

HALF YEARLY REPORT (REVIEWED)
DECEMBER 31, 2025



SAIF GROUP



Kohat Textile Mills Limited



ENTITY RATING OF KOHAT TEXTILE MILLS LIMITED

Long Term	A-
Short Term	A2

Stable outlook

CREDIT RATING AGENCY



The Pakistan Credit Rating Agency Limited



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COMPANY INFORMATION

BOARD OF DIRECTORS

Javed Saifullah Khan (Chairman)
Barrister Assad Saifullah Khan (Chief Executive Officer)
Anwar Saifullah Khan
Hoor Yousafzai
Asif Saifullah Khan
Rana Muhammad Shafi
Muhammad Saleem Khan
Sardar Aminullah Khan

AUDIT COMMITTEE

Muhammad Saleem Khan (Chairman)
Sardar Aminullah Khan
Rana Muhammad Shafi

HR & REMUNERATION COMMITTEE

Sardar Aminullah Khan (Chairman)
Barrister Assad Saifullah Khan
Hoor Yousafzai

CHIEF FINANCIAL OFFICER

Abid Hussain

SR. DIRECTOR TECHNICAL

Badar Us Samee

DIRECTOR MARKETING & SALES

Amir Badshah

COMPANY SECRETARY

Umar Shahzad

HEAD OF INTERNAL AUDIT

Muhammad Adeel Raza

AUDITORS

Shinewing Hameed Chaudhri & Co.,
Chartered Accountants

LEGAL ADVISORS

Abdul Khaliq

BANKERS

Askari Bank Limited
Al Baraka Bank Pakistan Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Limited
First Habib Modaraba
Meezan Bank Limited
National Bank of Pakistan
Pak Brunei Investment Company Limited
Pak China Investment Company Limited
Pak Oman Investment Company Limited
PAIR Investment Company Limited
Soneri Bank Limited
Saudi Pak Industrial & Agricultural
Investment Company Limited
The Bank of Punjab
The Bank of Khyber
United Bank Limited

HEAD OFFICE

4th Floor, Kashmir Commercial Complex,
Fazal-e-Haq Road, Blue Area
Islamabad
Phone : (051) 2604733-5
Fax : (051) 2604732
email : ktm@saifgroup.com /
ca.tml@saifgroup.com

REGISTERED OFFICE

KPTMA House, Tehkal Payan,
Jamrud Road, Peshawar
Phone : (091) 5843870, 5702941
Fax : (091) 5840273
email : Peshawar@saifgroup.com

MILLS

Saifabad, Kohat
Phone : (0922) 862309, 862065
Fax : (0922) 862057
email : ktmkht@saifgroup.com

SHARE REGISTRAR

Hameed Majeed Associates (Pvt.) Ltd.,
HM House, 7-Bank Square, Lahore
Phone : (042)-37235081
(042)-37325082
Fax : (042)-37358817
email : info@hmaconsultants.com

WEB SITE

www.kohattextile.com

DIRECTORS' REVIEW REPORT

Dear Members,

The Board of Directors of Kohat Textile Mills Limited is pleased to present the financial statements of the Company for the 1st half year ended December 31, 2025, duly reviewed by the statutory auditors.

Financial Review

During the period under review, the Company achieved sales of Rs. 4 billion, reflecting a 6% increase over the corresponding period of last year. Gross profit increased to Rs. 690 million, while operating profit improved to Rs. 518 million, demonstrating stable and consistent operational performance.

Finance costs declined by 14%, primarily due to the reduction in KIBOR rates, positively impacted the Company's profitability. As a result, profit before tax increased significantly by 54%, reaching Rs. 303 million.

The plant operated at full capacity during the period, reflecting effective production and sales planning. The Company remained regular in servicing its debt obligations and maintained satisfactory relationships with all its banking partners.

Overall, the Company continued to perform satisfactorily, supported by prudent financial management and sustained operational efficiency.

Future Outlook

For the textile sector, sustained policy attention and supportive Government initiatives remain essential. Stable demand in both domestic and export markets, lower financing costs, competitive energy rates, and stable exchange rates provide a strong platform for growth. With consistent policy support and a continued shift towards value-added products, the textile industry is advantageously placed to deliver sustainable growth and contribute significantly to Pakistan's exports and economic progress.

The Company will continue to focus on full capacity utilization, cost efficiency, disciplined working capital management, and maintaining strong customer relationships to sustain operational stability.

