



KOHINOOR  
TEXTILE MILLS LTD.



ANNUAL REPORT  
2024-2025



## 72 YEARS OF EXCELLENCE: WEAVING A SUSTAINABLE FUTURE, THREAD BY THREAD

For 72 years, the story of Kohinoor Textile Mills Limited has been a tapestry woven with resilience, craftsmanship, and innovation. Since our founding in 1953, we have embraced every challenge as an opportunity to strengthen our fibers and perfect our weave. In 2025, we celebrate this remarkable journey of more than seven decades, reflecting on how our core values have sustained us through changing markets and global shifts.

Building on this deep-rooted heritage, our focus has never been more forward-looking. We are committed to crafting the fabric of a sustainable future, driving innovation that not only elevates our products but also minimizes our environmental footprint. This report details our latest investments in renewable energy, water conservation, and eco-friendly manufacturing, reinforcing our role as a responsible industry leader.

Our legacy is not just in the past; it is the foundation for our future. We believe that true progress is measured not only by our financial performance but also by our positive impact on the planet and our community. As we continue to spin, weave, and stitch, our commitment remains the same: to create products that bring vitality and comfort to lives around the world, one sustainable thread at a time.

# CONTENTS

01	ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT	06
02	STRATEGY AND RESOURCE ALLOCATION	34
03	RISKS, OPPORTUNITIES AND COMPLIANCE	48
04	SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY	64
05	GOVERNANCE	100
06	IT GOVERNANCE AND CYBERSECURITY	154
07	FUTURE OUTLOOK	162



08	STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT	168
09	BUSINESS MODEL	174
10	STRIVING FOR EXCELLENCE IN CORPORATE REPORTING	178
11	ANALYSIS OF THE FINANCIAL INFORMATION	182
12	FINANCIAL STATEMENTS	218
13	CONSOLIDATED FINANCIAL STATEMENTS	285
14	BCR CRITERIA	391



# ABOUT THE REPORT

KOHINOOR TEXTILE MILLS LIMITED (KTML) corporate Annual Report 2025 covers the period from 1st July 2024 to 30th June 2025. 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, Maple Leaf Industries 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 2025 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 2025 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 2025. 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](http://www.kmlg.com)



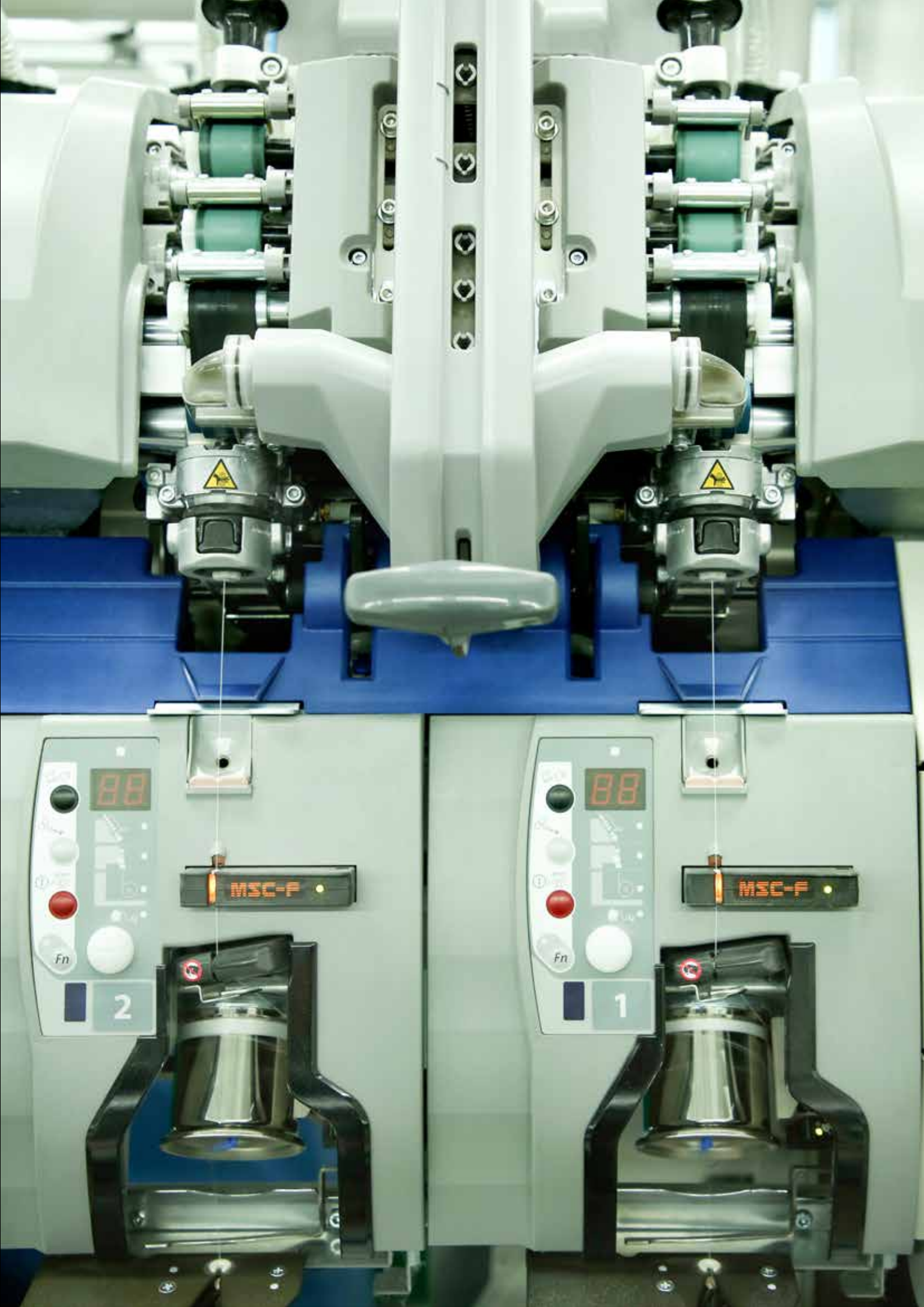
# ORGANISATION OVERVIEW AND EXTERNAL ENVIRONMENT

Company Profile & Principal	
Business Activities.....	08
Our Products .....	10
Company Information.....	13
Our Vision and Mission.....	14
Group Structure .....	18
Geographical Presence .....	20
Organization Chart .....	22
Value Chain Analysis .....	26
Factors Effecting The External	
Environment (PESTLE) .....	28
SWOT Analysis .....	30
Position in Value Chain .....	31
Code of Business Conduct	
and Ethical Principles .....	32

[WWW.KMLG.COM/KTML](http://WWW.KMLG.COM/KTML)

# 01 ORGANISATION OVERVIEW AND EXTERNAL ENVIRONMENT





# 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 griegge 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 is a core value at Kohinoor Textile Mills Limited, evident in various initiatives aimed at responsible environmental stewardship. These projects encompass micro-grid systems, the use of biomass fuel for coal boilers, advanced ultra-filtration & sewage treatment plants, and a dedicated rainwater harvesting lake. The rainwater harvesting initiative exemplifies KTML's commitment to responsible water management, reducing reliance on external sources and contributing to the conservation of this vital resource. In a significant stride towards reducing its carbon footprint, the Company generates 35MW of electricity from solar energy, displacing furnace oil-based power generation and eliminating an estimated 76.8 million pounds (34,833 metric tons) of carbon dioxide emissions annually.



### 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.

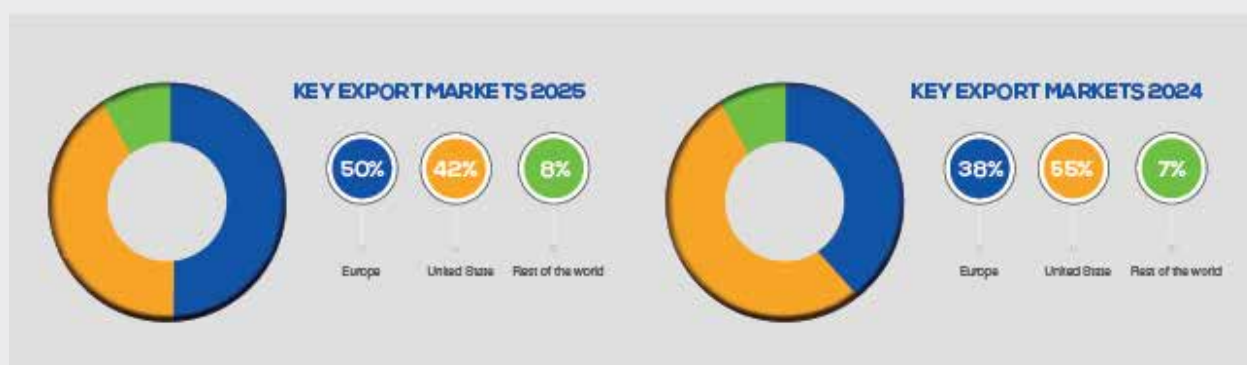


# OUR PRODUCTS

**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.

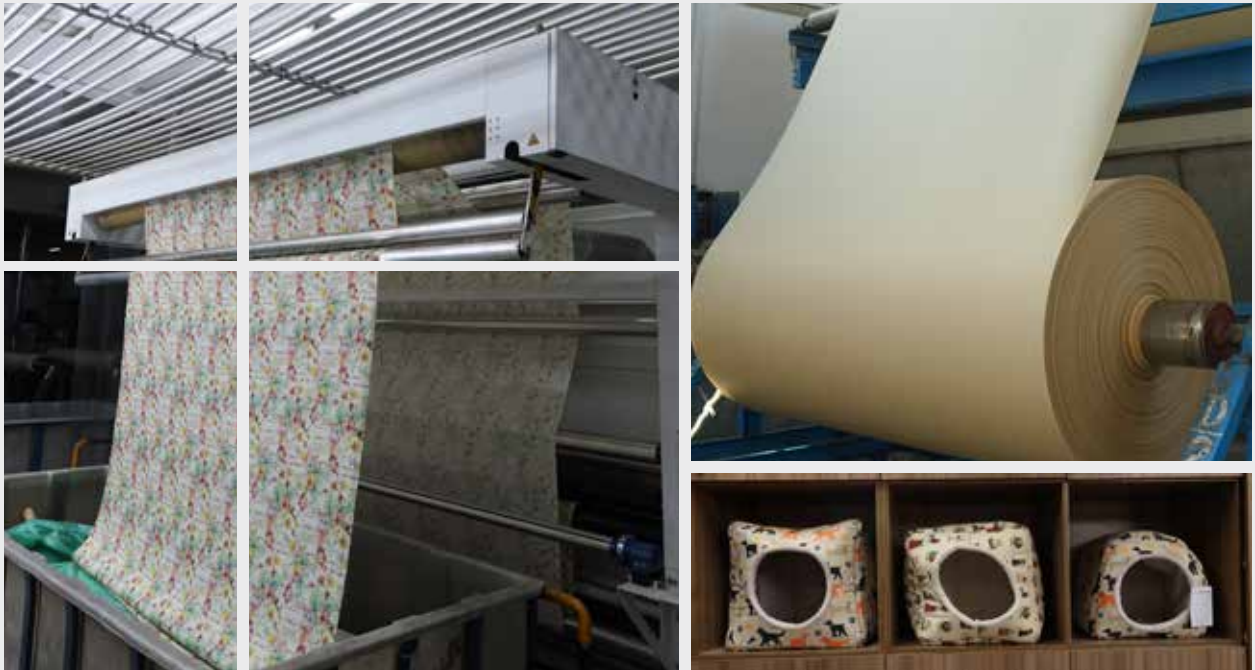
Our products are sold in both local and global markets. The finished home textile division exports extensively to international markets, with a significant presence in Europe, the Americas, Canada, Australia, Asia, and Africa.



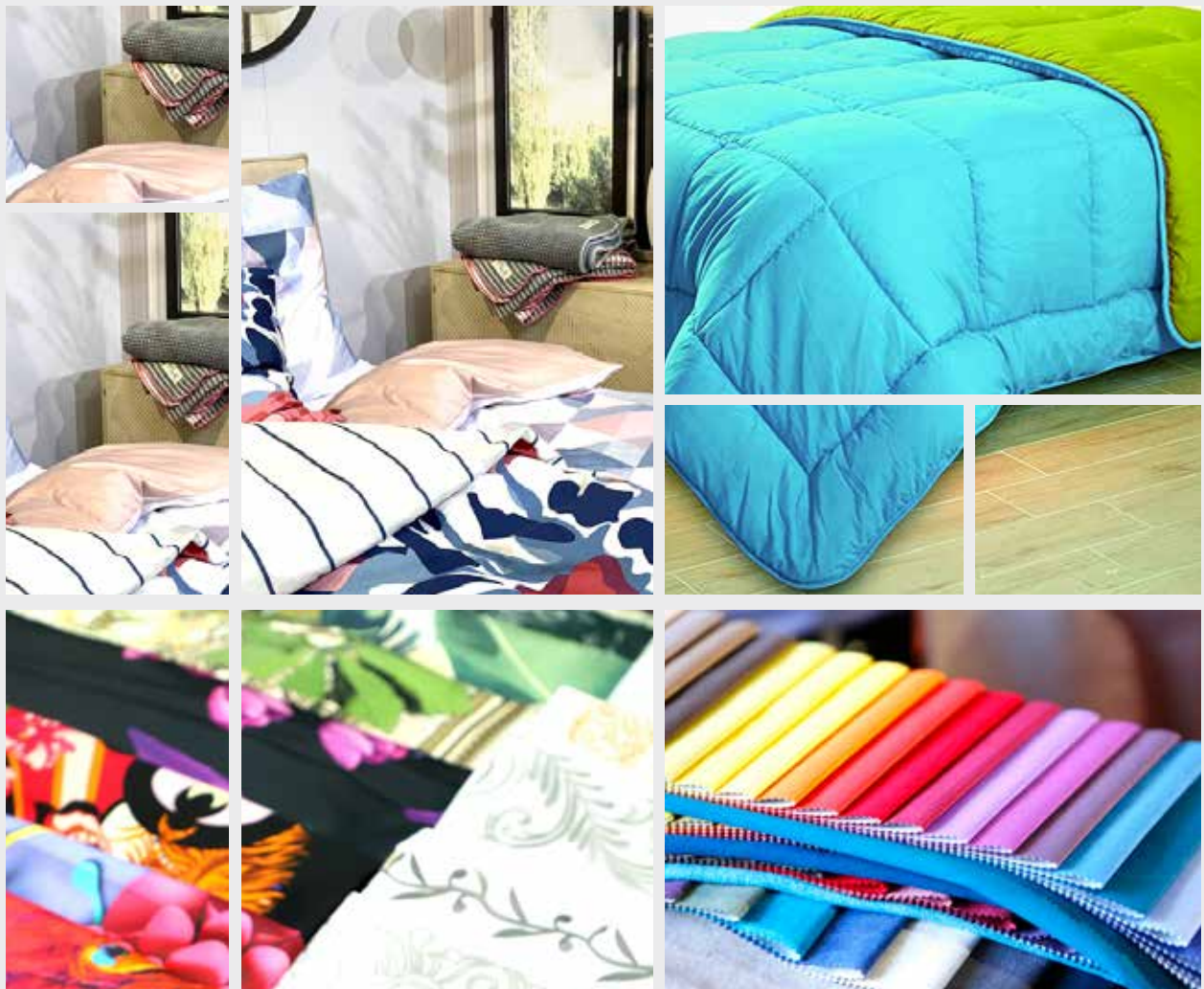
## YARN



## GREIGE FABRIC



## HOME TEXTILES









# 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  
BankIslami Pakistan Limited  
Bank Makramah Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
PAIR Investment Company Limited  
SAMBA Bank Limited  
Silk Bank Limited  
The Bank of Khyber  
The Bank of Punjab  
United Bank Limited

## Share Registrar

Vision Consulting Limited  
5-C, LDA Flats, 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.ktmlg.com/ktml](http://www.ktmlg.com/ktml)

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

A background image of a textile mill. It shows several large, white spools of thread mounted on a metal frame. A red laser line is visible, passing through the spools. The overall color scheme is light blue and white, with a red accent from the laser.

## 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

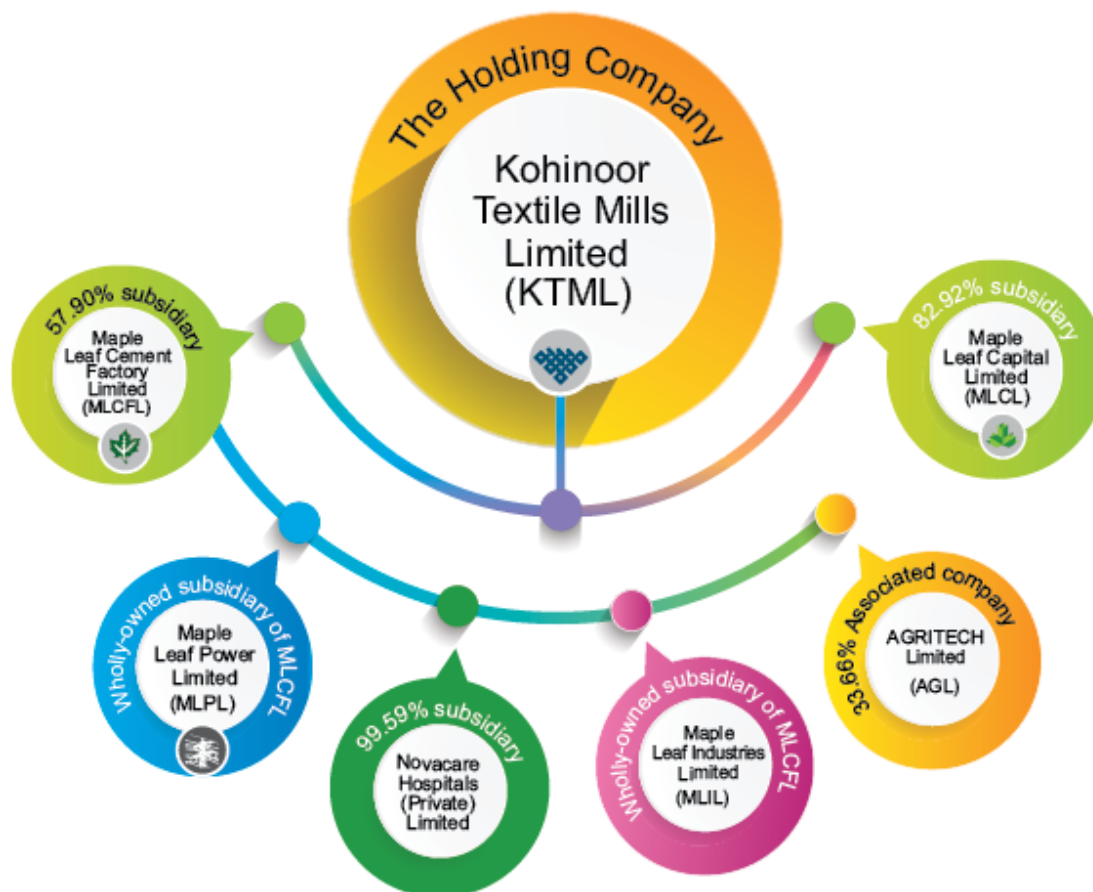
It's about growth & success; we chase our goals and objectives (personal & professional) with the highest level of energy and enthusiasm.





# 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 Maple Leaf Industries Limited (MLIL), 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.



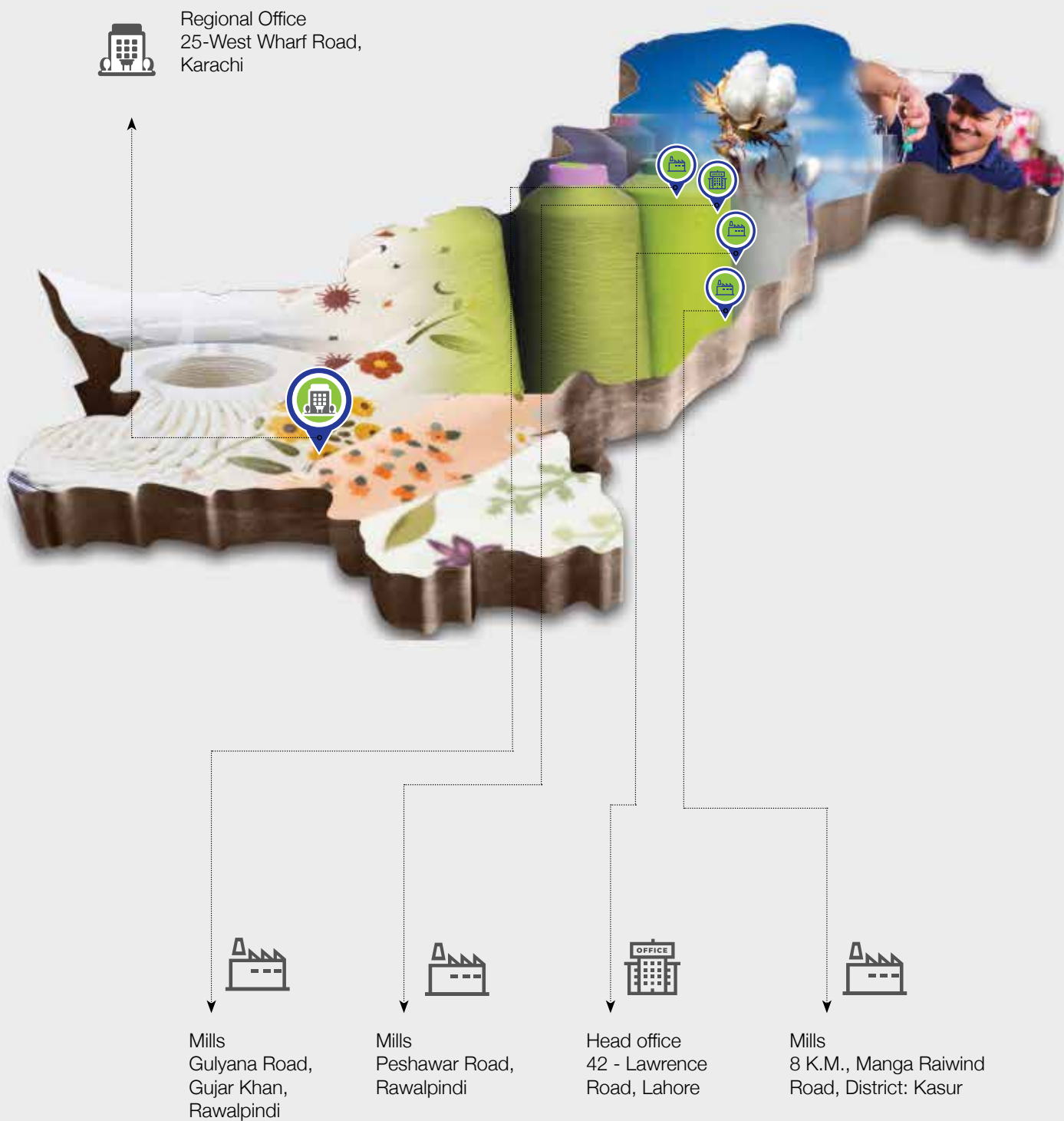


**Maple Leaf Industries Limited (MLIL)** was incorporated in Pakistan on 21 September 2022 as a public company limited by shares under the Companies Act, 2017. The registered office of MLIL was located at 42-Lawrence Road, Lahore. MLIL was incorporated with the primary objective of setting up a cement 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.

**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, each holding 2,500 shares. 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 1st Floor, F-J Plaza, Block No. 02, Markaz F-7, Islamabad Capital Territory (I.C.T), Pakistan.



# GEOGRAPHICAL PRESENCE





# 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 financial results of the Company for 2024-25 show significant improvement over the previous year despite a higher taxation regime. The results improved due to decrease in interest costs, continued focus on higher value-added goods and emphasis on increasing solar generation to fend off energy price increases.

During the year under review, Company's sales increased by 2% to Rs.59,414 million (2024: Rs.58,175 million), while cost of sales increased by 1% to Rs. 49,612 million (2024: Rs.48,888 million). This resulted in gross profit of Rs. 9,802 million (2024: Rs.9,287 million). Operating profit for the year under review stood at Rs.7,416 million (2024: Rs.6,543 million). The Company made an after-tax profit of Rs. 2,750 million (2024: Rs.2,199 million). Earnings per share for the year ended 30 June 2025 were at Rs.10.21 against Rs.8.07 for the last year.

During the year under review, Group's consolidated revenue increased to Rs. 128,030 million (2024: Rs. 124,613 million), while cost of sales decreased to Rs. 92,063 million (2024: Rs. 92,131 million). This resulted in gross profit of Rs. 35,967 million (2024: Rs. 32,482 million). Earnings per share for the year ended 30 June 2025 were Rs. 61.19 against Rs. 41.72 for the last year.





## PERFORMANCE OVERVIEW OF ACTIVITIES, PRODUCTS, SERVICES, & SEGMENTS

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

The results of the Company's Spinning divisions are similar to those of the year before despite cut-throat competition from cheap imported yarns. Strict controls on raw material input costs helped overcome the impact of minimum wage increases. At the Company's Gujar Khan site, a large expansion in the back process department is underway and nearing commissioning which should provide the Company with greater product flexibility in case of continuing pressure from fine count imports. We continue to maintain focus on improving our quality and productivity.

The results of the Weaving division are vastly improved over those of the previous year, driven by better marketing, lower interest rates and tight cost controls. The Company is exploring upgrading its oldest looms to further increase capacity and expand its diversity of offerings. We expect the results to improve in the coming year.

The Home Textiles division delivered a strong result despite adverse change in taxation regime, an increase in minimum wages and energy costs. The coming financial year will be difficult due to uncertainty and the imposition of higher tariffs on goods exported to the United States of America. To offset the impact of tariff changes, the Company is focusing on increasing its presence in alternative markets. Despite the difficult circumstances, the Company's focus on high value-added goods should provide a buffer against the worst impacts of trade conditions.

Further, during the year the Company has incurred CAPEX of Rs. 2.7 billion, with notable amount being spent on the construction of godowns, installation of bio-mass boiler, embroidery 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, griegee 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<sub>2</sub> 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 through 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><b>P</b></p> <p>POLITICAL</p>	<ul style="list-style-type: none"> <li>Changes in Government's macroeconomic policies, applicable rules &amp; regulations and political instability may adversely impact the Company's business.</li> </ul>	<ul style="list-style-type: none"> <li>Strategic impact of changes in political horizon is carefully monitored by the management of the Company.</li> <li>Business analysis / projections are made on continuous basis so that operational decisions may be made more effectively.</li> <li>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.</li> </ul>
<p><b>E</b></p> <p>ECONOMIC</p>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Company met price hikes in input costs by efficient procurement of local &amp; imported cotton, including utilization of synthetic fibre as an alternate of organic cotton to maintain core competitiveness.</li> <li>Investment into alternate energy sources like solar based power generation, including renewable energy sources to mitigate the effect of high energy prices.</li> <li>In addition various energy conservation measures, waste heat recovery boilers are also utilized.</li> <li>Effective inventory management by meticulously reviewing inventory holding periods.</li> <li>Deployed various cost reduction initiatives to control production and non-production related fixed costs.</li> </ul>
<p><b>S</b></p> <p>SOCIAL</p>	<ul style="list-style-type: none"> <li>Stakeholders show a preference for organizations that uphold CSR standards.</li> <li>Companies providing accessible healthcare and education facilities tend to experience improved employee retention rates.</li> <li>There is a noticeable shift in attitudes towards prioritizing the well-being of the wider public.</li> </ul>	<ul style="list-style-type: none"> <li>The company is dedicated to meeting the standards of Corporate Social Responsibility.</li> <li>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.</li> <li>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.</li> </ul>

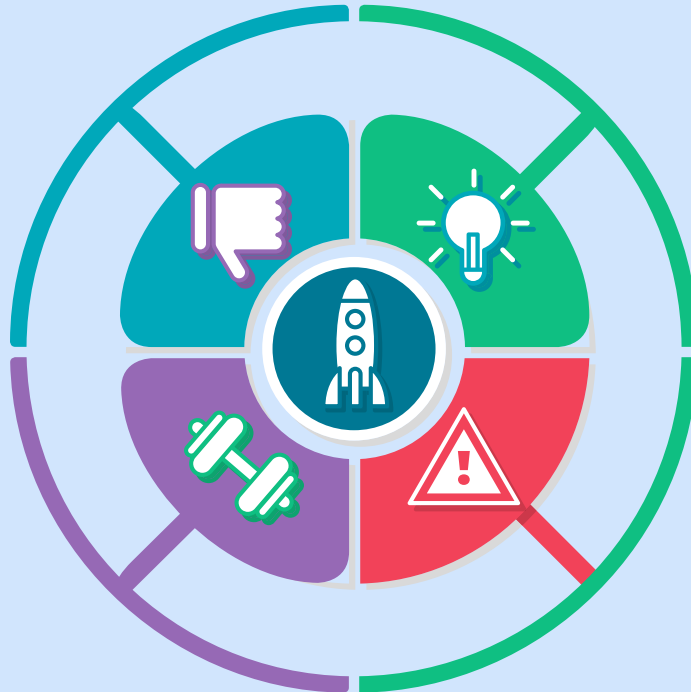


FACTOR	IMPACT	KTML RESPONSE
<b>T</b> TECHNO- LOGY	<ul style="list-style-type: none"> <li>● Outdatedness of production facilities in terms of technology.</li> <li>● Presence of information technology structures and Management Information Systems (MIS) software.</li> </ul>	<ul style="list-style-type: none"> <li>● Company has always given priority to latest technological developments and kept investing on Batch Manufacturing Record (BMR) to avoid any risk of technical obsolescence.</li> <li>● Company continuously invests in the robust hardware and software for system upgradation and MIS.</li> <li>● The Company has installed Oracle EBS Suite which facilitates financials and supply chain.</li> </ul>
FACTOR	IMPACT	KTML RESPONSE
<b>L</b> LEGAL	<ul style="list-style-type: none"> <li>● Perspective on and endorsement of renewable energy sources.</li> <li>● Addressing air pollution and the depletion of underground water reserves.</li> <li>● Increasing emphasis on environmentally-conscious behaviors.</li> </ul>	<ul style="list-style-type: none"> <li>● Operating efficient waste water treatment plant for safe industrial effluent discharge.</li> <li>● Enhancing operational efficiencies with solar-based power generation.</li> <li>● Implementing tree planting initiatives to reduce harmful gas emissions and maintain groundwater levels.</li> <li>● Certified to ISO 14001 and ISO 18001 standards for effective Environmental Management System (EMS) and Occupational Health and Safety Assessment.</li> </ul>
FACTOR	IMPACT	KTML RESPONSE
<b>E</b> ENVIRONM- ENTAL	<ul style="list-style-type: none"> <li>● Attitude towards and support for renewable energy.</li> <li>● Air pollution &amp; Lowering of underground water belt.</li> <li>● Growing attention towards “green” attitudes.</li> </ul>	<ul style="list-style-type: none"> <li>● Company is successfully operating waste water treatment plant to ensure the safe discharge of industrial effluents.</li> <li>● Solar based power generation has also augmented the operational efficiencies of the Company.</li> <li>● 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.</li> <li>● 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.</li> </ul>

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.

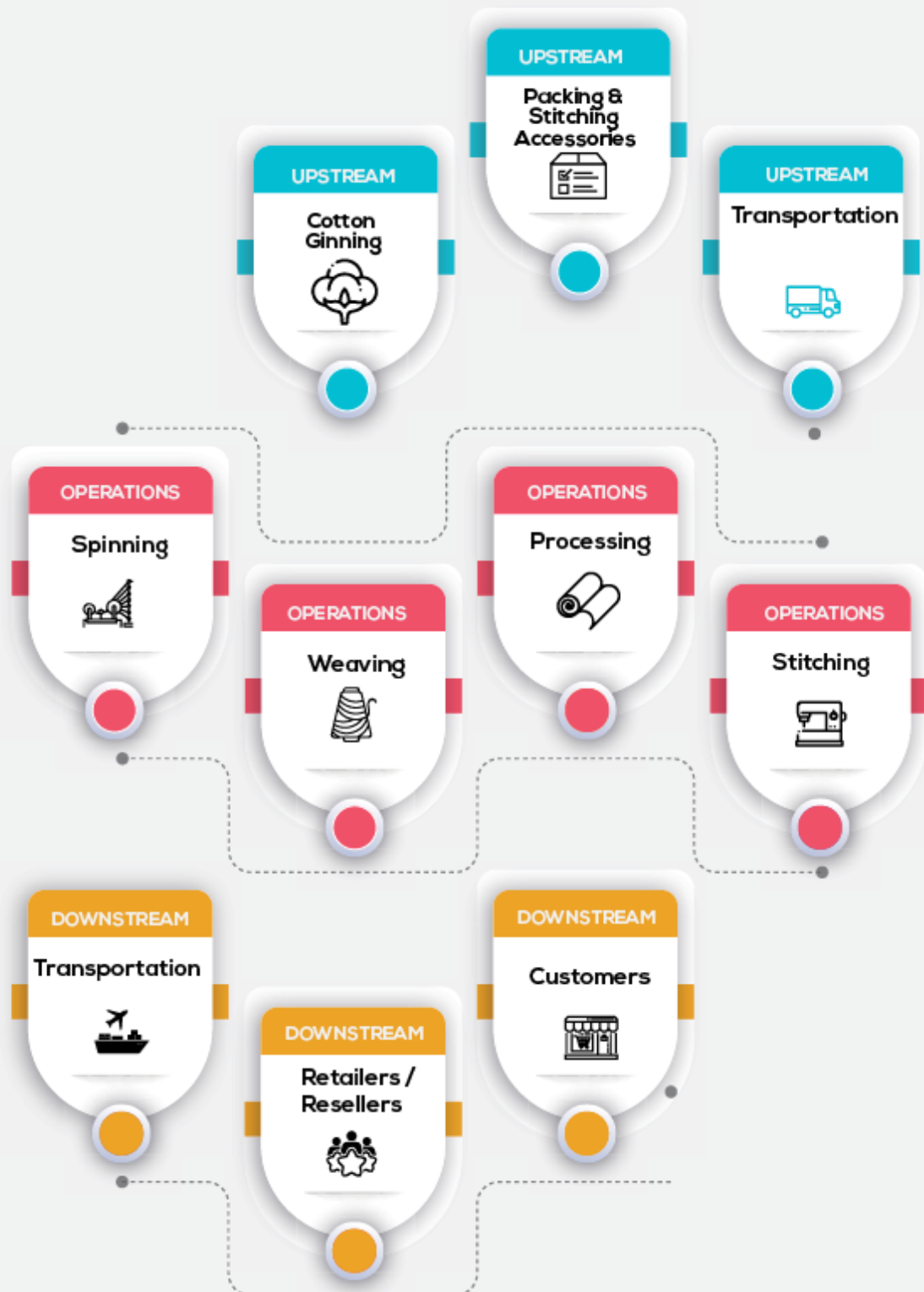
## THREATS

- 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 principles outlined below constitute the code of conduct that all Directors and employees of Kohinoor Textile Mills Limited must apply in their daily work and observe in the course of the Company's business. While the Company is responsible for ensuring all employees are fully aware of these principles, each employee is individually responsible for implementing the Company's policies. Any violation will be treated as misconduct. This code emphasizes the necessity of high standards of honesty and integrity, which are fundamental to the success of any business.

## ETHICAL PRINCIPLES

1. Directors and employees must avoid any activities that could lead to a conflict between their personal interests and those of the Company. This includes holding an interest in any organization that supplies goods or services to, or purchases products from, the Company. If such a relationship exists, it must be disclosed to management.
2. All dealings with third parties, including government officials, suppliers, buyers, agents, and consultants, must be conducted in a manner that never compromises the Company's integrity and reputation.
3. Directors and employees are prohibited from accepting any favors or kickbacks from any organization that conducts business with the Company.
4. Directors and employees are not permitted to disclose any confidential Company information to unauthorized individuals. When making public statements on matters related to Company business, they must not assume to speak on behalf of the Company unless they are certain that their views reflect the official Company position and that the Company intends for these views to be publicly shared.
5. All employees have a shared responsibility for maintaining positive public relations for the Company, particularly at the community level. They are encouraged to assist with religious, charitable, educational, and civic activities, provided that such involvement does not create an obligation that conflicts with their commitment to the Company's best interests.
6. The Company is deeply committed to the health and safety of its employees and to the preservation of the environment. The Company will continuously strive to improve its Health, Safety, and Environment (HSE)

performance by reducing potential hazards, preventing pollution, and raising awareness. All employees are required to operate Company facilities and processes with this commitment in mind.

7. Commitment and teamwork are essential for ensuring that the Company's work is performed effectively and efficiently. All employees are to be treated with equal respect, and actions such as sexual harassment or disparaging remarks based on gender, religion, race, or ethnicity are strictly prohibited.

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

The significant events which occurred during the year ended June 30, 2025 and after the reporting period are as follows:

- The installation of **additional 5MW** solar based power generation capacity.
- Subsequent to the year end, the Board of Directors of the Company has considered and recommended the sub-division of the Company's shares by reducing the face value from Rupees 10 per share to Rupees 2 per share subject to approval by the shareholders. The Company's existing subscribed and paid-up capital, currently comprising 269,299,456 ordinary shares of Rs.10/- each, will be split into 1,346,497,280 ordinary shares of Rs.2/- each in the ratio of 5 (five) ordinary shares for every 1 (one) ordinary share held. This division will not alter any rights, privileges or entitlements attached to the ordinary shares.
- Keeping in view the results, the Board of Directors of the Company in their meeting held on 07 August 2025 has proposed a final cash dividend of Rupees 2 per share (20%) amounting to Rupees 538.599 million (2024: Rupees Nil) for the year ended 30 June 2025 for approval of the members at the Annual General Meeting to be held on 16 October 2025.

## 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.
- Labor 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 affects 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 30MW to 35MW.

# STRATEGY AND RESOURCE ALLOCATION

Strategic Objectives 2025-2026.....	36
Strategies and Management Objectives.....	39
Entity's Significant Resources.....	39
Resource Allocation .....	40
Key Performance Indicators (KPIs) .....	42
Significant Plans and Decisions .....	45
Key resources which provide sustainable competitive advantage .....	46

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# 02 STRATEGY AND RESOURCE ALLOCATION







# STRATEGIC OBJECTIVES

## 2025-2026



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 2024-25 and will continue into 2025-26. 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
<p>Growing demand in local market</p> <p>Source: External</p>	<p>Social capital, Relationship capital and Financial capital</p>	<p>In the last couple of years we have increased Yarn production capacity and has adequate capacity of fabric printing by adding a latest machine of digital printing technology.</p>
<p>Cost reduction by using innovative production technology.</p> <p>Source: Internal</p>	<p>Manufactured capital</p>	<p>The Company, realizing the importance of reducing electric costs, 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 30-MW solar power plant provides free electricity to the Company.</p>
<p>Development of human relations/ resource.</p> <p>Source: Internal</p>	<p>Human capital</p>	<p>Development of human resource is engraved in the Company's mission statement &amp; 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.</p>
<p>Improvements in the business process.</p> <p>Source: Internal</p>	<p>Financial capital</p>	<p>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.</p>



## COMPANY'S STRATEGY ON MARKET DEVELOPMENT, PRODUCT & 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 production 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 code of 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 financial performance, 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.



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## SIGNIFICANT PLANS AND DECISIONS

The Company continues its commitment to sustainability with the successful installation of a new bio-mass boiler which should 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 back process installation at our Gujar Khan Mills, replacement of old looms at our Raiwind site and the further expansion of our solar plants.

# 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 35 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**

Risk Management Framework and Planning ..... 50

Risks and opportunities analysis ..... 54

Board’s Effort for Determining and Assessing the  
Company’s Level of Risk Tolerance ..... 60

Principal Risks and Uncertainties ..... 60

Liquidity and Financial Capital Management..... 61

Supply Chain Disruption Risks and  
Mitigation Strategy ..... 61

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**03** RISKS,  
OPPORTUNITIES  
AND COMPLIANCE



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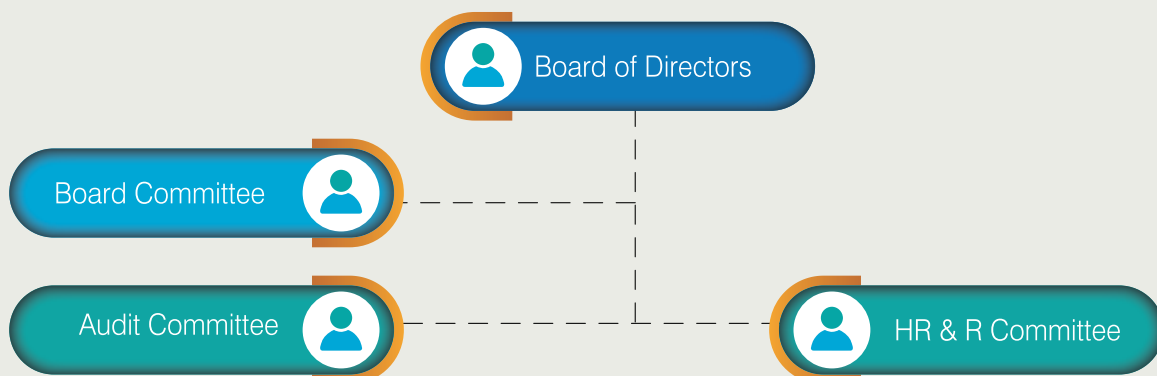




## RISK MANAGEMENT FRAMEWORK INCLUDING RISK MANAGEMENT METHODOLOGY

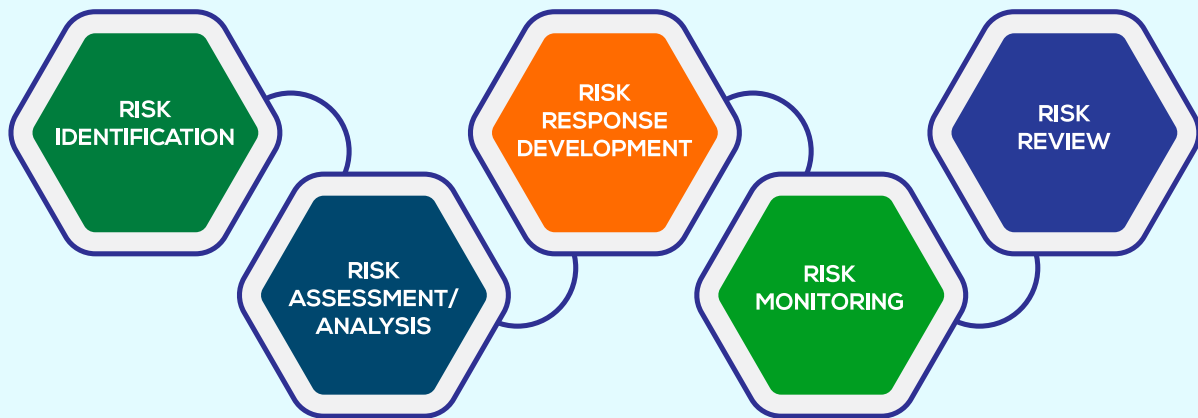
### RISK MANAGEMENT PLANNING:

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.

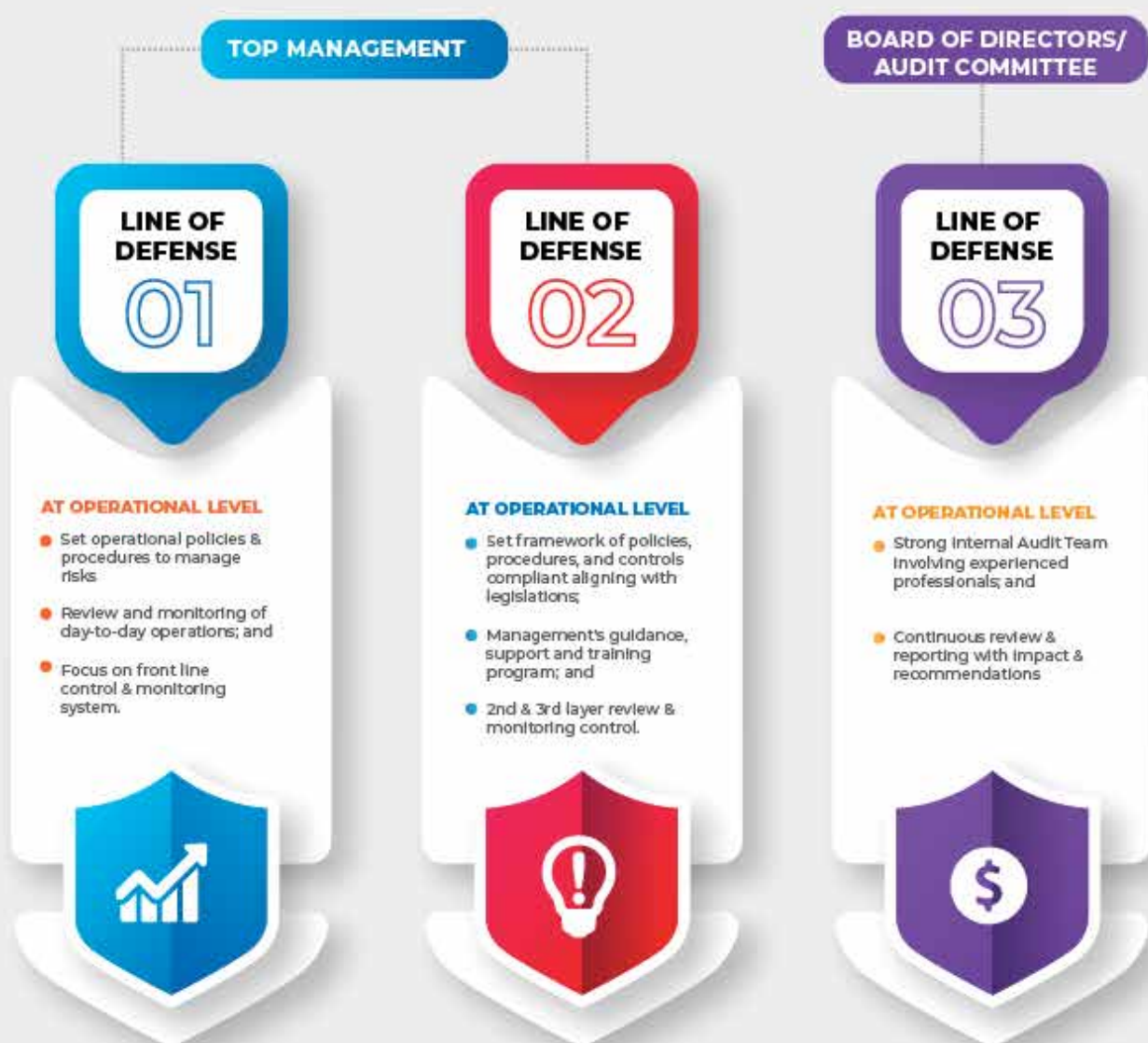
**Risk Response Development:** We develop tailored strategies to address each specific risk and our overall risk exposure. This involves selecting a strategy that is both appropriate for the risk and feasible for the organization. Assigning clear ownership for each response is crucial for effective implementation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

# THE 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.

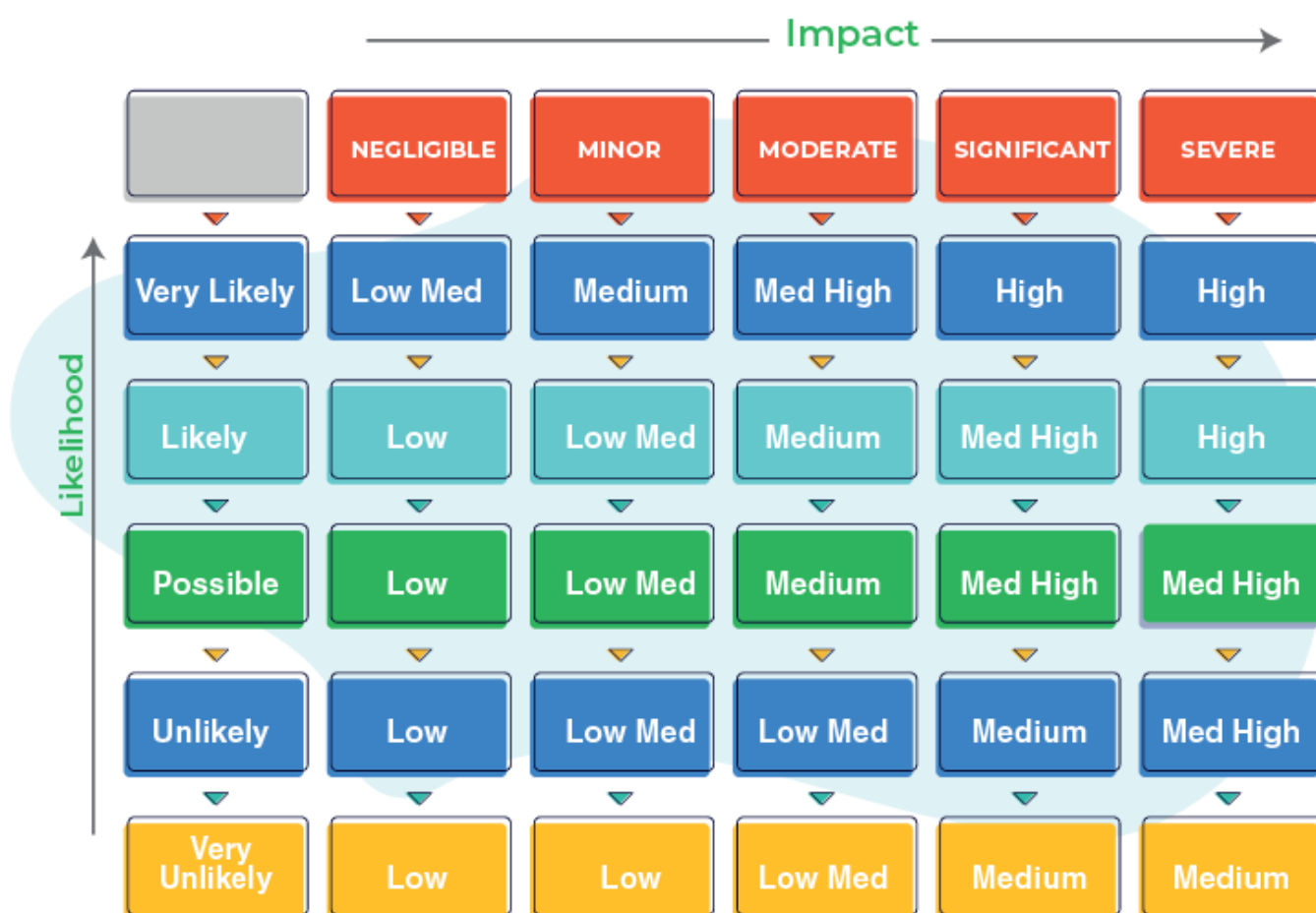






# RISK ASSESSMENT MATRIX

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	<ul style="list-style-type: none"> <li>• High energy cost</li> <li>• Inflation</li> </ul>	<ul style="list-style-type: none"> <li>• Cost optimization</li> <li>• Renewable energy</li> <li>• Debt Management</li> </ul>	Short to medium term
Human Capital	<ul style="list-style-type: none"> <li>• High turnover</li> </ul>	<ul style="list-style-type: none"> <li>• Succession planning</li> <li>• Appraisal system</li> </ul>	Short to medium term
Manufactured Capital	<ul style="list-style-type: none"> <li>• Obsolescence of technology</li> </ul>	<ul style="list-style-type: none"> <li>• Adopting new technologies and continuous improvement in process</li> </ul>	Long term
Social and Relationship	<ul style="list-style-type: none"> <li>• Loss of stakeholders confidence, bad reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Cultivating connections throughout the value chain and expanding the Company's portfolio.</li> </ul>	Medium to long term
Natural Capital	<ul style="list-style-type: none"> <li>• Water shortages</li> </ul>	<ul style="list-style-type: none"> <li>• Rain water harvesting and waste water treatment plant for recycling</li> </ul>	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
<b>Industry Competition:</b> To maintain Company's prominent position among leading export oriented Textile Companies.	<b>Strategic Risk:</b> There is increasing competition among existing market players. Further, threat from new entrants are foreseen in the operating segment. <b>Source: External</b>  <b>Commercial Risk:</b> Increasing prices of overheads may affect the buying potential of customers and profit margins. <b>Source: External</b>	<b>Likelihood:</b> Medium <b>Magnitude:</b> High  <b>Likelihood:</b> Medium <b>Magnitude:</b> 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.
<b>Legislative and Legal Environment:</b> To operate in a stable market being compliant with all relevant laws of the country and international regulations.	<b>Strategic Risk:</b> More stringent legal requirements within the Country and in exportable markets. Changes and Reforms in existing laws & regulations and legal uncertainties. <b>Source: External</b>  <b>Commercial Risk:</b> Demand from international customers for being compliant for labor, health & safety and raw material quality standards. <b>Source: External</b>	<b>Likelihood:</b> High <b>Magnitude:</b> Medium  <b>Likelihood:</b> Low <b>Magnitude:</b> 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.
<b>Technology:</b> To produce the best and highest quality product that meets the demands of Customers and quality standards.	<b>Strategic Risk:</b> Technological shift may render production process obsolete and cost inefficient. <b>Source: External</b>	<b>Likelihood:</b> Low <b>Magnitude:</b> High	Management continuously investing considerable amounts for upgradation of technological infrastructure in order to remain competitive and cost efficient.
<b>Operations:</b> To ensure continuity of operations without any disruptions in supply of resource, continuous production and minimize idle time.	<b>Operational Risk:</b> 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. <b>Source: External/Internal</b>	<b>Likelihood:</b> Low <b>Magnitude:</b> 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
<b>Human Capital:</b> To recruit and retain the best people and provide adequate training to ensure high quality skilled force.	<b>Operational Risk:</b> Loss of the qualified and competent staff. <b>Source: Internal</b>	<b>Likelihood:</b> Low <b>Magnitude:</b> 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.
<b>Health and Safety:</b> To ensure health and safety of employees in workplaces.	<b>Operational Risk:</b> Accidents can take place which can cause serious injuries to employees. <b>Source: Internal</b>  Unforeseen calamities and natural disasters may result in human loss. <b>Source: External</b>	<b>Likelihood:</b> Low <b>Magnitude:</b> 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.
<b>Environment:</b> To ensure environment friendly products and processes.	<b>Operational Risk:</b> Hazardous emissions and discharges into air and water beyond the prescribed limits.  Waste from operations may be disposed off in an inappropriate manner. <b>Source: Internal</b>	<b>Likelihood:</b> Low <b>Magnitude:</b> 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.
<b>Finance:</b> To maintain strong financial position and produce financial performance which is reflective of the Company's scale of business and Shareholders' expectations.	<b>Financial Risk:</b> Increase in the cost of borrowing may limit the avenues for availability of sufficient working capital. <b>Source: External</b>  Payment defaults by counter parties may leave the Company with inadequate resources for discharging its own liabilities. <b>Source: External</b>  Devaluation of Pak. Rupee may further adversely affect the raw materials cost of spinning segment. <b>Source: External</b>	<b>Likelihood:</b> Low <b>Magnitude:</b> Medium  <b>Likelihood:</b> Low <b>Magnitude:</b> Medium  <b>Likelihood:</b> Low <b>Magnitude:</b> 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. Aligned with its plant modernization strategy, the company has utilized maximum cash profits for debt repayment.

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

Sustainability - Key Highlights.....	65
Statement for Adoption of Best Practices of CSR.....	66
Our Approach Towards Sustainability.....	68
Sustainability-Related Risks & Opportunities .....	69
Governance, Strategy, Risk Management and Metrics.....	70
Diversity, Equity and Inclusion (DE & I).....	71
Gender Pay Gap Statement .....	72
Chairman's Overview.....	74
Culture and Corporate Strategy .....	75
Social Initiatives .....	76
Environmental Initiatives .....	79
Technological Initiatives.....	81
Establishment & Reporting of Sustainability Committee.....	81
Sustainable Development Goals (SDGs) .....	83
Management System and Product Compliance Certifications.....	87
Notable Events 2024-2025 .....	92

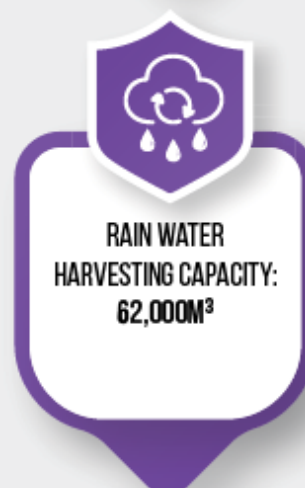
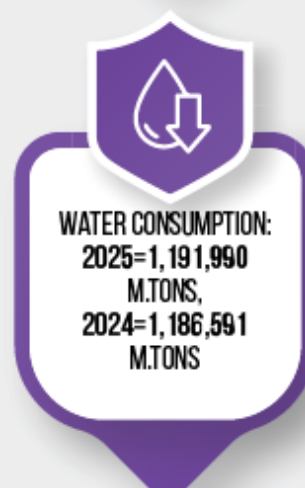
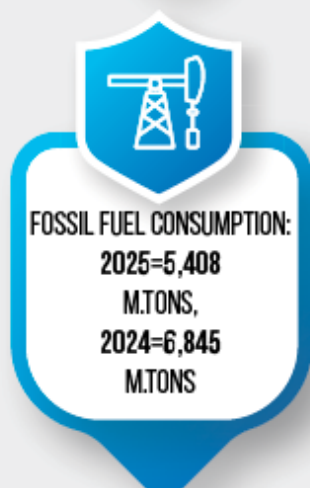
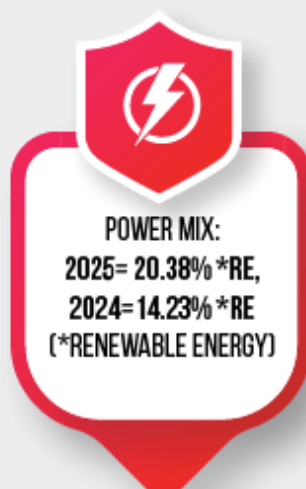
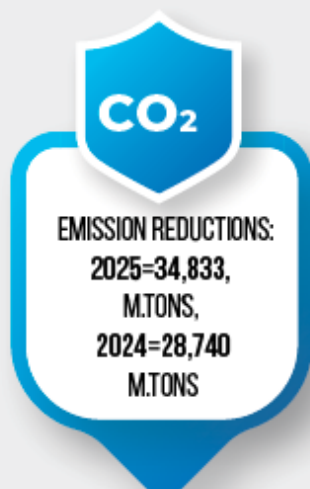
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# 04 SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY





# SUSTAINABILITY - KEY HIGHLIGHTS 2025





# 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 financial performance 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's financial performance. 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 financial performance. 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, financial performance, 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

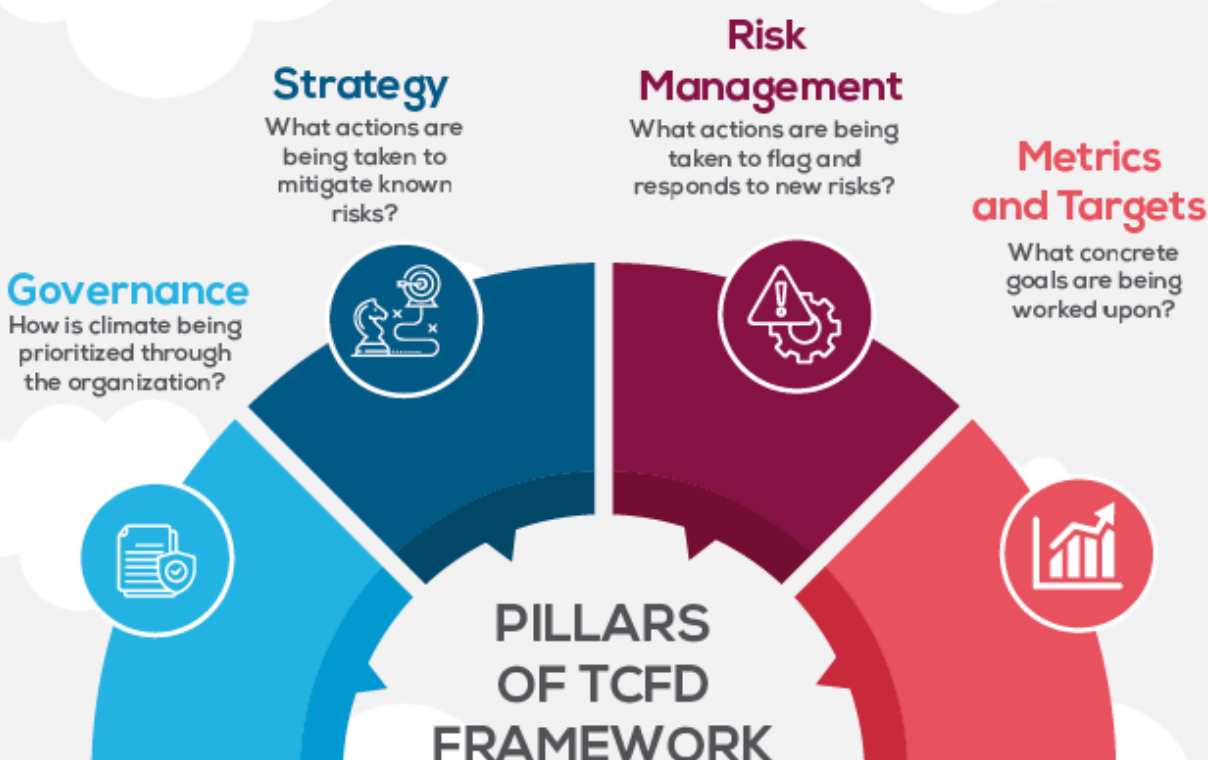
benchmarking, and stakeholder engagement. Each risk is subsequently evaluated and prioritized based on its potential impact and likelihood of occurrence.

