NISHAT

Nishat Mills Limited

ANNUAL REPORT 2026

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COMPANY INFORMATION

Board of Directors
Mian Umer Mansha
Chief Executive Officer

Mian Hassan Mansha
Chairman

Mrs. Mehak Adil
Mrs. Sara Aqeel
Syed Zahid Hussain
Mr. Farid Noor Ali Fazal
Mr. Mahmood Akhtar

Audit Committee
Mrs. Mehak Adil
Chairperson / Member

Syed Zahid Hussain
Member

Mr. Farid Noor Ali Fazal
Member

Human Resource & Remuneration (HR & R) Committee
Mrs. Sara Aqeel
Chairperson / Member

Mian Umer Mansha
Member

Mr. Mahmood Akhtar
Member

Chief Financial Officer
Mr. Muhammad Azam

Company Secretary
Mr. Khalid Mahmood Chohan

Auditors
Riaz Ahmad & Company
Chartered Accountants

Legal Advisor
Mr. M. Aurangzeb Khan,
Advocate, Chamber No. 6, District Court, Faisalabad.

Bankers to the Company

Bangladesh
Eastern Bank PLC.

Pakistan
Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Citibank N.A.
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Faysal Bank Limited - Islamic Banking
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
JS Bank Limited
Meezan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
National Bank of Pakistan
Pakistan Kuwait Investment Company (Private) Limited
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Khyber - Raast Islamic Banking
The Bank of Punjab
The Bank of Punjab - Taqwa Islamic Banking
United Bank Limited - Ameen Islamic Banking

Mills

Spinning units, Yarn Dyeing & Power plant
Nishatabad, Faisalabad.

Spinning units & Power plant
20 K.M. Sheikhupura Faisalabad Road, Feroze Watwan.

Spinning units & Power plant
Plot No. 172-180 & 188-197,
M-3 Industrial City, Sahianwala,
FIEDMC, 2 K.M. Jhumra Chiniot Road, Chak Jhumra, Faisalabad.

Weaving units, Denim Unit, Workwear unit & Power plant
12 K.M. Faisalabad Road,
Sheikhupura.

Weaving unit, Dyeing & Finishing unit, Processing unit, Stitching units and Power plants
5 K.M. Nishat Avenue Off 22 K.M. Ferozepur Road, Lahore.

Terry Unit
7 K.M. Nishat Avenue Off 22 K.M. Ferozepur Road, Lahore.

Apparel Unit
2 K.M. Nishat Avenue Off 22 K.M. Ferozepur Road, Lahore.

Registered office
Nishat House,
53 - A, Lawrence Road, Lahore.
Tel: 042-36360154, 042-111 113 333
Fax: 042-36367414

Shares Registrar
THK Associates (Private) Limited

Head Office, Karachi
Plot No. 32-C Jami Commercial
Street No. 2, DHA Phase VII,
Karachi 75500.
Tel: 021-111 000 322
Fax: 021-35310191

Branch Office, Lahore
Office No. 309, 3rd Floor,
North Tower, LSE building,
19-Sharah-e-Aiwan-e-Iqbal
Lahore.
Tel: 042-36302044

Head Office
7, Main Gulberg, Lahore.
Tel: 042-35716351-59, 042-111 332 200
Fax: 042-35716349-50
E-mail: nishat@nishatmills.com
Website: www.nishatmillsltd.com

Liaison Office
1st Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi.
Tel: 021-32414721-23
Fax: 021-32412936

Bangladesh Liaison Office
House No.247, Road No.3, Baridhara
DOHS, Dhaka Cantt., Bangladesh.

DIRECTORS' PROFILE

Mian Umer Mansha
Chief Executive Officer

Mian Hassan Mansha
Chairman

Syed Zahid Hussain
Non-Executive Director

Mr. Farid Noor Ali Fazal
Non-Executive Director

Mian Umer Mansha
received his Bachelor's degree from Babson College, Boston, USA. He has been serving on the Board of Directors of various listed companies for more than 30 years.

He also serves on the Board of Adamjee Insurance Company Limited, MCB Bank Limited, Adamjee Life Assurance Company Limited, Nishat Dairy (Private) Limited, Nishat Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat Developers (Private) Limited, Nishat Sutas Dairy Limited, Hyundai Nishat Motor (Private) Limited, Nishat Agriculture Farming (Private) Limited, Nishat Agrotech Farms (Private) Limited, Rafhan Maize Products Company Limited and National Textile Foundation.

Mian Hassan Mansha
has over 26 years of diversified experience and has been serving on the Board of various listed and unlisted companies. Currently he is serving on the Boards of Nishat Power Limited, Security General Insurance Company Limited, Lalpir Limited (Formerly: Lalpir Power Limited), Nishat Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat Dairy (Private) Limited, Pakistan Aviators and Aviation (Private) Limited, Nishat Real Estate Development Company (Private) Limited, Nishat Agriculture Farming (Private) Limited, Hyundai Nishat Motor (Private) Limited, Nishat Developers (Private) Limited, Nishat Packaging Limited, Rafhan Maize Products Company Limited and Nexgen Auto (Private) Limited.

He is also serving as Chief Executive Officer of Pakgen Limited (Formerly: Pakgen Power Limited) and is an Honorary Consul of Brazil in Pakistan.

Syed Zahid Hussain
is a seasoned professional in Pakistan's corporate world. He possesses multi-faceted talents and has attained exemplary accomplishments. He has in-depth knowledge of a wide range of subjects and has extensively diversified experience and exposure in senior positions. He has earned B.Sc, LLB and MA in International Relations. He has a vast experience of working as Chairman / Chief Executive / Director of various state owned enterprises and listed companies. He has also served as the High Commissioner / Ambassador of Pakistan in Kenya, with accredited assignments of Ambassadorship in Tanzania, Uganda, Rwanda, Burundi, Ethiopia and Eritrea. He is a fellow member of the Institute of Management, England; International Biographical, Center, the USA and the Institute of Marketing Management, Karachi.

Mr. Farid Noor Ali Fazal
holds a Bachelor's degree in Commerce, Law and Management. He has vast experience of about 52 years in marketing, selling, logistics and administration. He started his career in 1967 with Fancy Group of Companies and later served as Marketing Manager of Steel Corporation of Pakistan before moving to Middle East in 1976. He remained associated with the cement and steel sector in Middle East for more than a decade where he served in various companies mostly as General Manager (Sales & Marketing).

He later moved to Houston, Texas, USA in 1987 where he successfully managed his entrepreneurial venture for next eleven years before returning to Pakistan and joined D. G. Khan Cement Company Limited in 1998. His vast experience, leadership traits, business acumen, people skills and dedication to work have been key elements of his success in the role and he has contributed incredible expansion in the market share of DGKC locally and specially internationally as well.

Apart from Executive Director's (Sales & Marketing) day to day operational activities, he is currently acting as Senior Vice Chairman of All Pakistan Cement Manufacturers Association (APCMA) and has also served as its Acting Chairman in 2002. Moreover, he serves on the Board of Directors of Nishat Packaging Limited and D. G. Khan Cement Company Limited as well.

Mr. Mahmood Akhtar
Non-Executive Director

Mrs. Sara Aqeel
Independent Director

Mrs. Mehak Adil
Independent Director

Mr. Mahmood Akhtar
holds an MBA degree from University of the Punjab and has over 49 years of managerial experience spread across various sectors of industries & business: Sales and Marketing of durable engineering products, manufacturing of cables & overhead aluminum conductor, Power, Health & Hospitality and Relationship Management.

He also serves on the Board of Lalpir Limited (Formerly: Lalpir Power Limited), Nishat Power Limited, Nishat Packaging Limited and Nishat Commodities (Private) Limited.

- Member of Pen (Progressive Education Network). Engaged in providing free & quality education to children.

- Keen Golfer.

Mrs. Sara Aqeel
is a qualified lawyer, with significant experience in litigation and academics. She holds a gold medal in Bachelors of Law and has worked with Ramday Law Associates. Her work includes cases pertaining to the corporate sector with a special focus on the Banking Sector. In addition, she has also taught Law at Pakistan College of Law and acted as a coordinator for the external program of Law offered by the University of London. Over the years she has participated in a number of skills training programs which have focused primarily on International Law, pertaining to Trade, Human Rights and Comparative Jurisprudence.

Mrs. Mehak Adil
holds an LLM from the London School of Economics and Political Science, with a specialization in Corporate and Commercial Law. Mrs. Mehak started her career as a corporate lawyer at Cornelius, Lane and Mufti in 2015, where she was engaged in various corporate and commercial cases. Mrs. Mehak is an Advocate of the High Courts in Pakistan, with expertise in domestic and international dispute resolution, including international arbitration.

COMPANY OFFICERS

Mr. Muhammad Azam
Chief Financial Officer

Mr. Khalid Mahmood Chohan
Company Secretary

Mr. Muhammad Azam
is a fellow member of the Institute of Chartered Accountants of Pakistan and Institute of Cost & Management Accountants of Pakistan. He has over 47 years of experience. He also holds office of director in Lalpir Limited (Formerly: Lalpir Power Limited), Nishat Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, and Nishat Real Estate Development Company (Private) Limited.

Mr. Khalid Mahmood Chohan
is a Commerce graduate. His experience tenure is about 43 years as Company Secretary of Nishat Group Companies with expertise in income tax, corporate matters and secretarial practices.

VISION, MISSION & CORE VALUES

VISION STATEMENT:

To be and remain industry lead by safeguarding stakeholders' interest, serving community and playing a meaningful role in the economy of Pakistan.

MISSION STATEMENT:

To increase financial returns by pursuing sustainable business, producing the best quality products and providing excellent customer services while adopting best practices.

CORE VALUES:

VALUE	SLOGAN	CONNOTATION
Novelty	Be Open to Newness	Nishat is open to innovation & creativity at organization level, systems level and individual level.
Integrity	Be Honest	Nishat operates through lawful means and fulfils its legal, moral and ethical responsibilities.
Sustainability	Be Sensitive to Environment	Nishat ensures best use of environmental resources by adopting benchmark process and bringing continuous improvement in the same.
Humbleness	Be Empathic	Nishat encourages culture of mutual respect, support and develops congenial environment for people at workplace.
Accountability	Be Responsible	Nishat believes in 'participative decision making' and assures that everyone should take responsibility for all decisions at all levels.
Trust	Trust the People	Nishat trusts its employees the most and believes in attaining sustainable competitive advantage through its Human Capital.

CHAIRMAN'S REVIEW REPORT

I am pleased to present the Chairman's Review Report of Nishat Mills Limited (the "Company") for the financial year ended 30 June 2026.

The year under review remained challenging due to low global demand, rising raw material and energy costs, geopolitical uncertainties and cut-throat competition. Despite these challenges, the Board provided valuable guidance and effective oversight to ensure that the Company remained focused on its long-term objectives, sustainable growth and shareholders' interests.

During the year, the Board remained focused on strategic planning, financial performance, risk management and operational efficiency. It regularly reviewed the Company's financial and operational results, major investments, emerging risks and business opportunities. The Board also provided oversight of the Company's initiatives such as product diversification, value addition, energy efficiency and sustainability to strengthen its competitive position and enhance long-term corporate value.

The year was also important from a corporate governance point of view because the election of Directors was held during the year. The existing Directors were re-elected unopposed which reflects the continued confidence of shareholders in the leadership and governance of the Company. After the election, the Board was duly reconstituted in accordance with the applicable regulatory requirements. The Board comprises a balanced mix of executive, non-executive and independent Directors that brings the diverse professional expertise and experience to its deliberations.

The Board and its Committees continued to discharge their responsibilities in accordance with their respective terms of reference. Special attention was given to the integrity of financial reporting, adequacy of internal controls, regulatory compliance and effective management of financial and non-financial risks. The Board also continued to oversee sustainability-related matters, including environmental responsibility, diversity, equity and inclusion, as integral elements of the Company's long-term strategy.

According to the corporate governance requirements, the Board carried out its annual performance evaluation to assess its overall effectiveness and the performance of its Committees. The evaluation mechanism provides an opportunity to review the Board's composition, quality of considerations, strategic contribution, oversight responsibilities and decision-making processes. The Board is committed to continuous improvement in its performance, accountability and governance practices.

I extend my sincere appreciation to the Board of Directors and its Committees for their commitment to strong governance. I am equally grateful to our shareholders, customers, employees, and all stakeholders whose trust and support continue to strengthen the Company.

Mian Hassan Mansha
Chairman

Lahore
30 September 2026

Directors' Report

Directors of Nishat Mills Limited ("the Company") are pleased to present the annual report of the Company for the year ended 30 June 2026 along with the financial statements and auditors' report thereon.

FINANCIAL PERFORMANCE OVERVIEW

Profit after taxation of the Company decreased during the financial year ended 30 June 2026 as compared to the corresponding year ended 30 June 2025. The decline was mainly due to weak global demand, high raw material prices, increased production costs and lower dividend income. However, the impact of these factors was partly mitigated by lower finance costs and a favorable tax outcome during the year.

Following are the key highlights (Un-consolidated):

Financial highlights	2026	2025
	Rupees in million	
Revenue	181,645	178,167
Gross Profit	17,737	20,025
EBITDA	19,341	23,768
Depreciation	6,136	4,629
Finance Cost	6,378	8,432
Other Income	7,192	10,204
Profit before Taxation and Levy	6,828	10,707
Profit after Taxation	5,483	6,014

Revenue of the Company increased by Rs. 3.478 billion (1.95%) during the year ended 30 June 2026 as compared to the corresponding year ended 30 June 2025. The growth was mainly attributable to an increase in export sales of Rs. 4.284 billion (4.46%). Export revenue in USD terms increased to USD

355.136 million from USD 343.455 million in the preceding year. The Company maintained its growth trajectory and recorded the highest revenue in its history which reflects sustained business expansion over the last six years.

The gross profit of the Company decreased by Rs. 2.288 billion (11.43%) during the year ended 30 June 2026 as compared to the corresponding year ended 30 June 2025. This decline was mainly due to higher raw material, energy and manufacturing costs which resulted in higher cost of sales increase as compared to revenue growth. Consequently, the gross profit margin declined from 11.24% to 9.76% during the year. However, a review of the six-year trend shows that the Company has continued to generate strong gross profits despite even difficult market conditions.

Dividend income once again made a meaningful contribution to the profitability of the Company during the year ended 30 June 2026. The Company received dividend income of Rs. 4.620 billion compared with Rs. 7.496 billion in the previous year. Although dividend income decreased during the year, the Company's long-term investment strategy continued to provide stable returns and enhance shareholder value. A review of the last six years depicts the strength of the Company's investment portfolio which covers major sectors of the economy. Notably, it has contributed significantly to the bottom line through dividend income and capital gains over the years.

Finance cost of the Company decreased by Rs. 2.054 billion (24.36%) from Rs. 8.432 billion in the corresponding last year to Rs. 6.378 billion during the year ended 30 June 2026. The decrease was primarily due to a decrease in average borrowing cost during the year. This reduction was achieved despite the Company's further investment in expansion, modernization and diversification projects. The last six years shows a well-managed financing strategy which kept finance cost within limits in relation to the scale of operations and long-term growth objectives.

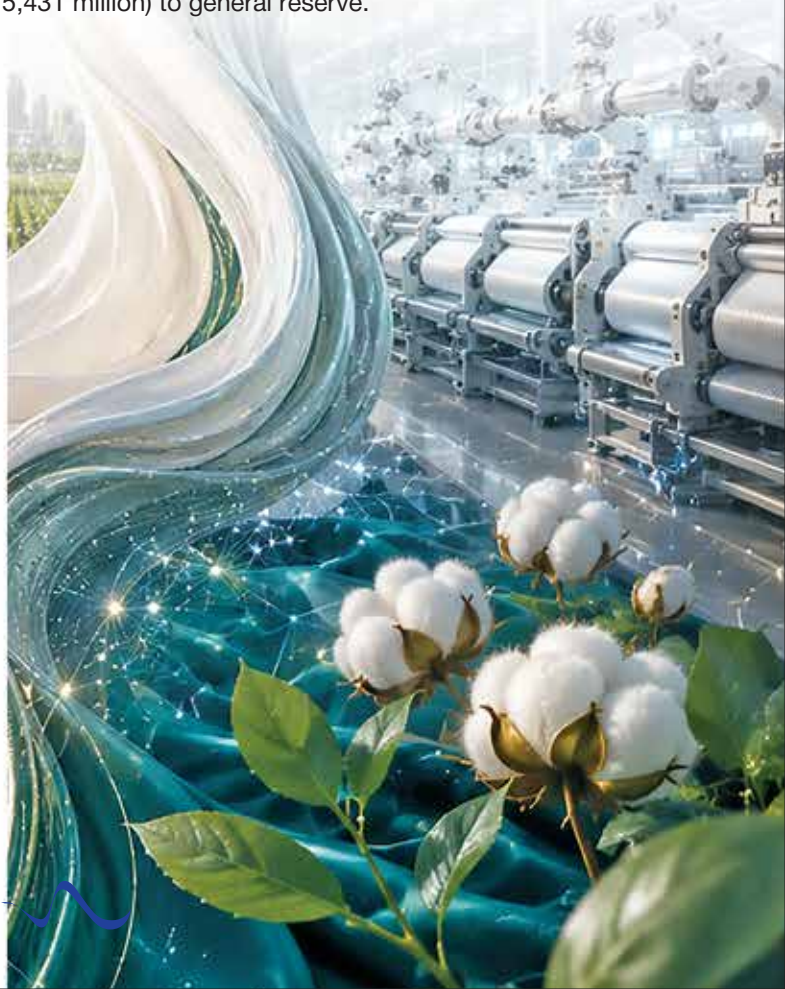
Profit after taxation to sales percentage decreased from 3.38% in the preceding year to 3.02% during the year ended 30 June 2026. The decline was primarily attributable to increase in cost of doing business and decrease in other income. An analysis of the last six years reflects the Company's ability to maintain a healthy profitability. The sustained profitability shows the Company's resilience and strong business fundamentals.

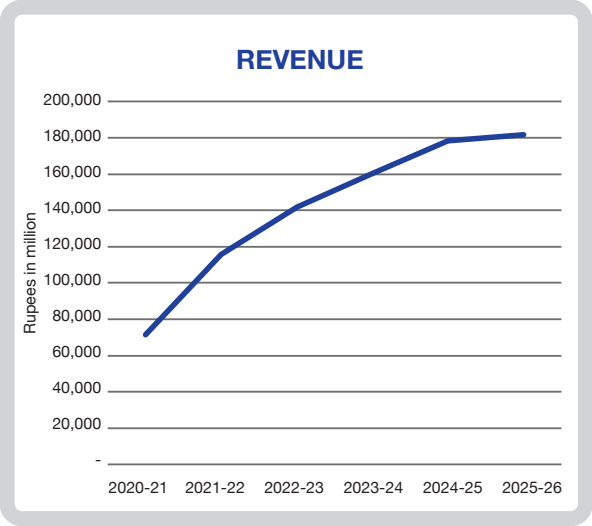
The Company invested Rs. 7.846 billion on fixed capital expenditure (CAPEX) during the financial year ended 30 June 2026. Apart from routine BMR, a significant investment was made in renewable energy projects.

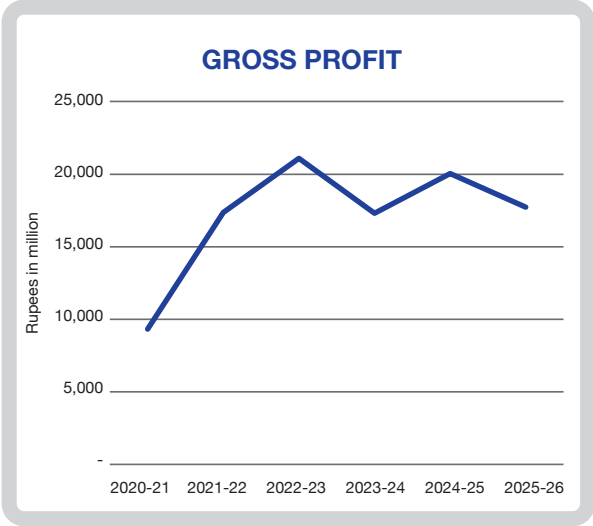
The Company earned a healthy Earnings Per Share (EPS) of Rs. 15.59 during the financial year ended 30 June 2026 which was lower than Rs. 17.10 recorded in the last year. However, the six-year trend reflects the Company's strong earning capacity and resilience despite varying economic and industry conditions. The positive earnings over the years is a proof of management's focus on sustainable growth, operational excellence and long-term value creation for shareholders.

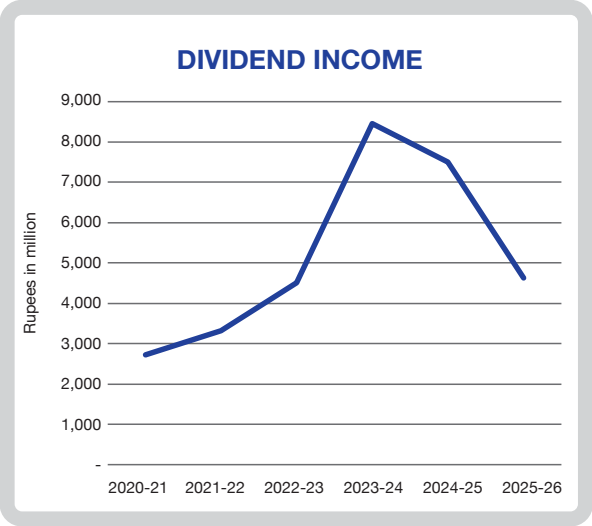
Appropriations

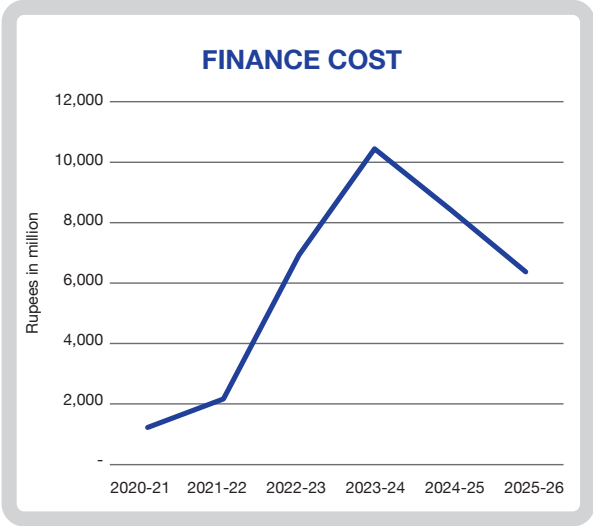
The Board of Directors of the Company has recommended 20% cash dividend (2025: 20%) and transferring of Rupees 7,836 million (2025: Rupees 5,431 million) to general reserve.











The current ratio remained stable at 1.24 times that shows the Company's ability to meet its short-term obligations through its current assets. The quick ratio improved from 0.55 times in the previous year to 0.61 times that reflects enhanced coverage of current liabilities by more liquid assets and improved working capital management.

The gearing ratio improved from 38.08% in FY 2025 to 36.94% in FY 2026 due to a decrease in reliance on debt financing relative to its equity base. This improvement reflects the Company's prudent financial management and commitment on maintaining a balanced capital structure. Despite continued investments in expansion, modernization and renewable energy projects, the Company has successfully improved its financial position. This has enhanced flexibility to facilitate future growth while effective management of financial risk.

SEGMENT ANALYSIS

Spinning

During FY 2025–26, the Company's proactive raw cotton procurement strategy ensured adequate availability at competitive costs and minimized exposure to rising cotton prices, particularly during the fourth quarter, due to concerns over expected fall in cotton production and limited supplies. Despite weak global demand, regional competition and pressure on export yarn prices, the domestic market remained relatively supportive, enabling satisfactory capacity utilization and healthier margins. Strong customer relationships, operational efficiencies and disciplined cost management supported the Spinning Division for a positive financial performance despite challenging international market conditions.

Going forward, the spinning division will focus on market-driven product development, value-added yarns, strengthening relationships with international brands, and enhancing raw-material traceability and sustainable sourcing capabilities.

Weaving

Profitability margins of the Division were squeezed due to unprecedented increase in raw material prices. The impact of this increased could not be fully passed on through the supply chain because the prevailing geopolitical situation and weak demand created uncertainty in the market. Buyers consider this price hike as temporary and expected prices to return to normal once the situation in the Middle East improves. Despite these challenges, the Division successfully achieved its annual sales and profit targets.

In line with the trend recorded in the previous year, the technical fabric business continued to show significant growth. The Division further expanded its presence in sectors such as automotive, filtration, sun protection, military wear, scrims and performance fabrics. The promising growth of the newly established Workwear Division and the Corduroy Cutting business of the Dyeing Division is expected to provide further impetus to the demand for grey cloth.

Dyeing

The topline of the Division decreased by 20.40% in the current financial year as compared to the corresponding last financial year. The main reason was persistent global economic uncertainty, subdued demand across major export markets, and intense regional competition. Operating margins and export price competitiveness were severely affected by rising local production costs especially increasing energy tariffs, fuel, and raw material costs. The geopolitical shipping disruptions and elevated ocean freight rates, presented persistent headwinds for fabric exports.

To address these challenges, the Dyeing Division is focusing on product, customer and regional diversification. The Division is actively exploring new geographic markets and expanding its customer base to reduce the impact of systematic shocks. This strategy is expected to improve capacity utilization, bring stability in sales volumes and ensure the Division's long-term profitability and resilience.

Denim

The Company's strategic initiative to expand its product portfolio into denim has proved effective. The Denim Division recorded remarkable topline growth during the current financial year. The business has shown sustained growth momentum, with improved performance towards the end of the financial year, reflecting effective management and customer confidence. The Division remains focused on strengthening its market position through quality, reliability, and responsiveness to evolving customer requirements.

Considering the growing customer demand, the Company plans to further invest in enhancing its denim production capacity. This will support sustainable growth while also strengthening the Company's competitive position in the denim sector.

Workwear

Following its commencement of production during the previous year, the Workwear Division doubled its revenue during the year ended 30 June 2026. The Division achieved this significant growth despite rising input costs, particularly polyester and nylon prices, which are key raw materials for workwear fabrics. In the prevailing challenging environment, the Division is committed on effective cost control and operational efficiency.

The Division is also determined to developing higher-value products, particularly flame-resistant, stretch and multi-norm compliant fabrics. While these products require additional testing, certification and customer approvals to meet stringent quality standards, they offer opportunities to develop higher-value business and build long-term customer relationships.

Home Textile and Terry

Home Textile and Terry Division performed satisfactorily during the year. The Division achieved healthy growth in sales volume and sustained its profitability through effective pricing strategies, continuous product development and strong customer relationships. Although rising input costs impacted margins, especially during the latter part of the year, the Division continued to perform well and further strengthened its market position.

It is worth noting that the Division increased production without compromising on quality through better production planning, improved manufacturing efficiencies and effective utilization of available resources. Consequently, the Division achieved higher sales during the year. The Division will continue to focus on productivity improvement and sustainable manufacturing practices to further enhance operational efficiency, strengthen profitability and support long-term business growth.

Garments

Sales of the Division grew by 20.69% during the financial year ended 30 June 2026 as compared to the previous financial year. However, profit margins declined, particularly during the second half of the financial year, due to significant geopolitical and supply chain disruptions.

The management took various cost reduction measures through operational efficiency and productivity improvements which reasonably offset the impact of rising input costs. Looking ahead, the Division's strategy is to expand its product range and geographical markets, with a focus on broadening its customer base. Moreover, the management remains focused on compliance with sustainability practices to meet the increasing requirements of international buyers, particularly in areas such as traceability, faster delivery and sustainable manufacturing.

Power Generation

Rising energy prices are the biggest challenge for the Company. Therefore, the Company is actively seeking diversity in its energy mix through electricity grid connections, solar expansion, battery energy storage systems, and alternative thermal fuels.

In addition to reducing costs, the Company is also committed to minimizing the environmental impact of fuel consumption. The installed capacity of its solar projects stands at 41.61 MW, while an additional 4.21 MW is in installation phase. To further maximize solar efficiency, the Company is planning a 20 MWp solar power plant integrated with a 35 MWp Battery Energy Storage System (BESS) at its Ferozewatwan and Bhikhi locations to store daytime solar energy for consumption during expensive peak-tariff hours in the night. These initiatives will not only reduce energy costs but also improve the Company's energy security by enhancing reliability and reducing dependence on conventional fuels.

TEXTILE INDUSTRY OVERVIEW

The textile sector is a key pillar of Pakistan's industrial economy and remains the country's largest manufacturing and employment-generating sector. It contributes 59.7% to total national exports and 24.2% to industrial value addition. The sector comprises a vertically integrated value chain covering ginning, spinning, weaving, fabric processing, and apparel manufacturing. It plays a vital role in linking Pakistan's agricultural cotton output with industrial processing and international trade. Pakistan's textile exports remained largely stagnant during FY 2025-26, increasing marginally by 0.26% to US$17.93 billion.

The sector faced significant challenges throughout the year. Surging energy tariffs, elevated fuel prices, and high financing costs adversely affected the price competitiveness of local manufacturers relative to regional producers. As a result, operating margins declined due to escalating production costs. In addition, the availability of raw materials remained constrained due to a 45% shortfall in the domestic cotton crop, with local cotton production reaching only 5.60 million bales against the official target of 10.20 million bales. Consequently, the industry had to rely heavily on expensive imported cotton. Moreover, ongoing geopolitical conflicts created uncertainty, resulting in extended transit times,

higher inventory holding costs, and additional pressure on cash flows. Furthermore, price competition in key Western export markets intensified following progress on India's Free Trade Agreements with the European Union and the United Kingdom.

Despite these challenges, the sector demonstrated resilience and continued to maintain its export presence, supported by its diversified and vertically integrated value chain, established global customer base, and ability to adapt to the evolving operating environment.

RISKS AND OPPORTUNITIES

The Company's management assesses and manages risks on an ongoing basis to protect stakeholder value and capitalize on viable opportunities. The principal risks and uncertainties are as follows:

STRATEGIC RISKS:

Product and market diversification are essential to remain competitive as customers increasingly demand high-quality, innovative products delivered within tight lead times. Division heads meet regularly to align strategy and operations, and mitigate strategic risk through targeted investments in new projects, BMR, and strengthen customer engagement.

BUSINESS RISKS:

Cotton Supply and Price

The availability and price of cotton pose a major business risk as a result of adverse weather events and fluctuating crop yields. Cotton shortages and price volatility can materially increase cost of goods sold and disrupt production. To manage this risk the Company employs phased procurement combined with supplier diversification, rigorous quality controls and ongoing evaluation of alternative fibre blends. These measures are designed to smooth procurement costs, secure supply continuity and protect margins.

Export Demand and Price

The Company's business is export-oriented. Therefore, it is exposed to fluctuations in global demand, shifts in buyer sourcing policies, and competition from lower-cost producers both inside and outside the country. To mitigate these risks the Company deepens relationships with international buyers, moves up the value chain into higher-margin products, strengthens product traceability and compliance, and pursues new geographies to reduce customer and market concentration.

Cybersecurity and Information Systems Risk

The Company relies on computerized systems to manage its operations and financial systems, which exposes it to cybersecurity risks. Cyber incidents could result in financial loss, production stoppage, compromised sensitive information, and damaged customer trust. To mitigate these risks, the Company has implemented layered security protocols, conducts regular staff awareness training, and maintains formal incident-response procedures.

Regulatory and Market-Access Risk

Tariff changes and buyer compliance requirements relating to labour standards, environmental practices, and chemical safety, can significantly affect pricing and market access. To mitigate these risks, the Company maintains all required certifications, engages proactively with trade bodies and regulatory authorities, and continues to diversify both its markets and customer base.

Energy Availability and Cost

Availability of energy at competitive rates is critical for a textile manufacturer to remain competitive, particularly in comparison with regional textile producers such as India and Bangladesh who benefit from relatively cheaper energy. To mitigate this risk, the Company has diversified its energy mix across coal, furnace oil, biomass, diesel and solar; implemented comprehensive energy-conservation measures; installed captive power plants at all major locations; and secured grid connections wherever feasible. The continued expansion of renewable capacity, aquisition of Battery Energy Storage System and energy-efficiency initiatives remains a central priority in order to stabilise long-term costs and safeguard competitiveness.

FINANCIAL RISKS:

The Board sets financial risk-management policies executed by the Finance Department. Principal financial risks and mitigations are summarized below.

- **Currency Risk:** The Company faces foreign-exchange exposure arising from receivables and payables in USD, AED, EUR, JPY, GBP, DKK and BDT. Exposures are managed through currency matching, short-term hedging where commercially appropriate and close treasury oversight.

- **Interest Rate Risk:** Interest-rate volatility affects financing costs. The Company manages exposure by reviewing refinancing options.

- **Credit Risk:** Trade receivables are monitored with credit limits and ageing review. Historically long-standing buyer relationships reduce expected credit losses.

- **Liquidity Risk:** Committed bank facilities, conservative cash-flow forecasting and working-capital controls are maintained to ensure adequate liquidity under difficult circumstances.

- **Capital Risk:** Capital structure is managed to preserve going concern status and maintain an optimal cost of capital.

OPPORTUNITIES:

As a leading vertically integrated textile company, we are positioned to capitalize on a number of opportunities:

- Regionally diversified customer base across the world provides sustainable growth in export sales and reduces reliance on any single market.

- Diversified product portfolio allows the Company to attract and retain the attention of a wide range of international textile buyers.

- Vibrant local and international subsidiary companies continue to create demand for our products and strengthen brand presence.

- Vertical integration enables the Company to exploit operational synergies, control quality across the value chain, and shorten lead times.

- High population growth in Pakistan provides a steady supply of suitable manpower and also stimulates domestic demand for textile products.

- Expansion into value-added segments such as premium home textiles, garments, and terry products offers higher margins and long-term customer loyalty.

- Energy transition and renewables provide the opportunity to reduce production costs, enhance sustainability credentials, and meet buyer expectations on ESG.

CORPORATE SOCIAL RESPONSIBILITY

Following is the brief summary of corporate social responsibility initiatives undertaken by the Company:

Community Welfare Schemes

The Company arranges a range of welfare and social development schemes to improve the well-being of its employees and the communities in which it operates. It provides education through Nishat Care High School. It also manages internship and apprenticeship programs to impart practical training and skill development opportunities for students and young professionals that helps prepare them for future careers. The Company also maintains free and fully equipped dispensaries with qualified medical staff and pharmacy facilities to ensure timely healthcare services for employees. Moreover, regular health check-ups, safe drinking water initiatives through Reverse Osmosis plants, blood donation programs, dengue prevention measures and community health support activities are undertaken to promote public health and well-being. Through these initiatives, the Company continues to contribute towards education, healthcare and skills development, creating a positive and lasting impact on employees and the wider community.

Equal Opportunity Employer

The Company gives equal employment opportunities and provides a diverse and inclusive workplace where all employees are treated with fairness, dignity and respect. The management believes that diversity strengthens our workforce which is essential for the long-term business success. Accordingly, the Company promotes gender diversity and inclusion across its manufacturing facilities while continuing to provide employment opportunities to persons with

disabilities and other underprivileged segments of society. We also support workplace accessibility and create an environment that enables all employees to participate and perform to their full potential. The gender pay gap of the Company stands at 11.38% (Mean) and 6.76% (Median).

Occupational Safety and Health

The health, safety and well-being of its employees is the top most priority of the Company. It is committed to provide a safe and healthy working environment across all manufacturing facilities. It conducts regular Occupational Health and Safety (HSE) trainings to enhance employee awareness and strengthen the culture of workplace safety. The Company has dedicated firefighting departments, equipped with trained personnel and emergency response systems which have been deployed on various facilities to ensure prompt action in case of emergencies. The Company has also implemented safety audits, risk assessments, accident investigation procedures and hygienic inspections to effectively manage workplace risks and maintain high safety standards. Moreover, fully equipped dispensaries, first-aid facilities and trained first responders are available to provide timely medical assistance. The Company in order to create a safe, secure and healthy workplace for all employees regularly holds eye-sight medical camps, vaccination programs, regular fumigation and dengue prevention measures.

Environment Protection

The Company ensures environmental protection through continuous investment in sustainable technologies and responsible resource management practices. Total installed solar capacity has reached approximately 41.61 MW which is a major step towards the acquisition and use of renewable energies. The Company also operates Effluent Treatment Plants (ETPs), wastewater recovery systems and in-house testing facilities to ensure effective treatment, recycling and safe disposal of wastewater in line with environmental requirements. Moreover, many steps have been undertaken to minimize environmental impact, such as rainwater harvesting, Reverse Osmosis (RO) plants, water conservation and monitoring systems, induction wells for groundwater recharge, water leakage control measures, biomass boilers, environmental monitoring and testing, hazardous waste management, and the use of environmentally friendly chemicals and production technologies. These and many other initiatives demonstrate the Company dedication to reduce its environmental footprint to promote sustainable industrial growth.

Energy Conservation

Acquisition of innovative technologies and investment in resource-efficient operations is key to the Company's investment strategy. The management has undertaken various initiatives to reduce energy consumption and promote the use of renewable energy. These projects include the further investment in solar power and LED lighting systems, deployment of Variable Frequency Drives (VFDs), adoption of energy-efficient machinery, and process automation across many operations. The Company also enhanced energy efficiency through waste heat recovery systems, biomass boilers, steam conservation measures, and upgraded washing and production equipment designed to reduce water, steam and electricity consumption. These initiatives have not only lowered operating costs but have also contributed to reduced carbon emissions apart from improving resource utilization.

Consumer Protection Measures

Consumer protection is embedded throughout our value chain from the sourcing of raw materials to production, testing and final delivery. The Company is committed to protecting consumers by ensuring that its products meet international quality, safety, and compliance requirements throughout the manufacturing process. This commitment is reinforced through internationally recognized certifications, including Customs-Trade Partnership Against Terrorism (C-TPAT), OEKO-TEX® Standard 100, SA8000, WRAP Platinum, and SEDEX, which support product safety, supply chain security, ethical business practices, and social compliance. Moreover, robust product quality assurance, testing, chemical compliance controls, and customer complaint handling mechanisms are implemented across operations to enhance product reliability and customer satisfaction. These measures strengthen consumer confidence and shows our commitment to delivering safe, reliable and responsibly manufactured products of the highest quality.

SUBSIDIARY COMPANIES

The Company has annexed consolidated financial statements along with separate financial statements

in accordance with the requirements of the International Financial Reporting Standards and the Companies Act, 2017. Following is a brief description of all subsidiary companies of Nishat Mills Limited:

1. Nishat Power Limited

The Company owns and controls 51.01% shares of this subsidiary. The subsidiary is listed on Pakistan Stock Exchange Limited. The principal business of the subsidiary is to build, operate and maintain a fuel powered station having gross capacity of 200MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The subsidiary commenced its commercial production on 09 June 2010.

2. Nishat Linen (Private) Limited

This is a wholly owned subsidiary of the Company. The principal objects of the Subsidiary are to operate retail outlets for sale of textile and other products and to sell the textile products by processing the textile goods in its own and outside manufacturing facilities. The subsidiary started its operations in July 2011 and is presently operating 109 retail outlets including e-stores in Pakistan.

3. Nishat Commodities (Private) Limited

This is a wholly owned subsidiary of the Company. The principal object of the subsidiary is to carry on the business of trading of commodities including fuels, coal, building material in any form or shape manufactured, semi-manufactured, raw materials and their import and sale in Pakistan. The subsidiary started its operations in March 2016.

4. Nishat Linen Trading LLC

Nishat Linen Trading LLC is a Limited Liability Company incorporated in Dubai, UAE. It is a wholly owned subsidiary of the Company. The subsidiary is principally engaged in trading of textile, blankets, towels, linens, ready-made garments, garment accessories and leather products along with ancillaries thereto through retail outlets and warehouses across the United Arab Emirates. The subsidiary started its commercial operations in May 2011 and is presently operating 12 retail outlets in UAE.

5. Nishat International FZE

This is also a wholly owned subsidiary of Nishat Mills Limited. It was incorporated as a Free Zone Establishment Limited Liability Company in Jebel Ali Free Zone, Dubai according to the laws of United Arab Emirates (UAE). It has been registered in the FZE register on February 07, 2013. The principal activity of the Subsidiary Company is trading in textile products such as blankets, towels & linens, ready-made garments, garment accessories and leather products such as shoes, handbags and all such ancillaries thereto.

6. China Guangzhou Nishat Global Co., Ltd.

China Guangzhou Nishat Global Co., Ltd. is incorporated in Yuexiu District, Guangzhou, China, as Foreign Invested Commercial Enterprises (“FICE”), in accordance with the Law of the People's Republic of China on Foreign-Capital enterprises and other relevant Laws and Regulations. China Guangzhou Nishat Global Co., Ltd. is a wholly owned subsidiary of Nishat International FZE which is a wholly owned subsidiary of Nishat Mills Limited. The principal business of the Subsidiary is wholesale, commission agency (excluding auction), import and export of textile goods and women's fashion accessories. The subsidiary started its commercial operations in January 2014.

7. Nishat USA Inc.

The subsidiary is a corporation service company incorporated in the State of New York. It is a wholly owned subsidiary of the Company and was acquired by the Company on 01 October 2008. The corporation is a liaison office of the Company's marketing department providing access, information and other services relating to the US Market and also engages in sale of the textile and related products in entire USA through US based e-commerce platform, managing fulfilling center and retail operations.

8. Wernerfelt A/S

Wernerfelt A/S is a public limited company incorporated and existing under the laws of Denmark, having its principal place of business at Energivej 10, 8500 Grenaa, Denmark. It is the wholly owned subsidiary of the Company and was acquired by the Company on 24 June 2024. Established more than 90 years ago, Wernerfelt A/S has a wealth of

experience and knowledge in developing and supplying high quality fabrics for personal protection and workwear.

9. Wernerfelt Sverige AB

Wernerfelt Sverige AB is a limited company incorporated and existing under the laws of Sweden, having its principal place of business at Borås, Skaraborgsvägen 3A, SE-506 30 Borås, Sweden. Wernerfelt Sverige AB is a wholly owned subsidiary of Wernerfelt A/S which is a wholly owned subsidiary of Nishat Mills Limited. The principal business of Wernerfelt Sverige AB is to conduct the sale of textiles and related activities.

10. Nishat UK (Private) Limited

Nishat UK (Private) Limited is a private limited company incorporated in England and Wales on 15 October 2024. It is a wholly owned subsidiary of Nishat International FZE which is a wholly owned subsidiary of Nishat Mills Limited. The primary function of Nishat UK (Private) Limited is to sell textile and related products in England and Wales through UK based E-commerce platform, managing fulfilling center, and retail operations. The registered office of Nishat UK (Private) Limited is situated at 19 Pavement Square, Croydon, England, CR0 6TL.

11. Pakgen Limited (Formerly: Pakgen Power Limited)

The Company owns and controls 58.57% shares of this subsidiary. It was incorporated in Pakistan on 08 May 1994 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The name of the Pakgen Power Limited has been changed to Pakgen Limited on 17 June 2026 pursuant to issuance of 'Certificate of Incorporation on Change of Company Name' by Securities and Exchange Commission of Pakistan. The subsidiary is listed on the Pakistan Stock Exchange Limited. The principal activity of the Subsidiary Company is to buy, sell, hold or otherwise acquire or invest in any sort of financial instruments, either debt or equity, including but not limited to shares, stocks of companies, debentures, debenture stocks, bonds, mutual fund certificates, modaraba certificates, musharika certificates, sukuk, participation term certificates (PTCs), term finance certificates, unit trust certificates and any other marketable securities and/or certificates of any kind, obligations and securities issued or guaranteed by the Government of Pakistan.

CORPORATE GOVERNANCE

Best Corporate Practices

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 is enclosed.

Composition of the Board of Directors:

The Composition of the Board is as follows:

Total number of Directors:

a)	Male	5
b)	Female	2

Composition:

I.	Independent Directors	2
II.	Non-Executive Directors	4
III.	Executive Director	1

Meetings of the Board of Directors

During the year under review, five meetings of the Board of Directors of the Company were held in Pakistan and no meeting was held outside Pakistan. No casual vacancy occurred in the Board during the year. The attendance position was as follows:

Sr.#	Name of Director	No. of Meetings Attended
1	Mian Umer Mansha (Chief Executive Officer)	5
2	Mian Hassan Mansha (Chairman)	5
3	Syed Zahid Hussain	5
4	Mr. Mahmood Akhtar	5
5	Mr. Farid Noor Ali Fazal	5
6	Mrs. Sara Aqeel	4
7	Mrs. Mehak Adil	5

Leave of absence was granted to the Director who could not attend the Board meeting.

Following the election of Directors held during the year and in accordance with the requirements of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors was reconstituted. Consequently, the following Board Committees were also reconstituted:

Audit Committee

The Audit Committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, four Audit Committee Meetings were held. The attendance position was as under:

Sr.#	Name of Director	No. of Meetings Attended
1	Mrs. Mehak Adil (Member/Chairperson)	4
2	Syed Zahid Hussain (Member)	4
3	Mr. Farid Noor Ali Fazal (Member)	4

Human Resource & Remuneration (HR&R) Committee

The Human Resource & Remuneration Committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, one meeting of the Human Resource & Remuneration Committee was held, attendance position was as under:

Sr.#	Name of Director	No. of Meetings Attended
1	Mrs. Sara Aqeel (Member/Chairperson)	1
2	Mian Umer Mansha (Member)	1
3	Mr. Mahmood Akhtar (Member)	1

Directors' Statement

Following is the Directors' statement on Corporate and Financial Reporting framework:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- Value of investments in respect of retirement benefits fund: Provident Fund: 30th June, 2026: Rs. 10,915.223 million Un-audited, (2025: Rs. 8,728.262 million Audited).

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

The Board of Directors actively oversees the identification, assessment and management of sustainability-related risks and opportunities that may affect the Company’s operations, performance and long-term value creation. The Board considers relevant environmental, social and governance (ESG) matters in setting the Company’s sustainability strategy and targets. Subsequently, the Board reviews the measures undertaken by management to manage and mitigate identified risks.

The Board also oversees the Company’s policies and practices relating to Diversity, Equity and Inclusion (DE&I). The Company is committed to promoting gender equality and equal opportunities. It has taken tangible measures to encourage the participation and representation of women across the organization including at the Board, management and workforce levels. These initiatives are supported through appropriate policies and practices in order to developing an inclusive workplace where equal opportunities for career development and greater participation of women in the workforce and leadership positions would be possible.

The Board continues to monitor sustainability-related developments and the effectiveness of the measures introduced by management to mitigate identified risks and avail opportunities in order to promote DE&I within the Company.

Transactions with related parties

The Company has fully complied with best practices on Transfer Pricing as contained in Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 while executing all transactions with related parties. The detail of arrangements for transactions, as approved by the Board during the year, other than transactions in the ordinary course of business is as follows:

1. During the year, Pakgen Limited (Formerly: Pakgen Power Limited) bought back and cancelled 179,932,988 shares from its other shareholders. As a result, the Company's shareholding in Pakgen Limited (Formerly: Pakgen Power Limited) increased from 30.25% to 58.57% without acquiring any additional shares.

2. During the year, Lalpir Limited (Formerly: Lalpir Power Limited) bought back and cancelled 100,000,000 shares from its other shareholders. As a result, the Company's shareholding in Lalpir Limited (Formerly: Lalpir Power Limited) increased from 28.93% to 39.27% without acquiring any additional shares.

Auditors

The Company's existing auditors, Riaz Ahmad & Company, Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting. They are eligible for reappointment and have expressed their willingness to continue as auditors of the Company for the financial year ending June 30, 2027. Based on the recommendation of the Audit Committee, the Board of Directors has proposed their reappointment, which will be placed before the shareholders for approval at the coming Annual General Meeting.

SUBSEQUENT EVENTS

The Board of Directors of the Company has proposed a cash dividend of Rupees 2 per share in their meeting held on 30 September 2026.

Subsequent to the reporting period, the Board of Directors of the Company, at their meeting held on 19 August 2026, approved the divestment of the Company's entire shareholding in Nishat Sutas Dairy Limited - associated company to its joint venture partner, Sütas Süt Ürünleri A.S., Türkiye, at a proposed consideration of Rupees 5 per share. The proposed divestment has been subsequently approved by the shareholders of the Company at their meeting held on 23 September 2026.

FUTURE PROSPECTS

The global textile environment is expected to remain challenging due to persistent geopolitical uncertainties, global inflationary pressures, and high local production costs, especially energy and markup rates which continue to strain operating margins. International buyers remain cautious as the United States' evolving trade and tariff policies create market uncertainty. At the same time, the progress of India's Free Trade Agreements with key markets in Europe and the United Kingdom is intensifying price competition with regional exporters. Moreover, continuing shipping lane disruptions and unpredictable transit schedules present persistent logistics and inventory management challenges.

To address these challenges, the management is planning and implementing a strategy with a focus value addition, operational excellence, and market diversification. Instead of competing solely on price, the company is shifting towards higher-value, differentiated product categories with a priority of strengthening relationships with core international brands. The Company is also committed to enhancing supply chain traceability. Further, sustainability is being embedded as a core driver for marketing of sustainable fabrics.

The company is actively expanding its production capacity in order to maintain its cost competitiveness and operational sustainability. This includes projects like acquisition of modern Tsudakoma and Toyoda weaving looms to implementation of renewable energy projects such as expansion in solar power generation, battery energy storage systems (BESS), and grid connections in order to achieve optimum energy mix.

The Company's management is optimistic about maintaining it market share and achieving long-term sustainable growth due to these strategic investment, continuous product innovation and disciplined cost management.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has implemented a robust system of internal and financial controls to safeguard its assets, prevent fraud, and ensure compliance with applicable legal and regulatory requirements. The internal control framework is regularly reviewed and monitored by the Internal Audit function established by the Board. The Audit Committee reviews the effectiveness of the internal control system on a quarterly basis in accordance with its terms of reference.

DIRECTORS' REMUNERATION

The Board of Directors has approved Directors' Remuneration Policy. The main features of the policy are as follows:

- The Company shall not pay remuneration to its non-executive directors including independent directors except for meeting fee for attending meetings of the Board and its Committees.
- The Company will reimburse or incur expenses of travelling and accommodation of Directors in relation to attending meetings of the Board and its Committees.
- The Directors' Remuneration Policy will be reviewed and approved by the Board of Directors from time to time.

Refer to note 42 of the financial statements of the Company for remuneration of Chief Executive Officer and Directors of the Company.

PATTERN OF SHAREHOLDING

A statement of the pattern of shareholding as at June 30, 2026, which is required to be disclosed under the reporting framework, is annexed to this report.

ACKNOWLEDGEMENT

Directors are pleased and thankful to the employees for their continued dedication and efforts to the Company.

For and on behalf of the Board of Directors.

Mian Umer Mansha
Chief Executive Officer

Farid Noor Ali Fazal
Director

Lahore
30 September 2026

FINANCIAL HIGHLIGHTS

Rupees in thousand

		2026	2025	2024	2023	2022	2021
Summarized Statement of Financial Position							
Non-Current Assets							
Property, Plant and Equipment		66,212,386	64,610,007	60,043,195	45,265,066	39,766,323	35,926,594
Right-of-use assets		113,404	200,810	-	-	-	-
Long Term Investments		103,482,106	94,476,346	66,811,200	38,642,705	35,720,224	48,620,695
Other Non-Current Assets		1,151,453	1,245,830	1,235,289	910,050	1,044,696	1,104,867
Current Assets							
Stores, Spares and Loose Tools		6,885,240	6,728,076	6,049,021	5,955,945	3,999,710	2,605,602
Stock in Trade		47,015,111	51,611,063	37,447,381	34,801,627	31,826,616	17,972,691
Other Current Assets		52,826,306	45,895,818	45,253,359	44,710,317	25,177,008	24,881,925
Total Assets		277,686,006	264,767,950	216,839,445	170,285,710	137,534,577	131,112,374
Shareholders' Equity		156,069,011	144,599,674	114,810,013	89,764,119	79,200,943	85,747,779
Non-Current liabilities							
Long Term Financing		27,497,718	25,371,377	23,672,520	11,898,220	12,284,112	11,577,915
Lease Liabilities		24,491	131,218	-	-	-	-
Deferred Liabilities		8,181,693	10,498,792	5,262,486	1,805,841	2,191,059	1,055,992
Current Liabilities							
Short Term Borrowings		60,539,833	60,279,970	49,789,624	45,753,793	26,730,048	18,718,262
Current Portion of Non-Current Liabilities		4,840,156	4,721,464	4,400,172	4,142,057	4,302,449	4,206,123
Other Current Liabilities		20,533,104	19,165,455	18,904,630	16,921,680	12,825,966	9,806,303
Total Equity and Liabilities		277,686,006	264,767,950	216,839,445	170,285,710	137,534,577	131,112,374
Statement of Profit or Loss							
Revenue		181,644,861	178,167,146	160,256,555	141,756,469	115,768,065	71,431,010
Gross Profit		17,736,571	20,024,623	17,323,353	21,078,842	17,335,571	9,317,855
EBITDA		19,341,231	23,767,647	25,020,386	25,885,473	18,358,269	11,137,991
Other Income		7,191,830	10,204,235	13,240,547	10,201,578	5,571,415	3,750,188
Profit Before Taxation and Levy		6,827,780	10,707,030	10,744,359	15,406,442	12,907,285	7,070,502
Profit After Taxation		5,482,645	6,013,519	6,368,853	12,166,022	10,311,674	5,922,470
Cash Flows							
Cash Flow from Operating Activities		5,336,266	(13,516,478)	(10,957,446)	1,438,490	(10,676,403)	5,722,435
Cash Flow from Investing Activities		(8,248,683)	141,497	(2,862,956)	(16,141,363)	(1,787,869)	(3,378,461)
Cash Flow from Financing Activities		2,368,054	11,521,254	14,173,424	16,963,072	7,277,134	2,800,130
Changes in Cash & Cash Equivalents		(544,363)	(1,853,727)	353,022	2,260,199	(5,187,138)	5,144,104
Cash and Cash Equivalents - Year End		336,350	886,185	2,722,355	2,410,566	91,727	5,272,345
Ratios							
Profitability Ratios							
Gross profit	%	9.76	11.24	10.81	14.87	14.97	13.04
EBITDA to sales	%	10.65	13.34	15.61	18.26	15.86	15.59
Pre tax and levy Profit	%	3.76	6.01	6.7	10.87	11.15	9.90
After tax Profit	%	3.02	3.38	3.97	8.58	8.91	8.29
Return on Equity	%	3.65	4.64	6.23	14.4	12.50	7.54
Return on Capital Employed	%	7.09	11.8	17.14	22.66	15.69	9.26
Operating Leverage Ratio		(15.88)	(0.86)	(0.39)	2.15	1.31	2.24

Rupees in thousand

		2026	2025	2024	2023	2022	2021
Liquidity Ratios							
Current Ratio		1.24	1.24	1.21	1.28	1.39	1.39
Quick Ratio		0.61	0.55	0.62	0.67	0.57	0.76
Cash to Current Liabilities	Times	0.00	0.01	0.04	0.04	0.00	0.16
Cash Flows from Operations to Sales	Times	0.03	(0.08)	(0.07)	0.01	(0.09)	0.08
Activity / Turnover Ratios							
Inventory Turnover Ratio	Times	3.32	3.55	3.96	3.62	3.95	3.21
No. of Days in Inventory	Days	109.94	102.82	92.42	100.83	92.41	113.71
Debtors Turnover Ratio	Times	6.56	7.3	9.01	12.03	13.69	13.19
No. of Days in Receivables	Days	55.64	50	40.62	30.34	26.66	27.67
Creditors Turnover Ratio	Times	5.54	6.57	5.97	5.75	6.08	3.75
No. of Days in Creditors	Days	65.88	55.56	61.31	63.48	60.03	97.33
Operating Cycle	Days	99.7	97.26	71.73	67.69	59.04	44.05
Total Assets Turnover Ratio	Times	0.65	0.67	0.74	0.83	0.84	0.54
Fixed Assets turnover Ratio	Times	2.74	2.76	2.67	3.13	2.91	1.99
Investment / Market Ratios							
Earnings Per Share	Rs.	15.59	17.10	18.11	34.60	29.33	16.84
Price Earning Ratio	Times	10.12	7.36	3.91	1.64	2.52	5.54
Dividend Yield Ratio	%	1.27	1.59	4.23	8.81	5.41	4.29
Dividend Payout Ratio	%	12.83	11.69	16.57	14.45	13.64	23.75
Dividend Cover Ratio	Times	7.80	8.55	6.04	6.92	7.33	4.21
Dividend Per Share	Rs.	2.00	2.00	3.00	5.00	4.00	4.00
Break-up Value	Rs.	443.88	411.26	326.54	255.30	225.26	243.88
Proposed Dividend	%	20.00	20.00	30.00	50.00	40.00	40.00
Market value per share							
Closing	Rs.	157.86	125.88	70.85	56.77	73.91	93.30
High	Rs.	208.40	129.99	83.64	80.45	101.20	124.89
Low	Rs.	120.00	60.00	57.60	49.40	68.50	79.73
Capital Structure Ratios							
Financial Leverage Ratio	%	58.59	61.60	66.49	68.84	53.09	38.83
Weighted Average Cost of Debt	%	7.07	10.19	15.12	13.18	5.73	3.93
Debt to Equity Ratio	%	17.63	17.64	20.62	13.25	15.51	13.50
Interest Cover Ratio	Times	2.07	2.27	2.03	3.22	6.97	6.75
Gearing Ratio	%	36.94	38.08	39.94	40.77	34.68	27.97
Production Machines							
No. of Spindles		225,408	237,408	251,808	251,808	251,808	242,832
No. of Rotors		13,320	10,320	10,320	7,320	7,320	3,000
No. of Looms		1,088	1,105	931	931	959	814
No. of Thies Dyeing Machines		24	24	22	20	20	16
No. of Thermosole Dyeing Machines		7	7	6	6	5	5
No. of Rotary Printing Machines		4	4	4	4	4	4
No. of Digital Printing Machines		11	11	11	11	11	10
No. of Stitching Machines		5,707	5,103	5,212	5,931	4,713	4,489

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations")

Name of company : Nishat Mills Limited
Year ended : June 30, 2026

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

1. The total number of directors are Seven (7) as per the following:

   a. Male: 5
   b. Female: 2

2. The composition of board is as follows:

Category	Names
Independent Directors	Mrs. Sara Aqeel (Female director) Mrs. Mehak Adil (Female director)
Non-Executive Directors	Mian Hassan Mansha Syed Zahid Hussain Mr. Mahmood Akhtar Mr. Farid Noor Ali Fazal
Executive Director	Mian Umer Mansha (Chief Executive Officer)

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

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

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

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

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

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

9. The Board has arranged Director's Training Program for the following:

   Names of Directors
   Mr. Mahmood Akhtar
   Mr. Farid Noor Ali Fazal
   Mrs. Sara Aqeel
   Mrs. Mehak Adil

   Following Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Director's Training Program:

   Names of Directors
   Mian Umer Mansha
   Syed Zahid Hussain

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:

Names	Designation held
1. Mrs. Mehak Adil	Chairperson
2. Syed Zahid Hussain	Member
3. Mr. Farid Noor Ali Fazal	Member

    b) HR and Remuneration Committee:

Names	Designation held
1. Mrs. Sara Aqeel	Chairperson
2. Mian Umer Mansha	Member
3. Mr. Mahmood Akhtar	Member

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

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

    a) Audit Committee:

    Four quarterly meetings were held during the financial year ended June 30, 2026.

    b) HR and Remuneration Committee:

    One Meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2026.

