflationary increase in operating expenses.
- Intense competition among textile manufacturers, both in terms of pricing and sales.

The Organization is well-prepared to address potential challenges and uncertainties. Leveraging collective experience, expertise, and robust business reporting, Management remains consistently informed about both internal and external developments. The Company has established specialized cross-functional teams that regularly review critical issues and risks to devise forward-looking strategies. In response to intense competition and narrow margins in export markets, the Marketing Team, under Management's guidance, is actively working

to expand the Company's presence in previously untapped markets. Furthermore, to mitigate the impact of inflation, an effective and well-structured procurement plan is in place.

LIQUIDITY AND FINANCIAL CAPITAL MANAGEMENT

The company's liquidity has improved with a reduced payment cycle. Management has a balanced team of qualified professionals with extensive experience in best practices for liquidity management, including policies, processes, regulatory constraints, and tax considerations.

The company continues its efforts to maintain debts at a reasonable level to support long-term objectives and improve its liquidity position.

Management believes there is no inadequacy in the capital structure at present.

DISCLOSURE OF SUPPLY CHAIN DISRUPTION RISKS AND MITIGATION STRATEGY IN THE FACE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE INCIDENTS

In today's dynamic global business environment, companies are increasingly recognizing how their operations are linked to environmental, social, and governance (ESG) factors. Our company understands the potential risks associated with these factors, particularly those that could impact our supply chain. To proactively manage potential disruptions from ESG incidents, we have implemented a robust framework for assessing risks. This involves close collaboration with our internal teams, suppliers, and industry partners to stay informed about emerging threats. We also utilize a robust monitoring system to track relevant ESG incidents in real-time.

To effectively manage the risks of supply chain disruptions, we have implemented a comprehensive strategy that includes:

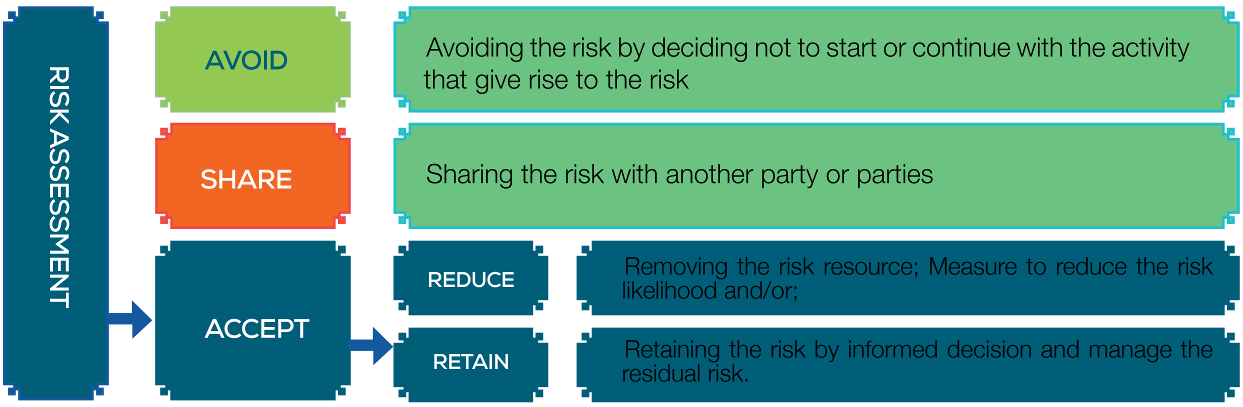
Diversifying our suppliers: We aim to have a variety of suppliers to avoid being overly dependent on a single source, which helps lessen the potential impact of disruptions.

Strengthening resilience: We are dedicated to continuously reinforcing our supply chain's strength. This may involve developing backup plans and identifying alternative sources whenever possible.

Our company is committed to addressing ESG-related supply chain risks. By identifying, monitoring, and mitigating these risks, we ensure our operations can be sustained over the long term. This also means minimizing any potential negative impacts and fostering a more resilient and responsible business environment.

RISK MITIGATION METHODOLOGIES

We have well-established policies and procedures, sanctioned by the Board, for managing risks at the enterprise level. A specialized team of skilled and experienced professionals actively participates in the risk management process. Our approach to risk management includes the following potential responses to identified risks:



WE ACCEPT RISKS

We accept certain risks when their potential impact is minimal, choosing not to expend resources on avoiding, transferring, or mitigating them. In essence, all risks, except those we choose to entirely avoid, fall into this category. Even when we reduce a risk, we are still accepting the residual portion that remains within our defined risk tolerance.

WE AVOID RISKS

We avoid risks when they present the potential for significant threats, such as major legal issues or operational interruptions. For example, during the pandemic, we adopted a 'Work from Home' policy to protect our employees from contracting COVID-19, thereby mitigating health risks and ensuring business continuity.

WE TRANSFER RISKS

This option does not eliminate or reduce the likelihood of a risk occurring but instead transfers the responsibility for managing it to a third party, typically through an insurance contract. It is important to note that intangible risks, such as those related to reputation and talent, cannot be transferred in this manner.

WE REDUCE RISKS

We take the necessary steps to decrease the likelihood or impact of a potential loss. A risk reduction strategy is implemented only when the risk marginally exceeds our appetite and tolerance levels, with the goal of bringing it back within acceptable limits.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

WWW.KMLG.COM/KTML

04 SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

SUSTAINABILITY - KEY HIGHLIGHTS 2026

Creating a cleaner, safer and better tomorrow for people, planet and progress

ENVIRONMENTAL PERFORMANCE

EMISSION REDUCTIONS
35,446
M. Tons
2025: 34,833 M. Tons
⬆ 1.8%

POWER MIX (RENEWABLE ENERGY)
22.59%
2025: 20.38%
⬆ 10.84%

FOSSIL FUEL CONSUMPTION
319
M. Tons
2025: 5,408 M. Tons
⬇ 94.1%

REUSED / RECYCLED TEXTILE WASTE
13,207
M. Tons
2025: 13,248 M. Tons
⬇ 0.31%

WATER CONSUMPTION
1,125,943
M. Tons
2025: 1,191,990 M. Tons
⬇ 5.54%

RAIN WATER HARVESTING CAPACITY
62,000
m^3
2025: 62,000 m^3
--

STEAM GENERATION FROM BIOMASS BOILER
78,767 MT
2025: N/A

TREE PLANTATION CAMPAIGN
5,000 TREES
2025: N/A

PEOPLE & WELLBEING

NO. OF INJURIES REPORTED
13
2025: 18
Our people, our priority

IN-HOUSE TRAINING HOURS
18,392 Hours
2025: 16,650 Hours | ⬆ 10.46%
Investing in a skilled and sustainable future

ECONOMIC PERFORMANCE

RETURN ON EQUITY
14.44% | 2025: 14.71% | ⬇ 0.27%
Delivering long-term value for all our stakeholders

STATEMENT FOR ADOPTION OF BEST PRACTICES OF CSR

The Board of Directors affirms its commitment to Corporate Social Responsibility (CSR) as an integral part of the Company's values and long-term strategy. We recognize that sustainable business success depends not only on but also on the positive impact we create for our stakeholders, society, and the environment.

The Board ensures that CSR initiatives are aligned with the Company's vision and are implemented in accordance with applicable laws, regulations, and ethical standards. Our CSR approach emphasizes responsible business practices, community development, environmental stewardship, and respect for human rights.

We remain dedicated to:

- Supporting projects that contribute to education, health, and social welfare.
- Encouraging environmentally sustainable practices that conserve resources and mitigate climate change.
- Promoting inclusivity, diversity, and empowerment within our workforce and communities.

- Ensuring transparency, accountability, and measurable outcomes with the highest integrity in all CSR activities.

- Openly communicate our CSR initiatives, progress and impact to our stakeholders through regular and comprehensive reporting. This fosters accountability and encourages a culture of continuous improvement.

The endorsement of these best practices by our Board reflects our belief that responsible business practices are not only a moral duty but also a fundamental driver of long-term success. We are confident that by embracing these practices, we can create a lasting positive impact on society while ensuring the sustainable growth and resilience of our Company.

Sustainable practices are becoming increasingly essential in influencing our Company. We reaffirm our strong commitment to integrating sustainability into the core of our business model, recognizing that environmental, social, and governance (ESG) practices have a direct and measurable impact on . The management views sustainability not merely as a compliance requirement but as a strategic enabler of long-term value creation, risk mitigation, and operational efficiency.

OUR APPROACH TOWARDS SUSTAINABILITY

At Kohinoor Textile Mills Ltd., our sustainability journey has achieved significant progress over the past several years. In 2017, we redefined and clearly articulated our purpose by initiating a solar power project and upgrading our water treatment facilities. For KTML, sustainability goes beyond contributing profits to society—it is embedded as a core element of our management philosophy, shaping the Company's role in the global community. This commitment is increasingly being embraced and shared across our workforce.

We recognize that industrial processes must not only respond to dynamic market requirements but also advance sustainability goals. Through Process Intensification (PI), we embrace innovative opportunities to enhance efficiency, optimize resource utilization, minimize environmental impact, and deliver higher value in a responsible manner.

Our Strategic Sustainability Framework reflects a holistic approach, balancing organizational success with social, economic, and environmental responsibility. This framework ensures that our Environmental, Social, and Governance (ESG) practices evolve in alignment with global sustainability standards, while safeguarding communities and preserving the environment for future generations.

We are committed to embedding Corporate Social Responsibility (CSR) into every aspect of our operations. This includes reducing resource consumption, adopting renewable energy solutions, advancing water conservation through efficient treatment and reuse, and ensuring ethical governance practices. We place strong emphasis on the well-being and development of our workforce by providing training, fostering a safe and inclusive workplace, and upholding fair labor practices.

Performance is measured through defined sustainability indicators, with transparent reporting to our stakeholders to ensure accountability and continuous improvement. By integrating responsible business practices, investing in innovation, and maintaining transparency, we aim to strengthen our resilience, contribute positively to society, and uphold the principles of ethical and sustainable manufacturing.

SUSTAINABILITY RELATED RISKS AND OPPORTUNITIES

We acknowledge that sustainability-related risks, particularly those stemming from climate change, are becoming increasingly critical to our business, stakeholders, and the communities we serve. Such risks have the potential to affect our operations, supply chains, , and overall long-term resilience. Accordingly, we are committed to integrating sustainability considerations into our strategic planning and decision-making processes.

We recognize the increasing significance of transparent and credible Environmental, Social, and Governance (ESG) reporting. By aligning our disclosures with globally accepted frameworks and leading practices, we seek to provide stakeholders with meaningful insights into our sustainability performance, risk management strategies, and commitment to responsible growth. Through this approach, we reinforce accountability, strengthen stakeholder trust, and advance our vision of creating long-term value while contributing to a more resilient and sustainable future.

The Company is mainly exposed to the following sustainability risks.

Environmental Risks a climate change factor: Water Usage, Pollution, Waste Management, Carbon Emissions, Chemical Use as contributor to climate change.

Social Risks: Labor Practices, Human Rights, Health and Safety.

Governance Risks: Regulatory Compliance, Supply Chain Transparency

The above factors present significant risks to the Company. In the short term, non-compliance may result in penalties, while in the long term, it could lead to substantial fines, legal expenses, and reputational damage, including the potential loss of customers and business.

Sustainability-related risks—particularly those linked to climate change and insufficient ESG oversight pose material challenges to our operations. A lack of transparency and limited integration of sustainable practices could erode investor confidence, restrict access to capital, and increase both reputational and operational vulnerabilities over time.

At the same time, these risks also present considerable opportunities. By addressing them proactively, such as adopting sustainable practices and enhancing energy efficiency, the Company can achieve immediate cost savings and strengthen brand reputation. In the long term, a sustained commitment to ESG principles can deliver competitive advantages, improve investor confidence, reduce financial volatility, and secure lasting profitability.

GOVERNANCE, STRATEGY, RISK MANAGEMENT & METRICS

Governance

The Board of Directors provides oversight of and reviews climate-related risks and opportunities directly and additionally through the Risk Management Committee (SRMC) to establish the structured policies and processes to oversight the regulatory compliance of sustainability related factors & ESG practices".

The strategic oversight of board ensures continuous development and advancement in technology to enable us to evolve in a responsible manner.

Strategy

Our sustainability strategy is centered on reducing our carbon footprint through innovative technologies and processes, enhancing energy efficiency, and expanding the use of renewable energy sources. We also prioritize responsible water management, waste reduction, and the promotion of a safe, diverse, and equitable workplace.

Risk Management

Risk management entails the identification of potential strategic, financial, compliance, operational, and ESG-related risks through regular assessments, industry benchmarking, and stakeholder engagement. Each risk is subsequently evaluated and prioritized based on its potential impact and likelihood of occurrence.

Tailored mitigation strategies are developed for each identified risk to implement proactive measures that minimize the likelihood of occurrence. Regular updates on risk status and management activities are shared with the Board and relevant committees. Furthermore, transparent communication of our risk management practices and performance is ensured through annual reports and ongoing stakeholder engagement.

Metrics and Targets

- Compliance with regulations.
- Board Independence (No. of independent directors on board).
- Water conservation through rain water harvesting reservoir and waste water treatment plant.
- Enhancing reliance on renewable energy sources.
- Environmental targets (e.g., carbon footprint reduction).
- Social targets (e.g., Gender diversity, Employee training & succession planning).

Task Force on Climate-Related Financial Disclosures.

DIVERSITY, EQUITY & INCLUSION (DE & I)

At Kohinoor Textile, we acknowledge that Diversity, Equity, and Inclusion (DEI) have transcended the realm of corporate initiatives to become fundamental pillars of modern, high-performing organizations. A comprehensive and thoughtfully crafted DEI policy serves not only as a framework for expectations but also as a strategic instrument that guides the development of an inclusive workplace - one in which all individuals are empowered to succeed without impediment.

In this context, the following guiding principles have been established to promote equitable opportunities for all employees to grow and advance within the organization:

- To cultivate a balanced and inclusive organizational culture that ensures equal career advancement opportunities for all employees, with particular emphasis on enhancing gender diversity and increasing representation of women in senior leadership positions.

- To support Persons with Disabilities (PWDs) by fostering a workplace environment that enables their recruitment, development, and fair remuneration, thereby ensuring their full and dignified participation in the workforce.

- To promote a culture of equity and inclusion that respects and values individual differences across gender, age, ethnicity, disability, religion, and educational background.

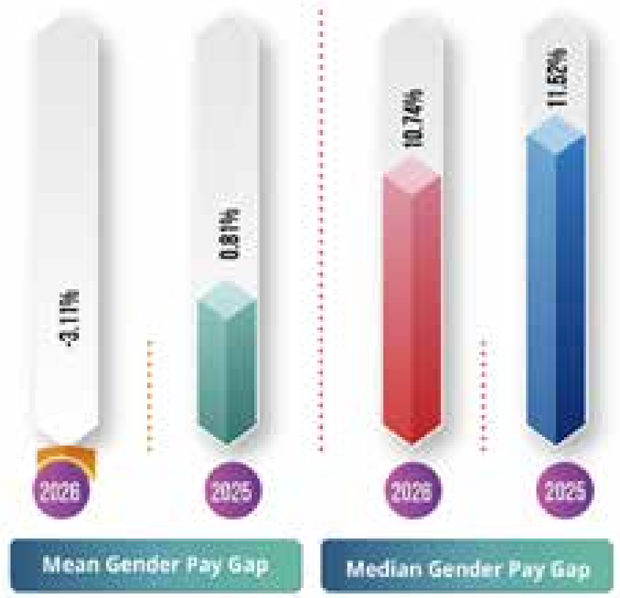
- To ensure that all employment-related decisions, including recruitment, promotion, and compensation are based solely on merit, free from bias or discrimination.

- To maintain open and regular communication with female employees, providing necessary support mechanisms and proactively addressing their workplace concerns.

- To implement targeted learning and development programs focused on building resilience, assertiveness, and the capacity to effectively navigate workplace challenges, including incidents of harassment.

GENDER PAY GAP STATEMENT

KTML is dedicated to guaranteeing equitable treatment and fair working conditions for all our employees. We offer equal opportunities and compensation packages to our female employees that are on par with what we provide to our male colleagues. We foster an inclusive atmosphere where every individual is appreciated and respected, regardless of age, gender, race, marital status, disability, religion or belief, color or nationality. Our commitment to gender diversity is evident at all organizational levels, including the representation of women on our Board of Directors. Following is Gender pay gap calculated for the year ended 30 June 2026.



CULTURE

The organizational culture at Kohinoor Textile Mills Limited reflects the Company's philosophy, rooted in shared values and collective beliefs. We are committed to fostering a strong corporate culture guided by our core values of Empathy, Integrity, and Passion, upheld at the highest standards. By empowering our people and promoting collaboration, we encourage collective efforts toward achieving the Company's vision and objectives. This is further reinforced by a culture of self-assessment and continuous improvement, ensuring sustained growth and excellence.

CORPORATE STRATEGY

TOWARDS DEVELOPING A SUSTAINABLE BUSINESS MODEL

At Kohinoor Textile Mills Limited, we manufacture and market yarn, fabric, and a wide range of home textiles. Our strategy focuses on creating long-term value by integrating sustainability into every aspect of our business model. By aligning operational efficiency with responsible business practices, we strive to ensure growth that is both competitive and sustainable.

CHAIRMAN'S OVERVIEW

ON THE COMPANY'S SUSTAINABLE PRACTICES AND THEIR EFFECT ON

In today's dynamic business environment, customers expect companies to operate in an ethical way. There is no tradeoff between commercial success and behaving ethically. we recognize that sustainability is not merely a responsibility but a strategic driver of long-term financial resilience. Our commitment to sustainable practices strengthens our business model by embedding efficiency, innovation, and adaptability across the value chain. Environmental, Social, and Governance (ESG) considerations are increasingly central to corporate success, our approach to sustainability is not just an ethical responsibility, it is a strategic imperative that directly shapes our .

Operational Efficiency and Cost Effectiveness:

Our sustainable practices optimize resource utilization, streamline processes and reduce waste, driving operational efficiency. These efficiencies directly translate into cost savings, bolstering profitability while aligning with our duty to safeguard our planet's resources.

Risk Mitigation and Resilience:

Proactive management of ESG risks helps us anticipate regulatory changes, safeguard against reputational challenges, and reinforce supply chain stability. This risk-aware approach enhances business resilience and ensures operational continuity in an unpredictable global landscape.

Reputation and Stakeholder Confidence:

Our commitment to sustainability has reinforced our reputation as a responsible and forward-looking organization. This trust fosters stronger relationships with customers, partners, and communities, translating into sustained growth and competitive advantage.

Access to Capital and Investor Trust:

Investors are progressively evaluating companies based on ESG performance. Our robust sustainability initiatives draw socially conscious investors who recognize that aligning financial returns with positive societal impact constitutes a sustainable model for long-term success. Consequently, this widens our access to capital.

Employee Engagement and Productivity:

A workplace culture rooted in inclusivity, diversity, and ethical practices drives employee engagement and loyalty. Motivated teams are more productive, reinforcing efficiency gains and contributing directly to stronger financial outcomes.

Regulatory Agility and Competitive Edge:

By staying ahead of evolving regulations, we not only ensure compliance but also position ourselves as leaders in responsible business practices. This agility provides a competitive edge in markets where sustainability is increasingly a prerequisite for success.

In summary, sustainability is fully integrated into our strategy as both a driver of profitability and a force for positive change. By aligning values with business objectives, we deliver lasting value for shareholders, strengthen trust with stakeholders, and contribute to the prosperity of future generations.

SOCIAL INITIATIVES

Occupational Health, Safety And Environmental (HSE) Protection Measures

The Company continues to meet and exceed the health and safety standards required for SA 8000 certification. Frequent audits are conducted by customers, regulatory agencies and the Company's own audit teams in order to ensure compliance with these standards and those set by the Company's customers. The Company strives to provide a safe and healthy workplace for its employees and to act responsibly towards the communities and environment, in which it operates. It realizes this through the commitment of its leadership, the dedication of its staff and application of the highest professional standards of work. Recently we have done a complete re-examination and improvement of our fire safety protocols to further ensure the safety of our employees. Management takes all possible measures to prevent unsafe activities by its hiring practices and through the implementation of effective management, human resources and operational policies.

Health & Education

As part of the organization's commitment to community development, we actively engage in various CSR programs focused on health, education, and the socio-economic uplift of society at large. Our initiatives include donating personal protective products (PPPs) to medical institutions and underserved communities, upgrading healthcare facilities at Gulab Devi Chest Hospital through the provision of equipment, and conducting awareness campaigns.

We remain committed to serving the best interests of all stakeholders, particularly the communities in which we operate. To create a positive and lasting impact, we also invest in education for the new generation. Schools located within the Kohinoor Colony premises, managed by dedicated female staff, provide quality education to both boys and girls, thereby fostering inclusive growth and development.

Employment Of Special Persons

The Company has employed disabled persons in compliance with the rules set out by the Government of Pakistan which is 3% quota of the total workforce necessitated to be allocated to disabled persons.

Diversity And Equal Opportunity

Kohinoor Textile Mills Limited is committed to ensure

equal treatment and fair working conditions for employees. This belief is driven by our core values. As part of our HR policy, we strive to be an equal opportunity employer. The Company believes that empowerment of women can have replicating effects over the society and it is a part of its approach to see women as pillars of community by empowering them at the workplace. We are committed to encourage greater diversity and ensuring equal opportunities for individuals based on merit. We also provide an inclusive environment where everyone feels valued and respected, irrespective of age, gender, race, marital status, disability, religion or belief, colour and nationality.

Employees' Satisfaction

KTML places strong emphasis on employee satisfaction as a driver of productivity and long-term success. The Company engages in various initiatives—such as surveys, appraisals, HR engagement, and employee gatherings to strengthen communication, recognize performance, and foster a sense of belonging.

We strictly comply with labor laws and uphold human rights, with zero tolerance for child or forced labor. Integrity remains a core value, reinforced through a strict anti-corruption and anti-bribery policy, and a comprehensive Code of Conduct that ensures transparency and accountability across the organization.

Contribution To National Exchequer

During the year the Company has contributed amounted to Rs. 8,866.57 million (2025: Rs. 8,314.28 million) in respect of taxes, levies and duties. Moreover, we have also contributed (USD) 84.745 million (2025: (USD) 76.436 million) to the national treasury by way of export sales.

Community Investment And Welfare Schemes

The Company has a long-standing tradition of fostering strong community relations, with many employees actively participating in welfare initiatives. We view community investment as an essential aspect of our social responsibility and a key contributor to the Company's sustained success. Our goal is to ensure that our businesses and factories have the necessary resources and support to identify projects, initiatives, and partnerships that create meaningful impact in the communities we serve and resonate with our employees and their families.

Kohinoor Textile Mills Limited (KTML) demonstrated its commitment to social responsibility by organizing a successful blood donation camp in partnership with a local medical institution. The voluntary drive saw enthusiastic participation from employees, reinforcing the company's role as a proactive contributor to community health.

Business Ethics & Anti-Corruption Measures

The Company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Employees are encouraged to report any deals that may be supported by kickbacks and no employees are allowed to run parallel businesses. The Company maintains a system by which any employee can report the non-conformance (NC) to the top management. All NCs reported are addressed by the top management on timely basis and a regular follow up activity is being carried out in order to ensure that all issues highlighted are permanently resolved. Further, the Company's Internal Audit department is empowered to perform regular and ad-hoc checks and audits of any and all functions and operations of the company and reports directly to the Audit Committee. Moreover, the Company has also formulated whistle blowing policy.

ENVIRONMENTAL INITIATIVES

Renewable Energy

Currently the Company has 37MW capacity of generating electricity from solar power projects, which reduces around 81.2 million pounds (equivalent to 35,446 tons) of carbon dioxide emissions annually.

Battery Energy Storage System and Solar Power Expansion

Kohinoor Textile Mills Limited has recently signed a contract for the installation of country's largest single-site battery storage system (48.36 MW Battery Energy Storage System (BESS) along with an additional 9.34 MW solar power plant), marking another significant step in the Company's energy transition and sustainability journey.

The BESS is expected to be commissioned and commence commercial operations during the Second half of FY 2026–27. The initiative is expected to enhance energy efficiency, optimise power utilisation, reduce energy costs, and strengthen the integration of renewable energy into the Company's operations.

Battery Energy Storage Systems use rechargeable batteries to store electricity for use when required, enabling better energy management, improved grid stability, and greater utilisation of renewable energy. The investment demonstrates KTML's continued focus on operational excellence, sustainable growth, and long-term value creation for its stakeholders.

Water Conservation

The Company has established a rainwater harvesting reservoir with a capacity of 62,000 m³, reflecting our commitment to responsible water management. By capturing and storing rainwater, we reduce reliance on external water sources and contribute to the conservation of this vital resource.

Further, the Company is planning to undertake further initiatives to enhance its wastewater treatment and recycling processes, which should allow us to break past our 85% recycling threshold and move toward our Zero-Discharge goals. Both these activities will allow us to further reduce our carbon footprint, decrease production costs, and help to maintain reserves of groundwater.

Energy Conservation

KTML focuses on energy conservation & operational efficiencies. Company's effluent emissions are regularly monitored. Regular environmental audits are also performed.

Sustainable Consumption and Production / Use of Recycled Material – 3 Rs

The Company incorporates both synthetic recycled fibers and natural fiber waste in its yarn production processes and is certified for compliance with the Global Recycled Standard (GRS). During FY 2026, the Company re-utilized approximately 15,248 tons of textile waste in its manufacturing operations, underscoring its commitment to sustainable resource management.

Waste Water Treatment Plant

Management recognizes the adverse impact that contaminated water can have on surrounding areas. To mitigate the potential effects of chemicals used in processing on the local water table, the Company has established a wastewater treatment plant. This facility ensures that water discharged from the factory is treated to minimize, and where possible, eliminate contamination.

Paperless Environment

The Company remains committed to creating paperless environment and has reduced the paper consumption to 80% by the end of FY 2026.

Sustainability And Supply Chain

At KTML, we believe that sustainability extends beyond our production practices to encompass our entire supply chain. Since our early days, we have actively communicated with suppliers and contractors regarding our environmental expectations and require them to adopt management practices aligned with these standards. Suppliers are regularly informed and educated on the importance of environmental protection, both for KTML and for the long-term success of their own businesses.

In addition to promoting environmentally responsible practices, the Company carefully evaluates its business partners on their compliance with legal requirements. In support of an accountable and documented economy, KTML encourages stakeholders across the supply chain to register with tax authorities. As a responsible corporate citizen, the Company also fulfills its role as a withholding agent by ensuring timely payments to the national exchequer.


KOHINOOR
HUAWEI
ING CEREMONY
DEPLOYMENT
S & 10 MW SOLA
FUTURE

BIO-MASS BOILER:

During the reporting period (July 2025 to June 2026), Kohinoor Textile Mills Limited successfully installed and commissioned a 20 TPH Biomass Boiler as part of its commitment to sustainable manufacturing, energy efficiency, and environmental stewardship. The project was undertaken to reduce dependence on conventional fossil fuels by utilizing renewable biomass for steam generation. The biomass boiler supports the Company's production processes while contributing to lower greenhouse gas emissions and improved environmental performance.

Key Activities & Progress

- Successfully completed the engineering, installation, testing, and commissioning of the 20 TPH Biomass Boiler.
- Integrated the biomass boiler with the existing utility infrastructure to ensure reliable and efficient steam generation.
- Successfully achieved stable commercial operation following performance testing and optimization.
- Implemented all required safety, operational, and environmental control systems in compliance with applicable regulatory and Company standards.
- Generated 78,767 tons of steam during July 2025 to June 2026, ensuring a reliable and uninterrupted steam supply for manufacturing operations.
- Consumed approximately 22,268, 000 kg (22,268 tons) of renewable biomass fuel, replacing approximately 11,815,000 kg (11,815 tons) of coal.
- By replacing coal with renewable biomass, the project avoided an estimated 7,571 metric tons of CO_2 during July 2025 to June 2026, significantly reducing the Company's carbon footprint and supporting its climate change mitigation objectives.
- The biomass boiler project has strengthened the Company's sustainability initiatives by promoting renewable energy, reducing dependence on fossil fuels, improving energy security, and supporting long-term environmental compliance.
- The successful implementation and operation of the biomass boiler demonstrate Kohinoor Textile Mills Limited's continued commitment to cleaner production, resource efficiency, and sustainable industrial development.

TECHNOLOGICAL
INITIATIVES:

Use of Technology

In line with our commitment to environmental stewardship, KTML has installed advanced, state-of-the-art equipment to effectively control effluent discharge, thereby minimizing the ecological impact of industrial operations and safeguarding the well-being of employees and surrounding communities. Reflecting our dedication to sustainable growth, the Company allocated Rs. 2.2 billion during FY 2026 towards balancing, modernization, and replacement (BMR) of plant and machinery.

Product Innovation

Our commitment to sustainability demands continuous innovation and adaptability. We are dedicated to investing in research, development, and technological advancements that enable the Company to evolve responsibly within a dynamic business environment.

ESTABLISHMENT & REPORTING OF
SUSTAINABILITY COMMITTEE:

The Board of Directors firmly acknowledges sustainability as a critical driver of long-term corporate value, resilience, and stakeholder trust. While a dedicated Sustainability Committee has not yet been established, the Board is in the process of constituting one, and full compliance will be ensured in due course.

K-CONNECT – CONNECTION THAT MATTERS

For over seven decades, Kohinoor Textile Mills Limited (KTML) has built a legacy of resilience, quality, and innovation. In January 2026, KTML advanced this legacy with the launch of K-Connect, its first e-procurement initiative.

Through the implementation of Oracle Sourcing and Oracle iSupplier Portal, K-Connect brings suppliers and procurement teams together through a transparent, efficient, and digitally connected platform. The initiative enhances visibility, traceability, accuracy, accountability, and supplier collaboration, while establishing a Single Source of Truth for procurement information.

With more than 200 suppliers registered since its launch, K-Connect marks an important step in KTML's digital transformation journey—strengthening relationships, improving processes, and creating value through meaningful connections.

From industrial strength to digital brilliance, K-Connect represents the next facet of the KTML's journey.

THE DIAMOND OF VALUES THAT DRIVE K-CONNECT

Like a diamond, K-Connect derives its brilliance from every facet working in harmony. Each value strengthens our digital ecosystem and ensures that every connection we build is ethical, transparent and enduring.

AUTHENTICITY
Ensuring genuine identity and valid engagements.

SINGLE SOURCE OF TRUTH
A unified, reliable and consistent source for all procurement information.

TRANSPARENCY
Open, clear and visible processes that build trust.

INTEGRITY
Upholding ethical standards in every transaction.

ACCOUNTABILITY
Accurate data roles and responsibilities at every step.

RELIABILITY
Consistent, dependable and system-driven processes.

IMPARTIALITY
Fair and unbiased processes for all stakeholders.

VISIBILITY
Real-time access to information and status.

TRACEABILITY
End-to-end tracking for complete visibility and control.

WHAT K-CONNECT DELIVERS

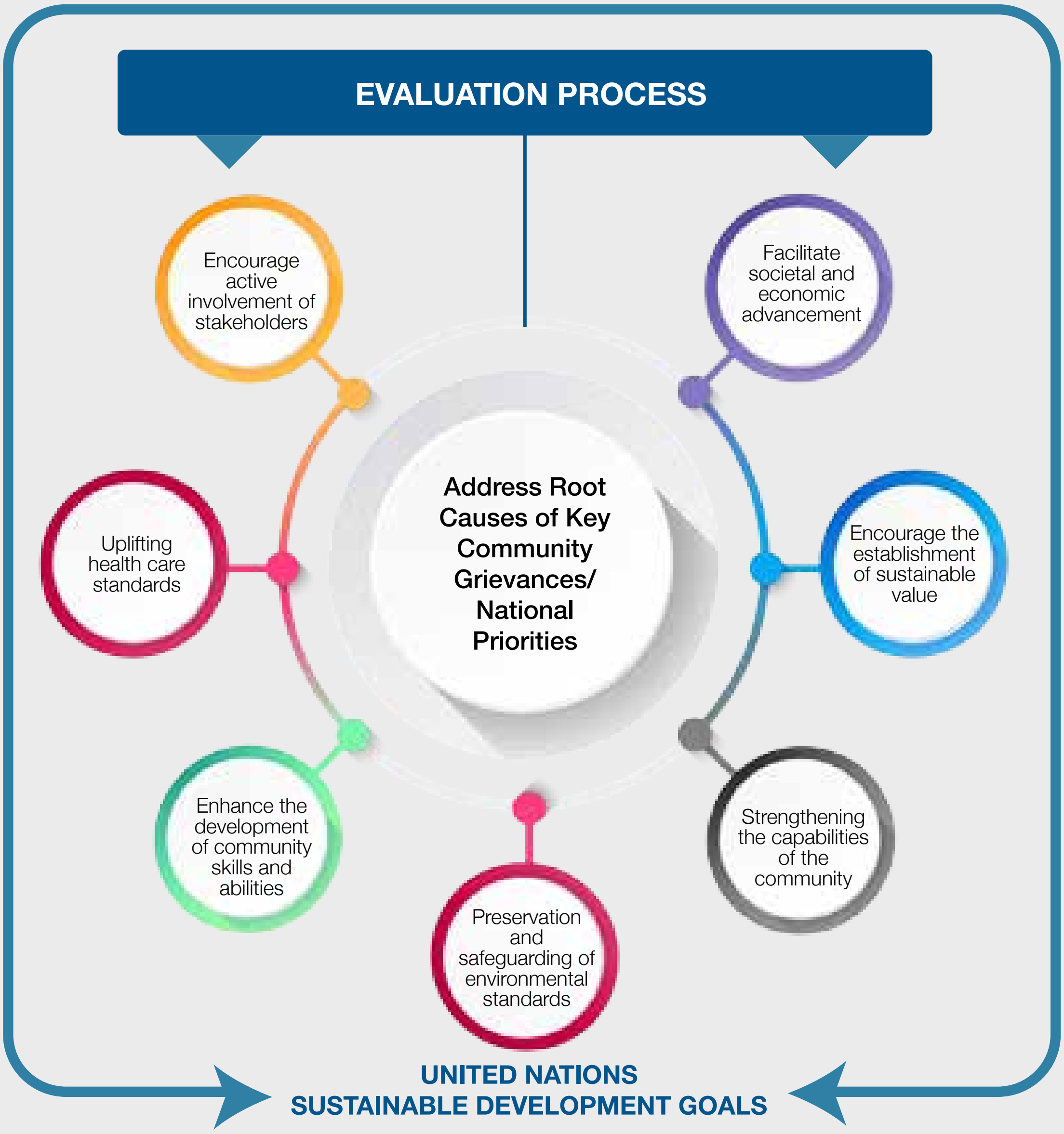
- Stronger Supplier Relationships
- Transparent and Ethical Procurement
- Greater Process Efficiency
- Improved Governance & Compliance
- Sustainable Value for All Stakeholders

A CONNECTED ECOSYSTEM. A TRUSTED NETWORK. A BRILLIANT FUTURE.


K-Connect
K-Connect


LEADING THE DIGITAL SOURCING EVOLUTION
A NEW STANDARD
K-Connect
K-Connect
K-CONNECT

STRATEGIC SUSTAINABILITY FRAMEWORK



SUSTAINABLE DEVELOPMENT GOALS (SDGs)

At Kohinoor Textile Mills Limited, we believe that true progress is measured not only by business growth but also by the positive change we create in society. With a strong sense of responsibility, we focus our initiatives on advancing education, improving healthcare, creating sustainable livelihood opportunities, and protecting the environment. These efforts are designed to generate lasting benefits for communities across Pakistan while reinforcing our long-term sustainability vision. By aligning our actions with the United Nations' Sustainable Development Goals (SDGs), we ensure that our contributions extend beyond philanthropy and become an integral part of building a resilient, inclusive, and sustainable future. The following highlights our company's efforts to meet the UN SDGs:

Goal	Focus Area	What it Means to Us	Relevant SDGs	Target / Commitment
Poverty Eradication through Employment	Social	Generating jobs through business expansion and merit-based recruitment. Operating training centers to develop skilled resources.	1, 8	Expansion in process to create additional employment opportunities.
Labour Standards & Safe Workplace	Social	Ensuring adherence to global EHS standards. Compliance with SA 8000 certification requirements. Regular audits by internal teams, customers, and regulators ensure safe and healthy workplaces.	3, 16	Compliance with minimum wage laws, Health insurance, provision of WPPF and 10C bonuses.
Women Empowerment & Diversity	Social	Providing equal opportunities, pay parity, and inclusive policies. Promoting representation of women at all levels, including the Board. Harassment-free workplace.	5	Maintain and gradually increase the proportion of female employees.
Water Conservation & Resource Protection	Environment	Reducing water consumption; wastewater treatment plant to prevent contamination; tree plantation to restore balance to local ecosystems.	6, 13	Achieve 100% Zero Liquid Discharge; expand solar energy usage for carbon reduction.
Renewable Energy Adoption	Technological / Environmental	Capacity of generating 37 MW electricity through solar power, reducing reliance on fossil fuels.	7	Enhance renewable energy capacity to further reduce carbon footprint.
Reducing Inequalities	Social	Ensuring equal opportunity and diversity across age, gender, race, marital status, disability, religion, and nationality.	10	Maintain equal opportunity employer status and expand diversity initiatives.

Goal	Focus Area	What it Means to Us	Relevant SDGs	Target / Commitment
Sustainable Production & Recycling	Environment (3Rs)	Utilizing recycled synthetic fiber and natural fiber waste. Compliance with GRS, ISO 14001:2015, and EU-Ecolabel certifications. Effluent control systems to minimize environmental impact.	12	Reuse and recycle textile waste (13,207 tons in FY 2026).
Aiming to promptly tackle and mitigate the effects of climate change	Environment	Responsible raw material use, energy efficiency, emission controls, and continuous tree plantation initiatives.	13	Strengthen emission reduction.
Quality Management	Operational Excellence	ISO 9001:2015 certified. Quality control at every stage of production, from raw material intake to final inspection.	9	Continuous improvement in quality management systems and customer satisfaction.

SUSTAINABILITY

FROM SEEDLING TO STEAM

Kohinoor Textile Mills Limited (KTML) commitment to sustainability and employee wellbeing is taking root, quite literally. The company has constructed a dedicated nursery to support its plantation initiatives, having already planted over 5,000 trees and plants across the premises over past year, transforming the industrial landscape into a greener, healthier environment.

The green vision extends to the dining table: fresh vegetables are now grown on-site and delivered farm-to-canteen, giving employees access to wholesome, locally-grown produce as part of their daily meals.

Recognizing that a thriving workforce needs more than just a workplace, KTML has also introduced a dedicated kids' park for employees' families, alongside a fully renovated employee canteens & cafes offering a more comfortable and welcoming dining experience. The mosque, too, has undergone renovation, reflecting the company's continued investment in employee wellbeing beyond the factory floor.

On the sustainability front, KTML has closed the loop on its agricultural output — repurposing all Agri-waste as fuel for steam generation at its biomass boiler, turning what was once discarded into clean energy that powers operations.

Together, these initiatives reflect a workplace where environmental responsibility and employee welfare grow side by side.

SECURITY

The Company remains fully committed to security and is in complete compliance with the Customs Trade Partnership Against Terrorism (CTPAT), reinforced through frequent and regular audits. In line with CTPAT requirements, all areas of the Company's premises are monitored through comprehensive video surveillance. Furthermore, the Company also adheres to the stringent standards of its international customers, many of which surpass CTPAT requirements.

QUALITY MANAGEMENT SYSTEMS

The Company has built and sustained its reputation as a high-quality supplier, with much of its business attributed to this standing. Rigorous quality control checks are implemented throughout the production chain from the receipt of raw materials at the factories to the oversight of finished goods by the Quality Assurance team, which acts as the customer's representative prior to final inspection by client audit teams. The strength of our Quality Management Systems is evidenced by the fact that several customers no longer require external auditors to be present before the shipment of finished goods. The Company is ISO 9001:2008 certified and strongly upholds the importance of robust Quality Management Systems.

ANTI-CORRUPTION MEASURES

Any evidence or suspicion of unethical or unlawful activity, environmental damage, regulatory non-compliance, or violation of Company policies can be reported with complete confidentiality. To combat corruption and unethical practices, the management adopts both top-down and bottom-up communication approaches. KTML expects all employees to uphold the highest levels of integrity and professionalism, and the Company is committed to promoting ethical behavior across all aspects of its operations.

The management strongly condemns corrupt and fraudulent practices and ensures transparency, integrity, and honesty in every function. Central to this commitment is the adoption of a strict 'zero-tolerance' policy towards corruption and misrepresentation. Robust internal audit functions are in place to regularly review operations and detect any potential risks of misconduct.

PROCUREMENT PRACTICES

The management of Kohinoor Textile Mills plays a vital role in formulating policies that prioritize local procurement, thereby supporting and stimulating growth in the domestic economy. We believe in building strategic relationships and have established strong partnerships with industry vendors. Our procurement team maintains continuous engagement with suppliers through regular meetings to address delivery schedules, contractual matters, and timely payments. The Company's sustainable growth is further strengthened by partnering with reputed and reliable suppliers for the provision of raw materials, industrial inputs, equipment, and machinery.

BEST CORPORATE REPORT AWARD

Company has maintained its history of delivering best user-friendly financial reports to its valued users. This stance is supported by fact that Company's financial statements are well regarded by joint committee of Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP). This achievement secured by the Company reflects best ethical values and management practices in corporate reporting. The Company has promoted accountability and transparency through provision of accurate, informative, factual and reader-friendly Annual Reports on timely basis for the valuable stake holders.

KTML continues to hold first in the top five positions from the previous ten years in a row

YEAR	POSITION
2015-2016	First
2016-2017	First
2017-2018	First
2018-2019	Third
2019-2020	Third
2020-2021	Second
2021-2022	Second
2022-2023	Second
2023-2024	Fifth
2024-2025	

EXTERNAL INITIATIVE & MEMBERSHIP OF ASSOCIATION

Company's prominent memberships are as follows.

1. Lahore Chamber of Commerce & Industry
2. Rawalpindi Chamber of Commerce
3. All Pakistan Textile Mills Association
4. Pakistan Textile Council

MANAGEMENT SYSTEM & PRODUCT COMPLIANCE CERTIFICATIONS

Quality Management System (ISO 9001:2015)

KTML continues to uphold the ISO 9001:2015 Quality Management System, reflecting its commitment to delivering consistent product quality, enhancing customer satisfaction, and driving continual improvement across its operations.

Environmental Mangement System (ISO 14001:2015)

KTML maintains certification to the ISO 14001:2015 Environmental Management System, demonstrating its commitment to environmental stewardship, pollution prevention, efficient resource utilization, and continual improvement in environmental performance.

EU Ecolabel

KTML's compliance with the EU Ecolabel reflects its commitment to sustainable manufacturing and environmentally responsible products. The certification confirms that our products meet stringent environmental criteria throughout their lifecycle.

SteP by OEKO-TEX

KTML continues to comply with the STeP by OEKO-TEX® certification, reaffirming its commitment to sustainable textile production. The certification recognizes responsible manufacturing practices that meet rigorous environmental, social, and occupational health and safety standards.

OEKO TEX-Standard 100 - Home Textile

KTML's Home Textile products are certified to OEKO-TEX® STANDARD 100, demonstrating compliance with internationally recognized safety standards. The certification verifies that our finished products are tested for harmful substances, ensuring they are safe for human use while reflecting our commitment to quality, consumer safety, and sustainable manufacturing.

OEKO TEX-Standard 100 - Spinning

KTML's Spinning Division is certified to OEKO-TEX® STANDARD 100, confirming that its yarn products meet stringent international requirements for the absence of harmful substances. This certification reinforces our commitment to producing safe, high-quality textile materials through responsible manufacturing practices.

OEKO TEX-Standard 100 - Woven Fabric

KTML's Woven Fabric products are certified to OEKO-TEX® STANDARD 100, ensuring compliance with globally recognized product safety standards. The certification demonstrates that our fabrics are independently tested for harmful substances, providing customers with safe, reliable, and high-quality textile products.

Higg FEM Index

KTML continues to assess its environmental performance through the Higg Facility Environmental Module (FEM), a globally recognized sustainability assessment tool for the textile industry. The assessment supports the Company's commitment to measuring, improving, and enhancing environmental performance through responsible resource management and continuous improvement.

Business Social Compliance Initiative (BSCI)

KTML's compliance with the Business Social Compliance Initiative (BSCI) reflects its commitment to ethical business practices and responsible supply chain management. The initiative promotes fair working conditions, respect for human rights, occupational health and safety, and social responsibility across the Company's operations.

International Cotton Association

KTML's membership with the International Cotton Association (ICA) reflects its commitment to ethical cotton trading and internationally recognized commercial practices. By adhering to ICA's globally accepted rules and standards, the Company promotes transparency, fairness, and reliability across its cotton procurement and trading activities, strengthening confidence among customers and business partners.

Global Organice Textile Standard (GOTS) - Version 7.0

KTML continues to comply with the Global Organic Textile Standard (GOTS) Version 7.0, reinforcing its commitment to sustainable textile manufacturing. The certification ensures that products are manufactured using certified organic fibers while meeting stringent environmental and social criteria throughout the production process.

Organic Content Standard (OCS) - Version 3.0

KTML maintains certification to the Organic Content Standard (OCS) Version 3.0, verifying the use and traceability of certified organic materials in its products. This certification reflects the Company's commitment to transparency, responsible sourcing, and sustainable manufacturing practices.

Sedex Members Ethical Trade Audit (SMETA)

KTML continues to comply with the Sedex Members Ethical Trade Audit (SMETA) framework, demonstrating its commitment to ethical business practices, fair labor standards, occupational health and safety, environmental responsibility, and business integrity throughout its operations.

Global Recycled Standard (GRS) – Version 4.0 & Recycled Claim Standard (RCS) – Version 2.0

KTML maintains certification to the Global Recycled Standard (GRS) Version 4.0 and the Recycled Claim Standard (RCS) Version 2.0, demonstrating its commitment to the responsible use and traceability of certified recycled materials. These certifications reinforce the Company's dedication to sustainable manufacturing, resource conservation, environmental stewardship, and circular economy practices throughout its supply chain..

Higg Facility Social & Labor Module (Higg FSLM)

KTML utilizes the Higg Facility Social & Labor Module (FSLM) to assess and strengthen its social and labor performance. The assessment supports the Company's commitment to fair employment practices, employee well-being, workplace safety, and continuous improvement in social responsibility.

Supplier Compliance Audit Network (SCAN)

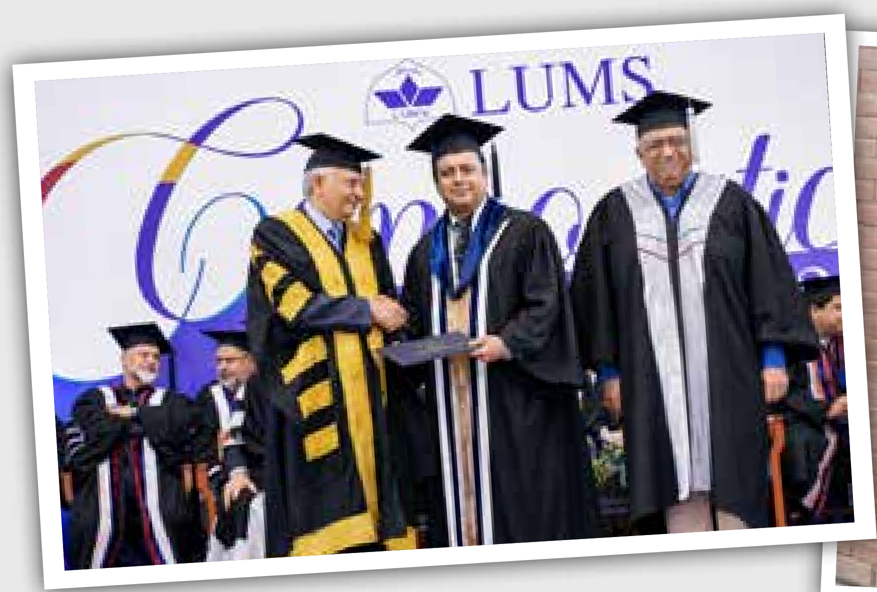
KTML maintains compliance with the Supplier Compliance Audit Network (SCAN), demonstrating its commitment to secure and transparent international supply chain operations. The certification supports compliance with global trade security requirements and enhances the integrity and resilience of the Company's logistics and export processes.

Customs Trade Partnership Against Terrorism (C-TPAT)

KTML maintains compliance with the Customs Trade Partnership Against Terrorism (C-TPAT) program, demonstrating its commitment to secure international supply chain operations. The certification reinforces the Company's adherence to U.S. Customs and Border Protection (CBP) security requirements, ensuring safe, compliant, and reliable global trade.


DELTA

NOTABLE
EVENTS 2026



EXECUTIVE MBA (EMBA)

Kohinoor Textile Mills Limited (KTML) continued its commitment to developing future business leaders by sponsoring selected employees for the Executive MBA (EMBA) program at the Lahore University of Management Sciences (LUMS). This initiative reflects the Company's focus on strengthening leadership capabilities, strategic thinking, and managerial excellence, while fostering a culture of continuous learning and professional growth.

HARVARD MANAGEMENTOR (HMM)

As part of its leadership development strategy, KTML continued to provide employees with access to the Harvard ManageMentor (HMM) learning platform. Through a wide range of interactive courses covering leadership, communication, finance, project management, innovation, and team effectiveness, employees enhanced their managerial competencies and acquired practical skills to address evolving business challenges. This initiative supports the Company's objective of building a high-performing, future-ready workforce.


PROMOTION CELEBRATIONS

KTML celebrated the promotions of its employees, recognizing their dedication, hard work, and professional achievements. These celebrations reinforced the Company's merit-based culture, motivated employees to strive for excellence, and reflected its commitment to recognizing and developing internal talent.

EMPLOYEE OF THE MONTH AND YEAR

KTML recognizes outstanding employee performance through its Employee of the Month and Employee of the Year programs. These initiatives reward individuals who demonstrate exceptional commitment, performance, teamwork, and adherence to the Company's core values, while fostering a culture of excellence, motivation, and continuous improvement.

NOTABLE
EVENTS 2026

INTERNATIONAL WOMEN'S DAY

Kohinoor Textile Mills Limited (KTML) celebrated International Women's Day to recognize the valuable contributions of its female employees. The event reflected the Company's commitment to gender equality, inclusion, and empowering women in the workplace.

INDEPENDENCE DAY CELEBRATION

KTML celebrated Pakistan's Independence Day with patriotic enthusiasm, bringing employees together to commemorate the nation's heritage and achievements. The event strengthened team spirit, unity, and pride while reinforcing the Company's shared values and commitment to national progress.

CHRISTMAS DAY CELEBRATIONS

KTML celebrated Christmas with its Christian employees, reaffirming its commitment to diversity, mutual respect, and an inclusive workplace where every employee feels valued and appreciated.

BREAST CANCER AWARENESS SESSION

KTML organized a Breast Cancer Awareness Session to educate female employees on the importance of early detection and preventive healthcare. Led by healthcare professionals, the session promoted health awareness and reinforced the Company's commitment to employee well-being.

NOTABLE
EVENTS 2026

BOOK BANK INITIATIVE

KTML continued its Book Bank initiative to promote a culture of knowledge sharing and self-development across the organization. The program provides employees with access to a diverse collection of professional, technical, and personal development books, encouraging continuous learning beyond the workplace. By fostering reading habits and intellectual growth, the initiative reinforces the Company's commitment to employee development and lifelong learning.

EMPLOYEE AND DAY CARE BIRTHDAY CELEBRATIONS

KTML continued its tradition of celebrating the birthdays of employees and children enrolled in the Company's Day Care Centre. These celebrations fostered a positive work environment, strengthened employee engagement, and reinforced the Company's family-oriented culture.

IFTAR DINNER AND EIDI

During the holy month of Ramadan, KTML hosted an Iftar gathering for its employees, promoting unity, gratitude, and togetherness. The Company also distributed Eidi to employees' children, sharing the joy of Eid and reinforcing its commitment to employee well-being and family values.

RECREATIONAL TRIP

As part of our employee engagement initiatives, KTML organized a recreational trip to provide employees with an opportunity to relax, refresh and spend quality time with colleagues. The activity promoted team bonding, strengthened workplace relationships and contributed to a positive and engaging work environment.

GOVERNANCE

WWW.KMLG.COM/KTML

05 GOVERNANCE

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 58th Annual General Meeting of the members of Kohinoor Textile Mills Limited (the "Company") will be held on Thursday, September 17, 2026 at 02:00 PM at its Registered Office, 42-Lawrence Road, Lahore, to transact the following business: -

Ordinary Business

1) To receive, consider and adopt the audited accounts of the Company including consolidated financial statements for the year ended June 30, 2026 together with the Chairman's Review, Directors' and Auditor's Reports thereon.

2) To appoint Auditors for the year ending on June 30, 2027 and fix their remuneration. The Board has recommended, as suggested by the Audit Committee, the appointment of M/s. Riaz Ahmad & Company, Chartered Accountants, the retiring auditors who being eligible have offered themselves for re-appointment.

Special Business

3) To consider and, if deemed fit, pass the following resolution as a special resolution under Section 199 of the Companies Act, 2017, with or without modification, as recommended by the Directors:-

   "**Resolved** by way of special resolution that consent and approval of members of Kohinoor Textile Mills Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans / advances from time to time to Maple Leaf Cement Factory Limited, a subsidiary of the Company, up to an aggregate sum of Rs. 2,000 million (Rupees two thousand million only) for a period of one year commencing September 18, 2026 to September 17, 2027 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. Vide special resolution passed in general meeting held on October 16, 2025 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 1,000 million which is valid till October 31, 2026.

Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the subsidiary company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution."

4) To consider and, if deemed fit, pass the following resolution as a special resolution under Section 199 of the Companies Act, 2017, with or without modification, as recommended by the Directors:-

"**Resolved** by way of special resolution that consent and approval of members of Kohinoor Textile Mills Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans / advances from time to time to Maple Leaf Capital Limited, a subsidiary of the Company, upto an aggregate sum of Rs. 2,000 million (Rupees two thousand million only) for a period of one year commencing September 18, 2026 to September 17, 2027 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. Vide special resolution passed in general meeting held on October 16, 2025 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 1,000 million which is valid till October 31, 2026.

Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the subsidiary company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution."

5) To consider and, if deemed fit, pass the following resolution as a special resolution under Section 199 of the Companies Act, 2017, with or without modification, as recommended by the Directors:

"**Resolved** by way of special resolution that consent and approval of members of Kohinoor Textile Mills Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 of the Companies Act, 2017 (the "Act") to issue cross corporate guarantee up to Rs. 7 billion to the bank(s) for financing facility(ies) to its associated company namely, Maple Leaf Capital Limited (MLCL) and creation of charges, pledge and/or lien on assets of the Company for and on behalf of MLCL, subject to terms and conditions mentioned in the statement under Section 134(3) of the Act.

Resolved further that in the event the Company is called upon by the bank(s) of MLCL for repayment of money provided to MLCL as a result of enforcement of cross corporate guarantee, the Company shall recover the full amount paid by it from MLCL with mark up of 0.5% per annum above the average borrowing cost of the Company till the date of payment from MLCL, as may be mutually agreed.

Resolved further that the Chief Executive and Company Secretary of the Company be and is hereby singly authorized to take any and/or all actions to implement and give effect to the above resolution and to complete any or all necessary required corporate and legal formalities for the purpose of implementation of the above resolution."

6) To ratify and approve transactions conducted with the Related Parties for the year ended June 30, 2026 by passing the following special resolution with or without modification: -

“Resolved that the transactions conducted with the Related Parties as disclosed in the note 40 of the unconsolidated financial statements for the year ended June 30, 2026 and specified in the Statement of Material Information under Section 134(3), be and are hereby ratified, approved and confirmed.”

7) To authorize the Board of Directors of the Company to approve transactions with the related parties for the financial year ending on June 30, 2027 by passing the following special resolution with or without modification: -

“Resolved that the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with the Related Parties on case to case basis for the financial year ending on June 30, 2027.

Resolved further that these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.”

BY ORDER OF THE BOARD

Lahore: (Muhammad Ashraf)
August 27, 2026 Company Secretary

NOTES

1. The Share Transfer Books of the Company will remain closed from September 11, 2026 to September 17, 2026 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company’s Share Registrar, M/s. Vision Consulting Limited, 5-C, LDA Flats, 2nd Floor, Lawrence Road, Lahore, at the close of business on September 10, 2026, will be considered in time to determine voting rights of the shareholders for attending the meeting.

2. A member eligible to attend, speak and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her. CDC beneficial owners and Proxy Holders must bring with them their valid Computerized National Identity Cards (CNIC)/Passports in original to prove his/her identity. In case of Proxy, CDC beneficial owners and Proxy Holders must enclose duly notarized copies of their valid CNIC/Passports with the Proxy Form.

3. Proxies, in order to be effective, must be received at the Company’s Registered Office not later than 48 hours before the time for holding the meeting and should be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.

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 along with 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 smart phones / tablets. However, they are requested to register themselves by providing the following information along with 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 muhammad.ashraf@kmlg.com by September 15, 2026:-

Name of Member/ Proxyholder	Folio No. / CDC Account No.	Cell No. / WhatsApp No.	CNIC No.	Email ID	No. of Shares Held

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.kmlg.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, 2026 is available on website of the Company. However, hard copy of Annual Report will be provided free of cost on written request of the shareholder on Standard Request Form available on website www.kmlg.com.

9. Shareholders 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. Shareholders 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 their 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. 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 form at the earliest possible.

12. In view of prohibition under Section 185 of the Companies Act, 2017, the Company will not distribute gifts in any form to its members at the meeting.

13. 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.

14. For any query / information, the shareholders may contact with the Company Secretary at the above Registered Office and / or The Manager of Share Registrar, Vision Consulting Limited, 5-C, LDA Flats, 2nd Floor, Lawrence Road, Lahore, Ph. Nos. (042) 36283096-97.

15. The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification dated December 05, 2022, as well as S.R.O.451(I)/2025 dated March 13, 2025, the members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on Thursday, September 17, 2026 at 02:00 PM, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations. The Company shall provide its members with the following options for voting: -

PROCEDURE FOR E – VOTING:

(a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on September 10, 2026.

(b) The web address, login details, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of CDC

Share Registrar Services Limited (being the e-voting service provider).

(c) Identity of the Members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.

(d) E-Voting lines will start from September 14, 2026, 09:00 AM and shall close on September 16, 2026 at 5:00 PM. Members can cast their votes any time in this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

PROCEDURE FOR VOTING THROUGH POSTAL BALLOT:

(a) Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.kmlg.com for download.

(b) The members shall ensure that duly filled and signed ballot paper along with copy of valid Computerized National Identity Card (CNIC)/ Passport should reach the Chairman of the meeting through post on the Company's registered address, 42-Lawrence Road, Lahore or email at. chairman@kmlg.com one day before the Annual General Meeting i.e. on September 16, 2026 till 05:00 PM. The signature on the ballot paper should match with the signature on CNIC.

APPOINTMENT OF SCRUTINIZER AND E-VOTING SERVICE PROVIDER:

In accordance with the applicable law mentioned in Note 15 above, M/s. CDC Share Registrar Services Limited have been appointed as the e-voting service provider and M/s. Junaidy Shoaib Asad, Chartered Accountants, have been appointed as scrutinizer to monitor and validate voting for special business.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017:

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on September 17, 2026.

AGENDA ITEM NUMBER 3 OF THE NOTICE – INVESTMENT IN MAPLE LEAF CEMENT FACTORY LIMITED IN THE FORM OF LOANS/ADVANCES:

Maple Leaf Cement Factory Limited, having its Registered Office at 42-Lawrence Road, Lahore (the "MLCFL"), is a subsidiary of the Company and the Company being a holding company, holds 606,497,944 ordinary shares constituting 57.90% of the aggregate paid-up capital in MLCFL, a public listed company engaged in the business of manufacturing and sale of cement and the factory is located at Iskanderabad, District Mianwali.

The Board of Directors of the Company in their meeting held on July 31, 2026 has approved Rs.2,000 million as loans / advances, being a reciprocal facility to MLCFL on the basis of profit/financial statements of MLCFL subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to MLCFL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

The Directors have carried out their due diligence for the proposed investment and duly signed recommendations of the due diligence report / undertaking has been kept at the Registered Office of the Company and shall also be available for inspection of members in the general meeting along with the latest audited and interim financial statements of the associated company.

Information under Regulation 3(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the "Regulations").

3(1)(a) Disclosure for all types of investments

(A) Regarding associated company or associated undertaking: -

Ref. No.	REQUIREMENT	INFORMATION		
(i)	Name of associated company or associated undertaking;	**Maple Leaf Cement Factory Limited (the "MLCFL")**		
(ii)	Basis of relationship;	MLCFL is a subsidiary of Kohinoor Textile Mills Limited (the "Company") and the Company holds 57.90% of the aggregate paid-up capital in MLCFL.		
(iii)	Earnings per share for the last three years;		**(Rupees)**	
		Year	**Basic**	**Diluted**
		30.06.2024	4.98	4.98
		30.06.2025	16.26	16.26
		30.06.2026	8.06	8.06
(iv)	Break-up value per share, based on latest audited financial state-ments;	As on June 30, 2026 With revaluation surplus Rs. 73.99 Without revaluation surplus Rs. 70.78		
(v)	Financial position, including main items of statement of financial position and profit and loss ac-count on the basis of its latest fi-nancial statements;	Based on the audited financial statements for the financial year ended 30 June 2026 the financial position of MLCFL is as under: -		
		Particulars	**Amount Rupees (000)**	
		Paid up capital	10,475,626	
		Capital reserves	34,112,261	
		Revenue reserves: Un-appropriated profits	29,554,437	
		Surplus on revaluation of fixed assets	3,369,419	
		Total equity	77,511,743	
		Current liabilities	27,242,444	
		Current assets	38,195,300	
		Revenue	70,731,652	
		Gross profit	23,942,392	
		Operating profit	18,876,592	
		Profit for the year	8,445,631	
		Earnings per share (Rs.)	8.06	

(B) General Disclosures:

<table>
<tr><th>Ref. No.</th><th>REQUIREMENT</th><th>INFORMATION</th></tr>
<tr><td>(i)</td><td>Maximum amount of investment to be made;</td><td>Rs. 2,000 million (Rupees two thousand million only).</td></tr>
<tr><td>(ii)</td><td>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;</td><td>Purpose: To earn income on the loans and/or advances to be provided to MLCFL from time to time for working capital requirements of MLCFL.

Benefits: The Company will receive mark up at the rate of one percent above three months KIBOR or one percent above its average borrowing cost, whichever is higher. This shall benefit the Company's cash flow by earning profit on idle funds.
Period: For a period of one year from September 18, 2026 to September 17, 2027.</td></tr>
<tr><td>(iii)</td><td>Source of funds to be utilized for investment and</td><td>Loan and/or advance will be given out of own funds of the Company.</td></tr>
<tr><td></td><td>where the investment is intended to be made using borrowed funds, -
(I) Justification for investment through borrowings;
(II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and
(III) Cost benefit analysis;</td><td>N/A</td></tr>
<tr><td>(iv)</td><td>Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;</td><td><table>
<tr><td>Nature</td><td>Loan / advance</td></tr>
<tr><td>Purpose</td><td>To earn mark-up / profit on loan / ad-vance being provided to MLCFL which will augment the Compa-ny's cash flow.</td></tr>
<tr><td>Period</td><td>One Year</td></tr>
<tr><td>Rate of Mark-up</td><td>One percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.</td></tr>
<tr><td>Repayment</td><td>Principal plus mark-up/ profit up to September 17, 2027</td></tr>
<tr><td>Penalty charges</td><td>@3-months KIBOR plus one percent in addition to the out-standing amount(s).</td></tr>
</table></td></tr>
</table>

Ref. No.	REQUIREMENT	INFORMATION
(v)	Direct or indirect interest of direc-tors, sponsors, majority share-holders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Investing Company i.e. the Company is a holding company of MLCFL and Eight Directors are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	A similar nature of loan/advance facility of Rs.1,000 million from time to time for working capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the Annual General Meeting held on October 16, 2025 which is valid till October 31, 2026. There is no impairment and/or write off against the above facility as the facility request was not made to-date by the investee company i.e. MLCFL..
(vii)	Any other important details nec-essary for the members to understand the transaction;	N/A

3(1)(c) Investments in the form of loans and advances:

Ref. No.	REQUIREMENT	INFORMATION
(i)	Category-wise amount of investment;	Short term loan for working capital requirements for a period of one year as dilated in preamble.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KI-BOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	Average borrowing cost of the Company is 4.94% for the year ended June 30, 2026.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Mark-up will be charged from MLCFL at one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment;	No collateral is considered necessary since MLCFL is a subsidiary company of the Company.
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place the time when the conversion may be exercisable; and	N/A
(vi)	Repayment schedule and terms and conditions of loans or ad-vances to be given to the associat-ed company or associated under-taking.	The loan / advance would be for a period of one year from September 18, 2026 to September 17, 2027 (both days inclusive). MLCFL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before September 17, 2027.

Disclosure under Regulation 4(1):

MLCFL, an associated company, is not a member of the Company. However, its Directors/Sponsors are the Directors / members of the Company and are interested to the extent of their directorship/shareholding as under: -

Name	%age of shareholding in MLCFL	%age of shareholding in the Company
Mr. Tariq Sayeed Saigol	0.0031	4.7118
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	0.0172	11.7117
Mr. Taufique Sayeed Saigol	0.0015	16.5719
Mr. Sayeed Tariq Saigol	0.0010	0.1430
Mrs. Sabene Saigol (Spouse of Mr. Sayeed Tariq Saigol)	0.0143	-
Mr. Waleed Tariq Saigol	0.0011	0.0124
Mr. Danial Taufique Saigol	0.0005	0.0011
Ms. Jahanara Saigol	0.0002	0.0009
Mr. Zulfikar Monnoo	0.0003	0.0011

AGENDA ITEM NUMBER 4 OF THE NOTICE – INVESTMENT IN MAPLE LEAF CAPITAL LIMITED IN THE FORM OF LOANS/ADVANCES:

Maple Leaf Capital Limited (MLCL) was incorporated on 25 April 2014 as a public limited company. The authorized share capital of MLCL is Rs. 5,000,000,000 and issued, subscribed and paid-up share capital of MLCL is Rs. 3,015,000,000. Kohinoor Textile Mills Limited is the holding company of MLCL and owns 250,000,000 shares (82.919%) of MLCL.

MLCL is set up with the principal object of buying, selling, holding or otherwise acquiring or investing its capital in any sort of financial instruments including but not limited to secure debt instruments and in shares of leading listed and unlisted companies but not to act as an investment/ brokerage company.

The Board of Directors of the Company in their meeting held on July 31, 2026 has approved Rs.2,000 million as loans / advances to MLCL on the basis of financial results of MLCL subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to MLCL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

The Directors have carried out their due diligence for the proposed investment and duly signed recommendations of the due diligence report / undertaking has been kept at the Registered Office of the Company and shall also be available for inspection of members in the general meeting along with the latest audited and interim financial statements of the associated company.

3(1)(a) Disclosure for all types of investments

(A) Regarding associated company or associated undertaking: -

<table>
<tr><th>Ref. No.</th><th>REQUIREMENT</th><th>INFORMATION</th></tr>
<tr><td>(i)</td><td>Name of associated company or as-sociated undertaking;</td><td>Maple Leaf Capital Limited
(the “MLCL”)</td></tr>
<tr><td>(ii)</td><td>Basis of relationship;</td><td>MLCL is a subsidiary of Kohinoor Textile Mills Limited (the “Company”) and the Company holds 82.92% of the aggregate paid-up capital in MLCL.</td></tr>
<tr><td>(iii)</td><td>Earnings per share for the last three years;</td><td><table>
<tr><th></th><th></th><th>(Rupees)</th></tr>
<tr><th>Year</th><th>Basic</th><th>Diluted</th></tr>
<tr><td>30.06.2024</td><td>19.81</td><td>19.81</td></tr>
<tr><td>30.06.2025</td><td>28.65</td><td>28.65</td></tr>
<tr><td>30.06.2026</td><td>30.93</td><td>30.93</td></tr>
</table></td></tr>
<tr><td>(iv)</td><td>Break-up value per share, based on latest audited financial statements;</td><td>As on June 30, 2026 is Rs. 93.93</td></tr>
<tr><td>(v)</td><td>Financial position, including main items of statement of financial posi-tion and profit and loss account on the basis of its latest financial state-ments;</td><td>Based on the audited financial statements for the financial year ended 30 June 2026, the financial position of MLCL is as under: -<table>
<tr><th>Particulars</th><th>Amount
Rupees (000)</th></tr>
<tr><td>Paid up share capital</td><td>3,015,000</td></tr>
<tr><td>Reserves</td><td>25,306,355</td></tr>
<tr><td>Total equity</td><td>28,321,355</td></tr>
<tr><td>Current liabilities</td><td>21,089,610</td></tr>
<tr><td>Current assets</td><td>53,199,280</td></tr>
<tr><td>Revenue</td><td>15,707,851</td></tr>
<tr><td>Profit from operations</td><td>14,486,789</td></tr>
<tr><td>Profit after taxation</td><td>9,325,266</td></tr>
<tr><td>Earnings Per Share Rs.</td><td>30.93</td></tr>
</table></td></tr>
</table>

(B) General Disclosures:-

Ref. No.	REQUIREMENT	INFORMATION
(i)	Maximum amount of investment to be made;	Rs. 2,000 million (Rupees two thousand million only).
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	**Purpose:** To earn income on the loans and/or advances to be provided to MLCL from time to time for working capital requirements of MLCL. **Benefits:** The Company will receive mark up at the rate of one percent above three months KIBOR or one percent above its average borrowing cost, whichever is higher. This shall benefit the Company's cash flow by earning profit on idle funds. **Period:** For a period of one year from September 18, 2026 to September 17, 2027.
(iii)	Source of funds to be utilized for investment and	Loan and/or advance will be given out of own funds of the Company.
	where the investment is intended to be made using borrowed funds, - (I) Justification for investment through borrowings; (II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) Cost benefit analysis;	N/A
(iv)	Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	**Nature**: Loan / advance **Purpose**: To earn mark-up / profit on loan / advance being provided to MLCL which will augment the Company's cash flow. **Period**: One Year **Rate of Mark-up**: One percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. **Repayment**: Principal plus mark-up/ profit upto September 17, 2027 **Penalty charges**: @3-months KIBOR plus one percent in addition to the outstanding amount(s).

REF. NO.	REQUIREMENT	INFORMATION
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Investing Company i.e. the Company is a holding company of MLCL and Six Directors are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	A similar nature of loan/advance facility of Rs.1,000 million from time to time for working capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the Annual General Meeting held on October 16, 2025 which is valid till October 31, 2026. There is no impairment and/or write off against the above facility as the facility request was not made to-date by the investee company i.e. MLCL.
(vii)	Any other important details necessary for the members to understand the transaction;	N/A

3(1)(c) Investments in the form of loans

REF. NO.	REQUIREMENT	INFORMATION
(i)	Category-wise amount of investment;	Short term loan for working capital requirements for a period of one year as dilated in preamble.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	Average borrowing cost of the Company is 4.94% for the year ended June 30, 2026.
(iii)	Rate of interest, markup, profit, fees or commission etc. to be charged by investing company;	Mark-up will be charged from MLCL at one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment;	No collateral is considered necessary since MLCL is a subsidiary of the Company.

REF. NO.	REQUIREMENT	INFORMATION
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place the time when the conversion may be exercisable; and	N/A
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The loan / advance would be for a period of one year from September 18, 2026 to September 17, 2027 (both days inclusive). MLCL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before September 17, 2027.

AGENDA ITEM NUMBER 5 OF THE NOTICE – INVESTMENT IN MAPLE LEAF CAPITAL LIMITED IN THE FORM OF CROSS CORPORATE GUARANTEE:

Maple Leaf Capital Limited (MLCL) was incorporated on 25 April 2014 as a public limited company. The authorized share capital of MLCL is Rs. 5,000,000,000 and issued, subscribed and paid-up share capital of MLCL is Rs. 3,015,000,000. Kohinoor Textile Mills Limited is the holding company of MLCL and owns 250,000,000 shares (82.919%) of MLCL.

MLCL is set up with the principal object of buying, selling, holding or otherwise acquiring or investing its capital in any sort of financial instruments including but not limited to secure debt instruments and in shares of leading listed and unlisted companies but not to act as an investment/ brokerage company.

Upon request of MLCL, the Board of Directors of the Company has proposed to issue the cross corporate guarantee upto Rs. 7 billion to the bank(s) of MLCL for a maximum period of 5 years for financing facility(ies) to be provided by the bank(s) subject to approval by the valued shareholders of the Company by way of special resolutions in terms of Section 199 of the Companies Act, 2017 as proposed.

The directors have certified that they have carried out necessary due diligence for the proposed investment (in the shape of cross corporate guarantee) before making recommendation for approval of the members and duly signed recommendation shall be made available for inspection of members in the annual general meeting along with latest audited financial statements of MLCL.

Information under Regulation 3(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the "Regulations").

3(1)(a) Disclosure for all types of investments

(A) Regarding associated company or associated undertaking: -

Ref. No.	REQUIREMENT	INFORMATION		
(i)	Name of associated company or associated undertaking;	**Maple Leaf Capital Limited (the "MLCL")**		
(ii)	Basis of relationship;	MLCL is a subsidiary of Kohinoor Textile Mills Limited (the "Company") and the Company holds 82.92% of the aggregate paid-up capital in MLCL.		
(iii)	Earnings per share for the last three years;		**(Rupees)**	
		Year	**Basic**	**Diluted**
		30.06.2024	19.81	19.81
		30.06.2025	28.65	28.65
		30.06.2026	30.93	30.93
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2026 is Rs. 93.93		
(v)	Financial position, including main items of statement of financial posi-tion and profit and loss account on the basis of its latest financial state-ments;	Based on the audited financial statements for the financial year ended 30 June 2026, the financial position of MLCL is as under: -		
		Particulars	**Amount Rupees (000)**	
		Paid up share capital	3,015,000	
		Reserves	25,306,355	
		Total equity	28,321,355	
		Current liabilities	21,089,610	
		Current assets	53,199,280	
		Revenue	15,707,851	
		Profit from operations	14,486,789	
		Profit after taxation	9,325,266	
		Earnings Per Share Rs.	30.93	

(B) General Disclosures:-

Ref. No.	REQUIREMENT	INFORMATION
(i)	Maximum amount of investment to be made;	Upto Rs. 7 billion in shape of issuance of Cross Corporate Guarantee
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	The investment (in the shape of cross corporate guarantee) shall help MLCL to increase the size of its investment portfolio and this investment (in the shape of cross corporate guarantee) is expected to generate commission income for the Company at the rate of 0.8% per annum on outstanding amount of cross corporate guarantee. The increase in size of investment portfolio of MLCL will add to shareholders value of the members of the Company.
(iii)	Source of funds to be utilized for investment and	Since no funding is involved, no financial resources are required. Cross corporate guarantee will be issued by the Company to the bank(s) of MLCL for which security / collateral will be provided by the Company.
	where the investment is intended to be made using borrowed funds, - (I) Justification for investment through borrowings; (II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) Cost benefit analysis;	N/A
(iv)	Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	The Company shall charge MLCL a commission of 0.8% per annum on outstanding amount of cross corporate guarantee. The Company shall obtain an indemnity from MLCL for commitment to repay the amount in the event the Company is called upon to pay pursuant to the enforcement of cross corporate guarantee by the bank(s) of MLCL. The Company shall recover the commission on cross corporate guarantee from MLCL on quarterly basis. In the event the Company is called upon by the bank(s) of MLCL for repayment of money provided to MLCL as a result of enforcement of cross corporate guarantee, the Company shall recover the full amount paid by it from MLCL with mark up of 0.5% per annum above the average borrowing cost of the Company till the date of payment from MLCL.

REF. NO.	REQUIREMENT	INFORMATION
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	The Company is a holding company of MLCL and Six Directors are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	Loan/advance facility of Rs. 1,000 million from time to time for working capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the Annual General Meeting held on October 16, 2025 which is valid till October 31, 2026. There is no impairment and/or write off against the above facility as the facility request was not made to-date by the investee company i.e. MLCL.
(vii)	Any other important details necessary for the members to understand the transaction;	N/A

3(1)(c) Investments in the form of loans, advances and guarantees:

REF. NO.	REQUIREMENT	INFORMATION
(i)	Category-wise amount of investment;	Cross Corporate Guarantee to bank(s) of MLCL upto Rs. 7 billion. The Company will provide security / collateral to bank(s) of MLCL.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and Rate of return for unfunded facilities, as the case may be, for the relevant period;	The current average borrowing cost of the Company as at 30 June 2026 is 4.94%. The Company pays average commission at 0.10% per annum to issuing financial institutions on the outstanding amount of bank guarantees.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	The Company shall charge MLCL a commission of 0.8% per annum on outstanding amount of cross corporate guarantee.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment;	The Company shall obtain an indemnity from MLCL for commitment to repay the amount in the event the Company is called upon to pay pursuant to the enforcement of cross corporate guarantee by the bank(s) of MLCL.

REF. NO.	REQUIREMENT	INFORMATION
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place the time when the conversion may be exercisable; and	N/A
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The Company shall recover the commission on cross corporate guarantee from MLCL on quarterly basis. The Company will be required to pay only in case MLCL fails to make re-payment of finances obtained on due dates as per agreement(s) with bank(s).

Disclosure under Regulation 4(1):

MLCL, an associated company, is not a member of the Company. However, its Directors/Sponsors are the Directors / members of the Company and are interested to the extent of their directorship/shareholding as under: -

Name	%age of shareholding in MLCL	%age of shareholding in the Company
Mr. Tariq Sayeed Saigol	5.0249	4.7118
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	3.3167	11.7117
Mr. Taufique Sayeed Saigol	8.3748	16.5719
Mr. Sayeed Tariq Saigol	-	0.1430
Mr. Waleed Tariq Saigol	0.3648	0.0124
Mr. Danial Taufique Saigol	-	0.0011
Ms. Jahanara Saigol	-	0.0009
Kohinoor Textile Mills Limited	82.9187	-

Disclosure under Regulation 4(2):

Name of Investee Company	Maple Leaf Cement Factory Limited (MLCFL)	Maple Leaf Capital Limited (MLCL)
Total Investment Approved:	Loans / advances upto Rs.1,000 million were approved by members in AGM held on October 16, 2025 for a period of one (01) year.	Loans / advances upto Rs.1,000 million were approved by members in AGM held on October 16, 2025 for a period of one (01) year.
Amount of Investment Made to date:	Investment has not been made yet to date.	Investment has not been made yet to date.

Name of Investee Company	Maple Leaf Cement Factory Limited (MLCFL)	Maple Leaf Capital Limited (MLCL)
Reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	The Company will provide funds to MLCFL from time to time as per working capital requirements to MLCFL upon request.	The Company will provide funds to MLCL from time to time as per working capital requirements of MLCL upon request.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of approval of loans/ advances of Rs.1,000 million, as per financial statements for the year ended June 30, 2025, the basic earnings per share was Rs.16.26 and breakup value per share (without surplus) was Rs.64.78. As per latest financial statements for the year ended June 30, 2026, the basic earnings per share is Rs. 8.06 and breakup value per share is Rs. 73.99	At the time of approval of loans/ advances of Rs.1,000 million, as per financial statements for the year ended June 30, 2025, the basic earnings per share was Rs.28.65 and breakup value per share was Rs.63.01. As per latest financial statements for the year ended June 30, 2026, the basic earnings per share is Rs. 30.93 and breakup value per share is Rs. 93.93

AGENDA ITEM NUMBER 6 OF THE NOTICE - RATIFICATION AND APPROVAL OF THE RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED JUNE 30, 2026:

Transactions conducted with the related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested due to their common directorships and therefore these transactions are being placed for the approval by shareholders in the Annual General Meeting. In last Annual General Meeting of the Company, in order to promote transparent business practices, the shareholders had authorized the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ended June 30, 2026 and such transactions were deemed to be approved by the shareholders. Accordingly, these transactions are being placed before the shareholders in this meeting for their formal approval/ratification.

All transactions with related parties to be ratified have been disclosed in the note 40 to the unconsolidated financial statements for the year ended June 30, 2026. Party-wise details of such related party transactions are given below: -

Name of Related Party	Relationship	Description of Transactions	2026	2025
			Rupees in thousand	
Maple Leaf Cement Factory Limited	Subsidiary Company	Purchase of goods and services	21,702	64,405
		Expenses paid by MLCFL on behalf of the Company	6,203	5,661
		Common expenses	57,039	44,302
Maple Leaf Capital Limited	Subsidiary Company	Expenses on behalf of MLCL	-	6,283
		Payment received against expenses	-	6,283
Hutton Properties Limited		Expenses on behalf of the Hutton Properties Limited	18,434	-
		Payment received against expenses	18,434	-
Post-employment benefit plan		Contribution to provident fund	178,979	161,698

The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 366,954,480 [27.25%] (2025: 73,390,896) and 276,284,960 [20.52%] (2025: 55,256,992) ordinary shares respectively of the Company.

The Company carries out transactions as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Audit Committee of the Company, which is chaired by an Independent Director of the Company. Upon the recommendation of the Audit Committee, such transactions were placed before the Board of Directors for approval.

The nature of relationship with these related parties has been indicated above. The Directors are interested in the resolution only to the extent of their shareholding and having their common directorships in such related parties.

AGENDA ITEM NUMBER 7 OF THE NOTICE – AUTHORIZATION FOR THE BOARD OF DIRECTORS TO APPROVE THE RELATED PARTY TRANSACTIONS DURING THE YEAR ENDING ON JUNE 30, 2027:

The Company shall be conducting transactions with its related parties during the year ending on June 30, 2027 as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested due to their common directorships in the subsidiary/associated companies. In order to promote transparent business practices, the shareholders are required to authorize the Board of Directors to approve transactions with the related parties from time-to-time and on case to case basis for the year ending on June 30, 2027, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The Directors are interested in the resolution only to the extent of their shareholding and/or only their common directorships in such related parties.

CHAIRMAN'S REVIEW

I am pleased to present the annual report and audited financial statements of the Company for the year ended 30 June 2026 to our esteemed shareholders. Throughout the 2025-26 financial year, we have regularly communicated key performance aspects of your Company. Encouraged by our positive outlook, the Management is committed to maintaining satisfactory performance through strategic guidance from the Board.

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, we have implemented a mechanism for the annual evaluation of performance of the Board of Directors. This evaluation aims to internally assess the effectiveness of the Board and its Committees, ensuring that Management operates as a cohesive team dedicated to the Company's success. Strategic goals for the coming year have been established and the Board's effectiveness is measured against these objectives. I am pleased to report that the Board's self-evaluation for 2026 has met our performance criteria and remains satisfactory, adhering to recognized standards of corporate governance.

Board Composition:

The Board's composition reflects a balanced mix of executive and non-executive Directors, including independent Directors. Collectively, the Board possesses the necessary skills, core competencies and industry knowledge to lead the Company effectively. Each Board member contributes their business judgment to key decisions.

Vision & Mission Statements:

Board members uphold the ethical and professional standards outlined in our Vision & Mission Statements. These principles are integral to achieving our Company's objectives.

Strategic Decision Making:

Our corporate strategy and objectives align with the Board's strategic vision. This vision guides our annual business plan and outlines projected plans for the next five years. The Management is focused on utilizing available resources, modernizing production facilities and expanding operations to ensure continued growth and improved financial performance.

Diligence:

The Board rigorously reviews the quality and appropriateness of the Company's financial statements, reporting practices, accounting policies, corporate objectives, budgets and other reports. Board meetings are held regularly, with agendas and supporting documents circulated well in advance.

Adequate Governance:

The Board has established a Code of Conduct that outlines expected behaviors, supported by comprehensive policies and procedures. We have implemented robust controls and systems to ensure adherence to best practices in corporate governance. Upholding high standards of honesty and integrity is fundamental to our business success.

Presentations:

In discussing and approving financial statements, the Board receives detailed presentations that offer critical and strategic analysis of all functional areas. We benchmark against industry peers to provide objective evaluations of the Company's goals and financial performance. This approach allows the Board to offer informed guidance and oversight based on thorough discussions.

Thank you for your continued support and confidence in the Company.

Tariq Sayeed Saigol
Chairman

Lahore
July 31, 2026

DIRECTORS' REPORT TO THE SHAREHOLDERS

In compliance with Section 227 of the Companies Act, 2017, the Directors are pleased to present 58th Annual Report along with audited financial statements and Auditors' Report thereon for the year ended 30 June 2026.

PRINCIPAL ACTIVITIES

Kohinoor Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The Registered Office of the Company is situated at 42-Lawrence Road, Lahore. The principal activity of the Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products

REVIEW OF OPERATIONS

The Company's profit after tax for the 2025–26 financial year increased significantly compared with the previous year, primarily due to a one-off reversal of the deferred tax liability following a change in the tax regime. However, the pre-tax results of the Company for period under review are similar to those of the previous year, holding strong despite increased global uncertainty from shifting tariff regimes, volatile and uncertain shipping routes and schedules, and international conflicts.

The pre-tax results of the Company's Spinning divisions are essentially the same as those of the previous year, remaining strong despite heavy competition from imported yarns persisting for most of the year; unfortunately, the positive impacts of the increasing costs of yarn were off-set by increases in global commodity prices partially driven by conflicts in the middle east, and uncertainty around the availability of raw materials in the supply chain. The expansion of the back-process at the Company's Gujar Khan division was successfully completed, and has paid dividends in allowing the Company to adapt its yarn mix to where it can operate most competitively. The Company intends to make its first foray into battery-energy storage which should significantly reduce energy costs and boost performance in the face of increasing uncertainty around the global energy scenario. Investments in the back-process at the Rawalpindi Spinning site are ongoing and should be completed by the end of the calendar year; this should substantially improve quality and decrease costs. We expect the results in the coming year to improve slightly, but this is dependent on local and global stability in demand and input costs.

The pre-tax results of the Weaving division are slightly lower than those of the previous year, as the increased costs of imported yarn in the second half of the financial year could not be fully passed-through to customers. Further, as end-customers in the Company's traditional export markets in Europe face higher costs-of-living due to increased oil prices and potential fuel shortages, there appears to be a slow-down in demand. As such, the Company has turned its attention to efficiency-increasing upgradation, and productivity increasing technologies to maintain competitiveness; these include new air compressors, the recently operational automated drawing-in, and investment in automated fabric inspection technologies. We expect the Weaving division to perform similarly in the coming financial year.

Despite uncertainty around tariffs, shipping routes and schedules, and global conflicts, the Home Textiles division's pre-tax profitability rose significantly, with a marked increase in revenues. The Company continues to drive profitability through value-addition, offering more complex and niche products which our competition does not, we expect this to provide greater resilience as we navigate the coming financial year.

The Company continues to focus on sustainability, with an LOI issued recently for the country's largest, single-site battery storage system to be installed at the Company's Rawalpindi facility; the contract signing is expected in the coming weeks. Further, the Company is planning to undertake further initiatives to enhance its wastewater treatment and recycling processes, which should allow us to break past our 85% recycling threshold and move toward our Zero-Discharge goals. Both these activities will allow us to further reduce our carbon footprint, decrease production costs, and help to maintain reserves of groundwater.

Due to the conflict in the Middle East, the complete supply chain in synthetic fibers has been badly disrupted leading to very high prices. This, in turn, has been bullish for international raw cotton prices, even though there is no demand increase. We expect these prices to slowly return to reasonable levels as soon as some resolution to the conflict emerges. For now, the Company is being very cautious in its raw material procurement; we will watch and adjust our policy but will maintain a conservative stance on covering as usual.

While the year has started with uncertainty around global conflicts and volatility in commodity prices, we hope that KTML will perform similarly or slightly better in this financial year as efforts at modernization, improving productivity, and controlling internal costs allow us to maintain profitability.

FINANCIAL REVIEW

During the year under review, Company's sales decreased by 1.8% to Rs.58,340 million (2025: Rs.59,414 million), while cost of sales decreased by 2.4% to Rs. 48,421 million (2025: Rs.49,612 million). This resulted in gross profit of Rs. 9,920 million (2025: Rs.9,802 million). Operating profit for the year under review stood at Rs. 6,344 million (2025: Rs.7,416 million), whereas profit before tax for the year remained Rs. 4,992 million (2025: Rs. 4,618 million). The Company recorded a deferred tax income of Rs. 1,139 million (2025: Deferred tax expense of Rs. 543 million) during the year. The Company made an after-tax profit of Rs. 5,031 million (2025: Rs.2,750 million). Earnings per share for the year ended 30 June 2026 were at Rs. 3.74 against Rs. 2.04 restated for the last year.

GROUP FINANCIAL REVIEW

During the year under review, Group's consolidated revenue increased to Rs. 143,465 million (2025: Rs. 128,030 million), while cost of sales increased to Rs. 101,213 million (2025: Rs. 92,063 million). This resulted in gross profit of Rs. 42,252 million (2025: Rs.35,967 million). Earnings per share for the year ended 30 June 2026 were Rs. 14.77 against Rs. 12.24 restated for the last year.

DIVIDEND & APPROPRIATIONS

Owing to international uncertainty, expected higher interest rate, increase in raw material cost and elevated electricity cost, strains on cash flows were feared. Therefore, the Directors expressed their inability to pay any dividend and did not recommend any final cash dividend for the year ended June 30, 2026 to the shareholders of the Company. However, the management of the Company was firmly committed to a steady stream of payout to the shareholders by way of cash dividend after sizeable deleverage and satisfactory operating cash flows.

The Directors recommend as under:

Description	Rs. "000"
Profit before taxation	4,991,625
Taxation	39,701
Profit after taxation	5,031,326
Less: Accumulated profit brought forward	5,564,900
Less: Dividend paid during the year	538,599
Accumulated profit carried forward	**10,057,627**

SUBSEQUENT EVENTS

There are no subsequent events that materially affect the performance, objectives or strategy of the Company. Moreover, there is no material change and commitment affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relates and the date of the report.

BUSINESS RATIONALE OF CAPITAL EXPENDITURE / ONGOING EXPANSIONS OF THE COMPANY

The Company believes that continued investment and expansion across its production facilities will support sustainable profitability and long-term growth. Accordingly, the Company remains committed to enhancing and modernizing its operational infrastructure. During the year, the installation of back-process facilities at the Company's Gujar Khan site was successfully completed and the facility has commenced operations.

Further, in line with its commitment to becoming a more sustainable and environmentally responsible organization, KTML continues to expand its renewable energy capacity through significant investments in solar energy generation. The Company is also advancing its energy storage capabilities, with a Letter of Intent (LOI) recently issued for the installation of the country's largest single-site battery energy storage system at its Rawalpindi facility. The formal contract is expected to be signed in the coming weeks.

The Company is also planning further initiatives to enhance its wastewater treatment and recycling processes, with the objective of surpassing the current 85% recycling threshold and progressing towards its long-term Zero Liquid Discharge goals.

These initiatives are expected to contribute towards reducing the Company's carbon footprint and production costs, while promoting the conservation of groundwater resources. Collectively, these measures reaffirm the Company's commitment to sustainable operations and responsible resource management.

DEFAULT OF REPAYMENTS, DEBT/LOAN ETC.

Adhering to the best business practices, the Company recognizes its responsibility of timely repayments of due amount. No default on payment of loan/debts was recorded during the year under review. Furthermore, no payment on account of taxes, duties and levies is overdue or outstanding at financial year end.

PRINCIPAL RISKS AND UNCERTAINTIES

The major risks and challenges faced by the Company are as follows: -

i- Export margins have come under pressure due to intensifying competition at both global and regional levels, coupled with tariffs on shipments to the United States.

ii. Higher energy prices as compared to other competitors in the region.

iii. Overall inflationary increase in operating expenses.

iv. Intense competition among textile manufacturers, both in terms of pricing and sales.

The Company remains well-positioned to navigate potential challenges and uncertainties arising from the evolving business environment. Leveraging its collective experience, expertise and robust management reporting systems, the Management remains abreast of significant internal and external developments affecting the business.

The Company has established dedicated cross-functional teams to regularly assess critical matters, emerging risks and business challenges and formulate appropriate forward-looking strategies. In response to heightened competition and constrained margins in export markets, the Marketing Team, under the guidance of Management, continues to pursue opportunities to strengthen the Company's market presence and expand into previously untapped markets. Furthermore, to mitigate the impact of inflationary pressures and manage input costs effectively, the Company has implemented a structured and proactive procurement strategy aimed at ensuring timely availability of key raw materials at competitive prices.

CHANGE IN NATURE OF BUSINESS

No change has occurred during the financial year concerning the nature of the business of the Company or of its subsidiaries, or any other company in which the Company has interest.