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.

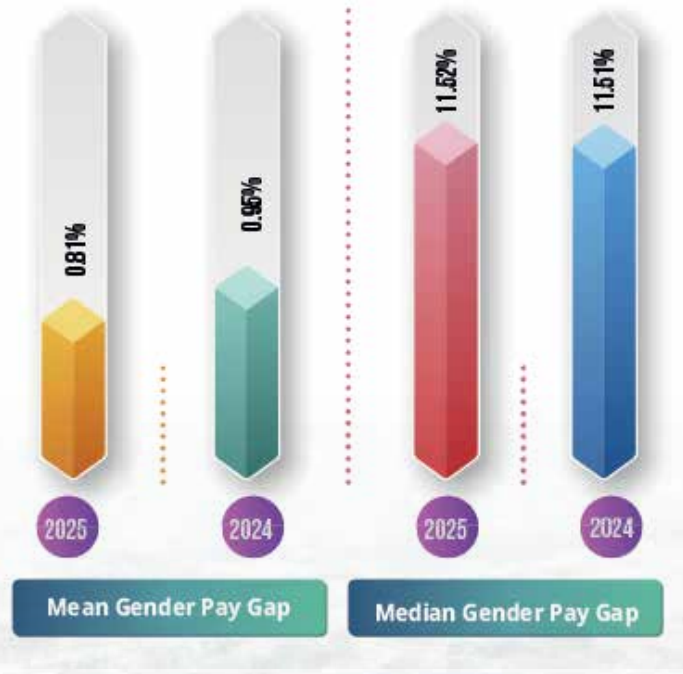


# GENDER PAY GAP STATEMENT

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 2025:







# CHAIRMAN'S OVERVIEW

## ON THE COMPANY'S SUSTAINABLE PRACTICES AND THEIR EFFECT ON FINANCIAL PERFORMANCE

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 financial performance.

### 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.





## 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.





# 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. 8,314.28 million (2024: Rs. 7,805.59 million) in respect of taxes, levies and duties. Moreover, we have also contributed (USD) 76.436 million (2024: (USD) 68.129 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 35MW capacity of generating electricity from solar power projects, which reduces around 76.8 million pounds (equivalent to 34,833 tons) of carbon dioxide emissions annually.

## Water Conservation

The Company has established a rainwater harvesting reservoir with a capacity of 62,000 m<sup>3</sup>, 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.

## 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 fi 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 2025, 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 70% by the end of FY 2025.

### **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.







## 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. 1.3 billion during FY 2025 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.


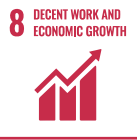







# STRATEGIC SUSTAINABILITY FRAMEWORK








# 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.	 	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.	 	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.		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.	 	Achieve 100% Zero Liquid Discharge; expand solar energy usage for carbon reduction.
Renewable Energy Adoption	Technological / Environmental	Capacity of generating 35 MW electricity through solar power, reducing reliance on fossil fuels.		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.		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.	 <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION	Reuse and recycle textile waste (15,248 tons in FY 2025).
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.	 <b>13</b> CLIMATE ACTION	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.	 <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE	Continuous improvement in quality management systems and customer satisfaction.





## 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 Nine 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

## 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)

Kohinoor Textile Mills Limited maintains its excellence through adherence to the ISO 9001:2015 Quality Management System, reflecting our dedication to consistent high quality, customer satisfaction, and continuous improvement as a trusted industry leader.



## Environmental Management System (ISO 14001:2015)

Adherence to the ISO 14001:2015 Environmental Management System reinforces KTML's commitment to sustainable practices and continuous environmental improvement. This certification demonstrates our dedication to controlling pollution, minimizing waste, and managing environmental performance effectively.

## EU Ecolabel

Our compliance with the EU Ecolabel demonstrates our strong dedication to environmental sustainability. This certification confirms that our products meet strict ecological criteria, minimizing their environmental impact throughout their entire lifecycle.





## SteP by OEKO-TEX®

Our adherence to the Sustainable Textile Production (STeP) certification by OEKO-TEX® highlights our commitment to responsible manufacturing. This ensures our processes meet rigorous environmental and social standards, providing customers with responsibly and sustainably produced textiles they can trust.



## OEKO-TEX 100 (Appendix 6 - Class II)

Holding the OEKO-TEX 100 certification (Appendix 6 - Class II) ensures that our products are rigorously tested and guaranteed to be free from harmful substances. This demonstrates KTML's commitment to consumer safety and providing high-quality, eco-friendly textiles intended for direct skin contact.

## Higg FEM Index

KTML's strong performance on the Higg FEM Index demonstrates our commitment to responsible internal practices and continuous environmental improvement. This rigorous self-assessment tool helps us evaluate our environmental performance, providing a clear picture of our dedication to sustainable operations.





## Business Social Compliance Initiative (BSCI)

KTML's strong performance on the Higg FEM Index demonstrates our commitment to responsible internal practices and continuous environmental improvement. This rigorous self-assessment tool helps us evaluate our environmental performance, providing a clear picture of our dedication to sustainable operations.



## Global Organic Textile Standard (GOTS) - Version 7.0

Our adherence to the Global Organic Textile Standard (GOTS) Version 7.0 demonstrates our unwavering commitment to sustainable and environmentally-conscious textile production. This certification ensures our products meet the highest organic and ethical standards, contributing to a greener and more responsible industry.

## Organic Content Standard (OCS) - Version 3.0

Our certification under the Organic Content Standard (OCS) Version 3.0 highlights our commitment to sustainable textile production. This confirms that we use verified organic materials in our products, promoting environmental responsibility and transparency throughout our operations.





## Global Recycled Standard (GRS) - Version 4.0

Our certification under the Global Recycled Standard (GRS) Version 4.0 verifies our use of recycled materials in textile production. This commitment underscores our dedication to sustainable practices and responsible environmental stewardship within the industry.



## Recycled Claim Standard (RCS)- Version 2.0

KTML upholds strict compliance with the Sedex SMETA audit framework. This commitment reflects our dedication to ensuring high standards of labor practices, health and safety, environmental performance, and ethics within our operations and across our supply chain. By adhering to SMETA, we actively work to protect workers from unsafe conditions, overwork, discrimination, low pay, and forced labor, reinforcing our responsibility to maintain an ethical and safe working environment for all.

## Sedex Members Ethical Trade Audit (SMETA)

Adherence to the Sedex Members Ethical Trade Audit (SMETA) framework demonstrates KTML's commitment to high ethical and social standards throughout our operations and supply chain. This includes ensuring fair labor practices, safe and healthy working conditions, and ethical treatment for all workers.





## Higg Facility Social & Labor Module (Higg FSLM)

KTML's strict adherence to the Higg Facility Social & Labor Module (FSLM) ensures high standards across all labor practices, from recruitment and wages to health and safety. This commitment not only promotes fair labor conditions and employee well-being but also strengthens the effectiveness of our social management programs.



## Custom Trade Partnership Against Terrorism

As a member of the U.S. Customs Trade Partnership Against Terrorism (C-TPAT), KTML complies with global supply chain security standards. This certification ensures the integrity of our logistics processes, reduces risks in international trade, and strengthens our reputation as a reliable and secure partner in global commerce.

## Supplier Compliance Audit Network (SCAN)

Certification under the Supplier Compliance Audit Network (SCAN) demonstrates our commitment to supply chain security and transparency. It validates that our international shipping and logistics operations comply with global trade regulations, reducing risks of disruption and enhancing business resilience.



## NOTABLE EVENTS 2025



### BREAST CANCER AWARENESS SESSION

Kohinoor Textile Mills Limited (KTML) held a breast cancer awareness session for its female employees, which included an informative talk by oncologists, voluntary personal examinations, role-playing, and other engaging activities.



### EMPLOYEE BIRTHDAY CELEBRATIONS

Kohinoor Textile Mills Limited (KTML) continued its tradition of celebrating employee birthdays to foster a positive workplace culture. This initiative strengthened team camaraderie and acknowledged employees as valued members of the company.





## MEHFIL-E-MEELAD

The company's commitment to cultural and religious values was reflected in the annual Mehfil-e-Meelad celebration. The event brought employees and their families together to honor the birth of the Holy Prophet Muhammad (PBUH), fostering a sense of community and spiritual enrichment.



## CHRISTMAS DAY CELEBRATIONS

In December 2024, Kohinoor Textile Mills Limited (KTML) held a special Christmas celebration for its Christian employees, reinforcing the company's commitment to diversity and fostering an inclusive workplace where all team members feel valued and respected.

## NOTABLE EVENTS 2025



### WOMEN'S DAY

Kohinoor Textile Mills Limited (KTML) celebrated International Women's Day to honor the significant contributions of its female workforce. The event included sessions on empowerment, highlighting the company's commitment to gender equality and fostering a supportive workplace for all employees.



### IFTAR DINNER

In the blessed month of Ramadan, Kohinoor Textile Mills Limited (KTML) was delighted to host an Iftar feast for its employees. It was an evening to share not only a meal, but also the spirit of togetherness that binds our KTML family. May this special time fill our hearts with peace and joy, Ameen.





## BOOK BANK ACTIVITY

Kohinoor Textile Mills Limited (KTML) organized a “Book Bank” activity aimed at fostering a culture of learning and development among its employees. This initiative provided easy access to a diverse collection of books, encouraging personal growth and knowledge sharing within the workforce. It underscored KTML’s dedication to supporting the intellectual development of its staff.



## MEMORANDUMS OF UNDERSTANDING (MOUs)

Kohinoor Textile Mills Limited (KTML) enhanced employee welfare by signing Memorandums of Understanding (MOUs) with various business partners. These partnerships offer exclusive benefits and discounts, reinforcing KTML’s commitment to prioritizing its employees’ well-being both inside and outside the workplace.



## NOTABLE EVENTS 2025



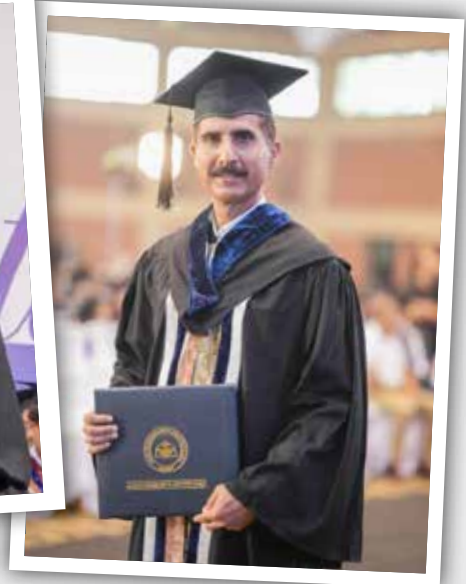
### INDEPENDENCE DAY CELEBRATION

Celebrating Pakistan's rich history and resilience, our Company marked Independence Day with a vibrant display of flags and patriotic colors. Colleagues shared in the pride and camaraderie of the occasion, enjoying inspiring speeches, traditional music, and a delightful feast. The event fostered a spirit of unity, serving as a reminder of our nation's journey and a call to renew our commitment to its prosperous future.



## HARVARD MANAGEMENTOR (HMM)

Kohinoor Textile Mills Limited (KTML) enrolled employees in the prestigious Harvard ManageMentor (HMM) program. This initiative provided access to world-class resources, enhancing leadership and business skills and aligning with KTML's vision of developing high-performing leaders.



## EXECUTIVE MBA (EMBA)

Kohinoor Textile Mills Limited (KTML) demonstrated its commitment to nurturing future leaders by sponsoring employees to pursue the Executive MBA (EMBA) program at the prestigious Lahore University of Management Sciences (LUMS). This investment in high-caliber professional development reflects KTML's strategy to enhance strategic capabilities and foster a culture of lifelong learning within the organization.



## NOTABLE EVENTS 2025

### THE KOHINOOR PREMIER LEAGUE (KPL)

The Kohinoor Premier League (KPL) concluded its 2025 season with the Kohinoor Nawabs crowned champions. This cricket tournament highlights KTML's commitment to employee well-being by fostering team spirit and sportsmanship. KPL Season 4 included 16 teams and a friendly match between the "Pakistan Sweet Home Champs" and the "Kohinoor Rising Stars," showcasing dedication and perseverance.







GOVERNANCE

Corporate Events 2024-2025 ..... 101

Notice of Annual General Meeting..... 102

Chairman’s Review..... 117

Directors’ Report to the Shareholders ..... 118

Statement of Compliance with the Listed Companies  
(Code of Corporate Governance) Regulations, 2019..... 126

Independent Auditor’s Review Report to the  
Members on the Statement of Compliance..... 129

Report of The Audit Committee..... 130

Brief Profile of Directors..... 132

Role of Chairman and The CEO ..... 140

Terms of Reference of Board Committees..... 142

Management Committees & Terms of Reference ..... 144

Other Corporate Matters ..... 146

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# CORPORATE EVENTS

## JUL-2024 TO JUN-2025





# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 57th Annual General Meeting of the members of Kohinoor Textile Mills Limited (the "Company") will be held on **Thursday, October 16, 2025 at 12:30 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, 2025 together with the Chairman's Review, Directors' and Auditor's Reports thereon.
- 2) To approve the final cash dividend for the year ended June 30, 2025 at Re. 0.40 per share of Rs. 2/- each i.e. @ 20% as recommended by the Board of Directors. (This follows the Board's earlier recommendation to declare a final cash dividend at Rs. 2/- per share of Rs. 10/- each representing 20%. Subsequently, the members of the Company approved a sub-division of its ordinary shares, reducing the face value from Rs. 10/- each to Rs. 2/- per share.)
- 3) To appoint Auditors for the year ending on June 30, 2026 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

- 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 Kohinoor Textile Mills Limited (the "Company") be and is hereby accorded under 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, upto an aggregate sum of Rs. 1,000 million (Rupees one thousand million only) for a period of one year commencing November 01,



2025 to October 31, 2026 (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 28, 2024 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, 2025.

**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 Kohinoor Textile Mills Limited (the “Company”) be and is hereby accorded under 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. 1,000 million (Rupees one thousand million only) for a period of one year commencing November 01, 2025 to October 31, 2026 (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 28, 2024 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, 2025.

**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.”

- 6) To ratify and approve transactions conducted with the Related Parties for the year ended June 30, 2025 by passing the following special resolution with or without modification: -

**¶Resolved that** the transactions conducted with the Related Parties as disclosed in the note 38 of the unconsolidated financial statements for the year ended June 30, 2025 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, 2026 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, 2026.

**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

(Muhammad Ashraf)  
Company Secretary

Lahore:  
September 25, 2025

## NOTES

1. The Share Transfer Books of the Company will remain closed from October 10, 2025 to October 16, 2025 (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 October 09, 2025, 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 October 14, 2025:-

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

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](http://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, 2025 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](http://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. Pursuant to requirement of Section 242 of the Companies Act, 2017, any dividend payable in cash declared by a listed company shall only be paid through electronic mode directly into the bank account designated by the entitled





shareholders. Accordingly, the shareholders holding physical shares are requested to provide the information to the Company's Share Registrar at the address given herein above. In the case of shares held in CDC, the same information should be provided directly to the CDS participants for updating and forwarding to the Company. In case of non-submission of IBAN of 24 digits, the Company will withhold the payment of dividend under the Companies (Distribution of Dividends) Regulations, 2017.

- 12 The rates of deduction of income tax from dividend payments shall be applicable as per the Income Tax Ordinance, 2001.

All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR Website and may, if required, take necessary actions for inclusion of their name in ATL to avail the lower rate of tax deduction.

13. All shareholders who hold shares jointly are requested to provide in writing the following information regarding shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, Vision Consulting Limited latest by October 09, 2025, otherwise it will be assumed that the shares are equally held by the Principal Shareholder and Joint Shareholder(s) -

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

14. Withholding tax exemption from dividend income shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar, Vision Consulting Limited, 5-C, LDA Flats, 2nd Floor, Lawrence Road, Lahore by October 09, 2025.
15. 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.
16. 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.
17. 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.
18. 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.
19. The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification dated December 05, 2022, 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, October 16, 2025 at 12:30 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 October 10, 2025.
- (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 October 12, 2025, 09:00 AM and shall close on October 15, 2025 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](http://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](mailto:chairman@kmlg.com) one day before the Annual General Meeting i.e. on October 15, 2025 till 05:00 PM. The signature on the ballot paper should match with the signature on CNIC.

#### INFORMATION ABOUT SCRUTINIZER

Pursuant to requirement of the Companies (Postal Ballot) Regulations, 2018, below is the information regarding the Scrutinizer for the purpose of upcoming Annual General Meeting (AGM) of Kohinoor Textile Mills Limited (the "Company") to be held on Thursday, October 16, 2025.

Name of Scrutinizer	Messrs. Junaidy Shoaib Asad, Chartered Accountants
Qualification and Experience	<p>The firm has grown over the last decade as a leading multi-disciplinary organization offering auditing taxation, business advisory, information technology, human resources and corporate services to public and private sector organizations in the country.</p> <p>M/s. Junaidy Shoaib Asad, Chartered Accountants, is a member of UHY International, one of the world's leading accounting and business advisory network, with offices in over 330 business centers in 90 countries across the globe.</p> <p>The firm holds a satisfactory Quality Control Review (QCR) status from the Institute of Chartered Accountants of Pakistan (ICAP) which demonstrates the quality standards maintained by the firm. It is registered on the Panel of State Bank of Pakistan (SBP) and is on the panel of USAID.</p>
Purpose of appointment	<p>The Company is required to appoint a scrutinizer for the purpose of voting in the AGM to transact business that pertains to investment in associated companies as mentioned in Section 199 of the Companies Act, 2017.</p> <p>Therefore, scrutinizer has been appointed to observe that satisfactory procedures of the voting process including adequate precautionary measures are ensured and reported as mentioned under regulation 11A.</p>

#### 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 October 16, 2025.

#### AGENDA ITEM NUMBER 4 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 August 07, 2025 has approved Rs.1,000 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)
		YearBasicDiluted
		30.06.20234.184.18
		30.06.20244.984.98
		30.06.202516.2616.26
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2025 With revaluation surplus Rs. 68.22 Without revaluation surplus Rs. 64.78
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;	Based on the audited financial statements for the financial year ended 30 June 2025 the financial position of MLCFL is as under: -
		ParticularsAmount Rupees (000)
		Paid up capital10,475,626
		Capital reserves34,998,282
		Revenue reserves: Un-appropriated profits22,390,719
		Surplus on revaluation of fixed assets3,596,965
		Total equity71,461,592
		Current liabilities23,330,491
		Current assets35,752,604
		Revenue68,942,446
		Gross profit23,746,816
		Operating profit24,187,950
		Profit for the year17,036,374
		Earnings per share (Rs.)16.26



(B) General Disclosures:

Ref. No.	REQUIREMENT	INFORMATION	
(i)	Maximum amount of investment to be made;	Rs. 1,000 million (Rupees one thousand million only).	
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	<p><b>Purpose:</b> To earn income on the loans and/or advances to be provided to MLCFL from time to time for working capital requirements of MLCFL.</p> <p><b>Benefits:</b> 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.</p> <p><b>Period:</b> For a period of one year from November 01, 2025 to October 31, 2026.</p>	
(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 agreements, if any, with associated company or associated undertaking with regards to the proposed investment;	<b>Nature</b>	Loan / advance
		<b>Purpose</b>	To earn mark-up / profit on loan / advance being provided to MLCFL which will augment the Company's cash flow.
		<b>Period</b>	One Year
		<b>Rate of Mark-up</b>	One percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
		<b>Repayment</b>	Principal plus mark-up/ profit upto October 31, 2026
		<b>Penalty charges</b>	@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 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 28, 2024 which is valid till October 31, 2025. 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 necessary 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 (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 8.04% for the year ended June 30, 2025.
(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 advances to be given to the associated company or associated undertaking.	The loan / advance would be for a period of one year from November 01, 2025 to October 31, 2026 (both days inclusive). MLCFL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2026.

**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
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 5 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 August 07, 2025 has approved Rs.1,000 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: -

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;	<b>(Rupees)</b>
		<b>Year                      Basic                      Diluted</b>
		30.06.2023                      1.91                      1.91
		30.06.2024                      19.81                      19.81
		30.06.2025                      28.65                      28.65
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2025 is Rs. 63.01
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;	Based on the audited financial statements for the financial year ended 30 June 2025, the financial position of MLCL is as under: -
		<b>Particulars                      Amount Rupees (000)</b>
		Paid up share capital                      3,015,000
		Reserves                      15,981,089
		Total equity                      18,996,089
		Current liabilities                      13,394,780
		Current assets                      35,527,984
		Revenue                      13,546,928
		Profit from operations                      12,922,851
		Profit after taxation                      8,637,247
		Earnings Per Share Rs.                      28.65

(B) General Disclosures:-

Ref. No.	REQUIREMENT	INFORMATION	
(i)	Maximum amount of investment to be made;	Rs. 1,000 million (Rupees one thousand million only).	
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	<p><b>Purpose:</b> To earn income on the loans and/or advances to be provided to MLCL from time to time for working capital requirements of MLCL.</p> <p><b>Benefits:</b> 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.</p> <p><b>Period:</b> For a period of one year from November 01, 2025 to October 31, 2026.</p>	
(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;	<b>Nature</b>	Loan / advance
		<b>Purpose</b>	To earn mark-up / profit on loan / advance being provided to MLCL which will augment the Company's cash flow.
		<b>Period</b>	One Year
		<b>Rate of Mark-up</b>	One percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
		<b>Repayment</b>	Principal plus mark-up/ profit upto October 31, 2026
		<b>Penalty charges</b>	@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 28, 2024 which is valid till October 31, 2025. 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 8.04% for the year ended June 30, 2025.
(iii)	Rate of interest, mark up, 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 November 01, 2025 to October 31, 2026 (both days inclusive). MLCL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2026.

#### 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	Maple Leaf Capital Limited
Total Investment Approved:	Loans / advances upto Rs.1,000 million was approved by members in AGM held on October 28, 2024 for a period of one (01) year.	Loans / advances upto Rs.1,000 million was approved by members in AGM held on October 28, 2024 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.
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 to 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:	<p>At the time of approval of loans/ advances of Rs.1,000 million, as per financial statements for the period ended June 30, 2024, the basic earnings per share was Rs.4.98 and breakup value per share (without surplus) was Rs.45.90.</p> <p>As per latest financial statements for the year ended June 30, 2025, the basic earnings per share is Rs.16.26 and breakup value per share (without surplus) is Rs.64.78.</p>	<p>At the time of approval of loans/ advances of Rs.1,000 million, as per financial statements for the period ended June 30, 2024, the basic earnings per share was Rs.19.81 and breakup value per share was Rs.34.51.</p> <p>As per latest financial statements for the year ended June 30, 2025, the basic earnings per share is Rs.28.65 and breakup value per share is Rs.63.01.</p>

### AGENDA ITEM NUMBER 6 OF THE NOTICE – RATIFICATION AND APPROVAL OF THE RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED JUNE 30, 2025:

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, 2025 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 38 to the unconsolidated financial statements for the year ended June 30, 2025. Party-wise details of such related party transactions are given below: -

Name of Related Party	Relationship	Description of Transactions	2025	2024
			Rupees in thousand	
<b>Maple Leaf Cement Factory Limited</b>	Subsidiary Company	Purchase of goods and services	64,405	14,326
		Expenses paid by MLCFL on behalf of the Company	5,661	2,468
		Common expenses	44,302	38,324
<b>Maple Leaf Capital Limited</b>	Subsidiary Company	Expenses on behalf of MLCL	6,283	7,745
		Payment received against expenses	6,283	7,745
<b>Hutton Properties Limited</b>		Expenses on behalf of the Hutton Properties Limited	-	18,653
		Payment received against expenses	-	18,653
<b>Post-employment benefit plan</b>		Contribution to provident fund	161,698	136,353

The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 73,390,896 [27.25%] (2024: 73,390,896) and 55,256,992 [20.52%] (2024: 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, 2026:**

The Company shall be conducting transactions with its related parties during the year ending on June 30, 2026 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, 2026, 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 2025 to our esteemed shareholders. Throughout the 2024-25 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 2025 has met our performance criteria and remains satisfactory, adhering to recognised 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  
07 August 2025



## **DIRECTORS' REPORT TO THE SHAREHOLDERS**

In compliance with Section 227 of the Companies Act, 2017, the Directors are pleased to present 57th Annual Report along with audited financial statements and Auditors' Report thereon for the year ended 30 June 2025.



## 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 financial results of the Company for 2024-25 show significant improvement over the previous year despite a higher taxation regime. The results improved due to decrease in interest costs, continued focus on higher value-added goods and emphasis on increasing solar generation to fend off energy price increases.

The results of the Company's Spinning divisions are similar to those of the year before despite cut-throat competition from cheap imported yarns. Strict controls on raw material input costs helped overcome the impact of minimum wage increases. At the Company's Gujar Khan site, a large expansion in the back process department is underway and nearing commissioning which should provide the Company with greater product flexibility in case of continuing pressure from fine count imports. We continue to maintain focus on improving our quality and productivity. An additional 5 MW of solar capacity across the two spinning sites is under installation which should further decrease energy costs and bolster results.

The results of the Weaving division are vastly improved over those of the previous year, driven by better marketing, lower interest rates and tight cost controls. The Company is exploring upgrading its oldest looms to further increase capacity and expand its diversity of offerings. We expect the results to improve in the coming year.

The Home Textiles division delivered a strong result despite adverse change in taxation regime, an increase in minimum wages and energy costs. The coming financial year will be difficult due to uncertainty and the imposition of higher tariffs on goods exported to the United States of America. To offset the impact of tariff changes, the Company is focusing on increasing its presence in alternative markets. Despite the difficult circumstances, the Company's focus on high value-added goods should provide a buffer against the worst impacts of trade conditions.

The Company continues its commitment to sustainability with the successful installation of a new bio-mass boiler which should 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. Increases in solar capacity continues to be the cornerstone of the Company's sustainability strategy.

Raw material prices worldwide are weak and the Company is exercising extreme caution in procurement and stocking of cotton and other fibers.

We are hopeful that the performance of KTML in the financial year 2026 will match or slightly improve over the year under review, with Weaving and Home Textiles leading the way.

## FINANCIAL REVIEW

During the year under review, Company's sales increased by 2% to Rs.59,414 million (2024: Rs.58,175 million), while cost of sales increased by 1% to Rs. 49,612 million (2024: Rs.48,888 million). This resulted in gross profit of Rs. 9,802 million (2024: Rs.9,287 million). Operating profit for the year under review stood at Rs.7,416 million (2024: Rs.6,543 million). The Company made an after-tax profit of Rs. 2,750 million (2024: Rs.2,199 million). Earnings per share for the year ended 30 June 2025 were at Rs.10.21 against Rs.8.07 for the last year.

## GROUP FINANCIAL REVIEW

During the year under review, Group's consolidated revenue increased to Rs. 128,030 million (2024: Rs. 124,613 million), while cost of sales decreased to Rs. 92,063 million (2024: Rs. 92,131 million). This resulted in gross profit of Rs. 35,967 million (2024: Rs. 32,482 million). Earnings per share for the year ended 30 June 2025 were Rs. 61.19 against Rs. 41.72 for the last year.

## DIVIDEND & APPROPRIATIONS

Keeping in view the results, the Board of Directors of the Company in their meeting held on 07 August 2025 has proposed a final cash dividend of Rupees 2 per share of Rs. 10/- each (20%) amounting to Rupees 538.599 million (2024: Rupees Nil) for the year ended 30 June 2025 for approval of the members at the Annual General Meeting to be held on 16 October 2025. Future prospects of the dividend are dependent on future economic conditions and financial performance of the Company.



The Directors recommend as under:

Description	Rs. "000"
Profit before taxation	4,617,583
Provision for taxation	(1,867,767)
Profit after taxation	2,749,816
Accumulated profit brought forward	2,815,084
<b>Accumulated profit carried forward</b>	<b>5,564,900</b>

## SUBSEQUENT EVENTS

Subsequent to the year end, the Board of Directors of the Company has considered and recommended the sub-division of the Company's shares by reducing the face value from Rupees 10 per share to Rupees 2 per share subject to approval by the shareholders. The Company's existing subscribed and paid-up capital, currently comprising 269,299,456 ordinary shares of Rs.10/- each, will be split into 1,346,497,280 ordinary shares of Rs.2/- each in the ratio of 5 (five) ordinary shares for every 1 (one) ordinary share held. This division will not alter any rights, privileges or entitlements attached to the ordinary shares.

There are no other 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 believe that investments and expansions across production sites will keep the Company profitable. So, the Company continues to invest in improving its infrastructure. The Company is exploring upgrading its oldest looms at its weaving division to further increase capacity and expand its diversity of offerings. Further, in keeping with its focus on becoming a "green" company, KTML continues to rapidly expand its renewable energy capacity, investing significantly in further solar energy generation. The Company has added another 5 MW solar power generation capacity during the year at its Rawalpindi and Gujjar Khan site.

## 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 higher 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 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.

#### 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 various information systems within an organization. At KTML, management recognizes that sustaining a competitive advantage requires continuous enhancement of its technological platforms. Accordingly, the Company is consistently investing in advanced information technology to remain current and to deliver superior service to its stakeholders.

##### 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 controls 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	3
	Mr. Zulfikar Monnoo	2
Other Non-Executive Directors	Mr. Tariq Sayeed Saigol - <i>Chairman</i>	4
	Mr. Sayeed Tariq Saigol	4
	Mr. Waleed Tariq Saigol	4
Executive Directors	Mr. Taufique Sayeed Saigol <i>Chief Executive Officer</i>	4
	Mr. Danial Taufique Saigol	4
	Syed Mohsin Raza Naqvi	4
Female Director Non-Executive Director	Ms. Jahanara Saigol <i>Non-Executive Director</i>	4

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





## 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)	4
Mr. Zulfikar Monnoo	Member (Independent Director)	2
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 28, 2024.

## 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 November 25, 2024 and all members attended the meeting.

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

The Board would consider to constitute the Nomination Committee and Risk Management Committee and compliance will be made in due course.

## 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, Sponsors and/ or family Directors and full time working Director(s), shall be net of tax amounting to Rs. 100,000/- (Rupees one hundred thousand only) per meeting or as time to time determined by the Board for attending the Board and Rs. 10,000/- (Rupees ten 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 37 of the Standalone Financial Statements.

## FUTURE OUTLOOK

The Company remains committed to enhancing its infrastructure, plant, and machinery, with a strong emphasis on improving quality, expanding capacity, and diversifying product lines to ensure long-term sustainable growth. Aligned with its vision of becoming a “green” organization, KTML is rapidly expanding its renewable energy portfolio, with substantial investments in solar power generation. In addition, the Company continues to advance water recycling initiatives, targeting the achievement of Zero Liquid Discharge in the long run. Looking ahead, we anticipate that KTML’s performance in the financial year 2026 will be comparable to, or slightly better than, the year under review, with Weaving and Home Textiles expected to be the primary growth drivers.

## PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company in accordance with the Companies Act, 2017 as at 30 June 2025 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

(Syed Mohsin Raza Naqvi)  
Director

(Taufique Sayeed Saigol)  
Chief Executive

Lahore  
August 07, 2025



# 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, 2025**

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;

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 anti-harassment 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 Product Co. 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:

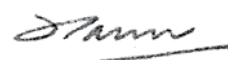
MEETINGS	FREQUENCY
Audit Committee	Four meetings were held during the financial year ended June 30, 2025.
Human Resource and Remuneration Committee	One meeting was held during the financial year ended June 30, 2025.

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: August 07, 2025





**Riaz Ahmad & Company**  
Chartered Accountants

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## 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 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

RIAZ AHMAD & COMPANY  
Chartered Accountants

Islamabad  
Date: 11 September 2025  
UDIN: CR2025107772roE8Pme5



# REPORT OF THE AUDIT COMMITTEE



The Audit Committee comprises of two Independent Directors and two Non-Executive Directors. The Chief Financial Officer, the Chief Internal Auditor 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 2024-2025. 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 2025-2026.

On behalf of the Audit Committee

(Syed Muhammad Shabbar Zaidi)  
Chairman, Audit Committee

07 August 2025



# BRIEF PROFILE OF DIRECTORS

**MR. TARIQ SAYEED SAIGOL**  
(CHAIRMAN / DIRECTOR)

## OTHER ENGAGEMENTS

**CHAIRMAN / DIRECTOR**

Maple Leaf Cement Factory 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  
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  
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. Mr. Saigol also holds directorships on the boards of Maple Leaf Capital Limited, Maple Leaf Power 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

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  
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  
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

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, 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.



# CORPORATE BRIEFING

## 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, CFO, 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 since the date of previous Annual Report.

## 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 28, 2024 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: 18

## 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, and 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 REVIEW

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 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 has 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 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 manages 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 site 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. 42 of standalone Financials of the Company for year ended 30 June 2025, factory employees are as follows.

Further to note no. 42 of standalone Financials of the Company for year ended 30 June 2024, factory employees are as follows.

2025	2024
6,390	6,462

### 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:

- Emotional Intelligence
- Effective Communication Skills
- Management Development Program
- HSE Emergency Response Training
- Developing Future Leaders
- 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 financial performance 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

Owing to possible strain on cash flows due to high interest rates, increase in energy prices and buy-back of shares during the year by the Company, the Directors express their inability to pay any dividend and did not recommend the final cash dividend for the year ended June 30, 2024 to the shareholders of the Company. The management of the Company is firmly committed to a steady stream of payout to the shareholders by way of cash dividend after sizeable deleverage and satisfactory operating cash flows.

## 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 enquiries 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 enquiries 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 (2024: Rs. 7,805.59 Million) in respect of taxes, levies and duties. Moreover, we have also contributed (USD) 76.436 million (2024: 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

IT Governance and Cybersecurity .....	158
Contingency and Disaster Recovery Plan.....	160
Cybersecurity Risk Mitigation Through Education and Training .....	160

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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 business growth.

These initiatives reflect KTML's ongoing commitment to embedding strong IT governance practices, fostering innovation, and maintaining resilience in an increasingly complex digital environment. The Company 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, seamlessly 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 withstand unexpected disruptions, minimize downtime, and maintain stakeholder confidence even under adverse conditions.

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

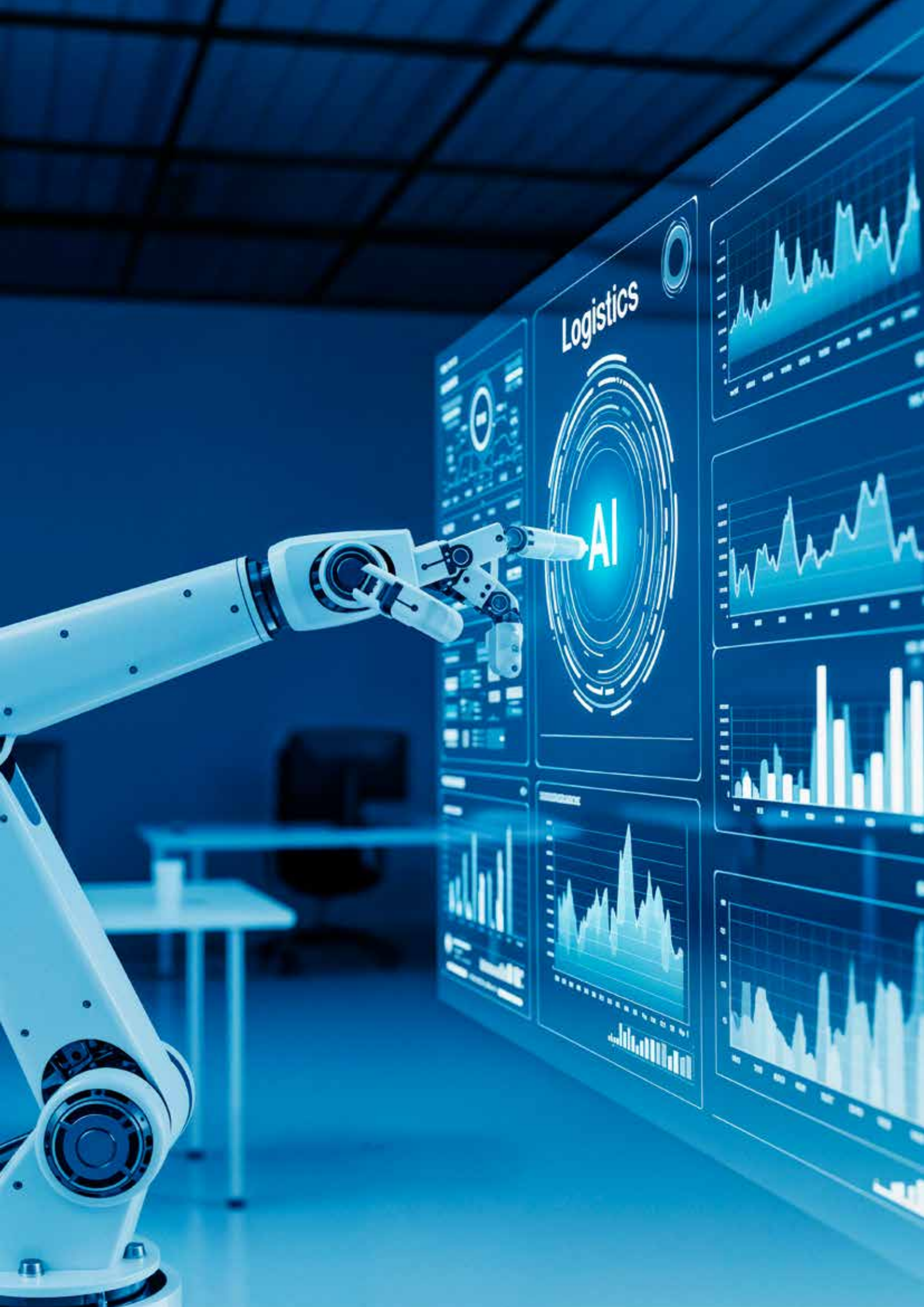
KTML has embarked on several strategic digital transformation initiatives aimed at modernizing key functions.

- 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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Forward Looking Statement.....164

Sources of Information and Assumptions .....165

AI Adoption and potential impact on  
Company's Strategy.....16

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07

FUTURE OUTLOOK



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# 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 2026, the company expects its performance to be comparable to, or slightly better than, the current year, with growth primarily driven by its Weaving and Home Textiles divisions.

## FINANCIAL FORECAST

Following are the financial forecasts for FY 2026 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 2025-26 Rs. in Million
Revenue	61,708
Gross Profit	9,986
Profit from operations	6,107

In order to achieve the above mentioned forecasts, we are taking / planning to take following measures:

## 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 2026 include:

**Renewable Energy Integration:** The addition of 5 MW of new solar power capacity annually reduces approximately 10.97 million pounds (equivalent to 4,976 metric tons) of carbon dioxide emissions and significantly lowers energy costs.

**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 Costs:** A gradual decrease in the central bank’s policy rate towards the end of FY 2025 and subsequent to year-end will further reduce finance costs 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.
- Effective management of finance costs, benefiting from decreasing policy rates.

### Non-Financial Considerations:

While more difficult to quantify, these intangible factors are crucial to our long-term strategy and performance:

**Stakeholder Engagement:** Regular 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 judgments. 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 judgments 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 funded 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 has successfully expanded its renewable energy portfolio by installing an additional 5 MW of solar power generation capacity, bringing our total solar capacity to 35 MW. Looking ahead, for the Financial Year 2026, we have two key projects in pipe-line: the installation of a new back process at our Gujar Khan Division to enhance yarn production capacity and the replacement of older looms with

new, more efficient models at our Raiwind Division to boost fabric production.

### ANALYSIS OF PRIOR YEAR FORWARD LOOKING DISCLOSURE

In the past year, we have delivered on our key financial objectives. The company's revenue increased to Rs. 59 billion (from Rs. 58 billion in 2024), driven primarily by strong export sales from our Weaving divisions. A slight increase in the gross profit margin was achieved due to lower cotton and energy prices. Furthermore, a decrease in the central bank's policy rate led to a reduction in finance costs, with all these factors contributing positively to an improved bottom line compared to the preceding year.

### FUTURE-PROOFING KTML WITH AI

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.
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- 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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Stakeholders Relationship and Engagement..... 170

Stakeholders Relationship..... 172

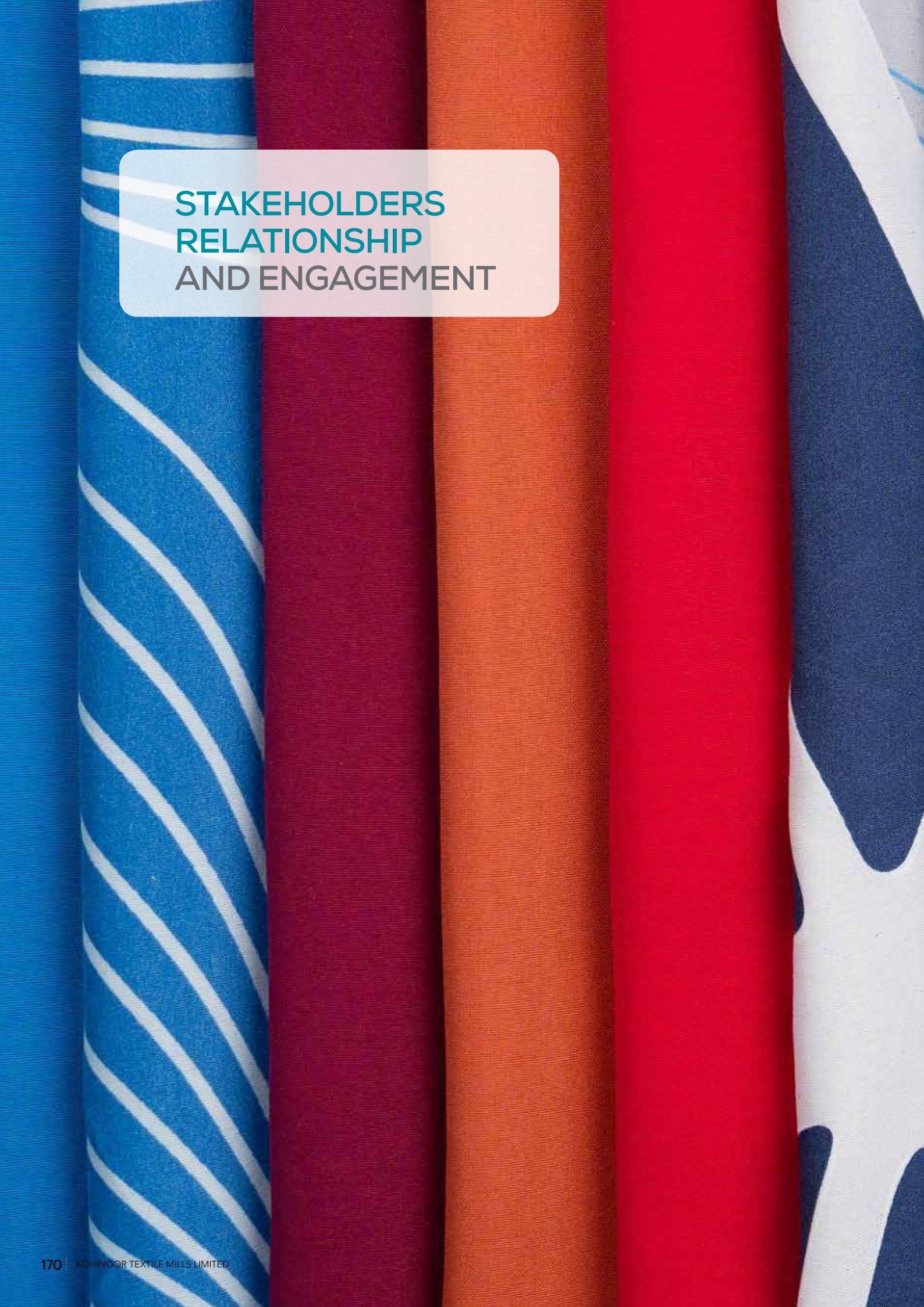
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# 08

## 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.

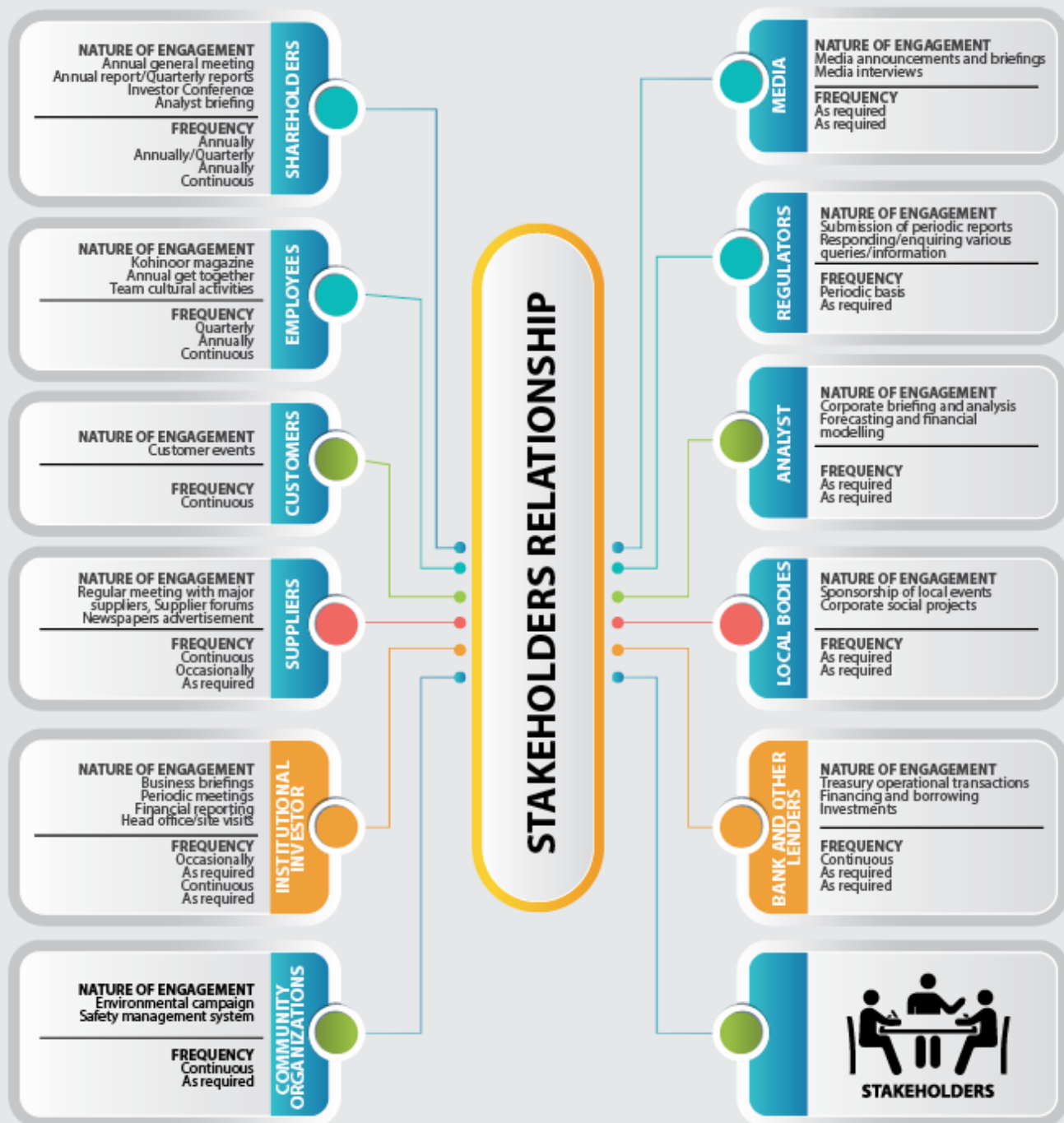
## PROCEDURES FOR STAKEHOLDERS ENGAGEMENT

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 regularly 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 2024)

## 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 besides the link to SECP's investor education portal; the 'Jamapunji'.

## 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 consistent 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:

KohinoorTextileMillsLimited(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 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: [Insert Website Link].

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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Business Model.....176

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# 09

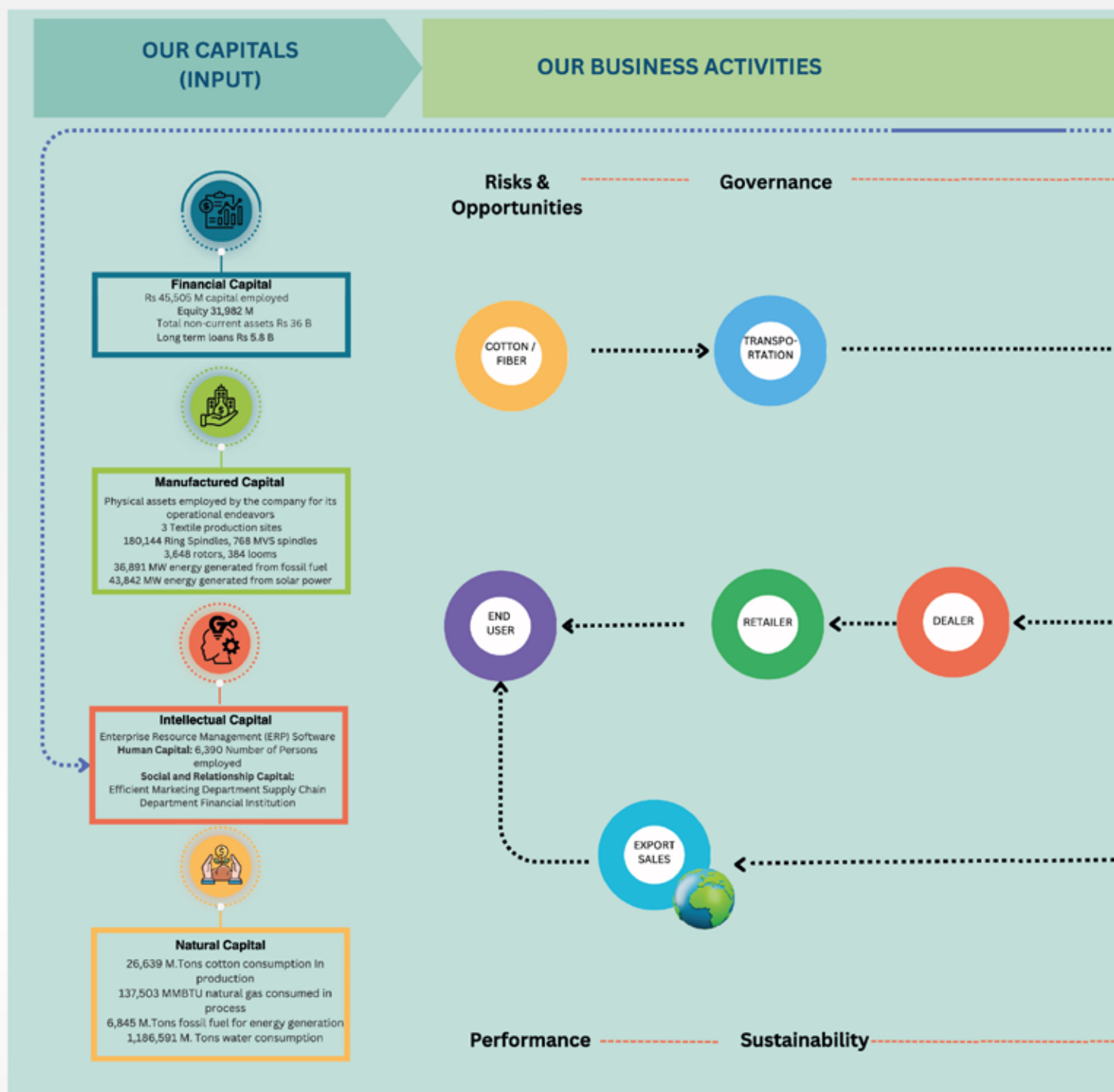
## BUSINESS MODEL





# 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.





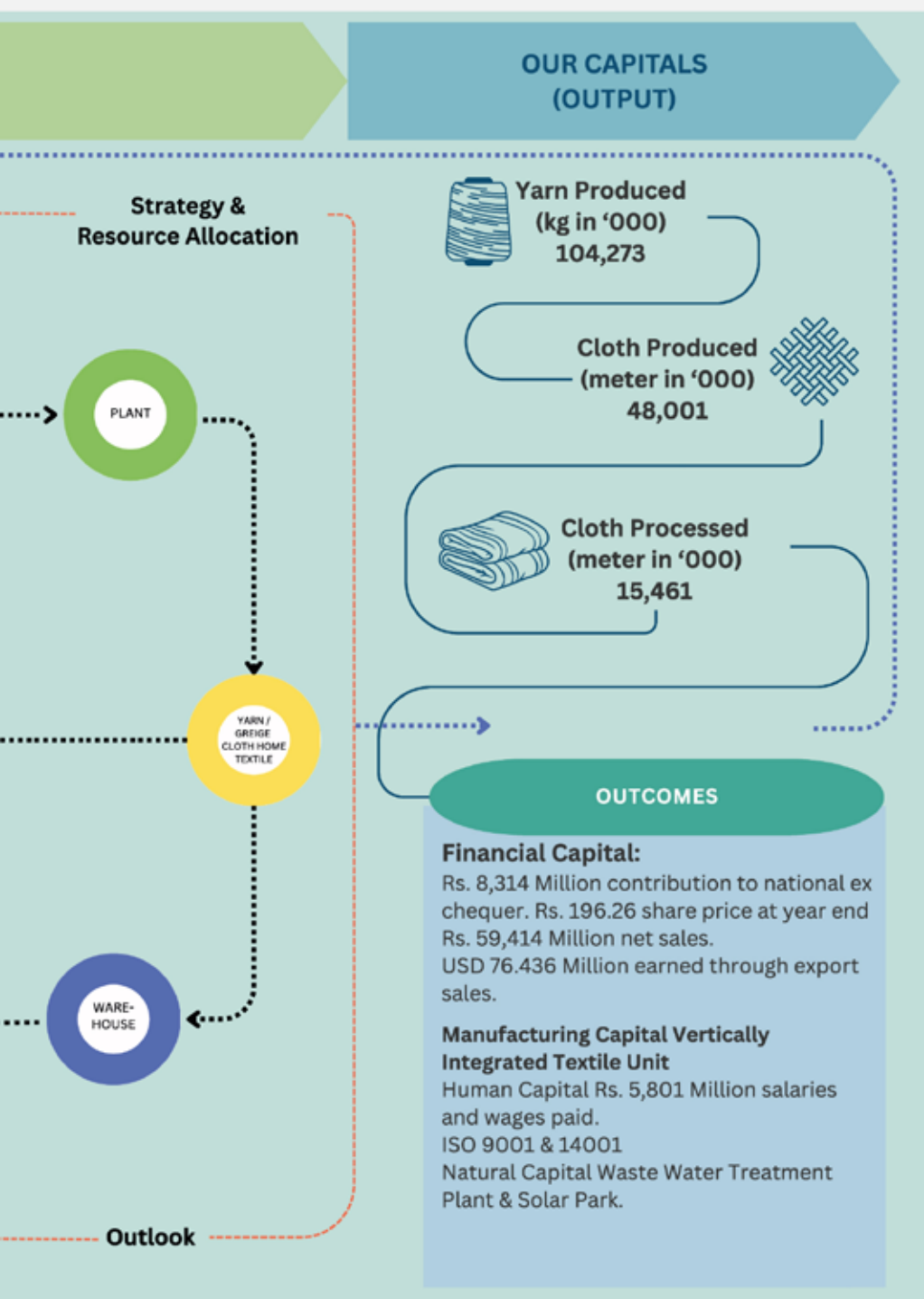
Industry Innovation  
& Infrastructure



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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Compliance with International Integrated Reporting Framework (IR).....	180
Compliance with International Financial Reporting Standards (IFRS) .....	181

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10

STRIVING FOR  
EXCELLENCE  
IN CORPORATE REPORTING



17-70

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# 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

Year at a Glance.....	184
Non-Financial KPIs.....	185
Financial Review – Statement of Financial Position .....	186
DuPont Analysis and Return on Equity .....	187
Share Price Sensitivity Analysis .....	188
Financial Review – Statement of Profit or Loss.....	190
Statement of Charity .....	191
Segmental Review of Business Performance .....	192
Actual Versus Budget.....	194
Financial Review – Statement of Cash Flow .....	195
Cash and cash Equivalents .....	195
Free Cash Flows .....	196
Statement of Cash Flows (Direct Method) .....	197
Results Reported in Interim Financial Statements and Final Accounts.....	198
Economic Value Added.....	200
Horizontal Analysis of Financial Statement .....	202
Vertical Analysis of Financial Statement .....	207
Key Operating and Financial Data (Six Years Summary) .....	209
Methods and Assumptions Used in Compiling Indicators .....	216
Definitions and Glossary of Terms .....	216

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# 11

## ANALYSIS OF THE FINANCIAL INFORMATION





# 2025

## YEAR AT A GLANCE





# NON-FINANCIAL KPIs



# FINANCIAL REVIEW

## FINANCIAL POSITION

Highlights of financial position as at 30 June 2025 are as follows:

Particulars	2025	2024
	(Rs. In Million)	
Equity (share capital and reserves)	31,982	29,233
Long term borrowing	5,782	7,073
Short term borrowing	7,746	7,504
Non-current assets	35,585	34,371
Current assets	18,979	17,483
Capital employed	45,505	43,759

### COMMENTS ON FAVOURABLE / (UNFAVOURABLE) VARIANCES IN FINANCIAL POSITION:

#### Equity (Share capital and reserves)

- The 9.4% increase in the Company's equity is attributable to the profit generated during the year.

#### Long term borrowing

- The decrease of Rs. 1,291 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 higher working capital requirements of the Company.

#### Trade and other payables

- Trade and other payables rose by Rs. 658 million, representing a 12% increase over the previous year, mainly due to higher accrued expenses and contract liabilities.

#### Non-current assets

- The increase of Rs. 1,214 million in non-current assets (2024: Rs. 4,012 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. 1,662 million over the previous year, consistent with the Company's expanding business requirements.

#### Trade debts

- Trade debts decreased by Rs. 558 million (9%) compared to the previous year, primarily attributable to improved collection efficiency and effective working capital management.

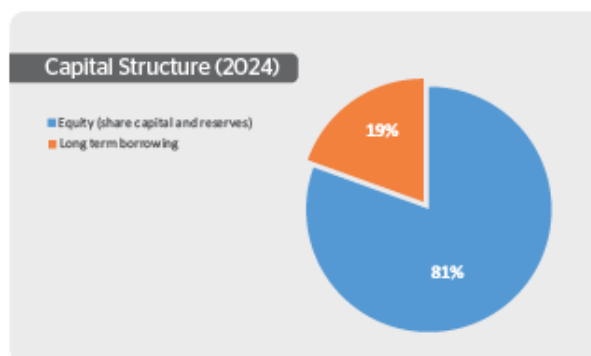
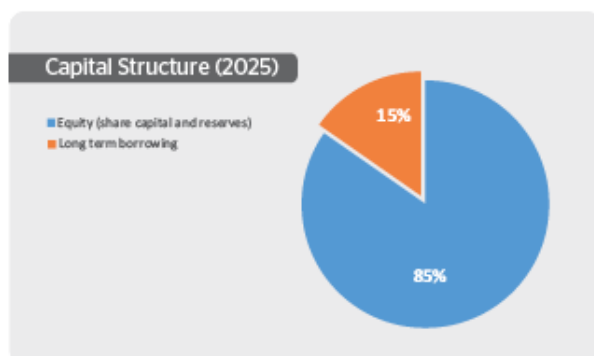
#### Other receivables

- Other receivables declined by Rs. 403 million (23%) compared to the previous year, largely as a result of sales tax refunds received from the Government, contributing to improved cash flows.