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

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan 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 Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

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

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

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	**Nomination Committee** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee.	29
2	**Risk Management Committee** The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and a senior officer of the company performs the requisite functions and apprise the Board accordingly.	30
3	**Disclosure of significant policies on website** The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35
4	**Directors' Training** It is encouraged that by June 30, 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	6 out of 7 directors of the Company have either acquired Directors' Training Program certification or are exempt from Director's Training Program. The Company has planned to arrange Directors' Training Program certification for remaining one director.	19(1)
5	**Directors' Training** Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020.	The Company has planned to arrange Directors' Training Program certification for female executives over the next few years.	19(3)
6	**Directors' Training** Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company has planned to arrange Directors' Training Program certification for head of department in next few years.	19(3)
7	**Representation of Minority shareholders** The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No one intended to contest election as director representing minority shareholders.	5
8	**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 within the Company by setting the Company's sustainability strategies, priorities, and targets to create long-term corporate value.	The Securities and Exchange Commission of Pakistan (SECP) introduced a new Regulation 10A in the Regulations on 12 June 2024. The implications of this amendment are currently under review by management. Compliance, where applicable, will be ensured in due course.	10(A)
9	**Responsibilities of the Board and its members** The Board is responsible for adoption of corporate governance practices by the company.	Non-mandatory provisions of the Regulations are partially complied.	10(1)

20. 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.

MIAN HASSAN MANSHA
Chairman

FARID NOOR ALI FAZAL
Director

Lahore
30 September 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nishat 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 Nishat Mills Limited (the Company) for the year ended 30 June 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2026.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

01 October 2026

UDIN: CR202610045HXCpKFNyb

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of **Nishat Mills Limited** ("the Company") will be held on October 28, 2026 (Wednesday) at 11:30 A.M. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore to transact the following business:

1. To receive, consider and adopt the Audited Un-consolidated and Consolidated Financial Statements of the Company for the year ended June 30, 2026 together with Notes to the Accounts, the Chairman's Review, Directors' and Auditors' reports thereon.

   https://nishatmillsltd.com/financial-information/

2. To approve Final Cash Dividend @ 20% [i.e. Rs.2 /- (Rupees Two Only) per Ordinary Share as recommended by the Board of Directors.

3. To appoint statutory Auditors for the year 2026-27 and fix their remuneration.

Scan QR Code for Annual Report 2026

By order of the Board

(KHALID MAHMOOD CHOHAN)
COMPANY SECRETARY

Lahore
September 30, 2026

NOTES:

BOOK CLOSURE NOTICE:

The Ordinary Shares Transfer Books of the Company will remain closed from **21-10-2026 to 28-10-2026 (both days inclusive)** for entitlement of **20% Final Cash Dividend [i.e. Rs. 2 /- (Rupee Two Only) Per Ordinary Share]** for the year ended June 30, 2026 and attending and voting at Annual General Meeting and the dividend will be paid to the shareholders whose names shall appear in the Register of Members at close of business on October 20, 2026. Physical transfers/CDS Transactions IDs received in order in all respects upto 1:00 p.m. on 20-10-2026 at the office of Share Registrar, THK Associates (Pvt) Limited, **Karachi Office**, 32-C, Jami Commercial Street No.2, DHA Phase VII, Karachi, **Lahore Office**, THK Associates (Pvt) Ltd. Office No. 309, 3rd Floor, North Tower, LSE Building, 19-Shahrah-e-Aiwan-e-Iqbal, Lahore shall be considered in time for entitlement of above said 20% Final Cash Dividend and attending of AGM.

NO GIFTS WILL BE DISTRIBUTED AT THE MEETING AS RESTRICTED BY SECTION 185 OF COMPANIES ACT, 2017.

Proxies

A member eligible to attend and vote at this meeting may appoint another member his / her proxy to attend and vote instead of him/her. Proxies in order to be effective must reach the Company's registered office not less than 48 hours

before the time for holding the meeting. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC. In case of corporate entity, the Board's Resolution/power of attorney with specimen signature shall be furnished along with proxy form to the Company. The shareholders through CDC are requested to bring original CNIC, Account Number and Participant Account Number to produce at the time of attending the meeting. The proxy shall produce his / her original valid CNIC or original passport at the time of meeting.

Shareholders are requested to immediately notify the Company of change in address, if any.

Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.

b. In case of corporate entity, the Board's 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.

B. For Appointing Proxies

a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.

b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.

d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.

e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

Deduction of Withholding Tax on Dividend:

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.

Deduction of Withholding Tax on Dividend in case of Joint Account Holders:

All shareholders who hold shares jointly are requested to provide following information regarding shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar THK Associates (Private) Limited latest by October 21, 2026, otherwise each joint holder shall be assumed to have an equal number of shares.

Name of the Company		Nishat Mills Limited
Folio No. / CDS A/C No.		
No. of Shares Held		
Principal Shareholder	Name & CNIC	
	Shareholding Proportion (No. of Shares)	
Joint Shareholder(s)	Name & CNIC	
	Shareholding Proportion (No. of Shares)	

Signature of Primary Shareholder_____

EXEMPTION OF WITHHOLDING TAX:

Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar Office, THK Associates (Private) Limited up to October 21, 2026.

SUBMISSION OF COPY OF CNIC (MANDATORY):

Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to the Company or the Company's Share Registrar, if not provided already. All shareholders who have not so far submitted copy of their valid CNIC are once again requested to send a copy of their valid CNIC to our Share Registrar THK Associates (Private) Limited. The Shareholders while sending CNIC must quote their respective folio numbers.

In case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with SRO 831(1)/2012 dated July 05, 2012 issued by SECP and would be constrained under SECP's Order dated June 08, 2016 under Section 251(2) of the Companies Ordinance, 1984 to withhold the payment of dividend warrants to such shareholders which will be released on submission of valid copy of CNIC.

ZAKAT DECLARATION (CZ-50):

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Any shareholder who want to claim exemption shall submit his / her Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 on prescribed Form CZ-50, to our Share Registrar, M/s. THK Associates (Private) Limited **otherwise no exemption will be granted**. The Shareholders while sending the Zakat Declarations, as the case may be, must quote company name and their respective Folio Numbers / CDC Account Numbers.

MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash 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 following 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.

Folio No. / Investor Account Number / CDC Sub Account No.																								
Title of Account																								
IBAN Number																								
Bank Name																								
Branch																								
Branch Address																								
Mobile Number																								
Name of Network (if ported)																								
Email Address																								

Signature of Shareholder_____

Transmission of Annual Financial Statements through Email:

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787 (I)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. www.nishatmillsltd.com and send the form, duly signed by the shareholder, along with copy of his/her CNIC to the Company's Share Registrar M/s THK Associates (Private) Limited.

Unclaimed Dividend / Shares

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

Video Link Facility for Meeting:-

To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at kchohan@nishatmills.com or smahmood@dgcement.com by October 21, 2026.

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

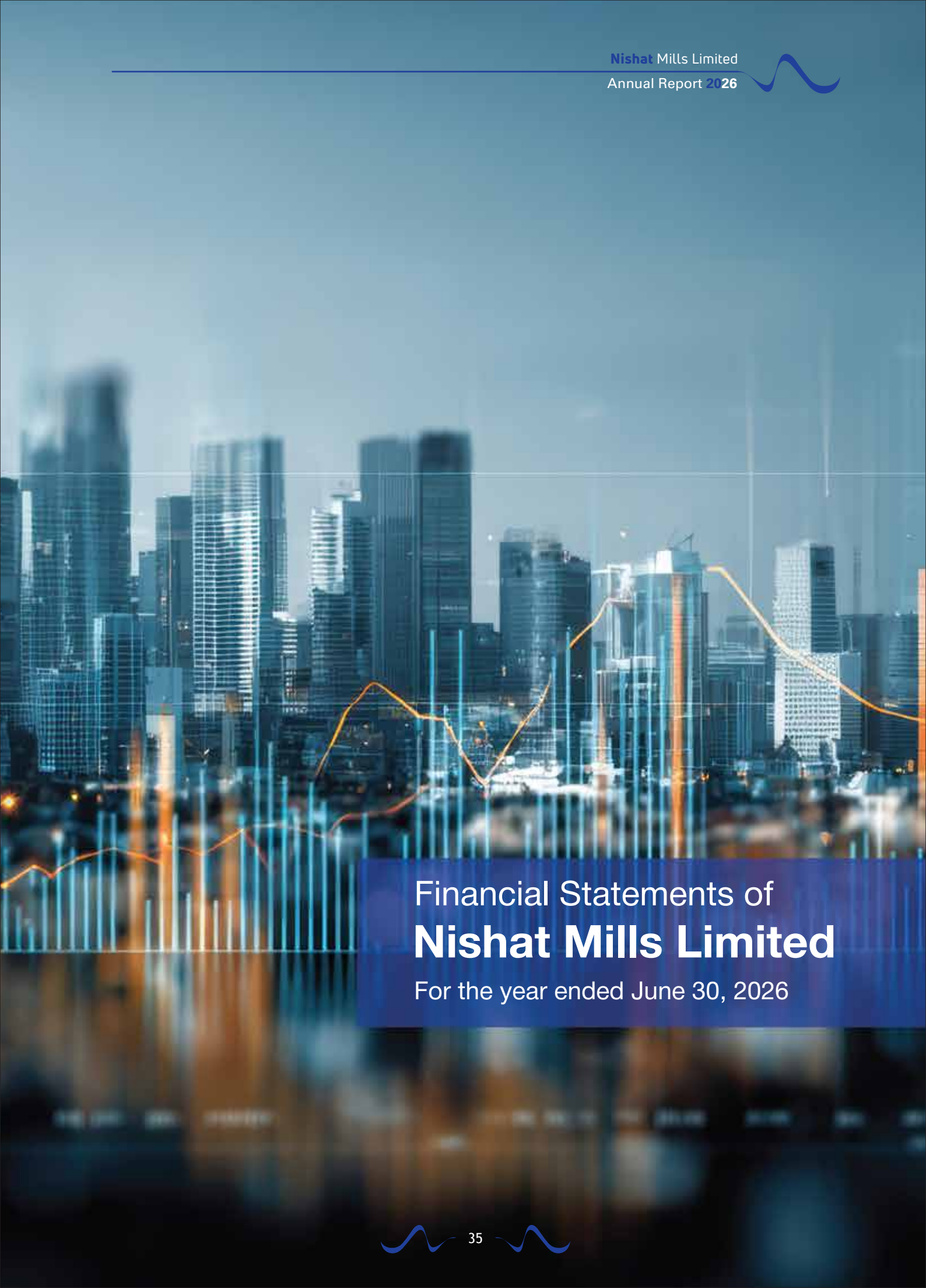
Conversion of Physical Shares into Book Entry Form

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book-entry form at earliest.

Statement Under Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Total Investment Approved	Amount of Investment Made to date	Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company
Nishat Sutas Dairy Limited	Equity investment up to Rupees 950 million was approved by members in AGM held on October 28, 2019 which was subsequently enhanced up to Rs. 1,950 million for a period of four (4) years by members in EOGM held on 03 March 2022 which was further enhanced up to Rs. 3,000 million for a period of four (4) years by members in EOGM held on 19 June 2023. Moreover, equity investment further enhanced up to Rs. 5,000 million for a period of Four (4) years by members in EOGM held on 11 June 2024. Members of the Company has approved disposal of entire shareholding in Nishat Sutas Dairy Limited in the EOGM held on 23 September 2026.	Investment of Rupees 4,096.734 million has been made against this approval to date. The Company will not invest further against this approval in Nishat Sutas Dairy Limited.	Partial investment has been made in investee company within timeline.	At the time of approval, as per latest available audited financial statements for the year ended December 31, 2022, the basic loss per share was Rs. 2.45 and breakup value per share was Rs. 6.69. As per latest available audited financial statements for the year ended December 31, 2025, the basic loss per share was Rs. 2.16 and breakup value per share was Rs. 2.92. As per latest available Un-audited financial statements for the half year ended June 30, 2026, the basic loss per share was Rs. 1.05 and breakup value per share was Rs. 2.15.

Nishat Sutas Dairy Limited	Corporate guarantee for an amount of up to Rupees 2,250 million was approved by members in EOGM held on December 15, 2020 for a tenure of 11 years. Members of the Company has approved disposal of entire shareholding in Nishat Sutas Dairy Limited in the EOGM held on 23 September 2026.	Corporate guarantees of up to Rs. 1,777.500 million have been issued against this approval to date. The Company will not issue further guarantees against this approval.	Three corporate guarantees from different banks have been extended after the approval.	At the time of approval, as per latest audited financial statements for the year ended December 31, 2019, the basic loss per share was Rs. 2.29 and breakup value per share was Rs. 7.71. As per latest available audited financial statements for the year ended December 31, 2025, the basic loss per share was Rs. 2.16 and breakup value per share was Rs. 2.92. As per latest available Un-audited financial statements for the half year ended June 30, 2026, the basic loss per share was Rs. 1.05 and breakup value per share was Rs. 2.15.



Financial Statements of
Nishat Mills Limited
For the year ended June 30, 2026

INDEPENDENT AUDITOR'S REPORT

To the members of Nishat Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Nishat Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2026 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	**Inventory existence and valuation** Inventory as at 30 June 2026 amounted to Rupees 53,900.351 million, break up of which is as follows: - Stores, spare parts and loose tools Rupees 6,885.240 million - Stock-in-trade Rupees 47,015.111 million	Our procedures over existence and valuation of inventory included, but were not limited to: • 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.

Sr. No.	Key audit matters	How the matters were addressed in our audit
	Inventory is measured at the lower of cost and net realizable value. We identified existence and valuation of inventory as a key audit matter due to its size, representing 19.41% of the total assets of the Company as at 30 June 2026, and the judgment involved in valuation. For further information on inventory, refer to the following: - Material accounting policy information, Inventories note 2.13 to the financial statements. - Stores, spare parts and loose tools note 22 and Stock-in-trade note 23 to the financial statements.	• For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • 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. • 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. • We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory. • 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. • We also made inquires 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.
2.	**Investments in securities** *Quoted investments:* The Company's portfolio of quoted investments, except for investment in quoted subsidiary companies, makes up 28.86% of total assets. Due to materiality of quoted investments in the context of the financial statements as a whole and the requirements of applicable accounting and reporting standards relating to classification, measurement and disclosures of investments in related parties, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	Our procedures included, but were not limited to: • We documented and assessed the processes and controls in place to record investment transactions and to value the portfolio. • We agreed the valuation of all of quoted investments from prices quoted on Pakistan Stock Exchange Limited except for investment in quoted subsidiary companies measured at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Separate Financial Statements'. • We agreed the holding of all quoted investments from the Account Balance Report of Central Depository Company of Pakistan Limited and physical share certificates in hand. • We verified the accuracy of management's judgement used in classification of quoted investments.

Sr. No.	Key audit matters	How the matters were addressed in our audit
	Un-quoted investments: Investments in unquoted equity securities except for investments in unquoted subsidiary companies are accounted for as financial assets at fair value through other comprehensive income and are subject to fair valuation at each reporting date. Investments in unquoted subsidiary companies are stated at cost less impairment loss, if any. The investments as at 30 June 2026 are valued by an independent professional valuer. With reference to the valuation, management estimated the fair value of the investments at Rupees 12,189.527 million at year end. Investee companies are operating in Insurance, Packaging, Dairy, Hotel and Shopping Mall, Automobile and Energy sectors and therefore, fair values are highly dependent on their expansion plans and significant management judgements. Accordingly, the valuation of the investments was considered as one of the key audit matters. Fair values were determined using valuation techniques under level (3) fair value hierarchy. The valuations involved significant judgements and estimates from management. For further information, refer to the following: - Material accounting policy information, Investments note 2.7 to the financial statements. - Long term investments note 19 to the financial statements.	Our procedures included, but were not limited to: • We evaluated the independent professional valuer's competence, capabilities and objectivity. • We assessed the valuation methodology used by the independent professional valuer to estimate the fair value of the investments. • We checked, on a sample basis, the accuracy and reasonableness of the input data provided by management to the independent professional valuer, to supporting evidence, such as approved budgets and considering the reasonableness of these budgets by comparing the budgets to the historical results and market data. • We obtained an understanding of the management's valuation methodology for level 3 financial instruments (equity instruments), including the selection of significant unobservable inputs used in determination of fair value of unquoted equity securities. We assessed the reasonableness of these inputs by reviewing supporting documentation, comparing them to historical results, published market and industry data or available benchmarks. Our internal valuation expert has been engaged to assist the review on valuation methodology and discount rate. In addition, we had discussed with the management of the investee companies to understand the business and assessed if there was any inconsistency in the assumptions used. • We agreed holding of all un-quoted investments from physical share certificates in hand. • We performed sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in these key assumptions. • We verified the accuracy of management calculation used for the impairment testing, in case of subsidiary companies carried at cost less impairment loss, if any.
3.	**Capital expenditures** The Company is investing significant amounts in its operations and there are a number of areas where management judgement impacts the carrying value of property, plant and equipment and its respective depreciation profile. These include among other the decision to capitalize or expense costs; and review of	Our procedures included, but were not limited to: • We tested operating effectiveness of controls in place over the property, plant and equipment cycle including the controls over whether costs incurred on activities is capital or operating in nature.

Sr. No.	Key audit matters	How the matters were addressed in our audit
	useful life of the assets including the impact of changes in the Company's strategy. We focused on this area since the amounts have a significant impact on the financial position of the Company and there is significant management judgment required that has significant impact on the reporting of the financial position for the Company. Therefore, considered as one of the key audit matters. For further information, refer to the following: - Material accounting policy information, property, plant, equipment and depreciation note 2.3 to the financial statements. - Property, plant and equipment note 16 to the financial statements.	• We evaluated the appropriateness of capitalization policies and depreciation rates. • We performed tests of details on costs capitalized. • We verified the accuracy of management's calculation used for the impairment testing.
4.	**Revenue recognition** The Company recognized net revenue of Rupees 181,644.861 million for the year ended 30 June 2026. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Material accounting policy information, Revenue recognition note 2.18 to the financial statements. - Revenue note 30 to the financial statements.	Our procedures included, but were not limited to: • We obtained 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. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the

related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

01 October 2026

UDIN: AR202610045SJiG3wtZn

STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (2025: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid-up share capital	4	3,515,999	3,515,999
Reserves	5	152,553,012	141,083,675
Total equity		156,069,011	144,599,674
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing - secured	6	27,497,718	25,371,377
Lease liabilities	7	24,491	131,218
Deferred liabilities	8	8,181,693	10,498,792
		35,703,902	36,001,387
CURRENT LIABILITIES			
Trade and other payables	9	19,231,840	15,954,636
Accrued mark-up	10	1,144,267	1,133,101
Short term borrowings	11	60,539,833	60,279,970
Current portion of non-current liabilities	12	4,840,156	4,721,464
Unclaimed dividend	13	121,850	119,887
Taxation and levy - net	14	35,147	1,957,831
		85,913,093	84,166,889
TOTAL LIABILITIES		121,616,995	120,168,276
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		277,686,006	264,767,950

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

CHIEF EXECUTIVE OFFICER

	Note	2026	2025
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	66,212,386	64,610,007
Right-of-use assets	17	113,404	200,810
Investment properties	18	461,369	464,275
Long term investments	19	103,482,106	94,476,346
Long term loans	20	416,338	388,612
Long term deposits	21	273,746	392,943
		170,959,349	160,532,993
CURRENT ASSETS			
Stores, spare parts and loose tools	22	6,885,240	6,728,076
Stock-in-trade	23	47,015,111	51,611,063
Trade debts	24	28,921,046	26,432,541
Loans and advances	25	12,203,870	8,460,300
Short term deposits and prepayments	26	592,175	554,783
Other receivables	27	10,667,415	9,489,952
Accrued interest	28	105,450	72,057
Cash and bank balances	29	336,350	886,185
		106,726,657	104,234,957
TOTAL ASSETS		277,686,006	264,767,950

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
REVENUE	30	181,644,861	178,167,146
COST OF SALES	31	(163,908,290)	(158,142,523)
GROSS PROFIT		17,736,571	20,024,623
DISTRIBUTION COST	32	(8,370,867)	(8,017,974)
ADMINISTRATIVE EXPENSES	33	(3,159,803)	(2,924,864)
OTHER EXPENSES	34	(192,112)	(147,081)
		(11,722,782)	(11,089,919)
		6,013,789	8,934,704
OTHER INCOME	35	7,191,830	10,204,235
PROFIT FROM OPERATIONS		13,205,619	19,138,939
FINANCE COST	36	(6,377,839)	(8,431,909)
PROFIT BEFORE TAXATION AND LEVY		6,827,780	10,707,030
LEVY	37	(2,074,857)	(2,043,081)
PROFIT BEFORE TAXATION		4,752,923	8,663,949
TAXATION	38	729,722	(2,650,430)
PROFIT AFTER TAXATION		5,482,645	6,013,519
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	39	15.59	17.10

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 June 30, 2026

	2026	2025
	(Rupees in thousand)	
PROFIT AFTER TAXATION	5,482,645	6,013,519
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
Fair value adjustment arising on remeasurement of investments at fair value through other comprehensive income	6,013,232	28,833,937
Deferred income tax relating to this item	676,660	(4,002,995)
	6,689,892	24,830,942
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year - net of tax	6,689,892	24,830,942
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	12,172,537	30,844,461

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 June 30, 2026

(Rupees in thousand)

	Share Capital	Reserves							Total Equity
		Capital Reserves			Revenue Reserves			Total	
		Premium on Issue of Right Shares	Fair value reserve FVTOCI investments	Sub Total	General Reserve	Unappropriated Profit	Sub Total		
Balance as at 30 June 2024	3,515,999	5,499,530	28,324,298	33,823,828	71,096,028	6,374,158	77,470,186	111,294,014	114,810,013
Transaction with owners - Final dividend for the year ended 30 June 2024 @ Rupees 3.00 per share	-	-	-	-	-	(1,054,800)	(1,054,800)	(1,054,800)	(1,054,800)
Transferred to general reserve	-	-	-	-	5,319,000	(5,319,000)	-	-	-
Transfer of gain on buyback / sale of FVTOCI investments to unappropriated profit	-	-	(120,989)	(120,989)	-	120,989	120,989	-	-
Profit for the year	-	-	-	-	-	6,013,519	6,013,519	6,013,519	6,013,519
Other comprehensive income for the year	-	-	24,830,942	24,830,942	-	-	-	24,830,942	24,830,942
Total comprehensive Income for the year	-	-	24,830,942	24,830,942	-	6,013,519	6,013,519	30,844,461	30,844,461
Balance as at 30 June 2025	3,515,999	5,499,530	53,034,251	58,533,781	76,415,028	6,134,866	82,549,894	141,083,675	144,599,674
Transaction with owners - Final dividend for the year ended 30 June 2025 @ Rupees 2.00 per share	-	-	-	-	-	(703,200)	(703,200)	(703,200)	(703,200)
Transferred to general reserve	-	-	-	-	5,431,000	(5,431,000)	-	-	-
Transfer of gain on sale of FVTOCI investment to unappropriated profit	-	-	(52,414)	(52,414)	-	52,414	52,414	-	-
Transfer of gain on recognition of FVTOCI investment as subsidiary at cost to unappropriated profit	-	-	(3,003,822)	(3,003,822)	-	3,003,822	3,003,822	-	-
Profit for the year	-	-	-	-	-	5,482,645	5,482,645	5,482,645	5,482,645
Other comprehensive income for the year	-	-	6,689,892	6,689,892	-	-	-	6,689,892	6,689,892
Total comprehensive income for the year	-	-	6,689,892	6,689,892	-	5,482,645	5,482,645	12,172,537	12,172,537
Balance as at 30 June 2026	3,515,999	5,499,530	56,667,907	62,167,437	81,846,028	8,539,547	90,385,575	152,553,012	156,069,011

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	40	16,255,718	(1,144,513)
Finance cost paid		(6,326,813)	(8,752,514)
Levy and income tax paid - net		(4,791,520)	(4,074,359)
Exchange gain on forward exchange contracts received		107,626	221,219
Net increase in long term loans		(46,857)	(44,916)
Net decrease in long term deposits		138,112	278,605
Net cash from / (used in) operating activities		5,336,266	(13,516,478)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(7,845,993)	(9,234,261)
Proceeds from sale of property, plant and equipment		322,598	251,991
Investments made		(3,196,200)	(722,208)
Proceeds from sale / buyback of investments		116,823	1,941,998
Loan to Nishat Linen (Private) Limited - subsidiary company		(40,596,917)	(42,290,048)
Repayment of loan by Nishat Linen (Private) Limited - subsidiary company		37,253,342	41,692,889
Interest received		1,078,109	1,004,899
Dividends received		4,619,555	7,496,237
Net cash (used in) / from investing activities		(8,248,683)	141,497
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		5,506,586	5,000,000
Repayment of long term financing		(3,303,600)	(2,901,055)
Repayment of lease liabilities		(92,920)	(71,294)
Short term borrowings - net		959,225	10,544,805
Dividend paid		(701,237)	(1,051,202)
Net cash from financing activities		2,368,054	11,521,254
Net decrease in cash and cash equivalents		(544,363)	(1,853,727)
Net foreign exchange difference on translating cash and bank balances		(5,472)	17,557
Cash and cash equivalents at the beginning of the year		886,185	2,722,355
Cash and cash equivalents at the end of the year		336,350	886,185

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 June 30, 2026

1 THE COMPANY AND ITS OPERATIONS

1.1 Nishat Mills Limited (the Company) is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 53-A, Lawrence Road, Lahore. The Company is engaged in the business of textile manufacturing and of spinning, combing, weaving, bleaching, dyeing, printing, stitching, apparel, buying, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity.

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

Sr. No.	Manufacturing units and offices	Address
1	Spinning units, yarn dyeing unit and power plant	Nishatabad, Faisalabad.
2	Spinning units and power plant	Plot No. 172-180 and 188-197, M-3 Industrial City, Sahianwala and FIEDMC, 2 K.M., Jhumra Chiniot Road, Chak Jhumra, Faisalabad.
3	Spinning units and power plant	20 K.M., Sheikhupura Road, Feroze Wattwan.
4	Weaving units, denim unit, workwear unit and power plant	12 K.M., Faisalabad Road, Sheikhupura.
5	Weaving unit, dyeing and finishing unit, processing unit, stitching units and power plant	5 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.
6	Terry unit	7 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.
7	Apparel unit	2 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.
8	Head office	7-Main Gulberg, Lahore.
9	Office	1st Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.
10	Registered office	Nishat House, 53-A, Lawrence Road, Lahore.
11	Liaison office outside Pakistan	House No.247, Road No.3, Baridhara DOHS, Dhaka Cantt., Bangladesh.

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 investments in subsidiaries and associates are stated in note 19 to these financial statements.

2 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

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

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

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

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the

Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

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 and 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 investment properties 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 realisable 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 and levy 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

For the financial year ended 30 June 2025 (Tax Year 2025) and subsequent periods, the Company's income is subject to tax under the normal tax regime. Therefore, deferred tax has been recognised in respect of taxable and deductible temporary differences arising between the carrying amounts of assets and liabilities reported in the statement of financial position and their respective tax bases. The determination of the Company's tax bases and the measurement of deferred tax involves the use of certain estimates and judgements. In preparing the income tax return for Tax Year 2025, the Company's tax advisor applied certain estimates, judgements and bases in determining the Company's taxable income and corresponding tax bases.

In determining the deferred tax balances as at 30 June 2026, the management has applied the same

bases, estimates and judgements as were used in the preparation of the income tax return for Tax Year 2025, to determine the respective tax bases and temporary differences at the reporting date. Management considers that the continued application of these bases, estimates and judgements provides an appropriate basis for determining the deferred tax balances as at 30 June 2026.

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 recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised 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 investments in subsidiaries

In making an estimate of recoverable amount of the Company's investments in subsidiaries, 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.

d) Standards and amendments to published approved accounting standard that are effective in current year and are relevant to the Company

Following standards and amendments to published approved accounting standard is mandatory for the Company's accounting periods beginning on or after 01 July 2025:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability.

- IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures'. The Company will issue its sustainability-related financial disclosures separately, within nine months of the year ended 30 June 2026 (i.e., by 31 March 2027), instead of together with these financial statements.

The above-mentioned standards and amendments to approved accounting standard did not have any impact on the amounts 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 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standard, amendments and improvements to published approved accounting standards that are not yet effective but relevant to the Company

Following standard, amendments and improvements to accounting standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2026 or later periods:

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Contracts Referencing Nature–dependent Electricity (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

On 13 November 2025, the International Accounting Standards Board (IASB) issued Translation to a Hyperinflationary Presentation Currency (effective for annual reporting periods beginning on or after 1 January 2027), which amended IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments specify the translation procedures to be applied by an entity whose presentation currency is the currency of a hyperinflationary economy. The amendments also introduce additional

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

disclosure requirements to enable users of financial statements to understand the effects of translating financial information into a hyperinflationary presentation currency.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

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

The above standard, amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2026 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Taxation and levy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in the statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax 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 years.

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 costs of bringing the asset to working condition. Freehold land 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 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.

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 assets over their estimated useful lives at the rates given in note 16.1. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions up to the date when the asset is de-recognized. The residual values and useful lives 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 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties except land, are stated at cost less accumulated depreciation and any recognized impairment loss. Land is stated at cost less any recognized impairment loss. Depreciation on buildings is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost of buildings over their estimated useful lives at a rate of 10% per annum.

2.5 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

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 income as incurred.

2.6 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 amortised 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.

2.7 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 amortised cost. Interest income from these financial assets is included in other income using the effective interest method. Any gain or loss arising on derecognition is recognised 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 recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest 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 amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2) or fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

2.8 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.

2.9 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.10 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 derecognized 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.

2.11 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'.

2.12 Investment in associates - (with significant influence)

The Company is required to prepare separate financial statements, hence, in accordance with the requirements of IAS 27 'Separate Financial Statements', the investments in associates are accounted for in accordance with IFRS 9 'Financial Instruments' and are classified as fair value through other comprehensive income (FVTOCI).

2.13 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 material, 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.

2.14 Trade debts and other receivables

Trade debts are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.15 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.

2.16 Borrowing cost

Interest, mark-up and other charges on borrowings are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such borrowings. All other interest, mark-up and other charges are recognized in statement of profit or loss.

2.17 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.

2.18 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised 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 sold 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 recognised as interest accrues using the effective interest method. This is a method of calculating the amortised 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.

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Sale of electricity

Revenue from sale of electricity is recognized at the time of transmission.

Dividend

Dividend on investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

2.19 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.

2.20 Customer acquisition costs

Customer acquisition costs are capitalised 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 amortised 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.

2.21 Customer fulfilment costs

Customer fulfilment costs are capitalised 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 fulfilment costs are amortised on a straight-line basis over the term of the contract.

2.22 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

2.23 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.

2.24 Refund liabilities

Refund liabilities are recognised 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.

2.25 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.

2.26 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.

2.27 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.

2.28 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 and 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.

2.29 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.

2.30 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.

2.31 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 cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has following reportable business segments: Spinning (Producing different quality of yarn including dyed yarn and sewing thread using natural and artificial fibres), Weaving (Producing different quality of greige fabric using yarn), Dyeing (Producing dyed fabric using different qualities of greige fabric), Denim (Manufacturing of denim fabric using yarn), Workwear (Manufacturing of specialized processed workwear fabric using greige fabric), Home Textile and Terry (Manufacturing of home textile articles using processed fabric produced from greige fabric and manufacturing of terry and bath products), Garments (Manufacturing of garments using processed fabric) and Power Generation (Generation and distribution of power using gas, oil, steam, coal and biomass).

Transactions among the business segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

2.32 Government grants

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.

2.33 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

3. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Employee benefits

The Company operates an approved funded provident fund scheme covering all its permanent employees and permanent employees of a Nishat Linen (Private) Limited - Group Company. Equal monthly contributions are made both by the Company, Nishat Linen (Private) Limited - Group Company and employees at the rate of 9.5 percent of the basic salary to the fund. The Company's contributions to the fund are charged to statement of profit or loss.

3.2 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.

3.3 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.

3.4 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.

3.5 Non–current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

3.6 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.

3.7 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 Ijarah contracts

Under the Ijarah contracts the Company obtains usufruct of an asset for an agreed period for an agreed consideration. The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the

Ujrah (lease) payments as an expense in the profit and loss on straight line basis over the Ijarah term.

4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2026	2025		Note	2026	2025
(Number of Shares)				(Rupees in thousand)	
270,446,606	270,446,606	Ordinary shares of Rupees 10 each fully paid-up in cash		2,704,466	2,704,466
2,804,079	2,804,079	Ordinary shares of Rupees 10 each issued to shareholders of Nishat Apparel Limited under the Scheme of Amalgamation		28,041	28,041
23,577,990	23,577,990	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash	4.1	235,780	235,780
54,771,173	54,771,173	Ordinary shares of Rupees 10 each issued as fully paid bonus shares		547,712	547,712
351,599,848	351,599,848			3,515,999	3,515,999

4.1 These mainly include shares issued to members of Umer Fabrics Limited as per the Scheme of Arrangement as approved by the Honourable Lahore High Court, Lahore.

4.2 Ordinary shares of the Company held by the associated companies:

	2026	2025
	(Number of Shares)	
D.G. Khan Cement Company Limited	30,289,501	30,289,501
Adamjee Insurance Company Limited	2,050	2,050
Security General Insurance Company Limited	396,661	186,030
Nishat (Aziz Avenue) Hotels and Properties Limited	405,000	405,000
Nishat Real Estates Development Company (Private) Limited	127,000	127,000
	31,220,212	31,009,581

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
5 RESERVES			
Composition of reserves is as follows:			
Capital reserves			
Premium on issue of right shares	5.1	5,499,530	5,499,530
Fair value reserve FVTOCI investments - net of deferred income tax	5.2	56,667,907	53,034,251
		62,167,437	58,533,781
Revenue reserves			
General reserve		81,846,028	76,415,028
Unappropriated profit		8,539,547	6,134,866
		90,385,575	82,549,894
		152,553,012	141,083,675

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 the unrealized gain on re-measurement of investments at fair value through other comprehensive income and is not available for distribution. Reconciliation of fair value reserve - net of deferred tax is as under:

	Note	2026	2025
		(Rupees in thousand)	
Balance as at 01 July		61,755,271	33,042,323
Add: Fair value adjustment during the year		6,013,232	28,833,937
Less: Transfer of gain on sale of FVTOCI investment to unappropriated profit		(52,414)	(120,989)
Less: Transfer of gain on recognition of FVTOCI investment as subsidiary at cost to unappropriated profit		(3,003,822)	-
		64,712,267	61,755,271
Less: Deferred income tax liability		(8,044,360)	(8,721,020)
Balance as at 30 June		56,667,907	53,034,251

6 LONG TERM FINANCING - SECURED			
Syndicated term finance	6.1	7,500,000	7,500,000
Long term loans	6.2	12,712,889	13,700,835
Long term musharika	6.3	10,662,122	7,461,131
		30,875,011	28,661,966
Less: Current portion shown under current liabilities	12	(3,377,293)	(3,290,589)
		27,497,718	25,371,377

	Lender	2026	2025	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
		(Rupees in thousand)						
6.1	**Syndicated term finance**							
	From conventional bank							
	Allied Bank Limited - Intercreditor agent	2,000,000	2,000,000	3 months offer KIBOR + 0.2%	Twenty eight equal quarterly installments commencing on 13 February 2027 and ending on 13 November 2033.	Quarterly	Quarterly	First pari passu hypothecation charge of Rupees 10,000 million over all present and future movable and immovable assets (other than land and buildings) of the Company with 25% margin.
	Islamic mode of financing							
	Meezan Bank Limited	4,000,000	4,000,000					
	Askari Bank Limited	1,500,000	1,500,000					
		7,500,000	7,500,000					
6.2	**Long term loans**							
	Allied Bank Limited	-	1,390	SBP rate for LTFF + 0.25%	Four hundred and eighty four unequal installments commenced on 28 December 2018 and ended on 14 July 2025 (Note 6.4).	-	Quarterly	
	Allied Bank Limited	8,423	119,961	SBP rate for LTFF + 0.25%	Two hundred and twenty unequal installments commenced on 26 January 2020 and ending on 17 September 2026 (Note 6.4).	-	Quarterly	Note 6.6
	Allied Bank Limited	357,170	-	SBP Policy Rate - 3.00%	Thirty two equal quarterly installments commencing on 28 April 2028 and ending on 28 January 2036.	-	Quarterly	
	Allied Bank Limited	22,272	66,815	SBP rate for LTFF + 0.35%	Sixty unequal installments commenced on 24 January 2022 and ending on 28 October 2026.	-	Quarterly	First pari passu charge of Rupees 1,267 million over all present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already created exclusive charges in the favour of its existing charge holders / creditors).
		48,131	152,297	SBP rate for LTFF + 0.50%	Four hundred and forty three unequal installments commenced on 06 May 2021 and ending on 11 February 2027.	-	Quarterly	
		-	15,000	SBP rate for financing power plants using renewable energy + 0.50%	Twenty equal quarterly installments commenced on 14 May 2021 and ended on 14 February 2026.	-	Quarterly	
		70,403	234,112					

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

Lender	2026	2025	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
Allied Bank Limited	64,103	74,359	SBP rate for financing power plants using renewable energy + 4.00%	Thirty nine equal quarterly installments commenced on 03 February 2023 and ending on 03 August 2032.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over all present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already created exclusive charges in the favour of its existing creditors).
Allied Bank Limited	629,020	715,209	3 Month offer KIBOR + 0.25%	Seven hundred unequal installments commenced on 28 January 2025 and ending on 09 August 2033.	Quarterly	Quarterly	
	67,211	77,169	SBP rate for financing power plants using renewable energy + 3.00%	Thirty two equal quarterly installments commenced on 18 April 2025 and ending on 18 January 2033.	-	Quarterly	
	696,231	792,378					
Askari Bank Limited	44,620	109,048	SBP rate for LTFF + 0.65%	Two hundred and forty six unequal installments commenced on 23 February 2022 and ending on 16 July 2027.	-	Quarterly	First pari passu hypothecation charge of Rupees 467 million over all present and future plant, machinery and equipment (excluding all exclusive charges over plant and machinery) of the Company.
Bank Alfalah Limited	12,307	56,050	SBP rate for LTFF + 0.50%	One hundred unequal installments commenced on 23 December 2021 and ending on 21 October 2026.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders).
Bank Alfalah Limited	173,117	341,669	SBP rate for TERF + 1.00%	Sixty unequal installments commenced on 28 August 2022 and ending on 15 July 2027 (Note 6.5).	-	Quarterly	
Bank Alfalah Limited	250,000	-	SBP Policy Rate - 3.00%	Thirty two equal quarterly installments commencing on 30 January 2028 and ending on 30 October 2035.	-	Quarterly	First pari passu charge of Rupees 334 million on all present and future plant and machinery of the Company with 25% margin.
Faysal Bank Limited	-	29,636	SBP rate for LTFF + 0.30%	Eighty unequal installments commenced on 18 January 2020 and ended on 05 November 2025 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 400 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in the favour of existing creditors).

Lender	2026	2025	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
Habib Bank Limited	1,258,891	1,486,025	SBP rate for LTFF + 0.75%	Eleven hundred and sixty five unequal installments commenced on 28 November 2023 and ending on 22 April 2032.	-	Quarterly	First pari passu hypothecation charge of Rupees 4,000 million on all present and future fixed assets of the Company excluding specific and exclusive charges.
Habib Bank Limited	-	74,141	SBP rate for LTFF + 0.25%	Twenty unequal installments commenced on 27 February 2020 and ended on 27 November 2025 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 4,084 million over all present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already created exclusive charges in the favour of its existing creditors).
Habib Bank Limited	1,171,875	1,359,375	3 Month offer KIBOR + 0.20%	Thirty two quarterly installments commenced on 28 December 2024 and ending on 28 September 2032.	Quarterly	Quarterly	
Habib Bank Limited	565,620	-	SBP Policy Rate - 3.00%	Thirty two equal quarterly installments commencing on 02 March 2028 and ending on 02 December 2035.	-	Quarterly	
Habib Bank Limited	4,497,719	4,963,000	3 Month offer KIBOR + 0.20%	Thirty two equal quarterly installments commenced on 31 December 2025 and ending on 30 September 2033.	Quarterly	Quarterly	First pari passu charge of Rupees 6,667 million over all present and future plant, machinery and equipment of the Company (excluding specific and exclusive charges in the favour of existing charge holders) with 25% margin.
Habib Metropolitan Bank Limited	6,685	206,185	SBP rate for LTFF + 0.65%	One hundred and twenty unequal installments commenced on 24 September 2021 and ending on 07 September 2026.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders).
Habib Metropolitan Bank Limited	618,190	738,706	SBP rate for TERF + 0.85%	One hundred and twenty eight unequal installments commenced on 19 July 2023 and ending on 29 July 2031 (Note 6.5).	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over plant and machinery of the Company (excluding plant and machinery in respect of which the Company has created exclusive charges in favour of its existing creditors).
National Bank of Pakistan	527,758	627,758	SBP rate for TERF + 1.50%	One hundred and ninety two unequal installments commenced on 17 September 2023 and ending on 04 October 2031.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charges holders / creditors).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

Lender	2026	2025	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
United Bank Limited	1,392,355	1,667,239	SBP Rate for TERF + 1.25%	Five hundred and seventy five unequal installments commenced on 08 July 2023 and ending on 02 September 2031 (Note 6.5).	-	Quarterly	First pari passu hypothecation charge of Rupees 3,000 million over all present and future plant and machinery (excluding those assets over which exclusive charges has already been created in favour of existing creditors) of the Company.
Pakistan Kuwait Investment Company (Private) Limited	210,021	376,397	SBP rate for LTFF + 0.65%	Seventy two unequal installments commenced on 10 May 2021 and ending on 13 January 2028.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders / creditors) of the Company with 25% margin.
Pakistan Kuwait Investment Company (Private) Limited	380,904	443,406	SBP rate for LTFF + 0.90%	Three hundred and ten unequal installments commenced on 29 July 2024 and ending on 21 July 2032.	-	Quarterly	First pari passu charge of Rupees 667 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders / creditors) of the Company with 25% margin.
Pakistan Kuwait Investment Company (Private) Limited	406,497	-	SBP Policy Rate - 3.00%	Sixty four unequal installments commencing on 23 December 2027 and ending on 20 May 2036.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,000 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders / creditors) of the Company with 25% margin.
	12,712,889	13,700,835					
6.3 Long term musharika							
Faysal Bank Limited	5,000,000	5,000,000	3 Month offer KIBOR + 0.05%	Ten equal semi annual installments commencing on 30 December 2028 and ending on 18 May 2033.	Quarterly	Quarterly	First pari passu charge of Rupees 6,667 million over all present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders / creditors).
Faysal Bank Limited	1,400,000	1,800,000	3 Month offer KIBOR + 0.15%	Ten equal semi annual installments commenced on 30 June 2025 and ending on 27 December 2029.	Quarterly	Quarterly	First pari passu charge of Rupees 2,667 million over present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders / creditors).

Lender	2026	2025	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
Faysal Bank Limited	190,278	400,312	SBP rate for ILTFF + 0.70%	Two hundred and sixty five unequal installments commenced on 24 March 2022 and ending on 10 August 2027.	-	Quarterly	First pari passu charge of Rupees 2,200 million over all present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already created exclusive charges in favour of its existing charge holders / creditors).
	144,544	260,819	SBP rate for islamic renewable energy financing scheme + 0.70%	One hundred unequal installments commenced on 07 July 2022 and ending on 06 July 2028.	-	Quarterly	
	334,822	661,131					
MCB Islamic Bank Limited - related party	300,000	-	3 Month offer KIBOR + 0.05%	Sixteen equal quarterly installments commencing on 31 October 2027 and ending on 31 July 2031.	Quarterly	Quarterly	First pari passu charge of Rupees 400 million on all present and future plant and machinery of the Company with 25% margin.
Allied Bank Limited	1,498,000	-	3 Month offer KIBOR + 0.05%	Thirty two equal quarterly installments commencing on 22 March 2028 and ending on 22 December 2035.	Quarterly	Quarterly	Note 6.6
Meezan Bank Limited	629,300	-	SBP Policy Rate - 3.00%	Thirty two equal quarterly installments commencing on 21 August 2028 and ending on 21 May 2036.	-	Quarterly	Ranking pari passu hypothecation charge (which will be upgraded to first pari passu hypothecation charge within 180 days from the date of first drawdown) of Rupees 3,334 million on all present and future plant and machinery of the Company with 25% margin.
	1,500,000	-	3 Month offer KIBOR + 0.05%	Thirty two equal quarterly installments commencing on 22 September 2028 and ending on 22 June 2036.	Quarterly	Quarterly	
	2,129,300	-					
	10,662,122	7,461,131					
	30,875,011	28,661,966					

6.4 Repayment period includes deferment of repayment of principal loan amount by one year in accordance with the State Bank of Pakistan BPRD Circular Letter No. 13 of 2020 dated 26 March 2020.

6.5 These loans are obtained by the Company under SBP Temporary Economic Refinance Facility (TERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 2.34% to 2.60% per annum.

6.6 These facilities are secured against first pari passu charge of Rupees 2,601 million over all present and future plant, machinery and equipment of the Company (excluding plant and machinery in respect of which the Company has already created exclusive charges in the favour of its existing creditors).

6.7 Effective rate of markup charged during the year on these financing ranged from 2.25% to 12.05% (2025: 2.25% to 21.99%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
7 LEASE LIABILITIES			
Total lease liabilities		135,174	222,634
Less: Current portion shown under current liabilities	12	(110,683)	(91,416)
		24,491	131,218
7.1 Reconciliation of lease liabilities			
Balance as at 01 July		222,634	-
Add: Additions during the year		34,587	293,876
Add: Interest on lease liabilities	36	25,144	45,538
Add: Impact of lease modification / renewals		4,203	-
Add: Exchange (gain) / loss		(77)	52
Less: Impact of lease terminations		(33,253)	-
Less: Payments during the year		(118,064)	(116,832)
Balance as at 30 June		135,174	222,634
7.2 Maturity analysis of lease liabilities is as follows:			
Upto 6 months		58,550	60,780
6-12 months		61,541	64,067
1-2 year		20,140	136,837
More than 2 years		6,030	5,648
		146,261	267,332
Less: Future finance cost		(11,087)	(44,698)
Present value of lease liabilities		135,174	222,634

7.3 Implicit rates against lease liabilities range from 11.24% to 21.33% (2025: 13.79% to 21.33%) per annum.

	Note	2026	2025
		(Rupees in thousand)	
8 DEFERRED LIABILITIES			
Deferred income tax - net	8.1	8,044,360	10,244,721
Gas Infrastructure Development Cess (GIDC) payable	8.2	-	-
Deferred income - Government grant	8.3	13,251	20,937
Payable to Lars Lauridsen Holding ApS	8.4	124,082	233,134
		8,181,693	10,498,792

	2026	2025
	(Rupees in thousand)	
8.1 Deferred income tax - net		
The deferred income tax liability originated due to timing differences relating to:		
Taxable temporary differences		
Accelerated tax depreciation	-	1,835,535
Right-of-use assets	41,959	78,316
Long term investments	8,044,360	8,721,020
Deductible temporary difference		
Decelerated tax depreciation	(1,757,817)	-
Lease liabilities	(50,014)	(86,827)
ECL on trade debts	(1,210)	(528)
Minimum tax available for carry forward	(4,114,852)	-
Unabsorbed tax depreciation	(3,528,618)	(302,795)
	(1,366,192)	10,244,721
Deferred tax asset not recognized in these financial statements	9,410,552	-
Deferred tax recognized in these financial statements	8,044,360	10,244,721

8.1.1 Movement in deferred tax balances during the year is as follows:

	2026			
	Opening balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Closing balance
	(Rupees in thousand)			
Accelerated tax depreciation	1,835,535	(3,593,352)	-	(1,757,817)
Right-of-use assets	78,316	(36,357)	-	41,959
Long term investments	8,721,020	-	(676,660)	8,044,360
Lease liabilities	(86,827)	36,813	-	(50,014)
ECL on trade debts	(528)	(682)	-	(1,210)
Minimum tax available for carry forward	-	(4,114,852)	-	(4,114,852)
Unabsorbed tax depreciation	(302,795)	(3,225,823)	-	(3,528,618)
	10,244,721	(10,934,253)	(676,660)	(1,366,192)
Deferred tax asset not recognized in these financial statements	-	9,410,552	-	9,410,552
Deferred tax recognized in these financial statements	10,244,721	(1,523,701)	(676,660)	8,044,360

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

	2025			
	Opening balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Closing balance
	(Rupees in thousand)			
Accelerated tax depreciation	188,571	1,646,964	-	1,835,535
Right-of-use assets	-	78,316	-	78,316
Long term investments	4,718,025	-	4,002,995	8,721,020
Fair value of forward exchange contracts receivable	17,260	(17,260)	-	-
Lease liabilities	-	(86,827)	-	(86,827)
ECL on trade debts	-	(528)	-	(528)
Unabsorbed tax depreciation	-	(302,795)	-	(302,795)
Fair value of forward exchange contracts payable	(7,563)	7,563	-	-
	4,916,293	1,325,433	4,002,995	10,244,721

8.1.2 The Company has not recognized deferred tax asset of Rupees 9,410.552 million as it is not probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised.

8.1.3 Further, in accordance with the Finance Act, 2026, the rate of super tax applicable for tax year 2027 and onwards has been reduced to 8% from 10% applicable in the prior year. Accordingly, the Company has measured its deferred tax balances using the super tax rate of 8%.

8.1.4 Details of unabsorbed tax depreciation and minimum tax against which deferred tax asset has not been recognised is as follows:

Accounting year to which this relates	Unabsorbed tax depreciation		Available minimum tax for carry forward	
	Amount	Accounting year in which these will expire	Amount	Accounting year in which these will expire
	(Rupees in thousand)		(Rupees in thousand)	
2025	8,692,842	Infinite	2,039,995	2028
2026	3,474,807	Infinite	2,074,857	2028
	12,167,649		4,114,852	

		Note	2026	2025
			(Rupees in thousand)	
8.2	**Gas Infrastructure Development Cess (GIDC) Payable**			
	Total payables		1,241,103	1,241,103
	Less: Current portion shown under current liabilities	12	(1,241,103)	(1,241,103)
			-	-

8.2.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. During the year ended 30 June 2021, Honourable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. The Company has filed a review petition in Honourable Sindh High Court, Karachi which is pending adjudication. GIDC payable is recognized at amortized cost in accordance with IFRS 9.

	Note	2026	2025
		(Rupees in thousand)	
8.3 Deferred income - Government grant			
Opening balance		30,996	43,368
Less: Amortized during the year		(10,059)	(12,372)
		20,937	30,996
Less: Current portion shown under current liabilities	12	(7,686)	(10,059)
		13,251	20,937

8.3.1 The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated 17 March 2020 and Circular No. 09 of 2020 dated 08 May 2020 introduced a Temporary Economic Refinance Facility (TERF) for setting of new industrial units and for undertaking Balancing, Modernization and Replacement and / or expansion of projects / businesses. These refinances were available through Banks / DFIs. One of the key feature of these refinance facilities is that the borrowers obtained loans at mark-up rates that were below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government grant. The Company has obtained these loans as disclosed in note 6 to the financial statements. In accordance with IFRS 9 'Financial Instruments', loans obtained under the refinance facilities were initially recognized at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest was measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There are no unfulfilled conditions or contingencies attached to this grant.

	Note	2026	2025
		(Rupees in thousand)	
8.4 Payable to Lars Lauridsen Holding ApS			
Payable to Lars Lauridsen Holding ApS	8.4.1	701,250	701,250
Less: Fair value adjustment on initial recognition		(118,853)	(118,853)
Add: Fair value adjustment	8.4.2	95,279	55,419
		(23,574)	(63,434)
		677,676	637,816
Less: Total payments till reporting date		(449,213)	(320,873)
(Less) / Add: Exchange (gain) / loss		(990)	4,488
		227,473	321,431
Less: Current portion shown under current liabilities	12	(103,391)	(88,297)
		124,082	233,134

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

8.4.1 This represents payable to Lars Lauridsen Holding ApS against acquisition of Wernerfelt A/S. Total consideration of Rupees 701.250 million against acquisition of long term investment in Wernerfelt A/S is payable in 5 installments commenced from 24 June 2024 and ending on 25 July 2027. Hence, this deferred consideration is recognised and measured at fair value using prevailing market rate of interest (i.e. 20.01% per annum) at the date of acquisition in accordance with IFRS 9.

	Note	2026	2025
		(Rupees in thousand)	
8.4.2 Reversal of fair value adjustment			
Balance as at 01 July		55,419	1,160
Add: Reversal made during the year	36	39,860	54,259
Balance as at 30 June		95,279	55,419
9 TRADE AND OTHER PAYABLES			
Creditors	9.1 & 9.2	11,906,120	9,262,927
Sindh infrastructure cess payable	9.3	2,976,277	2,443,180
Accrued liabilities	9.2	2,710,607	2,534,420
Contract liabilities - unsecured	9.1	1,354,004	1,018,596
Securities from contractors - Interest free and repayable on completion of contracts	9.4	38,480	33,623
Retention money payable		60,450	180,238
Payable to Employees' Provident Fund Trust		61,069	45,261
Income tax deducted at source		2,407	983
Fair value of forward exchange contracts		761	60,510
Payable to banks under bill discounting arrangements		19,155	223,983
Workers' profit participation fund	9.5	88,352	136,757
Workers' welfare fund		14,158	14,158
		19,231,840	15,954,636

9.1 These include amounts due to following related parties:

Creditors			
Nishat Linen (Private) Limited - subsidiary company		284,969	54,195
Wernerfelt A/S - subsidiary company		22,681	-
Hyundai Nishat Motor (Private) Limited - associated company		1,588	2,537
Nishat Hotels and Properties Limited - associated company		409	220
D.G. Khan Cement Company Limited - associated company		4,869	54,504
Nishat Dairy (Private) Limited - associated company		65	64
Nishat Sutas Dairy Limited - associated company		7,062	-
Security General Insurance Company Limited - associated company		43,937	40,630
Adamjee Insurance Company Limited - associated company		59,749	64,890
Adamjee Life Assurance Company Limited - associated company		2	2
Rafhan Maize Products Company Limited -	43.3	28,235	-
		453,566	217,042
Contract liabilities - unsecured			
Nishat Dairy (Private) Limited - associated company		-	3,302
Nishat Hotels and Properties Limited - associated company		249	922
		249	4,224

9.2 Reversal of excess provisions in respect of previous years amounting to Rupees 806.571 million (2025: Rupees 328.597 million).

		2026	2025
		(Rupees in thousand)	
9.3	**Sindh infrastructure cess payable**		
	Balance as at 01 July	2,443,180	1,642,498
	Add: Provision made during the year	533,097	800,682
	Balance as at 30 June	2,976,277	2,443,180

9.3.1 This represents the provision for infrastructure cess imposed by the Province of Sindh under the Sindh Finance Act, 1994 and its subsequent amendments, including the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Company filed a writ petition before the Sindh High Court (the Court), which granted a stay order subject to the furnishing of bank guarantees in favour of the Director Excise and Taxation, Karachi. Subsequently, the Court through its order dated 4 June 2021, directed encashment of the bank guarantees. Being aggrieved, the Company, along with others, filed petition for leave to appeal before the Supreme Court of Pakistan. By its order dated 01 September 2021, the Supreme Court of Pakistan granted leave to appeal, restrained the Sindh Government from encashing the bank guarantees furnished pursuant to the interim orders of the Court and directed the release of future consignments against submission of bank guarantees for the disputed amounts.

Following the establishment of the Federal Constitutional Court of Pakistan under the Twenty-Seventh Constitutional Amendment, all pending appeals, including the Company's appeal, were transferred to Federal Constitutional Court of Pakistan. By order dated 23 February 2026, the Federal Constitutional Court of Pakistan granted interim injunctive relief by directing that fresh consignments be released upon furnishing undertakings and post-dated cheques. The matter is currently pending adjudication.