GOVERNMENT OF PAKISTAN'S POLICIES RELATED TO COMPANY'S BUSINESS & THEIR IMPACT ON PERFORMANCE

Government of Pakistan's policy to drop interest rates has significant impact on financials of the Company and resulted in lower finance cost as compared to previous period.

NON-FINANCIAL PERFORMANCE

Company's non-financial performance in relation to important constituents are as follows.

Human Capital:

Human capital remains a cornerstone of organizational success. KTML recognizes that its long-term sustainability is closely linked to the growth and advancement of its workforce. Accordingly, the Company continues to invest in the professional development of its employees through structured in-house programs and specialized outsourced training initiatives.

Relationship Capital:

KTML maintains strong and mutually beneficial relationships with its stakeholders, including customers, shareholders, and suppliers. The Company continues to produce and deliver high-quality products that ensure maximum customer satisfaction, while sustaining highly positive and enduring associations with all its stakeholders.

Intellectual Capital:

Intellectual capital encompasses the Company's information systems, technological capabilities and organizational knowledge. At KTML, Management recognizes that sustaining a competitive advantage requires continuous investment in and enhancement of its technological infrastructure. Accordingly, the Company continues to invest in modern information technology and digital capabilities to strengthen operational efficiency, enhance decision-making and remain abreast of evolving technological developments. These initiatives enable the Company to improve the quality and timeliness of services provided to its stakeholders while supporting its long-term growth and competitiveness.

Natural Capital:

Management is deeply committed to the preservation of natural capital to ensure a prosperous future for coming generations. In line with this commitment, the Company continues to expand its investments in solar-based power projects to contribute toward a cleaner environment. Furthermore, water resources are being utilized prudently to minimize wastage of this vital resource. To support this objective, a wastewater treatment plant was installed several years ago, reflecting the Company's long-standing dedication to environmental sustainability.

CORPORATE SOCIAL RESPONSIBILITY

The Company recognizes its responsibility towards society and fulfills this duty by consistently supporting community development initiatives through various charitable institutions. KTML has been acknowledged by the Pakistan Centre for Philanthropy as a leader in social and charitable contributions and remains committed to being a constructive member of the communities in which it operates. In line with this commitment, the Board of Directors approved a donation for the construction of the Admin Block at Al-Aleem Medical College, Gulab Devi Chest Hospital (GDCH), Lahore. In the past, the Company has also made significant contributions to medical and social service projects, including the establishment of the state-of-the-art Sayeed Saigol Cardiac Complex at GDCH, Lahore.

Kohinoor Maple Leaf Group has received "13th Corporate Social Responsibility National Excellence Award" on account of its performance of various social obligations.

IMPACT OF COMPANY'S BUSINESS ON THE ENVIRONMENT

Management recognizes the adverse impact that contaminated water can have on surrounding areas if discharged untreated from mill premises. To mitigate the potential risks of chemicals used in processing, the Company has installed a wastewater treatment plant, thereby minimizing or eliminating contamination in water released from its facilities. In addition, KTML continues to explore and implement pilot projects focused on alternative and sustainable energy sources, reinforcing its commitment to environmental stewardship.

ADEQUACY OF INTERNAL CONTROL

The Board of Directors is aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal financial control for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations and reliable financial reporting. The independent Internal Audit function of the Company regularly appraises and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements on quarterly basis.

MANAGEMENT'S RESPONSIBILITY TOWARDS PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The Management is aware of its responsibility for the preparation and fair presentation of its 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.

ROLE OF THE BOARD AND ITS MEMBERS TO ADDRESS SUSTAINABILITY RISKS AND OPPORTUNITIES

The Board is responsible for governance and oversight of sustainability risks and opportunities, which includes the environmental, social and governance considerations, within the Company by setting the Company's sustainability strategies, priorities and targets to create long term corporate value.

The Board ensures that policies to promote Diversity, Equity and Inclusion (DE&I) are in place to encourage gender mainstreaming, gender equality and the participation of women on the Board, management and workforce of the Company.

AUDITORS

The existing auditors of the Company M/s. Riaz Ahmad & Co., Chartered Accountants, in their independent auditor's report on financial statements of the Company for the year have expressed an unqualified opinion on the state of affairs of the Company.

The Board has recommended, as suggested by the Audit Committee, the re-appointment of M/s. Riaz Ahmad & Co., Chartered Accountants, the retiring auditors who being eligible, have offered themselves for appointment for the ensuing year, subject to approval of the members in the forthcoming Annual General Meeting.

LEADERSHIP STRUCTURE

COMPOSITION OF THE BOARD OF DIRECTORS & COMMITTEES:

Total Number of Directors:

a)	Male	8
b)	Female	1

Composition:

Independent Directors	02
Non-Executive Directors	03
Executive Directors (including CEO)	03
Female Director (Non-Executive)	01

DIRECTORS AND BOARD MEETINGS

During the year under review, four meetings of the Board of Directors were held in Pakistan and no Board meeting was held outside Pakistan. No casual vacancy occurred in the Board during the year. The attendance of each Director was as under: -

CATEGORY	NAME	MEETINGS ATTENDED
Independent Directors	Syed Muhammad Shabbar Zaidi Mr. Zulfikar Monnoo	3 4
Other Non-Executive Directors	Mr. Tariq Sayeed Saigol - *Chairman* Mr. Sayeed Tariq Saigol Mr. Waleed Tariq Saigol	4 4 3
Executive Directors	Mr. Taufique Sayeed Saigol *Chief Executive Officer* Mr. Danial Taufique Saigol Syed Mohsin Raza Naqvi	4 4 4
Female Director	Ms. Jahanara Saigol *Non-Executive Director*	3

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

By virtue of election of Directors held during the year and pursuant to requirement of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019, the above Board of Directors was re-constituted and the following committees were also re-constituted: -

AUDIT COMMITTEE

Four meetings of the Audit Committee were held during the financial year and attendance of each Member was as under: -

NAME	DESIGNATION	MEETINGS ATTENDED
Syed Muhammad Shabbar Zaidi	Chairman (Independent Director)	2
Mr. Zulfikar Monnoo	Member (Independent Director)	4
Mr. Sayeed Tariq Saigol	Member (Non-Executive Director)	4
Mr. Waleed Tariq Saigol	Member (Non-Executive Director)	3

Leave of absence was granted to the Member(s) who could not attend the meetings.

Syed Muhammad Shabbar Zaidi, the Chairman of Audit Committee, did not attend the last AGM held on October 16, 2025.

HUMAN RESOURCE AND REMUNERATION COMMITTEE (HR & RC)

NAME	DESIGNATION
Mr. Zulfikar Monnoo	Chairman (Independent Director)
Mr. Sayeed Tariq Saigol	Member (Non-Executive Director)
Mr. Danial Taufique Saigol	Member (Executive Director)

During the year under review, one meeting of HR & RC was held on December 23, 2025 and leave of absence was granted to Mr. Sayeed Tariq Saigal who could not attend the meeting.

Board Annually Evaluates the performance of Board Committees including Audit Committee.

REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTORS

The Board of Directors has approved a 'Directors' Remuneration Policy', the salient features of which are:

- No Director shall determine his/her own remuneration.
- Meeting fee of a Director other than regular paid Chief Executive of any Group Company, Sponsors and/or family Directors and full-time working Director(s) of any Group Company, shall be net of tax amounting to Rs. 125,000/- (Rupees one hundred and twenty-five thousand only) per meeting or as time to time determined by the Board for attending the Board and Rs. 25,000/- (Rupees twenty-five thousand only) for its Committee meetings.
- Any tax obligation against such payment applicable for the time being and/or amended hereinafter shall be borne by the Company.
- The Directors shall be entitled to be paid all reasonable expenses, including travelling, hotel charges and other expenses incurred by them for attending meetings and for other business conducted for and on behalf of the Company.

The details of the remuneration paid to the Chief Executive and Directors of the Company are disclosed in Note 39 of the Standalone Financial Statements.

FUTURE OUTLOOK

The Company remains committed to strengthening and modernizing its infrastructure, plant and machinery, with continued emphasis on enhancing product quality, optimizing production capacity and diversifying its product portfolio. These initiatives are aimed at improving operational efficiency, strengthening competitiveness and supporting sustainable long-term growth. In line with its vision of becoming a more environmentally responsible and sustainable organization, KTML continues to accelerate the expansion of its renewable energy portfolio, with significant investments in solar power generation. The Company is also progressing with initiatives to enhance water conservation, wastewater treatment and recycling, with the long-term objective of achieving Zero Liquid Discharge.

The Company recognizes that the outlook for the coming year remains subject to various external factors, including geopolitical developments, volatility in commodity and energy prices, inflationary pressures, exchange rate movements and the overall global economic environment. Notwithstanding these challenges, the Company remains focused on modernization, productivity enhancement, operational efficiencies and prudent cost management. Management remains cautiously optimistic about the Company's performance in financial year 2027 and expects continued focus on these strategic initiatives to support profitability and strengthen the Company's position in an increasingly competitive market.

PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company in accordance with the Companies Act, 2017 as at 30 June 2026 is annexed.

ACKNOWLEDGEMENT

The Directors are grateful to the Company's members, financial institutions and customers for their cooperation and support. They also appreciate hard work and dedication of all the employees working at the various divisions.

For and on behalf of the Board

Lahore	(Syed Mohsin Raza Naqvi)	(Taufique Sayeed Saigol)
31 July 2026	Director	Chief Executive

STATEMENT OF COMPLIANCE

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

Name of Company: **Kohinoor Textile Mills Limited**
Year Ended: **June 30, 2026**

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

1. The total number of Directors are Nine (9) as per the following composition:

   Male: 8
   Female: 1

2. The Composition of the Board is as follows: -

i.	Independent Directors	02
ii.	Non-Executive Directors	03
iii.	Executive Directors (including CEO)	03
iv.	Female Director (Non-Executive)	01

   Determination of number of independent Directors comes to 2.66 (rounded to 2) which is based on Eight Elected Directors, excluding CEO who is considered as deemed Director. The fraction contrived in one-third number is not rounded up as the two elected independent Directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent Director is not warranted. As per Regulation 5 of the Regulations, the minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation. No nomination was received to contest election as director representing minority shareholders;

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company. Although these are well circulated among the relevant employees and directors, the Board shall if mandatorily required consider posting such policies and synopsis of terms of reference of the Board's Committees on its website in near future.

   On June 12, 2024, the Securities and Exchange Commission of Pakistan amended Regulation 10 and introduced Regulation 10A in the Regulations. These changes require the Board to approve an antiharassment policy and oversee sustainability risks and opportunities, including setting the Company's sustainability strategies and targets. The management is currently reviewing these amendments and will ensure compliance in due course;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and the Regulations;

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

9. Four Directors have obtained certificate for Directors' Training Program and Four Directors are exempt from this due to 14 years of education and 15 years of experience on the Boards of listed companies as under: -;

Sr. No.	NAME OF DIRECTORS	YEARS OF EXPERIENCE
1.	Mr. Tariq Sayeed Saigol	Exempted from Directors' Training Program
2.	Mr. Sayeed Tariq Saigol	Director of the Company since 1998
3.	Mr. Taufique Sayeed Saigol	Exempted from Directors' Training Program
4.	Mr. Waleed Tariq Saigol	Director in Maple Leaf Cement Factory Limited (MLCFL) since 2004
5.	Mr. Danial Taufique Saigol	Certificate obtained for Directors' Training Program
6.	Ms. Jahanara Saigol	Appointed on the Board of the Company on April 23, 2020 and Director in MLCFL since December 31, 2019. Directors' Training Program is non-mandatory and compliance will be made in due course.
7.	Syed Muhammad Shabbar Zaidi	Director in Lucky Core Industries Limited and Gadoon Textile Mills Limited. Certificate obtained for Directors' Training Program
8.	Mr. Zulfikar Monnoo	Director in Rafhan Maize Products Company Limited since 1990 and certificate obtained for Directors' Training Program
9.	Syed Mohsin Raza Naqvi	Certificate obtained for Directors' Training Program

The Company has planned to arrange Directors' Training Program certification for female executives and head of departments in next few years;

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee

NAME	DESIGNATION
Syed Muhammad Shabbar Zaidi	Chairman (Independent Director)
Mr. Zulfikar Monnoo	Member (Independent Director)
Mr. Sayeed Tariq Saigol	Member (Non-Executive Director)
Mr. Waleed Tariq Saigol	Member (Non-Executive Director)

b) Human Resource & Remuneration Committee

NAME	DESIGNATION
Mr. Zulfikar Monnoo	Chairman (Independent Director)
Mr. Sayeed Tariq Saigol	Member (Non-Executive Director)
Mr. Danial Taufique Saigol	Member (Executive Director)

c) Nomination Committee: Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board would consider to constitute nomination committee and compliance will be made in due course;

d) Risk Management Committee: Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly. The Board would consider to constitute risk management committee and compliance will be made in due course;

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

14. The frequency of meetings of the committees were as per following:

MEETINGS	FREQUENCY
Audit Committee	Four meetings were held during the financial year ended June 30, 2026.
Human Resource and Remuneration Committee	One meeting was held during the financial year ended June 30, 2026.

15. The Board has set up an effective internal audit function which is considered to be suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

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

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

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

(TARIQ SAYEED SAIGOL)
CHAIRMAN

Lahore: July 31, 2026

Riaz Ahmad & Company
Chartered Accountants

2nd Floor, Al-Malik Centre
70 West, Jinnah Avenue,
Blue Area, Islamabad
T: +92 (51) 227 41 21-2
F: +92 (51) 227 8859
racoisd@racopk.com
www.racopk.com

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF KOHINOOR 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 Kohinoor Textile Mills Limited (the Company) for the year ended 30 June 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and 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 30 June 2026.

RIAZ AHMAD & COMPANY
Chartered Accountants

Islamabad
UDIN: CR202610777JkVIEd0ZT
Date: 25 August 2026

A member of Nexia International

REPORT OF THE AUDIT COMMITTEE

The Audit Committee comprises of two Independent Directors and two Non-Executive Directors. The Chief Financial Officer, the Head of Internal Audit and the external auditors attend the Audit Committee meetings as provided in Listed Companies (Code of Corporate Governance) Regulations, 2019. Four meetings of the Audit Committee were held during the year 2025-2026. Based on reviews and discussions in these meetings, the Audit Committee reports that:

1) The Audit Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company including consolidated financial statements and recommended them for approval of the Board of Directors.

2) Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of financial statements of the Company and consolidated financial statements on a going concern basis, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company.

3) Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017, and the external reporting is consistent with management processes and adequate for shareholder needs.

4) The Audit Committee reviewed and approved all related party transactions.

5) No cases of material complaints regarding accounting, internal accounting controls or audit matters, or Whistle Blowing were received by the Committee.

6) The Company's system of internal control is sound in design and is continually evaluated for effectiveness and adequacy.

7) The Board has established internal audit function being an independent appraisal function for the review of the internal control system in all areas of the business activity and provides management with objective

evaluations, appraisals and recommendations on the adequacy, effectiveness and compliance with each system reviewed.

8) Company's internal audit function is headed by a Chartered Accountant with a team of professionals who are suitably qualified and experienced and well aware of the Company's policies and procedures.

9) Internal audit function operates under the charter approved by the Audit Committee and head of the internal audit function has direct access to the Audit Committee.

10) Company's internal audit function prepares annual plan for the financial year and a strategic audit plan for following two years during which all major systems and areas of activity will be audited. Annual and strategic audit plan is approved by the Audit Committee.

11) Internal audit reports include findings, conclusions, recommendations and action plans agreed with management. These are reported promptly to the appropriate level of management. Follow up in implementation is ensured.

12) The Audit Committee, on the basis of the internal audit reports, reviewed the adequacy of controls and compliance shortcomings in areas audited and discussed corrective actions in the light of management's responses. This has ensured the continual evaluation of controls and improved compliance.

13) The Audit Committee has reviewed the Annual Report for the last financial year and found it fair, balance and understandable to users of financial statements. Annual Report provides the necessary information to all the stakeholders about the Company's financial performance, financial position and future prospects.

14) Performance of the Audit Committee is annually reviewed by the Board of Directors. However, the Committee is devising a checklist for self-evaluation of its performance.

15) The Audit Committee ensured that statutory and regulatory obligations and requirements of best practices of governance have been met.

16) Present Auditors, M/s. Riaz Ahmad & Company, Chartered Accountants, were appointed as on December 30, 2004. They are professional services company having satisfactory QCR rating. They carry out objective examination and evaluation of the financial statements to make sure that the records are fair and accurate representation of the transactions. They confirm every year that the firm and all Partners in the firm are compliant with the IFAC guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.

17) The external auditors, M/s. Riaz Ahmad & Company, Chartered Accountants, were allowed direct access to the Audit Committee and necessary coordination with internal auditors was also ensured. Major findings arising from audits and any matters that the external auditors wished to highlight were freely discussed with them.

18) The Audit Committee reviewed the Management Letter issued by the external auditors and the management response thereto. Observations were discussed with the auditors and required actions recorded.

19) Appointment of external auditors and fixing of their audit fee was reviewed and the Audit Committee following this review recommended to the Board of Directors re-appointment of M/s. Riaz Ahmad & Company, Chartered Accountants, as external auditors for the year 2026-2027.

On behalf of the Audit Committee

(Syed Muhammad Shabbar Zaidi)
Chairman, Audit Committee

31 July 2026

BRIEF PROFILE OF DIRECTORS

MR. TARIQ SAYEED SAIGOL
(CHAIRMAN / DIRECTOR)

OTHER ENGAGEMENTS

CHAIRMAN / DIRECTOR

- Maple Leaf Cement Factory Limited
- Pioneer Cement Limited
- Maple Leaf Power Limited

Mr. Tariq Sayeed Saigol is the Chairman of Kohinoor Maple Leaf Group (KMLG). He is a member of the reputed Saigol Family who pioneered in textile manufacturing after partition and later ventured into the financial sector, chemicals, synthetic fibres, sugar, edible oil refining, civil engineering, construction, cement and energy.

Mr. Saigol was schooled at Aitchison College, Lahore and graduated from Government College University, Lahore, following which he studied Law at University Law College, Lahore.

He started his career in 1968 at Kohinoor's Chemical Complex at Kala Shah Kaku. Upon trifurcation of the Group in 1976, he became Chief Executive of Kohinoor Textile Mills Limited, Rawalpindi. Since 1984, he has been Chairman of Kohinoor Maple Leaf Group which has interests in textiles, cement manufacturing and energy.

He remained Chairman of All Pakistan Textile Mills Association from 1992 to 94, President of Lahore Chamber of Commerce and Industry for 1995-97 and Chairman of All Pakistan Cement Manufacturers Association from 2003-2006.

Mr. Saigol was a member of the Federal Export Promotion Board and Central Board of State Bank of Pakistan. He has also served on several Government Commissions and Committees on a number of subjects, including Export Promotion, reorganization of WAPDA and EPB, Right Sizing of State-owned Corporations and Resource Mobilization. He is the author of "Textile Vision 2005" which was adopted by the Government in 2000 and also its critique prepared in 2006. He also served as a member of the Central Board of State Bank of Pakistan for a second term in 2007 and was a member of the Prime Minister's Economic Advisory Council established in 2008.

He takes keen interest in the development of education and health care in Pakistan. He has been a member of the Board of Governors of Lahore University of Management Sciences, Founding Chairman of the Board of Governors of Chandbagh School, Founder Trustee of Textile University of Pakistan, member of the Syndicate of University of Health Sciences and Member of Board of Governors of Aitchison College, Lahore. He presently serves on the Managing Committee, Gulab Devi Chest Hospital, Lahore.

In recognition of his contribution, he was conferred with the civilian award, Sitara-e-Isaar by the President of Pakistan in 2006.

He is a keen golfer and has represented Pakistan at Golf in Sri Lanka and Pakistan in 1967.

MR. TAUFIQUE SAYEED SAIGOL
(CHIEF EXECUTIVE / DIRECTOR)

OTHER ENGAGEMENTS

CHAIRMAN / DIRECTOR
- Maple Leaf Capital Limited

DIRECTOR
- Maple Leaf Cement Factory Limited
- Pioneer Cement Limited
- Maple Leaf Power Limited
- Novacare Hospitals (Private) Limited

Mr. Taufique Sayeed Saigol is the Chief Executive of Kohinoor Textile Mills Limited and Director in all KMLG companies. He is a leading and experienced industrialist of Pakistan. He graduated as an Industrial Engineer from Cornell University, USA in 1974. He has widely travelled and his special forte is in the export business. He is a business man of impeccable credibility and vision and has substantial experience of working in different environments.

MR. SAYEED TARIQ SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR
- Maple Leaf Cement Factory Limited
- Pioneer Cement Limited
- Maple Leaf Power Limited

DIRECTOR
- Maple Leaf Capital Limited
- Agritech Limited
- Novacare Hospitals (Private) Limited

Mr. Sayeed Tariq Saigol is a prominent business leader and he currently serves as the Chief Executive Officer of Maple Leaf Cement Factory Limited, Pioneer Cement Limited and Maple Leaf Power Limited,. Mr. Saigol also holds directorships on the boards of Maple Leaf Capital Limited, Agritech Limited and Novacare Hospitals (Private) Limited. His leadership across these organizations reflects a deep understanding of the cement, power, textiles, healthcare, fertilizers and financial market sectors.

Mr. Saigol holds a degree in International Business and Finance from McGill University. This academic background has provided him with a strong foundation in managing business dynamics, financial management and strategic decision-making skills.

Beyond his current executive roles, Mr. Saigol has amassed several years of valuable experience in the textile industry. His career spans multiple sectors; prior to his tenure at Maple Leaf Cement Factory, he played a pivotal role in the establishment and management of an apparel dyeing company. This entrepreneurial initiative demonstrates his ability to launch and lead business ventures effectively.

In addition to his operational and management responsibilities, Mr. Saigol is committed to advancing education through his role as a member of the Board of Governors at the Lahore University of Management Sciences (LUMS). This engagement highlights his dedication to shaping future leaders and fostering academic excellence.

MR. WALEED TARIQ SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR
- Maple Leaf Capital Limited

DIRECTOR
- Maple Leaf Cement Factory Limited
- Maple Leaf Power Limited
- Agritech Limited
- Novacare Hospitals (Private) Limited

Mr. Waleed Tariq Saigol is a distinguished business leader and he currently serves as the Chief Executive Officer and Director of Maple Leaf Capital Limited (MLCL). In his role at MLCL, he has demonstrated strong expertise in capital markets and has played a key role in developing MLCL into one of the country's leading private investment management company.

Mr. Saigol's educational background includes schooling at Aitchison College and Harrow School and he holds a bachelor's degree from the London School of Economics.

He possesses significant experience in the textile and cement sectors. He has successfully served as Managing Director of one of the country's largest textile operations. In addition to his leadership at Maple Leaf Capital Limited, Mr. Saigol also serves on the Boards of Directors of several prominent companies, including Maple Leaf Cement Factory Limited, Maple Leaf Power Limited, Agritech Limited and Novacare Hospitals (Private) Limited.

Furthermore, he is a member of the Audit Committees of the listed companies within the Kohinoor Maple Leaf Group, where he actively contributes to shaping corporate vision and governance frameworks.

Beyond his professional commitments, Mr. Saigol is a passionate golfer and has achieved success in several tournaments in Pakistan.

MR. DANIAL TAUFIQUE SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
- Maple Leaf Cement Factory Limited
- Pioneer Cement Limited
- Maple Leaf Capital Limited
- Maple Leaf Power Limited

Mr. Danial Taufique Saigol is the younger son of Mr. Taufique Sayeed Saigol, CEO of KTML. Danial began his career with KMLG in January 2012 as Executive Director. He holds a bachelor's degree in Finance from McGill University, Montreal, Canada and certified Director from the Institute of Chartered Accountants of Pakistan. He is currently posted at Kohinoor Textile Mills, Rawalpindi.

MS. JAHANARA SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR

- Maple Leaf Cement Factory Limited
- Pioneer Cement Limited
- Maple Leaf Capital Limited

Ms. Jahanara Saigol is daughter of renowned industrialist, Mr. Tariq Sayeed Saigol who is the Chairman of Kohinoor Maple Leaf Group. She has completed PhD in Islamic Art and Architecture at SOAS, University of London. She has also obtained degrees in MA, SOAS, University of London and M. St, University of Oxford.

SYED MUHAMMAD SHABBAR ZAIDI
(INDEPENDENT DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR

- Lucky Core Industries Limited
- Gadoon Textile Mills Limited

Syed Muhammad Shabbar Zaidi was appointed as an Independent Director on the Board of Directors of Lucky Core Industries Limited and Gadoon Textile Mills Limited.

A chartered accountant by profession, Mr. Zaidi served as the 26th Chairman of the Federal Board of Revenue (FBR) from May 2019 till April 2020. He previously also served as a Provincial Minister for Finance, Board of Revenue and Excise & Taxation, in the Government of Sindh during the 2013 caretaker setup.

Mr. Zaidi was also a member of the Federal Government Task Force for Reform of Tax Administration in 2002 and authored the report.

A retired senior partner at A. F. Ferguson & Co, he also serves as Chairman on the Securities & Exchange Commission Committee formed for Corporate Industrial Rehabilitation Reform and is a member of the Economic Advisory Council. He is a fellow member of the Institute of Chartered Accountants of Pakistan and has also served as President of the Institute from 2005-2006. Mr. Zaidi has also served as member of Developing Nations Committee of International Federation of Accountants, President South Asian Federation of Accountants, Founder Director of Pakistan Institute of Corporate Governance, member Central Audit Committee of the State Bank of Pakistan and was the Director of the Karachi Stock Exchange Limited from 2012-2015.

Among his non-profit work, he is a trustee of the Sindh Institute of Urology & Transplantation (SIUT) and member of Board of Governors of Liaquat National Hospital and Karachi School of Business and Leadership (KSBL).

Mr. Zaidi has also authored books, including ‘A Journey for Clarity’ and ‘Pakistan: Not a Failed State’.

MR. ZULFIKAR MONNOO
(INDEPENDENT DIRECTOR)

OTHER ENGAGEMENTS

CHIEF EXECUTIVE / DIRECTOR	Pakwest Industries (Pvt.) Limited
DIRECTOR	Maple Leaf Cement Factory Limited Pioneer Cement Limited Unilever Pakistan Foods Limited, Rafhan Maize Products Co. Limited Security General Insurance Company Limited

Mr. Zulfikar Monnoo joined the Board of Unilever Pakistan Foods Limited when the company was formed. He is past Chairman and now a member of both the Audit and the HR& R Committees.

He is also Director of Rafhan Maize Products Co. Limited since 1990 and a member of both the Audit and the HR& R Committees.

He is the Chief Executive of Pakwest Industries (Pvt.) Ltd., Lahore. He is an alumni of The Wharton School, University of Pennsylvania and Aitchison College, Lahore.

He is a businessman with experience of more than three decades as a director having degree of bachelor in science and economics with a major in finance from University of Pennsylvania – Wharton School. He obtained Directors' Training certification from Pakistan Institute of Corporate Governance in 2012. His special expertise/ specialized skills are Finance & Accounting, Human Resource, sales and has industrial experience in food & textile ingredient manufacturing as well as artificial leather (coated fabrics).

SYED MOHSIN RAZA NAQVI
(DIRECTOR / GROUP DIRECTOR FINANCE / CHIEF FINANCIAL OFFICER)

OTHER ENGAGEMENTS

DIRECTOR / CHIEF FINANCIAL OFFICER
- Maple Leaf Cement Factory Limited
- Maple Leaf Capital Limited
- Maple Leaf Power Limited

DIRECTOR
- Pioneer Cement Limited
- Agritech Limited
- Novacare Hospitals (Private) Limited

Syed Mohsin Raza Naqvi is a seasoned finance professional. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan and brings over 30 years of extensive experience in financial management.

His expertise spans a broad range of areas, including:

- Financial projections
- Forecasting (short-term and long-term cash flows)
- Business strategy development
- Acquisitions and evaluation of business units
- Establishing corporate reporting structures
- Implementing budgetary control procedures
- Deploying financial software solutions
- Organizing finance and treasury functions

Mr. Naqvi currently serves on the Boards of several companies, including Maple Leaf Cement Factory Limited, Maple Leaf Capital Limited, Pioneer Cement Limited, Maple Leaf Power Limited, Agritech Limited and Novacare Hospitals (Private) Limited. He is also a certified director from the Pakistan Institute of Corporate Governance.

He previously served on the Board of Kohinoor Mills Limited as well as various other reputable international companies. His career includes international assignments in countries such as Saudi Arabia, Kuwait, the Philippines, Morocco, Jordan and Pakistan, contributing to his well-rounded global perspective.

FORMAL ORIENTATION TRAINING PROGRAM FOR DIRECTORS

All the Directors are suitably qualified and experienced while four Directors have obtained certificate for Directors' Training Program and four Directors are exempt from this due to 14 years of education and 15 years of experience on the Boards of listed companies.

Further, the Directors have also provided declarations that they are aware of their duties, powers and responsibilities under the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange.

QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

The Chief Financial Officer and the Head of Internal Audit possess the requisite qualifications and experience as prescribed in Listed Companies (Code of Corporate Governance) Regulations, 2019.

RELATED PARTY TRANSACTIONS

The Company has made detailed disclosures about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards.

Moreover, the Company has also decided to place its related party transactions before the Annual General Meeting for obtaining shareholders' approval for the same. Details of party-wise disclosure of such transactions is also given in the statement u/s 134 annexed with the Notice of AGM.

TRANSACTION / TRADE OF COMPANY'S SHARES

The Board has reviewed the threshold for disclosure of interest by executives holding of Company's shares which includes Chief Executive Officer, Chief Financial Officer, General Manager (Finance), Sr. Manager (Finance), Head of Internal Audit and Company Secretary. None of the Directors, General Manager (Finance), Sr. Manager (Finance), Head of Internal Audit and Company Secretary (including their spouses and minor children) traded in the shares of the Company other than Chief Financial Officer (CFO) who purchased 10,000 shares from Stock Market.

During the financial year, one Corporate Birefing Session was held.

ISSUES RAISED IN THE LAST ANNUAL GENERAL MEETING

No issue was raised by the valued shareholders in the last Annual General Meeting held on October 16, 2025 at the Registered Office of the Company. However, queries raised were explained to the satisfaction of the Members.

ROLE OF CHAIRMAN AND THE CEO

The Company's Chairman Reports to the Board and the CEO reports to the Chairman (acting on behalf of the Board) and to the Board directly. Their respective roles are being described hereunder:

ROLE OF THE CHAIRMAN	ROLE OF THE CEO
Principal responsibility is the effective running of the Board.	Principal responsibility is running the Company's business.
Responsible for ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Company's strategy and overall commercial objectives.	Responsible for proposing and developing the Company's strategy and overall commercial objectives, which he does in close consultation with the Chairman and the Board.
Guardian of the Board's decision-making process.	Responsible with the executive team for implementing the decisions of the Board and its Committees.
Responsible for promoting the highest standards of integrity, probity and corporate governance throughout the Company and particularly at Board level.	Responsible for promoting, and conducting the affairs of the Company with the highest standards of integrity, probity and corporate governance.

CHAIRMAN'S SIGNIFICANT COMMITMENTS

List of companies in which the Chairman holds directorship has been separately disclosed in the Director Profile section of the Annual Report.

MATTERS DECIDED BY THE BOARD OF DIRECTORS

The Board of Directors approves overall corporate strategy which is in line with Company's Vision. All the Strategic Decisions of the Company are taken by the Board. As sanctioned by the Companies Act 2017 and authorized by Articles of Association of the Company, following decisions are taken by the Board namely:

- Issue of shares;
- Approval of financial statements;
- Approval of bonus to employees;
- Incurring capital expenditure and disposal of fixed assets;
- Declaration of interim dividend;
- Writing off bad debts, advances and receivables;
- Writing off inventories and other assets of the Company;
- Make borrowings in the form of loans, debentures, leasing contracts or redeemable capital;
- Investment of funds of the company;
- To determine the terms of and the circumstances in which a law suit may be compromised and a claim or right in favor of a company may be released, extinguished or relinquished;
- Other matters of strategic nature e.g. taking over a company or acquiring a controlling or substantial stake in another company.

MATTERS DELEGATED TO THE MANAGEMENT

Management of the Company is entrusted with the responsibility to conduct operations of the Company adhering to corporate strategy approved by Board of Directors. Tactical and operational matters are delegated to the Management of the Company which mainly include:

- Cash flow Management;
- Selling and Marketing;
- Compliance with legal requirements;
- Production Management;
- Procurement Management and
- Other support functions like Human Resource Management.

COMPENSATION POLICY OF EXECUTIVE DIRECTORS WHO ALSO SERVE OTHER COMPANIES BOARD OF DIRECTORS

Executive Director of the Company shall be appropriately compensated for their service in the Company and for representation on the Company's Board. This compensation shall take into consideration the amount of time required to be devoted to Board activities, the fiduciary responsibility of such positions and the competitiveness of the compensation levels. Compensation is subject to change at the discretion of the Board. Board may approve revision in Director's Compensation Policy from time to time. No fee is paid to Executive Directors of the Company by way of their appointment in other associated in the capacity of Non-Executive Director. Moreover, none of our Executive Director is working as Non-Executive Director in companies which are not associated companies.

SECURITY CLEARANCE OF FOREIGN DIRECTOR

No foreign director was on Board of Directors of the Company during the year.

TERMS OF REFERENCE OF BOARD COMMITTEES

AUDIT COMMITTEE

The Main Terms of Reference of the Audit Committee are as under:

(i) Determination of appropriate measures to safeguard the Company's assets;

(ii) Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

- (a) major judgmental areas;
- (b) significant adjustments resulting from the audit;
- (c) going concern assumption;
- (d) any changes in accounting policies and practices;
- (e) compliance with applicable accounting standards;
- (f) compliance with these regulations and other statutory and regulatory requirements; and
- (g) all related party transactions.

(iii) Review of preliminary announcements of results prior to external communication and publication;

(iv) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

(v) Review of management letter issued by external auditors and management's response thereto;

(vi) Ensuring coordination between the internal and external auditors of the Company;

(vii) Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;

(viii) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

(ix) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

(x) Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;

(xi) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider remittance of any matter to the external auditors or to any other external body;

(xii) Determination of compliance with relevant statutory requirements;

(xiii) Monitoring compliance with these regulations and identification of significant violations thereof;

(xiv) Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

(xv) Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations. The Board of Directors shall give due consideration to the recommendations of the Audit Committee and where it acts otherwise it shall record the reasons thereof.

(xvi) Consideration of any other issue or matter as may be assigned by the Board of Directors.

HUMAN RESOURCE & REMUNERATION COMMITTEE (THE 'HR & R COMMITTEE')

The Main Terms of Reference of the HR&R Committee are as under: -

i. Recommending human resource management policies to the Board;

ii. Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;

iii. Consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer; and

iv. Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the Company.

MANAGEMENT COMMITTEES & TERMS OF REFERENCE

PROJECT MANAGEMENT COMMITTEE

Project management committee (PMC), serves as a driving forum to monitor the progress of agreed goals & objectives of the Company on consistent basis, and steer the organization in right direction in order to achieve the stated vision and mission of the organization.

MEMBERS

Director
Head of Department - Marketing
Head of Department - Production
Head of Department - Engineering
Head of Department - Finance
Head of Department - Information Technology
Head of Department - Human Resource
Head of Department – Commercial

Terms of reference

- Possible review each of the project areas activities or sub projects.
- Developing a framework for integrating planning.
- Tools for achieving sustainable coastal economies and environments.
- Handling financial issues, budget monitoring and modifications.
- Develop standards & follow-up project progress.

NO. OF MEETINGS HELD: 50

BUSINESS PROCESS REENGINEERING COMMITTEE

Business Process Re-engineering (BPR) team has been formed to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed on consistent basis. Information technology and information systems are the main areas of interest where management is rigorously investing considerable resources to determine and then opt what feasible technological options are available that best meets the goals of the organization in order to remain cost competitive and provide the maximum return to stakeholders.

MEMBERS

Director
Head of Department - Marketing
Head of Department - Production
Head of Department - Engineering
Head of Department - Finance
Head of Department - Information Technology
Head of Department - Human Resource

Terms of reference

- Our BPR team implies specific business objectives such as cost reduction, time reduction, output quality improvement.
- We focus on the most important processes that reflect our business vision.
- Understand and measure the existing process to avoid repeating of old mistakes and to provide a baseline for future improvements.
- Design and build the prototype of new processes and ensure quick delivery of results and involvement and satisfaction of customers.

ENERGY MANAGEMENT COMMITTEE

Management has strong commitment towards securing the future of Company, to remain competitive and provide the maximum return to stakeholders. Efficient use of energy cannot be compromised therefore; Energy Management Committee (EMC) has been formed to suggest the cost cutting opportunities for the sake of improvement in performance through wise energy use in all the departments of the Company.

MEMBERS

Director
Head of Department - Engineering
Head of Department - Finance
Head of Department - Production
Head of Department - Marketing

Terms of reference

- Our team is committed for annual energy cost reductions from continuous improvements.
- To minimize environmental impacts, it

incorporates energy efficiency, water conservation, waste minimization, pollution prevention, resource efficient materials and indoor air quality in all phases of a building's life.

- EMC design plans that help us meet our climate protection commitments.
- The appointment of a full time energy management coordinator ensures the plan proceeds.
- Responsible for energy procurement, monitoring and targeting energy savings, maintaining program of energy saving measures, raising energy awareness and corporate wide energy monitoring and reporting.

TOTAL QUALITY MANAGEMENT COMMITTEE

Total Quality Management (TQM) committee is formed to improve quality at every level in the organization. TQM is an organization wide program aimed to ensure standardization and continual improvement in all its products, services, processes & procedures. This program lays down the Quality Management standards for all the processes & procedures in the organization and is equipping the existing human resources to improve their innate abilities in order to achieve the desired level of performance through synergistic activities.

MEMBERS

Director
Head of Department - Quality Assurance
Head of Department - Marketing
Head of Department - Production
Head of Department - Engineering
Head of Department - Finance
Head of Department - Information Technology
Head of Department - Human Resource
Head of Department - Commercial

Terms of reference

- Standardization of processes and operations within every function of the Company.
- Introduction of Performance Measurement System by developing Key Performance Indicators and continuous compilation of their associated data, analysis and reporting to concerned stakeholders, so that performance of every key function and process is monitored, controlled, and improved.
- Reduction and elimination of wastages from different processes.
- Improvement in organization wide abilities, procedures and plans.
- Training of employees on basic, medium and advanced problem solving and statistical tools in order to improve their analytical abilities.
- Creation of various forums within an organization where quality improvement initiatives are formally institutionalized, e.g. Kaizen, Quality Circles, Functional / Cross Functional Teams.

STANDARD OPERATING PROCEDURES REVIEW COMMITTEE

Standard operating procedures review committee has been formed to review and update SOP's for all the activities / procedures being performed in the Company & develop new SOP's if required.

MEMBERS

Director
Head of Department - Internal Audit
Head of Department - Marketing
Head of Department - Production
Head of Department - Finance

Terms of reference

- Documentation of all the important activities and procedures.
- Standardization of documents as prescribed by Quality Management standards.
- Incorporation of industry best practices in the procedures to make the system efficient and effective.
- Elimination of duplication of records in different procedures.

OTHER CORPORATE MATTERS

ANNUAL EVALUATION OF BOARD PERFORMANCE

The Board has set a criterion based on emerging and leading practices to assist in the self-assessment of an individual director and the full Board's performance. It is not intended to be all-inclusive. When completing the performance evaluation, Board considers the following main performance evaluation process or behaviour:

- Adequate Board composition.
- Satisfactory processes and procedures for Board meetings.
- The Board sets objectives and formulates an overall corporate strategy.
- The Board has set up adequate number of its Committees.
- Each Director has adequate knowledge of economic and business environment in which the Company operates.
- Each Board member contributes towards effective and robust oversight.
- The Board has established a sound internal control system and regularly reviews it.
- The Board reviews the Company's significant accounting policies according to the adequate financial reporting regulatory framework.
- The Board considers the quality and appropriateness of financial accounting and reporting and the transparency of disclosures.

EVALUATION CRITERIA OF BOARD PERFORMANCE

Following is the main criteria:

- Financial policies reviewed and updated;
- Capital and operating budgets approved annually;
- Board receives regular financial reports;
- Procedure for annual audit;
- Board approves annual business plan;
- Board focuses on goals and results;
- Availability of Board's guideline to management;
- Regular follow up to measure the impact of Board's decisions;
- Assessment to ensure compliance with code of ethics and corporate governance.

During the year under review, the performance review of Board was not carried out by any external consultant.

PERFORMANCE REVIEW OF BOARD COMMITTEES

Performance of Board Committees is regularly evaluated by the Board of Directors based on the terms of reference as defined and approved by the Board.

CEO'S PERFORMANCE REVIEWS

The performance of the CEO is regularly evaluated by the Board of Directors and this evaluation is based on the criteria defined by the Board of Directors which includes various financial and non-financial key performance indicators (KPIs). At the start of the year, CEO presents his KPI for the upcoming year to the Board of Directors. The Board periodically evaluates the actual performance against those KPIs during the year and discusses the future course of action to attain the Company's stated goals. The CEO also appraises to the Board regarding an assessment of senior management and their potential to achieve the objectives of the Company.

BOARD'S REVIEW OF BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

The Board of Directors periodically review the Company's Business Continuity & Disaster Recovery (BC/DR) plan to ensure that critical business functions will be available to customers, suppliers, regulators, and other entities that have access to those functions even under extraordinary circumstances. BC/DR plan mainly includes daily tasks such as customer/ suppliers correspondence, production data, trading activities, project management, system backups and help desk operations.

The primary activities of the Board for the execution of the plan include:

- To develop and maintain a formal plan that is responsive to the Company's current business needs and operating environment.
- To ensure that a Business Continuity Recovery Team includes representatives from all business units.
- To provide ongoing business continuity training to all employees, including executive management and the Board.
- Ensure that thorough current business impact

analysis and risk assessments are maintained.
- Ensure a centralized executive view of the business continuity plan and programs.

CONFLICT OF INTEREST MANAGEMENT POLICY

The Company has the policy for actual and perceived conflicts of interest and measures are adopted to avoid any conflict of interest, identify the existence of any conflict of interest, and to disclose the existence of conflict of interest. The Company annually circulates and obtains a signed copy of Code of Conduct applicable to all its employees and Directors, which also relates to matters relating to conflict of interest.

Further, it seeks to set out the process, procedures and internal controls to facilitate compliance with the Policy as well as to highlight the consequences of non-compliance with the Policy by all its employees and Directors. The Company Policy provides a guide as to what constitutes a conflict of interest, the processes and procedures that are in place in order to facilitate compliance and, the consequences of non-compliance. The Policy is intended to assist directors and employees in making the right decisions when confronted with potential conflict of interest issues.

MANAGEMENT OF CONFLICT OF INTEREST

The primary goal of Kohinoor Textile Mills Limited policy is to manage conflicts of interest to ensure that decisions are made and are seen to be made on proper grounds, for legitimate reasons and without bias. To do this Kohinoor has set the following procedures to manage and monitor the conflict of Interest:

- Identify areas of risk.
- Develop strategies and responses for risky areas.
- Educate all employees about the conflict of interest policy.
- Communicate with stakeholders to provide the platform for proper disclosure.
- Enforce the policy.

Further, the Directors are annually reminded of the insider trading circular issued by the Securities and Exchange Commission of Pakistan to avoid dealing in shares while they are in possession of the insider information. Every director is required to provide to the Board complete details regarding any material transaction which may bring conflict of interest with the Company for prior approval of the Board. The interested director does not participate in the discussion neither they vote on such matters. The transactions with all the related parties are made on arms-length basis and complete details are provided to the Board for their approval. Further all the transactions with the related parties are fully disclosed in the financial statements of the Company.

INVESTORS' GRIEVANCES POLICY

The Company believes that Investor services is a vital element for sustained business growth and we want to ensure that our Investors receive exemplary service across different touch points of the Company. Prompt and efficient service is essential to retain existing relationships and therefore, Investor satisfaction becomes critical to the Company. Investor queries and complaints constitute an important voice of Investor, and this policy details grievance handling through a structured grievance framework.

Grievance policy is supported by a review mechanism, to minimize the recurrence of similar issues in future. Investors have the facility to call toll free call centre 24/7 to register their grievances. The Company's Grievance policy follows the following principles:

- Investors are treated fairly at all times.
- Complaints raised by Investors are dealt with courtesy and in a timely manner.
- Investors are informed of avenues to raise their queries and complaints within the organization and their rights if they are not satisfied with the resolution of their complaints.
- Queries and complaints are treated efficiently and fairly.
- The Company's employees work in good faith and without prejudice, towards the interests of the Investors.

SAFETY OF RECORDS

The Company is effectively implementing the policy to ensure the safety of the records. All records must be retained for as long as they are required to meet legal, administrative, operational, and other requirements of the Company. The main purposes of the Company Policy are:

- To ensure that the Company's Records are created, managed, retained, and disposed of in an effective and efficient manner;
- To facilitate the efficient management of the

Company's Records through the development of a coordinated records management program;

- To ensure preservation of the Company's Records of permanent value to support both protection of privacy and freedom of information services throughout the Company to promote collegiality and knowledge sharing;
- Information will be held only as long as required, and disposed of in accordance with the record retention policy and retention schedules; and
- Records and information are owned by the Company, not by the individual or team.

COMPANY'S APPROACH TO MANAGING AND REPORTING POLICIES

Kohinoor Textile Mills Limited is committed to being transparent, accountable, and ethical in how we manage and communicate our policies. We believe that having clear policies is crucial for our organization. We create, share, put into action, and regularly check these policies. We involve relevant stakeholders and follow industry best practices and legal requirements when forming our policies. To make sure everyone understands and follows these policies, we make them easily accessible to all employees through our intranet platform. We also provide regular training to our employees to help them understand and comply with these policies.

Our policies give clear instructions to everyone, including our management and those we report to externally. We review our policies and procedures, such as those related to buying, waste management, and reducing emissions, regularly. We do this to make sure we stay up to date with changes in laws, operate efficiently, and follow the best global practices.

IT GOVERNANCE POLICY

Kohinoor Textile Mills ltd has properly documented and implemented IT governance Policy to ensure an integrated framework for evolving and maintaining existing information technology and acquiring new technology to achieve the Company's strategic focus. The purpose of this policy is to define the IT governance scope, and its roles and responsibilities. IT Governance policy consist of the following:

- To provide a structured decision making process around IT investment decisions.
- Promotes accountability, due diligence, efficient and economic delivery of the Company's IT services.
- Lay down solid foundation for management decision making and oversight.
- Safeguard of Company's financial data.
- Development and up gradation of different modules to provide reliable, efficient and timely information.
- To create a culture of paper less environment within the Company.

GOVERNANCE OF RISK AND INTERNAL CONTROLS

Kohinoor Textile Mills Limited (KTML) risk management framework is designed to assess and mitigate risks in order to minimize their potential impact and support the achievement of KTML's long term objectives and business strategy. Risk assessment is performed regularly to create a good understanding of the Company's key risks, and take any relevant steps to address them. Due to their importance, our material issues and principal risks are integrated into our business planning processes and monitored on a regular basis by the Management. Strategic, Commercial, Operational, Financial and Compliance risks are ranked based on their impact on KTML and probability of occurrence. Upon identification of risks, mitigating strategies and action plans are developed, implemented and monitored.

DISCLOSURE OF DIRECTOR'S INTEREST IN SIGNIFICANT CONTRACTS/ CONFLICT OF INTEREST OF BOARD MEMBERS

In order to avoid a known or any perceived conflict of interest, formal disclosure of vested interests is encouraged under the Policy for Conflict of Interest.

The Policy comprises of not only the principles provided under the regulatory requirements but also encompasses global best practices. The board members are responsible for appropriate self-disclosure in a transparent manner. In addition to description and quantification of any foreseen conflict of interest prior to finalization of the proceedings' agenda, the members' suggestions and comments during proceedings of the board meetings are duly recorded accordingly for appropriate evaluation.

EMPLOYEE HEALTH, SAFETY AND PROTECTION

Kohinoor Textile Mills Limited (KTML) has very high regard for the health and safety of its employees. The Company ensures that all Environment, Health & Safety (EHS) related dimensions are considered while developing its strategies, policies, practices and procedures. The key elements of Health and Safety policy are as follows:

- To take all necessary steps to ensure that operational practices comply with the stipulated procedures as well as with national and international regulations, guidelines and standards.
- Provide effective EHS training to all employees and outsourced contractors. This enables them to assist persons who become injured in the event of an accident or emergency situation until help arrives.
- To prevent accidents and cases of work-related injuries / health hazards, the EHS function shall manage the health and safety risks at the workplace by undertaking a risk assessment and bridging the identified gaps.
- A periodic review of Environment Health & Safety will be conducted for routine and non- routine jobs at all sites of KTML.
- Health and Safety related procedures / work-instructions are developed and displayed prominently at production sites, workshops and other locations where employees work, in the form of posters, standees and sign boards in Urdu and English languages with relevant pictures.
- Proper record of all work related instances of injuries and incidents shall be maintained.
- Periodically conduct EHS internal and external auditing to continually improve operating systems.

PROVIDING REASONABLE OPPORTUNITY TO THE SHAREHOLDERS FOR PARTICIPATION IN THE AGM

Kohinoor Textile Mills Limited (KTML) encourages shareholders, especially minority shareholders to participate in the AGM, the date of which is announced well before statutory time through stock exchange and publication in newspapers. The Company also encourages its shareholders and different analysts to attend its corporate briefing sessions.

BOARD'S DISCLOSURE ON COMPANY'S USE OF ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE

The information system is core to the effective and efficient management of business operations and the management is profound of its significance. The growing complexity of business operations and ever-increasing information needs of business partners can only be managed through a robust information system. The Company has implemented the Oracle E-Business Suite (Oracle ERP) as its core information system which not only integrates the business operations including sourcing, supply-chain, warehousing, and manufacturing but also delivers the financial reporting requirements of a wide range of internal and external stakeholders.

The IT Steering Committee, consistently reviews the entire system development process and ensure continuous improvement through deployment of the latest technological developments. With latest advancement in the field of information technology, the committee ensures that all the tech-upgrades, including hardware and software, are performed regularly to keep the security and integrity of the information systems intact.

Design and Integration of Core Business Processes in a Single Information System Oracle E-Business Suite is the world leading ERP information system that provides ultimate integrated business modules to capture day-to-day, financial and non-financial, business transactions and a robust platform enabling us to meet the information needs of all the internal and external stakeholders. Kohinoor Textile Mills Limited (KTML) uses different modules of financials and supply chain which are integrated, and help ensures data integrity and process controls. This information system provides the automation, integration, and intelligence that is essential to efficiently run all business operations.

Management's support in continuous updating of ERP System

IT Steering Committee oversees the entire process of information system development and implementation across the Company. The core objective of this committee is to supervise the development and implementation of new system-base initiatives in the organization which bring improvements in business-processes and increase the work-efficiency of the

Company's resources with enhanced controls for effective management of complex business operations. The management puts great emphasis, in collaboration with Oracle Support and related technology partners, in leveraging the IT to bring efficiency in daily operations and improvements with the help of system-built controls.

Oracle User Trainings

In-house training programs are conducted where users are provided a refresher on all modules for effective use of the system. In addition, department can also request for training of any specific module for their new hires and existing team members.

Management of Control Risk Factors on ERP Projects

The new processes are tested extensively prior to finalizing and to ensure it has catered all the requirements and have all the controls needed to achieve effective business results. Change management and risk management is the key focus of any ERP project. KTML ensures that the process of change management is focused from the start of the project. Awareness sessions for the process owners and management impacted by the project are conducted. Process owners are made part of the project team to ensure their participation and ownership. An extensive training sessions for the process owners, users and management are conducted prior to the project is concluded. All these actions are taken to ensure smooth and trouble free ERP project implementation.

System Security and access controls

In order to grant access to the system, Information Technology department ensures that conflicting duties are not assigned. There is an annual process of access rights review, during which process owners ensure that rights assigned to the users are appropriate and meet their job responsibilities. Furthermore, for all the sensitive transactions, workflows are also implemented in the ERP, which enables the two-person rule.

Human Resource Management

The Company is committed to build a strong organizational culture that is shaped by empowered employees who demonstrate a deep belief in Company's vision and values. Therefore, Human Resource Management (HRM) is an integral part of our business strategy. The Company fosters leadership, individual accountability and teamwork.

The main objectives of the Company's HRM policy are:

- Selecting the right person, with the right experience, at the right time, offering the right compensation.
- Developing management philosophies and practices to promote and encourage motivation and retention of the best employees.
- Recognizing and rewarding employees' contribution to the business.
- Fostering the concept of team work and synergetic efforts.
- Encouraging and supporting team concepts and team building techniques.
- Nurturing a climate of open communications between management and employees.
- Making all reasonable efforts to achieve a high quality of work-life balance.

Further to note no. 43 of standalone Financials of the Company for year ended 30 June 2026, factory employees are as follows.

2026	2025
6,069	6,390

Initiatives Taken by Management in Promoting & Enabling Innovation

Innovation initiates when a Company understands the requirements of its customers. At KTML we do believe that Customer always come first. Management at KTML is maniacal about understanding the customers, their sensitivities, preferences and desires. Monitoring of customer interaction, sales and retention is regular feature of management practice at KTML that help us to remain innovative in meeting ever changing customer requirements.

Succession Planning

The Company believes in proactive approach towards succession planning. We recruit employees, develop their knowledge, skills, abilities, and prepare them for advancement or promotion into ever more challenging roles. Rigorous succession planning is also in place throughout the organization. Succession planning ensures that employees are constantly groomed-up to fill each needed role.

MERIT BASED RECRUITMENT

The Company follows a merit-based recruitment policy, ensuring that hiring decisions are made solely on qualifications and performance, without bias. This approach guarantees a fair and transparent selection process, focusing on each candidate's skills and potential in line with the company's recruitment policy.

PERFORMANCE-BASED APPRAISAL SYSTEM

Our Promotion, Reward, and Motivation process emphasizes merit and performance. Promotions are based on achievements and skills, while rewards include competitive compensation and recognition programs. We also provide professional development opportunities and a supportive environment to keep employees motivated and aligned with our organizational objectives.

PROMOTION, REWARD AND MOTIVATION

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TRAINING AND DEVELOPMENT OF EMPLOYEES

No company, small or large, can win over the long run, without energized employees, who believe in the Mission of the company and understand how to achieve it. In KTML, we look for people who exemplify continuous improvement when we are spotting future successors. In this relation, the Company also expends a lot in terms of finances and time for the training of its resources as is evident from the below trainings held during the year:

- Certified Human Resource Professional (CHRP)
- Effective Communication Skills
- Management Development Program
- HSE Emergency Response Training
- Harvard ManageMentor (HMM)
- Employee Awareness session
- Financial Literacy (Special Person)
- Knowledge sharing session
- Leadership skills
- Soft Skills
- Workplace ethics and Health & Hygiene

DIVERSITY, EQUITY AND INCLUSION (DE&I) POLICY

At Kohinoor Textile, we acknowledge that Diversity, Equity, and Inclusion (DEI) have transcended the realm of corporate initiatives to become fundamental pillars of modern, high-performing organizations. A comprehensive and thoughtfully crafted DEI policy serves not only as a framework for expectations but also as a strategic instrument that guides the development of an inclusive workplace - one in which all individuals are empowered to succeed without impediment.

In this context, the following guiding principles have been established to promote equitable opportunities for all employees to grow and advance within the organization:

- To cultivate a balanced and inclusive organizational culture that ensures equal career advancement opportunities for all employees, with particular emphasis on enhancing gender diversity and increasing representation of women in senior leadership positions.

- To support Persons with Disabilities (PWDs) by fostering a workplace environment that enables their recruitment, development, and fair remuneration, thereby ensuring their full and dignified participation in the workforce.

- To promote a culture of equity and inclusion that respects and values individual differences across gender, age, ethnicity, disability, religion, and educational background.

- To ensure that all employment-related decisions, including recruitment, promotion, and compensation are based solely on merit, free from bias or discrimination.

- To maintain open and regular communication with female employees, providing necessary support mechanisms and proactively addressing their workplace concerns.

To implement targeted learning and development programs focused on building resilience, assertiveness, and the capacity to effectively navigate workplace challenges, including incidents of harassment.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

The Company's Social and Environmental Responsibility Policy reflects the Company's recognition that there is a strong, positive correlation between and corporate, social and environmental responsibility. The Company believes that the observance of sound environmental and social strategies is essential for building strong brand and safeguarding reputation, which in turn is vital for long term success.

SOCIAL RESPONSIBILITY POLICY

- Implementation of Employee Code of Conduct that fits with local customs and regulations.
- Culture of ethics and behavior which improve values like integrity and transparency.
- Focusing on social involvement by developing multicultural teams with different competencies.
- Promoting the culture of work facilitation and knowledge transfer.
- Carrying out corporate philanthropy actions that focus in particular on preserving life and the environment.
- Maintaining collaborative relations with the society through a good harmony and effective communication.

ENVIRONMENTAL RESPONSIBILITY POLICY

- Ensure our products, operations and services comply with relevant environmental legislation and regulations.
- Maintain and continually improve our environmental management systems to conform to the ISO Standards or more stringent requirements as dictated by specific markets or local regulations.
- Operate in a manner that is committed to continuous improvement in environmental sustainability through recycling, conservation of resources, prevention of pollution, product development and promotion of environmental responsibility amongst our employees.
- Responsibly managing the use of hazardous materials in our operations, products and services and promote recycling or reuse of our products.
- Inform suppliers, including contractors, of our environmental expectations and require them to adopt environmental management practices aligned with these expectations.

POLICY ON DIVERSITY

At Kohinoor Textile Mills Limited, we aim to be an inclusive organisation, where diversity is valued, respected and built upon. We recruit and retain a diverse workforce irrespective of religious and political beliefs, gender, race, ethnicity, disability, education, colour, language, age, socioeconomic background, and geographic location or region. The culture of the Company values differences and recognises that stakeholders from different backgrounds and experiences can bring valuable insights to enable a collaborative work environment by introduction of varied ideas and perspectives within the Company. We aim to pro-actively tackle discrimination and to ensure that no individual or group is directly or indirectly discriminated against for any reason regarding employment and the Company bears no tolerance for harassment/bullying and persecution. The company has a whistle blowing policy in place, and employees are encouraged to report all such matters and related grievances to the Human Resources department.

The Board ensures application of diversity policy through Human Resource department by ensuring that all talent hunting seminars, job fairs and advertisements specifically mention that we are an equal opportunity employer in all areas and we nourish an organizational culture where individual differences are appreciated rather than criticized for novel ideas and improvements. Furthermore, Internal Audit department ensures and reports compliance of diversity policy on periodic basis.

QUOTA FOR PEOPLE WITH DISABILITIES

The management is committed to fostering an inclusive workplace and actively supports the employment of people with disabilities through a dedicated quota system. The Company has employed disabled persons in compliance with the rules set out by the Government of Pakistan which is 3% quota of the total workforce necessitated to be allocated to disabled persons.

EMPLOYEE ENGAGEMENT AND FEEDBACK

We prioritize Employee Engagement and Feedback through regular surveys and one-on-one meetings. We actively seek employee input to understand their needs and perspectives, fostering a collaborative work environment. This feedback drives continuous improvement, enhances job satisfaction, and ensures our strategies and policies align with employee expectations and organizational goals.

To foster a supportive work environment, the company initiated weekly 'Tea Talk' sessions, providing a platform for employees to share their experiences and concerns, allowing management to address worker-related issues and enhance overall well-being at KTML.

DIVIDEND POLICY

In view of the prevailing adverse economic conditions, particularly the ongoing conflict in the Middle East, which has contributed to elevated fuel prices, higher costs of synthetic fibers and persistent inflationary pressures, the Company's operating cash flows remained under pressure. Accordingly, the Directors did not recommend any final cash dividend for the year ended June 30, 2026. Nevertheless, the management remains committed to maintaining a consistent stream of returns to shareholders through cash dividends, subject to satisfactory operating cash flows, profitability and the overall financial position of the Company.

WHISTLE BLOWING POLICY

In line with the Company's commitment to open communication, the whistle blowing policy through non-conformance reporting was designed to provide an avenue for employees to raise concerns, and reassurance that they will be protected. As an aware and attentive organization, Kohinoor believes in the conduct of the affairs of its business in a fair and see-through approach by adopting the uppermost principles of professionalism, truthfulness, reliability and principled manners. The said policy has the following main procedures:

- All Protected Disclosures should be addressed to the nominated Ombudsperson of the Company.
- Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible English, Urdu or in the regional language.
- The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower.
- Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- Anonymous disclosures will not be entertained by the Ombudsperson as it would not be possible for it to interview the Whistle Blowers.
- If initial inquiry by the Ombudsperson indicate that the concern / complaint has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage.
- Where initial inquiry indicate that further investigation is necessary, this will be carried through in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.
- In Kohinoor, no whistle blowing related incidence was highlighted and reported under the above said procedures during the year.

ANTI-HARASSMENT POLICY

The Board of Directors remains fully committed to upholding the highest standards of integrity, respect, and fairness within the workplace. We acknowledge our responsibility to protect the rights, dignity, and well-being of all employees by ensuring a safe, inclusive, and harassment-free environment.

In line with this commitment, the Board is in the process of finalizing a comprehensive Anti-Harassment Policy applicable to all employees, management, contractors, and stakeholders at every level of the organization. The policy will encompass the following key components:

The Company upholds a strict zero-tolerance stance against all forms of harassment, including sexual harassment, workplace bullying, discriminatory conduct, and retaliation.

2. Harassment Complaints Committee with Female Representation

   In compliance with regulatory requirements and global best practices, a dedicated Harassment Complaints Committee is already in place. The Committee includes adequate female representation to ensure fairness, empathy, and transparency in the handling of complaints.

3. Employee Training and Awareness Programs

   Regular awareness and training sessions for employees and management to reinforce appropriate workplace behavior, define various forms of harassment, explain reporting procedures, and highlight the consequences of violations. These initiatives foster a culture of respect, dignity, and accountability.

4. Confidential and Transparent Redressal Mechanism

   Employees are encouraged to report grievances without fear of reprisal. Confidential reporting channels are available, and all complaints are addressed through a prompt, impartial, and transparent investigation process, followed by corrective actions where required.

5. Ongoing Monitoring and Oversight by the Board

   Periodic reviews by the Board to ensure continuous enhancement of anti-harassment measures, sustained compliance with all legal and ethical obligations, and a culture of continuous improvement.

The Board remains unwavering in its commitment to safeguarding a respectful, equitable, and harassment-free workplace. By empowering employees through awareness and supporting them with robust policies and practices, the Company continues to nurture a culture rooted in trust, safety, and inclusivity.

DETAILS ABOUT BOARD MEETINGS & ITS ATTENDANCE

Details about Board meetings and its attendance is covered in Directors' Report to the Shareholders.

COMPANY'S CONTRIBUTION TO NATIONAL EXCHEQUER & ECONOMY

During the year the Company has contributed amount of Rs. 8,314.28 million (2025: Rs. 7,805.59 Million) in respect of taxes, levies and duties. Moreover, we have also contributed (USD) 76.436 million (2025: Rs. 68.129 Million) to the national treasury by way of export sales.

GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENT

The management of Kohinoor Textile Mills Limited believes to follow best governance practices that can be implemented in the Company's environment. To implement these practices, the minimum benchmark is to comply with all the legal requirements. However, the management goes ahead to implement best governance rules and practices that are followed globally and are in favour of the Company's shareholders, employees, environment and community.

Following additional governance practices implemented by the management include:

- Disbursement of additional corporate and financial information to shareholders and legal authorities, although not required by any law, to make the Company's affairs more transparent and to give better insight of the Company's affairs, policies and strategies.

- Implementation of 5S policy to create a healthy and work friendly environment together with efficiency and effectiveness.

- Implementation of Health, Safety and Environment Policy for better and safe work place environment for employees, workers and surrounding community.

The Company understands and fulfils its corporate social responsibility and has implemented various social projects for welfare of the community.

The Company has made detailed disclosures about in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards.

Moreover, the Company has also decided to place it's before the Annual General Meeting for obtaining shareholders' approval for the same. Details of party- wise disclosure of such transactions is also given in the statement u/s 134 annexed with the Notice of AGM.

IT GOVERNANCE AND CYBERSECURITY

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06 IT GOVERNANCE AND CYBERSECURITY

IT GOVERNANCE
AND CYBERSECURITY

Based on its robust internal governance, KTML has implemented strong cybersecurity measures to protect its network and ensure stringent data privacy. Management has evaluated all risks and, based on the effectiveness of these controls, currently categorizes cyber risk as low. This strong security posture has enabled the IT Division to successfully complete numerous high-profile digital initiatives over the past years, driving accelerated business growth.

THE BOARD RESPONSIBILITY STATEMENT ON THE IT SYSTEM / CONTROLS AND AI STRATEGY OF THE COMPANY

The Board of Directors of Kohinoor Textile Mills Limited recognizes its responsibility to ensure that the Company's IT systems, ERP, and emerging digital initiatives are reliable, secure, and aligned with business objectives. In collaboration with management, the Board evaluates potential risks, reviews mitigation measures, and monitors enforcement actions in the event of any breaches.

KTML has established robust security frameworks and stringent data protection controls to safeguard its networks and sensitive information. Management continues to monitor evolving cyber risks, ensure adherence to legal and regulatory obligations, and provide updates to the Board.

IT GOVERNANCE AND CYBERSECURITY INITIATIVES PROGRAMS

KTML has established an IT Steering Committee comprising senior management to provide oversight of IT governance, cybersecurity, and information security matters. The Committee has formulated a comprehensive Information Security policy, procedures, and control framework benchmarked against global standards, ensuring compliance, resilience, and alignment with best practices.

During the year, the IT Division, under the guidance of the Committee, delivered several notable achievements:

- Internal development and implementation of advanced digital solutions and monitoring systems, resulting in significant cost savings.

- Consistent surpassing of uptime commitments for critical IT services.

- Successful establishment and execution of a live Disaster Recovery (DR) site, ensuring business continuity and resilience of essential operations.

- Completion of multiple high-profile digital initiatives, driving innovation and accelerating busi-ness growth.

These initiatives reflect KTML's ongoing commitment to embedding strong IT governance practices, fos-tering innovation, and maintaining resilience in an increasingly complex digital environment. The Com-pany continues to prioritize investment in technology and cybersecurity to support sustainable business growth and safeguard stakeholder interests.

CYBERSECURITY AND BOARD'S RISK OVERSIGHT

The Board, in performing its risk oversight functions, reviews and evaluates information system security and IT-related risks, supported by the IT Steering Committee comprising senior management personnel that oversees IT governance and cybersecurity matters. To further strengthen oversight, the Internal Audit Department conducts regular audits of information systems to ensure compliance, effectiveness, and resilience.

CONTROLS FOR THE EARLY WARNING SYSTEM

The Company has developed a robust **Early Warning System (EWS)** supported by a comprehensive set of controls and procedures to ensure the timely detection, assessment, mitigation, and reporting of cybersecurity risks and incidents to the IT Steering Committee. The following control mechanisms have been implemented as part of this framework:

1. Network Monitoring and Management

   Information System: This system monitors and promptly issues alerts and warnings related to Outages, Uptime, and various Quality of Service (QoS) parameters. Key areas under surveillance include:

a) The health of servers and the status of their services

b) Company-wide Internet connectivity

c) Company-wide wired and wireless network connectivity

d) Internet of Things (IoT) devices and interconnected devices

2. Primary Data Center Fire Alarm System: This system provides essential alerts in the event of smoke or fire.

3. Primary Data Center Fire Suppression System (FM200): This system offers critical alerts and includes an automatic fire suppression mechanism.

4. Primary Data Center Environment Monitoring System: Alerts are generated for humidity levels, temperature, rack door status, smoke detection, and water leakage.

5. Disaster Recovery (DR) Site Environment Monitoring System: This IoT-based system provides alerts and monitoring capabilities for door access, smoke detection, temperature, humidity levels, and water leakage at the DR site.

6. Biometric and Facial Recognition Access Control System: Installed at both the Primary and Disaster Recovery sites for enhanced physical security.

7. CCTV integration with AI enable controls : Established an AI-enabled CCTV systems for advanced recognition and identification of vehicle movements, enhancing security monitoring and incident response capabilities.

POLICY REGARDING INDEPENDENT SECURITY ASSESSMENTS OF THE TECHNOLOGY ENVIRONMENT

KTML maintains a formal policy to conduct independent, comprehensive security assessments of its entire technology environment on a periodic basis, in line with leading cybersecurity frameworks. These assessments are conducted by qualified external cybersecurity firms to ensure objectivity and thorough evaluation. The scope includes, but is not limited to:

- IT infrastructure security
- Application security
- Cloud and endpoint security posture
- Data protection and privacy controls
- Cyber incident response readiness
- Third-party and supply chain cybersecurity risks

The assessments also evaluate compliance with applicable legal, regulatory, and industry-specific cybersecurity requirements.

CONTINGENCY AND DISASTER RECOVERY STRATEGY

KTML has instituted a comprehensive Contingency and Disaster Recovery (DR) framework, meticulously designed to safeguard critical operations and assets while ensuring uninterrupted business continuity in the face of IT disruptions or cyber incidents. The strategy is underpinned by regular archival procedures, secure offsite backups, and systematic testing of disaster recovery protocols to validate organizational preparedness.

Key elements of this framework include:

- Deployment of a next-generation firewall protection that goes beyond signature-based detection by combining live updates with deep packet inspection, behavioral analysis, sandboxing, and endpoint integration to deliver proactive defense against both known and unknown cyber threats.
- Deployment of advanced gateway-level security for web and email inspection and control, seam-lessly integrated with enterprise-wide endpoint protection and network security measures.
- Implementation of Antivirus and Spam engine within the Email server to detect and prevent viruses and spam.
- Utilization of an Enterprise End-Point Security solution across company-wide computers and laptops to provide protection and monitoring against viruses, ransomware, malware, and similar threats.
- Real-time data replication from the primary site to the disaster recovery site for all critical servers and services, ensuring data integrity and availability.
- Creation of physical encrypted backups for important and critical data, stored on removable media securely housed in a fireproof cabinet at the disaster recovery site.
- Insurance coverage for critical IT equipment against risks such as fire, theft, and accidents.

Through this multi-layered and rigorously validated approach, KTML strengthens its capacity to with-stand unexpected disruptions, minimize downtime, and maintain stakeholder confidence even under adverse conditions.

LEVERAGING DIGITAL TRANSFORMATION (INDUSTRY 4.0) FOR BETTER TRANSPARENCY AND GOVERNANCE

KTML has embarked on several strategic digital transformation initiatives aimed at modernizing key functions.

- IOT based solutions deployed across KTML different sites to monitor and control real-time information of processes and machines.
- RFID technology has been implemented across KTML for monitoring Warehouse operations in real-time for accuracy and efficiency.
- AI based facial recognition attendance system has been implemented for efficient and proxy less attendance management system.
- Robotic Process Automation (RPA) is being implemented to replace laborious human intensive operations with computerized bots making the process more efficient and reliable.
- Implementation of Visual AI systems to real-time capture different use cases like people count, vehicle type wise counts, ANPR, etc.

CYBERSECURITY RISK MITIGATION THROUGH EDUCATION AND TRAINING

- Regular dissemination of security awareness emails to all users, including IT personnel, aimed at educating them on critical and emerging cybersecurity threats.
- Engagement in webinars and workshops to encourage knowledge-sharing, networking, and deeper understanding of global and industry-specific security challenges.
- Implementation of training and skill development initiatives to equip individuals with the expertise and capabilities required to strengthen cybersecurity defenses.

FUTURE OUTLOOK

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07 FUTURE OUTLOOK

FORWARD LOOKING STATEMENT

Guided by its leadership and stakeholders, the Company is proactively managing costs to ensure its profitability and progressive growth, in line with its core values. It is strategically enhancing its infrastructure, machinery, and product lines to improve quality, expand capacity, and ensure long-term sustainable growth. In a drive towards its "green" vision, KTML is making substantial investments in solar power and advancing water recycling initiatives with the long-term goal of achieving Zero Liquid Discharge. For Financial Year 2027, the company expects its performance to be comparable to, or slightly better than, the current year, as efforts at modernization, improving productivity and controlling internal costs allow us to maintain profitability.

FINANCIAL FORECAST

Following are the financial forecasts for FY 2027 based on management's best estimates. We are confident that the Company will be able to meet the challenges, presented by local as well as international markets.

Financial Forecast	FY 2026-27 Rs. in Million
Revenue	61,848
Gross Profit	10,545
Profit from operations	6,531

In order to achieve the above mentioned forecasts, "we are taking, and plan to take:

FOREX AND FINANCIAL RISKS

Kohinoor Textile Mills actively manages its exposure to currency exchange rate volatility through a balanced approach to imports and exports. Historically, a surplus in exports over imports has served as a natural hedge against the negative impact of currency devaluation on imports. We are further enhancing this strategy by increasing the proportion of our export business, particularly in the fabric and home textile/ bed-wear segments. Concurrently, within the yarn business, we are progressively incorporating a higher percentage of locally sourced cotton into our product mix to lessen our dependence on imported cotton and mitigate associated currency devaluation risks.

Further measures to improve the company's performance and achieve our targets for FY 2027 include:

Renewable Energy Integration: The installation of a 48.36 MW Battery Energy Storage System (BESS) along with an additional 9.34 MW solar power plant. The BESS is expected to be commissioned and commence commercial operations during the second half of FY 2026–27. The initiative is expected to enhance energy efficiency, optimise power utilisation, reduce energy costs, and strengthen the integration of renewable energy into the Company's operations.

Modernization and Quality Enhancement: Balancing, Modernization and Replacement (BMR) of plant and machinery are expected to improve product quality and enhance customer satisfaction, leading to higher sales revenue.

Targeted Export Expansion: Expanding our export business into niche, high-value products is expected to result in increased profit margins.

Reduced Finance Cost: Provision of subsidized financing by the Government of Pakistan to export oriented sectors will further reduce finance cost and enhance the Company's profitability.

FINANCIAL & NON-FINANCIAL CONSIDERATIONS

Our projections for the company are based on a combination of critical financial and non-financial considerations.

Financial Considerations:

- Anticipated increase in sales volume across all product types.
- Reduced cost of production achieved through optimizing our power generation mix, including further solar power integration and installation of battery energy storage system (BESS).
- Effective management of finance costs, benefiting from subsdized financing for export oriented companies.

Non-Financial Considerations:

While more difficult to quantify, these intangible factors are crucial to our long-term strategy and performance:

Stakeholder Engagement: Regular that meetings of various committees and forums ensure stakeholders are actively involved and informed across all aspects of the business.

Customer Satisfaction: We emphasize understanding and meeting specific customer demands to ensure high levels of satisfaction.

Employee Development: The company invests in training programs to enhance the skills and capabilities of our human capital.

Innovation in Manufacturing Methods: Continuous research and development initiatives are in place to improve production processes, efficiencies, and explore sustainable practices.

RESPONSE TOWARDS CHALLENGES & UNCERTAINTIES

The Organization is well-equipped to navigate potential challenges and uncertainties. Leveraging the combined experience and skills of our management and specialized cross-functional teams, we maintain a constant awareness of internal and external developments through robust business reporting. These teams regularly address key issues and risks to formulate the most proactive strategies. For instance, in response to intense competition and reduced margins in export markets, our marketing team successfully launched an effective market penetration strategy to expand our presence into previously untapped regions. Additionally, a highly efficient procurement plan is in place to manage the effects of overall inflation.

SOURCES OF INFORMATION AND ASSUMPTION

The preparation of our financial statements in accordance with approved accounting standards requires management to make certain critical accounting estimates and judgements. These are continually evaluated based on historical experience, current market conditions, and expectations of future events considered reasonable at the time. However, actual outcomes may differ from these estimates. Key areas involving such assumptions and judgements include:

Estimating useful life of assets

We review the useful lives of our assets annually, taking into consideration factors such as usage, maintenance schedules, and the rate of technical and commercial obsolescence.

Taxation

Provision for current tax is determined based on the prevailing law for taxation of income. The charge for current tax uses the expected tax rates applicable to the profit for the year and includes necessary adjustments for previous years. We account for deferred tax using the liability method, reflecting temporary differences between the financial statements and tax bases. Deferred tax assets are recognized where it is probable that taxable profits will be available for their utilization.

Employees benefit scheme

The company operates an approved provident fund for all permanent employees. Both the company and employees make equal monthly contributions, which are charged to the statement of profit or loss.

STATUS OF CURRENT AND PREVIOUS PROJECTS

Kohinoor Textile Mills Limited has successfully expanded its renewable energy portfolio by installing an additional 2 MW of solar power generation capacity, bringing our total solar capacity to 37 MW and installation of back-process at our Gujjar Khan site. Looking ahead, for the Financial Year 2027, we have two key projects in pipe-line: the installation of a 48.36 MW Battery Energy Storage System (BESS) along with an additional 9.34 MW solar power plant and initiatives to enhance Company's waste water treatment and recycling processes, with the objective of surpassing the current 85% recycling threshold and progressing towards its long term zero liquid discharge goals.

ANALYSIS OF PRIOR YEAR FORWARD LOOKING DISCLOSURE

In the past year, the Company successfully delivered on its key financial objectives. Revenue remained broadly stable at Rupees 58 billion, compared with Rupees 59 billion in the previous year. The Home Textile Division recorded a 6% growth in sales over the prior period. Gross margin improved from 16.50% in FY 2025 to 17.0% in FY 2026, primarily driven by improved selling prices in the Home Textile Division, coupled with lower cotton and energy costs compared with the previous year. In addition, the continued reduction in the policy rate by the Central Bank during the year contributed to a decline in finance costs. Collectively, these factors supported a stronger bottom-line performance compared with the previous year.

FUTURE-PROOFING KTML WITH AI

KTML has embarked on several strategic digital transformation initiatives aimed at modernizing key functions including:

- IOT based solutions deployed across KTML different sites to monitor and control real-time information of processes and machines.
- RFID technology has been implemented across KTML for monitoring Warehouse operations in real-time for accuracy and efficiency.
- AI based facial recognition attendance system has been implemented for efficient and proxy less attendance management system.
- Robotic Process Automation (RPA) is being implemented to replace laborious human intensive operations with computerized bots making the process more efficient and reliable.
- Implementation of Visual AI systems to real-time capture different use cases like people count, vehicle type wise counts, ANPR, etc.

FUTURE RESEARCH AND DEVELOPMENT INITIATIVES

Looking forward, our Research & Development initiatives will focus on driving innovation and sustainability across our operations. We are committed to leveraging cutting-edge technologies to enhance production efficiency and reduce our environmental footprint. This includes researching advanced, sustainable materials to create eco-friendly textile products. We are also exploring new energy-efficient processes and expanding our renewable energy integration to further minimize our carbon footprint. Our ongoing investment in R&D reinforces our commitment to delivering value to stakeholders and building a sustainable future.

AI ADOPTION AND POTENTIAL IMPACT ON COMPANY'S STRATEGY

At Kohinoor Textile Mills Limited (KTML), we believe that the future of the textile industry lies in harnessing the potential technologies driven efficiency, transparency, and sustainable growth. Our commitment to digital transformation is not only enhancing productivity but also strengthening corporate governance and building stakeholder confidence.

Across our weaving division, we have implemented IOT-enabled monitoring systems to capture real-time machine and process data. This allows us to track performance, optimize production schedules, and implement predictive maintenance — resulting in reduced downtime and improved fabric quality. In our warehouse operations, RFID technology has been introduced to enable real-time inventory tracking, ensuring accurate stock visibility, faster turnaround times, and streamlined material handling.

Recognizing the importance of workforce governance in a labor-intensive industry, we have deployed an AI-based facial recognition attendance system that is especially helpful in home textile division to ensure proxy-free, reliable, and transparent workforce management. In our spinning operations, Robotic Process Automation (RPA) is being implemented to replace manual, repetitive tasks with digital bots, significantly improving operational accuracy and efficiency. Moreover, our adoption of Visual AI systems enables real-time surveillance for people and vehicle counting, strengthening site security and supporting smooth logistics management.

Looking forward, KTML's long-term digital transformation roadmap envisions greater integration of AI-driven analytics for demand forecasting, machine learning–based quality control, and intelligent energy management systems. These initiatives will help minimize waste, optimize resource consumption, and contribute to a more sustainable textile value chain — aligning our operations with global ESG and sustainability standards.

Summary of Digital Initiatives & Value Creation

Initiative	Application in Textile Operations	Key Impact Areas	Value Created
IOT-Based Monitoring	Real-time performance monitoring of weaving machines and processes	Efficiency, Quality, Predictive Maintenance	Reduced downtime, improved machine utilization, enhanced fabric quality
RFID Technology	Real-time tracking of warehouse operations and inventory	Transparency, Accuracy, Supply Chain Optimization	Better inventory control, faster order fulfillment, reduced material losses
AI-Based Facial Recognition	Automated and proxy-free attendance system	Governance, Workforce Productivity, Compliance	Improved attendance accuracy, reduced time fraud, enhanced labor management
Robotic Process Automation (RPA)	Automation of repetitive tasks in spinning division	Operational Efficiency, Reliability	Lower human error, faster processing, cost savings
Visual AI Systems	People counting, vehicle type classification, ANPR for logistics and security	Safety, Planning, Operational Control	Improved site security, optimized traffic flow, data-driven planning
Future AI Roadmap	Predictive analytics, ML-based quality control, intelligent energy management	Long-Term Strategy, Sustainability, ESG Alignment	Reduced waste, optimized energy use, improved decision-making, stronger market positioning

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

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08 STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

POLICY FOR STAKEHOLDERS ENGAGEMENT

Kohinoor Textile Mills Limited prioritizes sound collaborative relationships with its stakeholders. We are committed to continuous engagement with our shareholders, ensuring they are informed of significant decisions, our company's performance under various circumstances, the challenges we face, and the strategic steps taken to overcome them.

BOARD'S INTERACTION WITH MAJOR SHAREHOLDERS

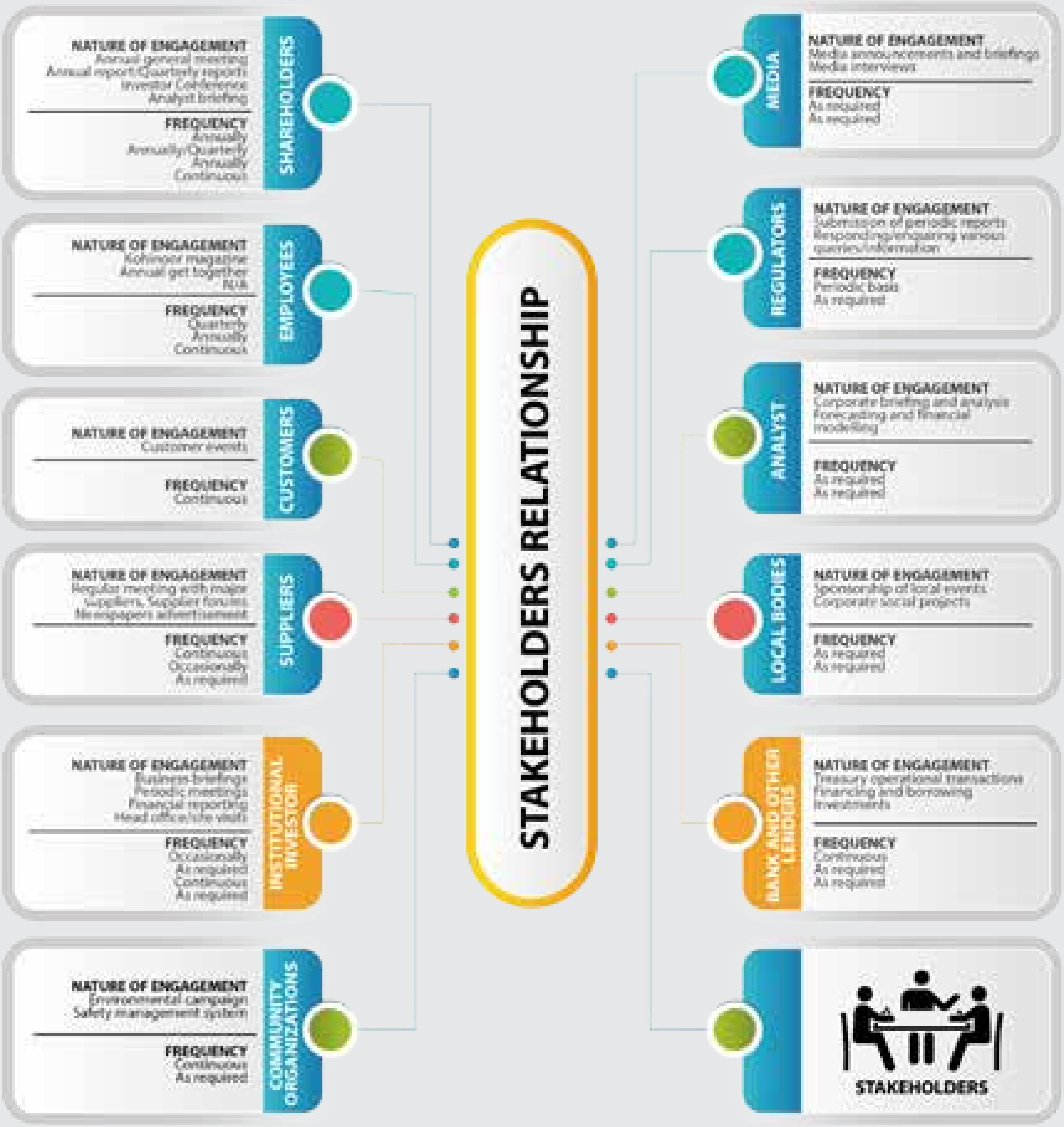
The Board has established a mechanism for interactive sessions between management and major shareholders to solicit and understand their perspectives. During these briefings, management provides updates on the company's performance, discusses key macroeconomic and microeconomic factors, outlines future prospects, and details actions taken to improve performance in challenging conditions. This communication helps the Board address shareholder concerns and build synergy to drive better corporate results.

PROCEDURES FOR STAKEHOLDERS ENGAGEMENT

Our procedures for stakeholder engagement are built on effective communication, harmonious relationships, strict compliance with laws and regulations, and a customer-focused approach. These principles are fundamental to our success in establishing and maintaining collaborative relationships with all our stakeholders.

ENGAGEMENT FREQUENCY

We maintain strong relationships with all stakeholders based on mutual interest, integrity, and confidence. This is achieved through harmonious and effective communication, coupled with our dedicated customer-focused approach. Furthermore, we maintain a positive relationship with our bankers and regularly host investors' conferences to discuss business prospects and financial management plans, thereby enhancing their confidence in the company.



STEPS TO ENGAGE MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

To ensure broad shareholder participation, we send the notice of the Annual General Meeting to all shareholders at least twenty-one days in advance. The notice is also published in Urdu and English in newspapers with nationwide circulation and posted on the company's website. To specifically engage minority shareholders, we conduct corporate briefings, conference calls, and roadshows, and keep our website updated with general company information.

SIGNIFICANT CORPORATE BRIEFING SESSIONS

Interactive sessions with investors include the Annual General Meeting, Extraordinary General Meetings, corporate briefings/roadshows, and responding to queries received via email, website, or telephone.

- Corporate Briefing Session (November 2025)

INVESTORS' RELATIONS SECTION ON CORPORATE WEBSITE

The Company disseminates information to its investors and shareholders through a mix of information exchange platforms, including its corporate website. The website is updated regularly to provide detailed and latest company information including financial highlights, investor information and other requisite information.

HIGHLIGHTS ABOUT REDRESSAL OF INVESTORS' COMPLAINTS

During the year under review no formal complaints has been lodged by any shareholder of the Company.

CORPORATE BENEFITS TO SHAREHOLDERS

We remain dedicated to enhancing shareholder value. Over the past few years, shareholders have benefited from both value appreciation and dividend distributions. Our focus remains on delivering long-term value through sustainable growth, prudent financial management, and strategic market positioning.

DISCLOSURE OF THE WHISTLEBLOWING & COMPLAINT HANDLING MECHANISM:

Kohinoor Textile Mills Limited (KTML) accords the highest priority to safeguarding the interests of its valued investors, customers, employees, and other stakeholders. The Company has instituted a formal Whistleblowing and Complaint Handling Mechanism to ensure that all grievances, concerns, and complaints are addressed promptly, fairly, and transparently.

KTML has a dedicated Internal Audit Department and constituted various committees to manage and resolve different categories of complaints with competence and due care.

To promote accessibility and encourage responsible reporting, KTML provides multiple reporting channels for complaints and suggestions, including:

- Telephone Helpline for immediate concerns.
- Comment Boxes placed at key locations within Company premises.
- Online Submission Portal via the KTML website: www.kmlg.com/ktml.

The mechanism guarantees strict confidentiality of the complainant's identity, prohibits any form of retaliation or victimization, and ensures that every report is investigated impartially under the supervision of the Audit Committee. The Committee receives periodic summaries of all complaints and the actions taken, ensuring continuous oversight and strengthening stakeholder trust.