The Board remains confident that, through prudent financial management and operational excellence, the Company is well-positioned to maintain satisfactory performance in the coming period and create long-term value for its shareholders.

Acknowledgement

The Board of Directors express their sincere gratitude to the Company's shareholders for their continued confidence and trust in the management. We also acknowledge the valuable support extended by financial institutions and banking partners, whose cooperation has been instrumental in maintaining the Company's stable financial position. The Board places on record its appreciation for the continued patronage of our valued customers and business partners. The Directors further commend Company's employees at all levels for their unwavering dedication, loyalty, and hard work. Their contributions remain the cornerstone of the Company's success, and we look forward to their continued commitment in the years ahead.

For and on Behalf of the Board



ASSAD SAIFULLAH KHAN

Chief Executive Officer



RANA MUHAMMAD SHAFI

Director

Place : Islamabad

Dated : February 27, 2026

ڈائریکٹرز جائزہ رپورٹ

معزز اراکین

کوہاٹ ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹرز خوشی کے ساتھ کہنی کے مالی گوشوارے پیش کرتے ہیں جو 31 دسمبر 2025 کو ختم ہونے والے نصف سال کے لیے ہیں، جو کہ قانونی آڈیٹرز کے ذریعے جائزہ شدہ ہیں۔

مالیاتی کارکردگی

زیر جائزہ مدت کے دوران، کمپنی نے 4 ارب روپے کی فروخت حاصل کی، جو گزشتہ سال کی اسی مدت کے مقابلے میں 6 فیصد اضافہ ظاہر کرتی ہے۔ مجموعی منافع 690 ملین روپے تک بڑھ گیا، جبکہ آپریٹنگ منافع 518 ملین روپے تک بہتر ہوا، جو مستحکم اور مسلسل عملی کارکردگی کی عکاسی کرتا ہے۔ مالی اخراجات میں 14 فیصد کمی واقع ہوئی، جو بنیادی طور پر KIBOR کی شرح میں کمی کی وجہ سے تھی، جس نے کمپنی کی منافع بخشی پر مثبت اثر ڈالا۔ نتیجتاً، بلنکس سے پہلے منافع میں نمایاں طور پر 54 فیصد اضافہ ہوا اور یہ 303 ملین روپے تک پہنچ گیا۔

زیر جائزہ مدت کے دوران پلانٹ مکمل صلاحیت کے ساتھ کام کرتا رہا، جو مؤثر پیداوار اور فروخت کی منصوبہ بندی کی عکاسی کرتا ہے۔ کمپنی نے اپنے قرضہ جات کی ادائیگیوں میں باقاعدگی برقرار رکھی اور اپنے تمام بینکاری شرائط داروں کے ساتھ تسلی بخش تعلقات قائم رکھے۔ مجموعی طور پر، کمپنی نے محتاط مالیاتی نظم و نسق اور مسلسل عملی کارکردگی کی بدولت تسلی بخش کارکردگی کا مظاہرہ جاری رکھا۔

مستقبل کا نقطہ نظر

ٹیکسٹائل کے شعبے کے لیے مسلسل پالیسی توجہ اور حکومتی معاون اقدامات نہایت ضروری ہیں۔ مقامی اور برآمدی منڈیوں میں مستحکم طلب، کم مالیاتی لاگت، مسابقتی توانائی نرخ اور مستحکم شرح مبادلہ ترقی کے لیے مضبوط بنیاد فراہم کرتے ہیں۔ مسلسل پالیسی معاونت اور ویلیو ایڈڈ مصنوعات کی جانب مستقل منتقلی کے ساتھ، ٹیکسٹائل صنعت پائیدار ترقی حاصل کرنے اور پاکستان کی برآمدات اور معاشی پیش رفت میں نمایاں کردار ادا کرنے کے لیے سازگار پوزیشن میں ہے۔ کمپنی پوری صلاحیت سے کام کرنے، خرچ کم رکھنے، پیسوں کا حساب کتاب اچھی طرح رکھنے، اور اپنے صارفین کے اچھے تعلقات قائم رکھنے پر توجہ دے گا تاکہ کاروبار مستحکم رہے۔ بورڈ کو یقین ہے کہ محتاط مالیاتی نظم و نسق اور عملی مہارت کے ذریعے کمپنی آئندہ مدت میں بھی تسلی بخش کارکردگی برقرار رکھے اور اپنے شیئر ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے کی بھرپور صلاحیت رکھتی ہے۔