The Government of Sindh enacted the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 ("Amendment Act"), which has been gazetted on 23 February 2026. The Amendment Act introduced concessionary cess rates for future consignments for entities entering into a settlement agreement by either paying the outstanding cess liability in a single lump sum on or before 15 July 2026 or in 51 instalments. Execution of the settlement agreement is subject to unconditional withdrawal of all pending litigation and waiver of all claims against the Government of Sindh.

The Company, along with others, has filed a constitutional petition before the Court seeking a declaration that entities having pending litigation, including appeals before the Federal Constitutional Court of Pakistan on the subject matter, should not be subjected to discriminatory or disadvantageous treatment. The petition also seeks to restrain the Government of Sindh and its officers from taking any coercive action, including encashment of bank guarantees and post-dated cheques furnished in respect of the levy. Based on the advice of legal counsel, the management of the Company believes a favourable outcome of the matter.

9.4 These deposits have been utilized for the purpose of business in accordance with the terms of written agreements with contractors.

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For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
9.5 Workers' profit participation fund			
Balance as on 01 July		136,757	92,279
Add: Provision for the year	34	88,352	136,237
Add: Interest for the year	36	756	520
		225,865	229,036
Less: Payments during the year		(137,513)	(92,279)
Balance as on 30 June		88,352	136,757

9.5.1 Interest is paid at prescribed rate under the Companies Profits (Workers Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

	Note	2026	2025
		(Rupees in thousand)	
10 ACCRUED MARK-UP			
Long term financing	10.1	598,712	527,282
Short term borrowings	10.2	545,555	605,819
		1,144,267	1,133,101

10.1 This includes mark-up of Rupees 6.018 million (2025: Rupees Nil) payable to MCB Islamic Bank Limited - related party.

10.2 This includes mark-up of Rupees 7.029 million (2025: Rupees 8.815 million) payable to MCB Bank Limited - associated company.

	Note	2026	2025
		(Rupees in thousand)	
11 SHORT TERM BORROWINGS			
From banking companies - secured			
State Bank of Pakistan (SBP) refinance	11.1, 11.2 & 11.3	29,834,091	25,082,205
Other short term finances	11.1 & 11.4	27,016,125	33,055,566
Temporary bank overdrafts	11.1, 11.2 & 11.5	3,689,617	2,142,199
		60,539,833	60,279,970

11.1 These finances are obtained from banking companies under mark up arrangements and are secured against joint pari passu hypothecation charge on all present and future current assets and other instruments. Markup is payable quarterly or at maturity.

11.2 These finances includes balance of short term borrowings of Rupees 890.373 million (2025: Rupees 1,494.506 million) payable to MCB Bank Limited – associated company, which has been utilized for working capital requirements.

11.3 The rates of mark up range from 1.99% to 8.00% (2025: 2.00% to 19.00%) per annum during the year on the balance outstanding.

11.4 The rates of mark up range from 2.10% to 11.91% (2025: 3.00% to 21.93%) per annum during the year on the balance outstanding.

11.5 The rates of mark up range from 10.13% to 13.16% (2025: 8.14% to 22.99%) per annum during the year on the balance outstanding.

	Note	2026	2025
		(Rupees in thousand)	
12 CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long term financing - secured	6	3,377,293	3,290,589
Current portion of lease liabilities	7	110,683	91,416
Current portion of GIDC payable	8.2	1,241,103	1,241,103
Current portion of deferred income - Government grant	8.3	7,686	10,059
Current portion of payable to Lars Lauridsen Holding ApS	8.4	103,391	88,297
		4,840,156	4,721,464
13 UNCLAIMED DIVIDEND		121,850	119,887
14 TAXATION AND LEVY - NET			
Provision for taxation		1,463,425	2,504,311
Levy payable		2,855,536	2,822,526
		4,318,961	5,326,837
Advance tax and prepaid levy		(4,283,814)	(3,369,006)
		35,147	1,957,831

15 CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) The Company was contesting various sales tax demands amounting to Rupees 214.158 million, including related default surcharge and penalties, under the Sales Tax Act, 1990 before the Appellate Tribunal Inland Revenue (ATIR). The ATIR, vide orders dated 30 August 2024, 22 October 2024 and 29 August 2025 allowed partial relief to the Company and remanded back the remaining matters to the assessing officer for consideration afresh. Against the orders of ATIR, the Commissioner Inland Revenue has filed appeal before Honourable Lahore High Court, Lahore which is pending for adjudication. No provision there against has been recognized in these financial statements as the Company, based on advice of the tax advisors, is confident of a favorable outcome of the matter.

ii) Guarantees of Rupees 6,949.997 million (2025: Rupees 6,660.897 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited and Pakistan State Oil Limited against purchase of furnace oil, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Directorate of Cotton Cess Management against cotton cess, Collector of Customs against regulatory duty, Inspector General Frontier Corps KP (South), The President of Islamic Republic of

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For the year ended June 30, 2026

Pakistan through the Controller of Military Accounts (Defence Purchase), The Director General ESA, SPD Rawalpindi, Airport Security Force, Provincial Police Officer, Office of Inspector General of Police KPK and Inspector General of Punjab Police against fulfillment of sales orders, High Court of Sindh, Karachi against the matter of importation of LED lights, Faisalabad Electric Supply Company Limited (FESCO) and Lahore Electric Supply Company Limited (LESCO) against installation of grid stations, Lars Lauridsen Holdings ApS against purchase of Wernerfelt A/S - subsidiary company and to the bank of Hyundai Nishat Motor (Private) Limited - associated company to secure financial assistance to the associated company. Further, the Company has issued cross corporate guarantees of Rupees 796.667 million (2025: Rupees 666.667 million) and Rupees 1,777.500 million (2025: Rupees 1,777.500 million) on behalf of Nishat Linen (Private) Limited - wholly owned subsidiary company and Nishat Sutas Dairy Limited - associated company respectively to secure the obligations of subsidiary company and associated company towards their lenders.

iii) Post dated cheques of Rupees 40,000.000 million (2025: Rupees 35,000.000 million) are issued to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.

iv) Post dated cheques of Rupees 507.506 million (2025: Rupees 153.935 million) are issued to Sui Northern Gas Pipelines Limited in pursuance of order of Lahore High Court, Lahore in the case of gas infrastructure development cess and captive power levy bills from February 2025 to December 2025. Post dated cheques of Rupees 8.209 million (2025: Rupees 8.209 million) are issued to Lahore Electric Supply Company Limited (LESCO) and Faisalabad Electric Supply Company Limited (FESCO) in pursuance of order of Lahore High Court, Lahore in the case of income tax in electricity bills for the month of July 2021 and against differential of increased rates of fixed charges in electricity bills for the months from December 2024 to February 2025. Post dated cheques of Rupees 116.813 million (2025: Nil) has been issued to the Excise and Taxation Officer, Sindh in pursuance of the order of the Federal Constitutional Court in respect of Sindh Infrastructure Cess.

v) During the year ended 30 June 2025, the Company, along with others, has filed petitions before Honourable Lahore High Court, Lahore (the Court) against the imposition of captive levy. The Honourable Lahore High Court, Lahore vide its judgment dated 29 January 2026 held that the mandatory mechanism prescribed under Section 4 of the Off the Grid (Captive Power Plants) Levy Act, 2025 for determination of the levy had not been followed and that the levy could not be imposed retrospectively in the absence of an express statutory provision. Accordingly, the Court set aside/annulled the impugned notifications and bills issued for retrospective recovery of the levy. Further, the Court also ordered that any amount collected from petitioners in this regard shall be credited in the bill(s) for the upcoming months and the post dated cheques furnished by the Company, in compliance of the orders passed by the Court for grant of interim relief, shall be returned by Sui Northern Gas Pipeline Limited to the Company. Against the order of the Court, Federation of Pakistan has filed appeal in Federal Constitutional Court of Pakistan which is pending adjudication. Based on the advice of legal counsel, the management of the Company expects favourable outcome of the matter. Hence, provision of Rupees 462.596 million has not been recognised in these financial statements.

vi) During the year, the Company has filed a complaint before Oil and Gas Regulatory Authority (OGRA) against the alleged demand of Rupees 225.845 million by Sui Northern Gas Pipeline Limited (SNGPL) on account of “Reconciliation Amount Arrears/Short Payment” together with default surcharge (LPS) which is pending for adjudication. Subsequent to the reporting period, the Company has paid Rupees 48.689 million under protest. Further, the Company has also filed a petition before Honourable Islamabad High Court, Islamabad who vide order dated 23 July 2026 disposed of the petition by directing the OGRA to decide the aforesaid pending complaint within thirty days strictly in accordance with law. Further, the Honourable Islamabad High Court, Islamabad also directed that till the decision of the complaint, the SNGPL shall refrain from taking any coercive action against the Company including disconnection of gas supply and recovery of disputed Reconciliation Amount

and late payment surcharge or any adverse action on the basis of impugned gas bills. In the same matter, the OGRA vide order dated 21 July 2026 decided the complaint in favour of the applicant. Based on the advice of legal counsel, the management of the Company expects favourable outcome of the matter. Hence no provision has been recognised in these financial statements.

b) Commitments

i) Contracts for capital expenditure are approximately of Rupees 1,754.917 million (2025: Rupees 3,046.292 million).

ii) Letters of credit other than for capital expenditure are of Rupees 6,578.240 million (2025: Rupees 4,060.622 million).

iii) Outstanding foreign currency forward contracts of Rupees 5,361.027 million (2025: Rupees 899.667 million).

iv) Commitment arising from short-term leases recognized on a straight-line basis as expense under the practical expedients applied by the Company with respect to IFRS 16. The amount of future payments under these leases and the period in which these payments will become due are as follows:

	Note	2026	2025
		(Rupees in thousand)	
Not later than one year		181	665

16 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	16.1	60,561,882	61,297,274
Capital work-in-progress	16.2	5,650,504	3,312,733
		66,212,386	64,610,007

16.1 Operating fixed assets

	Freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Factory equipment	Furniture, fixtures and office equipment	Computer equipment	Vehicles	Total
	(Rupees in thousand)								
At 30 June 2024									
Cost	2,024,915	15,814,451	55,779,788	1,542,721	588,938	809,271	375,751	1,349,869	78,285,704
Accumulated depreciation	-	(8,267,784)	(27,955,735)	(861,001)	(348,438)	(393,712)	(290,898)	(552,188)	(38,669,756)
Net book value	2,024,915	7,546,667	27,824,053	681,720	240,500	415,559	84,853	797,681	39,615,948
Year ended 30 June 2025									
Opening net book value	2,024,915	7,546,667	27,824,053	681,720	240,500	415,559	84,853	797,681	39,615,948
Additions	7,682	8,320,047	16,495,406	836,929	60,512	247,408	57,761	323,030	26,348,775
Disposals:									
Cost	-	-	(233,687)	(4,665)	(189)	(1,247)	(5,347)	(210,962)	(456,097)
Accumulated depreciation	-	-	194,176	4,140	133	863	3,839	117,910	321,061
	-	-	(39,511)	(525)	(56)	(384)	(1,508)	(93,052)	(135,036)
Depreciation charge	-	(930,107)	(3,227,772)	(89,169)	(28,310)	(56,522)	(33,746)	(166,787)	(4,532,413)
Closing net book value	2,032,597	14,936,607	41,052,176	1,428,955	272,646	606,061	107,360	860,872	61,297,274
At 30 June 2025									
Cost	2,032,597	24,134,498	72,041,507	2,374,985	649,261	1,055,432	428,165	1,461,937	104,178,382
Accumulated depreciation	-	(9,197,891)	(30,989,331)	(946,030)	(376,615)	(449,371)	(320,805)	(601,065)	(42,881,108)
Net book value	2,032,597	14,936,607	41,052,176	1,428,955	272,646	606,061	107,360	860,872	61,297,274
Year ended 30 June 2026									
Opening net book value	2,032,597	14,936,607	41,052,176	1,428,955	272,646	606,061	107,360	860,872	61,297,274
Additions	263,434	584,605	4,154,468	42,854	27,774	67,145	43,280	325,652	5,509,212
Disposals:									
Cost	-	-	(766,924)	-	-	(463)	(2,823)	(88,827)	(859,037)
Accumulated depreciation	-	-	593,744	-	-	296	2,118	54,095	650,253
	-	-	(173,180)	-	-	(167)	(705)	(34,732)	(208,784)
Depreciation charge	-	(1,510,089)	(4,059,283)	(143,575)	(28,601)	(64,394)	(39,139)	(190,739)	(6,035,820)
Closing net book value	2,296,031	14,011,123	40,974,181	1,328,234	271,819	608,645	110,796	961,053	60,561,882
At 30 June 2026									
Cost	2,296,031	24,719,103	75,429,051	2,417,839	677,035	1,122,114	468,622	1,698,762	108,828,557
Accumulated depreciation	-	(10,707,980)	(34,454,870)	(1,089,605)	(405,216)	(513,469)	(357,826)	(737,709)	(48,266,675)
Net book value	2,296,031	14,011,123	40,974,181	1,328,234	271,819	608,645	110,796	961,053	60,561,882
Annual rate of depreciation (%)	-	10	10	10	10	10	30	20	

16.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of during the year is as follows:

Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchasers
		(Rupees in thousand)						
Plant and machinery								
Ring Frames 480 Spindles with compact attachment	35	112,196	75,365	36,831	70,000	33,169	Negotiation	Mubashar Brothers, Faisalabad
Ring Frames 480 Spindles with compact attachment	8	28,457	18,540	9,917	16,000	6,083	Negotiation	H.A. Haq Spinning Mills (Private) Limited, Faisalabad
Autocone Winder Savio Orion	5	64,027	55,433	8,594	7,881	(713)	Negotiation	Mubashar Brothers, Faisalabad
Toyoda Simplex Frame	2	12,452	11,742	710	2,881	2,171	Negotiation	Mubashar Brothers, Faisalabad
Murata Autoconewinder	2	36,609	32,472	4,137	11,102	6,965	Negotiation	Mubashar Brothers, Faisalabad
Air Jet Looms	30	105,133	89,133	16,000	44,237	28,237	Negotiation	Salam Din Weaving Factory, Faisalabad
Air Jet Looms	8	37,401	30,711	6,690	11,797	5,107	Negotiation	Maqbool Ahmad Weaving Factory, Faisalabad
Air Compressor with Air Dryer	4	3,783	2,670	1,113	610	(503)	Negotiation	Abdul Manan Traders, Faisalabad
Open Width Washing Range	1	59,374	51,411	7,963	16,949	8,986	Negotiation	Alkaram Processing Mill (Private) Limited, Faisalabad
Genset Natural Gas Engine	1	62,377	53,849	8,528	15,254	6,726	Negotiation	Ibrahim Engineering Services, Faisalabad
Direct Drive Servo Button Snap Machine	28	1,388	479	909	560	(349)	Negotiation	A. Paracha Sons, Karachi
Chillers with accessories	1	8,100	6,850	1,250	8,279	7,029	Negotiation	Rafique Textile Corporation, Faisalabad
Murata Cone Winder	2	18,306	16,197	2,109	2,542	433	Negotiation	Mubashar Brothers, Faisalabad
Loptex Optosonic Digit	1	6,950	5,684	1,266	127	(1,139)	Negotiation	Mubashar Brothers, Faisalabad
Loptex Sorter Single Version	2	13,165	11,421	1,744	254	(1,490)	Negotiation	Mubashar Brothers, Faisalabad
Clipping Machine Top Set	1	2,700	1,390	1,310	381	(929)	Negotiation	Mubashar Brothers, Faisalabad
Solar System	1	157,718	96,635	61,083	30,542	(30,541)	Negotiation	D.G. Khan Cement Company Limited - associated company
		730,136	559,982	170,154	239,396	69,242		
Vehicles								
Suzuki Swift ADK-507	1	1,795	1,020	775	1,045	270	Company's policy	Mr. Khurram Jabbar, Company's employee, Lahore
Toyota Corolla ACQ-179	1	2,755	1,634	1,121	1,550	429	Company's policy	Mr. Muhammad Mumtaz, Company's employee, Faisalabad
Suzuki Swift LEA-20-1283	1	2,042	1,450	592	2,275	1,683	Negotiation	Mr. Muhammad Adnan, Lahore
Suzuki Cultus ADB-664	1	1,817	1,076	741	1,015	274	Company's policy	Mr. Muhammad Arshad Khan, Company's employee, Sheikhupura
Suzuki Cultus ADA-806	1	1,816	1,075	741	1,014	273	Company's policy	Mr. Zia-ur-Rehman, Company's employee, Lahore
Suzuki Cultus ACY-499	1	1,817	1,082	735	1,011	276	Company's policy	Mr. Muhammad Akbar Shaheen, Company's employee, Lahore
Hyundai Sonata AGD-409	1	4,494	2,571	1,923	2,603	680	Company's policy	Mr. Sulaiman Kiyani, Company's employee, Lahore
Toyota Corolla ACY-473	1	1,855	1,126	729	989	260	Company's policy	Mr. Muhammad Shoaib Alam, Company's employee, Faisalabad
Suzuki Cultus ABA-459	1	1,817	1,139	678	1,016	338	Negotiation	Miss Firdous Jabeen, Kasur
Suzuki Cultus ACY-230	1	1,817	1,042	775	1,042	267	Company's policy	Mr. Muhammad Abrar, Company's employee, Faisalabad

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Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchasers
		(Rupees in thousand)						
Hyundai Elantra ACK-962	1	3,614	2,241	1,373	3,035	1,662	Negotiation	Mr. Abdul Ali Muhammad, Lahore
Suzuki Swift ACB-281	1	2,079	1,323	756	957	201	Company's policy	Mr. Sohail Akbar, Company's employee, Lahore
Honda City AMM-342	1	3,263	1,553	1,710	2,364	654	Company's policy	Mr. Naveed Arshad, Company's employee, Lahore
Suzuki Cultus AFX-561	1	1,690	977	713	966	253	Negotiation	Mr. Muhammad Iftikhar, Faisalabad
Hyundai Elantra AJU-814	1	4,554	2,273	2,281	3,095	814	Negotiation	Mr. Syed Shahadat Karim, Lahore
Toyota Corolla ADC-054	1	3,513	2,007	1,506	2,026	520	Company's policy	Mr. Muzammil Hussain, Company's employee, Lahore
Suzuki Swift AMC-985	1	2,765	1,421	1,344	2,693	1,349	Negotiation	Mr. Sajid Iqbal, Lahore
Suzuki Swift ALD-713	1	2,756	1,477	1,279	1,774	495	Negotiation	Mr. Rehan Dawood, Lahore
Forklifter Truck	1	3,919	3,045	874	1,148	274	Negotiation	Mr. Muhammad Akbar, Faisalabad
Suzuki Cultus ADZ-039	1	1,766	1,020	746	1,006	260	Company's policy	Mr. Aamir Masood, Company's employee, Lahore
Honda City AEZ-238	1	1,703	963	740	991	251	Company's policy	Mr. Pervaiz Akhtar, Company's employee, Lahore
Honda Civic AFL-836	1	3,742	2,081	1,661	2,226	565	Company's policy	Mr. Ali Imran Shah, Company's employee, Lahore
Hyundai Sonata AEU-839	1	4,240	2,400	1,840	2,501	661	Company's policy	Mr. Maqsood Ahmad, Company's employee, Lahore
Suzuki Cultus AFW-257	1	1,690	962	728	983	255	Company's policy	Mr. Aamir Saeed, Company's employee, Lahore
Suzuki Cultus ADU-137	1	1,761	1,009	752	1,008	256	Company's policy	Mr. Muhammad Asif, Company's employee, Lahore
Suzuki Cultus AER-375	1	1,690	959	731	1,002	271	Company's policy	Mr. Bashir Ahmad Shahid, Company's employee, Lahore
Honda City AGT-033	1	2,858	1,688	1,170	1,587	417	Company's policy	Mr. Shafqat Niaz, Company's employee, Lahore
Suzuki Cultus AEH-311	1	1,755	1,004	751	1,028	277	Company's policy	Mr. Muhammad Jameel, Company's employee, Lahore
Suzuki Cultus AEZ-484	1	1,690	965	725	982	257	Company's policy	Mr. Ghulam Fareed, Company's employee, Lahore
Suzuki Cultus AEL-938	1	1,766	1,080	686	942	256	Company's policy	Mr. Sajjad Ahmed, Company's employee, Lahore
Suzuki Swift ANY-355	1	4,209	1,986	2,223	2,989	766	Negotiation	Mr. Muhammad Azmat Ali, Lahore
		79,048	45,649	33,399	48,863	15,464		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 500,000		49,853	44,622	5,231	34,339	29,108		
		859,037	650,253	208,784	322,598	113,814		

	Note	2026	2025
		(Rupees in thousand)	
16.1.2 Depreciation charge for the year has been allocated as follows:			
Cost of sales	31	5,831,104	4,351,814
Distribution cost	32	32,375	25,750
Administrative expenses	33	171,351	154,849
Capital work-in-progress		990	-
		6,035,820	4,532,413

16.1.3 Particulars of immovable properties (i.e. land and buildings) are as follows:

Manufacturing units and office	Address	Area of land Acres
Manufacturing units		
Spinning units, Yarn dyeing unit and Power plant	Nishatabad, Faisalabad.	86.43
Spinning units and Power plant	Plot No. 172-180 & 188-197, M-3 Industrial City, Sahianwala and FIEDMIC, 2 K.M., Jhumra Chiniot Road, Chak Jhumra, Faisalabad.	96.56
Spinning units and Power plant	20 K.M., Sheikhupura Road, Feroze Wattwan.	67.12
Weaving units, Denim unit, Workwear unit and Power plant	12 K.M., Faisalabad Road, Sheikhupura	110.39
Weaving unit, Dyeing and finishing unit, Processing unit, Stitching units and Power plant	5 K.M., Nishat Avenue, Off 22 K.M., Ferozepur Road, Lahore.	120.79
Terry unit	7 K.M., Nishat Avenue, Off 22 K.M., Ferozepur Road, Lahore.	12.54
Apparel unit	2 K.M., Nishat Avenue, Off 22 K.M., Ferozepur Road, Lahore.	14.38
Office	7-Main Gulberg, Lahore.	1.12
		509.33

16.2 Capital-work-in-progress

	Advances for purchase of freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Furniture, fixtures and office equipment	Vehicles	Unallocated capital expenditures	Total
	(Rupees in thousand)							
At 30 June 2024	1,635	7,557,647	11,774,860	661,412	37,674	37,548	356,471	20,427,247
Add: Additions during the year	268,539	1,148,666	5,310,635	136,779	37,827	384,748	533	7,287,727
Less: Transferred to operating fixed assets during the year	(6,740)	(8,203,939)	(14,708,205)	(777,439)	(34,050)	(314,864)	(357,004)	(24,402,241)
At 30 June 2025	263,434	502,374	2,377,290	20,752	41,451	107,432	-	3,312,733
Add: Additions during the year	-	2,408,128	3,874,795	91,385	18,625	234,834	109,466	6,737,233
Less: Transferred to operating fixed assets during the year	(263,434)	(584,605)	(3,202,333)	(24,638)	(15,657)	(308,795)	-	(4,399,462)
At 30 June 2026	-	2,325,897	3,049,752	87,499	44,419	33,471	109,466	5,650,504

16.2.1 Vehicles include advances of Rupees 1.369 million (2025: Rupees 15.853 million) and Rupees 8.389 million (2025: Rupees Nil) given to Hyundai Nishat Motor (Private) Limited - associated company and Nexgen Auto (Private) Limited - associated company.

16.2.2 Borrowing cost amounting to Rupees Nil (2025: Rupees 579.606 million) has been capitalized during the year. The effective rate of borrowing cost capitalized during the year ended 30 June 2025 was 12.10% to 21.99% per annum.

17 RIGHT-OF-USE ASSETS

Reconciliation of carrying amount of right-of-use assets:

	Note	BUILDINGS (RUPEES IN THOUSAND)
Balance as at 30 June 2024		-
Add: Additions during the year		293,876
Less: Depreciation for the year	17.1	(93,066)
Balance as at 30 June 2025		200,810
Add: Additions during the year		34,587
Add: Impact of lease modification / renewals		4,203
Less: Impact of lease terminations		(28,320)
Less: Depreciation for the year	17.1	(97,876)
Balance as at 30 June 2026		113,404

Lease of buildings

The Company obtained buildings on lease for godowns and residential purpose. Lease terms are negotiated on an individual basis and contains different terms and conditions. Lease period is three years.

17.1 Depreciation charge for the year has been allocated as follows:

	Note	2026	2025
		(Rupees in thousand)	
Cost of sales	31	91,635	84,766
Distribution cost	32	4,680	6,828
Administrative expenses	33	1,561	1,472
		97,876	93,066

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18 INVESTMENT PROPERTIES

	Note	Land	Buildings	Total
		(Rupees in thousand)		
At 30 June 2024				
Cost		435,213	274,444	709,657
Accumulated depreciation		-	(242,153)	(242,153)
Net book value		435,213	32,291	467,504
Year ended 30 June 2025				
Opening net book value		435,213	32,291	467,504
Depreciation charge	34	-	(3,229)	(3,229)
Closing net book value		435,213	29,062	464,275
At 30 June 2025				
Cost		435,213	274,444	709,657
Accumulated depreciation		-	(245,382)	(245,382)
Net book value		435,213	29,062	464,275
Year ended 30 June 2026				
Opening net book value		435,213	29,062	464,275
Depreciation charge	34	-	(2,906)	(2,906)
Closing net book value		435,213	26,156	461,369
At 30 June 2026				
Cost		435,213	274,444	709,657
Accumulated depreciation		-	(248,288)	(248,288)
Net book value		435,213	26,156	461,369

18.1 Depreciation at the rate of 10 percent per annum on buildings amounting to Rupees 2.906 million (2025: Rupees 3.229 million) charged during the year is allocated to other expenses. No expenses directly related to investment properties were incurred during the year. The market value of land and buildings is estimated at Rupees 8,282.448 million (2025: Rupees 7,877.955 million). Forced sale value of investment properties as on the reporting date is Rupees 6,625.818 million (2025: Rupees 6,302.364 million). The valuation has been carried out by an independent valuer.

18.2 Land and buildings having book value of Rupees 328.643 million (2025: Rupees 328.643 million) and Rupees 18.356 million (2025: Rupees 20.395 million) respectively have been given on operating lease to Nishat Hotels and Properties Limited - associated company.

18.3 Land having book value of Rupees 99.693 million (2025: Rupees 99.693 million) has been given on operating lease to Nishat Linen (Private) Limited - subsidiary company.

18.4 Land and buildings having book value of Rupees 2.305 million (2025: Rupees 0.006 million) and Rupees 5.912 million (2025: Rupees 5.517 million) respectively have been given on operating lease to Hyundai Nishat Motor (Private) Limited - associated company.

18.5 Land and buildings having book value of Rupees 1.241 million (2025: Rupees Nil) and Rupees 0.511 million (2025: Rupees Nil) respectively have been given on operating lease to Nexgen Auto (Private) Limited - associated company.

18.6 Particulars of investment properties are as follows:

Description	Address	Area of land Kanal
Factory land	21 K.M., Ferozepur Road, Lahore.	33.65
Commercial building	Mian Mehmood Kasuri Road, Gulberg III, Lahore.	6.04
Factory land and building	Nishatabad, Faisalabad.	43.97

	Note	2026	2025
		(Rupees in thousand)	
19 LONG TERM INVESTMENTS			
Equity instruments - at cost less impairment loss, if any	19.1	11,155,594	6,546,744
Equity instruments - at fair value through other comprehensive income	19.2	92,326,512	87,929,602
		103,482,106	94,476,346
19.1 Equity instruments - at cost less impairment loss, if any			
Subsidiary companies			
Nishat Power Limited - quoted 180,632,955 (2025: 180,632,955) fully paid ordinary shares of Rupees 10 each. Equity held 51.01% (2025: 51.01%)		1,806,329	1,806,329
Nishat USA Inc. - unquoted 200 (2025: 200) fully paid shares with no par value per share. Equity held 100% (2025: 100%)	44.1	3,547	3,547
Pakgen Limited (Formerly: Pakgen Power Limited) - quoted 112,548,228 (2025: 112,548,228) fully paid ordinary shares of Rupees 10 each. Equity held 58.57% (2025: 30.25%)	19.3	4,608,850	-
Nishat Linen (Private) Limited - unquoted 300,000,000 (2025: 300,000,000) fully paid ordinary shares of Rupees 10 each. Equity held 100% (2025: 100%)	19.4	3,250,924	3,250,924
Nishat Linen Trading LLC - unquoted 4,900 (2025: 4,900) fully paid shares of UAE Dirhams 1,000 each.	19.5 & 44.1	259,403	259,403
Nishat International FZE - unquoted 18 (2025: 18) fully paid shares of UAE Dirhams 1,000,000 each. Equity held 100% (2025: 100%)	44.1	492,042	492,042
Advance for purchase of shares		9,070	9,070
		501,112	501,112
Nishat Commodities (Private) Limited - unquoted 1,000 (2025: 1,000) fully paid ordinary shares of Rupees 10 each. Equity held 100% (2025: 100%)	19.6	10	10
Wernerfelt A/S - unquoted 50 (2025: 50) fully paid shares of Danish Krone 10,000 each. Equity held 100% (2025: 100%)	44.1	725,419	725,419
		11,155,594	6,546,744

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
19.2 Equity instruments - at fair value through other comprehensive income			
Associated companies (with significant influence)			
D.G. Khan Cement Company Limited - quoted 137,574,201 (2025: 137,574,201) fully paid ordinary shares of Rupees 10 each. Equity held 31.40% (2025: 31.40%)		3,418,145	3,418,145
Nishat Packaging Limited - unquoted 11,634,199 (2025: 11,634,199) fully paid ordinary shares of Rupees 10 each. Equity held 25% (2025: 25%)		106,802	106,802
Lalpir Limited (Formerly: Lalpir Power Limited) – quoted 109,882,555 (2025: 109,882,555) fully paid ordinary shares of Rupees 10 each. Equity held 39.27% (2025: 28.93%)	19.7	1,648,231	1,648,231
Pakgen Limited (Formerly: Pakgen Power Limited) - quoted 112,548,228 (2025: 112,548,228) fully paid ordinary shares of Rupees 10 each. Equity held 58.57% (2025: 30.25%)	19.3	-	1,605,028
Nishat Dairy (Private) Limited - unquoted 54,150,000 (2025: 54,150,000) fully paid ordinary shares of Rupees 10 each. Equity held 12.24% (2025: 12.24%)		447,821	447,821
Nishat Energy Limited - unquoted 250,000 (2025: 250,000) fully paid ordinary shares of Rupees 10 each. Equity held 25% (2025: 25%)	19.8	-	-
Nishat Hotels and Properties Limited - unquoted 74,022,917 (2025: 74,022,917) fully paid ordinary shares of Rupees 10 each. Equity held 6.08% (2025: 6.08%)		740,229	740,229
Hyundai Nishat Motor (Private) Limited - unquoted 234,747,600 (2025: 234,747,600) fully paid ordinary shares of Rupees 10 each. Equity held 12% (2025: 12%)	19.9	2,347,476	2,347,476
Security General Insurance Company Limited - unquoted 10,226,244 (2025: 10,226,244) fully paid ordinary shares of Rupees 10 each. Equity held 15.02% (2025: 15.02%)		11,188	11,188
Nishat Sutas Dairy Limited - unquoted 409,673,410 (2025: 390,127,160) fully paid ordinary shares of Rupees 10 each. Equity held 49.10% (2025: 49.06%)	19.10	4,096,734	3,901,271
Nishat Chunian Power Limited - quoted 88,627,993 (2025: 88,627,993) fully paid ordinary shares of Rupees 10 each. Equity held 24.13% (2025: 24.13%)		839,142	839,142

	Note	2026	2025
		(Rupees in thousand)	
Equity instruments			
Fair value through other comprehensive income			
Associated companies (others)			
MCB Bank Limited - quoted	19.11		
95,125,651 (2025: 95,125,651) fully paid ordinary shares of Rupees 10 each. Equity held 8.03% (2025: 8.03%)		11,042,473	11,042,473
Adamjee Insurance Company Limited - quoted			
102,809 (2025: 102,809) fully paid ordinary shares of Rupees 10 each. Equity held 0.03% (2025: 0.03%)		2,116	2,116
Rafhan Maize Products Company Limited - quoted	43.3		
305,906 (2025: Nil) fully paid ordinary shares of Rupees 10 each. Equity held 3.31% (2025: Nil)		2,913,888	-
Equity instruments			
Fair value through other comprehensive income			
Others			
Pakistan Petroleum Limited - quoted			
Nil (2025: 599,998) fully paid ordinary shares of Rupees 10 each. Equity held Nil (2025: 0.02%)		-	64,409
		27,614,245	26,174,331
Add: Fair value adjustment		64,712,267	61,755,271
		92,326,512	87,929,602

19.3 During the year, Pakgen Limited (Formerly: Pakgen Power Limited) bought back and cancelled 179,932,988 shares from its other shareholders. As a result, the Company's shareholding in Pakgen Limited (Formerly: Pakgen Power Limited) increased from 30.25% to 58.57% without acquiring any additional shares. Accordingly, the Company obtained control over Pakgen Limited (Formerly: Pakgen Power Limited). Consequently, the investment has been reclassified from investment measured at fair value through other comprehensive income to an investment in a subsidiary measured at cost less impairment loss, if any.

19.4 Investment in Nishat Linen (Private) Limited includes 2 shares held in the name of nominee directors of the Company.

19.5 The Company is also the beneficial owner of remaining 5,100 (2025: 5,100) shares of UAE Dirham 1,000 each of Nishat Linen Trading LLC held under Nominee Agreement dated 30 December 2010, whereby the Company has right over all dividends, interests, benefits and other distributions on liquidation. The Company through the powers given to it under Article 11 of the Memorandum of Association of the investee company, exercises full control on the management of Nishat Linen Trading LLC.

19.6 Investment in Nishat Commodities (Private) Limited includes 2 shares held in the name of nominee directors of the Company.

19.7 During the year, Lalpir Limited (Formerly: Lalpir Power Limited) bought back and cancelled 100,000,000 shares from its other shareholders. As a result, the Company's shareholding in Lalpir Limited (Formerly: Lalpir Power Limited) increased from 28.93% to 39.27% without acquiring any additional shares.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

19.8 Investment in Nishat Energy Limited has been fully provided during the year ended 30 June 2017, being no more a going concern.

19.9 Investment in Hyundai Nishat Motor (Private) Limited includes 4 shares held in the name of nominee directors of the Company.

19.10 Subsequent to the reporting period, the Board of Directors of the Company, at their meeting held on 19 August 2026, approved the divestment of the Company's entire shareholding in Nishat Sutas Dairy Limited - associated company to its joint venture partner, Sütaş Süt Ürünleri A.Ş., Türkiye, at a proposed consideration of Rupees 5 per share. The proposed divestment has been subsequently approved by the shareholders of the Company at their meeting held on 23 September 2026.

19.11 The Company has 95,125,651 shares in MCB Bank Limited. The Company can sale, transfer, pledge, mortgage or encumber these shares with prior written approval of the State Bank of Pakistan, However, out of total shareholding, 7,110,360 shares are blocked in account of Central Depository Company of Pakistan Limited.

	Note	2026	2025
		(Rupees in thousand)	
20 LONG TERM LOANS			
Considered good:			
Executives - secured	20.1 & 20.2	454,694	411,003
Other employees - secured	20.2	102,071	98,905
		556,765	509,908
Less: Current portion shown under current assets	25		
Executives		104,374	87,572
Other employees		36,053	33,724
		140,427	121,296
		416,338	388,612

20.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 454.694 million (2025: Rupees 411.003 million).

20.2 These represent loans given to executives and other employees as per the Company's policy for house construction and general purposes. These are secured against balance to the credit of employees in the provident fund trust and are recoverable in equal monthly installments. Interest charged during the year range from 0% to 4% (2025: 0% to 4%) per annum on the balance outstanding.

20.3 The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

	Note	2026	2025
		(Rupees in thousand)	
21 LONG TERM DEPOSITS			
Security deposits		149,849	161,803
Margin against bank guarantee	21.1	123,897	231,140
		273,746	392,943
21.1 Margin against bank guarantee			
Unsecured - considered good	21.1.1	700,875	700,875
Less: Fair value adjustment on initial recognition		(170,569)	(170,569)
Add: Reversal of fair value adjustment	21.1.2	144,922	103,208
		(25,647)	(67,361)
		675,228	633,514
Less: Total receipts till reporting date		(446,681)	(320,523)
(Less) / Add: Exchange (loss) / gain		(2,551)	4,200
		225,996	317,191
Less: Current portion shown under current assets	26	(102,099)	(86,051)
		123,897	231,140

21.1.1 This represents margin placed with bank of the Company against bank guarantee issued by bank of the Company to Lars Lauridsen Holding ApS against deferred consideration of investment made in Wernerfelt A/S as morefully explained in note 8.4.1 to these financial statements. Margin against bank guarantee will be released as and when installments of deferred consideration will be paid to Lars Lauridsen Holding ApS as per agreed repayment schedule.

	Note	2026	2025
		(Rupees in thousand)	
21.1.2 Reversal of fair value adjustment			
Balance as at 01 July		103,208	46,794
Add: Reversal made during the year	35	41,714	56,414
Balance as at 30 June		144,922	103,208
22 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	22.1	4,819,543	4,714,033
Spare parts		2,052,615	2,010,056
Loose tools		17,098	8,003
		6,889,256	6,732,092
Less: Provision for slow moving, obsolete and damaged store items		(4,016)	(4,016)
		6,885,240	6,728,076

22.1 These include stores in transit of Rupees 593.089 million (2025: Rupees 512.223 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
23 STOCK-IN-TRADE			
Raw materials	23.2	22,182,250	27,589,709
Work-in-process	23.3	11,379,760	10,421,200
Finished goods	23.4	13,453,101	13,600,154
		47,015,111	51,611,063

23.1 Stock-in-trade of Rupees 2,928.194 million (2025: Rupees 2,436.917 million) is being carried at net realizable value.

23.2 Raw materials include stock in transit of Rupees 1,883.189 million (2025: Rupees 1,003.401 million).

23.3 This includes stock of Rupees 130.106 million (2025: Rupees 37.288 million) sent to outside parties for processing. Further, work in process includes stock in transit of Rupees Nil (2025: Rupees 255.111 million).

23.4 Finished goods include stock in transit of Rupees 4,085.235 million (2025: Rupees 3,106.189 million).

23.5 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 112.173 million (2025: Rupees 152.122 million).

	Note	2026	2025
		(Rupees in thousand)	
24 TRADE DEBTS			
Considered good:			
Secured (against letters of credit)		5,232,536	6,697,407
Unsecured:			
- Related parties	24.3 & 24.4	2,223,514	1,074,162
- Others		21,489,656	18,683,716
		28,945,706	26,455,285
Less: Allowance for expected credit losses	24.5	(24,660)	(22,744)
		28,921,046	26,432,541
24.1 Jurisdictions of trade debts			
Europe		7,717,235	7,896,086
Asia, Africa and Australia		5,311,535	4,825,711
America		3,034,404	5,655,042
Pakistan		12,882,532	8,078,446
		28,945,706	26,455,285

		2026	2025
		(Rupees in thousand)	
24.2	**Types of counterparties**		
	Export		
	Corporate	15,604,431	18,125,622
	Others	458,743	251,217
		16,063,174	18,376,839
	Local		
	Corporate	10,748,597	6,699,999
	Others	2,133,935	1,378,447
		12,882,532	8,078,446
		28,945,706	26,455,285

24.3 These represent amounts due from following related parties. These are neither past due nor impaired:

	2026	2025
	(Rupees in thousand)	
Nishat Linen (Private) Limited - subsidiary company	633,490	456,369
Nishat International FZE - subsidiary company	1,245,496	436,331
Wernerfelt A/S - subsidiary company	185,566	73,927
Nishat USA, Inc. - subsidiary company	7,328	-
Nishat UK (Private) Limited - subsidiary of wholly owned subsidiary company	18,580	33,945
D.G. Khan Cement Company Limited - associated company	35,400	-
Hyundai Nishat Motor (Private) Limited - associated company	90,821	68,946
MCB Bank Limited - associated company	73	-
Nishat Developers (Private) Limited - associated company	3,128	3,128
Nishat Dairy (Private) Limited - associated company	1	-
Nishat Sutas Dairy Limited - associated company	3,631	1,516
	2,223,514	1,074,162

24.4 The maximum aggregate amount receivable from related parties at the end of any month during the year was as follows:

	2026	2025
	(Rupees in thousand)	
Nishat Linen (Private) Limited - subsidiary company	1,876,107	1,687,994
Nishat International FZE - subsidiary company	1,808,097	786,035
Wernerfelt A/S - subsidiary company	211,048	139,119
Nishat USA, Inc. subsidiary company	7,328	5,198
Nishat UK (Private) Limited - subsidiary of wholly owned subsidiary company	30,350	33,945
Hyundai Nishat Motor (Private) Limited - associated company	90,821	68,945
MCB Bank Limited - associated company	100	-
D.G. Khan Cement Company Limited - associated company	35,400	112
Nishat Developers (Private) Limited - associated company	3,286	4,068
Nishat Dairy (Private) Limited - associated company	2,685	1,236
Nishat Sutas Dairy Limited - associated company	3,631	3,791

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
24.5 Allowance for expected credit losses			
Balance as at 01 July		22,744	21,390
Add: Recognized during the year	34	1,916	1,354
Balance as at 30 June		24,660	22,744

24.6 Trade debts include receivables provided to banks under bill discounting arrangements with full recourse amounting to Rupees 19.155 million (2025: Rupees 223.983 million).

	Note	2026	2025
		(Rupees in thousand)	
25 LOANS AND ADVANCES			
Considered good:			
Employees - interest free:			
– Executives		17,942	19,240
– Other employees		4,604	2,971
		22,546	22,211
Current portion of long term loans	20	140,427	121,296
Advances to suppliers	25.1	411,275	335,923
Letters of credit		6,294	4,078
Others	25.1	11,623,328	7,976,792
		12,203,870	8,460,300
Considered doubtful:			
Others		108	108
Less: Provision for doubtful		108	108
		-	-
		12,203,870	8,460,300

25.1 These include amounts due from following related parties. These are neither past due nor impaired:

	Note	2026	2025
		(Rupees in thousand)	
Advances to suppliers			
Lalpir Limited (Formerly: Lalpir Power Limited) - associated company		-	1,797
Pakgen Limited (Formerly: Pakgen Power Limited) - subsidiary company		-	14,414
		-	16,211
Others			
Nishat Linen (Private) Limited - subsidiary company	25.1.1	11,223,218	7,879,643
Nishat USA, Inc. - subsidiary company	25.1.2	12,132	11,695
		11,235,350	7,891,338

25.1.1 This represents unsecured advance to Nishat Linen (Private) Limited for working capital requirements and carries mark-up at the rate ranging from 10.74% to 12.03% (2025: 11.33% to 20.83%) per annum. This advance is repayable till 19 September 2026. This is neither past due nor impaired.

25.1.2 This represents advance to Nishat USA, Inc. in respect of marketing services.

25.1.3 The maximum aggregate amount receivable from related parties at the end of any month during the year was as follows:

	Note	2026	2025
		(Rupees in thousand)	
Nishat Linen (Private) Limited - subsidiary company		11,223,218	8,014,020
Nishat USA Inc. - subsidiary company		23,281	22,505
Lalpir Limited (Formerly: Lalpir Power Limited) - associated company		-	119,789
Pakgen Limited (Formerly: Pakgen Power Limited) - subsidiary company		177	14,414

26 SHORT TERM DEPOSITS AND PREPAYMENTS

Deposits		226,176	203,032
Current portion of margin against bank guarantee	21.1	102,099	86,051
Prepayments		263,900	265,700
		592,175	554,783

27 OTHER RECEIVABLES

Considered good:			
Export rebate and claims		908,271	795,581
Duty drawback		14,236	369,323
Sales tax refundable		8,949,523	8,287,738
Mark up support under technology upgradation fund receivable	27.1	686,816	-
Fair value of forward exchange contracts		64,508	-
Miscellaneous receivables		44,061	37,310
		10,667,415	9,489,952

27.1 Subsequent to the reporting period, the amount has been received by the Company.

	Note	2026	2025
		(Rupees in thousand)	

28 ACCRUED INTEREST

On short term advance to:			
Nishat Linen (Private) Limited - subsidiary company	28.1	105,450	72,057

28.1 This is neither past due nor impaired. The maximum aggregate amount receivable from related party at the end of any month during the year was as follows:

	2026	2025
	(Rupees in thousand)	
Nishat Linen (Private) Limited - subsidiary company	195,456	226,677

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
29 CASH AND BANK BALANCES			
With banks:			
On current accounts	29.1 & 29.2	286,781	844,575
On PLS saving accounts	29.1 & 29.3	15,350	1,139
		302,131	845,714
Cash in hand		34,219	40,471
		336,350	886,185

29.1 Cash at banks includes balance of Rupees 14.639 million (2025: Rupees 32.311 million) with MCB Bank Limited - associated company.

29.2 Cash at banks includes balance of Rupees 36.113 million (2025: Rupees 117.159 million) with MCB Islamic Bank Limited - related party.

29.3 Rate of profit on bank deposits range from 2.00% to 10.00% (2025: 8.00% to 19.00%) per annum.

	Note	2026	2025
		(Rupees in thousand)	
30 REVENUE			
Revenue from contracts with customers:			
-Export sales		100,251,433	95,967,591
-Local sales	30.1	75,592,611	76,510,687
-Processing income	30.2	5,183,682	5,117,037
		181,027,726	177,595,315
Export rebate and duty drawback		617,135	571,831
		181,644,861	178,167,146
30.1 Local sales			
Sales	30.1.1	89,207,918	90,290,916
Less: Sales tax		(13,615,307)	(13,780,229)
		75,592,611	76,510,687

30.1.1 These include sales of Rupees 10,142.681 million (2025: Rupees 27,673.056 million) made to direct exporters against standard purchase orders (SPOs), export facilitation scheme and letter of credit. Further, local sales include waste sales of Rupees 3,565.464 million (2025: Rupees 3,963.003 million).

	2026	2025
	(Rupees in thousand)	
30.2 Processing income		
Sales	6,118,541	6,038,107
Less: Sales tax	(934,859)	(921,070)
	5,183,682	5,117,037

30.3 The amount of Rupees 884.708 million included in contract liabilities (Note 9) at 30 June 2025 has been recognised as revenue in 2026 (2025: Rupees 783.666 million).

30.4 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition:

Description	Spinning		Weaving		Dyeing		Denim		Workwear		Home Textile and Terry		Garments		Power Generation		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees in thousand)																	
Region																		
Europe	378,339	163,399	18,154,673	19,625,919	109,863	144,179	63,495	-	345,776	31,471	22,430,696	21,893,602	2,604,907	3,025,930	-	-	44,087,749	44,884,500
America	803,014	655,475	1,030,262	805,794	10,357	3,874	2,639	-	-	-	7,492,152	6,488,514	18,995,348	14,864,955	-	-	28,333,772	22,818,612
Asia, Africa, Australia	5,664,875	6,395,163	3,528,883	4,016,413	14,341,423	15,172,797	2,245,370	645,937	387,288	100,555	1,957,724	2,363,874	321,484	141,571	-	-	28,447,047	28,836,310
Pakistan	46,926,466	47,903,144	15,161,845	14,137,686	6,217,086	10,656,789	3,945,267	1,067,130	1,448,908	944,616	6,469,243	6,225,046	426,970	485,244	180,508	208,069	80,776,293	81,627,724
	53,772,694	55,117,181	37,875,663	38,585,812	20,678,729	25,977,639	6,256,771	1,713,067	2,181,972	1,076,642	38,349,815	36,971,036	22,348,709	18,517,700	180,508	208,069	181,644,861	178,167,146
Timing of revenue recognition																		
Products and services transferred at a point in time	53,772,694	55,117,181	37,875,663	38,585,812	20,678,729	25,977,639	6,256,771	1,713,067	2,181,972	1,076,642	38,349,815	36,971,036	22,348,709	18,517,700	180,508	208,069	181,644,861	178,167,146
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	53,772,694	55,117,181	37,875,663	38,585,812	20,678,729	25,977,639	6,256,771	1,713,067	2,181,972	1,076,642	38,349,815	36,971,036	22,348,709	18,517,700	180,508	208,069	181,644,861	178,167,146
Major products / service lines																		
Yarn	53,772,694	55,117,181	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,772,694	55,117,181
Grey Cloth	-	-	37,875,663	38,585,812	-	-	-	-	-	-	-	-	-	-	-	-	37,875,663	38,585,812
Process Cloth	-	-	-	-	20,678,729	25,977,639	6,256,771	1,713,067	2,181,972	1,076,642	-	-	-	-	-	-	29,117,472	28,767,348
Made Ups	-	-	-	-	-	-	-	-	-	-	26,436,464	26,662,568	-	-	-	-	26,436,464	26,662,568
Garments	-	-	-	-	-	-	-	-	-	-	-	-	22,348,709	18,517,700	-	-	22,348,709	18,517,700
Towels and Bath Robes	-	-	-	-	-	-	-	-	-	-	11,913,351	10,308,468	-	-	-	-	11,913,351	10,308,468
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180,508	208,069	180,508	208,069
	53,772,694	55,117,181	37,875,663	38,585,812	20,678,729	25,977,639	6,256,771	1,713,067	2,181,972	1,076,642	38,349,815	36,971,036	22,348,709	18,517,700	180,508	208,069	181,644,861	178,167,146

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

NOTES TO THE FINANCIAL STATEMENTS

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	Note	2026	2025
		(Rupees in thousand)	
31 COST OF SALES			
Raw materials consumed	31.1	97,424,528	100,361,884
Processing charges		917,737	513,879
Salaries, wages and other benefits	31.2	17,654,469	16,087,011
Stores, spare parts and loose tools consumed		15,518,307	14,720,887
Packing materials consumed		3,627,318	3,411,912
Repair and maintenance		956,000	962,405
Fuel and power		21,053,291	19,337,223
Travelling and conveyance		561,082	494,983
Insurance		120,377	104,352
Other factory overheads	31.3 & 31.4	963,949	909,693
Depreciation on operating fixed assets	16.1.2	5,831,104	4,351,814
Depreciation on right-of-use-assets	17.1 & 31.4	91,635	84,766
		164,719,797	161,340,809
Work-in-process			
Opening stock		10,421,200	10,084,078
Closing stock		(11,379,760)	(10,421,200)
		(958,560)	(337,122)
Cost of goods manufactured		163,761,237	161,003,687
Finished goods			
Opening stock		13,600,154	10,738,990
Closing stock		(13,453,101)	(13,600,154)
		147,053	(2,861,164)
		163,908,290	158,142,523

31.1 Raw materials consumed

Opening stock	27,589,709	16,624,313
Add: Purchased during the year	92,017,069	111,327,280
	119,606,778	127,951,593
Less: Closing stock	(22,182,250)	(27,589,709)
	97,424,528	100,361,884

31.2 Salaries, wages and other benefits include provident fund contribution of Rupees 543.012 million (2025: Rupees 482.825 million) by the Company.

31.3 These include Rupees Nil (2025: Rupees 10.020 million) in respect of short term leases.

31.4 Had the Company not adopted IFRS 16, impact on cost of sales would have been as follows:
- Depreciation on right-of-use assets would have decreased by Rupees 91.635 million (2025: Rupees 84.766 million).
- Other factory overheads would have increased by Rupees 104.594 million (2025: Rupees 96.150 million).

	Note	2026	2025
		(Rupees in thousand)	
32 DISTRIBUTION COST			
Salaries and other benefits	32.1	1,420,432	1,227,660
Outward freight and handling		4,119,874	3,717,142
Commission to selling agents		1,421,348	1,750,401
Royalty	32.2	222,938	190,005
Fuel cost		13,182	89,424
Travelling and conveyance		585,743	525,190
Rent, rates and taxes	32.3 & 32.4	3,297	6,394
Postage and telephone		315,874	227,105
Insurance		62,057	58,976
Vehicles' running		49,814	46,299
Entertainment		25,506	29,869
Printing and stationery		28,829	34,205
Repair and maintenance		17,420	20,144
Fee and subscription		47,498	62,582
Depreciation on operating fixed assets	16.1.2	32,375	25,750
Depreciation on right-of-use-assets	17.1 & 32.4	4,680	6,828
		8,370,867	8,017,974

32.1 Salaries and other benefits include provident fund contribution of Rupees 72.406 million (2025: Rupees 60.595 million) by the Company.

32.2 Particulars of royalty paid during the year are as follows:

Name of the company	Registered address	Relationship with the Company or directors	2026	2025
		Related / Other	(Rupees in thousand)	
American and Efird LLC	22 American Street, Mount Holly, North Carolina, 28120.	Other	195,087	192,141

32.3 These include Rupees 1.066 million (2025: Rupees 5.769 million) in respect of short term leases.

32.4 Had the Company not adopted IFRS 16, impact on distribution cost would have been as follows:

- Depreciation on right-of-use assets would have decreased by Rupees 4.680 million (2025: Rupees 6.828 million).

- Rent, rates and taxes would have increased by Rupees 6.543 million (2025: Rupees 11.868 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
33 ADMINISTRATIVE EXPENSES			
Salaries and other benefits	33.1	2,354,456	2,147,267
Vehicles' running		143,114	130,599
Travelling and conveyance		76,936	79,131
Rent, rates and taxes	33.2 & 33.3	7,746	3,756
Insurance		12,447	10,428
Entertainment		62,164	71,104
Legal and professional		61,806	65,920
Auditor's remuneration	33.4	10,395	9,450
Advertisement		463	874
Postage and telephone		27,934	24,933
Electricity and gas		5,174	7,029
Printing and stationery		45,420	45,139
Repair and maintenance		80,675	63,629
Fee and subscription		12,612	10,314
Depreciation on operating fixed assets	16.1.2	171,351	154,849
Depreciation on right-of-use-assets	17.1 & 33.3	1,561	1,472
Miscellaneous		85,549	98,970
		3,159,803	2,924,864

33.1 Salaries and other benefits include provident fund contribution of Rupees 97.492 million (2025: Rupees 86.166 million) by the Company.

33.2 These include Rupees 2.064 million (2025: Rupees 3.083 million) in respect of short term leases.

33.3 Had the Company not adopted IFRS 16, impact on administrative expenses would have been as follows:

- Depreciation on right-of-use assets would have decreased by Rupees 1.561 million (2025: Rupees 1.472 million).

- Rent, rates and taxes would have increased by Rupees 1.750 million (2025: Rupees 1.832 million).

	2026	2025
	(Rupees in thousand)	
33.4 Auditor's remuneration		
Audit fee	8,138	7,398
Half yearly review	1,703	1,549
Other certifications	238	216
Reimbursable expenses	316	287
	10,395	9,450

	Note	2026	2025
		(Rupees in thousand)	
34 OTHER EXPENSES			
Workers' profit participation fund	9.5	88,352	136,237
Allowance for expected credit losses against trade debts	24.5	1,916	1,354
Depreciation on investment properties	18	2,906	3,229
Donations	34.1 & 34.2	12,088	6,261
Transaction price fair value difference on initial recognition of FVTOCI investment		86,850	-
		192,112	147,081

34.1 There is no interest of any director or his spouse in donees' fund.

34.2 The name of donee to whom donation amount exceeded Rupees 1 million is as follows:

Nishat Care High School		11,325	6,232

	Note	2026	2025
		(Rupees in thousand)	
35 OTHER INCOME			
Income from financial assets			
Dividend income	35.1	4,619,555	7,496,237
Profit on deposits with banks		867	114,138
Net exchange gain		577,542	688,453
Interest income on loan to Nishat Linen (Private) Limited - subsidiary company		1,111,502	946,033
Gain on sale of investment		-	51,000
Interest income on loans to employees		2,108	2,098
Reversal of fair value adjustment on margin against bank guarantee	21.1.2	41,714	56,414
		6,353,288	9,354,373
Income from non-financial assets			
Gain on sale of property, plant and equipment		113,814	116,955
Scrap sales		529,266	495,791
Rental income		190,529	237,116
Gain on termination of leases	35.2	4,933	-
		838,542	849,862
		7,191,830	10,204,235

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

	2026	2025
	(Rupees in thousand)	
35.1 Dividend income		
From associated companies / subsidiary companies		
D.G. Khan Cement Company Limited - associated company	275,148	-
Hyundai Nishat Motor (Private) Limited - associated company	120,000	46,950
MCB Bank Limited - associated company	3,424,523	3,424,523
Adamjee Insurance Company Limited - associated company	411	308
Security General Insurance Company Limited - associated company	81,810	97,149
Pakgen Limited (Formerly: Pakgen Power Limited) - subsidiary company	-	787,838
Nishat Linen (Private) Limited - subsidiary company	300,000	300,000
Nishat International FZE - subsidiary company	13,772	-
Lalpir Limited (Formerly: Lalpir Power Limited) - associated company	-	219,765
Nishat Chunian Power Limited - associated company	132,942	620,396
Nishat Power Limited - subsidiary company	270,949	1,986,963
	4,619,555	7,483,892
Others		
United Bank Limited	-	7,766
Alhamra Islamic Stock Fund	-	79
Pakistan Petroleum Limited	-	4,500
	4,619,555	7,496,237

35.2 Had the Company not adopted IFRS 16, impact on other income would have been as follows:

- Gain on termination of leases would have decreased by Rupees 4.933 million (2025: Rupees Nil).

	Note	2026	2025
		(Rupees in thousand)	
36 FINANCE COST			
Mark-up on:			
Long term financing		1,953,037	2,288,357
Lease liabilities	7.1 & 36.1	25,144	45,538
Short term borrowings		3,855,707	5,684,496
Interest on workers' profit participation fund	9.5	756	520
Bank charges and commission		503,335	358,739
Fair value adjustment on payable to Lars Lauridsen Holding ApS	8.4.2	39,860	54,259
		6,377,839	8,431,909

36.1 Had the Company not adopted IFRS 16, impact on finance cost would have been as follows:

- Markup on lease liabilities would have decreased by Rupees 25.144 million (2025: Rupees 45.538 million).