BUSINESS MODEL

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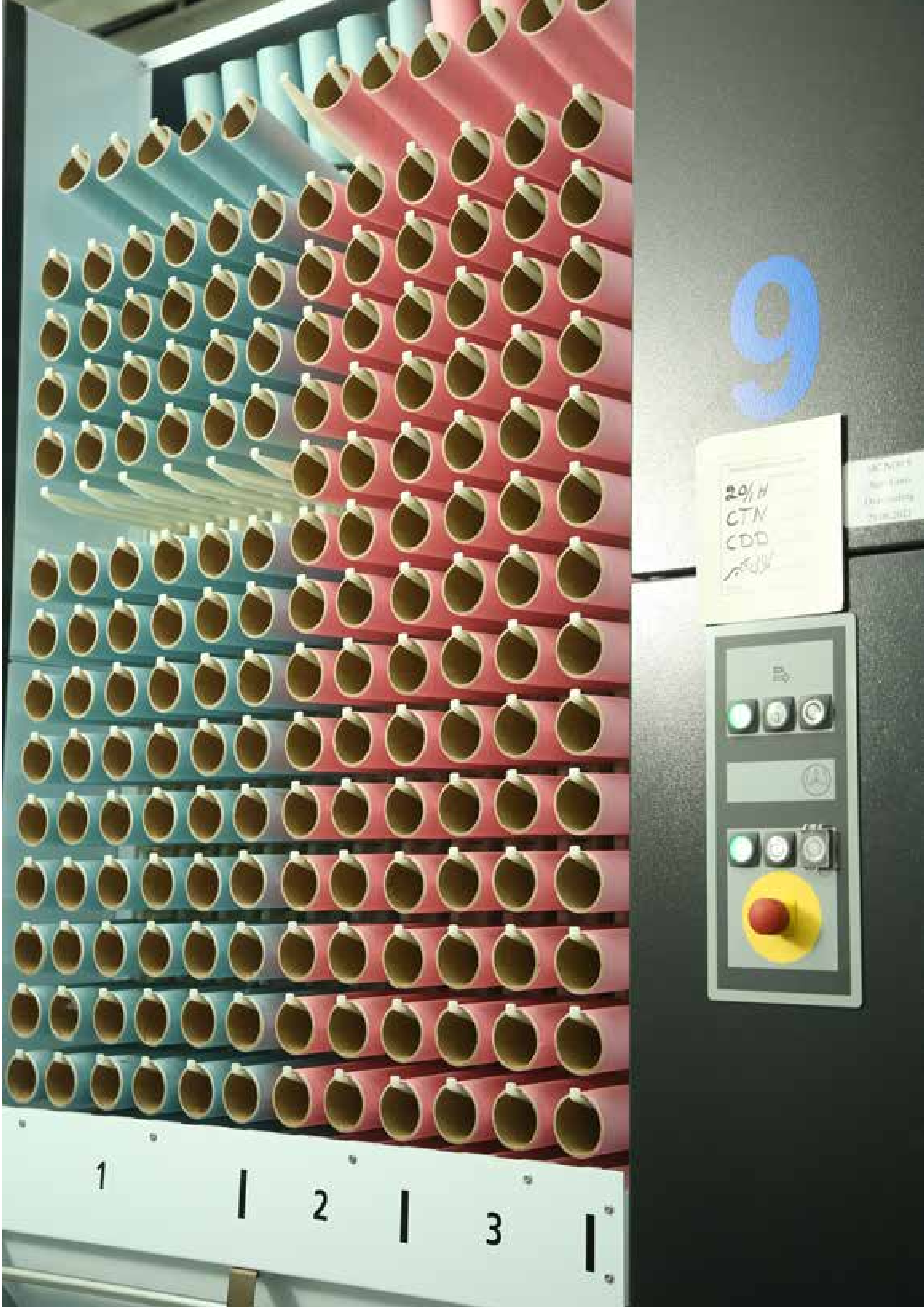
09 BUSINESS MODEL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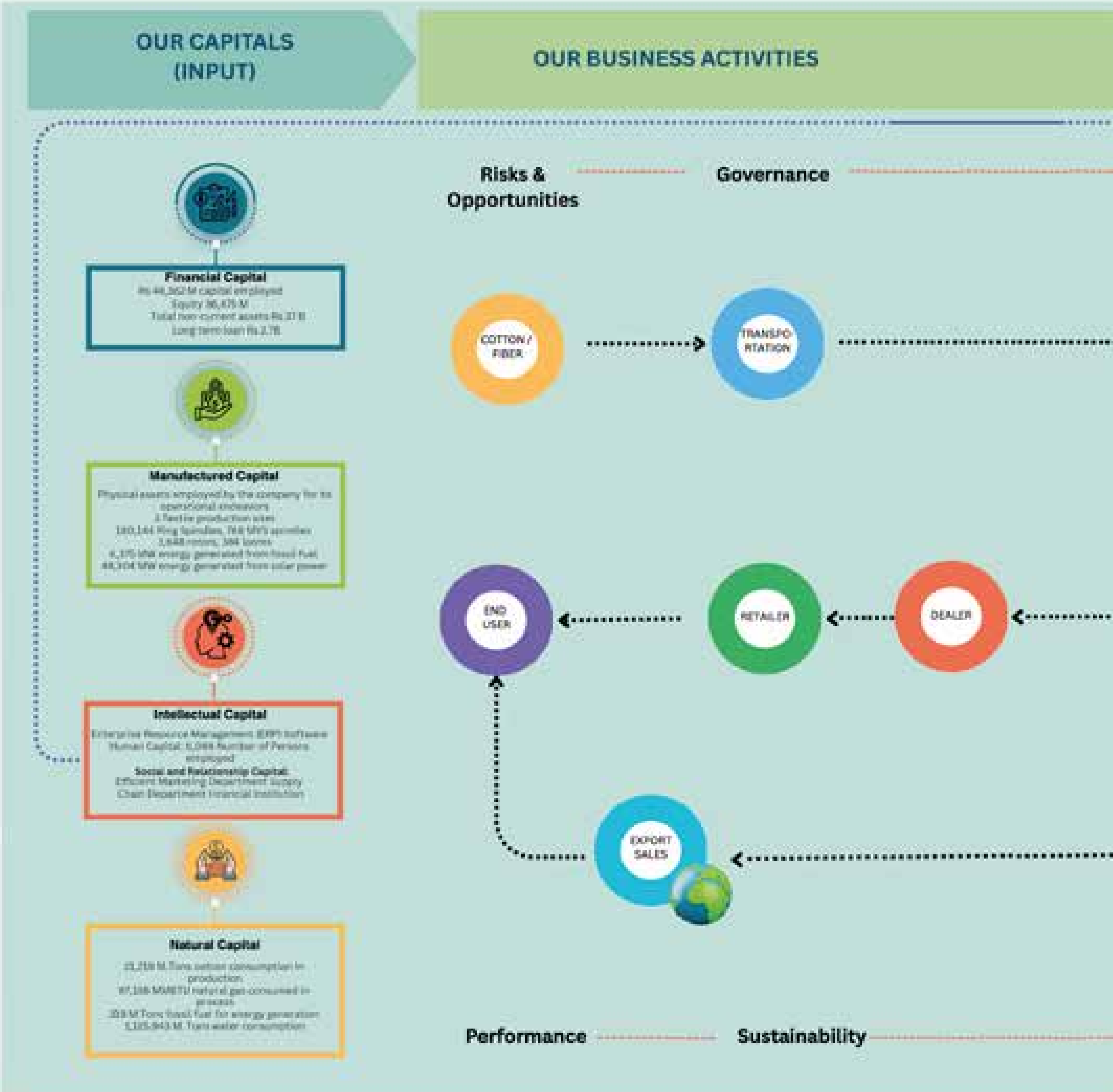
Business Model

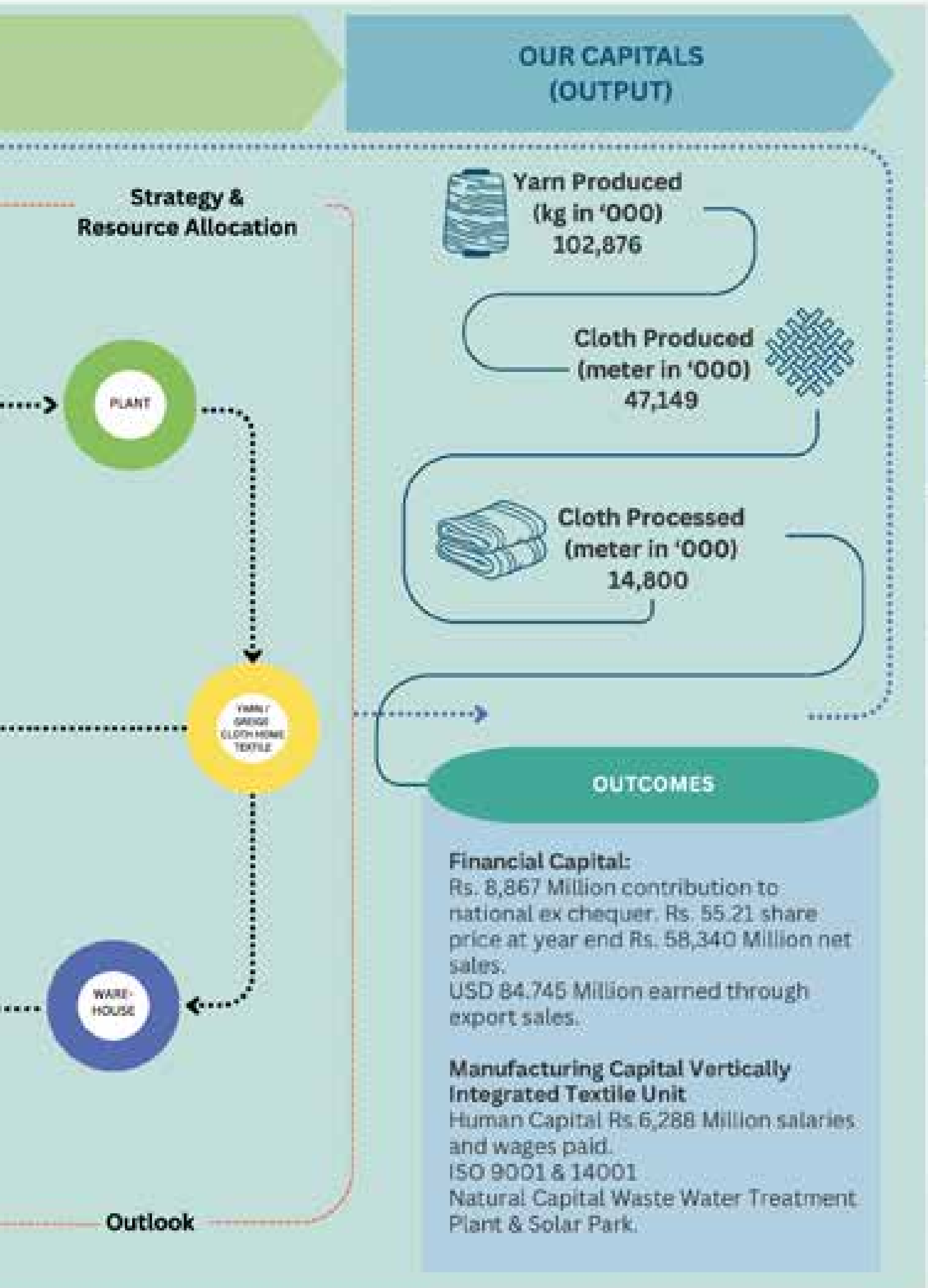
Kohinoor Textile Mills Limited (KTML) is a Public Listed Company engaged in the manufacture of Textile based product. The Company aims to maximize shareholder value by adopting a unique marketing mix strategy which offers superior quality products at competitive prices. Through smart and efficient Marketing, the Company solidifies its hold in a vastly competitive market to certify that KTML is a renowned symbol of trust and ethical integrity. Management stringently monitors its KPI's to measure and predict drivers of change to design innovative emergent strategies to better explore potential opportunities and mitigate business risks.



Industry Innovation & Infrastructure

Decent Work & Economic Growth

Affordable & Clean Energy



Key Elements of the Business Model & their Relevancy to KTML

CAPITAL	KEY ELEMENTS
INPUT	COTTON, MAN-MADE FIBER
BUSINESS PROCESS	SPINNING, WEAVING, PROCESSING & STITCHING
OUTPUT	YARN, GREIGE CLOTH, HOME TEXTILES
OUTCOME	ECONOMIC & SOCIAL BENEFITS

STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

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10 STRIVING FOR EXCELLENCE

IN CORPORATE REPORTING

COMPLIANCE WITH INTERNATIONAL INTEGRATED REPORTING FRAMEWORK (IR)

Kohinoor Textile Mills Limited is dedicated to producing high-quality corporate reports that align with the best corporate governance practices, with the goal of creating value for our organization and all stakeholders. In a globalized and dynamic business environment, and with increasing stakeholder expectations, we believe that integrating financial, social, and environmental information is essential for comprehensive performance reporting.

We have adopted the International Integrated Reporting (IR) Framework to provide a holistic overview of our business, encompassing both financial and non-financial information to address the varied interests of our wide range of stakeholders. Our management is committed to achieving excellence in transparent reporting and conducts annual reviews of the IR Framework to continually improve the quality of information we communicate regarding our operations, brand, and financial position.

The company is well-prepared to manage risks that could affect our long-term sustainability. This report incorporates all eight core content elements of the IR Framework:

- Organizational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation

Management takes responsibility for the integrity of this report, a document prepared and presented with collective effort and scrutiny. We have made every effort to disclose all material information to our stakeholders, while carefully balancing this with the need to protect against competitive harm. We acknowledge the ongoing challenge of objectively quantifying certain qualitative factors that add value, particularly in the face of broader global disruptions and economic shifts.

Despite these challenges, we continue our tradition of providing stakeholders with information that goes beyond the requirements of traditional financial reporting and legal frameworks. We believe that this comprehensive approach fosters a deeper understanding of our company, its strategies, risks, business model, governance, and performance, thereby creating additional value for our stakeholders.

COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The management of Kohinoor Textile Mills Limited is firmly committed to unreserved compliance with all applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). This is essential for the true and fair preparation and presentation of our financial information. Our adherence to IFRS ensures sufficient disclosure in our financial statements, enabling stakeholders to make informed decisions. This report has been prepared in full compliance with:

- The International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP).
- Provisions and directives of the Companies Act, 2017.
- Code of Corporate Governance Regulations, 2019.
- Best Corporate Report (BCR) guidelines issued by ICAP and ICMAP.
- The core guidelines of the Integrated Reporting Framework issued by the IIRC.

ANALYSIS OF THE FINANCIAL INFORMATION

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11 ANALYSIS OF THE FINANCIAL INFORMATION

FINANCIAL REVIEW

FINANCIAL POSITION

Highlights of financial position as at 30 June 2026 are as follows:

Particulars	2026	2025
	(Rs. In Million)	
Equity (share capital and reserves)	36,475	31,982
Long term borrowing	2,686	5,782
Short term borrowing	9,208	7,746
Non-current assets	36,524	35,585
Current assets	19,156	18,979
Capital employed	48,362	45,505

COMMENTS ON FAVOURABLE / (UNFAVOURABLE) VARIANCES IN FINANCIAL POSITION:

Equity (Share capital and reserves)

- The 14% increase in the Company's equity is attributable to the profit generated during the year.

Long term borrowing

- The decrease of Rs. 3,096 million in long-term loans reflects the Company's repayment of outstanding borrowings during the year, supported by strong internal cash generation, resulting in a lower reliance on external financing.

Short term borrowing

- The rise in short-term borrowings is in line with the growing business operations and the heigher working capital requirements of the Company.

Trade and other payables

- Decrease of Rs. 516 million (9%) in trade and other payables is mainly attributable to the reclassification of Sindh Infrastructure Development Cess to non-current liabilities and the current portion of non-current liabilities.

Non-current assets

- The increase of Rs. 939 million in non-current assets (2025: Rs. 1,214 million) is attributable to capital expenditure incurred on the planned modernization and upgradation of production facilities and solar power generation infrastructure.

Current assets

Stock-in-trade

- Stock-in-trade increased by Rs. 709 million over the previous year, consistent with the Company's expanding business requirements.

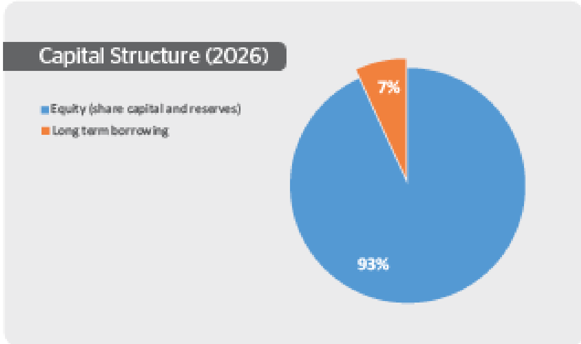
Trade debts

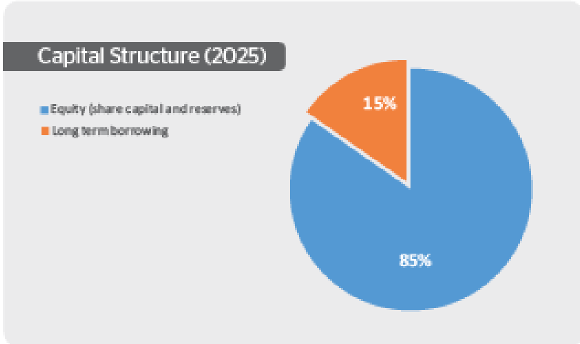
- Trade debts decreased by Rs. 1,015 million (17%) compared to the previous year, primarily due to improved collection efficiency and effective working capital management.

Other receiveables

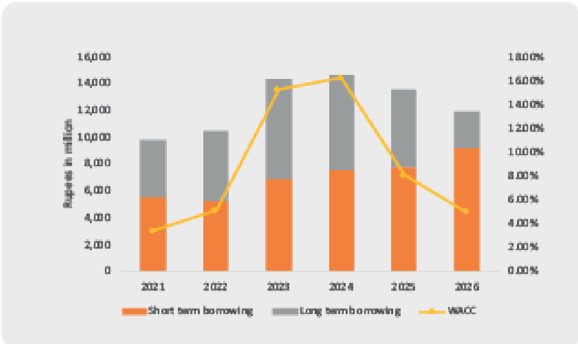
- Other receivables increased by Rs. 302 million (22%) compared to the previous year, primarily due to an increase in sales tax refunds receivable from the Government.

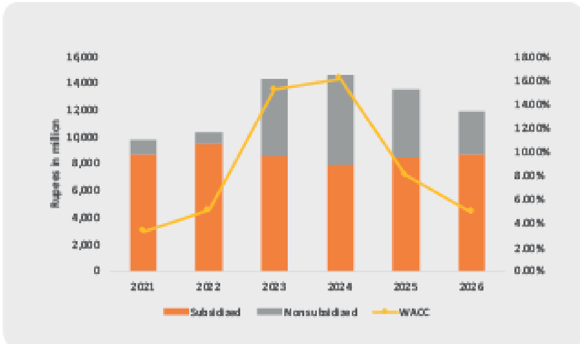
Capital Injected





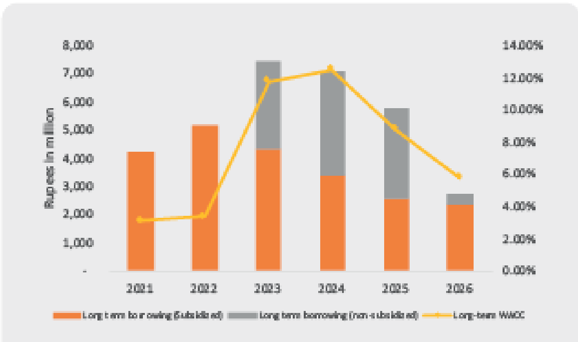
Loans Structure



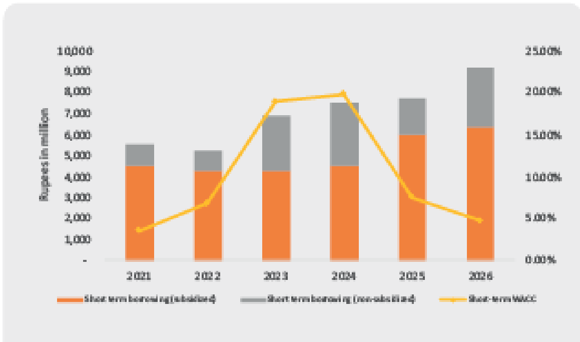


Long term and short term loans breakup

Subsidized and non subsidized loans breakup

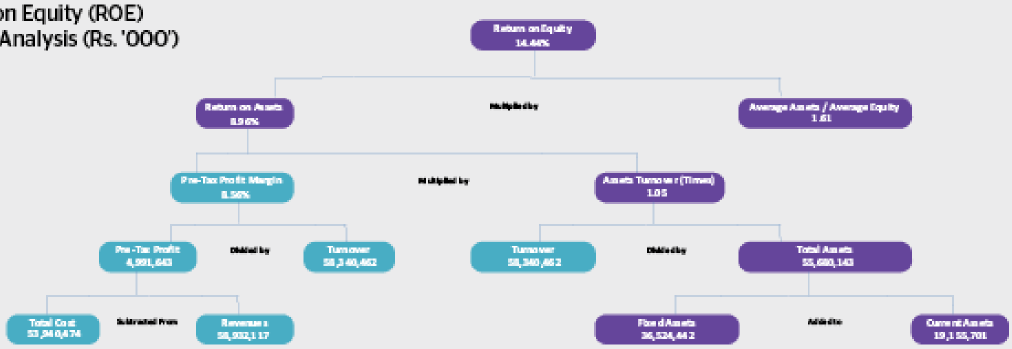


Long term loans breakup

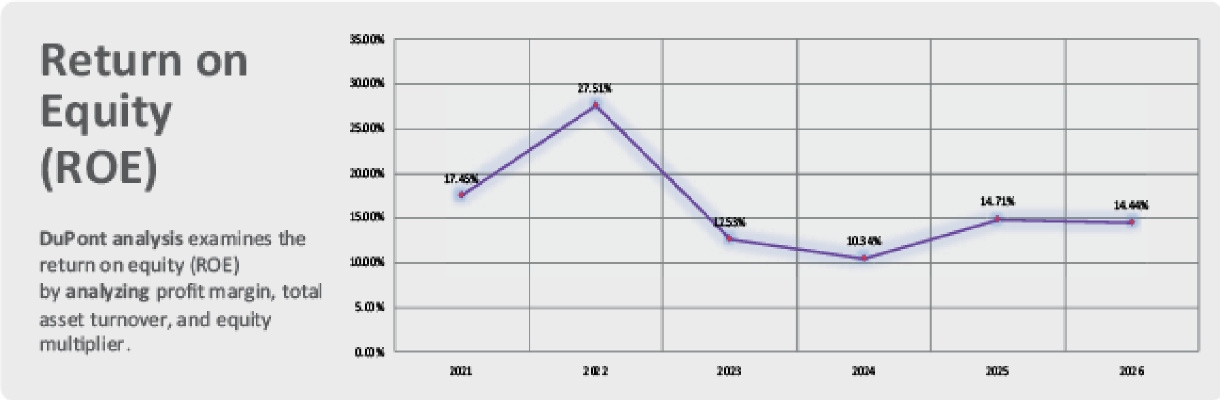


Short term loans breakup

Return on Equity (ROE)
DuPont Analysis (Rs. '000')



Year	Return on Equity (ROE)
2021	17.45%
2022	27.51%
2023	12.53%
2024	10.34%
2025	14.71%
2026	14.44%



Comments:

DuPont equation indicates slight decrease in ROE in the current period, due to decrease in assets turnover.

Reconciliation of weighted average number of shares for EPS

Description	2026	2025
	Number of shares	
Weighted average number of shares outstanding at the beginning of the year	1,346,497,280	269,299,456
Weighted average number of shares outstanding at the end of the year	1,346,497,280	269,299,456

Share price sensitivity analysis

Company's share price is directly linked with the operational and financial performance of Company. In the current situation, Management considers the following factors to which the performance and share price of the Company may be sensitive.

a. Agriculture

The performance of the textile sector is largely dependent on the performance of the agriculture sector, particularly the availability of quality cotton at competitive prices. Favorable climatic conditions and adequate rainfall contribute to a healthy cotton crop, resulting in better-quality cotton at reasonable prices. The availability of quality cotton at competitive rates supports higher profit margins in the production of various types of yarn, which, in turn, may have a positive impact on the Company's share price.

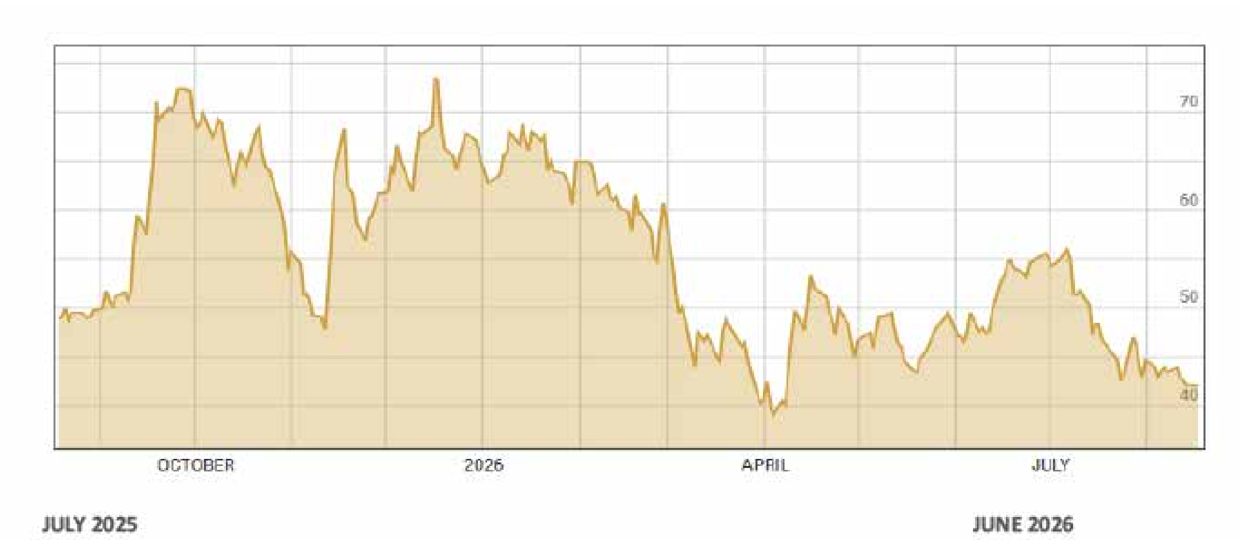
b. Demand Factor

An increase in demand for yarn, fabric, and home textile products may lead to higher market prices, thereby supporting improved profitability and earnings per share (EPS), which may ultimately have a positive impact on the Company's share price.

c. Increase in Cost of Production

Any increase in variable costs, including raw materials, power, and packing costs, may adversely affect gross margins, resulting in lower profitability and earnings per share (EPS). This could, in turn, negatively impact the market price of the Company's shares.

d. Political Unrest (Strikes, protests)
Political instability can disrupt business operations and create challenges for the Company. Strikes, protests, and other forms of civil unrest may hinder production activities and adversely affect the Company's ability to meet delivery timelines for national and international customers. Although this risk is not considered significant at present, any escalation in political uncertainty or related disruptions could adversely impact the Company's profitability and, consequently, its share price.



e. Change in Government Policies
Any changes in Government policies relating to the textile sector may have a significant impact on the Company's performance and share price. Favorable policy measures may support improved profitability and positively influence the Company's share price, whereas adverse policy changes may negatively affect profitability and result in a decline in the share price.

SENSITIVITY ANALYSIS OF CHANGE IN MARKET CAPITALIZATION

Share price as at 30 June 2026 - Rs.	55.21
No. of shares	1,346,497,280
Market Capitalization as at 30 June 2026 - Rs.	74,340,114,829

Change in share price by	Change in Market Capitalization
+10%	7,434,011,483
-10%	(7,434,011,483)

FAIR VALUE OF PROPERTY, PLANT AND EQUIPMENT

The market value of the Company's property, plant and equipment is approximately Rs. 33.92 billion. In the financial statements, property, plant and equipment, other than freehold land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is carried at its revalued amount, while capital work-in-progress is stated at cost.

SIGNIFICANT / MATERIAL ASSETS OR IMMOVABLE PROPERTY

The Company's material assets comprise of land, building, ring spinning machinery, MVS spinning machinery, open-end spinning machinery, wider width weaving looms, high definition digital printing machine, printing rotaries, dyeing and finishing machines, Jenbacher, Wartsila and Nigatta engines, and solar power plant installations.

Financial Performance

Highlights of key operating results for the year 2025-26 are as follows:

Particulars	2026	2025
	(Rs. In Million)	
Revenue	58,340	59,414
Gross profit	9,920	9,802
Profit from operations	6,344	7,416
Finance cost	1,352	2,799
Profit before taxation	4,992	4,618
Taxation	(39)	1,868
Profit after taxation	5,031	2,750

COMMENTSONFAVOURABLE/(UNFAVOURABLE) VARIANCES IN FINANCIAL RESULTS:

Revenue

- The Company's sales for the year under review observed a decrease of Rs 1.07 billion. Home Textile division contributed Rs 994 million, 1.5% of additional revenue due to increase in sale rate as compared to previous period. Spinning business sales contracted by Rs 1,176 million, -2%, due to decrease in sale rate as compared to previous period. whereas, Weaving business sales are decreased by Rs 892 million, -1.5% over previous period mainly due to drop in sale volume.

Gross Profit

- The increase in export sales rates in the Home Textile Division compared to the previous year contributed to an improved gross profit. Furthermore, lower cotton and energy prices provided additional support to gross profit margins.

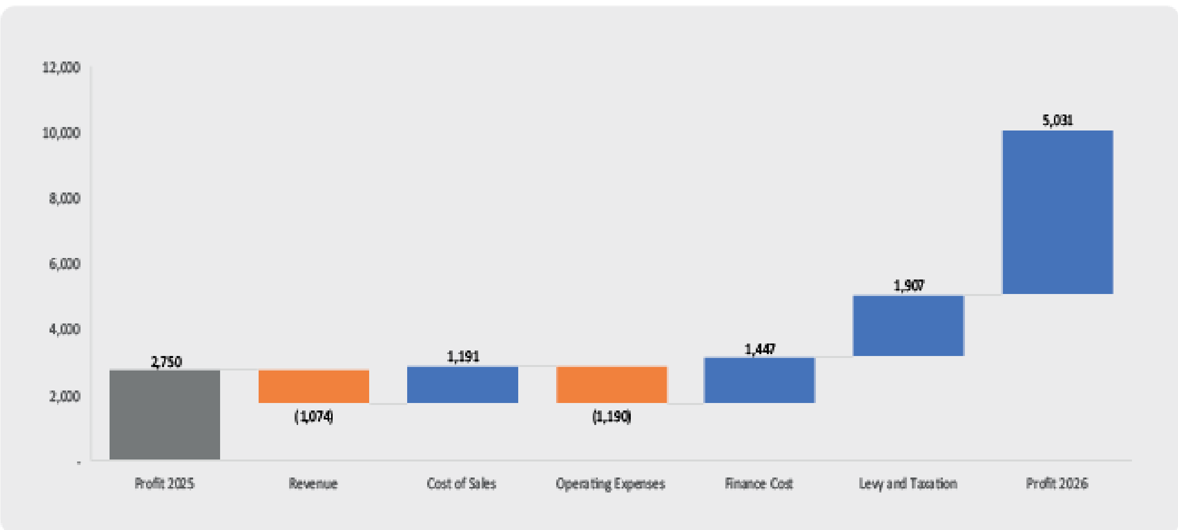
Distribution Cost

- Distribution cost increased from Rs. 2,163 million in 2025 to Rs. 2,190 million in 2026, representing an increase of Rs. 27 million, or approximately 1.2%. The marginal increase is primarily attributable to higher export shipment-related expenses, driven by the increase in export volumes of the Weaving Division.

Finance cost

- During the fiscal year, finance cost declined by 51.7%, primarily due to a significant reduction in the Central Bank's policy rate, resulting in lower borrowing costs. The decline was further supported by improved working capital management, including more efficient utilization of internal cash flows, reduced reliance on external borrowings, and higher repayments, compared to the previous year.

Reconciliation of Profit after tax



Disclosure of Market Share of the Company:

The Company ranks among the largest textile mills in Pakistan and has strategically adopted a policy of horizontal integration, encompassing weaving, processing, and home textile operations to effectively respond to dynamic market challenges. Currently, its spinning facilities consist of 180,144 ring spindles, 768 MVS spindles, and 3,648 open-end rotors, enabling the production of a wide range of yarn counts using both cotton and synthetic fibers at its Rawalpindi and Gujjar Khan units. In addition, the Raiwind facility houses 384 looms capable of producing a broad spectrum of greige fabrics. The Rawalpindi unit's processing facilities are equipped to dye and print fabrics targeted for the home textile segment, while the Company's stitching operations support the production of a diverse portfolio of home textile products for export markets. Although the textile industry is highly competitive, only a limited number of players operate at a comparable scale. In the absence of comprehensive industry-wide data to determine precise market shares, the number of installed spindles and looms serves as a reliable benchmark, reaffirming the Company's position among the leading producers and exporters of textile products in Pakistan.

Taxation

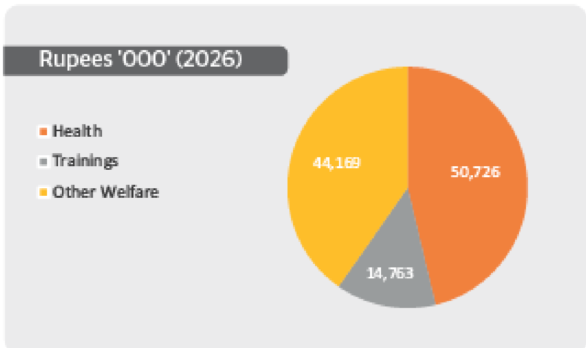
Provision and Assessment

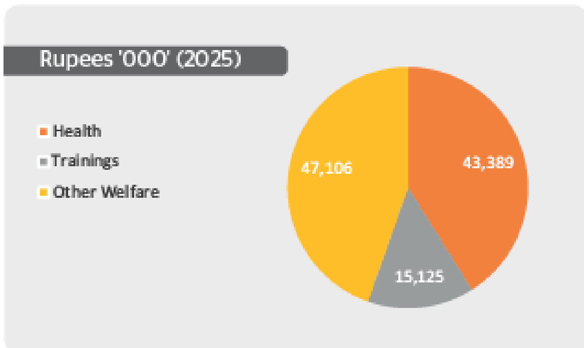
Management is confident that the provision for taxation made in financial statements is sufficient. A comparison of provision for taxation and assessed tax for last three years is as follows:

Particulars	2025	2024	2023
	Rupees in Million		
Provision	1,324	733	414
Assessment	1,196	837	495

Statement of Charity

	2026	2025
	(Rupees in thousand)	
Health	50,726	43,389
Trainings	14,763	15,125
Other Welfare	44,169	47,106
	109,658	105,620





EXPLANATION OF NEGATIVE CHANGE IN THE PERFORMANCE AGAINST PRIOR YEARS:

During the year, the Company demonstrated improved performance across all operational and financial dimensions when compared with the previous year. Key performance indicators reflected consistent progress, and no adverse variances were noted in any parameter. This sustained improvement underscores the effectiveness of the Company's strategic initiatives, operational efficiencies, and prudent financial management practices.

Segmental Review of Business Performance

The Company's business is primarily divided into three reportable segments i.e. Spinning, Weaving and Processing & Home Textile

Segment wise profits before taxation and unallocated income and expenses for the year ended 30 June 2026 are as under:

Particulars	2026	2025
	(Rs. In Million)	
Spinning	3,267	3,475
Weaving	1,310	1,606
Processing and Home Textile	1,568	1,148

COMMENTS ON BUSINESS PERFORMANCE OF SEGMENTS:

Spinning:

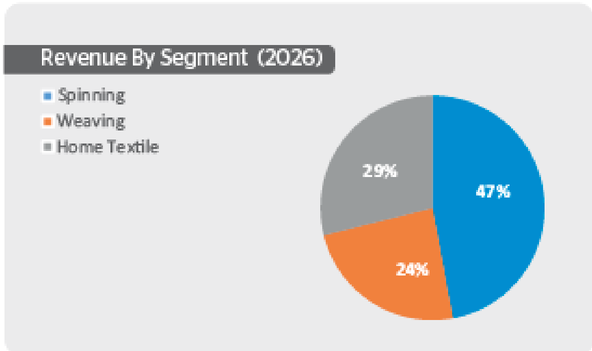
The decline in sales of the Spinning segment by Rs. 1.18 billion, attributable to subdued market conditions and pricing pressures, adversely impacted profitability, resulting in a decrease in profit before taxation and unallocated income & expenses when compared to the previous fiscal year.

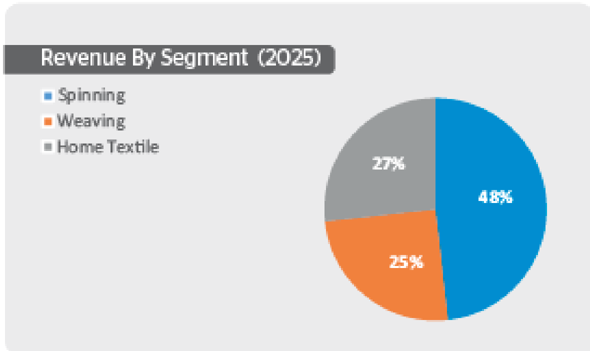
Weaving:

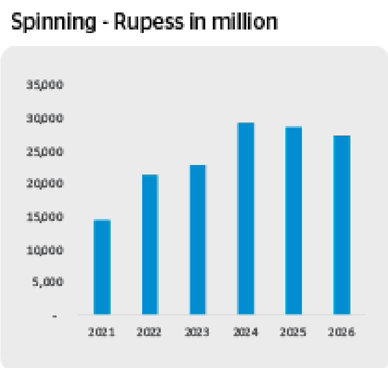
The decline in sales of the Weaving segment by Rs. 0.89 billion is primarily attributable to lower local sales volumes, resulting in a decrease in profit before taxation and unallocated income & expenses, compared to the previous fiscal year.

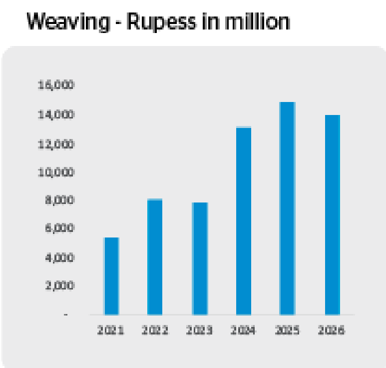
Processing and Home Textile:

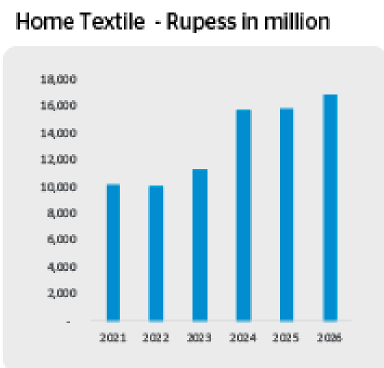
An increase of Rs. 0.99 billion in export sales of the Home Textile Segment, primarily driven by a 7% increase in selling rates, contributed to an overall improvement in profitability before taxation and unallocated income & expenses.











COMMENT ON REVENUE:

Spinning:

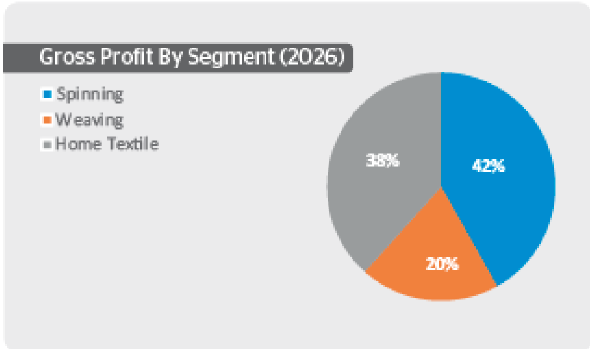
During the year, the Spinning segment faced pressure on selling rates, which remained 4% lower compared to the previous year. This was largely attributable to the increased influx of imported yarn at competitive prices, which adversely affected domestic demand for locally produced yarn. The availability of cheaper alternatives not only constrained the Company's pricing flexibility but also limited its capacity to sustain sales volumes, ultimately impacting revenue generation and profitability of the segment.

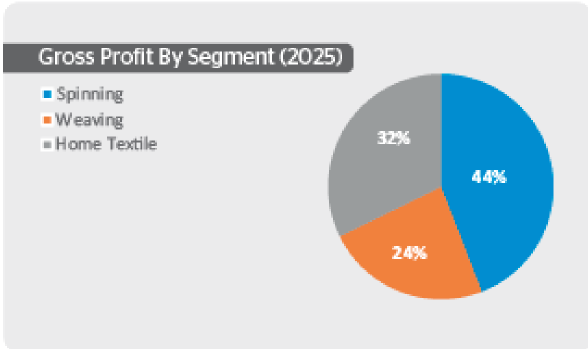
Weaving:

Despite a 22% increase in export sales, driven by strong sales volumes, overall sales of the Weaving Division remained subdued, primarily due to a 3% decline in local sales volumes compared to the previous period.

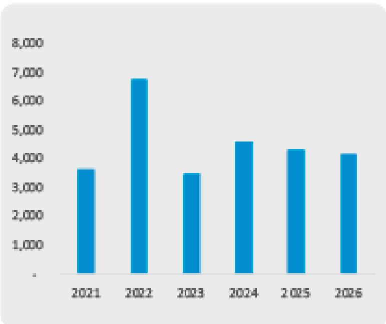
Processing and Home Textile:

The increase in sales of the Home Textile Segment is primarily attributable to higher selling prices, which increased by 7% compared to the previous year.

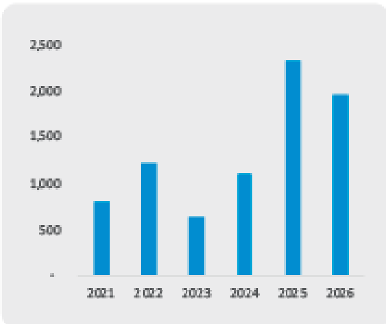




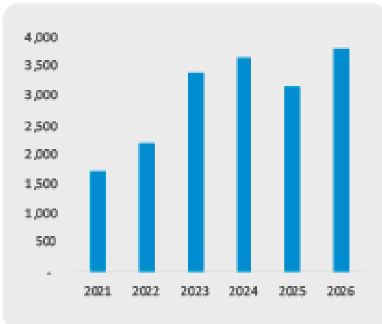
Spinning - Rupess in million

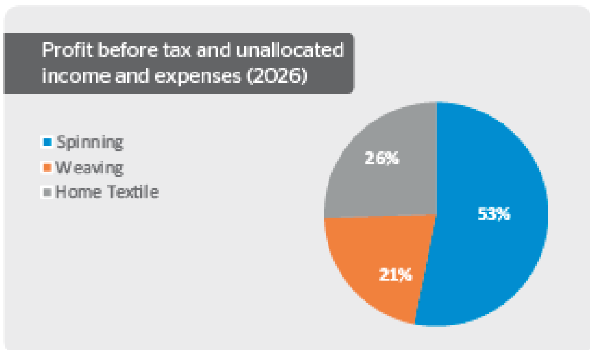


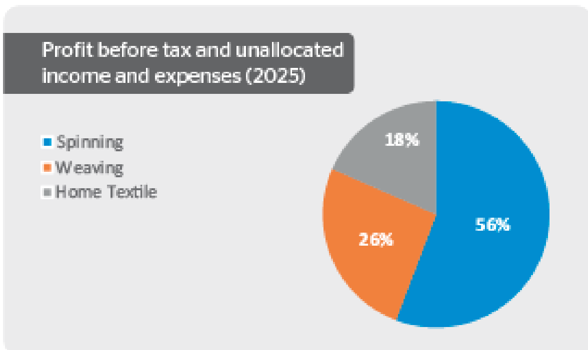
Weaving - Rupess in million



Home Textile - Rupess in million

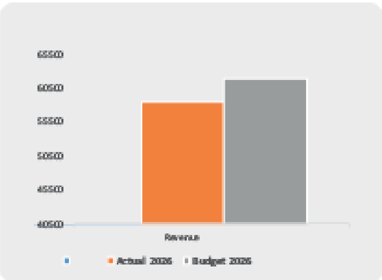




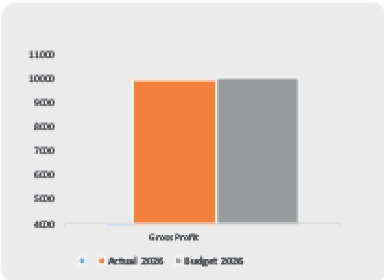


ACTUAL VS BUDGET:	Actual 2026	Budget 2026
	(Rs. In 000)	
Revenue	58,340	61,708
Gross Profit	9,920	9,986
Profit From Operations	6,344	6,107
Finance Cost	1,352	1,552
Profit Before Taxation	4,992	4,555
Profit After Taxation	5,031	2,779

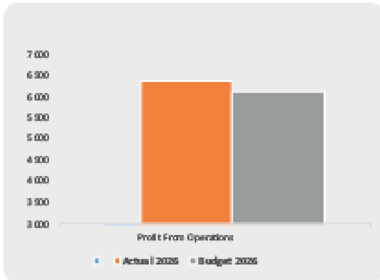
Revenue - Rs. in million



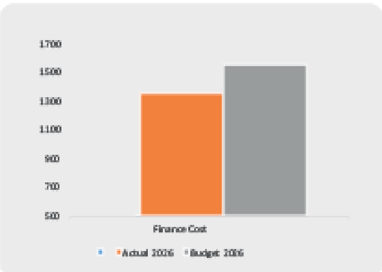
Gross Profit - Rs. in million



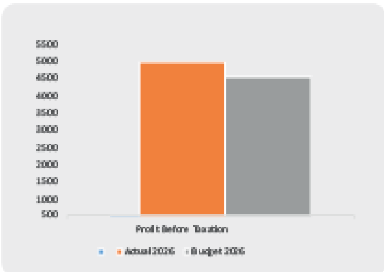
Profit From Operations - Rs. in million



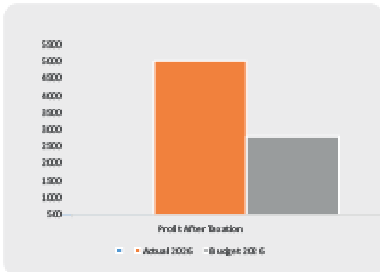
Finance Cost - Rs. in million



Profit Before Taxation - Rs. in million



Profit After Taxation - Rs. in million



Comments of the actual vs budgeted performance

- The Company's inability to achieve its budgeted sales targets for the fiscal year was primarily attributable to a contraction in sales volumes in both spinning & Weaving Segments.
- The lower sales volumes in the Weaving and Spinning Segments, coupled with a decline in selling rates in the Weaving Segment compared to budgeted estimates, contributed to gross profit remaining below budgeted expectations.
- The decrease in distribution expenses was primarily attributable to lower export shipment-related expenses, resulting from a decline in export sales volumes of the Home Textile Division compared to budgeted estimates.
- The decline in finance cost is primarily attributable to a greater-than-anticipated reduction in the policy rate announced by the Central Bank during the financial year 2026.

CASH FLOW ANALYSIS

Financial highlights of key operating results for the year 2025-26 are as follows:

Particulars	2026	2025
	(Rs. In Million)	
Operating cash flows	4,697	2,956
- Finance cost paid	(1,406)	(3,168)
- Income tax and levies paid	(1,663)	(1,146)
- Working capital changes	171	(483)
Investing cash flows	(2,596)	(1,862)
Financing cash flows	(2,170)	(1,050)

COMMENTS OF FAVORABLE/(UNFAVORABLE) VARIANCES IN FINANCIAL RESULTS:

Operating cash flows

Operating cash flows increased year-on-year, mainly supported by improved working capital management and a reduction in finance costs.

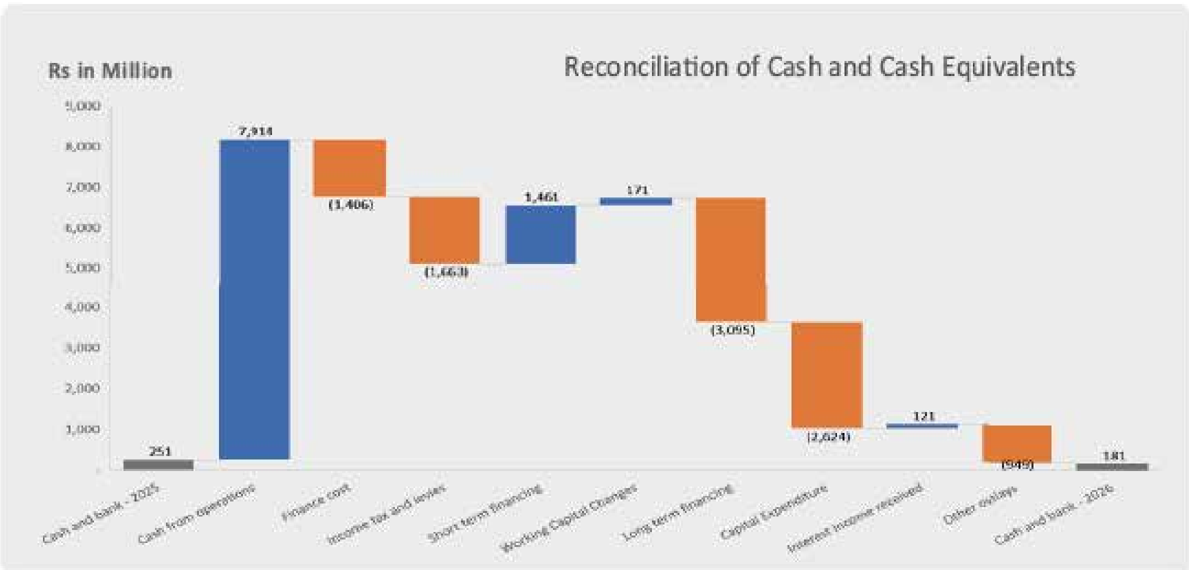
Investing cash flows

The increase in investing cash outflows was primarily driven by a decline in investment income during the year. In the previous year, the Company earned interest income of Rupees 1.082 billion, largely from investments in Government securities. The lower income generated from these investments during the current year contributed to the overall increase in net cash outflows from investing activities.

Financing cash flows

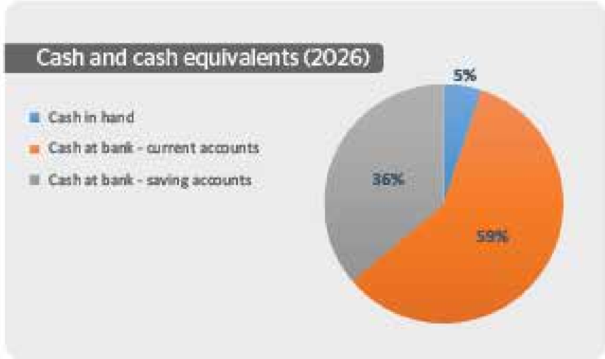
The higher cash outflows from financing activities during the year were primarily attributable to the early settlement of certain long-term loans and the payment of dividends. These financing activities led to increased utilization of cash during the year, reflecting the Company's prudent debt management and commitment to returning value to shareholders.

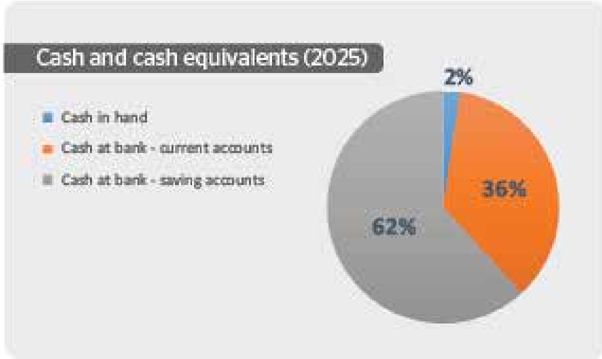
CASH AND CASH EQUIVALENTS



Breakup of cash and cash equivalents

Particulars	2026	2025
	Rupees in '000	
Cash in hand	9,320	5,956
Cash at bank - current accounts	106,359	90,053
Cash at bank - saving accounts	65,526	133,470

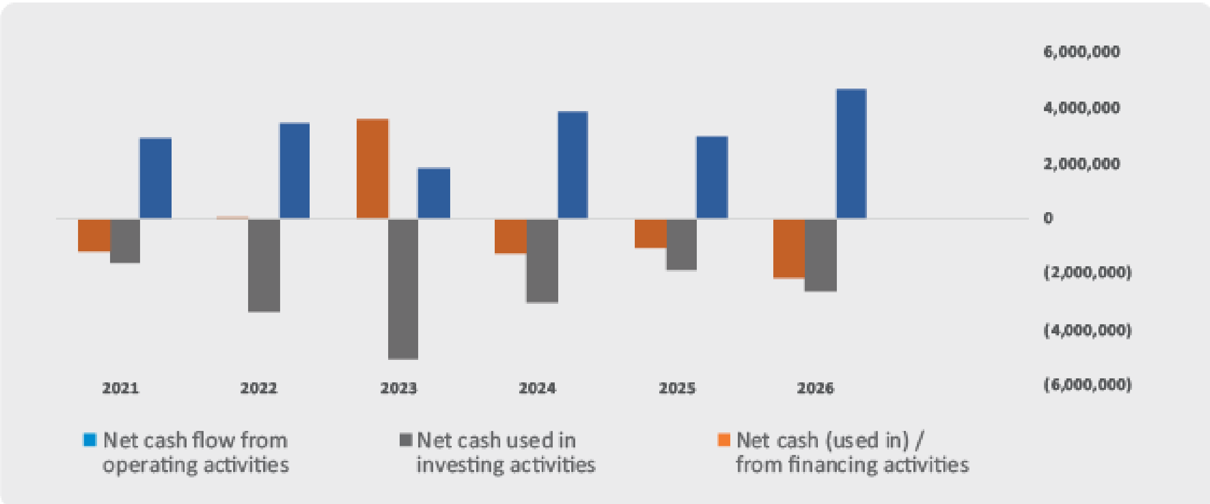




Summary of Cash flows

Financial Highlights	2026	2025	2024	2023	2022	2021
	Rupees in '000					
Net cash flow from operating activities	4,697,019	2,955,930	3,867,830	1,843,041	3,416,411	2,898,473
Net cash used in investing activities	(2,596,309)	(1,861,615)	(3,060,342)	(5,115,601)	(3,359,411)	(1,616,862)
Net cash (used in) / from financing activities	(2,169,664)	(1,049,634)	(1,231,912)	3,606,406	2,743	(1,218,338)
Net change in cash and cash equivalents	(68,954)	44,683	(424,424)	333,846	59,743	63,273

Cashflows



Free Cash Flows	2026	2025
	(Rs. in '000)	
Cash generated from operations	8,085,007	7,419,405
Capital expenditures	(2,624,498)	(2,725,705)
Free Cash Flows	5,460,509	4,693,700

Free Cash Flow (FCF) represents the cash generated from the Company's operations after accounting for capital expenditures required to maintain and support the business. Strong operating efficiency and effective cost management, contributes to improved cash generation. Effective working capital management also plays an important role by optimizing inventory and receivables and reducing the amount of cash tied up in day-to-day operations. In addition, a focus on higher-margin products supports overall profitability and cash generation, while disciplined capital allocation and investment planning help ensure that capital expenditures remain aligned with strategic priorities. Collectively, these measures strengthen the Company's ability to generate sustainable free cash flow and enhance financial flexibility.

STATEMENT OF CASH FLOWS (DIRECT METHOD)

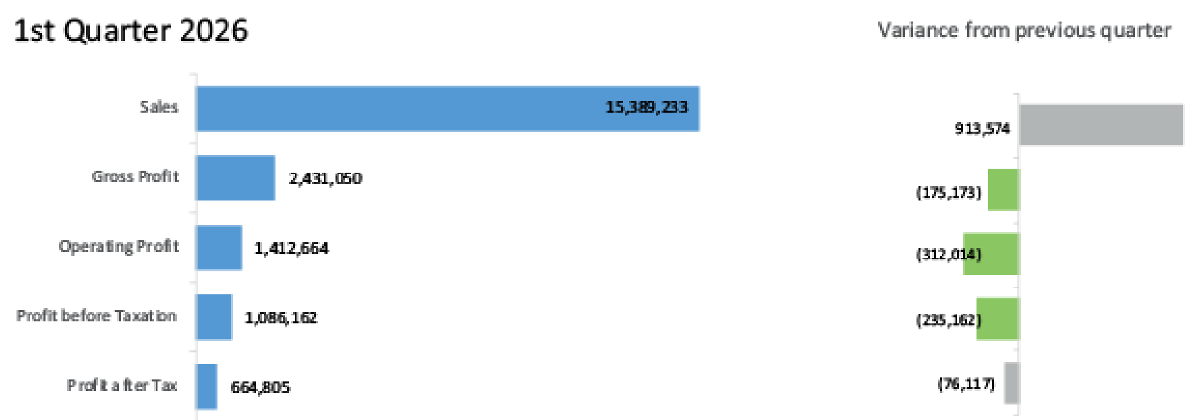
FOR THE YEAR ENDED 30 JUNE 2026

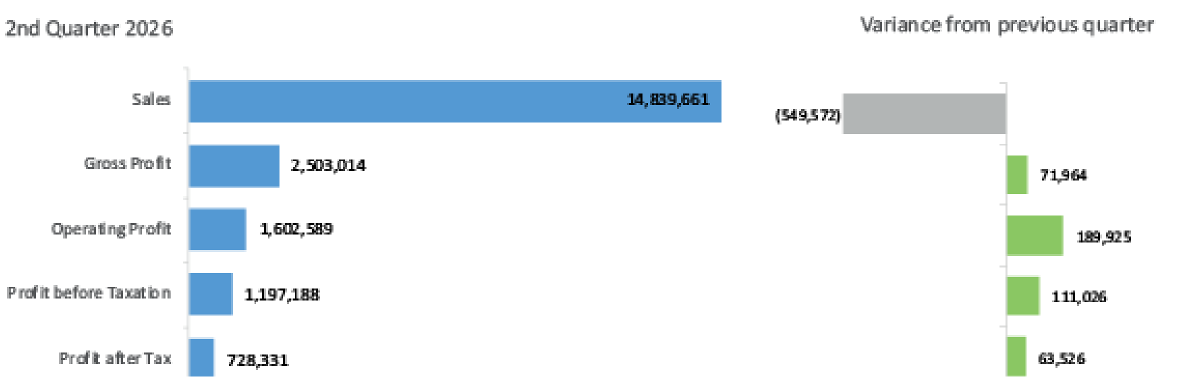
	2026	2025
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	59,317,941	59,985,221
Cash paid to suppliers and employees	(51,232,934)	(52,578,778)
Cash generated from operations	8,085,007	7,406,443
Finance cost paid	(1,405,566)	(3,167,964)
Income tax and levies paid	(1,662,552)	(1,146,161)
Worker's welfare fund paid	(82,314)	(17,141)
Workers' profits participation fund paid	(247,545)	(131,191)
Net decrease / (increase) in long term deposits	9,989	(1,016)
Net cash generated from operating activities	4,697,019	2,942,970
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(2,624,498)	(2,725,705)
Proceeds from disposal of property, plant and equipment	88,268	5,387
Short term investments - net	(181,403)	(224,015)
Interest received	121,201	1,082,420
Dividend received	123	298
Net cash used in investing activities	(2,596,309)	(1,861,615)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	611,477	-
Repayment of long term financing	(3,706,785)	(1,291,783)
Short term borrowings - net	1,461,141	242,787
Dividend paid	(535,497)	(638)
Net cash used in financing activities	(2,169,664)	(1,049,634)
Net (decrease) / increase in cash and cash equivalents	(68,954)	31,721
Effect of exchange rate changes	(805)	192
Cash and cash equivalents at the beginning of the year	250,964	219,051
Cash and cash equivalents at the end of the year	181,205	250,964

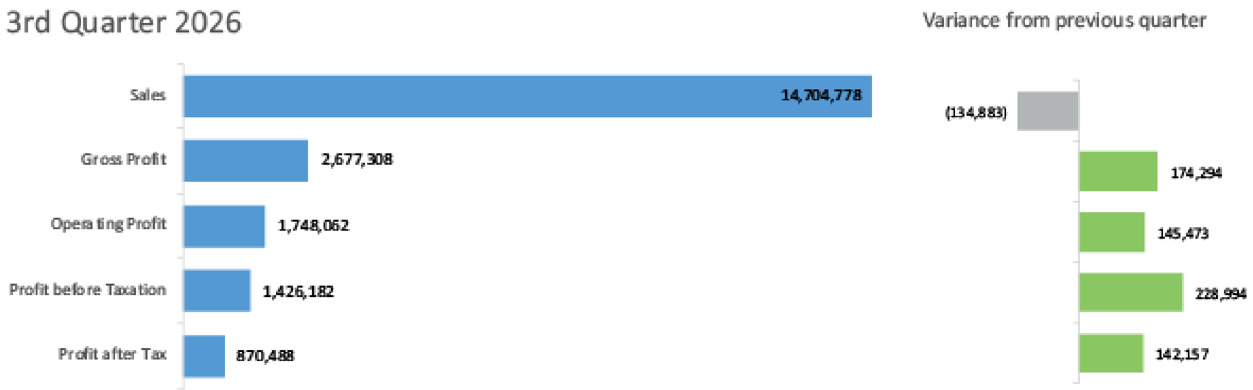
RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS AND FINAL ACCOUNTS

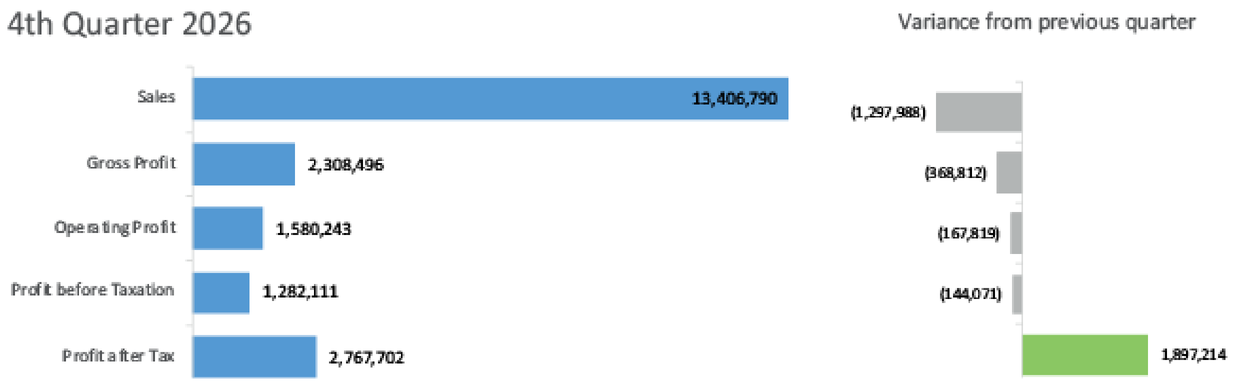
Particulars	Interim Reports Results						Annual	
	3 Months Period Ended 30-09-2025		6 Months Period Ended 31-12-2025		9 Months Period Ended 31-03-2026		Full Year Ended 30-06-2026	
	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%
Net Turnover	15,389,233		30,228,894		44,933,672		58,340,462	
Gross Profit	2,431,050	15.80%	4,934,064	16.32%	7,611,372	16.94%	9,919,868	17.00%
Operating Profit	1,412,664	9.18%	3,015,253	9.97%	4,763,315	10.60%	6,343,558	10.87%
Profit before taxation	1,086,162	7.06%	2,283,350	7.55%	3,709,532	8.26%	4,991,643	8.56%
Profit after taxation	664,805	4.32%	1,393,136	4.61%	2,263,624	5.04%	5,031,326	8.62%
Equity	32,647,177		32,836,909		33,707,397		36,475,099	
Current ratio (in times)	1.14		1.15		1.22		1.21	

GRAPHICAL PRESENTATION









ANALYSIS OF VARIATION IN RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS WITH THE FINAL ACCOUNTS

Quarter	Quarter 1 With Annual 30 June 2026	Quarter 2 With Annual 30 June 2026	Quarter 3 With Annual 30 June 2026
Gross Profit	Gross profit margin stood at 15.80%, compared with the annual gross profit margin of 17.00%. The overall profitability was supported by favorable energy and cotton prices, along with improved margins on export sales from the Home Textile divisions, particularly during the latter part of the year.	Gross profit margin improved from 16.87% in the second quarter to 17.00% for the full year. This improvement in profitability was primarily driven by favorable energy and cotton prices, along with stronger margins on export sales within the Home Textile division, particularly during the latter part of the year.	Gross profit margin stood at 18.21% in the third quarter, compared with the annual gross profit margin of 17.00%. The improvement was primarily driven by higher export sales from the Home Textile division, which generated stronger margins during the quarter. In addition, relatively lower utility costs further supported the Company's gross profitability during the period.
Operating Profit	Operating profit stood at 9.18%, compared with the annual operating profit margin of 10.87%. The stronger annual performance was primarily supported by favorable energy and cotton prices, coupled with improved margins on export sales from the Home Textile divisions, particularly during the latter part of the year.	Operating profit margin stood at 10.80%, compared with the annual operating profit margin of 10.87%, remaining broadly in line with the full-year performance.	Operating profit margin stood at 11.89% in the third quarter, compared with the annual operating profit margin of 10.87%. The improvement was primarily supported by stronger margins on higher export sales from the Home Textile division, coupled with relatively lower utility costs during the quarter, which contributed positively to overall operating profitability.
Net Profit	Net profit after tax for the quarter stood at Rupees 665 million, compared with the full-year net profit of Rupees 5,031 million, representing 13.2% of the Company's annual profitability.	Net profit after tax for the quarter stood at Rupees 728 million, compared with the annual net profit of Rupees 5,031 million, representing approximately 14.5% of the Company's full-year earnings.	Net profit after tax for the third quarter stood at Rupees 870 million, compared with the full-year net profit of Rupees 5,031 million, representing approximately 17.3% of the Company's full-year earnings.
Sharehold-ers' Equity	Shareholders' equity stood at Rs. 32,647 million, compared with the year-end equity position of Rs. 36,475 million. The movement in shareholders' equity primarily reflects the impact of the Company's financial performance and distributions during the year.	Shareholders' equity stood at Rupees 32,837 million, compared with the annual equity position of Rupees 36,475 million, reflecting the movement in the Company's net assets during the year.	Shareholders' equity stood at Rupees 33,707 million, compared with the annual equity position of Rupees 36,475 million.
Current Ratio	The current ratio stood at 1.14x, compared with the annual ratio of 1.21x, reflecting an improvement in the Company's short-term liquidity position during the latter part of the year.	The current ratio stood at 1.15x, compared with the annual ratio of 1.21x, reflecting a relatively stable short-term liquidity position during the period.	The current ratio improved marginally to 1.22x at the end of the nine-month period, compared with 1.21x on an annual basis, indicating a stable short-term liquidity position.

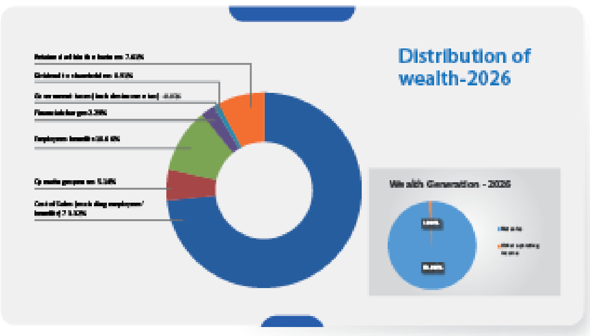
VALUE ADDITION AND DISTRIBUTION

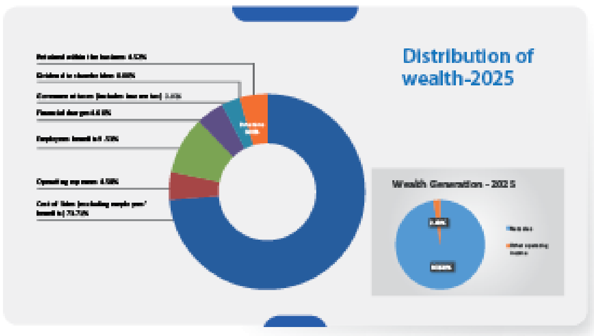
	2026		2025	
	Rs. '000	%	Rs. '000	%
Wealth Generated				
Revenue	58,340,462	99.00%	59,414,125	97.60%
Other operating income	591,655	1.00%	1,460,106	2.40%
	58,932,117	100.00%	60,874,231	100.00%
Distribution of wealth				
Cost of Sales (excluding employees' remuneration)	43,268,558	73.42%	44,868,554	73.71%
Distribution, administration & other expenses	3,032,013	5.14%	2,787,831	4.58%
Employees' remuneration	6,287,988	10.67%	5,801,428	9.53%
Financial charges	1,351,915	2.29%	2,798,790	4.60%
Government taxes (income tax) & levies	(39,683)	-0.07%	1,867,812	3.07%
Dividend to shareholders	538,599	0.91%	-	0.00%
Retained within the business	4,492,727	7.62%	2,749,816	4.52%
	58,932,117	100.00%	60,874,231	100.00%

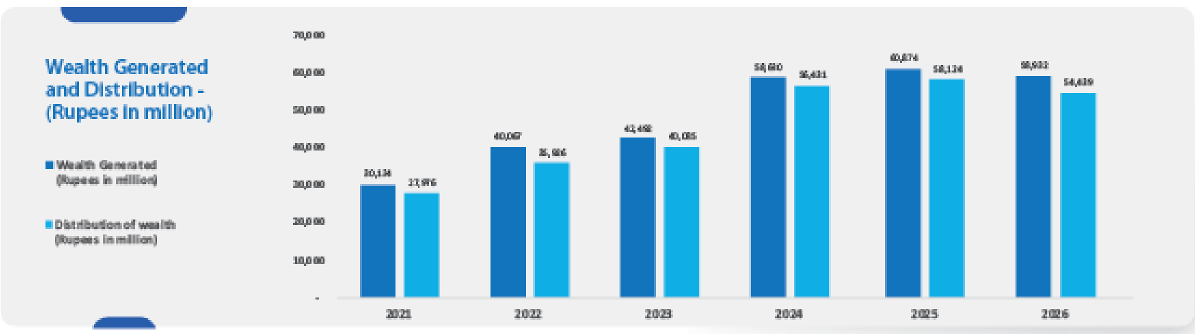
Economic Value Added	2026	2025
Net Profit after Tax	5,031,326	2,749,816
Less: Cost of capital	(682,252)	(341,442)
Economic Value Added	4,349,074	2,408,374

Economic value added (EVAD) is a measure of a Company's operating profit after tax generated in excess of cost of funds deployed. Ample EVAD exhibits that operations of the Company are driven with level of accuracy to full fill the requirements of finance providers.

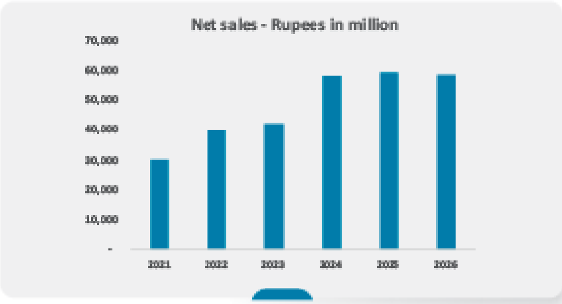
GRAPHICAL PRESENTATION

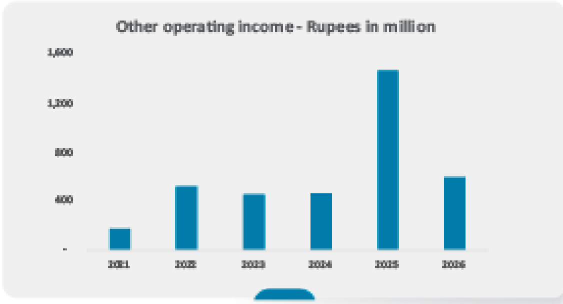




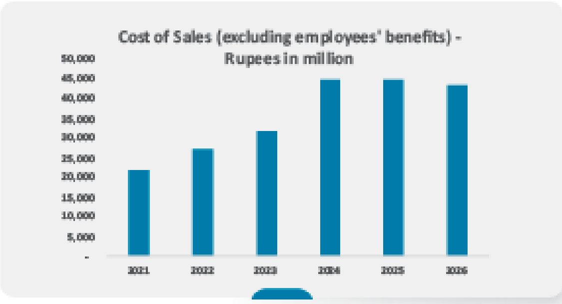


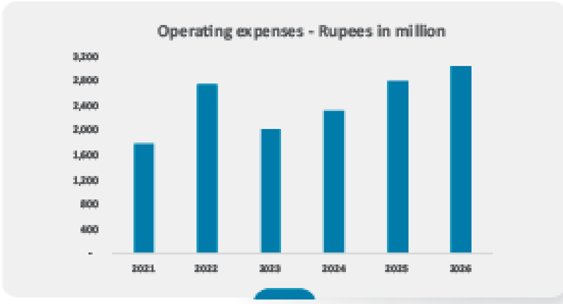
WEALTH GENERATION

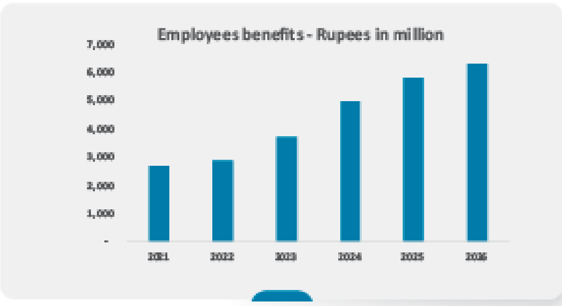


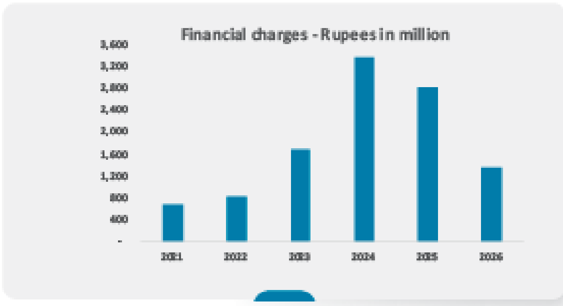


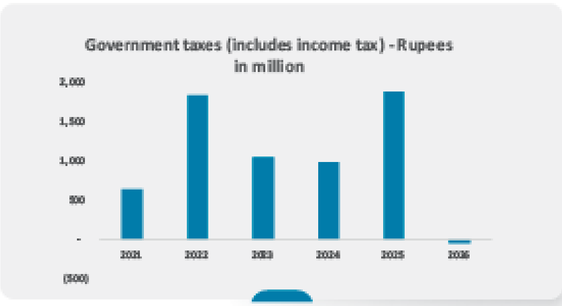
WEALTH DISTRIBUTION

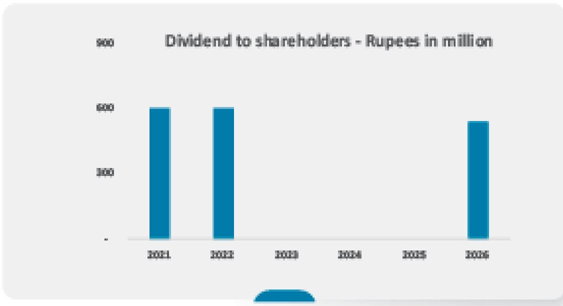


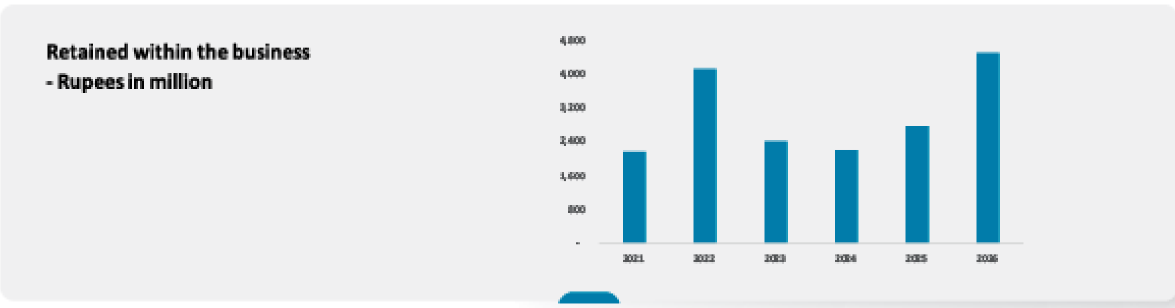






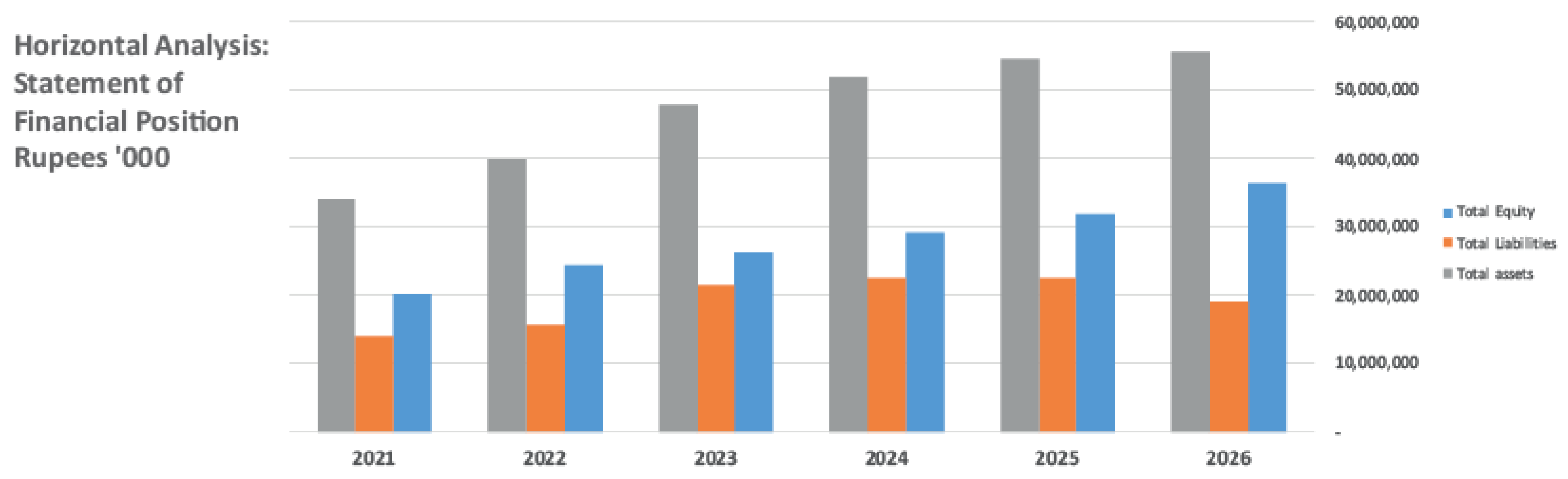






HORIZONTAL ANALYSIS
FINANCIAL POSITION

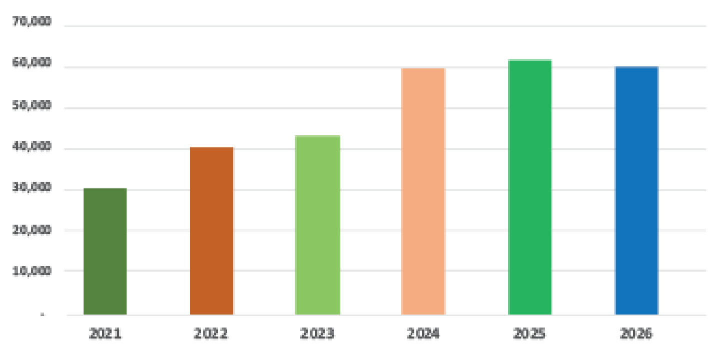
	2026	Change w.r.t 2025	2025	Change w.r.t 2024	2024	Change w.r.t 2023	2023	Change w.r.t 2022	2022	Change w.r.t 2021	2021
Balance Sheet	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"
Total Equity	36,475,099	14.05	31,982,372	9.41	29,232,556	10.75	26,394,797	8.62	24,299,688	20.55	20,157,557
Total non-current liabilities	3,323,552	(50.79)	6,753,561	(10.96)	7,584,753	(4.29)	7,924,849	52.94	5,181,514	33.42	3,883,657
Total current liabilities	15,881,492	0.34	15,828,420	5.27	15,036,294	10.83	13,566,572	29.93	10,441,312	3.45	10,093,041
Total equity and liabilities	55,680,143	2.04	54,564,353	5.23	51,853,603	8.29	47,886,218	19.95	39,922,514	16.96	34,134,255
Total non-current assets	36,524,442	2.64	35,585,441	3.53	34,371,034	13.22	30,358,612	16.33	26,097,750	10.29	23,662,335
Total current assets	19,155,701	0.93	18,978,912	8.56	17,482,569	(0.26)	17,527,606	26.78	13,824,764	32.02	10,471,920
Total assets	55,680,143	2.04	54,564,353	5.23	51,853,603	8.29	47,886,218	19.95	39,922,514	16.96	34,134,255



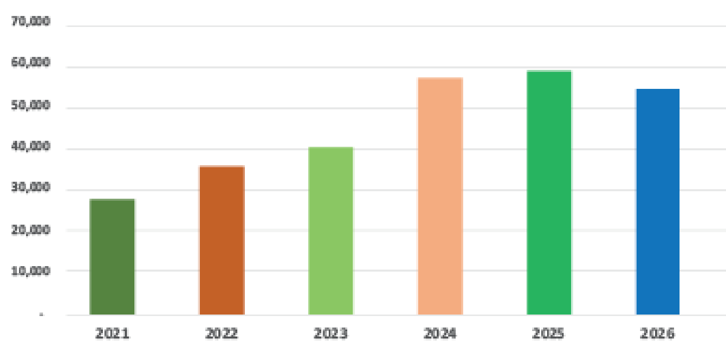
HORIZONTAL ANALYSIS
OF FINANCIAL PERFORMANCE

	2026	Change w.r.t 2025	2025	Change w.r.t 2024	2024	Change w.r.t 2023	2023	Change w.r.t 2022	2022	Change w.r.t 2021	2021
	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"
Net sales	58,340,462	(1.81)	59,414,125	2.13	58,174,952	38.36	42,046,556	6.29	39,558,284	32.06	29,955,525
Cost of sales	48,420,594	(2.40)	49,611,747	1.48	48,887,621	41.43	34,566,123	17.62	29,389,027	23.36	23,822,897
Gross profit	9,919,868	1.20	9,802,378	5.55	9,287,331	24.15	7,480,433	(26.44)	10,169,257	65.82	6,132,628
Selling and distribution expenses	2,189,780	1.23	2,163,155	21.67	1,777,917	34.70	1,319,918	(17.23)	1,594,678	30.88	1,218,390
Administrative expenses	1,585,195	12.44	1,409,835	13.21	1,245,316	19.76	1,039,808	39.16	747,220	16.19	643,123
Other operating expenses	392,990	43.91	273,076	54.54	176,697	(59.35)	434,658	(54.58)	957,075	146.47	388,309
Other operating income	591,655	(59.48)	1,460,106	220.67	455,326	2.35	444,851	(12.68)	509,465	185.11	178,692
Profit from operations	6,343,558	(14.47)	7,416,418	13.35	6,542,727	27.52	5,130,900	(30.47)	7,379,749	81.70	4,061,498
Finance cost	1,351,915	(51.70)	2,798,790	(16.69)	3,359,345	101.48	1,667,308	107.34	804,123	21.14	663,789
Profit before taxation and levy	4,991,643	8.10	4,617,628	45.05	3,183,382	(8.09)	3,463,592	(47.33)	6,575,626	93.53	3,397,709
Provision for taxation and levy	(39,683)	(102.12)	1,867,812	89.78	984,220	(6.83)	1,056,330	(42.43)	1,834,903	186.09	641,380
Profit after taxation	5,031,326	82.97	2,749,816	25.04	2,199,162	(8.64)	2,407,262	(49.22)	4,740,723	71.99	2,756,329

Total Income - Rupees in million



Total Expenses - Rupees in million

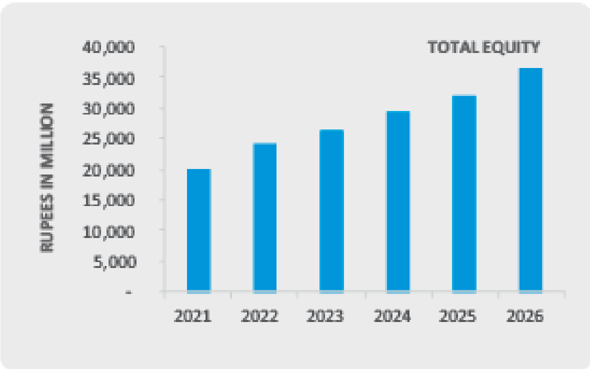


COMMENTS ON THE 6 YEARS HORIZONTAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS

STATEMENT OF FINANCIAL POSITION:

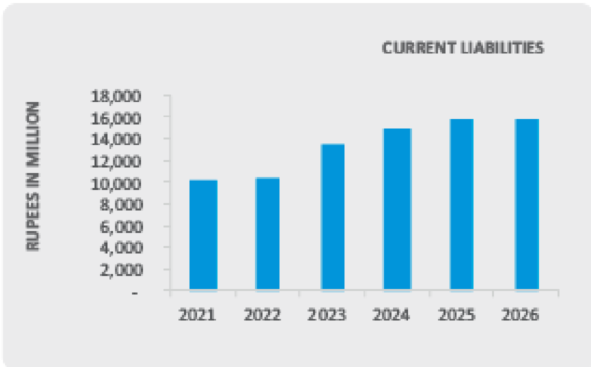
Equity:

The steady growth in shareholder equity is largely attributed to the Company's successful and profitable operations.



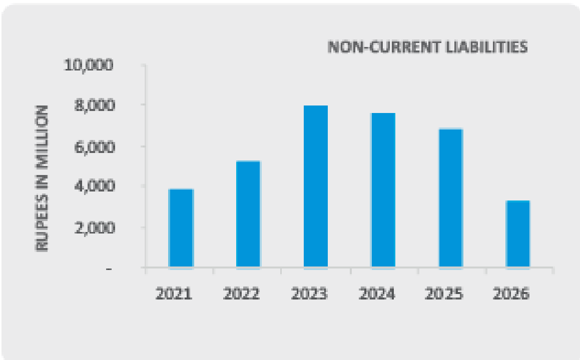
Current liabilities:

The slight increase in current liabilities aligns with the Company's expanding business operations, primarily driven by higher short-term borrowings to support working capital requirements.



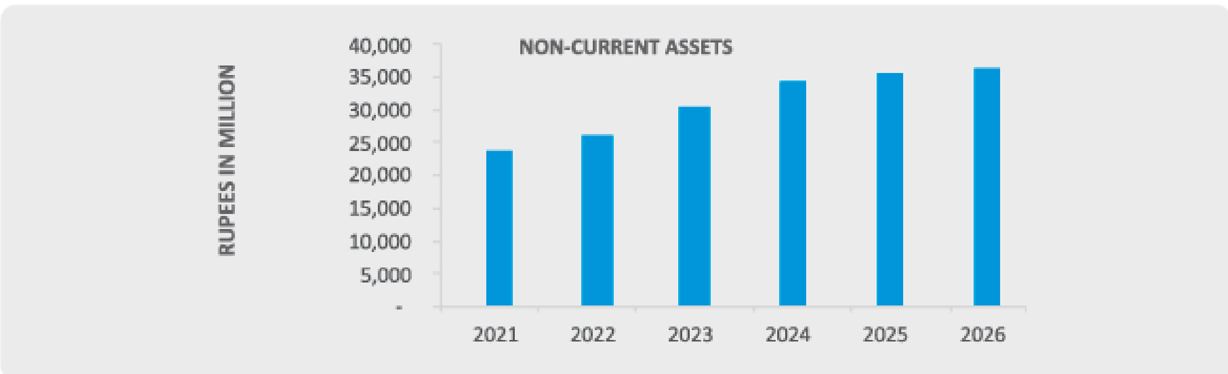
Non-current liabilities:

The decline in non-current liabilities primarily reflects scheduled repayments of existing financing during the fiscal year, along with the early settlement of certain financing facilities. This movement demonstrates the Company's continued focus on strengthening its balance sheet through prudent debt management and reducing reliance on additional borrowings.



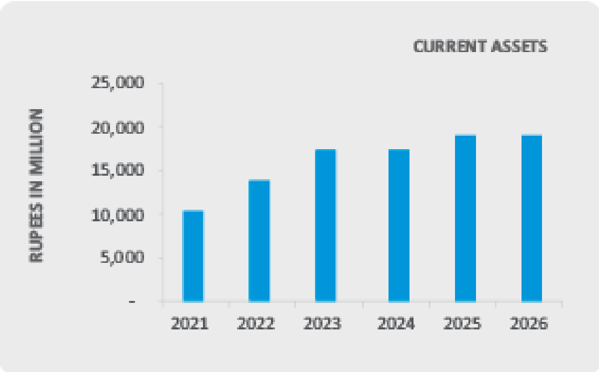
Non-current assets:

Tangible Fixed Assets recorded significant growth of 137% over the six-year period, rising from Rs. 10.706 billion in 2021 to Rs. 25.34 billion in 2026. This expansion stems from sustained capital expenditure, particularly on the modernization of Plant & Machinery and the capacity enhancement of the spinning, weaving, and power divisions through the installation of additional spindles, looms, and solar power plants. These strategic investments reflect the Company's long-term focus on operational efficiency, capacity building, and sustainable energy initiatives.



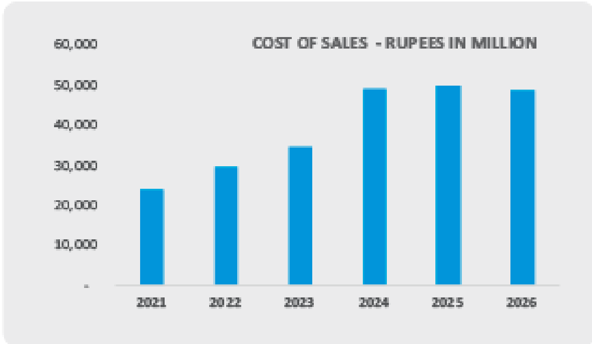
Current assets:

The growth in current assets over the years is consistent with the Company's underlying business expansion. Key contributors include the scaling up of operations, implementation of more efficient inventory management policies, higher annual sales, and targeted strategic investments. This upward trend underscores prudent financial management practices and reinforces the Company's long-term growth strategy.



Cost of sales:

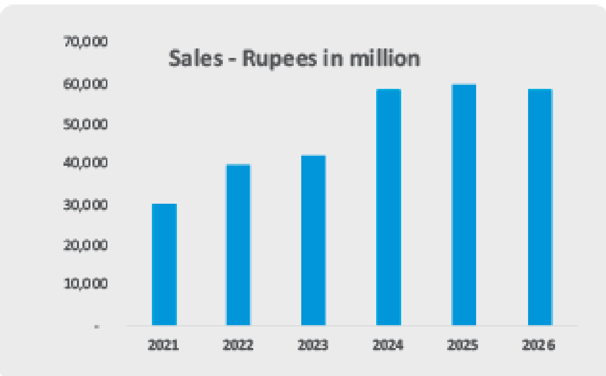
Cost of sales increased by 103% over the six-year period, rising from Rs. 23.823 billion in 2021 to Rs. 48.421 billion in 2026, representing an average annual growth rate of 12.55%. The increase is largely driven by the expansion of production capacity in the spinning and weaving divisions. In addition, inflationary pressures, particularly the surge in energy prices over the past few years have significantly contributed to the escalation in cost of sales.



Statement of profit or loss:

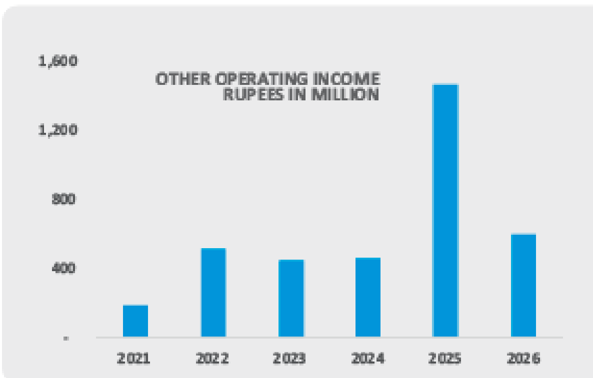
Net sales:

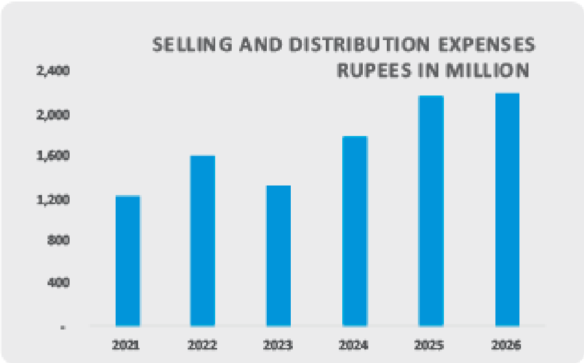
Revenue grew by 95% over a six-year period, rising from Rs. 29.96 billion in 2021 to Rs. 58.34 billion in 2026, reflecting an average annual growth rate of 11.75%. This growth is primarily attributable to the expansion of production capacity in the spinning and weaving divisions over the last few years. Additionally, higher exchange rates and inflationary trends in the country further contributed to the increase in revenue during the period.

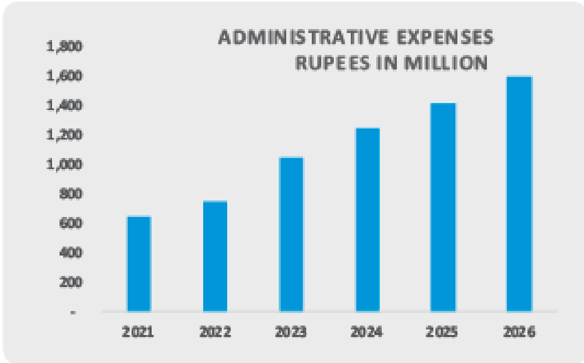


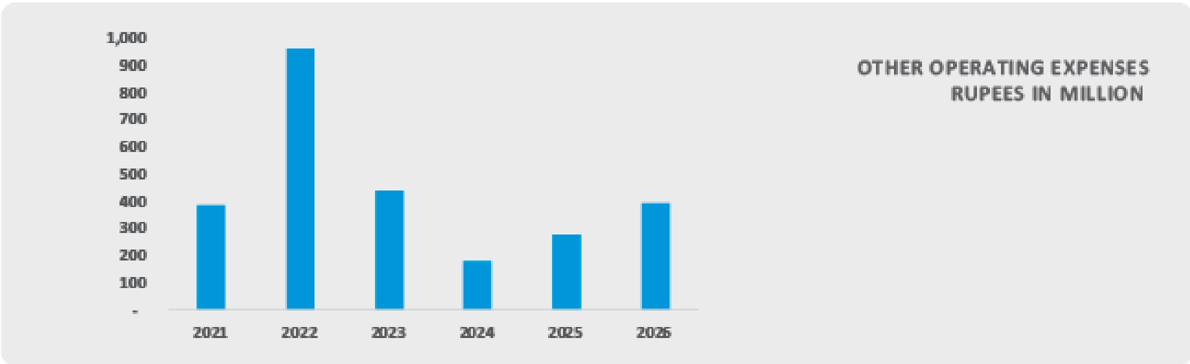
Oporating Expenses:

Distribution costs increased in line with the growth in export revenue during the fiscal year, primarily driven by higher export sales from the Weaving Division. Despite the prevailing inflationary environment, distribution costs remained well controlled through disciplined cost management and stringent monitoring of key expenditure areas. Administrative expenses increased broadly in line with domestic inflationary trends. Meanwhile, the significant decrease in other operating income was primarily attributable to the absence of income from investments in Government securities during the current fiscal year, whereas the Company had generated income from such investments in the previous fiscal year.