اظہار تشکر

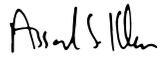
بورڈ آف ڈائریکٹرز کمپنی کے شیئر ہولڈرز کا انتظامیہ پر مسلسل اعتماد اور یقین کے لیے دلی شکر یہ ادا کرتی ہے۔ ہم مالیاتی اداروں اور بینکاری شرائط داروں کی قیمتی معاونت کو بھی تسلیم کرتے ہیں، جن کے تعاون سے کمپنی کی مستحکم مالی پوزیشن برقرار رکھنے میں کلیدی کردار ادا کیا ہے۔ بورڈ اپنے صارفین اور پائٹرز کے اعتماد اور حمایت کا شکر یہ ادا کرتے ہیں۔ ڈائریکٹرز کمپنی کے تمام سطحوں کے ملازمین کی ثابت قدمی، وفاداری اور محنت کی بھی تعریف کرتے ہیں۔ ان کی کاوشیں کمپنی کی کامیابی کی بنیاد بنی ہوئی ہیں اور ہم آنے والے سالوں میں ان کی مسلسل وابستگی کی توقع رکھتے ہیں۔

بورڈ ہذا کی جانب سے



رانا محمد شفیع

ڈائریکٹر



اسد سیف اللہ خان

چیف ایگزیکٹو آفیسر

مقام: اسلام آباد

تاریخ: فروری 27، 2026

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF KOHAT TEXTILE MILLS LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Kohat Textile Mills Limited** as at December 31, 2025 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

Pursuant to requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half-year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and other comprehensive income for the quarter ended December 31, 2025 and December 31, 2024 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditors' report is Nafees ud din.

Shinewing Hameed Chaudhri
40.

SHINEWING HAMEED CHAUDHRI & CO.,

CHARTERED ACCOUNTANTS

Place: Lahore

Date: February 27, 2026

UDIN:RR202510195cwBhHivGY

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

		Un-audited December 31, 2025	Audited June 30, 2025
		(Rupees in thousand)	
Assets	Note		
Non-Current Assets			
Property, plant and equipment	6	6,358,818	6,240,427
Long term investments		9,511	9,223
Long term loans		1,316	1,434
Long term deposits		14,574	9,720
		6,384,219	6,260,804
Current assets			
Stores, spare parts and loose tools		88,833	90,191
Stock-in-trade		1,255,380	1,569,751
Trade debts		2,249,075	2,037,416
Loans and advances		7,760	10,970
Deposits, prepayments and other receivables		18,740	16,587
Sales tax refundable		0	4,131
Taxation		68,135	102,264
Cash and bank balances		13,383	10,160
		3,701,306	3,841,470
		10,085,525	10,102,274
Equity and liabilities			
Share capital and reserves			
Authorised capital			
22,000,000 ordinary shares of Rs.10 each		220,000	220,000
Issued, subscribed and paid-up capital		208,000	208,000
Revenue reserve			
- unappropriated profit		1,586,025	1,410,289
Capital reserve			
- surplus on revaluation of property, plant and equipment		2,977,714	2,988,516
Unrealised gain / (loss) on financial assets at fair value through other comprehensive income		191	(97)
Shareholders' equity		4,771,930	4,606,708
Non-current liabilities			
Long term financing	7	1,148,936	939,348
Long term deposits		8,639	8,889
Deferred income - government grant		5,494	9,314
Deferred liability - staff retirement benefits		249,038	229,861
Deferred taxation - net		480,573	429,959
		1,892,680	1,617,371
Current liabilities			
Trade and other payables		759,022	834,869
Contract liabilities		2,517	1,584
Accrued mark-up / profit		83,934	76,439
Short term borrowings	8	2,207,587	2,605,481
Current portion of non-current liabilities	9	311,380	263,439
Unpaid dividend		474	355
Unclaimed dividend		939	939
Provision for tax levies	10	55,062	95,089
		3,420,915	3,878,195
Contingencies and commitments	11		
		10,085,525	10,102,274

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director



ABID HUSSAIN
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME(UN-AUDITED)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