	2026	2025
	(Rupees in thousand)	
37 LEVY		
Minimum tax (excess over the amount designated as current tax)	2,074,857	2,039,995
Final tax on income from other source	-	1,852
Related super tax	-	1,234
	2,074,857	2,043,081

37.1 Minimum tax (excess over the amount designated as current tax) and final taxes (except for tax deducted against dividend received from subsidiaries and associates on distribution of dividend to the Company) fall under levy within the scope of IFRIC 21 / IAS 37. Charge for levy has been recognised in statement of profit or loss. Tax (final tax) deducted by subsidiaries and associates on distribution of dividend to the Company is charged as current tax. Provision for income from business and income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001. Related super tax calculated as per Section 4C of the Income Tax Ordinance, 2001 is accounted for as levy and tax respectively.

	Note	2026	2025
		(Rupees in thousand)	
38 TAXATION			
Current tax:			
For the year	37.1	793,979	1,540,113
Prior year		-	(215,116)
Deferred tax		(1,523,701)	1,325,433
		(729,722)	2,650,430
38.1 Reconciliation between tax expense and accounting profit			
Accounting profit before taxation and levy		6,827,780	10,707,030
Applicable tax rate		29%	29%
Tax on accounting profit		1,980,056	3,105,039
Effect of dividend income taxed at a lower rate		(665,030)	(1,299,018)
Effect of change in prior year's tax		-	(215,116)
Effect arising as consequence of recognition of deferred tax		(1,523,701)	1,325,433
Effect of separate block of income		2,701	11,827
Effect of income and expenses that are not considered in determining taxable liability		47,496,295	46,396,762
Effect of income taxed at minimum tax		(46,061,822)	(45,287,898)
Effect of super tax		116,636	656,482
Current tax liability and levy as per applicable law		1,345,135	4,693,511
Taxation		729,722	(2,650,430)
Levy		(2,074,857)	(2,043,081)
		-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

39 EARNINGS PER SHARE - BASIC AND DILUTED

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

		2026	2025
Profit attributable to ordinary shareholders	(Rupees in thousand)	5,482,645	6,013,519
Weighted average number of ordinary shares	(Numbers)	351,599,848	351,599,848
Earnings per share	(Rupees)	15.59	17.10

	Note	2026	2025
		(Rupees in thousand)	
40 CASH GENERATED FROM / (USED IN) OPERATIONS			
Profit before taxation and levy		6,827,780	10,707,030
Adjustments for non-cash charges and other items:			
Depreciation on investment properties	34	2,906	3,229
Depreciation on operating fixed assets		6,034,830	4,532,413
Gain on sale of property, plant and equipment	35	(113,814)	(116,955)
Depreciation on right-of-use assets	17.1	97,876	93,066
Dividend income	35	(4,619,555)	(7,496,237)
Allowance for expected credit losses against trade debts	34	1,916	1,354
Net exchange gain	35	(577,542)	(688,453)
Interest income on loan to Nishat Linen (Private) Limited - subsidiary company	35	(1,111,502)	(946,033)
Gain on termination of leases	35	(4,933)	-
Gain on sale of investment	35	-	(51,000)
Finance cost	36	6,377,839	8,431,909
Reversal of fair value adjustment on margin against bank guarantee	35	(41,714)	(56,414)
Transaction price fair value difference on initial recognition of FVTOCI investment	34	86,850	-
Working capital changes	40.1	3,294,781	(15,558,422)
		16,255,718	(1,144,513)

40.1 Working capital changes

(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	(157,164)	(679,055)
- Stock-in-trade	4,595,952	(14,163,682)
- Trade debts	(2,837,456)	(3,627,892)
- Loans and advances	(380,864)	(47,633)
- Short term deposits and prepayments	(21,344)	(218,196)
- Other receivables	(1,112,955)	2,201,654
	86,169	(16,534,804)
Increase in trade and other payables	3,208,612	976,382
	3,294,781	(15,558,422)

40.2 Reconciliation of movement of liabilities to cash flows arising from financing activities.

	2026				
	Liabilities from financing activities				Total
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	
	(Rupees in thousand)				
Balance as at 30 June 2025	28,661,966	222,634	60,279,970	119,887	89,284,457
Long term financing obtained	5,506,586	-	-	-	5,506,586
Lease liabilities recognised during the year	-	34,587	-	-	34,587
Repayment of long term financing / lease liabilities	(3,303,600)	(92,920)	-	-	(3,396,520)
Impact of lease modifications / renewals	-	4,203	-	-	4,203
Impact of lease terminations	-	(33,253)	-	-	(33,253)
Short term borrowings - net	-	-	959,225	-	959,225
Dividend declared	-	-	-	703,200	703,200
Dividend paid	-	-	-	(701,237)	(701,237)
Other changes - non-cash movement	10,059	(77)	(699,362)	-	(689,380)
Balance as at 30 June 2026	30,875,011	135,174	60,539,833	121,850	91,671,868

	2025				
	Liabilities from financing activities				Total
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	
	(Rupees in thousand)				
Balance as at 30 June 2024	26,550,649	-	49,789,624	116,289	76,456,562
Long term financing obtained	5,000,000	-	-	-	5,000,000
Lease liabilities recognised during the year	-	293,876	-	-	293,876
Repayment of long term financing / lease liabilities	(2,901,055)	(71,294)	-	-	(2,972,349)
Short term borrowings - net	-	-	10,544,805	-	10,544,805
Dividend declared	-	-	-	1,054,800	1,054,800
Dividend paid	-	-	-	(1,051,202)	(1,051,202)
Other changes - non-cash movement	12,372	52	(54,459)	-	(42,035)
Balance as at 30 June 2025	28,661,966	222,634	60,279,970	119,887	89,284,457

40.3 Non-cash financing activities

	2026	2025
	(Rupees in thousand)	
Lease liabilities recognised during the year	34,587	293,876
Impact of lease modification / renewals	4,203	-
Exchange loss - net	(699,439)	(54,407)
Impact of lease terminations	(33,253)	-
Deferred income - Government grant	10,059	12,372

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

41 EVENTS AFTER THE REPORTING PERIOD

41.1 The Board of Directors of the Company has proposed a cash dividend for the year ended 30 June 2026 of Rupees 2 per share (2025: Rupees 2 per share) at their meeting held on 30 September 2026. The Board of Directors also proposed to transfer Rupees 7,836 million (2025: Rupees 5,431 million) from unappropriated profit to general reserve. However, these events have been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and have not been recognized in these financial statements.

42 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive Officer and Executives of the Company is as follows:

	Chief Executive Officer		Executives	
	2026	2025	2026	2025
	(Rupees in thousand)			
Managerial remuneration	90,462	84,686	2,113,597	1,718,956
Allowances				
Cost of living allowance	-	-	2,455	2,076
House rent	29,538	26,853	593,420	475,535
Conveyance	-	-	730	670
Medical	11,077	15,320	174,198	143,014
Utilities	14,027	10,070	223,090	191,510
Special allowance	-	-	1,991	1,641
Contribution to provident fund trust	-	-	178,515	147,689
Leave encashment	-	-	64,550	67,798
	145,104	136,929	3,352,546	2,748,889
Number of persons	1	1	750	629

42.1 Chief Executive Officer and certain executives of the Company are provided with Company maintained vehicles and certain executives are also provided with free housing facility along with utilities.

42.2 Aggregate amount charged in the financial statements for meeting fee to seven directors (2025: seven directors) was Rupees 1.890 million (2025: Rupees 1.600 million).

42.3 No remuneration was paid to directors of the Company.

43 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiary companies, associated undertakings, other related parties, post employment benefit plan and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2026	2025
	(Rupees in thousand)	
Subsidiary companies		
Investment made	-	24,169
Dividend income	584,721	2,286,963
Purchase of goods and services	3,051,692	2,089,017
Sale of goods and services	14,625,038	12,392,968
Interest income	1,111,502	946,033
Rental income	36,064	68,260
Short term loan given	40,596,917	42,290,048
Repayment of short term loan	37,253,342	41,692,889
Associated companies		
Investment made	195,463	697,972
Investment disposed of / sale	-	1,779,499
Purchase of goods and services	60,724	5,266,209
Sale of goods and services	201,308	154,960
Profit on bank deposit	702	7,858
Rental income	101,335	10,397
Purchase of operating fixed assets	81,060	104,233
Sale of operating fixed assets	35,005	-
Dividend income	4,034,834	5,196,929
Dividend paid	62,019	95,284
Insurance premium paid	487,997	358,287
Insurance claims received	185,412	152,185
Finance cost	40,250	149,452
Other related parties		
Purchase of goods and services	-	474
Sale of goods and services	-	2,331
Rental income	8,438	34,376
Purchase of operating fixed assets	16,298	-
Dividend paid	177,335	266,003
Finance cost	30,583	-
Company's contribution to provident fund trust	714,861	629,585

43.1 Detail of compensation to key management personnel comprising of chief executive officer and executives is disclosed in note 42.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

43.2 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year ended		Percentage of shareholding
		2026	2025	
Nishat USA Inc.	Wholly owned subsidiary company	Yes	Yes	100
Nishat Agriculture Farming (Private) Limited	Common directorship	No	No	None
Nishat Dairy (Private) Limited	Common directorship and shareholding	Yes	Yes	12.24
Nishat Sutas Dairy Limited	Common directorship and shareholding	Yes	Yes	49.10
Nishat Hotels and Properties Limited	Common directorship and shareholding	Yes	Yes	6.08
Nishat (Raiwind) Hotels and Properties Limited	Common directorship	No	No	None
Nishat (Aziz Avenue) Hotels and Properties Limited	Common directorship	Yes	Yes	None
Security General Insurance Company Limited	Common directorship and shareholding	Yes	Yes	15.02
Nishat Commodities (Private) Limited	Wholly owned subsidiary company	No	No	100
Nishat Power Limited	Common directorship and subsidiary company	Yes	Yes	51.01
Nishat Energy Limited	Shareholding	No	No	25
Pakgen Limited (Formerly: Pakgen Power Limited)	Common directorship and shareholding	Yes	Yes	58.57
Lalpir Limited (Formerly: Lalpir Power Limited)	Common directorship and shareholding	Yes	Yes	39.27
Nishat Chunian Power Limited	Common directorship and shareholding	Yes	Yes	24.13
Nishat Packaging Limited	Common directorship and shareholding	No	No	25
Nishat Linen (Private) Limited	Wholly owned subsidiary company	Yes	Yes	100
Nishat Linen Trading LLC	Wholly owned subsidiary company	No	No	100
Nishat International FZE	Wholly owned subsidiary company	Yes	Yes	100
Wernerfelt A/S	Wholly owned subsidiary company	Yes	Yes	100
Wernerfelt Sverige AB	Wholly owned subsidiary of Wernerfelt A/S	No	No	100
China Guangzhou Nishat Global Co., Ltd.	Wholly owned subsidiary of Nishat International FZE (subsidiary company)	No	No	100
Nishat UK (Private) Limited	Wholly owned subsidiary of Nishat International FZE (subsidiary company)	Yes	Yes	100
Pakistan Aviators and Aviation (Private) Limited	Common directorship	Yes	Yes	None
Nishat Developers (Private) Limited	Common directorship	No	No	None
Nishat Real Estates Development Company (Private) Limited	Common directorship	Yes	Yes	None
Hyundai Nishat Motor (Private) Limited	Common directorship and shareholding	Yes	Yes	12
D.G. Khan Cement Company Limited	Common directorship and shareholding	Yes	Yes	31.40
DG Cement USA LLC	Wholly owned subsidiary of associated company	No	No	None
Adamjee Life Assurance Company Limited	Common directorship	Yes	Yes	None
Adamjee Insurance Company Limited	Common directorship and shareholding	Yes	Yes	0.03
MCB Bank Limited	Common directorship and shareholding	Yes	Yes	8.03
MCB Islamic Bank Limited	Wholly owned subsidiary of associated company	Yes	Yes	None
MCB Investment Management Limited	Subsidiary of associated company	No	No	None
MCB Exchange Company (Private) Limited	Subsidiary of associated company	No	No	None
MCB Non-Bank Credit Organization Closed Joint Stock Company	Subsidiary of associated company	No	No	None
Nishat Agrotech Farms Supplies (Private) Limited	Common directorship	No	No	None
National Textile Foundation	Common directorship	No	No	None
Sanifa Agri Services Limited	Associate of wholly owned subsidiary company	No	No	None
Nishat Mills Employees Provident Fund Trust	Post-employment benefit plan	Yes	Yes	None
Nexgen Auto (Private) Limited	Common directorship	Yes	No	None
Rafhan Maize Products Company Limited	(Note 43.3)	Yes	No	3.31
Golf View Land (Private) Limited	Spouse of chief executive officer of the Company is director in Golf View Land (Private) Limited	No	No	None
Emporium Properties (Private) Limited	Spouse of director of the Company is director in Emporium Properties (Private) Limited	No	No	None
Mr. Mian Umer Mansha	Chief Executive Officer	Yes	Yes	None
Mr. Mian Hassan Mansha	Chairman	Yes	Yes	None
Mr. Farid Noor Ali Fazal	Director	Yes	Yes	None
Mr. Mahmood Akhtar	Director	Yes	Yes	None
Mr. Syed Zahid Hussain	Director	Yes	Yes	None
Mrs. Sara Aqeel	Director	Yes	Yes	None
Mrs. Mehak Adil	Director	Yes	Yes	None

43.3 Subsequent to the reporting period, two directors of the Company have been appointed as directors of Rafhan Maize Products Company Limited with effect from 8 July 2026. Consequently, Rafhan Maize Products Company Limited has become an associated company of the Company due to common directorship.

44 Particulars of companies incorporated outside Pakistan with whom the Company had entered into transactions or had agreements and / or arrangements in place are as follows:

Name of the Company	Country of incorporation	Basis of association	Percentage of shareholding
Nishat USA Inc.	USA	Wholly owned subsidiary company	100
Nishat Linen Trading LLC	UAE	Wholly owned subsidiary company	100
Nishat International FZE	UAE	Wholly owned subsidiary company	100
Wernerfelt A/S	Denmark	Wholly owned subsidiary company	100
Wernerfelt Sverige AB	Sweden	Wholly owned subsidiary of Wernerfelt A/S	100
China Guangzhou Nishat Global Co., Ltd.	China	Wholly owned subsidiary of Nishat International FZE	100
Nishat UK (Private) Limited	United Kingdom	Wholly owned subsidiary of Nishat International FZE	100

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

44.1 As on 30 June 2026, disclosures relating to investments and advance made in foreign companies are as follows:

Name of the company	Jurisdiction	Beneficial owner	Amount of investment / advance			Terms and conditions of investment / advance	Amount of returns received	Litigations against investee company	Default / breach relating to foreign company	Gain / (loss) on disposal of foreign investment
			Made during the year ended 30 June	Rupees in thousand	Foreign currency					
							Rupees in thousand			
Long term investments:										
Nishat USA Inc.	USA	Nishat Mills Limited	2009	3,547	USD 37,500	Investment in shares of subsidiary company	86	None	None	Not applicable
Nishat Linen Trading LLC	UAE	Nishat Mills Limited	2011	259,403	AED 10,000,000	Investment in shares of subsidiary company	None	None	None	Not applicable
Nishat International FZE	UAE	Nishat Mills Limited	2013	492,042	AED 18,000,000	Investment in shares of subsidiary company	54,667	None	None	Not applicable
Wernerfelt A/S	Denmark	Nishat Mills Limited	2024	701,250	USD 2,500,000	Investment in shares of subsidiary company	None	None	None	Not applicable
			2025	24,169	USD 86,860					
				725,419	USD 2,586,860					
Advance:										
Nishat International FZE	UAE	Nishat Mills Limited	2014	9,070	AED 337,500	Advance for purchase of shares of subsidiary company	None	None	None	Not applicable

44.2 As on 30 June 2025, disclosures relating to investments and advance made in foreign companies are as follows:

Name of the company	Jurisdiction	Beneficial owner	Amount of investment / advance			Terms and conditions of investment / advance	Amount of returns received	Litigations against investee company	Default / breach relating to foreign company	Gain / (loss) on disposal of foreign investment
			Made during the year ended 30 June	Rupees in thousand	Foreign currency					
							Rupees in thousand			
Long term investments:										
Nishat USA Inc.	USA	Nishat Mills Limited	2009	3,547	USD 37,500	Investment in shares of subsidiary company	86	None	None	Not applicable
Nishat Linen Trading LLC	UAE	Nishat Mills Limited	2011	259,403	AED 10,000,000	Investment in shares of subsidiary company	None	None	None	Not applicable
Nishat International FZE	UAE	Nishat Mills Limited	2013	492,042	AED 18,000,000	Investment in shares of subsidiary company	40,895	None	None	Not applicable
Wernerfelt A/S	Denmark	Nishat Mills Limited	2024	701,250	USD 2,500,000	Investment in shares of subsidiary company	None	None	None	Not applicable
			2025	24,169	USD 86,860					
Advance:				725,419	USD 2,586,860					
Nishat International FZE	UAE	Nishat Mills Limited	2014	9,070	AED 337,500	Advance for purchase of shares of subsidiary company	None	None	None	Not applicable

45 PROVIDENT FUND

As at the reporting date, The Nishat Mills Employees Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

46 NUMBER OF EMPLOYEES

	2026	2025
Number of employees as on 30 June	25,216	24,767
Average number of employees during the year	24,983	24,354

47 SEGMENT INFORMATION

	Spinning		Weaving		Dyeing		Denim		Work Wear		Home Textile and Terry		Garments		Power Generation		Elimination of inter-segment transactions		Total - Company	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees in thousand)																			
Revenue from contracts with customers																				
External	53,772,694	55,117,181	37,875,663	38,585,812	20,678,729	25,977,639	6,256,771	1,713,067	2,181,972	1,076,642	38,349,815	36,971,036	22,348,709	18,517,700	180,508	208,069	-	-	181,644,861	178,167,146
Intersegment	18,807,051	17,055,141	19,958,999	22,548,144	2,870,434	3,442,660	171,830	49,009	150,196	313,508	751,024	526,011	5,177	7,244	21,361,481	19,048,397	(64,076,192)	(62,990,114)	-	-
	72,579,745	72,172,322	57,834,662	61,133,956	23,549,163	29,420,299	6,428,601	1,762,076	2,332,168	1,390,150	39,100,839	37,497,047	22,353,886	18,524,944	21,541,989	19,256,466	(64,076,192)	(62,990,114)	181,644,861	178,167,146
Cost of sales	(65,833,611)	(66,199,297)	(53,082,126)	(55,603,444)	(22,855,843)	(27,426,966)	(6,938,637)	(2,549,657)	(2,894,139)	(1,872,682)	(33,889,653)	(31,982,607)	(20,994,220)	(16,251,784)	(21,496,253)	(19,246,200)	64,076,192	62,990,114	(163,908,290)	(158,142,523)
Gross profit / (loss)	6,746,134	5,973,025	4,752,536	5,530,512	693,320	1,993,333	(510,036)	(787,581)	(561,971)	(482,532)	5,211,186	5,514,440	1,359,666	2,273,160	45,736	10,266	-	-	17,736,571	20,024,623
Distribution cost	(1,120,256)	(1,077,307)	(1,422,793)	(1,538,216)	(987,545)	(1,320,641)	(530,554)	(285,173)	(185,727)	(150,700)	(2,605,845)	(2,559,290)	(1,518,025)	(1,086,561)	(122)	(86)	-	-	(8,370,867)	(8,017,974)
Administrative expenses	(827,937)	(771,870)	(692,259)	(646,247)	(281,096)	(290,900)	(186,882)	(153,817)	(57,760)	(44,011)	(529,287)	(459,260)	(405,885)	(377,168)	(178,697)	(181,591)	-	-	(3,159,803)	(2,924,864)
	(1,948,193)	(1,849,177)	(2,115,052)	(2,184,463)	(1,268,641)	(1,611,541)	(717,436)	(438,990)	(243,487)	(194,711)	(3,135,132)	(3,018,550)	(1,923,910)	(1,463,729)	(178,819)	(181,677)	-	-	(11,530,670)	(10,942,838)
Profit / (loss) before taxation, levy and unallocated income and expenses	4,797,941	4,123,848	2,637,484	3,346,049	(575,321)	381,792	(1,227,472)	(1,226,571)	(805,458)	(677,243)	2,076,054	2,495,890	(564,244)	809,431	(133,083)	(171,411)	-	-	6,205,901	9,081,785
Unallocated income and expenses:																				
Other expenses																			(192,112)	(147,081)
Other income																			7,191,830	10,204,235
Finance cost																			(6,377,839)	(8,431,909)
Profit before taxation and levy																			6,827,780	10,707,030
Levy																			(2,074,857)	(2,043,081)
Profit before taxation																			4,752,923	8,663,949
Taxation																			729,722	(2,650,430)
Profit after taxation																			5,482,645	6,013,519

47.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Dyeing		Denim		Work Wear		Home Textile and Terry		Garments		Power Generation		Total - Company	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees in thousand)																	
Total assets for reportable segments	36,916,302	39,420,481	22,697,147	21,691,429	15,817,122	17,281,396	16,885,791	15,803,159	6,152,356	4,824,331	27,982,481	25,567,399	11,230,884	12,565,211	12,975,781	13,198,671	150,657,864	150,352,077
Unallocated assets:																		
Long term investments																	103,482,106	94,476,346
Other receivables																	10,667,415	9,489,952
Cash and bank balances																	336,350	886,185
Other corporate assets																	12,542,271	9,563,390
Total assets as per statement of financial position																	277,686,006	264,767,950
Total liabilities for reportable segments	3,905,209	3,708,929	4,175,357	3,383,678	1,778,230	1,285,903	422,130	343,908	201,929	96,223	3,177,611	2,011,105	1,554,411	1,345,728	3,097,318	1,860,863	18,312,195	14,036,337
Unallocated liabilities:																		
Deferred liabilities																	8,181,693	10,498,792
Other corporate liabilities																	95,123,107	95,633,147
Total liabilities as per statement of financial position																	121,616,995	120,168,276

47.2 Geographical information

The Company's revenue from external customers by geographical locations is detailed below:

	2026	2025
	(Rupees in thousand)	
Europe	44,087,749	44,884,500
America	28,333,772	22,818,612
Asia, Africa and Australia	28,447,047	28,836,310
Pakistan	80,776,293	81,627,724
	181,644,861	178,167,146

47.3 All non-current assets of the Company as at reporting dates are located and operating in Pakistan.

47.4 Revenue from major customers

The Company's revenue is earned from a large mix of customers.

		2026	2025
		(Figures in thousand)	
48 PLANT CAPACITY AND ACTUAL PRODUCTION			
Spinning			
100% plant capacity converted to 20s count based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	(Kgs.)	101,007	108,045
Actual production converted to 20s count based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	(Kgs.)	89,938	93,273
Weaving			
100% plant capacity at 50 picks based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	(Sq. Mtr.)	374,896	382,249
Actual production converted to 50 picks based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	(Sq. Mtr.)	357,489	359,981
Dyeing and Finishing			
Production capacity for 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	(Mtr.)	56,400	56,400
Actual production for 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	(Mtr.)	40,872	43,690
Power Plant			
Generation capacity	(MWH)	1,411	1,381
Actual generation	(MWH)	230	428
Denim			
Production capacity based on 3 shifts per day for 1,095 shifts (2025: 720 shifts)	(Mtr.)	14,400	9,600

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		2026	2025
		(Figures in thousand)	
Actual production for 3 shifts per day for 1,095 shifts (2025: 480 shifts)	(Mtr.)	10,402	3,225
Work Wear			
Production capacity based on 3 shifts per day for 1,095 shifts (2025: 777 shifts)	(Mtr.)	14,400	10,218
Actual production for 3 shifts per day for 1,095 shifts (2025: 381 shifts)	(Mtr.)	4,777	2,819

Processing, Stitching, Apparel and Terry

The plant capacity of these divisions is indeterminable due to multi product plants involving varying processes of manufacturing and run length of order lots.

48.1 Reason for low production

Under utilization of available capacity for spinning, weaving, dyeing and finishing is mainly due to normal maintenance. Actual power generation in comparison to installed is low due to periodical, scheduled and unscheduled maintenance and low demand. The actual production of Denim and Work Wear is according to the market demand.

49 FINANCIAL RISK MANAGEMENT

49.1 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), Arab Emirates Dirham (AED), Euro, Japanese Yen (JPY), Bangladeshi Taka (BDT) and Great British Pound (GBP). Currently, the Company's foreign exchange risk exposure is restricted to cash and bank balances, margin against bank guarantee and the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2026	2025
Cash at banks - USD	472,808	1,162,735
Cash at bank - BDT	2,468,917	-
Cash in hand - Euro	-	2,255
Trade debts - USD	50,182,534	57,905,149
Trade debts - Euro	5,818,386	5,404,892
Trade debts - AED	1,117,067	3,758,786
Trade debts - GBP	290,099	86,706
Short term borrowings - USD	(54,975,359)	(57,503,297)
Payable to Lars Lauridsen Holding ApS - USD	(814,726)	(1,123,295)
Margin against bank guarantee - USD	810,021	1,111,583
Trade and other payables - USD	(1,959,401)	(261,204)
Trade and other payables - Euro	(298,509)	(1,946)
Trade and other payables - JPY	(1,608,645)	(1,371,670)
Net exposure - USD	(6,284,123)	1,291,671
Net exposure - BDT	2,468,917	-
Net exposure - Euro	5,519,877	5,405,201
Net exposure - AED	1,117,067	3,758,786
Net exposure - GBP	290,099	86,706
Net exposure - JPY	(1,608,645)	(1,371,670)
The following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	281.02	279.98
Reporting date rate	279.00	285.35
Rupees per Euro		
Average rate	327.63	304.51
Reporting date rate	318.55	333.60
Rupees per AED		
Average rate	76.48	75.97
Reporting date rate	75.90	77.65
Rupees per JPY		
Average rate	1.80	1.97
Reporting date rate	1.71	2.06
Rupees per GBP		
Average rate	376.99	362.93
Reporting date rate	368.52	391.50
Rupees per BDT		
Average rate	2.29	-
Reporting date rate	2.27	-

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, BDT, Euro, AED, GBP and JPY with all other variables held constant, the impact on profit before taxation and levy for the year would have been Rupees 9.483 million (2025: Rupees 118.500 million) 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 not exposed to commodity price risk.

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Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's equity (fair value reserve FVTOCI investments). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on statement of comprehensive income (fair value reserve)	
	2026	2025
	(Rupees in thousand)	
PSX Index (5% increase)	3,579,511	3,286,291
PSX Index (5% decrease)	(3,579,511)	(3,286,291)

Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as FVTOCI.

(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, bank balances in saving accounts, lease liabilities, margin against bank guarantees, payable to Lars Lauridsen Holding ApS, loans to employees and advances to subsidiary company. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company’s interest bearing financial instruments was:

	2026	2025
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Loans to employees	63,135	50,663
Margin against bank guarantee	225,996	317,191
Financial liabilities		
Long term financing	5,169,810	7,324,382
Short term borrowings	29,834,091	25,082,205
Lease liabilities	135,174	222,634
Payable to Lars Lauridsen Holding ApS	227,473	321,431
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	15,350	1,139
Loan to subsidiary company	11,223,218	7,879,643
Financial liabilities		
Long term financing	25,705,201	21,337,584
Short term borrowings	30,705,742	35,197,765

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 rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before taxation and levy for the year would have been Rupees 429.138 million (2025: Rupees 462.218 million) lower / higher, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2026	2025
	(Rupees in thousand)	
Long term investments	92,326,512	87,929,602
Loans and advances	12,202,639	8,508,911
Deposits	602,021	682,026
Trade debts	28,921,046	26,432,541
Other receivables	108,569	37,310
Accrued interest	105,450	72,057
Bank balances	302,131	845,714
	134,568,368	124,508,161

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The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2026	2025
	Short term	Long term	Agency	(Rupees in thousand)	
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	3,640	881
Allied Bank Limited	A1+	AAA	PACRA	797	386,156
Askari Bank Limited	A1+	AA+	PACRA	6,898	17
Bank Alfalah Limited	A1+	AAA	PACRA	16,148	44,944
Faysal Bank Limited	A1+	AA+	PACRA	8,039	183
Habib Bank Limited	A1+	AAA	VIS	1,053	46,074
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	483	16,321
MCB Bank Limited	A1+	AAA	PACRA	14,639	32,310
Samba Bank Limited	A1+	AA	PACRA	379	491
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	VIS	81,899	134,832
United Bank Limited	A1+	AAA	VIS	9,700	5,855
Al Baraka Bank (Pakistan) Limited	A1	AA-	VIS	670	1,131
Bank Islami Pakistan Limited	A1	AA-	PACRA	6,522	3,181
Meezan Bank Limited	A1+	AAA	VIS	41,955	15,475
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	64,831	36,718
The Bank of Punjab	A1+	AAA	PACRA	1,132	2,330
Soneri Bank Limited	A1+	AA	PACRA	1,171	1,027
JS Bank Limited	A1+	AA	PACRA	56	-
Industrial and Commercial Bank of China	P-2	A3	MOODY'S	19	19
MCB Islamic Bank Limited	A1	A+	PACRA	36,113	117,159
Bank Al-Habib Limited	A1+	AAA	PACRA	64	402
Citi Bank N.A	P-2	A3	MOODY'S	92	79
The Bank of Khyber	A1	AA-	PACRA	233	129
Eastern Bank PLC	NP	B2	MOODY'S	5,598	-
				302,131	845,714
Long term investments					
Adamjee Insurance Company Limited	-	AA++(ifs)	PACRA	8,230	5,141
Security General Insurance Company Limited	-	AA+(ifs)	VIS	2,497,658	2,618,225
Nishat Chunian Power Limited	A2	A+	VIS	5,717,392	2,154,546
MCB Bank Limited	A1+	AAA	PACRA	38,574,403	27,428,529
Pakistan Petroleum Limited	Unknown		-	-	102,102
D.G. Khan Cement Company Limited	A1+	AA-	PACRA	30,716,191	22,776,785
Pakgen Limited (Formerly: Pakgen Power Limited) Note (19.3)	Unknown			-	19,042,035
Lalpir Limited (Formerly: Lalpir Power Limited)	Unknown			2,208,639	2,866,836
Nishat Packaging Limited	A1	A	PACRA	161,483	117,971
Nishat Hotels and Properties Limited	A1	A	PACRA	2,027,488	1,934,219
Hyundai Nishat Motor (Private) Limited	A1	A+	PACRA	4,777,114	4,274,754
Nishat Dairy (Private) Limited	Unknown			677,417	555,038
Nishat Sutas Dairy Limited	Unknown			2,048,367	4,053,421
Rafhan Maize Products Company Limited	Unknown			2,912,130	-
				92,326,512	87,929,602
				92,628,643	88,775,316

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 24.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

Trade debts

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 receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2026 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product, Unemployment, Interest and the inflation Index to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2026 and 30 June 2025 was determined as follows:

At 30 June 2026

	Local sales			Export sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	(Rupees in thousand)		%	(Rupees in thousand)	
Not past due	0.00%	12,620,151	-	0.00%	16,062,761	-
Up to 30 days	0.00%	200,539	-	0.00%	-	-
31 to 60 days	0.25%	14,587	37	0.00%	-	-
61 to 90 days	4.70%	7,906	372	0.00%	-	-
91 to 180 days	16.51%	16,428	2,712	0.00%	-	-
181 to 360 days	39.64%	2,974	1,179	0.00%	-	-
Above 360 days	100.00%	19,947	19,947	100.00%	413	413
		12,882,532	24,247		16,063,174	413
Trade debts which are not subject to risk of default		-	-		-	-
Total		12,882,532	24,247		16,063,174	413

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%	7,064,039	-	0.00%	18,363,371	-
Up to 30 days	0.00%	881,148	-	0.00%	-	-
31 to 60 days	0.40%	105,964	422	0.00%	-	-
61 to 90 days	2.46%	18,150	446	0.00%	-	-
91 to 180 days	11.12%	605	67	0.00%	-	-
181 to 360 days	33.70%	300	101	0.00%	-	-
Above 360 days	100.00%	8,240	8,240	100.00%	13,468	13,468
		8,078,446	9,276		18,376,839	13,468
Trade debts which are not subject to risk of default		-	-		-	-
Total		8,078,446	9,276		18,376,839	13,468

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c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2026, the Company had Rupees 49,429.880 million (2025: Rupees 40,680.188 million) available borrowing limits from financial institutions and Rupees 336.350 million (2025: Rupees 886.185 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2026

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	(Rupees in thousand)					
Non-derivative financial liabilities:						
Long term financing	30,875,011	43,862,400	3,065,651	3,337,269	6,265,760	31,193,720
Lease liabilities	135,174	146,261	58,550	61,541	20,140	6,030
Trade and other payables	14,734,812	14,734,812	14,734,812	-	-	-
Payable to Lars Lauridsen Holding ApS	227,473	251,280	125,640	-	125,640	-
Unclaimed dividend	121,850	121,850	121,850	-	-	-
Short term borrowings	60,539,833	62,873,589	62,110,411	763,178	-	-
Accrued mark-up	1,144,267	1,144,267	1,144,267	-	-	-
Derivative financial liabilities						
Fair value of forward exchange contracts	761	761	761	-	-	-
	107,779,181	123,135,220	81,361,942	4,161,988	6,411,540	31,199,750

Contractual maturities of financial liabilities as at 30 June 2025

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	(Rupees in thousand)					
Non-derivative financial liabilities:						
Long term financing	28,661,966	40,952,162	3,028,085	2,916,237	5,799,984	29,207,856
Lease liabilities	222,634	267,332	60,780	64,067	136,837	5,648
Trade and other payables	12,235,191	12,235,191	12,235,191	-	-	-
Payable to Lars Lauridsen Holding ApS	321,431	386,304	128,768	-	128,768	128,768
Unclaimed dividend	119,887	119,887	119,887	-	-	-
Short term borrowings	60,279,970	63,347,589	62,395,859	951,730	-	-
Accrued mark-up	1,133,101	1,133,101	1,133,101	-	-	-
Derivative financial liabilities						
Fair value of forward exchange contracts	60,510	60,510	60,510	-	-	-
	103,034,690	118,502,076	79,162,181	3,932,034	6,065,589	29,342,272

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, note 7, note 8 and note 11 to these financial statements.

49.2 Financial instruments by categories

	FVTPL	Amortized cost	FVTOCI	Total
	(Rupees in thousand)			
As at 30 June 2026				
Assets as per statement of financial position				
Long term investments	-	-	92,326,512	92,326,512
Loans and advances	-	12,202,639	-	12,202,639
Deposits	-	602,021	-	602,021
Trade debts	-	28,921,046	-	28,921,046
Other receivables	64,508	44,061	-	108,569
Accrued interest	-	105,450	-	105,450
Cash and bank balances	-	336,350	-	336,350
	64,508	42,211,567	92,326,512	134,602,587

	Amortized cost	FVTPL	Total
	(Rupees in thousand)		
Liabilities as per statement of financial position			
Long term financing	30,875,011	-	30,875,011
Lease liabilities	135,174	-	135,174
Accrued mark-up	1,144,267	-	1,144,267
Short term borrowings	60,539,833	-	60,539,833
Trade and other payables	14,734,812	761	14,735,573
Payable to Lars Lauridsen Holding ApS	227,473	-	227,473
Unclaimed dividend	121,850	-	121,850
	107,778,420	761	107,779,181

	Amortized cost	FVTOCI	Total
	(Rupees in thousand)		
As at 30 June 2025			
Assets as per statement of financial position			
Long term investments	-	87,929,602	87,929,602
Loans and advances	8,508,911	-	8,508,911
Deposits	682,026	-	682,026
Trade debts	26,432,541	-	26,432,541
Other receivables	37,310	-	37,310
Accrued interest	72,057	-	72,057
Cash and bank balances	886,185	-	886,185
	36,619,030	87,929,602	124,548,632

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Amortized cost	FVTPL	Total
	(Rupees in thousand)		
Liabilities as per statement of financial position			
Long term financing	28,661,966	-	28,661,966
Lease liabilities	222,634	-	222,634
Accrued mark-up	1,133,101	-	1,133,101
Short term borrowings	60,279,970	-	60,279,970
Trade and other payables	12,235,191	60,510	12,295,701
Payable to Lars Lauridsen Holding ApS	321,431	-	321,431
Unclaimed dividend	119,887	-	119,887
	102,974,180	60,510	103,034,690

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

	2026		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	(Rupees in thousand)		
Assets			
Long term investments	92,326,512	11,155,594	103,482,106
Loans and advances	12,202,639	417,569	12,620,208
Deposits and prepayments	602,021	263,900	865,921
Trade debts	28,921,046	-	28,921,046
Other receivables	108,569	10,558,846	10,667,415
Accrued interest	105,450	-	105,450
Cash and bank balances	336,350	-	336,350
	134,602,587	22,395,909	156,998,496

	2026		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	(Rupees in thousand)		
Liabilities			
Long term financing	30,875,011	-	30,875,011
Lease liabilities	135,174	-	135,174
Accrued mark-up	1,144,267	-	1,144,267
Short term borrowings	60,539,833	-	60,539,833
Trade and other payables	14,735,573	4,496,267	19,231,840
Payable to Lars Lauridsen Holding ApS	227,473	-	227,473
Unclaimed dividend	121,850	-	121,850
	107,779,181	4,496,267	112,275,448

	2025		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	(Rupees in thousand)		
Assets			
Long term investments	87,929,602	6,546,744	94,476,346
Loans and advances	8,508,911	340,001	8,848,912
Deposits and prepayments	682,026	265,700	947,726
Trade debts	26,432,541	-	26,432,541
Other receivables	37,310	9,452,642	9,489,952
Accrued interest	72,057	-	72,057
Cash and bank balances	886,185	-	886,185
	124,548,632	16,605,087	141,153,719

	2025		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	(Rupees in thousand)		
Liabilities			
Long term financing	28,661,966	-	28,661,966
Lease liabilities	222,634	-	222,634
Accrued mark-up	1,133,101	-	1,133,101
Short term borrowings	60,279,970	-	60,279,970
Trade and other payables	12,295,701	3,658,935	15,954,636
Payable to Lars Lauridsen Holding ApS	321,431	-	321,431
Unclaimed dividend	119,887	-	119,887
	103,034,690	3,658,935	106,693,625

49.4 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

49.5 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 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 Company 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 Company as referred to in note 6 and note 11 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy, remained unchanged from last year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

		2026	2025
Borrowings	Rupees in thousand	91,414,844	88,941,936
Total equity	Rupees in thousand	156,069,011	144,599,674
Total capital employed	Rupees in thousand	247,483,855	233,541,610
Gearing ratio	Percentage	36.94	38.08

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

50 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments 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 financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2026	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets				
Fair value through other comprehensive income	80,136,985	-	12,189,527	92,326,512
Derivative financial assets	-	64,508	-	64,508
Total financial assets	80,136,985	64,508	12,189,527	92,391,020
Financial liabilities				
Derivative financial liabilities	-	761	-	761
Total financial liabilities	-	761	-	761

Recurring fair value measurements At 30 June 2025	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets				
Fair value through other comprehensive income	74,375,974	-	13,553,628	87,929,602
Total financial assets	74,375,974	-	13,553,628	87,929,602
Financial liabilities				
Derivative financial liabilities	-	60,510	-	60,510
Total financial liabilities	-	60,510	-	60,510

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 out of level 3 measurements.

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.

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.

ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 30 June 2026 and 30 June 2025:

	Unlisted equity securities
	(Rupees in thousand)
Balance as at 30 June 2024	10,128,247
Add: Investment made during the year	697,972
Less : Investment buy back during the year	(28,500)
Add: Fair value adjustment recognized in other comprehensive income	2,755,909
Balance as at 30 June 2025	13,553,628
Add: Investment made during the year	195,463
Less: Fair value adjustment recognized in other comprehensive income	(1,559,564)
Balance as at 30 June 2026	12,189,527

iv) Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

Description	Fair value at		Valuation technique	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	30 June 2026	30 June 2025			30 June 2026	
	(Rupees in thousand)					
Fair value through other comprehensive income						
Nishat Packaging Limited	161,483	117,971	Present value techniques	Terminal growth factor	3.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +185.798 million / -128.558 million.
				Risk adjusted discount rate	13.72%	
Nishat Dairy (Private) Limited	677,417	555,038	Present value techniques	Terminal growth factor	3.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +104.510 million / -79.059 million.
				Risk adjusted discount rate	17.44%	
Security General Insurance Company Limited	2,497,658	2,618,225	Present value techniques	Terminal growth factor	3.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +364.463 million / -269.462 million.
				Risk adjusted discount rate	16.06%	
Nishat Hotels and Properties Limited	2,027,488	1,934,219	Present value techniques	Terminal growth factor	3.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 350.128 million / -262.041 million.
				Risk adjusted discount rate	15.96%	
Hyundai Nishat Motor (Private) Limited	4,777,114	4,274,754	Present value techniques	Terminal growth factor	3.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +1,051.669 million / -809.879 million.
				Risk adjusted discount rate	17.97%	
Nishat Sutas Dairy Limited	2,048,367	4,053,421	Present value techniques	Terminal growth factor	3.50%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees + 2,007.400 million / -999.603 million.
				Risk adjusted discount rate	9.48%	
	12,189,527	13,553,628				

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Valuation processes

Independent valuer performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values. The independent valuer reports directly to the Chief Financial Officer. Discussions of valuation processes and results are held between the Chief Financial Officer and the valuation team at least once in every six months.

The main level 3 inputs used by the Company are derived and evaluated as follows:

Discount rates for financial instruments are determined using a capital asset pricing model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analyzed at the end of yearly reporting period during the valuation discussion between the Chief Financial Officer and the independent valuer. As part of this discussion the independent valuer presents a report that explains the reason for the fair value movements.

51 FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

i) Fair value hierarchy

Judgements and estimates are made for non-financial assets not measured at fair value in these financial statements but for which the fair value is described in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 June 2026	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Investment properties				
Land	-	3,500,961	-	3,500,961
Buildings	-	-	4,781,487	4,781,487
Total non-financial assets	-	3,500,961	4,781,487	8,282,448

At 30 June 2025	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Investment properties				
Land	-	3,313,319	-	3,313,319
Buildings	-	-	4,564,636	4,564,636
Total non-financial assets	-	3,313,319	4,564,636	7,877,955

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 investment properties at least annually. At the end of each reporting period, 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 freehold land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's investment properties at the end of every financial year. As at 30 June 2026, the fair values of the investment properties have been determined by Al-Hadi Financial & Legal Consultants (an approved valuer).

Changes in fair values are analyzed at the end of each year during the valuation discussion between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

52 DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS ACTIVITIES

	Note	2026	2025
		(Rupees in thousand)	
Description			
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode			
Long term financing	6	16,162,123	12,961,131
Short term borrowings	11	19,998,876	15,160,857
Interest or mark-up accrued on any conventional loan or advance	10	629,405	730,844
Long-term and short-term Shariah compliant Investments			
Long term investments	19	48,060,603	38,554,702
Shariah-compliant bank deposits, bank balances, and TDRs	29	245,966	174,228
Revenue earned from a Shariah-compliant business segment	30	181,644,861	178,167,146
Break-up of late payments or liquidated damages		-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates			
Dividend income	35.1	708,920	351,529
Unrealized gain on re-measurement of investments at FVTOCI	19	6,513,374	10,891,962
Realized gain on sale of investments	5.2 & 35	52,414	78,703
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs		-	-
Exchange gain earned from actual currency		345,659	508,352
Exchange gains earned using conventional derivative financial instruments		231,883	180,101
Profit paid on islamic mode of financing		2,959,266	3,014,506
Total Interest earned on any conventional loan or advance	35	1,114,477	1,062,269
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income	35		
Shariah-compliant:			
Dividend income		708,920	351,529
Gain on sale of property, plant and equipment		113,814	116,955

	2026	2025
	(Rupees in thousand)	
Scrap sales	529,266	495,791
Rental income	190,529	237,116
Gain on sale of investment	-	51,000
Net exchange gain	345,659	508,352
Non-shariah compliant income:		
Dividend income	3,910,635	7,144,708
Profit on deposits with banks	867	114,138
Net exchange gain	231,883	180,101
Interest income on loan to Nishat Linen (Private) Limited - subsidiary company	1,111,502	946,033
Interest income on loans to employees	2,108	2,098
Gain on termination of leases	4,933	-
Reversal of fair value adjustment on margin against bank guarantee	41,714	56,414

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Name	Relationship
Allied Bank Limited	Long term financing
Habib Bank Limited	Bank balance
Standard Chartered Bank (Pakistan) Limited (Saadiq Islamic Banking)	Bank balance
Bank Islami Pakistan Limited	Bank balance and short term borrowings
Meezan Bank Limited	Bank balance, short term borrowings and long term financing
Dubai Islamic Bank Pakistan Limited	Bank balance and short term borrowings
MCB Islamic Bank Limited	Bank balance and long term financing
Faysal Bank Limited (Barkat Islami)	Bank balance, short term borrowings and long term financing
The Bank of Punjab (Taqwa Islamic Banking)	Bank balance and short term borrowings
Al Baraka Bank (Pakistan) Limited	Bank balance and short term borrowings
Askari Bank Limited - Ikhlas Islamic Banking	Long term financing
The Bank of Khyber - Raast Islamic Banking	Bank balance and short term borrowings
United Bank Limited - Ameen Islamic Banking	Bank balance and short term borrowings

53 UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2026	2025	2026	2025
	(Rupees in thousand)			
Total facilities	25,786,151	23,693,440	152,099,000	138,274,000
Utilized at the end of the year	15,013,903	12,613,409	102,669,120	97,593,812
Unutilized at the end of the year	10,772,248	11,080,031	49,429,880	40,680,188

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2026

54 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 30 September 2026 by the Board of Directors of the Company.

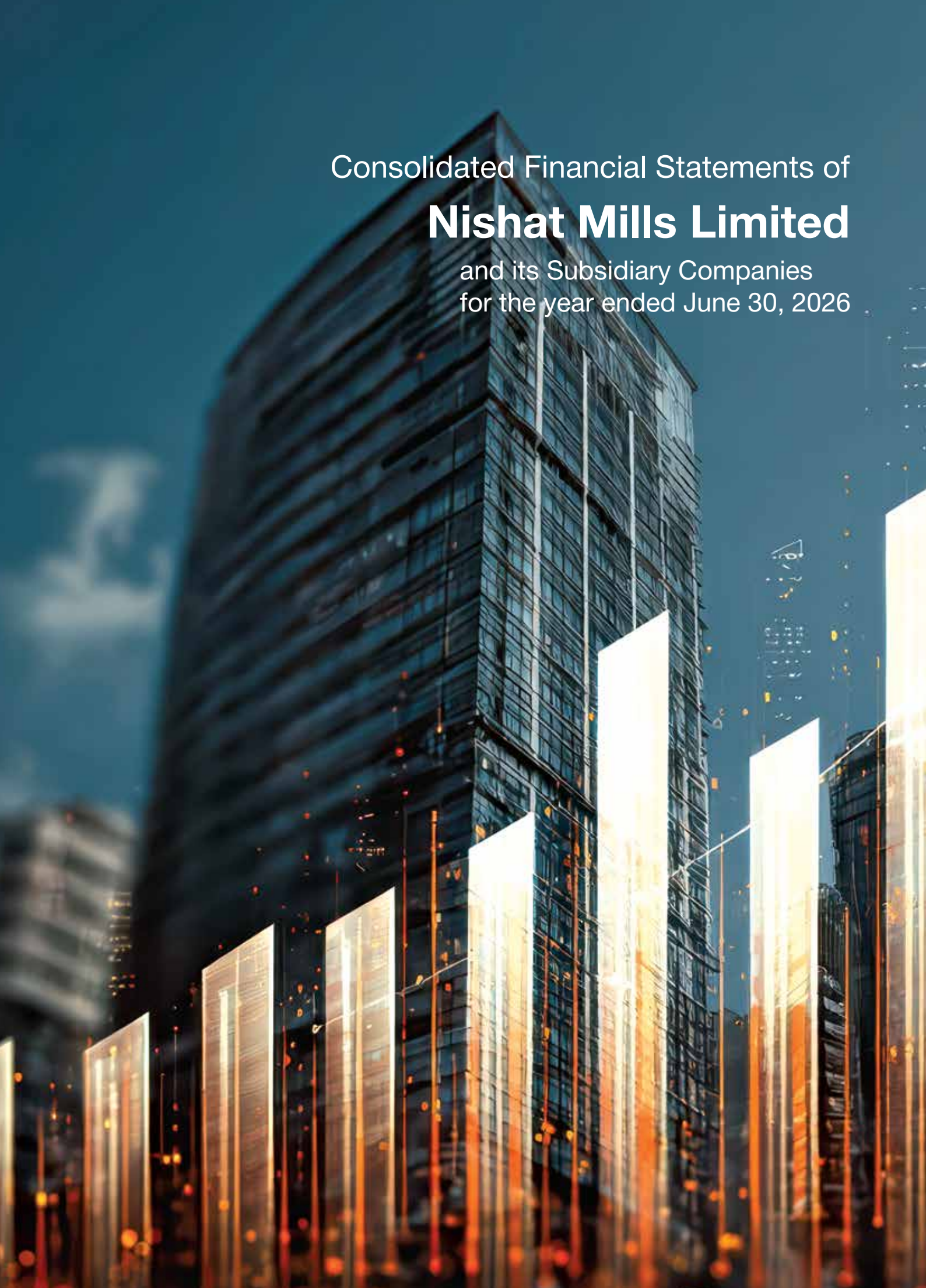
55 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangement have been made.

56 GENERAL

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

CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER



Consolidated Financial Statements of

Nishat Mills Limited

and its Subsidiary Companies
for the year ended June 30, 2026

DIRECTORS' REPORT

The Directors are pleased to present their report together with the consolidated financial statement of Nishat Mills Limited (the "Holding Company") and its Subsidiary Companies (together referred to as Group) for the year ended 30 June 2026. The consolidated results comprise of financial statements of Nishat Mills Limited, Nishat Power Limited, Nishat Linen (Private) Limited, Pakgen Limited (Formerly: Pakgen Power Limited), Nishat USA Inc., Nishat Linen Trading LLC, Nishat International FZE, China Guangzhou Nishat Global Company Limited, Nishat Commodities (Private) Limited, Wernerfelt A/S, Wernerfelt Sverige AB and Nishat UK (Private) Limited.

During the year, Pakgen Limited bought back and cancelled 179,932,988 shares from its shareholders other than the Holding Company. As a result, the Holding Company's shareholding in Pakgen Limited increased from 30.25% to 58.57% without acquiring any additional shares. Accordingly, the Holding Company obtained control over Pakgen Limited.

The Holding Company has annexed its consolidated financial statements along with its separate financial statements, in accordance with the requirements of International Financial Reporting Standards and Companies Act, 2017. The Directors' Report, giving a commentary on the performance of Nishat Mills Limited for the year ended 30 June 2026 has been presented separately. It also includes a brief description of all the subsidiary companies of the Holding Company.

Following are the key highlights (Consolidated):

Financial Highlights	Year ended 30 June	
	2026	2025
Revenue (Rs. in million)	213,630	207,175
Gross profit (Rs. in million)	29,062	32,161
Profit after taxation (Rs. in million)	15,618	4,738

For and on behalf of the Board of Directors

Mian Umer Mansha
Chief Executive Officer

Farid Noor Ali Fazal
Director

30 September 2026
Lahore

INDEPENDENT AUDITOR'S REPORT

To the members of Nishat Mills Limited

Opinion

We have audited the annexed consolidated financial statements of Nishat Mills Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2026, 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 2026, and 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 the 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.

Following are the Key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	**Accounting for equity accounted associates** Investments in equity-accounted associates amounted to Rupees 65,582.169 million (19.03% of total assets) as at 30 June 2026. There is a risk that associates are not accounted for and disclosed properly. As such, we have identified the impairment assessment, equity accounting and disclosure for the investments in equity accounted associates as representing key audit matters due to the significance of the balance to the consolidated financial	Our procedures included, but were not limited to: • We perused the supporting documentation and ensured that they are properly accounted for in accordance with International Accounting Standard (IAS) 28 'Investments in Associates and Joint Ventures'. • We ensured proper equity accounting was carried out during the year by looking at the post-acquisition change in the Group's share of net assets of the associates. In particular, we have:

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
	statements as a whole. The Group's management conducts its impairment test to assess the recoverability of the equity accounted associates and considers whether there are indicators of impairment with respect to these investments. Impairment assessments of these investments require significant judgement and there is the risk that valuation of the investments may be incorrect and any potential impairment charge miscalculated. For further information on investments in equity-accounted associates, refer to the following: - Material accounting policy information, Consolidation – Associates note 2.2(b) to the consolidated financial statements. - Critical accounting estimates and judgements note 2.1(c) to the consolidated financial statements. - Long term investments note 20 to the consolidated financial statements.	- Tested additions of investments made during the year. - Checked the accuracy for computation of share of dividend income and profit or loss and other comprehensive income of the associates. • We assessed the adequacy of the disclosures presented within the consolidated financial statements to ensure they are in accordance with International Financial Reporting Standard (IFRS) 12 'Disclosure of Interests in Other Entities'. • We sent group audit instructions to the respective component auditors to gain comfort on the audit procedures performed by the component auditors over the financial statements of associates. • We evaluated the reasonableness of management's assumptions and estimates used in determining the recoverable values of material investments. We assessed the assumptions and estimates based on our knowledge of the Group and the industries.
2.	**Assessment of control and significant influence on investments** There is a risk that management has made an error in judgement or may have not fully considered all rules, facts and circumstances in assessing whether the Group has control or significant influence on its investments which may have significant consequences on the consolidated financial statements. For further information, refer to the following: - Material accounting policy information, Consolidation note 2.2 to the consolidated financial statements. - Note 1 and Note 20 to the consolidated financial statements.	Our procedures included, but were not limited to: • We tested the design and implementation of key controls around the application of the accounting standards and evaluated the significant judgements that management exercised in determining whether the Group controls or have significant influence over the investee companies. • We reviewed documents to support any key judgments management has made in determining whether they control or have significant influence over an investee e.g. power over relevant activities. • We have tested the consolidation process to assess whether the conclusions reached have been appropriately applied in the preparation of

Sr. No.	Key audit matters	How the matters were addressed in our audit
		the consolidated financial statements and adequate disclosures have been made in the consolidated financial statements.
3.	**Inventory existence and valuation** Inventory of the textile business of the Group as at 30 June 2026 represented a material position in the consolidated statement of financial position. Inventory is measured at the lower of cost and net realizable value. We identified existence and valuation of inventory as a key audit matter due to its size, representing 19.66% of total assets of the Group as at 30 June 2026, and the judgment involved in valuation. For further information on inventory, refer to the following: - Material accounting policy information, Inventories note 2.14 to the consolidated financial statements. - Stores, spare parts and loose tools note 23 and Stock-in-trade note 24 to the consolidated financial statements.	Our procedures over existence and valuation of textile related business inventory included, but were not limited to: • To test the quantity of inventories, 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 and the management with the inventory count sheets. • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • 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. • 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. • We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory. • 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. • We also made inquires 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.

Sr. No.	Key audit matters	How the matters were addressed in our audit
4.	**Capital expenditures** The textile business of the Group is investing significant amounts in its operations and there are a number of areas where management judgement impacts the carrying value of property, plant and equipment and its respective depreciation profile. These include among other the decision to capitalize or expense costs; and review of useful life of the assets including the impact of changes in the Group's strategy. We focused on this area since the amounts have a significant impact on the financial position of the Group and there is significant management judgment required that has significant impact on the reporting of the financial position for the Group. Therefore, considered as one of the key audit matters. For further information, refer to the following: - Material accounting policy information, Property, plant, equipment and depreciation note 2.5 to the consolidated financial statements. - Property, plant and equipment note 16 to the consolidated financial statements.	Our procedures included, but were not limited to: • We tested operating effectiveness of controls in place over the property, plant and equipment cycle including the controls over whether costs incurred on activities is capital or operating in nature. • We evaluated the appropriateness of capitalization policies and depreciation rates. • We performed tests of details on costs capitalized. • We verified the accuracy of management's calculation used for the impairment testing.
5.	**Revenue recognition** We identified recognition of revenue of textile business of the Group as a key audit matter because revenue is one of the key performance indicators and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Material accounting policy information, Revenue recognition note 2.19 to the consolidated financial statements. - Revenue note 33 to the consolidated financial statements.	Our procedures included, but were not limited to: • We obtained 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. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and

Sr. No.	Key audit matters	How the matters were addressed in our audit
		other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the consolidated financial statements.
6.	**Contingencies** In consolidated financial statements, Nishat Power Limited - Subsidiary Company and Pakgen Limited (Formerly: Pakgen Power Limited) – Subsidiary Company have contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law. Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules and regulations, and the probability of outcome and financial impact, if any, on Nishat Power Limited - Subsidiary Company and Pakgen Limited (Formerly: Pakgen Power Limited) – Subsidiary Company for disclosure and recognition and measurement of any provisions that may be required against such contingencies in accordance with applicable financial reporting standards. Due to significance of amounts involved, uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered this as a key audit matter. For further information on contingencies, refer to the following: - Material accounting policy information, Contingent liabilities note 2.28 to the consolidated financial statements.	Our audit procedures among others included obtaining an understanding of the process and controls on this area relevant to our audit. Further, we have: • Obtained and reviewed detail of the pending matters and discussed the same with the management of Nishat Power Limited - Subsidiary Company and Pakgen Limited (Formerly: Pakgen Power Limited) – Subsidiary Company. • Reviewed the correspondence of the Nishat Power Limited - Subsidiary Company and Pakgen Limited (Formerly: Pakgen Power Limited) – Subsidiary Company with the relevant authorities, tax and legal advisors, including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved. • Obtained and reviewed confirmations from external tax and legal advisors of Nishat Power Limited - Subsidiary Company and Pakgen Limited (Formerly: Pakgen Power Limited) – Subsidiary Company for their views on the probable outcome of the pending tax cases and other contingencies. • Involved internal tax professionals to assess reasonability of management's conclusions on such pending matters. • Reviewed and evaluated the adequacy of

Sr. No.	Key audit matters	How the matters were addressed in our audit
	- Critical accounting estimates and judgements note 2.1(c) to the consolidated financial statements. - Contingencies note 15(a)(xvii) to note 15(a)(xlvii) to the consolidated financial statements.	disclosures made in respect of such contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.