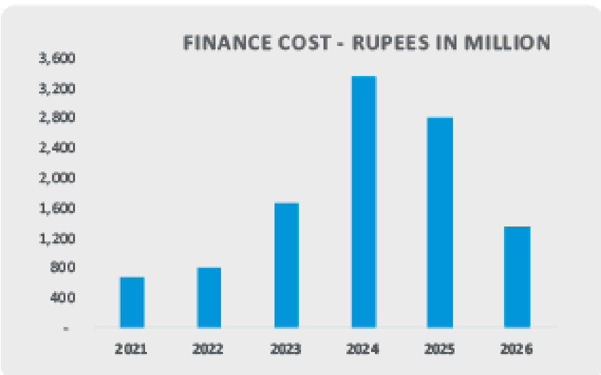


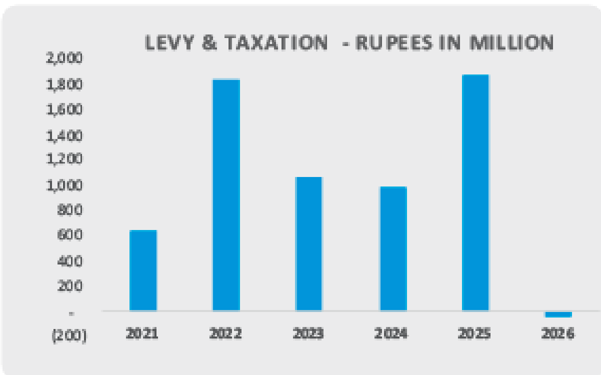
Finance cost:

During the fiscal year, finance cost declined by 51.70%, primarily driven by a substantial reduction in the Central Bank's policy rate, which lowered borrowing costs. In addition, improved working capital management, including efficient utilization of internal cash flows and reduced reliance on external borrowings, further contributed to the decrease as compared to the previous year.

Levy and taxation:

The decrease in tax expense is primarily attributable to one-off reversal of the deferred tax liability following a change in the tax regime.





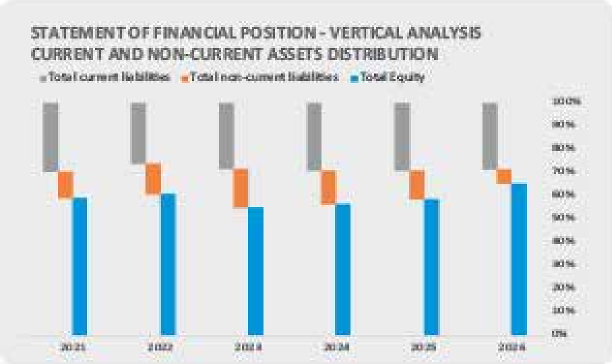
VERTICAL ANALYSIS OF FINANCIAL POSITION

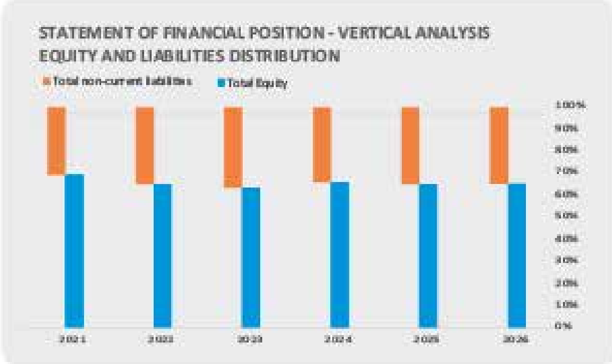
	2026	%	2025	%	2024	%	2023	%	2022	%	2021	%
	....................Rupees in thousand....................											
BALANCE SHEET												
Total Equity	36,475,099	65.51	31,982,372	58.61	29,232,556	56.38	26,394,797	55.12	24,299,688	60.87	20,157,557	59.05
Total non-current liabilities	3,323,552	5.97	6,753,561	12.38	7,584,753	14.63	7,924,849	16.55	5,181,514	12.98	3,883,657	11.38
Total current liabilities	15,881,492	28.52	15,828,420	29.01	15,036,294	29.00	13,566,572	28.33	10,441,312	26.15	10,093,041	29.57
Total equity and liabilities	55,680,143	100.00	54,564,353	100.00	51,853,603	100.00	47,886,218	100.00	39,922,514	100.00	34,134,255	100.00
Total non-current assets	36,524,442	65.60	35,585,441	65.22	34,371,034	66.28	30,358,612	63.40	26,097,750	65.37	23,662,335	69.32
Total current assets	19,155,701	34.40	18,978,912	34.78	17,482,569	33.72	17,527,606	36.60	13,824,764	34.63	10,471,920	30.68
Total assets	55,680,143	100.00	54,564,353	100.00	51,853,603	100.00	47,886,218	100.00	39,922,514	100.00	34,134,255	100.00

VERTICAL ANALYSIS OF FINANCIAL PERFORMANCE

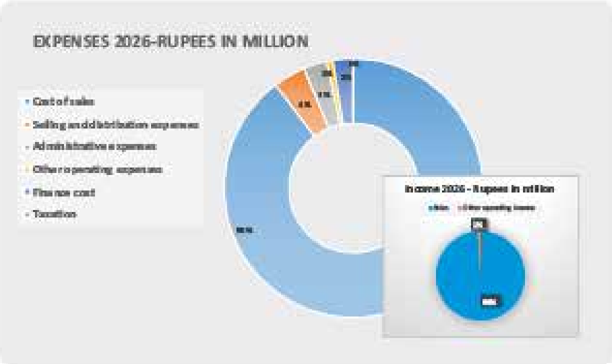
	2026	%	2025	%	2024	%	2023	%	2022	%	2021	%
Net sales	58,340,462	100.00	59,414,125	100.00	58,174,952	100.00	42,046,556	100.00	39,558,284	100.00	29,955,525	100.00
Cost of sales	48,420,594	83.00	49,611,747	83.50	48,887,621	84.04	34,566,123	82.21	29,389,027	74.29	23,822,897	79.53
Gross profit	9,919,868	17.00	9,802,378	16.50	9,287,331	15.96	7,480,433	17.79	10,169,257	25.71	6,132,628	20.47
Selling and distribution expenses	2,189,780	3.75	2,163,155	3.64	1,777,917	3.06	1,319,918	3.14	1,594,678	4.03	1,218,390	4.07
Administrative expenses	1,585,195	2.72	1,409,835	2.37	1,245,316	2.14	1,039,808	2.47	747,220	1.89	643,123	2.15
Other operating expenses	392,990	0.67	273,076	0.46	176,697	0.30	434,658	1.03	957,075	2.42	388,309	1.30
Other operating income	591,655	1.01	1,460,106	2.46	455,326	0.78	444,851	1.06	509,465	1.29	178,692	0.60
Profit from operations	6,343,558	10.87	7,416,418	12.48	6,542,727	11.25	5,130,900	12.20	7,379,749	18.66	4,061,498	13.56
Finance cost	1,351,915	2.32	2,798,790	4.71	3,359,345	5.77	1,667,308	3.97	804,123	2.03	663,789	2.22
Profit before taxation and levy	4,991,643	8.56	4,617,628	7.77	3,183,382	5.47	3,463,592	8.24	6,575,626	16.62	3,397,709	11.34
Provision for taxation and levy	(39,683)	(0.07)	1,867,812	3.14	984,220	1.69	1,056,330	2.51	1,834,903	4.64	641,380	2.14
Profit after taxation	5,031,326	8.62	2,749,816	4.63	2,199,162	3.78	2,407,262	5.73	4,740,723	11.98	2,756,329	9.20

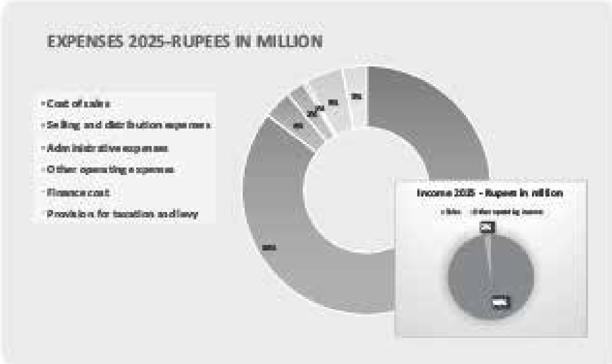
VERTICAL ANALYSIS OF FINANCIAL POSITION





VERTICAL ANALYSIS OF FINANCIAL STATEMENTS (PROFIT & LOSS)





COMMENTS ON THE 6 YEARS VERTICAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS

Statement of Financial Position:

Equity:

Equity represents 66% of the Company's total balance sheet, primarily supported by sustained profitability and the continued accumulation of retained earnings. This reflects the Company's strong internal capital generation and a solid equity base.

Non-current liabilities:

Non-current liabilities accounted for 5.97% of the balance sheet this year, down from 12.38% last year, mainly due to scheduled repayments of existing financing during the fiscal year, along with the early settlement of certain financing facilities. This movement demonstrates the Company's continued focus on strengthening its balance sheet through prudent debt management and reducing reliance on additional borrowings.

Non-current assets:

Non-current assets increased from Rs. 35,585 million in 2025 to Rs. 36,524 million in 2026, primarily due to capital expenditures on production facilities across all divisions of the Company.

Statement of Profit or Loss:

Gross margin:

The increase in gross profit was primarily driven by higher export sales volumes from the Weaving Division, coupled with improved selling prices in the Home Textile Division over previous year. In addition, favorable energy and cotton prices provided further support to gross profit margins, contributing to an overall improvement in profitability.

Finance cost:

During the fiscal year, finance cost declined by 51.70%, primarily driven by a substantial reduction in the Central Bank's policy rate, which lowered borrowing costs. In addition, improved working capital management, including efficient utilization of internal cash flows and reduced reliance on external borrowings, further contributed to the decrease as compared to the previous year.

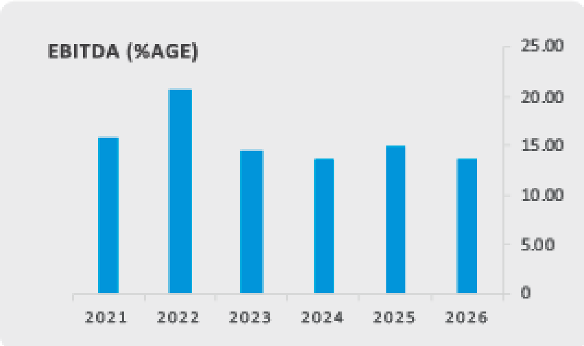
Profit from operations:

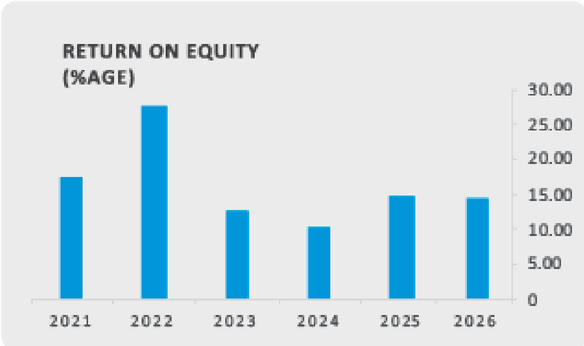
Operating profit declined compared to the previous year, primarily due to a significant reduction in other income. The higher other income recorded in the previous year was mainly attributable to income generated from investments in Government securities.

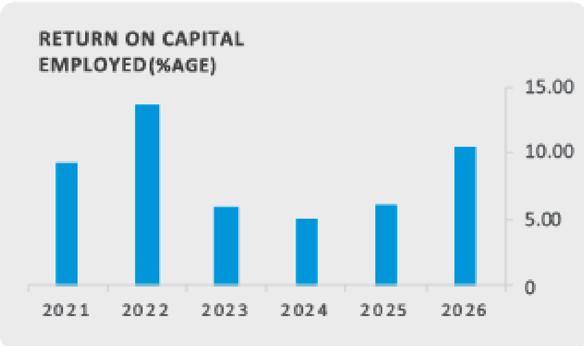
KEY OPERATING AND FINANCIAL DATA

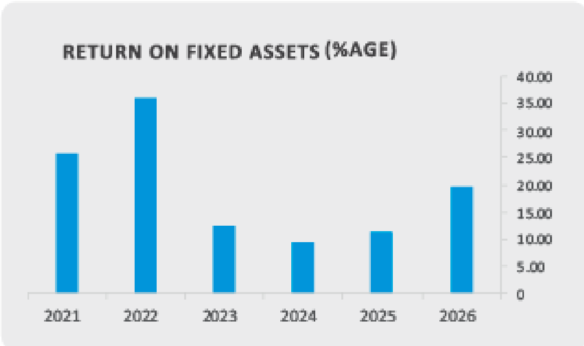
SIX YEARS SUMMARY

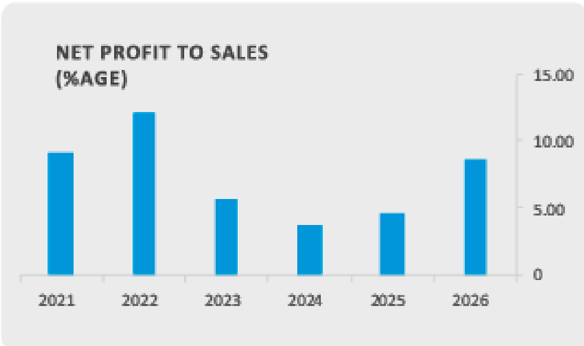
Financial Highlights	2026	2025	2024	2023	2022	2021
RATIOS:						
Profitability Ratios:						
Gross Profit to sales (%age)	17.00	16.50	15.96	17.79	25.71	20.47
Net Profit to sales (%age)	8.62	4.63	3.78	5.73	11.98	9.20
EBITDA (%age)	13.69	14.99	13.60	14.50	20.56	15.70
Operating leverage ratio	7.24	6.68	0.72	(5.08)	2.55	1.39
Return on equity (%age)	14.44	14.71	10.34	12.53	27.51	17.45
Return on capital employed (%age)	10.40	6.04	5.03	5.91	13.67	9.19
Profit before tax ratio (%age)	8.56	7.77	5.14	7.91	16.62	11.34
Effective tax rate (%age)	(0.79)	40.45	30.92	30.50	27.90	18.88
Cost / Revenue ratio (%age)	83.00	83.50	84.04	82.21	74.29	79.53
Return on Fixed Assets	19.86%	11.27%	9.49%	12.53%	36.16%	25.74%
Return on Investment	11.39%	13.59%	12.62%	10.71%	18.49%	11.90%
Shareholders Funds	65.51%	58.61%	56.38%	55.12%	60.87%	59.05%
Return on shareholder funds	13.79%	8.60%	7.52%	9.12%	19.51%	13.67%











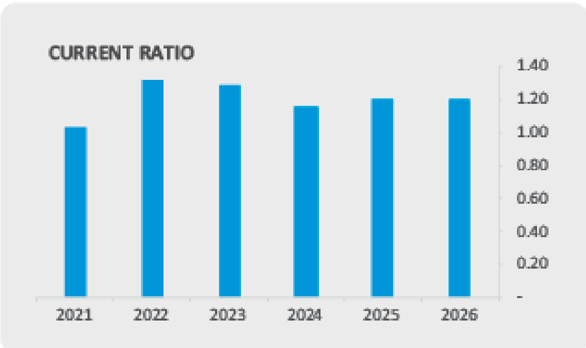
KEY OPERATING AND FINANCIAL DATA

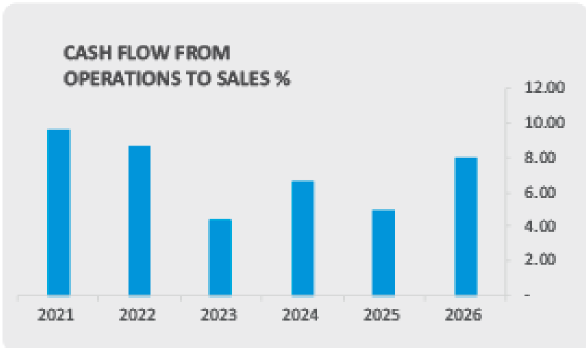
SIX YEARS SUMMARY

Financial Highlights	2026	2025	2024	2023	2022	2021
Liquidity Ratios:						
Current ratio	1.21	1.20	1.16	1.29	1.32	1.04
Acid test ratio	0.53	0.57	0.63	0.56	0.66	0.56
Cash to current liabilities	0.01	0.02	0.01	0.05	0.03	0.02
Cash flow from operations to sales %	8.05	4.95	6.65	4.38	8.64	9.68
Cash flow from operations to capital expenditures	1.79	1.08	1.19	0.35	1.07	1.71
Cash flow coverage ratio	0.40	0.22	0.27	0.13	0.33	0.30

Liquidity Ratios:

Over the past six years, the Company's liquidity indicators have demonstrated an overall improvement in its financial position. The current ratio increased from 1.04x in 2021 to 1.21x in 2026, indicating strengthened short-term liquidity and improved capacity to meet current obligations through available current assets. Cash flow from operations as a percentage of sales also improved from 4.95% in 2025 to 8.05% in 2026, primarily supported by lower finance costs and more effective working capital management. Furthermore, the cash flow from operations to capital expenditure ratio increased from 1.08x in the previous year to 1.79x in 2026, reflecting stronger internally generated cash flows and an improved ability to finance capital expenditure through operating cash generation.

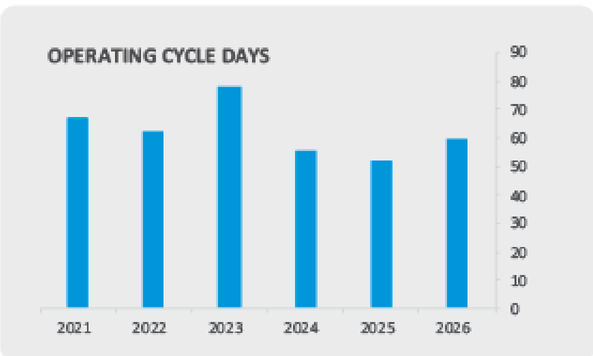


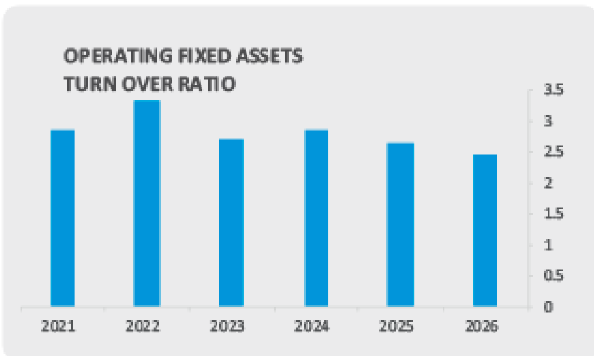


Financial Highlights	2026	2025	2024	2023	2022	2021
Activity / Turnover Ratios:						
No. of days in Inventory	67	57	59	78	62	72
No. of days in receivables	34	38	34	38	35	34
No. of days in creditors	41	42	38	39	35	40
Operating cycle	60	52	55	78	62	67
Inventory turn over	5	6	6	5	6	5
Debtors turn over ratio	11	10	11	10	10	11
Creditors turnover ratio	9	9	10	9	10	9
Total assets turn over / return on investment ratio	1.06	1.12	1.17	0.96	1.07	0.90
Fixed assets turn over ratio	2.35	2.50	2.74	2.46	2.88	2.49
Operating fixed assets turn over ratio	2.44	2.63	2.84	2.68	3.33	2.85

Operating cycle:

The Company's operating cycle increased from 52 days in 2025 to 60 days in 2026, primarily due to an increase in inventory days from 57 days to 67 days. The higher inventory holding was mainly attributable to the Company's efforts to ensure adequate availability of raw materials and finished goods, support business requirements, facilitate timely customer deliveries, and mitigate potential supply chain and procurement-related risks. Receivable days, however, improved from 38 days to 34 days, reflecting more efficient collection of outstanding balances. Creditor days remained stable at 41 days, indicating consistent management of supplier credit and payment obligations.



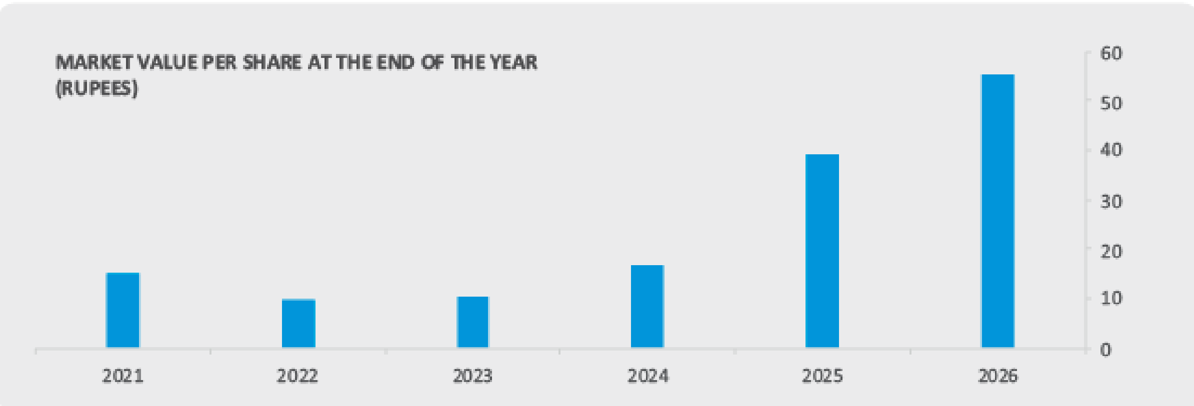


KEY OPERATING AND FINANCIAL DATA

SIX YEARS SUMMARY

Financial Highlights	2026	2025	2024	2023	2022	2021
Investment / Market Ratios:						
Earnings per share - Basic - (Rupees)	3.74	2.04	1.61	1.61	3.17	1.84
Earnings per share - Diluted - (Rupees)	3.74	2.04	1.61	1.61	3.17	1.84
Price earning ratio	14.78	19.22	10.28	6.32	3.16	8.17
Price to book ratio	55.21 : 27.09	39.25 : 23.75	16.59 : 21.71	10.18 : 18.00	10.00 : 16.24	15.04 : 13.47
Dividend yield ratio	20%	-	-	-	10%	20%
Dividend payout ratio (%age)	10.70	-	-	-	6.31	21.72
Dividend cover ratio - (Times)	-	-	-	-	3.17	0.92
Cash dividend per share - (Rupees)	0.40	-	-	-	0.20	0.40
Stock dividend per share	-	-	-	-	-	-
Breakup value per share - (Rupees):						
- without revaluation surplus	22.66	19.32	17.28	15.36	13.65	10.88
- with revaluation surplus	27.09	23.75	21.71	18.00	16.24	13.47
- with revaluation surplus and investments at fair value	84.46	65.18	37.01	24.66	22.04	19.38
Market value per share at the end of the year - (Rupees)	55.21	39.25	16.59	10.18	10.00	15.04
Share Price - High during the year - (Rupees)	61.00	41.20	21.60	12.61	17.74	16.00
Share Price - Low during the year - (Rupees)	37.02	13.40	10.25	6.81	10.00	7.10
Earning assets to total assets ratio (%age)	65.41	65.01	66.06	63.27	65.23	69.17

NOTE: Above figures for previous financial years have been adjusted for stock split (1:5) for the purpose of better presentation.

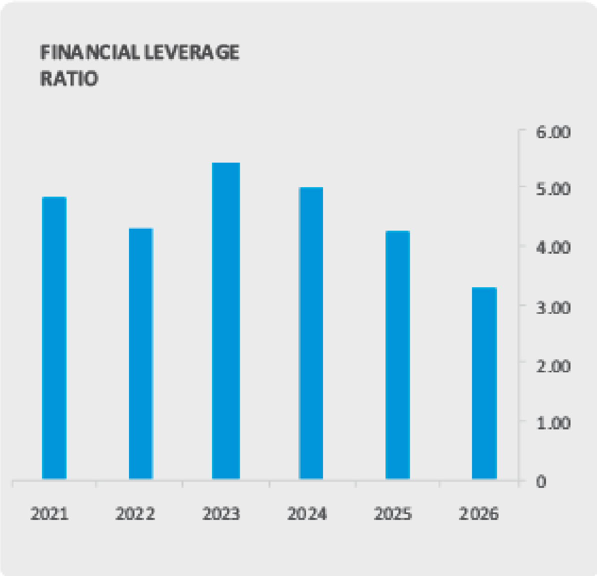


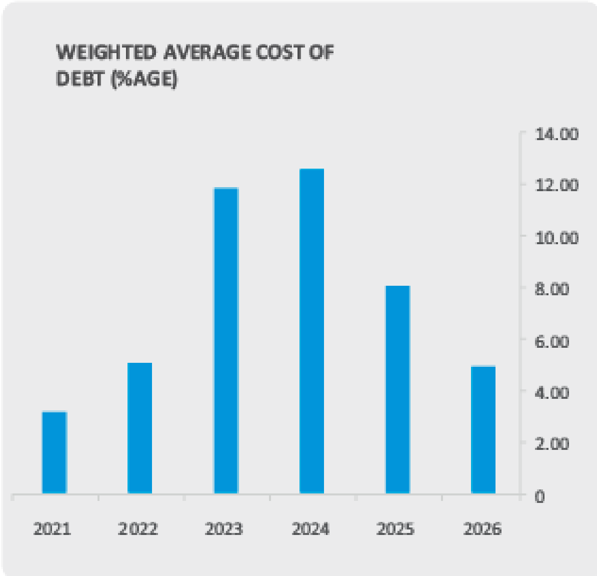
KEY OPERATING AND FINANCIAL DATA
SIX YEARS SUMMARY

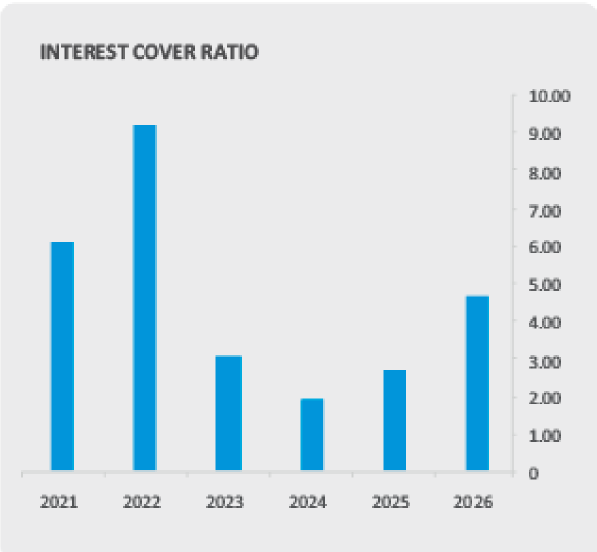
Financial Highlights	2026	2025	2024	2023	2022	2021
Capital Structure Ratios:						
Financial leverage ratio	0.33	0.42	0.50	0.54	0.43	0.48
Weighted average cost of debt (%age)	4.94	8.04	12.46	11.76	5.08	3.17
Long term debt to equity ratio (as per book)	7 : 93	15 : 85	19 : 81	22 : 78	18 : 82	17 : 83
Debt to equity ratio (as per market value)	3 : 97	10 : 90	22 : 78	33 : 67	26 : 74	12 : 88
Interest cover ratio	4.69	2.65	1.95	3.08	9.18	6.12
Average operating working capital to sales ratio	0.20	0.18	0.18	0.23	0.19	0.21
Net borrowing to EBITDA ratio	1.47	1.49	1.81	2.24	1.24	2.02
Net assets per share	27.09	23.75	21.71	18.00	16.24	13.47
Debt service coverage ratio	1.56	2.00	1.66	2.87	4.59	3.87

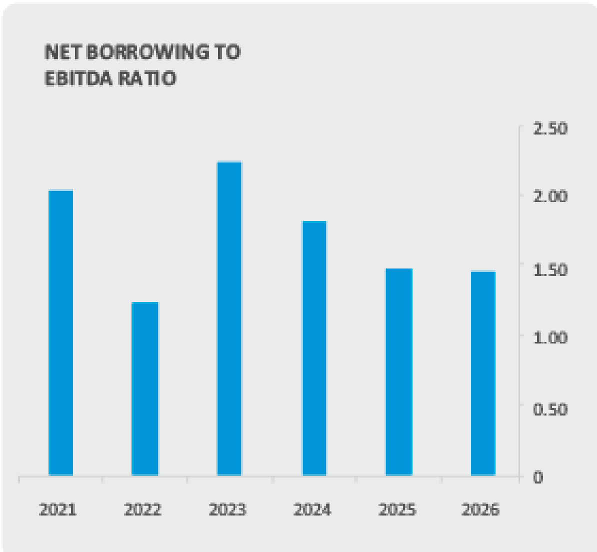
Comment on interest cover ratio:
Interest cover ratio:

The Interest Cover Ratio is a key financial indicator of a company's capacity to service its debt obligations. The Company's interest cover ratio improved from 2.65 in 2025 to 4.69 in 2026, driven by the reduction in the central bank's policy rate and enhanced working capital management. This improvement reflects a stronger ability to meet interest commitments and a lower financial risk profile.



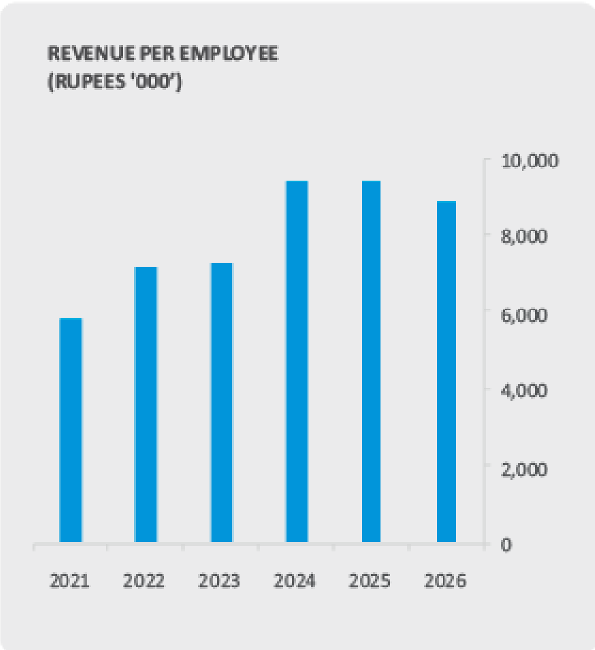


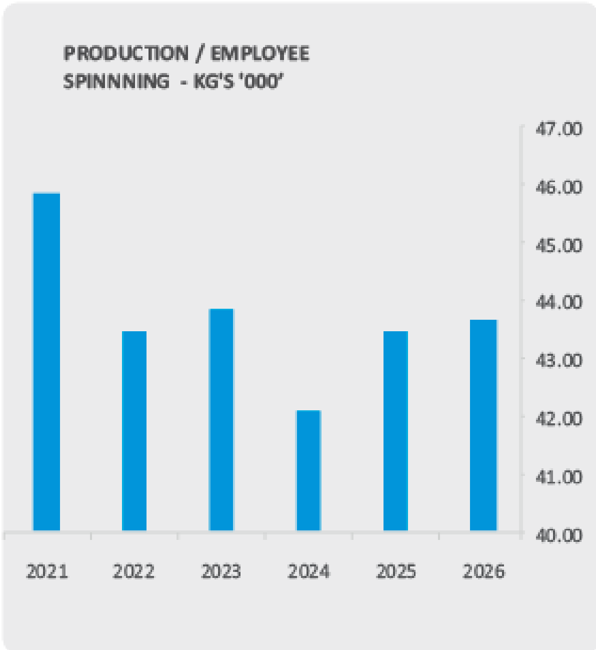


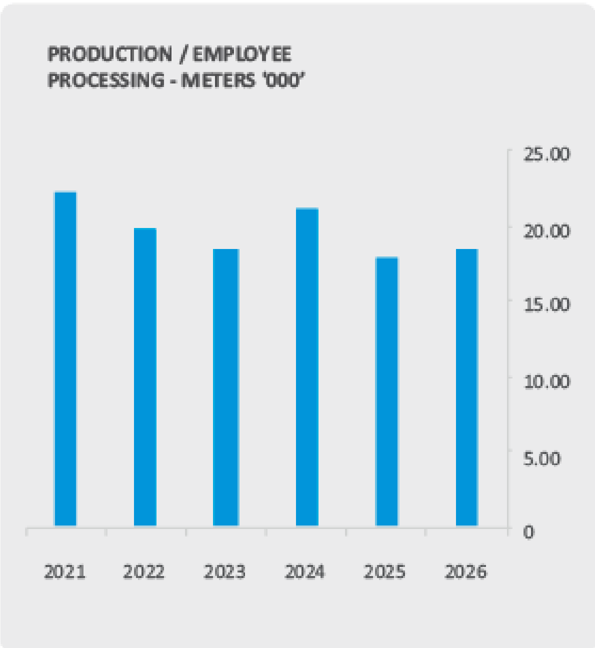


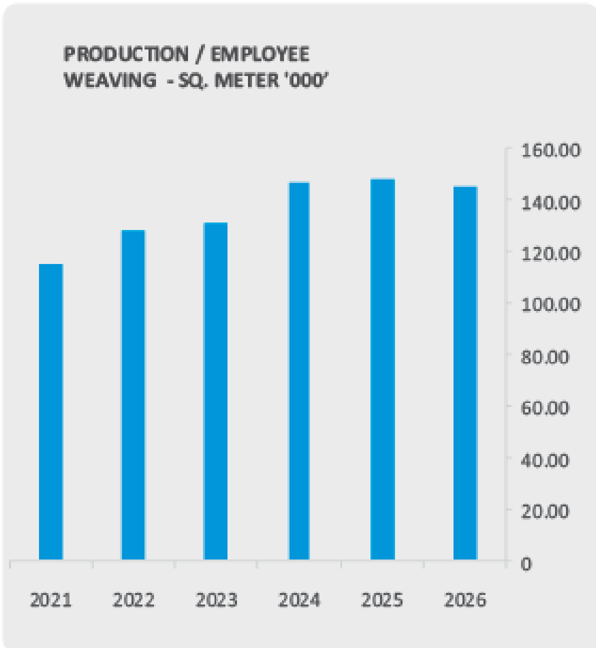
KEY OPERATING AND FINANCIAL DATA
SIX YEARS SUMMARY

Financial Highlights	2026	2025	2024	2023	2022	2021
Employee Productivity Ratios:						
Production per employee						
Spinnning - Kg's 000	43.61	43.43	42.07	43.81	43.45	45.80
Processing - Meters ' 000	18.41	17.89	21.02	18.55	19.64	22.32
Weaving - Sq. Meter '000	143.79	147.38	146.15	129.57	127.34	114.28
Revenue per employee (Rupees '000)	8,850	9,342	9,338	7,274	7,162	5,812
Staff Turnover Ratio	3	3	2	3	2	1



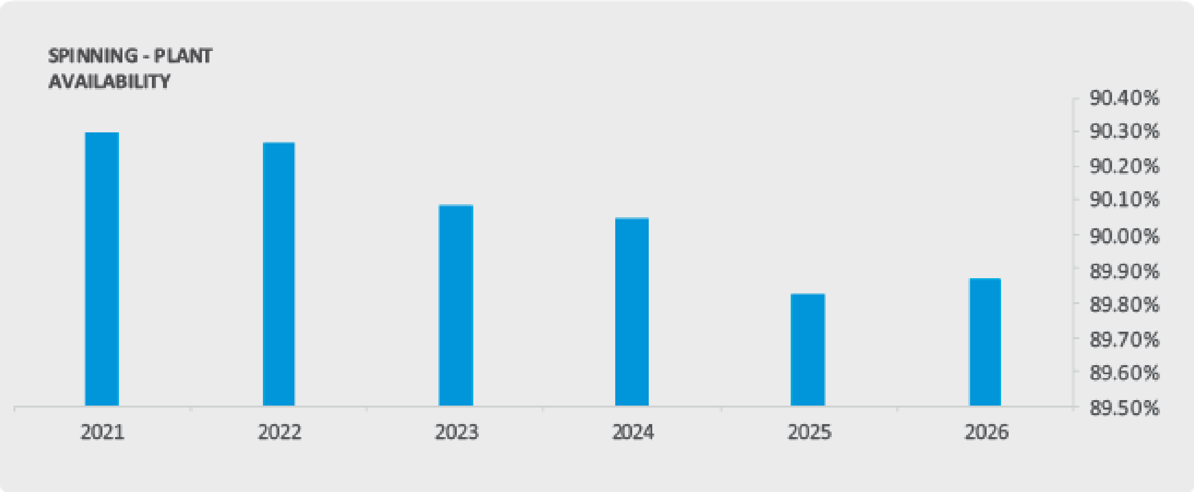


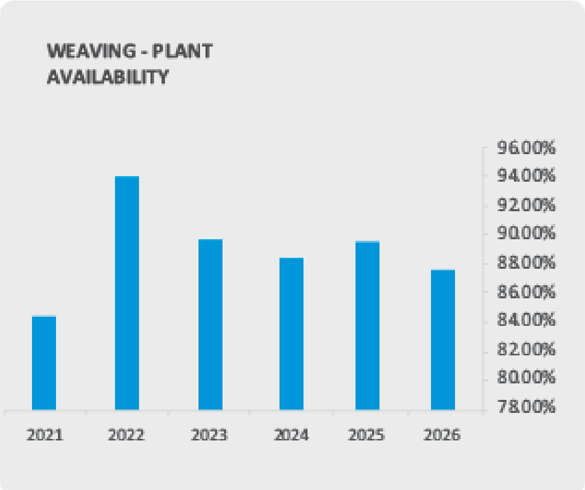


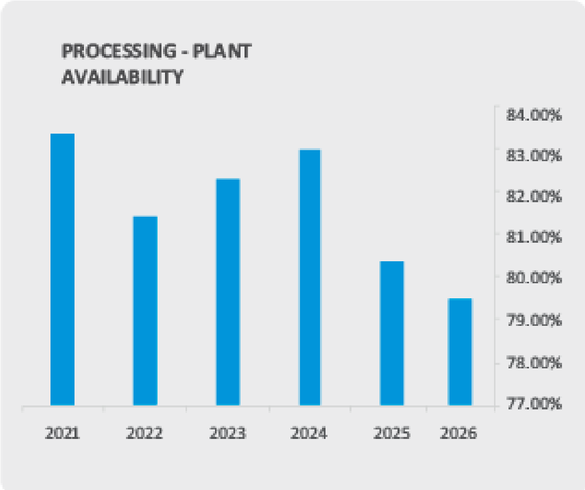


KEY OPERATING AND FINANCIAL DATA
SIX YEARS SUMMARY

Financial Highlights	2026	2025	2024	2023	2022	2021
Non-Financial Ratios:						
Plant Availability						
Spinning	89.87%	89.82%	90.05%	90.08%	90.27%	90.30%
Processing	79.48%	80.36%	82.93%	82.30%	81.40%	83.30%
Weaving	87.56%	89.47%	88.30%	89.59%	93.95%	84.32%
Customer Satisfaction index	3	3	2	3	2	1
Customer Retention Ratio	81%	80%	85%	82%	87%	89%
Others:						
Spares inventory as % of asset cost	0.52%	0.46%	0.47%	0.47%	0.59%	0.58%
Maintenance cost as % operating expenses	6.66%	4.24%	4.29%	6.12%	5.78%	6.26%
Ratios for Shariah compliant companies:						
Loan on interest to market capitalization	10.99%	16.46%	29.79%	37.38%	28.67%	24.62%
Total interest-taking deposits to market capitalization	0.82%	1.08%	1.23%	2.33%	1.75%	0.70%
Income generated from prohibited component to Total Income	0.17%	1.80%	0.25%	0.28%	0.12%	0.07%







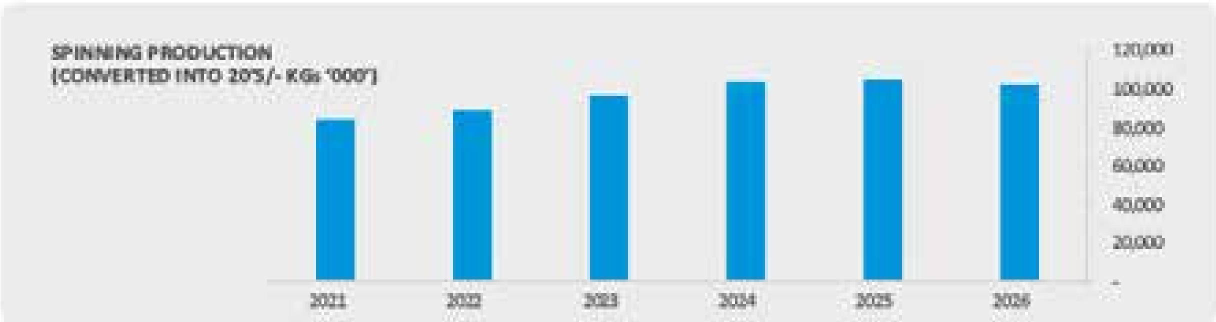
KEY OPERATING AND FINANCIAL DATA

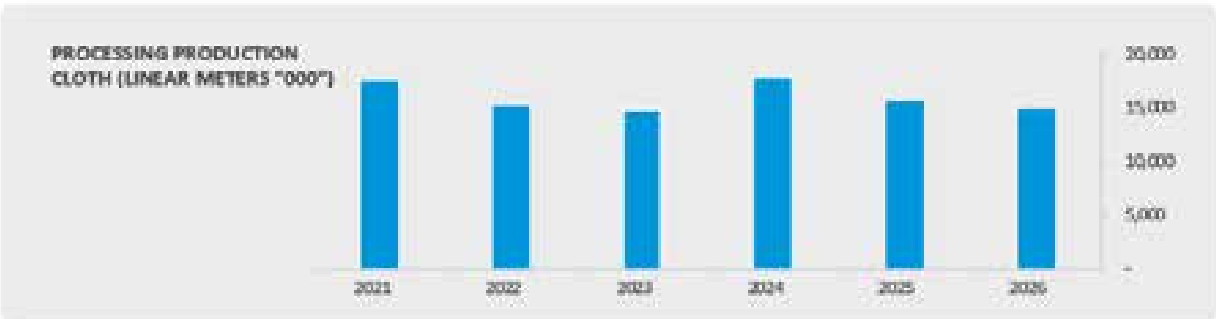
SIX YEARS SUMMARY

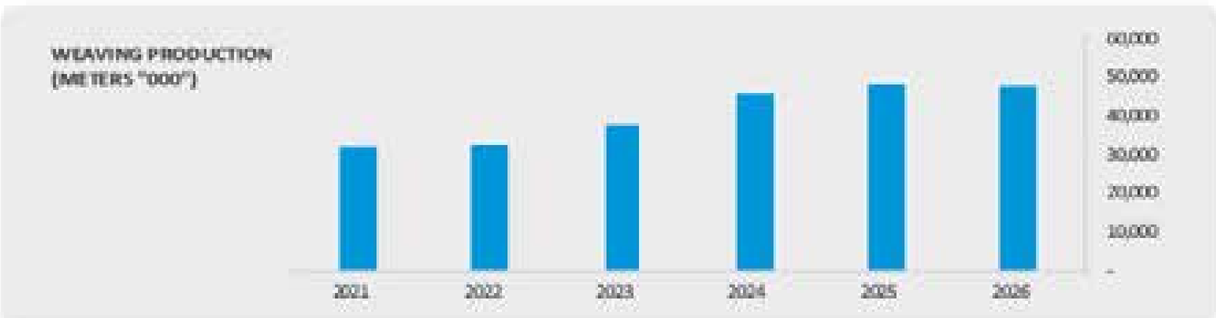
Financial Highlights	2026	2025	2024	2023	2022	2021
Quantitative Data						
Yarn (Kgs "000") :						
Production (cont. into 20s)						
KTM Division	55,167	56,098	54,577	50,886	50,973	46,536
KGM Division	47,709	48,175	48,580	45,944	37,738	37,773
	102,876	104,273	103,157	96,830	88,711	84,309
Sales / Tran.for wvg.(actual count)						
KTM Division	22,432	22,726	23,837	18,056	19,907	19,329
KGM Division	9,375	8,896	10,090	8,283	6,975	6,573
	31,807	31,622	33,927	26,339	26,882	25,902
(Linear meters "000"):						
Processing (Rawalpindi Division)						
Production	14,800	15,461	17,700	14,651	15,162	17,525
Sales	14,493	14,427	15,486	11,456	14,013	18,592
Weaving (Raiwind Division)						
Production	47,149	48,042	45,229	37,442	32,031	31,705
Sales	46,085	47,599	45,962	36,068	31,399	32,998

Comments on Production Capacity:

Production in the spinning and weaving divisions has shown a consistent upward trend over the last six years, supported by the installation of modern machinery with higher efficiencies. In contrast, production in the processing and home textile divisions reflects a variable trend over the period, as output is influenced by factors such as run length, cut size, and print density.







HOW THE INDICATORS AND PERFORMANCE MEASURES HAVE CHANGED OVER THE PERIOD

Kohinoor Textile Mills Limited has an established mechanism of performance appraisal. Key Performance Indictors (KPIs), for both financial and non-financial economic activities, are set for each objective or project and then its progress is monitored and evaluated by the management against those KPIs.

Financial Review section of this report enlists and elaborates major KPIs that management of the Company prefers to review on regular basis to access the 'Operational' and 'Financial' performance of the Company's economic affairs. Key variances indicated by the KPIs are also explained briefly to help understand the performance of business activities.

Since, there isn't any change in the Company's principal business activities and related industry from previous year, the management believes the set KPIs sufficiently indicates the project performance and didn't required any change.

METHODS AND ASSUMPTIONS USED IN COMPILING INDICATORS

A performance indicator represents parameters and factors that may caste an impact of decisive nature on a company's financial position, financial performance or liquidity position. Following are the key assumptions in compiling these indicators:

Financial Position:

- Appropriateness of capital mix in the company
- Proportion of financial leverage in debt equity mix
- Change in current ratio

Financial Performance:

- Maintaining high local sales retention
- Monitoring key components of variable cost to be amongst top cost effective players
- Initiating and maintaining techniques for optimal fixed cost absorption and appropriate mix of operational leverage.

Liquidity Position:

- Keeping an eye on funds used in / generated from operating, investing and financial cash flow activities
- Reviewing funds used in working capital management
- Effectively segregating cash and non-cash items

All the indicators are devised in the light of these basic assumptions and are periodically reviewed and monitored. Furthermore, Company performance variance analysis from corresponding figures of comparative periods and from budgeted figures as comparability over time provides good basis of Corporate Reporting. These indicators are finally used to report financial information to all users of the financial statements in the form of annual financial statements.

DEFINITIONS AND GLOSSARY OF TERMS

Gross Profit ratio:

The relationship of the gross profit made for a specified period and the sales or turnover achieved during that period.

Net Profit Ratio:

Net profit ratio is the ratio of net profit (after taxes) to net sales.

Operating Profit Ratio:

The Operating profit ratio indicates the ratio of company's profit before interest and taxes to net sales.

Current Ratio:

A company's current assets divided by its current liabilities. This ratio gives you a sense of a company's ability to meet short-term liabilities, and is a measure of financial strength in the short term. A ratio of 1 implies adequate current assets to cover current liabilities: the higher above 1, the better it is.

Debt-Equity Ratio:

The ratio of a company's liabilities to its equity. The higher the level of debt, the more important it is for a company to have positive earnings and steady cash flow. For Comparative purposes, debt-equity is most useful for companies within the same industry.

Earnings Per Share (EPS):

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

Profit Margin:

Determined by dividing net income by net sales during a time period and is expressed as a percentage. Net profit margin is a measure of efficiency and the higher the margin, the better it is. Trends in margin can be attributed to rising/ falling production costs or rising / falling price of the goods sold.

Return on Equity (ROE):

A percentage that indicates how efficiently common stockholders' invested money is being used. The percentage is the result of dividing net earnings by common stockholders' equity. The ROE is used for measuring growth and profitability. You can compare a company's ROE to the ROE of its industry to determine how a company is doing compared to its competition.

Return on Investment (ROI):

Also Known as return on invested capital (ROIC). ROI is a measure of how well management has used the company's resources. ROI is calculated by dividing earnings with total assets. It is a broader measure than return on equity (ROE) because assets include debt as well as equity. It is a useful to compare a company's ROI with others in the same industry.

Du Pont Analysis:

A type of analysis that examines a company's Return on Equity (ROE) by splitting it into three main components; profit margin, total asset turnover and equity multiplier. This analysis highlight the main driving factor of ROE and the factor which needs to be addressed to improve the ROE.

Free Cash Flow:

Free Cash Flow (FCF) is the Cash a Company produces through its operations, less the cost of expenditures on assets & net borrowings. Ample availability of Cash depicts financial health of a Company to discharge its financial and operational commitments hence having lesser dependency on external sources of finance providers.

Economic Value Added:

Economic value added (EVAD) is a measure of a Company's operating profit after tax generated in excess of cost of funds deployed. Ample EVAD exhibits that operations of the Company are driven with level of accuracy to full fill the requirements of finance providers.

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

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12 FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

Riaz Ahmad & Company
Chartered Accountants

2nd Floor, Al-Malik Centre
70 West, Jinnah Avenue,
Blue Area, Islamabad
T: +92 (51) 227 4121 - 2
F: +92 (51) 227 8859
racoisd@racopk.com
www.racopk.com

INDEPENDENT AUDITOR'S REPORT

To the members of Kohinoor Textile Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Kohinoor Textile Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2026, and 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.

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

Basis for Opinion

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

Key Audit Matters

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

A member of Nexia International

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1	**Revenue recognition** The Company recognized net revenue of Rupees 58,340.462 million for the year ended 30 June 2026. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: • Material accounting policy information, Revenue recognition note 2.14 to the financial statements. • Revenue note 28 to the financial statements.	Our procedures included, but were not limited to: • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • Comparing a sample of revenue transactions recorded during the year with sale orders, sale invoices, delivery documents and other relevant underlying documents; • Comparing a sample of revenue transactions recorded around the year-end with the sale orders, sale invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; • Assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'; and • Considering the appropriateness of disclosures in the financial statements.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Bilal Ahmad.

RIAZ AHMAD & COMPANY
Chartered Accountants

ISLAMABAD

DATE: 25 August 2026

UDIN: AR202610777sI9TENSZf

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	2026	2025
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,850,000,000 ordinary shares (2025: 370,000,000) of Rupees 2 (2025: Rupees 10) each		3,700,000	3,700,000
150,000,000 preference shares (2025: 30,000,000) of Rupees 2 (2025: Rupees 10) each		300,000	300,000
		4,000,000	4,000,000
Issued, subscribed and paid-up share capital	4	2,692,994	2,692,994
Reserves	5		
Capital reserves			
Share premium		986,077	986,077
Surplus on revaluation of freehold land		5,963,401	5,963,401
Reserve against capacity expansion		15,000,000	15,000,000
Reserve against buy-back of shares		1,775,000	1,775,000
		23,724,478	23,724,478
Revenue reserves			
Unappropriated profit		10,057,627	5,564,900
		33,782,105	29,289,378
Total equity		36,475,099	31,982,372
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	1,844,211	4,448,842
Deferred government grant	7	4,519	6,991
Sindh Infrastructure Development Cess (SIDC) payable	8	315,641	-
Deferred income tax liability	9	1,159,181	2,297,728
		3,323,552	6,753,561
CURRENT LIABILITIES			
Trade and other payables	10	5,152,192	5,668,161
Contract liabilities	11	247,681	424,288
Accrued mark-up	12	142,254	195,905
Short term borrowings	13	9,207,504	7,746,363
Current portion of non-current liabilities	14	1,097,854	1,325,776
Unclaimed dividend		34,007	30,905
Provision for taxation and levy - net	26	-	437,022
		15,881,492	15,828,420
TOTAL LIABILITIES		19,205,044	22,581,981
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		55,680,143	54,564,353

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

	Note	2026	2025
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	25,339,929	24,390,939
Long term investments	17	11,078,733	11,078,733
Long term deposits	18	105,780	115,769
		36,524,442	35,585,441
CURRENT ASSETS			
Stores, spare parts and loose tools	19	1,415,355	1,399,386
Stock-in-trade	20	9,253,756	8,544,374
Trade debts	21	4,864,392	5,879,778
Advances	22	714,803	759,440
Short term deposits and prepayments	23	36,875	58,191
Other receivables	24	1,651,862	1,349,617
Short term investments	25	910,787	737,162
Advance taxation and levy - net	26	126,666	-
Cash and bank balances	27	181,205	250,964
		19,155,701	18,978,912
TOTAL ASSETS		55,680,143	54,564,353

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2026

	Note	2026	2025
		(Rupees in thousand)	
REVENUE	28	58,340,462	59,414,125
COST OF SALES	29	(48,420,594)	(49,611,747)
GROSS PROFIT		9,919,868	9,802,378
DISTRIBUTION COST	30	(2,189,780)	(2,163,155)
ADMINISTRATIVE EXPENSES	31	(1,585,195)	(1,409,835)
OTHER EXPENSES	32	(392,990)	(273,076)
		(4,167,965)	(3,846,066)
		5,751,903	5,956,312
OTHER INCOME	33	591,655	1,460,106
PROFIT FROM OPERATIONS		6,343,558	7,416,418
FINANCE COST	34	(1,351,915)	(2,798,790)
PROFIT BEFORE LEVY AND TAXATION		4,991,643	4,617,628
LEVY	35	(18)	(45)
PROFIT BEFORE TAXATION		4,991,625	4,617,583
TAXATION	36	39,701	(1,867,767)
PROFIT AFTER TAXATION		5,031,326	2,749,816

		2026	2025
		--------------Rupees--------------	
			Restated
EARNINGS PER SHARE - BASIC AND DILUTED	37	3.74	2.04

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	2026	2025
	(Rupees in thousand)	
PROFIT AFTER TAXATION	5,031,326	2,749,816
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,031,326	2,749,816

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

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Share capital	Reserves								Total equity
		Capital reserves					Revenue reserve	Total reserves		
		Share premium	Reserve against capacity expansion	Reserve against buy-back of shares	Surplus on revaluation of freehold land	Sub-total	Unappropriated profit			
	(Rupees in thousand)									
Balance as at 01 July 2024	2,692,994	986,077	15,000,000	1,775,000	5,963,401	23,724,478	2,815,084	26,539,562		29,232,556
Profit for the year	-	-	-	-	-	-	2,749,816	2,749,816		2,749,816
Other comprehensive income for the year	-	-	-	-	-	-	-	-		-
Total comprehensive income for the year	-	-	-	-	-	-	2,749,816	2,749,816		2,749,816
Balance as at 30 June 2025	2,692,994	986,077	15,000,000	1,775,000	5,963,401	23,724,478	5,564,900	29,289,378		31,982,372
Transactions with owners: - final dividend for the year ended 30 June 2025 @ Rupee 0.40 per share	-	-	-	-	-	-	(538,599)	(538,599)		(538,599)
Profit for the year	-	-	-	-	-	-	5,031,326	5,031,326		5,031,326
Other comprehensive income for the year	-	-	-	-	-	-	-	-		-
Total comprehensive income for the year	-	-	-	-	-	-	5,031,326	5,031,326		5,031,326
Balance as at 30 June 2026	2,692,994	986,077	15,000,000	1,775,000	5,963,401	23,724,478	10,057,627	33,782,105		36,475,099

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note	2026	2025
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	8,085,007	7,406,443
Finance cost paid		(1,405,566)	(3,167,964)
Income tax and levies paid		(1,662,552)	(1,146,161)
Workers' welfare fund paid		(82,314)	(17,141)
Workers' profit participation fund paid		(247,545)	(131,191)
Net decrease / (increase) in long term deposits		9,989	(1,016)
Net cash generated from operating activities		4,697,019	2,942,970
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(2,624,498)	(2,725,705)
Proceeds from disposal of property, plant and equipment		88,268	5,387
Short term investments - net		(181,403)	(224,015)
Interest received		121,201	1,082,420
Dividend received		123	298
Net cash used in investing activities		(2,596,309)	(1,861,615)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		611,477	-
Repayment of long term financing		(3,706,785)	(1,291,783)
Short term borrowings - net		1,461,141	242,787
Dividend paid		(535,497)	(638)
Net cash used in financing activities		(2,169,664)	(1,049,634)
Net (decrease) / increase in cash and cash equivalents		(68,954)	31,721
Effect of exchange rate changes		(805)	192
Cash and cash equivalents at the beginning of the year		250,964	219,051
Cash and cash equivalents at the end of the year	27	181,205	250,964

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

CHIEF EXECUTIVE OFFICER   DIRECTOR   CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2026

1. THE COMPANY AND ITS OPERATIONS

1.1 Kohinoor Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 42-Lawrence Road, Lahore. The principal activity of the Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

1.2 Geographical location and addresses of all business units are as follows:

Sr. No.	Manufacturing units and office	Address
	Manufacturing units:	
1	Spinning and Home textile units	Peshawar Road, Rawalpindi.
2	Spinning unit	Gulyana Road, Gujar Khan, District Rawalpindi.
3	Weaving unit	8 K.M. Manga Raiwind Road, District Kasur.
	Head office	42-Lawrence Road, Lahore.

1.3 These financial statements are the separate financial statements of the Company. Consolidated financial statements of the Company are prepared separately. Details of the Company's investment in subsidiaries are stated in note 17 to these financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) Statement of compliance

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

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

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

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

b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairment

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

Income tax and levy

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Deferred income tax

From the previous financial year, tax year 2025, income of the Company is being taxed under normal tax regime, hence, as on 30 June 2024, deferred income tax on taxable temporary differences between the accounting and tax base of fixed assets was required to be calculated in totality (previously this was only relating to local sales percentage). This was the first time the Company was transitioning to this regime. Previously, the Company was neither required nor claimed tax depreciation against income subject to final tax regime, hence, percentage of export sales (taxed under final tax regime till 30 June 2024) has been used to calculate the tax base by applying this percentage to the cost of operating fixed assets. This critical accounting estimation, used by the management in the calculation of deferred tax, is based on the advice of legal counsel, and it reflects the best available information for the calculation of deferred tax.

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision are recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Impairment of investment in subsidiary companies

In making an estimate of recoverable amount of the Company's investment in subsidiary companies, the management considers future cash flows.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore, the benefits of unimpeded access.

Revaluation of freehold land (Note 47)

d) Standards and amendments to published approved standards that are effective in current year and are relevant to the Company

Following standards and amendments to published approved standards is mandatory for the Company's accounting periods beginning on or after 01 July 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability.
- IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'.
- IFRS S2 'Climate-related Disclosures'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The Company meets the specified criteria for Phase I applicability as per the SECP's order dated 31 December 2024 and this is the Company's first year of compliance. Accordingly, the Company has availed the exception available for the first year of application, under which sustainability-related financial disclosures may be issued within nine months from the close of the financial year. The Company will therefore issue its sustainability-related financial disclosures separately, within nine months of the year ended 30 June 2026 (i.e., by 31 March 2027), instead of together with these financial statements.

The above-mentioned standards and amendments to approved accounting standard did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standard, amendments and improvements to published approved accounting standards that are not yet effective but relevant to the Company

Following standard, amendments and improvements to accounting standard have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2026 or later periods:

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Contracts Referencing Nature–dependent Electricity (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

On 13 November 2025, the International Accounting Standards Board (IASB) issued Translation to a Hyperinflationary Presentation Currency (effective for annual reporting periods beginning on or after 1 January 2027), which amended IAS 21, The Effects of Changes in Foreign Exchange

Rates. The amendments specify the translation procedures to be applied by an entity whose presentation currency is the currency of a hyperinflationary economy. The amendments also introduce additional disclosure requirements to enable users of financial statements to understand the effects of translating financial information into a hyperinflationary presentation currency.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

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

The above standard, amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2026 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Taxation and levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in the statement of profit or loss.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.3 Property, plant, equipment and depreciation

Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of freehold land are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Depreciation

Depreciation on operating fixed assets is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the asset over their estimated useful lives at the rates given in note 16.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are de-recognized. The residual values and useful lives of assets are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.4 Investments and other financial assets

a) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is de-recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

2.5 Financial liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.6 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.7 De-recognition of financial assets and financial liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.8 Investment in subsidiaries

Investments in subsidiaries are stated at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Separate Financial Statements'.

2.9 Inventories

Inventories, except for stock in transit and waste stock / rags, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw materials, work-in-process and finished goods is determined as follows:

(i)	For raw materials:	Annual average basis.
(ii)	For work-in-process and finished goods:	Average manufacturing cost including a portion of production overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags are valued at net realizable value.

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

2.10 Trade debts and other receivables

Trade debts are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.11 Borrowings

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.12 Borrowing cost

Interest, mark-up and other charges on borrowings are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such borrowings. All other interest, mark-up and other charges are recognized in statement of profit or loss.

2.13 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.14 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Processing services

The Company provides processing services to local customers. These services are rendered separately and the Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Company's contracts with its customers.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

2.15 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.16 Customer acquisition costs

Customer acquisition costs are capitalized as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortized on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

2.17 Customer fulfillment costs

Customer fulfillment costs are capitalized as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfillment costs are amortized on a straight-line basis over the term of the contract.

2.18 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.19 Contract liabilities

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

2.20 Refund liabilities

Refund liabilities are recognized where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.21 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.22 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.23 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.24 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

2.25 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the statement of profit or loss.

2.26 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.27 Segment reporting

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

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which can not be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has three reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibers), Weaving (Producing different quality of greige fabric using yarn) and Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles).

2.28 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 purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.29 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is recognized in the statement of profit or loss for the year in which it arises.

3. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Employee benefit

The Company operates an approved funded provident fund scheme covering all its permanent employees. Equal monthly contributions are made both by the Company and employees at the rate of 8.33 percent of basic salary and cost of living allowance to the fund. The Company's contributions to the fund are charged to statement of profit or loss.

3.2 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

3.3 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.4 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

3.5 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures are rounded off to the nearest thousand of Pak Rupees.

3.6 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to statement of profit or loss as incurred.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

3.7 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3.8 Earnings per share

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

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2026	2025		2026	2025
(Number of Shares)			(Rupees in thousand)	
7,983,360	1,596,672	Ordinary shares of Rupees 2 (2025: Rupees 10) each allotted on reorganization of Kohinoor Industries Limited	15,967	15,967
130,780,000	26,156,000	Ordinary shares allotted under scheme of arrangement of merger of Part II of Maple Leaf Electric Company Limited	261,560	261,560
134,294,485	26,858,897	Ordinary shares allotted under scheme of arrangement of merger of Kohinoor Raiwind Mills Limited and Kohinoor Gujar Khan Mills Limited	268,589	268,589
377,512,800	75,502,560	Ordinary shares of Rupees 2 (2025: Rupees 10) each issued as fully paid bonus shares	755,025	755,025
695,926,635	139,185,327	Ordinary shares of Rupees 2 (2025: Rupees 10) each issued as fully paid in cash	1,391,853	1,391,853
1,346,497,280	269,299,456		2,692,994	2,692,994

4.1 During the year, the shareholders of the Company, in the Extra Ordinary General Meeting held on 15 August 2025, resolved that the existing share capital of the Company, including authorized, issued and paid–up capital, is altered in a manner that each ordinary share of the Company having face value of Rupees 10/– each shall be subdivided into five ordinary shares of Rupees 2/– each by way of share split with no change in rights and privileges associated to the shares. In accordance with IAS 33 'Earnings Per Share', Earnings per share (EPS) has been retrospectively adjusted for the share split.

	Note	2026	2025
		(Rupees in thousand)	

5. RESERVES

Composition of reserves is as follows:

	Note	2026	2025
Capital reserves			
Share premium	5.1	986,077	986,077
Surplus on revaluation of freehold land:	5.2	5,963,401	5,963,401
Reserve against capacity expansion	5.3	15,000,000	15,000,000
Reserve against buy-back of shares	5.3	1,775,000	1,775,000
		23,724,478	23,724,478
Revenue reserves			
Unappropriated profit		10,057,627	5,564,900
		33,782,105	29,289,378

5.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

5.2 This represents net accumulative increase in the carrying amount as a result of revaluation of freehold land. This surplus on revaluation of freehold land is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

5.3 The Board of Directors of the Company approved on 13 June 2024 that, over the years the Company has continued with its expansion strategy and has made significant investments which have enhanced enterprise value for the shareholders. The Board noted that because of these reasons, the revenue reserves of the Company have been utilized and are not entirely available for distribution as dividend. Therefore, the Board decided to re-classify Rupees 15 billion against capacity expansion and Rupees 1.775 billion against buy-back of shares from the revenue reserves to separate capital reserves (not available for distribution by way of dividend) to more accurately reflect the nature of these reserves.

	Note	2026	2025
		(Rupees in thousand)	

6. LONG TERM FINANCING

	Note	2026	2025
Long term loans:			
From banking companies and other financial institutions - secured	6.1	2,679,310	5,771,639
Less: Current portion shown under current liabilities	14	(835,099)	(1,322,797)
		1,844,211	4,448,842

6.1 Long term loans

LENDER	2026	2025	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
The Bank of Punjab	136,268	185,952	400,000	SBP LTFF rate + 1.00%	Thirty six equal quarterly installments commenced from 31 January 2018 and ending on 19 February 2030.	Quarterly	Joint pari passu charge amounting to Rupees 2,861.643 million (inclusive of 25% margin) over plant and machinery and mortgage charge of Rupees 934 million on land measuring 43 Acres, 07 Kanals and 12 Marlas of the Company.
The Bank of Punjab	118,784	195,280	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 26 February 2019 and ending on 02 July 2030.	Quarterly	
The Bank of Punjab	163,600	230,267	400,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commencing from 03 February 2023 and ending on 09 February 2029.	Quarterly	
The Bank of Punjab	264,875	-	850,000	SBP Policy rate -3.00%	Twenty four equal quarterly installments commenced from 04 November 2026 and ending on 04 August 2032.	Quarterly	
The Bank of Punjab	165,651	226,392	500,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 21 January 2023 and ending on 24 July 2029.	Quarterly	
The Bank of Punjab (Note 6.1.2)	-	58,535		3 Month Kibor + 1.00%			
	165,651	284,927					
The Bank of Punjab	330,773	365,444	500,000	3 Month Kibor + 1.00%	Twenty four unequal quarterly installments commenced from 14 November 2023 and ending on 07 May 2030.	Quarterly	
	1,179,951	1,261,870	3,150,000				
MCB Bank Limited	81,511	96,989	123,282	SBP LTFF rate + 1.00%	Thirty two unequal quarterly installments commenced from 12 November 2023 and ending on 12 August 2031.	Quarterly	Joint pari passu charge amounting to Rupees 3,816 million (inclusive of 25% margin) over plant and machinery of the Company.
MCB Bank Limited	-	1,570,258	1,732,699	3 Month Kibor + 1.00%	Thirty two unequal quarterly installments commenced from 21 October 2024 and ending on 20 November 2032. However, it has been fully settled during the year.	Quarterly	
MCB Bank Limited (Note 6.1.1)	294,576	352,598	458,420	SBP TERF rate + 1.00%	Twenty four equal quarterly installments commenced from 25 May 2023 and ending on 04 June 2031.	Quarterly	
MCB Bank Limited	-	342,830	373,996	3 Month Kibor + 1.00%	Twenty four equal quarterly installments commenced from 20 January 2025 and ending on 20 October 2030. However, it has been fully settled during the year.	Quarterly	
	376,087	2,362,675	2,688,397				
National Bank of Pakistan	63,780	146,654	500,000	SBP LTFF rate + 1.00%	Twelve equal half yearly installments commenced from 30 June 2018 and ending on 27 October 2027.	Half yearly	Joint pari passu charge amounting to Rupees 2,192.493 million (inclusive of 25% margin) over plant and machinery of the Company.
National Bank of Pakistan	7,807	57,687	218,000	SBP LTFF rate + 1.25%	Twelve equal half yearly installments commenced from 27 June 2020 and ending on 09 June 2027.	Half yearly	
National Bank of Pakistan	45,587	68,381	143,000	SBP LTFF rate + 1.00%	Twelve unequal half yearly installments commenced from 03 March 2023 and ending on 03 March 2028.	Half yearly	

LENDER	2026	2025	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
National Bank of Pakistan	185,814	248,758	500,000	SBP LTFF rate + 1.00%	Twelve unequal half yearly installments commenced from 10 September 2022 and ending on 06 April 2029.	Half yearly	
National Bank of Pakistan	346,603	-	1,000,000	SBP Policy Rate -3.00%	Twelve equal half yearly installments commencing from 11 August 2027 and ending on 27 June 2033.	Half yearly	
National Bank of Pakistan	-	19,847	500,000	SBP LTFF rate + 1.25%	Twelve unequal half yearly installments commenced from 30 March 2021 and ending on 24 January 2027. However, it has been fully settled during the year.	Half yearly	
	649,591	541,327	2,861,000				
PAIR Investment Company Limited	1,639	11,346	180,500	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 17 July 2018 and ending on 23 August 2026.	Quarterly	Joint pari passu charge amounting to Rupees 324.64 million (inclusive of 25% margin) over plant and machinery of the Company.
PAIR Investment Company Limited	41,707	61,497	119,500	SBP LTFF rate + 1.50%	Twenty unequal quarterly installments commenced from 14 June 2022 and ending on 02 August 2028.	Quarterly	
	43,346	72,843	300,000				
United Bank Limited	90,148	117,201	500,000	SBP LTFF rate + 1.25%	Twenty unequal quarterly installments commenced from 01 April 2024 and ending on 31 July 2030.	Quarterly	Joint pari passu charge amounting to Rupees 1,066.667 million (inclusive of 25% margin) over plant and machinery of the Company.
United Bank Limited (Note 6.1.2)	-	354,585		3 Month Kibor + 1.00%			
	90,148	471,786					
United Bank Limited	-	207,692	300,000	3 Month Kibor + 1.00%	Twenty equal quarterly installments commenced from 13 September 2023 and ending on 13 December 2029. However, it has been fully settled during the year.	Quarterly	
	90,148	679,478	800,000				
Askari Bank Limited	15,668	47,046	350,000	SBP LTFF rate + 1.25%	Thirty six equal quarterly installments commenced from 28 January 2018 and ending on 31 October 2027.	Quarterly	Joint pari passu charge amounting to Rupees 467 million (inclusive of 25% margin) over land and building and Rupees 178 million (inclusive of 25% margin) over plant and machinery of Raiwind Division of the Company.
Allied Bank Limited	135,310	219,373	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 21 July 2021 and ending on 20 December 2028.	Quarterly	Joint pari passu charge amounting to Rupees 1,839.453 million (inclusive of 25% margin) over plant and machinery of the Company.
Allied Bank Limited	189,209	253,373	800,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 24 January 2023 and ending on 20 June 2030.	Quarterly	
Allied Bank Limited (Note 6.1.2)	-	333,654		3 Month Kibor + 0.75%			
	189,209	587,027					
	~~324,519~~	~~806,400~~	~~1,300,000~~				
	~~2,679,310~~	~~5,771,639~~	~~1,449,397~~				

6.1.1 This represents long-term loan obtained under "SBP Temporary Economic Refinance Facility" for import of plant and machinery. The facility carries markup at the rate specified by State Bank of Pakistan plus spread of 1% per annum. The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan. The reconciliation of the carrying amount is as follows:

	2026	2025
	(Rupees in thousand)	
Balance at beginning of the year	352,598	410,128
Repayments during the year	(61,001)	(61,002)
	291,597	349,126
Unwinding of discount on liability	2,979	3,472
Balance as at end of the year	294,576	352,598

6.1.2 These long term financing facilities were early settled during the year prior to their contractual maturity.

6.2 Effective rate of mark-up charged during the year on these finances ranged from 2% to 13.10% (2025: 2% to 21.49%) per annum.

	Note	2026	2025
		(Rupees in thousand)	

7. DEFERRED GOVERNMENT GRANT

	Note	2026	2025
At beginning of the year	7.1	9,970	13,442
Less: Amortisation of deferred government grant during the year		(2,979)	(3,472)
		6,991	9,970
Less: Current portion of deferred government grant	14	(2,472)	(2,979)
		4,519	6,991

7.1 This represents deferred government grant in respect of long term loan obtained under "SBP Temporary Economic Refinance Facility" for import of plant and machinery as disclosed in note 6.1.1 to the financial statements. There are no unfulfilled conditions or other contingencies attached to these grants.

	Note	2026	2025
		(Rupees in thousand)	

8. SINDH INFRASTRUCTURE DEVELOPMENT CESS (SIDC) PAYABLE

	Note	2026	2025
Balance at the beginning of the year		680,476	-
Add: Addition during the year		187,137	-
Less: Gain on remeasurement of SIDC	33	(291,689)	-
		575,924	-
Less: Current portion	14	(260,283)	-
	8.1	315,641	-

8.1 This represents provision for infrastructure cess imposed by the Province of Sindh through Sindh Finance Act, 1994 and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Company had filed constitutional petitions / suits before the relevant courts of law challenging the levy of SIDC under the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Sindh Government through the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 (Sindh Act No. X of 2026) promulgated on 19 February 2026, introduced a statutory mechanism for settlement of outstanding and disputed SIDC liabilities by inserting Sections 10A to 10F in the principal Act.

Subsequent to the reporting date, the Company entered into a Settlement Agreement with the Excise, Taxation and Narcotics Control Department, Government of Sindh on 09 July 2026, whereby the Company is required to settle the outstanding SIDC liability in 51 installments starting from 09 July 2026 and ending on 15 April 2040. Pursuant to Section 10F(2) of the Amendment Act, upon execution of the settlement and unconditional withdrawal of all pending litigation by the Company, the Company shall be charged SIDC at a reduced rate of 0.85% on the value of goods for future imports. Since the conditions giving rise to the liability existed at the reporting date and the settlement agreement, executed subsequent to the reporting date, provides evidence of conditions that existed at the reporting date, the management has evaluated this as an adjusting event in accordance with IAS 10 “Events after the Reporting Period”. The liability has been recognized at fair value using discount rate of 12.49% (Kibor plus 0.7%) per annum and the difference between the fair value and the total amount of liability is recognized in statement of profit or loss as other income. Subsequent to initial recognition, the effect of unwinding of liability will be recognized in statement of profit or loss as finance cost. Current and non-current portions of the liability have been segregated in the statement of financial position as at 30 June 2026. This settlement agreement is contingent upon Company’s compliance with the terms of the agreement. However, the Company is fully committed to above mentioned payment schedule.

	Note	2026	2025
		(Rupees in thousand)	
9. DEFERRED INCOME TAX LIABILITY			
This comprises of following:			
Deferred income tax liability on taxable temporary differences in respect of:			
Accelerated tax depreciation		1,190,949	2,317,971
Deferred income tax asset on deductible temporary differences in respect of:			
Allowance for expected credit losses		(24,078)	(12,137)
Provision against obsolete stock in trade		(1,444)	(1,522)
Provision against slow moving stores, spare parts and loose tools		(6,246)	(6,584
		(31,768)	(20,243)
	9.1	1,159,181	2,297,728

	Note	2026 (Rupees in thousand)	2025 (Rupees in thousand)
9.1 Movement in deferred income tax balances is as follows:			
At beginning of the year		2,297,728	1,754,292
Recognized in statement of profit or loss:			
- accelerated tax depreciation on operating fixed assets		(1,127,022)	314,953
- allowance for expected credit losses		(11,941)	5,180
- provision against obsolete stock in trade		78	-
- provision against slow moving stores, spare parts and loose tools		338	(2,181)
- unused tax credit - minimum tax under section 113		-	225,484
	36	(1,138,547)	543,436
		1,159,181	2,297,728

10. TRADE AND OTHER PAYABLES

	Note	2026	2025
Creditors		2,825,458	2,854,790
Accrued liabilities	10.1	1,323,713	1,251,187
Duties and taxes		512,643	398,524
Sindh infrastructure development cess	8.1	-	680,476
Workers' welfare fund	10.2	348,192	328,636
Payable to subsidiary company - Maple Leaf Cement Factory Limited - net		-	15,400
Withholding income tax payable		37,602	29,344
Payable to employees' provident fund trust		41,887	36,160
Retention money payable		61,659	73,239
Others		1,038	405
		5,152,192	5,668,161

10.1 Accrued liabilities include Gas Infrastructure Development Cess (GIDC) of Rupees 310.020 million (2025: Rupees 310.020 million) that was levied through GIDC Act, 2015. During the year ended 30 June 2021, Honorable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Company has filed a review petition in Honorable Sindh High Court Karachi which is pending adjudication.

	Note	2026 (Rupees in thousand)	2025 (Rupees in thousand)
10.2 Workers' welfare fund			
Balance as at 01 July		328,636	251,540
Add: Provision for the year	32	101,870	94,237
		430,506	345,777
Less: Payment during the year		(82,314)	(17,141)
		348,192	328,636

11. CONTRACT LIABILITIES - Unsecured

This represents contract liabilities of the Company towards various parties. Revenue recognised in the current year that was included in the contract liability balance at the beginning of the year amounts to Rupees 313.714 million (2025: Rupees 201.589 million).

	Note	2026	2025
		(Rupees in thousand)	

12. ACCRUED MARK-UP

Long term financing		40,152	104,962
Short term borrowings		102,102	90,943
		142,254	195,905

13. SHORT TERM BORROWINGS

From banking companies - secured			
Short term running finances	13.1 & 13.2	42,016	91,854
State Bank of Pakistan (SBP) refinances	13.1 & 13.3	6,353,931	6,003,931
Other short term finances	13.1 & 13.4	2,800,064	1,644,991
Temporary overdraft	13.5	11,493	5,587
		9,207,504	7,746,363

13.1 These finances are obtained from banking companies under mark-up arrangements and are secured by pledge of raw materials, charge on current assets of the Company including hypothecation of work-in-process, stores and spares, letters of credit, firm contracts and book debts. These form part of total credit facilities of Rupees 22,220 million (2025: Rupees 19,135 million). Markup on these finances is payable quarterly or at maturity.

13.2 The rate of mark-up is 11.5% to 12.78% (2025: 11.75% to 11.90%) per annum on balance outstanding.

13.3 The rates of mark-up range from 4.50% to 5.50% (2025: 7.35% to 9.0%) per annum on balance outstanding.

13.4 The rates of mark-up range from 3.9% to 23.73% (2025: 4.30% to 12.38%) per annum on balance outstanding.

13.5 This represents temporary overdraft due to cheques issued by the Company at the statement of financial position date.

	Note	2026	2025
		(Rupees in thousand)	

14. CURRENT PORTION OF NON-CURRENT LIABILITIES

Long term financing	6	835,099	1,322,797
Deferred government grant	7	2,472	2,979
Sindh Infrastructure Development Cess (SIDC) payable	8	260,283	-
		1,097,854	1,325,776

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

a) The Company filed income tax return for tax year 2012 having tax loss of Rupees 766.104 million and creating a refund of Rupees 56.126 million. An assessment under section 221 of the Income Tax Ordinance, 2001 has been finalized on the issue that full and final tax on exports cannot be adjusted against minimum tax @ 1% and creating demand of Rupees 49.807 million and the same has been upheld by the CIR(A). The impugned demand has been adjusted against refund for tax year 2013. An appeal has been filed by the Company in ATIR, ATIR vide order dated 04 April 2022 remanded back the case to assessing officer. The department filed an appeal before Honorable Lahore High Court, which is pending adjudication. Furthermore, an assessment under section 122(5A) of the Income Tax Ordinance, 2001 dated 22 December 2017 has been finalized and taxable income has been assessed at Rupees 520.126 million by creating demand of Rupees 91.535 million. The Company filed an appeal before CIR(A) who, vide its order dated 08 March 2021, granted relief on major issues, while upheld the order on various other issues. The Company filed appeal before the Honorable Appellate Tribunal Inland Revenue where the case is still pending. No provision has been made in these financial statements as the Company is hopeful of a favorable outcome based on the advice of its legal counsel.

b) The Company filed income tax return for tax year 2014 having tax loss of Rupees 178.170 million and creating a refund of Rupees 11.051 million. An assessment under section 122(1) of the Income Tax Ordinance, 2001 has been finalized and taxable income had been assessed at Rupees 234.312 million creating demand of Rupees 22.462 million. The Company filed an appeal before CIR(A) who granted relief on major issues, while upheld the order on various other issues. The Company filed appeal before the ATIR who, vide its order dated 25 January 2021, decided the case in favour of the Company. The department has filed appeal against this order in Lahore High Court which is pending adjudication. No provision has been made in these financial statements as the Company is hopeful of a favorable outcome based on the advice of its legal counsel.

c) The Company filed income tax return for the tax year 2018 having taxable income amounting to Rupees 483.836 million and creating a refund of Rupees 138.836 million. Assessment under section 122 (5A) dated 30 January 2023 of the Income Tax Ordinance, 2001 was finalized and taxable income had been assessed at Rupees 725.486 million, creating demand of Rupees 81.153 million. The Company has paid an amount of Rupees 30 million under protest and filed an appeal before CIR(A). The Company's appeal was disposed off through appellate order dated 17 April 2024 partially in favour of the Company. The Company has preferred an appeal before the ATIR, which is pending adjudication. No provision has been made in these financial statements as the Company is hopeful of a favorable outcome based on the advice of its legal counsel.

d) The Company filed income tax return for the tax year 2020 having taxable income amounting to Rupees 842.296 million. Assessment under section 122 (5A) dated 12 June 2026 of the Income Tax Ordinance, 2001 was finalized, creating demand of Rupees 40.653 million. The Company filed an appeal before CIR(A), which is pending adjudication . No provision has been made in these financial statements as the Company is hopeful of a favorable outcome based on the advice of its legal counsel.

e) The Company has filed a petition against the National Highway Authority's (NHA) demand for payment of registration fee of Rupees 75 million in accordance with the National Highway Authority Act of 1991. The argument is based on the fact that the Company is registered with relevant local bodies at the time of its establishment and that registration with NHA is not required. Moreover, legislation cannot be applied retrospectively to any company. A single bench of the Lahore High Court granted interim relief in favour of the Company in its order dated 22 October 2020, and the issue is presently pending adjudication. No provision has been made in these financial statements as the Company is hopeful of favorable outcome based on the advice of its legal counsel.

f) On 31 August 2021, a sales tax demand of Rupees 2,390.023 million along with penalty of Rupees 120 million under section 11 of Sales Tax Act, 1990 was created for the tax period July 2016 to June 2019. The Company filed an appeal before CIR(A) who decided the issues of claim of input tax relating to purchases and levy of further tax in favour of the Company while the remaining issues were annulled and remanded back to the department through order dated 29 October 2021. Pursuant to order passed by the CIR(A), Deputy Commissioner Inland Revenue (DCIR) commenced remand back proceedings vide notice dated 05 January 2022, for fresh consideration of the issues remanded back by the CIR(A). However, the Company has filed an appeal against the order of the CIR(A) before the ATIR which is pending adjudication. No provision has been made in these financial statements as the Company is hopeful of a favorable outcome based on the advice of its legal counsel.

g) The Company and tax authorities filed appeals before different appellate authorities regarding sales tax and custom duty matters. Pending the outcome of appeals filed by the Company and tax authorities, no provision has been made in these financial statements which on the basis adopted by the authorities would amount to Rupees 624.258 million (2025: Rupees 637.620 million), since the Company has strong grounds against the assessments framed by the relevant authorities.

h) The Company filed recovery suit in Lahore High Court, Rawalpindi Bench amounting to Rupees 14.683 million (2025: Rupees 14.683 million) against supplier for goods supplied by him. Pending the outcome of the cases, no provision has been made in these financial statements since the Company is confident about favorable outcome of the cases based on the advice of its legal counsel.

i) The Company filed suits before Civil Court, Rawalpindi and Lahore High Court, against demands raised by Sui Northern Gas Pipelines Limited (SNGPL) amounting to Rupees 72.811 million. No provision has been made in these financial statements, since the Company is confident about favorable outcome based on the advice of its legal counsel.

j) Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregate to Rupees 1,218.369 million (2025: Rupees 1,075.381 million).

15.2 Commitments in respect of:

a) Contracts for capital expenditures amounting to Rupees Nil (2025: Rupees 13.748 million).

b) Letters of credit for capital expenditure amounting to Rupees 504.647 million (2025: Rupees 634.056 million).

c) Letters of credit other than for capital expenditure amounting to Rupees 1,715.409 million (2025: Rupees 2,200.145 million).

d) Contract for short term lease amounting to Rupees 0.698 million (2025: Rupees 0.890 million).

	Note	2026	2025
		(Rupees in thousand)	
16. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	16.1	25,130,999	22,754,946
Capital work-in-progress	16.2	208,930	1,635,993
		25,339,929	24,390,939

16.1 Operating fixed assets

	Freehold land	Office buildings	Factory and other buildings	Residential and other buildings	Plant and machinery	Services and other equipment	Computer and IT installations	Furniture and fixtures	Office equipment	Vehicles	Total
	(Rupees in thousand)										
At 30 June 2024											
Cost / revalued amount	6,669,315	64,113	3,308,804	319,786	20,898,040	96,600	245,036	157,110	99,554	502,870	32,361,228
Accumulated depreciation	-	(12,663)	(1,284,014)	(111,320)	(7,982,342)	(51,822)	(151,484)	(75,299)	(49,960)	(187,924)	(9,906,828)
Net book value	6,669,315	51,450	2,024,790	208,466	12,915,698	44,778	93,552	81,811	49,594	314,946	22,454,400
Year ended 30 June 2025											
Opening net book value	6,669,315	51,450	2,024,790	208,466	12,915,698	44,778	93,552	81,811	49,594	314,946	22,454,400
Additions	-	626	-	-	561,914	104,777	39,432	2,523	21,437	39,149	769,858
Transferred from capital work-in -progress (Note 16.2)	-	9,017	180,407	27,638	751,858	32,628	4,826	-	-	36,628	1,043,002
Transfers:											
Cost		(21,275)	(109,873)	190,810	(211,751)	77,690	10,411	(60,692)	11,735	(3,081)	(116,026)
Accumulated depreciation		(919)	68,063	(75,609)	162,052	(36,554)	(6,283)	7,030	(4,612)	2,858	116,026
	-	(22,194)	(41,810)	115,201	(49,699)	41,136	4,128	(53,662)	7,123	(223)	-
Fixed assets written off:											
Cost	-	-	-	-	-	(8,323)	(18,038)	(75,035)	(8,818)	-	(110,214)
Accumulated depreciation	-	-	-	-	-	7,131	16,798	58,687	7,339	-	89,955
	-	-	-	-	-	(1,192)	(1,240)	(16,348)	(1,479)	-	(20,259)
Disposals:											
Cost	-	-	-	-	(1,258)	-	(711)	-	-	(4,374)	(6,343)
Accumulated depreciation	-	-	-	-	213	-	533	-	-	1,467	2,213
	-	-	-	-	(1,045)	-	(178)	-	-	(2,907)	(4,130)
Depreciation charge	-	(1,820)	(166,034)	(16,799)	(1,194,769)	(12,099)	(32,106)	(1,269)	(6,368)	(56,661)	(1,487,925)
Closing net book value	6,669,315	37,079	1,997,353	334,506	12,983,957	210,028	108,414	13,055	70,307	330,932	22,754,946
At 30 June 2025											
Cost / revalued amount	6,669,315	52,481	3,379,338	538,234	21,998,803	303,372	280,956	23,906	123,908	571,192	33,941,505
Accumulated depreciation	-	(15,402)	(1,381,985)	(203,728)	(9,014,846)	(93,344)	(172,542)	(10,851)	(53,601)	(240,260)	(11,186,559)
	6,669,315	37,079	1,997,353	334,506	12,983,957	210,028	108,414	13,055	70,307	330,932	22,754,946
Year ended 30 June 2026											
Opening net book value	6,669,315	37,079	1,997,353	334,506	12,983,957	210,028	108,414	13,055	70,307	330,932	22,754,946
Additions	-	-	-	3,819	450,238	94,198	60,011	2,247	14,203	12,927	637,643
Transferred from capital work-in -progress (Note 16.2)	-	-	1,469,564	38,841	1,788,188	13,137	1,970	-	-	102,218	3,413,918
Disposals:											
Cost	-	-	-	-	(48,926)	(2,081)	(1,055)	-	-	(36,174)	(88,236)
Accumulated depreciation	-	-	-	-	28,206	950	618	-	-	24,182	53,956
	-	-	-	-	(20,720)	(1,131)	(437)	-	-	(11,992)	(34,280)
Depreciation charge	-	(1,836)	(233,256)	(18,170)	(1,246,955)	(25,839)	(39,672)	(1,419)	(7,653)	(66,428)	(1,641,228)
Closing net book value	6,669,315	35,243	3,233,661	358,996	13,954,708	290,393	130,286	13,883	76,857	367,657	25,130,999
At 30 June 2026											
Cost / revalued amount	6,669,315	52,481	4,848,902	580,894	24,188,303	408,626	341,882	26,153	138,111	650,163	37,904,830
Accumulated depreciation	-	(17,238)	(1,615,241)	(221,898)	(10,233,595)	(118,233)	(211,596)	(12,270)	(61,254)	(282,506)	(12,773,831)
Net book value	6,669,315	35,243	3,233,661	358,996	13,954,708	290,393	130,286	13,883	76,857	367,657	25,130,999
Depreciation rate (%)	-	5	5 - 10	5 - 10	10	10	30	10	10	20	

16.1.1 Freehold land was last revalued by an independent valuer, Anderson Consulting (Private) Limited (Evaluators, Surveyors, Stock Inspectors, Architects & Engineers) as at 30 June 2024. Book value of freehold land on cost basis is Rupees 705.914 million (2025: Rupees 705.914 million) as at 30 June 2026. Had there been no revaluation, the value of freehold land would have been lower by Rupees 5,963.401 million (2025: Rupees 5,963.401 million). Forced sale value of freehold land is Rupees 5,668.918 million (2025: Rupees 5,668.918 million).

16.1.2 Detail of operating fixed assets, exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchasers
	---------------(Rupees in thousand) ---------------						
Plant and machinery							
FC-1 Fine Cleaning China-2006	10,630	8,609	2,021	1,020	(1,001)	Negotiation	M/S Nishat Chunian Limited, Lahore
Digital Printing Javelin 1.01 Printing Javelin 3200-Mk 1.1	8,184	3,929	4,255	8,184	3,929	Insurance	E.F.U. General Insurance Limited
Digital Printing Javelin 1.02 Printing - Javelin 3200 Mk 1.2/037	9,820	3,962	5,858	9,820	3,962	Insurance	E.F.U. General Insurance Limited
	28,634	16,500	12,134	19,624	6,890		
Vehicles							
Hyundai Sonata-2021-2500 CC-AVd-600	7,513	3,641	3,872	8,910	5,038	Insurance	E.F.U. General Insurance Limited
Suzuki Cultus AGS-2019-1000 CC-RIB-388	1,673	1,093	580	2,625	2,045	Auction	Mr. Munawar-ul-Zaman, Company's employee, Rawalpindi
Suzuki Cultus AGS-2019-1000 CC-RID-877	1,619	1,085	534	2,170	1,636	Auction	Mr. Toqeer Rehman, Company's employee, Rawalpindi
Toyota Altis-2021-1600 CC -ATU-899	3,502	1,922	1,580	5,005	3,425	Insurance	E.F.U. General Insurance Limited
Suzuki Cultus VXL-LEH-19-803	1,899	1,298	601	2,000	1,399	Negotiation	M/S Auto World, Lahore
	16,206	9,039	7,197	20,710	13,543		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000	43,396	28,417	14,979	48,534	33,555		
	88,236	53,956	34,280	88,268	53,988		

	Note	2026	2025
		(Rupees in thousand)	

16.1.3 Depreciation charged during the year has been allocated as follows:

	Note	2026	2025
Cost of sales	29	1,526,467	1,384,535
Administrative expenses	31	114,761	103,390
		1,641,228	1,487,925

16.1.4 Particulars of immovable properties (i.e. land and buildings) are as follows:

Location	Usage of Immovable Property	Total Area (Acres)	Covered Area ("000" Sqr meters)
Peshawar Road, Rawalpindi	Manufacturing facilities	64.68	1,147.55
	Residential and offices	56.58	832.57
	Land	43.95	-
8 KM, Manga Raiwind Road, District Kasur	Manufacturing facilities	13.22	280.26
	Residential and offices	8.11	122.58
	Land	11.24	-
Gulyana Road, Gujar Khan, District Rawalpindi	Manufacturing facilities	13.18	279.62
	Residential and offices	23.96	177.69
	Land	13.54	-
42-Lawrence Road, Lahore	Land and building	4.69	2.42
		253.15	2,842.69

16.2 Capital work-in-progress

	Note	Civil works and buildings	Plant and machinery	Advances for capital expenditure	Total
		-------- (Rupees in thousand)--------			
At 30 June 2024		147,374	504,143	71,631	723,148
Additions during the year		1,083,054	508,664	364,129	1,955,847
Less: Transferred to operating fixed assets during the year	16.1	(215,349)	(683,282)	(144,371)	(1,043,002)
At 30 June 2025		1,015,079	329,525	291,389	1,635,993
Additions during the year		543,918	1,226,378	216,559	1,986,855
Less: Transferred to operating fixed assets during the year	16.1	(1,508,405)	(1,543,369)	(362,144)	(3,413,918)
At 30 June 2026		50,592	12,534	145,804	208,930

17. LONG TERM INVESTMENTS

	Note	2026	2025
		(Rupees in thousand)	
Equity instruments - subsidiary companies at cost less impairment loss:			
Maple Leaf Cement Factory Limited - Quoted	17.1	8,578,733	8,578,733
Maple Leaf Capital Limited - Un-quoted	17.2	2,500,000	2,500,000
		11,078,733	11,078,733

17.1 The Company holds 606,497,944 (2025: 606,497,944) ordinary shares of Rupees 10 each of Maple Leaf Cement Factory Limited. Equity held 57.90% (2025: 57.90%).