	Note	Quarter ended		Six months period ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
(Rupees in thousand)					
Sales - net	12	2,399,598	2,218,465	4,404,020	4,147,428
Cost of sales		(2,054,703)	(1,954,308)	(3,713,653)	(3,566,967)
Gross profit		344,895	264,157	690,367	580,461
Distribution cost		(26,348)	(30,454)	(52,094)	(53,440)
Administrative expenses		(56,385)	(49,217)	(107,016)	(92,979)
Other expenses		(12,481)	(9,900)	(21,181)	(16,550)
Other income		7,257	27,097	7,493	27,235
Profit from operations		256,938	201,683	517,569	444,727
Finance cost		(107,277)	(108,708)	(214,207)	(247,742)
Profit before taxation and minimum tax levies		149,661	92,975	303,362	196,985
Minimum tax levies	10	(38,107)	(27,746)	(63,162)	(51,858)
Profit before taxation		111,554	65,229	240,200	145,127
Taxation					
Current		(3,852)	(1,862)	(3,852)	(1,862)
Deferred		(36,856)	(3,866)	(50,614)	(4,676)
		(40,708)	(5,728)	(54,466)	(6,538)
Profit after taxation		70,846	59,501	185,734	138,589
Other comprehensive income		288	0	288	0
Total comprehensive income		71,134	59,501	186,022	138,589
----- Rupees -----					
Earnings per share					
- basic and diluted		3.41	2.86	8.93	6.66

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director



ABID HUSSAIN
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

	Six months period ended	
	December 31, 2025	December 31, 2024
	(Rupees in thousand)	
Cash flows from operating activities		
Profit for the period - before taxation and minimum tax levies	303,362	196,985
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets and right-of- use assets	87,228	68,839
Gain on sale of operating fixed assets	(605)	(11,440)
Staff retirement benefits - gratuity (net)	19,177	15,815
Finance cost	214,207	247,742
Profit before working capital changes	623,369	517,941
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	1,358	(4,248)
Stock-in-trade	314,371	(201,434)
Trade debts	(211,659)	69,691
Loans and advances	3,210	(4,661)
Deposits, prepayments and other receivables	(2,153)	(5,837)
Sales tax refundable	4,131	(5,643)
(Decrease) / increase in current liabilities:		
Trade and other payables	(75,847)	(150,369)
Contract liabilities	933	2,805
	34,344	(299,696)
Cash generated from operating activities	657,713	218,245
Taxes paid	(72,911)	(49,443)
Long term loans - net	118	(57)
Net cash generated from operating activities	584,920	168,745
Cash flows from investing activities		
Additions in property, plant and equipment	(206,515)	(449,377)
Sale proceeds of operating fixed assets	1,501	37,600
Net cash used in investing activities	(205,014)	(411,777)
Cash flows from financing activities		
Long term financing - obtained	373,102	300,000
- repaid	(119,394)	(127,384)
Lease liabilities - net	(4,854)	8,396
Long term deposits	(250)	1,026
Short term borrowings - net	(397,894)	382,489
Dividend paid	(20,681)	(20,727)
Finance cost paid	(206,712)	(286,904)
Net cash (used in) / generated from financing activities	(376,683)	256,896
Net increase in cash and cash equivalents	3,223	13,864
Cash and cash equivalents - at beginning of the period	10,160	9,619
Cash and cash equivalents - at end of the period	13,383	23,483

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director



ABID HUSSAIN
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

Share capital	Revenue reserves	Capital reserve		Unrealised loss on financial assets at fair value through other comprehensive income	Total
	Unappropriated profit	Revaluation surplus on property, plant and equipment			
(Rupees in thousand)					
Balance as at June 30, 2025 (audited)	208,000	1,410,289	2,988,516	(97)	4,606,708
Transactions with owners in their capacity as owners recognised directly in equity					
Final cash dividend for the year ended June 30, 2025 @ Rupee 1.00 per share	0	(20,800)	0	0	(20,800)
Total comprehensive income for the six months period ended December 31, 2025					
- profit for the period	0	185,734	0	0	185,734
- other comprehensive income	0	0	0	288	288
Surplus on revaluation of property, plant and equipment for the six months realised during the period on account of incremental depreciation (net of deferred taxation)	0	10,802	(10,802)	0	0
Balance as at December 31, 2025 (un-audited)	208,000	1,586,025	2,977,714	191	4,771,930
Balance as at June 30, 2024 (audited)	208,000	1,138,970	2,563,588	(114)	3,910,444
Transactions with owners in their capacity as owners recognised directly in equity					
Final cash dividend for the year ended June 30, 2024 @ Rupee 1.00 per share	0	(20,800)	0	0	(20,800)
Total comprehensive income for the six months period ended December 31, 2024					
- profit for the period	0	138,589	0	0	138,589
- other comprehensive income	0	0	0	0	0
Surplus on revaluation of property, plant and equipment for the six months realised during the period on account of incremental depreciation (net of deferred taxation)	0	7,755	(7,755)	0	0
Balance as at December 31, 2024 (un-audited)	208,000	1,264,514	2,555,833	(114)	4,028,233