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 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 the 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.

The 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 Junaid Ashraf.

RIAZ AHMAD & COMPANY
Chartered Accountants

LAHORE

01 October 2026

UDIN: AR2026100452Q5bXEuGO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,100,000,000 (2025: 1,100,000,000) ordinary shares of Rupees 10 each		11,000,000	11,000,000
Issued, subscribed and paid-up share capital	4	3,515,999	3,515,999
Reserves	5	182,858,653	153,017,700
Equity attributable to equity holders of the Holding Company		186,374,652	156,533,699
Non-controlling interest		21,721,978	13,704,614
Total equity		208,096,630	170,238,313
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	27,498,794	25,376,756
Lease liabilities	7	2,618,446	2,237,585
Security deposits	8	369,957	357,660
Retirement benefit obligation		79,371	70,107
Deferred liabilities	9	9,734,762	10,314,427
		40,301,330	38,356,535
CURRENT LIABILITIES			
Trade and other payables	10	22,654,297	20,439,377
Accrued mark-up	11	1,171,583	1,135,594
Short term borrowings	12	65,797,620	61,794,524
Current portion of non-current liabilities	13	6,139,845	5,891,372
Unclaimed dividend		287,832	148,922
Taxation and levy - net	14	193,708	2,264,240
		96,244,885	91,674,029
TOTAL LIABILITIES		136,546,215	130,030,564
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		344,642,845	300,268,877

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

CHIEF EXECUTIVE OFFICER

	Note	2026	2025
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	16	77,445,540	75,599,389
Investment properties	17	882,325	-
Intangible assets	18	677,647	677,647
Right-of-use assets	19	3,510,070	3,018,360
Long term investments	20	125,590,768	85,408,552
Long term loans	21	643,549	596,780
Long term deposits	22	596,746	623,200
		209,346,645	165,923,928
CURRENT ASSETS			
Stores, spare parts and loose tools	23	8,223,878	7,680,677
Stock-in-trade	24	62,312,704	65,630,926
Trade debts	25	35,578,440	28,277,755
Loans and advances	26	1,434,155	1,030,627
Short term deposits and prepayments	27	776,816	755,392
Other receivables	28	11,131,648	9,707,042
Accrued interest	29	513	5,174
Short term investments	30	9,170,465	18,106,520
Cash and bank balances	31	2,848,798	3,150,836
		131,477,417	134,344,949
Non-current assets held for sale	32	3,818,783	-
		135,296,200	134,344,949
TOTAL ASSETS		344,642,845	300,268,877

DIRECTOR

CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
REVENUE	33	213,630,245	207,175,255
COST OF SALES	34	(184,568,004)	(175,013,926)
GROSS PROFIT		29,062,241	32,161,329
DISTRIBUTION COST	35	(15,069,764)	(14,184,815)
ADMINISTRATIVE EXPENSES	36	(5,073,041)	(4,627,832)
OTHER EXPENSES	37	(4,052,876)	(279,120)
		(24,195,681)	(19,091,767)
		4,866,560	13,069,562
OTHER INCOME	38	12,616,985	9,844,658
PROFIT FROM OPERATIONS		17,483,545	22,914,220
FINANCE COST	39	(7,028,391)	(9,026,462)
		10,455,154	13,887,758
ADJUSTMENTS TO BALANCE PAYABLE BY CPPA-G	40	-	(3,850,458)
SHARE OF NET PROFIT OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	20.2	7,495,341	1,758,825
PROFIT BEFORE LEVY AND TAXATION		17,950,495	11,796,125
LEVY	41	(2,394,349)	(2,351,305)
PROFIT BEFORE TAXATION		15,556,146	9,444,820
TAXATION	42	62,228	(4,706,378)
PROFIT AFTER TAXATION		15,618,374	4,738,442
SHARE OF PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		14,444,403	5,104,291
NON-CONTROLLING INTEREST		1,173,971	(365,849)
		15,618,374	4,738,442
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	43	41.08	14.51

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 June 30, 2026

	2026	2025
	(Rupees in thousand)	
PROFIT AFTER TAXATION	15,618,374	4,738,442
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
Remeasurement of retirement benefits of associates - net of tax	(15,238)	32,404
Surplus arising on remeasurement of investments at fair value through other comprehensive income	11,124,783	7,346,637
Share of surplus on remeasurement of investments at fair value through other comprehensive income of associates - net of tax	5,900,611	3,657,295
Deferred income tax relating to investments at fair value through other comprehensive income	(780,303)	(487,826)
	16,229,853	10,548,510
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	(129,753)	66,498
Other comprehensive income for the year - net of tax	16,100,100	10,615,008
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	31,718,474	15,353,450
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF HOLDING COMPANY	30,558,640	15,719,299
NON-CONTROLLING INTEREST	1,159,834	(365,849)
	31,718,474	15,353,450

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 June 30, 2026

(Rupees in thousand)

	Attributable to Equity Holders of the Holding Company														Non-Controlling Interest	Total Equity
	Share Capital	Capital Reserves								Revenue Reserves			Total Reserves	Shareholders' Equity		
		Premium on issue of right shares	Fair value reserve FVTOCI investments	Exchange Translation Reserve	Statutory Reserve	Capital Redemption Reserve Fund	Maintenance Reserve	Overhauling Reserve	Sub Total	General Reserve	Unappropriated Profit	Sub Total				
Balance as at 30 June 2024	3,515,999	5,499,530	15,590,436	662,964	14,443	111,002	1,078,330	-	22,956,705	107,251,214	8,145,282	115,396,496	138,353,201	141,869,200	15,978,611	157,847,811
Transaction with owners - Final dividend for the year ended 30 June 2024 @ Rupees 3.00 per share	-	-	-	-	-	-	-	-	-	-	(1,054,800)	(1,054,800)	(1,054,800)	(1,054,800)	-	(1,054,800)
Transferred to statutory reserve	-	-	-	-	1,026	-	-	-	1,026	-	(1,026)	(1,026)	-	-	-	-
Transferred to general reserve	-	-	-	-	-	-	-	-	-	7,090,000	(7,090,000)	-	-	-	-	-
Transfer of maintenance reserve	-	-	-	-	-	-	(13,054)	-	(13,054)	-	13,054	13,054	-	-	-	-
Extinguishment of maintenance reserve for the purpose of creating the overhauling reserve pursuant to the Amendment Agreement	-	-	-	-	-	-	(1,065,276)	-	(1,065,276)	-	1,065,276	1,065,276	-	-	-	-
Transfer to overhauling reserve	-	-	-	-	-	-	-	3,228,157	3,228,157	-	(3,228,157)	(3,228,157)	-	-	-	-
Transaction with owners - dividend relating to year 2024 paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,908,148)	(1,908,148)
Transfer of gain on sale of FVTOCI investments to unappropriated profit	-	-	(116,059)	-	-	-	-	-	(116,059)	-	116,059	116,059	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	5,104,291	5,104,291	5,104,291	5,104,291	(365,849)	4,738,442
Other comprehensive income for the year	-	-	10,516,106	66,498	-	-	-	-	10,582,604	-	32,404	32,404	10,615,008	10,615,008	-	10,615,008
Total comprehensive income for the year	-	-	10,516,106	66,498	-	-	-	-	10,582,604	-	5,136,695	5,136,695	15,719,299	15,719,299	(365,849)	15,353,450
Balance as at 30 June 2025	3,515,999	5,499,530	25,990,483	729,462	15,469	111,002	-	3,228,157	35,574,103	114,341,214	3,102,383	117,443,597	153,017,700	156,533,699	13,704,614	170,238,313
Transaction with owners - Final dividend for the year ended 30 June 2025 @ Rupees 2.00 per share	-	-	-	-	-	-	-	-	-	-	(703,200)	(703,200)	(703,200)	(703,200)	-	(703,200)
Transferred to statutory reserve	-	-	-	-	1,930	-	-	-	1,930	-	(1,930)	(1,930)	-	-	-	-
Transferred to general reserve	-	-	-	-	-	-	-	-	-	2,399,000	(2,399,000)	-	-	-	-	-
Adjustment on recognition of Pakgen Limited (Formerly: Pakgen Power Limited) as subsidiary (Note 1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,117,714	7,117,714
Loss on merger of Nishat Hospitality (Private) Limited into Nishat Hotel and Properties (Private) Limited	-	-	-	-	-	-	-	-	-	-	(14,487)	(14,487)	(14,487)	(14,487)	-	(14,487)
Transfer to overhauling reserve	-	-	-	-	-	-	-	157,277	157,277	-	(157,277)	(157,277)	-	-	-	-
Transaction with owners - dividend relating to year 2025 paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(260,184)	(260,184)
Transfer of gain on sale of FVTOCI investments to unappropriated profit	-	-	(52,414)	-	-	-	-	-	(52,414)	-	52,414	52,414	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	14,444,403	14,444,403	14,444,403	14,444,403	1,173,971	15,618,374
Other comprehensive income for the year	-	-	16,259,228	(129,753)	-	-	-	-	16,129,475	-	(15,238)	(15,238)	16,114,237	16,114,237	(14,137)	16,100,100
Total comprehensive income for the year	-	-	16,259,228	(129,753)	-	-	-	-	16,129,475	-	14,429,165	14,429,165	30,558,640	30,558,640	1,159,834	31,718,474
Balance as at 30 June 2026	3,515,999	5,499,530	42,197,297	599,709	17,399	111,002	-	3,385,434	51,810,371	116,740,214	14,308,068	131,048,282	182,858,653	186,374,652	21,721,978	208,096,630

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 June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	45	13,990,483	16,201,079
Finance cost paid		(6,991,534)	(9,420,468)
Income tax paid		(5,725,786)	(4,686,433)
Long term security deposits - net		12,297	69,300
Exchange gain on forward exchange contracts received		107,626	221,219
Net increase in retirement benefit obligation		10,840	7,600
Net increase in long term loans		(41,622)	(123,959)
Net increase in long term deposits		68,468	57,335
Net cash generated from operating activities		1,430,772	2,325,673
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		377,340	278,088
Capital expenditure on property, plant and equipment		(9,216,062)	(10,479,854)
Dividends received		4,038,017	5,225,056
Investments made		(123,407,515)	(76,512,517)
Proceeds from sale of investments		121,719,060	63,495,490
Proceeds from disposal of Nishat Hospitality (Private) Limited	44	-	1,750,999
Interest received		89,428	351,173
Net cash used in investing activities		(6,399,732)	(15,891,565)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		5,506,586	5,000,000
Repayment of long term financing		(3,308,467)	(2,906,554)
Repayment of lease liabilities		(1,317,037)	(1,147,321)
Exchange differences on translation of net investments in foreign subsidiaries		(129,753)	66,498
Short term borrowings - net		4,702,458	8,117,955
Dividend paid		(960,686)	(2,956,577)
Net cash from financing activities		4,493,101	6,174,001
Net decrease in cash and cash equivalents		(475,859)	(7,391,891)
Net foreign exchange difference on translating cash and bank balances		(5,472)	17,557
Cash and cash equivalents at the beginning of the year		3,150,836	11,180,968
Cash and cash equivalents of Pakgen Limited (Formerly: Pakgen Power Limited)	1	179,293	-
Cash and cash equivalents of Nishat Hospitality (Private) Limited	44	-	(655,798)
Cash and cash equivalents at the end of the year		2,848,798	3,150,836

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

1 THE GROUP AND ITS OPERATIONS

a) The Group consists of:

Holding Company

- Nishat Mills Limited

Subsidiary Companies

- Nishat Power Limited
- Nishat Linen (Private) Limited
- Pakgen Limited (Formerly: Pakgen Power Limited)
- Nishat USA, Inc.
- Nishat Linen Trading LLC
- Nishat International FZE
- China Guangzhou Nishat Global Co., Ltd.
- Nishat UK (Private) Limited
- Nishat Commodities (Private) Limited
- Wernerfelt A/S
- Wernerfelt Sverige AB

NISHAT MILLS LIMITED

Nishat Mills Limited is a public limited company incorporated in Pakistan under the repealed Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at 53-A, Lawrence Road, Lahore. Nishat Mills Limited is engaged in the business of textile manufacturing and of spinning, combing, weaving, bleaching, dyeing, printing, stitching, apparel, buying, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity. Geographical location and addresses of all business units are as follows:

Sr. No.	Manufacturing units and offices	Address
1	Spinning units, yarn dyeing unit and power plant	Nishatabad, Faisalabad.
2	Spinning units and power plant	Plot No. 172-180 and 188-197, M-3 Industrial City, Sahianwala and FIEDMC, 2 K.M., Jhumra Chiniot Road, Chak Jhumra, Faisalabad.
3	Spinning units and power plant	20 K.M., Sheikhupura Road, Feroze Wattwan.
4	Weaving units, Denim unit, Workwear unit and power plant	12 K.M., Faisalabad Road, Sheikhupura.
5	Weaving unit, dyeing and finishing unit, processing unit, stitching units and power plants	5 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.
6	Terry unit	7 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.
7	Apparel unit	2 K.M., Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore.
8	Head office	7-Main Gulberg, Lahore.
9	Office	1st Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.
10	Registered office	Nishat House, 53-A, Lawrence Road, Lahore.
11	Liaison office outside Pakistan	House No.247, Road No.3, Baridhara DOHS, Dhaka Cantt., Bangladesh.

NISHAT POWER LIMITED

Nishat Power Limited is a public company limited by shares incorporated in Pakistan on 23 February 2007 under the repealed Companies Ordinance, 1984 (Now, the Companies Act, 2017). Nishat Power Limited is a subsidiary of Nishat Mills Limited. Nishat Power Limited's ordinary shares are listed on the Pakistan Stock Exchange Limited. The principal activity of Nishat Power Limited is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW in Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the Nishat Power Limited is 53-A, Lawrence Road, Lahore. Nishat Power Limited had a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Despatch Company Limited ('NTDC') for twenty five years which commenced from 09 June 2010. On 12 February 2021, Nishat Power Limited entered into a Novation Agreement to the PPA with NTDC and Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G' and also referred to as the 'Power Purchaser'), whereby, NTDC irrevocably transferred all of its rights, obligations and liabilities under the PPA to CPPA-G and thereafter, NTDC ceased to be a party to the PPA, and CPPA-G became a party to the PPA in place of NTDC. Further, on the same day, Nishat Power Limited entered into the PPA Amendment Agreement, whereby the Agreement Year that was ending on 08 June 2021 was extended by sixty eight (68) days to 15 August 2021. Nishat Power Limited entered into another PPA Amendment Agreement with effect from 01 November 2024 to further amend the terms of PPA. Under this Agreement, certain significant amendments have been taken place including the conversion of existing tariff to 'Hybrid Take and Pay' model. Government of Pakistan has also agreed to unconditionally and irrevocably withdraw and extinguish all claims against the Company under the Arbitration Submission Agreement as more fully explained in note 15(a)(xxii) to these consolidated financial statements. Ownership interest held by non-controlling interests in Nishat Power Limited is 48.99% (2025: 48.99%).
Geographical location and addresses of all business units are as follows:

Sr. No.	Business Units	Address
1	Registered office	53-A, Lawrence Road, Lahore.
2	Head office	1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore.
3	Power station	Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab.
4	Sub-office	Unit-2, 17-B, Aziz Avenue, Canal Road, Gulberg V, Lahore

NISHAT LINEN (PRIVATE) LIMITED

Nishat Linen (Private) Limited, a wholly owned subsidiary of Nishat Mills Limited, is a private limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) on 15 March 2011. The registered office of Nishat Linen (Private) Limited is situated at 7- Main, Gulberg Lahore. The principal objects of Nishat Linen (Private) Limited are to operate retail outlets for sale of textile and other products and to sale the textile products by processing the textile goods in own and outside manufacturing facility. Geographical location and addresses of all business units are as follows:

Sr. No.	Business Units	Address
Manufacturing unit and office		
1	Stitching Unit and office	21 K.M., Ferozepur Road, Lahore.
Stores		
1	Nishat Emporium Mall	Shop No. G-26, Nishat Emporium Mall, Abdul Haque Road, Johar Town, Lahore.
2	Swarovski-Emporium Mall	Shop No. KG-05, Ground Floor, Nishat Emporium Mall, Abdul Haque Road, Johar Town, Lahore.
3	Gulberg Galleria	Shop No. 13, Ground Floor U/G1 & L/G2, Gulberg Galleria, 18-Main Boulevard, Gulberg III, Lahore.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

Sr. No.	Business Units	Address
4	Packages Mall	Shop No. 1011, Packages Mall, Walton Road, Lahore.
5	Tariq Road	Plot No. 172-5, P.E.C.H.S, Block 2, Tariq Road, Karachi.
6	Wapda Town	Main Boulevard, Johar Town, (Opposite Shaukat Khanum Hospital), Lahore.
7	Fashion Avenue	Fashion Avenue, Shop No. 5-7, College Block, Main Boulevard, Allama Iqbal Town, Lahore.
8	Canal West Bank	Shop No. 1-3, Ground Floor, Sraw Plaza, Near Muhafiz Town, Phase 1, Canal West Bank Road, Lahore.
9	Khokhar Chowk	Shop No. 469, Main Boulevard, Khokhar Chowk, Johar Town, Lahore.
10	Link Road Model Town	Opposite Raja Sahib, Link Road, Model Town, Lahore.
11	Gulshan Ravi	Factory Outlet, Shop No. 12-C, Main Boulevard, Gulshan Ravi, Lahore.
12	E-Store	21 K.M., Ferozepur Road, Lahore.
13	Dolmen Clifton	D-3, 1st Floor, Dolmen City, Block 4, Scheme 5, Clifton, Karachi.
14	Dolmen Tariq Road	SF-21, 2nd Floor, Dolmen Mall, Block 3, P.E.C.H.S., Tariq Road, Karachi.
15	Wazirabad	G-58, Mohallah Hajipura, Sialkot Road, Wazirabad.
16	Ocean Mall	Shop No. 250-254, 2nd Floor, Ocean Mall, Plot No. G-3, Khyaban-e-Iqbal, Block 9, Clifton, Karachi.
17	KDA Outlet Store	NL Outlet Store, 108-B, Block 3, KDA Scheme 24, Gulshan-e-Iqbal, Karachi.
18	Capital Region	Plot No. 26 and 537, Jawa Industrial Estate Kahuta, Rawalpindi.
19	Lucky One Mall	Lucky One Mall, Shop No. F-31, First Floor, Block 21, F.B. Area, Main Rashid Minhas Road, Karachi.
20	Sukkur	Shop No. 48, Ground Floor and basement, Muslim Cooperative Housing Society, Military Road, Sukkur.
21	ANB Center*	ANB Center, Plot No. 13-V, (Behind PSO Petrol Pump) Jinnah Super Market, F-7 Markaz, Islamabad.
22	F-10 Markaz	Block No. 7, Malik Arcade, F-10 Markaz, Islamabad.
23	Centaurus Mall	Shop No. 120, 1st Floor, Centaurus Shopping Mall, Jinnah Avenue, Plot No. 1, Blue Area, F-8/G-8, Islamabad.
24	Bahria Town-Phase 7*	Plaza 155, Near Shaheen Chowk, Spring North, Phase 7, Bahria Town, Islamabad.
25	Swarovski Lucky One Mall	Ground Floor, Shop No. GF-14C, Lucky One Mall, Block 21, Main Rashid Minhas Road, Opposite UBL Sports Complex, Karachi.
26	World Trade Center	World Trade Center, G.T. Road, Defence Housing Authority, Phase II, Islamabad.
27	Awami Trade Center*	Shop No. 32-36, Awami Trade Center, Ground Floor, G9 Markaz, Islamabad.
28	Adamjee Road	Plot No. 5, Saddar, Adamjee Road, Rawalpindi.
29	Crystal Mall	Shop No. 04, Crystal Mall, Main Bosan Road, Multan.
30	Gulshan Market	Shop No. 3, Block-S, 100 Feet Road, Gulshan Market, New Multan Colony, Multan.
31	S.P Chowk	Plot No. 1-A, S.P Chowk, Nusrat Road, Multan Cantt., Multan.
32	Masooma	Shop No. 2-3, Masooma Shopping Center, Legacy Tower, Koh-e-Noor City, Jaranwala Road, Faisalabad.
33	D-Ground	1298/B, Chen One Road, Peoples Colony No. 1, Faisalabad.

Sr. No.	Business Units	Address
34	Gulberg Road	Shop No. P-424, Jinnah Colony, Gulberg Road, Faisalabad.
35	Grand Atrium Mall	1st Floor, Grand Atrium Mall, West Canal Road, Faisalabad.
36	Taj Shopping Center	Shop No. 21-27, Ground Floor, Taj Shopping Center, (Near National Bank) Government Girls College Road, Satellite Town, Gujranwala.
37	Fazal Centre	Hall No. 5, Fazal Centre, G.T. Road, Rahwali Cantt., Gujranwala.
38	Peshawar Branch	JB Tower, Opposite Gul Haji Plaza, Ground Floor, University Road, Peshawar.
39	Cantt. Branch Peshawar	Shop No. 63-65 and 77-88, Deans Trade Center, Islamia Road Cantt., Peshawar.
40	Abdullah Mall	Abdullah Mall, Ground Floor, Kutchery Road, Gujrat.
41	Sialkot	Shop No. 13-15, Liberty Market, Aziz Shaheed Road, (Near Silver Spoon Restaurant) Cantt., Sialkot.
42	Bahawalpur	Shop No. 5, Haqqi Centre, Opposite Commissioner House, Adjacent to DIG House, Bahawalpur.
43	Sargodha	Shop No. 39, Raas Tower, Qasim Park, Opposite MCB Bank, Main University Road, Sargodha.
44	Abbottabad	Mansehra Road, Near Frontiers Motors, Opposite Faysal Bank, Abbottabad.
45	Mardan	Afaq Centre, Opposite Premier Sugar Mills, Nowshera Road, Mardan.
46	Sahiwal	Shop No. 1, Near Pearl Marriage Hall, Opposite Educators School, Girls College Road, Sahiwal.
47	Swat	Shop No. 01-08, City Center, Phase 3, G.T. Road, Qamber, Swat.
48	Mandi Bahauddin	Shop No. G9, Ground Floor, Hakim Mall, Jail Road, Mandi Bahauddin.
49	Jhelum	Deen Plaza, Civil Line Road, Jhelum.
50	Boulevard Mall	First Floor, A-14, Boulevard Mall, Auto Bhan Road, S.I.T.E., Hyderabad.
51	Burewala	Hall No. 01, The Empire Mall, Near Al-Habib Super Store, Canal Road, Burewala.
52	Quetta	Shop No. 1, Ground Floor, Millennium Mall, Gulistan Road, Quetta.
53	Muzaffarabad	Shop No. 1, Ground Floor, Al-Rahim Plaza, Neelum Valley Road (Lower Plate), Muzaffarabad.
54	Sheikhupura	Nishat Mall, Nishat Chowk, Jinnah Park, Sheikhupura.
55	D.G. Khan	Shop No. 32-33, Block No. 15, Traffic Chowk, Dera Ghazi Khan.
56	Rahim Yar Khan	5-Model Town, Near Town Hall, Opposite U Microfinance Bank, Rahim Yar Khan.
57	Lalamusa	Ground Floor and First Floor, Near Bihari Colony, Opposite Madarasa Ghousia, G.T. Road, Lalamusa.
58	Fair Price Shop Sukheki	Nishat Dairy, 1 K.M., Off Kot Sarwar Interchange, Sukheki.
59	Wah Cantt.	Shop No. 7-8, Lower Ground & Shop No. 7-8 Ground Floor, City Centre, Phase 2, New City, Wah Cantt.
60	Jalalpur Jattan	Musa Center, 1st Floor, Opposite Municipal Girls Model School, Circular Road, Jalalpur Jattan.
61	Fair Price Shop - Lahore	21 K.M., Ferozepur Road, Lahore.
62	Fair Price Shop – Bhikhi	Nishat Mills Limited, Weaving Unit Bhikhi, Sheikhupura.
63	Fair Price Shop –Faisalabad	Nishat Mills Limited, Nishatabad, Faisalabad.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

Sr. No.	Business Units	Address
64	Centaurus –KOA and Inglot	Shop No. 315, 3rd Floor, The Centaurus Mall, F-8, Islamabad.
65	Pakpattan	Jahangir Heights, Shop No. 02, Mandi Morr, Pakpattan.
66	DMC – Inglot*	D-3, 1st Floor, Dolmen City, Block 4, Scheme 5, Clifton, Karachi.
67	Emporium – Boutique*	Ground Floor, G-43, Emporium Mall, Lahore.
68	Swarovski Centaurus	Shop No. 159, 1st Floor, The Centaurus Mall, Islamabad.
69	Kartarpur*	Kiosk Market, Gurdwara Complex (Terminal 1), Kartarpur Corridor, Narowal.
70	Crystal Mall – Inglot	Crystal Mall, Chungi No. 9, Bosan Road, Multan.
71	Sargodha – Inglot	Plot No. 39, Raas Tower, Qasim Park, University Road, Sargodha.
72	Nishat Linen Tower	5-A-3, Mian Mahmood Ali Kasuri Road, Gulberg III, Lahore.
73	Factory Outlet - Lahore	Shop No. 160, Karim Block, Allama Iqbal Town, Lahore.
74	Bahria Town - Rawalpindi	Building 117, Civic Center, Phase 4, Bahria Town, Rawalpindi.
75	Al Barkat Center – Gujrat	Shop No. 1839-A, Al Barkat Center, Near Marinate Restaurant, G.T. Road, Gujrat.
76	Dera Ismail Khan	Opposite Liaqat Park, East Circular Road, Dera Ismail Khan.
77	Jhang	1 K.M., Faisalabad Road, Jhang Sadar.
78	Layyah	Shop No. 2, College Road, Layyah.
79	Mirpur	Shop No. 64, Qureshi Plaza, Sector F-1, Kotli Road, Mirpur Azad Kashmir.
80	Okara	Shop No. 436, Tehsil Road, Near Press Club, Okara.
81	Hafizabad	Javed Iqbal Plaza, Vanike Road, Hafizabad.
82	E-Store	Elahi Arcade, Plot No. H-3/A, Sector 5, EBM Causeway, Korangi Industrial Area, Karachi.
83	Phalia	Shop No. 01, Mall of Phalia, Gujrat Road, Phalia.
84	Satellite Town Rawalpindi	Chandni Chowk, Murree Road, Rawalpindi.
85	Royal Enterprises	22 K.M., Ferozepur Road, Lahore.
86	Swarovski – DMC	Shop No. 12, 2nd Floor, Dolmen Mall, Clifton, Karachi.
87	Nishat Linen Tower – Inglot	5-A-3, Mian Mahmood Ali Kasuri Road, Gulberg III, Lahore.
88	Nishat Linen Tower – Swarovski	5-A-3, Mian Mahmood Ali Kasuri Road, Gulberg III, Lahore.
89	Swarovski-WTC	Shop No. 11A, Ground Floor, Giga Mall, DHA Phase 2, Islamabad.
90	Dolmen Mall Lahore	Shop No. F-30, First Floor, Plot No. 158-A Sector A, Phase 6, DHA Lahore.
91	North Nazimabad Karachi	Plot No. D-10/A, Block H, Main Khayaban-e-Sher Shah Suri, North Nazimabad, Karachi.
92	Hyderabad	Shop No. 23-A, Unit 3, Main Auto Bhan Road, Hyderabad.
93	Vehari	Shop No.1, Ground and First Floor, Mall of Vehari, Hasilpur Road, Vehari.
94	Daska	Shop No.1, College Road, Daska.
95	Korangi Industrial Area	Plot No. S-1, Survey No. 231, Sector 2, Korangi Industrial Area, Karachi.
96	Gojra	Opposite Paradise City, Jhang Road, Gojra.
97	Haripur	Akhtar Nawaz Plaza, Main Haripur Road, Haripur.
98	Bahria Town	Shop No. 64-B, Sector C, Opposite Grand Jamia Masjid, Bahria Town, Lahore.
99	PWD Islamabad	Shop No. 418, PWD Housing Society, Sector C, Main PWD Road, Islamabad.
100	Islamabad B-17	Plot No. 3, Capital Square Mall, Ground Floor, Block C, Multi

Sr. No.	Business Units	Address
		Gardens Scheme, Islamabad.
101	Gujranwala Nazir Center	Shop No 2-4, Nazir Center, Opposite Toyota Motors, Chan Da Qila, G.T. Road, Gujranwala.
102	Boutique Dolmen Mall	Shop No. F-39, First Floor, Plot No. 158-A, Sector A, Phase 6, DHA Lahore.
103	Shalimar Link Road	Shop No. 13-B, Shalimar Link Road, Mughalpura, Lahore.
104	Alipur Chatha	Bahawal Plaza, Main Madina Chowk, Gujranwala Road, Alipur Chatha.
105	Zam Mall	Zam Shopping Mall, Bypass Chowk, Lower Dir, Timergara, Khyber Pakhtunkhwa.
106	Kharian	New Al-Muqeet Center, Shop No. 2 and 3, Block 3, G.T. Road, Kharian.
107	Swarovski Dolman Mall	Shop No. F-35, First Floor, Plot No. 158-A, Sector A, Phase 6, DHA Lahore.
108	KOA-Dolmen Mall	Shop No. S-62, Second Floor, Plot No. 158-A, Sector A, Phase 6, DHA Lahore.
109	KOA-Emporium Mall	Shop No. G-43, Emporium Mall, Abdul Haque Road, Johar Town, Lahore.
110	Boutique Gulberg Galleria	Shop No. 18, Main Boulevard, Gulberg III, Lahore.
111	Zeta Mall Islamabad	Zaraj housing Scheme, G.T. Road, Opposite DHA Phase 3, Gate 3, Islamabad.
112	Jinnah Icon Mall	First Floor, Plot No. 03, Sector 40, Main Jinnah Avenue, Karachi.
113	Pak-China Mall	Shop No. 01-10, 20 and 21, First Floor, Plot No. 26-A, Situated at Markaz, G- 09, Islamabad.
114	KOA-Packages Mall	Shop No. G-042, Packages Mall, Walton Road, Lahore.
115	Rawalpindi Saddar-Cantt	Plot No. 01 and 02, Aslam Plaza, Main Adamjee Road, Rawalpindi Cantt.

* These shops have been closed during the year.

NISHAT LINEN TRADING LLC

Nishat Linen Trading LLC is a limited liability company formed in pursuance to statutory provisions of the United Arab Emirates (UAE) Federal Law No. (8) of 1984 as amended and registered with the Department of Economic Development, Government of Dubai. Nishat Linen Trading LLC is a subsidiary of Nishat Mills Limited as Nishat Mills Limited, through the powers given to it under Article 11 of the Memorandum of Association, exercise full control on the management of Nishat Linen Trading LLC. Date of incorporation of Nishat Linen Trading LLC was 29 December 2010. The principal business of Nishat Linen Trading LLC is to operate retail outlets in UAE for sale of textile and related products. The registered office address of Nishat Linen Trading LLC in U.A.E. is Shop No. SC 128, Dubai Festival City, P.O. Box 28189 Dubai, United Arab Emirates and the retail outlets are located at:

Sr. No.	Business Units	Address
1	DFC Mall Store	Shop No. SC128, 1st Floor, Dubai Festival City, Dubai.
2	Dubai Outlet Store	Shop No. F29 & F30, 1st Floor Outlet Mall, Dubai.
3	Oasis Center Store	Shop No. M-101C 1st Floor, Oasis Centre, Dubai.
4	Meena Bazar Store	Shop No. 03(A), Al Esbeq Building, Souk Al Kabeer, Dubai.
5	Al Ghurair Mall	Shop No. FC34, 1st Floor, Al Ghurair Centre, Deira, Dubai.
6	Sharjah City Centre	Shop No. U-029, 1st Floor, City Centre, Sharjah.
7	Al Wahda Mall Store	Shop No. E122, 1st Floor, Al Wahda Mall, Abu Dhabi.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Sr. No.	Business Units	Address
8	Al Ain Mall Store	Shop No. F-39A, 1st Floor, Al Ain Mall, Al Ain, Abu Dhabi.
9	City Centre Mirdif Store	Shop No. C072, Ground Floor, City Centre, Mirdif, Dubai.
10	City Centre Al Zahia Store	Shop No. B-015, 2nd Floor, City Centre, Al Zahia, Sharjah.
11	City Centre Ajman	Shop No. B-016, Ground Floor, City Centre, Ajman.
12	Dubai E-Store	Plot No. Mo741, Jabel Ali Free Zone, P.O Box No. 114622, Dubai.

Pakgen Limited (Formerly: Pakgen Power Limited)

Pakgen Limited (Formerly: Pakgen Power Limited) was incorporated in Pakistan on 08 May 1994 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Pakgen Limited is a subsidiary of Nishat Mills Limited. The name of the Pakgen Power Limited has been changed to Pakgen Limited on 17 June 2026 pursuant to issuance of 'Certificate of Incorporation on Change of Company Name' by Securities and Exchange Commission of Pakistan after completing of all legal formalities. The registered office of Pakgen Limited is situated at 53-A, Lawrence Road, Lahore. The head office of Pakgen Limited is situated at 1-B, Aziz Avenue, Canal Road, Gulberg V, Lahore. The ordinary shares of Pakgen Limited are listed on the Pakistan Stock Exchange Limited. As explained below, the principal activity of the Subsidiary Company, now, is to buy, sell, hold or otherwise acquire or invest in any sort of financial instruments, either debt or equity, including but not limited to shares, stocks of companies, debentures, debenture stocks, bonds, mutual fund certificates, modaraba certificates, musharika certificates, sukuk, participation term certificates (PTCs), term finance certificates, unit trust certificates and any other marketable securities and/or certificates of any kind, obligations and securities issued or guaranteed by the Government of Pakistan. Ownership interest held by non-controlling interests in Pakgen Limited is 41.43%.

The Board of Directors of the Pakgen Limited in their meeting held on 31 March 2026 has approved a viable alternate business plan. The viable alternate business plan has duly been approved by the shareholders of Pakgen Limited in their Annual General Meeting held on 27 April 2026. Key features of the viable alternate business plans, which have already taken effect, are as follows:

- The name of the Company has been changed from "Pakgen Power Limited" to "Pakgen Limited";
- The principal line of business of Pakgen Limited has been changed from owning, operating and maintaining a 365 MW fuel fired power station. Accordingly, Memorandum of Association of the Company has been altered to reflect the change in principal line of business of the Company;
- Plant and machinery and sizeable part of buildings of Pakgen Limited have been classified as held for sale based on the shareholders' decision to dispose of, for the purposes of viable alternate business plan;
- Existing land and remaining building of Pakgen Limited located at Mehmood Kot, Muzaffargarh, Punjab have been classified as an investment property;
- Stores, spare parts and other consumables are in the process of disposal for the purposes of viable alternate business plan.

During the year, Pakgen Limited bought back and cancelled 179,932,988 shares from its shareholders other than the Holding Company. As a result, the Holding Company's shareholding in Pakgen Limited increased from 30.25% to 58.57% without acquiring any additional shares. Accordingly, the Holding Company obtained control over Pakgen Limited. Consequently, the investment has been reclassified from an equity accounted investee to investment in Subsidiary Company. Accordingly, results of Pakgen Limited have been consolidated from the date on which control was obtained. The detail is as follows:

	(RUPEES IN THOUSAND)
Fair value of the previously held equity interest	4,608,850
Non-controlling interest	7,117,714
	11,726,564
Less: Fair value of identifiable net assets acquired	(17,180,096)
Bargain purchase gain on recognition as Subsidiary Company	(5,453,532)

Detail of assets and liabilities recognised in these consolidated financial statements relating to Pakgen Limited is as follows:

	(RUPEES IN THOUSAND)
Assets	
Fixed assets	19,670
Investment properties	883,466
Long term investment	-
Long term loans to employees	5,147
Long term security deposits	300
Employee benefit - gratuity	1,576
Stores, spare parts and other consumables	421,756
Loans, advances and short term prepayments	2,703
Other receivables	132,045
Accrued interest	1,586
Short term investments	12,017,050
Cash and bank balances	179,293
Non-current assets classified as held for sale	3,818,783
Total assets	17,483,375
Liabilities	
Deferred income tax	44,318
Trade and other payables	70,035
Contract liabilities - unsecured	17,129
Taxation and levy – net	35,585
Unclaimed dividend	136,212
Total liabilities	303,279
Net assets	17,180,096

NISHAT USA, INC.

Nishat USA, INC. is a corporation incorporated under the Business Corporation Law of the State of New York. It is a wholly owned subsidiary of Nishat Mills Limited - Holding Company . Its registered office is situated at 230 Fifth Avenue, Suite 600, New York, NY 10001, U.S.A. The principal business of the Nishat USA, INC. is to provide marketing services to Nishat Mills Limited – Holding Company and sale of textile and related products in entire USA through USA based e-commerce platform, managing fulfilling center, and retail operations.

Geographical location and addresses of business units are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

Sr. No.	Business Units	Address
1	Registered Office	230 Fifth Avenue, Suite 600-601, New York, NY 10001, USA.
2	Warehouse	4010 Bluebonnet Suite 200, Stafford, Texas, USA.

NISHAT INTERNATIONAL FZE

Nishat International FZE is incorporated as free zone establishment with limited liability in accordance with the Law No. 9 of 1992 and licensed by the Registrar of Jebel Ali Free Zone Authority. Nishat International FZE is a wholly owned subsidiary of Nishat Mills Limited. Date of incorporation of Nishat International FZE was 07 February 2013. The registered office of Nishat International FZE is situated at P.O. Box 114622, Jebel Ali Free Zone, Dubai. The principal business of Nishat International FZE is trading in textile and related products.

CHINA GUANGZHOU NISHAT GLOBAL CO., LTD.

China Guangzhou Nishat Global Co., Ltd. is a company incorporated in People's Republic of China on 25 November 2013. It is a wholly owned subsidiary of Nishat International FZE which is a wholly owned subsidiary of Nishat Mills Limited. The primary function of China Guangzhou Nishat Global CO., LTD. is to competitively source products for the retail outlets operated by Group companies in Pakistan and the UAE. The registered office of China Guangzhou Nishat Global CO., LTD. is situated at N801, No. 371-375 East Huanshi Road, Yuexiu District, Guangzhou City, China.

NISHAT UK (PRIVATE) LIMITED

Nishat UK (Private) Limited is a private limited company incorporated in England and Wales on 15 October 2024. It is a wholly owned subsidiary of Nishat International FZE which is a wholly owned subsidiary of Nishat Mills Limited. The primary function of Nishat UK (Private) Limited is sale of textile and related products in England and Wales through UK based E-commerce platform, managing fulfilling center, and retail operations. The registered office of Nishat UK (Private) Limited is situated at 19 Pavement Square, Croydon, England, CR0 6TL.

NISHAT COMMODITIES (PRIVATE) LIMITED

Nishat Commodities (Private) Limited is a private limited company incorporated in Pakistan on 16 July 2015 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). It is a wholly owned subsidiary of Nishat Mills Limited. Its registered office is situated at 53-A, Lawrence Road, Lahore. The principal object of Nishat Commodities (Private) Limited is to carry on the business of trading of commodities including fuels, coals, building material in any form or shape manufactured, semi-manufactured, raw materials and their import and sale in Pakistan. Geographical location and addresses of all business units are as follows:

Sr. No.	Business Units	Address
1	Head office	5 K.M., Nishat Avenue, Off 22 K.M. Ferozepur Road, Lahore.
2	Registered office	Nishat House, 53 – A, Lawrence Road, Lahore.

WERNERFELT A/S

Wernerfelt A/S is a public limited company incorporated and existing under the laws of Denmark, having its principal place of business at Energivej 10, 8500 Grenaa, Denmark. Authorised as well as issued, subscribed and fully paid-up share capital of Wernerfelt A/S stand at 500,000 DKK (Danish Krone Five Hundred Thousand Only), divided into 50 ordinary shares of face value DKK 10,000 (Danish Krone Ten Thousand) each. Nishat Mills Limited acquired all of the aforementioned 50 ordinary shares of Wernerfelt A/S on 24 June 2024, representing the entire ownership and voting interest in Wernerfelt A/S and 100% of total issued and paid-up share capital of Wernerfelt A/S. Established more than 90 years ago, Wernerfelt A/S has a wealth of experience and knowledge in developing and supplying high quality fabrics for personal protection and workwear.

WERNERFELT SVERIGE AB

Wernerfelt Sverige AB is a limited liability company incorporated and existing under the laws of Sweden, having its principal place of business at Box 8000 - 50118 Borås, Skaraborgsvägen 3A, SE-506 30 Borås, Sweden. Wernerfelt Sverige AB is a wholly owned subsidiary of Wernerfelt A/S which is a wholly owned subsidiary of Nishat Mills Limited. Principal business of Wernerfelt Sverige AB is to conduct the sale of textiles and related activities.

b) Significant restrictions

Cash and bank balances held in foreign countries are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from these countries, other than through normal dividends. The carrying amount of these assets included within the consolidated financial statements to which these restrictions apply is Rupees 2,255.846 million (2025: Rupees 2,090.068 million).

2 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

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

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

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

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

b) Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of these 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 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 consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management. 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 and investment properties with

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

a corresponding effect on the depreciation charge and impairment.

Lease term for lease liability and right-of-use asset

The Group applies judgment to determine the lease term for lease contracts in which it is a lessee. The judgement significantly affects the amount of lease liabilities and right-of-use assets recognized.

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 realisable 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 and levy 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

For the financial year ended 30 June 2025 (Tax Year 2025) and subsequent periods, the Holding Company's income is subject to tax under the normal tax regime. Therefore, deferred tax has been recognised in respect of taxable and deductible temporary differences arising between the carrying amounts of assets and liabilities reported in the statement of financial position and their respective tax bases. The determination of the Holding Company's tax bases and the measurement of deferred tax involves the use of certain estimates and judgements. In preparing the income tax return for Tax Year 2025, the Holding Company's tax advisor applied certain estimates, judgements and bases in determining the Holding Company's taxable income and corresponding tax bases.

In determining the deferred tax balances as at 30 June 2026, the management has applied the same bases, estimates and judgements as were used in the preparation of the income tax return for Tax Year 2025, to determine the respective tax bases and temporary differences at the reporting date. Management considers that the continued application of these bases, estimates and judgements provides an appropriate basis for determining the deferred tax balances as at 30 June 2026.

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 recognised provision are recognised in the consolidated statement of profit or loss unless the provision was originally recognised 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.

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 Group 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.

Impairment of investments in equity method accounted for associates

In making an estimate of recoverable amount of the Group's investments in equity method accounted for associates, the management considers future cash flows.

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”.

d) Amendments to published approved accounting standard 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 2025:

- Amendments to IAS 21 ‘The Effects of Changes in Foreign Exchange Rates’ – Lack of Exchangeability.

The above-mentioned amendments to approved accounting standard 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 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.

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 2026 or later periods:

Amendments to IFRS 10 ‘Consolidated Financial Statements’ and IAS 28 ‘Investments in Associates and Joint Ventures’ (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor’s

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For the year ended June 30, 2026

financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after 01 January 2026). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVTOCI.

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Contracts Referencing Nature–dependent Electricity (effective for annual reporting periods beginning on or after 01 January 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.

On 13 November 2025, the International Accounting Standards Board (IASB) issued Translation to a Hyperinflationary Presentation Currency (effective for annual reporting periods beginning on or after 1 January 2027), which amended IAS 21, The Effects of Changes in Foreign Exchange Rates. The amendments specify the translation procedures to be applied by an entity whose presentation currency is the currency of a hyperinflationary economy. The amendments also introduce additional disclosure requirements to enable users of financial statements to understand the effects of translating financial information into a hyperinflationary presentation currency.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

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

The above standards, amendments and improvements are likely to have no significant impact on the consolidated financial statements

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Group

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2026 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

2.2 Consolidation

a) Subsidiaries

Subsidiaries are all 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The assets and liabilities of Subsidiary Companies have been consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary Companies.

Intragroup balances and transactions have been eliminated.

Non-controlling interests are that part of net results of the operations and of net assets of Subsidiary Companies attributable to interest which are not owned by the Holding Company. Non-controlling interests are presented as separate item in the consolidated financial statements.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in equity method accounted for associates are tested for impairment in accordance with the provision of IAS 36 'Impairment of Assets'.

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For the year ended June 30, 2026

c) Translation of the financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries of which the functional currency is different from that used in preparing the Group's financial statements are translated in functional currency of the Group. Statement of financial position items are translated at the exchange rate at the reporting date and statement of profit or loss items are converted at the average rate for the period. Any resulting translation differences are recognized under exchange translation reserve in consolidated reserves.

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 associates or joint arrangements on distribution of dividend to the Group's companies, 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 consolidated statement of profit or loss. Tax (final tax) deducted by associates or joint arrangements on distribution of dividend to the Group's companies is charged as current tax in the consolidated 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 years.

The profits and gains of Nishat Power Limited - Subsidiary Company derived from electric power generation are exempt from tax in terms of Clause (132) of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein. Under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the Subsidiary Company is also exempt from levy of minimum tax on 'turnover' under section 113 of the Income Tax Ordinance, 2001. However, full provision is made in the consolidated statement of profit or loss on income from sources not covered under the above clause at current rates of taxation after taking into account, tax credits and rebates available, if any. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment. Nishat Power Limited - Subsidiary Company measures its tax balance either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Provision for income tax on the income of foreign subsidiaries is computed in accordance with the tax legislation in force in the country where the income is taxable.

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 consolidated 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 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non

controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. Goodwill is not amortised but is reviewed for impairment at least annually.

2.5 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 costs of bringing the asset to working condition. Freehold land 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.

Depreciation

Depreciation on operating fixed assets is charged to consolidated statement of profit or loss applying the reducing balance method, except in case of Nishat Power Limited, Nishat International FZE, China Guangzhou Nishat Global Co., Ltd., Nishat UK (Private) Limited, Wernerfelt A/S, Wernerfelt Sverige AB, Pakgen Limited (Formerly: Pakgen Power Limited) and Nishat Linen Trading LLC (Subsidiary Companies), where this accounting estimate is based on straight line method, so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 16.1. Depreciation on identifiable capital spares in plant and machinery of Nishat Power Limited – Subsidiary Company and Pakgen Limited (Formerly: Pakgen Power Limited) – Subsidiary Company is charged on the basis of number of hours used. The depreciation is charged on additions from the date when the asset is available for use and on deletions upto the date when the asset is de-recognized, except in case of Nishat Power Limited – Subsidiary Company and Pakgen Limited (Formerly: Pakgen Power Limited) – Subsidiary Company, where's full month depreciation is charged in the month in which the asset is available for use and on deletion up to the month immediately preceding the deletion. The residual values and useful lives 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.

Major spare parts and stand-by equipment

Major spare parts and stand-by equipment qualify as property, plant and equipment when an entity

expects to use them for more than one year. Transfers are made to relevant operating fixed assets category as and when such items are available for use.

2.6 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties except land, are stated at cost less accumulated depreciation and any recognized impairment loss. Land is stated at cost less any recognized impairment loss. Depreciation is charged to consolidated statement of profit or loss applying the straight line method so as to write off the cost of buildings and air strip over its estimated useful lives.

2.7 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 expenditures 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 amortised using the straight line method over estimated useful life. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

2.8 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 income as incurred.

2.9 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 respective Group 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 amortised 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.

Nishat Power Limited - Subsidiary Company has a Power Purchase Agreement (PPA) with its sole

customer, CPPA-G for twenty five years and sixty eight days which commenced from 09 June 2010. SECP through SRO 986(I)/2019 dated 02 September 2019, has granted exemption from the requirements of IFRS 16 'Leases' to all companies to the extent of their power purchase agreements executed before 01 January 2019. Therefore, IFRS 16 will not have any impact on the consolidated financial statements to the extent of power purchase agreement of Nishat Power Limited - Subsidiary Company.

Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a finance lease. Nishat Power Limited - Subsidiary Company's power plant's control due to purchase of total output by CPPA-G appears to fall under the scope of finance lease under IFRS 16. Consequently, if Nishat Power Limited - Subsidiary Company was to follow IFRS 16 with respect to its power purchase agreement, the effect on these consolidated financial statements would be as follows:

	2026	2025
	(Rupees in thousand)	
De-recognition of fixed assets	(6,719,555)	(7,333,790)
De-recognition of trade debts	(611,516)	(956,337)
Recognition of lease debtor	3,724,092	4,205,716
Decrease in un-appropriated profit at the beginning of the year	(4,122,940)	(4,598,504)
Increase in profit for the year	477,431	475,564
Decrease in un-appropriated profit at the end of the year	(3,645,509)	(4,122,940)

2.10 Investments 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 amortised cost. Interest income from these financial assets is included in other income using the effective interest method. Any gain or loss arising on derecognition is recognised 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 recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest 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 amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or fair value is determined using valuation techniques that incorporate significant inputs not based on observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the consolidated statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

2.11 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.

2.12 Impairment of financial assets

a. Financial assets other than those due from Government of Pakistan

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a matrix that is based on the Group 's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and

supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the 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.

b. Financial assets due from Government of Pakistan

Financial assets due from the Government of Pakistan include trade debts and other receivables due from CPPA-G under the PPA that also includes accrued amounts. SECP through SRO 25(I)/2026 dated 06 January 2026 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable till financial year ending on or before 31 December 2026 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the same continue to be reported as per the following accounting policy:

A provision for impairment is established when there is objective evidence that the Nishat Power Limited – Subsidiary Company will not be able to collect all the amount due according to the original terms of the receivable.

The Nishat Power Limited – Subsidiary Company assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of profit or loss. If, in a

subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

2.13 De-recognition of financial assets and financial liabilities

a) Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

b) Financial liabilities

The Group derecognizes a financial liability (or a part of financial liability) from its consolidated statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.14 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 - Production

Cost of raw material, 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

Stock-in-trade – Retail

Stock-in-trade is valued principally at weighted average cost.

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.

2.15 Trade debts and other receivables

Trade debts are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

However, in respect of holding financial assets by Nishat Power Limited – Subsidiary Company due from CPPA-G under the PPA that also includes accrued amounts, SECP through SRO 25(I)/2026 dated 06 January 2026 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable till financial year ending on or before 31 December 2026 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period.

2.16 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.

2.17 Borrowing cost

Interest, mark-up and other charges on finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such finances. All other interest, mark-up and other charges are recognized in consolidated statement of profit or loss.

2.18 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.

2.19 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Processing services

The Group provides processing services to local customers. These services are sold separately and the Group'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 Group's contracts with its customers.

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised 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.

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Sale of electricity

Revenue from the sale of electricity to CPPA-G, the sole customer of Nishat Power Limited – Subsidiary Company, is recorded on the following basis:

Capacity purchase price revenue is recognized over time, based on the capacity made available to CPPA-G, at rates as specified under the PPA with CPPA-G, as amended from time to time; and Energy purchase price revenue is recognized at a 'point in time', as and when the Net Electrical Output (NEO) are delivered to CPPA-G.

Capacity and Energy revenue is recognized based on the rates determined under the mechanism laid down in the PPA.

Invoices are generally raised on a monthly basis and are due after 30 days from acknowledgment by CPPA-G.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

2.20 Contract assets

Contract assets arise when the Group performs its performance obligations by transferring goods and services to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.21 Customer acquisition costs

Customer acquisition costs are capitalised 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 amortised 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.

2.22 Customer fulfilment costs

Customer fulfilment costs are capitalised 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 fulfilment costs are amortised on a straight-line basis over the term of the contract.

2.23 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.

2.24 Contract liabilities

Contract liability is the obligation of the Group to transfer goods and services 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

2.25 Refund liabilities

Refund liabilities are recognised 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.

2.26 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.

2.27 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.

2.28 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.

2.29 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 consolidated 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 and 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 consolidated statement of profit or loss.

2.30 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the consolidated 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 consolidated statement of profit or loss.

2.31 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.

2.32 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component 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 other components. An operating segment's operating results are reviewed regularly by the chief operating decision makers 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 operating decision makers 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.

There are following reportable business segments: Spinning (Producing different quality of yarn including dyed yarn and sewing thread using natural and artificial fibres), Weaving (Producing different quality of greige fabric using yarn), Dyeing (Producing dyed fabric using different qualities of greige fabric), Denim (Manufacturing of denim fabric using yarn), Workwear (Manufacturing of specialized processed workwear fabric using greige fabric), Home Textile and Terry (Manufacturing of home textile articles using processed fabric produced from greige fabric and manufacturing of terry and bath products), Garments (Manufacturing of garments using processed fabric), Power Generation (Generation, transmission and distribution of power using gas, oil, steam, coal, solar and biomass), Hotel (Business of hotel and allied services) and Investment (Buy, sell, hold or otherwise acquire or invest in any sort of financial instruments).

Inter segment sales and purchases are eliminated from the total.

2.33 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group 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.

3. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Employee benefits

Nishat Mills Limited – Holding Company, Nishat Power Limited, Pakgen Limited (Formerly: Pakgen Power Limited) and Nishat Linen (Private) Limited – Subsidiary Companies operate approved funded provident fund schemes covering all permanent employees. Equal monthly contributions are made both by the employer and employees to the funds. The employer's contributions to the fund are charged to consolidated statement of profit or loss.

End of service indemnity - Nishat Linen Trading LLC and Nishat International FZE – Subsidiary Companies

Amounts required to cover end of service indemnity at the reporting date are computed pursuant to the United Arab Emirates Federal Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

3.2 Defined benefit plan

Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company operates a funded gratuity scheme for all of its employees who have completed the qualifying period as defined under the scheme. As per gratuity scheme, employees of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company are entitled to gratuity equivalent to last drawn salary multiplied by the numbers of year of service up to the date of leaving Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. The liability recognised in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The charge for the period is based on actuarial valuation. The latest actuarial valuation was carried out as at 30 June 2026 using projected unit credit method. The amount arising as a result of remeasurements are recognised immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service costs are recognised immediately in profit or loss.

3.3 Foreign currencies

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. 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.

3.4 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.

3.5 Non–current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

3.6 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.

3.7 Dividend and other appropriations

Dividend distribution to the shareholders is recognized as a liability in the consolidated financial statements in the periods 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

Earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year.

3.9 Ijarah contracts

Under the Ijarah contracts the Group obtains usufruct of an asset for an agreed period for an agreed consideration. The Group accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Group as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit and loss on straight line basis over the Ijarah term.

4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2026	2025		Note	2026	2025
(Number of Shares)				(Rupees in thousand)	
270,446,606	270,446,606	Ordinary shares of Rupees 10 each fully paid up in cash		2,704,466	2,704,466
2,804,079	2,804,079	Ordinary shares of Rupees 10 each issued to shareholders of Nishat Apparel Limited under the Scheme of Amalgamation		28,041	28,041
23,577,990	23,577,990	Ordinary shares of Rupees 10 each issued as fully paid for consideration other than cash	4.1	235,780	235,780
54,771,173	54,771,173	Ordinary shares of Rupees 10 each issued as fully paid bonus shares		547,712	547,712
351,599,848	351,599,848			3,515,999	3,515,999

4.1 These mainly include shares issued to members of Umer Fabrics Limited as per the Scheme of Arrangement as approved by the Honourable Lahore High Court, Lahore.

4.2 Ordinary shares of the Holding Company held by the associated companies:

	2026	2025
	(Number of Shares)	
D.G. Khan Cement Company Limited	30,289,501	30,289,501
Adamjee Insurance Company Limited	2,050	2,050
Security General Insurance Company Limited	396,661	186,030
Nishat (Aziz Avenue) Hotels and Properties Limited	405,000	405,000
Nishat Real Estates Development Company (Private) Limited	127,000	127,000
	31,220,212	31,009,581

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		(Number of Shares)	
5 RESERVES			
Composition of reserves is as follows:			
Capital reserves			
Premium on issue of right shares	5.1	5,499,530	5,499,530
Fair value reserve FVTOCI investments - net of deferred income tax	5.2	42,197,297	25,990,483
Exchange translation reserve	2.2(c)	599,709	729,462
Statutory reserve	5.3	17,399	15,469
Capital redemption reserve fund	5.4	111,002	111,002
Overhauling reserve	5.5	3,385,434	3,228,157
		51,810,371	35,574,103
Revenue reserves			
General		116,740,214	114,341,214
Unappropriated profit		14,308,068	3,102,383
		131,048,282	117,443,597
		182,858,653	153,017,700

5.1 This reserve can be utilized by the Holding Company only for the purposes specified in section 81 of the Companies Act, 2017.

5.2 This represents the unrealized gain on re-measurement of investments at fair value through other comprehensive income and is not available for distribution. Reconciliation of fair value reserve net of deferred tax is as under:

	2026	2025
	(Rupees in thousand)	
Balance as on 01 July	28,064,394	17,176,521
Fair value adjustment on investments held by the Holding Company	11,124,783	7,346,637
Less: Transfer of gain on sale of FVTOCI investments to unappropriated profit	(52,414)	(116,059)
Share of fair value reserve of associates	5,900,611	3,657,295
	45,037,374	28,064,394
Less: Deferred income tax on equity investments	(2,854,214)	(2,073,911)
	42,183,160	25,990,483
Add: Attributable to non controlling interest	14,137	-
Balance as on 30 June	42,197,297	25,990,483

5.3 As required by UAE Federal Law No. (2) of 2015 and the Articles of Association of Nishat Linen Trading LLC - Subsidiary Company, 5% (2025: 5%) of the profit for the year has to be transferred to a legal reserve until it is equivalent to 50% of paid-up capital of the Subsidiary Company. This reserve is not available for distribution.