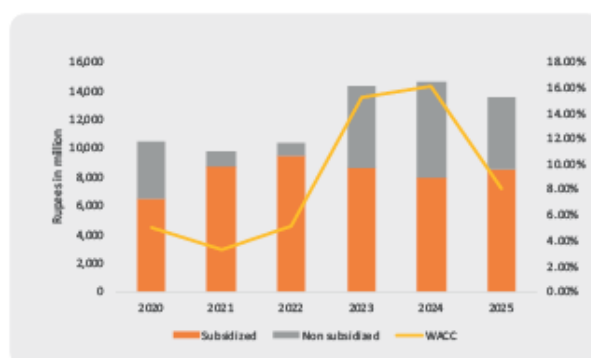
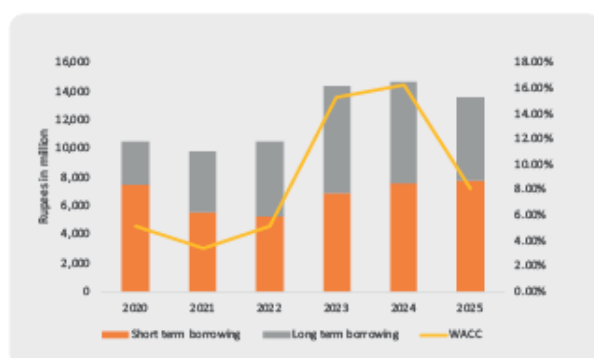




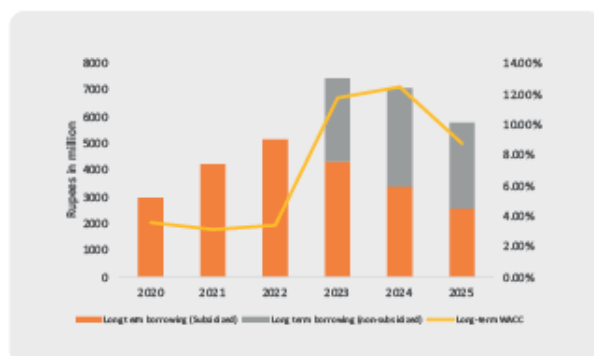
## Capital Injected



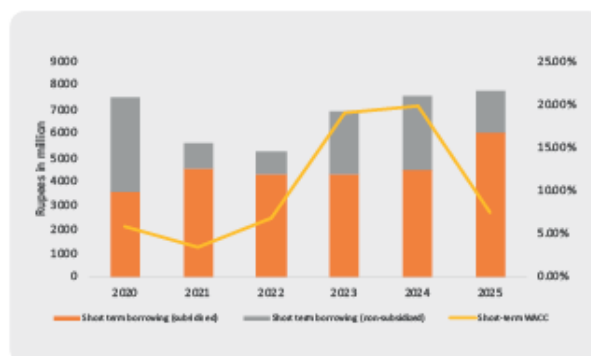
## Loans Structure



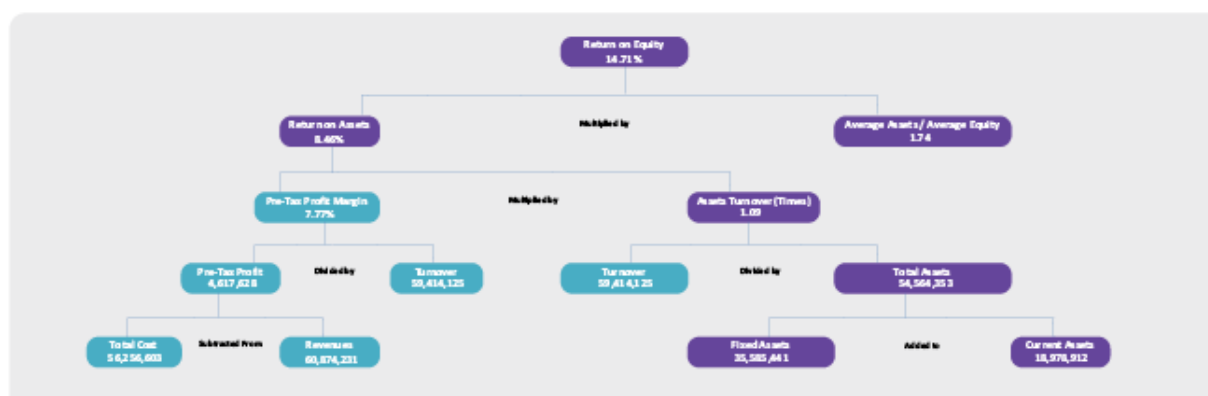
## Long term and short term loans breakup



## Subsidized and non-subsidized loans breakup



## Return on Equity (ROE) DuPont Analysis (Rs. '000')



Year	Return on Equity (ROE)
2020	9.58%
2021	17.45%
2022	27.51%
2023	12.53%
2024	10.34%
2025	14.71%

## Return on Equity (ROE)

DuPont analysis examines the return on equity (ROE) by analyzing profit margin, total asset turnover, and equity multiplier.



### Comments:

DuPont equation indicates increase in ROE in the current period. Higher export sales of weaving division along with significant drop in policy rate by central bank resulted in higher return on equity.

conditions for cotton crop, having required rain falls, results in optimal quality of cotton with reasonable prices. Availability of quality cotton on cheaper rates supports to generate higher profit margins for producing various types of yarn which in turns affect positively the share price of Company.

Description	2025	2024
	Number of shares	
Weighted average number of shares outstanding at the beginning of the year	269,299,456	298,923,616
Weighted average number of shares outstanding at the end of the year	269,299,456	272,618,385

### 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

Performance in textile sector is mainly dependent on better results of agriculture sector for supply of quality cotton on cheaper rates. Good environmental

#### b. Demand Factor

Increase in demand of yarn / fabric & Home Textile products may result in increase in market price which will contribute towards better profitability and Earnings per share (EPS) which will ultimately increase the share price.

#### c. Increase in Cost of Production

Any increase in variable cost (Raw materials, power & utilities cost) may badly affect the gross margins and will resultantly fall in the profitability and fall in EPS. This may badly affect the market price of the share.

#### d. Political Unrest (Strikes, protests)

Volatile political situation often creates disruption in the business processes. Strikes, protests creates hindrance in production operations which may adversely affect the Company to meet deadlines of National / International customers. This factor although not very much material at the moment, but

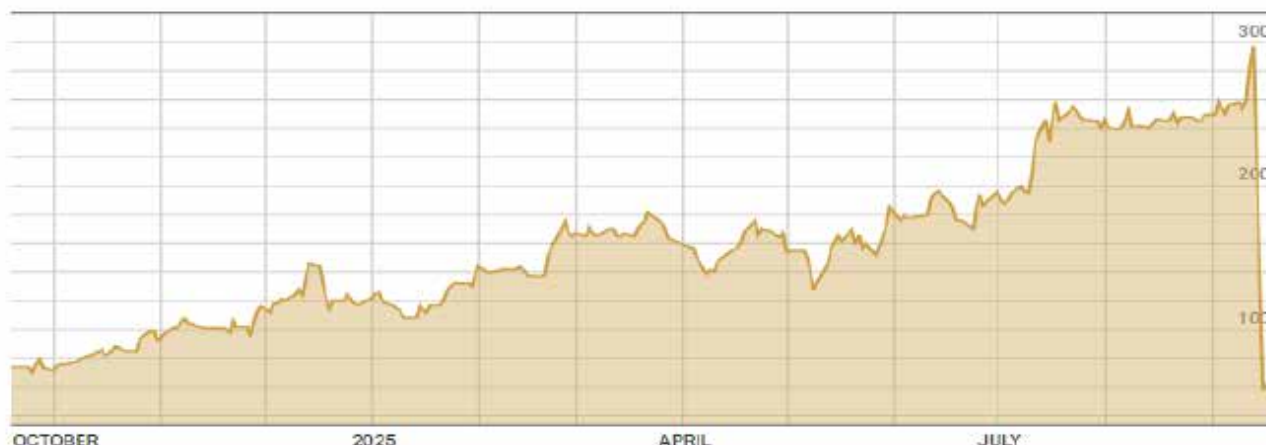


may affect share price of the Company adversely.

#### e. Change in Government Policies

Any change in Government policies related to textile

sector may affect the share price of the Company. If policy change is positive then share price will increase, otherwise vice versa.



### SENSITIVITY ANALYSIS OF CHANGE IN MARKET CAPITALIZATION

Share price as at 30 June 2025 - Rs.	196.26
No. of shares	269,299,456
Market Capitalization as at 30 June 2025 - Rs.	52,852,711,235

Change in share price by	Change in Market Capitalization
+10%	5,285,271,123
-10%	(5,285,271,123)

### FAIR VALUE OF PROPERTY, PLANT AND EQUIPMENT

Market value of the Company's property, plant and equipment is around Rs. 31.54 billion. The Company's

property, plant and equipment except freehold land and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment loss in its financial statements. Freehold land is stated at revalued amount at the date of revaluation less any identified impairment loss and 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 2024-25 are as follows:

Particulars	2025	2024
	(Rs. In Million)	
Revenue	59,414	58,175
Gross profit	9,802	9,287
Profit from operations	7,416	6,543
Finance cost	2,799	3,359
Profit before taxation	4,618	2,991
Taxation	1,868	791
Profit after taxation	2,750	2,199

### COMMENTSONFAVOURABLE/(UNFAVOURABLE) VARIANCES IN FINANCIAL RESULTS:

#### Revenue

- The Company posted a revenue growth of 2.13% over the preceding year, largely attributable to higher export sales from the Weaving segment, which contributed an incremental Rs. 1.8 billion. Conversely, the Spinning segment reported a decline of Rs. 0.72 billion, reflecting subdued market conditions and pricing pressures. Sales from the Home Textile segment remained broadly stable, showing negligible variation compared to the previous year.

#### Gross Profit

- The surge in export sales volume of the Weaving division, combined with improved selling rates over the previous year, led to a 5.55% increase in gross profit. Additionally, lower energy prices and reduced raw material costs in the Spinning division further supported the enhancement of gross profit margins.

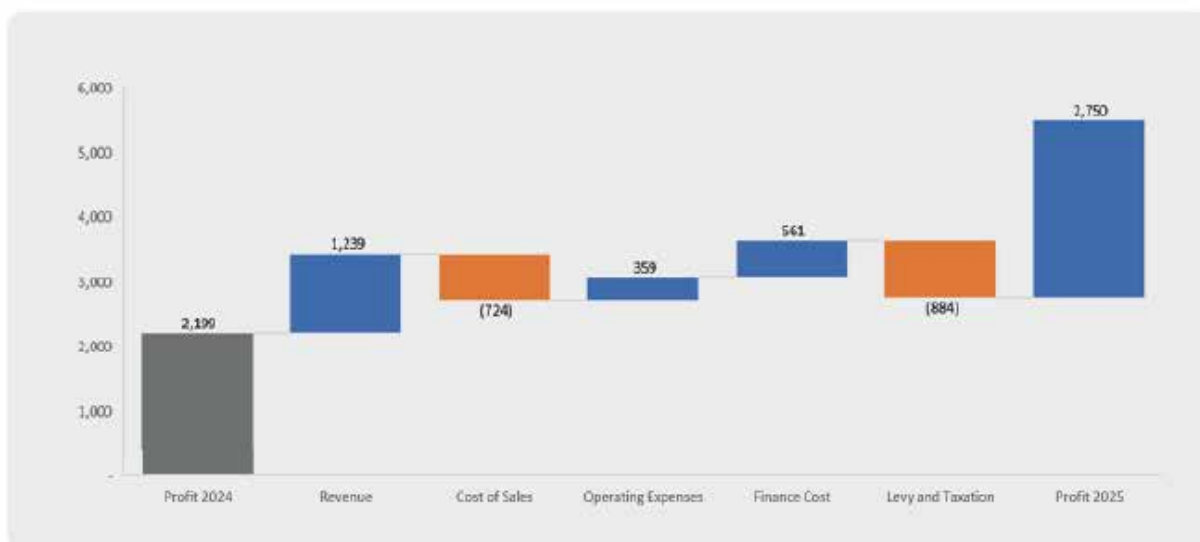
#### Distribution Cost

- Distribution cost increased from Rs. 1,778 million in 2024 to Rs. 2,163 million in 2025, reflecting a rise of Rs. 385 million, or approximately 22%. This increase is largely attributable to the higher export volumes generated by the Weaving division, which not only expanded overall sales but also led to a corresponding escalation in shipment, freight, and handling charges

#### Finance cost

- During the fiscal year, finance cost declined by 16.69%, 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.

### 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 Gujar 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

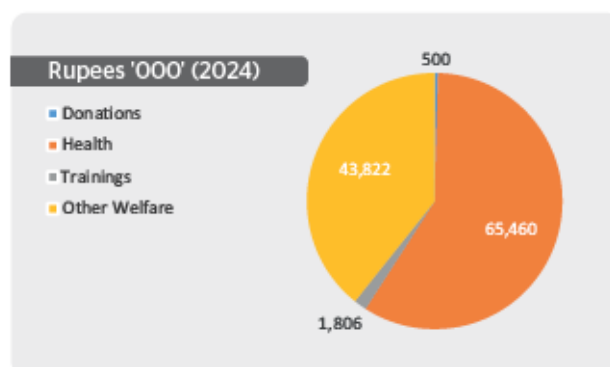
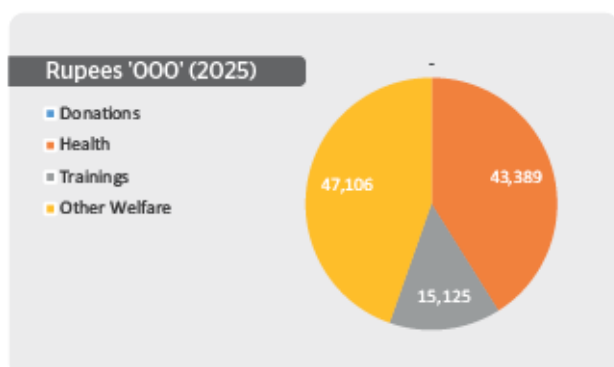
### Provision and Assessment

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	2024	2023	2022
	Rupees in Million		
Provision	733	414	1,645
Assessment	837	495	1,026

## Statement of Charity

	2025 (Rupees in thousand)	2024
Donations	-	500
Health	43,389	65,460
Trainings	15,125	1,806
Other Welfare	47,106	43,822
	105,620	111,588



## 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 2025 are as under:

Particulars	2025	2024
	(Rs. In Million)	
Spinning	3,475	3,838
Weaving	1,606	577
Processing and Home Textile	1,148	1,848

### COMMENTS ON BUSINESS PERFORMANCE OF SEGMENTS:

#### Spinning:

The decline in sales of the Spinning segment by

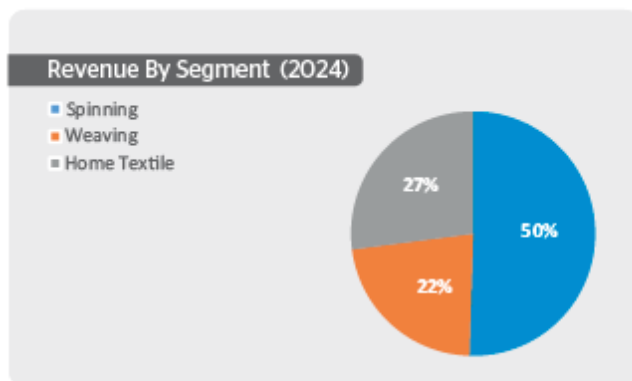
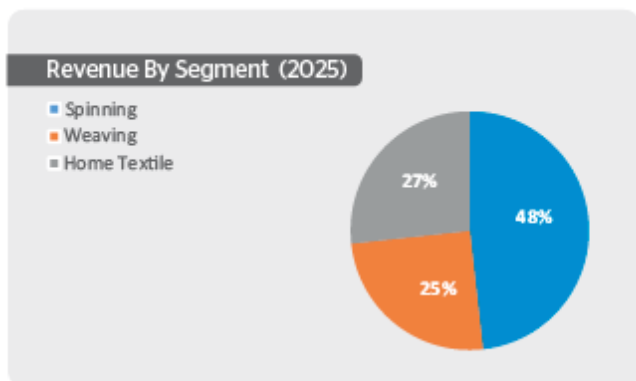
Rs. 0.72 billion, attributable to subdued market conditions and pricing pressures, adversely impacted profitability, resulting in a decrease in profit before taxation and unallocated income & expenses when compared to the previous fiscal year.

#### Weaving:

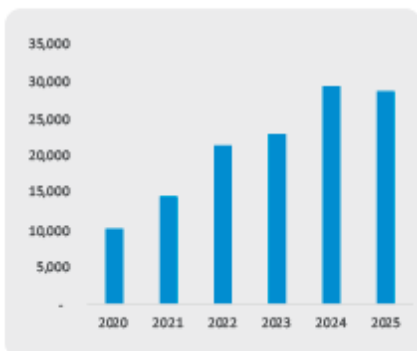
An increase of Rs. 1.8 billion in export sales of the Weaving segment, driven by both higher sales volumes and improved selling rates, together with a significant reduction in finance cost, contributed to an overall improvement in profitability before taxation and unallocated income & expenses.

#### Processing and Home Textile:

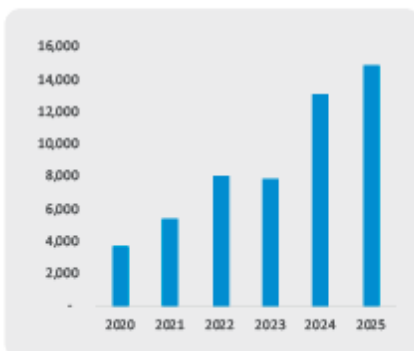
Although sales of the Home Textile segment remained stable, profitability before taxation and unallocated income and expenses declined compared to the previous year. This reduction was primarily attributable to a 7% increase in raw material costs, coupled with higher commission expenses, which exerted pressure on margins despite steady sales performance.



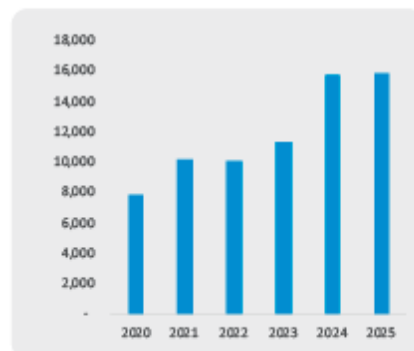
#### Spinning - Rupees in million



#### Weaving - Rupees in million



#### Home Textile - Rupees in million







## COMMENT ON REVENUE:

### Spinning:

During the year, the Spinning segment faced pressure on both sales volume and average selling rates, which remained lower compared to the previous year. This was largely attributable to the increased influx of imported yarn from China 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:

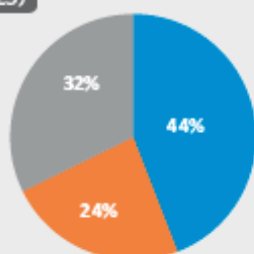
The revenue growth of the Weaving segment was primarily driven by a notable surge in export sales, supported by an increase in sales volumes as well as improved average selling rates compared to the previous year.

### Processing and Home Textile:

Sales from the Home Textile segment remained broadly stable, showing negligible variation compared to the previous year.

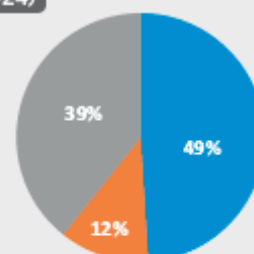
Gross Profit By Segment (2025)

■ Spinning  
■ Weaving  
■ Home Textile

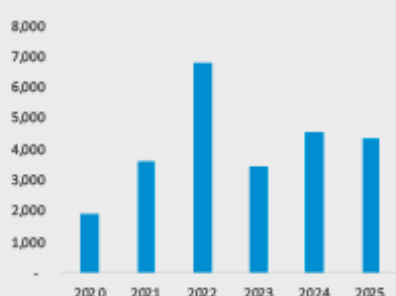


Gross Profit By Segment (2024)

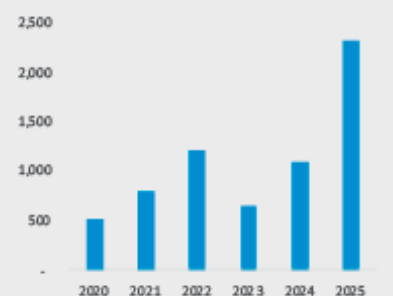
■ Spinning  
■ Weaving  
■ Home Textile



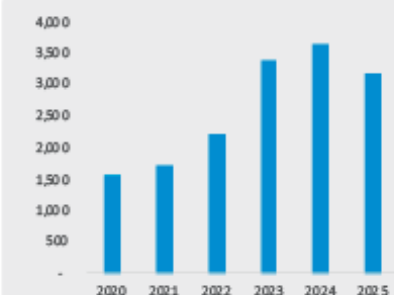
Spinning - Rupees in million



Weaving - Rupees in million

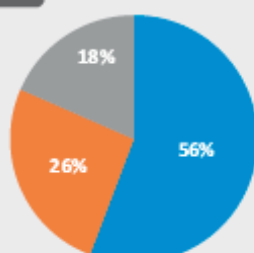


Home Textile - Rupees in million



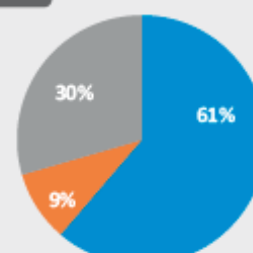
Profit before tax and unallocated income and expenses (2025)

■ Spinning  
■ Weaving  
■ Home Textile



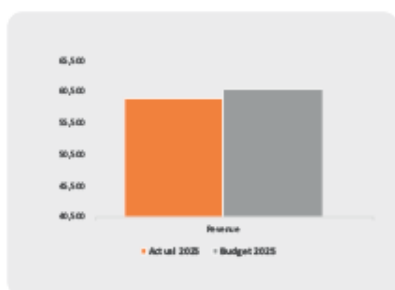
Profit before tax and unallocated income and expenses (2024)

■ Spinning  
■ Weaving  
■ Home Textile

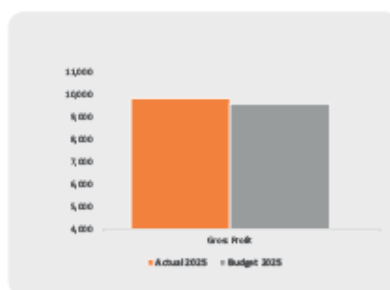


ACTUAL VS BUDGET:	Actual 2025	Budget 2025
	(Rs. In 000)	
Revenue	59,414	60,922
Gross Profit	9,802	9,548
Profit From Operations	7,416	6,331
Finance Cost	2,799	2,978
Profit Before Taxation	4,618	3,353
Profit After Taxation	2,750	2,091

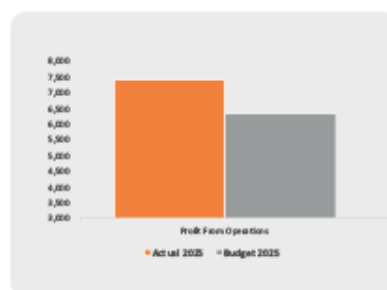
Revenue - Rs. in million



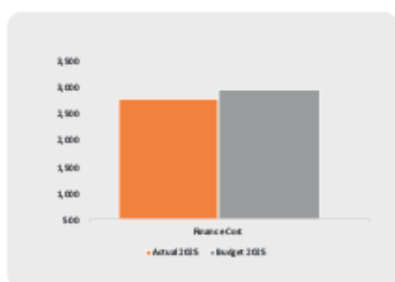
Gross Profit - Rs. in million



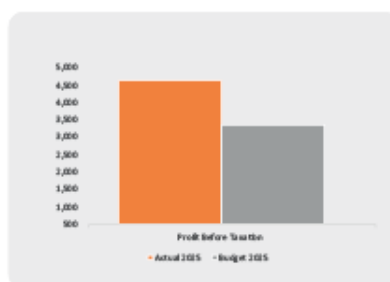
Profit From Operations - Rs. in million



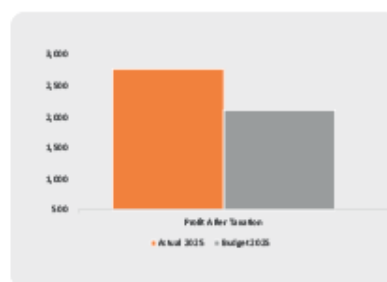
Finance Cost - Rs. in million



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 the budgeted sales targets for the fiscal year is principally attributable to a contraction in sales volumes within the spinning segment, together with lower-than-anticipated sale rates in both the weaving and Home Textile divisions.
- The actual cost of sales remained lower than the budgeted estimate by 3%, primarily due to reduced sales volumes in the spinning segment. In addition, energy prices remained below projected

levels. Consequently, these factors collectively contributed to a gross profit that exceeded budgeted expectations.

- Distribution expenses exceeded budgeted estimates, primarily on account of elevated export-related shipment costs incurred by the weaving division.
- 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 2025.



## CASH FLOW ANALYSIS

Financial highlights of key operating results for the year 2024-25 are as follows:

Particulars	2025	2024
	(Rs. In Million)	
Operating cash flows	2,956	3,868
- Finance cost paid	(3,168)	(3,278)
- Income tax and levies paid	(1,146)	(960)
- Working capital changes	(483)	516
Investing cash flows	(1,862)	(3,060)
Financing cash flows	(1,050)	(1,232)

## COMMENTS OF FAVORABLE/(UNFAVORABLE) VARIANCES IN

### Operating cash flows

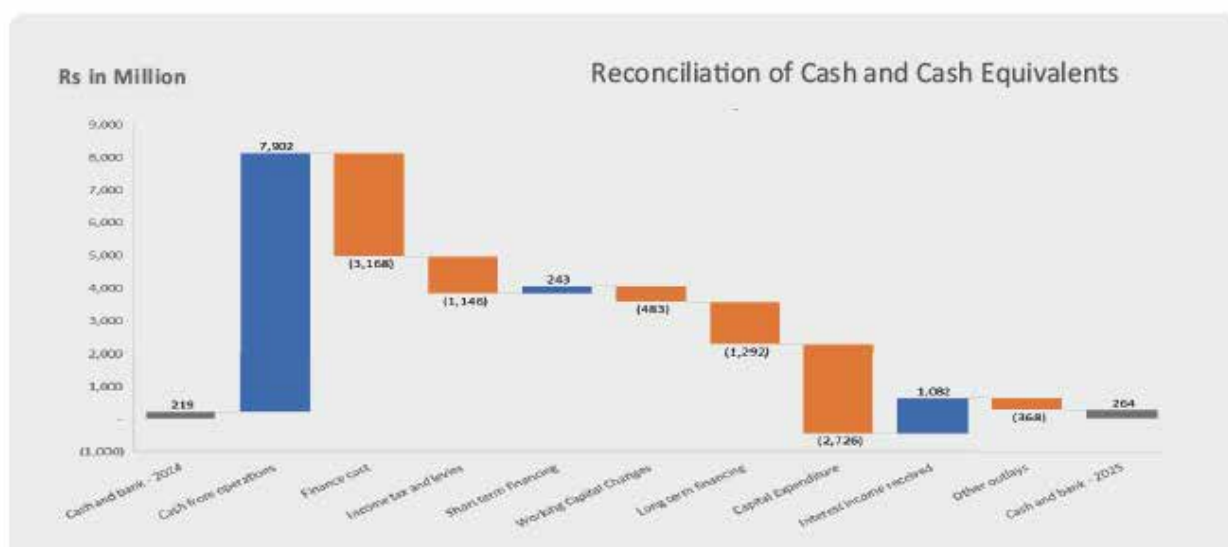
Operating cash flows declined compared to the previous year, primarily due to higher stock levels arising from the early commencement of cotton procurement to fulfill upcoming customer orders. Additionally, lower sales volumes in the spinning segment further contributed to the buildup of stock-in-trade.

### Investing cash flows

The reduction in investing cash outflows is primarily attributable to lower capital expenditures incurred during the year, along with a significant increase in investment income relative to the previous year.

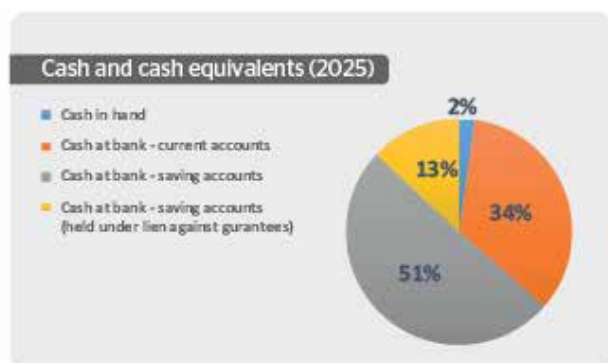
### Financing cash flows

The elevated cash outflow from financing activities in the preceding financial year mainly stemmed from the Company's repurchase of its own shares for cancellation.



### Breakup of cash and cash equivalents

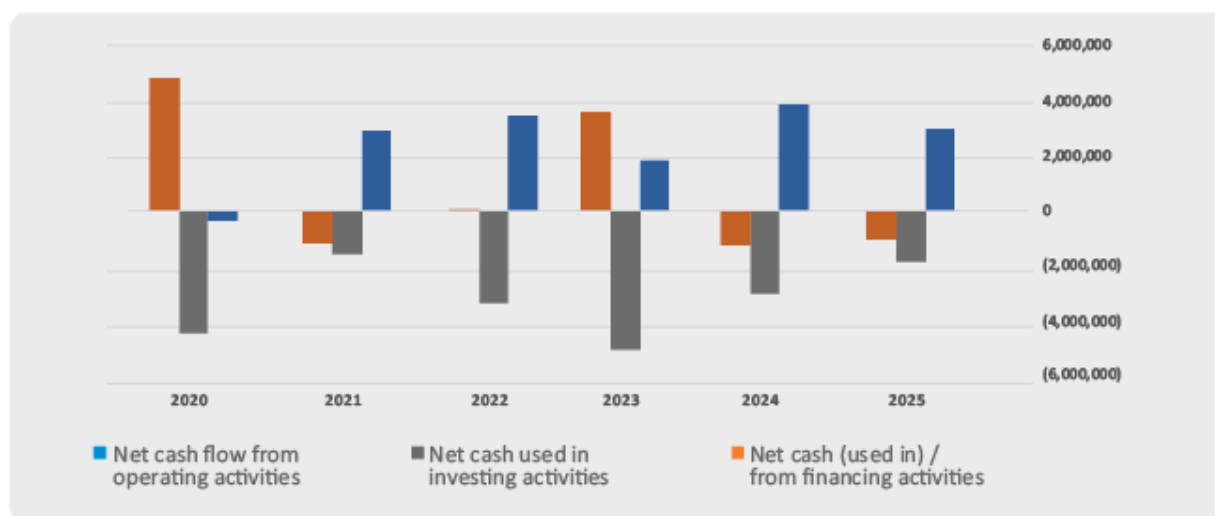
Particulars	2025	2024
	Rupees in ,000	
Cash in hand	5,956	4,325
Cash at bank - current accounts	90,053	130,411
Cash at bank - saving accounts	133,470	49,160
Cash at bank - saving accounts (held under lien against guarantees)	34,255	35,155
Total Cash at bank - saving accounts	167,725	84,315



## Summary of Cash flows

Financial Highlights	2025	2024	2023	2022	2021	2020
	Rupees in ,000					
Net cash flow from operating activities	2,955,932	3,867,830	1,843,041	3,416,411	2,898,473	(390,215)
Net cash used in investing activities	(1,861,615)	(3,060,342)	(5,115,601)	(3,359,411)	(1,616,862)	(4,481,124)
Net cash (used in) / from financing activities	(1,049,634)	(1,231,912)	3,606,406	2,743	(1,218,338)	4,841,586
Net change in cash and cash equivalents	44,683	(424,424)	333,846	59,743	63,273	(29,753)

### Cashflows



Free Cash Flows	2025	2024
	(Rs. in ,000)	
Cash generated from operations	7,419,405	8,218,865
Capital expenditures	(2,725,705)	(3,259,993)
Free Cash Flows	4,693,700	4,958,872

**Free Cash Flow** Free Cash Flow (FCF) represents the cash generated from a company's operations after deducting expenditures on assets. Enhanced

operating efficiency typically drives higher revenues and reduces operating costs, thereby strengthening cash generation. Sound working capital management minimizes cash tied up in inventories and receivables, releasing funds for alternative uses. A strategic focus on higher-margin products further supports profitability, while disciplined capital investment planning can reduce capital expenditures, leaving more cash available after meeting essential operational needs. Collectively, these factors play a pivotal role in improving a company's free cash flow.





# STATEMENT OF CASH FLOWS (DIRECT METHOD)

FOR THE YEAR ENDED 30 JUNE 2025

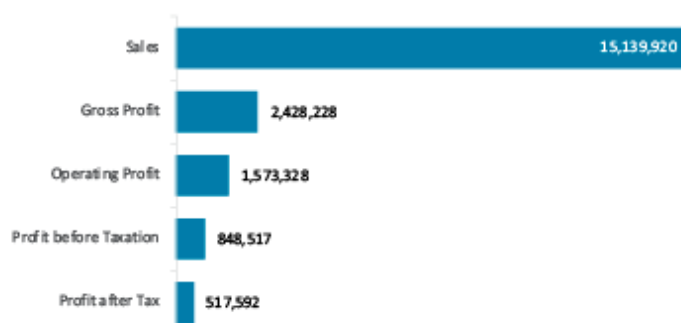
	2025 (Rupees in thousand)	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	59,985,221	56,276,604
Cash paid to suppliers and employees	(52,565,816)	(48,057,739)
<b>Cash generated from operations</b>	<b>7,419,405</b>	<b>8,218,865</b>
Finance cost paid	(3,167,964)	(3,278,095)
Income tax and levies paid	(1,146,161)	(959,953)
Worker's welfare fund paid	(17,141)	(20,742)
Workers' profits participation fund paid	(131,191)	(39,120)
Net increase in long term deposits	(1,016)	(53,125)
<b>Net cash generated from operating activities</b>	<b>2,955,932</b>	<b>3,867,830</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	(2,725,705)	(3,259,993)
Proceeds from disposal of property, plant and equipment	5,387	57,916
Short term investments - net	(224,015)	(28,605)
Interest received	1,082,420	167,411
Dividend received	298	2,929
<b>Net cash used in investing activities</b>	<b>(1,861,615)</b>	<b>(3,060,342)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term financing	-	1,115,127
Repayment of long term financing	(1,291,783)	(1,491,947)
Own shares purchased for cancellation	-	(1,463,096)
Short term borrowings - net	242,787	608,725
Dividend paid	(638)	(721)
<b>Net cash used in financing activities</b>	<b>(1,049,634)</b>	<b>(1,231,912)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>44,683</b>	<b>(424,424)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>219,051</b>	<b>643,475</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>263,734</b>	<b>219,051</b>

# RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS AND FINAL ACCOUNTS

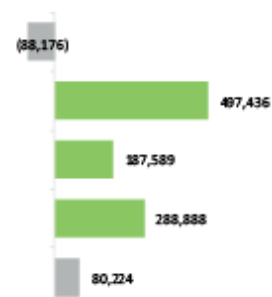
Particulars	Interim Reports Results						Annual	
	3 Months Period Ended 30-09-2024		6 Months Period Ended 31-12-2024		9 Months Period Ended 31-03-2025		Full Year Ended 30-06-2025	
	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%
NNet Turnover	15,139,920		30,296,671		44,938,466		59,414,125	
Gross Profit	2,428,228	16.04%	4,695,546	15.50%	7,196,155	16.01%	9,802,378	16.50%
Operating Profit	1,573,328	10.39%	3,539,945	11.68%	5,691,740	12.67%	7,416,418	12.48%
Profit before taxation	848,517	5.60%	1,860,570	6.14%	3,296,304	7.34%	4,617,628	7.77%
Profit after taxation	517,592	3.42%	1,134,946	3.75%	2,008,894	4.47%	2,749,816	4.63%
Equity	29,750,148		30,367,502		31,241,450		31,982,372	
Current ratio (in times)	1.16		1.05		1.18		1.20	

## GRAPHICAL PRESENTATION

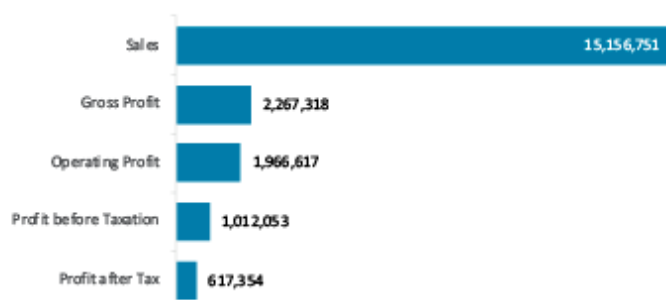
### 1st Quarter 2025



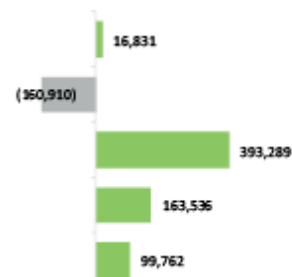
### Variance from previous quarter



### 2nd Quarter 2025



### Variance from previous quarter

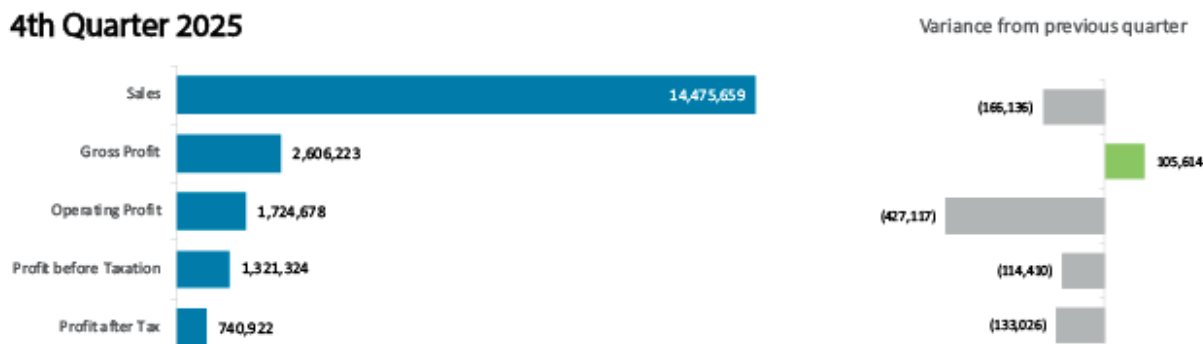




### 3rd Quarter 2025



### 4th Quarter 2025



## ANALYSIS OF VARIATION IN RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS WITH THE FINAL ACCOUNTS

Quarter	Quarter 1 With Annual 30 June 2025	Quarter 2 With Annual 30 June 2025	Quarter 3 With Annual 30 June 2025
Gross Profit	Gross Profit stood at 16.04%, against an annual Gross Profit of 16.50%. The improvement in profitability was primarily underpinned by favorable energy prices and stronger margins on export sales of the weaving division during the latter part of the year	Gross Profit improved from 14.96% in the second quarter to 16.50% for the full year. This enhancement in profitability was primarily attributable to favorable energy prices and strengthened margins on export sales within the weaving division during the latter part of the year.	Gross profit remained 17.08% in third quarter as compared to annual gross profit of 16.50%.
Operating Profit	Operating profit stood at 10.39%, compared to the annual operating profit of 12.48%. The improvement at the annual level was primarily driven by favorable energy prices, along with higher other income recorded during the second and third quarters.	Operating profit remained 12.98% as compared to annual operating profit of 12.48%.	Operating profit in the third quarter stood at 14.70%, compared to the annual operating profit margin of 12.48%.
Net Profit	Net profit after tax for the period was recorded at Rs. 518 million, as against the full-year net profit of Rs. 2,750 million, thereby accounting for 18.84% of the annual profitability.	Net profit after tax for the period stood at Rs. 617 million, compared to the annual net profit of Rs. 2,750 million, representing approximately 22.44% of total annual earnings.	Net profit after tax for the third quarter amounted to Rs. 874 million, compared to the annual net profit of Rs. 2,750 million, thereby contributing approximately 31.78% to the full-year earnings.
Shareholders' Equity	Shareholders' equity stood at Rs. 29,750 million, as against the annual equity position of Rs. 31,982 million.	Shareholders' equity remained Rs. 30,368 million, compared to the annual equity position of Rs. 31,982 million.	Shareholders' equity stood at Rs. 31,241 million, as compared to the annual equity position of Rs. 31,982 million.
Current Ratio	Current ratio was 1.16x as compared to annual ratio of 1.20x.	Current ratio was 1.05x times as compared to annual ratio of 1.20x.	The current ratio stood at 1.18x at the end of the nine-month period, compared to 1.20x on an annual basis, indicating stability in the Company's short-term liquidity position.

# VALUE ADDITION AND DISTRIBUTION

## Wealth Generated

	2025		2024	
	Rs. '000	%	Rs. '000	%
Revenue	59,414,125	97.60%	58,174,952	99.22%
Other operating income	1,460,106	2.40%	455,326	0.78%
	60,874,231	100.00%	58,630,278	100.00%

## Distribution of wealth

Cost of Sales (excluding employees' remuneration)	44,868,554	73.71%	44,796,382	76.40%
Distribution, administration & other expenses	2,787,831	4.58%	2,305,896	3.93%
Employees' remuneration	5,801,428	9.53%	4,984,773	8.50%
Financial charges	2,798,790	4.60%	3,359,345	5.73%
Government taxes (income tax) & levies	1,867,812	3.07%	984,220	1.68%
Donations	-	0.00%	500	0.00%
Retained within the business	2,749,816	4.52%	2,199,162	3.75%
	60,874,231	100.00%	58,630,278	100.00%

## Economic Value Added

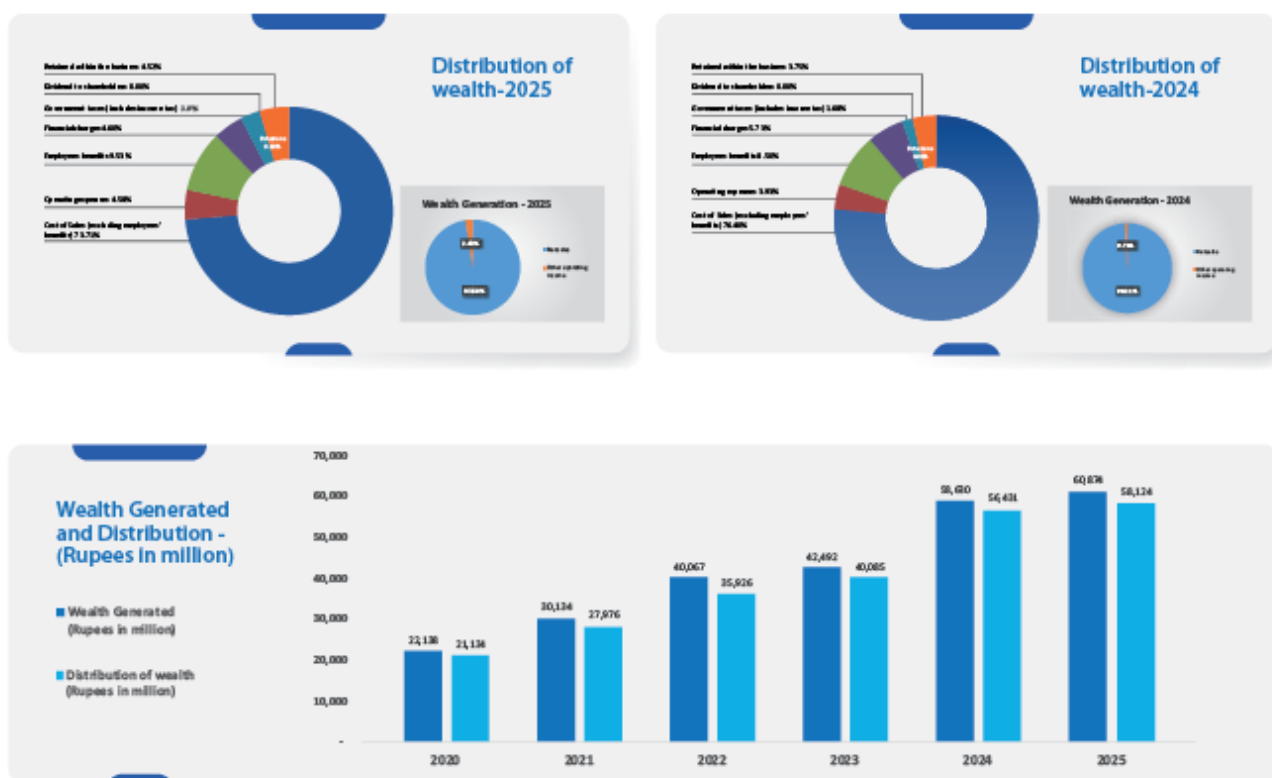
	2025	2024
Net Profit after Tax	2,749,816	2,199,162
Less: Cost of capital	(341,442)	(621,690)

## Economic Value Added

2,408,374	1,577,472
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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.

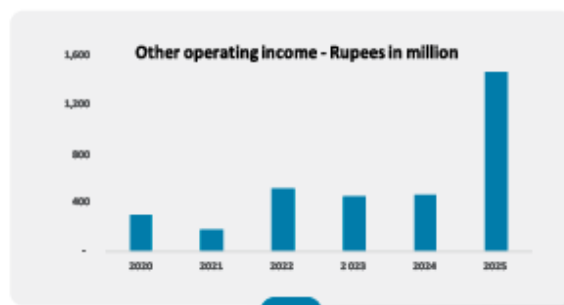
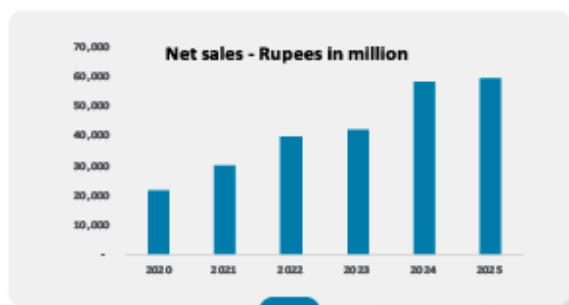
# GRAPHICAL PRESENTATION



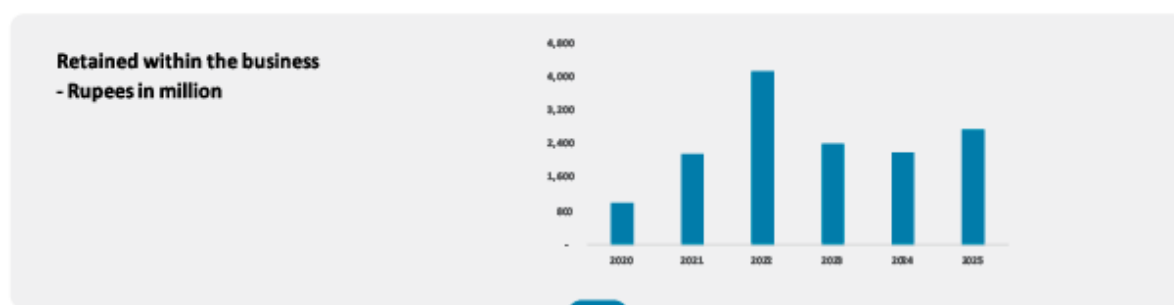
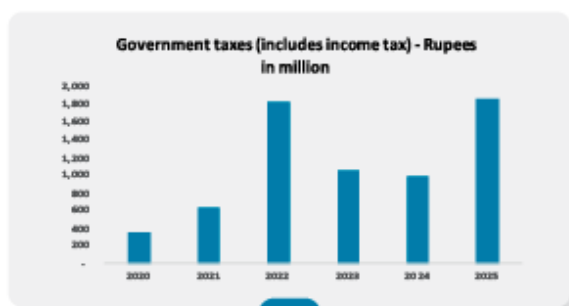
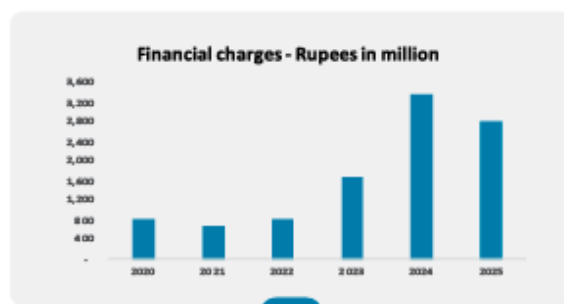
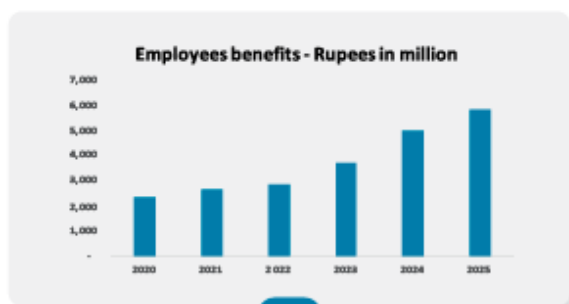
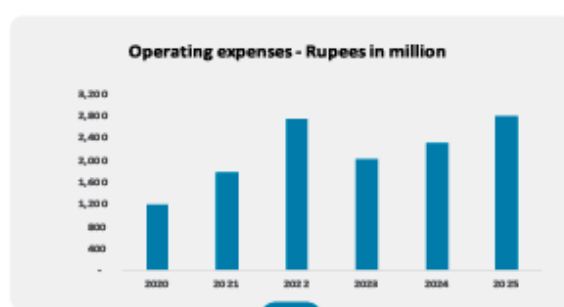
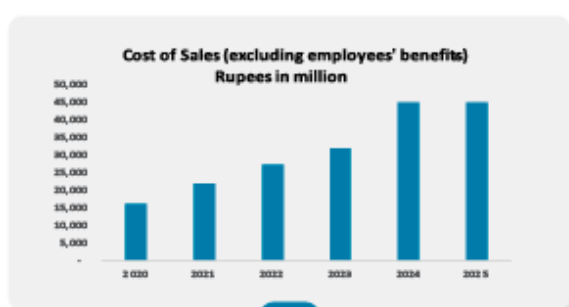




## WEALTH GENERATION



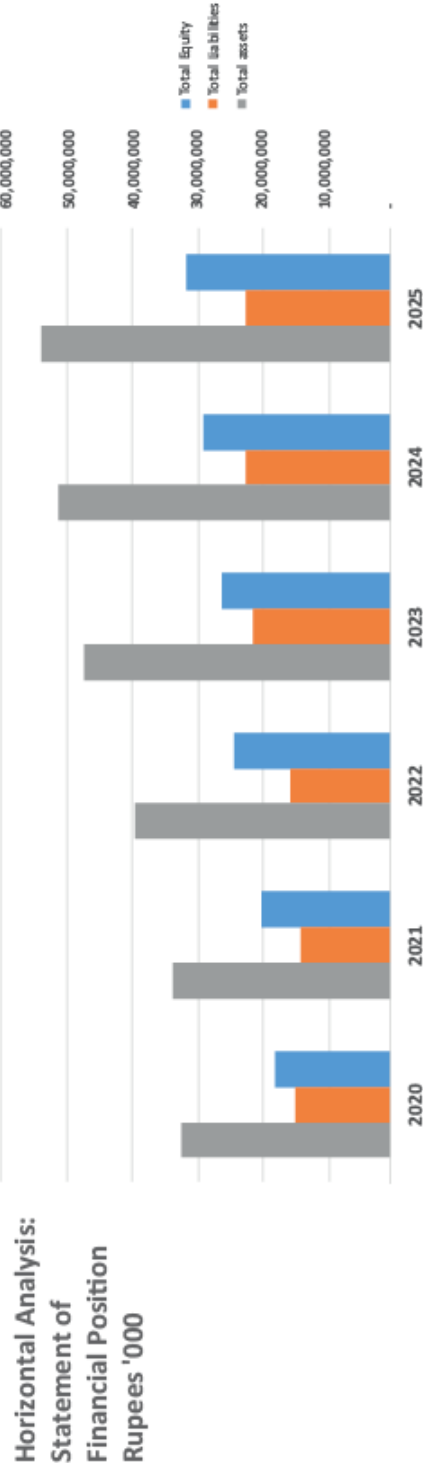
## WEALTH DISTRIBUTION



# HORIZONTAL ANALYSIS

## FINANCIAL POSITION

	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	Change w.r.t 2020	2020
	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"
Total Equity	31,982,372	9.41	29,232,556	10.75	26,394,797	8.62	24,299,688	20.55	20,157,557	12.17	17,971,090
Total non-current liabilities	6,753,561	(10.96)	7,584,753	(4.29)	7,924,849	52.94	5,181,514	33.42	3,883,657	13.84	3,411,551
Total current liabilities	15,828,420	5.27	15,036,294	10.83	13,566,572	29.93	10,441,312	3.45	10,093,041	(10.85)	11,321,125
Total equity and liabilities	54,564,353	5.23	51,853,603	8.29	47,886,218	19.95	39,922,514	16.96	34,134,255	4.37	32,703,766
Total non-current assets	35,585,441	3.53	34,371,034	13.22	30,358,612	16.33	26,097,750	10.29	23,662,335	4.59	22,623,930
Total current assets	18,978,912	8.56	17,482,569	(0.26)	17,527,606	26.78	13,824,764	32.02	10,471,920	3.89	10,079,836
Total assets	54,564,353	5.23	51,853,603	8.29	47,886,218	19.95	39,922,514	16.96	34,134,255	4.37	32,703,766

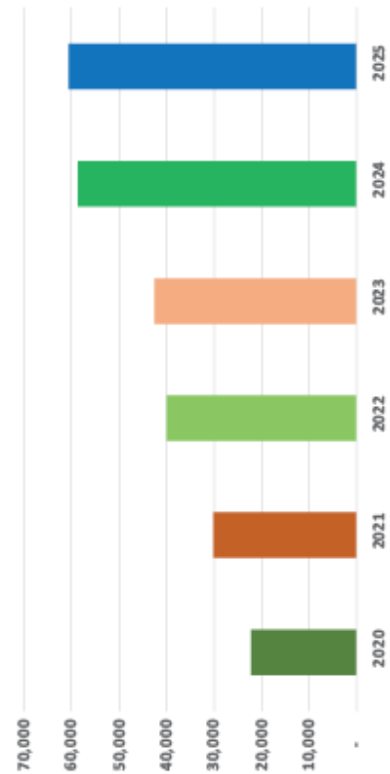


# HORIZONTAL ANALYSIS

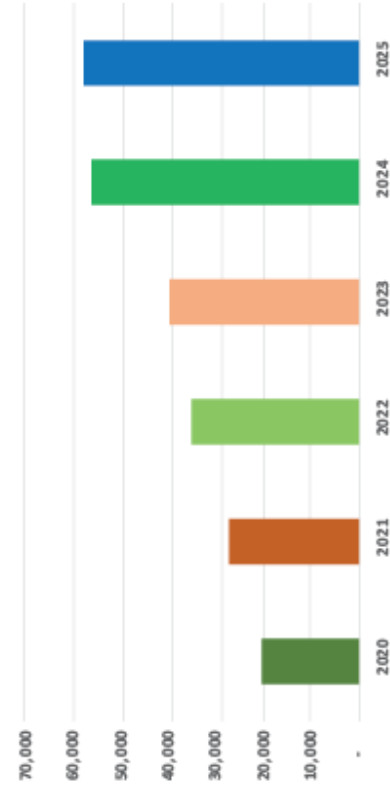
## FINANCIAL PERFORMANCE

	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	Change w.r.t 2020	2020
	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"	%	Rs "000"
Net sales	59,414,125	2.13	58,174,952	38.36	42,046,556	6.29	39,558,284	32.06	29,955,525	37.13	21,844,810
Cost of sales	49,611,747	1.48	48,887,621	41.43	34,566,123	17.62	29,389,027	23.36	23,822,897	33.43	17,854,630
Gross profit	9,802,378	5.55	9,287,331	24.15	7,480,433	(26.44)	10,169,257	65.82	6,132,628	53.69	3,990,180
Selling and distribution expenses	2,163,155	21.67	1,777,917	34.70	1,319,918	(17.23)	1,594,678	30.88	1,218,390	48.29	821,609
Administrative expenses	1,409,835	13.21	1,245,316	19.76	1,039,808	39.16	747,220	16.19	643,123	6.75	602,467
Other operating expenses	273,076	54.54	176,697	(59.35)	434,658	(54.58)	957,075	146.47	388,309	117.49	178,545
Other operating income	1,460,106	220.67	455,326	2.35	444,851	(12.68)	509,465	185.11	178,692	(39.12)	293,511
Profit from operations	7,416,418	13.35	6,542,727	27.52	5,130,900	(30.47)	7,379,749	81.70	4,061,498	51.49	2,681,070
Finance cost	2,798,790	(16.69)	3,359,345	101.48	1,667,308	107.34	804,123	21.14	663,789	(17.32)	802,869
Profit before taxation and levy	4,617,628	45.05	3,183,382	(8.09)	3,463,592	(47.33)	6,575,626	93.53	3,397,709	80.90	1,878,201
Provision for taxation and levy	1,867,812	89.78	984,220	(6.83)	1,056,330	(42.43)	1,834,903	186.09	641,380	83.17	350,158
Profit after taxation	2,749,816	25.04	2,199,162	(8.64)	2,407,262	(49.22)	4,740,723	71.99	2,756,329	80.38	1,528,043

Total Income - Rupees in million



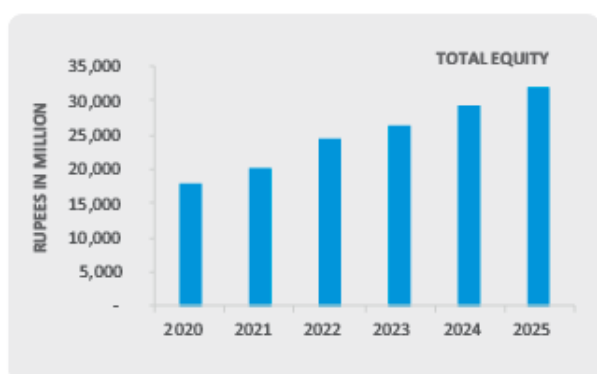
Total Expenses - Rupees in million



## COMMENTS ON THE 6 YEARS HORIZONTAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS

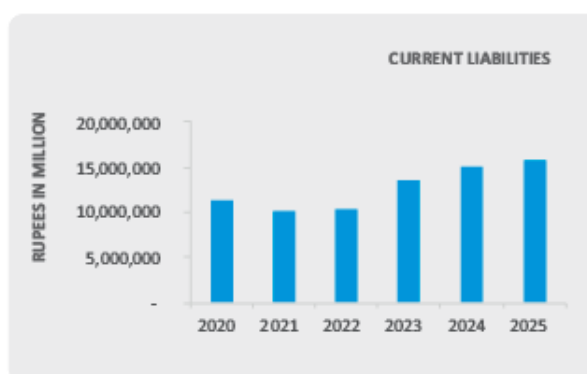
### Equity:

The steady growth in shareholder equity is largely attributed to the Company's successful and profitable operations.



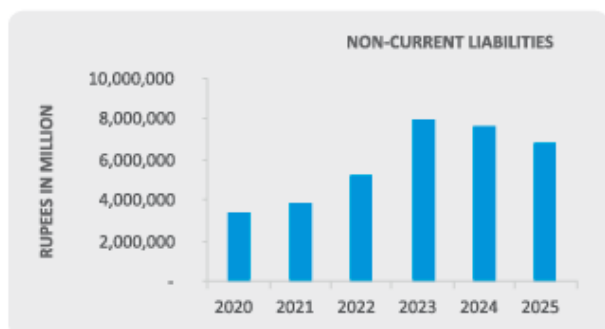
### Current liabilities:

The increase in current liabilities aligns with the Company's expanding business operations, primarily driven by higher short-term borrowings to support working capital requirements and an uptick in trade and other payables reflecting the scale of ongoing activities.



### Non-current liabilities:

The reduction in non-current liabilities reflects the scheduled repayments of existing financing during the fiscal year, coupled with the absence of any fresh financing arrangements. This indicates a strategic focus on debt reduction rather than leveraging new borrowings.



### Non-current assets:

Tangible Fixed Assets recorded significant growth of 151% over the six-year period, rising from Rs. 9.70 billion in 2020 to Rs. 24.39 billion in 2025. 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.

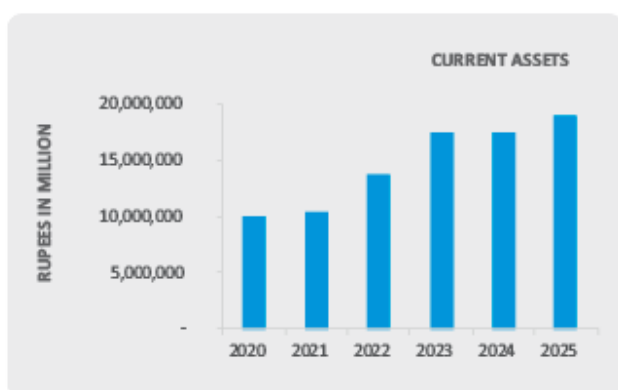






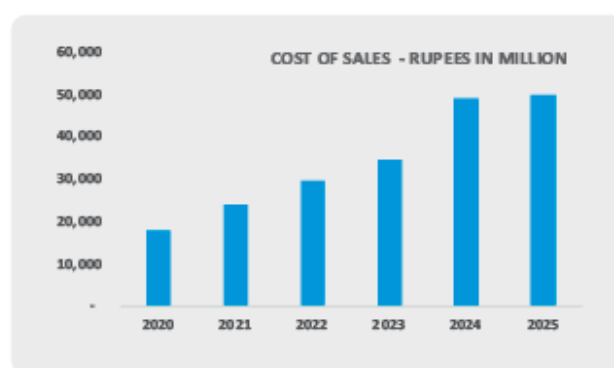
#### Current assets:

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.