17.2 The Company holds 250,000,000 (2025: 250,000,000) ordinary shares of Rupees 10 each of Maple Leaf Capital Limited. Equity held 82.92% (2025: 82.92%).

18. LONG TERM DEPOSITS

These mainly include interest free deposits made to utility companies for provision of utility connections.

	Note	2026	2025
		(Rupees in thousand)	
19. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	19.1	1,300,197	1,304,640
Spare parts and loose tools		132,039	111,627
		1,432,236	1,416,267
Less: Provision against slow moving stores, spare parts and loose tools	19.2	(16,881)	(16,881)
		1,415,355	1,399,386

19.1 This includes stores in transit of Rupees 1.535 million (2025: Rupees 0.283 million).

	Note	2026	2025
		(Rupees in thousand)	
19.2 Provision against slow moving stores and spares			
As at 01 July		16,881	11,289
Add: Provision for the year	32	-	5,592
As at 30 June		16,881	16,881
20. STOCK-IN-TRADE			
Raw materials	20.1 & 20.2	3,391,193	3,380,255
Work-in-process		1,923,434	2,020,880
Finished goods	20.3	3,943,033	3,147,143
		9,257,660	8,548,278
Less: Provision against obsolete stock in trade		(3,904)	(3,904)
		9,253,756	8,544,374

20.1 Raw materials include stock in transit of Rupees 196.499 million (2025: Rupees 120.346 million). Further, raw materials of Rupees 29.806 million (2025: Rupees 487.311 million) are being carried at net realizable value and the aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 1.105 million (2025: Rupees 12.733 million).

20.2 Raw materials include stock amounting to Rupees 23.123 million (2025: Rupees 31.767 million) with external parties for processing.

20.3 Finished goods include stock in transit of Rupees 595.944 million (2025: Rupees 77.360 million). Further, finished goods of Rupees 310.424 million (2025: Rupees 470.121 million) are being carried at net realizable value and the aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 18.035 million (2025: Rupees 23.083 million).

	Note	2026	2025
		(Rupees in thousand)	

21. TRADE DEBTS

Considered good:			
Secured (against letters of credit)		1,284,776	3,154,914
Unsecured		3,644,693	2,755,984
		4,929,469	5,910,898
Less: Allowance for expected credit losses	21.2	(65,077)	(31,120)
		4,864,392	5,879,778

21.1 Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 30 to 90 days from delivery in case of local sales, and 45 to 120 days in case of export sales.

21.2 Allowance for expected credit losses

	Note	2026 (Rupees in thousand)	2025
Opening balance		31,120	44,402
Recognized / (Reversal) during the year	32	37,907	(13,282)
Trade debts written off during the year		(3,950)	-
Balance at end of year		65,077	31,120

21.3 As at 30 June 2026, trade debts of Rupees 3,105.541 million (2025: Rupees 2,407.637 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2026 (Rupees in thousand)	2025
Upto 1 month	2,085,180	1,575,302
1 to 6 months	1,006,098	825,592
More than 6 months but less than one year	14,263	6,743
	3,105,541	2,407,637

21.4 The majority of export debtors of the Company are situated in Asia, Europe and America.

	Note	2026	2025
		(Rupees in thousand)	

22. ADVANCES

Considered good:			
Advances to employees - interest free	22.1		
- Executives	22.2	3,227	880
- Other employees		1,217	4,523
		4,444	5,403
Advances to suppliers - unsecured and considered good		703,429	528,730
Advances against letters of credit		6,930	225,307
		714,803	759,440

22.1 These represent short term advances given to employees as per Company's policy for general purposes. These are secured against employee benefits. These are interest free and are not carried at amortized cost as the impact was considered immaterial.

22.2 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 7.869 million (2025: Rupees 14.601 million).

	Note	2026	2025
		(Rupees in thousand)	
23. SHORT TERM DEPOSITS AND PREPAYMENTS			
Short term deposits		17,778	17,778
Short term prepayments		19,097	40,413
		36,875	58,191
24. OTHER RECEIVABLES			
Considered good:			
Sales tax refundable		1,445,303	1,018,754
Custom duty receivable		15,993	15,993
Mark up rate support receivable from financial institutions		3,633	3,633
Export rebate		158,822	158,798
Duty draw back receivable		826	131,975
Receivable from Workers' profit participation fund	24.1	1,737	2,455
Due from subsidiary company - Maple Leaf Cement Factory Limited		13,734	-
Bank balance under encumbrance	24.2	10,000	12,770
Others		1,814	5,239
		1,651,862	1,349,617
24.1 Workers' profit participation fund			
Balance as on 01 July		2,455	18,809
Provision for the year	32	(248,263)	(147,545)
		(245,808)	(128,736)
Add: Payments / adjustments during the year		247,545	131,191
		1,737	2,455

24.2 It represents balance held under lien against guarantee issued by the bank on behalf of the Company.

	Note	2026	2025
25 SHORT TERM INVESTMENTS			
At amortized cost:			
Term deposit receipts:	25.1		
- The Bank of Punjab		150,000	-
- United Bank Limited		584,000	560,000
- The Bank of Khyber		156,333	156,333
		890,333	716,333
Add: Accrued markup		10,110	17,888
		900,443	734,221
Fair value through profit or loss:			
Mutual funds:			
- Arif Habib Savings and Investments Limited 26,043 (2025: 28,742) units		2,672	2,941
- Alfalah Asset Management Limited 29,317 (2025: Nil) units		2,914	-
- Pak Qatar Asset Management Company Limited 40,858 (2025: Nil) units		4,758	-
		10,344	2,941
		910,787	737,162

25.1 These term deposit receipts have maturity period ranging from one to six months. The effective rate of profit ranges from 6.56% to 11.62% (2025: 6.44% to 10.50%). These are under lien with the banks against guarantees given on behalf of the Company.

	Note	2026	2025
		(Rupees in thousand)	
26. ADVANCE / (PROVISION) FOR TAXATION AND LEVY - NET			
26.1 Provision for taxation - net			
Provision for taxation		(1,535,868)	(1,583,138)
Add: Advance income tax		1,662,534	1,146,116
		126,666	(437,022)
26.2 Levy - net			
Levy payable		(18)	(45)
Add: Prepaid levy		18	45
		-	-
		126,666	(437,022)

	Note	2026	2025
27. CASH AND BANK BALANCES			
Cash in hand		9,320	5,956
Cash at bank:			
- On current accounts	27.1 & 27.2	106,359	90,053
- On saving accounts	27.1 & 27.2	65,526	154,955
		171,885	245,008
		181,205	250,964

27.1 The balances in current and saving accounts include USD 196,872 (2025: USD 103,277).

27.2 The balances in saving accounts carry rate of profit ranging from 7.30% to 10.00% (2025: 7.78% to 11.50%) per annum.

	Note	2026	2025
		(Rupees in thousand)	
28. REVENUE			
Revenue from contracts with customers:			
- Export sales		23,771,190	21,490,955
- Local sales	28.1	34,444,884	37,793,845
		58,216,074	59,284,800
Export rebate		124,388	129,325
		58,340,462	59,414,125
28.1 Local sales		40,647,364	44,625,630
Less: Sales tax		(6,202,480)	(6,831,785)
		34,444,884	37,793,845

28.2 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments (Note 42).

	Spinning		Weaving		Processing and Home Textiles		Company	
	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees in thousand)							
Primary geographical markets								
Europe	-	-	5,289,348	4,929,282	8,067,256	5,847,545	13,356,604	10,776,827
United States of America and Canada	-	-	1,682,279	913,054	6,521,532	8,106,839	8,203,811	9,019,893
Asia, Africa, Australia	-	-	403,895	211,768	1,806,880	1,482,467	2,210,775	1,694,235
Pakistan	27,476,623	28,652,396	6,620,305	8,834,085	347,956	307,364	34,444,884	37,793,845
Export rebate	-	-	-	-	124,388	129,325	124,388	129,325
	27,476,623	28,652,396	13,995,827	14,888,189	16,868,012	15,873,540	58,340,462	59,414,125
Major product / service lines								
Yarn	26,900,152	28,561,848	-	-	-	-	26,900,152	28,561,848
Greige fabric	-	-	13,953,923	14,837,979	-	-	13,953,923	14,837,979
Made-ups	-	-	-	-	15,658,879	14,569,468	15,658,879	14,569,468
Finished fabric	-	-	-	-	986,876	1,024,281	986,876	1,024,281
Processing and stitching income	-	-	-	-	56,245	99,841	56,245	99,841
Waste	576,471	90,548	41,904	50,210	41,624	50,625	659,999	191,383
Export rebate	-	-	-	-	124,388	129,325	124,388	129,325
	27,476,623	28,652,396	13,995,827	14,888,189	16,868,012	15,873,540	58,340,462	59,414,125
Revenue from contracts with customers	27,476,623	28,652,396	13,995,827	14,888,189	16,743,624	15,744,215	58,216,074	59,284,800
Export rebate	-	-	-	-	124,388	129,325	124,388	129,325
	27,476,623	28,652,396	13,995,827	14,888,189	16,868,012	15,873,540	58,340,462	59,414,125
Timing of revenue recognition								
Products transferred at a point in time	27,476,623	28,652,396	13,995,827	14,888,189	16,868,012	15,873,540	58,340,462	59,414,125
Products and services transferred over time	-	-	-	-	-	-	-	-
External revenue as reported	27,476,623	28,652,396	13,995,827	14,888,189	16,868,012	15,873,540	58,340,462	59,414,125

28.3 Revenue is recognized at point in time as per the terms and conditions of underlying contracts with customers.

	Note	2026	2025
		(Rupees in thousand)	

29. COST OF SALES

	Note	2026	2025
Raw materials consumed	29.1	30,642,265	32,428,437
Salaries, wages and other benefits	29.2	5,152,036	4,743,193
Processing charges		470,506	176,887
Stores, spare parts and loose tools consumed		3,087,269	2,759,955
Packing materials consumed		1,267,201	1,215,415
Fuel and power		6,366,240	7,114,373
Repair and maintenance		290,119	339,290
Insurance		102,258	99,170
Other factory overheads		214,677	200,742
Depreciation	16.1.3	1,526,467	1,384,535
		49,119,038	50,461,997
Work-in-process			
Opening stock		2,020,880	1,788,297
Closing stock		(1,923,434)	(2,020,880)
		97,446	(232,583)
Cost of goods manufactured		49,216,484	50,229,414
Finished goods			
Opening stock		3,147,143	2,529,476
Closing stock		(3,943,033)	(3,147,143)
		(795,890)	(617,667)
Cost of sales		48,420,594	49,611,747

29.1 Raw materials consumed

	2026	2025
Opening stock	3,380,255	2,568,563
Add: Purchased during the year	30,653,203	33,240,129
	34,033,458	35,808,692
Less: Closing stock	(3,391,193)	(3,380,255)
	30,642,265	32,428,437

29.2 Salaries, wages and other benefits include provident fund contribution of Rupees 136.677 million (2025: Rupees 123.607 million) by the Company.

30. DISTRIBUTION COST

	Note	2026	2025
		(Rupees in thousand)	
Salaries and other benefits	30.1	244,734	215,046
Outward freight and handling		155,369	198,464
Clearing and forwarding		1,005,601	945,217
Commission to selling agents		585,601	607,030
Travelling and conveyance		49,838	58,682
Insurance		9,643	8,623
Vehicles' running		12,484	10,686
Electricity, gas and water		7,059	7,293
Postage, telephone and fax		4,111	4,281
Sales promotion and advertisement		70,378	71,106
Miscellaneous		44,962	36,727
		2,189,780	2,163,155

30.1 Salaries and other benefits include provident fund contribution of Rupees 9.866 million (2025: Rupees 8.424 million) by the Company.

	Note	2026	2025
		(Rupees in thousand)	

31. ADMINISTRATIVE EXPENSES

	Note	2026	2025
Salaries and other benefits	31.1	891,218	843,189
Travelling and conveyance		83,346	79,267
Repair and maintenance		98,982	57,397
Rent, rates and taxes	31.3	15,306	15,366
Insurance		19,556	21,542
Vehicles' running		68,622	55,145
Printing, stationery and periodicals		12,693	9,587
Electricity, gas and water		32,419	37,190
Postage, telephone and fax		32,396	14,497
Legal and professional		46,239	27,604
Fee and subscription		19,571	15,941
Security, gardening and sanitation		104,030	93,771
Entertainment		12,778	13,129
Training and seminars		5,971	6,981
Depreciation	16.1.3	114,761	103,390
Miscellaneous		27,307	15,839
		1,585,195	1,409,835

31.1 Salaries and other benefits include provident fund contribution of Rupees 32.436 million (2025: Rupees 29.667 million) by the Company.

31.2 The Company has shared expenses aggregating to Rupees 57.039 million (2025: Rupees 44.302 million) on account of combined offices with the Maple Leaf Cement Factory Limited - subsidiary company. These expenses have been recorded in respective accounts.

31.3 It includes Rupees 0.211 million (2025: Rupees 0.192 million) in respect of short term leases.

	Note	2026	2025
		(Rupees in thousand)	

32. OTHER EXPENSES

	Note	2026	2025
Auditor's remuneration	32.1	4,950	5,443
Fixed assets written off		-	20,259
Provision for slow moving stores, spare parts and loose tools	19.2	-	5,592
Allowance for expected credit losses	21.2	37,907	-
Workers' profit participation fund	24.1	248,263	147,545
Workers' welfare fund	10.2	101,870	94,237
		392,990	273,076

32.1 Auditor's remuneration

	2026	2025
Audit fee	4,700	4,700
Reimbursable expenses	250	450
Certifications	-	293
	4,950	5,443

	Note	2026	2025
		(Rupees in thousand)	

33. OTHER INCOME

	Note	2026	2025
Income from financial assets:			
Return on bank deposits		35,944	62,488
Return on investment in Government securities		-	959,679
Return on term deposit receipts		77,479	58,059
Dividend income on investments carried at fair value through profit or loss		123	298
Gain on redemption of units of mutual funds		21,895	4,737
Reversal of allowance for expected credit loss		-	13,282
Exchange gain - net		-	48,269
Reversal of provision for electricity duty		-	174,828
		135,441	1,321,640
Income from non-financial assets:			
Scrap sales		110,537	137,209
Gain on disposal of operating fixed assets	16.1.2	53,988	1,257
Gain on remeasurement of SIDC payable	8	291,689	-
		456,214	138,466
		591,655	1,460,106

34. FINANCE COST

	2026	2025
	(Rupees in thousand)	
Mark-up / finance charges / interest on:		
Long term financing	419,330	683,385
Short term borrowings	797,900	2,031,619
	1,217,230	2,715,004
Exchange loss - net	18,621	-
Bank charges and commission	116,064	83,786
	1,351,915	2,798,790

35. LEVY

	2026	2025
Final taxes	18	45

35.1 The provision of levy represents final taxes levied under section 150 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21 / IAS 37.

36. TAXATION

	Note	2026	2025
		(Rupees in thousand)	
Current tax:			
- Current year		1,171,409	1,255,578
- Prior year		(72,563)	68,753
		1,098,846	1,324,331
Deferred tax	9.1	(1,138,547)	543,436
	36.1	(39,701)	1,867,767

36.1 The provision for current tax represents corporate tax on local sales and super tax on income calculated as per section 4C of the Income Tax Ordinance, 2001. Reconciliation of tax and levy expense and product of accounting profit multiplied by the applicable rate is as follows:

	Note	2026	2025
		(Rupees in thousand)	
Accounting Profit before taxation and levy		4,991,643	4,617,628
Applicable tax rate		29%	29%
Tax on accounting profit		1,447,576	1,339,112
Effect of lower rate on income from capital gain		(876)	-
Effect of change in prior year's tax		(72,563)	68,753
Effect of rate change on deferred tax		(62,658)	-
Effect of (income) / expenses that are not considered in determining tax liability		(1,645,155)	81,250
Effect of super tax		298,958	379,760
Others		(4,965)	(1,063)
Current tax liability and levy as per applicable tax laws		(39,683)	1,867,812
Levy - final taxes		(18)	(45)
Current tax	36	39,701	(1,867,767)
		-	-

37. EARNINGS PER SHARE - BASIC AND DILUTED

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

		2026	2025
Profit attributable to ordinary shares	RUPEES IN THOUSAND	5,031,326	2,749,816
			Restated
Weighted average number of ordinary shares	NUMBERS	1,346,497,280	1,346,497,280
			Restated
Earnings per share	RUPEES	3.74	2.04

	Note	2026	2025
		(Rupees in thousand)	

38. CASH GENERATED FROM OPERATIONS

	Note	2026	2025
Profit before levy and taxation		4,991,643	4,617,628
Adjustment for non-cash charges and other items:			
Depreciation	16.1	1,641,228	1,487,925
Finance cost	34	1,351,915	2,798,790
Gain on disposal of operating fixed assets	33	(53,988)	(1,257)
Return on term deposit receipts	33	(77,479)	(58,059)
Return on bank deposits	33	(35,944)	(62,488)
Return on investment in Government securities	33	-	(959,679)
Dividend income	33	(123)	(298)
Provision / (reversal) of allowance for expected credit loss	21.2	37,907	(13,282)
Fixed assets written off	32	-	20,259
Exchange loss / (gain)		805	(192)
Provision for slow moving stores, spare parts and loose tools	32	-	5,592
Reversal of provision for electricity duty	33	-	(174,828)
Gain on remeasurement of SIDC payable	33	(291,689)	-
Provision for workers' profit participation fund	32	248,263	147,545
Provision for workers' welfare fund	32	101,870	94,237
Working capital changes	38.1	170,599	(495,450)
		8,085,007	7,406,443

	2026	2025
	(Rupees in thousand)	

38.1 Working capital changes

	2026	2025
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(15,969)	(351,737)
Stock-in-trade	(709,382)	(1,661,942)
Trade debts	977,479	571,096
Advances	44,637	(164,568)
Short term deposits and prepayments	21,316	(18,217)
Other receivables	(302,245)	390,449
	15,836	(1,234,919)
Increase in trade and other payables	154,763	739,469
	170,599	(495,450)

38.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2026			
	Liabilities from financing activities			
	Long term financing	Short term borrowings	Unclaimed dividend	Total
	------------ (Rupees in thousand) ------------			
Balance as at 01 July 2025	5,771,639	7,746,363	30,905	13,548,907
Proceeds from long term financing	611,477	-	-	611,477
Repayment of long term financing	(3,706,785)	-	-	(3,706,785)
Short term borrowings - net	-	1,461,141	-	1,461,141
Dividend declared	-	-	538,599	538,599
Dividend paid	-	-	(535,497)	(535,497)
Other charges - non-cash movement	2,979	-	-	2,979
Balance as at 30 June 2026	2,679,310	9,207,504	34,007	11,920,821

	2025			
	Liabilities from financing activities			
	Long term financing	Short term borrowings	Unclaimed dividend	Total
	------------ (Rupees in thousand) ------------			
Balance as at 01 July 2024	7,059,950	7,503,576	31,543	14,595,069
Repayment of long term financing	(1,291,783)	-	-	(1,291,783)
Short term borrowings - net	-	242,787	-	242,787
Dividend declared	-	-	-	-
Dividend paid	-	-	(638)	(638)
Other charges - non-cash movement	3,472	-	-	3,472
Balance as at 30 June 2025	5,771,639	7,746,363	30,905	13,548,907

39. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration including certain benefits to the Chief Executive Officer, Directors and Executives of the Company are given below:

	Chief Executive Officer		Directors		Executives	
	2026	2025	2026	2025	2026	2025
	-----------------(Rupees in Thousand)----------------					
Managerial remuneration	76,050	76,050	88,769	80,543	352,620	271,091
Allowances						
House Rent	7,605	7,605	4,290	5,339	69,616	63,342
Conveyance	-	-	-	-	414	163
Medical	7,605	7,605	8,877	8,054	34,595	26,707
Business maintenance allowance	-	-	13,761	7,430	60,699	38,322
Utilities	6,728	6,728	10,146	8,491	70,539	52,255
Special allowance	19,012	19,012	10,725	14,055	52,915	41,221
Contribution to provident fund	6,335	6,335	7,394	6,709	29,079	22,315
	123,335	123,335	143,962	130,621	670,477	515,416
Number of persons	1	1	2	2	117	97

39.1 Chief Executive Officer and Directors are provided with the Company's maintained vehicles, free medical facilities and residential telephone facilities for both business and personal use. Chief Executive Officer is also provided with free furnished accommodation along with utilities.

39.2 Executives are provided with the Company's maintained vehicles in accordance with the Company's policy.

39.3 The aggregate amount charged in these financial statements in respect of directors' meeting fee paid to 2 (2025: 2) non-executive directors was Rupees 962,500 (2025: Rupees 640,452).

39.4 No remuneration was paid to non-executive directors of the Company.

40. TRANSACTIONS WITH RELATED PARTIES

40.1 The related parties comprise of subsidiary companies, associated undertakings, directors of the Company and their close relatives, key management personnel and staff retirement fund. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2026	2025
	(Rupees in thousand)	
Subsidiary companies		
Maple Leaf Cement Factory Limited		
Purchase of goods and services	21,702	64,405
Expenses paid by Maple Leaf Cement Factory Limited on behalf of the Company	6,203	5,661
Common expenses	57,039	44,302
Maple Leaf Capital Limited		
Expenses on behalf of the Maple Leaf Capital Limited	-	6,283
Payment received against expenses	-	6,283
Other related parties		
Hutton Properties Limited		
Expenses on behalf of the Hutton Properties Limited	18,434	-
Payment received against expenses	18,434	-
Post employment benefit plan		
Contribution to provident fund	178,979	161,698

40.2 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

Company name	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year ended		Aggregate % of shareholding
		2026	2025	
Maple Leaf Capital Limited	Subsidiary	Yes	Yes	82.92%
Maple Leaf Cement Factory Limited	Subsidiary	Yes	Yes	57.90%
Maple Leaf Power Limited	Sub-subsidiary	No	No	57.90%
Novacare Hospitals (Private) Limited	Sub-subsidiary	No	No	57.90%
Pioneer Cement Limited	Sub-subsidiary	No	No	45.54%
Agritech Limited	Associate	No	No	25.22%

40.3 The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 366,954,480 [27.25%] (30 June 2025: 73,390,896) and 276,284,960 [20.52%] (30 June 2025: 55,256,992) ordinary shares respectively, of the Company.

41. PLANT CAPACITY AND ACTUAL PRODUCTION

SPINNING:

	2026	2025
- Rawalpindi Division	(NUMBERS)	
Ring Spindles (average) installed / worked	85,680	85,680
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	45,979	46,590
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2025: 1,094 shifts)	41,955	42,514
	(NUMBERS)	
Open-end Rotors (average) installed / worked	3,648	3,648
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	7,896	7,937
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2025: 1,094 shifts)	6,910	6,933
	(NUMBERS)	
MVS Spindles (average) installed / worked	768	768
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2025: 1,095)	7,267	7,353
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2025: 1,094)	6,302	6,651
- Gujar Khan Division	(NUMBERS)	
Ring Spindles (average) installed / worked	94,464	94,464
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2025: 1,095)	53,333	54,207
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2025: 1,094 shifts)	47,709	48,175

WEAVING:

- Raiwind Division

	(NUMBERS)	
Looms installed / worked	384	384
	(SQUARE METERS IN THOUSAND)	
100% plant capacity at 60 picks based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	166,509	166,509
Actual production converted to 60 picks based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	145,799	148,972

PROCESSING OF CLOTH:

- Rawalpindi Division

	(METERS IN THOUSAND)	
Capacity at 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	41,975	41,975
Actual production at 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	14,800	15,461

STITCHING

The plant capacity of this division is indeterminable due to multi-product plant involving varying processes of manufacturing and run length of order lots.

POWER PLANT:

- Rawalpindi Division

	(MEGA WATTS)	
Annual rated capacity based on 365 days (2025: 365 days)	372,504	355,779
Actual generation		
Furnace engines	118	1,990
Gas engines	2,211	3,708
Solar	23,799	21,644

- Raiwind Division

Annual rated capacity based on 365 days (2025: 365 days)	126,381	125,820
Actual generation		
Furnace engines	1,212	22,072
Gas engines	218	71
Solar	10,678	10,394

- Gujar Khan Division

Annual rated capacity based on 365 days (2025: 366 days)	189,965	174,403
Actual generation		
Gas engines	2,593	9,010
Diesel engines	22	40
Solar	13,827	11,804

REASONS FOR LOW PRODUCTION

- Due to stoppage for normal maintenance, doffing, change of spin plans and cloth quality.
- Cloth processing units working capacity was limited to actual export / local orders in hand.
- The generation of power was limited to actual demand.

42. SEGMENT INFORMATION

	Spinning		Weaving		Processing and Home Textiles		Elimination of inter-segment transactions		Company	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees in thousand)									
REVENUE:										
EXTERNAL	27,476,623	28,652,396	13,995,827	14,888,189	16,868,012	15,873,540	-	-	58,340,462	59,414,125
INTER-SEGMENT	1,266,067	710,016	2,027,729	1,616,353	30,337	25,540	(3,324,133)	(2,351,909)	-	-
	28,742,690	29,362,412	16,023,556	16,504,542	16,898,349	15,899,080	(3,324,133)	(2,351,909)	58,340,462	59,414,125
COST OF SALES	(24,589,216)	(25,038,675)	(14,061,715)	(14,188,030)	(13,093,796)	(12,736,951)	3,324,133	2,351,909	(48,420,594)	(49,611,747)
GROSS PROFIT	4,153,474	4,323,737	1,961,841	2,316,512	3,804,553	3,162,129	-	-	9,919,868	9,802,378
DISTRIBUTION COST	(141,475)	(176,675)	(336,041)	(422,757)	(1,712,264)	(1,563,723)	-	-	(2,189,780)	(2,163,155)
ADMINISTRATIVE EXPENSES	(745,280)	(671,755)	(315,896)	(288,185)	(524,019)	(449,895)	-	-	(1,585,195)	(1,409,835)
	(886,755)	(848,430)	(651,937)	(710,942)	(2,236,283)	(2,013,618)	-	-	(3,774,975)	(3,572,990)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	3,266,719	3,475,307	1,309,904	1,605,570	1,568,270	1,148,511	-	-	6,144,893	6,229,388
UNALLOCATED INCOME AND EXPENSES										
OTHER EXPENSES									(392,990)	(273,076)
OTHER INCOME									591,655	1,460,106
FINANCE COST									(1,351,915)	(2,798,790)
LEVIES									(18)	(45)
TAXATION									39,701	(1,867,767)
									(1,113,567)	(3,479,572)
PROFIT AFTER TAXATION									5,031,326	2,749,816

42.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Company	
	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees in thousand)							
TOTAL ASSETS FOR REPORTABLE SEGMENT	19,032,443	15,134,040	11,816,800	11,230,740	13,752,167	17,120,840	44,601,410	43,485,620
UNALLOCATED ASSETS							11,078,733	11,078,733
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION							55,680,143	54,564,353

All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.

	Spinning		Weaving		Processing and Home Textile		Company	
	2026	2025	2026	2025	2026	2025	2026	2025
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	2,349,651	1,203,216	3,175,823	3,346,622	7,120,516	9,644,421	12,645,990	14,194,259
UNALLOCATED LIABILITIES							6,559,054	8,387,722
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION							19,205,044	22,581,981

All segment liabilities are allocated to reportable segments other than trade and other payables and deferred tax liabilities.

42.2 Geographical Information

42.2.1 The Company's revenue from external customers by geographical location is detailed in Note 28.2 to the financial statements.

42.2.2 All non-current assets as at reporting date are located and operated in Pakistan.

42.3 Revenue from major customers

Revenue from major customers whose revenue accounts for more than 10% of the segment's revenue in Weaving segment was Rupees 3,746 million (2025: Rupees 6,160 million) whereas in the Processing and Home Textile segment was Rupees 7,835 million (2025: Rupees 7,431 million).

42.4 Based on the judgment made by the management printing, dyeing and home textile operating segments of the Company have been aggregated into a single operating segment namely 'Processing and Home Textile' as these segments have similar economic characteristics in respect of nature of the products, nature of production process, type of customers, method of distribution and nature of regulatory environment.

43. PROVIDENT FUND

As at the reporting date, The Kohinoor Textile Mills Employees Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

44. NUMBER OF EMPLOYEES

	2026	2025
Number of employees as at 30 June	6,069	6,390
Average number of employees during the year	6,592	6,360

45. FINANCIAL RISK MANAGEMENT

45.1 Financial risk factors

The Company's activities expose it 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 Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to bank balances and the amounts receivable from the foreign entities. The Company's exposure to currency risk was as follows:

	2026	2025
Cash at banks - USD	196,872	103,277
Trade debts - USD	4,531,181	9,399,200
Trade debts - Euro	44,562	910,581
Net exposure - USD	4,728,053	9,502,477
Net exposure - Euro	44,562	910,581
The following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	280.51	281.93
Reporting date rate	278.05	283.60
Rupees per Euro		
Average rate	328.17	305.38
Reporting date rate	316.95	332.25

Sensitivity analysis

'If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 36.810 million (2025: Rupees 75.457 million) and Rupees 0.395 million (2025: Rupees 8.471 million), respectively higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is also exposed to commodity price risk as it hold financial instruments based commodity prices.

Sensitivity analysis

The Company's investment in mutual fund amounting to Rupees 10.344 million (2025: Rupees 2.941 million) is exposed to price risk due to change in Net Asset Value (NAV) of such fund.

As at 30 June 2026, if fair value (NAV) had been 1% higher / lower with all other variables held constant, profit after tax for the year would have been higher / lower by Rupees 0.08 million (2025: Rupees 0.02 million).

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long term financing, short term borrowings and bank balances in saving accounts and term deposit receipts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2026	2025
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Investments - Term deposit receipts	890,333	716,333
Financial liabilities		
Long term financing	1,737,059	2,538,641
Short term borrowings	6,353,931	6,003,931
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	65,526	154,955
Financial liabilities		
Long term financing	942,251	3,232,998
Short term borrowings	2,842,080	1,736,845

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 20.825 million (2025: Rupees 26.892 million) lower / higher, mainly as a result of higher / lower interest on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2026	2025
	(Rupees in thousand)	
Trade debts	4,864,392	5,879,778
Investments	910,787	737,162
Deposits	123,558	133,547
Advances	4,444	5,403
Other receivables	15,548	5,239
Bank balances	171,885	245,008
	6,090,614	7,006,137

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2026	2025
	Short term	Long term	Agency	(Rupees in thousand)	
Banks					
Al-Baraka Bank (Pakistan) Limited	A-1	AA-	JCR-VIS	9,908	9,471
Allied Bank Limited	A1+	AAA	PACRA	5,811	19,130
Askari Bank Limited	A1+	AAA	PACRA	4,269	1,322
Bank Alfalah Limited	A1+	AAA	PACRA	21,048	13,787
Bank Al-Habib Limited	A1+	AAA	PACRA	6,243	30,375
Bank Islami Pakistan Limited	A1	AA-	PACRA	31	31
Faysal Bank Limited	A1+	AA+	PACRA	244	56
Habib Bank Limited	A-1+	AAA	JCR-VIS	-	12,630
MCB Bank Limited	A1+	AAA	PACRA	32,267	102,297
Meezan Bank Limited	A-1+	AAA	JCR-VIS	20,184	2,103
National Bank of Pakistan	A1+	AAA	PACRA	17,706	14,688
MCB Islamic Bank Limited	A1	A+	PACRA	9,760	78
The Bank of Punjab	A1+	AAA	PACRA	13,796	7,571
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	1,917	1,943
Samba Bank Limited	A1+	AA	PACRA	-	494
JS Bank Limited	A1+	AA	PACRA	39	39
Bank Makramah Limited	A-2	A-	JCR-VIS	117	15
The Bank of Khyber	A1	AA-	JCR-VIS	2,546	7,355
United Bank Limited	A-1+	AAA	JCR-VIS	25,999	21,623
				171,885	245,008
Investments					
United Bank Limited - term deposit receipts	A-1+	AAA	JCR-VIS	589,578	577,738
The Bank of Khyber - term deposit receipts	A1	AA-	JCR-VIS	156,480	156,483
The Bank of Punjab - term deposit receipt	A1+	AAA	PACRA	154,385	-
MCB - Arif Habib Savings and Investments Limited - Mutual funds	Not available	AM1	PACRA	2,672	2,941
Alfalah Asset Management Limited - Mutual funds	Not available	AM1	JCR-VIS	2,914	-
Pak Qatar Asset Management Company Limited - Mutual funds	Not available	AM2+	JCR-VIS	4,758	-
				910,787	737,162

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

Trade debts

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 21.2.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade debts have been grouped based on shared credit risk characteristics and the days past due. These trade debts are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2026 and the corresponding historical credit losses experienced within this period. 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 Company has identified the Gross Domestic Product, Unemployment, Interest, and the inflation Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2026 and 30 June 2025 was determined as follows:

At 30 June 2026

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees in thousand)		%	(Rupees in thousand)	
Not past due	0.00%	536,530	-	0.00%	-	-
Up to 30 days	1.19%	1,800,086	21,440	0.00%	-	-
31 to 60 days	1.28%	490,268	6,297	0.00%	-	-
61 to 90 days	3.90%	158,545	6,177	0.00%	-	-
91 to 180 days	16.75%	87,267	14,618	0.00%	-	-
181 to 360 days	33.20%	12,369	4,107	0.00%	-	-
Above 360 days	100.00%	12,438	12,438	0.00%	-	-
		3,097,503	65,077		-	-
Trade debts which are not subject to risk of default		620,637	-		1,211,329	-
		3,718,140	65,077		1,211,329	-

At 30 June 2025

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees in thousand)		%	(Rupees in thousand)	
Not past due	0.00%	429,065	-	0.00%	-	-
Up to 30 days	0.04%	1,047,011	414	0.00%	-	-
31 to 60 days	0.06%	406,789	229	0.00%	-	-
61 to 90 days	0.41%	64,595	266	0.00%	-	-
91 to 180 days	4.39%	159,878	7,019	0.00%	-	-
181 to 360 days	12.55%	4,726	593	0.00%	-	-
Above 360 days	100.00%	22,599	22,599	0.00%	-	-
		2,134,663	31,120		-	-
Trade debts which are not subject to risk of default		845,741	-		2,930,494	-
		2,980,404	31,120		2,930,494	-

Deposits and advances

The Company has made security deposits to utility companies for provision of utility connections and advances to employees which are secured against employees' benefits. The management does not expect to incur material losses on such deposits and consider such amount is receivable upon termination of service contract from respective utility companies.

In addition to above, financial assets include other receivables. Management has assessed that there is no impairment loss in respect of these financial assets of the Company and these are recoverable in full.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2026, the Company had Rupees 21,787 million (2025: Rupees 15,212 million) available borrowing limits from financial institutions and Rupees 191.205 million (2025: Rupees 263.734 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2026.

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	------------------- (Rupees in thousand) -------------------					
Non-derivative financial liabilities :						
Long term financing	2,679,310	3,023,074	500,682	448,373	815,597	1,258,422
Trade and other payables	3,901,848	3,901,848	3,901,848	-	-	-
Accrued mark-up	142,254	142,254	142,254	-	-	-
Short term borrowings	9,207,504	9,363,605	9,363,605	-	-	-
Unclaimed dividend	34,007	34,007	34,007	-	-	-
	15,964,923	16,464,788	13,942,396	448,373	815,597	1,258,422

Contractual maturities of financial liabilities as at 30 June 2025.

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	------------------- (Rupees in thousand) -------------------					
Non-derivative financial liabilities:						
Long term financing	5,771,639	7,099,916	852,113	876,540	1,613,067	3,758,196
Trade and other payables	3,885,001	3,885,001	3,885,001	-	-	-
Accrued mark-up	195,905	195,905	195,905	-	-	-
Short term borrowings	7,746,363	7,988,371	7,988,371	-	-	-
Unclaimed dividend	30,905	30,905	30,905	-	-	-
	17,629,813	19,200,098	12,952,295	876,540	1,613,067	3,758,196

'The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June 2026. The rates of interest / mark up have been disclosed in note 6.1 and note 13 to these financial statements.

45.2 Financial instruments by categories

	2026			2025		
	Financial assets	Non-financial assets	Total as per statement of financial position	Financial assets	Non-financial assets	Total as per statement of financial position
	----- Rupees in thousand -----			----- Rupees in thousand -----		
Financial assets						
Trade debts	4,864,392	-	4,864,392	5,879,778	-	5,879,778
Investments	900,443	10,344	910,787	734,221	2,941	737,162
Deposits	123,558	-	123,558	133,547	-	133,547
Advances	4,444	-	4,444	5,403	-	5,403
Other receivables	15,548	-	15,548	5,239	-	5,239
Cash and bank balances	181,205	-	181,205	250,964	-	250,964
	6,089,590	10,344	6,099,934	7,009,152	2,941	7,012,093

	Financial liabilities at amortized cost	
	2026	2025
	(Rupees in thousand)	
Long term financing	2,679,310	5,771,639
Trade and other payables	3,901,848	3,885,001
Accrued mark-up	142,254	195,905
Short term borrowings	9,207,504	7,746,363
Unclaimed dividend	34,007	30,905
	15,964,923	17,629,813

45.3 Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

	2026			2025		
	Financial assets	Non-financial assets	Total as per statement of financial position	Financial assets	Non-financial assets	Total as per statement of financial position
	----- Rupees in thousand -----			----- Rupees in thousand -----		
Assets as per statement of financial position						
Trade debts	4,864,392	-	4,864,392	5,879,778	-	5,879,778
Investments	1,811,230	10,178,290	11,989,520	734,221	11,081,674	11,815,895
Deposits and prepayments	123,558	19,097	142,655	133,547	40,413	173,960
Advances	4,444	710,359	714,803	5,403	754,037	759,440
Other receivables	15,548	1,636,314	1,651,862	5,239	1,344,378	1,349,617
Cash and bank balances	181,205	-	181,205	250,964	-	250,964
	7,000,377	12,544,060	19,544,437	7,009,152	13,220,502	20,229,654

	2026			2025		
	Financial liabilities	Non-financial liabilities	Total as per statement of financial position	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
	----- Rupees in thousand -----			----- Rupees in thousand -----		
Liabilities as per statement of financial position						
Long term financing	2,679,310	-	2,679,310	5,771,639	-	5,771,639
Trade and other payables	3,901,848	1,250,344	5,152,192	3,885,001	1,783,160	5,668,161
Accrued mark-up	142,254	-	142,254	195,905	-	195,905
Short term borrowings	9,207,504	-	9,207,504	7,746,363	-	7,746,363
Unclaimed dividend	34,007	-	34,007	30,905	-	30,905
	15,964,923	1,250,344	17,215,267	17,629,813	1,783,160	19,412,973

45.4 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

45.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represents long term financing and short term borrowings obtained by the Company as referred to in note 6 and note 13 to the financial statements. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy, remain unchanged from the last year.

	2026	2025
	(Rupees in thousand)	
Borrowings	11,886,814	13,518,002
Total equity	36,475,099	31,982,372
Total capital employed	48,361,913	45,500,374
Gearing ratio	24.58%	29.71%

The decrease in the gearing ratio resulted primarily from increase in equity of the Company.

46. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2026	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Financial assets				
Financial assets at fair value through profit or loss	10,344	-	-	10,344

Recurring fair value measurements At 30 June 2025	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Financial assets				
Financial assets at fair value through profit or loss	2,941	-	-	2,941

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

47. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair value of non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 June 2026	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Freehold land	-	6,669,315	-	6,669,315

At 30 June 2025	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Freehold land	-	6,669,315	-	6,669,315

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its freehold land (classified as property, plant and equipment) at least every three years. The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value of land is current prices in an active market for similar lands.

Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's freehold land at least every three years. The fair value of the freehold was last determined by Anderson Consulting (Private) Limited (an approved valuer) as at 30 June 2024.

Changes in fair values are analyzed at each reporting date during the annual valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

48. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	Note	2026	2025
		(Rupees in thousand)	
Financing (long-term, short-term) obtained as per Islamic mode			
Long term financing	6.1	264,875	-
Short term borrowing	13	799,000	699,000
Contract liabilities		247,681	424,288
Interest or mark-up accrued on any conventional loan or advance	12	132,253	191,654
Shariah compliant bank deposits, bank balances and Term deposit receipts:			
Bank balances	27	42,790	42,895
Term deposit receipts	25	156,480	156,483
Revenue earned from shariah compliant business segment	28	58,340,462	59,414,125
Profit paid on islamic mode of financing		61,483	144,713
Other income earned from shariah compliant:			
Profit earned from shariah compliant bank deposits / bank balances	33	11,350	12,463
Return on term deposit receipts	33	10,177	15,825
Exchange gain earned from actual currency	33	-	48,269
Scrap sales	33	110,537	137,209
Gain on disposal of operating fixed assets	33	53,988	1,257
Reversal of allowance for expected credit loss	33	-	13,282
Reversal of provision for electricity duty	33	-	174,828
Gain on remeasurement of SIDC payable	33	291,689	-
Other income earned from non - shariah compliant:			
Return on investment in Government securities	33	-	959,679
Dividend income on investments carried at fair value through profit or loss	33	123	298
Gain on redemption of units of mutual funds	33	21,895	4,737
Profit earned on deposits with banks	33	24,594	50,025
Return on term deposit receipts	33	67,302	42,234
Interest paid on loans	34	1,217,230	2,715,004

Relationship with shariah compliant banks

Name	Relationship
Al-Baraka Bank (Pakistan) Limited	Bank balance and financing
Bank Islami Pakistan Limited	Bank balance
Faysal Bank Limited	Bank balance
MCB Islamic Bank Limited	Bank balance and financing
Meezan Bank Limited	Bank balance
Bank Makramah Limited	Bank balance
The Bank of Khyber	Bank balance and financing
The Bank of Punjab	Financing

49. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2026	2025	2026	2025
	------- (Rupees in thousand) ------			
Total facilities	8,726,240	6,871,165	33,669,397	28,734,397
Utilized at the end of the year	4,615,422	3,646,014	11,882,312	13,522,385
Unutilized at the end of the year	4,110,818	3,225,151	21,787,085	15,212,012

50. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on ______________________ by the Board of Directors of the Company.

51. CORRESPONDING FIGURES

No significant rearrangements / reclassifications have been made except for the following:

Particulars	Reclassified from	Reclassified to	Amount (RUPEES IN THOUSAND)
Contract liabilities	Trade and other payables	Face of the statement of financial position	424,288
Bank balance under encumbrance	Cash and bank balances	Other receivables	12,770

52. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless stated otherwise.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

FORM-20

Pattern of Shareholding

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

PART-I

1.1	Name of the Company	**KOHINOOR TEXTILE MILLS LIMITED**

PART-II

2.1	Pattern of holding of the shares held by the shareholders as at	30.06.2026

No. of Shareholders	Shareholdings From		Shareholdings To	Total Shares Held
1,700	1	-	100	53,091
1,885	101	-	500	444,743
632	501	-	1,000	486,845
1,198	1,001	-	5,000	3,011,007
250	5,001	-	10,000	1,866,018
130	10,001	-	15,000	1,620,967
137	15,001	-	20,000	2,458,080
46	20,001	-	25,000	1,046,111
32	25,001	-	30,000	886,640
26	30,001	-	35,000	860,026
22	35,001	-	40,000	829,184
13	40,001	-	45,000	559,888
21	45,001	-	50,000	1,032,546
8	50,001	-	55,000	420,595
5	55,001	-	60,000	292,510
13	60,001	-	65,000	813,551
8	65,001	-	70,000	541,892
7	70,001	-	75,000	515,550
7	75,001	-	80,000	546,059
4	80,001	-	85,000	329,541
3	85,001	-	90,000	269,000
2	90,001	-	95,000	183,565
8	95,001	-	100,000	791,695
2	100,001	-	105,000	206,726
4	105,001	-	110,000	428,420
3	110,001	-	115,000	343,220
1	115,001	-	120,000	116,765
1	120,001	-	125,000	121,513
1	125,001	-	130,000	125,020
5	130,001	-	135,000	665,500
2	135,001	-	140,000	278,080
1	140,001	-	145,000	144,585
1	145,001	-	150,000	150,000
3	150,001	-	155,000	458,347
1	155,001	-	160,000	157,727
1	160,001	-	165,000	160,915
1	165,001	-	170,000	167,355
1	170,001	-	175,000	172,400
2	175,001	-	180,000	355,359
2	185,001	-	190,000	372,421
2	190,001	-	195,000	387,505
1	195,001	-	200,000	200,000
2	200,001	-	205,000	403,080
1	205,001	-	210,000	210,000

2.2 No. of Shareholders	Shareholdings From		To	Total Shares Held
2	210,001	-	215,000	425,770
1	220,001	-	225,000	225,000
1	230,001	-	235,000	233,120
1	240,001	-	245,000	240,470
2	250,001	-	255,000	506,257
1	255,001	-	260,000	259,800
1	260,001	-	265,000	265,000
1	280,001	-	285,000	284,502
1	285,001	-	290,000	285,625
1	290,001	-	295,000	290,967
1	295,001	-	300,000	300,000
1	300,001	-	305,000	301,126
1	305,001	-	310,000	306,475
2	310,001	-	315,000	625,000
2	315,001	-	320,000	634,595
1	320,001	-	325,000	325,000
3	335,001	-	340,000	1,014,009
2	340,001	-	345,000	686,250
1	345,001	-	350,000	350,000
3	350,001	-	355,000	1,057,240
1	370,001	-	375,000	371,375
1	375,001	-	380,000	378,850
1	395,001	-	400,000	397,000
1	410,001	-	415,000	412,500
1	420,001	-	425,000	425,000
1	435,001	-	440,000	439,000
2	445,001	-	450,000	897,000
1	475,001	-	480,000	476,000
1	490,001	-	495,000	493,730
1	495,001	-	500,000	500,000
1	505,001	-	510,000	507,930
1	540,001	-	545,000	544,106
1	555,001	-	560,000	555,505
1	595,001	-	600,000	600,000
1	625,001	-	630,000	628,520
2	630,001	-	635,000	1,268,347
1	645,001	-	650,000	650,000
1	690,001	-	695,000	691,755
1	695,001	-	700,000	700,000
1	725,001	-	730,000	729,165
1	740,001	-	745,000	745,000
1	805,001	-	810,000	806,345
1	845,001	-	850,000	850,000
1	875,001	-	880,000	875,021
1	990,001	-	995,000	993,927
1	995,001	-	1,000,000	1,000,000
1	1,030,001	-	1,035,000	1,030,063
1	1,245,001	-	1,250,000	1,245,325
1	1,275,001	-	1,280,000	1,279,742
1	1,345,001	-	1,350,000	1,345,135
1	1,375,001	-	1,380,000	1,378,676
1	1,495,001	-	1,500,000	1,500,000

1	1,580,001	-	1,585,000	1,583,715
1	1,595,001	-	1,600,000	1,595,702
1	1,610,001	-	1,615,000	1,613,265
1	1,735,001	-	1,740,000	1,735,824
1	1,925,001	-	1,930,000	1,925,080
1	2,100,001	-	2,105,000	2,101,624
1	2,550,001	-	2,555,000	2,550,613
1	3,010,001	-	3,015,000	3,012,920
1	4,620,001	-	4,625,000	4,622,509
1	5,650,001	-	5,655,000	5,654,107
1	5,725,001	-	5,730,000	5,725,489
1	8,940,001	-	8,945,000	8,944,537
1	8,965,001	-	8,970,000	8,967,072
1	40,750,001	-	40,755,000	40,751,590
1	43,065,001	-	43,070,000	43,065,118
1	63,240,001	-	63,245,000	63,241,610
1	66,510,001	-	66,515,000	66,513,290
1	157,695,001	-	157,700,000	157,698,215
1	223,140,001	-	223,145,000	223,140,295
1	276,275,001	-	276,300,000	276,284,960
1	366,950,001	-	366,975,000	366,954,480
6,279	Total			**1,346,497,280**

Note: The Slabs not applicable above have not been shown.

2.3	Categories of Shareholders	Shares Held	Percentage

2.3.1 Directors, Chief Executive Officer and their spouse and minor children.

	Shares Held	Percentage
Mr. Tariq Sayeed Saigol, Chairman	63,444,110	4.7118
Mr. Taufique Sayeed Saigol, Chief Executive Officer	223,140,295	16.5719
Mr. Sayeed Tariq Saigol	1,925,080	0.1430
Mr. Waleed Tariq Saigol	167,355	0.0124
Mr. Danial Taufique Saigol	15,230	0.0011
Ms. Jahanara Saigol	12,500	0.0009
Syed Muhammad Shabbar Zaidi	12,500	0.0009
Syed Mohsin Raza Naqvi	10,000	0.0007
Mr. Zulifikar Monnoo	15,000	0.0011
Mrs. Shehla Tariq Saigol, Spouse of Mr. Tariq Sayeed Saigol	157,698,215	11.7117
	446,440,285	33.1557

2.3.2 Associated Companies, undertakings and related parties.

	Shares Held	Percentage
Mercury Management Inc.	366,954,480	27.2525
Hutton Properties Limited	276,284,960	20.5188
	643,239,440	47.7713

2.3.3 NIT and IDBP

	Shares Held	Percentage
National Bank of Pakistan, Trustee Deptt.	52,915	0.0039
Industrial Development Bank of Pakistan (IDBP)	67,290	0.0050
	120,205	0.0089

	Shares Held	Percentage
2.3.4 Banks, Development Financial Institutions, Non-Banking Financial Institutions.	10,796,050	0.8018
2.3.5 Insurance Companies	549,071	0.0408
2.3.6 Modarabas and Mutual Funds	77,440,762	5.7513
2.3.7 Shareholders holding 10% refer to 2.3.1 & 2.3.2		

2.3.8 General Public

	Shares Held	Percentage
a) Local	155,788,690	11.5699
b) Foreign	450,000	0.0334

2.3.9 Others

	Shares Held
ABBOTT LABORATORIES (PAKISTAN) LIMITED STAFF PENSION FUND	301,126
ABBOTT LABORATORIES (PAKISTAN) LIMITED STAFF PROVIDENT FUND	60,741
AGP LIMITED STAFF PROVIDENT FUND	132,500
AGRIAUTO INDUSTRIES LIMITED EMPLOYEES PROVIDENT FUND	34,000
B.R.R. GUARDIAN LIMITED	25,500
Bristol-Myers Squibb Pak (Pvt) Ltd Emp Prov Fund	18,000
BYCO PETROLEUM PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	23,485
CDC - TRUSTEE AWT IPF - EQUITY SUB FUND	4,600
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	2,550,613
CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	1,735,824
COTTON WEB LIMITED EMPLOYEES PROVIDENT FUND	27,250
Engro Corp Ltd Mpt Emp Defined Contribution Gratuity Fund	17,000
ENGRO CORP LTD MPT EMPLOYEES DEF CONTR PENSION FUND	13,855
ENGRO CORPORATION LIMITED PROVIDENT FUND	83,500
ENGRO CORPORATION LIMITED PROVIDENT FUND	179,359
ENGRO FERTILIZERS LIMITED NON-MPT EMPLOYEES GRATUITY FUND	33,735
ENGRO FOODS LIMITED EMPLOYEES GRATUITY FUND	109,285
FEDERAL BOARD OF REVENUE	806,345

2.3	Categories of Shareholders	Shares Held	Percentage
	FIKREE DEVELOPMENT CORP. (PVT.) LIMITED	250	
	GHANI GLASS LIMITED EMPLOYEES PROVIDENT FUND	215,000	
	HOMMIE AND JAMSHED NUSSERWANJEE CHARITABLE TRUST	33,700	
	KOHINOOR TEXTILE MILLS LIMITED PROVIDENT FUND TRUST	69,500	
	KOT ADDU POWER COMPANY LIMITED EMPLOYEES PENSION FUND	412,500	
	KOT ADDU POWER COMPANY LIMITED EMPLOYEES PROVIDENT FUND	90,000	
	M/S THE OKHAI MEMON MADRESSAH ASSOCIATION	5	
	M/S.ARTAL RESTAURANT INT LTD EMP P.F	10,365	
	M/S.HUSSAIN TRUSTEES LIMITED.	1,485	
	M/S.THE DEPUTY ADMINISTRATOR. ABONDONED PROPERTIES	965	
	M/S.THE IDA RIEU POOR WELFARE ASSOCIATION	1,990	
	M/S.THE IDA RIEU POOR WELFARE ASSOCIATION	35	
	M/S.UNITED EXECUTERS & TRUSTEE COMPANY LIMITED	820	
	M/S.UNIVERSTY OF SINDH	3,400	
	NETSOL EMPLOYEES PROVIDENT FUND TRUST	135,000	
	OFFICIAL ASSIGNEE OF KARACHI	6,485	
	ONTEX PAKISTAN (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	11,450	
	PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND (DC SHARIAH)	290,967	
	ROCHE PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	67,532	
	ROCHE PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	63,000	
	ROCHE PAKISTAN LIMITED MANAGEMENT STAFF GRATUITY FUND	140,000	
	ROCHE PAKISTAN LIMITED MANAGEMENT STAFF PENSION FUND	135,000	
	SEAGOLD (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	39,000	
	SERVICE PROVIDENT FUND TRUST	92,000	
	SINDH REVENUE BOARD EMPLOYEES GRATUITY FUND	7,500	
	SYNGENTA PROVIDENT FUND	52,500	
	THAL LIMITED EMPLOYEES PROVIDENT FUND	62,598	
	THAL LIMITED EMPLOYEES RETIREMENT BENEFIT FUND	7,550	
	TRUSTEE AVARI HOTELS LIMITED EMPLOYEES PROVIDENT FUND	228	
	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	59,240	
	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	1,613,265	
	TRUSTEE PAK PETROLEUM EXEC. STAFF PEN FUND DC CONVENTIONAL	66,000	
	TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF GRATUITY FUND	47,500	
	TRUSTEE PAKISTAN PETROLEUM EXECUTIVE STAFF PENSION FUND	634,147	
	TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND	97,000	
	TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF GRATUITY FUND	61,000	
	TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF PENSION FUND	200,580	
	TRUSTEE PAKISTAN PETROLEUM SENIOR PROVIDENT FUND	253,112	
	TRUSTEES OF GHANDHARA TYRE & RUBBER CO LTD. EMPLOYEES G.F	49,500	
	TRUSTEE-THE KOT ADDU POWER CO. LTD. EMPLOYEES PENSION FUND	306,475	
	TRUSTEE-THE PAKISTAN MEMON EDUCATIONAL & WELAFRE SOCIETY	14,500	
	US APPAREL AND TEXTILE (PVT) LTD.EGF	50,000	
	WELLCOME PAKISTAN LIMITED PROVIDENT FUND	233,120	
		11,792,982	0.8758
	Grand Total	**1,346,497,280**	**100.000**

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

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13 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

DIRECTORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Directors are pleased to present the consolidated financial statements of Kohinoor Textile Mills Limited (the Holding Company) and its Subsidiary Companies Maple Leaf Cement Factory Limited (58.85%), Maple Leaf Power Limited (58.85%), Novacare Hospitals (Private) Limited (58.84%), Pioneer Cement Limited (54.52%), Maple Leaf Capital Limited (82.92%) and its associated company Agritech Limited (Together referred to as Group) for the year ended 30 June 2026.

GROUP RESULTS

The Group has earned gross profit of Rupees 42,252 million as compared to Rupees 35,967 million of corresponding year. The Group has earned pre-tax profit of Rupees 37,200 million this year as compared to Rupees 32,476 million during the previous year. The overall Group financial results are as follows:

	2026	2025
	(Rupees in million)	
Revenue	143,465	128,030
Gross profit	42,252	35,967
Profit from operations	45,835	39,891
Financial charges	7,855	7,016
Net profit after taxation	26,878	22,774
	------------- (Rupees) -------------	
Earnings per share - Basic and diluted	14.77	12.24

SUBSIDIARY COMPANIES

Maple Leaf Cement Factory Limited (MLCFL)

It has recorded an increase of 2.60% in its sales over previous year and has earned gross profit of 33.85% (30 June 2025: 34.44%) amounting to Rupees 23,942 million (30 June 2025: Rupees 23,747 million).

It has earned after tax profit of Rupees 8,446 million (30 June 2025: Rupees 17,036 million).

Pioneer Cement Limited (PIOC)

It has recorded an increase of 15.82% in its sales over previous year and has earned gross profit of 30.02% (30 June 2025: 31.35%) amounting to Rupees 11,581 million (30 June 2025: Rupees 10,444 million).

It has earned after tax profit of Rupees 6,594 million (30 June 2025: Rupees 4,876 million).

Maple Leaf Power Limited (MLPL)

MLPL has earned after tax profit of Rupees 2,686 million (30 June 2025: Rupees 2,132 million).

Novacare Hospitals (Private) Limited

Novacare Hospitals (Private) Limited has incurred after tax loss of Rupees 354 million (30 June 2025: Rupees 247 million).

Maple Leaf Capital Limited (MLCL)

MLCL has earned after tax profit of Rupees 9,325 million (30 June 2025: Rupees 8,637 million).

In compliance with the Companies Act, 2017, all relevant matters of Section 227 have been placed in our Standalone Directors' Report to the shareholders.

ACKNOWLEDGMENT

The Directors are grateful to the Group's members, financial institutions, customers and employees for their cooperation and support. They also appreciate the hard work and dedication of the employees working at various divisions.

For and on behalf of the Board

Lahore
July 31, 2026

Taufique Sayeed Saigol
Chief Executive Officer

Syed Mohsin Raza Naqvi
Director

Riaz Ahmad & Company
Chartered Accountants

2nd Floor, Al-Malik Centre
70 West, Jinnah Avenue,
Blue Area, Islamabad
T: +92 (51) 227 4121 - 2
F: +92 (51) 227 8859
racoisd@racopk.com
www.racopk.com

INDEPENDENT AUDITOR'S REPORT

To the members of Kohinoor Textile Mills Limited
Report on the Audit of the Consolidated Financial statements

Opinion

We have audited the annexed financial statements of Kohinoor Textile Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2026, and 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.

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

Basis for Opinion

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

Key Audit Matters

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

A member of Nexia International

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1	Investments in quoted securities Quoted investments of the investment business of the Group as at 30 June 2026 represented a material position in the consolidated statement of financial position. Due to the requirements of applicable accounting and reporting standards relating to classification, measurement and disclosures of investments, it is considered to be the area which had the significant effect on our overall audit strategy and allocation of resources in planning and completing our audit. Further, the value of the quoted investments is a significant input to confirm the amount of unrealised gain / (loss) on remeasurement of investments recognized in the consolidated statement of profit or loss. For further information, refer to the following: - Material accounting policy information, Investment and other financial assets note 2.6 to the financial statements. - Short term investments note 34 to the consolidated financial statements.	Our procedures over the existence, completeness and valuation of the Group's portfolio of quoted investments included, but were not limited to: • Documenting and assessing the processes and controls in place to record investment transactions and to value the portfolio; • Agreeing the valuation of all of quoted investments from prices quoted on the Pakistan Stock Exchange Limited and redemption price in case of open-end mutual funds; • Agreeing holding of all quoted investments from the Account Balance Report of Central Depository Company of Pakistan Limited and Statement of Account, in case of open-end mutual funds; • Verifying the accuracy of management's judgement used in classification of investments; and • Assuring the completeness and accuracy of gains / (losses) recognized in the consolidated statement of profit or loss of quoted investments.

Sr. No.	Key audit matters	How the matters were addressed in our audit
2	**Revenue recognition** Revenue of the Group for the year ended 30 June 2026 represented a significant portion in the consolidated statement of profit or loss. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Material accounting policy information, Revenue recognition note 2.15 to the consolidated financial statements. - Revenue note 37 to the consolidated financial statements.	Our procedures included, but were not limited to: • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • Comparing a sample of revenue transactions recorded during the year with sale orders, sale invoices, delivery documents and other relevant underlying documents; • Comparing a sample of revenue transactions recorded around the year-end with the sale orders, sale invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; • Performing recalculation of discounts as per Group's policy on test basis; • Performing analytical procedures to analyse variation in the price and quantity sold during the year; • Assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'; and • Assessing the adequacy and appropriateness of the disclosures made in the consolidated financial statements related to revenue.

Information Other than the Consolidated 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 consolidated financial statements and our auditor's report thereon.

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Bilal Ahmad.

RIAZ AHMAD & COMPANY
Chartered Accountants

ISLAMABAD

DATE: 25 August 2026

UDIN: AR202610777DuCEUszfZ

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	2026	2025
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,850,000,000 (2025: 370,000,000) ordinary shares of Rupees 2 each		3,700,000	3,700,000
150,000,000 (2025: 30,000,000) preference shares of Rupees 2 each		300,000	300,000
		4,000,000	4,000,000
Issued, subscribed and paid-up share capital	4	2,692,994	2,692,994
Reserves	5		
Capital reserves			
Share premium		986,077	986,077
Reserve against capacity expansion		26,769,600	26,769,600
Reserve against buy-back of shares		2,363,480	2,363,480
Fair value reserve		1,107,180	1,628,586
Reserve against long term investments		2,942,400	2,942,400
Surplus on revaluation of freehold land		6,549,819	6,196,423
		40,718,556	40,886,566
Revenue reserves			
Unappropriated profit		49,539,370	-
		90,257,926	72,022,047
Equity attributable to equity holders of the Holding Company		92,950,920	74,715,041
Non-controlling interest	6	26,841,249	31,603,197
Total equity		119,792,169	106,318,238
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	78,090,697	14,230,480
Deferred government grants	8	221,528	329,295
Sindh Infrastructure Development Cess (SIDC) payable	9	315,641	-
Liability against right of use assets	10	45,329	53,292
Long term deposits	11	49,685	8,214
Retirement benefits	12	880,508	350,638
Retention money payable	13	185,702	-
Deferred income tax liability	14	35,172,163	17,652,264
		114,961,253	32,624,183
CURRENT LIABILITIES			
Trade and other payables	15	35,664,678	22,646,648
Contract liabilities	16	988,008	1,234,330
Accrued mark-up	17	2,059,173	877,547
Short term borrowings	18	31,402,095	20,835,119
Current portion of non-current liabilities	19	5,665,448	5,427,257
Unclaimed dividend		156,404	57,782
Provision for taxation and levy - net	35	-	1,545,842
		75,935,806	52,624,525
TOTAL LIABILITIES		190,897,059	85,248,708
CONTINGENCIES AND COMMITMENTS	20		
TOTAL EQUITY AND LIABILITIES		310,689,228	191,566,946

The annexed notes form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	2026	2025
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	21	160,524,890	91,282,609
Investment property	22	1,081,995	-
Intangible assets	23	24,687,200	62,426
Long term loans to employees	24	9,741	16,610
Long term investments	25	8,514,869	9,870,871
Long term deposits	26	299,243	203,981
Long term advances and prepayments	27	2,773,728	-
		197,891,666	101,436,497
CURRENT ASSETS			
Stores, spare parts and loose tools	28	20,430,089	14,409,590
Stock-in-trade	29	16,253,316	12,822,621
Trade debts	30	10,744,392	10,506,550
Loans and advances	31	1,564,091	1,301,221
Security deposits and short term prepayments	32	786,117	785,011
Other receivables	33	1,750,472	2,623,473
Short term investments	34	56,090,672	45,472,729
Advance taxation and levy - net	35	885,503	-
Cash and bank balances	36	4,292,910	2,209,254
		112,797,562	90,130,449
TOTAL ASSETS		310,689,228	191,566,946

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2026

	Note	2026	2025
		(Rupees in thousand)	
REVENUE	37	143,464,631	128,029,724
COST OF SALES	38	(101,212,884)	(92,062,543)
GROSS PROFIT		42,251,747	35,967,181
DISTRIBUTION COST	39	(5,172,507)	(6,296,665)
ADMINISTRATIVE EXPENSES	40	(6,736,434)	(4,277,674)
OTHER EXPENSES	41	(1,753,834)	(2,210,577)
		(13,662,775)	(12,784,916)
		28,588,972	23,182,265
OTHER INCOME	42	17,763,120	17,470,172
SHARE OF NET LOSS OF ASSOCIATE ACCOUNTED FOR USING EQUITY METHOD		(516,953)	(761,071)
PROFIT FROM OPERATIONS		45,835,139	39,891,366
FINANCE COST	43	(7,854,501)	(7,016,441)
PROFIT BEFORE LEVY AND TAXATION		37,980,638	32,874,925
LEVY	44	(780,587)	(398,824)
PROFIT BEFORE TAXATION		37,200,051	32,476,101
TAXATION	45	(10,322,094)	(9,702,170)
PROFIT AFTER TAXATION		26,877,957	22,773,931
SHARE OF PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		19,885,211	16,478,710
NON-CONTROLLING INTEREST		6,992,746	6,295,221
		26,877,957	22,773,931

	Note	2026	2025
		--------------Rupees--------------	
EARNINGS PER SHARE - BASIC AND DILUTED	46	14.77	Restated 12.24

The annexed notes form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	2026	2025
	(Rupees in thousand)	
PROFIT AFTER TAXATION	26,877,957	22,773,931
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement of defined benefit liability	(29,596)	13,853
Related deferred income tax	14,075	(5,403)
	(15,521)	8,450
Surplus arising on remeasurement of investment at fair value through other comprehensive income (Note 5.6)	(2,649,402)	2,275,400
Impairment loss recognized on investments at fair value through other comprehensive income	-	(45,750)
Related deferred income tax	177,762	(474,540)
	(2,471,640)	1,755,110
Surplus on revaluation of freehold land	600,523	-
Share of other comprehensive income of associate accounted for using the equity method - net of tax:		
Re-measurement of defined benefit liability - net of tax	(823)	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive (loss) / income for the year - net of tax	(1,887,461)	1,763,560
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	24,990,496	24,537,491
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF HOLDING COMPANY	18,774,478	17,505,518
NON-CONTROLLING INTEREST	6,216,018	7,031,973
	24,990,496	24,537,491

The annexed notes form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY											Non-controlling interest	Total equity
	Share capital	Reserves									Total		
		Capital reserves							Revenue reserve	Total reserves			
		Share premium	Reserve against capacity expansion	Reserve against buy-back of shares	Fair value reserve	Reserve against Long Term Investments	Surplus on revaluation of freehold land	Sub-total	Un-appropriated profit				
	(Rupees in thousand)												
Balance as at 01 July 2024	2,692,994	986,077	26,769,600	2,363,480	606,751	2,942,400	6,196,423	39,864,731	14,651,798	54,516,529	57,209,523	24,571,224	81,780,747
Profit for the year	-	-	-	-	-	-	-	-	16,478,710	16,478,710	16,478,710	6,295,221	22,773,931
Other comprehensive income for the year	-	-	-	-	1,021,835	-	-	1,021,835	4,973	1,026,808	1,026,808	736,752	1,763,560
Total comprehensive income for the year	-	-	-	-	1,021,835	-	-	1,021,835	16,483,683	17,505,518	17,505,518	7,031,973	24,537,491
Balance as at 30 June 2025	2,692,994	986,077	26,769,600	2,363,480	1,628,586	2,942,400	6,196,423	40,886,566	31,135,481	72,022,047	74,715,041	31,603,197	106,318,238
Transactions with owners:													
- final dividend for the year ended 30 June 2025 @ Rupee 0.40 per share	-	-	-	-	-	-	-	-	(538,599)	(538,599)	(538,599)	-	(538,599)
- Transaction with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(10,977,966)	(10,977,966)
	-	-	-	-	-	-	-	-	(538,599)	(538,599)	(538,599)	(10,977,966)	(11,516,565)
Profit for the year	-	-	-	-	-	-	-	-	19,885,211	19,885,211	19,885,211	6,992,746	26,877,957
Other comprehensive loss for the year	-	-	-	-	(1,454,511)	-	353,396	(1,101,115)	(9,618)	(1,110,733)	(1,110,733)	(776,728)	(1,887,461)
Total comprehensive income for the year	-	-	-	-	(1,454,511)	-	353,396	(1,101,115)	19,875,593	18,774,478	18,774,478	6,216,018	24,990,496
Transfer of fair value loss from capital reserve to revenue reserve (Note 5)	-	-	-	-	933,105	-	-	933,105	(933,105)	-	-	-	-
Balance as at 30 June 2026	2,692,994	986,077	26,769,600	2,363,480	1,107,180	2,942,400	6,549,819	40,718,556	49,539,670	90,257,926	92,950,920	26,842,249	119,792,169

The annexed notes form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note	2025	2024
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	47	55,112,653	42,119,563
Finance cost paid		(6,643,747)	(7,474,232)
Employee benefits paid		(38,637)	(54,768)
Income tax and levies paid - net		(17,110,738)	(6,138,594)
Worker's welfare fund paid		(567,491)	(236,030)
Workers' profit participation fund paid		(989,794)	(367,039)
Net decrease in long term loans to employees		6,869	14,618
Net increase in long term advances and prepayments		(2,773,728)	-
Net increase in long term deposits		(53,791)	(22,593)
Net cash generated from operating activities		26,941,596	27,840,925
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(9,956,267)	(7,183,364)
Intangible assets acquired		-	(7,816)
Long term investments made		(26,500)	(7,107,357)
Short term investments - net		(13,258,627)	(24,055,998)
Proceeds from disposal of property, plant and equipment		303,476	110,812
Proceeds from sale of stores		49,932	195,180
Increase in retention money payable		109,734	-
Interest received		299,877	2,124,982
Dividend received		3,136,826	1,719,257
Net cash used in investing activities		(19,341,549)	(34,204,304)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		75,295,377	4,200,000
Repayment of long term financing		(15,245,213)	(5,125,743)
Investments in equity instruments of Pioneer Cement Limited		(12,737,288)	-
Payment for acquisition of subsidiary - net of cash acquired		(62,018,773)	-
Lease rentals paid during the year		(49,166)	(42,222)
Short term borrowings - net		9,776,177	7,892,609
Dividend paid		(537,505)	(1,016)
Net cash (used in) / from financing activities		(5,516,391)	6,923,628
Net increase in cash and cash equivalents		2,083,656	560,249
Cash and cash equivalents at the beginning of the year		2,209,254	1,649,005
Cash and cash equivalents at the end of the year	36	4,292,910	2,209,254

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

CHIEF EXECUTIVE OFFICER   DIRECTOR   CHIEF FINANCIAL OFFICER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

1. THE GROUP AND ITS OPERATIONS

1.1 Holding Company

Kohinoor Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Holding Company is situated at 42-Lawrence Road, Lahore. The principal activity of the Holding Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

1.2 Subsidiary companies

1.2.1 Maple Leaf Cement Factory Limited (MLCFL)

Maple Leaf Cement Factory Limited (the Subsidiary Company) was incorporated in Pakistan on 13 April 1960 under the repealed Companies Act, 1913 (now the Companies Act, 2017) as a public company limited by shares. MLCFL is listed on Pakistan Stock Exchange Limited. It has one cement plant which is located at Iskanderabad, District Mianwali, in the province of Punjab. It is principally engaged in the production and sale of cement and wall putty. The registered office of MLCFL is situated at 42-Lawrence Road, Lahore. MLCFL is engaged in production and sale of cement.

1.2.2 Maple Leaf Capital Limited (MLCL)

Maple Leaf Capital Limited (the Subsidiary Company) was incorporated in Pakistan on 25 April 2014 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as a public company limited by shares. The registered office of MLCL is situated at 42-Lawrence Road, Lahore. The principal objects of MLCL are to buy, sell, hold or otherwise acquire or invest the capital in any sort of financial instruments and commodities.

1.2.3 Maple Leaf Power Limited (MLPL)

Maple Leaf Power Limited was incorporated in Pakistan on 15 October 2015 as a public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017). It is wholly owned subsidiary of MLCFL, which is subsidiary of the Holding Company. MLPL has been established to set up and operate a 40-megawatt Coal Fired Power Generation Plant and a 7.9 megawatt solar power plant at Iskanderabad, District Mianwali for generation of electricity. The registered office of MLPL is located at 42-Lawrence Road, Lahore. The principal objective of MLPL is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity to MLCFL.

MLPL is registered as a captive power producer (CPP) and has obtained electricity generation license from National Electric and Power Regulatory Authority (NEPRA) on 20 December 2016. MLPL entered into a Power Purchase Agreement (PPA) and Steam Purchase Agreement with MLCFL on 04 July 2017 and 31 October 2019 respectively, which are valid for 20 years.

1.2.4 Maple Leaf Industries Limited (MLIL)

Maple Leaf Industries Limited was incorporated in Pakistan on 21 September 2022 as a public company limited by shares under the Companies Act, 2017. The registered office of MLIL was located at 42-Lawrence Road, Lahore. MLIL was incorporated with the primary objective of setting up a cement manufacturing facility in Special Economic Zone in Mianwali, Punjab. However, the Government of Pakistan did not allow for import of machinery for cement manufacturing line and consequently, the Board of Directors of MLIL decided to initiate the winding-up process of the Company as at 31 March 2024. The winding-up process has since been completed.

1.2.5 Novacare Hospitals (Private) Limited (NHPL)

Novacare Hospitals (Private) Limited (NHPL) was incorporated in Pakistan on 21 March 2023, by Andalus Holdings (ADGM) Limited ("Andalus"), represented by directors Mr. Faraz Minai and Mr. Ghalib Hafiz, each holding 2,500 shares. Andalus, based in Abu Dhabi, is incorporating a company in Pakistan to which these shares will be transferred. On 10 May 2023, Andalus entered into an agreement with the MLCFL that along with its affiliates. It is subsidiary of MLCFL, which is subsidiary of the Holding Company. MLCFL entered into an agreement with NHPL that MLCFL would invest in NHPL, maintaining at least a 66.66% shareholding. The agreement granting the MLCFL ordinary shares, has a term of eight years with a one-year extension option. The principal line of business of NHPL is to establish, manage, and operate healthcare facilities, including hospitals, pharmacies, nursing homes, clinics, laboratories, dental clinics, and healthcare centres. NHPL aims to provide healthcare and surgical services, including the treatment of various diseases. NHPL is currently in the pre-commencement phase and has purchased land for hospital on which it has begun construction work. The registered office of the Company is situated at 1st Floor, F-J Plaza, Block No. 02, Markaz F-7, Islamabad Capital Territory (I.C.T), Pakistan.

1.2.6 Pioneer Cement Limited (PIOC)

Pioneer Cement Limited (PIOC) was incorporated in Pakistan as a public company, limited by shares, on 09 February 1986. Its shares are quoted on the Pakistan Stock Exchange Limited. The registered office of PIOC is situated at 64-B/1, Gulberg III, Lahore. PIOC was acquired by MLCFL, which is subsidiary of Holding Company. 'The principal activity of PIOC is the manufacture and sale of cement. The production facility is located at Chenki, District Khushab, Punjab. The plant has an annual production capacity of 5,194,500 tons.

1.3 Geographical location and addresses of all business units are as follows:

Sr. No.	Manufacturing units and office	Address
	Manufacturing units:	
1	Spinning and Home textile units	Peshawar Road, Rawalpindi.
2	Spinning unit	Gulyana Road, Gujar Khan, District Rawalpindi.
3	Weaving unit	8 K.M. Manga Raiwind Road, District Kasur.
4	Cement and Power plant	Iskanderabad, District Mianwali
5	Healthcare	Markaz F-7, Islamabad.
	Head office	42-Lawrence Road, Lahore.
	Regional offices:	
6	Lahore region	304-B, 3rd Floor, City Tower, Main Boulevard, Gulberg II, Lahore.
7	Multan region	Office No. 708, 7th Floor, the United Mall, Abdali Road, Multan.
8	Sargodha region	Office No. 59, 2nd Floor, Al Rehman Trade Centre University Road, Sargodha.
9	Rawalpindi region	Kohinoor Textile Mills Limited, Peshawar Road, Rawalpindi.
10	Karachi region	25-West Wharf Road, Industrial Area, Karachi.
11	Faisalabad region	Office No. 10, 3rd Floor, Legacy Tower, Kohinoor City, Jaranwala Road, Faisalabad.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

a) Statement of compliance

These consolidated 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:

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

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

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

b) Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Group. Further, the Group reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

Income tax and levy

In making the estimates for income tax currently payable by the Group, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Deferred income tax

From the previous financial year, tax year 2025, income of the Group is being taxed under normal tax regime, hence, as on 30 June 2024, deferred income tax on taxable temporary differences between the accounting and tax base of fixed assets was required to be calculated in totality (previously this was only relating to local sales percentage). This was the first time the Group was transitioning to this regime. Previously, the Group was neither required nor claimed tax depreciation against income subject to final tax regime, hence, percentage of export sales (taxed under final tax regime till 30 June 2024) has been used to calculate the tax base by applying this percentage to the accounting cost of operating fixed assets. This critical accounting estimation, used by the management in the calculation of deferred tax, is based on the advice of legal counsel, and it reflects the best available information for the calculation of deferred tax.

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Classification of investments

The management of the Group determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies its investments in accordance with IFRS 9 “Financial Instruments”.

Employee benefits

The Subsidiary Company Maple Leaf Cement Factory Limited (MLCFL) operates approved funded gratuity schemes covering all its full-time permanent workers who have completed the minimum qualifying period of service as defined under the respective scheme. The gratuity scheme is managed by trustees. The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used for the plan are determined by independent actuary on annual basis.

The amount of the expected return on plan assets is calculated using the expected rate of return for the year and the market - related value at the beginning of the year. Gratuity cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years, net of the expected return on plan assets. Calculations are sensitive to changes in the underlying assumptions.

The Subsidiary Company Maple Leaf Cement Factory Limited (MLCFL) also operates approved unfunded accumulated compensated absences benefit scheme covering all its full-time permanent employees. The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used for the plan are determined by independent actuary on annual basis. Accumulated compensated absences cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years and the related actuarial gain / loss. Calculations are sensitive to changes in the underlying assumptions.

Impairment

The management of the Group reviews carrying amounts of its assets including receivables, advances and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the consolidated statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingencies

The Group reviews the status of all pending litigations and claims against the Group. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the consolidated statement of financial position date.

Revaluation of land (Note 56)

d) Standards and amendments to published approved standards that are effective in current year and are relevant to the Group

Following standards and amendments to published approved standards is mandatory for the Group's accounting periods beginning on or after 01 July 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability.
- IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'.
- IFRS S2 'Climate-related Disclosures'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The Group meets the specified criteria for Phase I applicability as per the SECP's order dated 31 December 2024 and this is the Group 's first year of compliance. Accordingly, the Group has availed the exception available for the first year of application, under which sustainability-related financial disclosures may be issued within nine months from the close of the financial year. The Group will therefore issue its sustainability-related financial disclosures separately, within nine months of the year ended 30 June 2026 (i.e., by 31 March 2027), instead of together with these financial statements.

The above-mentioned standards and amendments to approved accounting standard did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Group

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these financial statements.

f) Standard, amendments and improvements to published approved standards that are not yet effective but relevant to the Group

Following standard, amendments and improvements to accounting standard have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2026 or later periods:

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Contracts Referencing Nature–dependent Electricity (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

On 13 November 2025, the International Accounting Standards Board (IASB) issued Translation to a Hyperinflationary Presentation Currency (effective for annual reporting periods beginning on or after 1 January 2027), which amended IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments specify the translation procedures to be applied by an entity whose presentation currency is the currency of a hyperinflationary economy. The amendments also introduce additional disclosure requirements to enable users of financial statements to understand the effects of translating financial information into a hyperinflationary presentation currency.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

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

The above standard, amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Group

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2026 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these financial statements.

2.2 Basis of consolidation

Subsidiaries are all entities (Including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Holding Company obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the Subsidiary Company has been consolidated on a line-by-line basis and the carrying values of investment held by the Holding Company has eliminated against the shareholders' equity in the Subsidiary Company are prepared for the same reporting year as of the Holding Company, using consistent accounting policies.

Non-controlling interest is that part of net results of the operations and of net assets of the Subsidiaries which are not owned by the Holding Company either directly or indirectly. Non-controlling interest is presented as a separate item in the consolidated financial statement.

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and other component of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in consolidated statement of profit or loss. In addition, any amount previously recognized in consolidated statement of other comprehensive income in respect of that subsidiary are reclassified to the consolidated statement of profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee, joint venture or as an available for sale financial asset depending on level of influence retained.

Intra-group balances and transactions have been eliminated.

2.3 Taxation and levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Group, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such year.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the consolidated statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.4 Property, plant, equipment and depreciation

Operating fixed assets

Operating fixed assets except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss. Capital work-in-progress is stated at cost less any recognized impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to consolidated statement of profit or loss during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of freehold land are recognized, in consolidated other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the consolidated statement of profit or loss, the increase is first recognized in the consolidated statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in consolidated other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the consolidated statement of profit or loss.

Depreciation

Depreciation on operating fixed assets is charged to the consolidated statement of profit or loss applying the reducing balance method except that straight-line method is used for the plant and machinery and buildings of MLCFL relating to dry process plant and power plant of MLPL after deducting residual value, so as to write off the cost / depreciable amount of the asset over their estimated useful lives at the rates given in Note 21.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed of. The residual values and useful lives of assets are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the consolidated statement of profit or loss in the year the asset is de-recognized.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.5 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditure relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight-line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Group. The useful life and amortization method is reviewed and adjusted, if appropriate, at each consolidated statement of financial position date.

2.6 Investment and other financial assets

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is de-recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss (FVTPL)

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the consolidated statement of profit or loss as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

2.7 Financial liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in consolidated statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.8 Impairment of financial assets

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.9 De-recognition of financial assets and financial liabilities

a) Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

b) Financial liabilities

The Group derecognizes a financial liability (or a part of financial liability) from its consolidated statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.10 Inventories

Inventories, except for stock in transit and waste stock / rags, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw materials, work-in-process and finished goods is determined as follows:

(i)	For raw materials:	Annual average basis.
(ii)	For work-in-process and finished goods:	Average manufacturing cost including a portion of production overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags are valued at net realizable value.

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

2.11 Trade debts and other receivables

Trade debts are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.12 Borrowings

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

2.13 Borrowing cost

Interest, mark-up and other charges on borrowings are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such borrowings. All other interest, mark-up and other charges are recognized in consolidated statement of profit or loss.

2.14 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.15 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Processing services

The Holding Company provides processing services to local customers. These services are rendered separately and the Holding Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Holding Company's contracts with its customers.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

Realized gain

Realized capital gains / (losses) arising on sale of investments are included in the consolidated statement of profit or loss on the date at which the transaction takes place.

Realized gains / (losses) arising on sale of gold are included in the consolidated statement of profit or loss on the date at which the transaction takes place.

Unrealized gain

Unrealized capital gains / (losses) arising on changes in the fair value of investments classified as “Fair value through profit or loss” are included in the consolidated statement of profit or loss in the period in which they arise.

Unrealized gains / (losses) arising on revaluation of gold are included in the consolidated statement of profit or loss in the period in which they arise.

2.16 Contract assets

Contract assets arise when the Group performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.17 Customer acquisition costs

Customer acquisition costs are capitalized as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortized on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

2.18 Customer fulfillment costs

Customer fulfillment costs are capitalized as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Group that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfillment costs are amortized on a straight-line basis over the term of the contract.

2.19 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.20 Contract liabilities

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

2.21 Refund liabilities

Refund liabilities are recognized where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Group does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.22 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.23 Contingent assets

Contingent assets are disclosed when the Group has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized until their realization becomes certain.

2.24 Contingent liabilities

Contingent liability is disclosed when the Group has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the consolidated financial statements.

2.25 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

2.26 Derivative financial instruments

Derivatives instruments that are held by the Group primarily comprise of future contracts in the capital market and commodities market. These are measured initially at fair value and revalued at each subsequent measurement date at their fair values which is calculated as being the net difference between the contract price and the closing price reported on the relevant exchange of the future contracts. Derivatives with the positive market values (unrealized gains) are included in assets and derivatives with the negative market value (unrealized losses) are included in liabilities in the consolidated statement of financial position. The resultant gains / (losses) are included in consolidated statement of profit or loss.

2.27 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.28 Segment reporting

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

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Group has six reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibers), Weaving (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles), Power (generation of electricity), Investment (invest the capital in any sort of financial instruments and commodities) and Cement.

2.29 Government grants

The Group follows deferral method of accounting for government grant related to subsidized long term loan. Government grant is initially recognized as deferred grant and measured as the difference between the initial carrying value of the long term loan recorded at market rate (i.e. fair value of the long term loan in this case) and the proceeds of subsidized long term loan received. In subsequent years, the grant is recognized in consolidated statement of profit or loss, in line with the recognition of interest expenses the grant is compensating and is presented as a reduction of related interest expense.

2.30 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is recognized in the consolidated statement of profit or loss for the year in which it arises.

2.31 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. Goodwill is not amortised but is reviewed for impairment at least annually.

3 SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Employee benefits

3.1.1 Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leaves that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

3.1.2 Post employment benefits

i) Defined contribution plan

The Group operates a defined contributory approved Provident Fund Trust for all its employees. Equal monthly contributions are made both by the Group and employees at the rate of 8.33% and 10% of the basic salary to the Provident Fund Trust. Obligation for contributions to defined contribution plan is expensed as the related service is provided.

ii) Defined benefit plan

The Subsidiary Company MLCFL operates approved funded gratuity scheme for all its workers who have completed the minimum qualifying period of service of three years. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to consolidated statement of profit or loss. The most recent valuation was carried out as at 30 June 2026 using the "Projected Unit Credit Method".

The Subsidiary Company MLCFL operates defined benefit gratuity plan in accordance with the local regulatory framework in Pakistan. The plan provides benefits to members in the form of a gratuity amount payable at the end of employment. This is a trustee-administered fund. Plan assets held by the fund are governed by local regulations and practice. Responsibility for governance of the plan– including investment decisions and contributions schedules– lies jointly with the board of trustees which are either directors, senior executives or employees of the Subsidiary Company MLCFL in accordance with the plan's regulations.

The actual return on plan assets represents the difference between the fair value of plan assets at the beginning of the year and as at the end of the year after adjustments for contributions made by the Subsidiary Company MLCFL as reduced by benefits paid during the year.

The Subsidiary Company MLCFL ensures that its investment positions are managed within an asset-liability matching (ALM) framework developed to align with its gratuity obligations. Within this framework, the Subsidiary Company MLCFL's ALM objective is to match assets to the gratuity obligations by investing in fixed-rate short-term funds. These funds carry lower risk and provide fixed returns, ensuring the preservation of the investment amount at maturity, which can then be reinvested. Additionally, they offer attractive returns compared to peers. The Subsidiary Company MLCFL actively monitors how the duration and expected yield of these investments align with the expected cash outflows arising from the gratuity scheme obligations.

The Subsidiary Company MLCFL has not changed the processes used to manage its risks from previous periods. The Subsidiary Company MLCFL does not use derivatives to manage its risk. Investments are in rated financial institutions, such that the risk failure of the investments is minimal. A large portion of assets in 2024 consists of investment in open ended fixed rate return fund managed by NBP Fund Management Limited. The Subsidiary Company MLCFL believes that such investments offer the best returns with an acceptable level of risk. The composition of plan assets has been disclosed in note 12.2.2.

The amount recognized in statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the year in which they arise. Past service costs are recognized immediately in the consolidated statement of profit or loss.

The future contribution rate of the plan includes allowances for deficit and surplus. Projected Unit Credit Method, using the following significant assumptions, has been used for valuation of this scheme:

	2026	2025
Discount rate per annum	12.25%-12.50%	12.00%
Expected increase in eligible salary level per annum	12.25%-12.50%	12.00%
Duration of plan	4 years	4 years

The expected mortality rates assumed are based on the SLIC (2001-2005) mortality table set back one year.

iii) Accumulating compensated absences

The Subsidiary Company MLCFL accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provision to cover the obligations is made using the current salary level of employees. The unutilized leaves are accumulated subject to a maximum of 90 days. The unutilized accumulated leaves can be encashed at the time the employee leaves Subsidiary Company MLCFL service.

Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to statement of profit or loss. The most recent valuation was carried out as at 30 June 2026 using the "Projected Unit Credit Method."

The amount recognised in the statement of financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the consolidated statement of profit or loss immediately in the period when these occur.

Projected unit credit method, using the following significant assumptions, has been used for valuation of accumulating compensated absences:

	2026	2025
Discount rate per annum	11.75%	12.00%
Expected increase in eligible salary level per annum	11.25%	11.00%
Duration of plan	8 years	8.6 years

The expected mortality rates assumed are based on the SLIC (2001-2005) mortality table set back one year.

3.2 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Group has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to statement of profit or loss as incurred.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to consolidated statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

3.3 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements when there is a legal enforceable right to set off and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.4 Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. Figures are rounded off to the nearest thousand of Pak Rupees.

3.5 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to consolidated statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

3.6 Investment in gold

Investment in gold is initially recognized at fair value less cost to sell. Subsequent to initial recognition, these are measured at fair value using spot rate fixed by the Pakistan Mercantile Exchange Limited (PMEX). Gain or loss arising from changes in fair value less cost to sell are recognized in the consolidated statement of profit or loss in the period of change.

3.7 Dividend and other appropriations

Dividend distribution to the Group's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3.8 Share capital

Ordinary shares of the Group are classified as share capital. Incremental cost directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

3.9 Pre-operating administrative expenses

Pre-operating administrative expenses include costs incurred before the commencement of principal operations of NHPL, being expensed as incurred. These expenses do not meet the criteria for capitalization under IFRS, as they are not directly attributable to the construction of the hospital, the qualifying asset.

3.10 Earnings per share

The Group presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2026	2025		2026	2025
(Number of Shares)			(Rupees in thousand)	
7,983,360	1,596,672	Ordinary shares of Rupees 2 (2025: Rupees 10) each allotted on reorganization of Kohinoor Industries Limited	15,967	15,967
130,780,000	26,156,000	Ordinary shares allotted under scheme of arrangement of merger of Part II of Maple Leaf Electric Company Limited	261,560	261,560
134,294,485	26,858,897	Ordinary shares allotted under scheme of arrangement of merger of Kohinoor Raiwind Mills Limited and Kohinoor Gujar Khan Mills Limited	268,589	268,589
377,512,800	75,502,560	Ordinary shares of Rupees 2 (2025: Rupees 10) each issued as fully paid bonus shares	755,025	755,025
695,926,635	139,185,327	Ordinary shares of Rupees 2 (2025: Rupees 10) each issued as fully paid in cash	1,391,853	1,391,853
1,346,497,280	269,299,456		2,692,994	2,692,994

4.1 During the year, the shareholders of the Company, in the Extra Ordinary General Meeting held on 15 August 2025, resolved that the existing share capital of the Company, including authorized, issued and paid–up capital, is altered in a manner that each ordinary share of the Company having face value of Rupees 10/– each shall be subdivided into five ordinary shares of Rupees 2/– each by way of share split with no change in rights and privileges associated to the shares. In accordance with IAS 33 'Earnings Per Share', Earnings per share (EPS) has been retrospectively adjusted for the share split.

5. RESERVES

	Note	2026	2025
		(Rupees in thousand)	
Composition of reserves is as follows:			
Capital reserves			
Share premium	5.1	986,077	986,077
Surplus on revaluation of freehold land:	5.2		
As at 01 July		6,196,423	6,196,423
Fair value adjustment		353,396	-
		6,549,819	6,196,423
Reserve against capacity expansion	5.3	26,769,600	26,769,600
Reserve against buy-back of shares	5.4	2,363,480	2,363,480
Reserve against long term investments	5.5	2,942,400	2,942,400
Fair Value Reserves	5.6	1,107,180	1,628,586
		40,718,556	40,886,566
Revenue reserves			
Unappropriated profit		49,539,370	31,135,481
		91,191,031	72,022,047

5.1 This reserve can be utilized by the Group only for the purposes specified in section 81 of the Companies Act, 2017.

5.2 This represents net accumulative increase in the carrying amount as a result of revaluation of freehold land. This surplus on revaluation of freehold land is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

5.3 This reserve has been created by reclassification of unappropriated profits for the purpose of capacity expansion and is not available for distribution.