5.4 An equity accounted associate created the fund for redemption of preference shares. The preference shares were redeemed during the year ended 30 June 2007.

5.5 This capital reserve is set aside from retained earnings for the purpose of repair and maintenance costs associated with overhauling of the plant of Nishat Power Limited - Subsidiary Company and Nishat Chunian Power Limited - associated company. Any utilization of overhauling reserve is transferred to retained earnings in the period in which actual overhauling is carried out.

	Note	2026	2025
		(Rupees in thousand)	
6 LONG TERM FINANCING			
From banking companies - secured			
Syndicated term finance	6.1	7,500,000	7,500,000
Long term loans	6.2	12,718,268	13,710,517
Long term musharika	6.3	10,662,122	7,461,131
Motor vehicles' loans	6.8	-	564
		30,880,390	28,672,212
Less: Current portion shown under current liabilities	13	(3,381,596)	(3,295,456)
		27,498,794	25,376,756

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For the year ended June 30, 2026

Lender	2026	2025	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
6.1 Syndicated term finance							
Nishat Mills Limited - Holding Company							
From conventional bank							
Allied Bank Limited - Intercreditor agent	2,000,000	2,000,000	3 months offer KIBOR + 0.2%	Twenty eight equal quarterly installments commencing on 13 February 2027 and ending on 13 November 2033.	Quarterly	Quarterly	First pari passu hypothecation charge of Rupees 10,000 million over all present and future movable and immovable assets (other than land and buildings) of the Holding Company with 25% margin.
Islamic mode of financing							
Meezan Bank Limited	4,000,000	4,000,000					
Askari Bank Limited	1,500,000	1,500,000					
	7,500,000	7,500,000					
6.2 Long term loans							
Nishat Mills Limited - Holding Company							
Allied Bank Limited	-	1,390	SBP rate for LTFF + 0.25%	Four hundred and eighty four unequal installments commenced on 28 December 2018 and ended on 14 July 2025 (Note 6.4).	-	Quarterly	
Allied Bank Limited	8,423	119,961	SBP rate for LTFF + 0.25%	Two hundred and twenty unequal installments commenced on 26 January 2020 and ending on 17 September 2026 (Note 6.4).	-	Quarterly	Note 6.6
Allied Bank Limited	357,170	-	SBP Policy Rate - 3.00%	Thirty two equal quarterly installments commencing on 28 April 2028 and ending on 28 January 2036.	-	Quarterly	
Allied Bank Limited	22,272	66,815	SBP rate for LTFF + 0.35%	Sixty unequal installments commenced on 24 January 2022 and ending on 28 October 2026.	-	Quarterly	First pari passu charge of Rupees 1,267 million over all present and future plant, machinery and equipment of the Holding Company (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in the favour of its existing charge holders / creditors).
	48,131	152,297	SBP rate for LTFF + 0.50%	Four hundred and forty three unequal installments commenced on 06 May 2021 and ending on 11 February 2027.	-	Quarterly	

Lender	2026	2025	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
	-	15,000	SBP rate for financing power plants using renewable energy + 0.50%	Twenty equal quarterly installments commenced on 14 May 2021 and ended on 14 February 2026.	-	Quarterly	
	70,403	234,112					
Allied Bank Limited	64,103	74,359	SBP rate for financing power plants using renewable energy + 4.00%	Thirty nine equal quarterly installments commenced on 03 February 2023 and ending on 03 August 2032.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over all present and future plant, machinery and equipment of the Holding Company (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in the favour of its existing creditors).
Allied Bank Limited	629,020	715,209	3 Month offer KIBOR + 0.25%	Seven hundred unequal installments commenced on 28 January 2025 and ending on 09 August 2033.	Quarterly	Quarterly	
	67,211	77,169	SBP Rate for financing power plants using renewable energy + 3.00%	Thirty two equal quarterly installments commenced on 18 April 2025 and ending on 18 January 2033.	-	Quarterly	
	696,231	792,378					
Askari Bank Limited	44,620	109,048	SBP rate for LTFF + 0.65%	Two hundred and forty six unequal installments commenced on 23 February 2022 and ending on 16 July 2027.	-	Quarterly	First pari passu hypothecation charge of Rupees 467 million over all present and future plant, machinery and equipment (excluding all exclusive charges over plant and machinery) of the Holding Company.
Bank Alfalah Limited	12,307	56,050	SBP rate for LTFF + 0.50%	One hundred unequal installments commenced on 23 December 2021 and ending on 21 October 2026.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders).
Bank Alfalah Limited	173,117	341,669	SBP rate for TERF + 1.00%	Sixty unequal installments commenced on 28 August 2022 and ending on 15 July 2027 (Note 6.5).	-	Quarterly	
Bank Alfalah Limited	250,000	-	SBP Policy Rate - 3.00%	Thirty two equal quarterly installments commencing on 30 January 2028 and ending on 30 October 2035.	-	Quarterly	First pari passu charge of Rupees 334 million on all present and future plant and machinery of the Holding Company with 25% margin.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

Lender	2026	2025	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
Faysal Bank Limited	-	29,636	SBP rate for LTFF + 0.30%	Eighty unequal installments commenced on 18 January 2020 and ended on 05 November 2025 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 400 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in the favour of existing creditors).
Habib Bank Limited	1,258,891	1,486,025	SBP rate for LTFF + 0.75%	Eleven hundred and sixty five unequal installments commenced on 28 November 2023 and ending on 22 April 2032.	-	Quarterly	First pari passu hypothecation charge of Rupees 4,000 million on all present and future fixed assets of the Holding Company excluding specific and exclusive charges.
Habib Bank Limited	-	74,141	SBP rate for LTFF + 0.25%	Twenty quarterly installments commenced on 27 February 2020 and ended on 27 November 2025 (Note 6.4).	-	Quarterly	First pari passu charge of Rupees 4,084 million over all present and future plant, machinery and equipment of the Holding Company (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in the favour of its existing creditors).
Habib Bank Limited	1,171,875	1,359,375	3 Month offer KIBOR + 0.20%	Thirty two quarterly installments commenced on 28 December 2024 and ending on 28 September 2032.	Quarterly	Quarterly	
Habib Bank Limited	565,620	-	SBP Policy Rate - 3.00%	Thirty two equal quarterly installments commencing on 02 March 2028 and ending on 02 December 2035.	-	Quarterly	
Habib Bank Limited	4,497,719	4,963,000	3 Month offer KIBOR + 0.20%	Thirty two equal quarterly installments commenced on 31 December 2025 and ending on 30 September 2033.	Quarterly	Quarterly	First pari passu charge of Rupees 6,667 million over all present and future plant, machinery and equipment of the Holding Company (excluding specific and exclusive charges in the favour of existing charge holders) with 25% margin.
Habib Metropolitan Bank Limited	6,685	206,185	SBP rate for LTFF + 0.65%	One hundred and twenty unequal installments commenced on 24 September 2021 and ending on 07 September 2026.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders).

Lender	2026	2025	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
Habib Metropolitan Bank Limited	618,190	738,706	SBP rate for TERF + 0.85%	One hundred and twenty eight unequal installments commenced on 19 July 2023 and ending on 29 July 2031 (Note 6.5).	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million over plant and machinery of the Holding Company (excluding plant and machinery in respect of which the Holding Company has created exclusive charges in favour of its existing creditors).
National Bank of Pakistan	527,758	627,758	SBP rate for TERF + 1.50%	One hundred and ninety two unequal installments commenced on 17 September 2023 and ending on 04 October 2031.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charges holders / creditors).
United Bank Limited	1,392,355	1,667,239	SBP Rate for TERF + 1.25%	Five hundred and seventy five unequal installments commenced on 08 July 2023 and ending on 02 September 2031 (Note 6.5).	-	Quarterly	First pari passu hypothecation charge of Rupees 3,000 million over all present and future plant and machinery (excluding those assets over which exclusive charges has already been created in favour of existing creditors) of the Holding Company.
Pakistan Kuwait Investment Company (Private) Limited	210,021	376,397	SBP rate for LTFF + 0.65%	Seventy two unequal installments commenced on 10 May 2021 and ending on 13 January 2028.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,334 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders / creditors) of the Holding Company with 25% margin.
Pakistan Kuwait Investment Company (Private) Limited	380,904	443,406	SBP rate for LTFF + 0.90%	Three hundred and ten unequal installments commenced on 29 July 2024 and ending on 21 July 2032.	-	Quarterly	First pari passu charge of Rupees 667 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders / creditors) of the Holding Company with 25% margin.
Pakistan Kuwait Investment Company (Private) Limited	406,497	-	SBP Policy Rate - 3.00%	Sixty four unequal installments commencing on 23 December 2027 and ending on 20 May 2036.	-	Quarterly	First pari passu hypothecation charge of Rupees 1,000 million on all present and future plant and machinery (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders / creditors) of the Holding Company with 25% margin.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

Lender	2026	2025	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
Nishat Linen (Private) Limited - Subsidiary Company							
Allied Bank Limited	5,379	9,682	SBP rate for financing power plants using renewable energy + 1.00%	Twenty three equal quarterly installments commenced on 28 January 2022 and ending on 28 July 2027.	-	Quarterly	First pari passu hypothecation charges of Rupees 67 million over all present and future current assets of Nishat Linen (Private) Limited - Subsidiary Company with 25% margin and cross corporate guarantee of Rupees 667 million of the Holding Company.
	12,718,268	13,710,517					

6.3 Long term musharika

Nishat Mills Limited - Holding Company							
Faysal Bank Limited	5,000,000	5,000,000	3 Month offer KIBOR + 0.05%	Ten equal semi annual installments commencing on 30 December 2028 and ending on 18 May 2033.	Quarterly	Quarterly	First pari passu charge of Rupees 6,667 million over all present and future plant, machinery and equipment of the Holding Company (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders / creditors).
Faysal Bank Limited	1,400,000	1,800,000	3 Month offer KIBOR + 0.15%	Ten equal quarterly installments commencing on 30 June 2026 and ending on 27 December 2029.	Quarterly	Quarterly	First pari passu charge of Rupees 2,667 million over present and future plant, machinery and equipment of the Holding Company (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders / creditors).
Faysal Bank Limited	190,278	400,312	SBP rate for ILTFF + 0.70%	Two hundred and sixty five unequal installments commenced on 24 March 2022 and ending on 10 August 2027.	-	Quarterly	First pari passu charge of Rupees 2,200 million over all present and future plant, machinery and equipment of the Holding Company (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in favour of its existing charge holders / creditors).
	144,544	260,819	SBP rate for islamic renewable energy financing scheme + 0.70%	One hundred unequal installments commenced on 07 July 2022 and ending on 06 July 2028.	-	Quarterly	
	334,822	661,131					

Lender	2026	2025	Rate of Interest Per Annum	Number of Installments	Interest Repricing	Interest Payable	Security
	(Rupees in thousand)						
MCB Islamic Bank Limited - related party	300,000	-	3 Month offer KIBOR + 0.05%	Sixteen equal quarterly installments commencing on 31 October 2027 and ending on 31 July 2031.	Quarterly	Quarterly	First pari passu charge of Rupees 400 million on all present and future plant and machinery of the Holding Company with 25% margin.
Allied Bank Limited	1,498,000	-	3 Month offer KIBOR + 0.05%	Thirty two equal quarterly installments commencing on 22 March 2028 and ending on 22 December 2035.	Quarterly	Quarterly	Note 6.6
Meezan Bank Limited	629,300	-	SBP Policy Rate - 3.00%	Thirty two equal quarterly installments commencing on 21 August 2028 and ending on 21 May 2036.	-	Quarterly	Ranking pari passu hypothecation charge (which will be upgraded to first pari passu hypothecation charge within 180 days from the date of first drawdown) of Rupees 3,334 million on all present and future plant and machinery of the Holding Company with 25% margin.
	1,500,000	-	3 Month offer KIBOR + 0.05%	Thirty two equal quarterly installments commencing on 22 September 2028 and ending on 22 June 2036.	Quarterly	Quarterly	
	2,129,300	-					
	10,662,122	7,461,131					

6.4 Repayment period includes deferment of repayment of principal loan amount by one year in accordance with the State Bank of Pakistan BPRD Circular Letter No. 13 of 2020 dated 26 March 2020.

6.5 These loans are obtained by the Holding Company under SBP Temporary Economic Refinance Facility (TERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rates ranging from 2.34% to 2.60% per annum.

6.6 These facilities are secured against first pari passu charge of Rupees 2,601 million over all present and future plant, machinery and equipment of the Holding Company (excluding plant and machinery in respect of which the Holding Company has already created exclusive charges in the favour of its existing creditors).

6.7 Effective rate of markup charged during the year on these financing ranged from 2.25% to 12.05% (2025: 2.25% to 21.99%) per annum.

6.8 This represented loan obtained by Nishat International FZE - Subsidiary Company from a bank for purchase of a vehicle at an interest rate of 7.47% (2025:7.47%) per annum and was repaid in 48 monthly installments.

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For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
7 LEASE LIABILITIES			
Total lease liabilities		4,024,515	3,494,042
Less: Current portion shown under current liabilities	13	(1,406,069)	(1,256,457)
		2,618,446	2,237,585
7.1 Reconciliation of lease liabilities			
Balance as on 01 July		3,494,042	2,577,325
Add: Additions during the year		836,546	1,354,102
Add: Interest accrued on lease liabilities	39	411,772	376,187
Add: Impact of lease modifications / renewals		1,198,539	778,658
Less: Impact of lease terminations		(152,953)	(106,933)
Less: Payments during the year		(1,728,809)	(1,523,508)
Add: Currency retranslation		(34,622)	38,211
Balance as on 30 June		4,024,515	3,494,042
7.2 Maturity analysis of lease liabilities is as follows:			
Upto 6 months		901,565	938,560
6-12 months		860,240	886,599
1-2 year		1,429,799	1,393,271
More than 2 years		1,731,484	1,265,460
		4,923,088	4,483,890
Less: Future finance cost		(898,573)	(989,848)
Present value of finance lease liabilities		4,024,515	3,494,042

7.3 Implicit rate against lease liabilities ranges from 1.70% to 23.90% (2025: 4.50% to 24.33%) per annum.

8 SECURITY DEPOSITS

These represent interest free security deposits received from stockists in connection with 'Nishat Linen' retail outlets in Pakistan and from others. These security deposits have been utilized for the purpose of business in accordance with the terms of written agreements.

	Note	2026	2025
		(Rupees in thousand)	
9. DEFERRED LIABILITIES			
Deferred income tax	9.1	9,597,429	10,060,356
Gas Infrastructure Development Cess (GIDC) payable	9.2	-	-
Deferred income - Government grant	9.3	13,251	20,937
Payable to Lars Lauridsen Holding ApS	9.4	124,082	233,134
		9,734,762	10,314,427

	Note	2026	2025
		(Rupees in thousand)	
9.1 Deferred income tax			
The liability for deferred taxation originated due to temporary difference relating to:			
Taxable temporary differences on:			
Investments in associates under equity method		7,179,934	7,777,355
Right-of-use assets		798,750	821,306
Equity investments at FVTOCI		2,854,214	2,073,911
Accelerated tax depreciation	9.1.4	-	1,972,613
Unrealized gain on FVTPL investments		6,801	-
Deductible temporary differences on:			
Decelerated tax depreciation		(1,617,395)	-
Turnover tax carried forward	9.1.3	(4,114,852)	(1,151,287)
Lease liabilities		(946,630)	(997,969)
Unabsorbed tax depreciation	9.1.2	(3,628,271)	(309,084)
Loss arising on initial recognition of long term investment at fair value		(118,172)	-
Expected credit loss against debtors		(10,824)	(11,499)
Expected credit loss against other advances		(60,435)	(81,275)
Business loss	9.1.5	(156,243)	(33,715)
		186,877	10,060,356
Deferred tax asset not recognized in these consolidated financial statements		9,410,552	-
Deferred tax recognized in these consolidated financial statements		9,597,429	10,060,356

9.1.1 Movement in taxable temporary differences and deductible temporary differences during the year is as follows:

	2026				
	Opening Balance	Adjustment relating to Pakgen Limited (Formerly: Pakgen Power Limited) (Note 1)	Recognised in consolidated statement of profit or loss	Recognised in other comprehensive income	Closing Balance
	Rupees in thousand				
Investments in associates under equity method	7,777,355	-	(597,421)	-	7,179,934
Right-of-use assets	821,306	-	(22,556)	-	798,750
Equity investments at FVTOCI	2,073,911	-	-	780,303	2,854,214
Accelerated / (decelerated) tax depreciation	1,972,613	11	(3,590,019)	-	(1,617,395)
Unrealized gain on FVTPL investments	-	44,307	(37,506)	-	6,801
Turnover tax carried forward	(1,151,287)	-	(2,963,565)	-	(4,114,852)
Lease liabilities	(997,969)	-	51,339	-	(946,630)
Unabsorbed tax depreciation	(309,084)	-	(3,319,187)	-	(3,628,271)
Expected credit loss against debtors	(11,499)	-	675	-	(10,824)
Expected credit loss against other advances	(81,275)	-	20,840	-	(60,435)
Loss arising on initial recognition of long term investment at fair value	-	-	(118,172)	-	(118,172)
Business loss	(33,715)	-	(122,528)	-	(156,243)
	10,060,356	44,318	(10,698,100)	780,303	186,877
Deferred tax asset not recognized in these consolidated financial statements	-	-	9,410,552	-	9,410,552
Deferred tax recognized in these consolidated financial statements	10,060,356	44,318	(1,287,548)	780,303	9,597,429

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	2025				
	Opening Balance	Adjustment relating to Nishat Hospitality (Private) Limited (Note 44)	Recognised in consolidated statement of profit or loss	Recognised in other comprehensive income	Closing Balance
	Rupees in thousand				
Investments in associates under equity method	5,995,682	-	1,781,673	-	7,777,355
Right-of-use assets	501,936	-	319,370	-	821,306
Equity investments at FVTOCI	1,586,085	-	-	487,826	2,073,911
Accelerated tax depreciation	391,173	(84,992)	1,666,432	-	1,972,613
Fair value of forward exchange contracts receivable	17,260	-	(17,260)	-	-
Turnover tax carried forward	(848,652)	-	(302,635)	-	(1,151,287)
Lease liabilities	(698,575)	-	(299,394)	-	(997,969)
Accumulating compensated absences	(2,182)	2,182	-	-	-
Unabsorbed tax depreciation	(196,632)	158,213	(270,665)	-	(309,084)
Expected credit loss against debtors	(13,938)	211	2,228	-	(11,499)
Expected credit loss against other advances	(81,275)	-	-	-	(81,275)
Business loss	(96,012)	-	62,297	-	(33,715)
Fair value of forward exchange contracts payable	(7,563)	-	7,563	-	-
	6,547,307	75,614	2,949,609	487,826	10,060,356

9.1.2 Deferred tax asset has been recognised to the extent that the realisation of related tax benefits is probable from future taxable profits. Details of unabsorbed tax depreciation relating to Nishat Mills Limited - Holding Company and Nishat Linen (Private) Limited - Subsidiary Company and business loss relating to Nishat Linen (Private) Limited - Subsidiary Company against which deferred tax asset of Rupees 216.022 million has been recognised is as follows:

Accounting year to which this relates	Unabsorbed tax depreciation		Business loss	
	Amount	Accounting year in which it will expire	Amount	Accounting year in which it will expire
	(Rupees in thousand)		(Rupees in thousand)	
2023	21,668	Infinite	-	Infinite
2025	8,692,842	Infinite	-	Infinite
2026	3,796,769	Infinite	401,273	2032
	12,511,279		401,273	

9.1.3 Details of minimum tax relating to Nishat Mills Limited - Holding Company and Nishat Linen (Private) Limited - Subsidiary Company against which deferred tax asset has not been recognised is as follows:

Accounting year to which this relates	Minimum tax available for carry forward	
	Amount	Accounting year in which it will expire
	(Rupees in thousand)	
2024	413,158	2027
2025	2,288,072	2028
2026	2,329,883	2028
	5,031,113	

9.1.4 This relates to Nishat Mills Limited - Holding Company, Nishat Commodities (Private) Limited - Subsidiary Company, Nishat Linen (Private) Limited - Subsidiary Company and Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company.

9.1.5 This relates to Wernerfelt A/S - Subsidiary Company and Nishat Linen (Private) Limited - Subsidiary Company.

	Note	2026	2025
		(Rupees in thousand)	
9.2 Gas Infrastructure Development Cess (GIDC) Payable			
Gas Infrastructure Cess payable		1,241,103	1,241,103
Less: Current portion shown under current liabilities	13	(1,241,103)	(1,241,103)
		-	-

9.2.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. During the year ended 30 June 2021, Honourable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. Nishat Mills Limited - Holding Company has filed a review petition in Honourable Sindh High Court, Karachi which is pending adjudication. GIDC payable has been recognized at amortized cost in accordance with IFRS 9.

	Note	2026	2025
		(Rupees in thousand)	
9.3 Deferred income - Government grant			
Opening balance		30,996	43,368
Less: Amortized during the year		(10,059)	(12,372)
		20,937	30,996
Less: Current portion shown under current liabilities	13	(7,686)	(10,059)
		13,251	20,937

9.3.1 The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated 17 March 2020 and Circular No. 09 of 2020 dated 08 May 2020 introduced a Temporary Economic Refinance Facility (TERF) for setting of new industrial units and for undertaking Balancing, Modernization and Replacement and / or expansion of projects / businesses. These refinances were available through Banks / DFIs. One of the key feature of these refinance facilities was that borrowers obtained loans at mark-up rates that were below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government grant. The Holding Company has obtained these loans as disclosed in note 6 to these consolidated financial statements. In accordance with IFRS 9 'Financial Instruments', loans obtained under the refinance facilities were initially recognized at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest was measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the consolidated statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There are no unfulfilled conditions or contingencies attached to this grant.

	Note	2026	2025
		(Rupees in thousand)	
9.4 Payable to Lars Lauridsen Holding ApS			
Payable to Lars Lauridsen Holding ApS	9.4.1	701,250	701,250
Less: Fair value adjustment on initial recognition		(118,853)	(118,853)
Add: Fair value adjustment	9.4.2	95,279	55,419
		(23,574)	(63,434)
		677,676	637,816
Less: Total payments till reporting date		(449,213)	(320,873)
(Less) / Add: Exchange (gain) / loss		(990)	4,488
		227,473	321,431
Less: Current portion shown under current liabilities	13	(103,391)	(88,297)
		124,082	233,134

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For the year ended June 30, 2026

9.4.1 This represents payable to Lars Lauridsen Holding ApS against acquisition of Wernerfelt A/S. Total consideration of Rupees 701.250 million against acquisition of long term investment in Wernerfelt A/S is payable in 5 installments commenced from 24 June 2024 and ending on 25 July 2027. Hence, this deferred consideration is recognised and measured at fair value using prevailing market rate of interest (i.e. 20.01% per annum) at the date of acquisition in accordance with IFRS 9.

	Note	2026	2025
		(Rupees in thousand)	
9.4.2 Reversal of fair value adjustment			
Balance as at 01 July		55,419	1,160
Add: Reversal made during the year	39	39,860	54,259
Balance as at 30 June		95,279	55,419

10. TRADE AND OTHER PAYABLES

Creditors	10.1 & 10.2	14,326,492	12,688,744
Sindh infrastructure cess payable	10.3	3,143,934	2,580,130
Accrued liabilities	10.2	3,133,343	2,914,241
Contract liabilities - unsecured	10.1	1,499,766	1,379,330
Securities from contractors - interest free and repayable on completion of contracts	10.4	38,480	38,159
Retention money payable		60,663	180,451
Income tax deducted at source		11,364	1,734
Payable to employees provident fund trust		42,576	51,554
Royalty and other payable		130,116	130,116
Fair value of forward exchange contracts		761	60,510
Payable to banks under bill discounting arrangements		19,155	223,983
Workers' profit participation fund	10.5	131,014	169,796
Workers' welfare fund	10.6	116,633	20,629
		22,654,297	20,439,377

10.1 These include amounts due to following related parties:

Creditors			
D.G. Khan Cement Company Limited - associated company		4,869	54,504
Security General Insurance Company Limited - associated company		52,799	49,261
Adamjee Insurance Company Limited - associated company		88,763	75,866
Adamjee Life Assurance Company Limited - associated company		2	2
Hyundai Nishat Motors (Private) Limited - associated company		1,646	3,081
Nishat Dairy (Private) Limited - associated company		1,355	4,850
Nishat Chunian Power Limited - associated company		2,039	-
Nishat Sutas Dairy Limited - associated company		7,062	-
Rafhan Maize Products Company Limited	48.3	28,235	-
Nishat Hotels and Properties Limited - associated company		418	520
MCB Bank Limited - associated company		32	32
		187,220	188,116

	2026	2025
	(Rupees in thousand)	
Contract liabilities - unsecured		
Nishat Hotels and Properties Limited - associated company	249	1,060
Nishat Dairy (Private) Limited - associated company	-	3,302
	249	4,362

10.2 Reversal of excess provisions in respect of previous years amounting to Rupees 806.571 million (2025: Rupees 328.597 million).

	2026	2025
	(Rupees in thousand)	
10.3 Sindh infrastructure cess payable		
Balance as on 01 July	2,580,130	1,772,752
Add: Provision made during the year	563,804	807,378
Balance as on 30 June	3,143,934	2,580,130

10.3.1 This represents the provision for infrastructure cess imposed by the Province of Sindh under the Sindh Finance Act, 1994 and its subsequent amendments, including the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. The Holding Company along with Group Companies filed writ petitions before the Sindh High Court (the Court), which granted a stay order subject to the furnishing of bank guarantees in favour of the Director Excise and Taxation, Karachi. Subsequently, the Court through its order dated 4 June 2021, directed encashment of the bank guarantees. Being aggrieved, the Group Companies, along with others, filed petitions for leave to appeal before the Supreme Court of Pakistan. By its order dated 01 September 2021, the Supreme Court of Pakistan granted leave to appeal, restrained the Sindh Government from encashing the bank guarantees furnished pursuant to the interim orders of the Court and directed the release of future consignments against submission of bank guarantees for the disputed amounts.

Following the establishment of the Federal Constitutional Court of Pakistan under the Twenty-Seventh Constitutional Amendment, all pending appeals, including the Group Companies' appeals, were transferred to Federal Constitutional Court of Pakistan. By order dated 23 February 2026, the Federal Constitutional Court of Pakistan granted interim injunctive relief by directing that fresh consignments be released upon furnishing undertakings and post-dated cheques. The matter is currently pending adjudication.

The Government of Sindh enacted the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 ("Amendment Act"), which has been gazetted on 23 February 2026. The Amendment Act introduced concessionary cess rates for future consignments for entities entering into a settlement agreement by either paying the outstanding cess liability in a single lump sum on or before 15 July 2026 or in 51 instalments. Execution of the settlement agreement is subject to unconditional withdrawal of all pending litigation and waiver of all claims against the Government of Sindh.

The Group Companies, along with others, have filed a constitutional petition before the Court seeking a declaration that entities having pending litigation, including appeals before the Federal Constitutional Court of Pakistan on the subject matter, should not be subjected to discriminatory or disadvantageous treatment. The petition also seeks to restrain the Government of Sindh and its officers from taking any coercive action, including encashment of bank guarantees and post-dated cheques furnished in respect

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

of the levy. Based on the advice of legal counsel, the management of the Group Companies believes a favourable outcome of the matter.

10.4 These deposits have been utilized for the purpose of business in accordance with the terms of written agreements with contractors.

	Note	2026	2025
		(Rupees in thousand)	
10.5 Workers' profit participation fund			
Balance as on 01 July		169,796	407,217
Add: Provision for the year	37.1	131,015	169,006
Add: Interest for the year	39	868	791
		301,679	577,014
Less: Payments made during the year		(170,665)	(407,218)
		131,014	169,796

10.5.1 Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized till the date of allocation to workers.

	Note	2026	2025
		(Rupees in thousand)	
10.6 Workers' welfare fund			
Balance as on 01 July		20,629	253,650
Add: Balance related to Pakgen Limited (Formerly: Pakgen Power Limited)	1	37,214	-
Add: Provision for the year	37.2	61,081	3,678
		118,924	257,328
Less: Balance related to Nishat Hospitality (Private) Limited	44	-	(3,090)
Less: Payments made during the year		(2,291)	(233,609)
Balance as on 30 June		116,633	20,629
11. ACCRUED MARK-UP			
Long term financing	11.1	598,755	527,357
Short term borrowings	11.2	572,828	608,237
		1,171,583	1,135,594

11.1 This includes mark-up of Rupees 6.018 million (2025: Rupees Nil) payable to MCB Islamic Bank Limited - related party.

11.2 This includes mark-up of Rupees 7.029 million (2025: Rupees 8.815 million) payable to MCB Bank Limited - associated company.

	Note	2026	2025
		(Rupees in thousand)	
12. SHORT TERM BORROWINGS			
Nishat Mills Limited - Holding Company			
From banking companies - secured			
State Bank of Pakistan (SBP) refinance	12.1, 12.2 & 12.3	29,834,091	25,082,205
Other short term finances	12.1 & 12.4	27,016,125	33,055,566
Temporary bank overdrafts	12.1, 12.2 & 12.5	3,689,617	2,142,199
		60,539,833	60,279,970
Nishat Power Limited - Subsidiary Company			
From banking companies - secured			
Running finances	12.6	2,445,486	309,989
Running musharaka finances	12.7	1,999,997	309,998
Term finances	12.8	464,000	99,911
		4,909,483	719,898
Nishat Linen (Private) Limited - Subsidiary Company			
From banking company - secured			
Temporary bank overdrafts	12.10 & 12.11	-	-
Other short term finances	12.10 & 12.12	-	480,000
		-	480,000
Wernerfelt A/S - Subsidiary Company		348,304	314,656
		65,797,620	61,794,524

12.1 These finances are obtained from banking companies under mark up arrangements and are secured against joint pari passu hypothecation charge on all present and future current assets and other instruments. Markup is payable quarterly or at maturity.

12.2 These finances includes balance of short term borrowings of Rupees 890.373 million (2025: Rupees 1,494.506 million) payable to MCB Bank Limited – associated company, which has been utilized for working capital requirements.

12.3 The rates of mark up range from 1.99% to 8.00% (2025: 2.00% to 19.00%) per annum during the year on the balance outstanding.

12.4 The rates of mark up range from 2.10% to 11.91% (2025: 3.00% to 21.93%) per annum during the year on the balance outstanding.

12.5 The rates of mark up range from 10.13% to 13.16% (2025: 8.14% to 22.99%) per annum during the year on the balance outstanding.

12.6 These running finance facilities obtained from banking companies under mark-up arrangements aggregated to Rupees 3,445.520 million (2025: Rupees 3,445.520 million). These facilities are available at mark-up rates ranging from one month to three months KIBOR plus 0.5% to 1.5% (2025: one month to three months KIBOR plus 0.5% to 2.0%) per annum payable quarterly. These facilities are secured against first joint pari passu hypothecation charge on present and future current assets of Nishat Power Limited - Subsidiary Company including fuel stock, inventory and energy price payments receivable from

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CPPA-G. The mark-up rate charged during the year on the outstanding balance ranged from 11.13% to 13.53% (2025: 11.83% to 23.99%) per annum.

12.7 These running musharaka facilities obtained from banking companies under profit arrangements aggregated to Rupees 3,000 million (2025: Rupees 3,550 million). These facilities are available at profit rates ranging from one month to three months KIBOR plus 0.1% to 0.5% (2025: one month to three months KIBOR plus 0.1% to 0.5%) per annum payable quarterly. These facilities are secured against first joint pari passu hypothecation charge on present and future current assets of the Nishat Power Limited - Subsidiary Company including fuel stock, inventory and energy price payments receivable from CPPA-G. The profit rate charged during the year on the outstanding balance ranged from 10.73% to 12.53% (2025: 11.58% to 22.19%) per annum.

12.8 These term finance facilities are utilized from banking companies as sub-limits of running finance facilities (note 12.6) under mark-up arrangements aggregating to Rupees 2,445.520 million (2025: Rupees 3,445.520 million). These facilities are secured against first joint pari passu charge on present and future current assets of the Nishat Power Limited - Subsidiary Company including fuel stock, inventory and energy price payments receivable from CPPA -G. These facilities have been availed during the year at mark-up rates of one month to three months KIBOR plus 0.01% to 0.85% (2025: one week to three months KIBOR plus 0.02% to 0.80%) payable at the maturity of respective transaction. The mark-up rate charged during the year on the outstanding balance ranged from 10.95% to 12.89% (2025: 11.60% to 21.63%) per annum.

12.9 The main facilities for letters of credit and guarantee aggregate to Rupees 1,400 million (2025: Rupees 1,350 million). The amount utilised at 30 June 2026, for letters of credit was Rupees Nil (2025: Rupees Nil) and for letters of guarantee was Rupees 40.550 million (2025: Rupees 40.550 million). The aggregate facilities for letters of credit and guarantee are secured by charge on present and future current assets including fuel stocks/inventory of the Nishat Power Limited - Subsidiary Company and by lien over import documents.

12.10 These finances are obtained from Allied Bank Limited under mark up arrangements and are secured against first pari passu hypothecation charge over all present and future current assets of the Nishat Linen (Private) Company - Subsidiary Company and corporate guarantee of the Holding Company. Markup is payable quarterly or at maturity.

12.11 The rates of mark up charged ranged from 11.88% to 12.74% (2025: 13.39% to 21.49%) per annum during the year on the balance outstanding.

12.12 The rates of mark up charged ranged from 10.33% to 11.48% (2025: 10.24% to 21.48%) per annum during the year on the balance outstanding.

	Note	2026	2025
		(Rupees in thousand)	
13. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Current portion of long term financing	6	3,381,596	3,295,456
Current portion of lease liabilities	7	1,406,069	1,256,457
Current portion of GIDC payable	9.2	1,241,103	1,241,103
Current portion of deferred income - Government grant	9.3	7,686	10,059
Current portion of payable to Lars Lauridsen Holding ApS	9.4	103,391	88,297
		6,139,845	5,891,372

	Note	2026	2025
		(Rupees in thousand)	
14 TAXATION AND LEVY - NET			
Taxation - net			
Provision for taxation		2,094,076	3,096,409
Levy payable		3,241,947	3,182,145
		5,336,023	6,278,554
Less: Advance income tax and prepaid levy		(5,142,315)	(4,014,314)
		193,708	2,264,240

15 CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Nishat Mills Limited - Holding Company was contesting various sales tax demands amounting to Rupees 214.158 million, including related default surcharge and penalties, under the Sales Tax Act, 1990 before the Appellate Tribunal Inland Revenue (ATIR). The ATIR, vide orders dated 30 August 2024, 22 October 2024 and 29 August 2025 allowed partial relief to the Holding Company and remanded back the remaining matters to the assessing officer for consideration afresh. Against the orders of ATIR, the Commissioner Inland Revenue has filed appeal before Honourable Lahore High Court, Lahore which is pending for adjudication. No provision there against has been recognized in these consolidated financial statements as the Holding Company, based on advice of the tax advisors, is confident of a favorable outcome of the matter.

ii) Guarantees of Rupees 6,949.997 million (2025: Rupees 6,660.897 million) are given by the banks of Nishat Mills Limited - Holding Company to Sui Northern Gas Pipelines Limited against gas connections, Shell Pakistan Limited and Pakistan State Oil Limited against purchase of furnace oil, Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess, Directorate of Cotton Cess Management against cotton cess, Collector of Customs against regulatory duty, Inspector General Frontier Corps KP (South), The President of Islamic Republic of Pakistan through the Controller of Military Accounts (Defence Purchase), The Director General ESA, SPD Rawalpindi, Airport Security Force, Provincial Police Officer, Office of Inspector General of Police KPK and Inspector General of Punjab Police against fulfillment of sales orders, High Court of Sindh, Karachi against the matter of importation of LED lights, Faisalabad Electric Supply Company Limited (FESCO) and Lahore Electric Supply Company Limited (LESCO) against installation of grid stations, Lars Lauridsen Holdings ApS against purchase of Wernerfelt A/S - Subsidiary Company and to the bank of Hyundai Nishat Motor (Private) Limited - associated company to secure financial assistance to the associated company. Further, the Holding Company has issued cross corporate guarantees of Rupees 796.667 million (2025: Rupees 666.667 million) and Rupees 1,777.500 million (2025: Rupees 1,777.500 million) on behalf of Nishat Linen (Private) Limited - wholly owned subsidiary company and Nishat Sutas Dairy Limited - associated company respectively to secure the obligations of subsidiary company and associated company towards their lenders.

iii) Post dated cheques of Rupees 40,000.000 million (2025: Rupees 35,000.000 million) are issued by the Holding Company to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.

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iv) Post dated cheques of Rupees 507.506 million (2025: Rupees 153.935 million) are issued by the Holding Company to Sui Northern Gas Pipelines Limited in pursuance of order of Lahore High Court, Lahore in the case of gas infrastructure development cess and captive power levy bills from February 2025 to December 2025. Post dated cheques of Rupees 8.209 million (2025: Rupees 8.209 million) are issued by the Holding Company to Lahore Electric Supply Company Limited (LESCO) and Faisalabad Electric Supply Company Limited (FESCO) in pursuance of order of Lahore High Court, Lahore in the case of income tax in electricity bills for the month of July 2021 and against differential of increased rates of fixed charges in electricity bills for the months from December 2024 to February 2025. Post dated cheques of Rupees 116.813 million (2025: Nil) has been issued by the Holding Company to the Excise and Taxation Officer, Sindh in pursuance of the order of the Federal Constitutional Court in respect of Sindh Infrastructure Cess.

v) During the year ended 30 June 2025, Nishat Mills Limited - Holding Company, along with others, has filed petitions before Honourable Lahore High Court, Lahore (the Court) against the imposition of captive levy. The Honourable Lahore High Court, Lahore vide its judgment dated 29 January 2026 held that the mandatory mechanism prescribed under Section 4 of the Off the Grid (Captive Power Plants) Levy Act, 2025 for determination of the levy had not been followed and that the levy could not be imposed retrospectively in the absence of an express statutory provision. Accordingly, the Court set aside/annulled the impugned notifications and bills issued for retrospective recovery of the levy. Further, the Court also ordered that any amount collected from petitioners in this regard shall be credited in the bill(s) for the upcoming months and the post dated cheques furnished by the Holding Company, in compliance of the orders passed by the Court for grant of interim relief, shall be returned by Sui Northern Gas Pipeline Limited to the Holding Company. Against the order of the Court, Federation of Pakistan has filed appeal in Federal Constitutional Court of Pakistan which is pending adjudication. Based on the advice of legal counsel, the management of the Holding Company expects favourable outcome of the matter. Hence, provision of Rupees 462.596 million has not been recognised in these consolidated financial statements.

vi) During the year, Nishat Mills Limited - Holding Company has filed a complaint before Oil and Gas Regulatory Authority (OGRA) against the alleged demand of Rupees 225.845 million by Sui Northern Gas Pipeline Limited (SNGPL) on account of “Reconciliation Amount Arrears/Short Payment” together with default surcharge (LPS) which is pending for adjudication. Subsequent to the reporting period, the Holding Company has paid Rupees 48.689 million under protest. Further, the Holding Company has also filed a petition before Honourable Islamabad High Court, Islamabad who vide order dated 23 July 2026 disposed of the petition by directing the OGRA to decide the aforesaid pending complaint within thirty days strictly in accordance with law. Further, the Honourable Islamabad High Court, Islamabad also directed that till the decision of the complaint, the SNGPL shall refrain from taking any coercive action against the Holding Company including disconnection of gas supply and recovery of disputed Reconciliation Amount and late payment surcharge or any adverse action on the basis of impugned gas bills. In the same matter, the OGRA vide order dated 21 July 2026 decided the complaint in favour of the applicant. Based on the advice of legal counsel, the management of the Holding Company expects favourable outcome of the matter. Hence no provision has been recognised in these consolidated financial statements.

vii) Nishat Mills Limited - Holding Company's share in contingencies of associates accounted for under equity method is Rupees 6,918.999 million (2025: Rupees 7,854.969 million).

viii) Bank guarantee of Rupees 1.900 million (2025: Rupees 1.900 million) is given by the bank of Nishat Commodities (Private) Limited - Subsidiary Company in favour of Director, Excise and Taxation, Karachi to cover the disputed amount of Sindh infrastructure cess.

ix) The Deputy Commissioner Inland Revenue (DCIR) passed an order dated 27 June 2023 under sections 161 and 205 of the Income Tax Ordinance, 2001 and raised a demand of Rupees 2.549 million (including default surcharge of Rupees 1.116 million) in respect of alleged non-deduction of withholding tax on various payments for Tax Year 2017. Being aggrieved, Nishat Commodities (Private) Limited - Subsidiary Company filed an appeal before the Commissioner Inland Revenue (Appeals) who vide order dated 16 August 2023 partly decided the matters in favour of Nishat Commodities (Private) Limited - Subsidiary Company and remanded the major issues to the DCIR for fresh examination. The matter is currently pending for adjudication before DCIR. Based on the advice of legal counsel, Nishat Commodities (Private) Limited - Subsidiary Company is hopeful for the favourable outcome of the matter hence, no provision has been recognized in these consolidated financial statements.

x) Guarantees of Rupees 219.350 million (2025: Rupees 194.350 million) are given by Nishat Linen (Private) Limited - Subsidiary Company to Director Excise and Taxation, Karachi against infrastructure cess, Chairman Punjab Revenue Authority, Lahore against infrastructure cess and Collectors of Customs against import consignments.

xi) Post dated cheques of Rupees 4.877 million (2025 : Nil) has been issued by Nishat Linen (Private) Limited - Subsidiary Company to the Excise and Taxation Officer, Sindh in pursuance of the order of the Federal Constitutional Court in respect of the Sindh Infrastructure Cess.

xii) Assessment for the tax year 2017 was amended by Assistant Commissioner Inland Revenue (ACIR) through order dated 31 May 2021 issued under sections 122(5) / 214C of the Income Tax Ordinance, 2001, whereby tax demand of Rupees 2,436.967 million was raised on various grounds. Being aggrieved by the order of ACIR, Nishat Linen (Private) Limited - Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who vide order dated 13 September 2021 granted significant relief to Nishat Linen (Private) Limited - Subsidiary Company. Against the order of CIR(A)], both Nishat Linen (Private) Limited - Subsidiary Company and the department have filed cross appeals before Appellate Tribunal Inland Revenue (ATIR). The ATIR vide order dated 3 February 2025 remand back the case to ACIR by directing that the taxpayer be afforded an opportunity of being heard and that a reasoned, speaking order be issued subsequent to complete examination of evidence, being aggrieved by the order of ATIR, Nishat Linen (Private) Limited - Subsidiary Company has filed an appeal before Honorable Lahore High Court, Lahore which is pending for adjudication. Based on the advice of the legal counsel, Nishat Linen (Private) Limited - Subsidiary Company is hopeful for the favourable outcome of the matter, hence, no provision has been made in these consolidated financial statements.

xiii) Assessment for the tax year 2013 was amended by the Additional Commissioner Inland Revenue (ACIR) by disallowing certain expenses of Rupees 512.348 million through order dated 27 May 2016 issued under Section 122(5A) of the Income Tax Ordinance, 2001 which was set aside for de-novo consideration by the concerned Commissioner Inland Revenue vide order dated 16 June 2016 issued under Section 122A of the Income Tax Ordinance 2001. Being aggrieved, Nishat Linen (Private) Limited - Subsidiary Company has filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] who vide order dated 20 September 2016 granted relief to Nishat Linen (Private) Limited - Subsidiary Company. Against the order of CIR(A), the tax department has filed an appeal before Appellate Tribunal Inland Revenue (ATIR). The ATIR vide order dated 18 January 2024 dismissed the departmental appeal and upheld the order of CIR(A). Against the order of ATIR, the Commissioner Inland Revenue (CIR) has filed reference application under section 133 of the Income Tax Ordinance, 2001 in the Honorable Lahore High Court, Lahore which is pending for adjudication. Based on the advice of the legal counsel, Nishat Linen (Private) Limited - Subsidiary Company is hopeful for the favourable outcome of the matter, hence, no provision has been made in these consolidated financial statements.

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xiv) Assessment for the tax year 2014 was amended by the Additional Commissioner Inland Revenue (ACIR) through order dated 29 December 2016 issued under Section 122(5A) of the Income Tax Ordinance, 2001 whereby demand of Rupees 374.884 million was created by disallowing certain expenses and tax credits. Being aggrieved, Nishat Linen (Private) Limited - Subsidiary Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] who vide order dated 23 February 2017 granted partial relief to Nishat Linen (Private) Limited - Subsidiary Company. Against the order of CIR(A), the department has filed an appeal before Appellate Tribunal Inland Revenue (ATIR). The ATIR vide order dated 17 January 2024 dismissed the appeal and upheld the order of CIR(A). Against the order of ATIR, the Commissioner Inland Revenue (CIR) has filed reference application under Section 133 of the Income Tax Ordinance, 2001 in the honorable Lahore High Court, Lahore which is pending for adjudication. Hence, no provision has been made in these consolidated financial statements.

xv) Assessment for the tax year 2015 was amended by the tax department through order dated 31 March 2017 issued under Section 122(5) of the Income Tax Ordinance, 2001 by disallowing certain expenses. Being aggrieved by the order, Nishat Linen (Private) Limited - Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] who vide order dated 11 May 2017 granted significant relief to Nishat Linen (Private) Limited - Subsidiary Company. Against the order of CIR(A), the tax department has filed an appeal before Appellate Tribunal Inland Revenue (ATIR). The ATIR vide order dated 22 January 2024 dismissed the departmental appeal and upheld the order of CIR(A). The Additional Commissioner Inland Revenue (ACIR) vide order dated 13 June 2025 demanded income tax amounting to Rupees 20.618 million under Section 122(5A) of the Income Tax Ordinance, 2001 without taken into account the earlier order dated 22 January 2024 of ATIR. An application for rectification in terms of Section 221 of the Income Tax Ordinance, 2001 has been filed by Nishat Linen (Private) Limited - Subsidiary Company which is currently pending adjudication. Based on the advice of the legal counsel, Nishat Linen (Private) Limited - Subsidiary Company is hopeful for the favourable outcome of the matter, hence, no provision has been made in these consolidated financial statements.

xvi) Assessment for the tax year 2020 was amended by the Additional Commissioner Inland Revenue (ADIR) vide order dated 30 June 2026 issued under Section 122(5A) of the Income Tax Ordinance, 2001, whereby tax demand of Rupees 35.793 million was raised on various grounds. Being aggrieved, Nishat Linen (Private) Limited - Subsidiary Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which is currently pending adjudication. Based on the advice of the legal counsel, Nishat Linen (Private) Limited - Subsidiary Company is hopeful for the favourable outcome of the matter, hence, no provision has been made in these financial consolidated statements.

xvii) On 19 August 2014, the tax department raised a demand of Rupees 1,722.811 million relating to apportionment of input sales tax under section 8 of the Sales Tax Act, 1990 for tax years 2010 to 2013. The disallowance was primarily made on the grounds that since revenue derived by Nishat Power Limited - Subsidiary Company on account of 'capacity revenue' was not chargeable to sales tax, input sales tax claimed by Nishat Power Limited - Subsidiary Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy revenue' admissible to Nishat Power Limited - Subsidiary Company. Nishat Power Limited - Subsidiary Company assailed the underlying proceedings before Honourable Lahore High Court, Lahore ('LHC') directly and in this respect, vide order dated 31 October 2016, LHC accepted Nishat Power Limited - Subsidiary Company's stance and annulled the proceedings. The department has challenged the decision of LHC before Supreme Court of Pakistan and has also preferred an Intra Court Appeal against such order which are pending adjudication.

In respect of tax periods from July 2016 to June 2017, Nishat Power Limited - Subsidiary Company's case was selected for 'audit' involving input sales tax amounting to Rupees 541.091 million, on the same grounds as explained above and Rupees 49.774 million on other matters. Being aggrieved, Nishat Power Limited - Subsidiary Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. On 25 February 2022, CIR(A) passed an order and provided partial relief to Nishat Power Limited - Subsidiary Company. Being aggrieved with the order of CIR(A), Nishat Power Limited - Subsidiary Company preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) who vide order dated 15 April 2022 decided the matter in favour of Nishat Power Limited - Subsidiary Company. Against the order of ATIR, the department has filed sales tax reference in Honourable Lahore High Court, Lahore which is pending adjudication.

On 29 May 2024, Deputy Commissioner Inland Revenue (DCIR) passed an assessment order relating to tax periods from July 2018 to June 2019 involving input sales tax on 'capacity purchase price' amounting to Rupees 530.024 million on the same grounds as explained above and disallowance of input sales tax on goods / services amounting to Rupees 6.107 million under various provisions of Sales Tax Act, 1990. Nishat Power Limited - Subsidiary Company paid the impugned sales tax demand of Rupees 6.107 million in protest. However, recovery of input sales tax attributable to 'capacity purchase price' was held in abeyance till the decision of the case by Supreme Court of Pakistan as explained above. Nishat Power Limited - Subsidiary Company preferred an appeal before CIR(A) on 24 June 2024 relating to disallowance of input sales tax on goods / services. On 27 February 2025, CIR(A) principally upheld the findings of the assessment order. Being aggrieved with the order of CIR(A), Nishat Power Limited - Subsidiary Company has filed a reference application before the honourable Lahore High Court. On 28 October 2025, honourable Lahore High Court, Lahore has remanded back the case to ATIR with the directions to treat the same as an appeal and decide the same as per law. However, no notice has been received by Nishat Power Limited - Subsidiary Company in this regard. Based on the tax advisor opinion, there exists reasonable grounds to defend these cases. Therefore, no provision has been made in these consolidated financial statements.

xviii) On 16 April 2019, the Commissioner Inland Revenue (CIR) passed an order raising a demand of Rupees 179.046 million against Nishat Power Limited - Subsidiary Company, mainly on account of input sales tax claimed on inadmissible expenses in sales tax returns for the tax periods from July 2014 to June 2017 and sales tax default on account of alleged suppression of sales for the tax period of June 2016. Being aggrieved by the order of the CIR, Nishat Power Limited - Subsidiary Company filed an appeal before the CIR(A). On 07 May 2020, CIR(A) held that the appropriate appellate forum against the order of the CIR was the ATIR. Nishat Power Limited - Subsidiary Company filed an application for grant of stay before the ATIR against recovery of the aforesaid demand, which was granted on 28 January 2021. Further, Nishat Power Limited - Subsidiary Company filed an appeal before the ATIR against the order of the CIR. On 25 November 2025, ATIR granted partial relief to Nishat Power Limited - Subsidiary Company and remanded back certain matters to the department for fresh consideration. The department has not initiated any remand back proceedings to date. However, on 10 February 2026, the tax department has filed sales tax reference before the Honorable Lahore High Court against the order of the ATIR which is pending adjudication. Based on the tax advisor opinion, there exists reasonable grounds to defend the case. Therefore, no provision has been made in these consolidated financial statements.

xix) On 27 February 2015, Additional Commissioner Inland Revenue (ACIR) created a demand of Rupees 282.377 million for tax year 2013 under section 122(5A) of the Income Tax Ordinance, 2001. Aggrieved with the order of the ACIR, Nishat Power Limited - Subsidiary Company preferred an appeal before CIR(A) who granted partial relief to Nishat Power Limited - Subsidiary Company, while upheld the decision of ACIR in certain matters aggregating to Rupees 31.355

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million inter-alia on tax credit claimed by Nishat Power Limited - Subsidiary Company under section 65B of the Income Tax Ordinance, 2001. Nishat Power Limited - Subsidiary Company and tax department filed appeals before ATIR against the order of CIR(A). On 02 November 2017, ATIR restated the demand to Rupees 14.072 million. Nishat Power Limited - Subsidiary Company filed application before ATIR for rectification of order dated 02 November 2017 on non-adjudication of issue of disallowance of tax loss on disposal of fixed assets. On 30 March 2021, ATIR passed the rectification order with certain legal disputes. On 24 January 2022, Nishat Power Limited - Subsidiary Company filed another application for rectification of order dated 30 March 2021. On 06 May 2024, ATIR rectified the order passed on 30 March 2021 as per the request of Nishat Power Limited - Subsidiary Company.