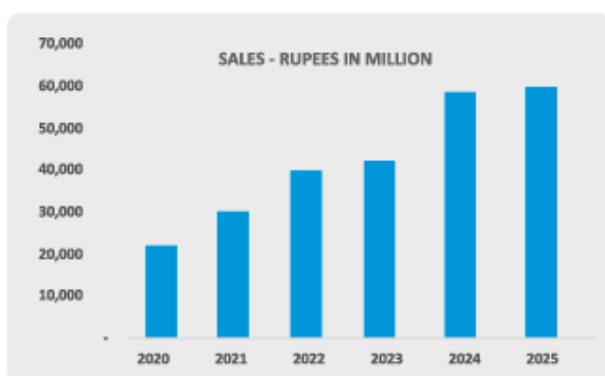
#### Cost of sales:

Cost of sales increased by 178% over the six-year period, rising from Rs. 17.86 billion in 2020 to Rs. 49.61 billion in 2025, representing an average annual growth rate of 18.57%. 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.



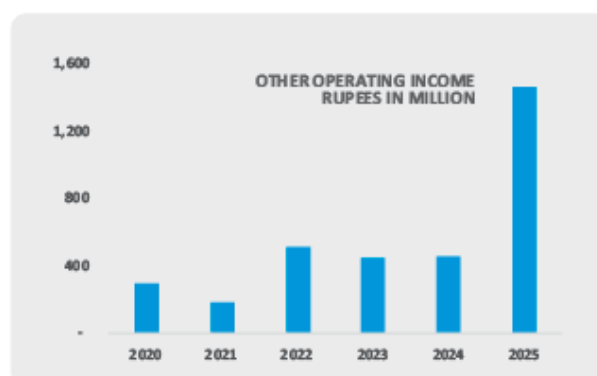
#### Net sales:

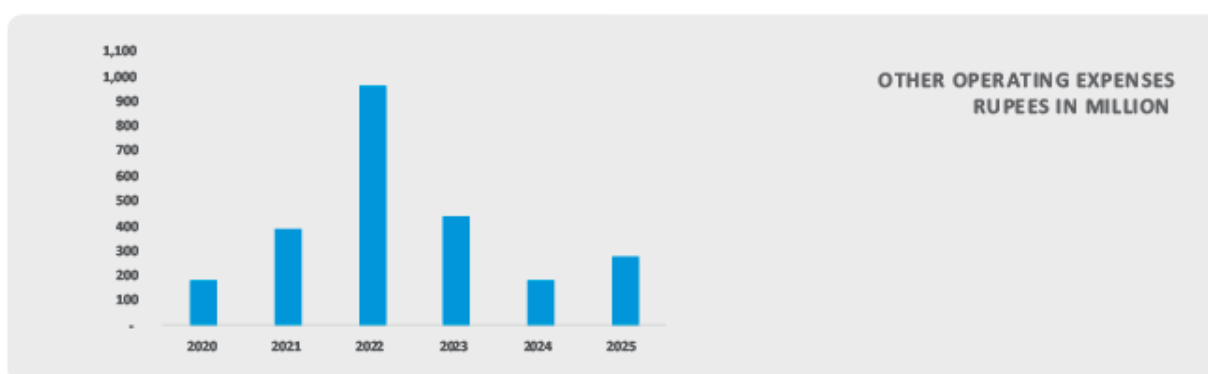
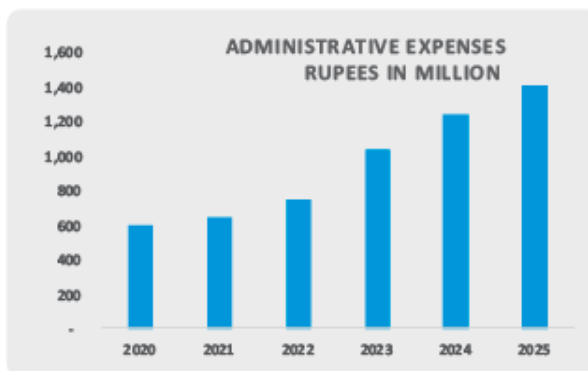
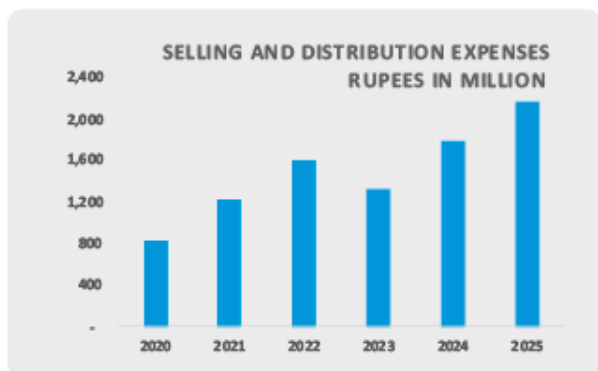
Revenue grew by 172% over a six-year period, rising from Rs. 21.84 billion in 2020 to Rs. 59.41 billion in 2025, reflecting an average annual growth rate of 18.15%. This growth is primarily attributable to the expansion of production capacity in the spinning and weaving divisions over the last three to four years. Additionally, higher exchange rates and inflationary trends in the country further contributed to the increase in revenue during the period.



#### Profit from operations:

Distribution costs increased in line with revenue growth during the fiscal year, primarily driven by the surge in export sales of the weaving division. Despite the high inflationary environment, distribution costs remained well-managed, supported by stringent controls over key performance areas. Administrative expenses increased broadly in line with domestic inflation, while the significant rise in other operating income in fiscal year 2025 reflects returns from investments in government securities.



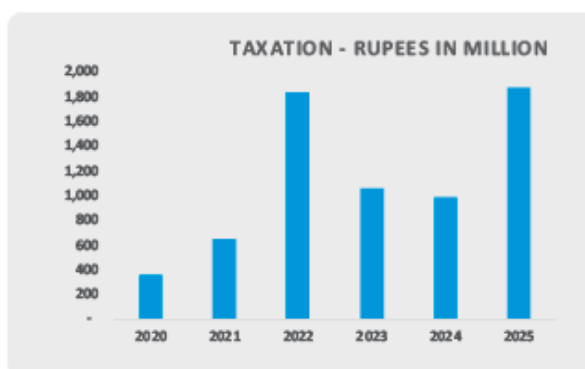
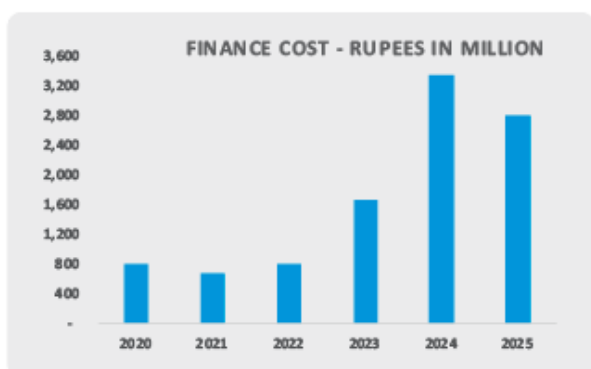


#### Finance cost:

During the fiscal year, finance cost declined by 16.69%, 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:

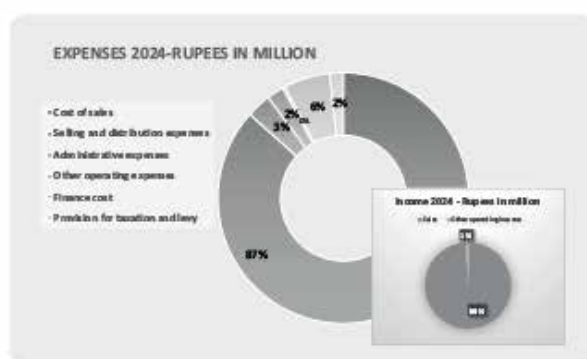
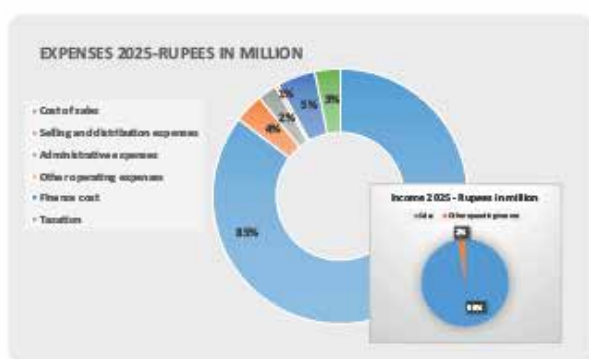
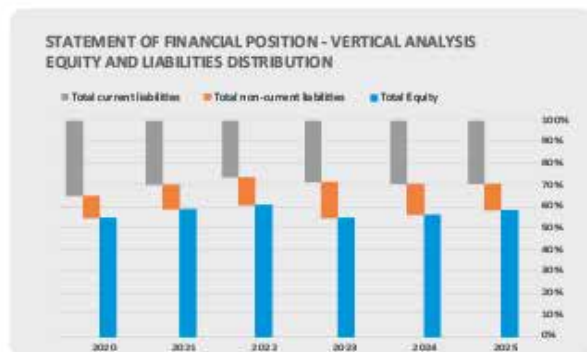
The increase in tax expense is primarily attributable to the change in the taxation framework, whereby income from export sales is now subject to the Normal Tax Regime instead of the previously applicable Final Tax Regime. This transition has resulted in a higher effective tax burden on export-related earnings. Furthermore, the Company's improved profitability during the fiscal year, compared to the previous year, has also contributed to the overall increase in tax expense.



# VERTICAL ANALYSIS

	2025	%	2024	%	2023	%	2022	%	2021	%	2020	%
	Rupees in thousand.....											
<b>BALANCE SHEET</b>												
Total Equity	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	17,971,090	54.95
Total non-current liabilities	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	3,411,551	10.43
Total current liabilities	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	11,321,125	34.62
<b>Total equity and liabilities</b>	<b>54,564,353</b>	<b>100.00</b>	<b>51,853,603</b>	<b>100.00</b>	<b>47,886,218</b>	<b>100.00</b>	<b>39,922,514</b>	<b>100.00</b>	<b>34,134,255</b>	<b>100.00</b>	<b>32,703,766</b>	<b>100.00</b>
<b>Total non-current assets</b>	<b>35,585,441</b>	<b>65.22</b>	<b>34,371,034</b>	<b>66.28</b>	<b>30,358,612</b>	<b>63.40</b>	<b>26,097,750</b>	<b>65.37</b>	<b>23,662,335</b>	<b>69.32</b>	<b>22,623,930</b>	<b>69.18</b>
<b>Total current assets</b>	<b>18,978,912</b>	<b>34.78</b>	<b>17,482,569</b>	<b>33.72</b>	<b>17,527,606</b>	<b>36.60</b>	<b>13,824,764</b>	<b>34.63</b>	<b>10,471,920</b>	<b>30.68</b>	<b>10,079,836</b>	<b>30.82</b>
<b>Total assets</b>	<b>54,564,353</b>	<b>100.00</b>	<b>51,853,603</b>	<b>100.00</b>	<b>47,886,218</b>	<b>100.00</b>	<b>39,922,514</b>	<b>100.00</b>	<b>34,134,255</b>	<b>100.00</b>	<b>32,703,766</b>	<b>100.00</b>
<b>FINANCIAL PERFORMANCE</b>												
Net sales	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	21,844,810	100.00
Cost of sales	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	17,854,630	81.73
<b>Gross profit</b>	<b>9,802,378</b>	<b>16.50</b>	<b>9,287,331</b>	<b>15.96</b>	<b>7,480,433</b>	<b>17.79</b>	<b>10,169,257</b>	<b>25.71</b>	<b>6,132,628</b>	<b>20.47</b>	<b>3,990,180</b>	<b>18.27</b>
Selling and distribution expenses	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	821,609	3.76
Administrative expenses	1,409,835	2.37	1,245,316	2.14	1,039,808	2.47	747,220	1.89	643,123	2.15	602,467	2.76
Other operating expenses	273,076	0.46	176,697	0.30	434,658	1.03	957,075	2.42	388,309	1.30	178,545	0.82
<b>Other operating income</b>	<b>1,460,106</b>	<b>2.46</b>	<b>455,326</b>	<b>0.78</b>	<b>444,851</b>	<b>1.06</b>	<b>509,465</b>	<b>1.29</b>	<b>178,692</b>	<b>0.60</b>	<b>293,511</b>	<b>1.34</b>
<b>Profit from operations</b>	<b>7,416,418</b>	<b>12.48</b>	<b>6,542,727</b>	<b>11.25</b>	<b>5,130,900</b>	<b>12.20</b>	<b>7,379,749</b>	<b>18.66</b>	<b>4,061,498</b>	<b>13.56</b>	<b>2,681,070</b>	<b>12.27</b>
Finance cost	2,798,790	4.71	3,359,345	5.77	1,667,308	3.97	804,123	2.03	663,789	2.22	802,869	3.68
<b>Profit before taxation and levy</b>	<b>4,617,628</b>	<b>7.77</b>	<b>3,183,382</b>	<b>5.47</b>	<b>3,463,592</b>	<b>8.24</b>	<b>6,575,626</b>	<b>16.62</b>	<b>3,397,709</b>	<b>11.34</b>	<b>1,878,201</b>	<b>8.60</b>
Provision for taxation and levy	1,867,812	3.14	984,220	1.69	1,056,330	2.51	1,834,903	4.64	641,380	2.14	350,158	1.60
<b>Profit after taxation</b>	<b>2,749,816</b>	<b>4.63</b>	<b>2,199,162</b>	<b>3.78</b>	<b>2,407,262</b>	<b>5.73</b>	<b>4,740,723</b>	<b>11.98</b>	<b>2,756,329</b>	<b>9.20</b>	<b>1,528,043</b>	<b>6.99</b>





## COMMENTS ON THE 6 YEARS VERTICAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS

### Statement of Financial Position:

#### Equity:

Equity constitutes 59% of the balance sheet footing, driven mainly by the Company's consistent profitability and accumulation of retained earnings.

#### Non-current liabilities:

Non-current liabilities accounted for 12.38% of the balance sheet this year, down from 14.63% last year, mainly due to repayments of existing long-term financing and the absence of new borrowings.

#### Non-current assets:

Non-current assets increased from Rs. 34,371 million in 2024 to Rs. 35,585 million in 2025, primarily due to capital expenditures on production facilities across all divisions of the Company.

### Statement of Profit or Loss:

#### Gross margin:

The surge in export sales volume of the Weaving division, combined with improved selling rates over the previous year, led to increase in gross profit. Additionally, lower energy prices and reduced raw material costs in the Spinning division further supported the enhancement of gross profit margins.

#### Finance cost:

During the fiscal year, finance cost declined by 16.69%, 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 recorded an increase over the previous year, driven by higher gross profit resulting from the factors discussed above, combined with a substantial rise in other income. The latter was mainly attributable to returns on investments in government securities.

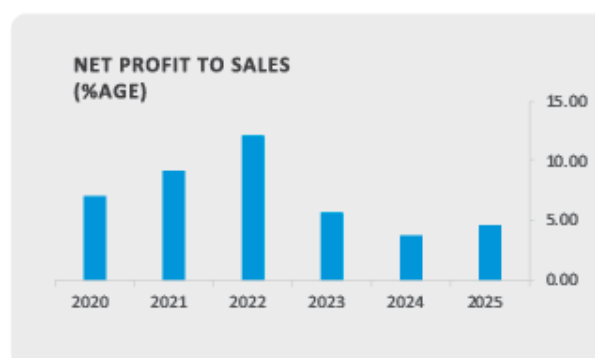
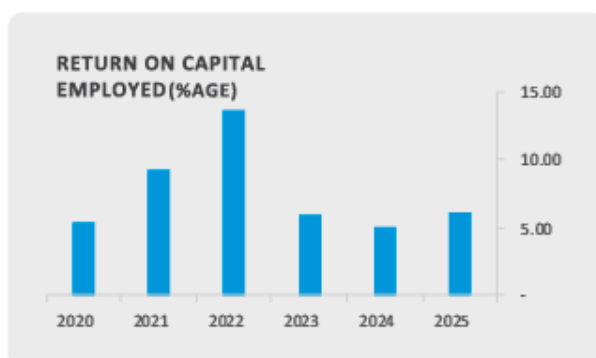
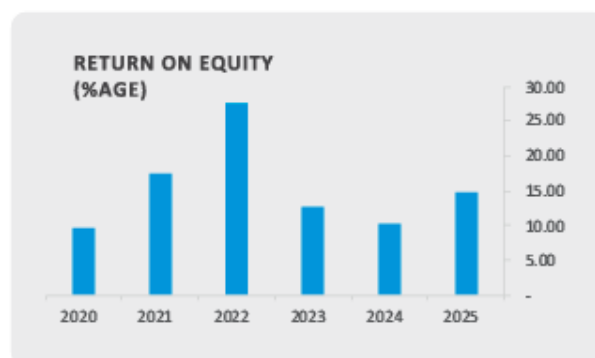
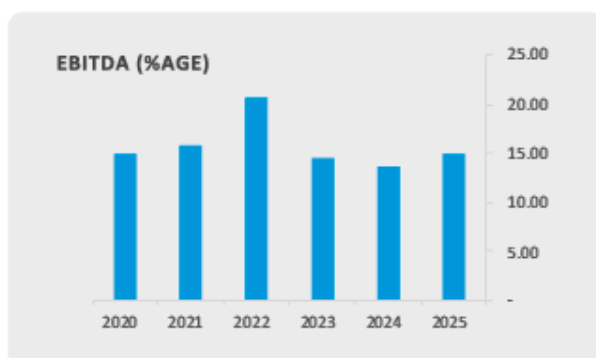




# KEY OPERATING AND FINANCIAL DATA

## SIX YEARS SUMMARY

Financial Highlights	2025	2024	2023	2022	2021	2020
<b>Profitability Ratios:</b>						
Gross Profit to sales (%age)	16.50	15.96	17.79	25.71	20.47	18.27
Net Profit to sales (%age)	4.63	3.78	5.73	11.98	9.20	6.99
EBITDA (%age)	14.99	13.60	14.50	20.56	15.70	14.86
Operating leverage ratio	6.68	0.72	(5.08)	2.55	1.39	(0.14)
Return on equity (%age)	14.71	10.34	12.53	27.51	17.45	9.58
Return on capital employed (%age)	6.04	5.03	5.91	13.67	9.19	5.38
Profit before tax ratio (%age)	7.77	5.14	7.91	16.62	11.34	8.60
Effective tax rate (%age)	40.45	30.92	30.50	27.90	18.88	18.64
Cost / Revenue ratio (%age)	83.50	84.04	82.21	74.29	79.53	81.73
Return on Fixed Assets	11.27%	9.49%	12.53%	36.16%	25.74%	15.75%
Return on Investment	13.59%	12.62%	10.71%	18.49%	11.90%	6.75%
Shareholders Funds	58.61%	56.38%	55.12%	60.87%	59.05%	54.95%
Return on shareholder funds	8.60%	7.52%	9.12%	19.51%	13.67%	8.50%



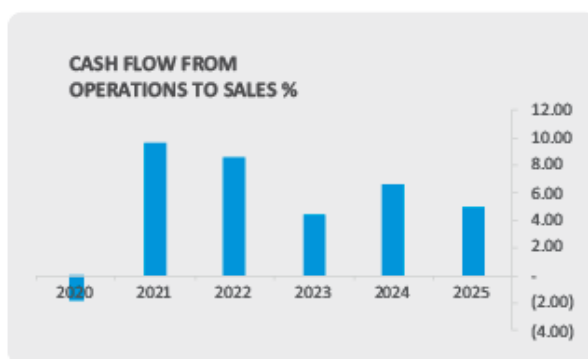
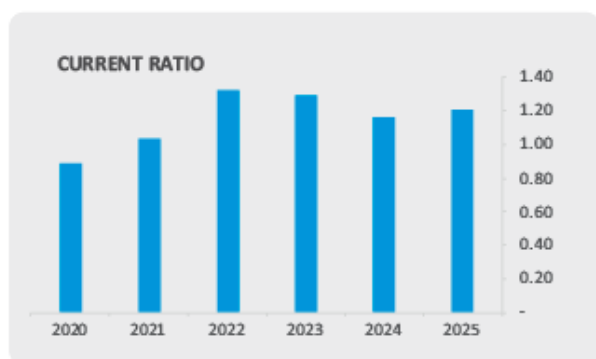
# KEY OPERATING AND FINANCIAL DATA

## SIX YEARS SUMMARY

Financial Highlights	2025	2024	2023	2022	2021	2020
<b>Liquidity Ratios:</b>						
Current ratio	1.20	1.16	1.29	1.32	1.04	0.89
Acid test ratio	0.57	0.63	0.56	0.66	0.56	0.35
Cash to current liabilities	0.02	0.01	0.05	0.03	0.02	0.02
Cash flow from operations to sales %	4.98	6.65	4.38	8.64	9.68	(1.79)
Cash flow to capital expenditures	1.08	1.19	0.35	1.07	1.71	(0.28)
Cash flow coverage ratio	0.20	0.27	0.13	0.33	0.30	(0.04)

### Liquidity Ratios:

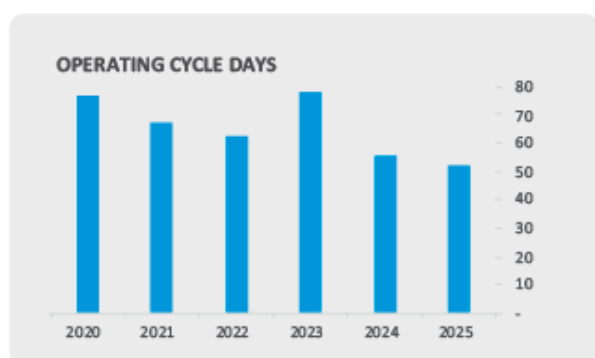
Over the past six years, the Company's liquidity ratios reflect an overall improvement in financial health. The current ratio rose from 0.89 in 2020 to 1.20 in 2025, while the acid-test ratio strengthened from 0.35 to 0.57 over the same period, signaling enhanced short-term stability and stronger coverage of liabilities by liquid assets. However, cash flow from operations as a percentage of sales declined from 6.65% in 2024 to 4.98% in 2025, mainly due to higher stock levels arising from the early procurement of cotton to meet forthcoming customer orders. In addition, the cash flow to capital expenditure ratio fell to 1.08 compared to the preceding year.



Financial Highlights	2025	2024	2023	2022	2021	2020
<b>Activity / Turnover Ratios:</b>						
No. of days in Inventory	57	59	78	62	72	94
No. of days in receivables	38	34	38	35	34	32
No. of days in creditors	42	38	39	35	40	50
Operating cycle	52	55	78	62	67	76
Inventory turn over	6	6	5	6	5	4
Debtors turn over ratio	10	11	10	10	11	11
Creditors turnover ratio	9	10	9	10	9	7
Total assets turn over / return on investment ratio	1.12	1.17	0.96	1.07	0.90	0.75
Fixed assets turn over ratio	2.50	2.74	2.46	2.88	2.49	1.97
Operating fixed assets turn over ratio	2.59	2.84	2.68	3.33	2.85	2.16

### Operating cycle:

In 2025, the Company demonstrated enhanced operational efficiency, as reflected in key working capital metrics. Inventory days declined from 59 in 2024 to 57, indicating stronger inventory management. Receivable days, however, increased from 34 to 38, while creditor days rose slightly from 38 to 42, reflecting effective management of supplier credit. Importantly, the operating cycle shortened from 55 days in 2024 to 52 days in 2025, leading to a faster cash conversion cycle. Collectively, these improvements signal a stronger liquidity position and more efficient cash flow management.



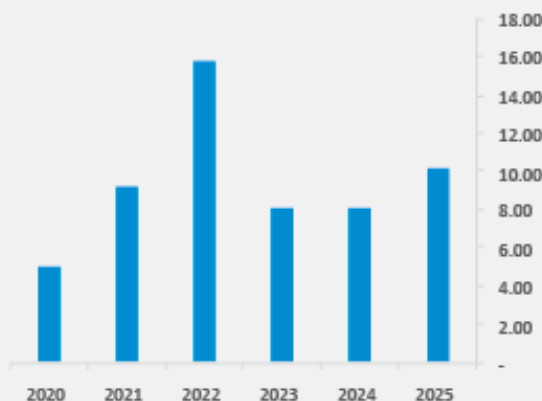


# KEY OPERATING AND FINANCIAL DATA

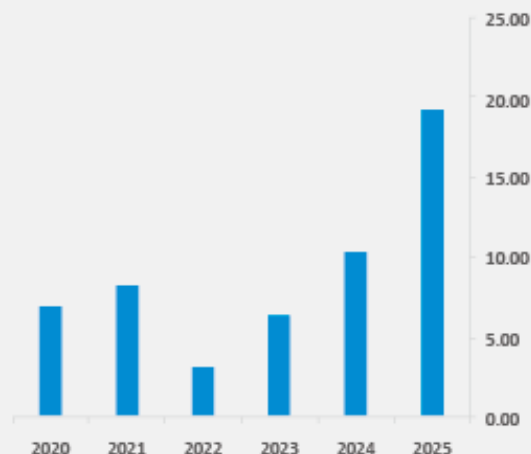
## SIX YEARS SUMMARY

Financial Highlights	2025	2024	2023	2022	2021	2020
<b>Investment / Market Ratios:</b>						
Earning per share - Basic - (Rupees)	10.21	8.07	8.05	15.84	9.21	5.11
Earning per share - Diluted - (Rupees)	10.21	8.07	8.05	15.84	9.21	5.11
Price earning ratio	19.22	10.28	6.32	3.16	8.17	6.96
Price to book ratio	196.26 : 118.76	82.96 : 108.55	50.91 : 89.99	50 : 81.19	75.2 : 67.35	35.51 : 60.04
Dividend yield ratio	0%	0%	0%	10%	20%	20%
Dividend payout ratio (%age)	-	-	0.00	6.31	21.72	39.17
Dividend cover ratio - (Times)	-	-	0.00	15.84	4.60	2.55
Cash dividend per share - (Rupees)	-	-	0	1	2	2
Stock dividend per share	-	-	-	-	-	-
Breakup value per share - (Rupees):						
- without revaluation surplus	96.62	86.41	76.82	68.25	54.41	47.20
- with revaluation surplus	118.76	108.55	89.99	81.19	67.35	60.04
- with revaluation surplus and investments at fair value	325.92	185.03	123.31	110.22	96.89	89.59
Market value per share at the end of the year - (Rupees)	196.26	82.96	50.91	50.00	75.20	35.51
Share Price - High during the year - (Rupees)	206.00	108.00	63.07	88.71	80.00	45.00
Share Price - Low during the year - (Rupees)	67.00	51.23	34.05	50	35.51	19.28
Earning assets to total assets ratio (%age)	65.01	66.06	63.27	65.23	69.17	69.02

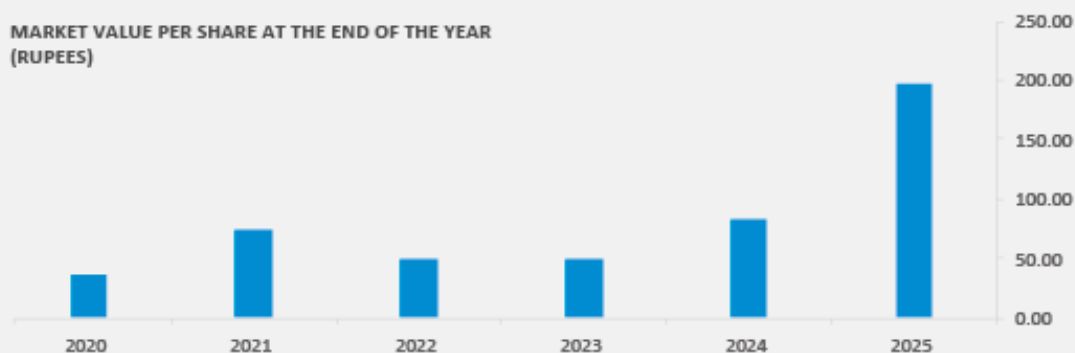
**EARNINGS PER SHARE  
BASIC - (RUPEES)**



**PRICE EARNING RATIO**



**MARKET VALUE PER SHARE AT THE END OF THE YEAR  
(RUPEES)**



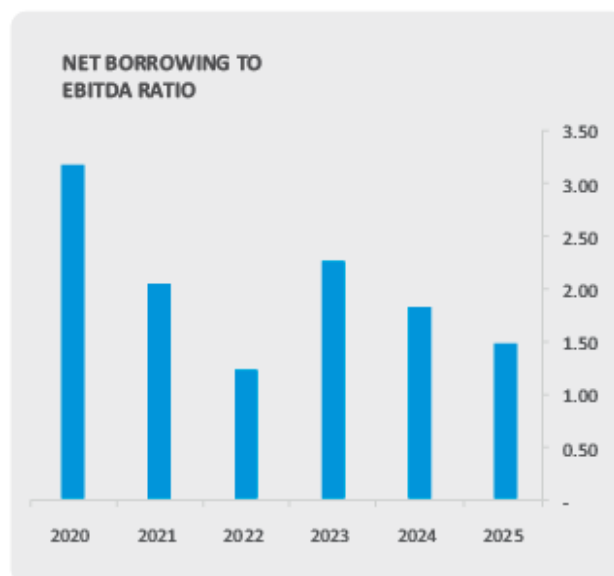
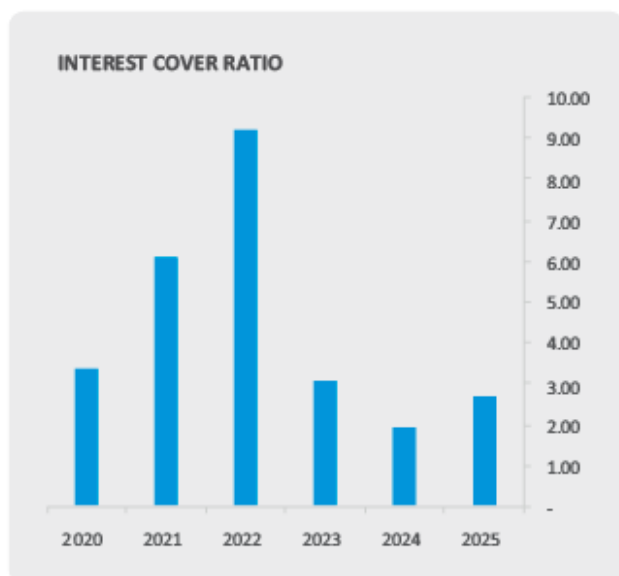
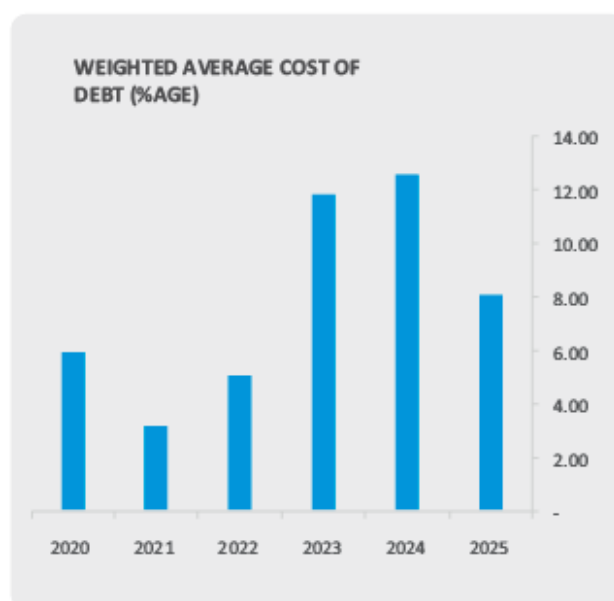
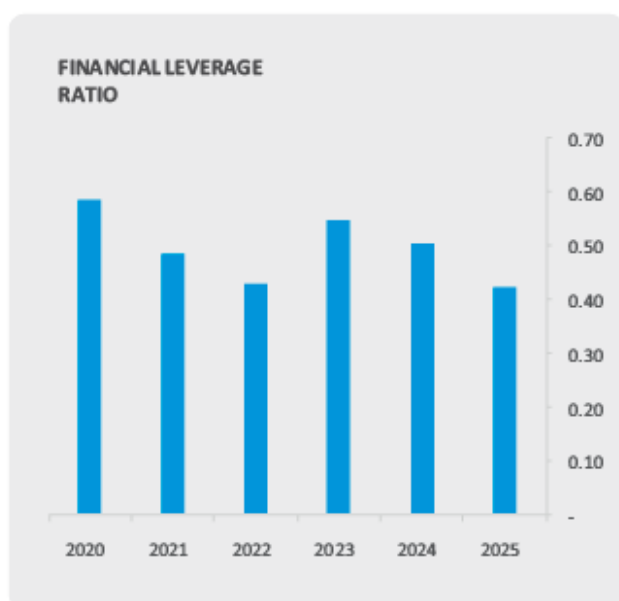
# KEY OPERATING AND FINANCIAL DATA

## SIX YEARS SUMMARY

Financial Highlights	2025	2024	2023	2022	2021	2020
<b>Capital Structure Ratios:</b>						
Financial leverage ratio	0.42	0.50	0.54	0.43	0.48	0.58
Weighted average cost of debt (%age)	8.04	12.46	11.76	5.08	3.17	5.90
Long term debt to equity ratio (as per book)	15 : 85	19 : 81	22 : 78	18 : 82	17 : 83	14 : 86
Debt to equity ratio (as per market value)	10 : 90	24 : 76	33 : 67	26 : 74	16 : 84	22 : 78
Interest cover ratio	2.65	1.95	3.08	9.18	6.12	3.34
Average operating working capital to sales ratio	0.18	0.18	0.23	0.19	0.21	0.23
Net borrowing to EBITDA ratio	1.49	1.81	2.24	1.24	2.02	3.16
Net assets per share	118.76	108.55	89.99	81.19	67.35	60.04
Debt service coverage ratio	2.00	1.66	2.87	4.59	3.87	2.99

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 1.95 in 2024 to 2.65 in 2025, 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.





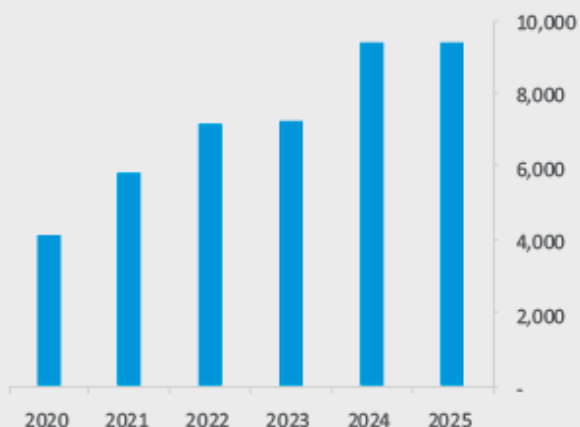


# KEY OPERATING AND FINANCIAL DATA

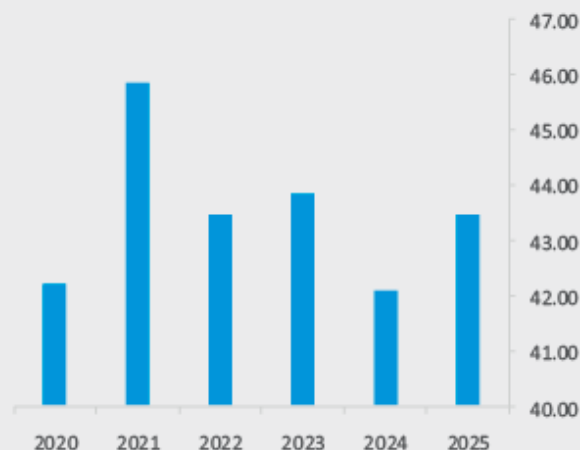
## SIX YEARS SUMMARY

Financial Highlights	2025	2024	2023	2022	2021	2020
<b>Employee Productivity Ratios:</b>						
Production per employee						
Spinning - Kg's '000	43.43	42.07	43.81	43.45	45.80	42.18
Processing - Meters ' 000	17.89	21.02	18.55	19.64	22.32	22.77
Weaving - Sq. Meter '000	147.38	146.15	129.57	127.34	114.28	98.09
Revenue per employee (Rupees '000)	9,342	9,338	7,274	7,162	5,812	4,147
Staff Turnover Ratio	3	2	3	2	1	2

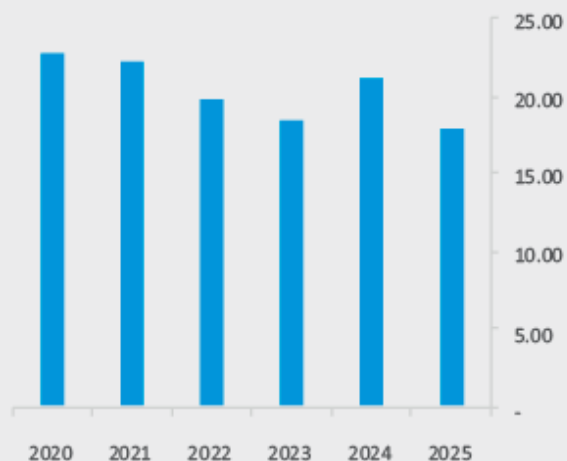
**REVENUE PER EMPLOYEE  
(RUPEES '000')**



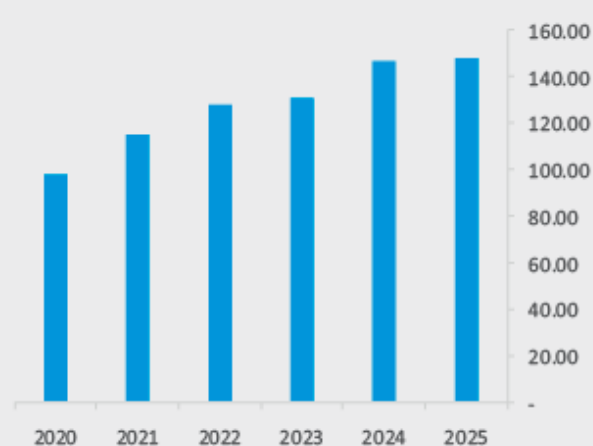
**PRODUCTION / EMPLOYEE  
SPINNING - KG'S '000'**



**PRODUCTION / EMPLOYEE  
PROCESSING - METERS '000'**



**PRODUCTION / EMPLOYEE  
WEAVING - SQ. METER '000'**

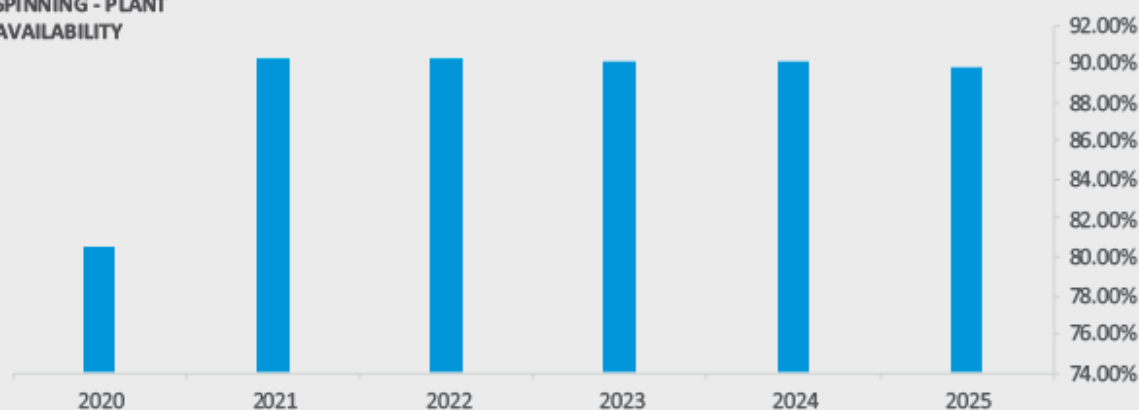


# KEY OPERATING AND FINANCIAL DATA

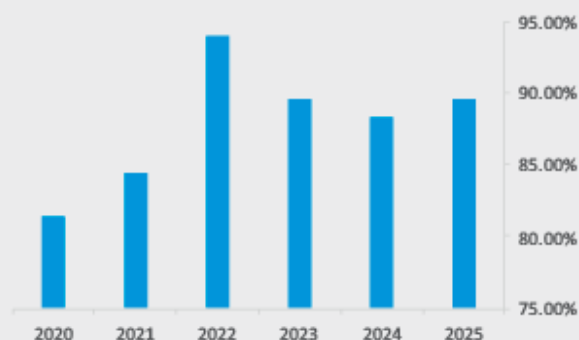
## SIX YEARS SUMMARY

Financial Highlights	2025	2024	2023	2022	2021	2020
<b>Non-Financial Ratios:</b>						
Plant Availability						
Spinning	89.82%	90.05%	90.08%	90.27%	90.30%	80.50%
Processing	80.36%	82.93%	82.30%	81.40%	83.30%	87.80%
Weaving	89.47%	88.30%	89.59%	93.95%	84.32%	81.40%
Customer Satisfaction index	3	2	3	2	1	2
Customer Retention Ratio	80%	85%	82%	87%	89%	84%
<b>Others:</b>						
Spares inventory as % of asset cost	0.46%	0.47%	0.47%	0.59%	0.58%	0.43%
Maintenance cost as % operating expenses	4.24%	4.29%	6.12%	5.78%	6.26%	7.87%
<b>Ratios for Shariah compliant companies:</b>						
Loan on interest to market capitalization	16.46%	29.79%	37.38%	28.67%	24.62%	40.80%
Total interest-taking deposits to market capitalization	1.08%	1.23%	2.33%	1.75%	0.70%	0.61%
Income generated from prohibited component to Total Income	1.80%	0.25%	0.28%	0.12%	0.07%	0.34%

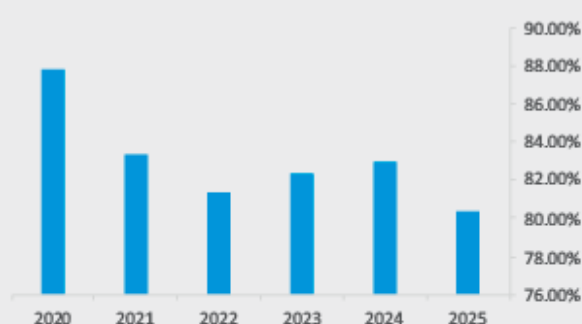
**SPINNING - PLANT AVAILABILITY**



**WEAVING - PLANT AVAILABILITY**



**PROCESSING - PLANT AVAILABILITY**





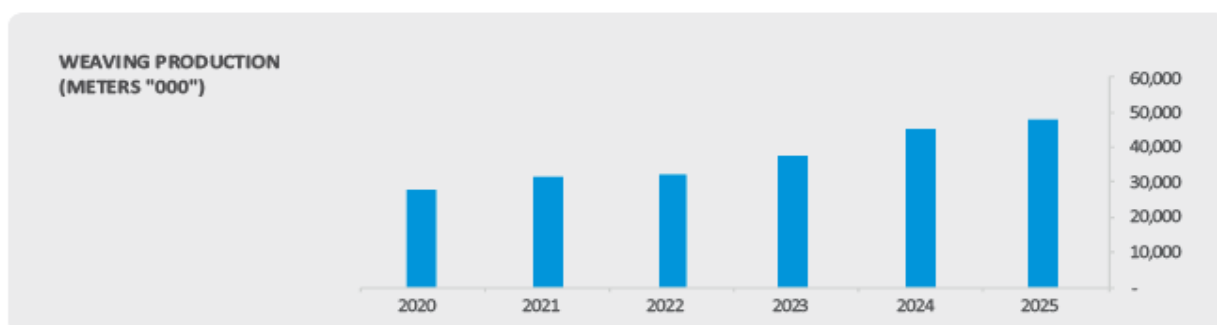
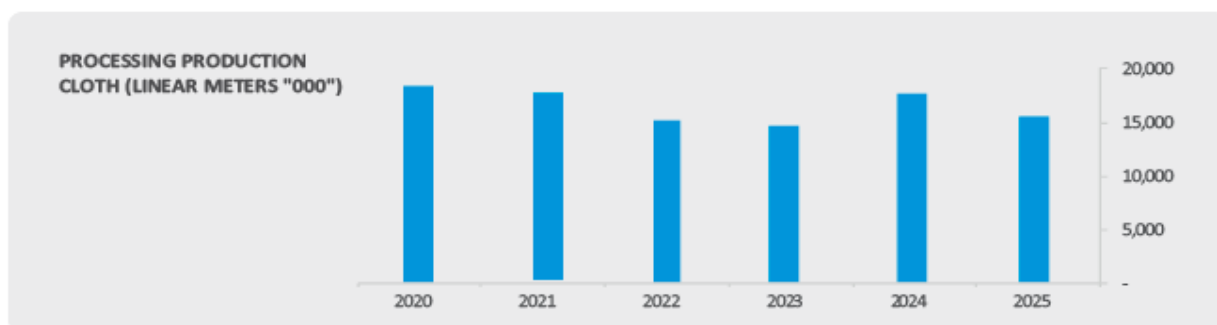
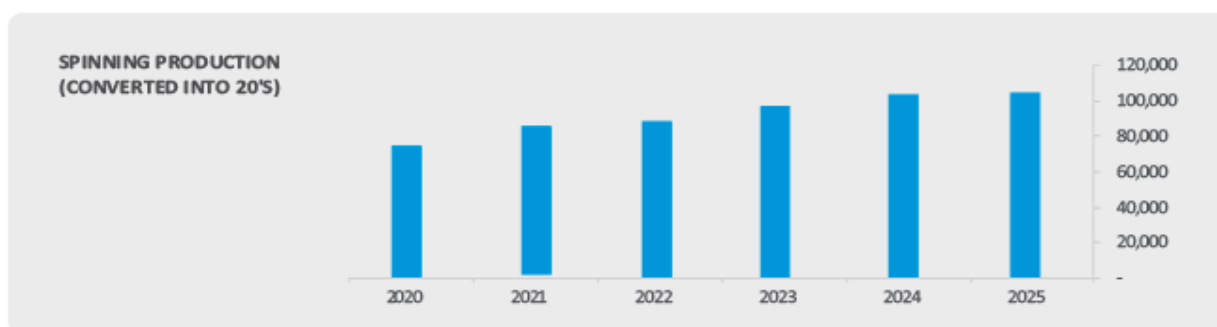
# KEY OPERATING AND FINANCIAL DATA

## SIX YEARS SUMMARY

Financial Highlights	2025	2024	2023	2022	2021	2020
<b>Quantitative Data</b>						
<b>Yarn (Kgs "000") :</b>						
Production (cont. into 20s)						
KTM Division	56,098	54,577	50,886	50,973	46,536	39,810
KGM Division	48,175	48,580	45,944	37,738	37,773	34,382
	104,273	103,157	96,830	88,711	84,309	74,192
<b>Sales / Tran.for wvg.(actual count)</b>						
KTM Division	22,726	23,837	18,056	19,907	19,329	16,118
KGM Division	8,896	10,090	8,283	6,975	6,573	6,071
	31,622	33,927	26,339	26,882	25,902	22,189
<b>(Linear meters "000"):</b>						
<b>Processing (Rawalpindi Division)</b>						
Production	15,461	17,700	14,651	15,162	17,525	18,468
Sales	14,427	15,486	11,456	14,013	18,592	15,483
<b>Weaving (Raiwind Division)</b>						
Production	48,042	45,229	37,442	32,031	31,705	27,919
Sales	47,599	45,962	36,068	31,399	32,998	26,654

### Production Capacity:

Production in the spinning and weaving divisions has shown a consistent upward trend, 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 Indicators (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 cast 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, 2025**

Independent Auditor’s Report .....	219
Statement of Financial Position .....	224
Statement of Profit or Loss.....	226
Statement of Comprehensive Income.....	227
Statement of Changes in Equity .....	228
Statement of Cash Flows. ....	229
Notes to the Financial Statements.....	230
Pattern of Shareholding.....	280

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**12** **FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2025**

## ***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 2025, 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 2025 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.

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1	<p><b>Inventory existence and valuation:</b></p> <p>As at 30 June 2025, inventory is stated at Rupees 9,943.760 million, break up of which is as follows:</p> <ul style="list-style-type: none"> <li>- Stores, spare parts and loose tools Rupees 1,399.386 million</li> <li>- Stock-in-trade Rupees 8,544.374 million</li> </ul> <p>Inventory is measured at the lower of cost and net realizable value.</p> <p>We identified existence and valuation of inventory as a key audit matter due to its size, representing 18.224% of total assets of the Company as at 30 June 2025, and the judgment involved in valuation.</p> <p>For further information on inventory, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Inventories note 2.9 to the financial statements.</li> <li>- Stores, spare parts and loose tools note 18 and Stock-in-trade note 19 to the financial statements.</li> </ul>	<p>Our procedures over existence and valuation of inventory included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management;</li> <li>• For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets;</li> <li>• For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets;</li> <li>• We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice;</li> <li>• On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any;</li> <li>• We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory;</li> <li>• In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs; and</li> <li>• We also made enquiries of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.</li> </ul>



Sr. No.	Key audit matters	How the matters were addressed in our audit
2	<p><b>Revenue recognition</b></p> <p>The Company recognized net revenue of Rupees 59,414.125 million for the year ended 30 June 2025.</p> <p>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.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Revenue recognition note 2.14 to the financial statements.</li> <li>- Revenue note 26 to the financial statements.</li> </ul>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Comparing a sample of revenue transactions recorded during the year with sale orders, sale invoices, delivery documents and other relevant underlying documents;</li> <li>• 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;</li> <li>• Assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'; and</li> <li>• Considering the appropriateness of disclosures in the financial statements.</li> </ul>

#### 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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Bilal Ahmad.



RIAZ AHMAD & COMPANY  
Chartered Accountants

Islamabad

DATE: 11 September 2025

UDIN: AR2025107772icVgGyF9

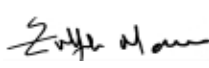
# STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	2025 (Rupees in thousand)	2024
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
370,000,000 (2024: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (2024: 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		<u>4,000,000</u>	<u>4,000,000</u>
<b>Issued, subscribed and paid-up share capital</b>	4	2,692,994	2,692,994
<b>Reserves</b>	5		
<b>Capital reserves</b>			
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
		<u>23,724,478</u>	<u>23,724,478</u>
<b>Revenue reserves</b>			
Unappropriated profit		5,564,900	2,815,084
		<u>29,289,378</u>	<u>26,539,562</u>
<b>Total equity</b>		<u>31,982,372</u>	<u>29,232,556</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	6	4,448,842	5,820,491
Deferred government grant	7	6,991	9,970
Deferred income tax liability	8	2,297,728	1,754,292
		<u>6,753,561</u>	<u>7,584,753</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	6,092,449	5,434,358
Accrued mark-up	10	195,905	565,079
Short term borrowings	11	7,746,363	7,503,576
Current portion of non-current liabilities	12	1,325,776	1,242,931
Unclaimed dividend		30,905	31,543
Provision for taxation and levy - net	13	437,022	258,807
		<u>15,828,420</u>	<u>15,036,294</u>
<b>TOTAL LIABILITIES</b>		<u>22,581,981</u>	<u>22,621,047</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>54,564,353</u>	<u>51,853,603</u>

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

  
CHIEF EXECUTIVE OFFICER

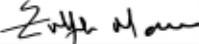
  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



	Note	2025 (Rupees in thousand)	2024
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	15	24,390,939	23,177,548
Long term investments	16	11,078,733	11,078,733
Long term deposits	17	115,769	114,753
		35,585,441	34,371,034
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	18	1,399,386	1,053,241
Stock-in-trade	19	8,544,374	6,882,432
Trade debts	20	5,879,778	6,437,592
Advances	21	759,440	594,872
Short term deposits and prepayments	22	58,191	39,974
Other receivables	23	1,336,847	1,740,066
Short term investments	24	737,162	515,341
Cash and bank balances	25	263,734	219,051
		18,978,912	17,482,569
<b>TOTAL ASSETS</b>		<b>54,564,353</b>	<b>51,853,603</b>

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

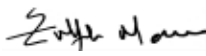
# STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
REVENUE	26	59,414,125	58,174,952
COST OF SALES	27	(49,611,747)	(48,887,621)
GROSS PROFIT		9,802,378	9,287,331
DISTRIBUTION COST	28	(2,163,155)	(1,777,917)
ADMINISTRATIVE EXPENSES	29	(1,409,835)	(1,245,316)
OTHER EXPENSES	30	(273,076)	(176,697)
		(3,846,066)	(3,199,930)
OTHER INCOME	31	5,956,312 1,460,106	6,087,401 455,326
PROFIT FROM OPERATIONS		7,416,418	6,542,727
FINANCE COST	32	(2,798,790)	(3,359,345)
PROFIT BEFORE LEVY AND TAXATION		4,617,628	3,183,382
LEVY	33	(45)	(192,756)
PROFIT BEFORE TAXATION		4,617,583	2,990,626
TAXATION	34	(1,867,767)	(791,464)
PROFIT AFTER TAXATION		2,749,816	2,199,162
		2025	2024
		-----Rupees-----	
EARNINGS PER SHARE - BASIC AND DILUTED	35	10.21	8.07

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

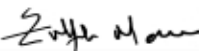
# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2025

	2025 (Rupees in thousand)	2024
PROFIT AFTER TAXATION	2,749,816	2,199,162
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
- Surplus on revaluation of freehold land	-	2,101,693
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	-	2,101,693
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>2,749,816</b>	<b>4,300,855</b>

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 2025**

[illegible]

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



CHIEF EXECUTIVE OFFICER

Zeller et al.

## DIRECTOR

Spidey -

CHIEF FINANCIAL OFFICER



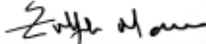
# STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	36	7,419,405	8,218,865
Finance cost paid		(3,167,964)	(3,278,095)
Income tax and levies paid		(1,146,161)	(959,953)
Workers' welfare fund paid		(17,141)	(20,742)
Workers' profit participation fund paid		(131,191)	(39,120)
Net increase in long term deposits		(1,016)	(53,125)
<b>Net cash generated from operating activities</b>		<b>2,955,932</b>	<b>3,867,830</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(2,725,705)	(3,259,993)
Proceeds from disposal of property, plant and equipment		5,387	57,916
Short term investments - net		(224,015)	(28,605)
Interest received		1,082,420	167,411
Dividend received		298	2,929
<b>Net cash used in investing activities</b>		<b>(1,861,615)</b>	<b>(3,060,342)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		-	1,115,127
Repayment of long term financing		(1,291,783)	(1,491,947)
Own shares purchased for cancellation		-	(1,463,096)
Short term borrowings - net		242,787	608,725
Dividend paid		(638)	(721)
<b>Net cash used in financing activities</b>		<b>(1,049,634)</b>	<b>(1,231,912)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>44,683</b>	<b>(424,424)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>219,051</b>	<b>643,475</b>
<b>Cash and cash equivalents at the end of the year</b>	25	<b>263,734</b>	<b>219,051</b>

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 2025

## 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 16 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:

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives 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:

#### Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

#### 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 current financial year, tax year 2025, income of the Company will be 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 is required to be calculated in totality (previously this was only relating to local sales percentage). This is the first time the Company is 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 now been used to calculate the tax base by applying this percentage to the accounting written-down value (WDV) 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 45)

### d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2024:

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.
- Amendments to IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback.
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with Covenants.
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised 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 2024 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) Standards, amendments and improvements to published approved accounting standards that are not yet effective but relevant to the Company

Following standards, amendments and improvements to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2025 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'.

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 implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 1 July 2027.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' regarding the classification and measurement of financial instruments (effective for annual periods beginning on or after 01 January 2026). The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

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 standards, 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 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.

## **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 15.1. 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 discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with 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 FVOCI; 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 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 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 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, markup and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. 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).

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

#### 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

2025 (Number of Shares)	2024 (Number of Shares)		2025 (Rupees in thousand)	2024 (Rupees in thousand)
1,596,672	1,596,672	Ordinary shares of Rupees 10 each allotted on reorganization of Kohinoor Industries Limited	15,967	15,967
26,156,000	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
26,858,897	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
75,502,560	75,502,560	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	755,025	755,025
139,185,327	139,185,327	Ordinary shares of Rupees 10 each issued as fully paid in cash	1,391,853	1,391,853
<u>269,299,456</u>	<u>269,299,456</u>		<u>2,692,994</u>	<u>2,692,994</u>

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>5. RESERVES</b>			
Composition of reserves is as follows:			
Capital reserves			
Share premium	5.1	986,077	986,077
Surplus on revaluation of freehold land:			
As at 01 July		5,963,401	3,861,708
Fair value adjustment		-	2,101,693
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		5,564,900	2,815,084
		29,289,378	26,539,562

**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 has 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	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>6. LONG TERM FINANCING</b>			
Long term loans:			
From banking companies and other financial institutions - secured	6.1	5,771,639	7,059,950
Less: Current portion shown under current liabilities	12	(1,322,797)	(1,239,459)
		4,448,842	5,820,491



## 6.1 Long term loans

LENDER	2025	2024	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
.....Rupees in thousand.....							
The Bank of Punjab	185,952	235,635	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.
	195,280	271,774	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 26 February 2019 and ending on 02 July 2030.	Quarterly	
	230,267	296,933	400,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 03 February 2023 and ending on 09 February 2029.	Quarterly	
	226,392	288,921	500,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 21 January 2023 and ending on 24 July 2029.	Quarterly	
	58,535	72,308		3 Month Kibor + 1.00%			
	284,927	361,229					
	365,444	447,001	500,000	3 Month Kibor + 1.00%	Twenty four unequal quarterly installments commenced from 14 November 2023 and ending on 07 May 2030.	Quarterly	
	1,261,870	1,612,572	2,300,000				
MCB Bank Limited	96,989	112,467	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	1,732,699	3 Month Kibor + 1.00%	Thirty two unequal quarterly installments commenced from 21 October 2024 and ending on 20 November 2032.	Quarterly	
MCB Bank Limited (Note 6.1.1)	352,598	410,128	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	373,996	3 Month Kibor + 1.00%	Twenty four equal quarterly installments commenced from 20 January 2025 and ending on 20 October 2030.	Quarterly	
	2,362,675	2,629,290	2,688,397				
National Bank of Pakistan	146,654	250,642	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.
	57,687	95,140	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	
	68,381	91,175	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	2025	2024	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
.....Rupees in thousand.....							
PAIR Investment Company Limited	248,758	311,701	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	
	19,847	85,389	500,000	SBP LTFF rate + 1.25%	Twelve unequal half yearly installments commenced from 30 March 2021 and ending on 24 January 2027.	Half yearly	
	541,327	834,047	1,861,000				
	11,346	49,050	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.
	61,497	81,147	119,500	SBP LTFF rate + 1.50%	Twenty unequal quarterly installments commenced from 14 June 2022 and ending on 02 August 2028.	Quarterly	
	72,843	130,197	300,000				
United Bank Limited	117,201	140,916	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.
	354,585	355,952		3 Month Kibor + 1.00%			
	471,786	496,868					
	207,692	253,846	300,000	3 Month Kibor + 1.00%	Twenty equal quarterly installments commenced from 13 September 2023 and ending on 13 December 2029.	Quarterly	
Askari Bank Limited	679,478	750,714	800,000				
	47,046	78,424	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	219,373	304,038	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	253,373	317,540	800,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 24 January 2023 and ending on 20 June 2030.	Quarterly	
	333,654	403,128		3 Month Kibor + 0.75%			
	587,027	720,668					
	806,400	1,024,706	1,300,000				
	5,771,639	7,059,950	9,599,397				

**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:

	2025 (Rupees in thousand)	2024 (Rupees in thousand)
Balance at beginning of the year	410,128	465,719
Repayments during the year	(61,002)	(59,549)
	349,126	406,170
Unwinding of discount on liability	3,472	3,958
Balance as at end of the year	352,598	410,128

**6.2** Effective rate of mark-up charged during the year on these finances ranged from 2% to 21.49% (2024: 2% to 24.47%) per annum.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>7. DEFERRED GOVERNMENT GRANT</b>			
At beginning of the year	7.1	13,442	17,400
Less: Amortisation of deferred government grant during the year		(3,472)	(3,958)
		9,970	13,442
Less: Current portion of deferred government grant	12	(2,979)	(3,472)
		6,991	9,970

**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	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>8. DEFERRED INCOME TAX LIABILITY</b>			
This comprises of following:			
Deferred income tax liability on taxable temporary differences in respect of:			
Accelerated tax depreciation		2,317,971	2,003,018
Deferred income tax asset on deductible temporary differences in respect of:			
Allowance for expected credit losses		(12,137)	(17,317)
Provision against obsolete stock in trade		(1,522)	(1,522)
Provision against slow moving stores, spare parts and loose tools		(6,584)	(4,403)
Unused tax credit - minimum tax under section 113		-	(225,484)
		(20,243)	(248,726)
	8.1	2,297,728	1,754,292

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>8.1 Movement in deferred income tax balances is as follows:</b>			
At beginning of the year		1,754,292	1,503,053
Recognized in statement of profit or loss:			
- accelerated tax depreciation on operating fixed assets		314,953	436,088
- allowance for expected credit losses		5,180	42,477
- provision against slow moving stores, spare parts and loose tools		(2,181)	(1,842)
- unused tax credit - minimum tax under section 113		225,484	(225,484)
	34	543,436	251,239
		<b>2,297,728</b>	<b>1,754,292</b>
<b>9. TRADE AND OTHER PAYABLES</b>			
Creditors		2,854,790	2,869,426
Accrued liabilities	9.1	1,251,187	987,066
Duties and taxes		398,524	528,538
Sindh infrastructure development cess	9.2	680,476	455,736
Contract liabilities - unsecured		424,288	229,807
Workers' welfare fund	9.3	328,636	251,540
Payable to subsidiary company - Maple Leaf Cement Factory Limited - net		15,400	-
Withholding income tax payable		29,344	21,315
Payable to employees' provident fund trust		36,160	32,833
Retention money payable		73,239	57,195
Others		405	902
		<b>6,092,449</b>	<b>5,434,358</b>

- 9.1** Accrued liabilities include Gas Infrastructure Development Cess (GIDC) of Rupees 310.020 million (2024: 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	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>9.2 Sindh infrastructure development cess</b>			
Balance as at 01 July		455,736	349,878
Add: Provision for the year		224,740	105,858
Balance as at 30 June	9.2.1	<b>680,476</b>	<b>455,736</b>

- 9.2.1** 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 filed writ petition in Honorable Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favor of Director Excise and Taxation, Karachi. The Honorable Sindh High Court, Karachi passed order dated 04 June 2021 against the Company and directed to encash bank guarantees. Being aggrieved by the order, the Company along with others filed petitions for leave to appeal before Honorable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, the Honorable Supreme Court dictated the order in open court granting leave to appeal to the petitioners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by the Sindh High Court. The Honorable Supreme Court also directed the release of future consignments subject to furnishing of bank guarantees for the disputed amount.