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director



ABID HUSSAIN
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

Kohat Textile Mills Limited (the Company) is a public limited Company incorporated in Pakistan during the year 1967 and its shares are quoted on Pakistan Stock Exchange. The Company is principally engaged in manufacture and sale of yarn.

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

Kohat	Purpose
Saifabad	Mills / factory
Peshawar	
KPTMA house, Tehkal Payan, Jamrud Road	Registered office
Islamabad	
4 th Floor, Kashmir Commercial Complex, Fazal-e-haq road, Blue Area	Head office
Karachi	
Plot No. 36, New Karachi Cooperative Housing Society Near Dolmen Mall Tariq Road	Marketing & Sales office
Faisalabad	
P-17, Near Allied Bank Ltd, Montgomery Bazar,	Marketing & Sales office

- 1.2 The Company is a Subsidiary Company of Saif Holdings Limited (the Holding Company), which holds 73.17% (June 30, 2025: 75.56%) of the Company's issued, subscribed and paid-up capital.

2. Basis of preparation

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, (Interim financial reporting), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and
- Provisions of, directives and notifications issued under the Act.

Where the provisions of, directives and notifications issued under the Act differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Act have been followed.

- 2.2 These interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2025. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

2.3 These interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Act. The figures for the six months period ended December 31, 2025 have, however, been subjected to limited scope review by the external Auditors.

2.4 Basis of measurement

These interim financial statements have been prepared under the historical cost convention except property, plant and equipment, which are stated at revalued amounts and staff retirement benefits (gratuity), which are stated at the present value of defined benefit obligation at the end of reporting period.

2.5 Functional and presentation currency

These interim financial statements are presented in Pak Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3. Material accounting policies

The material accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2025.

4. Changes In accounting standards, interpretations and pronouncements

4.1 Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to International Financial Reporting Standards (IFRSs) are effective for accounting period beginning on July 01, 2025, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2026, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these interim financial statements.

5. Accounting estimates and judgements

The preparation of these interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended June 30, 2025.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

6. Property, plant and equipment		Un-audited December 31, 2025	Audited June 30, 2025
	Note	(Rupees in thousand)	
Operating fixed assets	6.1	6,275,490	5,808,261
Capital work-in-progress	6.2	34,090	342,112
Stores held for capital expenditure		49,238	90,054
		6,358,818	6,240,427
6.1 Operating fixed assets - tangible			
Book value at beginning of the period / year		5,808,261	4,937,654
Additions during the period / year	6.1.1	555,353	549,291
Revaluation surplus arisen during the preceding year- net		0	498,087
Disposals at net book value [cost Rs.3.115 million (June 30, 2025: Rs.28.894 million)]		(896)	(26,857)
Depreciation charge for the period / year		(87,228)	(149,914)
Book value at end of the period / year		6,275,490	5,808,261
6.1.1 Additions during the period / year			
Buildings on freehold land			
- factory		923	35,668
- residential		347	1,802
Plant & machinery		541,245	70,908
Gas fired power plant		414	34,752
Electric installations		10,948	374,753
Equipment & appliances		1,300	3,407
Fire extinguishing equipment		0	1,162
Vehicles		176	26,839
		555,353	549,291
6.2 Capital work-in-progress			
Factory buildings		34,090	0
Plant and machinery		0	342,112
Book value at end of the period		34,090	342,112

6.2.1 During the current period, borrowing cost was charged at the rates ranging from 12.65% to 12.96% per annum. Amounts aggregating Rs.24.657 million were included in the cost of plant & machinery.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