Being aggrieved with the order of ATIR, Nishat Power Limited - Subsidiary Company and tax department have filed income tax reference before Honourable Lahore High Court, Lahore. On 27 November 2025, Honourable Lahore High Court, Lahore dismissed the income tax reference filed by the tax department being time-barred. Being aggrieved with the order of Honourable Lahore High Court, Lahore, the tax department preferred petition for leave to appeal before the Honourable Supreme Court of Pakistan. On 09 June 2026, the Honourable Supreme Court of Pakistan dismissed the petition for leave to appeal and upheld the order of Honourable Lahore High Court, Lahore. However, the income tax reference filed by Nishat Power Limited - Subsidiary Company before Honourable Lahore High Court, Lahore is still pending for adjudication. Based on the tax advisor opinion, there exists reasonable grounds to defend the case. Therefore, no provision has been made in these consolidated financial statements.

xx) On 13 February 2019, National Electric Power Regulatory Authority ('NEPRA') issued a show cause notice to Nishat Power Limited - Subsidiary Company along with other Independent Power Producers to provide rationale of abnormal profits earned since commercial operation date (COD) that eventually led to initiation of proceedings against Nishat Power Limited - Subsidiary Company by NEPRA on 18 March 2019. Nishat Power Limited - Subsidiary Company challenged the authority of NEPRA to take suo moto action before the Islamabad High Court (IHC) wherein, on 01 April 2019, IHC provided interim relief by suspending the suo moto proceedings. The case is currently pending adjudication before IHC. On 27 May 2025, NEPRA has withdrawn and recalled the public notice and, hence, the suo moto proceedings stand closed. Nishat Power Limited - Subsidiary Company has also formally withdrawn the application filed before IHC.

xxi) On 06 February 2013, National Electric Power Regulatory Authority (‘the Authority’) determined an amount of Rupees 290.423 million to be payable on account of calorific value adjustment. Being aggrieved with the order of the Authority, Nishat Power Limited - Subsidiary Company filed writ petition before Honourable Islamabad High Court who vide its order dated 14 April 2016 upheld the decision of the Authority. On 20 June 2016, Nishat Power Limited - Subsidiary Company filed writ petition before Honourable Supreme Court of Pakistan which is pending adjudication. The management, based on the advice of legal counsel, is confident of favourable outcome of the matter. Therefore, no provision thereagainst has been made in these consolidated financial statements.

xxii) On 16 March 2020, Government of Pakistan ('GoP') issued a report through which it was alleged that savings were made by the Independent Power Producers ('IPPs'), including Nishat Power Limited - Subsidiary Company, in the tariff components in violation of applicable GoP Policies, tariff determined by National Electric Power Regulatory Authority ('NEPRA') and the relevant Project Agreements. Nishat Power Limited - Subsidiary Company rejected such claims, and discussions were made with the GoP to resolve the dispute. On 12 February 2021,Nishat Power Limited - Subsidiary Company under the 'Master Agreement', agreed that the abovementioned dispute will be resolved through arbitration under the 'Arbitration Submission Agreement' between Nishat Power Limited - Subsidiary Company and GoP. On 15 June 2022, Nishat Power

Limited - Subsidiary Company and the GoP signed the 'Arbitration Submission Agreement'. During the year ended 30 June 2023, Arbitration Tribunal was constituted under the terms of 'Arbitration Submission Agreement'. On 29 September 2023, mutually agreed Terms of Reference were formally adapted and proceedings under these terms of Reference were initiated. During the year ended 30 June 2025, the Government of Pakistan ('GoP') through 'Amendment Agreement' has unconditionally and irrevocably agreed to withdraw and extinguish all claims against Nishat Power Limited - Subsidiary Company under the 'Arbitration Submission Agreement' after its formal approval from the Cabinet. After the execution of the 'Amendment Agreement', the 'Arbitration Submission Agreement' stands terminated. However, both parties shall issue a joint communication to the tribunal established under the 'Arbitration Submission Agreement' requesting its termination and the relinquishment of arbitration. Based on the facts stated above, no provision in respect of this matter has been made in these consolidated financial statements.

xxiii) On 18 March 2026, the Deputy Commissioner Inland Revenue (DCIR) passed an order for tax year 2024 under section 4C of the Income Tax Ordinance, 2001, raising a tax demand of Rupees 17.945 million in respect of certain matters. Being aggrieved by the order, Nishat Power Limited - Subsidiary Company preferred an appeal before the CIR(A). On 11 August 2026, subsequent to the reporting period, CIR(A) decided the matter against Nishat Power Limited - Subsidiary Company. Against the order of CIR(A), Nishat Power Limited - Subsidiary Company has preferred an appeal before ATIR which is pending adjudication. On 12 June 2026, DCIR raised another demand of Rupees 2.824 million relating to default surcharge on aforementioned super tax. On 19 June 2026, Nishat Power Limited - Subsidiary Company filed an appeal before ATIR against the demand raised by DCIR which is pending adjudication. The management, based on the advice of tax advisor, is confident of a favourable outcome of the matters and, accordingly, no provision has been made in these consolidated financial statements.

xxiv) On 25 November 2024, Additional Commissioner Inland Revenue (ACIR) passed an order under sections 122(1) and 122(5) of the Income Tax Ordinance, 2001 for tax year 2022 and raised a demand of Rupees 9.039 million on account of tax on profit on debt, scrap sales and gain on disposal of fixed assets. Being aggrieved with the order of ACIR, the Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed an appeal before CIR(A) on 18 December 2024. CIR(A) through its order dated 19 December 2025 annulled the ACIR's order. Against the order of the CIR(A), the tax department has preferred appeal before ATIR on 16 January 2026 which is pending adjudication. Based on tax advisor's opinion, there exists reasonable grounds to defend the Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's stance. Hence, no provision has been made in these consolidated financial statements.

xxv) On 31 August 2016, Additional Commissioner Inland Revenue (ACIR) passed an amendment order under section 122(5A) of the Income Tax Ordinance, 2001 relating to tax year 2014 whereby tax demand aggregating to Rupees 107.822 million has been raised on various issues. Being aggrieved with the order of ACIR, Nishat Power Limited - Subsidiary Company preferred an appeal before CIR(A) on 23 September 2016. CIR(A) passed an order on 29 November 2016 whereby relief was granted on various issues whereas matter relating to disallowance of tax credit under section 65B of the Income Tax Ordinance, 2001 was decided against Nishat Power Limited - Subsidiary Company. Being aggrieved with the order of CIR(A), both department and Nishat Power Limited - Subsidiary Company preferred appeals before ATIR on 11 December 2016 and 18 January 2017 respectively. On 12 October 2023, ATIR dismissed the department appeal on the issues taken up by the department. Whereas, on 14 September 2023, ATIR passed an order on Nishat Power Limited - Subsidiary Company's appeal and remanded back the case to assessing officer for fresh consideration. However, there were certain apparent factual/legal omissions in the order dated 14 September 2023. Nishat Power Limited - Subsidiary Company filed a rectification application before ATIR. On 08 April 2024, ATIR passed rectification order with the

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directions to assessing officer to proceed strictly in accordance with the ratio settled by ATIR on the matter in case of another taxpayer as prayed by Nishat Power Limited - Subsidiary Company. Further, the department filed an appeal before Honourable Lahore High Court, Lahore on 04 April 2024 against the order passed by ATIR dated 12 October 2023 which is pending for hearing. On 29 June 2025, remand back proceedings were concluded wherein tax credit under section 65B of the IncomeTax Ordinance, 2001 has again been disallowed while the relief allowed by CIR(A) initially was also disregarded inadvertantly creating a demand of Rupees 107.822 million. On 03 July 2025, Nishat Power Limited - Subsidiary Company filed a rectification application. On 23 July 2025, the aforesaid order has been rectified. However, in the matter of disallowance of tax credit, Nishat Power Limited - Subsidiary Company has preferred an appeal before CIR(A) which has not been taken up for hearing yet. Based on the advice of tax advisor, the management is confident of favourable outcome the matter. Therefore, no provision has been made in these consolidated financial statements.

xxvi) On 27 November 2024, Additional Commissioner Inland Revenue ('ACIR') passed an order for tax year 2023 under section 122(5A) of the Income Tax Ordinance, 2001 raising a tax demand of Rupees 32.527 million. On 20 December 2024, being aggrieved with the order, Nishat Power Limited - Subsidiary Company has filed an appeal before Appellate Tribunal Inland Revenue ('ATIR'). On 28 October 2025, ATIR decided the appeal in favor of Nishat Power Limited - Subsidiary Company. The department has not yet filed income tax reference against the order passed by ATIR. In case, the department file income tax reference, there exists meritorious grounds to defend the case.

xxvii) On 08 April 2026, the Deputy Commissioner Inland Revenue (DCIR) passed an order for tax year 2025 under section 4C of the Income Tax Ordinance, 2001, raising a tax demand of Rupees 6.429 million in respect of certain matters. Nishat Power Limited - Subsidiary Company, being aggrieved by the aforesaid order, preferred an appeal before CIR(A). On 11 August 2026, subsequent to the reporting period, CIR(A) decided the matter against Nishat Power Limited - Subsidiary Company. Against the order of CIR(A), Nishat Power Limited - Subsidiary Company has preferred an appeal before ATIR which is pending adjudication. On 12 June 2026, DCIR raised another demand of Rupees 0.028 million relating to default surcharge on aforementioned super tax. On 19 June 2026, Nishat Power Limited - Subsidiary Company filed an appeal before ATIR against the demand raised by DCIR which is pending adjudication. The management, based on the advice of tax advisor, is confident of a favourable outcome of the matters and, accordingly, no provision has been made in these consolidated financial statements.

xxviii) On 28 April 2022, National Electric Power Regulatory Authority (NEPRA) issued a notice of hearing to all the RFO based IPPs under the 2002 Power Policy regarding application of highest lab tested Calorific Value (CV) for calculation of CV adjustment instead of average CV as per existing mechanism. Nishat Power Limited - Subsidiary Company vide its letter dated 16 May 2022 replied to NEPRA to refrain from re-initiating the subject proceedings which has already been finalized and implemented by NEPRA vide its letter dated 01 September 2021. Contrary to the reply of Nishat Power Limited - Subsidiary Company, NEPRA held its hearing on 17 May 2022 and verbally directed to Nishat Power Limited - Subsidiary Company to provide its comments in 15 days failing which the proceedings would be concluded on ex-parte basis. Against the directions of NEPRA, Nishat Power Limited - Subsidiary Company filed a petition in Honourable Lahore High Court, Lahore on 06 June 2022, for restraining NEPRA to take any adverse action in this regard, which is pending adjudication. The Honourable Lahore High Court, Lahore vide its interim order dated 06 June 2022, suspended the impugned notice of hearing. On 18 November 2022, NEPRA determined that although CV adjustment is computed on the basis of average of two CV results, however, the said CV adjustment shall be subject to the final outcome of the suit pending before the Honourable Lahore High Court, Lahore. NEPRA has set out further amendment (change of one of the labs) in methodology for CV adjustment, however Nishat

Power Limited - Subsidiary Company has replied to NEPRA that aforementioned matter, being similar in nature, is sub judice before the Honourable Lahore High Court, Lahore. On 24 October 2025, NEPRA has made a determination whereby all the pending CV adjustments shall be made as per Company's request, i.e. average of two labs. However, the future CV adjustments shall be computed on the basis of SGS lab only. Accordingly, CV adjustments have been made in these consolidated financial statements. The management based on the advice of the its legal counsel, has strong grounds to believe that the case will be decided in the favour of Nishat Power Limited - Subsidiary Company.

xxix) The banks have issued the following on behalf of Nishat Power Limited - Subsidiary Company:

a) Guarantees of Rupees 11.5 million (2025: Rupees 11.5 million) and Rupees 27.55 million (2025: Rupees 27.55 million) are given by the bank of Nishat Power Limited - Subsidiary Company in favour of Director Excise and Taxation, Karachi, under directions of Sindh High Court and Supreme Court of Pakistan respectively, in respect of suit filed for levy of infrastructure cess.

b) Guarantee of Rupees 1.5 million (2025: Rupees 1.5 million) is given by the bank of Nishat Power Limited - Subsidiary Company in favour of Punjab Revenue Authority, Lahore under the direction of Honourable Lahore High Court, Lahore in respect of suit filed for levy of infrastructure cess.

xxx) Up to the year ended 31 December 2002, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company had recorded the provision for workers' profits participation fund and paid to the Federal Treasury contributions on its annual profit as per the provisions of the Companies Profits (Workers Participation) Act, 1968 (the Act).

Based on legal advice, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed a petition on 15 April 2004 in the Honorable Lahore High Court challenging the application of the Act to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company on the grounds that since inception Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company has not employed any person who falls within the definition of the term "Worker" as per the provisions of the Act. Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company asserts that it had erroneously deposited in the past certain sums with Federal Treasury as contributions of Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF), although it was not obligated to make such payments. The petition was filed subsequent to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's receipt of the Federal Board of Revenue's Income Tax / Wealth Tax Circle's letter dated 30 March 2004 directing Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company to allocate five percent of its net profit towards the WPPF and deposit the un-utilized amount of the WPPF in the Federal Treasury. The petition was filed against the Labour, Manpower and Overseas Pakistani Division of Ministry of Labour, Manpower and Overseas Pakistanis which was later dismissed for non-prosecution.

Consequent to the amendments that were made in the Act through the Finance Act, 2006, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company was required to pay 5% of its profits to WPPF from the financial year 2006. Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company established a workers' profit participation fund to comply with the requirements of the Companies Profit (Workers Participation) Act, 1968. The management, based on legal advice, is confident that there is no likelihood to assert that the scheme shall be applicable to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company during the aforementioned period and Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company shall not be required to make any payments under the provisions of the Act.

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Consequently, no provision has been recognized in these consolidated financial statements.

xxxi) The tax authorities have carried out assessment proceedings under section 122(5A) of the Income Tax Ordinance, 2001 for the tax years 2012 to 2014 by creating (among others) a demand of Rupees 708.184 million on account of interest on delayed payments by CPPA-G not been offered for tax. As per tax authorities, interest on delayed payments falls under the head income from other sources and is not exempt from tax as the same is not covered under Clause 132, Part I of the Second Schedule to the Income Tax Ordinance, 2001. On 11 April 2013, 15 December 2014 and 28 April 2015, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed appeals against foregoing assessment proceedings before CIR(A), which were decided in favour of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. Against the decisions of CIR(A), tax authorities filed appeals before ATIR on 28 August 2013, 25 March 2015 and 29 June 2015. The ATIR through its order dated 01 October 2019 dismissed tax authorities' appeal and upheld the order passed by CIR(A) in case of tax year 2012. The tax authorities have preferred appeal before Honorable Lahore High Court, Lahore against the order of ATIR on 29 January 2020 which is pending adjudication. In case of tax year 2013 and 2014, ATIR through its orders dated 23 April 2022 and 05 July 2022 has dismissed tax authorities' appeals. Based on tax advisor's opinion, the management is confident that the matter will be decided in favour of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company and accordingly no provision has been made in these consolidated financial statements.

xxxii) DCIR, through an assessment order dated 11 August 2015 rejected the deferred sales tax refund claims of different tax periods amounting to Rupees 44.816 million on the grounds that Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company has failed to prove admissibility of refund claims in the light of objection raised by Sales Tax Automated Refund Repository (STARR). Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed an appeal before CIR(A) on 18 October 2017 whereby CIR(A) granted relief to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company and directed the department to allow Company's refund claim after proper verification of underlying documents and refund should be curtailed if Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company failed to provide the proof. The management is of the view that there are meritorious grounds available to prove the genuineness of the refund claims. Consequently, no provision has been made in these consolidated financial statements.

xxxiii) Amended assessment orders dated 30 April 2018 were issued by the Additional Commissioner Inland Revenue (ACIR) under section 122(5A) of the Income Tax Ordinance, 2001 for tax years 2015, 2016 and 2017 whereby taxable income for the tax years under reference was re-computed to Rupees 444.491 million on account of interest income, income from property, minimum tax on capacity sales, scrap sales, gain on sale of fixed assets, confrontation of tax credit under repealed section 65B of the Income Tax Ordinance, 2001 and workers' welfare fund. Against the aforesaid orders, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company preferred appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on 25 May 2018. On 01 June 2021, CIR(A) passed the orders whereby the orders of ACIR were upheld in respect of all the matters except for the taxation of gain on sale of fixed assets and workers' welfare fund which were remanded back to ACIR, for consideration in view of the judgments of Honourable Appellate Tribunal Inland Revenue (ATIR) / Honourable Superior Courts. Being aggrieved with the order of CIR(A), Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company preferred an appeal before ATIR on 10 August 2021 which is pending adjudication. On 08 September 2021, ACIR initiated remand back proceedings which were duly replied by Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. However, on 30 May 2022, ACIR passed an order on remand back proceedings against Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. Being aggrieved by the order of ACIR, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed appeal before CIR(A) on 24 June 2022. On 13 April

2023, CIR(A) decided the case on taxation of gain on sale of fixed assets against Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company and deleted the demand raised on account of workers' welfare fund. Being aggrieved with the order of CIR(A), tax department and Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed appeals before ATIR on 03 June 2023 and 05 June 2023 respectively. On 02 June 2026, ATIR decided both appeals in favour of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company relating to tax year 2017 whereas, appeals related to tax year 2015 and 2016 are pending for adjudication. Based on tax advisor's opinion, there also exists reasonable grounds to defend Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's stance. Hence, no provision has been made in these consolidated financial statements.

xxxiv) On 23 February 2021, DCIR passed an order under section 11 of Sales Tax Act, 1990 whereby a demand on account of inadmissible input sales tax amounting to Rupees 281.609 million along with default surcharge and penalty has been raised. Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed an appeal before CIR(A) on 18 March 2021. On 04 October 2021, CIR(A) disposed off the appeal whereby all the matters were decided in favor of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company except the disallowance of input sales tax on certain services aggregating to Rupees 8.178 million. Being aggrieved with the order of CIR(A), both Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company and department preferred appeals before ATIR on 14 October 2021 and 31 December 2021 respectively. On 12 August 2023, ATIR granted relief to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company in the matter of disallowance of input sales tax on certain services. However, the appeal filed by the department before ATIR is pending adjudication. Based on the advice of the tax advisor, the management is of the view that there are meritorious grounds available to defend the case. Consequently, no provision has been made in these consolidated financial statements.

xxxv) On 28 April 2022, DCIR passed an order under section 11 of Sales Tax Act, 1990 for tax periods from July 2021 to November 2021 raising a demand of Rupees 129.110 million on account of inadmissible input sales tax on various goods and services along with default surcharge and penalty against Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. Being aggrieved with the order of DCIR, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed an appeal before the CIR(A) on 25 May 2022. On 24 November 2022, CIR(A) passed an order whereby partial relief was granted to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company preferred an appeal before ATIR which is pending adjudication. On 02 February 2023, tax department has also preferred an appeal before ATIR which is pending adjudication. Based on the tax advisor's opinion, the management is of the view that there are meritorious grounds available to defend the disallowance of input sales tax. Consequently, no provision for such disallowance has been made in these consolidated financial statements.

xxxvi) On 03 November 2017, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company challenged before the Honorable Lahore High Court (the Court), the legality of enhancement of canal water rates from Rupees 86.52 per 10,000 cubic feet to Rupees 100 per 1,000 cubic feet as notified by the Punjab Irrigation Department (the Department). On 27 March 2018, the said notification of the Department was set aside by the Court. Against the order of the Court, the Department filed an appeal before a division bench of Honorable Lahore High Court, Lahore on 13 January 2021. On 19 June 2025, the Honorable Lahore High Court, Lahore decided the appeal in favor of the Department. Being aggrieved with the order of the Honorable Lahore High Court, Lahore, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed appeal before Supreme Court of Pakistan on 16 August 2025. However, as a matter of prudence, the management has fully provided for an amount of Rupees 17.007 million relating to canal water charges in line with the decision of the Honorable Lahore High Court, Lahore in these

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consolidated financial statements. On 14 July 2021, the Department has issued a new notification with further enhanced rate of water charges from Rupees 100 per 1,000 cubic feet to Rupees 125 per 1,000 cubic feet. Following which, it is possible that the Department could send the water bills based on revised rates under the new notification. However, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company intends to challenge the new notification vide a new petition if it receives any enhanced bill for water charges. Therefore, provision for enhanced water charges has not been made in these consolidated financial statements.

xxxvii) On 18 July 2023, DCIR passed an order under section 11(2) of the Sales Tax Act, 1990 for tax periods from December 2021 to October 2022 raising a demand of Rupees 23.960 million on account of inadmissible input sales tax on various goods and services along with default surcharge and penalty against Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. Being aggrieved with the order of DCIR, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed an appeal before CIR(A) on 15 August 2023. On 24 October 2023, CIR(A) partially accepted Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's stance. Being aggrieved with the order of CIR(A), Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company has preferred an appeal before ATIR on 15 November 2023 which is pending adjudication. The management is of the view that there are meritorious grounds available to defend the case. Consequently, no provision has been made in these consolidated financial statements.

xxxviii) Deputy Commissioner Inland Revenue (DCIR) issued orders dated 27 April 2013, 20 May 2013, 21 May 2013 and 29 August 2013 to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company in which sales tax refund claims amounting to Rupees 1,486.302 million for the tax periods November 2008 to July 2009, January 2010 to December 2010 and January 2011 to July 2012 were rejected by apportioning input sales tax between capacity invoices and energy invoices and allowed input sales tax allocated to energy invoices only. Against aforesaid orders, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] on 10 May 2013, 12 June 2013 and 16 September 2013 which were decided in favour of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. On 03 September 2013 and 05 December 2013, against the orders of CIR(A), tax department filed appeals before Appellate Tribunal Inland Revenue (ATIR). ATIR decided the case in favour of tax department on 04 May 2015 and vacated the order passed by CIR(A). Against the decision of ATIR, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed reference application in the Honorable Lahore High Court (the Court) on 25 May 2015 which has been decided in favour of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company by the Court. However, department has filed petition for leave to appeal before Supreme Court of Pakistan. Further, DCIR issued show cause notice dated 11 August 2014 to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company for the tax periods from July 2009 to December 2012 declaring refund claims being inadmissible amounting to Rupees 2,374.766 million on aforesaid grounds. Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company challenged the notice before the Court on 10 October 2014 along with reply of the show cause notice to DCIR. The Court has decided the case in favour of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. However, on 04 February 2017, tax department has filed petition for leave to appeal before Supreme Court of Pakistan, as well as review application before the Court.

Further, on 18 May 2021, DCIR issued a show cause notice under section 11(2) of the Sales Tax Act, 1990 for the tax periods from July 2016 to January 2021 regarding the disallowance of input sales tax amounting to Rupees 478.291 million on similar grounds as explained above. On 03 June 2021, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company challenged the jurisdiction of DCIR by filing the writ petition before the Honorable Lahore High Court (the Court). The Court vide order dated 02 August 2021 directed Pakgen Limited (Formerly: Pakgen

Power Limited) - Subsidiary Company to comply with the notice. On 03 August 2021, DCIR passed an assessment order against Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company by disallowing the input tax amounting to Rupees 478.291 million along with the default surcharge and penalty without providing any opportunity of being heard. Being aggrieved with the order of DCIR, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company preferred an appeal before CIR(A) on 15 August 2021. On 09 November 2021, CIR(A) annulled the order passed by DCIR and directed to allow reasonable time to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company of being heard. Against the order of CIR(A), Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company has filed an appeal before ATIR on 16 December 2021 which is pending for hearing.

On 08 April 2021, Assistant Commissioner Inland Revenue (ACIR) issued a show cause notice under section 11(2) of the Sales Tax Act, 1990 for the tax period from January 2016 to December 2016 regarding the disallowance of input sales tax amounting to Rupees 1,080.919 million along with default surcharge and penalty on similar grounds as explained above. On 19 June 2021, ACIR passed a detailed order whereby the recoverability of sales tax claimed against capacity purchase price amounting to Rupees 1,080.919 million along with default surcharge and penalty was connected with the outcome of decision of Honorable Supreme Court in the same matter as explained above. Moreover, ACIR also raised a demand of Rupees 10.145 million on account of inadmissible claim of input sales tax and sales tax on sale of residue of extracts from furnace oil. Against the order of ACIR, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company preferred an appeal before CIR(A) on 19 July 2021. On 10 March 2022, CIR(A) passed an order whereby partial relief was provided to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. Being aggrieved with the order of CIR(A), Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company has filed an appeal before ATIR on 07 April 2022. The tax department has also filed appeal before ATIR against the order of CIR(A) on 27 May 2022 which is pending for hearing. On 13 June 2022, ATIR passed an order and remanded back the case to assessing officer for fresh consideration. On 06 November 2023, the assessing officer has started proceedings afresh. Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company has duly submitted its reply to the assessing officer. No further proceedings have been initiated by the assessing officer yet. On 26 June 2023, ACIR issued a show cause notice under section 25(2) of the Sales Tax Act, 1990 for tax period from January 2017 to December 2017 regarding inadmissible claim of input sales tax against capacity purchase price amounting to Rupees 1,030.945 million including default surcharge and penalty. On 25 October 2023, DCIR passed an order whereby the recoverability of input sales tax claimed against capacity purchase price was connected with the outcome of decision of Honorable Supreme Court in the same matter as explained above. Moreover, DCIR also raised a demand of Rupees 6.017 million including default surcharge and penalty on account of various issues.

Against the order of DCIR, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company preferred an appeal before CIR(A) on 15 November 2023. On 28 December 2023, CIR(A) passed an order and partial relief was granted to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company in certain matters with the direction to assessing officer for proper reconciliation of records. Being aggrieved by the order of CIR(A), both department and Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company have preferred appeals before ATIR on 22 January 2024 and 14 February 2024 respectively which are pending adjudication.

On 29 January 2026, DCIR issued a show cause notice under section 11E of the Sales Tax Act, 1990 for tax period from January 2019 to December 2019 regarding inadmissible claim of input sales tax against capacity purchase price and on account of various issues. On 16 July 2026, subsequent to the reporting period, DCIR passed an order on similar grounds as explained above and raised demand of Rupees 1,256.606 million including default surcharge and penalty against inadmissible claim of input sales tax on capacity purchase price and Rupees 363.002 million

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including default surcharge and penalty on account of various issues. Being aggrieved with the order of DCIR, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company is in the process of filing appeal before CIR(A).

Based on the advice of legal counsel, the management is of the view that there are meritorious grounds available to defend these cases. Further, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company has signed Negotiated Settlement Agreement with Power Purchaser, wherein it has been agreed that in case the appeals regarding apportionment of input sales tax imposed on the capacity purchase price, pending before the Apex courts are decided finally in favor of Federal Board of Revenue (FBR), and Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company is required to make payment to the FBR after exhausting all legal remedies, the Power Purchaser shall be obliged to reimburse the payment to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company within 30 days of the invoice, after making the payment by Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company; Consequently, no provision for these cases has been made in these consolidated financial statements.

xxxix) On 27 January 2022, ACIR issued a show cause notice under section 11(2) of the Sales Tax Act, 1990 for the tax period September 2013 raising a demand on account of inadmissible input sales tax on various goods and services aggregating to Rupees 17.243 million along with default surcharge and penalty against Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company duly replied to the said show cause notice. ACIR after considering Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's reply passed an order on 29 April 2022, whereby input sales tax of Rupees 6.606 million already deferred was rejected and demand of Rupees 10.637 million along with default surcharge and penalty was confirmed. Against the order of ACIR, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed an appeal before CIR(A) on 25 May 2022. On 24 November 2022, CIR(A) upheld the order passed by ACIR. Against the order of CIR(A), Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company preferred an appeal before ATIR which is pending adjudication. Based on the advice of tax advisor, the management expects favorable outcome of the matter. Consequently, no provision for such disallowance has been made in these consolidated financial statements.

xl) On 28 September 2018, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company challenged, before Honorable Lahore High Court, Lahore, the vires of clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 whereby claim of input sales tax in respect of building materials has been disallowed. The Honorable Lahore High Court, Lahore on 24 October 2019 passed an order against Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company and Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company being aggrieved with the order preferred Intra Court Appeal before the Honorable Lahore High Court, Lahore on 26 November 2019. Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company has claimed input sales tax amounting to Rupees 2.801 million paid on such goods in its respective monthly sales tax returns. On 29 January 2020, the Honorable Lahore High Court, Lahore modified its earlier order dated 24 October 2019 and remanded back the case to assessing / adjudicating officer to interpret clauses (h) and (i) to sub-section (1) of section 8 of the Sales Tax Act, 1990 on case to case basis. The management has strong grounds to believe that the matter will be decided in favor of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. Therefore, no provision has been made in these consolidated financial statements.

xli) On 16 August 2024, DCIR passed an order for tax periods from November 2022 to June 2023 under section 11 of Sales Tax Act, 1990 whereby sales tax demand of Rupees 2.094 million has been raised on account of inadmissible input sales tax on various goods and services claimed

along with default surcharge and penalty against Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. Being aggrieved with the order of DCIR, on 23 September 2024, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed an appeal before CIR(A). On 27 June 2025, CIR(A) partially accepted Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's instance. Being aggrieved with the order of CIR(A), Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed an appeal before ATIR on 17 July 2025. On 07 October 2025, ATIR decided the case in favor of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. Further, the department has also filed an appeal against the order of CIR(A) dated 27 June 2025 which is pending for hearing. Based on the tax advisor's opinion, there exists reasonable grounds to defend Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's stance. Hence, no provision has been made in these consolidated financial statements.

xlii) On 26 August 2019, DCIR passed an order under section 11 of the Sales Tax Act, 1990 raising a demand on account of sales tax aggregating to Rupees 159.815 million against Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. On 28 August 2019, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed an appeal before CIR(A) against the order of DCIR. On 12 September 2019, CIR(A) disposed-off the appeal whereby all the matters were decided in favor of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company except the disallowance of input sales tax on certain purchases aggregating to Rupees 51.707 million. Further, CIR(A) connected the decision regarding the adjustment of input sales tax in respect of building materials amounting to Rupees 2.801 million with the outcome of appeal filed with Honorable Lahore High Court, Lahore as disclosed in note 8.1(vi) to the preceding audited annual published financial statements of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company for the year ended 31 December 2025. Being aggrieved by the order, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed an appeal before the ATIR on 08 October 2019 challenging the disallowance of input sales tax. On 22 April 2021, ATIR remanded back the case to assessing officer for fresh consideration and to decide the case related to adjustment of input sales tax in respect of building materials in light of judgment passed by Honorable Lahore High Court, Lahore after providing reasonable opportunity of being heard to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. The tax department filed two sales tax references in Honourable Lahore High Court against the order of ATIR on 06 September 2021. On 31 March 2026, Honourable Lahore High Court, Lahore rejected the sales tax references being time barred. Against the orders of Honourable Lahore High Court, the tax department has preferred appeals before the Honorable Supreme Court of Pakistan which are pending adjudication. Based on tax advisor's opinion, there exists reasonable grounds to defend Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's stance. Hence, no provision has been made in these consolidated financial statements.

xliii) Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company identified certain sales tax Invoices relating to tax periods from September 2010 to September 2017 where Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company duly discharged the liabilities by making payments to suppliers whereas input sales tax aggregating to Rupees 187.056 million was not adjusted against the output sales tax for the respective tax periods. Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed application to Federal Board of Revenue (the Board) to condone the time limits regarding the above explained matter. In response to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's application, the Board called for a report on factual merits of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's application. The Deputy Commissioner Inland Revenue (DCIR), in accordance with the directions of the Board, issued letters to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company to submit relevant documentary evidence in order to prepare the report for the Board. On 22 April 2019, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company duly complied with those letters by submitting all the necessary /

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relevant data. On 30 June 2024, Commissioner Inland Revenue (CIR) submitted report on factual merits of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's application and recommended that condonation in respect of input sales tax amounting to Rupees 145.890 million be allowed to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. On 22 July 2024, the Board has condoned the time limit to adjust the aforementioned input sales tax amounting to Rupees 145.890 million. However, provision for doubtful sales tax recoverable amounting to Rupees 10.253 million has been duly incorporated in these financial statements. Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company is continuously following up with the Board and is in the process of submitting evidences relating to remaining amount to authorities for expeditious disposal of the case. Based on the advise of the tax advisor, the management expects favorable outcome of the matter. Hence, no provision against the remaining amount has been made in these consolidated financial statements.

xliv) On 20 May 2022, National Electric Power Regulatory Authority ("NEPRA") issued a show cause notice to Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company, claiming Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's failure to start the plant during the nation-wide power system break down on 09 January 2021, under various provisions of the Grid Code issued by National Transmission and Despatch Company Limited ("NTDC") and National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000. Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company submitted its reply to show cause notice on 06 June 2022 based on the grounds that the plant was not available due to technical reasons and Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company has a right to declare forced outage and that there is credible information available to establish the cause of non-availability of plant as per Power Purchase Agreement (PPA). On 13 February 2023, NEPRA rejected Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's reply to the show cause notice and imposed a penalty amounting to Rupees 25 million. Being aggrieved with the order of NEPRA, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed an appeal before the Appellate Tribunal (NEPRA) to set aside the aforementioned order. On 27 March 2023, Appellate Tribunal (NEPRA) passed an interim order to deposit post dated cheque of Rupees 25 million to the Registrar of NEPRA and directed the NEPRA to refrain from taking any coercive measure against Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. Based on the advice of legal counsel, the management is confident of favourable outcome of the matter, hence, no provision against this penalty amount has been made in these consolidated financial statements.

xlv) On 22 January 2024, Deputy Commissioner Inland Revenue (DCIR) passed various orders for tax periods from July 2016 to June 2018, July 2018 to June 2019, July 2019 to June 2020 and July 2022 to June 2023 on various issues under relevant provisions of the Sales Tax Act, 1990 aggregating to Rupees 12.811 million including default surcharge and penalty. Being aggrieved by the orders passed by DCIR, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company preferred appeals before CIR(A) on 19 February 2024. On 29 November 2024, in the matter of appeal filed for tax period from July 2016 to June 2018, CIR(A) partially accepted Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's instance. Being aggrieved with the order of CIR(A), Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company filed an appeal before ATIR which has not been taken up for hearing. However, on 31 October 2024, CIR(A) passed various orders in relation to appeals filed for tax period July 2018 to June 2019, July 2019 to June 2020 and July 2022 to June 2023 whereby matter relating to default surcharge has been remanded back to assessing officer for fresh consideration. On 14 April 2025, the assessing officer has initiated remand back proceedings for tax periods July 2018 to June 2019, July 2019 to June 2020 and July 2022 to June 2023. On 15 June 2026, the assessing officer passed orders against Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company relating to these remand back proceedings. On 14 July 2026, subsequent to the reporting period, Pakgen Limited (Formerly: Pakgen Power Limited) -

Subsidiary Company has filed appeals before the CIR(A) against the orders passed by assessing officer which are pending adjudication. Based on tax advisor's opinion, there exists reasonable grounds to defend Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's stance. Hence, no provision has been made in these consolidated financial statements.

xlvi) Post dated cheques of Rupees Nil (30 June 2025: Rupees 129 million) are issued by Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company to Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) as credit cover for continuation of import energy supply to the Company.

xlvii) Guarantees of Rupees 19 million (30 June 2025: Rupees 19 million) are given by the banks of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company to Director, Excise and Taxation, Karachi against disputed amount of infrastructure cess.

b) Commitments

i) Contracts for capital expenditure of the Group are approximately of Rupees 1,754.917 million (2025: Rupees 3,116.096 million).

ii) Letters of credit other than for capital expenditure of the Group are of Rupees 7,199.764 million (2025: Rupees 4,347.176 million).

iii) Outstanding foreign currency forward contracts of the Group are Rupees 5,361.027 million (2025: Rupees 899.667 million).

iv) This represents commitment recognized on a straight-line basis as expense under the practical expedients applied by the Group with respect to IFRS 16. The amount of future payments under this lease and the period in which these payments will become due are as follows:

	Note	2026	2025
		(Rupees in thousand)	
Not later than one year		6,025	6,077

16 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	16.1	71,606,217	71,533,810
Capital work in progress	16.2	5,770,365	3,995,822
Major spare parts and standby equipment	16.3	68,958	69,757
		77,445,540	75,599,389

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16.1 OPERATING FIXED ASSETS

	Freehold land	Buildings	Plant and machinery	Electric installations	Factory equipment	Furniture, fixtures and office equipment	Computer equipment	Vehicles	Kitchen equipment and crockery items	Improvement on lease hold	Total
	(Rupees in thousand)										
At 30 June 2024											
Cost	3,158,314	18,837,450	72,969,266	2,026,131	605,695	1,753,184	687,054	1,984,348	36,143	-	102,057,585
Currency retranslation	-	(33,597)	-	-	-	(2,492)	(919)	(4,730)	-	-	(41,738)
	3,158,314	18,803,853	72,969,266	2,026,131	605,695	1,750,692	686,135	1,979,618	36,143	-	102,015,847
Accumulated depreciation	-	(10,343,949)	(37,190,445)	(1,101,344)	(359,613)	(810,549)	(505,122)	(900,414)	(31,499)	-	(51,242,935)
Currency retranslation	-	32,730	-	-	-	1,689	887	2,798	-	-	38,104
	-	(10,311,219)	(37,190,445)	(1,101,344)	(359,613)	(808,860)	(504,235)	(897,616)	(31,499)	-	(51,204,831)
Accumulated impairment	-	-	(162,601)	-	-	-	-	-	-	-	(162,601)
Net book value	3,158,314	8,492,634	35,616,220	924,787	246,082	941,832	181,900	1,082,002	4,644	-	50,648,415
Year ended 30 June 2025											
Opening net book value	3,158,314	8,492,634	35,616,220	924,787	246,082	941,832	181,900	1,082,002	4,644	-	50,648,415
Additions	397,489	8,540,049	16,638,412	839,107	61,789	343,179	124,153	520,536	-	-	27,464,714
Disposals / Derecognitions:											
Cost	-	-	(259,891)	(4,665)	(189)	(1,247)	(10,452)	(247,938)	-	-	(524,382)
Accumulated depreciation	-	-	216,595	4,140	133	863	8,245	140,381	-	-	370,357
	-	-	(43,296)	(525)	(56)	(384)	(2,207)	(107,557)	-	-	(154,025)
Assets relating to Nishat Hospitality (Private) Limited (Note 44):											
Cost	(19,129)	(1,321,077)	(185,503)	(334,940)	(11,601)	(234,334)	(33,385)	(22,102)	(36,143)	-	(2,198,214)
Accumulated depreciation	-	794,765	104,793	193,083	7,645	104,209	25,395	11,289	31,991	-	1,273,170
	(19,129)	(526,312)	(80,710)	(141,857)	(3,956)	(130,125)	(7,990)	(10,813)	(4,152)	-	(925,044)
Write-off											
Cost	-	-	-	-	(755)	(11)	(559)	-	-	-	(1,325)
Accumulated depreciation	-	-	-	-	755	11	559	-	-	-	1,325
	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	(1,070,899)	(3,829,731)	(106,377)	(31,751)	(106,971)	(72,588)	(282,662)	(492)	-	(5,501,471)
Currency retranslation	-	(1,306)	-	-	-	527	70	1,930	-	-	1,221
Closing net book value	3,536,674	15,434,166	48,300,895	1,515,135	272,108	1,048,058	223,338	1,203,436	-	-	71,533,810
At 30 June 2025											
Cost	3,536,674	26,022,825	89,162,284	2,525,633	654,939	1,858,279	765,892	2,230,114	-	-	126,756,640
Currency retranslation	-	22,534	-	-	-	2,187	703	5,789	-	-	31,213
	3,536,674	26,045,359	89,162,284	2,525,633	654,939	1,860,466	766,595	2,235,903	-	-	126,787,853
Accumulated depreciation	-	(10,587,353)	(40,698,788)	(1,010,498)	(382,831)	(810,748)	(542,624)	(1,028,608)	-	-	(55,061,450)
Currency retranslation	-	(23,840)	-	-	-	(1,660)	(633)	(3,859)	-	-	(29,992)
	-	(10,611,193)	(40,698,788)	(1,010,498)	(382,831)	(812,408)	(543,257)	(1,032,467)	-	-	(55,091,442)
Accumulated impairment	-	-	(162,601)	-	-	-	-	-	-	-	(162,601)
Net book value	3,536,674	15,434,166	48,300,895	1,515,135	272,108	1,048,058	223,338	1,203,436	-	-	71,533,810
Year ended 30 June 2026											
Opening net book value	3,536,674	15,434,166	48,300,895	1,515,135	272,108	1,048,058	223,338	1,203,436	-	-	71,533,810
Additions	263,434	1,228,052	4,215,901	238,355	27,774	157,822	93,206	448,392	-	773,553	7,446,489
Assets relating to Pakgen Limited (Formerly: Pakgen Power Limited) (Note 1):											
Cost	-	-	-	11,436	-	50,309	-	38,723	-	-	100,468
Accumulated depreciation	-	-	-	(9,934)	-	(45,111)	-	(25,753)	-	-	(80,798)
	-	-	-	1,502	-	5,198	-	12,970	-	-	19,670
Disposals / Derecognitions:											
Cost	-	-	(767,610)	(6,863)	-	(463)	(6,780)	(209,166)	-	-	(990,882)
Accumulated depreciation	-	-	594,430	4,674	-	296	5,324	120,732	-	-	725,456
	-	-	(173,180)	(2,189)	-	(167)	(1,456)	(88,434)	-	-	(265,426)
Depreciation charge	-	(1,680,076)	(4,690,321)	(163,223)	(29,368)	(117,687)	(85,157)	(282,166)	-	(77,147)	(7,125,145)
Currency retranslation	-	(2,556)	-	-	-	(890)	702	(437)	-	-	(3,181)
Closing net book value	3,800,108	14,979,586	47,653,295	1,589,580	270,514	1,092,334	230,633	1,293,761	-	696,406	71,606,217
At 30 June 2026											
Cost	3,800,108	27,273,411	92,610,575	2,768,561	682,713	2,068,134	853,021	2,513,852	-	773,553	133,343,928
Currency retranslation	-	(19,165)	-	-	-	(1,583)	36	(1,051)	-	-	(21,763)
	3,800,108	27,254,246	92,610,575	2,768,561	682,713	2,066,551	853,057	2,512,801	-	773,553	133,322,165
Accumulated depreciation	-	(12,291,269)	(44,794,679)	(1,178,981)	(412,199)	(974,910)	(623,090)	(1,219,654)	-	(77,147)	(61,571,929)
Currency retranslation	-	16,609	-	-	-	693	666	614	-	-	18,582
	-	(12,274,660)	(44,794,679)	(1,178,981)	(412,199)	(974,217)	(622,424)	(1,219,040)	-	(77,147)	(61,553,347)
Accumulated impairment	-	-	(162,601)	-	-	-	-	-	-	-	(162,601)
Net book value	3,800,108	14,979,586	47,653,295	1,589,580	270,514	1,092,334	230,633	1,293,761	-	696,406	71,606,217
Annual rate of depreciation (%)	-	3.94-10	3.94 - 10.00 and number of hours used	10	10	10	30-33	20	20-33		

16.1.1 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of / derecognized during the year is as follows:

Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
		(Rupees in thousand)						
Plant and machinery								
Ring Frames 480 Spindles with compact attachment	35	112,196	75,365	36,831	70,000	33,169	Negotiation	Mubashar Brothers, Faisalabad
Ring Frames 480 Spindles with compact attachment	8	28,457	18,540	9,917	16,000	6,083	Negotiation	H.A. Haq Spinning Mills (Private) Limited, Faisalabad
Autocone Winder Savio Orion	5	64,027	55,433	8,594	7,881	(713)	Negotiation	Mubashar Brothers, Faisalabad
Toyoda Simplex Frame	2	12,452	11,742	710	2,881	2,171	Negotiation	Mubashar Brothers, Faisalabad
Murata Autoconewinder	2	36,609	32,472	4,137	11,102	6,965	Negotiation	Mubashar Brothers, Faisalabad
Air Jet Looms	30	105,133	89,133	16,000	44,237	28,237	Negotiation	Salam Din Weaving Factory, Faisalabad
Air Jet Looms	8	37,401	30,711	6,690	11,797	5,107	Negotiation	Maqbool Ahmad Weaving Factory, Faisalabad
Air Compressor with Air Dryer	4	3,783	2,670	1,113	610	(503)	Negotiation	Abdul Manan Traders, Faisalabad
Open Width Washing Range	1	59,374	51,411	7,963	16,949	8,986	Negotiation	Alkaram Processing Mill (Private) Limited, Faisalabad
Genset Natural Gas Engine	1	62,377	53,849	8,528	15,254	6,726	Negotiation	Ibrahim Engineering Services, Faisalabad Direct Drive Servo Button
Direct Drive Servo Button Snap Machine	28	1,388	479	909	560	(349)	Negotiation	A. Paracha Sons, Karachi
Chillers with accessories	1	8,100	6,850	1,250	8,279	7,029	Negotiation	Rafique Textile Corporation, Faisalabad
Murata Cone Winder	2	18,306	16,197	2,109	2,542	433	Negotiation	Mubashar Brothers, Faisalabad
Loptex Optosonic Digit	1	6,950	5,684	1,266	127	(1,139)	Negotiation	Mubashar Brothers, Faisalabad
Loptex Sorter Single Version	2	13,165	11,421	1,744	254	(1,490)	Negotiation	Mubashar Brothers, Faisalabad
Clipping Machine Top Set	1	2,700	1,390	1,310	381	(929)	Negotiation	Mubashar Brothers, Faisalabad
Solar System	1	157,718	96,635	61,083	30,542	(30,541)	Negotiation	D.G. Khan Cement Company Limited - associated company
		730,136	559,982	170,154	239,396	69,242		
Vehicles								
Suzuki Swift ADK-507	1	1,795	1,020	775	1,045	270	Company's policy	Mr. Khurram Jabbar, Company's employee, Lahore
Toyota Corolla ACQ-179	1	2,755	1,634	1,121	1,550	429	Company's policy	Mr. Muhammad Mumtaz, Company's employee, Faisalabad
Suzuki Swift LEA-20-1283	1	2,042	1,450	592	2,275	1,683	Negotiation	Mr. Muhammad Adnan, Lahore
Suzuki Cultus ADB-664	1	1,817	1,076	741	1,015	274	Company's policy	Mr. Muhammad Arshad Khan, Company's employee, Sheikhupura
Suzuki Cultus ADA-806	1	1,816	1,075	741	1,014	273	Company's policy	Mr. Zia-ur-Rehman, Company's employee, Lahore
Suzuki Cultus ACY-499	1	1,817	1,082	735	1,011	276	Company's policy	Mr. Muhammad Akbar Shaheen, Company's employee, Lahore
Hyundai Sonata AGD-409	1	4,494	2,571	1,923	2,603	680	Company's policy	Mr. Sulaiman Kiyani, Company's employee, Lahore
Toyota Corolla ACY-473	1	1,855	1,126	729	989	260	Company's policy	Mr. Muhammad Shoaib Alam, Company's employee, Faisalabad
Suzuki Cultus ABA-459	1	1,817	1,139	678	1,016	338	Negotiation	Miss Firdous Jabeen, Kasur
Suzuki Cultus ACY-230	1	1,817	1,042	775	1,042	267	Company's policy	Mr. Muhammad Abrar, Company's employee, Faisalabad
Hyundai Elantra ACK-962	1	3,614	2,241	1,373	3,035	1,662	Negotiation	Mr. Abdul Ali Muhammad, Lahore
Suzuki Swift ACB-281	1	2,079	1,323	756	957	201	Company's policy	Mr. Sohail Akbar, Company's employee, Lahore
Honda City AMM-342	1	3,263	1,553	1,710	2,364	654	Company's policy	Mr. Naveed Arshad, Company's employee, Lahore
Suzuki Cultus AFX-561	1	1,690	977	713	966	253	Negotiation	Mr. Muhammad Iftikhar, Faisalabad
Hyundai Elantra AJU-814	1	4,554	2,273	2,281	3,095	814	Negotiation	Mr. Syed Shahadat Karim, Lahore
Toyota Corolla ADC-054	1	3,513	2,007	1,506	2,026	520	Company's policy	Mr. Muzammil Hussain, Company's employee, Lahore
Suzuki Swift AMC-985	1	2,765	1,421	1,344	2,693	1,349	Negotiation	Mr. Sajid Iqbal, Lahore
Suzuki Swift ALD-713	1	2,756	1,477	1,279	1,774	495	Negotiation	Mr. Rehan Dawood, Lahore

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Description	Quantity Nos.	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
		(Rupees in thousand)						
Forklifter Truck	1	3,919	3,045	874	1,148	274	Negotiation	Mr. Muhammad Akbar, Faisalabad
Suzuki Cultus ADZ-039	1	1,766	1,020	746	1,006	260	Company's policy	Mr. Aamir Masood, Company's employee, Lahore
Honda City AEZ-238	1	1,703	963	740	991	251	Company's policy	Mr. Pervaiz Akhtar, Company's employee, Lahore
Honda Civic AFL-836	1	3,742	2,081	1,661	2,226	565	Company's policy	Mr. Ali Imran Shah, Company's employee, Lahore
Hyundai Sonata AEU-839	1	4,240	2,400	1,840	2,501	661	Company's policy	Mr. Maqsood Ahmad, Company's employee, Lahore
Suzuki Cultus AFW-257	1	1,690	962	728	983	255	Company's policy	Mr. Aamir Saeed, Company's employee, Lahore
Suzuki Cultus ADU-137	1	1,761	1,009	752	1,008	256	Company's policy	Mr. Muhammad Asif, Company's employee, Lahore
Suzuki Cultus AER-375	1	1,690	959	731	1,002	271	Company's policy	Mr. Bashir Ahmad Shahid, Company's employee, Lahore
Honda City AGT-033	1	2,858	1,688	1,170	1,587	417	Company's policy	Mr. Shafqat Niaz, Company's employee, Lahore
Suzuki Cultus AEH-311	1	1,755	1,004	751	1,028	277	Company's policy	Mr. Muhammad Jameel, Company's employee, Lahore
Suzuki Cultus AEZ-484	1	1,690	965	725	982	257	Company's policy	Mr. Ghulam Fareed, Company's employee, Lahore
Suzuki Cultus AEL-938	1	1,766	1,080	686	942	256	Company's policy	Mr. Sajjad Ahmed, Company's employee, Lahore
Suzuki Swift ANY-355	1	4,209	1,986	2,223	2,989	766	Negotiation	Mr. Muhammad Azmat Ali, Lahore
Porsche Taycan APY-500	1	76,851	30,740	46,111	43,000	(3,111)	Negotiation	Pak Gulf Corporation, Islamabad
Hyundai Sonata ADW-550	1	7,411	6,546	865	865	-	Company policy	Mr. Ghazanfar Hussain Mirza, Company's employee, Lahore.
Hyundai Elantra AFY-310	1	4,036	3,363	673	673	-	Company policy	Mr. Sharjeel Musa, Company's employee, Lahore.
Hyundai Santa Fe Hybrid ATG-305	1	7,294	2,310	4,984	4,984	-	Company policy	Mr. Muhammad Nawaz, Company's employee, Lahore.
		174,640	88,608	86,032	98,385	12,353		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 500,000		86,106	76,866	9,240	39,559	30,319		
		990,882	725,456	265,426	377,340	111,914		

	Note	2026	2025
		(Rupees in thousand)	
16.1.2 Depreciation charge for the year has been allocated as follows:			
Cost of sales	34	6,551,996	5,045,627
Distribution cost	35	189,735	93,188
Administrative expenses	36	382,424	362,656
Capital work-in-progress		990	-
		7,125,145	5,501,471

16.1.3 Particulars of immovable properties (i.e. Land and buildings) are as follows:

Description	Address	Area of land Acres
Spinning units, Yarn dyeing unit and Power plant	Nishatabad, Faisalabad.	86.43
Spinning units and Power plant	Plot No. 172-180 & 188-197, M-3 Industrial City, Sahianwala and FIEDMIC, 2 K.M., Jhumra Chiniot Road, Chak Jhumra, Faisalabad.	96.56
Spinning units and Power plant	20 K.M., Sheikhupura Road, Feroze Wattwan.	67.12
Weaving units, Denim unit, Workwear unit and Power plant	12 K.M., Faisalabad Road, Sheikhupura.	110.39
Weaving unit, Dyeing and finishing unit, Processing unit, Stitching units and Power plant	5 K.M., Nishat Avenue, Off 22 K.M., Ferozepur Road, Lahore.	120.79
Terry unit	7 K.M., Nishat Avenue, Off 22 K.M., Ferozepur Road, Lahore.	12.54
Apparel unit	2 K.M., Nishat Avenue, Off 22 K.M., Ferozepur Road, Lahore.	14.38
Office	7-Main Gulberg, Lahore.	1.12
NL Tower (Retail Outlet)	5/A-3, 20-A-III, Gulberg, Lahore.	0.30
Commercial Plot *	C-43-37, Lake City, Lahore.	0.05
Commercial Factory Land	Mouza Dullu Khurd, Tehsil Model Town, Lahore	1.01
Power Plant - Nishat Power Limited - Subsidiary Company	Jamber Kalan, Tehsil Pattoki, District Kasur.	34.07
Commercial plot (Site for head office)	Plot No. 7, Block Q, Phase 8C, Defence Housing Authority, Lahore.	0.16
Factory land	21 K.M., Ferozepur Road, Lahore.	4.21
Commercial building	Mian Mehmood Kasuri Road, Gulberg III, Lahore.	0.76
Factory land and building	Nishatabad, Faisalabad.	5.50
		555.39

* Nishat Linen (Private) Limited - Subsidiary Company purchased this plot for the construction of retail outlet in the near future.

16.2 Capital work-in-progress

	Advances for purchase of freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Furniture, fixtures and office equipment	Advances for purchase of vehicles	Unallocated capital expenditures	Advances for lease hold improvement	Total
	(Rupees in thousand)								
At 30 June 2024	389,942	7,563,166	11,769,170	669,569	57,488	170,292	361,089	-	20,980,716
Add: Additions during the year	270,039	1,764,387	5,333,075	140,543	39,624	409,154	533	-	7,957,355
Less: Transferred to operating fixed assets during the year	(396,547)	(8,203,939)	(14,708,205)	(777,439)	(34,858)	(454,560)	(357,004)	-	(24,932,552)
Less: Charged to profit or loss during the year	-	-	-	(9,697)	-	-	-	-	(9,697)
Add / (less): Reclassifications	-	(2,079)	5,690	1,540	(533)	-	(4,618)	-	-
At 30 June 2025	263,434	1,121,535	2,399,730	24,516	61,721	124,886	-	-	3,995,822
Add: Additions during the year	-	2,477,549	3,876,550	91,385	18,625	254,679	109,466	89,570	6,917,824
Less: Transferred to operating fixed assets during the year	(263,434)	(1,119,818)	(3,214,323)	(189,446)	(19,246)	(337,014)	-	-	(5,143,281)
Add / (less): Reclassifications:	-	(150,593)	(10,450)	161,043	-	-	-	-	-
At 30 June 2026	-	2,328,673	3,051,507	87,498	61,100	42,551	109,466	89,570	5,770,365

16.2.1 Vehicles include advances of Rupees 1.369 million (2025: Rupees 15.853 million) and Rupees 8.389 million (2025: Rupees Nil) given to Hyundai Nishat Motor (Private) Limited - associated company and Nexgen Auto (Private) Limited - associated company.

16.2.2 Borrowing cost amounting to Rupees Nil (2025: Rupees 579.606 million) has been capitalized during the year. The effective rate of borrowing cost capitalized during the year ended 30 June 2025 was 12.10% to 21.99% per annum.

16.3 Major spare parts and standby equipment

	Note	2026	2025
		(Rupees in thousand)	
Opening balance		69,757	70,943
Less: Transferred during the year		(799)	-
Less: Adjustments to relating to Nishat Hospitality (Private) Limited	44	-	(1,186)
Closing balance		68,958	69,757

17 INVESTMENT PROPERTIES

	Note	Freehold land	Buildings on freehold land	Air strip	Total
		(Rupees in thousand)			
Balance as at 30 June 2026					
Opening net book value		-	-	-	-
Assets transferred upon recognition of Pakgen Limited (Formerly: Pakgen Power Limited) as subsidiary company	1				
Cost		742,924	128,909	11,633	883,466
Depreciation charged during the period	37	-	(1,093)	(48)	(1,141)
Net book value		742,924	127,816	11,585	882,325
As at 30 June 2026					
Cost		742,924	128,909	11,633	883,466
Accumulated depreciation		-	(1,093)	(48)	(1,141)
Net book value		742,924	127,816	11,585	882,325
Rate of depreciation (%)		-	2.95 - 6.25	5	

17.1 Fair value of freehold land was Rupees 742.924 million whereas fair value of buildings on freehold land and air strip as at 31 December 2025 was Rupees 140.542 million. Forced sale value of freehold land was Rupees 594.339 million whereas forced sale value of buildings on freehold land and air strip as at 31 December 2025 was Rupees 105.407 million. The valuation of investment properties have been determined by an independent valuer as at 31 December 2025.

17.2 Particulars of investment properties (i.e freehold land and buildings on freehold land) are as follows:

Description	Address	Area of land	Covered area of buildings
		Acres	Square feet
Freehold land	Mehmood Kot, District Muzzaffargarh	285.994	-
Buildings on freehold land	Mehmood Kot, District Muzzaffargarh	-	236,585
Air strip	Mehmood Kot, District Muzzaffargarh	-	379,828

	Note	2026	2025
		(Rupees in thousand)	

18 INTANGIBLE ASSETS

Computer software	18.1	-	-
Goodwill	18.2	677,647	677,647
		677,647	677,647

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	Note	2026	2025
		(Rupees in thousand)	
18.1 Computer Software			
Cost as at 30 June		7,542	7,542
Accumulated amortization		(7,542)	(7,542)
Net book value as at 30 June		-	-

18.1.1 Intangible assets having cost of Rupees 7.542 million are fully amortised and are still is use of Nishat Power Limited - Subsidiary Company.

18.2 This represents goodwill arised on acquisition of Wernerfelt A/S - Subsidiary Company.

19 RIGHT-OF-USE ASSETS

	Land	Buildings	Others	Total
	(Rupees in thousand)			
Reconciliation of net carrying amount of right-of-use assets:				
Balance as at 30 June 2024	123,685	1,907,793	37,849	2,069,327
Add: Additions during the year	-	1,354,102	-	1,354,102
Add: Impact of lease modifications / renewals	-	778,658	-	778,658
Less: Impact of lease terminations	-	(83,558)	-	(83,558)
Less: Depreciation for the year	(14,337)	(1,112,347)	(10,890)	(1,137,574)
Add: Currency retranslation	4,225	30,737	2,443	37,405
Balance as at 30 June 2025	113,573	2,875,385	29,402	3,018,360
Add: Additions during the year	-	836,546	-	836,546
Add: Impact of lease modifications / renewals	-	1,198,539	-	1,198,539
Less: Impact of lease terminations	-	(136,805)	-	(136,805)
Less: Depreciation for the year	(14,434)	(1,361,119)	(11,820)	(1,387,373)
Add: Currency retranslation	(2,450)	(16,803)	56	(19,197)
Balance as at 30 June 2026	96,689	3,395,743	17,638	3,510,070

Lease of land

Nishat International FZE - Subsidiary Company obtained land on lease for warehouse purpose. Lease period is 10 years.

Lease of buildings

The Group obtained buildings on lease for godowns, shops and residential purpose. Lease terms are negotiated on an individual basis and contains wide range of different terms and conditions. Lease periods range from 02 to 10 years.

Lease of others

Wernerfelt A/S - Subsidiary Company obtained office furnitures, trucks and miscellaneous assets for business use on lease. Lease period is 44 months.

	Note	2026	2025
		(Rupees in thousand)	
19.1 Depreciation charge for the year has been allocated as follows:			
Cost of sales	34	124,497	115,790
Distribution cost	35	1,233,285	1,005,975
Administrative expenses	36	29,591	15,809
		1,387,373	1,137,574
20 LONG TERM INVESTMENTS			
Equity instruments	20.1	125,590,768	85,408,552
20.1 Equity instruments			
Associates (with significant influence) - under equity method			
D.G. Khan Cement Company Limited - quoted 137,574,201 (2025: 137,574,201) fully paid ordinary shares of Rupees 10 each. Equity held 31.40% (2025: 31.40%)		40,396,907	30,336,922
Lalpir Limited (Formerly: Lalpir Power Limited) - quoted 109,882,555 (2025: 109,882,555) fully paid ordinary shares of Rupees 10 each. Equity held 39.27% (2025: 28.93%)	20.1.1	4,592,101	4,089,856
Pakgen Limited (Formerly: Pakgen Power Limited) - quoted 112,548,228 (2025: 112,548,228) fully paid ordinary shares of Rupees 10 each. Equity held 58.57% (2025: 30.25%)	1	-	7,695,410
Nishat Packaging Limited - unquoted 11,634,199 (2025: 11,634,199) fully paid ordinary shares of Rupees 10 each. Equity held 25% (2025: 25%)		872,034	749,370
Nishat Dairy (Private) Limited - unquoted 54,150,000 (2025: 54,150,000) fully paid ordinary shares of Rupees 10 each. Equity held 12.24% (2025: 12.24%)		588,679	505,380
Hyundai Nishat Motor (Private) Limited - unquoted 234,747,600 (2025: 234,747,600) fully paid ordinary shares of Rupees 10 each. Equity held 12% (2025: 12%)	20.1.2	2,985,426	2,587,855
Sanifa Agri Services Limited - unquoted 11,591,600 (2025: 11,591,600) fully paid ordinary shares of Rupees 10 each. Equity held 33.12% (2025: 33.12%)	20.1.3	-	-
Nishat Hotels and Properties Limited - unquoted 74,022,917 (2025: 74,022,917) fully paid ordinary shares of Rupees 10 each. Equity held 6.08% (2025: 6.08%)		841,246	739,388

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	Note	2026	2025
		(Rupees in thousand)	
Nishat Sutas Dairy Limited - unquoted 409,673,410 (2025: 390,127,160) fully paid ordinary shares of Rupees 10 each. Equity held 49.10% (2025: 49.06%)	20.1.4	1,004,977	1,640,971
Security General Insurance Company Limited - unquoted 10,226,244 (2025: 10,226,244) fully paid ordinary shares of Rupees 10 each. Equity held 15.02% (2025: 15.02%)		4,928,643	3,923,738
Nexgen Auto (Private) Limited - unquoted 200,000,000 (2025: Nil) fully paid ordinary shares of Rupees 10 each. Equity held 33.33% (2025: Nil)		3,303,491	-
Nishat Chunian Power Limited - quoted 88,627,993 (2025: 88,627,993) fully paid ordinary shares of Rupees 10 each. Equity held 24.13% (2025: 24.13%)		6,068,665	5,603,889
Equity investments accounted for under equity method		65,582,169	57,872,779
Equity instruments			
Fair value through other comprehensive income			
Associated companies (Others)			
Adamjee Insurance Company Limited - quoted 102,809 (2025: 102,809) fully paid ordinary shares of Rupees 10 each. Equity held 0.03% (2025: 0.03%)		2,116	2,116
Rafhan Maize Products Company Limited - quoted 2,250,700 (2025: Nil) fully paid ordinary shares of Rupees 10 each.	48.3	21,464,866	-
MCB Bank Limited - quoted 95,125,651 (2025: 95,125,651) fully paid ordinary shares of Rupees 10 each. Equity held 8.03% (2025: 8.03%)	20.1.5	13,685,295	13,685,295
		35,152,277	13,687,411
Others			
Pakistan Petroleum Limited - quoted Nil (2025: 599,998) fully paid ordinary shares of Rupees 10 each. Equity held Nil (2025: 0.02%)		-	64,409
		-	64,409
		35,152,277	13,751,820
Add: Fair value adjustment		24,856,322	13,783,953
Equity investments classified at fair value through other comprehensive income		60,008,599	27,535,773
		125,590,768	85,408,552

20.1.1 During the year, Lalpir Limited (Formerly: Lalpir Power Limited) - associated company bought back and cancelled 100,000,000 shares from its other shareholders. As a result, the Group's shareholding in Lalpir Limited (Formerly: Lalpir Power Limited) - associated company increased from 28.93% to 39.27% without acquiring any additional shares.