	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>9.3 Workers' welfare fund</b>			
Balance as on 01 July		251,540	207,314
Provision for the year	30	94,237	64,968
		345,777	272,282
Less: Payment during the year		(17,141)	(20,742)
		328,636	251,540
<b>10. ACCRUED MARK-UP</b>			
Long term financing		104,962	185,647
Short term borrowings		90,943	379,432
		195,905	565,079
<b>11. SHORT TERM BORROWINGS</b>			
From banking companies - secured			
Short term running finances	11.1 & 11.2	91,854	-
State Bank of Pakistan (SBP) refinances	11.1 & 11.3	6,003,931	4,503,931
Other short term finances	11.1 & 11.4	1,644,991	2,949,158
Temporary overdraft	11.5	5,587	50,487
		7,746,363	7,503,576

**11.1** 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 19,135 million (2024: Rupees 17,292 million). Markup on these finances is payable quarterly or at maturity.

**11.2** The rates of mark-up range from 11.75% to 11.90% (2024: Nil ) per annum on balance outstanding.

**11.3** The rates of mark-up range from 7.35% to 9.0% (2024: 13.0% to 19.0%) per annum on balance outstanding.

**11.4** The rates of mark-up range from 4.30% to 12.38% (2024: 21.24% to 25.30%) per annum on balance outstanding.

**11.5** This represents temporary overdraft due to cheques issued by the Company at the statement of financial position date.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>12. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Long term financing	6	1,322,797	1,239,459
Deferred government grant	7	2,979	3,472
		1,325,776	1,242,931

	2025 (Rupees in thousand)	2024
<b>13. PROVISION FOR TAXATION AND LEVY - NET</b>		
<b>13.1 Provision for taxation - net</b>		
Provision for taxation	1,583,138	1,026,004
Less: Advance income tax	(1,146,116)	(767,197)
	437,022	258,807
<b>13.2 Levy - net</b>		
Levy payable	45	192,756
Less: Prepaid levy	(45)	(192,756)
	-	-
	437,022	258,807

#### 14. CONTINGENCIES AND COMMITMENTS

##### 14.1 Contingencies

- a) The Company filed income tax return for the tax year 2011 having tax loss amounting to Rupees 721.390 million and creating a refund of Rupees 107.808 million. Assessment under section 122(5A) dated 12 June 2017 of the Income Tax Ordinance, 2001 was finalized by restricting loss to Rupees 435.435 million and reducing refund to Rupees Nil. The Company filed an appeal before Commissioner Inland Revenue (Appeals) (CIR(A)) who granted partial relief to the Company vide order dated 08 March 2021. Another assessment under section 122(5A) dated 14 February 2017 was finalized by creating a demand of Rupees 12.185 million. The Company filed an appeal before CIR(A) who upheld the order of assessing officer through order dated 28 January 2021. The Company filed appeals before Honorable Appellate Tribunal Inland Revenue (ATIR) against above orders which are still pending for hearing. No provision has been made in these financial statements as the Company, based on the advice of its legal counsel is hopeful of a favorable outcome.
- b) 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.
- c) 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.
- d) 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.

- 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 120.001 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. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.
- 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 637.620 million (2024: 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 (2024: 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 1,075.381 million (2024: Rupees 836.181 million).

#### 14.2 Commitments in respect of:

- a) Contracts for capital expenditures amounting to Rupees 13.748 million (2024: Rupees 16.366 million).
- b) Letters of credit for capital expenditure amounting to Rupees 634.056 million (2024: Rupees 155.010 million).
- c) Letters of credit other than for capital expenditure amounting to Rupees 2,200.145 million (2024: Rupees 1,999.905 million).

	Note	2025 (Rupees in thousand)	2024
<b>15. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	15.1	22,754,946	22,454,400
Capital work-in-progress	15.2	1,635,993	723,148
		<u>24,390,939</u>	<u>23,177,548</u>

## 15.1 Operating fixed assets

### At 30 June 2023

Cost / revalued amount	4,567,622	64,113	2,974,536	316,663	17,595,810	86,745	166,945	152,207	91,541	422,805	26,438,987
Accumulated depreciation	-	(11,131)	(1,126,237)	(98,136)	(6,901,081)	(47,244)	(131,583)	(71,975)	(45,531)	(157,664)	(8,590,582)
Net book value	4,567,622	52,982	1,848,299	218,527	10,694,729	39,501	35,362	80,232	46,010	265,141	17,848,405

### Year ended 30 June 2024

Opening net book value	4,567,622	52,982	1,848,299	218,527	10,694,729	39,501	35,362	80,232	46,010	265,141	17,848,405
Revaluation surplus (Note 4)	2,101,693	-	-	-	-	-	-	-	-	-	2,101,693
Additions	-	-	-	-	160,217	8,761	81,556	4,903	8,425	13,934	277,796
Transfer from capital work-in-progress (Note 15.2)	-	-	334,268	3,123	3,189,387	1,094	-	-	-	101,023	3,628,895
Disposals:											
Cost	-	-	-	-	(47,374)	-	(3,465)	-	(412)	(34,892)	(86,143)
Accumulated depreciation	-	-	-	-	27,165	-	3,378	-	307	24,674	55,524
Depreciation charge	-	(1,532)	(157,777)	(13,184)	(20,209)	(4,578)	(87)	(3,324)	(105)	(10,218)	(30,619)
Closing 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

### 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
Transfer from capital work-in-progress (Note 15.2)	-	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
Depreciation charge	-	(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

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
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### 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)
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

### Depreciation rate (%)

	-	5	5 - 10	5 - 10	10	10	30	10	10	20	
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**15.1.1** 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 (2024: Rupees 705,914 million) as at 30 June 2025. Had there been no revaluation, the value of freehold land would have been lower by Rupees 5,963,401 million (2024: Rupees 5,963,401 million). Forced sale value of freehold land is Rupees 5,668,918 million (2024: Rupees 5,668,918 million).



15.1.2 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) -----							
<b>Plant and machinery</b>							
CWIP - Solar Power System Q Mart	992	105	887	604	(283)	Insurance	E.F.U General Insurance Limited
<b>Vehicles</b>							
Toyota Altis - AMJ-050	4,374	1,467	2,907	4,316	1,409	Company policy	Mr. Shahid Farooq, Company's employee, Lahore
<b>Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000</b>	977	641	336	467	131		
	6,343	2,213	4,130	5,387	1,257		

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>15.1.3 Depreciation charged during the year has been allocated as follows::</b>			
Cost of sales	27	1,384,535	1,273,204
Administrative expenses	29	103,390	98,566
		<u>1,487,925</u>	<u>1,371,770</u>

**15.1.4 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
		<u>253.15</u>	<u>2,842.69</u>

**15.2 Capital work-in-progress**

	Note	Civil works and buildings	Plant and machinery	Advances for capital expenditure	Total
		----- (Rupees in thousand )-----			
<b>At 30 June 2023</b>		193,624	837,071	339,151	1,369,846
Additions during the year		286,711	1,840,843	854,643	2,982,197
Less: Transferred to operating fixed assets during the year	15.1	(332,961)	(2,173,771)	(1,122,163)	(3,628,895)
<b>At 30 June 2024</b>		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	15.1	(215,349)	(683,282)	(144,371)	(1,043,002)
<b>At 30 June 2025</b>		<u>1,015,079</u>	<u>329,525</u>	<u>291,389</u>	<u>1,635,993</u>

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>16. LONG TERM INVESTMENTS</b>			
<b>Equity instruments - subsidiary companies:</b>			
Maple Leaf Cement Factory Limited - Quoted	16.1	8,578,733	8,578,733
Maple Leaf Capital Limited - Un-quoted	16.2	2,500,000	2,500,000
		<u>11,078,733</u>	<u>11,078,733</u>

**16.1** The Company holds 606,497,944 (2024: 606,497,944) ordinary shares of Rupees 10 each of Maple Leaf Cement Factory Limited. Equity held 57.90% (2024: 57.90%).

**16.2** The Company holds 250,000,000 (2024: 250,000,000) ordinary shares of Rupees 10 each of Maple Leaf Capital Limited. Equity held 82.92% (2024: 82.92%).

## 17. LONG TERM DEPOSITS

These mainly include interest free deposits made to utility companies for provision of utility connections.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>18. STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores	18.1	1,304,640	969,984
Spare parts and loose tools		111,627	94,546
		1,416,267	1,064,530
Less: Provision against slow moving stores, spare parts and loose tools	18.2	(16,881)	(11,289)
		1,399,386	1,053,241

**18.1** This includes stores in transit of Rupees 0.283 million (2024: Rupees 0.859 million).

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>18.2 Provision against slow moving stores and spares</b>			
As at 01 July		11,289	6,566
Add: Provision for the year	30	5,592	4,723
As at 30 June		16,881	11,289

## 19. STOCK-IN-TRADE

Raw materials	19.1 & 19.2	3,380,255	2,568,563
Work-in-process		2,020,880	1,788,297
Finished goods	19.3	3,147,143	2,529,476
		8,548,278	6,886,336
Less: Provision against obsolete stock in trade		(3,904)	(3,904)
		8,544,374	6,882,432

**19.1** Raw materials include stock in transit of Rupees 120.346 million (2024: Rupees 104.578 million). Further, raw materials of Rupees 487.311 million (2024: Rupees 361.801 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 12.733 million (2024: Rupees 4.501 million).

**19.2** Raw materials include stock amounting to Rupees 31.767 million (2024: Rupees 45.449 million) with external parties for processing.

**19.3** 'Finished goods include stock in transit of Rupees 77.360 million (2024: Rupees 242.384 million). Further, finished goods of Rupees 470.121 million (2024: Rupees 519.040 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 23.083 million (2024: Rupees 19.150 million).

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>20. TRADE DEBTS</b>			
<b>Considered good:</b>			
Secured (against letters of credit)		3,154,914	2,101,162
Unsecured		2,755,984	4,380,832
		5,910,898	6,481,994
Less: Allowance for expected credit losses	20.2	(31,120)	(44,402)
		5,879,778	6,437,592

- 20.1** 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.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>20.2 Allowance for expected credit losses</b>			
Opening balance		44,402	153,319
Reversal during the year	31	(13,282)	(108,361)
Trade debts written off during the year		-	(556)
Balance at end of year		31,120	44,402

- 20.3** As at 30 June 2025, trade debts of Rupees 2,407.637 million (2024: Rupees 3,750.745 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:

	2025 (Rupees in thousand)	2024 (Rupees in thousand)
Upto 1 month	1,575,302	2,209,354
1 to 6 months	825,592	1,499,095
More than 6 months but less than one year	6,743	42,296
	2,407,637	3,750,745

- 20.4** The majority of export debtors of the Company are situated in Asia, Europe and America.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>21. ADVANCES</b>			
<b>Considered good:</b>			
Advances to employees - interest free	21.1		
- Executives	21.2	880	8,645
- Other employees		4,523	2,075
		5,403	10,720
Advances to suppliers - unsecured and considered good		528,730	562,628
Advances against letters of credit		225,307	21,524
		759,440	594,872

- 21.1** 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.



**21.2** Maximum aggregate balance due from executives at the end of any month during the year was Rupees 14.601 million (2024: Rupees 14.481 million).

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>22. SHORT TERM DEPOSITS AND PREPAYMENTS</b>			
Short term deposits		17,778	8,678
Short term prepayments		40,413	31,296
		58,191	39,974
<b>23. OTHER RECEIVABLES</b>			
<b>Considered good:</b>			
Sales tax refundable		1,018,754	1,426,934
Custom duty receivable		15,993	15,993
Mark up rate support receivable from financial institutions		3,633	3,633
Export rebate		158,798	125,108
Duty draw back receivable		131,975	136,705
Receivable from Workers' profit participation fund		2,455	18,809
Due from subsidiary company - Maple Leaf Cement Factory Limited		-	10,365
Others		5,239	2,519
		1,336,847	1,740,066
<b>23.1 Workers' profit participation fund</b>			
Balance as on 01 July		18,809	34,597
Provision for the year	30	(147,545)	(54,908)
		(128,736)	(20,311)
Add: Payments / adjustments during the year		131,191	39,120
		2,455	18,809
<b>24. SHORT TERM INVESTMENTS</b>			
<b>At amortized cost:</b>			
Term deposit receipts:	24.1		
- JS Bank Limited		-	6,960
- United Bank Limited		560,000	325,000
- The Bank of Khyber		156,333	163,299
		716,333	495,259
Add: Accrued markup		17,888	20,082
		734,221	515,341
<b>Fair value through profit or loss:</b>			
Mutual funds: MCB - Arif Habib Savings and Investments Limited 28,742 (2024: Nil) units		2,941	-
		737,162	515,341

**24.1** These term deposit receipts have maturity period ranging from one to six months. The effective rate of profit ranges from 6.44% to 10.50% (2024: 19.00% to 20.50%). These are under lien with the banks against guarantees given on behalf of the Company.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>25. CASH AND BANK BALANCES</b>			
Cash in hand		5,956	4,325
Cash at bank:			
- On current accounts	25.1 & 25.3	90,053	130,411
- On saving accounts	25.1, 25.2 & 25.3	167,725	84,315
		257,778	214,726
		263,734	219,051

**25.1** The balances in current and saving accounts include USD 103,277 (2024: USD 138,622).

**25.2** The balances in saving accounts carry rate of profit ranging from 7.78% to 11.50% (2024: 6.00% to 20.55%) per annum.

**25.3** The balances in current and saving accounts include an amount of Rupees 34.255 million (2024: Rupees 35.155 million) held under lien against guarantees issued by the banks on behalf of the Company.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>26. REVENUE</b>			
Revenue from contracts with customers:			
- Export sales		21,490,955	19,278,560
- Local sales	26.1	37,793,845	38,764,776
		59,284,800	58,043,336
Export rebate		129,325	131,616
		59,414,125	58,174,952
<b>26.1 Local sales</b>		44,625,630	44,898,813
Less: Sales tax		(6,831,785)	(6,134,037)
		37,793,845	38,764,776

## 26.2 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 40).

	Spinning		Weaving		Processing and Home Textiles		Company	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>----- (Rupees in thousand) -----</b>								
<b>Primary geographical markets</b>								
Europe	-	-	4,929,282	3,166,321	5,847,545	4,185,907	10,776,827	7,352,228
United States of America and Canada	-	-	913,054	766,300	8,106,839	9,905,090	9,019,893	10,671,390
Asia, Africa, Australia	-	-	211,768	189,348	1,482,467	1,065,594	1,694,235	1,254,942
Pakistan	28,652,396	29,374,665	8,834,085	8,936,360	307,364	453,751	37,793,845	38,764,776
Export rebate	-	-	-	-	129,325	131,616	129,325	131,616
	28,652,396	29,374,665	14,888,189	13,058,329	15,873,540	15,741,958	59,414,125	58,174,952
<b>Major product / service lines</b>								
Yarn	28,561,848	29,312,722	-	-	-	-	28,561,848	29,312,722
Greige fabric	-	-	14,837,979	13,026,816	-	-	14,837,979	13,026,816
Made-ups	-	-	-	-	-	-	14,569,468	14,616,700
Finished fabric	-	-	-	-	14,569,468	14,616,700	1,024,281	735,704
Processing and stitching income	-	-	-	-	1,024,281	735,704	99,841	206,219
Waste	90,548	61,943	50,210	31,513	99,841	206,219	191,383	145,175
Export rebate	-	-	-	-	50,625	51,719	129,325	131,616
	28,652,396	29,374,665	14,888,189	13,058,329	15,873,540	15,741,958	59,414,125	58,174,952
Revenue from contracts with customers	28,652,396	29,374,665	14,888,189	13,058,329	15,744,215	15,610,342	59,284,800	58,043,336
Export rebate	-	-	-	-	129,325	131,616	129,325	131,616
	28,652,396	29,374,665	14,888,189	13,058,329	15,873,540	15,741,958	59,414,125	58,174,952
<b>Timing of revenue recognition</b>								
Products transferred at a point in time	28,652,396	29,374,665	14,888,189	13,058,329	15,873,540	15,741,958	59,414,125	58,174,952
Products and services transferred over time	-	-	-	-	-	-	-	-
External revenue as reported	28,652,396	29,374,665	14,888,189	13,058,329	15,873,540	15,741,958	59,414,125	58,174,952

**26.3** Revenue is recognized at point in time as per the terms and conditions of underlying contracts with customers.

**26.4** The amount of Rupees 201.589 million included in contract liabilities (Note 9) at 30 June 2024 has been recognized as revenue during the year (2024: Rupees 296.837 million).

	Note	2025 (Rupees in thousand)	2024
<b>27. COST OF SALES</b>			
Raw materials consumed	27.1	32,428,437	30,788,006
Salaries, wages and other benefits	27.2	4,743,193	4,091,239
Processing charges		176,887	36,868
Stores, spare parts and loose tools consumed		2,759,955	2,556,861
Packing materials consumed		1,215,415	1,227,241
Fuel and power		7,114,373	7,760,649
Repair and maintenance		339,290	473,689
Insurance		99,170	86,471
Other factory overheads		200,742	215,635
Depreciation	15.1.3	1,384,535	1,273,204
		50,461,997	48,509,863
<b>Work-in-process</b>			
Opening stock		1,788,297	1,371,247
Closing stock		(2,020,880)	(1,788,297)
		(232,583)	(417,050)
Cost of goods manufactured		50,229,414	48,092,813
<b>Finished goods</b>			
Opening stock		2,529,476	3,324,284
Closing stock		(3,147,143)	(2,529,476)
		(617,667)	794,808
Cost of sales		49,611,747	48,887,621
<b>27.1 Raw materials consumed</b>			
Opening stock		2,568,563	4,172,047
Add: Purchased during the year		33,240,129	29,184,522
		35,808,692	33,356,569
Less: Closing stock		(3,380,255)	(2,568,563)
		32,428,437	30,788,006

**27.2** Salaries, wages and other benefits include provident fund contribution of Rupees 123.607 million (2024: Rupees 104.500 million) by the Company.

	Note	2025 (Rupees in thousand)	2024
<b>28. DISTRIBUTION COST</b>			
Salaries and other benefits	28.1	215,046	167,381
Outward freight and handling		198,464	132,611
Clearing and forwarding		945,217	1,032,240
Commission to selling agents		607,030	299,886
Travelling and conveyance		58,682	36,829
Insurance		8,623	7,404
Vehicles' running		10,686	10,647
Electricity, gas and water		7,293	7,673
Postage, telephone and fax		4,281	4,543
Sales promotion and advertisement		71,106	50,893
Miscellaneous		36,727	27,810
		2,163,155	1,777,917

**28.1** Salaries and other benefits include provident fund contribution of Rupees 8.424 million (2024: Rupees 6.635 million) by the Company.



	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>29. ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	29.1	843,189	726,153
Travelling and conveyance		79,267	63,102
Repair and maintenance		57,397	51,171
Rent, rates and taxes	29.3	15,366	15,660
Insurance		21,542	20,591
Vehicles' running		55,145	58,010
Printing, stationery and periodicals		9,587	12,885
Electricity, gas and water		37,190	37,668
Postage, telephone and fax		14,497	12,809
Legal and professional		27,604	24,101
Fee and subscription		15,941	18,459
Security, gardening and sanitation		93,771	75,689
Entertainment		13,129	11,197
Training and seminars		6,981	1,806
Depreciation	15.1.3	103,390	98,566
Miscellaneous		15,839	17,449
		<b>1,409,835</b>	<b>1,245,316</b>

**29.1** Salaries and other benefits include provident fund contribution of Rupees 29.667 million (2024: Rupees 25.218 million) by the Company.

**29.2** The Company has shared expenses aggregating to Rupees 44.302 million (2024: Rupees 38.324 million) on account of combined offices with the Maple Leaf Cement Factory Limited - subsidiary company. These expenses have been recorded in respective accounts.

**29.3** It includes Rupees 0.192 million (2024: Rupees 0.174 million) in respect of short term leases.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>30. OTHER EXPENSES</b>			
Auditor's remuneration	30.1	5,443	4,417
Donations		-	500
Fixed assets written off		20,259	-
Provision for slow moving stores, spare parts and loose tools	18.2	5,592	4,723
Exchange loss		-	46,872
Advances to suppliers written off		-	256
Other receivables written off		-	53
Workers' profit participation fund	23.1	147,545	54,908
Workers' welfare fund	9.3	94,237	64,968
		<b>273,076</b>	<b>176,697</b>
<b>30.1 Auditor's remuneration</b>			
Audit fee		4,700	3,000
Reimbursable expenses		450	942
Certifications		293	475
		<b>5,443</b>	<b>4,417</b>

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>31. OTHER INCOME</b>			
<b>Income from financial assets:</b>			
Return on bank deposits		62,488	120,653
Return on investment in Government securities		959,679	-
Return on term deposit receipts		58,059	65,627
Dividend income on investments carried at fair value through profit or loss		298	2,929
Gain on redemption of units of mutual funds		4,737	-
Reversal of allowance for expected credit loss	20.2	13,282	108,361
Exchange gain - net		48,269	-
Reversal of provision for electricity duty	31.1	174,828	-
Long outstanding liabilities written back		-	11,314
		1,321,640	308,884
<b>Income from non-financial assets:</b>			
Scrap sales		137,209	119,145
Gain on disposal of operating fixed assets	15.1.2	1,257	27,297
		138,466	146,442
		1,460,106	455,326

**31.1** This includes the reversal of the provision for electricity duty amounting to Rupees 174.828 million (2024: Nil) by KTML, pursuant to the decision of the Supreme Court of Pakistan dated October 8, 2024, in Civil Appeals Nos. 256 to 472 of 2011 (2024 SCP 348), which held that no electricity duty can be recovered from the entities using generators exceeding 500 KW capacity for self-consumption.

	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>32. FINANCE COST</b>		
Mark-up / finance charges / interest on:		
Long term financing	683,385	1,032,718
Short term borrowings	2,031,619	2,203,160
	2,715,004	3,235,878
Bank charges and commission	83,786	123,467
	2,798,790	3,359,345
<b>33. LEVY</b>		
Final taxes	45	192,756

**33.1** 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.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>34. TAXATION</b>			
Current tax:			
- Current year		1,255,578	575,899
- Prior year		68,753	(35,674)
		1,324,331	540,225
Deferred tax	8.1	543,436	251,239
	34.1	1,867,767	791,464

**34.1** 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	2025 (Rupees in thousand)	2024
Accounting Profit before taxation and levy		4,617,628	3,183,382
Applicable tax rate		29%	29%
Tax on accounting profit		1,339,112	923,181
Effect of lower rate on income from exports and dividend		-	(97,552)
Effect of change in prior year's tax		68,753	(35,674)
Effect of (income) / expenses that are not considered in determining tax liability		81,250	129,943
Effect of super tax		379,760	89,850
Others		(1,063)	(25,528)
Current tax liability and levy as per applicable tax laws		1,867,812	984,220
Levy - final taxes		(45)	(192,756)
Current tax	34	(1,867,767)	(791,464)
		-	-

### 35. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share which is based on:

	Note	2025	2024
Profit attributable to ordinary shares	RUPEES IN THOUSAND	2,749,816	2,199,162
Weighted average number of ordinary shares	NUMBERS 35.1	269,299,456	272,618,385
Earnings per share	RUPEES	10.21	8.07

#### 35.1 Weighted average number of ordinary shares

Outstanding number of shares before buy back	NUMBERS	269,299,456	293,310,900
Less: Impact of own shares purchased	NUMBERS	-	(20,692,515)
		269,299,456	272,618,385

	Note	2025 (Rupees in thousand)	2024
<b>36. CASH GENERATED FROM OPERATIONS</b>			
Profit before levy and taxation		4,617,628	3,183,382
<b>Adjustment for non-cash charges and other items:</b>			
Depreciation	15.1	1,487,925	1,371,770
Finance cost	32	2,798,790	3,359,345
Gain on disposal of operating fixed assets	31	(1,257)	(27,297)
Return on term deposit receipts	31	(58,059)	(65,627)
Return on bank deposits	31	(62,488)	(120,653)
Return on investment in Government securities	31	(959,679)	-
Dividend income	31	(298)	(2,929)
(Reversal) / provision of allowance for expected credit loss	20.2	(13,282)	(108,361)
Fixed assets written off	30	20,259	-
Provision for slow moving stores, spare parts and loose tools	30	5,592	4,723
Other receivables written off	30	-	53
Advances to suppliers written off	30	-	256
Reversal of provision for electricity duty	30	(174,828)	-
Long outstanding liabilities written back	31	-	(11,314)
Provision for workers' profit participation fund	30	147,545	54,908
Provision for workers' welfare fund	30	94,237	64,968
Working capital changes	36.1	(482,680)	515,641
		7,419,405	8,218,865

		2025 (Rupees in thousand)	2024
36.1	<b>Working capital changes</b>		
	<b>(Increase) / decrease in current assets:</b>		
	Stores, spare parts and loose tools	(351,737)	11,360
	Stock-in-trade	(1,661,942)	1,981,242
	Trade debts	571,096	(1,898,348)
	Advances	(164,568)	(317,279)
	Short term deposits and prepayments	(18,217)	(9,613)
	Other receivables	403,219	4,054
		(1,222,149)	(228,584)
	Increase in trade and other payables	739,469	744,225
		(482,680)	515,641

36.2 **Reconciliation of movement of liabilities to cash flows arising from financing activities**

	2025				
	Liabilities from financing activities				
	Long term financing	Short term borrowings	Own share purchased for cancellation	Unclaimed dividend	Total
----- (Rupees in thousand) -----					
Balance as at 01 July 2024	7,059,950	7,503,576	-	31,543	14,595,069
Proceeds from long term financing	-	-	-	-	-
Repayment of long term financing	(1,291,783)	-	-	-	(1,291,783)
Short term borrowings - net	-	242,787	-	-	242,787
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

	2024				
	Liabilities from financing activities				
	Long term financing	Short term borrowings	Own share purchased for cancellation	Unclaimed dividend	Total
----- (Rupees in thousand) -----					
Balance as at 01 July 2023	7,432,812	6,894,851	(312,153)	32,264	14,047,774
Proceeds from long term financing	1,115,127	-	-	-	1,115,127
Repayment of long term financing	(1,491,947)	-	-	-	(1,491,947)
Own shares purchased for cancellation	-	-	(1,463,096)	-	(1,463,096)
Cancelled during the year	-	-	1,775,249	-	1,775,249
Short term borrowings - net	-	608,725	-	-	608,725
Dividend paid	-	-	-	(721)	(721)
Other charges - non-cash movement	3,958	-	-	-	3,958
Balance as at 30 June 2024	7,059,950	7,503,576	-	31,543	14,595,069



### 37. 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	
	2025	2024	2025	2024	2025	2024
----- ( Rupees in Thousand ) -----						
Managerial remuneration	76,050	76,050	80,543	72,386	271,091	227,974
Allowances						
House rent	7,605	7,605	5,339	6,389	63,342	48,331
Conveyance	-	-	-	-	163	144
Medical	7,605	7,605	8,054	7,238	26,707	22,340
Utilities	6,728	6,728	15,921	5,713	90,576	54,043
Special allowance	19,012	19,012	14,055	18,739	41,221	61,886
Contribution to provident fund	6,335	6,335	6,709	6,030	22,315	18,886
	123,335	123,335	130,622	116,495	515,415	433,604
Number of persons	1	1	2	2	97	88

**37.1** 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.

**37.2** Executives are provided with the Company's maintained vehicles in accordance with the Company's policy.

**37.3** The aggregate amount charged in these financial statements in respect of directors' meeting fee paid to 2 (2024: 2) non-executive directors was Rupees 640,452 (2024: Rupees 629,216).

**37.4** No remuneration was paid to non-executive directors of the Company.

### 38. TRANSACTIONS WITH RELATED PARTIES

**38.1** 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:

	2025 (Rupees in thousand)	2024
<b>Subsidiary companies</b>		
<b>Maple Leaf Cement Factory Limited</b>		
Purchase of goods and services	64,405	14,326
Expenses paid by Maple Leaf Cement Factory Limited on behalf of the Company	5,661	2,468
Common expenses	44,302	38,324
<b>Maple Leaf Capital Limited</b>		
Expenses on behalf of the Maple Leaf Capital Limited	6,283	7,745
Payment received against expenses	6,283	7,745
<b>Hutton Properties Limited</b>		
Expenses on behalf of the Hutton Properties Limited	-	18,653
Payment received against expenses	-	18,653
<b>Post employment benefit plan</b>		
Contribution to provident fund	161,698	136,353

**38.2** 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
		2025	2024	
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%
Agritech Limited	Associate	No	No	25.22%

**38.3** The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 73,390,896 [27.25%] (2024: 73,390,896) and 55,256,992 [20.52%] (2024: 55,256,992) ordinary shares respectively of the Company.

### 39. PLANT CAPACITY AND ACTUAL PRODUCTION

#### SPINNING:

##### - Rawalpindi Division

2025 2024

#### (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 (2024: 1,098 shifts)	46,590	46,141
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2024: 1,097 shifts)	42,514	41,876

#### (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 (2024: 1,098 shifts)	7,937	7,972
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2024: 1,097 shifts)	6,933	6,889

#### (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 (2024: 1,098)	7,353	6,379
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2024: 1,097)	6,651	5,812

##### - 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 (2024: 1,098 shifts)	54,207	54,062
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2024: 1,097 shifts)	48,175	48,580

## WEAVING:

### - Raiwind Division

Looms installed / worked

(NUMBERS)

384

384

(SQUARE METERS IN  
THOUSAND)

100% plant capacity at 60 picks based on 3 shifts  
per day for 1,095 shifts (2024: 1,098 shifts)

166,509

166,509

Actual production converted to 60 picks based on  
3 shifts per day for 1,095 shifts (2024: 1,098 shifts)

148,972

147,026

## PROCESSING OF CLOTH:

### - Rawalpindi Division

(METERS IN THOUSAND)

Capacity at 3 shifts per day for 1,095 shifts (2024: 1,098 shifts)

41,975

42,090

Actual production at 3 shifts per day for 1,095 shifts  
(2024: 1,098 shifts)

15,461

17,700

## 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 (2024: 366 days)

355,779

270,407

Actual generation

Furnace engines

1,990

21,107

Gas engines

3,708

35,331

Solar

21,644

12,127

### - Raiwind Division

Annual rated capacity based on 365 days (2024: 366 days)

125,820

122,219

Actual generation

Furnace engines

22,072

8,604

Gas engines

71

23,711

Solar

10,394

6,485

### - Gujar Khan Division

Annual rated capacity based on 365 days (2024: 366 days)

174,403

174,881

Actual generation

Gas engines

9,010

12,931

Diesel engines

40

275

Solar

11,804

12,287

## 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.

#### 40. SEGMENT INFORMATION

##### REVENUE:

	Spinning		Weaving		Processing and Home Textiles		Elimination of inter-segment transactions		Company	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
EXTERNAL INTER-SEGMENT	28,652,396	29,374,665	14,888,189	13,058,329	15,873,540	15,741,958	-	-	59,414,125	58,174,952
	710,016	2,388,787	1,616,353	2,220,199	25,540	11,199	(2,351,909)	(4,620,185)	-	-
COST OF SALES	29,362,412	31,763,452	16,504,542	15,278,528	15,899,080	15,753,157	(2,351,909)	(4,620,185)	59,414,125	58,174,952
	(25,038,675)	(27,211,579)	(14,188,030)	(14,189,748)	(12,736,951)	(12,106,479)	2,351,909	4,620,185	(49,611,747)	(48,887,621)
GROSS PROFIT	4,323,737	4,551,873	2,316,512	1,088,780	3,162,129	3,646,678	-	-	9,802,378	9,287,331
DISTRIBUTION COST	(176,675)	(107,567)	(422,757)	(244,850)	(1,563,723)	(1,425,500)	-	-	(2,163,155)	(1,777,917)
ADMINISTRATIVE EXPENSES	(671,755)	(605,991)	(288,185)	(266,521)	(449,895)	(372,804)	-	-	(1,409,835)	(1,245,316)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	(848,430)	(713,558)	(710,942)	(511,371)	(2,013,618)	(1,798,304)	-	-	(3,572,990)	(3,023,233)
UNALLOCATED INCOME AND EXPENSES	3,475,307	3,838,315	1,605,570	577,409	1,148,511	1,848,374	-	-	6,229,388	6,264,098
OTHER EXPENSES										
OTHER INCOME									(273,076)	(176,697)
FINANCE COST									1,460,106	455,326
LEVIES									(2,798,790)	(3,359,345)
TAXATION									(45)	(192,756)
									(1,867,767)	(791,464)
PROFIT AFTER TAXATION									(3,479,572)	(4,064,936)
									2,749,816	2,199,162

#### 40.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Company	
	2025	2024	2025	2024	2025	2024	2025	2024
TOTAL ASSETS FOR REPORTABLE SEGMENT	15,134,040	14,617,772	11,230,740	11,021,058	17,120,840	15,136,040	43,485,620	40,774,870
UNALLOCATED ASSETS							11,078,733	11,078,733
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION							54,564,353	51,853,603
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.								
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	1,203,216	3,048,084	3,346,622	3,061,701	9,644,421	9,341,422	14,194,259	15,451,207
UNALLOCATED LIABILITIES							8,387,722	7,169,840
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION							22,581,981	22,621,047
All segment liabilities are allocated to reportable segments other than trade and other payables and deferred tax liabilities.								



## 40.2 Geographical Information

**40.2.1** The Company's revenue from external customers by geographical location is detailed in Note 26.2 to the financial statements.

**40.2.2** All non-current assets as at reporting date are located and operated in Pakistan.

## 40.3 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 6,160 million (2024: Rupees 3,634 million ) whereas in the Processing and Home Textile segment was Rupees 7,431 million (2024: Rupees 7,651 million).

**40.4** 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.

## 41. PROVIDENT FUND

As at the reporting date, all investments out of provident fund 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.

## 42. NUMBER OF EMPLOYEES

	2025	2024
Number of employees as at 30 June	6,390	6,462
Average number of employees during the year	6,360	6,230

## 43. FINANCIAL RISK MANAGEMENT

### 43.1 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). Currently, the Company's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2025	2024
Cash at banks - USD	103,277	138,622
Trade debts - USD	9,399,200	6,462,033
Trade debts - Euro	910,581	-
Net exposure - USD	9,502,477	6,600,655
Net exposure - Euro	910,581	-
The following significant exchange rates were applied during the year:		
<b>Rupees per US Dollar</b>		
Average rate	281.93	283.33
Reporting date rate	283.60	278.30
<b>Rupees per Euro</b>		
Average rate	305.38	-
Reporting date rate	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 75.457 million (2024: Rupees 86.356 million) and Rupees 8.471 million (2024: Rupees Nil), 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 holds financial instruments based on commodity prices.

**Sensitivity analysis**

The Company's investment in mutual fund amounting to Rupees 2.941 million (2024: Rupees Nil) is exposed to price risk due to change in Net Asset Value (NAV) of such fund.

As at 30 June 2025, 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 0.02 million (2024: Rupees Nil).

(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:

	2025 (Rupees in thousand)	2024
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
Investments - Term deposit receipts	734,221	515,341
<b>Financial liabilities</b>		
Long term financing	2,538,641	3,421,020
Short term borrowings	6,003,931	4,503,931
<b>Floating rate instruments</b>		
<b>Financial assets</b>		
Bank balances - saving accounts	167,725	84,315
<b>Financial liabilities</b>		
Long term financing	3,232,998	3,638,930
Short term borrowings	1,736,845	2,949,158

**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 26.892 million (2024: Rupees 36.092 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:

	2025 (Rupees in thousand)	2024
Trade debts	5,879,778	6,437,592
Investments	737,162	515,341
Deposits	133,547	123,431
Advances	5,403	10,720
Other receivables	5,239	12,884
Bank balances	257,778	214,726
	<b>7,018,907</b>	<b>7,314,694</b>

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			2025	2024
	Short term	Long term	Agency	(Rupees in thousand)	
<b>Banks</b>					
Al-Baraka Bank (Pakistan) Limited	A-1	A+	JCR-VIS	19,471	18,369
Allied Bank Limited	A1+	AAA	PACRA	19,130	10,729
Askari Bank Limited	A1+	AA+	PACRA	1,322	1,445
Bank Alfalah Limited	A1+	AAA	PACRA	13,787	24,558
Bank Al-Habib Limited	A1+	AAA	PACRA	30,375	319
Bank Islami Pakistan Limited	A1	AA-	PACRA	31	31
Faysal Bank Limited	A1+	AA	PACRA	56	79
Habib Bank Limited	A-1+	AAA	JCR-VIS	12,630	28,418
MCB Bank Limited	A1+	AAA	PACRA	102,297	14,373
Meezan Bank Limited	A-1+	AAA	JCR-VIS	2,103	19,435
National Bank of Pakistan	A1+	AAA	PACRA	14,688	26,589
MCB Islamic Bank Limited	A1	A+	PACRA	78	12,553
Silkbank Limited	A-2	A-	JCR-VIS	48	48
The Bank of Punjab	A1+	AA+	PACRA	10,341	35,539
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,943	2,003
Samba Bank Limited	A1	AA	PACRA	494	1,258
JS Bank Limited	A1+	AA	PACRA	39	2,486
Bank Makramah Limited	A-3	BBB-	JCR-VIS	15	-
The Bank of Khyber	A1	AA-	JCR-VIS	7,355	10,454
United Bank Limited	A-1+	AAA	JCR-VIS	21,575	6,040
				257,778	214,726
<b>Investments</b>					
United Bank Limited - term deposit receipts	A-1+	AAA	JCR-VIS	577,738	344,842
The Bank of Khyber - term deposit receipts	A1	AA-	JCR-VIS	156,483	163,474
JS Bank Limited - term deposit receipt	A1+	AA	PACRA	-	7,025
MCB - Arif Habib Savings and Investments Limited - Mutual funds	Not available	AM1	PACRA	2,941	-
				737,162	515,341

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 20.2.

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 2025 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 2025 and 30 June 2024 was determined as follows:

#### 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	-

#### At 30 June 2024

	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%	658,854	-	0.00%	-	-
Up to 30 days	0.84%	1,230,318	10,289	0.00%	-	-
31 to 60 days	0.96%	524,445	5,035	0.00%	-	-
61 to 90 days	3.29%	133,022	4,379	0.00%	-	-
91 to 180 days	14.15%	75,851	10,736	0.00%	-	-
181 to 360 days	31.31%	41,764	13,078	0.00%	-	-
Above 360 days	100.00%	885	885	0.00%	-	-
		2,665,139	44,402		-	-
Trade debts which are not subject to risk of default		2,047,885	-		1,768,970	-
		4,713,024	44,402		1,768,970	-

## 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 2025, the Company had Rupees 15,212 million (2024: Rupees 12,365 million) available borrowing limits from financial institutions and Rupees 263.734 million (2024: Rupees 219.051 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 2025.

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
----- (Rupees in thousand) -----						
<b>Non-derivative financial liabilities :</b>						
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	-	-	-
	<u>17,629,813</u>	<u>19,200,098</u>	<u>12,952,295</u>	<u>876,540</u>	<u>1,613,067</u>	<u>3,758,196</u>

Contractual maturities of financial liabilities as at 30 June 2024.

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
----- (Rupees in thousand) -----						
<b>Non-derivative financial liabilities:</b>						
Long term financing	7,059,950	10,813,567	1,631,362	1,074,981	2,056,875	6,050,349
Trade and other payables	3,604,569	3,604,569	3,604,569	-	-	-
Accrued mark-up	565,079	565,079	565,079	-	-	-
Short term borrowings	7,503,576	8,122,292	8,122,292	-	-	-
Unclaimed dividend	31,543	31,543	31,543	-	-	-
	<u>18,764,717</u>	<u>23,137,050</u>	<u>13,954,845</u>	<u>1,074,981</u>	<u>2,056,875</u>	<u>6,050,349</u>

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 2025. The rates of interest / mark up have been disclosed in note 6.1 and note 11 to these financial statements.

## 43.2 Financial instruments by categories

### Financial assets

Trade debts  
Investments  
Deposits  
Advances  
Other receivables  
Cash and bank balances

2025	2024
Amortized cost	
(Rupees in thousand)	
5,879,778	6,437,592
737,162	515,341
133,547	123,431
5,403	10,720
5,239	12,884
263,734	219,051
7,024,863	7,319,019

Financial liabilities at amortized cost	
2025	2024
(Rupees in thousand)	
5,771,639	7,059,950
3,885,001	3,604,569
195,905	565,079
7,746,363	7,503,576
30,905	31,543
17,629,813	18,764,717

## 43.3 Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

### Assets as per statement of financial position

Trade debts  
Investments  
Deposits and prepayments  
Advances  
Other receivables  
Cash and bank balances

2025			2024		
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 -----		
5,879,778	-	5,879,778	6,437,592	-	6,437,592
737,162	11,078,733	11,815,895	515,341	11,078,733	11,594,074
133,547	40,413	173,960	123,431	31,296	154,727
5,403	754,037	759,440	10,720	584,152	594,872
5,239	1,331,608	1,336,847	12,884	1,727,182	1,740,066
263,734	-	263,734	219,051	-	219,051
7,024,863	13,204,791	20,229,654	7,319,019	13,421,363	20,740,382

	2025			2024		
	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	5,771,639	-	5,771,639	7,059,950	-	7,059,950
Trade and other payables	3,885,001	2,207,448	6,092,449	3,604,569	1,829,789	5,434,358
Accrued mark-up	195,905	-	195,905	565,079	-	565,079
Short term borrowings	7,746,363	-	7,746,363	7,503,576	-	7,503,576
Unclaimed dividend	30,905	-	30,905	31,543	-	31,543
	17,629,813	2,207,448	19,837,261	18,764,717	1,829,789	20,594,506

#### 43.4 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.

#### 43.5 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 11 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.

	2025 (Rupees in thousand)	2024
Borrowings	13,522,385	14,526,481
Total equity	31,982,372	29,232,556
Total capital employed	45,504,757	43,759,037
Gearing ratio	29.72%	33.20%

The decrease in the gearing ratio resulted primarily from increase in equity of the Company.

## 44. 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.



At 30 June 2025	Level 1	Level 2	Level 3	Total
----- ( Rupees in thousand ) -----				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	2,941	-	-	2,941

At 30 June 2024	Level 1	Level 2	Level 3	Total
----- ( Rupees in thousand ) -----				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	-	-	-	-

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.

#### 45. 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 2025	Level 1	Level 2	Level 3	Total
----- ( Rupees in thousand ) -----				
Freehold land	-	6,669,315	-	6,669,315

At 30 June 2024	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.

**46. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX**

Description	Note	2025 (Rupees in thousand)	2024
<b>Loans / advances obtained as per Islamic mode:</b>			
Loans	11	699,000	414,000
Contract liabilities	9	424,288	229,807
Accrued mark-up on conventional loans	10	191,654	543,957
<b>Shariah compliant bank deposits, bank balances and Term deposit receipts:</b>			
Bank balances	25	42,895	85,479
Term deposit receipts	24	156,483	163,474
<b>Profit earned from shariah compliant bank deposits / bank balances</b>	31	12,463	40,651
<b>Dividend income on investments carried at fair value through profit or loss</b>	31	298	2,929
<b>Exchange gain earned</b>	31	48,269	-
<b>Revenue earned from shariah compliant business</b>	26	59,414,125	58,174,952
<b>Profits earned or interest paid on any conventional loan / advance:</b>			
Profit paid on islamic mode of financing		144,713	74,289
Return on investment in Government securities	31	959,679	-
Profit earned on deposits with banks	31	50,025	80,002
Return on term deposit receipts	31	58,059	65,627
Dividend income on investments carried at fair value through profit or loss	31	298	2,929
Gain on redemption of units of mutual funds	31	4,737	-
Reversal of allowance for expected credit loss	31	13,282	108,361
Scrap sales	31	137,209	119,145
Gain on disposal of operating fixed assets	31	1,257	27,297
Interest on loans	32	2,715,004	3,235,878

## Relationship with shariah compliant banks

Name	Relationship at reporting date
Al-Baraka Bank (Pakistan) Limited	Bank balance and financing
Bank Alfalah Limited	Bank balance
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

## 47. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2025	2024	2025	2024
	----- ( Rupees in thousand ) -----			
Total facilities	6,871,165	5,740,704	28,734,397	26,891,397
Utilized at the end of the year	3,646,014	2,617,258	13,522,385	14,526,481
Unutilized at the end of the year	3,225,151	3,123,446	15,212,012	12,364,916

## 48. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 07 August 2025 by the Board of Directors of the Company.

## 49 NON-ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

**49.1** Subsequent to the year end, Board of Directors of the Company through a resolution passed by circulation has considered and recommended the sub-division of the Company's ordinary shares by reducing the face value from Rupees 10 per share to Rupees 2 per share subject to approval by the shareholders of the Company.

**49.2** The Board of Directors of the Company in their meeting held on 07 August 2025 has proposed a final cash dividend of Rupees 2 per share (20%) amounting to Rupees 538.599 million (2024: Rupees Nil) for the year ended 30 June 2025 for approval of the members at the Annual General Meeting to be held on 16 October 2025. The financial statements for the year ended 30 June 2025 do not include the effect of the proposed final cash dividend which will be accounted for in the year ending 30 June 2026.

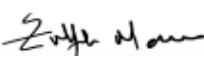
## 50. CORRESPONDING FIGURES

No significant rearrangements / reclassifications of corresponding figures have been made.

## 51. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless stated otherwise.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



# 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
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## PART-II

2.1	Pattern of holding of the shares held by the shareholders as at	30-06-2025
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No. of Shareholders	From	Shareholdings		To	Total Shares Held
2649	1	-		100	69,311
889	101	-		500	240,550
302	501	-		1,000	205,784
365	1,001	-		5,000	932,547
64	5,001	-		10,000	432,457
23	10,001	-		15,000	286,487
12	15,001	-		20,000	209,499
7	20,001	-		25,000	160,872
7	25,001	-		30,000	185,975
4	30,001	-		35,000	130,874
6	35,001	-		40,000	228,428
2	45,001	-		50,000	97,962
3	50,001	-		55,000	151,082
2	55,001	-		60,000	116,805
5	60,001	-		65,000	315,150
2	65,001	-		70,000	136,417
4	70,001	-		75,000	287,670
2	80,001	-		85,000	164,259
3	85,001	-		90,000	267,513
1	90,001	-		95,000	91,400
1	95,001	-		100,000	98,746
4	100,001	-		105,000	409,761
1	120,001	-		125,000	125,000
1	125,001	-		130,000	128,274
1	140,001	-		145,000	141,516
1	145,001	-		150,000	148,351
1	160,001	-		165,000	161,269
2	170,001	-		175,000	349,155
1	180,001	-		185,000	184,821
1	195,001	-		200,000	200,000
1	210,001	-		215,000	210,100
1	245,001	-		250,000	249,065
1	250,001	-		255,000	250,452
1	280,001	-		285,000	280,707
1	315,001	-		320,000	316,743
1	335,001	-		340,000	337,673
1	340,001	-		345,000	343,592
1	350,001	-		355,000	351,000
1	385,001	-		390,000	385,016
1	400,001	-		405,000	400,500
1	550,001	-		555,000	553,650
1	600,001	-		605,000	601,964
1	735,001	-		740,000	739,722
1	975,001	-		980,000	975,244



2.2 Shareholdings					
No. of Shareholders	From		To	Total Shares Held	
1	1,455,001	-	1,460,000	1,456,044	
1	1,980,001	-	1,985,000	1,980,893	
1	2,395,001	-	2,400,000	2,399,781	
1	2,490,001	-	2,495,000	2,494,004	
1	8,455,001	-	8,460,000	8,456,998	
1	9,050,001	-	9,055,000	9,051,303	
1	12,645,001	-	12,650,000	12,688,822	
1	13,300,001	-	13,305,000	13,302,658	
1	31,535,001	-	31,540,000	31,539,643	
1	44,625,001	-	44,630,000	44,628,059	
1	55,255,001	-	55,260,000	55,256,992	
1	73,390,001	-	73,395,000	73,390,896	
<u>4,392</u>	<b>Total</b>			<u>269,299,456</u>	

*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.**

Mr. Tariq Sayeed Saigol, Chairman	12,688,822	4.712
Mr. Taufique Sayeed Saigol, Chief Executive Officer	44,628,059	16.572
Mr. Sayeed Tariq Saigol	385,016	0.143
Mr. Waleed Tariq Saigol	33,471	0.012
Mr. Danial Taufique Saigol	3,046	0.001
Ms. Jahanara Saigol	2,500	0.001
Syed Muhammad Shabbar Zaidi	2,500	0.001
Mr. Zulifikar Monnoo	3,000	0.001
Mrs. Shehla Tariq Saigol, Spouse of Mr. Tariq Sayeed Saigol	31,539,643	11.712
	89,286,057	33.155

**2.3.2 Associated Companies, undertakings and related parties.**

Mercury Management Inc.	73,390,896	27.253
Hutton Properties Limited	55,256,992	20.519
	128,647,888	47.772

**2.3.3 NIT and IDBP**

National Bank of Pakistan, Trustee Deptt.	10,583	0.004
Industrial Development Bank of Pakistan (IDBP)	13,914	0.005
	24,497	0.009

**2.3.4 Banks, Development Financial Institutions, Non-Banking Financial Institutions.**

**2.3.5 Insurance Companies**

**2.3.6 Modarabas and Mutual Funds**

**2.3.7 Shareholders holding 10% refer to 2.3.1 & 2.3.2**

**2.3.8 General Public**

a) Local	28,384,241	10.540
b) Foreign	90,000	0.033

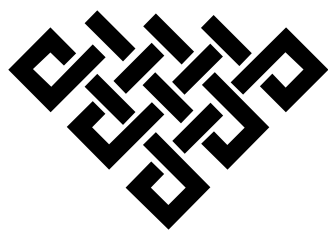
**2.3.9 Others**

Abbott Laboratories (Pakistan) Limited Staff Pension Fund	184,821
Abbott Laboratories (Pakistan) Limited Staff Provident Fund	38,309
AGP Limited Staff Provident Fund	26,500
Agriauto Industries Limited Employees Provident Fund	19,600
Artal Restaurant Int Ltd Emp P.F	2,073
Bristol-Myers Squibb Pak (Pvt) Ltd Emp Prov Fund	9,200
BYCO Petroleum Pakistan Limited Employees Provident Fund	4,397
CDC - Trustee Nafa Islamic Pension Fund Equity Account	553,650
CDC - Trustee Nafa Pension Fund Equity Sub-Fund Account	343,592
Engro Corp Ltd MPT Employees Def Contr Pension Fund	7,721
Engro Corporation Limited Provident Fund	1,600
Engro Corporation Ltd MPT Employees Defined Contribution Gf	600
Engro Fertilizers Limited Non-MPT Employees Gratuity Fund	15,525
Engro Foods Limited Employees Gratuity Fund	50,153
Federal Board of Revenue	161,269
Fikree Development Corp. (Pvt.) Limited	50
Hussain Trustees Limited.	297
Official Assignee of Karachi	1,297

2.3	Categories of Shareholders	Shares Held	Percentage
-----	----------------------------	-------------	------------

#### 2.3.9 Others

Pakistan Petroleum Executive Staff Pension Fund (DC Shariah)	103,641	
Pakistan Stock Exchange Limited	70,178	
The Deputy Administrator. Abandoned Properties	193	
The Ida Rieu Poor Welfare Association	405	
The Okhai Memon Madressah Association	1	
Trustee National Bank of Pakistan Emp Benevolent Fund Trust	11,848	
Trustee National Bank of Pakistan Employees' Pension Fund	337,673	
Trustee Pak Petroleum Exec. Staff Pen Fund Dc Conventional	25,600	
Trustee Pakistan Petroleum Executive Staff Gratuity Fund	18,500	
Trustee Pakistan Petroleum Executive Staff Pension Fund	210,100	
Trustee Pakistan Petroleum Junior Provident Fund	38,000	
Trustee Pakistan Petroleum Non-Executive Staff Gratuity Fund	24,500	
Trustee Pakistan Petroleum Non-Executive Staff Pension Fund	72,947	
Trustee Pakistan Petroleum Senior Provident Fund	82,640	
Trustee-The Kot Addu Power Co. Ltd. Employees Pension Fund	103,188	
United Executors & Trustee Company Limited	164	
University of Sindh	680	
Wellcome Pakistan Limited Provident Fund	128,274	
	2,649,186	0.984
<b>Grand Total</b>	<b>269,299,456</b>	<b>100.000</b>



KOHINOOR  
TEXTILE MILLS LTD.



# CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

DIRECTORSÍ REPORT ON CONSOLIDATED FINANCIAL STATEMENTS .....	286
INDEPENDENT AUDITORSÍ REPORT.....	288
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	294
CONSOLIDATED STATEMENT OF PROFIT OR LOSS.....	296
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....	297
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	298
CONSOLIDATED STATEMENT OF CASH FLOWS.....	299
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....	300
PROXY FORM .....	401

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# 13

## CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

# 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%), Maple Leaf Industries Limited (58.85%), Novacare Hospitals (Private) Limited (58.84%), Maple Leaf Capital Limited (82.92%) and its associated company Agritech Limited (Together referred to as Group) for the year ended 30 June 2025.

## GROUP RESULTS

The Group has earned gross profit of Rupees 35,967 million as compared to Rupees 32,482 million of corresponding year. The Group has earned pre-tax profit of Rupees 32,476 million this year as compared to Rupees 22,240 million during the previous year. The overall Group financial results are as follows:

	2025 (Rupees in million)	2024
Revenue	128,030	124,613
Gross profit	35,967	32,482
Profit from operations	39,856	30,325
Financial charges	6,981	7,674
Net profit after taxation	22,774	15,476
	----- (Rupees) -----	
Earnings per share - Basic and diluted	61.19	41.72

## SUBSIDIARY COMPANIES

### Maple Leaf Cement Factory Limited (MLCFL)

It has recorded an increase of 3.75% in its sales over previous year and has earned gross profit of 34.44% (30 June 2024: 31.55%) amounting to Rupees 23,747 million (30 June 2024: Rupees 20,964 million).

It has earned after tax profit of Rupees 17,036 million (30 June 2024: Rupees 5,273 million).

### Maple Leaf Power Limited (MLPL)

MLPL has earned after tax profit of Rupees 2,132 million (30 June 2024: Rupees 1,765 million).

### 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.

### **Novacare Hospitals (Private) Limited**

Novacare Hospitals (Private) Limited has incurred after tax loss of Rupees 247 million (30 June 2024: Rupees 113 million).