7. Long term financing- secured	Un-audited December 31, 2025	Audited June 30, 2025
Note	(Rupees in thousand)	
Balance at beginning of the period / year	1,193,858	771,427
Add:		
- disbursements made during the period / year 7.2	373,102	626,898
- unwinding impact of government grant	5,335	11,686
	378,437	638,584
Less: repayments made during the period / year	(119,394)	(216,153)
Balance at end of the period / year	1,452,901	1,193,858
Less: current portion grouped under current liabilities	(303,965)	(254,510)
	1,148,936	939,348

- 7.1 All the terms and conditions of long term financing are materially the same as disclosed in the audited financial statements of the Company for the year ended June 30, 2025. Effective mark-up rates charged, during the period, ranged from 3.50% to 13.61% (June 30, 2025: 3.50% to 21.76%) per annum.
- 7.2 The Company, during the period, has availed a long term finance facility of Rs.300 million from Saudi Pak Industrial and Agricultural Investment Company Ltd. to refinance the CAPEX already incurred through the Company's own sources. The finance facility tenor is 5 years from the date of first disbursement including nine months grace period for principal only and carries mark-up at the rate of 6 months KIBOR plus 160 bps. The finance facility is secured against pari passu charge on present and future fixed assets (including land and building) of the Company with 25% margin.

Saudi Pak, during the period, has also disbursed Rs.73.102 million against Term Finance - II.

8. Short term borrowings - secured

Short term finance facilities available from various commercial banks aggregate to Rs.2,850 million (June 30, 2025: Rs.2,850 million). These facilities, during the period, carried mark-up / profit at the rates ranging from 11.63% to 15.11% (June 30, 2025: 12.09% to 22.67%) per annum payable on quarterly basis. Facilities available for opening letters of credit / guarantee from various commercial banks aggregate to Rs.1,658.600 million (June 30, 2025: Rs.1,658.600 million) of which the amounts aggregating Rs.875.860 million (June 30, 2025: Rs.753.755 million) remained unutilised at the reporting date. These facilities are expiring on various dates by October, 2026.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

	Note	Un-audited December 31, 2025 (Rupees in thousand)	Audited June 30, 2025
9. Current portion of non-current liabilities			
Long term financing	7	303,965	254,510
Government grant		7,415	8,929
		311,380	263,439
10. Provision for tax levies - net		2025	
		"Rupees in '000"	
Balance as at June 30, 2025		95,089	
Add : provision made during the period			
- current	10.1	55,062	
- prior year		8,100	
		63,162	
Less : adjustment made against completed assessments		(103,189)	
Balance as at December 31, 2025		55,062	

10.1 Provisions made for the current and preceding periods represent minimum tax payable under section 113 of the Income Tax Ordinance, 2001.

11. Contingencies and commitments

11.1 Contingencies

There has been no significant change during the period in the contingencies reported in the audited financial statements of the Company for the year ended June 30, 2025 except for the following:

- A constitutional petition was filed before the Islamabad High Court challenging the vires of section 4C (Super tax on high earning persons) of the Income Tax Ordinance, 2001. The subject petition was decided through a consolidated order dated April 18, 2023 in favour of the petitioner. The Department filed an intra court appeal before the Division Bench; the subject petition has been decided through a consolidated order in favour of the petitioner in terms of Para-5 of the aforesaid judgment. The revenue has filed CP No.846/2023 in the Supreme Court, which has lastly been heard on March 24, 2023. The petition has been decided by the Federal Constitutional Court against the taxpayer during January, 2026. The management intends to file review against the said order.

- The Company has filed a constitutional petition with the Federal Constitutional Court of Pakistan in respect of the Gas Infrastructure Development Cess. The Court has granted a stay order dated January 27, 2026 whereby no adverse action shall be taken against the Company for non-payment of the cess amount, subject to the Company continuing to pay its regular gas bills in accordance with actual consumption. The said stay order remains operative at the reporting date.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

11.2 Commitments

11.2.1 Commitments against irrevocable letters of credit outstanding at the period-end were for Rs.517.270 million (June 30, 2025: Rs.455.303 million).