5.4 This reserve has been created by reclassification of unappropriated profits for the purpose of buy back of shares and is not available for distribution.

5.5 This reserve has been created by reclassification of unappropriated profits for the purpose of long term investments and is not available for distribution.

5.6 This represents the unrealized gain on re-measurement of investment at fair value through other comprehensive income and is not available for distribution. Reconciliation of fair value reserve - net of deferred income tax is as under:

	Note	2026	2025
		(Rupees in thousand)	
Balance at the beginning of the year		2,786,158	1,031,048
Fair value adjustment during the year		(2,649,402)	2,275,400
Transfer of fair value loss from capital reserve to revenue reserve		1,585,619	-
Impairment loss recognized on investments at fair value through other comprehensive income		-	(45,750)
		1,722,375	3,260,698
Less: Deferred income tax liability		177,762	(474,540)
Balance at the end of the year		1,900,137	2,786,158
Less: Share of non-controlling interests		(792,957)	(1,157,572)
		1,107,180	1,628,586

6. NON-CONTROLLING INTEREST

	Note	2026	2025
Opening balance		31,603,197	24,571,224
Add / (less): Share during the year:			
Transaction with non-controlling interests		(10,977,966)	-
Profit for the year		6,992,746	6,295,221
Other comprehensive income for the year		(776,728)	736,752
		(4,761,948)	7,031,973
		26,841,249	31,603,197

7. LONG TERM FINANCING

	Note	2026	2025
From banking companies and other financial institution - secured			
Holding Company	7.1	2,679,310	5,771,639
Subsidiary Company - MLCFL	7.2	80,671,978	13,714,966
		83,351,288	19,486,605
Less: Current portion shown under current liabilities	19	(5,260,591)	(5,256,125)
		78,090,697	14,230,480

LENDER	2026	2025	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
7.1 Holding Company							
The Bank of Punjab	136,268	185,952	400,000	SBP LTFF rate + 1.00%	Thirty six equal quarterly installments commenced from 31 January 2018 and ending on 19 February 2030.	Quarterly	Joint pari passu charge amounting to Rupees 2,861.643 million (inclusive of 25% margin) over plant and machinery and mortgage charge of Rupees 934 million on land measuring 43 Acres, 07 Kanals and 12 Marlas of the Holding Company.
The Bank of Punjab	118,784	195,280	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 26 February 2019 and ending on 02 July 2030.	Quarterly	
The Bank of Punjab	163,600	230,267	400,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commencing from 03 February 2023 and ending on 09 February 2029.	Quarterly	
The Bank of Punjab	264,875	-	850,000	SBP Policy rate -3.00%	Twenty four equal quarterly installments commenced from 04 November 2026 and ending on 04 August 2032.	Quarterly	
The Bank of Punjab	165,651	226,392	500,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 21 January 2023 and ending on 24 July 2029.	Quarterly	
The Bank of Punjab (Note 7.4)	-	58,535		3 Month Kibor + 1%		Quarterly	
	165,651	284,927		3 Month Kibor + 1%		Quarterly	
The Bank of Punjab	330,773	365,444	500,000	3 Month Kibor + 1.00%	Twenty four unequal quarterly installments commenced from 14 November 2023 and ending on 07 May 2030.	Quarterly	
	1,179,951	1,261,870	3,150,000				
MCB Bank Limited	81,511	96,989	123,282	SBP LTFF rate + 1.00%	Thirty two unequal quarterly installments commenced from 12 November 2023 and ending on 12 August 2031.	Quarterly	Joint pari passu charge amounting to Rupees 3,816 million (inclusive of 25% margin) over plant and machinery of the Holding Company.
MCB Bank Limited	-	1,570,258	1,732,699	3 Month Kibor + 1.00%	Thirty two unequal quarterly installments commenced from 21 October 2024 and ending on 20 November 2032. However, it has been fully settled during the year.	Quarterly	
MCB Bank Limited (Note 7.3.1)	294,576	352,598	458,420	SBP TERF rate + 1.00%	Twenty four equal quarterly installments commenced from 25 May 2023 and ending on 04 June 2031.	Quarterly	
MCB Bank Limited	-	342,830	373,996	3 Month Kibor + 1.00%	Twenty four equal quarterly installments commenced from 20 January 2025 and ending on 20 October 2030. However, it has been fully settled during the year.	Quarterly	
	376,087	2,362,675	2,688,397				
National Bank of Pakistan	63,780	146,654	500,000	SBP LTFF rate + 1.00%	Twelve equal half yearly installments commenced from 30 June 2018 and ending on 27 October 2027.	Half yearly	Joint pari passu charge amounting to Rupees 2,192.493 million (inclusive of 25% margin) over plant and machinery of the Holding Company.
National Bank of Pakistan	7,807	57,687	218,000	SBP LTFF rate + 1.25%	Twelve equal half yearly installments commenced from 27 June 2020 and ending on 09 June 2027.	Half yearly	
National Bank of Pakistan	45,587	68,381	143,000	SBP LTFF rate + 1.00%	Twelve unequal half yearly installments commenced from 03 March 2023 and ending on 03 March 2028.	Half yearly	

LENDER	2026	2025	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
National Bank of Pakistan	185,814	248,758	500,000	SBP LTFF rate + 1.00%	Twelve unequal half yearly installments commenced from 10 September 2022 and ending on 06 April 2029.	Half yearly	
National Bank of Pakistan	346,603	-	1,000,000	SBP Policy Rate -3.00%	Twelve equal half yearly installments commencing from 11 August 2027 and ending on 27 June 2033.	Half yearly	
National Bank of Pakistan	-	19,847	500,000	SBP LTFF rate + 1.25%	Twelve unequal half yearly installments commenced from 30 March 2021 and ending on 24 January 2027. However, it has been fully settled during the year.	Half yearly	
	649,591	541,327	2,861,000				
PAIR Investment Company Limited	1,639	11,346	180,500	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 17 July 2018 and ending on 23 August 2026.	Quarterly	Joint pari passu charge amounting to Rupees 324.64 million (inclusive of 25% margin) over plant and machinery of the Holding Company.
PAIR Investment Company Limited	41,707	61,497	119,500	SBP LTFF rate + 1.50%	Twenty unequal quarterly installments commenced from 14 June 2022 and ending on 02 August 2028.	Quarterly	
	43,346	72,843	300,000				
United Bank Limited	90,148	117,201	500,000	SBP LTFF rate + 1.25%	Twenty unequal quarterly installments commenced from 01 April 2024 and ending on 31 July 2030.	Quarterly	Joint pari passu charge amounting to Rupees 1,066.667 million (inclusive of 25% margin) over plant and machinery of the Holding Company.
United Bank Limited (Note 7.4)	-	354,585		3 Month Kibor + 1.00%			
	90,148	471,786					
United Bank Limited	-	207,692	300,000	3 Month Kibor + 1.00%	Twenty equal quarterly installments commenced from 13 September 2023 and ending on 13 December 2029. However, it has been fully settled during the year.	Quarterly	
	90,148	679,478	800,000				
Askari Bank Limited	15,668	47,046	350,000	SBP LTFF rate + 1.25%	Thirty six equal quarterly installments commenced from 28 January 2018 and ending on 31 October 2027.	Quarterly	Joint pari passu charge amounting to Rupees 467 million (inclusive of 25% margin) over land and building and Rupees 178 million (inclusive of 25% margin) over plant and machinery of Raiwind Division of the Holding Company.
Allied Bank Limited	135,310	219,373	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 21 July 2021 and ending on 20 December 2028.	Quarterly	Joint pari passu charge amounting to Rupees 1,839.453 million (inclusive of 25% margin) over plant and machinery of the Holding Company.
Allied Bank Limited	189,209	253,373	800,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 24 January 2023 and ending on 20 June 2030.	Quarterly	
Allied Bank Limited (Note 7.4)	-	333,654		3 Month Kibor + 0.75%			
	189,209	587,027					
	324,519	806,400	1,300,000				
Total	2,679,310	5,771,639	11,449,397				

7.2 Subsidiary Company (MLCFL)

LENDER	2026	2025	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
Askari Bank Limited - Term Finance	70,713	212,139	1,000,000	3-month Karachi Inter-Bank Offered Rate (KIBOR) + 75 basis points ('bps') per annum ('p.a'), payable quarterly in arrears, from 1st drawdown to be set on last business day before first draw down and then on immediately preceding day of each quarter.	02 equal quarterly installments ending on 28 December 2026	Quarterly	1st Joint Pari Passu ('JPP') charge of Rs 1,334 million over fixed assets of the Company as below: 1. Hypothecation charge over all present and future plant and machinery of the company. 2. Land and building of cement unit phase-III.
The Bank of Punjab - Demand Finance	187,968	438,592	2,000,000	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	03 equal quarterly installments ending on 27 February 2027	Quarterly	1st JPP charge over all present and future fixed assets of MLCFL with 25% margin facility coverage of amounting to Rupees 1,003 million.
MCB Bank Limited - Demand Finance	-	433,670	2,000,000	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each quarter.	The loan was fully repaid in the current financial year	Quarterly	First Pari Passu (FPP) charge over all present and future fixed assets of MLCFL at 25% margin.
National Bank of Pakistan - Demand Finance	-	708,573	4,000,000	3-month KIBOR + 75 bps, payable quarterly in arrears, to be reset on last business day before first draw down and then on immediately preceding day of each calendar quarter.	The loan was fully repaid in the current financial year	Quarterly	FPP / JPP charge of Rupees 5,333.33 million over all present and future fixed assets (including land, buildings, plant and machinery) of MLCFL. Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
MCB Islamic Bank Limited - Diminishing Musharakah	40,680	292,873	1,500,000	3-month KIBOR + 70 bps, payable quarterly in arrears, to be set on the date of first day of disbursement and to be reset on 1st working day of each calendar quarter.	Repayment will made in following tranches: Tranches 1, 2 and 3 of the facility have been repaid during the current year. Repayment of the remaining loan will be made in following tranches: Tranche 4 01 quarterly installment ending on 14 September 2026 Tranche 5 01 quarterly installment ending on 17 September 2026 Tranche 6 02 equal quarterly installments ending on 28 December 2026.	Quarterly	1st JPP charge of Rupees 2,000 million over all present and future fixed assets of MLCFL including land and buildings. Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).

LENDER	2026	2025	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
Askari Bank Limited - TERF	34,496	172,480	900,000	State Bank of Pakistan (SBP) rate + 200 bps p.a, payable quarterly in arrears	01 equal quarterly installments ending on August 17, 2026	Quarterly	1st JPP charge of Rupees 2,000 million to the extent of Rupees 890.493 million with 25% margin over fixed assets of MLCFL as below: a. Hypothecation charge over all present and future plant and machinery of MLCFL. b. Land and building of the cement unit Phase II and additional bare land measuring 30 kanals adjacent to it. Ranking hypothecation charge of Rupees 310 million with a 25% margin over all present and future fixed assets (excluding land and building) of MLCFL to be registered with SECP.
The Bank of Punjab - Demand Finance	81,052	135,087	600,000	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on the day of 1st draw down and then on last working day of preceding calendar quarter.	06 equal quarterly installments ending on 14 December 2027	Quarterly	First Joint pari passu charge of Rupees 7,903 million over all present and future fixed assets of the MLCFL with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
National Bank of Pakistan - Demand Finance	-	535,579	1,220,497	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on last working day of preceding calendar quarter.	The loan was fully repaid in the current financial year	Quarterly	FPP /JPP charge on present and future fixed assets of MLCFL with 25% margin. Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
National Bank of Pakistan - TERF (Note 7.3.1)	701,899	913,571	1,779,503	SBP rate + 125 bps p.a, payable quarterly in arrears	20 equal quarterly installments ending on 18 June 2031	Quarterly	FPP /JPP charge on present and future fixed assets of MLCFL with 25% margin. Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
The Bank of Punjab - Demand Finance	1,458,683	1,736,528	2,500,000	3-month KIBOR + 90 bps p.a., payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	21 equal quarterly installments ending on 23 August 2031	Quarterly	1st JPP charge of Rupees 7,903 million over all present and future fixed assets of MLCFL with 25% margin and personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
The Bank of Punjab - TERF (Note 7.3.1)	261,380	304,178	500,000	SBP Rate + 150 bps p.a payable quarterly in arrears.	20 equal quarterly installments ending on 29 June 2031	Quarterly	'1st JPP charge over all present and future fixed assets of MLCFL with 25% margin facility coverage amounting to Rupees 645.833 million (Bank of Punjab charge value Rupees 7,903,000 million)
MCB Bank Limited - LTFF	545,433	646,159	805,806	SBP rate + 150 bps payable quarterly in arrears	Repayment will be made in following tranches: Tranche 1 20 equal quarterly installments ending on 18 March 2031 Tranche 2 22 equal quarterly installments ending on 3 December 2031	Quarterly	1st JPP charge over all present and future fixed assets of MLCFL of Rupees 38,051 million with 25% margin.

LENDER	2026	2025	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
MCB Bank Limited - Demand Finance	-	462,410	1,194,194	3-month KIBOR + 75 bps p.a., payable quarterly in arrears to be reset on last working day of preceding calendar quarter.	The loan was fully repaid in the current financial year	Quarterly	1st JPP charge over all present and future fixed assets of MLCFL of Rupees 38,051 million with 25% margin.
Habib Bank Limited - LTFF	224,282	336,423	3,000,000	SBP rate + 150 bps p.a, payable quarterly in arrears	08 equal quarterly installments ending on 25 June 2028	Quarterly	1st JPP charge of Rupees 4,000 million over all present and future fixed assets of the MLCFL including land measuring 2,097 kanals and 9 marlas, buildings, plant and machinery.
Allied Bank Limited -Term Finance	-	2,200,000	2,500,000	3-month KIBOR + 45 bps p.a, payable quarterly in arears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	The loan was fully repaid in the current financial year	Quarterly	Pari Passu (PP)/JPP charge of 25% margin, over all present and future plant and machinery of MLCFL.
Allied Bank Limited -Term Finance	-	246,102	518,575	3-month KIBOR + 100 bps p.a, payable quarterly in arrears, markup to be reset on last working day of preceding calendar quarter.	The loan was fully repaid in the current financial year	Quarterly	JPP/FPP charge of Rupees 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of the MLCFL.
Allied Bank Limited - LTFF	50,594	70,831	121,425	SBP rate + 100 bps p.a, payable quarterly in arrears.	10 equal quarterly installments ending on 22 November 2028	Quarterly	JPP/FPP charge of Rupees 853.33 million, inclusive of 25% margin, over all present and future plant and machinery of MLCFL.
Faysal Bank Limited - Diminishing Musharakah	612,015	884,022	2,000,000	3-month KIBOR + 50 bps p.a, payable quarterly in arrears.	9 equal quarterly installments ending on 31 August 2028	Quarterly	JPP charge over all present and future fixed assets of MLCFL with 25% margin.
MCB Islamic Bank Limited - Diminishing Musharakah (Note 7.3.1)	-	84,642	350,000	SBP rate + 150 bps p.a, payable quarterly in arrears.	The loan was fully repaid in the current financial year	Quarterly	JPP charge over fixed assets of MLCFL including land, buildings and plant and machinery with 25% margin.
MCB Bank Limited - Demand Finance	-	312,448	500,000	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be set on last business day before first draw down and then on immediately preceding day of each quarter.	The loan was fully repaid in the current financial year	Quarterly	1st JPP charge of Rupees 2,000 million over all present and future fixed assets of MLCFL including land and building. Personal guarantee of Mr. Tariq Sayeed Saigol and Mr. Sayeed Tariq Saigol (sponsoring directors and key management personnel).
Allied Bank Limited - Term Finance	-	593,750	1,000,000	3-month KIBOR + 70 bps p.a, payable quarterly in arears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	The loan was fully repaid in the current financial year	Quarterly	1st JPP charge over fixed assets (plant and machinery) of MLCFL with 25% margin. Disbursement will be made against charge to be upgraded within 90 days from the date of initial dis-bursement.

LENDER	2026	2025	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....						
United Bank Limited - Term Finance	300,000	500,000	3,500,000	3 month KIBOR + 75 bps p.a, payable quarterly in arears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	06 equal quarterly installments ending on 17 December 2027		1st JPP charge of Rupees 6,000 million on fixed assets including land, building, plant and machinery of MLCFL inclusive of 25% margin. Initial disbursement will be against ranking charge on movable fixed assets (plant and machinery only). JPP charge over fixed assets (land, building, plant and machinery) to be created within 6 months from first drawdown date along with mortgage perfection.
MCB Islamic Bank Limited - Diminishing Musharakah	1,312,500	1,500,000	1,500,000	3-month KIBOR + 50 bps p.a, payable quarterly in arears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	14 equal quarterly installments ending on 18 October 2029		1st JPP charge of Rupees 2,000 million over fixed assets of MLCFL inclusive of 25% margin.
Habib Bank Limited _ syndicated rerm finance facility Purpose: Primarily to partially finace the acquistion of PIOC	75,000,000	-	75,000,000	3-month KIBOR + 10 bps p.a, payable quarterly in arrears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	Repayments will be made in following tranches: Tranche 1 of Rs 12,737.173 million: 08 equal quarterly installments starting from 15 February 2027. Tranche 2 of Rs 62,262.827 million: 17 equal quarterly installments starting from 15 February 2029.		Ranking charge of Rs 93,750 million on all present and future fixed assets, including long-term investments (except investment in Novacare Hospitals (Private) Limited), of the MLCFL with a 20% margin. Ranking charge of Rs 93,750 million on all present and future current assets of the MLCFL with a 20% margin. FPP charge of Rs 45,000 million on all present and future fixed assets of the Company.
Less: Loan transaction cost	(299,411)						
	80,671,978	13,714,966	111,490,000				

7.3 This represents long-term loan obtained by the Group under "SBP Temporary Economic Refinance Facility" and "SBP Financing Scheme for Renewable energy" for import of plant and machinery, for setting up of Waste Heat Recovery Plant, for import and installation of new cement production line (Line - IV) and for setting up of Solar Energy Project. The facility carries markup at the rate specified by State Bank of Pakistan plus spread of 0.5% to 2% per annum. The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates. The difference between fair value of loan and loan proceeds has been recognised as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan. The reconciliation of the carrying amount is as follows:

	MLCFL		KTML		Total	
	2026	2025	2026	2025	2026	2025
	---------------- (RUPEES IN THOUSAND) ----------------					
Balance at beginning of the year	1,469,780	1,878,051	352,598	410,128	1,822,378	2,288,179
Repayments during the year	(510,494)	(563,710)	(61,001)	(61,002)	(571,495)	(624,712)
	959,286	1,314,341	291,597	349,126	1,250,883	1,663,467
Unwinding of discount on liability	128,183	155,439	2,979	3,472	131,162	158,911
Balance as at end of the year	1,087,469	1,469,780	294,576	352,598	1,382,045	1,822,378

7.3.1 The Bank wise break-up of financing obtained under "SBP Temporary Economic Refinance Facility" and "SBP Financing Scheme for Renewable energy" is as follows:

	MLCFL		KTML		Total	
	2026	2025	2026	2025	2026	2025
	---------------- (RUPEES IN THOUSAND) ----------------					
Askari Bank Limited	34,280	167,389	-	-	34,280	167,389
MCB Bank Limited	-	-	294,576	352,598	294,576	352,598
MCB Islamic Bank Limited	-	84,642	-	-	-	84,642
National Bank of Pakistan	791,809	913,571	-	-	791,809	913,571
The Bank of Punjab	261,380	304,178	-	-	261,380	304,178
	1,087,469	1,469,780	294,576	352,598	1,382,045	1,822,378

7.4 These long term financing facilities were early settled during the year prior to their contractual maturity.

	Note	2026	2025
		(Rupees in thousand)	
8. DEFERRED GOVERNMENT GRANTS			
Balance at the beginning of the year	8.1	460,457	619,368
Less: Amortisation of deferred government grant during the year		(131,162)	(158,911)
		329,295	460,457
Less: Current portion of deferred government grant	19	(107,767)	(131,162)
		221,528	329,295

8.1 These represent deferred government grants in respect of long term loans obtained by the Group under "SBP Temporary Economic Refinance Facility" as disclosed in note 7.3 to these consolidated financial statements, respectively. There are no unfulfilled conditions or other contingencies attached to these grants.

	Note	2026	2025
		(Rupees in thousand)	
9. SINDH INFRASTRUCTURE DEVELOPMENT CESS (SIDC) PAYABLE			
Balance at the beginning of the year		680,476	-
Add: Addition during the year		187,137	-
Less: Gain on remeasurement of SIDC	42	(291,689)	-
		575,924	-
Less: Current portion of SIDC payable	19	(260,283)	-
	9.1	315,641	-

9.1 This represents provision for infrastructure cess imposed by the Province of Sindh through Sindh Finance Act, 1994 and its subsequent versions including the final version i.e. Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Holding Company had filed constitutional petitions / suits before the relevant courts of law challenging the levy of SIDC under the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Sindh Government through the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 (Sindh Act No. X of 2026) promulgated on 19 February 2026, introduced a statutory mechanism for settlement of outstanding and disputed SIDC liabilities by inserting Sections 10A to 10F in the principal Act.

Subsequent to the reporting date, the Holding Company entered into a Settlement Agreement with the Excise, Taxation and Narcotics Control Department, Government of Sindh on 09 July 2026, whereby the Holding Company is required to settle the outstanding SIDC liability in 51 installments starting from 09 July 2026 and ending on 15 April 2040. Pursuant to Section 10F(2) of the Amendment Act, upon execution of the settlement and unconditional withdrawal of all pending litigations by the Holding Company, the Holding Company shall be charged SIDC at a reduced rate of 0.85% on the value of goods for future imports. Since the conditions giving rise to the liability existed at the reporting date and the settlement agreement, executed subsequent to the reporting date, provide evidence of conditions that existed at the reporting date, the management has evaluated this as an adjusting event in accordance with IAS 10 "Events after the Reporting Period". The liability has been recognized at fair value using discount rate of 12.49% (Kibor plus 0.7%) per annum and the difference between the fair value and the total amount of liability is recognized in consolidated statement of profit or loss as other income. Subsequent to initial recognition, the effect of unwinding of liability will be recognized in consolidated statement of profit or loss as finance cost. Current and non-current portions of the liability have been segregated in the consolidated statement of financial position as at 30 June 2026. This settlement agreement is contingent upon Holding Company's compliance with the terms of the agreement. However, the Holding Company is fully committed to above mentioned payment schedule.

	Note	2026	2025
		(Rupees in thousand)	

10. LIABILITY AGAINST RIGHT OF USE ASSETS

	Note	2026	2025
Liability against right of use assets		93,262	82,708
Addition during the year		33,124	44,402
Reassessment of lease liability		-	(3,934)
Interest expense	43	12,439	13,150
Payment during the year		(49,166)	(42,222)
Leases terminated during the year		(7,523)	(842)
	10.1	82,136	93,262
Current portion of liability against right of use assets	19	(36,807)	(39,970)
		45,329	53,292

10.1 Maturity analysis of liability against right of use assets is as follows:

	2026	2025
Less than one year	47,277	48,377
One to five years	42,539	52,173
More than five years	19,090	23,338
	108,906	123,888
Future finance charge	(26,770)	(30,626)
Present value of liability against right of use asset	82,136	93,262

11. LONG TERM DEPOSITS

These include interest free security deposits from stockists and suppliers and are repayable on cancellation/withdrawal of the dealership or on cessation of business with the Group. As per the agreements signed with these parties, the Group has the right to utilise the amounts for the furtherance of their business, hence, the amounts are not required to be kept in a separate account maintained in a scheduled bank. Therefore, the Group is in compliance with section 217 of the Companies Act, 2017. These deposits have not been carried at amortised cost since the effect of discounting is immaterial in the context of these consolidated financial statements.

	Note	2026	2025
		(Rupees in thousand)	

12. RETIREMENT BENEFITS

	Note	2026	2025
Subsidiary Company - MLCFL			
Accumulated compensated absences	12.1	343,389	298,289
Gratuity	12.2	514,698	52,349
Gratuity payable - unfunded	12.5	22,421	-
		880,508	350,638

12.1 Accumulated compensated absences

The actuarial valuation of the MLCFL's accumulated compensated absences was conducted on 30 June 2026 using projected unit credit method. Detail of obligation for accumulated compensated absences is as follows:

	2026	2025
	(Rupees in thousand)	
12.1.1 Movement in the present value of defined benefit obligations is as follows:		
Present value of defined benefit obligations at beginning of the year	298,289	253,364
Current service cost	22,680	15,276
Interest cost for the year	33,499	35,057
Actuarial losses on present value of defined benefit obligations	27,189	25,974
Less: Benefits paid during the year	(38,268)	(31,382)
	343,389	298,289
12.1.2 Charge for the year		
Consolidated statement of profit or loss:		
Current service cost for the year	22,680	15,276
Interest cost for the year	33,499	35,057
Actuarial losses on present value of defined benefit obligations	27,189	25,974
	83,368	76,307

12.1.3 Sensitivity analysis

If the significant actuarial assumptions used to estimate the liability of compensated absences at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at 30 June 2026 would have been as follows:

	Compensated absences	
	Impact on present value of defined benefit obligation	
	Increase	Decrease
	(Rupees in thousand)	
Discount rate + 100 bps	318,300	274,474
Future salary increase + 100 bps	372,017	317,981

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the statement of financial position.

12.1.4 At 30 June 2026, the average duration of the defined benefit obligation was 8 years.

12.1.5 Actuarial assumptions

The following are the principal actuarial assumptions as at 30 June 2026:	2026	2025
Discount rate used for interest cost	12.00%	14.75%
Discount rate used for year end obligations	11.75%	12.00%
Expected rate of growth per annum in future salaries	11.25%	11.00%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	
Average duration	8 Years	8.6 Years

12.1.6 Risks associated with the accumulating compensated absences

Final Salary Risk (linked to inflation risk) - the risk that the final salary at the time of cessation of service is greater than what we assumed. Since, the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks

Mortality Risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

12.2 Gratuity

The latest actuarial valuation was conducted on 30 June 2026 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

	Note	2026	2025
		(Rupees in thousand)	
The amounts recognized in the consolidated statement of financial position are as follows:			
Present value of defined benefit obligation	12.2.1	599,708	161,131
Less: Fair value of plan assets	12.2.2	(88,533)	(116,943)
Add: Payable to ex-employees		3,523	8,161
Net liability at end of the year		514,698	52,349
Net liability at beginning of the year		52,349	75,164
Acquisition of PIOC		396,346	-
Charge to consolidated statement of profit or loss for the year	12.2.3	36,776	14,424
Charge to consolidated statement of comprehensive income for the year	12.2.3	29,596	(13,853)
Contributions made during the year		(369)	(23,386)
Net liability at end of the year		514,698	52,349

12.2.1 Movement in the present value of defined benefit obligation is as follows:

	Note	2026	2025
Present value of defined benefit obligations at Beginning of the year		161,131	183,179
Acquisition of PIOC		396,346	-
Current service cost for the year		19,417	7,351
Interest cost for the year		29,536	24,097
Benefits due but not paid		(1,525)	(6,964)
Adjustment against payables		(12)	274
Actuarial (gain) / losses on present value of defined benefit obligations		28,122	(14,156)
Benefits paid during the year	12.3	(33,307)	(32,650)
Present value of defined benefit obligation at end of the year		599,708	161,131

	Note	2026	2025
		(Rupees in thousand)	

12.2.2 Movement in the fair value of plan assets is as follows:

	2026	2025
Fair value of plan assets at beginning of the year	116,943	120,047
Contributions made during the year	369	23,386
Expected return on plan assets for the year	12,177	17,024
Actuarial (gain) / losses on plan assets	(1,474)	(303)
Benefits paid during the year	(39,482)	(43,211)
Fair value of plan assets at end of the year	88,533	116,943
Plan assets comprise of:		
NBP Mustahkam Fund - Fixed term Munafa Plan- V	-	116,267
Special saving certificates - Units of NBP Mahana Amdani Fund	87,336	-
Cash at bank	1,197	676
	88,533	116,943

	2026	2025
	(Percentage)	
Debt instrument	98.65%	99.42%
Cash at bank	1.35%	0.58%
	100.00%	100.00%

	Note	2026	2025
		(Rupees in thousand)	
12.2.3 Charge for the year:			
In consolidated statement of profit or loss			
Current service cost for the year		19,417	7,351
Interest cost for the year		29,536	24,097
Expected return on plan assets for the year		(12,177)	(17,024)
	12.2	36,776	14,424
In consolidated statement of comprehensive income			
Actuarial (gain) / loss on retirement benefits - net	12.2	29,596	(13,853)
		66,372	571

Actuarial assumptions:

The following are the principal actuarial assumptions at 30 June:

	2026	2025
Discount rate used for year end obligation	12.25% - 12.50%	12.00%
Discount rate used for interest cost in profit or loss	11.75% - 12%	14.75%
Expected rate of growth per annum in future salaries	12.25% - 12.50%	11.00%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	
Average duration	4 Years	4 Years

12.2.4 Risks associated with the accumulating compensated absences

Final Salary Risk (linked to inflation risk) - - the risk that the final salary at the time of cessation of service is greater than what we assumed. Since, the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks

Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Investment risk – the risk of the investment underperforming and being not sufficient to meet the liabilities.

12.2.5 Sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at 30 June 2026 would have been as follows:

	Gratuity Impact on present value of defined benefit obligation	
	Increase	Decrease
	(Rupees in thousand)	
Discount rate + 100 bps	557,880	646,773
Future salary increase + 100 bps	646,933	556,984

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the consolidated statement of financial position.

12.2.6 At 30 June 2026, the average duration of the defined benefit obligation was 4 years (2025: 4 years).

12.3 This also includes payments made to employees with respect to gratuity due but not paid in 2025 amounting to Rs 6.175 million.

12.4 The Group expects to charge Rupees 93.390 million to consolidated statement of profit or loss on account of defined benefit plan in the year ending 30 June 2027:

12.5 Gratuity payable

The relates to the unfunded gratuity scheme for all permanent employees of healthcare segment according to the terms of employment subject to a minimum qualifying period of service. The reconciliation of the carrying amount is as follows:

	2026	2025
	(Rupees in thousand)	
Opening liability	-	-
Charged to consolidated statement of profit or loss		
Liability as at year end	22,421	-
	22,421	-

12.6 Compensated absence and gratuity charge to consolidated statement of profit or loss for the year has been allocated as follows:

		2026	2025
		(Rupees in thousand)	
Cost of sales	38.2	73,958	67,332
Distribution cost	39.1	43,543	20,460
Administrative expenses	40.1	25,064	2,940
		142,565	90,732

13. RETENTION MONEY PAYABLE

This represents retention money withheld from progress billings of contractors engaged in the construction of the Novacare Hospital project, including grey structure, Mechanical Electrical and Plumbing (MEP), Heating Ventilation and Air Conditioning (HVAC), medical gas, generator, and Vertical Transportation System (VTS) works. The retained amounts are payable to the respective contractors upon satisfactory completion of their contractual obligations and fulfilment of the conditions specified in the relevant contracts. It has not been carried at amortised cost since the effect of discounting is immaterial.

	2026	2025
	(Rupees in thousand)	
14. DEFERRED INCOME TAX LIABILITY		
This comprises of following:		
Deferred tax liability on taxable temporary differences in respect of:		
Accelerated tax depreciation	20,382,402	13,304,499
Surplus on revaluation of fixed assets	10,344,937	-
Short term investments	5,317,055	4,756,617
Intangibles	-	7,952
Right-of-use assets	18,334	25,956
Loan transaction cost	110,782	36,846
	36,173,510	18,131,870
Deferred tax asset on deductible temporary differences in respect of:		
Allowance for expected credit losses	(441,620)	(439,986)
Provision against obsolete stock-in-trade	(1,444)	(1,522)
Lease liabilities	(19,450)	(11,099)
Intangible assets	(1,202)	-
Provision against slow moving stores, spare parts and loose tools	(24,004)	(6,584)
Provision for Workers Welfare Fund	(285,615)	-
Provision for Workers Profit Participation Fund	(4,864)	-
Employees' retirement benefits	(223,148)	(20,415)
	(1,001,347)	(479,606)
	35,172,163	17,652,264

14.1 The pre-commencement expenditure of healthcare segment available for carry forward is estimated at Rupees 717.837 million (2025: Rupees 358.918 million). Management considers that the pre-commencement expenditure available for carry forward may not be utilized in the foreseeable future. Consequently, on prudence basis, deferred tax asset of Rupees 208.173 million (2025: Rupees 104.086 million) has not been recognised in these consolidated financial statements.

14.2 The Group's subsidiaries have undistributed earnings which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the Group is able to control the timing of distributions from the subsidiaries and is not expected to distribute these profits in the foreseeable future.

	Note	2026	2025
		(Rupees in thousand)	
14.3 Movement in deferred tax balances is as follows:			
At beginning of the year		17,652,264	14,306,062
Acquisition of PIOC		19,324,067	-
		36,976,331	14,306,062
Recognized in consolidated statement of profit or loss:			
- Accelerated tax depreciation on operating fixed assets		(1,901,227)	656,560
- Short term investments		738,200	2,035,917
- Intangible assets		(9,154)	7,952
- Right-of-use assets		(7,622)	25,956
- Loan transaction cost		73,936	36,846
- Allowance for expected credit losses		(1,634)	(193,645)
- Provision against obsolete stock-in-trade		78	-
- Provision for Workers Welfare Fund		(285,615)	31,147
- Lease liabilities		(8,351)	(11,099)
- Unused tax credit - minimum tax under section 113		-	225,484
- Provision against slow moving stores, spare parts and loose tools		(17,420)	(2,181)
- Provision for Workers Profit Participation Fund		(4,864)	64,483
- Employees' retirement benefits		(188,658)	(11,161)
	45	(1,612,331)	2,866,259
Recognized in consolidated statement of comprehensive income:			
- Employees' retirement benefits		(14,075)	5,403
- Short term investments		(177,762)	474,540
		(191,837)	479,943
		35,172,163	17,652,264

15. TRADE AND OTHER PAYABLES

	Note	2026	2025
Creditors		10,579,601	7,126,882
Due to related party		-	142,050
Bills payable - secured		544,602	1,769,163
Accrued liabilities	15.1	4,942,688	3,037,085
Duties and taxes		12,110,403	3,845,978
Sindh infrastructure development cess	9.1	-	680,476
Security deposits, repayable on demand	15.2	126,085	108,606
Payable to key management person		73,709	-
Contractors' retention money	15.3	2,111,859	2,135,780
Employees' compensated absences	15.4	88,730	-
Workers' profit participation fund	15.5	2,764,095	2,566,254
Workers' welfare fund	15.6	1,806,636	1,125,977
Payable against redemption of preference shares		985	990
Withholding income tax payable		313,468	32,985
Payable to employees' provident fund trust		73,829	64,441
Others		127,988	9,981
		35,664,678	22,646,648

15.1 Accrued liabilities include Gas Infrastructure Development Cess (GIDC) of Rupees 310.020 million (2025: Rupees 310.020 million) that was levied through GIDC Act, 2015. During the year ended 30 June 2021, Honorable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Holding Company has filed a review petition in Honorable Sindh High Court Karachi which is pending adjudication.

15.2 This represents security deposits received from distributors and contractors of the Group. Distributors and contractors have given the Group a right to utilize deposits in ordinary course of business.

15.3 This represents retention monies withheld of contractors and are repayable after satisfactory completion of contracts. It also includes retention money payable to M/s Chengdu Design & Research Institute of Building Materials Industry Co., Limited, amounting to CNY 38.433 million (2025: CNY 38.433 million) equivalent to Rupees 1,575.372 million (2025: Rupees 1,525.293 million) against Line-IV and to M/s Sinoma Energy Conservation Limited against Line-IV Waste Heat Recovery Plant amounting to CNY 5.437 million (2025: CNY 5.437 million) equivalent to Rupees 222.844 million (2025: Rupees 215.613 million). This amount will be payable on issuance of certificate of performance test acceptance by the Group.

	Note	2026	2025
		(Rupees in thousand)	
15.4 Employees' compensated absences			
The reconciliation of the carrying amount is as follows:			
Opening liability - acquisition of PIOC		104,684	-
Charged to consolidated statement of profit or loss		15,427	-
Payments made during the year		(31,381)	-
		88,730	-

	Note	2026	2025
15.5 Workers' profit participation fund (WPPF)			
Balance as on 01 July		2,566,254	2,108,796
Acquisition of PIOC		245,858	-
Allocation for the year	41	941,777	824,497
		3,753,889	2,933,293
Less: Payments during the year		(989,794)	(367,039)
		2,764,095	2,566,254

15.5.1 Workers' profits participation fund has not been provided for in these consolidated financial statements with respect to Subsidiary Company, MLCL on the advice of the MLCL's legal consultant.

	Note	2026	2025
		(Rupees in thousand)	
15.6 Workers' welfare fund			
Balance as on 01 July		1,125,977	763,523
Acquisition of PIOC		675,835	-
Add: Allocation for the year	41	572,315	598,484
		2,374,127	1,362,007
Less: Payment during the year		(567,491)	(236,030)
		1,806,636	1,125,977

16. CONTRACT LIABILITIES - Unsecured

This represents contract liabilities of the Company towards various parties. Revenue recognised in the current year that was included in the contract liabilities balance at the beginning of the year amounts to Rupees 642.013 million (2025: Rupees 335.983 million).

	Note	2026	2025
		(Rupees in thousand)	
17. ACCRUED MARK-UP			
Long term financing		1,304,921	418,118
Short term borrowings		754,252	459,429
		2,059,173	877,547

	Note	2026	2025
18. SHORT TERM BORROWINGS			
From banking companies - secured			
Short term running finances	18.1 & 18.2	21,140,016	12,501,845
Other short term finances	18.1 & 18.3	3,875,407	1,651,770
State Bank of Pakistan (SBP) refinances	18.1 & 18.4	6,353,931	6,003,931
Islamic mode of financing	18.1 & 18.5	21,248	671,986
		31,390,602	20,829,532
Temporary bank overdraft - unsecured	18.6	11,493	5,587
		31,402,095	20,835,119

18.1 These finances are obtained from banking companies under mark-up arrangements and are secured by pledge of raw material and shares of listed companies as disclosed in note 33.2.1 to these consolidated financial statements, charge on current and future assets of the Group including hypothecation of work-in-process, stores and spares, letters of credit, firm contracts and book debts. These form part of total credit facilities of Rupees 78,420 million (2025: Rupees 40,285 million). Markup on these finances is payable quarterly or at maturity.

18.2 The rates of mark-up range from 10.88% to 13.03% (2025: 11.63% to 22.52%) per annum on balance outstanding.

18.3 The rates of mark-up range from 3.90% to 23.73% (2025: 4.30% to 20.74%) per annum on balance outstanding.

18.4 The rates of mark-up range from 4.50% to 5.50% (2025: 7.35% to 9.0%) per annum on balance outstanding.

18.5 The rates of mark-up range from 10.73% to 13.03% (2025: 12.24% to 20.34%) per annum on balance outstanding.

18.6 This represents temporary overdraft due to cheques issued by the Group at the statement of financial position date.

	Note	2026	2025
		(Rupees in thousand)	

19. CURRENT PORTION OF NON-CURRENT LIABILITIES

	Note	2026	2025
Long term financing	7	5,260,591	5,256,125
Deferred government grant	8	107,767	131,162
Sindh Infrastructure Development Cess (SIDC) payable	9	260,283	-
Long term liability against right of use asset	10	36,807	39,970
		5,665,448	5,427,257

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

(i) The Group had filed an appeal before the Customs, Central Excise and Sales Tax Appellate Tribunal, Karachi (now, Customs, Excise & Sales Tax Appellate Tribunal, Karachi) against the order of the Deputy Collector Customs whereby the refund claim of the Group amounting to Rupees 12.350 million was rejected and the Group was held liable to pay an amount of Rupees 37.050 million by way of 10% customs duty allegedly leviable in terms of SRO 584(I)/95 and 585(I)/95 dated 01 July 1995. The impugned demand was raised by the department on the alleged ground that the Group was not entitled to exemption from payment of customs duty and sales tax in terms of SRO 279(I)/94 dated 02 April 1994.

The Honourable Lahore High Court, upon the Group's appeal, vide its order dated 06 November 2001, decided the matter in favour of the Group. However, the Collector of Customs preferred a petition before the Honourable Sindh High Court, which is pending adjudication. No provision has been made in these consolidated financial statements in respect of the above stated amount as the management and the Group's legal advisor are confident that the ultimate outcome of this case will be in favour of the Group.

(ii) A show cause notice was issued to the Group on 04 December 1999 and demand was raised by the Central Board of Revenue (now, the Federal Board of Revenue) for payment of duties and taxes on the plant and machinery imported by the Group (pursuant to the exemption granted in terms of SRO 484(I)/92 allegedly on the ground that the plant could be locally manufactured and was therefore, not exempt). A total demand of Rupees 1,386.720 million was raised by the Central Board of Revenue out of which an amount of Rupees 449.328 million was deposited by the Group (initially, the Group deposited Rupees 269.328 million and subsequently deposited further amount of Rupees 180 million). Initially, the matter was decided in favour of the Group as per the judgment of the Lahore High Court in Writ Petition No. 6794/2000. Against the aforesaid judgment of Lahore High Court, the Customs Department had filed appeal before the Supreme Court of Pakistan which was decided by the Honourable Supreme Court vide judgment dated 21 December 2011 with the direction to file reply to the Show Cause Notice before the Collector of Customs, Faisalabad.

The Group filed its reply before the Collector of Customs, Faisalabad who decided the same against the Group vide order No. 6/2014 dated 09 July 2014. The said order was challenged by the Group by way of filing of appeal No. 172/LB/2014 before the Customs Appellate Tribunal, Lahore which vide Judgment dated 21 August 2019 has granted partial relief to the Group with direction to the Customs Department to recalculate the customs duty in accordance with the list communicated by the Engineering Development Board vide letter dated 21 June 2006.

However, the Collector of Customs instead of making fresh calculations, through a demand notice CA 1946/2000(Pt-I)/8169 dated 23 October 2019 restored the original demand raised by the earlier order No. 06/2014 and directed the group to pay the amount of Rupees 933.810 million within a period of seven days. The said demand of tax was challenged by the group before the Honourable Lahore High Court, wherein stay against recovery was granted to it by the Honourable Lahore High Court vide order dated 04 November 2019. This matter is still pending before the Honourable Lahore High Court, Lahore, and next date of hearing is yet to be fixed by the office of the High Court. No provision has been made in these consolidated financial statements in respect of the above stated amount as the management and the legal advisor of the group are confident that the ultimate outcome of this case will be in favour of the group.

(iii) The Group has filed an appeal before the Honourable Supreme Court of Pakistan against the judgment of the Division Bench of the Honourable High Court of Sindh at Karachi. The Division Bench, in its judgment dated 15 September 2008, partly accepted the appeal by declaring that the levy and collection of infrastructure cess/fee prior to 28 December 2006, was illegal and ultra vires, while after 28 December 2006, it was legal and collected by the Excise Department in accordance with the law. The appeal challenges the declaration that the infrastructure cess/fee collected after 28 December 2006, was lawful. The Province of Sindh and the Excise and Taxation Department have also appealed against the judgment. The Honourable Supreme Court of Pakistan consolidated both appeals and set them aside. Subsequently, the law has been challenged in a constitutional petition in the Honourable Sindh High Court, Karachi. The Honourable High Court granted a stay on 31 May 2011, requiring payment of 50% of the cess to the Excise Department and furnishing a bank guarantee for the remaining 50%. The matter is pending adjudication, and the stay order remains in effect.

(iv) The Competition Commission of Pakistan, in an order dated 27 August 2009, imposed a penalty on twenty cement factories in Pakistan at a rate of 7.5% of their turnover. The penalty imposed on the Group amounts to Rupees 950.190 million. The Commission alleges a violation of section 4(1) of the Competition Commission Ordinance, 2007. However, following the abeyance by the Honourable Islamabad High Court pursuant to the Supreme Court of Pakistan's judgment dated 31 July 2009, the petition has become infructuous. The Group has filed Writ Petition No. 15618/2009 before the Honourable Lahore High Court. No provision has been made in these consolidated financial statements as the management and the Group's legal advisor is confident that the case's ultimate outcome will be in the Group's favor.

(v) The Federal Board of Revenue (FBR) selected the Group's case for audit of its sales tax affairs for the tax periods from July 2017 through June 2018 through computerized balloting which was intimated through notice dated 10 February 2021 issued by the office of the Commissioner Inland Revenue (CIR). Subsequently, the Deputy CIR issued audit report and show cause notice dated 8 March 2021 and 17 March 2021 respectively. The proceedings were finalized through order dated 31 March 2021 through which an aggregate sales tax demand of Rupees 1,399.890 million was created against the Group.

The Group preferred an appeal against the above referred order which was disposed of by the Commissioner Inland Revenue (Appeals) [CIR(A)] vide appellate order dated 15 July 2021. Through such appellate order, majority of the issues which were pressed in appeal were settled in favour of the Group. Regarding the issues decided against the Group, the Group filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on 7 September 2021, which is still pending adjudication. No provision has been made in these consolidated financial statements as the management and the Group's legal advisor is confident that the Group is likely to obtain relief from the appellate authorities.

(vi) The Learned Additional Commissioner vide order No. ENF-III.50.2017 dated 22 March 2018 raised demand of Rupees 256 million against the Group, related to tax periods from July 2015 to March 2017 on alleged non-deduction of withholding tax on services received by the Group. Being aggrieved, the Group filed an appeal before the Commissioner (Appeals), Punjab Revenue Authority. The Group also challenged the vires of Rule 6 of Punjab Sales Tax on Services (Withholding) Rules, 2002 before Honourable Lahore High Court (LHC) through constitutional petition No. 203460/2018. The Honourable Court issued notice to the department and suspended proceedings before the first appellate authority vide order dated 23 May 2018. The writ petition is pending adjudication. The Group and its tax/legal advisor is expecting favourable outcome of the case. Therefore, no provision has been booked in these consolidated financial statements.

(vii) The Group was selected for audit under section 42B of Federal Excise Act 2005 for tax periods from July 2017 to June 2018 intimated by a letter dated 8 December 2020. The DCIR finalized the audit and created a demand of Rupees 690.52 million along with default surcharge and penalty, vide order No. 02 dated 20 October 2021. Being aggrieved, the Group preferred an appeal before the CIR(A). The appeal was disposed off by the CIR(A) vide appellate order No. 12 dated 10 February 2022 and entire amount of Federal Excise Duty along with penalty and default surcharge was annulled and the matter was remanded back to the taxation officer. Being aggrieved, the Group preferred an appeal before the ATIR which is pending adjudication. However, the management and the tax advisor of the Group are hopeful of favourable outcome of the case, therefore, no provision has been incorporated in these consolidated financial statements.

(viii) The Group received show cause notice, dated 17 April 2022 as per which it was alleged that the Group's claim of input sales tax amounting to Rupees 85.980 million, for the tax periods from January 2017 to August 2019, was illegal. The Group responded to the notice vide letter dated 25 April 2022. The proceedings were concluded by the DCIR and demand of Rupees 85.980 million along with default surcharge and penalty was raised by DCIR vide assessment order dated 31 May 2022, passed under section 11 of the Sales Tax Act, 1990. Being aggrieved, the Group preferred an appeal before the CIR(A), which is pending adjudication. The management of the Group is hopeful of favourable outcome of the case, therefore, no provision has been incorporated in these consolidated financial statements.

(ix) The Group received show cause notice dated 7 April 2022 as per which it was alleged that the Group's claim of input sales tax, amounting to Rupees 620.980 million, for the tax periods from July 2019 to November 2021 was illegal. The Group responded to the notice vide letter dated 25 March 2022. The proceedings were concluded by the DCIR and demand of Rupees 580.060 million along with default surcharge and penalty was raised by DCIR vide assessment order dated 31 May 2022 passed under section 11 of the Sales Tax Act, 1990. Being aggrieved, the Group preferred an appeal before the CIR(A), which has been decided in the favour of the Group through order dated 8 November 2022. Department has preferred an appeal before learned ATIR against the order of CIR(A). The management of the Group is hopeful of favourable outcome of the case, therefore, no provision has been recorded in these consolidated financial statements.

(x) The District Council of Mianwali is installing water meters at the Group's premises and is seeking recovery of amounts in respect of water conservancy charges. The Group challenged this through Writ Petition No. 227126/2018 before the LHC. The Court remanded the matter to the Secretary, Local Government, with directions to hear the petitioners and issue a decision within 30 days. In response, the Secretary constituted a Committee to determine revised water conservancy charges. The Committee proposed two separate rates: one for water abstraction and the other for restoration.

Based on the Committee's rates, the District Council Mianwali issued bills amounting to Rupees 752.147 million for the period from August 2018 to December 2024. The Group challenged these charges before the Honorable LHC, Rawalpindi Bench, through Writ Petition No. 157/2025, wherein a stay order was granted. The LHC also appointed the Secretary, Local Government, to mediate between the Group and the Department to finalize the applicable water charges. The matter is currently pending adjudication, and the Group remains hopeful of a favorable outcome.

(xi) The Group has filed a Constitutional Petition bearing No. W.P. No. 8084/2026 before the LHC challenging the recovery of RLNG actualization charges pertaining to a period of seven years. The LHC has granted a stay order against the said recovery and the matter is pending adjudication before the Court. No provision has been made in these consolidated financial statements in respect of the aforesaid matter as the management, based on the advice of the Group's legal counsel, is confident that the ultimate outcome of the case will be in favour of the Group.

(xii) The DCIR issued a show cause notice to the Group on 29 November 2022, requiring the Group to provide details and clarification on the adjustment of various inputs under section 8 of the Sales Tax Act, 1990 (the Act) for the tax periods from July 2019 to June 2020. The Group fully complied with the notice and the assessing officer finalised the proceedings and passed an order on 02 February 2023, creating a demand of Rupees 491.522 million and imposing a penalty of Rupees 22.722 million. Aggrieved by the order, the Group filed an appeal before the (CIR-A. The CIR-A heard the case and issued an order dated 31 May 2023, remanding it back to the department. The Group contested the CIR-A's decision before the ATIR which was heard by the Honorable ATIR on 2 March 2026 and the ATIR, through its order dated 03 March 2026, deleted a portion of the demand and remanded the remaining issues back to the DCIR.

Pursuant to the remand order, the DCIR initiated remand back proceedings and issued notice dated 15 June 2026. The Group fully complied with the notice and submitted a reply along with supporting evidence. No order has been passed by the DCIR pursuant to the remand back proceedings and the matter is still pending before the tax authorities.

(xiii) The DCIR issued a show cause notice to the Group on 29 November 2022, requiring the Group to provide details and clarification on the adjustment of various inputs under section 8 of the Act, for the tax periods from July 2020 to June 2021. The Group fully complied with the notice and the assessing officer finalised the proceedings and passed an order on 07 February 2023, creating a demand of Rupees 500.060 million and imposing a penalty of Rupees 17.301 million.

Aggrieved by the order, the Group filed an appeal before the CIR-A. The CIR-A heard the case and issued an order dated 31 May 2023, remanding it back to the department. The Group contested the CIR-A's decision before the ATIR which was heard by the Honorable ATIR on 18 March 2026. The ATIR vide its order dated 30 April 2026 partially deleted the demand and remanded the remaining issues to the DCIR for fresh adjudication. No further proceedings have been initiated by the DCIR pursuant to the remand order and the matter is still pending before the tax authorities.

(xiv) The DCIR issued a show cause notice to the Group on 16 March 2021, requiring the Group to provide details and clarification on the adjustment of various inputs under Section 8 of the Act for the tax periods from July 2017 to December 2020. The Group fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 843.580 million.

Aggrieved by the order, the Group filed an appeal before the CIR-A. The CIR-A confirmed the department's treatment to the tune of Rupees 580.285 million and annulled the remaining demand. The Group contested the CIR-A's decision before the ATIR, which remanded the order back to the department. The Group then appealed to the LHC, which also remanded the case back to the department.

The DCIR restarted the proceedings and issued a notice. The Group fully complied, and the DCIR passed an impugned order amounting to Rupees 158.150 million on 31 January 2024, against which the Group appealed before the CIR-A. Following the Tax Laws (Amendment) Act, 2024, the appeal was transferred to the ATIR, Lahore. The ATIR remanded the case back to the DCIR through an order dated 22 August 2024.

Pursuant to the remand order, the DCIR initiated remand-back proceedings and, after completion of the proceedings, passed an order dated 27 June 2026, creating a sales tax demand of Rupees 158.150 million along with default surcharge of Rupees 134.427 million and penalty of Rupees 7.907 million. Being aggrieved by the order, the Group has filed an appeal before the CIR-A, which is still pending adjudication.

(xv) The DCIR issued a show cause notice to the Group on 18 March 2021, requiring the Group to provide details and clarification on the adjustment of various inputs under Section 8 of the Act for the tax periods from July 2016 to July 2017. The Group fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 182.831 million.

Aggrieved by the order, the Group filed an appeal before the CIR-A. The CIR-A confirmed the department's treatment to the tune of Rupees 96.352 million and annulled the remaining demand. The Group contested the CIR-A's decision before the ATIR, which remanded the order back to the department. The Group then appealed to the LHC, which also remanded the case back to the department.

The DCIR restarted the proceedings and issued a notice. The Group fully complied, and the DCIR passed an impugned order on 31 January 2024, against which the Group appealed before the CIR-A. Following the Tax Laws (Amendment) Act, 2024, the appeal was transferred to the ATIR, Lahore. The ATIR remanded the case back to the DCIR through an order dated 22 August 2024.

The DCIR restarted the proceedings and issued a notice. The Group fully complied with the notice and the DCIR passed an impugned order dated 15 June 2026, creating a sales tax demand of Rupees 199.286 million along with default surcharge under sections 8 and 34 of the Sales Tax Act, 1990 and penalty of Rupees 9.142 million. Being aggrieved by the said order, the Group has filed an appeal before the CIR-A, which is pending adjudication.

(xvi) The DCIR issued a show cause notice to the Group on 16 November 2021, requiring the Group to provide details and clarification on the adjustment of various inputs under section 8 of the Act for the tax periods from July 2019 to August 2019. The Group fully complied with the notice, and the assessing officer finalised the proceedings on 15 February 2022, creating a demand of Rupees 6.792 million and imposing a 100% penalty.

Aggrieved with the said order, the Group filed an appeal before the CIR-A. The CIR-A confirmed the department's treatment. The Group contested the CIR-A's order before ATIR whereby the ATIR ruled in the favour of the department through an order dated 06 December 2022. Being aggrieved, the Group has preferred an appeal before LHC. The case is still pending before the LHC.

(xvii) Aggrieved with the said order, the Group filed an appeal before the CIR-A. The CIR-A confirmed the department's treatment. The Group contested the CIR-A's order before ATIR whereby the ATIR ruled in the favour of the department through an order dated 06 December 2022. Being aggrieved, the Group has preferred an appeal before LHC. The case is still pending before the LHC.

(xviii) The DCIR passed an order dated 18 October 2019 under section 11(2) of the Act for the tax year 2018, wherein the sales tax demand of Rupees 42 million was created.

However, being aggrieved from the aforesaid order, the Group filed appeal in terms of section 45B of the Act before CIR (A). The CIR (A) passed an order dated 16 November 2020 under section 11(2) of the Act for the tax year 2018, wherein the sales tax demand of Rupees 42 million was raised after deleting penalty. However, being aggrieved with the said order, the Group filed an appeal before ATIR which is pending adjudication.

(xix) Proceedings under Section 11(2) of the Sales Tax Act, 1990 were initiated by the DCIR for Tax Periods July, 2019 to November, 2021 which were finalized by passing the Order dated 04 November 2022 u/s 11(2) of the Act raising demand of Rupees 322 million along with default surcharge (to be calculated at the time of payment) and penalty amounting to Rupees 16 million u/s 33(5) of the Act. Being aggrieved from the aforesaid order, the Group filed appeal before the CIR (A), which was finalized by passing the order dated 03 April 2023 u/s 45B wherein the case in respect of input pertaining to the installation of plant and machinery was remanded back and the demand in respect of remaining goods and services was confirmed. The Group being dissatisfied from the aforesaid Appellate Order, preferred appeal before ATIR. The said appeal has not been fixed for hearing till date. During the previous year, the DCIR initiated remand back proceedings, which concluded on 29 June 2024, issuing an order under Section 11(2) of the Act, raising a demand of Rupees 48 million along with default surcharge (to be calculated upon payment) and a penalty of Rupees 2 million under Section 33(5) of the Act. The Group, being dissatisfied with the aforesaid order, has preferred an appeal under Section 46 of the Act before the learned ATIR. The Learned ATIR decided the appeal against the Group vide STA No. 1605/LB/2024 dated 26 December 2024. Aggrieved by the aforesaid order, the Group has filed a reference before the LHC through its legal counsel, which is pending adjudication.

(xx) The DCIR passed an order dated 03 August 2024 under section 11E of the Act for the tax periods August 2023 to October 2023, wherein a sales tax demand of Rupees 85.13 million was raised along with an equivalent penalty and default surcharge (to be calculated at the time of payment). Being aggrieved from the aforesaid order, the Group filed an appeal before the Honorable ATIR, Lahore. The proceedings against the said appeal were finalized by the ATIR by passing order No. STA-1838/LB/2024, whereby the order of the DCIR was upheld and the appeal was dismissed. However, being dissatisfied with the said order, the Group filed a reference before the Honorable LHC, which is pending adjudication.

(xxi) The DCIR passed an order dated 26 December 2025 under section 11E of the Act for the tax year 2023, wherein sales tax demand of Rupees 442.3 million along with default surcharge of Rupees 107.7 million was raised. Being aggrieved from the aforesaid order, the Group filed an appeal before CIR (A). The proceedings against the said appeal were finalized by CIR (A) by passing order dated 27 February 2026 by providing partial relief by deleting impugned demand to the extent of scrap sales, disposal of vehicles, penalty/ default surcharge on FED and restricting the penalty on account of late filing of sales tax returns.

However, default surcharge and penalty on imposed late payment of sales tax were confirmed resulting in amended demand of Rupees 226.8 million. However, the Group being dissatisfied with the said order, filed an appeal before the ATIR. The said appeal has not been fixed for hearing till date.

(xxii) The DCIR passed an order dated 04 April 2026 under section 14 of the FED Act 2005 for the tax periods July 2020 to June 2021. The proceedings against the said appeal were finalized by the DCIR by passing order dated 30 June 2026 by raising demand of default surcharge of Rupees 20 million and penalty of Rupees 66.94 million. The Group is in process of filing appeal before CIR (A) under the said order. No further correspondence has been received from the tax department till date.

(xxiii) During the year ended 30 June 2013, one of the shareholders filed a suit in the Honorable High Court of Sindh against the parties involved in the public announcement dated

22 May 2012, pursuant to the Listed Companies (Substantial Acquisition of Voting Shares and Take-Overs) Ordinance, 2002, including the Group and its CEO, raising objections regarding the legality of the transaction. The management considers that the transfer of shares was valid and in accordance with the applicable laws and regulations. The case was transferred from the Honorable High Court of Sindh to the Court of the Senior Civil Judge IX, Karachi (West), in light of Sindh Act No. VI of 2025, and is now listed as Suit (Received from HC) No. 1304 of 2025. The matter has not yet been fixed for hearing.

(xxiv) The issue pertaining to interpretation of sub-section (2) of section 4 of the Central Excise Act, 1944 (the "1944 Act") has been adjudicated by the Honorable Supreme Court of Pakistan vide judgment dated 15 February 2007 (the "Supreme Court Judgment") in appeal nos. 1388 and 1389 of 2002, 410 to 418 of 2005, 266, 267 & 395 of 2005 (the "Appeal"). By way of background it is pointed out that the controversy between the Department and the Group pertained to whether in view of the words of sub-section (2) of section 4 of the 1944 Act "duty shall be charged on the retail price fixed by the manufacturer, inclusive of all charges and taxes, other than sales tax..." retail prices would include the excise duty leviable on the goods. The Honorable LHC as well as the Honorable Peshawar High Court held that excise duty shall not be included as a component for determination of the value (retail price) for levying excise duty (the "Judgments"). The department being aggrieved of the Judgments impugned the same before the Supreme Court of Pakistan vide the Appeals, in pursuance whereof leave was granted to determine in the aforesaid issue. The Honorable Supreme Court of Pakistan vide the Supreme Court Judgment upheld the Judgments and the Appeals filed by the department were dismissed. In the Supreme Court Judgment it has been categorically held that excise duty is not to be included as a component for determination of the value (retail price) for levying excise duty under sub-section (2) of section 4 of the 1944 Act. In view of the above, during the year ended 30 June 2008, the Group had filed a refund claim amounting to Rupees734.06 million before Collector, Sales Tax and Federal Excise Duty, Government of Pakistan (the Department). During the year ended 30 June 2010, the aforesaid refund claim has been rejected by the Department, however, the Group filed an appeal before Commissioner (Appeals) Inland Revenue, Lahore which has been decided in Favor of the Group.

Later on, tax department filed an appeal to the ATIR where case has also been decided in favor of the Group. However, the refund will be accounted for at the time of its realization. The Group's contingencies relating to income tax matters are disclosed in note 30 to these consolidated financial statements.

(xxv) Guarantees given by banks on behalf of the Group aggregate to Rupees 2,252.484 million (2025: Rupees 1,302.802 million) in favour of Sui Northern Gas Pipelines Limited and Government Institutions.

(xxvi) Guarantees amounting to Rupees 4,984.631 million (2025: Rupees 365.529 million) have been issued on behalf of the Group in favour of the Mines & Minerals Department, Government of the Punjab, in lieu of royalty.

(xxvii) Corporate guarantee given by the Group amounting to Rupees 500 million (2025: Rupees 6000 million) to a financial institution related to credit facilities. The Group has not recognised a liability for the guarantee as the amount is not considered material.

(xxviii) The Group has arranged guarantees from different banks aggregating to Rupees 25 million (2025: Rupees 25 million) which comprises a guarantee from Askari Bank Limited worth Rupees 15 million (secured with 100% margin) and a guarantee from MCB Bank Limited worth Rupees 10 million in favour of Director Excise and Taxation, Karachi.

(xxix) The Additional Commissioner Inland Revenue (ACIR) initiated proceedings related to the tax year 2017, vide order dated 13 March 2019 against the Group under section 122(5A) read with section 122(9) of the Income Tax Ordinance, 2001 ('Ordinance'). The notice was duly responded by tax advisor of the Group. The proceedings were concluded and ACIR raised an additional tax demand of Rupees 303.36 million through amendment order dated 27 January 2020 passed under section 122(5A) of the Ordinance. The Group preferred an appeal against the amendment order before the Commissioner Inland Revenue (Appeals) ('CIR(A)'). The CIR(A) through his order dated 6 May 2020, decided all the matters in favour of the Group except for issues relating to claim of depreciation and initial allowance without reducing tax credit claimed under section 65B of the Ordinance from the cost of the asset and apportionment of advertisement and sales promotion expenses. The Group, as well as the tax authorities, have preferred appeals before the Appellate Tribunal Inland Revenue ('ATIR'), which are pending for adjudication at the year end.

However, being prudent the Group has recorded the provision of Rupees 46.880 million in these consolidated financial statements. Management of the Group is confident of favourable outcome of the case. Therefore, no further provision has been incorporated in these consolidated financial statements.

(xxx) For tax year 2015, the ACIR amended the deemed assessment through an order dated 27 December 2016, under section 122(5A) of the Income Tax Ordinance, 2001, resulting in a tax demand of Rupees 241.736 million. The Group challenged this order before the CIR(A), who, through an order dated 5 January 2017, decided all issues in favour of the Group except for the treatment of exchange gain on export sales in the computation of apportionment ratios.

In compliance with the CIR(A)'s decision, the Deputy Commissioner Inland Revenue (DCIR) issued an appeal effect order dated 31 July 2017 under sections 124/129, followed by a rectification order dated 17 August 2017, which was finalized on 14 March 2018. However, the Group identified errors in the appeal effect order and filed a second appeal before the CIR(A). Through an order dated 17 April 2020, the CIR(A) decided certain matters specifically the enhancement of minimum tax liability and the apportionment of admissible deductions - against the Group, resulting in an additional tax impact of Rupees 180 million.

The Group has filed an appeal before the ATIR, which is currently pending adjudication. Based on legal precedents and professional advice, management believes that the Group has a strong case and expects a favorable outcome. Accordingly, no provision has been recorded in these consolidated financial statements.

(xxxi) Through order dated 31 July 2017, the deemed assessment for the tax year 2016 was amended by the ACIR under section 122(5A) of the Ordinance raising a tax demand of Rupees 1,129.967 million against the Group. Being aggrieved with the order, the Group filed an appeal with the CIR(A) which was disposed of by the CIR(A) through appellate order dated 5 December 2017. Through such order, all the issues involved in the appeal were decided in favour of the Group.

Aggrieved by such appellate order, the tax department filed an appeal before the ATIR which was decided vide order dated 19 March 2024, whereby the issues assailed in the appeal were partially decided in the favour of the Group. Aggrieved by the order, the Group filed an application for rectification of the appellate order, which was partially modified in favour of the Group vide order dated 14 May 2024. Simultaneously, the Group also assailed ATIR's order dated 19 March 2024 in appeal before the Lahore High Court (LHC) which is pending adjudication.

(xxxii) For tax year 2021, the Group received a notice dated 20 January 2022, whereby the ACIR initiated proceedings against the Group under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001. The Group responded to the notice vide letter dated 23 June 2022. The ACIR concluded the proceedings vide amendment order dated 5 August 2022, through which the income tax refund was curtailed to Rupees 862.510 million, from the amount of Rupees 1,003.308 million claimed in the return. Being aggrieved, the Group filed an appeal against the amendment order before the CIR(A) that was disposed of vide order dated 7 February 2024 through which partial relief was granted. Aggrieved by such order, the Group preferred an appeal before the ATIR which has not been taken over for hearing yet.

(xxxiii) The Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice to the Group on 29 November 2022, for the tax year 2017, requiring the Group to provide details and clarification of the annual statement of tax collected or deducted under Rule 44 of the Income Tax Rules, 2002. The Group fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 718.174 million under Section 161 of the Income Tax Ordinance, 2001 inclusive of default surcharge.

Aggrieved by the order, the Group filed an appeal before the CIR-A. The appeal was transferred to ATIR, after the amendment to section 126A of the Income Tax Ordinance, 2001, as per Finance Act, 2024. The ATIR passed an order dated 24 March 2025, remanding the case back to the DCIR.

Pursuant to the remand order, the DCIR initiated remand back proceedings and, after considering the Group's submissions, passed order dated 29 June 2026, whereby the demand under sections 161 and 205 of the Income Tax Ordinance, 2001 was reduced from Rupees 718.174 million to Rupees 81.207 million. The Group has filed an appeal before the CIR-A, which is pending adjudication.

(xxxiv) The DCIR issued a show cause notice to the Group on 31 January 2023 for the tax year 2018, requiring the Group to provide details and clarification of the annual statement of tax collected or deducted under Rule 44 of the Income Tax Rules, 2002. The Group fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 349.742 million under Section 161 of the Income Tax Ordinance, 2001 inclusive of default surcharge.

Aggrieved by the order, the Group filed an appeal before the CIR-A. The appeal was transferred to ATIR, after the amendment to section 126A of the Income Tax Ordinance, 2001, as per Finance Act, 2024. The Group contested the CIR-A's decision before the ATIR which passed an order dated 14 May 2025, remanding the case back to the DCIR. The case is still pending before the DCIR.

(xxxv) The DCIR issued a show cause notice to the Group on 1 February 2023 for the tax year 2019, requiring the Group to provide details and clarification of the annual statement of tax collected or deducted under Rule 44 of the Income Tax Rules, 2002. The Group fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 423.565 million under Section 161 of the Income Tax Ordinance, 2001 inclusive of default surcharge.

Aggrieved by the order, the Group filed an appeal before the CIR-A. The appeal was transferred to the ATIR, after the amendment to section 126A of the Income Tax Ordinance, 2001, as per Finance Act, 2024.

The ATIR, through its order dated 11 August 2025, deleted the entire demand of Rupees 423.565 million raised under sections 161 and 205 of the Income Tax Ordinance, 2001 and decided the matter in favour of the Group. Subsequently, the DCIR challenged the ATIR's order before the LHC, where the matter is still pending adjudication.

(xxxvi) The DCIR issued a show cause notice to the Group on 31 January 2023 for the tax year 2020, requiring the Group to provide details and clarification of the annual statement of tax collected or deducted under Rule 44 of the Income Tax Rules, 2002. The Group fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 271.713 million under Section 161 of the Income Tax Ordinance, 2001 inclusive of default surcharge.

Aggrieved by the order, the Group filed an appeal before the CIR-A. The appeal was transferred to ATIR, after the amendment to section 126A of the Income Tax Ordinance, 2001, as per Finance Act, 2024. The Group contested the CIR-A's decision before the ATIR which passed an order dated 13 February 2025, remanding thecase back to the DCIR.

Pursuant to the remand order, the DCIR initiated remand back proceedings and passed order dated 29 June 2026, whereby the demand under sections 161 and 205 of the Income Tax Ordinance, 2001 was reduced from Rupees 271.713 million to Rupees 128.180 million. Being aggrieved by the said order, the Group has filed an appeal before the CIR-A, which is still pending adjudication.

(xxxvii) The DCIR issued a show cause notice to the Group on 23 September 2022 for the tax year 2021, requiring the Group to provide details and clarification of the annual statement of tax collected or deducted under Rule 44 of the Income Tax Rules, 2002. The Group fully complied with the notice, and the assessing officer finalized th proceedings, creating a demand of Rupees 1,387.967 million under Section 161 of the Income Tax Ordinance, 2001 inclusive of default surcharge.

Aggrieved by the order, the Group filed an appeal before the CIR-A. The appeal was transferred to ATIR, after the amendment to section 126A of the Income Tax Ordinance, 2001, as per Finance Act, 2024. The appeal before the ATIR is still pending for hearing.

(xxxviii) The DCIR issued a show cause notice to the Group on 24 November 2022 for the tax year 2022, requiring the Group to provide details and clarification of the annual statement of tax collected or deducted under Rule 44 of the Income Tax Rules, 2002. The Group fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 168.650 million under Section 161 of the Income Tax Ordinance, 2001 inclusive of default surcharge.

Aggrieved by the order, the Group filed an appeal before the CIR-A. The appeal was transferred to ATIR, after the amendment to section 126A of the Income Tax Ordinance, 2001, as per Finance Act, 2024. The ATIR passed an impugned order dated 24 March 2025, where they ruled in the favour of the department. The Group has challenged the decision of the ATIR in the LHC, where the appeal is pending.

(xxxix) The Group filed an online application for refund of excess tax paid for the Tax Year 2020 of Rupees 756 million. Assistant/Deputy Commissioner Inland Revenue (A/DCIR) passed an order dated 05 August 2022 acknowledging tax collection/deduction under various sections of the Ordinance to the tune of Rupees 719 million. The said acknowledged refunds were consented for adjustment against sales tax, income tax and advance income tax liabilities. Being aggrieved with the rejection of refunds amounting to Rupees 37 million, the Group has filed an appeal before the Commissioner Inland Revenue (Appeals) - I (CIR-A) and the same is pending adjudication.

(xl) The Group filed an online application for refund of excess tax paid for the Tax Year 2019 amounting to Rupees 292 million. The learned officer passed an order dated 15 August 2020 acknowledging tax collection/deduction under various sections of the Ordinance while rejecting the claim of tax deduction/collection to the tune of Rupees 243 million which resulted into issuance of refund of Rupees 49 million. Being aggrieved from the above Order, the Group filed an appeal before CIR-A who through order dated 17 September 2021 annulled the aforesaid order and remanded the case back to the tax officer which is pending adjudication.

(xli) The ADCIR passed an amended order dated 25 November 2016 under section 122(5A) of the Ordinance for tax year 2015, wherein certain additions amounting to Rupees 1,036 million were made which resulted into income tax demand of Rupees 514 million. Being aggrieved, the Group filed an appeal before CIR(A) who deleted all the additions except the addition made under section 18(1)(d) amounting to

Rupees 550 million. Being aggrieved with the Order of CIR(A), both the Group and tax department filed appeals before the ATIR, wherein the ATIR vide its combined order dated 13 September 2017 upheld the decision of CIR(A). The Addl. CIR passed appeal effect order dated 13 November 2020 raising demand of Rupees 7 million.

Multiple appeal effect orders issued by the Addl. CIR ignored the relief of WPPF paid against which the Group filed appeal before CIR-A which was decided in Group's favor. The CIR, being dissatisfied from the aforesaid appellate Order, has filed an appeal before ATIR dated 17 May 2017. However, the case has not been fixed for hearing till date. The Group also filed rectification applications before the Addl. CIR which were rejected and the Group preferred appeals before CIR-A. The appeal filed against the 2nd appeal effect order resulted in the CIR-A passing the order dated 31 January 2020, wherein the decision of Addl. CIR for proration of the statutory allowance of WPPF amounting to Rupees 280 million between NTR & FTR Income was upheld. The Group being dissatisfied from the same, preferred an appeal on 17 April 2020 before ATIR, which has not been heard yet.

(xlii) The Group's case was selected under section 214C/177 of the Ordinance by the FBR for audit of its income tax affairs for the tax year 2014. Audit proceedings were finalized by the DCIR and passed an order dated 09 September 2017 under section 122(1) of the Ordinance, wherein certain additions were made which resulted into taxable income at Rupees 1,304 million and income tax demand at Rupees 347 million.

Being aggrieved with the said order, the Group filed an appeal on 08 December 2017 before the CIR(A) wherein the CIR(A) vide order dated 24 April 2020 granted partial relief to the Group.

Being aggrieved with the order of CIR(A), both the Group and CIR filed appeals before the ATIR, the Group's appeal is decided in its favour thereby deleting additions made into the taxable income of the Group. The ATIR decided the case vide order dated 12 May 2026, upheld the direction of Learned CIR (A) allowing initial allowance and normal depreciation on capitalized markup and remanded back other disallowances related to Section 13(2)(c) for recomputation. No further correspondence has been received from tax department till date.

(xliii) ADCIR passed an amended order dated 28 June 2019 under section 122(5A) of the Ordinance for tax year 2013, wherein certain additions were made which resulted into taxable income of Rupees 1,849 million and income tax demand of around Rupees 3 million. Being aggrieved with the said order, the Group filed an appeal before CIR(A), wherein the CIR(A) vide order dated 26 December 2019 granted substantial relief to the Group. CIR being dissatisfied filed an appeal before the ATIR which is pending adjudication.

(xliv) The Group was selected for Tax Audit u/s 177 through a random Ballot conducted by the FBR for the audit of the Income Tax affairs for Tax Year 2012. DCIR, through its Order dated 26 March 2014 passed u/s 122(1)/122(5) of the Ordinance that resulted into the impugned addition of Rupees 1,043 million whereby the amount of balance carried forward losses were reduced to Rupees 826 million. The Group filed an Appeal before CIR-A against the impugned Order passed u/s 122(1)/122(5) of the Ordinance. The CIR-A vide its Order no. 17 dated 22 June 2015, granted substantial relief of Rupees 758 million against the above mentioned impugned addition. The Group being dissatisfied from the aforesaid order by CIR(A) filed an appeal before ATIR. The main hearing of the case was heard on 16 January 2024 and the Honourable ATIR remanded the case back to CIR(A) vide order no. 2213/2015 dated 29 January 2024 The CIR also filed appeal before ATIR against the aforesaid relief by CIR(A) being provided. After hearing of the main case, an order no. 2276/2015 dated 29 January 2024 was passed which dismissed the departmental appeal. No further correspondence has been received as of yet.

(xlv) The ACIR finalized proceedings u/s 122(5A) for Tax Year 2011 and passed the impugned Order on 13 June 2017 wherein certain additions were made which resulted into taxable income of Rupees 338 million and created demand of Rupees 90 million. The Group filed appeal before CIR-A against the aforesaid impugned Order in respect of certain additions and disallowances. The CIR-A vide its Order dated 21 September 2017 remanded the case back to the department for certain points, while the remaining points were upheld. The ACIR initiated set aside proceedings u/s 124/129 vide notice dated 20 May 2019. The Group through its authorised representative (AR) duly complied the aforesaid proceedings. However, no further correspondence has been received from the tax department till date.

The Group also being dissatisfied from the disallowance of the tax deduction pertaining to statutory allowance of WWF and WPPF amounting to Rupees 5 million in the CIR-A Order preferred to file an appeal on 24 November 2017 before the ATIR. The main hearing of the case was heard on 23 February 2024 and the Honourable ATIR decided the case vide order no. ITA 3533/2017 dated 23 February 2024 by accepting the contention regarding WWF and remanded the case in respect of WPPF to the Officer Inland Revenue (OIR). The OIR re-initiated the remand back proceedings vide notice bearing reference No. LTO/ADC-R-VII, Z-III dated 15 May 2024 issued under section 122(9) of the Ordinance. The Group duly complied with the said notice vide its letter dated 25 June 2025, and the proceedings were finalized by the OIR vide Order No. 08 dated 27 June 2025, wherein the explanation tendered by the Group was duly accepted.

(xlvi) During the year, the Additional Commissioner Inland Revenue, Range-8, Zone-III, Large Taxpayers Office, Lahore (“Addl. CIR”) initiated proceedings under section 122(5A) of the Income Tax Ordinance, 2001 vide notice dated 21 November 2024. The Addl. CIR proposed to amend the assessment order for the Group’s income tax return for Tax Year 2022. The Group responded to the notice and the proceedings were finalized vide order bearing barcode No. 100000239650518 dated 5 May 2025.

The Addl. CIR accepted the Group’s contentions except for certain issues relating to “short inadmissible deductions” and “refund adjustments” from prior years, resulting in a tax demand of Rupees 449.58 million. Being dissatisfied with the order, the Group filed an appeal before the Honorable Appellate Tribunal Inland Revenue (ATIR) on 30 May2025. The latest case was heard on 25 August 2025 and the order is awaited. Additionally, the Group filed an application for rectification of apparent mistakes under section 221(1) of the Ordinance. No further communication has been received from the tax authorities to date.

Based on the advice of the taxation/legal advisors of the Group, the management expects a favourable outcome in most of the above cases and adequate provisions have been created in the consolidated financial statements.

(xlvii) The Deputy Commissioner Inland Revenue passed orders under sections 205 / 137(1) of the Income Tax Ordinance, 2001 on 11 June 2026, whereby default surcharge amounting to Rupees 42,098,039, Rupees 11,148,310 and Rupees 12,130,871 has been levied for tax years 2017, 2024 and 2025, respectively, on account of the alleged delayed payment of super tax under section 4C of the Income Tax Ordinance, 2001. The Group filed appeals against the aforesaid orders directly before the Appellate Tribunal Inland Revenue (ATIR). The appeals were heard on 02 July 2026, and the decision is awaited. Based on the advice of its legal council, the management of the Group believes that the outcome of the appeals will to be in favour of the Group. Accordingly, no provision has been recognised in these financial statements in respect of the aforesaid default surcharge.

(xlviii) The Group filed income tax return for tax year 2012 having tax loss of Rupees 766.104 million and creating a refund of Rupees 56.126 million. An assessment under section 221 of the Income Tax Ordinance, 2001 has been finalized on the issue that full and final tax on exports cannot be adjusted against minimum tax @ 1% and creating demand of Rupees 49.807 million and the same has been upheld by the CIR(A). The impugned demand has been adjusted against refund for tax year 2013. An appeal has been filed by the Group in ATIR, ATIR vide order dated 04 April 2022 remanded back the case to assessing officer. The department filed an appeal before Honorable Lahore High Court, which is pending adjudication. Furthermore, an assessment under section 122(5A) of the Income Tax Ordinance, 2001 dated 22 December 2017 has been finalized and taxable income has been assessed at Rupees 520.126 million by creating demand of Rupees 91.535 million. The Group filed an appeal before CIR(A) who, vide its order dated 08 March 2021, granted relief on major issues, while upheld the order on various other issues. The Group filed appeal before the Honorable Appellate Tribunal Inland Revenue where the case is still pending. No provision has been made in these consolidated financial statements as the Group is hopeful of a favorable outcome based on the advice of its legal counsel.

(xlix) The Group filed income tax return for tax year 2014 having tax loss of Rupees 178.170 million and creating a refund of Rupees 11.051 million. An assessment under section 122(1) of the Income Tax Ordinance, 2001 has been finalized and taxable income had been assessed at Rupees 234.312 million creating demand of Rupees 22.462 million. The Group filed an appeal before CIR(A) who granted relief on major issues, while upheld the order on various other issues. The Group filed appeal before the ATIR who, vide its order dated 25 January 2021, decided the case in favour of the Group. The department has filed appeal against this order in Lahore High Court which is pending adjudication. No provision has been made in these financial statements as the Group is hopeful of a favorable outcome based on the advice of its legal counsel.

(l) The Group filed income tax return for the tax year 2018 having taxable income amounting to Rupees 483.836 million and creating a refund of Rupees 138.836 million. Assessment under section 122 (5A) dated 30 January 2023 of the Income Tax Ordinance, 2001 was finalized and taxable income had been assessed at Rupees 725.486 million, creating demand of Rupees 81.153 million. The Group has paid an amount of Rupees 30 million under protest and filed an appeal before CIR(A). The Group's appeal was disposed off through appellate order dated 17 April 2024 partially in favour of the Group. The Group has preferred an appeal before the ATIR, which is pending adjudication. No provision has been made in these consolidated financial statements as the Group is hopeful of a favorable outcome based on the advice of its legal counsel.

(li) The Group filed income tax return for the tax year 2020 having taxable income amounting to Rupees 842.296 million. Assessment under section 122 (5A) dated 12 June 2026 of the Income Tax Ordinance, 2001 was finalized, creating demand of Rupees 40.653 million. The Group filed an appeal before CIR(A), which is pending adjudication . No provision has been made in these financial statements as the Group is hopeful of a favorable outcome based on the advice of its legal counsel.

(lii) The Group has filed a petition against the National Highway Authority's (NHA) demand for payment of registration fee of Rupees 75 million in accordance with the National Highway Authority Act of 1991. The argument is based on the fact that the Group is registered with relevant local bodies at the time of its establishment and that registration with NHA is not required. Moreover, legislation cannot be applied retrospectively to any Group. A single bench of the Lahore High Court granted interim relief in favour of the Group in its order dated 22 October 2020, and the issue is presently pending adjudication. No provision has been made in these consolidated financial statements as the Group is hopeful of favorable outcome based on the advice of its legal counsel.

(liii) On 31 August 2021, a sales tax demand of Rupees 2,390.023 million along with penalty of Rupees 120 million under section 11 of Sales Tax Act, 1990 was created for the tax period July 2016 to June 2019. The Group filed an appeal before CIR(A) who decided the issues of claim of input tax relating to purchases and levy of further tax in favour of the Group while the remaining issues were annulled and remanded back to the department through order dated 29 October 2021. Pursuant to order passed by the CIR(A), Deputy Commissioner Inland Revenue (DCIR) commenced remand back proceedings vide notice dated 05 January 2022, for fresh consideration of the issues remanded back by the CIR(A). However, the Group has filed an appeal against the order of the CIR(A) before the ATIR which is pending adjudication. No provision has been made in these financial statements as the Group is hopeful of a favorable outcome based on the advice of its legal counsel.

(liv) The Group and tax authorities filed appeals before different appellate authorities regarding sales tax and custom duty matters. Pending the outcome of appeals filed by the Group and tax authorities, no provision has been made in these consolidated financial statements which on the basis adopted by the authorities would amount to Rupees 624.258 million (2025: Rupees 637.620 million), since the Group has strong grounds against the assessments framed by the relevant authorities.

(lv) The Group filed recovery suit in Lahore High Court, Rawalpindi Bench amounting to Rupees 14.683 million (2025: Rupees 14.683 million) against supplier for goods supplied by him. Pending the outcome of the cases, no provision has been made in these financial statements since the Group is confident about favorable outcome of the cases based on the advice of its legal counsel.

(lvi) The Group filed suits before Civil Court, Rawalpindi and Lahore High Court, against demands raised by Sui Northern Gas Pipelines Limited (SNGPL) amounting to Rupees 72.811 million. No provision has been made in these consolidated financial statements, since the Group is confident about favorable outcome based on the advice of its legal counsel.

(lvii) Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Group, to various institutions and corporate bodies aggregate to Rupees 1,218.369 million (2025: Rupees 1,075.381 million).

20.2 Commitments in respect of:

(i) Contracts for capital expenditures amounting to Rupees Nil (2025: Rupees 13.748 million).

(ii) Letters of credit for capital expenditure amounting to Rupees 10,202.800 million (2025: Rupees 3,203.813 million).

(iii) Letters of credit other than for capital expenditure amounting to Rupees 3,744.628 million (2025: Rupees 5,164.216 million).

(iv) Future contracts - shares in respect of which the settlement is outstanding amounting to Rupees Nil (2025: Rupees 4,391.525 million).

(v) Contract for short term lease amounting to Rupees 0.698 million (2025: Rupees 0.890 million).

	2026	2025
	(Rupees in thousand)	
21. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 21.1)	149,098,668	85,488,291
Capital work in progress (Note 21.2)	11,002,803	5,679,891
Major spare parts and stand-by equipments (Note 21.3)	348,438	28,336
Right of use assets (Note 21.4)	74,981	86,091
	160,524,890	91,282,609

21.1 Operating fixed assets

	Freehold land	Office buildings	Factory and other buildings	Residential and other buildings	Plant and machinery	Services and other equipment	Computer and IT installations	Furniture and fixtures	Office equipment	Vehicles	Quarry equipment	Share of joint assets	Spares held for capital expenditure	Total
	(Rupees in thousand)													
At 30 June 2024														
Cost / revalued amount	8,466,030	82,758	26,366,473	656,684	93,962,285	109,704	253,590	852,063	101,136	1,706,917	194,144	6,000	999,991	133,757,775
Accumulated depreciation	-	(12,663)	(7,900,706)	(230,211)	(36,454,923)	(64,926)	(156,618)	(570,703)	(50,732)	(521,355)	(189,200)	(6,000)	(67,767)	(46,225,804)
Net book value	8,466,030	70,095	18,465,767	426,473	57,507,362	44,778	96,972	281,360	50,404	1,185,562	4,944	-	932,224	87,531,971
Year ended 30 June 2025														
Opening net book value	8,466,030	70,095	18,465,767	426,473	57,507,362	44,778	96,972	281,360	50,404	1,185,562	4,944	-	932,224	87,531,971
Additions	-	626	-	1,749	501,062	104,777	39,432	80,361	22,648	87,844	-	-	-	838,499
Transfers from capital work in progress (Note 21.2)	20,757	9,017	463,598	65,383	1,821,484	32,628	4,826	-	-	335,446	-	-	-	2,753,139
Transfers:														
Cost	-	(21,275)	(109,873)	190,810	(211,751)	77,690	10,411	(60,692)	11,735	(3,081)	-	-	-	(116,026)
Accumulated depreciation	-	(919)	68,063	(75,609)	162,052	(36,554)	(6,283)	7,030	(4,612)	2,858	-	-	-	116,026
	-	(22,194)	(41,810)	115,201	(49,699)	41,136	4,128	(53,662)	7,123	(223)	-	-	-	-
Fixed assets written off:														
Cost	-	-	-	-	-	(8,323)	(18,038)	(75,035)	(8,818)	-	-	-	-	(110,214)
Accumulated depreciation	-	-	-	-	-	7,131	16,798	58,687	7,339	-	-	-	-	89,955
	-	-	-	-	-	(1,192)	(1,240)	(16,348)	(1,479)	-	-	-	-	(20,259)
Disposals:														
Cost / revalued amount	-	-	(201)	-	(48,057)	-	(711)	(19,827)	-	(68,317)	-	-	-	(137,113)
Accumulated depreciation	-	-	170	-	21,595	-	533	15,027	-	43,021	-	-	-	80,346
	-	-	(31)	-	(26,462)	-	(178)	(4,800)	-	(25,296)	-	-	-	(56,767)
Depreciation charge	-	(1,820)	(1,133,814)	(60,698)	(3,883,704)	(12,099)	(33,132)	(56,722)	(6,497)	(277,314)	(1,972)	-	(90,520)	(5,558,292)
Closing net book value	8,486,787	55,724	17,753,710	548,108	55,870,043	210,028	110,808	230,189	72,199	1,306,019	2,972	-	841,704	85,488,291
At 30 June 2025														
Cost / revalued amount	8,486,787	71,126	26,719,997	914,626	96,025,023	316,476	289,510	776,870	126,701	2,058,809	194,144	6,000	999,991	136,986,060
Accumulated depreciation	-	(15,402)	(8,966,287)	(366,518)	(40,154,980)	(106,448)	(178,702)	(546,681)	(54,502)	(752,790)	(191,172)	(6,000)	(158,287)	(51,497,769)
Net book value	8,486,787	55,724	17,753,710	548,108	55,870,043	210,028	110,808	230,189	72,199	1,306,019	2,972	-	841,704	85,488,291
Year ended 30 June 2026														
Opening net book value	8,486,787	55,724	17,753,710	548,108	55,870,043	210,028	110,808	230,189	72,199	1,306,019	2,972	-	841,704	85,488,291
Revaluation surplus (Note 5)	591,484	-	-	-	-	-	-	-	-	-	-	-	-	591,484
Additions	80,595	-	-	3,846	1,014,171	94,198	14,512	273,575	8,722	30,814	-	-	1,096,668	2,617,101
Transfers from capital work in progress (Note 21.2)	-	-	1,640,848	71,512	2,350,005	13,137	49,540	-	7,221	315,530	-	-	-	4,447,793
Transfers:														
Cost	(6,075)	-	-	-	(35,277)	-	-	-	-	-	-	-	-	(41,352)
Accumulated depreciation	-	-	-	-	9,386	-	-	-	-	-	-	-	-	9,386
	(6,075)	-	-	-	(25,891)	-	-	-	-	-	-	-	-	(31,966)
Transfers due to Pioneer Cement acquisition:														
Cost	773,624	-	14,378,007	158,129	80,495,288	-	-	550,238	-	548,345	-	-	-	96,903,631
Accumulated depreciation	-	-	(8,336,455)	(89,562)	(25,069,330)	-	-	(209,587)	-	(324,117)	-	-	-	(34,029,051)
	773,624	-	6,041,552	68,567	55,425,958	-	-	340,651	-	224,228	-	-	-	62,874,580
Disposals:														
Cost / revalued amount	(753)	-	(762)	-	(65,674)	(2,081)	(1,055)	-	-	(316,814)	-	-	-	(387,139)
Accumulated depreciation	-	-	142	-	37,109	950	618	-	-	162,303	-	-	-	201,122
	(753)	-	(620)	-	(28,565)	(1,131)	(437)	-	-	(154,511)	-	-	-	(186,017)
Depreciation charge	-	(1,836)	(1,379,807)	(52,714)	(4,709,821)	(25,839)	(40,808)	(92,614)	(8,002)	(288,514)	(1,578)	-	(101,065)	(6,702,598)
Closing net book value	9,925,662	53,888	24,055,683	639,319	109,895,900	290,393	133,615	751,801	80,140	1,433,566	1,394	-	1,837,307	149,098,668
At 30 June 2026														
Cost / revalued amount	9,925,662	71,126	42,738,090	1,148,113	179,783,536	421,730	352,507	1,600,683	142,644	2,636,684	194,144	6,000	2,096,659	241,117,578
Accumulated depreciation	-	(17,238)	(18,682,407)	(508,794)	(69,887,636)	(131,337)	(218,892)	(848,882)	(62,504)	(1,203,118)	(192,750)	(6,000)	(259,352)	(92,018,910)
Net book value	9,925,662	53,888	24,055,683	639,319	109,895,900	290,393	133,615	751,801	80,140	1,433,566	1,394	-	1,837,307	149,098,668
Depreciation rate (%)	-	5 - 10	5 - 10	5 - 10	5 - 20	10	30	10	10	20	20	10	10	

21.1.1 Freehold land was last revalued by an independent valuer, Anderson Consulting (Private) Limited (Evaluators, Surveyors, Stock Inspectors, Architects & Engineers) as at 30 June 2024. Book value of freehold land on cost basis is Rupees 705.914 million (2025: Rupees 705.914 million) as on 30 June 2026. Had there been no revaluation, the value of freehold land would have been lower by Rupees 5,963.401 million (2025: Rupees 5,963,401 million). Forced sale value of freehold land of the Holding Company is Rupees 5,668.918 million (2025: Rupees 5,668,918 million). Freehold land of MLCFL was last revalued by independent valuer as at 30 June 2024. Had there been no revaluation, the net book value of freehold land of MLCFL would have been Rupees 865.629 million (2025: Rupees 865.629 million). Forced sale value of MLCFL's freehold land is Rupees 1,082.156 million (2025: Rupees 1,082,156 million).