### **Maple Leaf Capital Limited (MLCL)**

MLCL has earned after tax profit of Rupees 8,637 million (30 June 2024: Rupees 5,972 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  
August 07, 2025

  
Taufique Sayeed Saigol  
Chief Executive Officer

  
Syed Mohsin Raza Naqvi  
Director

## **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 consolidated financial statements of Kohinoor Textile Mills Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### **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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



# Riaz Ahmad & Company

Chartered Accountants

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1	<p><b>Investments in quoted securities</b></p> <p>Quoted investments of the investment business of the Group as at 30 June 2025 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.</p> <p>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.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Investment and other financial assets note 2.6 to the financial statements.</li> <li>- Short term investments note 30 to the consolidated financial statements.</li> </ul>	<p>Our procedures over the existence, completeness and valuation of the Group's portfolio of quoted investments included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Documenting and assessing the processes and controls in place to record investment transactions and to value the portfolio;</li> <li>• 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;</li> <li>• 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;</li> <li>• Verifying the accuracy of management's judgement used in classification of investments; and</li> <li>• Assuring the completeness and accuracy of gains / (losses) recognized in the consolidated statement of profit or loss of quoted investments.</li> </ul>

Sr. No.	Key audit matters	How the matters were addressed in our audit
2	<p><b>Inventory existence and valuation</b></p> <p>Inventory of the textile business of the Group as at 30 June 2025 represented a material position in the consolidated statement of financial position.</p> <p>Inventory is measured at the lower of cost and net realizable value.</p> <p>We identified existence and valuation of inventory as a key audit matter due to its size and the judgment involved in valuation.</p> <p>For further information on inventory, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, inventories note 2.10 to the consolidated financial statements.</li> <li>- Stores, spare parts and loose tools note 24 and Stock-in-trade note 25 to the consolidated financial statements.</li> </ul>	<p>Our procedures over existence and valuation of inventory included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management;</li> <li>• For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets;</li> <li>• We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice;</li> <li>• On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any;</li> <li>• We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory;</li> <li>• In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs; and</li> <li>• We also made enquiries to the management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.</li> </ul>

Sr. No.	Key audit matters	How the matters were addressed in our audit
3	<p><b>Revenue recognition</b></p> <p>Revenue of the Group for the year ended 30 June 2025 represented a significant portion in the consolidated statement of profit or loss.</p> <p>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.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Revenue recognition note 2.15 to the consolidated financial statements.</li> <li>- Revenue note 32 to the consolidated financial statements.</li> </ul>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Comparing a sample of revenue transactions recorded during the year with sale orders, sale invoices, delivery documents and other relevant underlying documents;</li> <li>• 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;</li> <li>• Performing recalculation of discounts as per Group's policy on test basis;</li> <li>• Performing analytical procedures to analyse variation in the price and quantity sold during the year;</li> <li>• Assessing whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'; and</li> <li>• Assessing the adequacy and appropriateness of the disclosures made in the consolidated financial statements related to revenue.</li> </ul>

## 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: 11 September 2025

UDIN: AR202510777uERBDQTKd

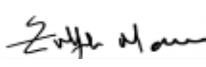
# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
370,000,000 (2024: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (2024: 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		<u>4,000,000</u>	<u>4,000,000</u>
<b>Issued, subscribed and paid-up share capital</b>	4	2,692,994	2,692,994
<b>Reserves</b>	5		
<b>Capital reserves</b>			
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		1,628,586	606,751
Reserve against long term investments		2,942,400	2,942,400
Surplus on revaluation of freehold land		6,196,423	6,196,423
		<u>40,886,566</u>	<u>39,864,731</u>
<b>Revenue reserves</b>			
Unappropriated profit		31,135,481	14,651,798
		<u>72,022,047</u>	<u>54,516,529</u>
Equity attributable to equity holders of the Holding Company		74,715,041	57,209,523
Non-controlling interest	6	31,603,197	24,571,224
<b>Total equity</b>		<u>106,318,238</u>	<u>81,780,747</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	7	14,230,480	15,606,275
Deferred government grants	8	329,295	460,457
Liability against right of use assets	9	53,292	50,880
Long term deposits	10	8,214	8,214
Retirement benefits	11	350,638	328,528
Deferred income tax liability	12	17,652,264	14,306,062
		<u>32,624,183</u>	<u>30,760,416</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	23,880,978	18,543,921
Accrued mark-up	14	877,547	1,383,938
Short term borrowings	15	20,835,119	12,942,510
Current portion of non-current liabilities	16	5,427,257	4,837,900
Unclaimed dividend		57,782	58,798
Provision for taxation and levy - net	17	1,545,842	431,771
		<u>52,624,525</u>	<u>38,198,838</u>
<b>TOTAL LIABILITIES</b>		<u>85,248,708</u>	<u>68,959,254</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	18		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>191,566,946</u>	<u>150,740,001</u>

The annexed notes form an integral part of these consolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

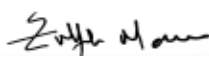
# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	2025 (Rupees in thousand)	2024
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	19	91,282,609	89,735,324
Intangibles	20	62,426	84,811
Long term loans to employees	21	16,610	31,228
Long term investments	22	9,870,871	370,726
Long term deposits	23	203,981	181,388
		101,436,497	90,403,477
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	24	14,409,590	13,889,651
Stock-in-trade	25	12,822,621	10,059,120
Trade debts	26	10,506,550	10,687,943
Loans and advances	27	1,301,221	1,088,659
Security deposits and short term prepayments	28	785,011	1,047,894
Other receivables	29	2,610,703	2,107,932
Short term investments	30	45,472,729	19,806,320
Cash and bank balances	31	2,222,024	1,649,005
		90,130,449	60,336,524
<b>TOTAL ASSETS</b>		<b>191,566,946</b>	<b>150,740,001</b>



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

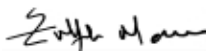
# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
REVENUE	32	128,029,724	124,612,974
COST OF SALES	33	(92,062,543)	(92,131,411)
GROSS PROFIT		35,967,181	32,481,563
DISTRIBUTION COST	34	(6,296,665)	(7,249,725)
ADMINISTRATIVE EXPENSES	35	(4,277,674)	(3,514,472)
OTHER EXPENSES	36	(2,246,027)	(1,235,001)
		(12,820,366)	(11,999,198)
		23,146,815	20,482,365
OTHER INCOME	37	17,470,172	9,842,944
SHARE OF NET LOSS OF ASSOCIATE ACCOUNTED FOR USING EQUITY METHOD		(761,071)	-
PROFIT FROM OPERATIONS		39,855,916	30,325,309
FINANCE COST	38	(6,980,991)	(7,674,273)
PROFIT BEFORE LEVY AND TAXATION LEVY	39	32,874,925 (398,824)	22,651,036 (410,639)
PROFIT BEFORE TAXATION TAXATION	40	32,476,101 (9,702,170)	22,240,397 (6,764,288)
PROFIT AFTER TAXATION		22,773,931	15,476,109
SHARE OF PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		16,478,710	11,374,337
NON-CONTROLLING INTEREST		6,295,221	4,101,772
		22,773,931	15,476,109
		2025	2024
		-----Rupees-----	
EARNINGS PER SHARE - BASIC AND DILUTED	41	61.19	41.72

The annexed notes form an integral part of these consolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



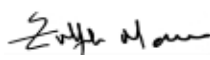
# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2025

	2025 (Rupees in thousand)	2024
PROFIT AFTER TAXATION	22,773,931	15,476,109
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement of defined benefit liability	13,853	(18,730)
Surplus on revaluation of freehold land	-	2,160,063
Related deferred income tax	(5,403)	5,432
	8,450	2,146,765
Surplus arising on remeasurement of investment at fair value through other comprehensive income	2,275,400	1,152,902
Impairment loss recognized on investments at fair value through other comprehensive income	(45,750)	-
Related deferred income tax	(474,540)	(310,944)
	1,755,110	841,958
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year - net of tax	1,763,560	2,988,723
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	24,537,491	18,464,832
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF HOLDING COMPANY	17,505,518	14,002,865
NON-CONTROLLING INTEREST	7,031,973	4,461,967
	24,537,491	18,464,832

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 2025

ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY															
	Reserves														
	Share capital	Capital reserves					Revenue reserves				Total reserves	Total	Non-controlling interest	Total equity	
		Share premium	Reserve against capacity expansion	Reserve against buy-back of shares	Own shares purchased for cancellation	Fair value reserve	Reserve against Long Term Investments	Surplus on revaluation of freehold land	Sub-total	General reserve					Un-appropriated profit
2,992,964	986,077	-	-	(312,153)	125,792	-	4,060,380	4,860,096	1,450,491	35,671,941	37,122,432	41,982,528	44,975,492	20,802,664	65,778,156
Balance as at 01 July 2023															
Transactions with owners:															
-	-	-	-	312,153	-	-	-	312,153	-	(1,475,279)	(1,475,279)	(1,163,126)	(1,463,096)	-	(1,463,096)
(299,970)	-	-	-	-	-	-	-	-	-	(305,738)	(305,738)	(305,738)	(305,738)	(693,407)	(999,145)
(299,970)	-	-	-	312,153	-	-	-	312,153	-	(1,781,017)	(1,781,017)	(1,468,864)	(1,768,834)	(693,407)	(2,462,241)
-	-	26,769,600	2,363,480	-	-	2,942,400	-	32,075,480	(1,450,491)	(30,624,989)	(32,075,480)	-	-	-	-
-	-	-	-	-	(19,352)	-	-	(19,352)	-	19,352	19,352	-	-	-	-
-	-	-	-	-	-	-	-	-	-	11,374,337	11,374,337	11,374,337	11,374,337	4,101,772	15,476,109
-	-	-	-	-	500,311	-	2,136,043	2,636,354	-	(7,826)	(7,826)	2,628,528	2,628,528	360,195	2,988,723
-	-	-	-	-	500,311	-	2,136,043	2,636,354	-	11,366,511	11,366,511	14,002,865	14,002,865	4,461,967	18,464,832
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	14,651,798	54,516,529	57,209,523	24,571,224	81,780,747
-	-	-	-	-	-	-	-	-	-	16,478,710	16,478,710	16,478,710	16,478,710	6,295,221	22,773,931
-	-	-	-	-	1,021,835	-	-	1,021,835	-	4,973	4,973	1,026,808	1,026,808	736,752	1,763,560
-	-	-	-	-	1,021,835	-	-	1,021,835	-	16,483,683	16,483,683	17,505,518	17,505,518	7,031,973	24,537,491
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	31,135,481	72,022,047	74,715,041	31,603,197	106,318,238
Balance as at 30 June 2025															

The annexed notes form an integral part of these consolidated financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

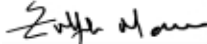
# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	Note	2025 (Rupees in thousand)	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	42	42,327,512	31,915,642
Finance cost paid		(7,474,232)	(7,629,536)
Employee benefits paid		(54,768)	(47,729)
Income tax and levies paid - net		(6,138,594)	(2,561,601)
Worker's welfare fund paid		(236,030)	(69,267)
Workers' profit participation fund paid		(367,039)	(178,772)
Net decrease / (increase) in long term loans to employees		14,618	(13,139)
Net increase in long term deposits		(22,593)	(61,359)
<b>Net cash generated from operating activities</b>		<b>27,853,694</b>	<b>21,354,239</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(7,183,364)	(8,698,245)
Intangible assets acquired		(7,815)	(89,828)
Long term investments made		(7,107,357)	(83,374)
Proceeds from disposal of long term investments		-	69,624
Short term investments - net		(24,055,998)	(8,538,037)
Proceeds from disposal of property, plant and equipment		110,812	417,590
Proceeds from sale of stores		195,180	-
Decrease in retention money payable		-	(1,752,988)
Interest received		2,124,982	313,105
Dividend received		1,719,257	823,615
<b>Net cash used in investing activities</b>		<b>(34,204,303)</b>	<b>(17,538,538)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Transaction with non-controlling interests		-	(999,145)
Proceeds from long term financing		4,200,000	1,115,127
Repayment of long term financing		(5,125,743)	(6,310,963)
Own shares purchased for cancellation		-	(1,463,096)
Lease rentals paid during the year		(42,222)	(32,329)
Short term borrowings - net		7,892,609	3,927,500
Dividend paid		(1,016)	(844)
<b>Net cash from / (used in) financing activities</b>		<b>6,923,628</b>	<b>(3,763,750)</b>
<b>Net increase in cash and cash equivalents</b>		<b>573,019</b>	<b>51,951</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,649,005</b>	<b>1,597,054</b>
<b>Cash and cash equivalents at the end of the year</b>	31	<b>2,222,024</b>	<b>1,649,005</b>

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 2025*

## 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 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 1st Floor, F-J Plaza, Block No. 02, Markaz F-7, Islamabad Capital Territory (I.C.T), Pakistan.

### 1.3 Geographical location and addresses of all business units are as follows:

Sr. No.	Manufacturing units and office	Address
<b>Manufacturing units:</b>		
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.
	<b>Head office</b>	42-Lawrence Road, Lahore.
<b>Regional offices:</b>		
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:

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives 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:

#### Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

#### 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 current financial year, tax year 2025, income of the Company will be 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 is required to be calculated in totality (previously this was only relating to local sales percentage). This is the first time the Company is 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 now been used to calculate the tax base by applying this percentage to the accounting written-down value (WDV) 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 51)

### d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Group

Following amendments to published approved accounting standards are mandatory for the Group's accounting periods beginning on or after 01 July 2024:

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.
- Amendments to IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback.
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with Covenants.
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised 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 2024 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 consolidated financial statements.

### f) Standards, amendments and improvements to published approved accounting standards that are not yet effective but relevant to the Group

Following standards, amendments and improvements to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2025 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'.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' (effective for annual periods beginning on or after 01 January 2027). This new standard works alongside other IFRS accounting standards. Under IFRS 19, an eligible subsidiary applies the requirements of other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: it does not have public accountability; and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. IFRS 19 is a voluntary IFRS Accounting Standards that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements. These subsidiaries will continue to apply the recognition, measurement and presentation requirements in other IFRS Accounting Standards, but they can replace the disclosure requirements in those standards with reduced disclosure requirements.

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 implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 1 July 2027.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting

periods beginning on or after 01 January 2025.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' regarding the classification and measurement of financial instruments (effective for annual periods beginning on or after 01 January 2026). The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

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 standards, 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 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 consolidated 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 19.1. 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 discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with 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 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 derecognize's 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 derecognize's 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 long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. 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.

Transaction among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

## 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.

### 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 June 30, 2025 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 13.2.2.

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:

	2025	2024
Discount rate per annum	12.00%	11.00%
Expected increase in eligible salary level per annum	12.00%	11.00%
Duration of plan	4 years	4 years

### 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 2025 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:

	2025	2024
Discount rate per annum	14.75%	16.25%
Expected increase in eligible salary level per annum	11.00%	13.75%
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.

## 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

2025 (Number of Shares)	2024 (Number of Shares)		2025 (Rupees in thousand)	2024 (Rupees in thousand)
1,596,672	1,596,672	Ordinary shares of Rupees 10 each allotted on reorganization of Kohinoor Industries Limited	15,967	15,967
26,156,000	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
26,858,897	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
75,502,560	75,502,560	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	755,025	755,025
139,185,327	169,182,327	Ordinary shares of Rupees 10 each issued as fully paid in cash	1,391,853	1,391,853
<u>269,299,456</u>	<u>269,299,456</u>		<u>2,692,994</u>	<u>2,692,994</u>

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>5. RESERVES</b>			
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	4,060,380
Fair value adjustment		-	2,136,043
		6,196,423	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	1,628,586	606,751
		40,886,566	39,864,731
Revenue reserves			
Unappropriated profit		31,135,481	14,651,798
		<u>72,022,047</u>	<u>54,516,529</u>

**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	2025 (Rupees in thousand)	2024 (Rupees in thousand)
Balance at the beginning of the year		1,031,048	212,428
Fair value adjustment during the year		2,275,400	1,152,902
Transfer of gain on disposal of FVTOCI investment to retained earnings		-	(23,338)
Impairment loss recognized on investments at fair value through other comprehensive income		(45,750)	-
		3,260,698	1,341,992
Less: Deferred income tax liability		(474,540)	(310,944)
		2,786,158	1,031,048
Less: Share of non-controlling interests		(1,157,572)	(424,297)
		1,628,586	606,751
<b>6. NON-CONTROLLING INTEREST</b>			
Opening balance		24,571,224	20,802,664
Add / (less): Share during the year:			
Transaction with non-controlling interests		-	(693,407)
Profit for the year		6,295,221	4,101,772
Other comprehensive income for the year		736,752	360,195
		7,031,973	3,768,560
		31,603,197	24,571,224
<b>7. LONG TERM FINANCING</b>			
<b>From banking companies and other financial institution - secured</b>			
Holding Company	7.1	5,771,639	7,059,950
Subsidiary Company - MLCFL	7.2	13,714,966	13,193,486
		19,486,605	20,253,436
Less: Current portion shown under current liabilities	16	(5,256,125)	(4,647,161)
		14,230,480	15,606,275



LENDER	2025	2024	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
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.....Rupees in thousand.....

#### 7.1 Holding Company

The Bank of Punjab	185,952	235,635	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.
	195,280	271,774	500,000	SBP LTFF rate + 1.00%	Twenty four equal quarterly installments commenced from 26 February 2019 and ending on 02 July 2030.	Quarterly	
	230,267	296,933	400,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 03 February 2023 and ending on 09 February 2029.	Quarterly	
	226,392	288,921	500,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commenced from 21 January 2023 and ending on 24 July 2029.	Quarterly	
	58,535	72,308		3 Month Kibor + 1%	Twenty four unequal quarterly installments commenced from 21 January 2023 and ending on 24 July 2029.	Quarterly	
	284,927	361,229					
	365,444	447,001	500,000	3 Month Kibor + 1%	Twenty four unequal quarterly installments commenced from 14 November 2023 and ending on 07 May 2030.	Quarterly	
	1,261,870	1,612,572	2,300,000				
MCB Bank Limited	96,989	112,467	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	1,732,699	3 Month Kibor + 1%	Thirty two unequal quarterly installments commencing from 21 October 2024 and ending on 20 November 2032.	Quarterly	
MCB Bank Limited (Note 7.3.1)	352,598	410,128	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	373,996	3 Month Kibor + 1.00%	Twenty four equal quarterly installments commencing from 20 January 2025 and ending on 20 October 2030.	Quarterly	
	2,362,675	2,629,290	2,688,397				
National Bank of Pakistan	146,654	250,642	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.
	57,687	95,140	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	
	68,381	91,175	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	
	248,758	311,701	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	
	19,847	85,389	500,000	SBP LTFF rate + 1.25%	Twelve unequal half yearly installments commenced from 30 March 2021 and ending on 24 January 2027.	Half yearly	
	541,327	834,047	1,861,000				

LENDER	2025	2024	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
.....Rupees in thousand.....							
PAIR Investment Company Limited	11,346	49,050	180,500	SBP LTFF rate + 1%	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.
	61,497	81,147	119,500	SBP LTFF rate + 1.5%	Twenty unequal quarterly installments commenced from 14 June 2022 and ending on 02 August 2028.	Quarterly	
	72,843	130,197	300,000				
United Bank Limited	117,201	140,916	500,000	SBP LTFF rate + 1.25%	Twenty unequal quarterly installments commencing from 01 April 2024 and ending on 16 February 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.
	354,585	355,952		3 Month Kibor + 1%	Twenty unequal quarterly installments commencing from 01 April 2024 and ending on 16 February 2030.		
	471,786	496,868					
	207,692	253,846	300,000	3 Month Kibor + 1%	Twenty equal quarterly installments commencing from 13 September 2023 and ending on 13 December 2029.	Quarterly	
Askari Bank Limited	679,478	750,714	800,000				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.
	47,046	78,424	350,000	SBP LTFF rate + 1.25%	Thirty six equal quarterly installments commenced from 28 January 2018 and ending on 31 October 2027.	Quarterly	
Allied Bank Limited	219,373	304,038	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	253,373	317,540	800,000	SBP LTFF rate + 1.00%	Twenty four unequal quarterly installments commencing from 24 January 2023 and ending on 20 June 2030.	Quarterly	
	333,654	403,128		3 Month Kibor + 0.75%	Twenty four unequal quarterly installments commencing from 24 January 2023 and ending on 20 June 2030.		
	587,027	720,668					
	806,400	1,024,706	1,300,000				
Total	5,771,639	7,059,950	9,599,397				

## 7.2 Subsidiary Company (MLCFL)

LENDER	2025	2024	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
.....Rupees in thousand.....							
Askari Bank Limited - Term Finance	212,139	388,921	1,000,000	3-month KIBOR + 125 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.	06 equal quarterly installments ending on December 28, 2026	Quarterly	1st Joint Parri Passu ('JPP') charge of Rupees 1,334 million over fixed assets of MLCFL as below: 1. Hypothecation charge over all present and future plant and machinery of MLCFL.. 2. Land and building of cement unit phase-III.
The Bank of Punjab - Demand Finance	438,592	689,216	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.	07 equal quarterly installments ending on February 27, 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	707,254	2,000,000	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each quarter.	07 equal quarterly installments ending on March 23, 2027	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	1,280,001	5,500,000	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.	05 equal quarterly installments ending on September 30, 2026	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).
Samba Bank Limited - Term Finance	-	112,500	750,000	3-month KIBOR + 75 bps p.a, payable quarterly in arrears, to be reset on 1st working day of each calendar quarter	The loan was fully repaid in the current financial year	Quarterly	Joint pari passu charge of Rupees 600 million on entire present and future fixed assets of the MLCFL including land, plant and machinery, buildings and all fixed assets under lien to other long term lenders.
MCB Islamic Bank Limited - Diminishing Musharakah	292,873	570,614	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: Tranche 1 04 equal quarterly installments ending on May 23, 2026 Tranche 2 04 equal quarterly installments ending on May 28, 2026 Tranche 3 04 equal quarterly installments ending on June 28, 2026 Tranche 4 05 equal quarterly installments ending on September 14, 2026 Tranche 5 05 equal quarterly installments ending on September 17, 2026 Tranche 6 06 equal quarterly installments ending on December 28, 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	2025	2024	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
.....Rupees in thousand.....							
Askari Bank Limited - TERF (Note 7.3.1)	167,389	294,469	900,000	State Bank of Pakistan (SBP) rate + 200 bps p.a, payable quarterly in arrears	05 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	135,087	189,122	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.	14 equal quarterly installments ending on 13 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	624,843	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.	28 equal quarterly installments starting from 20 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).
National Bank of Pakistan - TERF (Note 7.3.1)	913,571	1,024,480	1,779,503	SBP rate + 125 bps p.a, payable quarterly in arrears	24 equal quarterly installments ending on June 18, 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	1,736,528	2,014,372	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.	25 equal quarterly installments ending on August 23, 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)	304,178	360,115	500,000	SBP Rate + 150 bps p.a payable quarterly in arrears.	24 equal quarterly installments ending on June 29, 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	646,159	746,885	805,806	SBP rate + 150 bps payable quarterly in arrears	R e p a y m e n t will made in following tranches: Tranche 1 23 equal quarterly installments ending on March 18, 2031 Tranche 2 26 equal quarterly installments ending on December 3, 2031	Quarterly	1st JPP charge over all present and future fixed assets of MLCFL of Rupees 38,051 million with 25% margin.

LENDER	2025	2024	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
.....Rupees in thousand.....							
MCB Bank Limited - Demand Finance	462,410	539,536	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.	24 equal quarterly installments ending on June 18, 2031	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	336,423	448,564	3,000,000	SBP rate + 150 bps p.a, payable quarterly in arrears	12 equal quarterly installments ending on June 25, 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 arrears, to be set on one business day before 1st drawdown and then on immediately preceding day before start of each quarter.	16 equal quarterly installments starting from January 21, 2026	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	308,662	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.	Repayment will be made in following tranches: Tranche 1 16 equal quarterly installments ending on June 30, 2029 Tranche 2 14 equal quarterly installments ending on November 30, 2028 Tranche 3 17 equal quarterly installments ending on September 30, 2029	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	70,831	91,069	121,425	SBP rate + 100 bps p.a, payable quarterly in arrears.	14 equal quarterly installments ending on November 22, 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	884,022	1,156,029	2,000,000	3-month KIBOR + 50 bps p.a, payable quarterly in arrears.	13 equal quarterly installments ending on August 31, 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	198,987	350,000	SBP rate + 150 bps p.a, payable quarterly in arrears.	Repayment will be made in following tranches: Tranche 1 02 equal quarterly installments ending on October 01, 2025 Tranche 2 01 equal quarterly instalment ending on September 30, 2025 Tranche 3 04 equal quarterly installments ending on April 26, 2026	Quarterly	JPP charge over fixed assets of MLCFL including land, buildings and plant and machinery with 25% margin.



LENDER	2025	2024	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST PAYABLE	SECURITY
.....Rupees in thousand.....							
MCB Bank Limited - Demand Finance	312,448	333,278	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.	15 equal quarterly installments ending on February 28, 2029	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).
Askari Bank Limited - Term Finance	-	270,820	1,000,000	3-month KIBOR + 125 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.	The loan was fully repaid in the current financial year	Quarterly	1st JPP charge of Rupees 1,334 million over fixed assets of MLCFL inclusive of 25% margin as below:  - Hypothecation charge over all present and future plant and machinery of MLCFL. - Land and building of cement unit phase II and additional bare land measuring 30 kanals adjacent to it.
Allied Bank Limited - Term Finance	593,750	843,750	1,000,000	3-month KIBOR + 70 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.	Re p a y m e n t will made in following tranches: Tranche 1 09 equal quarterly installments ending on August 4, 2027 Tranche 2 10 equal quarterly installments ending on December 12, 2027		1st JPP charge over fixed assets (plant and machinery) of MLCFL with 25% margin. Disbursement will be made against ranking charge to be upgraded within 90 days from the date of initial disbursement.
United Bank Limited - Term Finance	500,000	-	3,500,000	3 month KIBOR + 75 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.	10 equal quarterly installments starting from September 17, 2025		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	1,500,000	-	1,500,000	3-month KIBOR + 50 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.	16 equal quarterly installments starting from January 18, 2026		1st JPP charge of Rupees 2,000 million over fixed assets of MLCFL inclusive of 25% margin.
Total	13,714,966	13,193,486	38,240,000				

**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	
	2025	2024	2025	2024	2025	2024
----- (RUPEES IN THOUSAND) -----						
Balance at beginning of the year	1,878,051	2,224,374	410,128	465,719	2,288,179	2,690,093
Repayments during the year	(563,710)	(526,089)	(61,002)	(59,549)	(624,712)	(585,638)
	1,314,341	1,698,285	349,126	406,170	1,663,467	2,104,455
Unwinding of discount on liability	155,439	179,766	3,472	3,958	158,911	183,724
Balance as at end of the year	1,469,780	1,878,051	352,598	410,128	1,822,378	2,288,179

**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	
	2025	2024	2025	2024	2025	2024
----- (RUPEES IN THOUSAND) -----						
Askari Bank Limited	167,389	294,469	-	-	167,389	294,469
MCB Bank Limited	-	-	352,598	410,128	352,598	410,128
MCB Islamic Bank Limited	84,642	198,987	-	-	84,642	198,987
National Bank of Pakistan	913,571	1,024,480	-	-	913,571	1,024,480
The Bank of Punjab	304,178	360,115	-	-	304,178	360,115
	1,469,780	1,878,051	352,598	410,128	1,822,378	2,288,179

	Note	2025 (Rupees in thousand)	2024
<b>8. DEFERRED GOVERNMENT GRANTS</b>			
Balance at the beginning of the year	8.1	619,368	803,092
Less: Amortisation of deferred government grant during the year		(158,911)	(183,724)
		460,451	619,368
Less: Current portion of deferred government grant	16	(131,162)	(158,911)
		329,295	460,457

- 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	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>9. LIABILITY AGAINST RIGHT OF USE ASSETS</b>			
Liability against right of use assets		82,708	41,664
Addition during the year		44,402	66,056
Reassessment of lease liability		(3,934)	-
Interest expense	38	13,150	9,154
Payment during the year		(42,222)	(32,329)
Leases terminated during the year		(842)	(1,837)
	9.1	93,262	82,708
Current portion of liability against right of use assets	16	(39,970)	(31,828)
		53,292	50,880
<b>9.1 Maturity analysis of liability against right of use assets is as follows:</b>			
Less than one year		48,377	36,812
One to five years		52,173	48,664
More than five years		23,338	33,417
		123,888	118,893
Future finance charge		(30,626)	(36,185)
Present value of liability against right of use asset		93,262	82,708

## 10. 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 financial statements.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>11. RETIREMENT BENEFITS</b>			
<b>Subsidiary Company - MLCFL</b>			
Accumulated compensated absences	11.1	298,289	253,364
Gratuity	11.2	52,349	75,164
		350,638	328,528

### 11.1 Accumulated compensated absences

The actuarial valuation of the MLCFL's accumulated compensated absences was conducted on 30 June 2025 using projected unit credit method. Detail of obligation for accumulated compensated absences is as follows:

	2025 (Rupees in thousand)	2024
11.1.1 Movement in the present value of defined benefit obligations is as follows:		
Present value of defined benefit obligations at beginning of the year	253,364	213,284
Current service cost	15,276	12,765
Interest cost for the year	35,057	32,638
Actuarial losses on present value of defined benefit obligations	25,974	19,545
Less: Benefits paid during the year	(31,382)	(24,868)
	298,289	253,364
11.1.2 Charge for the year		
Consolidated statement of profit or loss:		
Current service cost for the year	15,276	12,765
Interest cost for the year	35,057	32,638
Actuarial losses on present value of defined benefit obligations	25,974	19,545
	76,307	64,948
11.1.3 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 2025 would have been as follows:

	Compensated absences Impact on present value of defined benefit obligation Increase Decrease (Rupees in thousand)	
Discount rate + 100 bps	274,474	233,203
Future salary increase + 100 bps	325,286	276,168

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.

11.1.4 At 30 June 2025, the average duration of the defined benefit obligation was 8.6 years.

#### 11.1.5 Actuarial assumptions

The following are the principal actuarial assumptions as at 30 June 2025:

	2025	2024
Discount rate used for interest cost	16.25%	16.25%
Discount rate used for year end obligations	14.75%	14.75%
Expected rate of growth per annum in future salaries	13.75%	13.75%
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 Years	
Average duration	8.6 Years	8.6 Years

### 11.1.6 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 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.

### 11.2 Gratuity

The latest actuarial valuation was conducted on 30 June 2025 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

	Note	2025 (Rupees in thousand)	2024
The amounts recognized in the consolidated statement of financial position are as follows:			
Present value of defined benefit obligation	11.2.1	161,131	183,179
Less: Fair value of plan assets	11.2.2	(116,943)	(120,047)
Add: Payable to ex-employees		8,161	12,032
Net liability at end of the year		52,349	75,164
Net liability at beginning of the year		75,164	65,208
Charge to consolidated statement of profit or loss for the year	11.2.3	14,424	14,087
Charge to consolidated statement of comprehensive income for the year	11.2.3	(13,853)	18,730
Contributions made during the year		(23,386)	(22,861)
Net liability at end of the year		52,349	75,164
11.2.1 Movement in the present value of defined benefit obligation is as follows:			
Present value of defined benefit obligations at Beginning of the year		183,179	162,625
Current service cost for the year		7,351	6,619
Interest cost for the year		24,097	23,785
Benefits due but not paid		(6,964)	(10,835)
Adjustment against payables		274	21
Actuarial (gain) / losses on present value of defined benefit obligations		(14,156)	22,644
Benefits paid during the year		(32,650)	(21,680)
Present value of defined benefit obligation at end of the year		161,131	183,179



		2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>11.2.2 Movement in the fair value of plan assets is as follows:</b>			
Fair value of plan assets at beginning of the year		120,047	99,816
Contributions made during the year		23,386	22,861
Expected return on plan assets for the year		17,024	16,317
Actuarial losses / (gain) on plan assets		(303)	3,914
Benefits paid during the year		(43,211)	(22,861)
Fair value of plan assets at end of the year		116,943	120,047
<b>Plan assets comprise of:</b>			
NBP Mustahkam Fund - Fixed term			
Munafa Plan- V		116,267	119,615
Cash at bank		676	432
		116,943	120,047
		2025 (Percentage)	2024 (Percentage)
Debt instrument		99.42%	99.64%
Cash at bank		0.58%	0.36%
		100.00%	100.00%
		2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>11.2.3 Charge for the year:</b>			
<b>In consolidated statement of profit or loss</b>			
Current service cost for the year		7,351	6,619
Interest cost for the year		24,097	23,785
Expected return on plan assets for the year		(17,024)	(16,317)
	11.2	14,424	14,087
<b>In consolidated statement of comprehensive income</b>			
Actuarial (gain) / loss on retirement benefits - net	11.2	(13,853)	18,730
		571	32,817
<b>Actuarial assumptions:</b>			
The following are the principal actuarial assumptions at 30 June:			
Discount rate used for year end obligation		16.25%	16.25%
Discount rate used for interest cost in profit or loss		13.75%	13.75%
Expected rate of growth per annum in future salaries		13.75%	13.75%
Expected mortality rate			
		SLIC 2001 - 2005	
		Setback 1 Year	
		60 Years	
Retirement assumptions			
Average duration		4 Years	4 Years

#### 11.2.4 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.

### 11.2.5 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 2025 would have been as follows:

	Gratuity	
	Impact on present value of defined benefit obligation	
	Increase	Decrease
	(Rupees in thousand)	
Discount rate + 100 bps	154,593	176,191
Future salary increase + 100 bps	168,305	190,845

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.

**11.2.6** At 30 June 2025, the average duration of the defined benefit obligation was 4 years (2024: 4 years).

**11.3** MLCFL expects to charge Rupees 9.952 million to consolidated statement of profit or loss on account of defined benefit plan in the year ending 30 June 2026.

**11.4** Compensated absence and gratuity charge to consolidated statement of profit or loss for the year has been allocated as follows:

	Note	2025 (Rupees in thousand)	2024
Cost of sales	33.2	67,332	51,925
Distribution cost	34.1	20,460	15,830
Administrative expenses	35.1	2,940	11,279
		90,732	79,034

	2025 (Rupees in thousand)	2024
<b>12. DEFERRED INCOME TAX LIABILITY</b>		
This comprises of following:		
<b>Deferred tax liability on taxable temporary differences in respect of:</b>		
Accelerated tax depreciation	13,304,499	12,647,939
Short term investments	4,756,617	2,246,160
Intangibles	7,952	-
Right-of-use assets	25,956	-
Other receivables	36,846	-
	18,131,870	14,894,099
<b>Deferred tax asset on deductible temporary differences in respect of:</b>		
Allowance for expected credit losses	(439,986)	(246,341)
Provision against obsolete stock-in-trade	(1,522)	(1,522)
Deferred tax on unrealised profit on inventory	-	(31,147)
Lease liabilities	(11,099)	-
Unused tax credit - minimum tax under section 113	-	(225,484)
Provision against slow moving stores, spare parts and loose tools	(6,584)	(4,403)
Available tax loss on sale of investments and trading in derivatives	-	(64,483)
Employees' retirement benefits	(20,415)	(14,657)
	(479,606)	(588,037)
	17,652,264	14,306,062

**12.1** The pre-commencement expenditure of the Subsidiary Company (Novacare Hospitals (Private) Limited) available for carry forward is estimated at Rupees 358.918 million (2024: Rupees 121.842 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 104.086 million (2024: Rupees 35.334 million) has not been recognised in these consolidated financial statements.

	Note	2025 (Rupees in thousand)	2024
<b>12.2 Movement in deferred tax balances is as follows:</b>			
At beginning of the year		14,306,062	9,263,735
Recognized in consolidated statement of profit or loss:			
- Accelerated tax depreciation on operating fixed assets		656,560	1,196,130
- Short term investments		2,035,917	1,870,328
- Intangibles		7,952	-
- Right-of-use assets		25,956	-
- Other receivables		36,846	-
- Allowance for expected credit losses		(193,645)	(96,828)
- Unrealised profit on inventory		31,147	(31,147)
- Unused tax losses		(11,099)	479,209
- Unused tax credit - minimum tax under section 113		225,484	(225,484)
- Provision against slow moving stores, spare parts and loose tools		(2,181)	(1,842)
- Available tax loss on sale of investments and trading in derivatives		64,483	(3,401)
- Employees' retirement benefits		(11,161)	42,366
- Alternative corporate tax		-	1,507,484
	40	2,866,259	4,736,815
Recognized in consolidated statement of comprehensive income:			
- Employees' retirement benefits		5,403	(5,432)
- Long term investments		-	(2,121)
- Short term investments		474,540	313,065
		479,943	305,512
		17,652,264	14,306,062
<b>13. TRADE AND OTHER PAYABLES</b>			
Creditors		7,126,882	7,096,368
Due to related party	13.1	142,050	288,741
Bills payable - secured		1,769,163	474,442
Accrued liabilities	13.2	3,037,085	2,631,018
Duties and taxes		3,845,978	1,859,158
Security deposits, repayable on demand	13.3	108,606	97,138
Contract liabilities - unsecured		1,234,330	582,448
Contractors' retention money	13.4	2,135,780	2,086,821
Workers' profit participation fund	13.5	2,566,254	2,108,796
Workers' welfare fund	13.6	1,125,977	763,523
Payable against redemption of preference shares		990	993
Withholding income tax payable		32,985	23,948
Sindh infrastructure development cess	13.7	680,476	455,736
Payable to employees' provident fund trust		64,441	58,822
Others		9,981	15,969
		23,880,978	18,543,921

**13.1** This represents health care management fee payable to Andalus Holdings (ADGM) Limited, a related party.

- 13.2** Accrued liabilities include Gas Infrastructure Development Cess (GIDC) of Rupees 310.020 million (2024: 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 Group has filed a review petition in Honorable Sindh High Court Karachi which is pending adjudication. Further, accrued liabilities also include salary payable to Mr. Johannes (Hans) Kedzierski, Chief Executive Officer of NHPL amounting to Rupees 74.87 million.
- 13.3** This represents security deposits received from distributors and contractors of the Group. Distributors and contractors have given Group a right to utilize deposits in ordinary course of business.
- 13.4** This represents retention money withheld from 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 (2024: CNY 38.433 million) equivalent to Rupees 1,525.293 million (2024: Rupees 1,481.864 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 (2024: CNY 5.437 million) equivalent to Rupees 215.613 million (2024: Rupees 209.469 million). This amount will be payable on issuance of certificate of performance test acceptance by the Company

	Note	2025 (Rupees in thousand)	2024
<b>13.5 Workers' profit participation fund (WPPF)</b>			
Balance as on 01 July		2,108,796	1,869,014
Allocation for the year	36	824,497	418,554
		<u>2,933,293</u>	<u>2,287,568</u>
Less: Payments during the year		(367,039)	(178,772)
		<u>2,566,254</u>	<u>2,108,796</u>

- 13.5.1** 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	2025 (Rupees in thousand)	2024
<b>13.6 Workers' welfare fund</b>			
Balance as on 01 July		763,523	536,974
Add: Allocation for the year	36	598,484	295,816
		<u>1,362,007</u>	<u>832,790</u>
Less: Payment during the year		(236,030)	(69,267)
		<u>1,125,977</u>	<u>763,523</u>
<b>13.7 Sindh infrastructure development cess</b>			
Balance as at 01 July		455,736	349,878
Add: Provision for the year		224,740	105,858
Balance as at 30 June	13.7.1	<u>680,476</u>	<u>455,736</u>

- 13.7.1** 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 Group filed writ petition in



Honorable Sindh High Court, Karachi whereby stay was granted and directions were given to provide bank guarantees in favor of Director Excise and Taxation, Karachi. The Honorable Sindh High Court, Karachi passed order dated 04 June 2021 against the Group and directed that bank guarantees should be encashed. Being aggrieved by the order, the Group along with others filed petitions for leave to appeal before Honorable Supreme Court of Pakistan against the Sindh High Court's judgment in relation to Sindh infrastructure development cess. On 01 September 2021, after hearing the petitioners, the Honorable Supreme Court dictated the order in open court granting leave to appeal to the petitioners and restraining the Sindh Government from encashing the bank guarantees furnished in pursuance of the interim orders passed by the Sindh High Court. The Honorable Supreme Court also directed the release of future consignments subject to furnishing of bank guarantees for the disputed amount.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>14. ACCRUED MARK-UP</b>			
Long term financing		418,118	732,664
Short term borrowings		459,429	651,274
		<b>877,547</b>	<b>1,383,938</b>
<b>15. SHORT TERM BORROWINGS</b>			
<b>From banking companies - secured</b>			
Short term running finances	15.1 & 15.2	12,501,845	5,438,934
Other short term finances	15.1 & 15.3	1,651,770	2,949,158
State Bank of Pakistan (SBP) refinances	15.1 & 15.4	6,003,931	4,503,931
Islamic mode of financing	15.1 & 15.5	671,986	-
		<b>20,829,532</b>	<b>12,892,023</b>
<b>Temporary bank overdraft - unsecured</b>	15.6	<b>5,587</b>	<b>50,487</b>
		<b>20,835,119</b>	<b>12,942,510</b>

**15.1** 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 30.2.1 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 40,285 million (2024: Rupees 26,946 million). Markup on these finances is payable quarterly or at maturity.

**15.2** The rates of mark-up range from 11.63% to 22.52% (2024: 21.96% to 24.16%) per annum on balance outstanding.

**15.3** The rates of mark-up range from 4.30% to 20.74% (2024: 21.24% to 25.30%) per annum on balance outstanding.

**15.4** The rates of mark-up range from 7.35% to 9.0% (2024: 13.0% to 19.0%) per annum on balance outstanding.

**15.5** The rates of mark-up range from 12.24% to 20.34% (2024: 22.27%) per annum on balance outstanding.

**15.6** This represents temporary overdraft due to cheques issued by the Group at the statement of financial position date.

	Note	2025 (Rupees in thousand)	2024
<b>16. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Long term financing	7	5,256,125	4,647,161
Deferred government grant	8	131,162	158,911
Long term liability against right of use asset	9	39,970	31,828
		<u>5,427,257</u>	<u>4,837,900</u>
<b>17. PROVISION FOR TAXATION AND LEVY - NET</b>			
<b>17.1 Provision for taxation</b>		7,285,612	2,582,733
Less: Advance income tax		(5,885,684)	(2,224,370)
		<u>1,399,928</u>	<u>358,363</u>
<b>Levy - net</b>			
Levy payable		398,824	410,639
Less: Prepaid levy		(252,910)	(337,231)
		<u>145,914</u>	<u>73,408</u>
		<u>1,545,842</u>	<u>431,771</u>

## 18 CONTINGENCIES AND COMMITMENTS

### 18.1 Contingencies

#### Holding Company

- a) The Company filed income tax return for the tax year 2011 having tax loss amounting to Rupees 721.390 million and creating a refund of Rupees 107.808 million. Assessment under section 122(5A) dated 12 June 2017 of the Income Tax Ordinance, 2001 was finalized by restricting loss to Rupees 435.435 million and reducing refund to Rupees Nil. The Company filed an appeal before Commissioner Inland Revenue (Appeals) (CIR(A)) who granted partial relief to the Company vide order dated 08 March 2021. Another assessment under section 122(5A) dated 14 February 2017 was finalized by creating a demand of Rupees 12.185 million. The Company filed an appeal before CIR(A) who upheld the order of assessing officer through order dated 28 January 2021. The Company filed appeals before Honorable Appellate Tribunal Inland Revenue (ATIR) against above orders which are still pending for hearing. No provision has been made in these financial statements as the Company, based on the advice of its legal counsel is hopeful of a favorable outcome .
- b) 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.

- c) 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.
- d) 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.
- 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 120.001 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. The management, based on advice of the legal counsel, is confident of favorable outcome of its appeal.
- 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 637.620 million (2024: 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 (2024: 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 1,075.381 million (2024: Rupees 836.181 million).

#### Subsidiary Company - Maple Leaf Cement Factory Limited

- a) MLCFL 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 MLCFL amounting to Rupees 12.350 million was rejected and MLCFL 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 MLCFL 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 MLCFL's appeal, vide its order dated 06 November 2001, decided the matter in favour of MLCFL. However, the Collector of Customs preferred a petition before the Honourable Sindh High Court, which is pending adjudication.

- b) A show cause notice was issued to MLCFL 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 MLCFL (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 MLCFL (initially, the Company deposited Rupees 269.328 million and subsequently deposited further amount of Rupees 180 million). Initially, the matter was decided in favour of MLCFL 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. MLCFL filed its reply before the Collector of Customs, Faisalabad who decided the same against MLCFL vide order No. 6/2014 dated 09 July 2014. The said order was challenged by MLCFL 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 MLCFL 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 MLCFL to pay the amount of Rupees 933.810 million within a period of seven days. The said demand of tax was challenged by MLCFL 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.
- c) MLCFL 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 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.

- d) 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 MLCFL amounts to Rupees 586.190 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. MLCFL has filed Writ Petition No. 15618/2009 before the Honourable Lahore High Court, which is pending adjudication.
- e) MLCFL received a demand notice from the Director General Mines and Minerals, Punjab, imposing a penalty of Rupees 154 million under Rule 68(2) of the Punjab Mining Concession Rules, 2002, calculated at 1% per day for delayed royalty payments. MLCFL challenged the fairness and legality of the penalty through an appeal to the Secretary Mines, who instructed that the penalty be recalculated at 1% per month and suggested amending the rule to 2% per month for future cases. Since the rule was not amended and the revised calculation was not applied, MLCFL filed Writ Petition No. 1008 of 2014 in the Lahore High Court, which sent the matter back to the Secretary for further review. Despite this, MLCFL received another demand notice for Rupees 244.784 million. In response, it filed Writ Petition No. 16877 of 2024, and the Lahore High Court granted interim relief, stopping the authorities from recovering the penalty. The case is still under review.
- f) The Federal Board of Revenue (FBR) selected MLCFL'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 08 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 MLCFL. MLCFL 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 MLCFL. Regarding the issues decided against MLCFL, MLCFL is in the process of preferring an appeal before the Appellate Tribunal Inland Revenue (ATIR).
- g) The Learned Additional Commissioner vide order no. ENF-III.50.2017 dated 22 March 2018 raised demand of Rupees 256 million against MLCFL, related to tax period from July 2015 to March 2017 on alleged non-deduction of withholding tax on services received by MLCFL. Being aggrieved, MLCFL filed an appeal before the Commissioner (Appeals), Punjab Revenue Authority. MLCFL 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.
- h) MLCFL was selected for audit under section 42B of Sales Tax Act, 1990 for tax period July 2017 to June 2018 intimated by letter dated 8 December 2020. The DCIR finalized the audit and created a demand of Rupees 690.520 million along with default surcharge and penalty, vide order no. 02 dated 20 October 2021. Being aggrieved, MLCFL preferred



an appeal before CIR(A). The appeal was disposed off by 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, MLCFL preferred an appeal before the ATIR which is pending adjudication.

- i) MLCFL received show cause notice, dated 17 April 2022 as per which it was alleged that MLCFL claim of input sales tax amounting to Rupees 85.980 million, for the tax periods January 2017 to August 2019, was illegal. MLCFL 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, MLCFL preferred an appeal before the CIR(A), which is pending adjudication.
- j) MLCFL received show cause notice dated 7 April 2022 as per which it was alleged that MLCFL claim of input sales tax, amounting to Rupees 620.980 million, for the tax periods July 2019 to November 2021 was illegal. MLCFL 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, MLCFL preferred an appeal before the CIR(A), which has been decided by CIR(A) vide order dated 8 November 2022. Department has preferred an appeal before learned ATIR against the order of CIR(A).
- k) Various notices have been issued to MLCFL by different tax authorities in the current and prior years, requiring MLCFL to explain its position regarding, allegedly, fake input sales tax credits claimed by a few suppliers of coal who supplied coal to MLCFL. MLCFL has responded to all such notices about its legal position, stating that it was in compliance with all applicable provisions of the Sales Tax Act, 1990, regarding these transactions, and has provided supporting documents to the relevant tax authorities. There have been no further correspondences on the above notices, except for cases in which demand has been raised by the Large Taxpayers Office (LTO) Lahore. LTO Lahore has issued orders numbered 22/2024, 23/2024, and 28/2024, dated 14 June 2024, 16 June 2024, and 22 June 2024, respectively, raising demands amounting to Rupees 25.797 million, Rupees 302.606 million, and Rupees 379.040 million. During the current year, the Company received three additional orders numbered 31/2024, 04/2024, and 06/2024, dated 02 July 2024, 19 July 2024, and 30 August 2024, respectively, raising demands of Rupees 97.446 million, Rupees 31.010 million, and Rupees 19.932 million. MLCFL filed appeals against all these orders before the Appellate Tribunal Inland Revenue (ATIR), which were decided in MLCFL favour. Subsequent to the year-end, the remaining orders were also decided in MLCFL favour by the ATIR on 17 July 2025.
- l) The Additional Commissioner Inland Revenue (ACIR) initiated proceedings related to the tax year 2017, vide order dated 13 March 2019 against MLCFL 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 MLCFL. 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. MLCFL 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 MLCFL 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. MLCFL, as well as the tax authorities, have preferred appeals before the Appellant Tribunal Inland Revenue ('ATIR'), which are pending for adjudication at the year end.. However, being prudent MLCFL has recorded the provision of Rupees 46.880 million in these consolidated financial statements.

- m) The District Council of Mianwali is installing water meters at MLCFL premises and is seeking recovery of amounts in respect of water conservancy charges. MLCFL challenged this through Writ Petition No. 227126/2018 before the Lahore High Court. 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. MLCFL challenged these charges before the Honorable Lahore High Court, Rawalpindi Bench, through Writ Petition No. 157/2025, where a stay order was granted. The Lahore High Court also appointed the Secretary, Local Government, to mediate between MLCFL and the Department to finalize the applicable water charges. The matter is currently pending adjudication, and MLCFL remains hopeful of a favorable outcome.
- n) Through notice dated 9 October 2020, the ACIR initiated proceedings against MLCFL under section 122(5A) read with section 122(9) of the Ordinance for tax year 2019. MLCFL requested the ACIR to merge such proceedings with the audit proceedings initiated under section 177 of the Ordinance for such tax year as the issues highlighted in the subject notice have also been confronted to MLCFL through audit proceedings. There has been no further correspondence from the department on this score. Through notice dated 9 June 2023, the ACIR, re-initiated proceedings against MLCFL under section 122(5A) read with section 122(9) of the Ordinance for tax year 2019. The proceedings were concluded by ACIR vide order dated 5 October 2023. Aggrieved by the order, MLCFL preferred an appeal before the CIR(A) which is pending for adjudication.
- o) Through notice dated 21 May 2020, the ACIR initiated proceedings against MLCFL under section 122(5A) read with section 122(9) of the Ordinance. The notice was duly responded through letter dated 25 August 2020 for tax year 2018. The above proceedings were concluded by the ACIR through amendment order dated 2 September 2020 passed under section 122(5A) of Ordinance through which income tax demand of Rupees 376.182 million was created against MLCFL. MLCFL preferred an appeal against the amendment order before CIR(A). The CIR(A), through appellate order dated 30 December 2020, decided all the matters in favour of MLCFL except for issues relating to claim of depreciating & initial allowance, without reducing tax credit claimed under section 65B of the Ordinance from the cost of the asset, apportionment of Workers' Profit Participation Fund, computation of accounting income by apportioning deductions on account of donations, provision for Workers' Welfare Fund & loss on investments, and disallowance of claim of advances written off. MLCFL, as well as the tax authorities, have preferred appeals before the ATIR, which is pending adjudication.
- p) 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. MLCFL challenged this order before the CIR(A), who, through an order dated 5 January 2017, decided all issues in favour of MLCFL 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 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, MLCFL 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 MLCFL, resulting in an additional tax impact of Rupees 180 million. MLCFL has filed an appeal before the ATIR, which is currently pending adjudication. Based on legal precedents and professional advice, management believes that MLCFL has a strong case and expects a favourable outcome. Accordingly, no provision has been recorded in these consolidated financial statements.

- q) 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 MLCFL. Being aggrieved with the order, MLCFL filed an appeal with the CIR(A), the appeal 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 MLCFL. 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 MLCFL. Aggrieved by the order, MLCFL filed an application for rectification of the appellate order, which was partially modified in favour of MLCFL vide order dated 14 May 2024. Simultaneously, MLCFL also assailed ATIR's order dated 19 March 2024 in appeal before the Lahore High Court which is pending adjudication.
- r) For tax year 2021, MLCFL received a notice dated 20 January 2022, whereby the ACIR initiated proceedings against MLCFL under section 122(9) read with section 122(5A) of the Income Tax Ordinance 2001. MLCFL 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. Being aggrieved, MLCFL 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, MLCFL preferred an appeal before the ATIR which has not been taken over for hearing yet.

Based on the advice of the taxation / legal advisors, the management expects a favourable outcome in most of the above cases and adequate provisions have been created in the consolidated financial statements.

- s) Guarantees given by banks on behalf of MLCFL aggregate to Rupees 2,268.331 million (2024: Rupees 2,587.708 million) in favour of Sui Northern Gas Pipelines Limited, Government & Financial Institutions.

#### Subsidiary Company - Maple Leaf Power Limited

- a) The Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice to MLPL on 29 November 2022, requiring MLPL 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 period from July 2019 to June 2020. MLPL fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 491.522 million and imposing a penalty of Rupees 22.722 million. Aggrieved by the order, MLPL filed an appeal before the Commissioner Inland Revenue- Appeals (CIR-A). The CIR-A heard the case and issued an order dated 31 May 2023, remanding it back to the department. MLPL has contested the CIR-A's decision before the Appellate Tribunal Inland Revenue (ATIR) which is still pending before ATIR.
- b) The DCIR issued a show cause notice to MLPL on 29 November 2022, requiring MLPL to provide details and clarification on the adjustment of various inputs under Section 8 of the Act for the tax period from July 2020 to June 2021. MLPL fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 500.060 million and imposing a penalty of Rupees 17.301 million. Aggrieved by the order, MLPL 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. MLPL has contested the CIR(A)'s decision before the ATIR, and the case is still pending a hearing before the ATIR.
- c) The DCIR issued a show cause notice to MLPL on 16 March 2021, requiring MLPL to provide details and clarification on the adjustment of various inputs under Section 8 of the Act for the tax period from July 2017 to December 2020. MLPL fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 843.580 million. Aggrieved by the order, MLPL filed an appeal before the CIR(A).

The CIR(A) confirmed the department's treatment to the tune of Rupees 580.286 million and annulled the remaining demand. MLPL contested the CIR(A)'s decision before the ATIR, which remanded the order back to the department. MLPL then appealed to the Lahore High Court (LHC), which also remanded the case back to the department. The DCIR restarted the proceedings and issued a notice. MLPL fully complied, and the DCIR passed an impugned order amounting to Rupees 158.150 million on 31 January 2024, against which MLPL 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, which is still pending before DCIR.

- d) The DCIR issued a show cause notice to MLPL on 18 March 2021, requiring MLPL 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 Company 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 Company 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. MLPL contested the CIR-A's decision before the ATIR, which remanded the order back to the department. MLPL then appealed to the Lahore High Court (LHC), which also remanded the case back to the department. The DCIR restarted the proceedings and issued a notice. MLPL fully complied, and the DCIR passed an impugned order on 31 January 2024, against which MLPL appealed before the CIR-A. Following the Tax Laws (Amendment) Act, 2024, the appeal was transferred to the ATIR, Lahore. The AITR remanded the case back to the DCIR through an order dated 22 August 2024, which is still pending before the DCIR.

- e) The DCIR issued a show cause notice to MLPL on 16 November 2021, requiring MLPL to provide details and clarification on the adjustment of various inputs under Section 8 of the Act for the tax period from July 2019 to August 2019. MLPL fully complied with the notice, and the assessing officer finalized the proceedings, creating a demand of Rupees 6.792 million imposing a 100% penalty. Aggrieved with the said order, MLPL filed an appeal before the CIR-A. The CIR-A confirmed the department's treatment. MLPL 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, MLPL has preferred an appeal before Lahore High Court. The case is still pending before the Lahore High Court.
- f) The DCIR issued a show cause notice to MLPL on 12 April 2022, requiring MLPL to provide details and clarification on account of non-deduction and non-payment of withholding tax under section 11(4) of the Act for the tax periods from July 2016 to June 2018. MLPL fully complied with the notice, and the assessing officer finalised the proceedings on 22 June 2022, creating a demand of Rupees 14.061 million and imposing a penalty of Rupees 0.703 million. Aggrieved by the said order, MLPL filed an appeal before the CIR-A. The CIR-A confirmed the department's treatment. MLPL contested the CIR-A's order before the ATIR, whereby the ATIR ruled in the favour of the department through an order dated 03 April 2024. Being aggrieved, MLPL has preferred an appeal before the Lahore High Court. The case is still pending before the Lahore High Court.
- g) The Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice to MLPL on 29 November 2022, for the tax year 2017, requiring MLPL to provide details and clarification of the annual statement of tax collected or deducted under Rule 44 of the Income Tax Rules, 2002. MLPL 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, MLPL 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. The case is still pending before the DCIR.

- h) The DCIR issued a show cause notice to MLPL on 31 January 2023 for the tax year 2018, requiring MLPL to provide details and clarification of the annual statement of tax collected or deducted under Rule 44 of the Income Tax Rules, 2002. MLPL 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, MLPL 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. MLPL 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.
- i) The DCIR issued a show cause notice to MLPL on 1 February 2023 for the tax year 2019, requiring MLPL to provide details and clarification of the annual statement of tax collected or deducted under Rule 44 of the Income Tax Rules, 2002. MLPL 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, MLPL 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 case is still pending before the ATIR.
- j) The DCIR issued a show cause notice to MLPL on 31 January 2023 for the tax year 2020, requiring MLPL to provide details and clarification of the annual statement of tax collected or deducted under Rule 44 of the Income Tax Rules, 2002. MLPL 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, MLPL 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. MLPL contested the CIR-A's decision before the ATIR which passed an order dated 13 February 2025, remanding the case back to the DCIR. The matter is still pending before the DCIR.
- k) The DCIR issued a show cause notice to MLPL on 23 September 2022 for the tax year 2021, requiring MLPL to provide details and clarification of the annual statement of tax collected or deducted under Rule 44 of the Income Tax Rules, 2002. MLPL fully complied with the notice, and the assessing officer finalized the 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, MLPL 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.
- l) The DCIR issued a show cause notice to MLPL on 24 November 2022 for the tax year 2022, requiring MLPL to provide details and clarification of the annual statement of tax collected or deducted under Rule 44 of the Income Tax Rules, 2002. MLPL 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, MLPL 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. MLPL has challenged the decision of the ATIR in the Lahore High court, where the appeal is pending.

Based on the advice of the taxation / legal advisors, the management expects a favourable outcome in most of the above cases and adequate provisions have been created in the consolidated financial statements.

- m) Guarantees given by banks on behalf of MLPL aggregate to Rupees 25 million (2024: Rupees 25 million) in favour of Director Excise and Taxation Karachi.



## 18.2 Commitments in respect of:

- a) Contracts for capital expenditures amounting to Rupees 13.748 million (2024: Rupees 16.366 million).
- b) Letters of credit for capital expenditure amounting to Rupees 3,203.813 million (2024: Rupees 2,518.470 million).
- c) Letters of credit other than for capital expenditure amounting to Rupees 5,164.216 million (2024: Rupees 3,049.417 million).
- d) Future contracts - shares in respect of which the settlement is outstanding amounting to Rupees 4,391.525 million (2024: Rupees 1,723.082 million).

	2025 (Rupees in thousand)	2024
<b>19. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets (Note 19.1)	85,488,291	87,531,971
Capital work in progress (Note 19.2)	5,679,891	2,068,220
Major spare parts and stand-by equipments (Note 19.3)	28,336	48,281
Right of use assets (Note 19.4)	86,091	86,852
	<u>91,282,609</u>	<u>89,735,324</u>

## 19.1 Operating fixed assets

### At 30 June 2023

Cost / revalued amount	5,762,109	82,758	24,668,497	375,813	87,769,839	99,849	173,178	748,477	93,123	1,225,250	194,144	6,000	-	121,199,037
Accumulated depreciation	-	(11,131)	(6,738,547)	(179,163)	(32,696,074)	(48,609)	(135,251)	(527,233)	(46,273)	(406,366)	(186,735)	(6,000)	-	(40,981,382)
Net book value	5,762,109	71,627	17,929,950	196,650	55,073,765	51,240	37,927	221,244	46,850	818,884	7,409	-	-	80,217,655

### Year ended 30 June 2024

Opening net book value	5,762,109	71,627	17,929,950	196,650	55,073,765	51,240	37,927	221,244	46,850	818,884	7,409	-	-	80,217,655
Revaluation surplus	2,160,063	-	-	-	-	-	-	-	-	-	-	-	-	2,160,063
Additions	543,858	-	-	55,451	695,040	8,761	83,987	103,836	8,425	508,137	-	-	999,991	3,007,486
Transfers from capital work in progress (Note 19.2)	-	-	1,697,976	225,420	5,833,617	1,094	-	-	-	101,023	-	-	-	7,859,130

### Disposals:

Cost / revalued amount	-	-	-	-	(336,211)	-	(3,575)	(250)	(412)	(127,493)	-	-	-	(467,941)
Accumulated depreciation	-	-	-	-	102,432	-	3,469	209	307	83,965	-	-	-	190,382
Depreciation charge	-	(1,532)	(1,162,159)	(51,048)	(233,779)	(16,317)	(106)	(41)	(105)	(43,528)	(2,465)	-	-	(277,559)
Closing 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	-	-	87,531,971

### 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 20.2)

	20,757	9,017	463,598	65,383	1,821,484	32,628	4,826	-	-	335,446	-	-	-	2,753,139
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### 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

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

### 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
Depreciation charge	-	(1,820)	(1,133,814)	(60,698)	(233,779)	(12,099)	(106)	(41)	(105)	(43,528)	(1,972)	-	-	(277,559)
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	-	(90,520)	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

### Depreciation rate (%)

	-	5 - 10	5 - 10	5 - 10	5 - 20	10	30	10	10	20	20	10	10	
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**19.1.1** 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 (2024: Rupees 705,914 million) as on 30 June 2025. Had there been no revaluation, the value of freehold land would have been lower by Rupees 5,963,401 million (2024: Rupees 5,963,401 million). Forced sale value of freehold land of the Holding Company is Rupees 5,668,918 million (2024: 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 (2024: Rupees 844,872 million). Forced sale value of MLCFL's freehold land is Rupees 1,082,156 million (2024: Rupees 1,082,156 million).

**19.1.2** 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.

19.1.3 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) -----							
<b>Plant and machinery</b>							
CWIP - Solar Power System Q Mart	902	105	797	604	(193)	Insurance	E.F.U General Insurance Limited
Nozzle Liner	2,002	505	1,497	1,018	(479)	Negotiation	Mr. Akhtar Nawaz
Elastomer Bushing Drawing	680	172	508	346	(162)	Negotiation	Mr. Akhtar Nawaz
Expansion Joint	801	81	720	29	(691)	Negotiation	M/s SGK Contractor
Top Cover Piston	2,361	649	1,712	389	(1,323)	Negotiation	M/s SGK Contractor
	6,746	1,512	5,234	2,386	(2,848)		
<b>Vehicles</b>							
Toyota Altis - AMJ-050	4,374	1,467	2,907	4,316	1,409	As per Group's policy	Mr. Shahid Farooq, Company's employee, Lahore
Toyota Prado	12,445	9,643	2,802	14,800	11,998	Negotiation	Mr. Zeeshan Ijaz
Suzuki Cultus	1,672	1,146	526	2,600	2,074	As per Group's policy	Mr. Waseem Alam
Toyota Corolla Altis	2,658	2,079	579	4,552	3,973	As per Group's policy	Mr. Ahsan Saeed
Suzuki Cultus	2,350	1,286	1,064	2,762	1,698	As per Group's policy	Mr. Waqas Bashir
Suzuki Cultus	2,350	1,286	1,064	2,861	1,797	As per Group's policy	Mr. Waqas Bashir
Honda City	4,012	1,536	2,476	3,850	1,374	As per Group's policy	Mr. Hassan Raza
Suzuki Cultus	2,172	1,135	1,037	2,967	1,930	As per Group's policy	Mr. Muhammad Saeed
Suzuki Cultus	2,468	954	1,514	2,700	1,186	As per Group's policy	Miss Hasnaa Asim
Suzuki Cultus	2,350	1,238	1,112	2,888	1,776	As per Group's policy	Mr. Usama Qamar
Suzuki Cultus	2,468	1,009	1,459	3,075	1,616	As per Group's policy	Miss Amina Rafiq
Honda Civic	3,298	1,733	1,565	2,660	1,095	As per Group's policy	Mr. Zeeshan Ahmad
Hyundai Sonata	7,431	3,416	4,015	9,000	4,985	As per Group's policy	Mr. Hassan Saif
Toyota Corolla GLI	2,353	1,814	539	3,535	2,996	As per Group's policy	Mr. Muhammad Naeem
	52,401	29,742	22,659	62,566	39,907		
	59,147	31,254	27,893	64,952	37,059		
<b>Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000</b>	77,966	49,092	28,874	45,860	16,986		
	137,113	80,346	56,767	110,812	54,045		

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>19.1.4 Depreciation charged during the year has been allocated as follows:</b>			
Cost of sales	33	5,252,816	5,186,200
Distribution cost	34	45,738	44,663
Administrative expenses	35	300,293	224,439
	19.1.5	5,598,847	5,455,302

**19.1.5** Depreciation expense also includes depreciation on right of use assets as mentioned in note 19.4.

**19.1.6** 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

## 19.2 Capital work in progress

NOTE		Civil works and buildings	Plant and machinery	Advances for capital expenditure	Total
----- RUPEES IN THOUSAND -----					
<b>At 30 June 2023</b>		588,977	1,425,083	1,032,582	3,046,642
Add: Additions during the year		2,324,205	3,308,367	1,248,136	6,880,708
Less: Transferred to operating fixed assets during the year	19.1	(1,923,396)	(4,237,090)	(1,698,644)	(7,859,130)
<b>At 30 June 2024</b>		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	19.1	(558,755)	(1,465,747)	(728,637)	(2,753,139)
Less: Transferred to intangible assets during the year	20.1	-	-	(7,815)	(7,815)
<b>At 30 June 2025</b>	19.2.1	4,666,156	396,962	616,773	5,679,891

**19.2.1** This includes borrowing cost amounting to Rupees Nil (2024: Rupees 7.564 million capitalized during the year at effective rate of 3% to 23.38% per annum).