11.2.2 The Company had entered into Ijarah arrangements for ten (June 30, 2025: ten) vehicles with First Habib Modaraba. Aggregate commitments for rentals under Ijarah arrangements at the reporting dates were as follows:

	Un-audited December 31, 2025 (Rupees in thousand)	Audited June 30, 2025
Not later than one year	19,179	11,000
Later than one year but not later than five years	54,031	12,532
	73,210	23,532

12. Sales - net

12.1 Details of the Company's revenues from contracts with customers are as follows:

	Quarter ended		Six months period ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Rupees in thousand)			
Own manufactured goods:				
- yarn	2,108,741	2,168,564	3,980,236	4,018,419
- waste	10,263	8,695	20,616	18,777
	2,119,004	2,177,259	4,000,852	4,037,196
Trading activities:				
raw materials	280,594	41,206	403,168	110,232
	2,399,598	2,218,465	4,404,020	4,147,428

12.2 All the contacts were with the local customers under one performance obligation and the revenue was recognised at the point in time when the goods were transferred to the customers.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

13. TRANSACTIONS WITH RELATED PARTIES

13.1 Significant transactions executed with related parties during the period were as follows:

Relationship & Nature of transactions	Un-audited Six months period ended, December 31,	
	2025	2024
	(Rupees in thousand)	
i) Holding Company		
- Dividend paid	15,220	16,220
ii) Associated Companies		
- sale of raw materials and goods	475,738	81,450
- purchase of fixed assets	1,374	350,858
- purchase of raw materials	0	34,998
- purchase of services	13,463	0
- donations paid	3,000	3,000
iii) Related party		
- gas purchased	4,996	583,142
iv) Key management personnel		
- remuneration and other employment benefits	35,505	22,152
	Un-audited December 31, 2025	Audited June 30, 2025
	--- Rupees in '000 ---	
13.2 Period / year end trade and other payables balances included due to an Associated Company	294	0
Period / year end accrued expenses included due to a related party on account of gas bills payable	497	1,565

14. Financial risk management

14.1 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.

These interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited financial statements as at and for the year ended June 30, 2025.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2025.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2025

14.2 Fair value estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

15. Shariah screening disclosure

	Un-audited December 31, 2025		Audited June 30, 2025	
	Conventional	Sharia compliant (Rupees in thousand)	Conventional	Sharia compliant
Long term financing	1,164,716	288,185	855,900	337,958
Short term borrowings	858,098	1,349,489	1,255,980	1,349,501
Long term investments	9,511	0	9,223	0
Bank balances	8,518	4,363	6,550	3,610
Accrued mark-up / profit	46,107	37,827	37,550	38,889

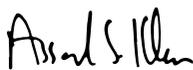
	Un-audited December 31, 2025		Un-audited December 31, 2024	
	Conventional	Sharia compliant (Rupees in thousand)	Conventional	Sharia compliant
Profit earned on term finance certificates	619	0	525	0
Mark-up / profit on long term financing	38,013	7,242	26,487	9,636
Mark-up / profit on short term borrowings	69,429	84,594	82,068	115,828

16. Corresponding figures

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the Company for the year ended June 30, 2025, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

17. Date of authorisation for issue

These interim financial statements were authorised for issue on February 27, 2026 by the Board of Directors of the Company.



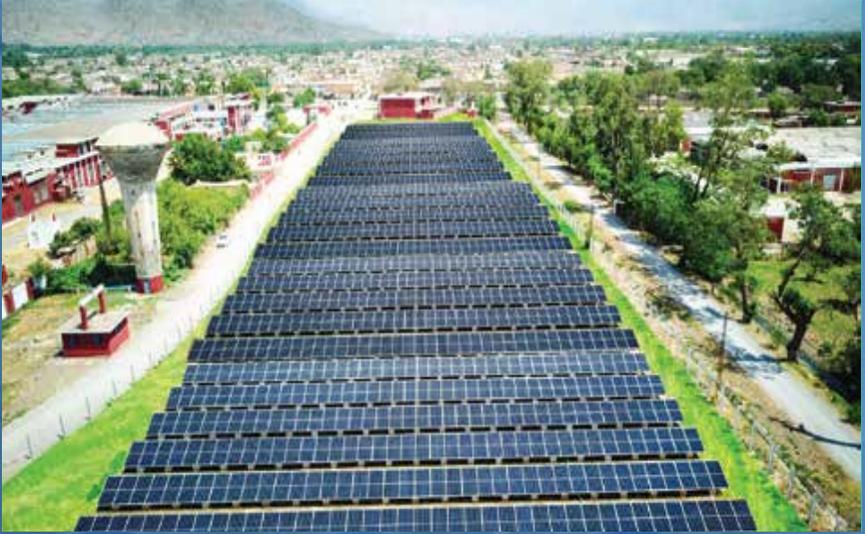
ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director



ABID HUSSAIN
Chief Financial Officer



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