21.1.2 Ownership of the housing colony's assets included in the operating fixed assets of the subsidiary Company, MLCFL is shared by the MLCFL jointly with Agritech Limited in ratio of 101:245 since the time when both the companies were managed by Pakistan Industrial Development Corporation. These assets are in possession of the housing colony establishment for mutual benefits.

21.1.3 Detail of operating fixed assets, exceeding the book value of Rupees 500,000 disposed of during the year is as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchasers
	---(Rupees in thousand)---						
Freehold land							
Land for White Cement Plant Road	753	-	753	4,794	4,041	Negotiation	National Highway Authority (NHA)
Plant and machinery							
FC-1 Fine Cleaning China-2006	10,630	8,609	2,021	1,020	(1,001)	Negotiation	M/S Nishat Chunian Limited, Lahore
Digital Printing Javelin 1.01 Printing Javelin 3200-Mk 1.1	8,184	3,929	4,255	8,184	3,929	Insurance	E.F.U. General Insurance Limited
Digital Printing Javelin 1.02 Printing -Javelin 3200 Mk 1.2/037	9,820	3,962	5,858	9,820	3,962	Insurance	E.F.U. General Insurance Limited
Clamping Connection	1,502	220	1,282	1,335	53	Negotiation	M/s SGK Contractor
Bellow For Expansion Joint	1,140	349	791	715	(76)	Negotiation	M/s SGK Contractor
Blow-Out Nozzle	1,028	316	712	645	(67)	Negotiation	M/s SGK Contractor
Rubber Compensator Drawing	954	294	660	598	(62)	Negotiation	M/s SGK Contractor
	33,258	17,679	15,579	22,317	6,738		
Vehicles							
Hyundai Sonata-2021-2500 CC-AVd-600	7,513	3,641	3,872	8,910	5,038	Insurance	E.F.U. General Insurance Limited
Suzuki Cultus AGS-2019-1000 CC-RIB-388	1,673	1,093	580	2,625	2,045	Auction	Mr. Munawar-ul-Zaman, Group's employee, Rawalpindi
Suzuki Cultus AGS-2019-1000 CC-RID-877	1,619	1,085	534	2,170	1,636	Auction	Mr. Toqeer Rehman, Group's employee, Rawalpindi
Toyota Altis-2021-1600 CC-ATU-899	3,502	1,922	1,580	5,005	3,425	Insurance	E.F.U. General Insurance Limited
Suzuki Cultus VXL-LEH-19-803	1,899	1,298	601	2,000	1,399	Negotiation	M/S Auto World, Lahore
Porsche	6,022	2,899	3,123	19,000	15,877	Auction	Mr. Omer Bajwa
Honda City	2,828	1,844	984	3,770	2,786	Auction	Mr. Sajeel Khan
Suzuki Cultus	2,350	1,577	773	2,929	2,156	Auction	Mr. Rana Muhammad Saleem
Suzuki Cultus	2,350	1,476	874	2,951	2,077	Auction	Mr. Abdul Shakoor
Suzuki Cultus	2,471	1,453	1,018	3,232	2,214	Auction	Mr. Rana Muhammad Saleem
Suzuki Cultus	2,350	1,577	773	3,038	2,265	Auction	Mr. Muhammad Mehran Khan
Suzuki Cultus	2,017	1,179	838	3,158	2,320	Auction	Mr. Muhammad Asim Mumtaz
Suzuki Cultus	2,017	1,179	838	3,166	2,328	Auction	Mr. Muhammad Asim Mumtaz
Suzuki Cultus	2,014	1,475	539	2,451	1,912	Auction	Mr. Waqas Bashir
Range Rover - P440e	217,778	98,000	119,778	120,000	222	Auction	Inshipping (Private) Limited
Toyota Yaris	5,294	1,955	3,339	4,100	761	As per Group's Policy	Miss Sidra Baig , Group's employee
Honda City	5,203	2,620	2,583	3,900	1,317	As per Group's Policy	Mr. Muzammil Hussain, Group's employee
Honda City	4,012	2,044	1,968	3,900	1,932	As per Group's Policy	Mr. Ali Haider, Group's employee
Suzuki Cultus	2,471	1,411	1,060	2,700	1,640	As per Group's Policy	Mr. Khalid Sharif, Group's employee
Suzuki Cultus	2,471	1,396	1,075	2,250	1,175	As per Group's Policy	Mr. Ali Husnain Sajid, Group's employee
Suzuki Cultus	2,468	1,410	1,058	2,600	1,542	As per Group's Policy	Mr. Jalal Tariq Shah, Group's employee
Suzuki Cultus	2,017	1,243	774	2,500	1,726	As per Group's Policy	Miss Sidra Naseer, Group's employee
	282,339	133,777	148,562	206,355	57,793		
	316,350	151,456	164,894	233,466	68,572		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000	70,789	49,666	21,123	70,010	48,887		
	387,139	201,122	186,017	303,476	117,459		

	Note	2026	2025
		(Rupees in thousand)	

21.1.4 Depreciation charged during the year has been allocated as follows:

	Note	2026	2025
Cost of sales	38	6,317,876	5,252,816
Distribution cost	39	59,578	45,738
Administrative expenses	40	362,959	300,293
	21.1.5	6,740,413	5,598,847

21.1.5 Depreciation expense also includes depreciation on right of use assets as mentioned in note 21.4.

21.1.6 Particulars of immovable properties (i.e. land and buildings) are as follows:

Location	Usage of Immovable Property	Total Area (Acres)
Peshawar Road, Rawalpindi	Manufacturing facilities	64.68
	Residential and offices	56.58
	Land	43.95
8 KM, Manga Raiwind Road, District Kasur	Manufacturing facilities	13.22
	Residential and offices	8.11
	Land	11.24
Gulyana Road, Gujar Khan, District Rawalpindi	Manufacturing facilities	13.18
	Residential and offices	23.96
	Land	13.54
42-Lawrence Road, Lahore	Land	4.69
Iskanderabad, District Mianwali	Manufacturing facilities and offices	1,276.25
		1,529.40

21.2 Capital work in progress

	NOTE	Civil works and buildings	Plant and machinery	Advances for capital expenditure	Total
		------------ RUPEES IN THOUSAND ------------			
At 30 June 2023		989,786	496,360	582,074	2,068,220
Add: Additions during the year		4,235,125	1,366,349	771,151	6,372,625
Less: Transferred to operating fixed assets during the year	21.1	(558,755)	(1,465,747)	(728,637)	(2,753,139)
At 30 June 2025		4,666,156	396,962	616,773	5,679,891
Add: Additions during the year		6,461,044	2,922,991	386,670	9,770,705
Less: Transferred to operating fixed assets during the year	21.1	(1,711,540)	(2,105,186)	(631,067)	(4,447,793)
At 30 June 2026		9,415,660	1,214,767	372,376	11,002,803

21.3 This represents stores held for capital expenditure related to Group’s expansion projec.

	2026	2025
	(Rupees in thousand)	
21.4 Right of use assets		
The reconciliation of carrying amount is as follows:		
Balance at the beginning of the year	86,091	86,852
Additions during the year	33,125	46,205
Reassessment during the year	-	(3,935)
Disposal during the year	(6,420)	(2,476)
Depreciation charged during the year	(37,815)	(40,555)
Balance at the end of the year	74,981	86,091

22. INVESTMENT PROPERTY

	2026	2025
Balance at the beginning of the year	-	-
Acquisition of PIOC	1,081,995	-
Balance at the end of the year	1,081,995	-

22.1 The latest valuation of investment properties was conducted as of 20 February 2026 by professional valuers using a sales comparison approach. The forced sale value of investment properties, based on valuation at year end, is Rupees 915.520 million.

	2026	2025
	(Rupees in thousand)	
22.2 Breakup of net profit arising from investment property is as follows:		
Rental income	20,801	-
Operating expenses	(2,064)	-
Net profit	18,737	-

23. INTANGIBLE ASSETS

	NOTE	Goodwill	Computer software	Total
		------------ RUPEES IN THOUSAND ------------		
Year ended 30 June 2026				
Cost				
At beginning of the year		-	188,314	188,314
Goodwill recognized on acquisition of subsidiary	23.1	24,663,648	-	24,663,648
		24,663,648	188,314	24,851,962
Accumulated amortization				
At beginning of the year		-	125,888	125,888
Amortization for the year	23.2	-	38,874	38,874
At end of the year		-	164,762	164,762
Net book value		24,663,648	23,552	24,687,200
Amortization rate per annum			33%	

	Computer Software (Rupees in thousand)
Year ended 30 June 2025	
Cost	
At beginning of the year	180,499
Additions during the year	7,816
At end of the year	188,315
Accumulated amortization	
At beginning of the year	95,689
Amortization for the year	30,200
At end of the year	125,889
Net book value	62,426
Amortization rate per annum	33%

23.1 This represents goodwill arising on the acquisition of a controlling interest in Pioneer Cement Limited ("PIOC") by MLCFL on 20 February 2026, as a result of which PIOC became a subsidiary of the Group.

		Note	2026 (Rupees in thousand)	2025
23.2	Amortization charged for the year has been allocated as follows:			
	Cost of sales	38	16,317	11,736
	Administrative expenses	40	22,557	18,464
			38,874	30,200

24. LONG TERM LOANS TO EMPLOYEES - Secured

	Note	2026	2025
House building		15,527	17,795
Vehicles		829	2,926
Others		829	2,926
		18,371	31,577
Less: Current portion shown under current assets	31	(8,630)	(14,967)
		9,741	16,610

21.1 These loans are secured against employees' retirement benefits and carry interest at the rate of 6% per annum (2025: 6% per annum). These loans are recoverable in 30 to 60 monthly installments.

21.2 This includes loans to key management personnel amounting to Rupees 4.250 million (2025: Rupees 9.814 million). The maximum aggregate amount outstanding from key management personnel at any time during the year calculated with reference to month end balances is Rupees 5.150 million (2025: Rupees 18.508 million). Further, no amount is due from Directors and the Chief Executive Officer as at 30 June 2026 (2025: Nil)

	Note	2026	2025
		(Rupees in thousand)	

25. LONG TERM INVESTMENTS

	Note	2026	2025
Investment in associates – equity method	25.1	5,546,023	6,063,799
Investments at fair value through profit or loss	25.2	2,577,370	3,442,096
Investments at fair value through other comprehensive income	25.3	364,851	338,351
Advance against purchase of shares	25.3	26,625	26,625
		8,514,869	9,870,871

25.1 Investment in associates – equity method
Agritech Limited (AGL):

	Note	2026	2025
Balance at the beginning		6,063,799	-
Transferred from short term investments		-	894,972
Investment during the year		-	5,929,898
Share of loss for the period		(516,953)	(753,577)
Loss on dilution of investment		-	(7,494)
Share of OCI for the period		(823)	-
	25.1.1	5,546,023	6,063,799

25.1.1 The Group holds 201,663,428 (2025: 201,663,428) ordinary shares having a par value of Rupees 10 each, representing 33.66% (2025: 33.66%) of AGL's share capital. The market value of the Group's investment in AGL's ordinary shares as at 30 June 2026 was Rupees 10,375.583 million (2025: Rupees 10,948.308 million). AGL became associate of the Group on 10 January 2025.

The Group increased its investment in AGL through various Share Purchase Agreements (SPAs). These included an acquisition from the Bank of Punjab (BOP) amounting to Rupees 1,300 million, comprising a combination of ordinary shares, convertible redeemable listed preference shares, non-convertible redeemable unlisted preference shares, and privately placed Term Finance Certificates (PPTFCs). Subsequently, on 02 December 2024, and 18 December 2024, the Group entered into SPAs with Faysal Bank Limited (FBL) and Bank Alfalah Limited (BAFL), respectively. These transactions resulted in further acquisitions of similar financial instruments for total considerations of Rupees 1,825.008 million and Rupees 1,800.901 million respectively. In addition, the Group acquired 102.350 million ordinary shares of AGL directly from the general public. On 07 May 2025, 47,285,425 convertible redeemable listed preference shares held by the Group were converted into 55,571,094 ordinary shares of AGL in accordance with their contractual terms.

IFRS 3, Business Combinations, requires that all identifiable assets and liabilities acquired in a business combination be recognized at their fair values in the acquirer's balance sheet, with any identifiable intangible assets separately recognized and measured at fair value. The acquisition has been accounted for using the purchase method in accordance with the requirements of IFRS 3. The standard permits the acquirer a measurement period of up to one year from the acquisition date to finalize the determination of the fair values of the assets and liabilities acquired and to identify and measure any separately recognizable intangible assets.

For the purpose of acquisition accounting, the fair values of the acquired net assets were initially recorded at provisional amounts determined by management's expert as at the acquisition date. During the year, the Group completed an exercise to finalize the fair values of the net assets acquired within twelve months of the acquisition date, in accordance with IFRS 3. Consequently, the fair values of the acquired net assets were revised and notional goodwill was re-measured. The Group assessed that the revisions to the provisional fair values did not result in any retrospective impact and, accordingly, no retrospective adjustments have been made to these consolidated financial statements.

25.1.2 Summary of provisional fair values and notional goodwill arising on acquisition of 23.65% stake in AGL is as follows:

	Recognized values after measurement period	Provisional fair values as at acquisition date
	(Rupees in thousand)	
Assets		
Non–current assets	70,978,237	76,815,422
Property, plant and equipment	2,398,000	144
Intangible assets	27,099	27,099
Long term loans and advances	60,950	60,950
	73,464,286	76,903,615
Current assets		
Stores, spares and loose tools	746,000	2,396,693
Stock in trade	5,179,000	5,116,525
Trade debts	43,000	45,796
Advances, deposits, prepayments and other receivables	-	4,150,138
Tax refund due from government	-	26,994
Short term investments	6,783,988	6,783,988
Cash and bank balances	423,027	423,027
	13,175,015	18,943,161
Total assets	86,639,301	95,846,776
Non current liabilities		
Redeemable capital - secured	3,491,158	3,706,686
Convertible, redeemable preference shares	5,640,000	4,748,941
Non-convertible, redeemable preference shares	17,491,000	18,542,698
Long term finances-secured	510,375	510,375
Deferred liabilities	18,345,000	16,504,002
	45,477,533	44,012,702
Current liabilities		
Preference dividend payable	17,978,000	28,729,605
Trade and other payables	7,516,000	7,748,452
Mark-up accrued on borrowings	2,747,603	2,747,603
Short term borrowings - secured	2,057,908	2,057,908
	30,299,511	41,283,568
Total liabilities	75,777,044	85,296,270
Fair value of net assets of AGL – provisional	10,862,257	10,550,506

25.1.3 Notional goodwill – provisional

Pursuant to revision in acquired net assets, notional goodwill arising from the initial acquisition has been revised as follows:

Cost of investment in associate	3,712,674	3,712,674
Fair value of identifiable net assets of AGL – note 25.1.2	10,862,257	10,550,506
Percentage shareholding in associate	23.65%	23.65%
Group's share of net assets	(2,568,924)	(2,495,195)
Notional goodwill – initial acquisition	1,143,750	1,217,479

		Note	2026	2025
			(Rupees in thousand)	
25.2	Investments at fair value through profit or loss			
	Investment in un-listed preference shares	25.2.1	2,577,370	2,552,435
	Advance against issue of privately placed TFCs	25.2.2	-	889,661
			2,577,370	3,442,096

25.2.1 This represents investment in unlisted, cumulative, non-convertible preference shares of AGL having a par value of Rs 10 each. These shares carry limited voting rights and entitle the Holding Company to a cumulative dividend at the rate of 1-Year KIBOR plus 4.00% per annum. The preference shares are redeemable, in full or in part, at the option of AGL, subject to the terms of issuance. These have been recognised by discounting future contractual cashflows using a rate of 1-Year KIBOR + 8% per annum [ranging from 18.9% to 19.31% (2025: ranging from 20.07% to 20.54%) per annum].

25.2.2 These PPTFCs were issued by AGL during the year and classified at amortized cost under short term investments, as disclosed in note 34.

		Note	2026	2025
			(Rupees in thousand)	
25.3	Investments at fair value through other comprehensive incom:			
	- Block Tech Limited - un-quoted	25.3.1	-	-
	- Core9 Ventures (Private) Limited - unquoted	25.3.2	109,250	82,750
	- Convenience Stores (Private) Limited - unquoted	25.3.3	-	-
	- Brigelinx Tech (Private) Limited - unquoted	25.3.4	255,601	255,601
	- NayaPay (Private) Limited - unquoted	25.3.5	26,625	26,625
	As at end of the year		391,476	364,976
25.3.1	Block Tech Limited - un-quoted			
	375,000 (2025: 375,000) fully paid ordinary shares of Rupees 10 each.			
	Equity held 15% (2025: 15%)		3,750	3,750
	Less: Impairment loss		(3,750)	(3,750)
			-	-
25.3.2	Core9 Ventures (Private) Limited - un-quoted			
	1,092,500 (2025: 807,500) fully paid ordinary shares of Rupees 100 each.		109,250	80,750
	'Advance against purchase of shares		-	2,000
			109,250	82,750

25.3.2.1 The Subsidiary Company (MLCL) holds 47.5% of the equity shares of Core9 Ventures (Private) Limited, management has concluded that it does not have significant influence over the investee. Accordingly, the investment is not accounted for as an associate under IAS 28.

	2026	2025
	(Rupees in thousand)	
25.3.3 Convenience Stores (Private) Limited - unquoted		
280,000 (2025: 280,000) fully paid ordinary shares of Rupees 100 each.	42,000	42,000
Less: Impairment loss	(42,000)	(42,000)
	-	-
25.3.4 Brigelinx Tech (Private) Limited - unquoted		
447,577 (2025: 447,577) preference shares of BridgeLinx Logistics PTE Ltd - holding company of Bridgelinx Tech (Private) Limited, Equity held: 7.25% (2025: 7.25%)	255,601	255,601

25.3.4.1 The Subsidiary Company (MLCL) entered into agreement with Bridgelinx Tech (Private) Limited (incorporated under the laws of Pakistan) and BridgeLinx Technologies PTE Ltd (incorporated under the laws of Singapore). Against the investment of the Company in Bridgelinx Tech (Private) Limited, preference shares of BridgeLinx Logistics PTE Ltd - holding company of Bridgelinx Tech (Private) Limited have been issued in favour of the MLCL.

	2026	2025
	(Rupees in thousand)	
25.3.5 NayaPay (Private) Limited - unquoted		
Advance against purchase of shares	26,625	26,625

25.3.5.1 The Subsidiary Company (MLCL) entered into agreement with NayaPay (Private) Limited (incorporated under the laws of Pakistan) and NayaPay Technologies Limited (incorporated under the laws of Dubai). The Company made investment of US Dollars 150,000 in Pak Rupees equivalent in the designated bank account of NayaPay (Private) Limited. Against this deposit, subject to the conditions of Foreign Exchange Manual published by the State Bank of Pakistan under Foreign Exchange Regulation Act,1947, the Company will take up shares of NayaPay Technologies Limited. NayaPay (Private) Limited will issue shares of the equivalent value in favour of NayaPay Technologies Limited and in consideration of those shares, NayaPay Technologies Limited will issue shares of equal value in favour of the Company. This investment is subject to the compliance with the applicable laws of Pakistan, applicable laws of Dubai and approval from State Bank of Pakistan under forex laws of Pakistan.

22.3.6 The management of the Subsidiary Company has appointed an independent valuer to assess the fair values of unquoted investments classified as fair value through other comprehensive income (FVTOCI). Based on the valuation performed by the independent valuer, the management has assessed that fair values of these unquoted (FVTOCI) investments are approximately equal to their cost. Therefore, fair value adjustment has not been recognized in these financial statements.

26. LONG TERM DEPOSITS

These mainly include interest free deposits made to utility companies for provision of utility connections, regulatory authorities and others. These have not been carried at amortised cost since the effect of discounting is immaterial.

	Note	2026	2025
		(Rupees in thousand)	
27. LONG TERM ADVANCES & PREPAYMENTS			
Long term advances	27.1	2,706,872	-
Long term prepayments	27.2	66,856	-
Loose tools		2,773,728	-

27.1 This represents advances provided to contractors and suppliers in connection with the construction of the hospital, procurement and installation of medical equipment, acquisition of land, and other capital projects. These advances are expected to be adjusted against future invoices or settled upon fulfillment of the related contractual obligations. A reconciliation of the carrying amount is as follows:

	Note	2026	2025
		(Rupees in thousand)	
Opening balance		252,775	-
Additions during the year		2,616,074	-
Advance against the purchase of land	27.1.1	187,500	-
Transfers during the year to civil works - capital work in progress		(349,477)	-
		2,706,872	-

27.1.1 This represents advance payments made to the Punjab Central Business District Development Authority ('PCBDDA') in respect of development charges under an agreement to purchase land measuring 100 kanals situated at NSIT City University District, Lahore, for the exclusive use of future construction of a Health Sciences University and Teaching Hospital. Under the terms of the agreement, the legal title of the land will be transferred to the Group upon the fulfilment of outstanding obligations, which have not yet fallen due as of the reporting date. The provisional possession of the land has not been given to the Group.

27.2 This represents advance payments made to the Punjab Central Business District Development Authority ('PCBDDA') in respect of development charges under an agreement to purchase land measuring 100 kanals situated at NSIT City University District, Lahore, for the exclusive use of future construction of a Health Sciences University and Teaching Hospital. Under the terms of the agreement, the legal title of the land will be transferred to the Group upon the fulfilment of outstanding obligations, which have not yet fallen due as of the reporting date. The provisional possession of the land has not been given to the Group.

	Note	2026	2025
		(Rupees in thousand)	

28. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2026	2025
Stores		14,286,259	10,123,414
Spare parts		6,161,461	4,271,509
Loose tools		47,244	31,548
		20,494,964	14,426,471
Less: Provision against slow moving stores, spare parts and loose tools	28.1	(64,875)	(16,881)
	28.2	20,430,089	14,409,590

28.1 Provision against slow moving stores and spares

	Note	2026	2025
As at 01 July		16,881	11,289
Add: Provision for the year	41	-	5,592
Add: Acquisition of PIOC		47,994	-
As at 30 June		64,875	16,881

28.2 This includes stores in transit of Rupees 1,812.333 million (2025: Rupees 1,667.321 million).

	Note	2026	2025
		(Rupees in thousand)	

29. STOCK-IN-TRADE

	Note	2026	2025
Raw materials	29.1 & 29.2	3,826,548	3,517,261
Packing materials		889,919	847,744
Work-in-process		6,331,206	4,599,732
Finished goods	29.3	5,209,547	3,861,788
		16,257,220	12,826,525
Provision against obsolete stock-in-trade		(3,904)	(3,904)
		16,253,316	12,822,621

29.1 Raw materials include stock in transit of Rupees 146.499 million (2025: Rupees 120.346 million). Further, raw materials of Rupees 29.806 million (2025: Rupees 487.311 million) are being carried at net realizable value and the aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 1.105 million (2025: Rupees 12.733 million).

29.2 Raw materials include stock amounting to Rupees 23.123 million (2025: Rupees 31.767 million) with external parties for processing.

29.3 Finished goods include stock in transit of Rupees 595.944 million (2025: Rupees 77.360 million). Further, finished goods of Rupees 310.424 million (2025: Rupees 470.121 million) are being carried at net realizable value and the aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 18.035 million (2025: Rupees 23.083 million).

	Note	2026	2025
		(Rupees in thousand)	

30. TRADE DEBTS

	Note	2026	2025
Considered good:			
Secured (against letters of credit)		1,329,461	3,391,835
Unsecured		10,585,889	8,242,884
		11,915,350	11,634,719
Less: Allowance for expected credit losses	30.2	(1,170,958)	(1,128,169)
		10,744,392	10,506,550

30.1 Holding Company recognized revenue from the sale of goods at the time of delivery, while payment is generally due within 30 to 90 days from delivery in case of local sales, and 45 to 120 days in case of export sales.

30.2 Allowance for expected credit losses

	Note	2026	2025
		(Rupees in thousand)	
Opening balance		1,128,169	631,451
Acquisition of PIOC		164,543	-
(Reversal) / recognized during the year	42	(84,641)	501,148
Trade debts written off during the year		(37,113)	(4,430)
Balance at end of year		1,170,958	1,128,169

30.3 As at 30 June 2026, trade debts of Rupees 7,218.331 million (2025: Rupees 8,114.868 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2026	2025
	(Rupees in thousand)	
Upto 1 month	3,908,704	5,279,881
1 to 6 months	2,061,878	1,539,100
More than 6 months but less than one year	234,300	422,861
More than one year	1,013,449	873,026
	7,218,331	8,114,868

30.4 The majority of export debts of the Group are situated in Asia, Europe and America.

	Note	2026	2025
		(Rupees in thousand)	

31. LOANS AND ADVANCES - considered good

	Note	2026	2025
Loans and advances to employees			
Secured	31.1		
- Executives	31.2	3,227	880
- Other employees		1,217	4,523
- Current portion of long term loans to employees	24	8,630	14,967
		13,074	20,370
Unsecured			
- Executives	31.3	-	5,150
- Other employees		22,586	12,638
		22,586	17,788
		35,660	38,158
Advances to Government authorities	31.4	185,000	185,012
Advances to suppliers - unsecured and considered good	31.5	1,336,501	852,744
Letters of credit		6,930	225,307
		1,564,091	1,301,221

31.1 These represent short term advances given to employees as per Group's policy for general purposes. These are secured against employee benefits. These are interest free and are not carried at amortized cost as the impact was considered immaterial.

31.2 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 7.869 million (2025: Rupees 14.601 million).

31.3 This represents advances to key management personnel amounting to Rupees Nil (2025: Rupees 5.150 million). The maximum aggregate amount outstanding from key management personnel at any time during the year calculated with reference to month end balances is Rupees 3.092 million (2025: Rupees 18.592 million). Further, no amount is due from other directors at the year end (2025: Nil).

31.4 This represents an amount paid to the Government under protest in respect of various cases that are currently pending before the Authorities.

31.5 This includes an amount of Rupees 35.604 million (2025: Rupees 109.363 million) advanced to the Ministry of Railways for transportation of coal and cement.

32. SECURITY DEPOSITS AND SHORT TERM PREPAYMENTS

	2026 (Rupees in thousand)	2025
Security deposits	25,531	25,461
Margin against:		
- Letters of credit	6,283	29,997
- Bank guarantees	638,215	639,081
Prepayments	116,088	90,472
	786,117	785,011

	Note	2026	2025
		(Rupees in thousand)	
33. OTHER RECEIVABLES			
Considered good:			
Sales tax refundable		1,465,645	1,402,130
Custom duty receivable		15,993	15,993
Mark up rate support receivable from financial institutions		3,633	3,633
Export rebate		183,041	181,059
Duty drawback receivable		826	131,975
Margin deposits with brokers		415	653,661
Bank balance under encumbrance	33.1	10,000	12,770
Unrealised gain on re-measurement of futures contracts - shares		-	147,384
Others		70,919	74,868
		1,750,472	2,623,473

33.1 It represents balance held under lien against guarantee issued by the bank on behalf of the Holding Company.

	Note	2026	2025
34. SHORT TERM INVESTMENTS			
FINANCIAL INSTRUMENTS			
Debt instruments			
Investment - Amortized cost	34.1	4,088,353	1,261,601
Equity instruments			
Investments - Fair value through profit or loss	34.2	44,617,643	36,830,347
Investments - Fair value through other comprehensive income	34.3	7,384,676	7,380,781
		52,002,319	44,211,128
		56,090,672	45,472,729

34.1 Debt instruments - amortized cost	Note	2026	2025
Holding Company			
Term deposit receipts:	34.1.1		
- The Bank of Punjab		150,000	-
- United Bank Limited		584,000	560,000
- The Bank of Khyber		156,333	156,333
		890,333	716,333
Add: Accrued markup		10,110	17,888
		900,443	734,221
Subsidiary Company - MLCFL			
Term deposit receipts:	34.1.2		
The Bank of Punjab		1,013,299	484,500
Bank Al-Habib Limited		100,000	-
Habib Metropolitan Bank Limited		192,653	-
Askari Bank Limited		764,446	-
		2,070,398	484,500
Add: Accrued markup		59,376	42,880
		2,129,774	527,380
PPTFCs	34.1.3	1,058,136	-
		4,088,353	1,261,601

34.1.1 These term deposit receipts have maturity period ranging from one to six months. The effective rate of profit ranges from 6.56% to 11.62% (2025: 6.44% to 10.50%). These are under lien with the banks against guarantees given on behalf of the Group.

34.1.2 This represents term deposits having a maturity of six months to one year till 23 February 2027 carrying mark-up at the rates ranging from 6.3% to 19% (2025: 7% to 15.50%) per annum. These includes an amount of Rupees 192.65 million (2025: Rupees nil) deposited with Shariah-compliant Islamic banks.

Term deposit receipts of Rupees 828.418 million (2025: Rupees 484.500 million) are held as margin guarantees with commercial banks. The margins are subject to restrictions and are therefore not available for general use by the other entities within the Group. None of these deposits has an original maturity of three months or less.

34.1.3 This represents 231,883 zero-coupon PPTFCs with a par value of Rupees 5,000 each, acquired through Share Purchase Agreements (SPAs) with various banks and issued by AGL on 20 October 2025. These instruments carry zero mark-up/profit and are payable to the instrument holders in the form of a bullet payment by the end of December 2026. Accordingly, they have been recognised by discounting future cash flows over the remaining term using a rate of 1-Year KIBOR + 8% per annum i.e. 18.90% (2025: 20.10%) per annum.

34.2 Investments - Fair value through profit or loss

	2026			2025		
	Carrying value	Unrealized gain / (loss)	Market value	Carrying value	Unrealized gain / (loss)	Market value
	-----------------(RUPEES IN THOUSAND) -------------------					
Holding Company						
Mutual funds						
- Arif Habib Savings and Investments Limited 26,043 (2025: 28,742) units	2,672	-	2,672	2,941	-	2,941
- Alfalah Asset Management Limited 29,317 (2025: Nil) units	2,914	-	2,914	-	-	-
- Pak Qatar Asset Management Company Limited 40,858 (2025: Nil) units	4,758	-	4,758	-	-	-
	10,344	-	10,344	2,941	-	2,941
Subsidiary Company - MLCL						
Mutual funds						
Mutual Funds 727 (2025: 679) units	13	1	14	7	6	13
Shares in listed companies						
Attock Refinery Limited 1,363,589 (2025: 4,223,589) fully paid ordinary shares of Rupees 10 each	926,450	233,515	1,159,965	1,561,388	1,308,202	2,869,590
Oil and Gas Development Company Limited 4,012,501 (2025: 7,140,001) fully paid ordinary shares of Rupees 100 each	1,085,500	258,166	1,343,666	1,375,984	198,814	1,574,798
Pakistan State Oil Company Limited 7,104,401 (2025: 1,409,001) fully paid ordinary shares of Rupees 10 each	3,058,224	(626,032)	2,432,192	378,865	153,075	531,940
Sitara Petroleum Service Limited 638,935 (2025: Nil) fully paid ordinary shares of Rupees 1 each	12,076	422	12,498	-	-	-
D.G. Khan Cement Company Limited 22,266,959 (2025: 3,718,001) fully paid ordinary shares of Rupees 10 each	4,514,001	457,543	4,971,544	604,215	11,338	615,553
Fauji Cement Company Limited 98,538,514 (2025: 88,538,514) fully paid ordinary shares of Rupees 10 each	4,525,380	1,145,511	5,670,891	3,592,498	362,518	3,955,016
Engro Fertilizers Limited 700,001 (2025: 3,160,775) fully paid ordinary shares of Rupees 10 each	142,940	(3,674)	139,266	537,783	48,825	586,608
Abbott Laboratories (Pakistan) Limited 321,557 (2025: 470,690) fully paid ordinary shares of Rupees 10 each	312,570	3,968	316,538	541,244	(83,710)	457,534
Murree Brewery Company Limited 151,000 (2025: 151,000) fully paid ordinary shares of Rupees 10 each	122,310	16,542	138,852	110,620	11,690	122,310
The Bank of Punjab 51,046,501 (2025: 1) fully paid ordinary shares of Rupees 10 each	1,880,968	(89,747)	1,791,221	-	-	-
Meezan Bank Limited 1,684,001 (2025: 1,684,001) fully paid ordinary shares of Rupees 10 each	559,172	310,547	869,719	403,133	156,040	559,173
National Bank of Pakistan 37,143,473 (2025: 6,725,784) fully paid ordinary shares of Rupees 10 each	6,543,848	829,131	7,372,979	430,123	300,903	731,026
United Bank Limited 6,889,773 (2025: 6,600,002) fully paid ordinary shares of Rupees 5 each	2,031,930	1,052,415	3,084,345	2,186,238	(364,967)	1,821,271
Pakistan Stock Exchange Limited 8,014,729 (2025: 5,232,011) fully paid ordinary shares of Rupees 10 each	367,450	63,262	430,712	129,639	16,700	146,339
Baluchistan Wheels Limited 333,001 (2025: 1) fully paid ordinary shares of Rupees 10 each	80,275	(7,838)	72,437	-	-	-
Ghandhara Automobile Limited 231,401 (2025: 1) fully paid ordinary shares of Rupees 10 each	128,102	1,950	130,052	-	-	-
Ghandhara Industries Limited 1,637,312 (2025: 572,312) fully paid ordinary shares of Rupees 10 each	1,294,364	291,487	1,585,851	389,073	(16,824)	372,249
Sazgar Engineering Works Limited 3,176,975 (2025: 3,816,975) fully paid ordinary shares of Rupees 10 each	3,621,180	2,934,476	6,555,656	3,315,442	1,035,223	4,350,665
Crescent Steel and Allied Products Limited 2,127,959 (2025: 1) fully paid ordinary shares of Rupees 10 each	233,277	9,523	242,800	-	-	-
International Steels Limited 2,949,501 (2025: 1) fully paid ordinary shares of Rupees 10 each	335,565	(67,928)	267,637	-	-	-
Mughal Iron and Steel Industries Limited 6,747,733 (2025: 1) fully paid ordinary shares of Rupees 10 each	621,535	(30,366)	591,169	-	-	-
Pakistan Telecommunication Company Limited 43,341,101 (2025: 1) fully paid ordinary shares of Rupees 10 each	2,415,406	424,303	2,839,709	-	-	-
Agritech Limited 38,670,001 (2025: 38,670,001) fully paid ordinary shares of Rupees 10 each - Related Party	2,099,394	(109,823)	1,989,571	791,188	1,308,206	2,099,394
Systems Limited 3,684,495 (2025: 6,024,495) fully paid ordinary shares of Rupees 2 each	394,757	147,196	541,953	636,617	8,847	645,464
Other listed companies 561 (2025: 52,951,709) fully paid ordinary shares of Rupees 10 each	82	8	90	8,292,706	3,858,625	12,151,331
	37,306,756	7,244,557	44,551,313	25,276,756	8,313,505	33,590,261
Subsidiary Company - MLCFL						
Shares in listed company						
4,269,375 (2025: 4,269,375) fully paid ordinary shares of Rupees 10 each	34,198	21,774	55,972	19,596	14,602	34,198
Mutual funds						
NBP Income Fund - Cash Plan – II Nil (2025: 152,301,349) units	-	-	-	1,523,014	-	1,523,014
ABL Money Market Plan - I Nil (2025: 60,257,763) units	-	-	-	603,590	-	603,590
Alfalah GHP Money Market Fund Nil (2025: 5,717,142) units	-	-	-	566,095	-	566,095
MCB Cash Management Optimizer Nil (2025: 4,987,295) units	-	-	-	510,235	-	510,235
	-	-	-	3,202,934	-	3,202,934
	37,351,311	7,266,332	44,617,643	28,502,234	8,328,113	36,830,347

34.2.1 Following shares are pledged against running finance facilities obtained by MLCL from the banking companies:

	2026	2025
	Number of shares	
Investee companies		
Haleon Pakistan Limited	-	350,000
Abbott Laboratories (Pakistan) Limited	320,000	400,000
MCB Bank Limited	-	1,050,000
Pakistan State Oil Company Limited	6,800,000	1,300,000
Meezan Bank Limited	1,500,000	1,500,000
Pakistan Petroleum Limited	-	2,000,000
AGP Limited	-	2,850,000
Engro Fertilizers Limited	-	2,850,000
United Bank Limited	5,800,000	3,400,000
Sazgar Engineering Works Limited	3,175,000	3,800,000
Attock Refinery Limited	1,350,000	4,150,000
Systems Limited	3,680,000	4,750,000
National Bank of Pakistan	30,200,000	6,500,000
Oil & Gas Development Company Limited	3,000,000	6,750,000
Fauji Fertilizer Company Limited	-	9,700,000
Maple Leaf Cement Factory Limited - associated company	11,876,000	12,026,000
Pioneer Cement Limited	24,150,000	24,600,000
Fauji Cement Company Limited	81,000,000	81,000,000
The Bank of Punjab	51,000,000	-
D.G. Khan Cement Company Limited	22,250,000	-
Ghandhara Industries Limited	1,090,000	-
International Steels Limited	2,900,000	-
Mughal Iron and Steel Industries Limited	6,740,000	-
Murree Brewery Company Limited	150,000	-
Pakistan Telecommunication Company Limited	42,800,000	-

34.3 Investments - Fair value through other comprehensive income

	2026			2025		
	Carrying value	Unrealized gain / (loss)	Market value	Carrying value	Unrealized gain / (loss)	Market value
	-----------------(RUPEES IN THOUSAND) -------------------					
Subsidiary Company - MLCFL						
Shares in listed company						
Pioneer Cement Limited 17,321,046 (2025: 17,321,046) fully paid ordinary shares of Rupees 10 each	-	-	-	2,921,194	1,030,256	3,951,450
Faysal Bank Limited 49,176,960 (2025: Nil) fully paid ordinary shares of Rupees 10 each	5,417,812	1,966,864	7,384,676	2,869,462	559,869	3,429,331
	5,417,812	1,966,864	7,384,676	5,790,656	1,590,125	7,380,781

34.3.1 During the year, the Group acquired control of Pioneer Cement Limited, which has been accounted for as a business combination using the acquisition method in accordance with IFRS 3 - Business Combinations.

	2026	2025
	(Rupees in thousand)	
35. ADVANCE / (PROVISION) FOR TAXATION AND LEVY - NET		
Provision for taxation	(15,444,648)	(7,285,612)
Add: Advance income tax	16,586,793	5,885,684
	1,142,145	(1,399,928)
Levy - net		
Levy payable	(780,587)	(398,824)
Add: Prepaid levy	523,945	252,910
	(256,642)	(145,914)
	885,503	(1,545,842)

	Note	2026	2025
		(Rupees in thousand)	
36. CASH AND BANK BALANCES			
Cash in hand		18,450	13,450
Cash at bank:			
- On current accounts	36.1	2,585,129	1,342,901
- On saving accounts	36.1 & 36.2	1,689,331	852,903
		4,274,460	2,195,804
		4,292,910	2,209,254

36.1 The balances in current and deposit accounts include USD 503,872 (2025: USD 455,277 and GBP 2,000).

36.2 The balances in saving accounts carry interest ranging from 3.87% to 15% (2025: 4.69% to 19.50%) per annum.

	Note	2026	2025
		(Rupees in thousand)	
37. REVENUE			
Revenue from contracts with customers:			
- Export sales		24,809,498	24,803,947
- Local sales	37.1	118,530,745	103,096,452
		143,340,243	127,900,399
Export rebate		124,388	129,325
		143,464,631	128,029,724
37.1 Local sales		170,599,920	143,820,121
Less:			
Sales tax		28,485,536	23,675,730
Federal excise duty		19,805,318	14,953,624
Commission		567,260	406,836
Discount		3,211,061	1,687,479
		118,530,745	103,096,452

37.2 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (Note 51).

	Spinning		Weaving		Processing and Home Textile		Cement		Group	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	------- RUPEES IN THOUSAND -------									
Primary geographical markets										
Europe	-	-	5,289,348	4,929,282	8,067,256	5,847,545	-	-	13,356,604	10,776,827
United States of America and Canada	-	-	1,682,279	913,054	6,521,532	8,106,839	-	-	8,203,811	9,019,893
Asia, Africa, Australia	-	-	403,895	211,768	1,806,880	1,482,467	1,038,308	3,312,992	3,249,083	5,007,227
Pakistan	27,476,623	28,652,396	6,620,305	8,834,085	347,956	307,364	84,085,861	65,302,607	118,530,745	103,096,452
Export rebate and duty draw back	-	-	-	-	124,388	129,325	-	-	124,388	129,325
	27,476,623	28,652,396	13,995,827	14,888,189	16,868,012	15,873,540	85,124,169	68,615,599	143,464,631	128,029,724
Major product / service lines										
Yarn	26,900,152	28,561,848	-	-	-	-	-	-	26,900,152	28,561,848
Greige fabric	-	-	13,953,923	14,837,979	-	-	-	-	13,953,923	14,837,979
Made-ups	-	-	-	-	15,658,879	14,569,468	-	-	15,658,879	14,569,468
Finished fabric	-	-	-	-	986,876	1,024,281	-	-	986,876	1,024,281
Processing income	-	-	-	-	56,245	99,841	-	-	56,245	99,841
Cement	-	-	-	-	-	-	85,124,169	68,615,599	85,124,169	68,615,599
Waste	576,471	90,548	41,904	50,210	41,624	50,625	-	-	659,999	191,383
Export rebate and duty draw back	-	-	-	-	124,388	129,325	-	-	124,388	129,325
	27,476,623	28,652,396	13,995,827	14,888,189	16,868,012	15,873,540	85,124,169	68,615,599	143,464,631	128,029,724
Revenue from contracts with customers	27,476,623	28,652,396	13,995,827	14,888,189	16,743,624	15,744,215	85,124,169	68,615,599	143,340,243	127,900,399
Export rebate and duty draw back	-	-	-	-	124,388	129,325	-	-	124,388	129,325
	27,476,623	28,652,396	13,995,827	14,888,189	16,868,012	15,873,540	85,124,169	68,615,599	143,464,631	128,029,724
Timing of revenue recognition										
Products transferred at a point in time	27,476,623	28,652,396	13,995,827	14,888,189	16,868,012	15,873,540	85,124,169	68,615,599	143,464,631	128,029,724
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-
External revenue as reported	27,476,623	28,652,396	13,995,827	14,888,189	16,868,012	15,873,540	85,124,169	68,615,599	143,464,631	128,029,724

37.3 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

	Note	2026	2025
		(Rupees in thousand)	
38. COST OF SALES			
Raw materials consumed	38.1	40,637,387	41,329,520
Salaries, wages and other benefits	38.2	7,661,976	6,725,516
Processing charges		470,506	176,887
Stores, spare parts and loose tools consumed		4,418,852	3,863,862
Packing materials consumed		5,506,711	4,530,954
Fuel and power		36,573,765	29,441,604
Repair and maintenance		1,243,060	1,250,876
Insurance		433,826	388,603
Other factory overheads		1,011,841	757,615
Amortization	23.2	16,317	11,736
Depreciation	21.1.4	6,317,876	5,252,816
		104,292,117	93,729,989
Work-in-process			
Opening stock		4,599,732	3,777,829
Closing stock		(6,331,206)	(4,599,732)
		(1,731,474)	(821,903)
Cost of goods manufactured		102,560,643	92,908,086
Finished goods			
Opening stock		3,861,788	3,016,245
Closing stock		(5,209,547)	(3,861,788)
		(1,347,759)	(845,543)
Cost of sales		101,212,884	92,062,543

38.1 Raw materials consumed

	2026	2025
Opening stock	3,517,261	2,797,711
Add: Purchased during the year	40,946,674	42,049,070
	44,463,935	44,846,781
Less: Closing stock	(3,826,548)	(3,517,261)
	40,637,387	41,329,520

38.2 Salaries, wages and other benefits include provident fund contribution of Rupees 246.437 million (2025: Rupees 220.09 million), gratuity and compensated absences amounting to Rupees 73.958 million (2025: Rupees 67.332 million).

	Note	2026	2025
		(Rupees in thousand)	

39. DISTRIBUTION COST

	Note	2026	2025
Salaries and other benefits	39.1	899,507	780,473
Outward freight and handling		155,369	198,464
Clearing and forwarding		2,056,789	2,540,262
Commission to selling agents		585,601	607,030
Travelling and conveyance		364,804	467,854
Insurance		9,643	8,623
Vehicles' running		157,760	133,692
Electricity, gas and water		7,059	7,293
Postage, telephone and fax		53,139	39,404
Sales promotion and advertisement		581,178	1,237,695
Depreciation	21.1.4	59,578	45,738
Miscellaneous		242,080	230,137
		5,172,507	6,296,665

39.1 Salaries and other benefits include provident fund contribution of Rupees 36.252 million (2025: Rupees 28.688 million), gratuity and compensated absences amounting to Rupees 43.543 million (2025: Rupees 20.460 million).

	Note	2026	2025
		(Rupees in thousand)	

40. ADMINISTRATIVE EXPENSES

	Note	2026	2025
Salaries and other benefits	40.1	3,955,288	2,439,019
Travelling and conveyance		439,759	356,979
Repair and maintenance		173,492	102,108
Rent, rates and taxes	40.2	47,529	34,901
Insurance		34,047	23,757
Vehicles' running		213,794	182,937
Printing, stationery and periodicals		93,442	56,825
Electricity, gas and water		98,642	95,485
Postage, telephone and fax		64,423	36,714
Legal and professional		603,954	186,973
Fee and subscription		178,439	101,675
Security, gardening and sanitation		104,030	93,771
Entertainment		92,963	68,250
Training and seminars		5,971	6,981
Amortization	23.2	22,557	18,464
Depreciation	21.1.4	362,959	300,293
Miscellaneous		245,145	172,542
		6,736,434	4,277,674

40.1 Salaries and other benefits include provident fund contribution of Rupees 86.459 million (2025: Rupees 76.902 million), gratuity and compensated absences amounting to Rupees 25.064 million (2025: Rupees 2.940 million).

40.2 It includes Rupees 0.211 million (2025: Rupees 0.192 million) in respect of short term leases.

	Note	2026	2025
		(Rupees in thousand)	

41. OTHER EXPENSES

	Note	2026	2025
Auditor's remuneration	41.1	73,426	98,262
Donations	41.2	71,686	34,306
Workers' profit participation fund	15.5	941,777	824,497
Workers welfare fund	15.6	572,315	598,484
Loss on disposal of sale of stores and spares		42,114	103,406
Fixed assets written off		-	20,259
Loss on disposal of investment in subsidiaries		-	4,595
Provision for slow moving stores, spare parts and loose tools	28.1	-	5,592
Allowance for expected credit losses	30.2	-	501,148
Miscellaneous		52,516	16,738
		1,753,834	2,210,577

41.1 Auditor's remuneration

	2026	2025
Riaz Ahmad and Company		
Audit fee	6,419	6,195
Certifications	-	450
Reimbursable expenses	545	550
	7,195	6,963
KPMG Taseer Hadi and Company		
Audit fee	3,300	-
Interim review	660	-
Special audit	3,500	-
Other certifications	1,325	-
Reimbursable expenses	1,029	-
Others	1,000	-
	10,814	-
A. F. Ferguson and Company		
Audit fee	12,088	8,020
Interim review	1,844	1,475
Group reporting	400	300
Taxation services	29,919	68,216
Other assurance services	4,300	-
Consultancy in respect of information technology services	3,828	11,600
Other certifications	2,618	955
Others	651	501
	55,648	91,067
	73,426	98,262

	2026	2025
	(Rupees in thousand)	
41.2 Donations for the year have been given to:		
Gulab Devi Chest Hospital, Lahore	25,000	-
The Lahore Businessmen Association for Rehabilitation of the Disabled (LABARD)	-	5,100
Technical Education & Vocational Training Authority (TEVTA)	-	1,970
Hameedah Memorial Hospital	-	950
Hassan Boys Hostel	302	3,074
Wasif Enterprises	4,000	-
Shafaullah	-	444
Three Star Boys Hostel	-	1,792
Daudkhel Police Station	-	7,778
Kalabagh Graphics	-	688
Takbeer Boys Hostel	-	291
A-One Service Contractors (Private) Limited	-	1,245
Aitchison College Lahore	7,652	-
Agha Khan Cultural Service - Pakistan	-	4,800
Miscellaneous donations in the form of cement	-	1,350
Miscellaneous	34,732	4,824
	71,686	34,306

41.2.1 None of the directors and their spouses have any interest in the donee's fund.

	Note	2026	2025
		(Rupees in thousand)	
42. OTHER INCOME			
Income from financial assets:			
Gain on sale of quoted shares - net		2,155,423	2,747,230
Realized gain on investments		350,729	-
Return on bank deposits		222,398	302,178
Unrealised gain on re-measurement of investments at FVTPL		8,553,059	10,007,251
Unrealised gain on re-measurement of futures contracts - shares		-	147,384
Gain on trading in shares futures contracts - net		2,100,642	311,939
Gain on redemption of units of mutual funds - net		469,623	4,737
Return on investment in Government securities		-	1,764,745
Return on term deposit receipts		77,479	58,059
Interest on loans to employees		375	345
Dividend income		3,136,826	1,719,257
Reversal of allowance for expected credit loss	30.2	84,641	-
Reversal of provision for electricity duty		-	174,828
Insurance claim recovery		26,699	-
		17,177,894	17,237,953
Income from non-financial assets:			
Scrap sales		143,979	161,959
Gain on disposal of property, plant and equipment	21.1.3	117,459	54,045
Rental income		20,801	-
Gain on remeasurement of SIDC payable	9	291,689	-
Miscellaneous		11,298	16,215
		585,226	232,219
		17,763,120	17,470,172

	Note	2026	2025
		(Rupees in thousand)	

43. FINANCE COST

	Note	2026	2025
Mark up / finance charges / interest on:			
Long term financing		4,660,411	2,537,233
Short term borrowings		2,761,104	4,189,201
Interest on lease liabilities	10	12,439	13,150
Amortization of loan transaction cost		16,689	-
		7,450,643	6,739,584
Exchange loss - net		114,110	35,450
Bank charges and commission		289,748	241,407
		7,854,501	7,016,441

44. LEVY

	2026	2025
Final taxes	780,587	398,824

44.1 The provision of levy represents final taxes levied under section 154 & 150 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21 / IAS 37.

45. TAXATION

	Note	2026	2025
		(Rupees in thousand)	
Current tax:			
- Current year		10,446,532	7,732,066
- Prior year	45.1	1,487,893	(896,155)
		11,934,425	6,835,911
Deferred tax	14	(1,612,331)	2,866,259
	45.2	10,322,094	9,702,170

45.1 This includes Rupees Nil (2025: Rupees 509.303 million) related to the tax credit under Section 65B of the Income Tax Ordinance, 2001. Initially, the Group had recognized the credit at 5% in its books, following an amendment introduced through the Finance Act 2019. However, the Supreme Court of Pakistan, in its judgment dated September 18, 2024, allowed companies to claim the credit at 10% for the period up to June 30, 2019, resulting in the recognition of this credit.

Additionally, included in this is an amount of Rupees Nil (2025: Rupees 456.660 million) that pertains to the recognition and utilisation of Minimum Tax of prior years. These were previously unrecorded as deferred tax assets on a prudent basis.

45.2 The provision for current tax represents corporate tax on local sales and super tax on income calculated as per section 4C of the Income Tax Ordinance, 2001. Reconciliation of tax and levy expense and product of accounting profit multiplied by the applicable rate is as follows:

	2026	2025
	(Rupees in thousand)	
Accounting profit before taxation and levy	37,980,638	32,874,925
Applicable tax rate	29%	29%
Tax on accounting profit	11,014,385	9,533,728
Effect of lower rate on certain income / expenses	(441,860)	(296,064)
Effect of exempt income / permanent differences	(620,124)	(392,836)
Effect of unrealised gain	(2,433,274)	(2,453,660)
Effect arising as a consequence of recognition of deferred income tax	687,173	1,732,443
Effect of expenses that are not considered in determining tax liability	(1,645,155)	607,966
Effect of capital gain	(163,269)	(315,934)
Effect of rate change on deferred tax	(1,097,056)	705,308
Effect of prior year adjustment	1,487,893	(896,155)
Effect of super tax	4,006,278	1,859,018
Amount not allowable for tax purposes	1,034,226	-
Rate difference in current tax and deferred tax	(720,335)	-
Others	(6,201)	17,180
Current tax liability and levy as per applicable tax laws	11,102,681	10,100,994
Levy - final taxes	(780,587)	(398,824)
Current tax	(10,322,094)	(9,702,170)
	-	-

46. EARNINGS PER SHARE - BASIC AND DILUTED

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

		Note	2026	2025
Profit attributable to ordinary shareholders of the Holding Company	(RUPEES IN THOUSAND)		19,885,211	16,478,710
				Restated
Weighted average number of ordinary shares	(NUMBERS)		1,346,497,280	1,346,497,280
				Restated
Earnings per share	(RUPEES)		14.77	12.24

47. CASH GENERATED FROM OPERATIONS

	Note	2026	2025
		(Rupees in thousand)	
Profit before levy and taxation		37,980,638	32,874,925
Adjustment for non-cash charges and other items:			
Depreciation		6,740,413	5,598,847
Amortization		38,874	30,200
Finance cost		7,854,501	6,980,991
Gain on sale of property, plant and equipment		(117,459)	(54,045)
Dividend income		(3,136,826)	(1,719,257)
(Reversal) / Provision of allowance for expected credit loss		(84,641)	501,148
Return on term deposit receipts		(77,479)	(58,059)
Reversal of provision for electricity duty		-	(174,828)
Gain on remeasurement of SIDC payable		(291,689)	-
Loss on disposal of sale of stores and spares		42,114	103,406
Fixed assets written off		-	20,259
Unrealized gain on long term investments on AGL		-	(1,619,394)
Provision for slow moving stores, spare parts and loose tools		-	5,592
Advances to suppliers written off		-	3,290
Employees' retirement benefits		142,565	90,732
Return on bank deposits		(222,398)	(302,178)
Return on investment in Government securities		-	(1,764,745)
Provision for Workers' profits participation fund		941,777	824,497
Provision for Workers' welfare fund		572,315	598,484
Working capital changes	47.1	4,729,948	179,698
		17,132,015	9,244,638

47.1 Working capital changes

	2026	2025
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(179,047)	(960,510)
Stock-in-trade	(2,166,775)	(2,763,501)
Trade debts	1,552,324	(319,755)
Loans and advances	(64,216)	(215,852)
Security deposits and short term prepayments	23,896	262,883
Other receivables	941,703	(515,540)
	107,885	(4,512,275)
Increase in trade and other payables	4,622,063	4,691,973
	4,729,948	179,698

47.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2026				
	Liabilities from financing activities				
	Long term financing	Short term borrowings	Liability against right of use assets	Unclaimed dividend	Total
	-------------- Rupees in thousand --------------				
Balance as at 01 July 2025	19,486,605	20,835,119	93,262	57,782	40,472,768
Proceeds from long term financing	75,295,377	-	-	-	75,295,377
Repayment of long term financing	(15,245,213)	-	-	-	(15,245,213)
Lease liability recognized during the year	-	-	33,124	-	33,124
Interest on lease liabilities	-	-	12,439	-	12,439
Lease rentals paid during the year	-	-	(49,166)	-	(49,166)
Leases terminated during the year	-	-	(7,523)	-	(7,523)
Acquisition of PIOC	3,666,668	790,799	-	97,528	4,554,995
Short term borrowings - net	-	9,776,177	-	-	9,776,177
Dividend declared	-	-	-	538,599	538,599
Dividend paid	-	-	-	(537,505)	(537,505)
Other charges - non-cash movement	147,851	-	-	-	147,851
Balance as at 30 June 2026	83,351,288	31,402,095	82,136	156,404	114,991,923

	2025				
	Liabilities from financing activities				
	Long term financing	Short term borrowings	Liability against right of use assets	Unclaimed dividend	Total
	-------------- Rupees in thousand --------------				
Balance as at 01 July 2024	20,253,437	12,942,510	82,708	58,798	33,337,453
Proceeds from long term financing	4,200,000	-	-	-	4,200,000
Repayment of long term financing	(5,125,743)	-	-	-	(5,125,743)
Lease liability recognized during the year	-	-	44,402	-	44,402
Interest on lease liabilities	-	-	13,150	-	13,150
Lease rentals paid during the year	-	-	(42,222)	-	(42,222)
Leases terminated during the year	-	-	(842)	-	(842)
Reassessment of Lease Liability	-	-	(3,934)	-	(3,934)
Short term borrowings - net	-	7,892,609	-	-	7,892,609
Dividend paid	-	-	-	(1,016)	(1,016)
Other charges - non-cash movement	158,911	-	-	-	158,911
Balance as at 30 June 2025	19,486,605	20,835,119	93,262	57,782	40,472,768

48. REMUNERATION OF CHIEF EXECUTIVE OFFICERS, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these consolidated financial statements in respect of remuneration including certain benefits to the Chairman, Chief Executive Officers, Directors and Executives of the Group are given below:

	Chairman		Chief Executive Officers		Directors		Executives	
	2026	2025	2026	2025	2026	2025	2026	2025
	(RUPEES IN THOUSAND)							
Managerial remuneration	95,063	95,063	238,809	456,716	152,819	133,106	1,857,575	1,257,509
Allowances								
House rent	7,605	7,605	20,280	23,066	6,753	7,361	355,587	219,045
Conveyance	-	-	5,059	6,096	2,388	1,952	186,798	132,789
Medical	7,605	7,605	20,280	20,280	13,804	12,097	115,946	105,845
Utilities	6,728	6,728	18,025	18,025	14,504	19,498	294,559	181,202
Special allowance	-	-	32,578	32,578	10,725	14,055	52,915	41,221
Bonus	-	-	848,316	-	-	-	743,844	183,500
Others	-	-	-	-	-	-	17,059	41,791
Contribution to provident fund	7,605	7,605	13,550	13,550	12,321	10,752	129,240	92,152
	124,606	124,606	1,196,897	570,311	213,314	198,822	3,753,523	2,255,054
Number of persons	1	1	3	3	3	3	581	415

The Chief Executive Officers, Directors and some of the Executives are provided with the Group's maintained vehicles, free medical facilities and residential telephone facilities for both business and personal use.

Executives are provided with the vehicles in accordance with the Group's policy.

'The aggregate amount charged in these consolidated financial statements in respect of directors' meeting fee paid to 9 (2025: 9) non-executive directors was Rupees 2,325,500 (2025: Rupees 1,628,452).

No remuneration was paid to non-executive directors of the Group.

	2026	2025
	(Rupees in thousand)	
49. TRANSACTIONS WITH RELATED PARTIES		
Key management personnel		
Remuneration and other benefits	1,534,817	893,739
Hutton Properties Limited		
Expenses on behalf of the Hutton Properties Limited	18,434	-
Payment received against expenses	18,434	-
Post employment benefit plan		
Contribution to provident fund	362,239	530,096
Contribution to gratuity fund	36,776	23,386

49.1 The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 366,954,480 [27.25%] (2025: 73,390,896) and 276,284,960 [20.52%] (2025: 55,256,992) ordinary shares respectively of the Holding Company.

	2026	2025
50. PLANT CAPACITY AND ACTUAL PRODUCTION		
Holding Company		
SPINNING:		
- Rawalpindi Division	(NUMBERS)	
Ring Spindles (average) installed / worked	85,680	85,680

	2026	2025
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	45,979	46,590
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2025: 1,094 shifts)	41,955	42,514
	(NUMBERS)	
Open-end Rotors (average) installed / worked	3,648	3,648
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	7,896	7,937
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2025: 1,094 shifts)	6,910	6,933
	(NUMBERS)	
MVS Spindles (average) installed / worked	768	768
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2025: 1,095)	7,267	7,353
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2025: 1,094)	6,302	6,651
- Gujar Khan Division	(NUMBERS)	
Ring Spindles (average) installed / worked	94,464	94,464
	(KILOGRAMS IN THOUSAND)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	53,333	54,207
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2025: 1,094 shifts)	47,709	48,175
WEAVING:		
- Raiwind Division	(NUMBERS)	
Looms installed / worked	384	384
	(SQUARE METERS IN THOUSAND)	
100% plant capacity at 60 picks based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	166,509	166,509
Actual production converted to 60 picks based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	145,799	148,972
PROCESSING AND STITCHING OF CLOTH:	(METERS IN THOUSAND)	
- Rawalpindi Division		
Capacity at 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	41,975	41,975
Actual production at 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	15,461	15,461

Stitching

The plant capacity of this division is indeterminable due to multi-product plant involving varying processes of manufacturing and run length of order lots.

POWER PLANT:	2026	2025
	(MEGA WATTS)	
- Rawalpindi Division		
Annual rated capacity based on 365 days (2025: 366 days)	372,504	355,779
Actual generation:		
Furnace engines	118	1,990
Gas engines	2,211	3,708
Solar	23,799	21,644
- Raiwind Division		
Annual rated capacity based on 365 days (2025: 366 days)	126,381	125,820
Actual generation:		
Furnace engines	1,212	22,072
Gas engines	218	71
Solar	10,678	10,394
- Gujar Khan Division		
Annual rated capacity based on 365 days (2025: 366 days)	189,965	174,403
Actual generation:		
Gas engines	2,593	9,010
Diesel engines	22	40
Solar	13,827	11,804

Subsidiary Company - MLCFL CEMENT:	(METRIC TONS IN THOUSAND)	
Clinker:		
Annual rated capacity (Based on 300 days)	12,995	7,800
Annual production for the year	4,639	3,681

Subsidiary Company - MLPL POWER PLANT:	(MEGA WATTS)	
Coal fired power plant:		
Annual rated capacity based on 330 days (2025: 330 days)	324,480	324,480
Actual generation	231,430	242,018
Solar power plant:		
Annual rated capacity based on 330 days (2025: 330 days)	12,858	12,858
Actual generation	12,174	12,472

REASONS FOR LOW PRODUCTION

- Due to stoppage for normal maintenance, doffing, change of spin plans and cloth quality.
- Cloth processing units working capacity was limited to actual export / local orders in hand.
- The generation of power was limited to actual demand.
- Actual production of clinker is less than the installed capacity due to planned maintenance shutdown and gap between market demand.

51. SEGMENT INFORMATION

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Elimination of inter-segment transactions		Group	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	(R U P E E S IN T H O U S A N D)															
REVENUE:																
EXTERNAL	27,476,623	28,652,396	13,995,827	14,888,189	16,868,012	15,873,540	85,124,169	68,615,599	-	-	-	-	-	-	143,464,631	128,029,724
INTER-SEGMENT	1,266,067	710,016	2,027,729	1,616,353	30,337	25,540	21,702	38,400	-	-	8,141,333	7,000,400	(11,487,168)	(9,390,709)	-	-
	28,742,690	29,362,412	16,023,556	16,504,542	16,898,349	15,899,080	85,145,871	68,653,999	-	-	8,141,333	7,000,400	(11,487,168)	(9,390,709)	143,464,631	128,029,724
COST OF SALES	(24,589,216)	(25,038,675)	(14,061,715)	(14,188,030)	(13,093,796)	(12,736,951)	(55,666,400)	(44,440,174)	-	-	(5,288,925)	(5,049,422)	11,487,168	9,390,709	(101,212,884)	(92,062,543)
GROSS PROFIT	4,153,474	4,323,737	1,961,841	2,316,512	3,804,553	3,162,129	29,479,471	24,213,825	-	-	2,852,408	1,950,978	-	-	42,251,747	35,967,181
DISTRIBUTION COST	(141,475)	(176,675)	(336,041)	(422,757)	(1,712,264)	(1,563,723)	(2,982,727)	(4,133,510)	-	-	-	-	-	-	(5,172,507)	(6,296,665)
ADMINISTRATIVE EXPENSES	(745,280)	(671,755)	(315,896)	(288,185)	(524,019)	(449,895)	(3,941,268)	(2,237,501)	(1,187,121)	(613,000)	(22,850)	(17,338)	-	-	(6,736,434)	(4,277,674)
	(886,755)	(848,430)	(651,937)	(710,942)	(2,236,283)	(2,013,618)	(6,923,995)	(6,371,011)	(1,187,121)	(613,000)	(22,850)	(17,338)	-	-	(11,908,941)	(10,764,197)
PROFIT / (LOSS) BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	3,266,719	3,475,307	1,309,904	1,605,570	1,568,270	1,148,511	22,555,476	17,842,814	(1,187,121)	(613,000)	2,829,558	1,933,640	-	-	30,342,806	25,392,842
UNALLOCATED INCOME AND EXPENSES:																
FINANCE COST															(7,854,501)	(7,016,441)
OTHER EXPENSES															(1,753,834)	(2,210,577)
OTHER INCOME															17,763,120	17,470,172
SHARE OF NET LOSS OF ASSOCIATE ACCOUNTED FOR USING EQUITY METHOD															(516,953)	(761,071)
LEVIES															(780,587)	(398,824)
TAXATION															(10,322,094)	(9,702,170)
															(3,464,849)	(2,618,911)
PROFIT AFTER TAXATION															26,877,957	22,773,931

51.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Group	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	(R U P E E S IN T H O U S A N D)													
TOTAL ASSETS FOR REPORTABLE SEGMENT	19,032,443	15,134,040	11,816,800	11,230,740	13,752,167	17,120,840	229,807,687	107,482,001	45,374,180	34,912,518	5,639,308	5,680,263	325,422,585	191,560,402
UNALLOCATED ASSETS													(14,733,357)	6,544
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION													310,689,228	191,566,946

All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Group	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	2,102,071	1,203,216	3,175,823	3,346,622	7,107,813	9,644,421	85,970,890	15,940,720	20,636,820	13,286,624	197,957	296,319	119,191,374	43,717,922
UNALLOCATED LIABILITIES													71,705,685	41,530,786
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION													190,897,059	85,248,708

All segment liabilities are allocated to reportable segments other than trade and other payables and deferred tax liabilities.

51.2 Geographical Information

51.2.1 The Groups' revenue from external customers by geographical location is detailed in Note 37.2 to these consolidated financial statements.

51.2.2 All non-current assets as at reporting date are located and operating in Pakistan.

51.3 Revenue from major customers

Revenue from major customers whose revenue accounts for more than 10% of the segment's revenue in Weaving segment was Rupees 3,746 million (2025: Rupees 6,160 million) whereas in the Processing and Home Textile segment was Rupees 7,835 million (2025: Rupees 7,431 million).

51.4 Based on the judgment made by the management printing, dyeing and home textile operating segments of the Group have been aggregated into a single operating segment namely 'Processing and Home Textile' as these segments have similar economic characteristics in respect of nature of the products, nature of production process, type of customers, method of distribution and nature of regulatory environment.

52. PROVIDENT FUND RELATED DISCLOSURES

As at the reporting date, all investments out of provident fund of MLCFL have been made in accordance with the section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by the Securities and Exchange Commission of Pakistan. Whereas The Kohinoor Textile Mills Employees Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

	2026	2025
	(Number of employees)	
53. NUMBER OF EMPLOYEES		
Number of employees as on 30 June	8,915	8,202
Average number of employees during the year	9,481	8,166

54. FINANCIAL RISK MANAGEMENT

54.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Group's finance department under policies approved by the Board of Directors. The Group's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro, GBP and CNY. Currently, the Group's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Group's exposure to currency risk was as follows:

	2026	2025
	(Rupees in thousand)	
Cash at banks - USD	504	455
Cash at banks - GBP	-	2
Trade debts - Euro	45	911
Trade debts - USD	4,692	10,234
Trade and other payables - USD	1,530	7,052
Trade and other payables - GBP	246	225
Trade and other payables - Euro	-	51
Trade and other payables - CNY	-	263
Retention money payable - CNY	44,515	44,515
Net exposure - USD	3,666	3,637
Net exposure - Euro	45	860
Net exposure - GBP	(246)	2
Net exposure - CNY	(44,515)	(44,778)

The following significant exchange rates were applied during the year:

	2026	2025
Rupees per US Dollar		
Average rate	280.51	281.93
Reporting date rate	278.05	283.60
Rupees per Euro		
Average rate	328.17	305.38
Reporting date rate	316.95	332.25
Rupees per CNY		
Average rate	40.14	38.71
Reporting date rate	40.99	39.66
Rupees per GBP		
Average rate	376.42	361.38
Reporting date rate	368.64	388.97

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, EURO, GBP and CNY with all other variables held constant, the impact on profit after levy and taxation for the year would have been Rupees 28.542 million, Rupees 0.395 million, Rupees 2.539 million and Rupees 51.091 million (2025:Rupees 28.884 million, Rupees 7.997 million, Rupees 0.24 million and Rupees 49.725 million), respectively higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is also exposed to commodity price risk as it holds financial instruments based commodity prices.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange Limited (PSX) Index and Pakistan Mercantile Exchange Limited (PMEX) Index on the Group's profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the indices had increased / decreased by 5% with all other variables held constant and all the Group's financial instruments moved according to the historical correlation with the indices:

Index	Impact on profit after levy and taxation		Impact on statement of other comprehensive income (fair value reserve on FVTOCI investments)	
	2026	2025	2026	2025
	(RUPEES IN THOUSAND)		(RUPEES IN THOUSAND)	
PSX 100 (5% increase)	1,895,810	1,477,518	313,849	313,683
PSX 100 (5% decrease)	(1,895,810)	(1,477,518)	(313,849)	(313,683)

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant long-term interest-bearing assets. The Group's interest rate risk arises from long term financing and short term borrowings, bank balances in saving accounts and term deposit receipts. Financial instruments at variable rates expose the Group to cash flow interest rate risk. Financial instruments at fixed rate expose the Group to fair value interest rate risk.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	2026	2025
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Term deposit receipts	2,960,731	1,261,601
Financial liabilities		
Long term financing	4,657,926	5,061,834
Short term borrowings	6,353,931	6,003,931
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	1,689,331	852,903
Financial liabilities		
Long term financing	78,693,362	14,424,771
Short term borrowings	25,036,671	14,825,601

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 571.428 million (2025: Rupees 158.954 million) lower / higher, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2026	2025
	(Rupees in thousand)	
Investments	4,088,353	1,261,601
Deposits	969,272	898,520
Trade debts	10,744,392	10,506,550
Other receivables	81,334	741,299
Loans and advances	45,401	54,768
Bank balances	4,274,460	2,195,804
	20,203,212	15,658,542

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate.

	Rating			2026	2025
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
Al-Baraka Bank (Pakistan) Limited	A-1	AA-	JCR-VIS	9,917	6,710
Allied Bank Limited	A1+	AAA	PACRA	517,099	106,168
Askari Bank Limited	A1+	AAA	PACRA	137,450	4,721
Bank Alfalah Limited	A1+	AAA	PACRA	61,890	16,019
Bank Al-Habib Limited	A1+	AAA	PACRA	387,602	308,835
Bank Islami Pakistan Limited	A1	AA-	PACRA	15,826	14,302
Faysal Bank Limited	A1+	AA+	PACRA	1,723	100
Habib Bank Limited	A-1+	AAA	JCR-VIS	443,901	379,488
MCB Bank Limited	A1+	AAA	PACRA	1,200,887	681,790
Meezan Bank Limited	A-1+	AAA	JCR-VIS	72,837	2,103
National Bank of Pakistan	A1+	AAA	PACRA	26,055	31,924
MCB Islamic Bank Limited	A1	A+	PACRA	289,061	98,913
The Bank of Punjab	A1+	AAA	PACRA	151,124	30,959
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	38,107	37,196
United Bank Limited	A-1+	AAA	JCR-VIS	633,454	218,870
FINCA Microfinance Bank Limited	A3	BBB+	PACRA	-	8,924
NRSP Microfinance Bank Limited	A1	A	PACRA	1	2
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	273,584	234,489
Samba Bank Limited	A1+	AA	PACRA	2,435	2,341
Soneri Bank Limited	A1+	AA	PACRA	106	107
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	4,601	4,434
Summit Bank Limited	A1+	AA+	JCR-VIS	-	-
JS Bank Limited	A1+	AA	PACRA	4,133	39
Bank Makramah Limited	A-2	A-	JCR-VIS	117	15
The Bank of Khyber	A1	AA-	JCR-VIS	2,550	7,355
				4,274,460	2,195,804

	Rating			2026	2025
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Investments					
United Bank Limited - term deposit receipts	A-1+	AAA	JCR-VIS	589,578	577,738
The Bank of Khyber - term deposit receipts	A1	AA-	JCR-VIS	156,480	156,483
Bank Al Habib Limited - term deposit receipts	A1+	AAA	PACRA	102,868	-
Habib Metropolitan Bank Limited - term deposit receipts	A1+	AAA	PACRA	198,178	-
Askari Bank Limited - term deposit receipts	A1+	AA+	PACRA	786,369	-
The Bank of Punjab - term deposit receipts	A1+	AAA	PACRA	1,196,744	527,380
MCB - Arif Habib Savings and Investments Limited - Mutual funds	Not available	AM1	PACRA	2,672	2,941
Alfalah Asset Management Limited - Mutual funds	Not available	AM1	JCR-VIS	2,914	-
Pak Qatar Asset Management Company Limited - Mutual funds	Not available	AM2+	JCR-VIS	4,758	-
				3,040,561	1,264,542
Margin against bank guarantees					
Allied Bank Limited	A1+	AAA	PACRA	193,765	208,765
Askari Bank Limited	A1+	AAA	PACRA	275,000	260,000
United Bank Limited	A-1+	AAA	VIS	31,055	31,055
Bank Makramah Limited	A-2	A-	JCR-VIS	43,454	-
Summit Bank Limited	A1+	AA+	VIS	-	44,320
Soneri Bank Limited	A1+	AA-	PACRA	5,000	5,000
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	-	-
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	39,941	39,941
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	50,000	50,000
				638,215	639,081
Margin against letters of credit					
Allied Bank Limited	A1+	AAA	PACRA	6,203	-
The Bank of Punjab	A1+	AA+	PACRA	80	29,997
				6,283	29,997

Due to the Group's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly the credit risk is minimal.

Trade debts

The Group's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 30.2.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade debts have been grouped based on shared credit risk characteristics and the days past due. These trade debts are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Group has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2026 and the corresponding historical credit losses experienced within this period. 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 Group has identified the Gross Domestic Product, Unemployment, Interest, and the inflation Index of the country in which it majorly sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2026 and 30 June 2025 was determined as follows:

Holding Company

At 30 June 2026

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(RUPEES IN THOUSAND)		%	(RUPEES IN THOUSAND)	
Not past due	0.00%	536,530	-	0.00%	-	-
Up to 30 days	1.19%	1,800,086	21,440	0.00%	-	-
31 to 60 days	1.28%	490,268	6,297	0.00%	-	-
61 to 90 days	3.90%	158,545	6,177	0.00%	-	-
91 to 180 days	16.75%	87,267	14,618	0.00%	-	-
181 to 360 days	33.20%	12,369	4,107	0.00%	-	-
Above 360 days	100.00%	12,438	12,438	0.00%	-	-
		3,097,503	65,077		-	-
Trade debts which are not subject to risk of default		620,637	-		1,211,329	-
		3,718,140	65,077		1,211,329	-

At 30 June 2025

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(RUPEES IN THOUSAND)		%	(RUPEES IN THOUSAND)	
Not past due	0.00%	429,065	-	0.00%	-	-
Up to 30 days	0.04%	1,047,011	414	0.00%	-	-
31 to 60 days	0.06%	406,789	229	0.00%	-	-
61 to 90 days	0.41%	64,595	266	0.00%	-	-
91 to 180 days	4.39%	159,878	7,019	0.00%	-	-
181 to 360 days	12.55%	4,726	593	0.00%	-	-
Above 360 days	100.00%	22,599	22,599	0.00%	-	-
		2,134,663	31,120		-	-
Trade debts which are not subject to risk of default		845,741	-		2,930,494	-
		2,980,404	31,120		2,930,494	-

Subsidiary Company - Maple Leaf Cement Factory Limited

At 30 June 2026

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(RUPEES IN THOUSAND)		%	(RUPEES IN THOUSAND)	
Not past due	1.42%	2,873,391	40,755	0.00%	44,685	-
1 to 90 days	0.54%	2,636,114	14,233	0.00%	-	-
91 to 180 days	2.87%	243,190	6,980	0.00%	-	-
181 - 270 days	10.59%	123,624	13,087	0.00%	-	-
271 - 365 days	18.33%	96,413	17,677	0.00%	-	-
Above 365 days	100.00%	1,013,149	1,013,149	0.00%	-	-
		6,985,881	1,105,881		44,685	-

At 30 June 2025

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(RUPEES IN THOUSAND)		%	(RUPEES IN THOUSAND)	
Not past due	2.42%	2,780,212	68,317	0.00%	236,921	-
1 to 90 days	2.46%	1,150,199	28,320	0.00%	-	-
91 to 180 days	3.69%	487,676	17,975	0.00%	-	-
181 - 270 days	19.12%	235,297	44,983	0.00%	-	-
271 - 365 days	35.63%	180,821	64,428	0.00%	-	-
Above 365 days	100.00%	873,026	873,026	0.00%	-	-
		5,707,231	1,097,049		236,921	-

The Group has made security deposits to utility companies for provision of utility connections and advances to employees which are secured against employees' benefits. The management does not expect to incur material losses on such deposits and consider such amount is receivable upon termination of service contract from respective utility companies.

In addition to above, financial assets include other receivables. Management has assessed that there is no impairment loss in respect of these financial assets of the Group and these are recoverable in full.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2026, the Group had Rupees 201,359 million (2025: Rupees 47,348 million) available borrowing limits from financial institutions and Rupees 4,292.910 million (2025: Rupees 2,209.254 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2026

Holding Company

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 years
	-------------------------- (RUPEES IN THOUSAND) --------------------------					
Non derivative financial liabilities:						
Long term financing	2,679,310	3,023,074	500,682	448,373	815,597	1,258,422
Trade and other payables	3,901,848	3,901,848	3,901,848	-	-	-
Accrued mark-up	142,254	142,254	142,254	-	-	-
Short term borrowings	9,207,504	9,363,605	9,363,605	-	-	-
Unclaimed dividend	34,007	34,007	34,007	-	-	-
	15,964,923	16,464,788	13,942,396	448,373	815,597	1,258,422

Subsidiary Company

Maple Leaf Cement Factory Limited

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
	-------------------	-------------------	(RUPEES IN THOUSAND)	-------------------	
Non derivative financial liabilities:					
Long term loans from banking	81,293,693	120,358,044	14,004,729	106,310,821	42,494
Long term deposits	49,685	49,685	-	49,685	-
Lease liabilities	82,136	108,906	47,277	42,539	19,090
Retention money payable	185,702	185,702	185,702	-	-
Trade and other payables	13,785,880	13,785,880	13,785,880	-	-
Unclaimed dividend	122,397	122,397	122,397	-	-
Accrued mark-up	1,355,540	1,355,540	1,355,540	-	-
Short term borrowings	2,498,597	2,498,597	2,498,597	-	-
	99,373,630	138,464,751	32,000,122	106,403,045	61,584

Subsidiary Company

Maple Leaf Capital Limited

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years
	-------------------	-------------------	(RUPEES IN THOUSAND)	-------------------	
Non derivative financial liabilities:					
Trade and other payables	104,514	104,514	104,514	-	-
Accrued Mark-up	561,378	561,378	561,378	-	-
Short term borrowings	19,695,994	19,900,906	19,900,906	-	-
	20,707,165	20,912,077	20,912,077	-	-

Contractual maturities of financial liabilities as at 30 June 2025

Holding Company

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year	More than 2 years
	-------------------------	-------------------------	(RUPEES IN THOUSAND)	-------------------------		
Non derivative financial liabilities:						
Long term financing	5,771,639	7,099,916	852,113	876,540	1,613,067	3,758,196
Trade and other payables	3,885,001	3,885,001	3,885,001	-	-	-
Accrued mark-up	195,905	195,905	195,905	-	-	-
Short term borrowings	7,746,363	7,988,371	7,988,371	-	-	-
Unclaimed dividend	30,905	30,905	30,905	-	-	-
	17,629,813	19,200,098	12,952,295	876,540	1,613,067	3,758,196

Subsidiary Company

Maple Leaf Cement Factory Limited

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
	-------------------- (RUPEES IN THOUSAND) --------------------				
Non derivative financial liabilities:					
Long term loans from banking	14,165,454	14,165,454	3,046,133	10,232,195	887,126
Long term deposits	8,214	8,214	-	8,214	-
Trade and other payables	10,046,401	10,046,401	10,046,401	-	-
Unclaimed dividend	26,877	26,877	26,877	-	-
Accrued mark-up	320,434	320,434	320,434	-	-
Short term borrowings	822,285	822,285	822,285	-	-
	25,389,665	25,389,665	14,262,130	10,240,409	887,126

Subsidiary Company

Maple Leaf Capital Limited

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Year
	-------------------- (RUPEES IN THOUSAND) --------------------				
Non derivative financial liabilities:					
Trade and other payables	104,514	104,514	104,514	-	-
Accrued Mark-up	361,208	361,208	361,208	-	-
Short term borrowings	12,266,471	12,393,912	12,393,912	-	-
	12,732,193	12,859,634	12,859,634	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 7 and note 18 to these consolidated financial statements.

54.2 Financial instruments by categories

	2026				2025			
	Amortized cost	At fair value through profit or loss	At fair value through other comprehensive income	Total	Amortized cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
	------------ (RUPEES IN THOUSAND) ------------				------------ (RUPEES IN THOUSAND) ------------			
Financial assets								
Investments	4,088,353	47,195,013	7,776,152	59,059,518	1,261,601	40,272,443	7,745,757	49,279,801
Deposits	969,272	-	-	969,272	898,520	-	-	898,520
Trade debts	10,744,392	-	-	10,744,392	10,506,550	-	-	10,506,550
Other receivables	81,334	-	-	81,334	741,299	-	-	741,299
Loans and advances	45,401	-	-	45,401	54,768	-	-	54,768
Cash and bank balances	4,292,910	-	-	4,292,910	2,209,254	-	-	2,209,254
	20,221,662	47,195,013	7,776,152	75,192,827	15,671,992	40,272,443	7,745,757	63,690,192
Financial liabilities								
Long term financing	83,351,288	-	-	83,351,288	19,486,605	-	-	19,486,605
Long term deposits	49,685	-	-	49,685	8,214	-	-	8,214
Retention money payable	-	-	-	-	-	-	-	-
Short term borrowings	31,402,095	-	-	31,402,095	20,835,119	-	-	20,835,119
Trade and other payables	18,137,521	-	-	18,137,521	14,035,916	-	-	14,035,916
Accrued mark-up	2,059,173	-	-	2,059,173	877,547	-	-	877,547
Unclaimed dividend	156,404	-	-	156,404	57,782	-	-	57,782
	135,156,166	-	-	135,156,166	55,301,183	-	-	55,301,183

54.3 Reconciliation to the line items presented in the statement of financial position is as follows:

	2026			2025		
	Financial assets	Non-financial assets	Total as per statement of financial position	Financial assets	Non-financial assets	Total as per statement of financial position
	---------- (RUPEES IN THOUSAND) ----------			---------- (RUPEES IN THOUSAND) ----------		
Assets as per statement of financial position						
Trade debts	10,744,392	-	10,744,392	10,506,550	-	10,506,550
Investments	59,059,518	5,546,023	64,605,541	49,279,801	6,063,799	55,343,600
Deposits	969,272	-	969,272	898,520	-	898,520
Loans and advances	45,401	1,528,431	1,573,832	54,768	1,263,063	1,317,831
Other receivables	81,334	1,669,138	1,750,472	741,299	1,882,174	2,623,473
Cash and bank balances	4,292,910	-	4,292,910	2,209,254	-	2,209,254
	75,192,827	8,743,592	83,936,419	63,690,192	9,209,036	72,899,228

	2026			2025		
	Financial liabilities	Non-financial liabilities	Total as per statement of financial position	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
	---------- (RUPEES IN THOUSAND) ----------			---------- (RUPEES IN THOUSAND) ----------		
Liabilities as per statement of financial position						
Long term financing	83,351,288	-	83,351,288	19,486,605	-	19,486,605
Long term deposits	49,685	-	49,685	8,214	-	8,214
Short term borrowings	31,402,095	-	31,402,095	20,835,119	-	20,835,119
Trade and other payables	18,137,521	18,515,165	36,652,686	14,035,916	9,845,062	23,880,978
Accrued mark-up	2,059,173	-	2,059,173	877,547	-	877,547
Unclaimed dividend	156,404	-	156,404	57,782	-	57,782
	135,156,166	18,515,165	153,671,331	55,301,183	9,845,062	65,146,245

54.4 Offsetting financial assets and liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

54.5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Group as referred to in Note 7 and Note 15 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Group's strategy, remain unchanged from the last year.

	2026	2025
	(Rupees in thousand)	
Borrowings	114,753,383	40,321,724
Total equity	119,792,169	106,318,238
Total capital employed	234,545,552	146,639,962
Gearing ratio	48.93%	27.50%

The decrease in gearing ratio resulted primarily from increase in equity of the Group.

55. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group classify its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements As 30 June 2026	Level 1	Level 2	Level 3	Total
	---------------- (Rupees in thousand) --------------			
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss	47,195,013	-	-	47,195,013
Unrealised gain on re-measurement of futures contracts - shares	-	-	-	-
Total financial assets	47,195,013	-	-	47,195,013

Recurring fair value measurements As 30 June 2025	Level 1	Level 2	Level 3	Total
	---------------- (Rupees in thousand) --------------			
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss	40,272,443	-	-	40,272,443
Unrealised gain on re-measurement of futures contracts - shares	147,384	-	-	147,384
Total financial assets	40,419,827	-	-	40,419,827

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices.

56. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair value of non-financial assets that are recognized and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the following three levels.

At 30 June 2026	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Freehold land	-	6,669,315	3,256,347	9,925,662

At 30 June 2025	Level 1	Level 2	Level 3	Total
	------- (Rupees in thousand) ------			
Freehold land	-	6,669,315	1,817,472	8,486,787

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 & 3 fair values

The Group obtains independent valuations for its freehold land (classified as property, plant and equipment) at least every three years. The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value of land is current prices in an active market for similar lands.

Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's freehold land at least every three years. The fair values of the freehold land of the Holding Company was last determined by Anderson Consulting (Private) Limited (an approved valuer) as at 30 June 2024. MLCFL's freehold land was last revalued by an independent valuer approved by Pakistan Banks' Association (PBA) in "any amount" category, at 30 June 2024.

Changes in fair values are analyzed at each reporting date during the annual valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

57. INTEREST IN OTHER ENTITIES

The Group's principal subsidiaries and associate as at 30 June 2026 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group. The country of the incorporation or registration is also their principal place of business.

Name of the entity	Place of business / country of incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal Activities
		2026	2025	2026	2025	
Maple Leaf Cement Factory Limited	Pakistan	58.85%	58.85%	41.15%	41.15%	Production and sale of cement
Maple Leaf Capital Limited	Pakistan	82.92%	82.92%	17.08%	17.08%	To buy, sell, hold, or otherwise acquire or invest capital in financial instruments
Maple Leaf Power Limited	Pakistan	58.85%	58.85%	41.15%	41.15%	Generation, sale and supply of electricity
Novacare Hospitals (Private) Limited	Pakistan	58.84%	58.84%	41.16%	41.16%	To establish, manage, and operate healthcare facilities, including hospitals, pharmacies, nursing homes, clinics, laboratories, dental clinics, and healthcare centers.
Pioneer Cement Limited	Pakistan	54.52%	0.00%	45.48%	100.00%	Production and sale of cement
Agritech Limited	Pakistan	25.22%	25.22%	74.78%	74.78%	Production and sale of Urea and Granulated Single Super Phosphate ("GSSP") fertilizers.

57.1 Non - controlling interests (NCI)

Set out below is summarized financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Maple Leaf Cement Factory Limited		Maple Leaf Capital Limited		Maple Leaf Power Limited		Maple Leaf Industries Limited		Novacare Hospitals (Private) Limited	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	..........RUPEES IN THOUSAND..........									
Summarized statement of financial position										
Current assets	38,195,300	35,752,604	53,199,279	35,527,984	1,340,720	2,064,088	12,532,461	11,486,405	420,441	524,814
Current liabilities	27,242,444	23,330,491	21,089,610	13,394,780	1,355,138	1,167,496	11,121,184	13,110,072	3,001,413	441,656
Current net assets	10,952,856	12,422,113	32,109,669	22,133,204	(14,418)	896,592	1,411,277	(1,623,667)	(2,580,972)	83,158
Non-current assets	159,921,111	83,353,667	434,082	398,107	8,277,615	5,069,156	66,905,141	74,880,454	4,626,244	1,454,626
Non-current liabilities	93,362,224	24,314,188	4,222,397	3,535,223	-	14,148	18,794,404	26,129,806	217,219	24,796
Non-current net assets	66,558,887	59,039,479	(3,788,315)	(3,137,116)	8,277,615	5,055,008	48,110,737	48,750,648	10,666,672	4,601,448
Net assets	77,511,743	71,461,592	28,321,354	18,996,088	8,263,197	5,951,600	49,522,014	47,126,981	8,085,700	4,684,606
Summarized statement of comprehensive income										
Revenue	70,731,652	68,942,446	9,325,266	13,546,928	8,141,333	7,000,400	38,578,528	38,578,528	-	-
Profit / (loss) for the year	8,445,631	17,036,374	9,325,266	8,637,246	2,685,999	2,132,081	6,594,152	4,876,097	(353,905)	(247,410)
Other comprehensive income / (loss)	(2,395,480)	1,809,310	-	(45,750)	-	3,055	(3,063,374)	(13,723)	-	-
Profit / (loss) allocated to NCI	3,475,377	7,010,468	1,592,755	1,475,242	1,105,289	877,351	2,999,128	4,876,097	(145,653)	(101,824)
Summarized statement of cash flows										
Cash generated from / (used in) operating activities	14,793,663	19,316,637	(9,679,242)	(9,951,105)	3,995,631	2,049,066	9,666,608	10,690,883	68,635	(483,096)
Cash generated (used in) / from investing activities	(79,726,124)	(9,999,040)	2,531,329	1,424,462	(3,624,828)	4,356,693	1,323,687	(3,711,823)	(6,229,016)	(3,157,638)
Cash (used in) / from financing activities	64,771,139	(7,569,161)	7,429,523	8,472,852	(376,500)	(6,400,500)	(10,835,739)	(6,838,995)	6,228,800	3,735,690
Net increase / (decrease) in cash and cash equivalents	(161,322)	1,748,436	281,610	(53,791)	(5,697)	5,259	154,556	140,065	68,419	94,956

58. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	2026	2025
	(Rupees in thousand)	
Holding Company		
Loans / advances obtained as per Islamic mode:		
Long term financing	264,875	-
Short term borrowing	799,000	699,000
Contract liabilities	247,681	424,288
Interest or mark-up accrued on any conventional loan or advance	132,253	191,654
Shariah compliant bank deposits / bank balances		
Bank balances	42,790	42,895
Term deposit receipts	156,480	156,483
Revenue earned from shariah compliant business	58,340,462	59,414,125
Profit paid on Islamic mode of financing	61,483	144,713
Other income earned from shariah compliant:		
Profit earned from shariah compliant bank deposits / bank balances	11,350	12,463
Return on term deposit receipts	10,177	15,825
Exchange gain earned from actual currency	-	48,269
Scrap sales	110,537	137,209
Gain on disposal of operating fixed assets	53,988	1,257
Reversal of allowance for expected credit loss	-	13,282
Reversal of provision for electricity duty	-	174,828
Gain on remeasurement of SIDC payable	291,689	-
Other income earned from non - shariah compliant:		
Return on investment in Government securities	-	959,679
Dividend income on investments carried at fair value through profit or loss	123	298
Gain on redemption of units of mutual funds	21,895	4,737
Profit earned on deposits with banks	24,594	50,025
Return on term deposit receipts	67,302	42,234
Interest paid on loans	1,217,230	2,715,004

Relationship with shariah compliant banks

Name	Relationship at reporting date
Al-Baraka Bank (Pakistan) Limited	Bank balance and financing
Bank Islami Pakistan Limited	Bank balance
Faysal Bank Limited	Bank balance
MCB Islamic Bank Limited	Bank balance and financing
Meezan Bank Limited	Bank balance
Bank Makramah Limited	Bank balance
The Bank of Khyber	Bank balance and financing
The Bank of Punjab	Financing

	2026	2025
Subsidiary company (MLCFL)		
Loans / advances obtained as per Islamic mode:		
Loans	77,286,443	3,436,455
Accrued mark-up on conventional loans	165,804	268,157
Shariah compliant bank deposits / bank balances		
Bank balances	91,173	26,900
Long-term and short-term Shariah compliant investments	96,669,924	24,309,795
Profit earned from shariah compliant bank deposits / bank balances	1,093	281
Gain or dividend earned from shariah compliant investments		
Dividend income	946,785	6,660,316
Revenue earned from a shariah-compliant business	70,731,652	68,942,446
Mark-up paid on islamic mode of financing	2,172,873	497,255
Profits earned or interest paid on any conventional loan / advance		
Interest paid on any conventional loan	4,511,841	3,180,664

Description	2026 (Rupees in thousand)	2025
Source and detailed break up of other income		
Other income earned from shariah compliant:		
Profit on bank deposits	1,093	281
Gain on disposal of operating fixed assets	62,632	58,987
Sale of scrap	5,407	3,137
Miscellaneous	11,825	16,215
Dividend income	946,785	6,660,316
Gain on disposal of investments	298,003	-
Profit on bank deposits	115,154	225,728
Interest on advances to related party	66,593	29,917
Interest on loans to employees	376	345
Un-realised gain on investments	46,710	1,633,995
Gain on mutual funds	353,528	59,744
Gain on disposal of investments	52,726	805,066
Interest income on investment held at amortised cost	115,749	-
Insurance claim income	26,699	-

The Company has business relationship with Islamic banks in the ordinary course of business. Disclosures other than the above are not applicable to the Company.