**19.3** This represents stores held for capital expenditure related to Group's expansion project.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>19.4 Right of use assets</b>			
The reconciliation of carrying amount is as follows:			
Balance at the beginning of the year		86,852	43,112
Additions during the year		46,205	66,056
Reassessment during the year		(3,935)	-
Disposal during the year		(2,476)	(1,818)
Depreciation charged during the year		(40,555)	(20,498)
Balance at the end of the year		86,091	86,852
<b>20. INTANGIBLES - computer softwares</b>			
Intangible assets	20.1	62,426	84,811
<b>20.1 Intangible assets</b>			
Cost			
At beginning of the year		180,499	90,671
Additions during the year	19.2	7,815	89,828
At end of the year		188,314	180,499
<b>Accumulated amortization</b>			
At beginning of the year		95,688	83,724
Amortization for the year	20.2	30,200	11,964
At end of the year		125,888	95,688
<b>Net book value</b>		62,426	84,811
Amortization rate per annum		33%	33%
<b>20.2 Amortization charged for the year has been allocated as follows:</b>			
Cost of sales	33	11,736	5,883
Administrative expenses	35	18,464	6,081
		30,200	11,964
<b>21. LONG TERM LOANS TO EMPLOYEES - Secured</b>			
House building		17,795	29,518
Vehicles		2,926	2,205
Others		10,856	19,599
		31,577	51,322
Less: Current portion shown under current assets	27	(14,967)	(20,094)
		16,610	31,228

**21.1** These loans are secured against employees' retirement benefits and carry interest at the rate of 6% per annum (2024: 6% per annum). These loans are recoverable in 30 to 60 monthly installments.

**21.2** These include loans to executives amounting to Rupees 9.841 million (2024: Rupees 18.508 million). The maximum aggregate amount outstanding from key management personnel at any time during the year calculated with reference to month end balance is Rupees 18.508 million (2024: Rupees 19.953 million).



	Note	2025 (Rupees in thousand)	2024
<b>22. LONG TERM INVESTMENTS</b>			
Investment in associates – equity method	22.1	6,063,799	-
Investments at fair value through profit or loss	22.2	3,442,096	-
Investments at fair value through other comprehensive income	22.4	338,351	344,101
Advance against purchase of shares	22.4	26,625	26,625
		<b>9,870,871</b>	<b>370,726</b>
<b>22.1 Investment in associates – equity method Agritech Limited (AGL):</b>			
Balance at the beginning		-	-
Transferred from short term investments	30.3	894,971	-
Investment during the year		5,929,899	-
Share of loss for the period - adjusted		(753,577)	-
Loss on dilution of investment		(7,494)	-
	22.1.1	<b>6,063,799</b>	<b>-</b>

- 22.1.1** Investment in AGL represents 201.663 million (2024: Rupees 43.743 million) fully paid ordinary share with a par value of Rupees 10 each, representing 33.66% (2024: 10.30%) of AGL's share capital. The market value of the Group's investment in the ordinary shares of AGL as at June 30, 2025, was Rupees 10,948.308 million. AGL became associate of the Group on 10 January 2025.

Identified assets acquired, liabilities assumed or incurred have been currently carried at provisional fair values determined by the management's expert 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.

During the year, 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.

- 22.1.2** Summary of provisional fair values and notional goodwill arising on acquisition of 23.65% stake in AGL is as follows:

	Note	Provisional fair values as at acquisition date (Rupees in thousand)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment		76,815,422
Intangible assets		144
Long term loans and advances		27,099
Long term deposits and Prepayments		60,950
		76,903,615
<b>Current assets</b>		
Stores, spares and loose tools		2,396,693
Stock in trade		5,116,525
Trade debts		45,796
Advances, Deposits, prepayments and other receivables		4,150,138
Tax refund due from government		26,994
Short term investments		6,783,988
Cash and bank balances		423,027
		18,943,161
Total assets		95,846,776
<b>Non current liabilities</b>		
Redeemable capital - secured		3,706,686
Convertible, redeemable preference shares		4,748,941
Non-convertible, redeemable preference shares		18,542,698
Long term finances-secured		510,375
Deferred liabilities		16,504,002
		44,012,702
<b>Current liabilities</b>		
Preference dividend payable		28,729,605
Trade and other payables		7,748,452
Mark-up accrued on borrowings		2,747,603
Short term borrowings - secured		2,057,908
		41,283,568
Total liabilities		85,296,270
Fair value of net assets of AGL – provisional		10,550,506
<b>22.1.3 Notional goodwill – provisional</b>		
Cost of investment in associate		3,712,674
Fair value of net assets of AGL – provisional	22.1.2	10,550,506
Percentage shareholding in associate		23.65%
Group's share of net assets		(2,495,195)
Notional goodwill – provisional		1,217,479

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>22.2 Investments at fair value through profit or loss</b>			
Investment in un-listed preference shares	22.2.1	2,552,435	-
Advance against issue of privately placed TFCs	22.2.2	889,661	-
		<u>3,442,096</u>	<u>-</u>
<b>22.2.1</b>	This represents investment in unlisted, cumulative, non-convertible preference shares of AGL having a par value of Rupees 10 each. These shares carry limited voting rights and entitle the Group 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 20.07% to 20.54% per annum).		
<b>22.2.2</b>	This represents advance against issue of AGL's zero coupon PPTFCs having a par value of Rupees 5,000 each, purchased through Share Purchase Agreements (SPAs) with various banks. AGL is in the process of issuing these instruments. 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 (20.10% per annum).		
	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>22.3 The reconciliation of carrying amount is as follows:</b>			
As at beginning of the year		-	-
Transferred from short term investments	30.3	894,971	-
Investments made during the year		7,067,357	-
Share of loss for the period - adjusted		(753,577)	-
Loss on dilution of investment		(7,494)	-
Fair value gain recognized during the year		-	-
- Credited to statement of profit or loss		1,619,395	-
- Credited to other comprehensive income		685,243	-
As at end of the year		<u>9,505,895</u>	<u>-</u>
<b>22.4 Investments at fair value through other comprehensive income</b>			
- Block Tech Limited - un-quoted	22.4.1	-	3,750
- Core9 Ventures (Private) Limited - unquoted	22.4.2	82,750	42,750
- Convenience Stores (Private) Limited - unquoted	22.4.3	-	42,000
- Brigelinx Tech (Private) Limited - unquoted	22.4.4	255,601	255,601
- NayaPay (Private) Limited - unquoted	22.4.5	26,625	26,625
		<u>364,976</u>	<u>370,726</u>
<b>22.4.1 Block Tech Limited - un-quoted</b>			
375,000 (2024: 375,000) fully paid ordinary shares of Rupees 10 each.			
Equity held 15% (2024: 15%)		3,750	3,750
Less: Impairment loss		(3,750)	-
		<u>-</u>	<u>3,750</u>
<b>22.4.2 Block Tech Limited - un-quoted</b>			
807,500 (2024: 427,500) fully paid ordinary shares of Rupees 100 each.		80,750	42,750
'Advance against purchase of shares		2,000	-
		<u>82,750</u>	<u>42,750</u>

	2025 (Rupees in thousand)	2024
<b>22.4.3 Convenience Stores (Private) Limited - unquoted</b>		
280,000 (2024: 280,000) fully paid ordinary shares of Rupees 100 each.	42,000	42,000
Less: Impairment loss	(42,000)	-
	-	42,000
<b>22.4.4 Brigelinx Tech (Private) Limited - unquoted</b>		
447,577 (2024: 447,577) preference shares of BridgeLinx Logistics PTE Ltd - holding company of Bridgelinx Tech (Private) Limited, Equity held: 7.25% (2024: 7.25%)	255,601	255,601
<b>22.4.4.1</b>	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.	

	2025 (Rupees in thousand)	2024
<b>22.4.5 NayaPay (Private) Limited - unquoted</b>		
Advance against purchase of shares	26,625	26,625
<b>22.4.5.1</b>	As on 25 February 2022, the Subsidiary Company, MLCL has entered into an agreement with NayaPay (SMC-Private) Limited (incorporated under the laws of Pakistan) and NayaPay Technologies Limited (incorporated under the laws of Dubai). MLCL has agreed to make an investment of US dollars 150,000 in Pak Rupees equivalent in the designated bank account of NayaPay (SMC-Private) Limited by no later than 07 March 2022. Against this deposit, subject to the conditions of Foreign Exchange Manual published by the State Bank of Pakistan under Foreign Exchange Regulation Act, 1947, MLCL will take up shares of NayaPay Technologies Limited. NayaPay (SMC-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 MLCL. 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.	
<b>22.4.6</b>	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.	

## 23. LONG TERM DEPOSITS

These mainly include interest free deposits made to utility companies for provision of utility connections, regulatory authorities and others.

	Note	2025 (Rupees in thousand)	2024
<b>24. STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores		10,123,414	9,684,496
Spare parts		4,271,509	4,191,165
Loose tools		31,548	25,279
		14,426,471	13,900,940
Less: Provision against slow moving stores, spare parts and loose tools	24.1	(16,881)	(11,289)
	24.2	14,409,590	13,889,651
<b>24.1 Provision against slow moving stores and spares</b>			
As at 01 July		11,289	6,566
Add: Provision for the year	36	5,592	4,723
As at 30 June		16,881	11,289

**24.2** This includes stores in transit of Rupees 1,667.321 million (2024: Rupees 89.45 million).

	Note	2025 (Rupees in thousand)	2024
<b>25. STOCK-IN-TRADE</b>			
Raw materials	25.1 & 25.2	3,517,261	2,797,711
Packing materials		847,744	471,239
Work-in-process		4,599,732	3,777,829
Finished goods	25.3	3,861,788	3,016,245
		12,826,525	10,063,024
Provision against obsolete stock-in-trade		(3,904)	(3,904)
		12,822,621	10,059,120

**25.1** Raw materials include stock in transit of Rupees 120.346 million (2024: Rupees 104.578 million). Further, raw materials of Rupees 487.311 million (2024: Rupees 361.801 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 12.733 million (2024: Rupees 4.501 million).

**25.2** Raw materials include stock amounting to Rupees 31.767 million (2024: Rupees 45.449 million) with external parties for processing.

**25.3** Finished goods include stock in transit of Rupees 77.360 million (2024: Rupees 242.384 million). Further, finished goods of Rupees 470.121 million (2024: Rupees 519.040 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 23.083 million (2024: Rupees 19.150 million).



	Note	2025 (Rupees in thousand)	2024
<b>26. TRADE DEBTS</b>			
Considered good:			
Secured (against letters of credit)		3,391,835	2,216,709
Unsecured		8,242,884	9,102,685
		11,634,719	11,319,394
Less: Allowance for expected credit losses	26.2	(1,128,169)	(631,451)
		<u>10,506,550</u>	<u>10,687,943</u>

**26.1** 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.

	Note	2025 (Rupees in thousand)	2024
<b>26.2 Allowance for expected credit losses</b>			
Opening balance		631,451	383,368
Recognized during the year	36	501,148	248,830
Trade debts written off during the year		(4,430)	(747)
Balance at end of year		<u>1,128,169</u>	<u>631,451</u>

**26.3** As at 30 June 2025, trade debts of Rupees 8,114.868 million (2024: Rupees 6,166.809 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:

	2025 (Rupees in thousand)	2024
Upto 1 month	5,279,881	2,516,637
1 to 6 months	1,539,100	3,035,508
More than 6 months but less than one year	422,861	234,575
More than one year	873,026	380,090
	<u>8,114,868</u>	<u>6,166,809</u>

**26.4** The majority of export debts of the Group are situated in Asia, Europe and America.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>27. LOANS AND ADVANCES - considered good</b>			
Loans and advances to employees			
Secured	27.1		
- Executives	27.2	880	8,645
- Other employees		4,523	2,075
- Current portion of long term loans to employees	21	14,967	20,094
		20,370	30,814
Unsecured			
- Executives	27.3	5,150	1,333
- Other employees		12,638	24,363
		17,788	25,696
		38,158	56,510
Advances to Government authorities	27.4	185,012	185,396
Advances to suppliers - unsecured and considered good	27.5	852,744	825,229
Letters of credit		225,307	21,524
		1,301,221	1,088,659

**27.1** 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.

**27.2** Maximum aggregate balance due from executives at the end of any month during the year was Rupees 14.601 million (2024: Rupees 14.481 million).

**27.3** This represents advances to key management personnel (Mr. Amir Feroze) amounting to Rupees 5.150 million (2024: Rupees 1.333 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 18.592 million (2024: Rupees 29.534 million). Further, no amount is due from other directors at the year end (2024: Nil).

**27.4** This represents an amount paid to the Government under protest in respect of various cases that are currently pending before the Authorities.

**27.5** This includes an amount of Rupees 109.363 million (2024: Rupees 15.554 million) advanced to the Ministry of Railways for transportation of coal and cement. Further, this also includes payments made on behalf of Andalus Holdings (ADGM) Limited to certain contractors working on the construction site of the Novacare hospital building amounting to Rupees 37.224 million (2024: Rupees 13.022 million).

	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>28. SECURITY DEPOSITS AND SHORT TERM PREPAYMENTS</b>		
Security deposits	25,461	17,311
Margin against:		
- Letters of credit	29,997	65,210
- Bank guarantees	639,081	634,613
Prepayments	90,472	330,760
	785,011	1,047,894

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>29. OTHER RECEIVABLES</b>			
Considered good:			
Sales tax refundable		1,402,130	1,447,276
Custom duty receivable		15,993	15,993
Mark up rate support receivable from financial institutions		3,633	3,633
Export rebate		181,059	139,031
Duty draw back receivable		131,975	136,705
Margin deposits with brokers		653,661	218,169
Unrealised gain on re-measurement of futures contracts - shares		147,384	29,055
Others		74,868	118,070
		2,610,703	2,107,32
<b>30. SHORT TERM INVESTMENTS</b>			
<b>FINANCIAL INSTRUMENTS</b>			
<b>Debt instruments</b>			
Investment - Amortized cost	30.1	1,261,601	931,441
<b>Equity instruments</b>			
Investments - Fair value through profit or loss	30.2	36,830,347	15,058,714
Investments - Fair value through other comprehensive income	30.3	7,380,781	3,816,165
		44,211,128	18,874,879
		45,472,729	19,806,320
<b>30.1 Debt instruments - amortized cost</b>			
<b>Holding Company</b>			
Term deposit receipts:	30.1.1		
- JS Bank Limited		-	6,960
- United Bank Limited		560,000	325,000
- The Bank of Khyber		156,333	163,299
		716,333	495,259
Add: Accrued markup		17,888	20,082
		734,221	515,341
<b>Subsidiary Company - MLCFL</b>	30.1.2		
Term deposit receipts - The Bank of Punjab		484,500	395,700
Add: Accrued markup		42,880	20,400
		527,380	416,100
		1,261,601	931,441

**30.1.1** These term deposit receipts have maturity period ranging from one to six months. The effective rate of profit ranges from 6.44% to 10.50% (2024: 19.00% to 20.50%). These are under lien with the banks against guarantees given on behalf of the Group.

**30.1.2** This represents term deposits having a maturity of six months to one year from 04 March 2025 till 11 April 2026 carrying mark-up at the rates ranging from 7% to 15.50% (2024: 14.50% to 15.50%) per annum. Term deposit receipts 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. Out of these, Rupees Nil (2024: Rupees 238.50 million) have an original maturity of three months or less.

## 30.2 Investments - Fair value through profit or loss

	2025			2024		
	Carrying value	Unrealized gain / (loss)	Market value	Carrying value	Unrealized gain / (loss)	Market value

------(RUPEES IN THOUSAND) -----

<b>Holding Company</b>						
<b>Mutual funds</b>						
MCB - Arif Habib Savings and Investments Limited 28,742 (2024: Nil) units	2,941	-	2,941	-	-	-
<b>Subsidiary Company - MLCCL</b>						
<b>Mutual funds</b>						
<b>Shares in listed companies</b>						
Attock Refinery Limited 4,223,589 (2024: 5,228,301) fully paid ordinary shares of Rupees 10 each	1,561,388	1,308,202	2,869,590	927,715	910,503	1,838,218
Oil and Gas Development Company Limited 7,140,001 (2024: 2,981,101) fully paid ordinary shares of Rupees 100 each	1,375,984	198,814	1,574,798	323,361	80,191	403,552
Pakistan Petroleum Limited 2,525,001 (2024: 499,750) fully paid ordinary shares of Rupees 10 each	272,700	156,980	429,680	38,719	19,806	58,525
Pakistan State Oil Company Limited 1,409,001 (2024: 300,001) fully paid ordinary shares of Rupees 10 each	378,865	153,075	531,940	50,752	(889)	49,863
D.G. Khan Cement Company Limited 3,718,001 (2024: 1) fully paid ordinary shares of Rupees 10 each	604,215	11,338	615,553	-	-	-
Fauji Cement Company Limited 88,538,514 (2024: 1) fully paid ordinary shares of Rupees 10 each	3,592,498	362,518	3,955,016	-	-	-
Fecto Cement Limited 369,810 (2024: 1) fully paid ordinary shares of Rupees 10 each	30,176	4,183	34,359	-	-	-
Pioneer Cement Limited 24,609,001 (2024: 24,609,001) fully paid ordinary shares of Rupees 10 each	4,150,308	1,463,743	5,614,051	2,131,878	2,018,430	4,150,308
Engro Fertilizers Limited 3,160,775 (2024: 2,988,696) fully paid ordinary shares of Rupees 10 each	537,783	48,825	586,608	455,060	41,721	496,781
Fauji Fertilizer Company Limited 11,346,512 (2024: 5,096,548) fully paid ordinary shares of Rupees 10 each	2,348,572	2,103,912	4,452,484	773,896	58,795	832,691
Abbott Laboratories (Pakistan) Limited 470,690 (2024: 1) fully paid ordinary shares of Rupees 10 each	541,244	(83,710)	457,534	-	-	-
AGP Limited 3,927,323 (2024: 1) fully paid ordinary shares of Rupees 10 each	678,644	71,317	749,961	-	-	-
Haleon Pakistan Limited 375,000 (2024: 0) fully paid ordinary shares of Rupees 10 each	293,837	(17,713)	276,124	-	-	-
Nishat Mills Limited 1,000,252 (2024: 1) fully paid ordinary shares of Rupees 10 each	99,215	26,697	125,912	-	-	-
Murree Brewery Company Limited 151,000 (2024: 0) fully paid ordinary shares of Rupees 10 each	110,620	11,690	122,310	-	-	-
MCB Bank Limited 1,173,438 (2024: 2,215) fully paid ordinary shares of Rupees 10 each	316,266	22,083	338,349	398	105	503
Meezan Bank Limited 1,684,001 (2024: 2,310,501) fully paid ordinary shares of Rupees 10 each	403,133	156,040	559,173	212,181	340,930	553,111
National Bank of Pakistan 6,725,784 (2024: 1) fully paid ordinary shares of Rupees 10 each	430,123	300,903	731,026	-	-	-
United Bank Limited 6,600,002 (2024: 4,675,701) fully paid ordinary shares of Rupees 10 each	2,186,238	(364,967)	1,821,271	758,689	439,362	1,198,051
Pakistan Stock Exchange Limited 5,232,011 (2024: 0) fully paid ordinary shares of Rupees 10 each	129,639	16,700	146,339	-	-	-
Gandhara Industries Limited 572,312 (2024: 2) fully paid ordinary shares of Rupees 10 each	389,073	(16,824)	372,249	-	-	-
Sazgar Engineering Works Limited 3,816,975 (2024: 3,529,626) fully paid ordinary shares of Rupees 10 each	3,315,442	1,035,223	4,350,665	756,719	2,181,553	2,938,272
HUM Network Limited 6,464,353 (2024: 1) fully paid ordinary shares of Rupees 10 each	89,210	(6,854)	82,356	-	-	-
Systems Limited 6,024,495 (2024: 6) fully paid ordinary shares of Rupees 10 each	636,617	8,847	645,464	3	-	3
Supernet Limited 1,155,199 (2024: 1,375,000) fully paid ordinary shares of Rupees 10 each	11,564	34,390	45,954	20,611	(6,848)	13,763
Agritech Limited 38,670,001 (2024: 38,670,001) fully paid ordinary shares of Rupees 10 each - Related Party	791,188	1,308,206	2,099,394	207,301	583,887	791,188
Other listed companies 418 (2024: 15,861,905) fully paid ordinary shares of Rupees 10 each	2,213	(112)	2,101	1,076,260	638,022	1,714,282
	25,276,755	8,313,506	33,590,261	7,733,543	7,305,568	15,039,111
<b>Subsidiary Company - MLCFL</b>						
<b>Shares in listed company</b>						
4,269,375 (2024: 4,269,375) fully paid ordinary shares of Rupees 10 each	19,596	14,602	34,198	22,073	(2,477)	19,596
<b>Mutual funds</b>						
NBP Income Fund - Cash Plan - II 152,301,349 (2024: Nil) units	1,523,014	-	1,523,014	-	-	-
ABL Money Market Plan - I 60,257,763 (2024: Nil) units	603,590	-	603,590	-	-	-
Alfaluh GHP Money Market Fund 5,717,142 (2024: Nil) units	566,095	-	566,095	-	-	-
MCB Cash Management Optimizer 4,987,295 (2024: Nil) units	510,235	-	510,235	-	-	-
	3,202,934	-	3,202,934	-	-	-
	28,502,233	8,328,114	36,830,347	7,755,623	7,303,091	15,058,714

**30.2.1** Following shares are pledged against running finance facilities obtained by MLCL from the banking companies:

	2025 Number of shares	2024
<b>Investee companies</b>		
The Hub Power Company Limited	-	7,300,000
Haleon Pakistan Limited	350,000	-
Abbott Laboratories (Pakistan) Limited	400,000	-
MCB Bank Limited	1,050,000	-
Pakistan State Oil Company Limited	1,300,000	300,000
Meezan Bank Limited	1,500,000	1,300,000
Pakistan Petroleum Limited	2,000,000	-
AGP Limited	2,850,000	-
Engro Fertilizers Limited	2,850,000	1,200,000
United Bank Limited	3,400,000	3,200,000
Sazgar Engineering Works Limited	3,800,000	2,000,000
Attock Refinery Limited	4,150,000	3,725,500
Systems Limited	4,750,000	-
National Bank of Pakistan	6,500,000	-
Oil & Gas Development Company Limited	6,750,000	-
Fauji Fertilizer Company Limited	9,700,000	-
Maple Leaf Cement Factory Limited - associated company	12,026,000	12,026,000
Pioneer Cement Limited	24,600,000	20,250,000
Fauji Cement Company Limited	81,000,000	-

### 30.3 Investments - Fair value through other comprehensive income

2025			2024		
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 (2024: 17,321,046) fully paid ordinary shares of Rupees 10 each

Agritech Limited Nil (2024: 43,742,500) fully paid ordinary shares of Rupees 10 each

Faysal Bank Limited 49,176,960 (2024: Nil) fully paid ordinary shares of Rupees 10 each

2,921,194	1,030,256	3,951,450	1,500,522	1,420,672	2,921,194
-	-	-	1,169,108	(274,137)	894,971
2,869,462	559,869	3,429,331	-	-	-
5,790,656	1,590,125	7,380,781	2,669,630	1,146,535	3,816,165

**30.3.1** During the year, Agritech Limited became an associate of the Group and has been accounted for using the equity method, as disclosed in note 22.1.

Note	2025 (Rupees in thousand)	2024
<b>31. CASH AND BANK BALANCES</b>		
Cash in hand	13,450	11,034
Cash at bank:		
- On current accounts	31.1	1,342,901
- On saving accounts	31.1, 31.2 & 31.3	865,673
	2,208,574	1,637,971
	2,222,024	1,649,005



- 31.1** The balances in current and deposit accounts include USD 455,277 (2024: USD 417,622) and GBP 2,000 (2024: GBP 2,000).
- 31.2** The balances in saving accounts carry interest ranging from 4.69% to 19.50% (2024: 6.00% to 20.55%) per annum.
- 31.3** The balances in saving accounts include an amount of Rupees 34.255 million (2024: Rupees 35.155 million) held under lien against guarantees issued by the bank on behalf of the Group.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>32. REVENUE</b>			
Revenue from contracts with customers:			
- Export sales		24,803,947	21,569,950
- Local sales	32.1	103,096,452	102,911,408
		127,900,399	124,481,358
Export rebate		129,325	131,616
		128,029,724	124,612,974
<b>32.1 Local sales</b>		143,820,121	133,494,268
Less:			
Sales tax		23,675,730	21,222,506
Federal excise duty		14,953,624	7,763,020
Commission		406,836	397,200
Discount		1,687,479	1,200,134
		103,096,452	102,911,408

### 32.2 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 46).

### Primary geographical markets

Europe  
United States of America and Canada  
Asia, Africa, Australia  
Pakistan  
Export rebate and duty draw back

### Major product / service lines

Yarn  
Greige fabric  
Made-ups  
Finished fabric  
Processing Income  
Cement  
Power  
Waste  
Export rebate and duty draw back

Revenue from contracts with customers  
Export rebate and duty draw back

### Timing of revenue recognition

Products transferred at a point in time  
Products and services transferred over time

### External revenue as reported

Spinning		Weaving		Processing and Home Textile		Cement		Group	
2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
----- RUPEES IN THOUSAND -----									
-	-	4,929,282	3,166,321	5,847,545	4,185,907	-	-	10,776,827	7,352,228
-	-	913,054	766,300	8,106,839	9,905,090	-	-	9,019,893	10,671,390
-	-	211,768	189,348	1,482,467	1,065,594	3,312,992	2,291,390	5,007,227	3,546,332
28,652,396	29,374,665	8,834,085	8,936,360	307,364	453,751	65,302,607	64,146,632	103,096,452	102,911,408
-	-	-	-	129,325	131,616	-	-	129,325	131,616
28,652,396	29,374,665	14,888,189	13,058,329	15,873,540	15,741,958	68,615,599	66,438,022	128,029,724	124,612,974
28,561,848	29,312,722	-	-	-	-	-	-	28,561,848	29,312,722
-	-	14,837,979	13,026,816	-	-	-	-	14,837,979	13,026,816
-	-	-	-	14,569,468	14,616,700	-	-	14,569,468	14,616,700
-	-	-	-	1,024,281	735,704	-	-	1,024,281	735,704
-	-	-	-	99,841	206,219	-	-	99,841	206,219
-	-	-	-	-	-	68,615,599	66,438,022	68,615,599	66,438,022
-	-	-	-	-	-	-	-	-	-
90,548	61,943	50,210	31,513	50,625	51,719	-	-	191,383	145,175
-	-	-	-	129,325	131,616	-	-	129,325	131,616
28,652,396	29,374,665	14,888,189	13,058,329	15,873,540	15,741,958	68,615,599	66,438,022	128,029,724	124,612,974
28,652,396	29,374,665	14,888,189	13,058,329	15,744,215	15,610,342	68,615,599	66,438,022	127,900,399	124,481,358
-	-	-	-	129,325	131,616	-	-	129,325	131,616
28,652,396	29,374,665	14,888,189	13,058,329	15,873,540	15,741,958	68,615,599	66,438,022	128,029,724	124,612,974
28,652,396	29,374,665	14,888,189	13,058,329	15,873,540	15,741,958	68,615,599	66,438,022	128,029,724	124,612,974
28,652,396	29,374,665	14,888,189	13,058,329	15,873,540	15,741,958	68,615,599	66,438,022	128,029,724	124,612,974
-	-	-	-	-	-	-	-	-	-
28,652,396	29,374,665	14,888,189	13,058,329	15,873,540	15,741,958	68,615,599	66,438,022	128,029,724	124,612,974
28,652,396	29,374,665	14,888,189	13,058,329	15,873,540	15,741,958	68,615,599	66,438,022	128,029,724	124,612,974

**32.3** Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

**32.4** The amount of Rupees 335.983 million included in contract liabilities (Note 14) at 30 June 2024 has been recognised as revenue during the year (2024: Rupees 577.620 million).

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>33. COST OF SALES</b>			
Raw materials consumed	33.1	41,329,520	34,658,030
Salaries, wages and other benefits	33.2	6,725,516	5,954,186
Processing charges		176,887	36,868
Stores, spare parts and loose tools consumed		3,863,862	3,952,016
Packing materials consumed		4,530,954	4,766,514
Fuel and power	33.3	29,441,604	34,379,613
Repair and maintenance		1,250,876	1,342,038
Insurance		388,603	324,508
Other factory overheads	33.4	757,615	1,092,188
Amortization	20.2	11,736	5,883
Depreciation	19.1.4	5,252,816	5,186,200
		93,729,989	91,698,044
<b>Work-in-process</b>			
Opening stock		3,777,829	3,228,006
Closing stock		(4,599,732)	(3,777,829)
		(821,903)	(549,823)
Cost of goods manufactured		92,908,086	91,148,221
<b>Finished goods</b>			
Opening stock		3,016,245	3,999,435
Closing stock		(3,861,788)	(3,016,245)
		(845,543)	983,190
Cost of sales		92,062,543	92,131,411
<b>33.1 Raw materials consumed</b>			
Opening stock		2,797,711	4,293,656
Add: Purchased during the year		42,049,070	33,162,085
		44,846,781	37,455,741
Less: Closing stock		(3,517,261)	(2,797,711)
		41,329,520	34,658,030

**33.2** Salaries, wages and other benefits include provident fund contribution of Rupees 220.09 million (2024: Rupees 191.799 million), gratuity and compensated absences amounting to Rupees 67.332 million (2024: Rupees 51.925 million).

**33.3** This includes the reversal of the provision for electricity duty amounting to Rupees 471.176 million (2024: Nil) by MLCFL, pursuant to the decision of the Supreme Court of Pakistan dated October 8, 2024, in Civil Appeals Nos. 256 to 472 of 2011 (2024 SCP 348), which held that no electricity duty can be recovered from the entities using generators exceeding 500 KW capacity for self-consumption.

**33.3** Other factory overheads include housing colony expenses aggregating to Rupees 159.87 million (2024: Rupees 224.456 million).

	Note	2025 (Rupees in thousand)	2024
<b>34. DISTRIBUTION COST</b>			
Salaries and other benefits	34.1	780,473	753,033
Outward freight and handling		198,464	132,611
Clearing and forwarding		2,540,262	3,990,567
Commission to selling agents		607,030	299,886
Travelling and conveyance		467,854	347,784
Insurance		8,623	7,404
Vehicles' running		133,692	163,229
Electricity, gas and water		7,293	7,673
Postage, telephone and fax		39,404	21,003
Sales promotion and advertisement		1,237,695	1,290,505
Depreciation	19.1.4	45,738	44,663
Miscellaneous		230,137	191,367
		<b>6,296,665</b>	<b>7,249,725</b>

**34.1** Salaries and other benefits include provident fund contribution of Rupees 28.688 million (2024: Rupees 26.835 million), gratuity and compensated absences amounting to Rupees 20.460 million (2024: Rupees 15.830 million).

	Note	2025 (Rupees in thousand)	2024
<b>35. ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	35.1	2,439,019	1,932,260
Travelling and conveyance		356,979	303,143
Repair and maintenance		102,108	115,777
Rent, rates and taxes	35.2	34,901	33,227
Insurance		23,757	21,446
Vehicles' running		182,937	202,132
Printing, stationery and periodicals		56,825	60,091
Electricity, gas and water		95,485	90,127
Postage, telephone and fax		36,714	36,495
Legal and professional		186,973	188,672
Fee and subscription		101,675	33,855
Security, gardening and sanitation		93,771	75,689
Entertainment		68,250	68,298
Training and seminars		6,981	1,806
Amortization	20.2	18,464	6,081
Depreciation	19.1.4	300,293	224,439
Miscellaneous		172,542	120,934
		<b>4,277,674</b>	<b>3,514,472</b>

**35.1** Salaries and other benefits include provident fund contribution of Rupees 76.902 million (2024: Rupees 63.621 million), gratuity and compensated absences amounting to Rupees 2.940 million (2024: Rupees 11.279 million).

**35.2** It includes lease payment of Rupees 0.192 million (2024: Rupees 0.174 million) in respect of short term leases.

	Note	2025 (Rupees in thousand)	2024
<b>36. OTHER EXPENSES</b>			
Auditor's remuneration	36.1	98,262	94,539
Donations	36.2	34,306	100,794
Workers' profit participation fund	13.5	824,497	418,554
Workers welfare fund	13.6	598,484	295,816
Advances / receivable written off		3,290	309
Loss on disposal of sale of stores and spares		103,406	34,819
Unrealised loss on re-measurement of investments at FVTPL		-	2,476
Loss on trading in shares futures contracts - net		-	13,906
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	24.1	5,592	4,723
Exchange loss - net		35,450	20,235
Allowance for expected credit losses	26.2	501,148	248,830
Miscellaneous		16,738	-
		2,246,027	1,235,001
<b>36.1 Auditor's remuneration</b>			
<b>Riaz Ahmad and Company</b>			
Audit fee		6,195	4,300
Taxation services		-	1,023
Certifications		450	475
Reimbursable expenses		550	1,165
		7,195	6,963
<b>KPMG Taseer Hadi and Company</b>			
Audit fee		-	1,050
Special audit		-	1,050
Reimbursable expenses		-	300
		-	2,400
<b>A. F. Ferguson and Company</b>			
Audit fee		8,020	4,100
Interim review		1,475	650
Group reporting		300	263
Taxation services		68,216	37,004
Consultancy in respect of information technology services		11,600	41,334
Other certifications		955	900
Reimbursable expenses		501	925
		91,067	85,176
		98,262	94,539



	2025 (Rupees in thousand)	2024
<b>36.2 Donations for the year have been given to:</b>		
Gulab Devi Chest Hospital, Lahore	-	32,500
The Lahore Businessmen Association for Rehabilitation of the Disabled (LABARD)	5,100	10,820
Technical Education & Vocational Training Authority (TEVTA)	1,970	-
Maple CSR Initiative as per DC Office requirement	-	1,364
Hameedah Memorial Hospital	950	-
Hassan Boys Hostel	3,074	-
Sunshine Trust	-	2,000
Government of Punjab for activities to control pest attack on cotton crops	-	500
Shafaullah	444	363
Three Star Boys Hostel	1,792	-
Daudkhel Police Station	7,778	1,912
Kalabagh Graphics	688	-
Daud Khel water supply project	-	1,475
Takbeer Boys Hostel	291	-
A-One Service Contractors (Private) Limited	1,245	-
Daudkhel Press Club	-	258
Aitchison College Lahore	-	42,806
Agha Khan Cultural Service - Pakistan	4,800	-
Miscellaneous donations in the form of cement	1,350	2,641
Miscellaneous	4,824	4,155
	<b>34,306</b>	<b>100,794</b>

**36.2.1** None of the directors and their spouses have any interest in the donee's fund.

	Note	2025 (Rupees in thousand)	2024
<b>37. OTHER INCOME</b>			
<b>Income from financial assets:</b>			
Gain on sale of quoted shares - net		2,747,230	990,880
Return on bank deposits		302,178	257,237
Unrealised gain on re-measurement of investments at FVTPL		10,007,251	7,305,568
Unrealised gain on re-measurement of futures contracts - shares		147,384	29,055
Gain on trading in shares futures contracts - net		311,939	-
Gain on redemption of units of mutual funds - net		4,737	4,044
Return on investment in Government securities		1,764,745	-
Return on term deposit receipts		58,059	65,627
Interest on loans to employees		345	366
Dividend income		1,719,257	823,615
Reversal of provision for electricity duty		174,828	-
Long outstanding liabilities written back		-	11,314
		<b>17,237,953</b>	<b>9,487,706</b>
<b>Income from non-financial assets:</b>			
Scrap sales		161,959	124,648
Gain on disposal of property, plant and equipment	19.1.3	54,045	140,031
Gain on disposal of short term investments		-	65,838
Miscellaneous		16,215	24,721
		<b>232,219</b>	<b>355,238</b>
		<b>17,470,172</b>	<b>9,842,944</b>

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>38. FINANCE COST</b>			
Mark up / finance charges / interest on:			
Long term financing		2,537,233	4,234,976
Short term borrowings		4,189,201	3,216,949
Interest on lease liabilities	9	13,150	9,154
		6,739,584	7,461,079
Bank charges and commission		241,407	213,194
		6,980,991	7,674,273
<b>39. LEVY</b>			
Final taxes		398,824	410,639

**39.1** 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.

	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>40. TAXATION</b>			
Current tax:			
- Current year		7,732,066	2,063,442
- Prior year	40.1	(896,155)	(35,969)
		6,835,911	2,027,473
Deferred tax	12	2,866,259	4,736,815
	40.2	9,702,170	6,764,288

**40.1** This includes Rupees 509.303 million related to the tax credit under Section 65B. 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 456.660 million that pertains to the recognition and utilisation of minimum tax from prior years. These were previously unrecorded as deferred tax assets on a prudent basis.

**40.2** 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:

	2025 (Rupees in thousand)	2024 (Rupees in thousand)
Accounting profit before taxation and levy	32,874,925	22,651,036
Applicable tax rate	29%	29%
Tax on accounting profit	9,533,728	6,568,800
Effect of lower rate on certain income / expenses	(296,064)	(298,570)
Effect of exempt income / permanent differences	(392,836)	2,004,761
Effect of unrealised gain	(2,453,660)	(2,127,041)
Effect arising as a consequence of recognition of deferred income tax	1,732,443	-
Effect of expenses that are not considered in determining tax liability	607,966	-
Effect of capital gain	(315,934)	(284,495)
Effect of rate change and change in proportion of local and export sales on deferred tax	705,308	514,758
Effect of prior year adjustment	(896,155)	(249,820)
Effect of super tax	1,859,018	1,075,288
Others	17,180	(28,754)
Current tax liability and levy as per applicable tax laws	10,100,994	7,174,927
Levy - final taxes	(398,824)	(410,639)
Current tax	(9,702,170)	(6,764,288)
	-	-

	Note	2025	2024
<b>41. EARNINGS PER SHARE - BASIC AND DILUTED</b>			
There is no dilutive effect on the basic earnings per share which is based on:			
Profit attributable to ordinary shareholders of the Holding Company (RUPEES IN THOUSAND)		16,478,710	11,374,337
Weighted average number of ordinary shares (NUMBERS) 41.1		269,299,456	272,618,385
Earnings per share (RUPEES)		61.19	41.72
<b>41.1 Weighted average number of ordinary shares</b>			
Outstanding number of shares before buy back (NUMBERS)		269,299,456	293,310,900
Less: Impact of own shares purchased (NUMBERS)		-	(20,692,515)
		269,299,456	272,618,385
<b>42. CASH GENERATED FROM OPERATIONS</b>			
		(Rupees in thousand)	
Profit before levy and taxation		32,874,925	22,651,036
<b>Adjustment for non-cash charges and other items:</b>			
Depreciation		5,598,847	5,455,302
Amortization		30,200	11,964
Finance cost		6,980,991	7,674,273
Gain on sale of property, plant and equipment		(54,045)	(140,031)
Dividend income		(1,719,257)	(823,615)
Allowance for expected credit losses		501,148	248,830
Return on term deposit receipts		(58,059)	(65,627)
Reversal of provision for electricity duty		(174,828)	-
Long outstanding liabilities written back		-	(11,314)
Loss on disposal of sale of stores and spares		103,406	34,819
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	4,723
Advances to suppliers written off		3,290	309
Employees' retirement benefits		90,732	79,034
Return on bank deposits		(302,178)	(257,237)
Return on investment in Government securities		(1,764,745)	-
Provision for Workers' profits participation fund		824,497	418,554
Provision for Workers' welfare fund		598,484	295,816
Working capital changes 42.1		192,467	(3,661,194)
		42,132,332	31,915,642
<b>42.1 Working capital changes</b>			
<b>(Increase) / decrease in current assets:</b>			
Stores, spare parts and loose tools		(960,510)	(3,402,305)
Stock-in-trade		(2,763,501)	2,618,713
Trade debts		(319,755)	(3,904,902)
Loans and advances		(215,852)	89,340
Security deposits and short term prepayments		262,883	(512,423)
Other receivables		(502,771)	(252,444)
		(4,499,506)	(5,364,021)
<b>Increase in trade and other payables</b>			
		4,691,973	1,702,827
		192,467	(3,661,194)

## 42.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2025					
	Liabilities from financing activities					
	Long term financing	Own shares purchased for cancellation	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

	2024					
	Liabilities from financing activities					
	Long term financing	Own shares purchased for cancellation	Short term borrowings	Liability against right of use assets	Unclaimed dividend	Total
	----- Rupees in thousand -----					
Balance as at 01 July 2023	25,265,550	(312,153)	9,015,010	41,664	59,642	34,069,713
Proceeds from long term financing	1,115,127	-	-	-	-	1,115,127
Repayment of long term financing	(6,310,963)	-	-	-	-	(6,310,963)
Own share purchased for cancellation	-	(1,463,096)	-	-	-	(1,463,096)
Cancelled during the year	-	1,775,249	-	-	-	1,775,249
Lease liability recognized during the year	-	-	-	66,056	-	66,056
Interest on lease liabilities	-	-	-	9,154	-	9,154
Lease rentals paid during the year	-	-	-	(32,329)	-	(32,329)
Present value of liability against right of use asset	-	-	-	(1,837)	-	(1,837)
Short term borrowings - net	-	-	3,927,500	-	-	3,927,500
Dividend paid	-	-	-	-	(844)	(844)
Other charges - non-cash movement	183,723	-	-	-	-	183,723
Balance as at 30 June 2024	20,253,437	-	12,942,510	82,708	58,798	33,337,453

#### 43. 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	
	2025	2024	2025	2024	2025	2024	2025	2024
----- ( RUPEES IN THOUSAND ) -----								
Managerial remuneration	95,063	95,063	456,716	384,780	133,106	111,191	1,257,509	896,300
Allowances								
House rent	7,605	7,605	23,066	16,305	7,361	9,493	219,045	163,764
Conveyance	-	-	6,096	3,633	1,952	2,182	132,789	123,336
Medical	7,605	7,605	20,280	21,222	12,097	10,342	105,845	70,061
Utilities	6,728	6,728	18,025	13,516	19,498	8,459	181,202	121,403
Special allowance	-	-	32,578	21,172	14,055	18,739	41,221	61,886
Bonus	-	-	-	-	-	-	183,500	32,336
Others	-	-	-	1,351	-	-	41,791	22,603
Contribution to provident fund	7,605	7,605	13,550	13,550	10,752	9,134	92,152	65,106
	124,606	124,606	570,311	475,529	198,822	169,540	2,255,054	1,556,795
Number of persons	1	1	4	3	3	3	415	333

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 (2024: 9) non-executive directors was Rupees 1,628,452 (2024: Rupees 1,609,216).

No remuneration was paid to non-executive directors of the Group.

	2025 (Rupees in thousand)	2024
<b>44. TRANSACTIONS WITH RELATED PARTIES</b>		
<b>Key management personnel</b>		
Remuneration and other benefits	893,739	622,150
<b>Post employment benefit plan</b>		
Contribution to provident fund	530,096	443,165
Contribution to gratuity fund	23,386	22,861

**44.1** The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 73,390,896 [27.25%] (2024: 73,390,896) and 55,256,992 [20.52%] (2024: 55,256,992) ordinary shares respectively of the Holding Company.

#### 45. PLANT CAPACITY AND ACTUAL PRODUCTION

Holding Company

SPINNING:

- Rawalpindi Division

	2025	2024
Ring Spindles (average) installed / worked	85,680	85,680

(NUMBERS)



	2025 (KILOGRAMS IN THOUSAND)	2024 (KILOGRAMS IN THOUSAND)
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2024: 1,098 shifts)	46,590	46,141
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2024: 1,097 shifts)	42,514	41,876

(NUMBERS)

Open-end Rotors (average) installed / worked	3,648	3,648
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(KILOGRAMS IN THOUSAND)

100% plant capacity converted into 20s count based on 3 shifts per day for 1,098 shifts (2024: 1,098 shifts)	7,937	7,972
Actual production converted into 20s count based on 3 shifts per day for 1,097 shifts (2024: 1,097 shifts)	6,933	6,889

(NUMBERS)

MVS Spindles (average) installed / worked	768	768
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(KILOGRAMS IN THOUSAND)

100% plant capacity converted into 20s count based on 3 shifts per day for 1,098 shifts (2024: 1,098)	7,353	6,379
Actual production converted into 20s count based on 3 shifts per day for 1,097 shifts (2024: 1,097)	6,651	5,812

- Gujar Khan Division

(NUMBERS)

Ring Spindles (average) installed / worked	94,464	94,464
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(KILOGRAMS IN THOUSAND)

100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2024: 1,098 shifts)	54,207	54,062
Actual production converted into 20s count based on 3 shifts per day for 1,094 shifts (2024: 1,097 shifts)	48,175	48,580

WEAVING:

- Raiwind Division

(NUMBERS)

Looms installed / worked	384	384
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(SQUARE METERS IN THOUSAND)

100% plant capacity at 60 picks based on 3 shifts per day for 1,095 shifts (2024: 1,098 shifts)	166,509	166,509
Actual production converted to 60 picks based on 3 shifts per day for 1,095 shifts (2024: 1,098 shifts)	148,972	147,026

PROCESSING AND STITCHING OF CLOTH:

(METERS IN THOUSAND)

- Rawalpindi Division

Capacity at 3 shifts per day for 1,095 shifts (2024: 1,098 shifts)	41,975	42,090
Actual production at 3 shifts per day for 1,095 shifts (2024: 1,098 shifts)	15,461	17,700

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:	2025 (MEGA WATTS)	2024
<b>- Rawalpindi Division</b>		
Annual rated capacity based on 365 days (2024: 366 days)	355,779	270,407
Actual generation:		
Furnace engines	1,990	21,107
Gas engines	3,708	35,331
Solar	21,644	12,127
<b>- Raiwind Division</b>		
Annual rated capacity based on 365 days (2024: 366 days)	125,820	122,219
Actual generation:		
Furnace engines	22,072	8,604
Gas engines	71	23,711
Solar	10,394	6,485
<b>- Gujar Khan Division</b>		
Annual rated capacity based on 365 days (2024: 366 days)	174,403	174,881
Actual generation:		
Gas engines	9,010	12,931
Diesel engines	40	275
Solar	11,804	12,287

**Subsidiary Company - MLCFL  
CEMENT:**

(METRIC TONS IN THOUSAND)

**Clinker:**

Annual rated capacity (Based on 300 days)	7,800	7,800
Annual production for the year	3,681	3,626

**Subsidiary Company - MLPL  
POWER PLANT:**

(MEGA WATTS)

**Coal fired power plant:**

Annual rated capacity based on 330 days (2024: 330 days)	316,800	316,800
Actual generation	242,018	251,815

**Solar power plant:**

Annual rated capacity based on 330 days (2024: 330 days)	12,858	12,858
Actual generation	12,472	5,781

**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.



## 46.2 Geographical Information

**46.2.1** The Groups' revenue from external customers by geographical location is detailed in Note 32.2 to these consolidated financial statements.

**46.2.2** All non-current assets as at reporting date are located and operating in Pakistan.

## 46.3 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 6,160 million (2024: Rupees 3,634 million ) whereas in the Processing and Home Textile segment was Rupees 7,431 million (2024: Rupees 7,651 million).

**46.4** 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.

## 47. PROVIDENT FUND RELATED DISCLOSURES

As at the reporting date, all investments out of provident fund 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.

	2025 (Number of employees)	2024
<b>48. NUMBER OF EMPLOYEES</b>		
Number of employees as on 30 June	8,202	8,355
Average number of employees during the year	8,166	8,092

## 49. FINANCIAL RISK MANAGEMENT

### 49.1 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:

	2025 (Rupees in thousand)	2024
Cash at banks - USD	455	418
Cash at banks - GBP	2	2
Trade debts - Euro	911	-
Trade debts - USD	10,234	6,877
Loans and advances - USD	-	39
Loans and advances - CNY	-	88
Trade and other payables - USD	7,052	302
Trade and other payables - GBP	225	-
Trade and other payables - Euro	51	115
Trade and other payables - CNY	263	44,900
Retention money payable - CNY	44,515	43,840
Net exposure - USD	3,637	6,993
Net exposure - Euro	860	(113)
Net exposure - GBP	(223)	2
Net exposure - CNY	(44,778)	(88,740)

The following significant exchange rates were applied during the year:

#### Rupees per US Dollar

Average rate	281.93	283.33
Reporting date rate	283.60	278.30

#### Rupees per Euro

Average rate	305.38	307.31
Reporting date rate	332.25	298.41

#### Rupees per CNY

Average rate	38.71	39.49
Reporting date rate	39.66	38.53

#### Rupees per GBP

Average rate	361.38	352.00
Reporting date rate	388.97	351.22

#### 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 28.884 million, Rupees 7.997 million, Rupees 0.24 million and Rupees 49.725 million (2024: Rupees 92.442 million, Rupees 1.602 million, Rupees Nil and Rupees 162.410 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)	
	2025 (RUPEES IN THOUSAND)	2024 (RUPEES IN THOUSAND)	2025 (RUPEES IN THOUSAND)	2024 (RUPEES IN THOUSAND)
PSX 100 (5% increase)	1,477,518	660,090	322,909	166,957
PSX 100 (5% decrease)	(1,477,518)	(660,090)	(322,909)	(166,957)

### (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:

	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
Term deposit receipts	1,261,601	931,441
<b>Financial liabilities</b>		
Long term financing	5,061,834	7,481,965
Short term borrowings	6,003,931	4,503,931
<b>Floating rate instruments</b>		
<b>Financial assets</b>		
Bank balances - saving accounts	865,673	750,867
<b>Financial liabilities</b>		
Long term financing	14,424,771	12,771,471
Short term borrowings	14,825,601	8,388,092

### 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 158.954 million (2024: Rupees 132.520 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:

	2025 (Rupees in thousand)	2024 (Rupees in thousand)
Investments	1,261,601	931,441
Deposits	898,520	898,522
Trade debts	10,506,550	10,687,943
Other receivables	728,529	336,239
Loans and advances	54,768	87,738
Bank balances	2,208,574	1,637,971
	<u>15,658,542</u>	<u>14,579,854</u>

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			2025	2024
	Short Term	Long term	Agency	(RUPEES IN THOUSAND)	
Banks					
Al-Baraka Bank (Pakistan) Limited	A-1	A+	JCR-VIS	19,480	18,378
Allied Bank Limited	A1+	AAA	PACRA	106,168	83,146
Askari Bank Limited	A1+	AA+	PACRA	4,721	40,527
Bank Alfalah Limited	A1+	AAA	PACRA	16,019	30,627
Bank Al-Habib Limited	A1+	AAA	PACRA	308,835	143,038
Bank Islami Pakistan Limited	A1	AA-	PACRA	14,302	14,302
Faysal Bank Limited	A1+	AA	PACRA	100	81
Habib Bank Limited	A-1+	AAA	JCR-VIS	379,488	216,687
MCB Bank Limited	A1+	AAA	PACRA	681,790	551,917
Meezan Bank Limited	A-1+	AAA	JCR-VIS	2,103	19,435
National Bank of Pakistan	A1+	AAA	PACRA	31,924	35,486
MCB Islamic Bank Limited	A1	A+	PACRA	98,913	162,705
Silkbank Limited	A-2	A-	JCR-VIS	65	64
The Bank of Punjab	A1+	AA+	PACRA	30,959	50,051
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	37,196	33,402
United Bank Limited	A-1+	AAA	JCR-VIS	218,805	87,737
FINCA Microfinance Bank Limited	A3	BBB+	PACRA	8,924	3,335
NRSP Microfinance Bank Limited	A1	A	PACRA	2	-
Dubai Islamic Bank Pakistan Limited	A1+	AA	JCR-VIS	234,489	127,601
Samba Bank Limited	A1	AA	PACRA	2,341	3,552
Soneri Bank Limited	A1+	AA-	PACRA	107	106
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	4,434	2,854
Summit Bank Limited	A1+	AA+	JCR-VIS	-	-
JS Bank Limited	A1+	AA	PACRA	39	2,486
Bank Makramah Limited	A-3	BBB-	JCR-VIS	15	-
The Bank of Khyber	A1	AA-	JCR-VIS	7,355	10,454
				2,208,574	1,637,971

Rating				2025	2024
Short Term	Long term	Agency	(RUPEES IN THOUSAND)		
Investments					
United Bank Limited - term deposit receipts	A-1+	AAA	JCR-VIS	577,738	344,842
The Bank of Khyber - term deposit receipts	A1	AA-	JCR-VIS	156,483	163,474
JS Bank Limited - term deposit receipt	A1+	AA	PACRA	-	7,025
The Bank of Punjab - term deposit receipts	A1+	AA+	PACRA	527,380	416,100
				1,261,601	931,441
Margin against bank guarantees					
Allied Bank Limited	A1+	AAA	PACRA	208,765	188,160
Askari Bank Limited	A1+	AAA	PACRA	260,000	275,000
United Bank Limited	A-1+	AAA	VIS	31,055	31,055
Summit Bank Limited	A1+	AA+	VIS	44,320	43,492
Soneri Bank Limited	A1+	AA-	PACRA	5,000	5,000
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	-	1,964
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	39,941	39,942
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	50,000	50,000
				639,081	634,613
Margin against letters of credit					
Allied Bank Limited	A1+	AAA	PACRA	-	47,658
The Bank of Punjab	A1+	AA+	PACRA	29,997	17,552
				29,997	65,210

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 26.2.

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 2025 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 2025 and 30 June 2024 was determined as follows:

## Holding Company

### 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	-

### At 30 June 2024

	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%	658,854	-	0.00%	-	-
Up to 30 days	0.84%	1,230,318	10,289	0.00%	-	-
31 to 60 days	0.96%	524,445	5,035	0.00%	-	-
61 to 90 days	3.29%	133,022	4,379	0.00%	-	-
91 to 180 days	14.15%	75,851	10,736	0.00%	-	-
181 to 360 days	31.31%	41,764	13,078	0.00%	-	-
Above 360 days	100.00%	885	885	0.00%	-	-
		2,665,139	44,402		-	-
Trade debts which are not subject to risk of default		2,047,885	-		1,768,970	-
		4,713,024	44,402		1,768,970	-

## Subsidiary Company - Maple Leaf Cement Factory Limited

### At 30 June 2024

	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	2.69%	2,543,291	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%	-	-
		5,470,310	1,097,049		236,921	-

## At 30 June 2024

	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	3.19%	2,244,183	74,549	0.00%	115,547	-
1 to 90 days	3.16%	1,226,288	38,743	0.00%	-	-
91 to 180 days	4.44%	617,407	27,392	0.00%	-	-
181 - 270 days	29.02%	151,407	43,936	0.00%	-	-
271 - 365 days	54.66%	40,872	22,339	0.00%	-	-
Above 365 days	100.00%	380,090	380,090	0.00%	-	-
		<u>4,660,247</u>	<u>587,049</u>		<u>115,547</u>	<u>-</u>

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 2025, the Group had Rupees 47,348 million (2024: Rupees 33,521 million) available borrowing limits from financial institutions and Rupees 2,222.024 million (2024: Rupees 1,649.005 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 2025

#### Holding Company

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 years
----- (RUPEES IN THOUSAND) -----						
<b>Non derivative financial liabilities:</b>						
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	-	-	-
	<u>17,629,813</u>	<u>19,200,098</u>	<u>12,952,295</u>	<u>876,540</u>	<u>1,613,067</u>	<u>3,758,196</u>



## 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 Years
-----------------	------------------------	------------------	-------------	-----------

----- (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	-	-

### Contractual maturities of financial liabilities as at 30 June 2024

#### 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	7,059,950	10,813,567	1,631,362	1,074,981	2,056,875	6,050,349
Trade and other payables	3,604,569	3,604,569	3,604,569	-	-	-
Accrued mark-up	565,079	565,079	565,079	-	-	-
Short term borrowings	7,503,576	8,122,292	8,122,292	-	-	-
Unclaimed dividend	31,543	31,543	31,543	-	-	-
	18,764,717	23,137,050	13,954,845	1,074,981	2,056,875	6,050,349

## 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	13,799,414	19,139,928	5,273,450	12,724,945	1,141,533
Long term deposits	8,214	8,214	-	8,214	-
Trade and other payables	8,760,219	8,760,219	8,760,219	-	-
Unclaimed dividend	27,255	27,255	27,255	-	-
Accrued mark-up	608,721	608,721	608,721	-	-
Short term borrowings	1,645,316	1,645,316	1,645,316	-	-
	24,849,139	30,189,653	16,314,961	12,733,159	1,141,533

## 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	53,036	53,036	53,036	-	-
Accrued Mark-up	210,138	210,138	210,138	-	-
Short term borrowings	3,793,618	3,866,148	3,866,148	-	-
	4,056,792	4,129,322	4,129,322	-	-

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 6 and note 16 to these consolidated financial statements.

## 49.2 Financial instruments by categories

2025				2024			
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	1,261,601	40,272,443	7,745,757	49,279,801	931,441	15,058,714	4,186,891	20,177,046
Deposits	898,520	-	-	898,520	898,522	-	-	898,522
Trade debts	10,506,550	-	-	10,506,550	10,687,943	-	-	10,687,943
Other receivables	728,529	-	-	728,529	336,239	-	-	336,239
Loans and advances	54,768	-	-	54,768	87,738	-	-	87,738
Cash and bank balances	2,222,024	-	-	2,222,024	1,649,005	-	-	1,649,005
	15,671,992	40,272,443	7,745,757	63,690,192	14,590,888	15,058,714	4,186,891	33,836,493

### Financial liabilities

Long term financing	19,486,605	-	-	19,486,605	20,253,436	-	-	20,253,436
Long term deposits	8,214	-	-	8,214	8,214	-	-	8,214
Short term borrowings	20,835,119	-	-	20,835,119	12,942,510	-	-	12,942,510
Trade and other payables	14,035,916	-	-	14,035,916	12,417,824	-	-	12,417,824
Accrued mark-up	877,547	-	-	877,547	1,383,938	-	-	1,383,938
Unclaimed dividend	57,782	-	-	57,782	58,798	-	-	58,798
	55,301,183	-	-	55,301,183	47,064,720	-	-	47,064,720

#### 49.3 Reconciliation to the line items presented in the statement of financial position is as follows:

	2025			2024		
	Financial assets	Non-financial assets	Total as per statement of financial position	Financial assets	Non-financial assets	Total as per statement of financial position
<b>Assets as per statement of financial position</b>	----- (RUPEES IN THOUSAND) -----			----- (RUPEES IN THOUSAND) -----		
Trade debts	10,506,550	-	10,506,550	10,687,943	-	10,687,943
Investments	49,279,801	6,063,799	55,343,600	20,177,046	-	20,177,046
Deposits	898,520	-	898,520	898,522	-	898,522
Loans and advances	54,768	1,263,063	1,317,831	87,738	1,032,149	1,119,887
Other receivables	728,529	1,882,174	2,610,703	336,239	1,771,693	2,107,932
Cash and bank balances	2,222,024	-	2,222,024	1,649,005	-	1,649,005
	63,690,192	9,209,036	72,899,228	33,836,493	2,803,842	36,640,335

	2025			2024		
	Financial liabilities	Non-financial liabilities	Total as per statement of financial position	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
<b>Liabilities as per statement of financial position</b>	----- (RUPEES IN THOUSAND) -----			----- (RUPEES IN THOUSAND) -----		
Long term financing	19,486,605	-	19,486,605	20,253,436	-	20,253,436
Long term deposits	8,214	-	8,214	8,214	-	8,214
Short term borrowings	20,835,119	-	20,835,119	12,942,510	-	12,942,510
Trade and other payables	14,035,916	9,845,062	23,880,978	12,417,824	6,126,097	18,543,921
Accrued mark-up	877,547	-	877,547	1,383,938	-	1,383,938
Unclaimed dividend	57,782	-	57,782	58,798	-	58,798
	55,301,183	9,845,062	65,146,245	47,064,720	6,126,097	53,190,817

#### 49.4 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.

#### 49.5 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.

	2025 (Rupees in thousand)	2024
Borrowings	40,776,594	33,764,827
Total equity	106,318,238	81,780,747
Total capital employed	147,094,832	115,545,574
Gearing ratio	27.72%	29.22%

The decrease in gearing ratio resulted primarily from increase in equity of the Group.

## 50. 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 2025	Level 1	Level 2	Level 3	Total
----- ( Rupees in thousand ) -----				
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
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
<b>Total financial assets</b>	<b>40,419,827</b>	<b>-</b>	<b>-</b>	<b>40,419,827</b>

Recurring fair value measurements As 30 June 2024	Level 1	Level 2	Level 3	Total
----- ( Rupees in thousand ) -----				
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	15,058,714	-	-	15,058,714
Unrealised gain on re-measurement of futures contracts - shares	29,055	-	-	29,055
<b>Total financial assets</b>	<b>15,087,769</b>	<b>-</b>	<b>-</b>	<b>15,087,769</b>

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.

## 51. 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 2025	Level 1	Level 2	Level 3	Total
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----- ( Rupees in thousand ) -----

Freehold land	-	6,669,315	1,817,472	8,486,787
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At 30 June 2024	Level 1	Level 2	Level 3	Total
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----- ( Rupees in thousand ) -----

Freehold land	-	6,669,315	1,796,715	8,466,030
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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 1 & 2 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.

## 52. INTEREST IN OTHER ENTITIES

The Group's principal subsidiaries as at 30 June 2025 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
		2025	2024	2025	2024	
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
Maple Leaf Industries Limited	Pakistan	58.85%	58.85%	41.15%	41.15%	To produce, manufacture, prepare, treat, process, refine, and deal in all kinds of cement and its allied products
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.
AgriTech Limited	Pakistan	25.22%	6.09%	74.78%	93.91%	Production and sale of Urea and Granulated Single Super Phosphate ("GSSP") fertilizers.



## 52.1 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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
RUPEES IN THOUSAND										
<b>Summarized statement of financial position</b>										
Current assets	35,752,604	26,867,837	35,527,984	15,965,253	2,064,088	1,760,089	-	11,760	524,814	149,982
Current liabilities	23,330,491	18,597,800	13,394,780	4,163,530	1,167,496	1,346,645	-	5,033	441,656	413,721
<b>Current net assets</b>	12,422,113	8,270,037	22,133,204	11,801,723	896,592	413,444	-	6,727	83,158	(263,739)
Non-current assets	83,353,667	72,497,845	398,107	405,649	5,069,156	9,838,638	-	-	4,626,244	1,454,626
Non-current liabilities	24,314,188	28,151,974	3,535,223	1,802,780	14,148	35,118	-	-	24,796	16,211
<b>Non-current net assets</b>	59,039,479	44,345,871	(3,137,116)	(1,397,131)	5,055,008	9,803,520	-	-	4,601,448	1,438,415
<b>Net assets</b>	71,461,592	52,615,908	18,996,088	10,404,592	5,951,600	10,216,964	-	6,727	4,684,606	1,174,676
<b>Summarized statement of comprehensive income</b>										
Revenue	68,942,446	66,452,348	13,546,928	9,183,069	7,000,400	7,493,169	-	-	-	-
Profit / (loss) for the year	17,036,374	5,272,527	8,637,246	5,971,794	2,132,081	1,765,303	-	(1,672)	(247,410)	(113,348)
Other comprehensive income / (loss)	1,809,310	3,429,412	(45,750)	8,488	3,055	363,594	-	-	-	-
Profit / (loss) allocated to NCI	7,010,468	2,169,645	1,475,242	1,019,982	877,351	726,422	-	(688)	-	-
<b>Summarized statement of cash flows</b>										
Cash generated from / (used in) operating activities	19,316,637	9,496,243	(9,951,105)	(2,430,661)	2,049,066	3,358,024	-	(367)	(483,096)	276,107
Cash generated (used in) / from investing activities	(9,999,040)	(3,030,885)	1,424,462	704,403	4,356,693	(3,355,547)	-	(476)	(3,157,638)	(1,316,496)
Cash (used in) / from financing activities	(7,569,161)	(7,482,362)	8,472,852	1,673,459	(6,400,500)	-	-	-	3,735,690	1,158,203
<b>Net increase / (decrease) in cash and cash equivalents</b>	1,748,436	(1,017,004)	(53,791)	(52,799)	5,259	2,477	-	(843)	94,956	117,814

### 53. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	2025 (Rupees in thousand)	2024 (Rupees in thousand)
<b>Holding Company</b>		
<b>Loans / advances obtained as per Islamic mode:</b>		
Loans	699,000	414,000
Contract liabilities	424,288	229,807
Accrued mark-up on conventional loans	191,654	543,957
<b>Shariah compliant bank deposits / bank balances</b>		
Bank balances	42,895	85,479
Term deposit receipts	156,483	163,474
<b>Profit earned from shariah compliant bank deposits / bank balances</b>	12,463	40,651
<b>Exchange gain earned</b>	48,269	-
<b>Revenue earned from shariah compliant business</b>	59,414,125	58,174,952
<b>Profits earned or interest paid on any conventional loan / advance:</b>		
Profit paid on islamic mode of financing	144,713	74,289
Return on investment in Government securities	959,679	-
Profit earned on deposits with banks	50,025	80,002
Return on term deposit receipts	58,059	65,627
Dividend income on investments carried at fair value through profit or loss	298	2,929
Gain on redemption of units of mutual funds	4,737	-
Reversal of allowance for expected credit loss	13,282	108,361
Scrap sales	137,209	119,145
Gain on disposal of operating fixed assets	1,257	27,297
Interest on loans	2,715,004	3,235,878
<b>Relationship with shariah compliant banks</b>		
<b>Name</b>	<b>Relationship at reporting date</b>	
Al-Baraka Bank (Pakistan) Limited	Bank balance and financing	
Bank Alfalah Limited	Bank balance	
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	
<b>Subsidiary company (MLCFL)</b>		
<b>Loans / advances obtained as per Islamic mode:</b>		
Loans	3,436,455	2,927,947
Accrued mark-up on conventional loans	268,157	559,462
<b>Shariah compliant bank deposits / bank balances</b>		
Bank balances	251,809	148,647
<b>Profit earned from shariah compliant bank deposits / bank balances</b>	281	1,116
<b>Gain or dividend earned from shariah compliant investments</b>	259,816	86,605
<b>Revenue earned from a shariah-compliant business</b>	68,653,999	66,452,348
<b>Mark-up paid on islamic mode of financing</b>	497,255	492,617
<b>Profits earned or interest paid on any conventional loan / advance</b>		
Interest paid on any conventional loan	4,511,841	3,180,664

Description	2025 (Rupees in thousand)	2024
Source and detailed break up of other income		
Other income earned from shariah compliant:		
Profit on bank deposits	225,728	116,677
Gain on disposal of operating fixed assets	58,987	47,366
Sale of scrap	3,137	1,667
Miscellaneous	16,215	25,200
Interest on loans to employees	345	366
Un-realised gain on investments	1,693,739	65,838
Return on investment in Government securities	805,066	-
Relationship with shariah compliant banks		
Name	Relationship at reporting date	
MCB Islamic Bank Limited	Bank balance and financing	
Bank Islami Pakistan Limited	Bank balance	
Dubai Islamic Bank Pakistan Limited	Bank balance	
Bank Alfalah Limited	Bank balance	
Meezan Bank Limited	Bank balance	
Faysal Bank Limited	Bank balance and financing	
Subsidiary company (MLCL)		
Shariah compliant bank deposits / bank balances		
Bank balances	1,429	1,370
Revenue earned from a shariah-compliant business	7,000,400	7,493,169
Source and detailed break up of other income		
Profit on bank deposits	2,438	3,462
Gain on disposal of operating fixed assets	-	62,278
Sale of scrap	21,613	31,753
Description		
Subsidiary company (MLCL)		
Loans / advances obtained as per Islamic mode:		
Accrued mark-up on conventional loans	361,208	210,138
Shariah compliant bank deposits / bank balances		
Bank balances	95,788	150,182
Profit earned from shariah compliant bank deposits / bank balances	10,592	13,791
Gain / (loss) or dividend earned from shariah compliant investments		
Realized gain / (loss) on disposal of quoted shares - net	254,056	708,066
Dividend income	865,752	541,018
Profits earned or interest paid on any conventional loan / advance		
Profit earned on deposits with banks	551	172
Gain on disposals of property and equipment	-	3,090
Relationship with shariah compliant banks		
Name	Relationship at reporting date	
MCB Islamic Bank Limited	Bank balance	

## 54. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2025	2024	2025	2024
	----- (Rupees in thousand) -----			
<b>Total facilities</b>	27,085,165	22,713,386	88,124,397	67,285,713
Utilized at the end of the year	9,270,014	7,617,940	40,776,594	33,764,827
Unutilized at the end of the year	17,815,151	15,095,446	47,347,803	33,520,886

## 55. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 07 August 2025 by the Board of Directors of the Holding Company.

## 56. NON ADJUSTING EVENTS AFTER THE REPORTING DATE

- 56.1** Subsequent to the year end, Board of Directors of the Holding Company through a resolution passed by circulation has considered and recommended the sub-division of the Holding Company's ordinary shares by reducing the face value from Rupees 10 per share to Rupees 2 per share subject to approval by the shareholders of the Holding Company.
- 56.2** The Board of Directors of the Holding Company in their meeting held on 07 August 2025 has proposed a final cash dividend of Rupees 2 per share (20%) amounting to Rupees 538.599 million (2024: Rupees Nil) for the year ended 30 June 2025 for approval of the members at the Annual General Meeting to be held on 16 October 2025. The consolidated financial statements for the year ended 30 June 2025 do not include the effect of the proposed final cash dividend which will be accounted for in the year ending 30 June 2026.

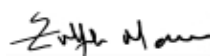
## 57. CORRESPONDING FIGURES

No significant rearrangements / reclassifications of corresponding figures have been made.

## 58. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless stated otherwise.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# BCR CRITERIA

## FOR THE YEAR ENDED JUNE 30, 2025

BCR CRITERIA ..... 392

[WWW.KMLG.COM/KTML](http://WWW.KMLG.COM/KTML)



## BCR CRITERIA INDEX

No.	BCR Criteria Index	Reference
<b>1</b>	<b>Organizational Overview and External Environment</b>	
1.01	Mission, vision, code of conduct, ethical, principal and core values.	Page-14
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	Page-08
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-92 to 99 & Page-101
1.17	Details of significant events occurred during the year and after the reporting period.	Page-32
<b>2</b>	<b>Strategy and Resource Allocation</b>	
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-40
	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-46
2.04	Company's strategy on market development, product and service development.	Page-41
2.05	The effects of the given factors on the company strategy and resource allocation:	Page-60
	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-42
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	Page-43
2.08	Board's statement on the internal controls including IT controls of the company.	Page-43
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-45 (Significant Plans and Decisions) Page-120 (Director's Report - Business Rationale)
2.1	a) Information about defaults in payment of any debt with reasons and its repayment plan;	Page-120
	b) Board strategy to overcome liquidity problems and plans to meet operational losses.	Page-61
<b>3</b>	<b>Risks and Opportunities</b>	
3.01	Key risks and opportunities (internal and external), including sustainability-related risks and opportunities, affecting availability, quality and affordability of Capitals.	Page-54
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-60 (Board's Efforts) and Page-54 (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-57 to 58 (Corporate Objectives, Risk and Mitigation Strategies)
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-61
<b>4</b>	<b>Sustainability Disclosures &amp; Corporate Social Responsibility (CSR)</b>	
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-69
	b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company.	Page-70
	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-71
	d) Boards are encouraged to adopt of the SECP's ESG Disclosure Guidelines ( <a href="https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/">https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/</a> )	Page-76 to 84

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-76
	· 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-66
4.05	Highlights of the company's performance, policies, initiatives for CSR.	Page-65
<b>5</b>	<b>Governance</b>	
5.01	Board composition:	
	a) Leadership structure of those charged with governance;	Page-122
	b) Name of independent directors indicating justification for their independence;	Page-122 (Name of Director's) and Page-132 to 136 (Brief Profile of Director's)
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience;	Page-132 to 136 (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-132 to 136 (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-132 to 136 (Brief Profile of Director's)
5.02	A brief description about role of the Chairman and the CEO.	Page-140
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-140 (Matter Decided by the Board and Matters Delegated 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-117 (Charman's Review)
	b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year';	Page-170,126 (Statement of Compliance) and Page-140 (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-122
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	Page-151 to 152
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-146
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	Page-146 (Evaluation Criteria of Board Performance)
5.08	Details of formal orientation courses for directors.	Page-126 (.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-126 (.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-122 & Page-87 (Certification on Internal Controls and Systems)
5.11	Disclosure about related party transactions:	
	a) Approved policy for related party transactions;	Page-138
	b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding;	Page-116 & Page-265 (Note-38)
	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-116
	d) Disclosure of director's interest in related party transactions;	Page-116
	e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	Page-148
5.12	Disclosure of Board's Policy on the following significant matters:	
	a) Risk Management and internal control policies.	Page-148
	b) Disclosure of director's interest in significant contracts and arrangements.	Page-148
	c) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	Page-124
	d) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	Page-140
	e) Security clearance of foreign directors.	Page-140
	f) Board meetings held outside Pakistan.	Page-122 (Director's and Board Meetings)
	g) Human resource management including:	
	· Preparation of succession plan;	Page-150
	· Merit based recruitment;	Page-151
	· Performance based appraisal system;	Page-151
	· Promotion, reward and motivation;	Page-151
	· Training and development;	Page-151
	· Diversity, Equity & Inclusion (DE&I) policy; and	Page-151
	· Employee engagement /feedback.	Page-152
	h) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions.	Page-152
	i) Communication with stakeholders.	Page-171
	j) Dividend policy.	Page-153
	k) Investors' relationship and grievances.	Page-147
	l) Employee's health, safety and protection.	Page-149
	m) Whistle blowing policy	Page-153
	n) anti-harassment policy to safeguard the rights and well-being of employees.	Page-154

No.	BCR Criteria Index	Reference
	o) Safety of records of the company.	Page-147
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	Page-146
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	Page-126
5.15	Disclosure about:	
	a) Shares held by Sponsors / Directors / Executives;	Page-282 (Note 2.3 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-282 (Note 2.3 Categories of Shareholders)
5.16	Details about Board meetings and its attendance.	Page-122
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	Page-127 (Composition of Board Committees), Page-142 (Terms of Reference of Board Committees) and Page-128 (Frequency of Meetings)
5.18	<b>Timely Communication:</b>	
	Date of authorization of financial statements by the board of directors:	
	Within 40 days - 6 marks	Page-279 (Note-48)
	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-130 (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-124 (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-149
	b) Management support in the effective implementation and continuous updation;	Page-149
	c) Details about user training of ERP software;	Page-150
	d) How the company manages risks or control risk factors on ERP projects;	Page-150
	e) How the company assesses system security, access to sensitive data and segregation of duties.	Page-150
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-121
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-154
6	<b>Analysis of the Financial Information</b>	
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-190 (Financial Performance)
	b) Performance against targets /budget; and	Page-194 (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 ( <b>Annexure I</b> ) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators.	Page-209 to 215
	b) Explanation of negative change in the performance as compared to last year.	Page-191
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-196 & Page-202 to 208
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	Page-197
6.05	a) Information about business segment and non-business segment; and	Page-192
	b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	Page-192 & 193 (Segmental Review of Business Performance) and page-268 (Note-40)
6.06	Disclosure of market share of the company and share price sensitivity analysis.	Page-188 (Share Price Sensitivity Analysis) and Page-191 (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-200
	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) [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]	Page-200
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	<b>Business Model</b>	
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	Page-176 to 177
7.02	Explanation of any material changes in the entity's business model during the year.	N/A
8	<b>Disclosures on IT Governance and Cybersecurity</b>	
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-158
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	Page-158
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-159
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-159
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-159
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-160
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-160
8.08	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	Page-160
9	<b>Future Outlook</b>	
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-164
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-165 (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-165
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-165
10	<b>Stakeholders Relationship and Engagement</b>	
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	Page-171
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.	Page-171 (Policy and Procedure for Stakeholders Engagement, Engagement Frequency)
	These engagements may be with:	
	a) Institutional investors;	
	b) Customers & suppliers;	
	c) Banks and other lenders;	
	d) Media;	
	e) Regulators;	
	f) Local committees; and	
	g) Analysts.	
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	Page-172
10.04	Investors' Relations section on the corporate website with all relevant information including audited annual reports are available in the section.	Page-173
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	Page-138
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b) Disclosure of brief summary of Corporate Analyst briefing conducted during the year.	Page-171 (Policy and Procedure for Stakeholders Engagement), Page-171 (Board's Interaction with Major
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	Page-173
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	Page-173 (Corporate Benefits to Shareholders) and Page-119 (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-173
11	<b>Striving for Excellence in Corporate Reporting</b>	
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-181
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-391
12	<b>Specific Disclosures of the Financial Statements</b>	
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	Annex-II of This Checklist
13	<b>Assessment based on Qualitative Factors</b>	
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;	

No.	BCR Criteria Index	Reference
	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.	
<b>Annexure I - Financial Ratios</b>	<b>Non-Financial Sector</b>	
	<b>Profitability Ratios</b>	
	a) Gross Profit ratio	
	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	
	<b>Liquidity Ratios</b>	
	a) Current ratio	
	b) Quick / Acid test ratio	
	c) Cash to Current Liabilities	
	d) Cash flow from operations to Sales	
	e) Cash flow to capital expenditures	
	f) Cash flow coverage ratio	
	<b>Investment /Market Ratios</b>	
	a) Earnings per Share (EPS) and diluted EPS	
	b) Price Earnings ratio	
	c) Price to Book ratio	
	d) Dividend Yield ratio	
	e) Dividend Payout ratio / Dividend Cover Ratio	
	f) Cash Dividend per share / Stock Dividend per share	
	g) Market value per share at the year end and high/low during the year	
	h) Breakup value per share	
	i. Without Surplus on Revaluation of property, plant and equipment	
	ii. With Surplus on Revaluation of Property plant and equipment including the effect of all Investments	
	iii. Including Investment in Related Party at fair /market value and also with Surplus on Revaluation of property plant and equipment.	
	j) DuPont Analysis	
	j) Free Cash Flow	
	k) Economic Value Added (EVA)	
	<b>Capital Structure</b>	
	a) Financial leverage ratio	
	b) Weighted average cost of debt	
	c) Debt to Equity ratio (as per book and as per market value)	
	d) Net assets per share	
	e) Interest Cover /Time Interest earned ratio	
	<b>Activity / Turnover Ratios</b>	
	a) Total Assets turnover ratio	
	b) Fixed Assets turnover ratio	
	c) No. of Days in Inventory	
	d) No. of Days in Receivables	
	e) No. of Days in Payables	
	f) Operating cycle	
	<b>Non-Financial Ratios</b>	
	a) % of Plant Availability	
	b) Customer Satisfaction Index	
	c) Production per Employee (for manufacturing)/ Employee Productivity Rate (for service industry)	
	d) Revenue per Employee	
	e) Staff turnover ratio	
	f) Spares Inventory as % of Assets Cost	
	g) Maintenance Cost as % of Operating Expenses	
	h) Customer Retention Ratio	
<b>Annexure II - Specific Disclosures of the Financial Statements (refer section 12 of the criteria)</b>		
1	Fair value of Property, Plant and Equipment.	
2	Particulars of significant / material assets and immovable property including location and area of land.	
3	Capacity of an industrial unit, actual production and the reasons for shortfall.	
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.	
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)	
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).	
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.	



## POSTAL BALLOT PAPER

Postal Ballot Paper for voting through post for the Special Business at the Annual General Meeting to be held on **Thursday, October 16, 2025 at 12:30 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. 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 Kohinoor Textile Mills Limited (the “Company”) be and is hereby accorded under 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, upto an aggregate sum of **Rs. 1,000 million** (Rupees one thousand million only) for a period of one year commencing November 01, 2025 to October 31, 2026 (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 28, 2024 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, 2025.

**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 Kohinoor Textile Mills Limited (the “Company”) be and is hereby accorded under 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. 1,000 million** (Rupees one thousand million only) for a period of one year commencing November 01, 2025 to October 31, 2026 (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 28, 2024 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, 2025.

**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. 6**

To ratify and approve transactions conducted with the Related Parties for the year ended June 30, 2025 by passing the following special resolution with or without modification: -

**"Resolved that** the transactions conducted with the Related Parties as disclosed in the note 38 of the unconsolidated financial statements for the year ended June 30, 2025 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, 2026 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, 2026.

**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	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
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 October 15, 2025. 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.

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**Shareholder / Proxy Holder Signature/Authorized Signatory**

(In case of corporate entity, please affix company stamp)

Place: \_\_\_\_\_

Date: \_\_\_\_\_

قرار پایا کہ کمپنی کا بورڈ آف ڈائریکٹرز 30 جون 2026 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 درپردہ کی 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 بالا قراردادوں کے سلسلے میں پوسٹل بیٹ کے ذریعے اپنا/ اپنے ووٹ استعمال کرتے ہیں اور ذیل میں مناسب بکس میں ٹک (✓) کا نشان لگا کر قراردادوں پر اپنی رضامندی یا اختلاف رائے دیتے ہیں:

قرارداد	میں/ ہم قرارداد پر رضامند ہیں (FOR)	میں/ ہم قرارداد کے خلاف ہیں (AGAINST)
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 شدہ پوسٹل بیٹ چیئر مین 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 بیٹ فارم کے ساتھ منسلک ہونی چاہیے۔
- 3۔ بیٹ پیپر AGM سے ایک دن قبل یعنی 15 اکتوبر 2025 کو یا اس سے پہلے صدر اجلاس تک پہنچ جانے چاہئیں۔ اس تاریخ کے بعد موصول ہونے والا کوئی بھی پوسٹل بیٹ ونگ کے لیے قبول نہیں کیا جائے گا۔
- 4۔ بیٹ 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، پٹا ہوا، مسخ شدہ، دوبارہ لکھا ہوا بیٹ 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 بیٹ پیپر کے ساتھ مجاز شخص کے CNIC کی کاپی، بورڈ کی قرارداد / پاور آف اٹارنی / اتھرائزیشن لیٹر وغیرہ کی تصدیق شدہ کاپی ہمراہ ہونا ضروری ہے۔
- 7۔ بیٹ پیپر فارم کمپنی کی ویب سائٹ www.kmlg.com پر بھی رکھا گیا ہے۔ اراکین ویب سائٹ سے بیٹ پیپر ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع ہونے والی اصل / فوٹو کاپی استعمال کر سکتے ہیں۔

شیر ہولڈر / پراکسی ہولڈر / مجاز دستخط کنندہ کے دستخط:

(کارپوریٹ ادارہ کی صورت میں، براہ مہربانی کمپنی کی مہر ثبت کریں)

تاریخ:

مقام:

# کوہ نور ٹیکسٹائل ملز لمیٹڈ

## پوشل بیلٹ پیپر

بروز جمعرات 16 اکتوبر 2025ء کو دوپہر 12:30 بجے کمپنی کے رجسٹرڈ آفس 42- لارنس روڈ، لاہور میں منعقد ہونے والے سالانہ اجلاس عام میں خصوصی امور کے لیے ڈاک کے ذریعے دو ٹکٹ کے لیے بیلٹ پیپر۔

چیمبر مین کے رابطہ کی تفصیلات جہاں باقاعدہ شدہ بیلٹ پیپر ارسال کیا جاسکتا ہے:  
پتہ: کوہ نور ٹیکسٹائل ملز لمیٹڈ

ای میل ایڈریس: chairman@kmlg.com

فون: 62-042-36302261 ویب سائٹ: www.kmlg.com

فولیو ای سی ڈی سی 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 اسٹم نمبر 4

غور و خوض 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 قرارداد کیا گیا کوہ نور ٹیکسٹائل ملز لمیٹڈ (کمپنی) کو 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 یکم نومبر 2025ء تا 31 اکتوبر 2026ء (دونوں ایام سمیت) ایک سال کی مدت کیلئے 1,000 ملین روپے (ایک ہزار ملین روپے صرف) مجموعی رقم تک ذیلی کمپنی لیف سیٹ فیکٹری لمیٹڈ میں وقتاً فوقتاً قرضوں / پیکیجیوں کی شکل میں سرمایہ کاری کمپنیز ایکٹ 2017ء کی دفعہ 199 کے مطابق ہو۔ حصص داران کی طرف سے 28 اکتوبر 2024ء کو منعقدہ اجلاس عام میں منظور شدہ خصوصی قرارداد کی رو سے، کمپنی 1,000 ملین روپے کی حد تک اس طرح کی سہولت توسیع کرنے کی مجاز تھی جو 31 اکتوبر 2025ء تک کارآمد ہے۔ مزید قرارداد کیا کہ کمپنی کے چیف ایگزیکٹو آفیسر اور کمپنی سیکرٹری بذریعہ ہذا بالاقرار ادوں کو موثر بنانے کیلئے ذیلی کمپنی کو قرضوں / پیکیجیوں کے سلسلہ میں ٹرانزیکشن مکمل کرنے کیلئے تمام ضروری اقدامات اٹھانے، واقعاتی اور حادثاتی، کارپوریٹ اور قانونی لوازمات پورے کرنے لیکن محدود نہیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ہاں تمام مطلوبہ قانونی فارمز اور تمام دیگر دستاویزات جمع کرانے، تمام ایسے نوٹس، رپورٹس، خطوط اور کوئی دیگر دستاویزات یا آلات مکمل کرنے کے واحد مجاز ہیں۔

### قرارداد برائے ایجنڈا اسٹم نمبر 5

غور و خوض 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 قرارداد کیا گیا کوہ نور ٹیکسٹائل ملز لمیٹڈ (کمپنی) کو 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 یکم نومبر 2025ء تا 31 اکتوبر 2026ء (دونوں ایام سمیت) ایک سال کی مدت کیلئے 1,000 ملین روپے (ایک ہزار ملین روپے صرف) مجموعی رقم تک ذیلی کمپنی لیف سیٹ فیکٹری لمیٹڈ میں وقتاً فوقتاً قرضوں / پیکیجیوں کی شکل میں سرمایہ کاری کمپنیز ایکٹ 2017ء کی دفعہ 199 کے مطابق ہو۔ حصص داران کی طرف سے 28 اکتوبر 2024ء کو منعقدہ اجلاس عام میں منظور شدہ خصوصی قرارداد کی رو سے، کمپنی 1,000 ملین روپے کی حد تک اس طرح کی سہولت توسیع کرنے کی مجاز تھی جو 31 اکتوبر 2025ء تک کارآمد ہے۔ مزید قرارداد کیا کہ کمپنی کے چیف ایگزیکٹو آفیسر اور کمپنی سیکرٹری بذریعہ ہذا بالاقرار ادوں کو موثر بنانے کیلئے ذیلی کمپنی کو قرضوں / پیکیجیوں کے سلسلہ میں ٹرانزیکشن مکمل کرنے کیلئے تمام ضروری اقدامات اٹھانے، واقعاتی اور حادثاتی، کارپوریٹ اور قانونی لوازمات پورے کرنے لیکن محدود نہیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ہاں تمام مطلوبہ قانونی فارمز اور تمام دیگر دستاویزات جمع کرانے، تمام ایسے نوٹس، رپورٹس، خطوط اور کوئی دیگر دستاویزات یا آلات مکمل کرنے کے واحد مجاز ہیں۔

### قرارداد برائے ایجنڈا اسٹم نمبر 6

درج ذیل خصوصی قرارداد کو معہ یا بلا ترمیم پاس کر کے 30 جون 2025ء ختم سال کے لئے متعلقہ پارٹیوں کے ساتھ کی گئی ٹرانزیکشنز کی تصدیق اور منظوری دینا۔  
قرارداد کیا کہ 30 جون 2025ء ختم سال کے لئے غیر اشتہار شدہ مالی گوشواروں کے نوٹ 38 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 اسٹم نمبر 7

درج ذیل قرارداد کو معہ یا بلا ترمیم پاس کر کے کمپنی کے بورڈ آف ڈائریکٹرز کو 30 جون 2026ء اختتام پذیر ہونے والے سال کے لئے متعلقہ پارٹیوں کے ساتھ کی جانے والی ٹرانزیکشنز کی تصدیق اور منظوری دینے کا اختیار بنانا۔

## 42-LAWRENCE ROAD, LAHORE

I/We \_\_\_\_\_

being a member of KOHINOOR TEXTILE MILLS LIMITED hereby appoint \_\_\_\_\_

of \_\_\_\_\_ another member of the Company  
as my/our proxy to attend, speak and vote for and on my/our behalf at the 57th Annual General  
Meeting of the Company to be held at its Registered Office, 42-Lawrence Road, Lahore, Thursday,  
October 16, 2025 at 12:30 PM and/or any adjournment thereof.

1. Witness:

Name :

Address :

2. Witness:

Name :

Address :

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.

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

## تشکیل نیابت داری (پراسی فارم)

میں / ہم \_\_\_\_\_ ساکن \_\_\_\_\_  
 بحیثیت حصہ دار کوہ نور ٹیکسٹائل ملز لمیٹڈ \_\_\_\_\_  
 نام (فولیو/سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

ساکن \_\_\_\_\_ کمپنی کے دوسرے ممبر

کو اپنی جگہ بروز جمعرات 16 اکتوبر 2025ء کو دوپہر 12:30 بجے رجسٹرڈ آفس 42- لارنس روڈ، لاہور میں منعقدہ یا ملتوی ہونے والے 57 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 \_\_\_\_\_ 2025ء کو دی گئی۔

۵۰ روپے کارسیدی ٹکٹ  
 چسپاں کر کے دستخط کریں

دستخط \_\_\_\_\_  
 (ممبر/مجازی فر)  
 (کارپوریٹ ادارے کی صورت میں کمپنی کی مہر بھی لگائیں)

حامل عام حصص

سی ڈی سی اکاؤنٹ نمبر	فولیو نمبر
اکاؤنٹ نمبر	شرکتی آئی ڈی

۱- گواہ  
 دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 شناختی کارڈ نمبر \_\_\_\_\_  
 پتہ \_\_\_\_\_

۲- گواہ  
 دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 شناختی کارڈ نمبر \_\_\_\_\_  
 پتہ \_\_\_\_\_

کمپیوٹرائزڈ شناختی کارڈ نمبر \_\_\_\_\_

نوٹس:

- (۱) پراسیز موثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے کم از کم 48 گھنٹے قبل بعد دستخط، گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔
- (۲) حصص داران / سی ڈی سی سینفیشل اوغز اور پراسی کے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراسی فارم کے ساتھ میا کی جائیں گی۔
- (۳) پراسی 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 اور/یا پاور آف اٹارنی بعد نمونہ دستخط (اگر پہلے میا نہیں کی گئیں) کمپنی کو پراسی فارم ساتھ لف کرنے ہونگے۔

AFFIX  
CORRECT  
POSTAGE

The Company Secretary

**KOHINOOR TEXTILE MILLS LIMITED**

42-LAWRENCE ROAD, LAHORE

Tel: 042-36302261-62


نودا کیئر ہسپتال (پرائیویٹ) لمیٹڈ  
نودا کیئر ہسپتال (پرائیویٹ) لمیٹڈ کو بعد از ٹیکس نقصان 247 ملین روپے (30 جون 2024 113 ملین روپے) ہوا ہے۔


مہیل ایف کیپٹل لمیٹڈ (MLCL)  
MLCL نے بعد از ٹیکس منافع 8,637 ملین روپے (30 جون 2024 5,972 ملین روپے) کمایا ہے۔

کمپنیز ایکٹ، 2017 کی قیمل میں، سیکشن 227 کے تمام متعلقہ معاملات کو شیئر ہولڈرز کو ہماری واحد ڈائریکٹر رپورٹ میں رکھا گیا ہے۔

اظہار تشکر  
ڈائریکٹرز گروپ کے اراکین، مالیاتی اداروں، صارفین اور ملازمین کے تعاون اور حمایت کے شکر گزار ہیں۔ وہ مختلف ڈویژنز میں کام کرنے والے ملازمین کی سخت محنت اور لگن کو بھی سراہتے ہیں۔

برائے اور مخائب بورڈ

  
توفیق سعید سہگل  
چیف ایگزیکٹو آفیسر

  
سید محسن رضا نقوی  
ڈائریکٹر

لاہور 07 اگست 2025

## ڈائریکٹر رپورٹ (کنسالیڈیٹڈ)

ڈائریکٹر 30 جون 2025 تختہ سال کے لیے کوہنور ٹیکسٹائل ملز لمیٹڈ (دی ہولڈنگ کمپنی) اور اس کی ذیلی کمپنیوں ممپل لیف سینٹ فیکٹری لمیٹڈ (58.85%)، ممپل لیف پاور لمیٹڈ (58.85%)، ممپل لیف انڈسٹریز لمیٹڈ (58.85%)، نووا کیئر ہاسٹلرز (پرائیویٹ) لمیٹڈ (58.84%) اور ممپل لیف کمپنٹل لمیٹڈ (82.92%) (مجموعی طور پر ایک گروپ) کے مجموعی مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### گروپ کے نتائج

گروپ نے گزشتہ اسی سال کے 32,482 ملین روپے کے مقابلے میں 35,967 ملین روپے کا مجموعی منافع کمایا ہے۔ گروپ نے اس سال قبل از ٹیکس منافع 32,476 ملین روپے کمایا ہے جبکہ پچھلے سال کے دوران 22,240 ملین روپے کمایا تھا۔ گروپ کے مجموعی مالیاتی نتائج درج ذیل ہیں:

30 جون 2024	30 جون 2025	
----- (روپے ملین میں) -----		
124,613	128,030	آمدنی
32,482	35,967	مجموعی منافع
30,325	39,856	آپریشنز سے منافع
7,674	6,981	مالیاتی چارجز
15,476	22,774	ٹیکس کے بعد خالص منافع
----- (روپے) -----		
41.72	61.19	فی حصص آمدنی - بنیادی اور معتدل

### ذیلی کمپنیاں

#### ممپل لیف سینٹ فیکٹری لمیٹڈ (MLCFL)

اس نے گزشتہ سال کے مقابلے میں اپنی فروخت میں 3.75 فیصد کا اضافہ درج کیا ہے اور مجموعی منافع 34.44% (30 جون 2024: 31.55%) یعنی 23,747 ملین روپے (30 جون 2024: 20,964 ملین روپے) کمایا ہے۔  
اس نے بعد از ٹیکس منافع 17,036 ملین روپے (30 جون 2024: 5,273 ملین روپے) کمایا ہے۔

#### ممپل لیف پاور لمیٹڈ (MLPL)

MLPL نے بعد از ٹیکس منافع 2,132 ملین روپے (30 جون 2024: 1,765 ملین روپے) کمایا ہے۔

#### ممپل لیف انڈسٹریز لمیٹڈ (MLIL)

ممپل لیف انڈسٹریز لمیٹڈ، 21 ستمبر 2022 کو پاکستان میں کمپنیز ایکٹ 2017 کے تحت حصص کے ذریعے ایک پبلک کمپنی لمیٹڈ کے طور پر شامل کیا گیا تھا۔ MLIL کا رجسٹرڈ دفتر 42- لارنس روڈ، لاہور میں واقع ہے۔ MLIL کے قیام کا بنیادی مقصد میانوالی، پنجاب کے خصوصی اقتصادی زون میں سینٹ مینوفیکچرنگ کی سہولت قائم کرنا تھا۔ تاہم، حکومت پاکستان نے سینٹ مینوفیکچرنگ لائن کے لیے مشینری کی درآمد کی اجازت نہیں دی اور نتیجتاً MLIL کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2024 کو کمپنی کو سمیٹنے کا فیصلہ کیا۔ سمیٹنے کا عمل مکمل ہو گیا۔



سید محمد ہرزیدی، چیئر مین، آڈٹ کمیٹی نے 28 اکتوبر 2024 کو منعقدہ گزشتہ AGM میں شرکت نہیں کی۔

#### ہیومن ریسورس اور ریمیزیشن (HR & R) کمیٹی

نام	عہدہ
جناب ذوالفقار منو	چیئر مین (آزاد ڈائریکٹر)
جناب سعید طارق سہگل	رکن (نان ایگزیکٹو ڈائریکٹر)
جناب وانیال توفیق سہگل	رکن (ایگزیکٹو ڈائریکٹر)

زیر جائزہ سال کے دوران، ہیومن ریسورس اینڈ ریمیزیشن کمیٹی کا ایک اجلاس 25 نومبر 2024 کو منعقد ہوا اور تمام ارکان نے اجلاس میں شرکت کی۔ بورڈ آڈٹ کمیٹی سمیت بورڈ کی کمیٹیوں کی کارکردگی کی سالانہ تشخیص کرتا ہے۔ بورڈ نامزدگی کمیٹی اور رسک مینجمنٹ کمیٹی کی تشکیل پر غور کرے گا اور مناسب وقت پر تعین کرے گا۔

نان ایگزیکٹو/آزاد ڈائریکٹرز کے لئے ڈائریکٹرز کا مشاہرہ بورڈ آف ڈائریکٹرز نے ایک "ڈائریکٹرز ریمیزیشن 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۔/100,000 روپے (ایک سو ہزار روپے صرف) فی اجلاس بورڈ کے اجلاس اور اس کی کمیٹی کے اجلاس میں شرکت کے لئے۔/10,000 روپے (دس 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 کمیٹی برداشت کرے گی۔

☆ کمیٹی 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 کمیٹی سے وصول کرنے کے اہل ہوں گے۔

☆ کمیٹی کے چیف ایگزیکٹو اور ڈائریکٹرز کو ادائے جانے والے مشاہرہ کی تفصیلات کا انکشاف واحد مالی حسابات کے نوٹ 37 میں کیا گیا ہے۔

#### مستقبل کا نقطہ نظر

کمیٹی اپنے بنیادی ڈھانچے، پلانٹ اور مشینری کو وسعت دینے کے لیے پُر عزم ہے، معیار کو بہتر بنانے، صلاحیت کو بڑھانے، اور طویل مدتی پائیدار ترقی کو یقینی بنانے کے لیے پروڈکٹ لائنوں کو متنوع بنانے پر زور دیتا ہے۔ "گرین" تنظیم بننے کے اپنے ویژن کے ساتھ ہم آہنگ، KTML اپنے قابل تجدید توانائی کے پورٹ فولیو کو تیزی سے وسعت دے رہی ہے، جس میں شمسی توانائی کی پیداوار میں خاطر خواہ سرمایہ کاری کی جارہی ہے۔ مزید برآں، کمیٹی طویل مدت میں زیر و لیو نیڈ سپارچ کے حصول کو ہدف بناتے ہوئے پانی کی ری سائیکلنگ کے اقدامات کو آگے بڑھا رہی ہے۔ آگے بڑھتے ہوئے، ہم توقع کرتے ہیں کہ مالی سال 2026 میں KTML کی کارکردگی زیر جائزہ سال کے مقابلے، یا اس سے قدرے بہتر ہوگی، جس میں یوٹیلٹی اور ہوم ٹیکسٹائل کی نمونہ بنیادی محرک ہونے کی توقع ہے۔


#### شیر ہولڈنگ کا نمونہ


30 جون 2025 کے مطابق کمپنیز ایکٹ 2017 کے تحت کمیٹی کے شیر ہولڈنگ کا نمونہ منسلک کیا گیا ہے

#### اعمال تشکر

ڈائریکٹرز کمیٹی 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 مخائب بورڈ

  
توفیق سعید سہگل  
چیف ایگزیکٹو آفیسر

  
سید محسن رضا نقوی  
ڈائریکٹر

لاہور 07 اگست 2025

لیڈر شپ 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 ڈائریکٹر) 01

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 ڈائریکٹر کی حاضری حسب ذیل کے مطابق ہے

کمیٹری	نام	اجلاسوں میں حاضری کی تعداد
آزاد ڈائریکٹرز	سید محمد شہزیدی	3
	جناب ذوالفقار منو	2
دیگر نان ایگزیکٹو ڈائریکٹرز	جناب طارق سعید سہگل (چیئر مین)	4
	جناب سعید طارق سہگل	4
	جناب ولید طارق سہگل	4
ایگزیکٹو ڈائریکٹرز	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	4

ان ارکان کو غیر حاضری کی رخصت دی گئی جو بورڈ کے اجلاسوں میں شرکت نہیں کر سکتے تھے۔

آڈٹ کمیٹی

مالی سال کے دوران، آڈٹ کمیٹی کے چار (04) اجلاس منعقد ہوئے ہیں۔ ہر ایک ڈائریکٹر کی حاضری حسب ذیل کے مطابق ہے:

نام	عہدہ	اجلاسوں میں حاضری کی تعداد
سید محمد شہزیدی	چیئر مین (آزاد ڈائریکٹر)	4
جناب ذوالفقار منو	رکن (آزاد ڈائریکٹر)	2
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۔

#### کارپوریٹ سماجی ذمہ داری

کمپنی معاشرے کی طرف اپنی ذمہ داری کو تسلیم کرتی ہے اور مستقل بنیادوں پر مختلف رفاہی اداروں کے ذریعہ معاشرے کی فلاح کے منصوبوں کو مالی اعانت فراہم کر کے اپنا فرض ادا کرتی ہے۔ کمپنی کو پاکستان سنٹر برائے انسان دوستی نے معاشرتی اور رفاہی شراکت میں قائد کی حیثیت سے تسلیم کیا ہے اور کمپنی ان کیونٹریز کا تعمیراتی ممبر بننے کی کوشش کرتی ہے جہاں وہ موجود ہے۔ اس عزم کے مطابق، کمپنی کے بورڈ آف ڈائریکٹرز نے اعلیٰ میڈیکل کالج، گلاب دیوی چیف ہسپتال (جی ڈی ای ایچ) لاہور میں ایڈمن بلاک کی تعمیر کے لئے عطیہ کرنے کا فیصلہ کیا ہے۔ کمپنی نے ماضی میں بھی میڈیکل اور سوشل سروسز پروجیکٹس میں اہم حصہ لیا اور اس سلسلے میں، کمپنی نے گلاب دیوی چیف ہسپتال (GDCH) لاہور میں سعید سہگل کارڈ ایک کمپلیکس تعمیر کر کے ایک جدید کارڈ ایک سہولت عطیہ کی تھی۔

کوڈ نور میٹیل لیف گروپ نے "تیر ہواں کارپوریٹ سوشل ریسپانسیبل انیسٹینس ایورڈ" مختلف سماجی ذمہ داریوں کی کارکردگی کے سبب حاصل کیا ہے۔

#### کمپنی کے کاروبار کے ماحول پر اثرات

انتظامیہ ملز کے احاطے سے آلودہ پانی کے اخراج کے بعد ارد گرد کے علاقوں میں اس کے نقصان دہ اثرات کو سمجھتی ہے۔ کمپنی نے پروسسنگ میں استعمال ہونے والے کسی بھی کیمیکل کے ممکنہ طور پر نقصان دہ اثرات کو روکنے کے لئے، اپنی تخصیصات سے خارج ہونے والے پانی میں کسی بھی آلودگی کو کم سے کم یا ختم کرنے کے لئے ایک ویسٹ واٹر ٹریٹمنٹ پلانٹ تعمیر کیا ہے۔ اس کے علاوہ، KTML متبادل اور پائیدار انرجی ذرائع میں تحقیق اور اہم منصوبوں کے عملدرآمد کو جاری رکھتی ہے جس سے اس کے ماحولیاتی ذمہ داری کے عزم کو 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 بنیادوں پر داخلی 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 اکٹوبر 2017 (XIX 2017) 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 سہواً 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 کو ایفائیڈ رائے کا اظہار کیا ہے۔

ریٹائرڈ 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 ارکان کی منظوری کے حوالہ سے بورڈ نے آڈٹ کمیٹی کی تجویز کے مطابق آڈیٹرز کی حیثیت سے دوبارہ تقرری کی سفارش کی ہے۔

## بنیادی خطرات اور غیر یقینی حالات

کمپنی کو درج ذیل بنیادی خطرات اور چیلنجز درپیش ہیں:-

- i۔ برآمدی مارجن دونوں عالمی اور علاقائی سطحوں پر مسابقت زیادہ ہونے کے ساتھ ساتھ ریاست ہائے متحدہ امریکہ کو ترسیل پر زیادہ ٹیرف نافذ ہونے کی وجہ سے دباؤ میں آگئے ہیں۔
- ii۔ خطہ میں دیگر حریفوں کے مقابلے میں بجلی کی زیادہ قیمتیں۔
- iii۔ آپریٹنگ اخراجات میں مجموعی طور پر افراط زر کا اضافہ۔
- iv۔ ٹیکسٹائل مینوفیکچررز کے درمیان دونوں قیمتوں اور فروخت کے لحاظ سے شدید مقابلہ۔

آرگنائزیشن پیش آنے والے ممکنہ چیلنجوں اور غیر یقینی صورتحال کا مقابلہ کرنے کے لئے موثر طریقے سے لیس ہے۔ مشترکہ تجربے، مہارت اور موثر کاروباری رپورٹنگ کے ذریعے، انتظامیہ ہمیشہ داخلی اور خارجی پیشرفت سے آگاہ رہتی ہے۔ کمپنی نے منفرد خصوصی کراس فنکشنل ٹیمیں تشکیل دی ہیں جو مستقبل کے نقطہ نظر کو اجاگر 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، منجنت کی قیادت میں مارکیٹنگ ٹیم نے نئی مارکیٹوں میں اپنی موجودگی بڑھانے کے لئے موثر انداز سے مارکیٹ میں داخل ہونے کی حکمت عملی کا آغاز کیا ہے۔ مزید برآں، مجموعی افراط زر کو کم کرنے کے لئے ایک موثر اور اچھا سٹرکچرڈ پروکیورمنٹ منصوبہ تیار کیا گیا ہے۔

## کاروباری نوعیت میں تبدیلی

کمپنی یا اسکی ذیلیوں، یا کسی دیگر کمپنی جس میں کمپنی دلچسپی رکھتی ہو کے کاروباری نوعیت سے متعلق 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 نے کمپنی کے مالیات پر نمایاں اثر ڈالا اور جس کے نتیجے میں گزشتہ مدت کے مقابلے مالی لاگت میں کمی آئی 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 کا خیال ہے کہ تنظیم کی طویل مدتی کامیابی اس کے ملازمین کی ترقی پر منحصر ہے۔ اسی خیال کو مد نظر رکھتے ہوئے کمپنی ملازمین کی پیشہ وارانہ ڈویلپمنٹ میں متحدہ انداز سے ان ہاؤس/آؤٹ سورسڈ ٹریننگ سیشنز میں مسلسل سرمایہ کاری کر رہی ہے۔

### تعلقات کا سرمایہ:

KTML اپنے اسٹیک ہولڈرز، صارفین، شیئر ہولڈرز اور سپلائرز کے ساتھ بہت صحت مند اور فائدہ مند تعلقات سے لطف اندوز ہوتی ہے۔ کمپنی اس وقت اعلیٰ معیار کی مصنوعات کی پیداوار اور فراہمی کر رہی ہے جو اپنے صارفین کے زیادہ سے زیادہ اطمینان کو یقینی بناتی ہے۔ کمپنی اپنے تمام اسٹیک ہولڈرز کے ساتھ انتہائی اطمینان بخش تعلقات برقرار رکھے ہوئے ہے۔

### دانشمندی کا سرمایہ:

دانشورانہ سرمایہ ایک تنظیم میں دستیاب مختلف معلوماتی نظام پر مشتمل ہوتا ہے۔ KTML میں انتظامیہ کا خیال ہے کہ مسابقتی فائدہ کو برقرار رکھنے کے لئے تکنیکی پلیٹ فارم کو اپ ڈیٹ کرنا انتہائی ضروری ہے اس لیے کمپنی اپنے اسٹیک ہولڈرز کو بہترین سروس فراہم کرنے کے لیے انفارمیشن ٹیکنالوجی میں مسلسل سرمایہ کاری کر رہی ہے۔

### قدرتی سرمایہ:

انتظامیہ آئندہ نسلوں کے خوشحال مستقبل کے لیے قدرتی سرمائے کی استقامت کے لیے عزم ہے۔ اس عزم کے مطابق، صاف ستھرا ماحول فراہم کرنے کے لیے انتظامیہ سولر ٹیم پاور پراجیکٹس میں اپنی سرمایہ کاری بڑھا رہی ہے۔ مزید برآں، اس 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 ماحولیاتی پائیداری کے لئے کمپنی کی دیرینہ لگن کی عکاسی کرتا ہے۔

## گروپ کا مالیاتی جائزہ

زیر جائزہ سال کے دوران، گروپ کی مجموعی آمدنی بڑھ کر 128,030 ملین روپے (2024: 124,613 ملین روپے)، جبکہ فروخت کی قیمت کم ہو کر 92,063 ملین روپے (2024: 92,131 ملین روپے) ہو گئی۔ اس کے نتیجے میں مجموعی منافع 35,967 ملین روپے (2024: 32,482 ملین روپے) ہوا۔ 30 جون 2025 ختم ہونے والے سال کے لئے فی شیئر آمدنی گزشتہ سال کی اسی مدت کی 41.72 روپے کے مقابلے میں موجودہ سال میں 61.19 روپے رہی ہے۔

## ڈیویڈنڈ اور تصرفات

نتائج کو مد نظر رکھتے ہوئے، کمپنی کے بورڈ آف ڈائریکٹرز نے 07 اگست 2025 کو منعقدہ اپنے اجلاس میں 30 جون 2025 ختم ہونے والے سال کے لئے حتمی نقد منافع منقسمہ ہر ایک 10/- روپے کے لئے 2 روپے فی حصص (یعنی 20%) کی رقم 538.599 ملین روپے (2024: صفر روپے) کی تجویز پیش کی ہے جو کہ ممبران کی منظوری کے لئے 16 اکتوبر 2025 کو منعقد ہونے والے سالانہ اجلاس عام میں رکھا جائے گا۔ منافع منقسمہ کے مستقبل کے امکانات اور مستقبل کی مالیاتی کارکردگی کمپنی کی معاشی کارکردگی پر منحصر ہے۔

ڈائریکٹرز نے حسب ذیل کے مطابق سفارش کیا ہے:

تفصیل	روپے ہزاروں میں
ٹیکس سے پہلے منافع	4,617,583
ٹیکس کی فراہمی	(1,867,767)
ٹیکس کے بعد منافع	2,749,816
مجموعی منافع جو آگے لائے	2,815,084
مجموعی منافع جو آگے گیا	5,564,900

## بعد کے واقعات

سال کے اختتام کے بعد، کمپنی کے بورڈ آف ڈائریکٹرز نے حصص یافتگان کی منظوری سے مشروط کمپنی کے حصص کو 10 روپے فی حصص سے کم کر کے 2 روپے فی حصص کی ذیلی تقسیم پر غور و خوض اور سفارش کی ہے۔ کمپنی کا موجودہ سبسکرائب شدہ اور ادا شدہ سرمایہ، جو فی الحال ہر ایک 10/- روپے کے 269,299,456 عام حصص پر مشتمل ہے، کو ہر 1 (ایک) عمومی حصص کے لئے 5 (پانچ) عمومی حصص کے تناسب میں ہر 2/- روپے کے 1,346,497,280 عام حصص میں تقسیم کیا جائے گا۔ یہ تقسیم عام حصص سے منسلک کسی بھی حقوق، مراعات یا استحقاق کو تبدیل نہیں کرے گی۔

اس کے بعد کے کوئی اور واقعات نہیں ہیں جو کمپنی کی کارکردگی، مقاصد یا سکت عملی کو مادی طور پر متاثر کرتے ہوں۔ مزید برآں، کمپنی کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلی اور عزم نہیں کیا گیا جو کمپنی کے مالیاتی سال کے اختتام اور رپورٹ کی تاریخ کے درمیان واقع ہوا ہے۔

## کمپنی کے سرمایہ کاری اخراجات/ جاری توسیع کی کاروباری شرح

کمپنی کا خیال ہے کہ پروڈکشن سائنس میں سرمایہ کاری اور توسیع کمپنی کو منافع بخش بنائے گی۔ لہذا، کمپنی اپنے بنیادی ڈھانچے کو بہتر بنانے میں سرمایہ کاری جاری رکھے ہوئے ہے۔ کمپنی اپنے ویٹنگ ڈویژن میں اپنی پرانی لومز کو اپ گریڈ کر رہی ہے تاکہ صلاحیت میں مزید اضافہ ہو اور پیشکشوں کے تنوع کو وسعت دی جاسکے۔ مزید برآں، ایک "گرین" کمپنی بننے پر اپنی توجہ کو مرکوز رکھتے ہوئے، KTML اپنی قابل تجدید توانائی کی صلاحیت کو بڑھا رہی ہے، اور شمسی توانائی کو بڑھانے میں نمایاں سرمایہ کاری کر رہی ہے۔ کمپنی نے اپنی راولپنڈی اور گوجران سائٹ پر بجلی پیدا کرنے کے لئے سال کے دوران مزید 5 میگا واٹ شمسی توانائی کی صلاحیت کا اضافہ کیا ہے۔

## ادائیگیوں، ڈیٹ/ قرضہ کی نابدہنگی

بہترین کاروباری طریقوں پر عملدرآمد کرتے ہوئے، کمپنی واجب الادا دارقوم کی بروقت واپس ادائیگی کی اپنی ذمہ داری کو پورا کرتی ہے۔ زیر جائزہ سال کے دوران قرضہ / ڈیٹ کی ادائیگی پر کوئی نابدہنگی درج نہیں کرائی گئی۔ اس کے علاوہ، مالی سال کے اختتام پر فیکسسر، ڈیویڈنڈ اور لیویز کی مدت میں کوئی ادائیگی زائد المیاد یا باقی نہیں ہے۔



## حصص داران کے لئے ڈائریکٹرز رپورٹ

کمپنیز ایکٹ 2017 کی دفعہ 227 کی تعمیل میں، ڈائریکٹرز 30 جون، 2025 تک ختم سال کے لئے 57th سالانہ رپورٹ مع نظر ثانی شدہ مالیاتی گوشوارے اور ان پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### اصل سرگرمیاں

کوہنور ٹیکسٹائل ملز لمیٹڈ کمپنیز ایکٹ 1913 (اب کمپنیز ایکٹ 2017) کے تحت پاکستان میں قائم شدہ ایک پبلک لمیٹڈ کمپنی 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 چٹنگ اور ٹیکسٹائل مصنوعات کی تجارت کرنا ہے۔

### آپریٹنگ کا جائزہ

ٹیکس کے اعلیٰ نظام کے باوجود 2024-25 کے لئے کمپنی کے مالیاتی نتائج پچھلے سال کے مقابلے میں نمایاں بہتری کو ظاہر کرتے ہیں۔ شرح سود میں کمی، زیادہ ویلیو ایڈڈ اشیاء پر مسلسل توجہ اور توانائی کی قیمتوں میں اضافہ کو روکنے کے لیے ششی توانائی کی پیداوار بڑھانے پر زیادہ توجہ دینے کے باعث نتائج میں بہتری آئی۔

ستے درآمدی یارن سے سخت مقابلے کے باوجود کمپنی کے اسپیٹنگ ڈویژن کے نتائج گزشتہ سال کے نتائج جیسے ہی رہے ہیں۔ خام مال کی پیداواری لاگت پر سخت کنٹرول نے کم از کم اُجرت میں اضافہ کے اثرات پر قابو پانے میں مدد کی۔ کمپنی کے گوبرخان سائٹ پر، بیک پرائیس ڈیپارٹمنٹ میں ایک بڑی توسیع جاری ہے جو کمیشننگ کے قریب ہے جس سے کمپنی کو عمدہ شراکتی درآمدات سے مسلسل دباؤ کی صورت میں مصنوعات کی زیادہ چلک فراہم ہوگی۔ ہم اپنے معیار اور پیداواری صلاحیت کو مسلسل بہتر بنانے پر توجہ دیتے ہیں۔ دو سپینگ سائٹس پر مزید 4.5 میگا واٹ کی ششی صلاحیت کی تنصیب کی جارہی ہے جس سے توانائی کے اخراجات میں مزید کمی آئے گی اور نتائج کو تقویت ملے گی۔

ویولنگ ڈویژن کے نتائج، بہتر مارکیٹنگ، کم شرح سود اور اخراجات پر سخت کنٹرول کے باعث پچھلے سال کے مقابلے میں بہت بہتر ہوئے ہیں۔ کمپنی صلاحیت کو مزید بڑھانے اور پیشکشوں کے تنوع کو بڑھانے کے لیے اپنی قدیم ترین لوم کو اپ گریڈ کر رہی ہے۔ ہمیں اُمید ہے کہ آئندہ سال میں نتائج بہتر ہوں گے۔

ہوم ٹیکسٹائل ڈویژن نے ٹیکس کے نظام میں منفی تبدیلی، کم از کم اُجرت اور توانائی کے اخراجات میں اضافہ کے باوجود مستحکم نتائج دیئے ہیں۔ آئندہ مالی سال غیر یقینی صورتحال اور ریاستہائے متحدہ امریکہ کو برآمدہ اشیاء پر زیادہ محصولات کے نفاذ کی وجہ سے مشکل ہوگا۔ میرف تبدیلیوں کے اثرات کو دور کرنے کے لیے، کمپنی متبادل مارکیٹوں میں اپنی موجودگی کو بڑھانے پر توجہ مرکوز کر رہی ہے۔ مشکل حالات کے باوجود، ہائی ویلیو ایڈڈ اشیاء پر کمپنی کی توجہ سے تجارتی حالات کے بدترین اثرات کے مقابل ایک بفرل سکتا ہے۔

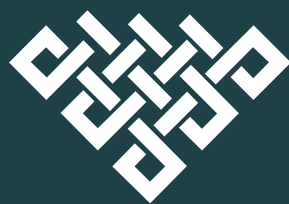
کمپنی ایک نئے بانیو ماس بواںکر کی کامیاب تنصیب کے ساتھ پائیداری کے لیے اپنی وابستگی کو جاری رکھے ہوئے ہے جس سے ہمارے کاربن فوٹ پرنٹ اور لاگت میں کمی ہونا چاہیے۔ ہم پانی کے دوبارہ استعمال اور نئی ٹیکنالوجی کے ساتھ ری سائیکلنگ کے لیے کام جاری رکھے ہوئے ہیں جو کہ وقت کی اہم ضرورت بھی ہے۔ ششی توانائی کی صلاحیت میں اضافہ کمپنی کی پائیدار سکت عملی کا بنیادی ستون ہے۔

دنیا بھر میں خام مال کی قیمتیں کم ہیں اور کمپنی کپاس اور دیگر ریشوں کی خریداری اور اسٹاک کرنے میں انتہائی احتیاط برت رہی ہے۔

ہمیں اُمید ہے کہ مالی سال 2026 میں KTML کی کارکردگی زیر جائزہ سال کے مقابلے میں یا اس میں قدرے بہتری آئے گی، جس میں ویولنگ اور ہوم ٹیکسٹائل سب سے آگے ہیں۔

### مالیاتی جائزہ

زیر جائزہ سال کے دوران، کمپنی کی فروخت 2 فیصد کے اضافہ سے 59,414 ملین روپے (58,175:2024) ملین روپے (رہی، جبکہ فروخت کی قیمت 1 فیصد کے اضافہ سے 49,612 ملین روپے (48,888:2024) ملین روپے (زیادہ ہوئی۔ اس کے نتیجے میں مجموعی منافع 9,802 ملین روپے (9,287:2024) ملین روپے (رہا۔ زیر جائزہ سال کے لئے آپریٹنگ منافع 7,416 ملین روپے (6,543:2024) ملین روپے (رہا۔ کمپنی نے ٹیکس کے بعد منافع 2,750 ملین روپے (2,199:2024) ملین روپے (درج کیا ہے۔ 30 جون 2025 تک ختم سال کے لئے شیئر آمدنی گزشتہ سال کی اسی مدت کی 8.07 روپے کے مقابلے میں موجودہ سال میں 10.21 روپے ہے۔



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