Description	2026 (Rupees in thousand)	2025
Subsidiary company (PIOC)		
Loans / advances obtained as per Islamic mode:		
Short-term borrowings	-	1,201,644
Accrued mark-up on conventional loans	38,045	192,663
Shariah compliant bank deposits / bank balances and TDRs:		
Bank balances	25,092	55,497
Shariah Compliant Investments		
Short-term investments at fair value through profit or loss (FVTPL)	-	1,122
Short-term investments at amortised cost - (TDRs)	192,653	192,653
Revenue earned from a shariah-compliant business	38,578,528	33,308,611
Gain or loss or dividend earned from Shariah compliant investments		
Gain on short-term investments at fair value through profit or loss	-	64,614
Profit earned on short-term investments at amortised cost - (TDRs)	14,086	19,718
Profit earned from shariah compliant bank deposits/bank balances	781	1,837
Mark-up paid on islamic mode of financing	99,742	457,461
Source and detailed break up of other income		
Other income earned from shariah compliant:		
Profit on banks	14,867	21,555
Dividend Income on short-term investments	-	2
Realized gain on sale of short-term investments	425	589
Scrap sales	43,898	49,435
Gain on disposal of fixed assets	222	-
Rental income arising from investment property	54,226	48,681
Rental income	-	1,310
Other income earned from non - shariah compliant:		
Profit on banks	132,785	51,264
Dividend Income on short-term investments	-	24,709
Realized gain on sale of short-term investments	240,268	54,644

Relationship with shariah compliant banks

Name	Relationship at reporting date
Meezan Bank Limited	Funded Facility, Bank Balance & Mutual Funds
National Bank of Pakistan	Funded Facility & Mutual Funds
Habib Metropolitan Bank Limited	Funded Facility & TDRs
Dubai Islamic Bank Limited Bank Balance	Bank Balance
Bank Islami Limited	Bank Balance

Description	2026	2025
	(Rupees in thousand)	
Subsidiary company (MLPL)		
Shariah compliant bank deposits / bank balances		
Bank balances	1,477	1,429
Revenue earned from a shariah-compliant business	8,141,333	7,000,400
Source and detailed break up of other income		
Other income earned from shariah compliant:		
Gain on disposal of operating fixed assets	618	-
Sale of scrap	28,034	21,613
Other income earned from shariah compliant:		
Profit on bank deposits	1,602	2,438
Mark-up on loan to Holding Company	33,558	550,334

The Company has business relationship with Islamic banks in the ordinary course of business. Disclosures other than the above are not applicable to the Company.

Description	2026	2025
	(Rupees in thousand)	
Subsidiary company (MLCL)		
Accrued mark-up on conventional loans or advance	561,378	361,208
Long-term and short-term Shariah compliant Investments	35,527,932	25,146,609
Shariah-compliant bank deposits, bank balances, and TDRs (Note 18)		
Bank balances	277,004	95,788
Revenue earned from a Shariah-compliant business segment		
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates		
Unrealised gain on re-measurement of short term investments	1,521,733	1,864,782
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs		
Profit on saving bank accounts	8,712	10,592
Source and detailed break up of other income		
Other income earned from shariah compliant:		
Profit on saving bank accounts	8,712	10,592
Other income earned from non - shariah compliant:		
Profit on saving bank accounts	541	551

Relationship with shariah compliant banks

Name	Relationship at reporting date
MCB Islamic Bank Limited	Bank balance

59. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2026	2025	2026	2025
	------- (Rupees in thousand) ------			
Total facilities	28,940,240	27,085,165	201,359,000	88,124,397
Utilized at the end of the year	10,239,422	9,270,014	115,071,185	40,776,594
Unutilized at the end of the year	18,700,818	17,815,151	86,287,815	47,347,803

60 Business combination

60.1 Acquisition method of accounting - IFRS 3 "Business Combination"

The acquisition method of accounting is used to account for all business combinations.

60.2 Summary of acquisition - Pioneer Cement Limited (PIOC)

The Board of Directors of the MLCFL, on 13 November 2025, approved the acquisition of a controlling interest in Pioneer Cement Limited ("PIOC"), a company principally engaged in the manufacture and sale of cement. Pursuant to the requirements of the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Act, 2017 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017, MLCFL made a public announcement of its intention to acquire a controlling interest in PIOC.

Prior to the acquisition, MLCFL and MLCL held 7.63% and 10.83%, respectively of the issued share capital of PIOC. During the year, MLCFL acquired an additional 11.72% shareholding through a public offer completed on 18 February 2026 and a further 58.03% shareholding through Share Purchase Agreements executed with various shareholders of PIOC on 20 February 2026. Consequently, the MLCFL's and MLCL's aggregate shareholding in PIOC increased to 88.21%, whereas effective shareholding of the ultimate Holding Company in PIOC increased to 54.52%.

Upon obtaining control, the previously held equity interest in PIOC was remeasured to fair value in accordance with IFRS 3 "Business Combinations". Based on the concept of 'control' as stipulated in IFRS 10 "Consolidated Financial Statements", the Group concluded that it had obtained control over PIOC through its majority voting rights and ability to direct the relevant activities of PIOC.

60.3 Consideration paid

	Note	(Rupees in thousand)
Consideration paid in cash		62,903,183
Fair value of equity interest held in PIOC held before the business combination	60.4	18,831,549
Total purchase consideration		81,734,732
Ultimate Holding Company's share of purchase consideration (54.52%)		49,726,503

60.4 This includes the fair value of the Group's previously held 18.46% equity interest in PIOC of Rs. 11,518.184 million (transferred from short-term investments) and the fair value of the additional 11.72% equity interest acquired through the public offer on 18 February 2026 of Rupees 7,313.365 million.

60.5 Acquisition related costs

Acquisition-related costs amounting to Rupees 450.965 million have been recognized in gains and losses relating to business combinations in the consolidated profit or loss account for the year ended 30 June 2026.

60.6 Identifiable assets acquired and liabilities assumed

International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognized and carried at fair values.

The acquisition has been accounted for using the acquisition method in accordance with IFRS 3. The standard permits the acquirer a measurement period of upto one year from the acquisition date to finalize the determination of the fair values of the assets and liabilities acquired and to identify and measure any separately recognizable intangible assets.

Identified assets acquired, liabilities assumed or incurred have been currently carried at provisional fair values determined by the management as at the acquisition date. The fair value exercise of identifiable assets and liabilities is currently in progress and will be completed within the allowed measurement period of one year specified under IFRS - 3. The carrying value of the below balances may change as a result of the fair value exercise as required under IFRS - 3. Any adjustment arising at the time finalisation of this exercise will be incorporated with retrospective effect from the date of acquisition.

Summary of provisional fair values and notional goodwill arising on acquisition of 54.52% stake in PIOC is as follows:

	Provisional fair values as at acquisition date (Rupees in thousand)
Assets	
Property, plant and equipment	66,525,014
Investment property	1,081,995
Long-term advances and deposits	82,548
Stores, spares and loose tools	5,897,849
Stock-in-trade	1,263,920
Trade receivables	1,705,525
Loans and advances	198,654
Short-term prepayments	25,002
Other receivables	68,702
Short-term investments	3,861,321
Cash and bank balances	884,410
	81,594,940
Liabilities	
Long-term financing	2,833,333
Long-term deposits	41,971
Deferred taxation	19,614,997
Employee benefit obligations	396,346
Trade and other payables	8,873,511
Retention money payable	75,968
Provision for taxation - net	1,804,856
Contract liabilities	93,152
Sales tax payable - net	93,788
Accrued mark-up / profit on financing	74,604
Short-term borrowings	790,799
Current portion of long-term financing	833,334
Unclaimed / unpaid dividend	97,528
	35,624,187
Net identifiable assets acquired	45,970,753
Less: Non controlling interest - (Note 60.6.1)	(20,907,898)
Goodwill	24,663,648
Net assets acquired	49,726,503

60.6.1 The Group elected to recognize the non-controlling interests at their proportionate share of the acquiree's identifiable net assets.

60.7 Provisional goodwill

At the acquisition date, goodwill arose as the fair value of the consideration transferred by the Group exceeded the fair value of the identifiable net assets acquired.

	Recognised values (Rupees in thousand)
Fair value of identifiable net assets	45,970,753
Percentage of identifiable net assets acquired	54.52%
	25,062,855
Purchase consideration paid in cash	37,017,265
Fair value of equity interest held in PIOC before the business combination	12,709,237
Total purchase consideration	49,726,503
Provisional goodwill	24,663,648

60.8 The Group recognised a loss of Rupees 1,902.916 million upon remeasurement of its previously held equity interest in PIOC to fair value at the acquisition date. The loss has been recognised in gains and losses relating to business combinations in the consolidated statement of comprehensive income for the year ended June 30, 2026.

61. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on ______________________ by the Board of Directors of the Company.

62. CORRESPONDING FIGURES

No significant rearrangements / reclassifications have been made except for the following:

Particulars	Reclassified from	Reclassified to	Amount (RUPEES IN THOUSAND)
Contract liabilities	Trade and other payables	Face of the statement of financial position	1,234,330
Bank balance under encumbrance	Cash and bank balances	Other receivables	12,770

63. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless stated otherwise.

CHIEF EXECUTIVE OFFICER DIRECTOR CHIEF FINANCIAL OFFICER

BCR CRAIT ERIA

FOR THE YEAR ENDED JUNE 30, 2026

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BCR CRITERIA INDEX

No.	BCR Criteria Index	Reference
1	**Organizational Overview and External Environment**	
1.01	Mission, vision, code of conduct, ethical, principal and core values.	Page-12
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	Page-14
1.03	Geographical location and address of all business units including sales units and plants.	Page-20
1.04	The legislative and regulatory environment in which the company operates.	Page-33
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	Page-18
1.06	Name and country of origin of the holding company / subsidiary company, if such companies are a foreign company.	Page-18
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	Page-18
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	Page-22
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	Page-24
1.1	Description of the performance of the various activities / product(s) / service(s) / segment(s) of the entity and its group entities during the period under review.	Page-25
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	Page-26 (Value Chain Analysis) & Page-31(Position in Value Chain)
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response.	Page-28
	b) The effect of seasonality on business in terms of production and sales.	Page-27
1.13	The legitimate needs, interests of key stakeholders and industry trends.	Page-32
1.14	SWOT Analysis of the company.	Page-30
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	Page-26 (Customer Landscaping and Market Positioning)
1.16	History of major events.	Page-96 to 101
1.17	Details of significant events occurred during the year and after the reporting period.	Page-32
2	**Strategy and Resource Allocation**	
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve objectives.	Page-36
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including:	Page-38
	a) Financial Capital;	
	b) Human Capital;	
	c) Manufactured Capital;	
	d) Intellectual Capital;	
	e) Social and Relationship Capital; and	
	f) Natural Capital.	
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	Page-44
2.04	Company's strategy on market development, product and service development.	Page-39
2.05	The effects of the given factors on the company strategy and resource allocation:	Page-58
	a) Technological Changes;	
	b) Sustainability reporting and challenges;	
	c) Initiatives taken by the company in promoting and enabling innovation; and	
	d) Resource shortages (if any).	
2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	Page-40
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	Page-41
2.08	Board's statement on the internal controls including IT controls of the company.	Page-41
2.09	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	Page-42 (Significant Plans and Decisions) Page-124 (Director's Report - Business Rationale)
2.1	a) Information about defaults in payment of any debt with reasons and its repayment plan;	Page-126
	b) Board strategy to overcome liquidity problems and plans to meet operational losses.	Page-59
3	**Risks and Opportunities**	
3.01	Key risks and opportunities (internal and external), including sustainability-related risks and opportunities, affecting availability, quality and affordability of Capitals.	Page-52
3.02	Company's robust assessment of the principal risks and uncertainties being faced, including those that would threaten the business model, future performance and solvency or liquidity. This may include operational risk, IT risk, regulatory risk, legal risk, political risk, strategic risk, and credit risk etc.	Page-58 (Board's Efforts) and Page-52 (Objectives)
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	Page-50
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	Page-55 to 56 (Corporate Objectives, Risk and Mitigation Stratigies)
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).	Page-59
4	**Sustainability Disclosures & Corporate Social Responsibility (CSR)**	
4.01	Disclosure of the role of the Board to address the company's sustainability risks and opportunities, as required under the recent amendments of the SECP 'Listed Companies (Code of Corporate Governance) Regulations, 2019, SECP SRO 920/2024 dated June 12, 2024 for the following:	
	a) Disclosures of company specific sustainability-related risks and opportunities (climate-related risks and opportunities) and their impact on the financial performance in the short, medium and long term and how these are managed or mitigated;	Page-67
	b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrices designed by the company to demonstrate the performance and progress of the company.	Page-68
	c) Disclosure of company's sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored.	Page-69
	d) Boards are encouraged to adopt of the SECP's ESG Disclosure Guidelines (https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/)	Page-72 to 85

No.	BCR Criteria Index	Reference
4.02	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability:	
	· Social initiatives - financial inclusion, research and development, employment generation, community health and education, and health and safety of staff etc.;	Page-72
	· Environmental initiatives - climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle), how does the company reduce pollution, depletion and degradation of natural resources; and indirect like investment/financing in green /sustainable project.	Page-79
	· Technological innovation - use of advanced technology, innovative ideas leading to sustainability practices like energy-efficient processes or eco-friendly product designs;	Page-81
	· Information on consumption and management of materials, energy, water, emissions and waste.	Page-79
4.03	a) Has the board established a dedicated sustainability committee, having at least one female director, or assign additional responsibilities to an existing board committee.	Page-81
	b) Has the committee submitted to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	Page-81
4.04	Board's statement for the adoption of CSR best practices including Board's commitment to promote CSR and how the company's sustainable practices can affect the financial performance of the company.	Page-64
4.05	Highlights of the company's performance, policies, initiatives for CSR.	Page-63
5	**Governance**	
5.01	Board composition:	
	a) Leadership structure of those charged with governance;	Page-129
	b) Name of independent directors indicating justification for their independence;	Page-129 (Name of Director's) and Page-138 to 143 (Brief Profile of Director's)
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience;	Page-138 to 143 (Brief Profile of Director's)
	d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.;	Page-138 to 143 (Brief Profile of Director's)
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	Page-138 to 143 (Brief Profile of Director's)
5.02	A brief description about role of the Chairman and the CEO.	Page-145
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	Page-145 (Matter Decided by the Board and Matters Deligated to the Management)
5.04	Chairman's Review Report on the overall performance of the board including:	
	a) Effectiveness of the role played by the board in achieving the company's objectives;	Page-123 (Charman's Review)
	b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year';	Page-174,132 (Statement of Compliance) and Page-145 (Role of Chairman and CEO)
	c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	Page-129
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	Page-154 to 156
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.	Page-150
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	Page-150 (Evaluation Criteria of Board Performance)
5.08	Details of formal orientation courses for directors.	Page-133 (.9)
5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	Page-133 (.9)
5.1	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	Page-129 & Page-89 (Certification on Internal Controls and Systems)
5.11	Disclosure about related party transactions:	
	a) Approved policy for related party transactions;	Page-144
	b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding;	Page-122 & Page-269 (Note-40)
	c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement;	Page-122
	d) Disclosure of director's interest in related party transactions;	Page-122
	e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	Page-152
5.12	Disclosure of Board's Policy on the following significant matters:	
	a) Risk Management and internal control policies.	Page-152
	b) Disclosure of director's interest in significant contracts and arrangements.	Page-152
	c) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	Page-130 (Report of Audit Committee)
	d) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	Page-145
	e) Security clearance of foreign directors.	Page-145
	f) Board meetings held outside Pakistan.	Page-129 (Director's and Board Meetings)
	g) Human resource management including:	
	· Preparation of succession plan;	Page-154
	· Merit based recruitment;	Page-154
	· Performance based appraisal system;	Page-155
	· Promotion, reward and motivation;	Page-155
	· Training and development;	Page-155
	· Diversity, Equity & Inclusion (DE&I) policy; and	Page-155
	· Employee engagement /feedback.	Page-156
	h) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions.	Page-156
	i) Communication with stakeholders.	Page-174
	j) Dividend policy.	Page-157
	k) Investors' relationship and grievances.	Page-151
	l) Employee's health, safety and protection.	Page-153
	m) Whistle blowing policy	Page-157
	n) anti-harassment policy to safeguard the rights and well-being of employees.	Page-158

No.	BCR Criteria Index	Reference
	o) Safety of records of the company.	Page-151
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	Page-150
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	Page-132
5.15	Disclosure about:	
	a) Shares held by Sponsors / Directors / Executives;	Page-287 (Note2.3 Categories of Shareholders)
	b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors / Executives etc.) or foreign shareholding (if any).	Page-287 (Note2.3 Categories of Shareholders)
5.16	Details about Board meetings and its attendance.	Page-129
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	Page-132 (Composition of Board Committees), Page-146 (Terms of Reference of Board Committees) and Page-133 (Frequency of Meetings)
5.18	**Timely Communication:**	
	Date of authorization of financial statements by the board of directors:	
	Within 40 days - 6 marks	Page-283 (Note-50)
	Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries)	N/A
	Within 60 days - 3 marks	N/A
	(*Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).*	N/A
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	
	a) Composition of the committee with at least one member qualified as "financially literate" and all members are non-executive / Independent directors including the Chairman of the Audit Committee.	Page-136 (Report of Audit Committee)
	b) Committee's overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed.	
	c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure.	
	d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance.	
	e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures.	
	f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded.	
	g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported.	
	h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy.	
	i) Results of the self-evaluation of the Audit Committee carried out of its own performance.	
	j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	
5.2	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	Page-130 (Audit Committee)
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including:	
	a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system;	Page-153
	b) Management support in the effective implementation and continuous updation;	Page-153
	c) Details about user training of ERP software;	Page-154
	d) How the company manages risks or control risk factors on ERP projects;	Page-154
	e) How the company assesses system security, access to sensitive data and segregation of duties.	Page-154
5.22	Disclosure about the Government of Pakistan policies related to company's business / sector in Directors' Report and their impact on the company business and performance.	Page-128
5.23	Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	Page-158
6	**Analysis of the Financial Information**	
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between:	
	a) Past and current performance;	Page-192 (Financial Performance)
	b) Performance against targets /budget; and	Page-196 (Actual Vs Budget)
	The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.	
6.02	a) Analysis of financial ratios (**Annexure I**) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators.	Page-211 to 217
	b) Explanation of negative change in the performance as compared to last year.	Page-193
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	Page-198 & Page-204 to 210
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	Page-199
6.05	a) Information about business segment and non-business segment; and	Page-194
	b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	Page-194 & 195 (Segmental Review of Business Performance) and page-272 (Note-42)
6.06	Disclosure of market share of the company and share price sensitivity analysis.	Page-190 (Share Price Sesitivity Analysis) and Page-193 (Market Share of the Company)
6.07	Statement of value added and its distribution with graphical presentation:	
	a) Employees as remuneration;	
	b) Government as taxes (separately direct and indirect);	

No.	BCR Criteria Index	Reference
	c) Shareholders as dividends;	Page-202
	d) Providers of financial capital as financial charges;	
	e) Society as donation; and	
	f) Retained within the business.	
6.08	Statement of Economic value added (EVA)	Page-202
	[EVA = NOPAT – WACC x TC , where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital]	
6.09	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	N/A
7	**Business Model**	
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	Page-180 to 181
7.02	Explanation of any material changes in the entity's business model during the year.	N/A
8	**Disclosures on IT Governance and Cybersecurity**	
8.01	The Board responsibility statement on the IT system/ controls and AI strategy of the company including compliance of legal and regulatory requirements regarding data privacy and cyber security and how the board is engaging with management in case of any breaches.	Page-162
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	Page-162
8.03	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	Page-163
8.04	Disclosure about company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	Page-163
8.05	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	Page-163
8.06	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	Page-164
8.07	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (*Artificial Intelligence* (*AI*), RPA, Data Analytics, Block Chain, Cloud Computing etc.) to improve transparency and governance, value creation and reporting.	Page-164
8.08	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	Page-164
9	**Future Outlook**	
9.01	Forward-looking statement in narrative and quantitative form, including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	Page-168
9.02	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year and whether the performance of the company is aligned with the forward-looking statement.	Page-169 (Analysis of Prior Year Forward Looking Disclosure and Status of Current and Previous Project)
9.03	Disclosures about the company's future plans for AI adoption and its potential impact on the company's long-term strategy.	Page-166 to 167
9.04	Disclosure about company's future Research & Development initiatives.	Page-169
9.05	Sources of information and assumptions used for projections / forecasts in the forward-looking statement, and any assistance taken by any external consultant	Page-169
10	**Stakeholders Relationship and Engagement**	
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	Page-174
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed.	
	These engagements may be with:	
	a) Institutional investors;	Page-174 (Policy and Procedure for Stakeholders Engagement, Engagement Frequency)
	b) Customers & suppliers;	
	c) Banks and other lenders;	
	d) Media;	
	e) Regulators;	
	f) Local committees; and	
	g) Analysts.	
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	Page-176
10.04	Investors' Relations section on the corporate website with all relevant information including audited annual reports are available in the section.	Page-177
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	Page-144
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and	Page-174 (Policy and Procedure for Stakeholders Engagement), Page-174 (Board's Interaction with Major
	b) Disclosure of brief summary of Corporate Analyst briefing conducted during the year.	
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	Page-177
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	Page-177 (Corporate Benefits to Shareholders) and Page-124 (Dividend and Appropriations)
10.09	Disclosure of whistle blowing mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in the Audit Committee's report.	Page-177
11	**Striving for Excellence in Corporate Reporting**	
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan *(i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).*	Page-185
11.02	BCR criteria cross referred with page numbers of the annual report. *(details can be maintained by companies on the Investor Relation section of the company's website).*	Page-404
12	**Specific Disclosures of the Financial Statements**	
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (**Annexure II**).	Annex-II of This Checklist

No.	BCR Criteria Index	Reference
13	**Assessment based on Qualitative Factors**	
13.01	Assessment of overall quality of information contained in the annual report based on the following qualitative factors:	
	a) Clarity, simplicity and lucidity in presentation of Financial Statements;	
	b) Theme on the cover page;	
	c) Effective use of presentation tools, particularly diagrams, graphs, charts, smart arts, icons, tables and infographics in the annual report;	
	d) Effectiveness and relevance of photos and graphs;	
	e) Effectiveness of the theme on the cover page.	
Annexure I - Financial Ratios	**Non-Financial Sector**	
	Profitability Ratios	
	a) Gross Profit ratio	Page-211
	b) Net Profit to Sales	
	c) EBITDA Margin to Sales	
	d) Operating leverage ratio	
	e) Return on Equity / Shareholders' Funds	
	f) Return on Capital employed	
	g) Shareholders' Funds	
	h) Return on Shareholders' Funds	
	i) Return on Investment	
	j) Total Shareholder Return	
	Liquidity Ratios	
	a) Current ratio	Page-212
	b) Quick / Acid test ratio	
	c) Cash to Current Liabilities	
	d) Cash flow from operations to Sales	
	e) Cash flow to capital expenditures	
	f) Cash flow coverage ratio	
	Investment /Market Ratios	
	a) Earnings per Share (EPS) and diluted EPS	Page-213
	b) Price Earnings ratio	
	c) Price to Book ratio	
	d) Dividend Yield ratio	
	e) Dividend Payout ratio / Dividend Cover Ratio	
	f) Cash Dividend per share / Stock Dividend per share	
	g) Market value per share at the year end and high/low during the year	
	h) Breakup value per share	
	i. Without Surplus on Revaluation of property, plant and equipment	
	ii. With Surplus on Revaluation of Property plant and equipment including the effect of all Investments	
	iii. Including Investment in Related Party at fair /market value and also with Surplus on Revaluation of property plant and equipment.	
	i) DuPont Analysis	Page-189
	j) Free Cash Flow	Page-198
	k) Economic Value Added (EVA)	Page-202
	Capital Structure	
	a) Financial leverage ratio	Page-214
	b) Weighted average cost of debt	
	c) Debt to Equity ratio (as per book and as per market value)	
	d) Net assets per share	
	e) Interest Cover /Time Interest earned ratio	
	Activity / Turnover Ratios	
	a) Total Assets turnover ratio	Page-212
	b) Fixed Assets turnover ratio	
	c) No. of Days in Inventory	
	d) No. of Days in Receivables	
	e) No. of Days in Payables	
	f) Operating cycle	
	Non-Financial Ratios	
	a) % of Plant Availability	Page-216
	b) Customer Satisfaction Index	Page-216
	c) Production per Employee (for manufacturing)/ Employee Productivity Rate (for service industry)	Page-215
	d) Revenue per Employee	Page-215
	e) Staff turnover ratio	Page-215
	f) Spares Inventory as % of Assets Cost	Page-216
	g) Maintenance Cost as % of Operating Expenses	Page-216
	h) Customer Retention Ratio	Page-216
Annexure II - Specific Disclosures of the Financial Statements (refer section 12 of the criteria)		
1	Fair value of Property, Plant and Equipment.	Page-191 & page-255
2	Particulars of significant / material assets and immovable property including location and area of land.	Page-191 & page-258
3	Capacity of an industrial unit, actual production and the reasons for shortfall.	Page-270
4	Specific disclosures required for shariah compliant companies / companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	Page-282 (Note-48)
5	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP *(through SECP S.R.O. 53(I)/2022 dated January 12, 2022)*	N/A
6	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	Page-72
7	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	N/A

KOHINOOR
TEXTILE MILLS LTD.

POSTAL BALLOT PAPER

Postal Ballot Paper for voting through post for the Special Business at the Annual General Meeting to be held on **Thursday, September 17, 2026 at 02:00 PM** at 42-Lawrence Road, Lahore, the Registered Office of the Company.

Contact Details of the Chairman at which the duly filled in ballot paper may be sent:

Address: **Kohinoor Textile Mills Limited,**
42-Lawrence Road, Lahore, Pakistan
E-mail address: chairman@kmlg.com
Phone: +92-42-36302261-62
Website: www.kmlg.com

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) copy to be attached	
Additional information and enclosures (in case of representative of body corporate, corporation, and Federal Government).	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Resolution For Agenda Item No. 3

To consider and, if deemed fit, pass the following resolution as a special resolution under Section 199 of the Companies Act, 2017, with or without modification, as recommended by the Directors:-

"Resolved by way of special resolution that consent and approval of members of **Kohinoor Textile Mills Limited (the "Company")** be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans / advances from time to time to **Maple Leaf Cement Factory Limited,** a subsidiary of the Company, up to an aggregate sum of **Rs. 2,000 million** (Rupees two thousand million only) for a period of one year commencing September 18, 2026 to September 17, 2027 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. Vide special resolution passed in general meeting held on October 16, 2025 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 1,000 million which is valid till October 31, 2026.

Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the subsidiary company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution."

Resolution For Agenda Item No. 4

To consider and, if deemed fit, pass the following resolution as a special resolution under Section 199 of the Companies Act, 2017, with or without modification, as recommended by the Directors:-

"Resolved by way of special resolution that consent and approval of members of **Kohinoor Textile Mills Limited (the "Company")** be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans / advances from time to time to **Maple Leaf**

Capital Limited, a subsidiary of the Company, up to an aggregate sum of **Rs. 2,000 million** (Rupees two thousand million only) for a period of one year commencing September 18, 2026 to September 17, 2027 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. Vide special resolution passed in general meeting held on October 16, 2025 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 1,000 million which is valid till October 31, 2026.

Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the subsidiary company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution."

Resolution For Agenda Item No. 5
To consider and, if deemed fit, pass the following resolution as a special resolution under Section 199 of the Companies Act, 2017, with or without modification, as recommended by the Directors: -

"Resolved by way of special resolution that consent and approval of members of **Kohinoor Textile Mills Limited (the "Company")** be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 of the Companies Act, 2017 (the "Act") to issue cross corporate guarantee up to Rs. 7 billion to the bank(s) for financing facility(ies) to its associated company namely, Maple Leaf Capital Limited (MLCL) and creation of charges, pledge and/or lien on assets of the Company for and on behalf of MLCL, subject to terms and conditions mentioned in the statement under Section 134(3) of the Act.

Resolved further that in the event the Company is called upon by the bank(s) of MLCL for repayment of money provided to MLCL as a result of enforcement of cross corporate guarantee, the Company shall recover the full amount paid by it from MLCL with mark up of 0.5% per annum above the average borrowing cost of the Company till the date of payment from MLCL, as may be mutually agreed.

Resolved further that the Chief Executive and Company Secretary of the Company be and is hereby singly authorized to take any and/or all actions to implement and give effect to the above resolution and to complete any or all necessary required corporate and legal formalities for the purpose of implementation of the above resolution."

Resolution For Agenda Item No. 6
To ratify and approve transactions conducted with the Related Parties for the year ended June 30, 2026 by passing the following special resolution with or without modification: -

"Resolved that the transactions conducted with the Related Parties as disclosed in the note 40 of the unconsolidated financial statements for the year ended June 30, 2026 and specified in the Statement of Material Information under Section 134(3), be and are hereby ratified, approved and confirmed."

Resolution For Agenda Item No. 7
To authorize the Board of Directors of the Company to approve transactions with the related parties for the financial year ending on June 30, 2027 by passing the following special resolution with or without modification: -

"Resolved that the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with the Related Parties on case to case basis for the financial year ending on June 30, 2027.

Resolved further that these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

Instructions For Poll

1. Please indicate your vote by ticking (√) the relevant box.
2. In case if both the boxes are marked as (√), your poll shall be treated as **“Rejected”**.

I/we hereby exercise my/our vote in respect of the following special resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (√) mark in the appropriate box below;

Resolution	No. of ordinary shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Resolution For Agenda Item No. 3			
Resolution For Agenda Item No. 4			
Resolution For Agenda Item No. 5			
Resolution For Agenda Item No. 6			
Resolution For Agenda Item No. 7			

Notes:

1. Dully filled ballot paper should be sent to the Chairman at 42-Lawrence Road, Lahore or email at chairman@kmlg.com
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman one day before AGM i.e. on September 16, 2026. Any postal ballot received after this date, will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC/Passport (In case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable.
7. Ballot Paper form has also been placed on the website of the Company at: www.kmlg.com Members may download the ballot paper from the website or use an original/photocopy published in newspapers.

Shareholder / Proxy Holder Signature/Authorized Signatory

(In case of corporate entity, please affix company stamp)

Place: ___________

Date: ____________

میں درج شرائط وضوابط کے مطابق ہوں۔
مزید قرار پایا ہے کہ اگر MLCL کے بینک (بینکوں) کی جانب سے کمپنی کو کراس کارپوریٹ گارنٹی کے نفاذ کے نتیجے میں MLCL کو فراہم کردہ رقم کی واپسی کے لیے ادائیگی کا مطالبہ کیا جاتا ہے، تو کمپنی کی جانب سے ادا کی گئی پوری رقم MLCL سے وصول کی جائے گی، جس پر کمپنی کی اوسط قرض لینے کی لاگت سے سالانہ 0.5 فیصد زیادہ مارک اپ اس تاریخ تک عائد ہوگا جس تاریخ کو MLCL کی جانب سے ادائیگی کی جائے گی، جیسا کہ باہمی طور پر طے کیا جائے۔
مزید قرار پایا کہ کمپنی کے چیف ایگزیکٹو آفیسر اور کمپنی سیکرٹری بذریعہ ہذا بالا قراردادوں کو مؤثر بنانے کیلئے شریک کمپنی کو قرضوں / پیشگیوں کے سلسلہ میں ٹرانزیکشن مکمل کرنے کیلئے تمام ضروری اقدامات اٹھانے، واقعاتی اور حادثاتی، کارپوریٹ اور قانونی لوازمات پورے کرنے لیکن محدود نہیں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ہاں تمام مطلوبہ قانونی فارمز اور تمام دیگر دستاویزات جمع کرانے، تمام ایسے نوٹسز، رپورٹس، خطوط اور کوئی دیگر دستاویزات یا آلات مکمل کرنے کے واحد مجاز ہیں۔"

قرارداد برائے ایجنڈا آئٹم نمبر 6

درج ذیل خصوصی قرارداد کو معہ یا بلا ترمیم پاس کر کے 30 جون 2026 مختتمہ سال کے لئے متعلقہ پارٹیوں کے ساتھ کی گئی ٹرانزیکشنز کی تصدیق اور منظوری دینا۔
"قرار پایا کہ 30 جون 2026 مختتمہ سال کے لئے غیر اشتمال شدہ مالی گوشواروں کے نوٹ 40 میں انکشاف اور دفعہ (3) 134 کے تحت مادی معلومات کے بیان میں مخصوص ہے اور بذریعہ ہذا تصدیق، منظور اور توثیق کی جاتی ہے۔"

قرارداد برائے ایجنڈا آئٹم نمبر 7

درج ذیل قرارداد کو معہ یا بلا ترمیم پاس کر کے کمپنی کے بورڈ آف ڈائریکٹرز کو 30 جون 2027 اختتام پذیر ہونے والے سال کے لئے متعلقہ پارٹیوں کے ساتھ کی جانے والی ٹرانزیکشنز کی تصدیق اور منظوری دینے کا بااختیار بنانا۔
"قرار پایا کہ کمپنی کا بورڈ آف ڈائریکٹرز 30 جون 2027 اختتام پذیر ہونے والے سال کے لئے متعلقہ پارٹیوں کے ساتھ کی جانے والی ٹرانزیکشنز کی تصدیق اور منظوری دینے کے لئے بااختیار ہیں۔
مزید قرار پایا کہ بورڈ کی طرف سے منظور کردہ ٹرانزیکشنز حصص داران سے بھی منظور شدہ خیال کی جائیں گی اور ان کی رسمی تصدیق / منظوری کے لئے اگلے سالانہ اجلاس عام میں حصص داران کے روبرو رکھی جائیں گی۔"

انتخابات کے لئے ہدایات

1۔ براہ مہربانی متعلقہ بکس میں ٹک (✓) کا نشان لگا کر اپنے ووٹ کا اظہار کریں۔
2۔ بصورت اگر دونوں بکس میں ٹک (✓) کا نشان لگایا گیا تو آپ کا ووٹ "مسترد" تصور ہوگا۔
میں / ہم مندرجہ ذیل قراردادوں کے سلسلے میں پوسٹل بیلٹ کے ذریعے اپنا / اپنے ووٹ استعمال کرتے ہیں اور ذیل میں مناسب باکس میں ٹک (✓) کا نشان لگا کر قراردادوں پر اپنی رضامندی یا اختلاف رائے دیتے ہیں:

قرارداد	عام حصص کی تعداد جن کے لئے ووٹ کاسٹ کیا جائے گا	میں / ہم قرارداد پر رضامند ہیں (FOR)	میں / ہم قرارداد کے خلاف ہیں (AGAINST)
قرارداد برائے ایجنڈا آئٹم نمبر 3			
قرارداد برائے ایجنڈا آئٹم نمبر 4			
قرارداد برائے ایجنڈا آئٹم نمبر 5			
قرارداد برائے ایجنڈا آئٹم نمبر 6			
قرارداد برائے ایجنڈا آئٹم نمبر 7			

نوٹس:
1۔ صحیح طریقے سے پُر شدہ پوسٹل بیلٹ چیئرمین کو 42۔ لارنس روڈ، لاہور، یا chairman@kmlg.com پر ای میل بھیجنا چاہیے۔
2۔ CNIC / پاسپورٹ کی کاپی (غیر ملکی کی صورت میں) پوسٹل بیلٹ فارم کے ساتھ منسلک ہونی چاہیے۔
3۔ بیلٹ پیپر AGM سے ایک دن قبل یعنی 16 ستمبر 2026 کو صدر اجلاس تک پہنچ جانے چاہئیں۔ اس تاریخ کے بعد موصول ہونے والا کوئی بھی پوسٹل بیلٹ ووٹنگ کے لیے قبول نہیں کیا جائے گا۔
4۔ بیلٹ پیپر پر دستخط CNIC / پاسپورٹ (غیر ملکی کی صورت میں) کے دستخط سے مماثل ہونا چاہئے۔
5۔ نامکمل، بغیر دستخط شدہ، غلط، کاٹ کر لکھا ہوا، پھٹا ہوا، مسخ شدہ، دوبارہ لکھا ہوا بیلٹ پیپر مسترد کر دیا جائے گا۔
6۔ باڈی کارپوریٹ، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں، کمپنیز ایکٹ 2017 کے سیکشن 138 یا 139، جیسا کہ قابل اطلاق ہو، کے مطابق بیلٹ پیپر کے ساتھ مجاز شخص کے CNIC کی کاپی، بورڈ کی قرارداد / پاور آف اٹارنی / اتھارائزیشن لیٹر وغیرہ کی تصدیق شدہ کاپی ہمراہ ہونا ضروری ہے۔
7۔ بیلٹ پیپر فارم کمپنی کی ویب سائٹ www.kmlg.com پر بھی رکھا گیا ہے۔ اراکین ویب سائٹ سے بیلٹ پیپر ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع ہونے والی اصل / فوٹو کاپی استعمال کر سکتے ہیں۔

تاریخ: ____________

مقام: ____________

____
شیئر ہولڈر / پراکسی ہولڈر / مجاز دستخط کنندہ کے دستخط:
(کارپوریٹ ادارہ کی صورت میں، براہ مہربانی کمپنی کی مہر ثبت کریں)

کوہ نور ٹیکسٹائل ملز لمیٹڈ

42-لارنس روڈ، لاہور

پوسٹل بیلٹ پیپر

بروز جمعرات 17 ستمبر 2026ء کو دوپہر 02:00 بجے کمپنی کے رجسٹرڈ آفس 42-لارنس روڈ، لاہور میں منعقد ہونے والے سالانہ عام اجلاس میں خصوصی امور کے لیے ڈاک کے ذریعے ووٹنگ کے لیے بیلٹ پیپر۔

چیئرمین کے رابطہ کی تفصیلات جہاں باقاعدہ پُر شدہ بیلٹ پیپر ارسال کیا جاسکتا ہے:

پتہ: کوہ نور ٹیکسٹائل ملز لمیٹڈ

42-لارنس روڈ، لاہور، پاکستان

ای میل ایڈریس: chairman@kmlg.com

فون: +92-42-36302261-62

ویب سائٹ: www.kmlg.com

فولیو/سی ڈی ایس اکاؤنٹ نمبر	
شیئر ہولڈر/ پراکسی ہولڈر کا نام	
رجسٹرڈ ایڈریس	
ملکیتی حصص کی تعداد	
CNIC/پاسپورٹ نمبر (بصورت غیر ملکی) کاپی منسلک ہو	
اضافی معلومات اور وضاحتیں (باڈی کارپوریٹ، کارپوریشن اور وفاقی حکومت کے نمائندہ کی صورت میں)	
مجاز دستخط کنندہ کا نام:	
مجاز دستخط کنندہ کا CNIC/پاسپورٹ نمبر (بصورت غیر ملکی) کاپی منسلک ہو	

قرارداد برائے ایجنڈا آئٹم نمبر 3

غور وخوض اور اگر بہتر خیال کیا گیا تو کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت ڈائریکٹرز کی سفارشات کے مطابق درج ذیل قرارداد کو معہ یا بلا ترمیم بطور خصوصی قرارداد منظور کرنا۔

"خصوصی قرارداد کے ذریعے قرار پایا کہ کوہ نور ٹیکسٹائل ملز لمیٹڈ (کمپنی) کو اراکین کی رضامندی اور منظوری دی جاتی ہے اور بذریعہ ہذا تین ماہ کے KIBOR شرح سے ایک فیصد زیادہ یا کمپنی کے اوسط قرضہ کی لاگت سے ایک فیصد زیادہ، جو بھی زائد ہو، کے مارک اپ شرح پر 18 ستمبر 2026ء تا 17 ستمبر 2027ء (دونوں ایام سمیت) ایک سال کی مدت کیلئے 2,000 ملین روپے (دو ہزار ملین روپے صرف) مجموعی رقم تک، کمپنی کے ذیلی ادارہ میپل لیف سیمنٹ فیکٹری لمیٹڈ میں وقتاً فوقتاً قرضوں/ پیشگیوں کی شکل میں سرمایہ کاری کمپنیز ایکٹ 2017ء کی دفعہ 199 کے مطابق ہو۔ حصص داران کی طرف سے 16 اکتوبر 2025ء کو منعقدہ اجلاس عام میں منظور شدہ خصوصی قرارداد کی رُو سے، کمپنی 1,000 ملین روپے کی حد تک اس طرح کی سہولت توسیع کرنے کی مجاز تھی جو 31 اکتوبر 2026ء تک کارآمد ہے۔

مزید قرار پایا کہ کمپنی کے چیف ایگزیکٹو آفیسر اور کمپنی سیکرٹری بذریعہ ہذا بالا قراردادوں کو مؤثر بنانے کیلئے ذیلی کمپنی کو قرضوں/ پیشگیوں کے سلسلہ میں ٹرانزیکشن مکمل کرنے کیلئے تمام ضروری اقدامات اٹھانے، واقعاتی اور حادثاتی، کارپوریٹ اور قانونی لوازمات پورے کرنے لیکن محدود نہیں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ہاں تمام مطلوبہ قانونی فارمز اور تمام دیگر دستاویزات جمع کرانے، تمام ایسے نوٹسز، رپورٹس، خطوط اور کوئی دیگر دستاویزات یا آلات مکمل کرنے کے واحد مجاز ہیں۔"

قرارداد برائے ایجنڈا آئٹم نمبر 4

غور وخوض اور اگر بہتر خیال کیا گیا تو کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت ڈائریکٹرز کی سفارشات کے مطابق درج ذیل قرارداد کو معہ یا بلا ترمیم بطور خصوصی قرارداد منظور کرنا۔

"خصوصی قرارداد کے ذریعے قرار پایا کہ کوہ نور ٹیکسٹائل ملز لمیٹڈ (کمپنی) کو اراکین کی رضامندی اور منظوری دی جاتی ہے اور بذریعہ ہذا تین ماہ کے KIBOR شرح سے ایک فیصد زیادہ یا کمپنی کے اوسط قرضہ کی لاگت سے ایک فیصد زیادہ، جو بھی زائد ہو، کے مارک اپ شرح پر 18 ستمبر 2026ء تا 17 ستمبر 2027ء (دونوں ایام سمیت) ایک سال کی مدت کیلئے 2,000 ملین روپے (دو ہزار ملین روپے صرف) مجموعی رقم تک، کمپنی کے ذیلی ادارہ میپل لیف کیپٹل لمیٹڈ میں وقتاً فوقتاً قرضوں/ پیشگیوں کی شکل میں سرمایہ کاری کمپنیز ایکٹ 2017ء کی دفعہ 199 کے مطابق ہو۔ حصص داران کی طرف سے 16 اکتوبر 2025ء کو منعقدہ اجلاس عام میں منظور شدہ خصوصی قرارداد کی رُو سے، کمپنی 1,000 ملین روپے کی حد تک اس طرح کی سہولت توسیع کرنے کی مجاز تھی جو 31 اکتوبر 2026ء تک کارآمد ہے۔

مزید قرار پایا کہ کمپنی کے چیف ایگزیکٹو آفیسر اور کمپنی سیکرٹری بذریعہ ہذا بالا قراردادوں کو مؤثر بنانے کیلئے ذیلی کمپنی کو قرضوں/ پیشگیوں کے سلسلہ میں ٹرانزیکشن مکمل کرنے کیلئے تمام ضروری اقدامات اٹھانے، واقعاتی اور حادثاتی، کارپوریٹ اور قانونی لوازمات پورے کرنے لیکن محدود نہیں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ہاں تمام مطلوبہ قانونی فارمز اور تمام دیگر دستاویزات جمع کرانے، تمام ایسے نوٹسز، رپورٹس، خطوط اور کوئی دیگر دستاویزات یا آلات مکمل کرنے کے واحد مجاز ہیں۔"

قرارداد برائے ایجنڈا آئٹم نمبر 5

غور وخوض اور اگر بہتر خیال کیا گیا تو کمپنیز ایکٹ 2017 کی دفعہ 199 کے تحت ڈائریکٹرز کی سفارشات کے مطابق درج ذیل قرارداد کو معہ یا بلا ترمیم بطور خصوصی قرارداد منظور کرنا۔

"خصوصی قرارداد کے ذریعے قرار پایا کہ کوہ نور ٹیکسٹائل ملز لمیٹڈ (کمپنی) کو اراکین کی رضامندی اور منظوری دی جاتی ہے اور بذریعہ ہذا کمپنی کو کمپنیز ایکٹ، 2017 (ایکٹ) کی دفعہ 199 کے تحت اختیار دیا جاتا ہے کہ وہ اپنی ایسوسی ایٹڈ کمپنی، یعنی میپل لیف کیپٹل لمیٹڈ (MLCL) کو مالیاتی سہولت (سہولیات) فراہم کرنے کے لیے بینک (بینکوں) کے حق میں زیادہ سے زیادہ 7 بلین روپے تک کی کراس کارپوریٹ گارنٹی جاری کرے، اور MLCL کی جانب سے اور اس کے مفاد میں کمپنی کے اثاثہ جات پر چارج، رہن اور/ یا لین قائم کرے، بشرطیکہ یہ تمام اقدامات ایکٹ کی دفعہ (3)134 کے تحت بیان

KOHINOOR TEXTILE MILLS LIMITED

42-LAWRENCE ROAD, LAHORE

PROXY FORM

I/We____

of ____

being a member of KOHINOOR TEXTILE MILLS LIMITED hereby appoint ____________________

____

Name (Folio / CDC A/c No., if Member)

of ____

or failing him/her ____

Name (Folio / CDC A/c No., if Member)

of____

member(s) of the Company, as my/our proxy to attend, speak and vote for and on my/our behalf at the 58th Annual General Meeting of the Company to be held at its Registered Office, 42-Lawrence Road, Lahore, Thursday, September 17, 2026 at 02:00 PM and/or any adjournment there of.

As witness given under my/our hand(s) on this ____________ day of ___________, 2026.

1. Witness:		2. Witness:	
Signature :	______________________	Signature :	______________________
Name :	______________________	Name :	______________________
CNIC :	______________________	CNIC :	______________________
Address :	______________________	Address :	______________________
:	______________________	:	______________________

Notes:

1. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
2. Attested copies of the CNIC or the passport of the shareholders/CDC beneficial owners and the proxy shall be furnished with the proxy form.
3. The proxy shall produce his original CNIC or original passport at the time of the meeting.
4. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
5. A member shall not be entitled to appoint more than one proxy.

Affix
Revenue
Stamp of Rs. 50/-

____

Signature of Member / Attorney
(Please also affix company stamp, in case of corporate entity)

Shares Held :______________________________

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

CNIC No. [| | | | |] – [| | | | | | |] – [ ]

AFFIX
CORRECT
POSTAGE

The Company Secretary

KOHINOOR TEXTILE MILLS LIMITED
42-LAWRENCE ROAD, LAHORE
Tel: 042-36302261-62

کوہ نور ٹیکسٹائل ملز لمیٹڈ

42-لارنس روڈ، لاہور

تشکیلِ نیابت داری (پراکسی فارم)

میں / ہم ---

ساکن ---

بحیثیت حصہ دار کوہ نور ٹیکسٹائل ملز لمیٹڈ ---

نام (فولیو/سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

ساکن ---

یا اسکی عدم دستیابی کی صورت میں ---

نام (فولیو/سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

ساکن --- کمپنی کے دوسرے ممبران

کو اپنی جگہ بروز جمعرات **17 ستمبر 2026**ء کو دوپہر **02:00** بجے رجسٹرڈ آفس 42-لارنس روڈ، لاہور میں منعقدہ یا ملتوی ہونے والے **58** ویں سالانہ عام اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا/کرتی ہوں۔

بطور گواہ میرے/ہمارے دستخط سے مورخہ __________ **2026**ء کو دی گئی۔

۵۰ روپے کا رسیدی ٹکٹ چسپاں کر کے دستخط کریں

دستخط __________________

(ممبر/مجاز افسر)

(کارپوریٹ ادارے کی صورت میں کمپنی کی مہر بھی لگائیں)

۱۔ گواہ

دستخط : __________________

نام : __________________

شناختی کارڈ نمبر : __________________

پتہ : __________________

____

۲۔ گواہ

دستخط : __________________

نام : __________________

شناختی کارڈ نمبر : __________________

پتہ : __________________

____

____

حامل عام حصص

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر	
	شراکتی آئی ڈی	اکاؤنٹ نمبر

کمپیوٹرائزڈ شناختی کارڈ نمبر | | | | | | – | | | | | | | | – | |

نوٹس:

(۱) پراکسیز مؤثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے کم از کم 48 گھنٹے قبل بمعہ دستخط، گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔

(۲) حصص داران/ سی ڈی سی بینیفیشل اونرز اور پراکسی کے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ مہیا کی جائیں گی۔

(۳) پراکسی کو اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(۴) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نمونہ دستخط (اگر پہلے مہیا نہیں کی گئیں) کمپنی کو پراکسی فارم ساتھ لف کرنے ہونگے۔

(۵) ایک رکن کو ایک سے زیادہ پراکسی مقرر کرنے کا اختیار نہیں ہوگا

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The Company Secretary

KOHINOOR TEXTILE MILLS LIMITED
42-LAWRENCE ROAD, LAHORE
Tel: 042-36302261-62

ڈائریکٹرز رپورٹ (کنسالیڈیٹڈ)

ڈائریکٹرز کو یونس ٹیکسٹائل ملز لمیٹڈ (دی ہولڈنگ کمپنی) اور اس کی ذیلی کمپنیوں میپل لیف سیمنٹ فیکٹری لمیٹڈ (58.85%)، میپل لیف پاور لمیٹڈ (58.85%)، نووا کیئر ہاسپٹلز (پرائیویٹ) لمیٹڈ (58.84%)، پاکستان سیمنٹ لمیٹڈ (54.52%)، میپل لیف کیپٹل لمیٹڈ (82.92%) اور اسکی شریک کمپنی ایگری ٹیک لمیٹڈ (مجموعی طور پر ایک گروپ) کے 30 جون 2026 مختتمہ سال کے لیے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

گروپ کے نتائج

گروپ نے گزشتہ سال کے 35,967 ملین روپے کے مقابلے میں 42,252 ملین روپے کا مجموعی منافع کمایا ہے۔ گروپ نے اس سال 37,200 ملین روپے کا قبل از ٹیکس منافع کمایا جبکہ گزشتہ سال کے دوران منافع 32,476 ملین روپے تھا۔ گروپ کے مجموعی مالیاتی نتائج درج ذیل ہیں:

	30 جون 2026	30 جون 2025
	-----------------------روپے ملین میں-----------------------	
آمدنی	**143,465**	128,030
مجموعی منافع	**42,252**	35,967
آپریٹنگ سے منافع	**45,835**	39,891
مالیاتی چارجز	**7,855**	7,016
بعد از ٹیکس خالص منافع	**26,878**	22,774
	---------------(روپے)---------------	
فی شیئر آمدنی - بنیادی اور معتدل	**14.77**	12.24

ذیلی کمپنیاں

میپل لیف سیمنٹ فیکٹری لمیٹڈ (MLCFL)

اس نے اپنی گزشتہ سال کی فروخت میں 2.60% کا اضافہ درج کرایا اور مجموعی منافع 33.85% (30 جون 2025: 34.44%) جو کہ 23,942 ملین روپے بنتے ہیں (30 جون 2025: 23,747 ملین روپے) کمایا ہے۔
اس نے ٹیکس کے بعد منافع 8,446 ملین روپے (30 جون 2025: 17,036 ملین روپے) کمایا۔

پاکستان سیمنٹ لمیٹڈ (PIOC)

اس نے اپنی گزشتہ سال کی فروخت میں 15.82% کا اضافہ درج کرایا اور مجموعی منافع 30.02% (30 جون 2025: 31.35%) جو کہ 11,581 ملین روپے بنتے ہیں (30 جون 2025: 10,444 ملین روپے) کمایا ہے۔
اس نے ٹیکس کے بعد منافع 6,594 ملین روپے (30 جون 2025: 4,876 ملین روپے) کمایا۔

میپل لیف پاور لمیٹڈ (MLPL)

MLPL نے ٹیکس کے بعد منافع 2,686 ملین روپے (30 جون 2025: 2,132 ملین روپے) کمایا۔

نووا کیئر ہاسپٹلز (پرائیویٹ) لمیٹڈ

نووا کیئر ہاسپٹلز (پرائیویٹ) لمیٹڈ کو ٹیکس کے بعد نقصان 354 ملین روپے (30 جون 2025: 247 ملین روپے) ہوا۔

میپل لیف کیپٹل لمیٹڈ (MLCL)

MLCL نے ٹیکس کے بعد منافع 9,325 ملین روپے (30 جون 2025: 8,637 ملین روپے) کمایا۔

کمپنیز ایکٹ، 2017 کی تعمیل میں، سیکشن 227 کے تمام متعلقہ امور شیئر ہولڈرز کو ہماری غیر مجموعی ڈائریکٹرز رپورٹ میں بیان کیے گئے ہیں۔

اظہار تشکر

ڈائریکٹرز گروپ کے اراکین، مالیاتی اداروں، صارفین اور ملازمین کے تعاون اور حمایت کے شکر گزار ہیں۔ وہ مختلف کرداروں میں کام کرتے والے ملازمین کی محنت اور لگن کو بھی سراہتے ہیں۔

برائے اور منجانب بورڈ

(توفیق سعید سہگل)	(سید محسن رضا نقوی)	لاہور: 31 جولائی 2026
چیف ایگزیکٹو آفیسر	ڈائریکٹر	

نان ایگزیکٹو/ آزادڈائریکٹرز کے لئے ڈائریکٹرز کا مشاہرہ

بورڈ آف ڈائریکٹرز نے ایک "ڈائریکٹرز ریمنریشن پالیسی" منظور کی ہے، جس کی خصوصیات درج ذیل ہیں:

☆ کوئی ڈائریکٹر خود اپنا مشاہرہ متعین نہیں کرے گا۔

☆ ریگولر پیڈ چیف ایگزیکٹو، سپانسرز اور/ یا فیملی ڈائریکٹرز اور کل وقتی کام کرنے والے ڈائریکٹرز کے علاوہ ایک ڈائریکٹر کی اجلاس فیس بغیر ٹیکس خالص رقم -/125,000 روپے (ایک سو اور پچیس ہزار روپے صرف) فی اجلاس بورڈ کے اجلاس اور اسکی کمیٹی کے اجلاس میں شرکت کے لئے -/25,000 روپے (پچیس ہزار روپے صرف) یا بورڈ کی طرف سے وقتاً فوقتاً متعین کردہ کے مطابق ہوگی۔

☆ موجودہ وقت کے لئے اور/ یا بعد میں ترمیم شدہ لاگو ایسی ادائیگی پر اگر کوئی ٹیکس کی ذمہ داری ہوئی تو کمپنی برداشت کرے گی۔

☆ کمپنی کے لئے اور کی جانب سے منعقدہ اجلاسوں میں شرکت اور دیگر امور کے لئے ڈائریکٹرز کی طرف سے خرچ کئے جانے والے تمام اخراجات، بشمول سفری، ہوٹل چارجز اور دیگر اخراجات کمپنی سے وصول کرنے کے اہل ہونگے۔

کمپنی کے چیف ایگزیکٹو اور ڈائریکٹرز کو ادا کئے جانے والے مشاہرہ کی تفصیلات کا انکشاف غیر مجموعی مالی حسابات کے نوٹ 39 میں کیا گیا ہے۔

مستقبل کا نقطہ نظر

کمپنی اپنے انفراسٹرکچر، پلانٹ اور مشینری کو مزید مضبوط اور جدید بنانے کے لیے پُرعزم ہے، جبکہ مصنوعات کے معیار میں بہتری، پیداواری صلاحیت کے مؤثر استعمال اور مصنوعات کے پورٹ فولیو میں تنوع پیدا کرنے پر مسلسل توجہ مرکوز کی جارہی ہے۔ ان اقدامات کا مقصد آپریشنل کارکردگی بہتر بنانا، مسابقتی حیثیت کو مضبوط کرنا اور پائیدار طویل مدتی ترقی کو فروغ دینا ہے۔ ایک زیادہ ماحول دوست اور پائیدار ادارہ بننے کے اپنے وژن کے مطابق، KTML قابلِ تجدید توانائی کے اپنے پورٹ فولیو میں توسیع کے عمل کو تیز کر رہی ہے، جس میں شمسی توانائی کی پیداوار میں نمایاں سرمایہ کاری شامل ہے۔ کمپنی پانی کے تحفظ، گندے پانی کی صفائی اور ری سائیکلنگ کے نظام کو بہتر بنانے کے لیے بھی اقدامات پر پیش رفت کر رہی ہے، جس کا طویل مدتی مقصد زیرو لیکوئڈ ڈسچارج کا حصول ہے۔

کمپنی اس امر کو تسلیم کرتی ہے کہ آنے والے سال کے امکانات مختلف بیرونی عوامل سے متاثر ہو سکتے ہیں، جن میں جغرافیائی سیاسی صورتحال، اجناس اور توانائی کی قیمتوں میں اتار چڑھاؤ، افراطِ زر کے دباؤ، شرحِ مبادلہ میں تبدیلیاں اور مجموعی عالمی معاشی ماحول شامل ہیں۔ ان چیلنجز کے باوجود، کمپنی جدید کاری، پیداواری صلاحیت میں بہتری، آپریشنل کارکردگی اور محتاط اخراجات کے انتظام پر اپنی توجہ برقرار رکھے ہوئے ہے۔ انتظامیہ اگلے مالی سال 2027 میں کمپنی کی کارکردگی کے حوالے سے محتاط طور پر پُرامید ہے اور توقع رکھتی ہے کہ ان تزویراتی اقدامات پر مسلسل توجہ کمپنی کے منافع کو برقرار رکھنے اور بڑھتی ہوئی مسابقتی مارکیٹ میں کمپنی کی پوزیشن کو مزید مضبوط بنانے میں معاون ثابت ہوگی۔

شیئر ہولڈنگ کا نمونہ

30 جون 2026 کے مطابق کمپنیز ایکٹ 2017 کے تحت کمپنی کے شیئر ہولڈنگ کا نمونہ منسلک کیا گیا ہے۔

اظہار تشکر

ڈائریکٹرز کمپنی کے ممبروں، مالیاتی اداروں اور صارفین کے تعاون اور حمایت پر ان کے مشکور ہیں۔ وہ مختلف ڈویژنوں میں کام کرنے والے تمام ملازمین کی محنت اور لگن کو بھی سراہتے ہیں۔

برائے اور منجانب بورڈ

سید محسن رضا نقوی ڈائریکٹر	توفیق سعید سہگل چیف ایگزیکٹو	لاہور: 31 جولائی 2026ء

ڈائریکٹرز اور بورڈ کے اجلاس

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے چار اجلاس پاکستان میں منعقد ہوئے ہیں اور پاکستان سے باہر کوئی اجلاس منعقد نہیں ہوا۔ سال کے دوران ڈائریکٹر کا کوئی عہدہ خالی نہیں ہوا۔ ہر ایک ڈائریکٹرز کی حاضری حسب ذیل کے مطابق ہے

کیٹگری	نام	اجلاسوں میں حاضری کی تعداد
آزاد ڈائریکٹرز	سید محمد شبر زیدی	3
	جناب ذوالفقار منو	4
دیگر نان ایگزیکٹو ڈائریکٹرز	جناب طارق سعید سہگل۔ چیئرمین	4
	جناب سعید طارق سہگل	4
	جناب ولید طارق سہگل	3
ایگزیکٹو ڈائریکٹر	جناب توفیق سعید سہگل (چیف ایگزیکٹو آفیسر)	4
	جناب دانیال توفیق سہگل	4
	سید محسن رضا نقوی	4
خاتون ڈائریکٹر (نان ایگزیکٹو ڈائریکٹر)	محترمہ جہاں آراء سہگل	3

ان ارکان کو غیر حاضری کی رخصت دی گئی جو بورڈ کے اجلاسوں میں شرکت نہیں کر سکتے تھے۔
سال کے دوران منعقد ہونے والے ڈائریکٹرز کے انتخابات کے نتیجے میں، اور کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کے مطابق، مذکورہ بالا بورڈ آف ڈائریکٹرز کی از سر نو تشکیل کی گئی، جبکہ درج ذیل کمیٹیوں کی بھی از سر نو تشکیل کی گئی:۔

آڈٹ کمیٹی

مالی سال کے دوران، آڈٹ کمیٹی کے چار (04) اجلاس منعقد ہوئے ہیں۔ ہر ایک ڈائریکٹرز کی حاضری حسب ذیل کے مطابق ہے:

نام	عہدہ	اجلاسوں میں حاضروں کی تعداد
سید محمد شبر زیدی	چیئرمین (آزاد ڈائریکٹر)	2
جناب ذوالفقار منو	رکن (آزاد ڈائریکٹر)	4
جناب سعید طارق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)	4
جناب ولید طارق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)	3

ان ارکان کو غیر حاضری کی رخصت دی گئی جو اجلاسوں میں شرکت نہیں کر سکتے تھے۔
سید محمد شبر زیدی، چیئرمین، آڈٹ کمیٹی نے 16 اکتوبر 2025 کو منعقدہ آخری AGM میں شرکت نہیں کی۔

ہیومن ریسورس اور ریمونریشن کمیٹی (HR & RC)

نام	عہدہ
جناب ذوالفقار منو	چیئرمین (آزاد ڈائریکٹر)
جناب سعید طارق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)
جناب دانیال توفیق سہگل	رکن (ایگزیکٹو ڈائریکٹر)

زیر جائزہ سال کے دوران، HR & RC کمیٹی کا ایک اجلاس 23 دسمبر 2025 کو منعقد ہوا اور جناب سعید طارق سہگل اجلاس میں شریک نہیں ہو سکے تاہم انہیں غیر حاضری کی رخصت دی گئی۔
بورڈ آڈٹ کمیٹی سمیت بورڈ کی کمیٹیوں کی کارکردگی کی سالانہ تشخیص کرتا ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی معاشرے کے لئے اپنی ذمہ داری کو بخوبی تسلیم کرتی ہے اور مختلف فلاحی اداروں کے ذریعے کمیونٹی ڈویلپمنٹ کے اقدامات کی مسلسل حمایت کرتے ہوئے اپنی یہ ذمہ داری پوری کر رہی ہے۔ KTML کو پاکستان سینٹر برائے انسان دوستی کی جانب سے سماجی اور فلاحی خدمات اور عطیات کے حوالے سے ایک نمایاں ادارے کے طور پر تسلیم کیا گیا ہے، اور کمپنی ان کمیونٹیز کی ایک مثبت اور تعمیری رکن بننے کے عزم پر قائم ہے جہاں وہ اپنی سرگرمیاں انجام دے رہی ہے۔ اسی عزم کے تحت، بورڈ آف ڈائریکٹرز نے العلیم میڈیکل کالج، گلاب دیوی چیسٹ ہسپتال (GDCH)، لاہور میں ایڈمن بلاک کی تعمیر کے لیے عطیہ دینے کی منظوری دی۔ ماضی میں بھی کمپنی نے طبی اور سماجی خدمات کے منصوبوں میں نمایاں مالی معاونت کی ہے، جن میں GDCH، لاہور میں جدید ترین سہولیات سے آراستہ سعید سہگل کارڈیک کمپلیکس کا قیام بھی شامل ہے۔

کوہ نور ملز لیف گروپ نے "تیرھواں کارپوریٹ سوشل رسپانسبلٹی نیشنل ایکسلینس ایوارڈ" مختلف سماجی ذمہ داریوں کی کارکردگی کے سبب حاصل کیا ہے۔

کمپنی کے کاروبار کے ماحول پر اثرات

انتظامیہ اس امر سے بخوبی آگاہ ہے کہ اگر مل کے احاطے سے آلودہ پانی کو بغیر کسی صفائی یا ٹریٹمنٹ کے خارج کیا جائے تو اس کے گرد و نواح کے علاقوں پر منفی اثرات مرتب ہو سکتے ہیں۔ پروسیسنگ کے عمل میں استعمال ہونے والے کیمیکلز سے پیدا ہونے والے ممکنہ خطرات کو کم کرنے کے لیے کمپنی نے ایک گندے پانی کی صفائی کا پلانٹ نصب کیا ہے، جس کے نتیجے میں کمپنی کی تنصیبات سے خارج ہونے والے پانی میں آلودگی کو کم سے کم یا مکمل طور پر ختم کرنے میں مدد مل رہی ہے۔ اس کے علاوہ، KTML متبادل اور پائیدار توانائی کے ذرائع پر مرکوز پائلٹ منصوبوں کا جائزہ لینے اور انہیں عملی جامہ پہنانے کا سلسلہ بھی جاری رکھے ہوئے ہے، جس سے ماحول کے تحفظ اور ذمہ دارانہ ماحولیاتی انتظام کے لیے کمپنی کے عزم کو مزید تقویت ملتی ہے۔

موزوں داخلی کنٹرولز

بورڈ آف ڈائریکٹرز داخلی کنٹرول ماحول کے حوالے سے اپنی ذمہ داری سے بخوبی واقف ہے اور اس کے مطابق کاروائیوں کو موثر انداز میں انجام دینے، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد مالی رپورٹنگ کے لئے داخلی مالیاتی کنٹرول کا ایک موثر نظام قائم کیا گیا ہے۔ کمپنی کا آزاد داخلی آڈٹ فنکشن باقاعدگی سے مالیاتی کنٹرولز کا نفاذ اور نگرانی کرتا ہے، جبکہ آڈٹ کمیٹی سہ ماہی کی بنیاد پر اندرونی کنٹرول فریم ورک کے اثرات اور مالی حسابات کا جائزہ لیتی ہے۔

مالی حسابات کی تیاری اور پیش کرنے میں انتظامیہ کی ذمہ داری

انتظامیہ پاکستان میں قابل اطلاق اکاؤنٹنگ اور رپورٹنگ کے معیارات کے مطابق اور کمپنیز ایکٹ، 2017 (2017 کا XIX) کی ضروریات کے مطابق اپنے مالی حسابات کی تیاری اور منصفانہ پیش کش کی ذمہ داری سے آگاہ ہے اور ایسا داخلی کنٹرول جو انتظامیہ متعین کرے، مالی حسابات کی تیاری کو فعال بنانے کے لئے ضروری ہے جو کسی مواد کی غلطی سے پاک ہو، چاہے وہ دھوکہ دہی یا غلطی ہو۔

پائیداری کے خطرات اور مواقعوں سے نمٹنے کے لئے بورڈ اور اس کے ممبران کا کردار

بورڈ طویل مدتی کارپوریٹ قدر پیدا کرنے کے لئے کمپنی کی پائیداری کی حکمت عملی، ترجیحات اور اہداف کا تعین کر کے کمپنی کے اندر پائیداری کے خطرات اور مواقعوں کی گورننس اور نگرانی کا ذمہ دار ہے، جس میں ماحولیاتی، معاشرتی اور گورننس کے معاملات شامل ہیں۔

بورڈ اس بات کو یقینی بناتا ہے کہ تنوع، مساوات اور شمولیت (ڈی ای اینڈ آئی) کو فروغ دینے کی پالیسیاں صنفی مرکزی دھارے میں لانے، صنفی مساوات اور کمپنی کے بورڈ، انتظامیہ اور افرادی قوت میں خواتین کی شرکت کی حوصلہ افزائی کرتی ہیں۔

آڈیٹرز

کمپنی کے موجودہ آڈیٹرز میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے سال کے لئے کمپنی کے مالی حسابات پر اپنی آزاد آڈیٹرز رپورٹ میں کمپنی کے امور پر غیر کوالیفائیڈ رائے کا اظہار کیا ہے۔

ریٹائر ہونے والے آڈیٹرز میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنا پر، دوبارہ تقرری کے لئے خود کو پیش کیا ہے، آئندہ سالانہ اجلاس عام میں اراکین کی منظوری کے حوالہ سے بورڈ نے آڈٹ کمیٹی کی تجویز کے مطابق آڈیٹرز کی حیثیت سے دوبارہ تقرری کی منظوری دی ہے۔

لیڈرشپ سٹرکچر

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی ترتیب

ڈائریکٹرز کی کل تعداد:

a) ۔مرد	8
b) ۔خاتون	1
ترتیب:	
آزاد ڈائریکٹرز	02
نان ایگزیکٹو ڈائریکٹرز	03
ایگزیکٹو ڈائریکٹرز (بشمول سی ای او)	03
خاتون ڈائریکٹر (نان ایگزیکٹو ڈائریکٹرز)	01

ادائیگیوں، ڈیٹ / قرضہ کی نادہندگی

بہترین کاروباری طریقوں پر عملدرآمد کرتے ہوئے، کمپنی واجب الادا رقوم کی بروقت واپس ادائیگی کی اپنی ذمہ داری کو پورا کرتی ہے۔ زیرِ جائزہ سال کے دوران قرضہ / ڈیٹ کی ادائیگی پر کوئی نادہندگی درج نہیں کرائی گئی۔ اس کے علاوہ، مالی سال کے اختتام پر ٹیکسز، ڈیوٹیز اور لیویز کی مد میں کوئی ادائیگی زائدالمیعاد یا بقایا نہیں ہے۔

بنیادی خطرات اور غیر یقینی حالات

کمپنی کو درج ذیل بنیادی خطرات اور چیلنجز درپیش ہیں:-

i۔ عالمی اور علاقائی سطح پر بڑھتی ہوئی مسابقت کے ساتھ ساتھ امریکہ کو کی جانے والی برآمدات پر عائد ٹیرف کے باعث برآمدی منافع کے مارجن پر دباؤ آیا ہے۔

ii۔ خطے کے دیگر حریفوں کے مقابلے میں توانائی کی زیادہ قیمتیں۔

iii۔ آپریٹنگ اخراجات میں مجموعی طور پر افراطِ زر کے باعث اضافہ۔

iv۔ قیمتوں اور فروخت دونوں کے لحاظ سے ٹیکسٹائل مینوفیکچررز کے درمیان شدید مسابقت۔

کمپنی پیش آنے والے ممکنہ چیلنجوں اور غیر یقینی صورتحال کا مقابلہ کرنے کے لئے مؤثر طریقے سے لیس ہے۔ مشترکہ تجربے، مہارت اور مؤثر کاروباری رپورٹنگ کے ذریعے، انتظامیہ ہمیشہ غیر معمولی داخلی اور خارجی پیشرفت سے آگاہ رہتی ہے۔

کمپنی نے منفرد خصوصی کراس فنکشنل ٹیمیں تشکیل دی ہیں جو آگے کے نقطۂ نظر کو اُجاگر کرنے کے لئے مستقل طور پر اہم امور اور خطرات کے بارے میں تبادلہ خیال کرتی ہیں۔ برآمدی منڈیوں میں سخت مسابقت اور کم مارجن کے باعث، مینجمنٹ کی قیادت میں مارکیٹنگ ٹیم نے غیر استعمال شدہ مارکیٹوں میں اپنی موجودگی بڑھانے کے لئے مؤثر انداز سے مارکیٹ میں داخل ہونے کی حکمت عملی کا آغاز کیا ہے۔ مزید برآں، افراطِ زر کے دباؤ کے اثرات کو کم کرنے اور پیداواری خام مال کی لاگت کو مؤثر انداز میں منظم کرنے کے لیے کمپنی نے ایک منظم اور پیشگی نوعیت کی خریداری کی حکمتِ عملی نافذ کی ہے، جس کا مقصد اہم خام مال کی بروقت دستیابی کو مسابقتی قیمتوں پر یقینی بنانا ہے۔

کاروبار کی نوعیت میں تبدیلی

کمپنی یا اسکی ذیلیوں، یا کسی دیگر کمپنی جس میں کمپنی دلچسپی رکھتی ہو کے کاروبار کی نوعیت سے متعلقہ مالی سال کے دوران کوئی تبدیلی وقوع پذیر نہیں ہوئی ہے۔

کمپنی کے کاروبار سے متعلق حکومت پاکستان کی پالیسیاں اور کارکردگی پر ان کا اثر

شرح سود کو کم کرنے کی حکومت پاکستان کی پالیسی کمپنی کے مالیات پر نمایاں اثر ڈالتی ہے اور جس کے نتیجے میں گزشتہ مدت کے مقابلے مالی لاگت کم ہوئی ہے۔

غیر مالی کارکردگی

اہم اجزاء کے حوالے سے کمپنی کی غیر مالی کارکردگی حسب ذیل کے مطابق ہے۔

انسانی سرمایہ:

انسانی سرمایہ تنظیم کی کامیابی میں ایک اہم عنصر ہے۔ KTML کو احساس ہے کہ تنظیم کی طویل مدتی کامیابی اس کے ملازمین کی ترقی پر منحصر ہے۔ اسی خیال کو مدنظر رکھتے ہوئے تنظیم ملازمین کی گرومنگ میں متعدد انداز سے ان ہاؤس پروگرام اور خصوصی طور پر آؤٹ سورسڈ ٹریننگ اقدامات میں مسلسل سرمایہ کاری کر رہی ہے۔

تعلقات کا سرمایہ:

KTML اپنے اسٹیک ہولڈرز، بشمول صارفین، شیئر ہولڈرز اور سپلائرز کے ساتھ مضبوط اور باہم فائدہ مند تعلقات برقرار رکھتی ہے۔ کمپنی اعلیٰ معیار کی مصنوعات کی پیداوار اور فراہمی کر رہی ہے جو اپنے صارفین کے زیادہ سے زیادہ اطمینان کو یقینی بناتی ہے، جبکہ کمپنی اپنے تمام اسٹیک ہولڈرز کے ساتھ انتہائی مثبت اور اطمینان بخش تعلقات برقرار رکھے ہوئے ہے۔

دانشمندی کا سرمایہ:

دانشمندی سرمایہ میں کمپنی کے معلوماتی نظام، تکنیکی صلاحیتیں اور تنظیمی علم شامل ہیں۔ KTML میں انتظامیہ اس بات کو تسلیم کرتی ہے کہ مسابقتی برتری کو برقرار رکھنے کے لیے اپنی تکنیکی بنیادی سہولیات میں مسلسل سرمایہ کاری اور انہیں بہتر بنانا ضروری ہے۔ چنانچہ، کمپنی آپریشنل کارکردگی کو مضبوط بنانے، فیصلہ سازی کو بہتر بنانے اور تیزی سے بدلتی ہوئی تکنیکی ترقی سے ہم آہنگ رہنے کے لیے جدید انفارمیشن ٹیکنالوجی اور ڈیجیٹل صلاحیتوں میں مسلسل سرمایہ کاری کر رہی ہے۔ یہ اقدامات کمپنی کو اپنے حصص یافتگان اور دیگر متعلقہ فریقوں کو فراہم کی جانے والی خدمات کے معیار اور بروقت فراہمی کو بہتر بنانے کے ساتھ ساتھ طویل مدتی نمو اور مسابقتی حیثیت کو مستحکم کرنے میں معاون ثابت ہو رہے ہیں۔

قدرتی سرمایہ:

انتظامیہ آئندہ نسلوں کے خوشحال مستقبل کے لیے قدرتی سرمائے کی استقامت کے لیے پُرعزم ہے۔ صاف ستھرا ماحول فراہم کرنے کے لیے انتظامیہ سولر بیس پاور پراجیکٹس میں اپنی سرمایہ کاری بڑھا رہی ہے۔ مزید برآں نایاب وسائل کے ضیاع کو محدود کرنے کے لیے پانی کو دانشمندی سے استعمال کیا جا رہا ہے۔ مذکورہ مقصد کے حصول کے لیے کمپنی نے کئی سال پہلے ویسٹ واٹر ٹریٹمنٹ پلانٹ لگایا ہوا ہے۔ جو کہ ماحولیاتی پائیداری کے لئے کمپنی کے دیرینہ عزم کی عکاس ہے۔

مالیاتی جائزہ

زیرِ جائزہ سال کے دوران، کمپنی کی فروخت 1.8 فیصد کی کمی سے 58,340 ملین روپے (2025: 59,414 ملین روپے) رہی، جبکہ فروخت کی قیمت 2.4 فیصد کی کمی سے 48,421 ملین روپے (2025: 49,612 ملین روپے) تک ہوئی۔ اس کے نتیجے میں مجموعی منافع 9,920 ملین روپے (2025: 9,802 ملین روپے) رہا۔ زیرِ جائزہ سال کے لئے آپریٹنگ منافع 6,344 ملین روپے (2025: 7,416 ملین روپے) رہا، جبکہ سال کے لئے قبل از ٹیکس منافع 4,992 ملین روپے (2025: 4,618 ملین روپے) رہا۔ کمپنی نے سال کے دوران مؤخر ٹیکس آمدن 1,139 ملین روپے (2025: مؤخر ٹیکس اخراجات 543 ملین روپے) درج کیا ہے۔ کمپنی کو بعد از ٹیکس منافع 5,031 ملین روپے (2025: 2,750 ملین روپے) ہوا۔ 30 جون 2026 کو ختم ہونے والے سال کے لئے فی شیئر آمدنی گزشتہ سال کی اسی مدت کی 2.04 روپے (اعادہ) کے مقابلے موجودہ سال میں 3.74 روپے ہے۔

گروپ کا مالیاتی جائزہ

زیرِ جائزہ سال کے دوران، گروپ کی مجموعی آمدنی بڑھ کر 143,465 ملین روپے (2025: 128,030 ملین روپے)، جبکہ فروخت کی قیمت بڑھ کر 101,213 ملین روپے (2025: 92,063 ملین روپے) ہوگئی۔ اس کے نتیجے میں مجموعی منافع 42,252 ملین روپے (2025: 35,967 ملین روپے) ہوا۔ 30 جون 2026 کو ختم ہونے والے سال کے لئے فی شیئر آمدنی گزشتہ سال کی اسی مدت کی 12.24 روپے (اعادہ) کے مقابلے موجودہ سال میں 14.77 روپے رہی ہے۔

ڈیویڈینڈ اور تصرفات

بین الاقوامی سطح پر غیر یقینی صورتحال، شرح سود میں متوقع اضافے، خام مال کی لاگت میں اضافے اور بجلی کی زیادہ قیمتوں کے باعث نقدی کے بہاؤ پر دباؤ کا خدشہ تھا۔ لہٰذا، ڈائریکٹرز نے کسی بھی قسم کا ڈیویڈینڈ ادا کرنے سے اپنی معذوری کا اظہار کیا اور کمپنی کے حصص یافتگان کے لیے 30 جون 2026 کو ختم ہونے والے سال کے لیے کسی حتمی نقد ڈیویڈینڈ کی سفارش نہیں کی۔ تاہم، کمپنی کی انتظامیہ مناسب حد تک قرض میں کمی اور اطمینان بخش آپریٹنگ نقدی بہاؤ کے حصول کے بعد حصص یافتگان کو نقد ڈیویڈینڈ کی صورت میں مسلسل ادائیگی یقینی بنانے کے لیے پُرعزم ہے۔

ڈائریکٹرز نے حسب ذیل کے مطابق سفارش کیا ہے:

	روپے ہزاروں میں
ٹیکس سے پہلے منافع	4,991,625
ٹیکس کی فراہمی	39,701
ٹیکس کے بعد منافع	5,031,326
مجموعی منافع جو آگے لائے	5,564,900
کم: سال کے دوران ادا کیا گیا ڈیویڈینڈ	538,599
مجموعی منافع جو آگے گیا	10,057,627

بعد کے واقعات

اس کے بعد کے کوئی اور واقعات نہیں ہیں جو کمپنی کی کارکردگی، مقاصد یا حکمت عملی کو مادی طور پر متاثر کرتے ہوں۔ مزید برآں، کمپنی کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلی اور عزم نہیں ہے جو کمپنی کے مالیاتی سال کے اختتام اور رپورٹ کی تاریخ کے درمیان واقع ہوئی ہے۔

کمپنی کے سرمایہ کاری اخراجات/ جاری توسیع کا کاروباری جواز

کمپنی کا ماننا ہے کہ اپنی پیداواری تنصیبات میں مسلسل سرمایہ کاری اور توسیع پائیدار منافع اور طویل مدتی نمو کے لیے معاون ثابت ہوگی۔ اسی مناسبت سے، کمپنی اپنے آپریشنل انفراسٹرکچر کو مزید بہتر اور جدید بنانے کے لیے پُرعزم ہے۔ سال کے دوران کمپنی کی گوجر خان سائٹ پر بیک پروسیس سہولیات کی تنصیب کامیابی سے مکمل کر لی گئی اور اس سہولت نے کام شروع کر دیا ہے۔

مزید برآں، ایک زیادہ پائیدار اور ماحول دوست ادارہ بننے کے عزم کے تحت، کے ٹی ایم ایل شمسی توانائی کی پیداوار میں نمایاں سرمایہ کاری کے ذریعے اپنی قابلِ تجدید توانائی کی پیداواری صلاحیت میں مسلسل اضافہ کر رہی ہے۔ کمپنی اپنی توانائی ذخیرہ کرنے کی صلاحیت کو بھی وسعت دے رہی ہے۔ اس سلسلے میں حال ہی میں کمپنی کی راولپنڈی تنصیب پر ملک کا سب سے بڑا سنگل سائٹ بیٹری انرجی اسٹوریج سسٹم نصب کرنے کے لیے لیٹر آف انٹینٹ (LOI) جاری کیا گیا ہے۔ باضابطہ معاہدے پر آئندہ چند ہفتوں میں دستخط متوقع ہیں۔

کمپنی اپنے گندے پانی کی صفائی اور ری سائیکلنگ کے نظام کو مزید بہتر بنانے کے لیے بھی اضافی اقدامات کا منصوبہ بنا رہی ہے، جس کا مقصد موجودہ 85 فیصد ری سائیکلنگ کی شرح سے آگے بڑھنا اور طویل مدتی زیرو لیکوئڈ ڈسچارج کے اہداف کی جانب پیش رفت کرنا ہے۔

توقع ہے کہ ان اقدامات سے کمپنی کے کاربن فٹ پرنٹ اور پیداواری اخراجات میں کمی لانے کے ساتھ ساتھ زیرِ زمین پانی کے وسائل کے تحفظ کو بھی فروغ ملے گا۔ مجموعی طور پر، یہ اقدامات کمپنی کے پائیدار آپریشنز اور وسائل کے ذمہ دارانہ انتظام کے عزم کی مزید توثیق کرتے ہیں۔

حصص داران کے لئے ڈائریکٹرز رپورٹ

کمپنیز ایکٹ 2017 کی دفعہ 227 کی تعمیل میں، ڈائریکٹرز 30 جون، 2026 مختتمہ سال کے لئے 58th سالانہ رپورٹ معہ آڈٹ شدہ مالیاتی گوشوارے اوران پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔

اصل سرگرمیاں

کوہ نور ٹیکسٹائل ملز لمیٹڈ کمپنیز ایکٹ 1913 (اب کمپنیز ایکٹ 2017) کے تحت پاکستان میں قائم شدہ ایک پبلک لمیٹڈ کمپنی ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں درج شدہ ہے۔ کمپنی کا رجسٹرڈ دفتر 42 لارنس روڈ، لاہور پر واقع ہے۔ کمپنی کا اصل کاروبار یارن اور کپڑے کی تیاری، کپڑے کی پروسیسنگ اور سٹچنگ اور ٹیکسٹائل مصنوعات کی تجارت کرنا ہے۔

آپریشنز کا جائزہ

مالی سال 26-2025 کے دوران کمپنی کے بعد از ٹیکس منافع میں گزشتہ سال کے مقابلے میں نمایاں اضافہ ہوا، جس کی بنیادی وجہ ٹیکس نظام میں تبدیلی کے بعد موخر شدہ ٹیکس واجبات کی ایک مرتبہ کی ریورسل تھی۔ تاہم، زیرِ جائزہ مدت کے دوران کمپنی کے قبل از ٹیکس نتائج گزشتہ سال کے نتائج سے تقریباً یکساں رہے اور عالمی سطح پر بڑھتی ہوئی غیر یقینی صورتحال کے باوجود مضبوط رہے۔ اس غیر یقینی صورتحال میں بدلتے ہوئے ٹیرف نظام، غیر مستحکم اور غیر یقینی بحری راستے اور جہاز رانی کے نظام الاوقات، نیز بین الاقوامی تنازعات شامل ہیں۔

کمپنی کے اسپننگ ڈویژنز کے قبل از ٹیکس نتائج بھی بنیادی طور پر گزشتہ سال کے برابر رہے اور سال کے بیشتر عرصے میں درآمد شدہ یارن سے شدید مسابقت کے باوجود مضبوط کارکردگی برقرار رہی۔ تاہم، یارن کی بڑھتی ہوئی قیمتوں کے مثبت اثرات کو عالمی اجناس کی قیمتوں میں اضافے نے بڑی حد تک زائل کر دیا، جس کی ایک وجہ مشرقِ وسطیٰ کے تنازعات بھی تھے، جبکہ سپلائی چین میں خام مال کی دستیابی کے حوالے سے بھی غیر یقینی صورتحال رہی۔ کمپنی کے گوجر خان ڈویژن میں بیک پروسیس کی توسیع کامیابی سے مکمل کر لی گئی، جس کے نتیجے میں کمپنی کو اپنے یارن مکس کو ایسے حصوں کی طرف منتقل کرنے میں مدد ملی جہاں وہ زیادہ مسابقتی انداز میں کام کر سکتی ہے۔ کمپنی کا ارادہ ہے کہ بیٹری انرجی اسٹوریج کے شعبے میں پہلی مرتبہ داخل ہو، جس سے توانائی کے اخراجات میں نمایاں کمی اور عالمی توانائی کی صورتحال میں بڑھتی ہوئی غیر یقینی کے باوجود کارکردگی میں بہتری کی توقع ہے۔ راولپنڈی اسپننگ سائٹ میں بیک پروسیس پر سرمایہ کاری کا کام جاری ہے اور اسے رواں کیلنڈر سال کے اختتام تک مکمل ہونے کی توقع ہے۔ اس سے معیار میں نمایاں بہتری اور اخراجات میں کمی متوقع ہے۔ ہمیں توقع ہے کہ آنے والے سال میں نتائج میں معمولی بہتری آئے گی، تاہم یہ مقامی اور عالمی سطح پر طلب اور پیداواری لاگت میں استحکام پر منحصر ہے۔

ویونگ ڈویژن کے قبل از ٹیکس نتائج گزشتہ سال کے مقابلے میں معمولی کم رہے، کیونکہ مالی سال کی دوسری ششماہی میں درآمد شدہ یارن کی لاگت میں اضافے کو مکمل طور پر صارفین تک منتقل نہیں کیا جا سکا۔ مزید برآں، یورپ کی کمپنی کی روایتی برآمدی منڈیوں میں حتمی صارفین کو تیل کی قیمتوں میں اضافے اور ممکنہ ایندھن کی قلت کے باعث زندگی گزارنے کے اخراجات میں اضافے کا سامنا ہے، جس کے نتیجے میں طلب میں سست روی دکھائی دے رہی ہے۔ چنانچہ کمپنی نے مسابقت برقرار رکھنے کے لیے کارکردگی میں اضافے والی اپ گریڈیشن اور پیداواری صلاحیت بڑھانے والی ٹیکنالوجیز پر توجہ مرکوز کی ہے۔ ان اقدامات میں نئے ایئر کمپریسرز، حال ہی میں فعال ہونے والا خودکار ڈرائنگ اِن سسٹم اور خودکار فیبرک انسپکشن ٹیکنالوجیز میں سرمایہ کاری شامل ہے۔ ہمیں توقع ہے کہ آنے والے مالی سال میں ویونگ ڈویژن کی کارکردگی تقریباً اسی سطح پر رہے گی۔

ٹیرف، بحری راستوں اور جہاز رانی کے نظام الاوقات اور عالمی تنازعات کے حوالے سے غیر یقینی صورتحال کے باوجود ہوم ٹیکسٹائلز ڈویژن کے قبل از ٹیکس منافع میں نمایاں اضافہ ہوا اور آمدنی میں بھی واضح بہتری آئی۔ کمپنی ویلیو ایڈیشن کے ذریعے منافع میں اضافے پر مسلسل توجہ دے رہی ہے اور مزید پیچیدہ اور مخصوص نوعیت کی مصنوعات پیش کر رہی ہے جو ہمارے حریف پیش نہیں کرتے۔ ہمیں توقع ہے کہ اس حکمتِ عملی سے آنے والے مالی سال کے دوران غیر یقینی حالات کا مقابلہ کرنے اور کاروباری کارکردگی کو زیادہ مضبوط رکھنے میں مدد ملے گی۔

کمپنی پائیداری پر بھی مسلسل توجہ مرکوز کیے ہوئے ہے۔ حال ہی میں کمپنی کی راولپنڈی سہولت پر ملک کا سب سے بڑا سنگل سائٹ بیٹری اسٹوریج سسٹم نصب کرنے کے لیے لیٹر آف انٹینٹ (LOI) جاری کیا گیا ہے، جبکہ معاہدے پر دستخط آئندہ چند ہفتوں میں متوقع ہیں۔ مزید برآں، کمپنی اپنے گندے پانی کی صفائی اور ری سائیکلنگ کے نظام کو مزید بہتر بنانے کے لیے اضافی اقدامات کرنے کا منصوبہ رکھتی ہے۔ اس سے کمپنی کو موجودہ 85 فیصد ری سائیکلنگ کی حد سے آگے بڑھنے اور زیرو ڈسچارج کے اہداف کی جانب پیش رفت کرنے میں مدد ملے گی۔ یہ دونوں سرگرمیاں کمپنی کے کاربن فٹ پرنٹ میں مزید کمی، پیداواری اخراجات گھٹانے اور زیرِ زمین پانی کے ذخائر کے تحفظ میں معاون ثابت ہوں گی۔

مشرقِ وسطیٰ میں تنازع کے باعث مصنوعی ریشوں کی مکمل سپلائی چین شدید متاثر ہوئی ہے، جس کے نتیجے میں قیمتیں بہت زیادہ بڑھ گئی ہیں۔ اس صورتحال نے بین الاقوامی سطح پر خام روئی کی قیمتوں میں بھی اضافے کا رجحان پیدا کیا ہے، حالانکہ طلب میں کوئی اضافہ نہیں ہوا۔ ہمیں توقع ہے کہ جیسے ہی تنازع کے حل کی کوئی صورت پیدا ہوگی، یہ قیمتیں بتدریج مناسب سطح پر واپس آ جائیں گی۔ فی الحال کمپنی خام مال کی خریداری کے معاملے میں انتہائی محتاط رویہ اختیار کیے ہوئے ہے۔ ہم صورتحال کا مسلسل جائزہ لیتے ہوئے اپنی پالیسی میں ضرورت کے مطابق تبدیلی کریں گے، تاہم معمول کے مطابق خام مال کی قیمتوں کے اتار چڑھاؤ سے بچاؤ کے لیے محتاط حکمتِ عملی برقرار رکھیں گے۔

اگرچہ سال کا آغاز عالمی تنازعات اور اجناس کی قیمتوں میں اتار چڑھاؤ کے حوالے سے غیر یقینی صورتحال کے ساتھ ہوا ہے، تاہم ہمیں امید ہے کہ کے ٹی ایم ایل رواں مالی سال میں گزشتہ سال کے مساوی یا قدرے بہتر کارکردگی کا مظاہرہ کرے گی، کیونکہ جدید کاری، پیداواری صلاحیت میں بہتری اور اندرونی اخراجات پر مؤثر کنٹرول کے لیے کیے جانے والے اقدامات کمپنی کو منافع برقرار رکھنے میں مدد دیں گے۔

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A Kohinoor Maple Leaf Group Company
42-Lawrence Road,
Lahore, Pakistan