20.1.2 Investments in Hyundai Nishat Motor (Private) Limited include 4 shares held in the name of nominee directors of the Holding Company.

20.1.3 This includes 1,600 (2025: 1,600) shares held in the name of chief financial officer of the Holding Company and senior officer of the Holding Company. Further, a petition for winding up of Sanifa Agri Services Limited - associated company was filed before the Honourable Lahore High Court, Lahore, which is pending adjudication.

20.1.4 Subsequent to the reporting period, the Board of Directors of the Holding Company, at their meeting held on 19 August 2026, approved the divestment of the Company's entire shareholding in Nishat Sutas Dairy Limited - associated company to its joint venture partner, Sütaş Süt Ürünleri A.Ş., Türkiye, at a proposed consideration of Rupees 5 per share. The proposed divestment has been subsequently approved by the shareholders of the Group at their meeting held on 23 September 2026.

20.1.5 The Holding Company has 95,125,651 shares in MCB Bank Limited. The Holding Company can sale, transfer, pledge, mortgage or encumber these shares with prior written approval of the State Bank of Pakistan, However, out of total shareholding, 7,110,360 shares are blocked in account of Central Depository Company of Pakistan Limited.

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20.2 Reconciliation of investments in associates under equity method:

	D.G. Khan Cement Company Limited		Nishat Packaging Limited		Nishat Dairy (Private) Limited		Lalpir Limited (formerly: Lalpir Power Limited)		Pakgen Limited (formerly: Pakgen Power Limited)		Nishat Energy Limited		Nishat Hotels and Properties Limited		Hyundai Nishat Motor (Private) Limited		Sanifa Agri Services Limited		Security General Insurance Company Limited		Nishat Sutas Dairy Limited		Nishat Chunian Power Limited		Nexgen Auto (Private) Limited (Note 20.5)		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees in thousand)																											
Cost	3,418,145	3,418,145	116,342	116,342	541,500	541,500	1,648,231	1,648,231	1,605,028	1,605,028	7,500	5,000	740,229	740,229	2,396,899	2,396,899	115,916	115,916	1,977,028	1,977,028	4,096,734	3,901,272	3,048,803	3,048,803	2,000,000	-	21,712,355	19,514,393
Share of post acquisition reserves:																												
Opening balance	26,918,777	21,009,315	633,028	434,560	(36,120)	(118,704)	2,441,625	3,597,179	6,090,382	6,848,089	(9,314)	(9,314)	(641)	(89,008)	190,956	92,913	(115,916)	(115,916)	1,946,710	1,316,217	(2,260,301)	(1,223,309)	2,555,086	-	-	-	38,360,072	31,648,022
Share of profit / (loss) after income tax	3,822,652	2,723,969	34,568	127,545	83,299	82,584	23,463	(949,292)	27,946	17,551	-	-	120,298	88,167	517,861	146,801	-	-	240,904	318,634	(631,456)	(936,992)	598,407	139,858	1,303,485	-	5,941,427	1,758,825
Bargain purchase on acquisition of further shareholding in investee companies (Note 38)	-	-	-	-	-	-	479,113	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,035,624	-	-	479,113	3,035,624
Prior year adjustments relating to profit or loss	1,557,867	-	-	-	-	-	-	-	-	-	-	-	(3,953)	-	-	-	-	-	-	-	-	-	-	-	-	-	1,553,914	-
Adjustment on gain of control in Pakgen Limited (Formerly: Pakgen Power Limited) (Note 1)	-	-	-	-	-	-	-	-	(7,721,512)	-	(1,658)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,723,170)	-
Loss on merger of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(14,487)	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,487)	-
Share of other comprehensive income / (loss)	4,954,614	3,185,493	88,096	70,923	-	-	(331)	13,503	(1,844)	12,590	-	-	-	-	(290)	(1,808)	-	-	845,811	409,008	-	-	(689)	-	6	-	5,885,373	3,689,699
Dividend received	(275,148)	-	-	-	-	-	-	(219,765)	-	(787,838)	-	-	-	-	(120,000)	(46,950)	-	-	(81,810)	(97,149)	-	-	(132,942)	(620,396)	-	-	(609,900)	(1,772,098)
Closing balance	10,059,385	5,909,462	122,664	198,468	83,299	82,584	502,245	(1,155,554)	(7,695,410)	(757,707)	(1,658)	-	101,858	88,167	397,571	98,043	-	-	1,004,905	630,493	(631,456)	(936,992)	464,776	2,555,086	1,303,491	-	5,512,270	6,712,050
	36,978,762	26,918,777	755,692	633,028	47,179	(36,120)	2,943,870	2,441,625	(1,605,028)	6,090,382	(4,972)	(3,314)	101,017	(841)	588,527	190,956	(115,916)	(115,916)	2,951,615	1,946,710	(3,091,757)	(2,260,301)	3,019,862	2,555,086	1,303,491	-	43,872,342	38,360,072
Impairment loss	-	-	-	-	-	-	-	-	-	-	(2,528)	(1,686)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,528)	(1,686)
As at 30 June	40,396,907	30,336,922	872,034	749,370	588,679	505,380	4,592,101	4,089,856	-	7,695,410	-	-	841,246	739,388	2,985,426	2,587,855	-	-	4,928,643	3,923,738	1,004,977	1,640,971	6,068,665	5,603,889	3,303,491	-	65,582,169	57,872,779

20.2.1 Summarized statement of financial position

Current assets	73,778,624	47,908,042	2,561,266	4,817,583	3,029,453	2,604,514	7,859,227	11,890,671	14,169,626	23,658,934	48	48	3,390,227	3,928,455	67,526,449	51,462,168	701	710	-	-	1,137,254	1,652,698	11,238,694	15,744,879	48,846,952	-		
Non-current assets	139,496,743	98,016,193	6,632,838	6,019,842	4,313,892	2,968,549	3,997,246	2,450,229	290,301	2,559,483	-	-	29,831,396	24,097,470	19,250,285	20,389,032	-	-	-	-	5,187,648	5,450,912	17,994,665	8,597,375	3,186,667	-		
Total assets	213,275,367	145,924,235	9,194,104	10,837,425	7,343,345	5,573,063	11,856,473	14,340,900	14,459,927	26,217,417	48	48	33,221,623	27,725,925	86,776,734	71,851,200	701	710	50,392,153	39,890,397	6,324,902	7,103,610	29,233,359	24,332,254	52,033,619	-		
Current liabilities	41,712,237	25,910,920	2,264,681	4,384,343	1,601,046	755,621	149,834	178,315	258,961	778,550	525	525	6,355,431	3,632,839	50,766,894	38,722,893	648,327	648,418	-	-	2,468,027	1,546,950	3,853,413	1,105,234	39,697,121	-		
Non-current liabilities	44,797,452	25,345,837	3,442,041	3,456,356	953,358	709,049	13,214	25,831	44,318	-	-	-	13,126,667	12,028,850	11,131,300	11,562,867	-	-	-	-	2,059,931	2,456,970	226,872	-	2,808,250	-		
Total liabilities	86,509,689	51,256,757	5,706,722	7,840,699	2,554,404	1,464,670	163,048	204,146	303,279	778,550	525	525	19,482,098	15,661,689	61,898,194	50,285,750	648,327	648,418	17,577,510	13,766,375	4,527,958	4,003,920	4,080,285	1,105,234	42,505,371	-		
Share deposit money	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net assets	126,765,678	94,667,478	3,487,382	2,996,726	4,788,941	4,108,393	11,693,425	14,136,754	14,156,648	25,438,867	(477)	(477)	13,739,525	12,064,236	24,878,540	21,565,450	(647,626)	(647,708)	32,814,643	26,124,022	1,796,944	3,099,690	25,153,074	23,227,020	9,528,268	-		
Reconciliation to carrying amounts:																												
Opening balance	94,667,478	75,847,537	2,996,726	2,202,852	4,108,393	3,666,435	14,136,754	18,131,098	25,438,867	27,943,830	(477)	(403)	12,064,236	10,614,127	21,565,450	20,748,428	(647,708)	(618,508)	26,124,022	21,926,125	3,099,689	3,613,636	23,227,020	25,218,846	-	-		
Prior year adjustments	4,961,361	-	-	-	-	-	-	-	-	-	-	-	(65,013)	-	-	-	45	(29,206)	-	-	-	-	-	-	-	-		
Net assets at acquisition date	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,617,405	-		
Transactions with owners in their capacity as owners:																												
- Issuance / buy back of shares	-	-	-	-	-	(232,750)	(2,470,740)	-	(11,368,506)	-	-	-	-	-	-	-	-	-	-	-	391,610	1,395,943	-	-	-	-		
- Dividend paid	(876,238)	-	-	-	-	-	-	(759,677)	-	(2,604,571)	-	-	-	-	(1,000,000)	(991,246)	-	-	(544,500)	(646,594)	-	-	(551,020)	(2,571,429)	-	-		
Profit / (loss) after income tax	12,174,052	8,675,059	138,272	510,181	680,548	674,708	28,927	(3,281,342)	92,382	58,021	-	(74)	1,978,592	1,450,109	4,315,509	1,223,338	37	6	1,603,891	2,121,401	(1,694,355)	(1,909,890)	2,479,930	579,603	3,910,844	-		
Other comprehensive income / (loss)	15,779,025	10,144,882	392,384	283,693	-	-	(1,516)	46,675	(6,095)	41,587	-	-	-	-	(2,419)	(15,070)	-	-	5,631,230	2,723,090	-	-	(2,856)	-	19	-		
Loss on merger of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(238,280)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Closing balance	126,765,678	94,667,478	3,487,382	2,996,726	4,788,941	4,108,393	11,693,425	14,136,754	14,156,648	25,438,867	(477)	(477)	13,739,525	12,064,236	24,878,540	21,565,450	(647,626)	(647,708)	32,814,643	26,124,022	1,796,944	3,099,689	25,153,074	23,227,020	9,528,268	-		
Group's share (%)	31.40%	31.40%	25.00%	25.00%	12.24%	12.24%	39.27%	28.93%	(Note 1)	30.25%	75.00%	50.00%	6.08%	6.08%	12.00%	12.00%	33.12%	33.12%	15.02%	15.02%	49.10%	49.06%	24.13%	24.13%	33.33%	-		
Group's share	39,785,515	29,725,530	871,845	749,181	586,160	502,862	4,592,101	4,089,856	-	7,695,410	-	-	834,966	733,108	2,985,426	2,587,855	-	-	4,928,643	3,923,738	882,300	1,520,707	6,068,665	5,603,889	3,175,772	-		
Goodwill	611,392	611,392	189	189	2,519	2,518	-	-	-	-	-	-	6,280	6,280	-	-	-	-	-	-	122,677	120,264	-	-	127,719	-		
Carrying amount	40,396,907	30,336,922	872,034	749,370	588,679	505,380	4,592,101	4,089,856	-	7,695,410	-	-	841,246	739,388	2,985,426	2,587,855	-	-	4,928,643	3,923,738	1,004,977	1,640,971	6,068,665	5,603,889	3,303,491	-		

20.2.2 Summarized statement of comprehensive income

Revenue	87,608,436	71,892,837	4,539,027	3,293,830	6,708,412	5,791,699	316,805	776,618	138,978	4,267,762	-	-	12,375,395	9,893,140	101,669,178	81,715,444	-	-	1,286,864	1,767,766	3,965,358	3,009,836	9,427,057	5,605,359	68,676,870	-		
Profit / (loss) for the period	12,174,052	8,675,059	138,272	510,181	680,548	674,708	28,927	(3,281,342)	92,382	58,021	-	(74)	1,978,592	1,450,109	4,315,509	1,223,338	37	6	1,603,891	2,121,401	(1,694,355)	(1,909,890)	2,479,930	579,603	4,026,922	-		
Other comprehensive income / (loss)	15,779,025	10,144,882	392,384	283,693	-	-	(1,516)	46,675	(6,095)	41,587	-	-	-	-	(2,419)	(15,070)	-	-	5,631,230	2,723,090	-	-	(2,856)	-	19	-		
Total comprehensive income / (loss)	27,953,077	18,819,941	490,656	793,874	680,548	674,708	27,411	(3,234,667)	86,287	99,608	-	(74)	1,978,592	1,450,109	4,313,090	1,208,268	37	6	7,235,121	4,844,491	(1,694,355)	(1,909,890)	2,477,074	579,603	4,026,941	-		
Dividend received from associates	275,148	-	-	-	-	-	-	219,765	-	787,838	-	-	-	-	120,000	46,950	-	-	81,810	97,149	-	-	132,942	620,396	-	-		

20.3 Adamjee Insurance Company Limited and MCB Bank Limited are associated companies due to common directorship.

20.4 Interests in associates

Name of associated company	Note	Country of incorporation	% of ownership interest		Measurement method	Quoted fair value		Carrying amount	
			2026	2025		2026	2025	2026	2025
						(Rupees in thousand)			
D.G. Khan Cement Company Limited	20.4.1	Pakistan	31.40%	31.40%	Equity method	30,716,192	22,776,785	40,396,907	30,336,922
Nishat Packaging Limited	20.4.2	Pakistan	25.00%	25.00%	Equity method	-*	-*	872,034	749,370
Nishat Dairy (Private) Limited	20.4.3	Pakistan	12.24%	12.24%	Equity method	-*	-*	588,679	505,380
Lalpir Limited (formerly: Lalpir Power Limited)	20.4.4	Pakistan	39.27%	28.93%	Equity method	2,208,639	2,866,836	4,592,101	4,089,856
Pakgen Limited (formerly: Pakgen Power Limited)	20.4.5	Pakistan	(Note 1)	30.25%	Equity method	-	19,042,035	-	7,695,410
Nishat Energy Limited	20.4.6	Pakistan	75.00%	50.00%	Equity method	-*	-*	-	-
Nishat Hotels and Properties Limited	20.4.7	Pakistan	6.08%	6.08%	Equity method	-*	-*	841,246	739,388
Hyundai Nishat Motor (Private) Limited	20.4.8	Pakistan	12.00%	12.00%	Equity method	-*	-*	2,985,426	2,587,855
Sanifa Agri Services Limited	20.4.9	Pakistan	33.12%	33.12%	Equity method	-*	-*	-	-
Security General Insurance Company Limited	20.4.10	Pakistan	15.02%	15.02%	Equity method	-*	-*	4,928,643	3,923,738
Nishat Sutas Dairy Limited	20.4.11	Pakistan	49.10%	49.06%	Equity method	-*	-*	1,004,977	1,640,971
Nishat Chunian Power Limited	20.4.12	Pakistan	24.13%	24.13%	Equity method	5,717,392	2,154,547	6,068,665	5,603,889
Nexgen Auto (Private) Limited	20.4.13	Pakistan	33.33%	0.00%	Equity method	-*	-*	3,303,491	-

20.4.1 D.G. Khan Cement Company Limited is engaged in production and sale of clinker, ordinary portland and sulphate resistant cement.
20.4.2 Nishat Packaging Limited is engaged in the manufacture and sale of paper products and packaging material.
20.4.3 Nishat Dairy (Private) Limited is engaged in the business of production of raw milk.
20.4.4 The principal activity of Lalpir Limited (Formerly: Lalpir Power Limited) is to buy, sell, hold or otherwise acquire or invest in any sort of financial instruments.
20.4.5 The principal activity of Pakgen Limited (Formerly: Pakgen Power Limited) is to buy, sell, hold or otherwise acquire or invest in any sort of financial instruments.
20.4.6 The principal activity of Nishat Energy Limited is to build, own, operate and maintain coal power station having gross capacity of 660 MW with net estimated generation capacity of 600 MW at Mouza Ameer Pur, Rahim Yar Khan, Punjab, Pakistan. Moreover, the Group, through Nishat Mills Limited - Holding Company, Nishat Power Limited - Subsidiary Company and Pakgen Limited (formerly Pakgen Power Limited) - Subsidiary Company, holds an aggregate 75% interest in Nishat Energy Limited.
20.4.7 The principal activity of Nishat Hotels and Properties Limited is to establish and manage shopping mall and hotel operations in Pakistan.
20.4.8 The principal activity of Hyundai Nishat Motor (Private) Limited is to import, assembly and distribution of both passenger and commercial category automobiles.
20.4.9 The principal activity of Sanifa Agri Services Limited is to produce and market high quality cotton seeds in Pakistan.
20.4.10 The principal activity of Security General Insurance Company Limited is to provide general insurance services in spheres of fire, marine, motor and miscellaneous.
20.4.11 The principal activity of Nishat Sutas Dairy Limited is to manufacture, produce, distribute, market, acquire, process, package, sell, resell, import, export, preserve, deep freeze and otherwise deal in all types and kinds of milk and dairy based products.
20.4.12 The principal activity of Nishat Chunian Power Limited is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan.
20.4.13 The principal activity of Nexgen Auto (Private) Limited is to carry on the assembly and distribution of New Energy Vehicles (NEV) in Pakistan.
* No quoted price available.

20.5 Nexgen Auto (Private) Limited became associate of the Group pursuant to the acquisition of 33.33% equity interest by Nishat Power Limited - Subsidiary Company on 7 October 2025. The Group has recognised its share of the associate's post-acquisition reserves and other movements in equity from 7 October 2025 to 30 June 2026. The summarized statement of comprehensive income of Nexgen Auto (Private) Limited presented in this note covers the period from 1 January 2026 to 30 June 2026.

	Note	2026	2025
		(Rupees in thousand)	
21 LONG TERM LOANS			
Considered good:			
Executives - secured	21.1 & 21.2	618,139	536,977
Other employees - secured	21.2	214,234	234,312
		832,373	771,289
Less: Current portion shown under current assets	26		
Executives		125,600	107,755
Other employees		63,224	66,754
		188,824	174,509
		643,549	596,780

21.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 629.696 million (2025: Rupees 529.470 million).

21.2 These represent house construction, general purpose and motor vehicle loans given to executives and employees of the Holding Company, Nishat Linen (Private) Limited - Subsidiary Company, Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company and Nishat Power Limited - Subsidiary Company and are secured against balance to the credit of relevant employees in the provident fund trusts of the respective Group companies and against registration of cars in the joint name of the respective Group companies and the relevant employees. These are recoverable in equal monthly installments. Interest charged during the year ranged from 0% to 4% (2025: 0% to 4%) per annum on the balance outstandings.

21.3 The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

	Note	2026	2025
		(Rupees in thousand)	
22 LONG TERM DEPOSITS			
Security deposits		472,849	392,060
Margin against bank guarantee	22.1	123,897	231,140
		596,746	623,200
22.1 Margin against bank guarantee			
Unsecured - considered good	22.1.1	700,875	700,875
Less: Fair value adjustment on initial recognition		(170,569)	(170,569)
Add: Reversal of fair value adjustment	22.1.2	144,922	103,208
		(25,647)	(67,361)
		675,228	633,514
Less: Total receipts till reporting date		(446,681)	(320,523)
(Less) / add: Exchange (loss) / gain		(2,551)	4,200
		225,996	317,191
Less: Current portion shown under current assets	27	(102,099)	(86,051)
		123,897	231,140

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22.1.1 This represents margin placed with bank of the Holding Company against bank guarantee issued by bank of the Holding Company to Lars Lauridsen Holding ApS against deferred consideration of investment made in Wernerfelt A/S as morefully explained in note 9.4.1 to these consolidated financial statements. Margin against bank guarantee will be released as and when installments of deferred consideration will be paid to Lars Lauridsen Holding ApS as per agreed repayment schedule.

	Note	2026	2025
		(Rupees in thousand)	
22.1.2 Reversal of fair value adjustment			
Balance as at 01 July		103,208	46,794
Add: Reversal made during the year	38	41,714	56,414
Balance as at 30 June		144,922	103,208

23. STORES, SPARE PARTS AND LOOSE TOOLS

Stores		5,312,000	4,772,255
Spare parts		2,895,662	2,900,790
Loose tools		20,232	11,648
		8,227,894	7,684,693
Less: Provision for slow moving, obsolete and damaged store items		(4,016)	(4,016)
		8,223,878	7,680,677

23.1 This includes stores and spares in transit of Rupees 593.854 million (2025: Rupees 516.911 million).

	Note	2026	2025
		(Rupees in thousand)	
24. STOCK-IN-TRADE			
Raw materials	24.2	27,813,224	33,205,001
Work in process	24.3	12,757,338	11,358,624
Finished goods	24.4 & 24.6	21,763,207	21,088,366
Less: Provision for slow moving and obsolete stocks		(21,065)	(21,065)
		21,742,142	21,067,301
		62,312,704	65,630,926

24.1 Stock-in-trade of Rupees 3,054.492 million (2025: Rupees 2,509.663 million) is being carried at net realizable value.

24.2 Raw materials include stock in transit of Rupees 1,883.189 million (2025: Rupees 1,003.401 million). Further, raw materials of Rupees Nil (2025: 744.211 million) sent to outside parties for processing.

24.3 This includes stock of Rupees 130.106 million (2025: Rupees 37.288 million) sent to outside parties for processing. Further, work in process includes stock in transit of Rupees Nil (2025: Rupees 255.111 million).

24.4 Finished goods includes stock in transit of Rupees 4,177.363 million (2025: Rupees 3,132.596 million).

24.5 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 247.176 million (2025: Rupees 229.200 million).

24.6 Finished goods include stock of Rupees 1,628.909 million (2025: Rupees 1,322.873 million) which is in the possession of stockists of Nishat Linen (Private) Limited - Subsidiary Company.

	Note	2026	2025
		(Rupees in thousand)	
25. TRADE DEBTS			
Considered good:			
Secured:			
-Trade debts due from CPPA-G	25.1	6,540,700	1,661,908
-Others		5,542,707	7,048,440
Unsecured:			
- Related parties	25.2 & 25.3	133,054	73,590
- Others		23,419,792	19,544,693
		35,636,253	28,328,631
Less: Allowance for expected credit losses	25.4	(57,813)	(50,876)
		35,578,440	28,277,755
Types of counterparties			
Export			
Corporate		14,124,779	16,631,474
Others		458,743	251,217
		14,583,522	16,882,691
Local			
Corporate		17,237,278	7,106,822
Others		3,815,453	4,339,118
		21,052,731	11,445,940
		35,636,253	28,328,631

25.1 These represent trade receivables pertaining to Nishat Power Limited - Subsidiary Company from CPPA-G and are considered good. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and are in the normal course of business and interest free. However, delayed payment mark-up at the rate of three months KIBOR plus 1.00% per annum without compounding is charged in case amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts ranged from 11.36% to 22.99% (2025: 12.14% to 22.99%) per annum.

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		2026	2025
		(Rupees in thousand)	
25.2	**These represent amounts due from following related parties:**		
	Hyundai Nishat Motor (Private) Limited - associated company	90,821	68,946
	D.G. Khan Cement Company Limited - associated company	35,400	-
	MCB Bank Limited - associated company	73	-
	Nishat Dairy (Private) Limited - associated company	1	-
	Nishat Sutas Dairy Limited - associated company	3,631	1,516
	Nishat Developers (Private) Limited - associated company	3,128	3,128
		133,054	73,590

25.3 The maximum aggregate amount receivable from related parties at the end of any month during the year was as follows:

		Note	2026	2025
			(Rupees in thousand)	
	Hyundai Nishat Motor (Private) Limited - associated company		90,821	68,945
	MCB Bank Limited - associated company		100	-
	Nishat Dairy (Private) Limited - associated company		2,685	1,236
	Nishat Developers (Private) Limited - associated company		3,286	4,068
	D.G. Khan Cement Company Limited - associated company		35,400	112
	Nishat Sutas Dairy Limited - associated company		3,631	3,791
25.4	**Allowance for expected credit losses**			
	Opening balance		50,876	57,216
	Less: Adjustments relating to Nishat Hospitality (Private) Limited	44	-	(630)
	Add: Recognised during the year	37	6,937	1,354
	Less: Reversed during the year	38	-	(7,064)
			57,813	50,876

25.5 Trade debts include receivables provided to banks under bill discounting arrangements with full recourse amounting to Rupees 19.155 million (2025: Rupees 223.983 million).

	Note	2026	2025
		(Rupees in thousand)	
26. LOANS AND ADVANCES			
Considered good:			
Employees - interest free:			
– Executives		17,942	19,240
– Other employees		52,485	26,508
		70,427	45,748
Current portion of long term loans	21	188,824	174,509
Advances to suppliers	26.1 & 26.2	603,336	420,198
Letters of credit		6,742	4,365
Other advances	26.1	564,826	385,807
Advance to Sanifa Agri Services Limited - associated company	26.3	-	-
		1,434,155	1,030,627
Considered doubtful:			
Others		108	108
Less: Provision for doubtful advance		(108)	(108)
		-	-
		1,434,155	1,030,627

26.1 These include amounts due from following related parties. These are neither past due nor impaired:

	2026	2025
	(Rupees in thousand)	
Advances to suppliers		
Lalpir Limited (Formerly: Lalpir Power Limited)- associated company	-	1,797
Pakgen Limited (Formerly: Pakgen Power Limited) - associated company	-	14,414
Other advances		
Nishat Hotels and Properties Limited - associated company	145	1,798

26.2 The maximum aggregate amount receivable from related parties at the end of any month during the year was as follows:

	2026	2025
	(Rupees in thousand)	
Lalpir Limited (Formerly: Lalpir Power Limited)- associated company	-	119,789
Pakgen Limited (Formerly: Pakgen Power Limited) - associated company	177	14,414
Nishat Hotels and Properties Limited - associated company	286	2,050

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	Note	2026	2025
		(Rupees in thousand)	
26.3 Advance to Sanifa Agri Services Limited - associated company			
Total advance	20.1.3 & 26.3.1	208,397	208,397
Less: Expected credit loss against doubtful advances		(208,397)	(208,397)
Advance considered good		-	-

26.3.1 This represents unsecured advance to Sanifa Agri Services Limited - associated company, carrying markup at the rate of 3 month KIBOR plus 1.50% per annum on principal amount. In view of the uncertainty regarding the recoverability of the amount due from Sanifa Agri Services Limited - associated company, including the related markup, Nishat Linen (Private) Limited - Subsidiary Company has not recognised markup income in these consolidated financial statements. The maximum aggregate amount advanced to associated company at the end of any month during the year was Rupees 208.397 million (2025: Rupees 208.397 million).

	Note	2026	2025
		(Rupees in thousand)	
27. SHORT TERM DEPOSITS AND PREPAYMENTS			
Deposits		328,617	301,397
Current portion of margin against bank guarantee	22	102,099	86,051
Prepayments		346,100	367,944
		776,816	755,392
28. OTHER RECEIVABLES			
Considered good:			
Export rebate and claims		911,955	796,525
Duty drawback		16,830	376,348
Sales tax refundable	28.1	9,249,632	8,456,600
Fair value of forward exchange contracts		64,508	-
Mark up support under technology upgradation fund receivable	28.2	686,816	-
Recoverable from CPPA-G as pass through items:			
Workers' profit participation fund receivable	28.3	33,395	-
Workers' welfare fund receivable	28.4	15,791	-
Miscellaneous receivables	28.5	152,721	77,569
		11,131,648	9,707,042
28.1 Sales tax refundable			
Considered good		9,249,632	8,456,600
Considered doubtful		189,679	1,241
Less: Provision for doubtful sales tax	28.1.1	(189,679)	(1,241)
		-	-
		9,249,632	8,456,600

	Note	2026	2025
		(Rupees in thousand)	
28.1.1 Provision for doubtful sales tax:			
Opening balance		1,241	4,179
Add: Balance related to Pakgen Limited (Formerly: Pakgen Power Limited)	1	188,438	-
Add: Provision made during the year	37	-	1,241
Less: Adjustment relating to Nishat Hospitality (Private) Limited	44	-	(4,179)
		189,679	1,241

28.2 Subsequent to the reporting period, the amount has been received by Nishat Mills Limited - The Holding Company.

	Note	2026	2025
		(Rupees in thousand)	
28.3 Workers' profit participation fund			
Opening balance		-	463,840
Allocation for the year	37.1	33,395	-
		33,395	463,840
Amount received during the year		-	(426,790)
Written off during the year	37	-	(37,050)
Closing balance		33,395	-
28.4 Workers' welfare fund			
Opening balance		-	413,208
Add: Balance related to Pakgen Limited (Formerly: Pakgen Power Limited)	1	3,101	-
Allocation for the year	37.2	12,690	-
		15,791	413,208
Amount received during the year		-	(385,396)
Written off during the year	37	-	(27,812)
Closing balance		15,791	-

28.5 This includes amount receivables from following related parties. These are neither past due nor impaired.

	Note	2026	2025
		(Rupees in thousand)	
Lalpir Limited (Formerly: Lalpir Power Limited)- associated company		63,683	-
Nishat Chunian Power Limited - associated company		149	-

29. ACCRUED INTEREST

Accrued interest	29.1	513	5,174

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29.1 This includes interest receivable from following related parties. These are neither past due nor impaired.

	2026	2025
	(Rupees in thousand)	
MCB Bank Limited - associated company	-	4,657
MCB Islamic Bank Limited - related party	8	30
	8	4,687

30. SHORT TERM INVESTMENTS

Equity instruments		
At fair value through profit or loss (FVTPL)		
Quoted - related party:		
Alhamra Cash Management Optimizer 23,966,976 (2025: Nil) units	2,410,000	-
MCB Cash Management Optimizer 24,416,956 (2025: 38,705,184) units	2,499,336	3,954,815
MCB Pakistan Sovereign Fund 43,956,266 (2025: 57,642,941) units	2,418,913	3,163,445
MCB Government Securities Plan I 18,073,155 (2025: 65,226,894) units	1,813,820	6,535,493
MCB Investment Savings Plan I Nil (2025: 44,173,618) units	-	4,422,623
	9,142,069	18,076,376
Unrealized gain on remeasurement of investments at fair value through profit or loss	28,396	30,144
	9,170,465	18,106,520

30.1 The fair values of funds are based on the Net Asset Value (NAV) being the current bid price at reporting date as quoted by the respective Asset Management Company.

	Note	2026	2025
		(Rupees in thousand)	
31. CASH AND BANK BALANCES			
With banks:			
On current accounts		1,020,030	1,730,687
Term deposit receipts	31.3	1,508,833	1,201,274
On PLS saving accounts	31.4	227,538	146,407
		2,756,401	3,078,368
Cash in hand		92,397	72,468
		2,848,798	3,150,836

31.1 Cash at banks includes balance of Rupees 1,365.413 million (2025: Rupees 1,555.951 million) with MCB Bank Limited - associated company.

31.2 Cash at banks includes balance of Rupees 38.633 million (2025: Rupees 119.301 million) with MCB Islamic Bank Limited - related party.

31.3 These represent term deposits with maturity period of 1 month (2025: 1 month to 4 months) and carry profit rates ranging from 8.50% to 10.00% (2025: 5.00% to 22.00%) per annum.

31.4 Rate of profit on bank deposits ranges from 2.00% to 10.00% (2025: 3.85% to 19.00%) per annum.

	Note	2026	2025
		(Rupees in thousand)	
32 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE			
Opening balance		-	-
Add: Assets transferred upon recognition of Pakgen Limited (Formerly: Pakgen Power Limited) as Subsidiary Company	1	3,818,783	-
Closing balance		3,818,783	-

32.1 These represent items of plant and machinery and sizeable part of buildings on freehold land. Carrying amounts of these assets will be recovered principally through sale transaction rather than through continuing use. On 27 April 2026, shareholders of Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company in their Annual General Meeting (AGM), accorded approval to dispose of items of plant and machinery and sizeable part of buildings on freehold land. Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company anticipates that the disposal will be completed subsequent to the reporting period.

	Note	2026	2025
		(Rupees in thousand)	
33 REVENUE			
Revenue from contracts with customers:			
- Export sales		99,993,227	95,568,649
- Local sales	33.1	110,319,782	109,056,053
- Processing income	33.2	2,697,361	1,977,778
		213,010,370	206,602,480
Export rebate and duty drawback		619,875	572,775
		213,630,245	207,175,255
33.1 Local sales			
Sales	33.1.1	141,016,953	135,914,999
Less: Sales tax		(19,940,583)	(17,733,313)
Less: Discount		(10,756,588)	(9,125,633)
		110,319,782	109,056,053

33.1.1 These include waste sale of Rupees 3,743.426 million (2025: Rupees 4,402.200 million).

	2026	2025
	(Rupees in thousand)	
33.2 Processing income		
Sales	3,632,220	2,344,861
Less: Sales tax	(934,859)	(367,083)
	2,697,361	1,977,778

33.3 The amount of Rupees 1,025.713 million included in contract liabilities (Note 10) at 30 June 2025 has been recognised as revenue in 2026 (2025: Rupees 852.502 million).

33.4 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

Description	Spinning		Weaving		Dyeing		Denim		Work wear		Home Textile and Terry		Garments		Power Generation		Room Rental Services		Other Hotel Ancillary Services		Total - Group	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees in thousand)																					
Region																						
Europe	378,339	163,399	18,154,673	19,625,919	1,746,573	1,913,698	63,495	-	145,331	31,471	22,375,837	21,955,919	2,604,907	3,025,930	-	-	-	-	-	-	45,469,155	46,716,336
America	803,014	655,475	1,030,262	805,794	364,745	245,358	2,639	-	-	-	13,378,252	6,679,237	13,229,606	11,925,014	-	-	-	-	-	-	28,808,518	20,310,878
Asia, Africa, Australia	5,664,875	6,395,163	3,528,883	4,016,413	14,410,349	15,172,797	2,245,370	645,937	301,404	100,555	3,675,108	7,526,948	321,484	141,571	-	-	-	-	-	-	30,147,473	33,999,384
Pakistan	46,898,583	50,526,467	11,662,741	10,633,640	6,217,086	10,656,789	3,945,267	1,067,130	1,448,908	944,616	27,438,970	24,131,035	396,127	473,001	11,197,417	7,264,722	-	376,621	-	74,636	109,205,099	106,148,657
	53,744,811	57,740,504	34,376,559	35,081,766	22,738,753	27,988,642	6,256,771	1,713,067	1,895,643	1,076,642	66,868,167	60,293,139	16,552,124	15,565,516	11,197,417	7,264,722	-	376,621	-	74,636	213,630,245	207,175,255
Timing of revenue recognition																						
Products and services transferred at a point in time	53,744,811	57,740,504	34,376,559	35,081,766	22,738,753	27,988,642	6,256,771	1,713,067	1,895,643	1,076,642	66,868,167	60,293,139	16,552,124	15,565,516	8,760,714	4,086,487	-	376,621	-	74,636	211,193,542	203,997,020
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,436,703	3,178,235	-	-	-	-	2,436,703	3,178,235
	53,744,811	57,740,504	34,376,559	35,081,766	22,738,753	27,988,642	6,256,771	1,713,067	1,895,643	1,076,642	66,868,167	60,293,139	16,552,124	15,565,516	11,197,417	7,264,722	-	376,621	-	74,636	213,630,245	207,175,255
Major products / service lines																						
Yarn	53,744,811	57,477,817	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,744,811	57,477,817
Grey Cloth	-	-	34,376,559	35,081,766	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,376,559	35,081,766
Processed Cloth	-	-	-	-	22,738,753	27,747,158	6,256,771	1,713,067	1,895,643	1,076,642	15,991,474	15,807,442	-	-	-	-	-	-	-	-	46,882,641	46,344,309
Cosmetics	-	-	-	-	-	-	-	-	-	-	77,706	111,092	-	-	-	-	-	-	-	-	77,706	111,092
Waste	-	262,687	-	-	-	-	-	-	-	-	125,170	245,060	-	-	-	-	-	-	-	-	125,170	507,747
Others	-	-	-	-	-	-	-	-	-	-	311,658	251,428	-	-	-	-	-	-	-	-	311,658	251,428
Made Ups	-	-	-	-	-	241,484	-	-	-	-	38,448,808	33,583,482	-	-	-	-	-	-	-	-	38,448,808	33,824,966
Garments	-	-	-	-	-	-	-	-	-	-	-	-	16,552,124	15,565,516	-	-	-	-	-	-	16,552,124	15,565,516
Towels and Bath Robes	-	-	-	-	-	-	-	-	-	-	11,913,351	10,294,635	-	-	-	-	-	-	-	-	11,913,351	10,294,635
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,197,417	7,264,722	-	-	-	-	11,197,417	7,264,722
Room Rental Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	376,621	-	-	-	376,621
Other Hotel Ancillary Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74,636	-	74,636
	53,744,811	57,740,504	34,376,559	35,081,766	22,738,753	27,988,642	6,256,771	1,713,067	1,895,643	1,076,642	66,868,167	60,293,139	16,552,124	15,565,516	11,197,417	7,264,722	-	376,621	-	74,636	213,630,245	207,175,255

	Note	2026	2025
		(Rupees in thousand)	
34 COST OF SALES			
Raw materials consumed		111,614,644	112,826,334
Processing charges		3,213,368	2,319,490
Salaries, wages and other benefits	34.1	20,498,954	18,569,725
Stores, spare parts and loose tools consumed		15,649,401	14,846,669
Packing materials consumed		4,137,773	4,025,449
Repair and maintenance		1,152,784	1,132,512
Fuel and power		21,217,301	19,629,160
Insurance		641,244	579,366
Depreciation on operating fixed assets	16.1.2	6,551,996	5,045,627
Depreciation on right-of-use assets	19.1	124,497	115,790
Travelling and conveyance		715,633	647,152
Other factory overheads	34.2	1,123,964	1,126,090
		186,641,559	180,863,364
Work-in-process			
Opening stock		11,358,624	10,817,097
Closing stock		(12,757,338)	(11,358,624)
		(1,398,714)	(541,527)
Cost of goods manufactured		185,242,845	180,321,837
Finished goods			
Opening stock		21,088,366	15,780,455
Closing stock		(21,763,207)	(21,088,366)
		(674,841)	(5,307,911)
		184,568,004	175,013,926

34.1 Salaries, wages and other benefits include provident fund contribution of Rupees 634.926 million (2025: Rupees 567.387 million).

34.2 This includes Rupees Nil (2025: Rupees 10.020 million) in respect of short term leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
35 DISTRIBUTION COST			
Salaries and other benefits	35.1	2,849,899	2,594,647
Outward freight and shop handling		4,926,251	4,407,540
Sales promotion		1,977,542	1,759,591
Commission to selling agents		1,421,348	1,550,836
Royalty	35.2	222,938	190,005
Fuel cost		16,552	89,424
Travelling and conveyance		664,736	603,333
Rent, rates and taxes	35.3	19,593	24,973
Postage and telephone		324,577	234,338
Insurance		81,391	74,417
Vehicles' running		76,889	66,999
Entertainment		53,983	58,602
Advertisement		602,320	648,672
Electricity and gas		233,075	284,165
Printing and stationery		47,379	42,146
Repair and maintenance		78,586	391,185
Fee and subscription		49,685	64,779
Depreciation on operating fixed assets	16.1.2	189,735	93,188
Depreciation on right-of-use assets	19.1	1,233,285	1,005,975
		15,069,764	14,184,815

35.1 Salaries and other benefits include provident fund contribution of Rupees 114.388 million (2025: Rupees 99.490 million).

35.2 Particulars of royalty paid during the year are as follows:

Name of the company	Registered address	Relationship with the Group or directors	2026	2025
		Related / Other	(Rupees in thousand)	
American and Efird LLC	22 American Street, Mount Holly, North Carolina, 28120.	Other	195,087	193,868

35.3 This includes Rupees 1.070 million (2025: Rupees 16.928 million) in respect of short term leases.

	Note	2026	2025
		(Rupees in thousand)	
36 ADMINISTRATIVE EXPENSES			
Salaries and other benefits	36.1	3,324,879	3,044,960
Vehicles' running		192,149	168,934
Travelling and conveyance		368,863	346,283
Rent, rates and taxes	36.2	84,375	75,130
Insurance		36,433	35,388
Entertainment		74,061	81,676
Legal and professional		171,082	104,192
Auditors' remuneration	36.3	36,599	31,108
Advertisement		967	1,336
Postage and telephone		48,292	46,159
Electricity and gas		29,982	32,698
Printing and stationery		52,569	50,360
Repair and maintenance		88,186	70,855
Fee and subscription		39,445	32,660
Depreciation on operating fixed assets	16.1.2	382,424	362,656
Depreciation on right-of-use assets	19.1	29,591	15,809
Miscellaneous		113,144	127,628
		5,073,041	4,627,832

36.1 Salaries and other benefits include provident fund contribution of Rupees 123.909 million (2025: Rupees 111.069 million) and Rupees 5.655 million (2025: Rupees 6.707 million) in respect of retirement benefit - gratuity.

36.2 This include Rupees 3.908 million (2025: Rupees 3.083 million) in respect of short term leases.

	2026	2025
	(Rupees in thousand)	
36.3 Auditors' remuneration		
Riaz Ahmad and Company		
Audit fee	12,865	11,021
Half yearly review	2,928	2,663
Other certifications	834	783
Reimbursable expenses	577	554
	17,204	15,021
Munshi Atik		
Audit fee	5,748	5,993
Dansk Revision		
Audit fee	13,647	10,094
	36,599	31,108

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
37 OTHER EXPENSES			
Workers' profit participation fund	37.1	97,620	169,006
Workers' welfare fund	37.2	48,391	3,678
Allowance for expected credit loss against trade debts	25.4	6,937	1,354
Provision for doubtful sales tax receivables	28.1.1	-	1,241
Loss on de-recognition under equity method of investment in Pakgen Limited (Formerly: Pakgen Power Limited)	1	3,112,662	-
Workers' profit participation fund receivable written off	28.3	-	37,050
Loss on disposal of Subsidiary Company	44.1	-	32,718
Workers' welfare fund receivable written off	28.4	-	27,812
Transaction price fair value difference on initial recognition of FVTOCI investment		600,642	-
Unrealized loss on remeasurement of investments at fair value through profit or loss		164,245	-
Donations	37.3 & 37.4	12,089	6,261
Loss from discontinued operations	1 & 37.5	9,149	-
Depreciation on investment properties	17	1,141	-
		4,052,876	279,120
37.1 Workers' profit participation fund			
Allocation for workers' profit participation fund	10.5	131,015	169,006
Less: Allocation to workers' profit participation fund recoverable from CPPA-G	28.3	(33,395)	-
		97,620	169,006
37.2 Workers' welfare fund			
Allocation for workers' welfare fund	10.6	61,081	3,678
Less: Allocation to workers' welfare fund recoverable from CPPA-G	28.4	(12,690)	-
		48,391	3,678
37.3 The name of donee to whom donation amount exceeded Rupees 1 million is as follows:			
Nishat Care High School		11,325	6,232
37.4 There is no interest of any director or his spouse in donees' fund.			
37.5 Loss from discontinued operations			
Plant maintenance and preservation costs			
Salaries, wages and other benefits		9,228	-
Repair and maintenance		271	-
Stores and spare parts consumed		267	-
Electricity consumed in-house		3,281	-
Insurance		1,355	-
		14,402	-
Other income - scrap sales		(5,253)	-
		9,149	-

	Note	2026	2025
		(Rupees in thousand)	
38 OTHER INCOME			
Income from financial assets			
Dividend income	38.1	3,428,117	3,452,958
Profit on deposits with banks		50,205	315,378
Net exchange gain		577,666	691,350
Interest income on advance to associated company		32,976	90
Gain on disposal of investments		1,666,831	1,309,042
Gain on disposal of Pakistan Investment Bonds		-	714
Unrealized gain on remeasurement of investments at fair value through profit or loss		-	30,144
Reversal of fair value adjustment on margin against bank guarantee	22.1.2	41,714	56,414
Reversal of allowance for expected credit loss against trade debts	25.4	-	7,064
Others		40,082	104,593
		5,837,591	5,967,747
Income from non-financial assets			
Gain on sale of property, plant and equipment		111,914	124,063
Scrap sales		562,545	524,993
Rental income		156,142	168,856
Gain on termination of leases		16,148	23,375
Bargain purchase gain on acquisition of further shareholding in investee companies under equity method	20.2	479,113	3,035,624
Bargain purchase gain on initial recognition of Pakgen Limited (Formerly: Pakgen Power Limited) as subsidiary company	1	5,453,532	-
		6,779,394	3,876,911
		12,616,985	9,844,658
38.1 Dividend income			
From related party / associated companies			
MCB Bank Limited - associated company		3,424,523	3,424,523
Mutual Funds of MCB Investment Management Limited - related party		3,183	15,861
Adamjee Insurance Company Limited - associated company		411	308
		3,428,117	3,440,692
Others			
Pakistan Petroleum Limited		-	4,500
United Bank Limited		-	7,766
		-	12,266
		3,428,117	3,452,958

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
39 FINANCE COST			
Mark-up on:			
Long term financing		1,953,257	2,288,797
Short term borrowings		3,947,737	5,786,783
Lease liabilities	7.1	411,772	376,187
Interest on workers' profit participation fund	10.5	868	791
Bank charges and commission		674,897	519,645
Fair value adjustment on payable to Lars Lauridsen Holding ApS	9.4.2	39,860	54,259
		7,028,391	9,026,462
40 ADJUSTMENTS TO BALANCE PAYABLE BY CPPA-G			
Delayed payment mark-up written off - net		-	1,367,937
Sharing of prior years' earnings (fuel and O&M) - net		-	2,482,521
		-	3,850,458
41 LEVY			
Minimum tax - Excess over the amount designated as current tax		2,329,883	2,342,689
Final tax		118,962	5,797
Related super tax		-	2,812
Prior year adjustment		(54,496)	7
		2,394,349	2,351,305
42 TAXATION			
Current - for the year		1,225,311	1,776,788
Related super tax		-	195,091
Deferred		(1,287,548)	2,949,609
Prior year adjustment		9	(215,110)
		(62,228)	4,706,378
43 EARNINGS PER SHARE - BASIC AND DILUTED			
There is no dilutive effect on the basic earnings per share which is based on:			
Profit attributable to ordinary shareholders of Holding Company (Rupees in thousand)		14,444,403	5,104,291
Weighted average number of ordinary shares of Holding Company (Numbers)		351,599,848	351,599,848
Earnings per share (Rupees)		41.08	14.51

44 DISPOSAL OF NISHAT HOSPITALITY (PRIVATE) LIMITED

During the year ended 30 June 2025, Nishat Mills Limited - Holding Company has entered into agreement with Nishat Hotels and Properties Limited - associated company for sale of 100% investment in Nishat Hospitality (Private) Limited - Subsidiary Company against consideration of Rupees 1,750.999 million. The aforesaid sale of investment has been approved by Board of Directors of the Holding Company in its meeting held on 27 September 2024 and has also been approved by shareholders of the Holding Company at their meeting held on 28 October 2024. Hence, as at 02 January 2025, the investment of the Holding Company in Nishat Hospitality (Private) Limited - Subsidiary Company has been disposed off and Nishat Hospitality (Private) Limited ceased to be Subsidiary Company. Accordingly, results of Nishat Hospitality (Private) Limited - Subsidiary Company has been consolidated up till 02 January 2025.

		Note	02 January 2025 (RUPEES IN THOUSAND)
44.1	Total consideration received		1,750,999
	Less: Carrying value of net assets	44.2	(1,783,717)
	Loss on disposal of Subsidiary Company	37	(32,718)

44.2 Detail of assets and liabilities de-recognised from these consolidated financial statements on disposal of investment in Nishat Hospitality (Private) Limited is as follows:

	02 January 2025 (RUPEES IN THOUSAND)
Assets	
Property, plant and equipment	925,044
Long term loans	4,445
Long term deposits	1,415
Deferred taxation	75,614
Stores and spares	57,229
Stock-in-trade	3,182
Trade debts	63,769
Loans, advances and prepayments	18,599
Other receivables	4,123
Advance income tax - net	76,906
Cash and bank balances	655,798
Total assets	1,886,124
Liabilities	
Accumulated compensated absences	6,162
Trade and other payables	96,245
Total liabilities	102,407
Net assets	1,783,717

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

	Note	2026	2025
		(Rupees in thousand)	
45 CASH GENERATED FROM OPERATIONS			
Profit before taxation and levy		17,950,495	11,796,125
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets		7,124,155	5,501,471
Depreciation on right-of-use assets	19.1	1,387,373	1,137,574
Depreciation on investment properties	37	1,141	-
Workers' profit participation fund receivable written off	37	-	37,050
Workers' welfare fund receivable written off	37	-	27,812
Unrealized loss on remeasurement of investments at fair value through profit or loss	37	164,245	-
Allowance for expected credit loss against trade debts	37	6,937	1,354
Reversal of allowance for expected credit loss against trade debts	38	-	(7,064)
Unrealized gain on remeasurement of investments at fair value through profit or loss	38	-	(30,144)
Loss on disposal of Subsidiary Company	37	-	32,718
Provision for doubtful sales tax receivables	37	-	1,241
Bargain purchase gain on acquisition of further shareholding in investee under equity method	38	(479,113)	(3,035,624)
Bargain purchase gain on initial recognition of Pakgen Limited (Formerly: Pakgen Power Limited) as subsidiary company	1	(5,453,532)	-
Net exchange gain	38	(577,666)	(691,350)
Gain on sale of property, plant and equipment	38	(111,914)	(124,063)
Dividend income	38	(3,428,117)	(3,452,958)
Profit on deposits with banks	38	(50,205)	(315,378)
Interest income on advance to associated company	38	(32,976)	(90)
Share of profit from associates	20.2	(7,495,341)	(1,758,825)
Transaction price fair value difference on initial recognition of FVTOCI investment	37	600,642	-
Finance cost	39	7,028,391	9,026,462
Gain on termination of leases	38	(16,148)	(23,375)
Loss on de-recognition under equity method of investment in Pakgen Limited (Formerly: Pakgen Power Limited)	1	3,112,662	-
Gain on disposal of investments	38	(1,666,831)	(1,309,042)
Gain on disposal of Pakistan Investment Bonds	38	-	(714)
Reversal of fair value adjustment on margin against bank guarantee	38	(41,714)	(56,414)
Delayed payment interest written off - net	40	-	1,367,937
Sharing of prior years earnings (fuel and O&M) - net	40	-	2,482,521
Working capital changes	45.1	(4,032,001)	(4,406,145)
		13,990,483	16,201,079

45.1 Working capital changes

(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	(121,445)	(733,999)
- Stock in trade	3,318,222	(13,909,454)
- Trade debts	(7,654,659)	6,863,717
- Loans and advances	(407,576)	(225,081)
- Short term deposits and prepayments	(21,424)	63,042
- Other receivables	(1,228,053)	3,259,260
	(6,114,935)	(4,682,515)
Increase in trade and other payables	2,082,934	276,370
	(4,032,001)	(4,406,145)

45.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2026					
	Liabilities from financing activities					Total
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Exchange translation reserve	
	(Rupees in thousand)					
Balance as at 01 July 2025	28,672,212	3,494,042	61,794,524	148,922	729,462	94,839,162
Balance related to Pakgen Limited (Formerly: Pakgen Power Limited) (Note 1)	-	-	-	136,212	-	136,212
Lease liabilities recognized	-	836,546	-	-	-	836,546
Repayment of lease liabilities	-	(1,317,037)	-	-	-	(1,317,037)
Financing obtained	5,506,586	-	-	-	-	5,506,586
Repayment of financing	(3,308,467)	-	-	-	-	(3,308,467)
Dividend declared	-	-	-	963,384	-	963,384
Dividend paid	-	-	-	(960,686)	-	(960,686)
Short term borrowings - net	-	-	4,702,458	-	-	4,702,458
Exchange differences on translation of net investments in subsidiary companies	-	-	-	-	(129,753)	(129,753)
Deferred income - Government grant	10,059	-	-	-	-	10,059
Impact of lease modifications / renewals	-	1,198,539	-	-	-	1,198,539
Impact of lease termination	-	(152,953)	-	-	-	(152,953)
Currency retranslation	-	(34,622)	(699,362)	-	-	(733,984)
Balance as at 30 June 2026	30,880,390	4,024,515	65,797,620	287,832	599,709	101,590,066

	2025					
	Liabilities from financing activities					Total
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Exchange translation reserve	
	(Rupees in thousand)					
Balance as at 01 July 2024	26,566,394	2,577,325	53,676,569	142,551	662,964	83,625,803
Lease liabilities recognized	-	1,354,102	-	-	-	1,354,102
Repayment of lease liabilities	-	(1,147,321)	-	-	-	(1,147,321)
Financing obtained	5,000,000	-	-	-	-	5,000,000
Repayment of financing	(2,906,554)	-	-	-	-	(2,906,554)
Dividend declared	-	-	-	2,962,948	-	2,962,948
Dividend paid	-	-	-	(2,956,577)	-	(2,956,577)
Short term borrowings - net	-	-	8,117,955	-	-	8,117,955
Exchange differences on translation of net investments in subsidiary companies	-	-	-	-	66,498	66,498
Deferred income - Government grant	12,372	-	-	-	-	12,372
Impact of lease modifications / renewals	-	778,658	-	-	-	778,658
Impact of lease termination	-	(106,933)	-	-	-	(106,933)
Currency retranslation	-	38,211	-	-	-	38,211
Balance as at 30 June 2025	28,672,212	3,494,042	61,794,524	148,922	729,462	94,839,162

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2026

	2026	2025
	(Rupees in thousand)	
45.3 Non-cash financing activities		
Lease liabilities recognised during the year	836,546	1,354,102
Exchange differences on translation of net investments in subsidiary companies	(129,753)	66,498
Deferred income - Government grant	10,059	12,372
Impact of lease modifications / renewals	1,198,539	778,658
Impact of lease termination	(152,953)	(106,933)
Currency retranslation	(34,622)	38,211

46 EVENTS AFTER THE REPORTING PERIOD

46.1 The Board of Directors of Nishat Mills Limited - Holding Company has proposed a cash dividend for the year ended 30 June 2026 of Rupees 2 per share (2025: Rupees 2 per share) at their meeting held on 30 September 2026 . The Board of Directors also proposed to transfer Rupees 13,604 million (2025: Rupees 2,399 million) from unappropriated profit to general reserve. However, these events have been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and have not been recognized in these consolidated financial statements.

47 REMUNERATION OF CHIEF EXECUTIVE OFFICER AND EXECUTIVES

The aggregate amount charged in these consolidated financial statements for remuneration including all benefits to Chief Executive Officer and Executives of the Holding Company is as follows:

	Chief Executive Officer		Executives	
	2026	2025	2026	2025
	(Rupees in thousand)			
Managerial remuneration	90,462	84,686	2,113,597	1,718,956
Allowances				
Cost of living allowance	-	-	2,455	2,076
House rent	29,538	26,853	593,420	475,535
Conveyance	-	-	730	670
Medical	11,077	15,320	174,198	143,014
Utilities	14,027	10,070	223,090	191,510
Special allowance	-	-	1,991	1,641
Contribution to provident fund trust	-	-	178,515	147,689
Leave encashment	-	-	64,550	67,798
	145,104	136,929	3,352,546	2,748,889
Number of persons	1	1	750	629

47.1 Chief Executive Officer and certain executives of the Holding Company are provided with Company maintained vehicles and certain executives are also provided with free housing facility along with utilities.

47.2 Aggregate amount charged in these consolidated financial statements for meeting fee to seven directors (2025: seven directors) of the Holding Company was Rupees 1.890 million (2025: Rupees 1.600 million).

47.3 No remuneration was paid to directors of the Holding Company.

48 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies, post employment benefit plan and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	2026	2025
	(Rupees in thousand)	
Associated companies		
Investment made	195,463	697,972
Investment disposed of	-	28,500
Purchase of goods and services	257,791	5,264,288
Sale of goods and services	203,211	134,152
Rental income	101,335	7,972
Purchase of operating fixed assets	173,580	143,258
Sale of operating fixed assets	35,005	-
Rent paid	159,266	1,181
Dividend income	3,424,934	1,772,097
Dividend paid	62,019	91,427
Insurance premium paid	597,417	415,728
Interest income	40,073	-
Insurance claims received	219,060	25,948
Finance cost	148,515	-
Expense incurred by Nishat Power Limited - Subsidiary company on behalf of Nishat Chunian Power Limited - associated company	2,603	-
Repayment of short term loan by associated company	-	8,000
Other related parties		
Dividend Income	3,183	3,426,683
Dividend paid	177,364	269,861
Purchase of goods and services	-	298,661
Sale of goods and services	-	32,944
Group's contribution to provident fund trust	878,548	774,116
Insurance premium paid	1,062	472,618
Insurance claims received	-	150,326
Rent expense	-	144,106
Interest income	6,000	138,308
Bank charges	31,020	262,657
Rental income	8,438	36,763
Purchase of operating fixed assets	16,298	-
Investment made	7,045	-
Sale of investment	12,771	1,750,999

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48.1 Detail of compensation to key management personnel comprising of chief executive officer and executives is disclosed in note 47.

48.2 Following are the related parties with whom the Holding Company had entered into transactions or have arrangements / agreements in place:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year ended		Percentage of shareholding
		2026	2025	
Nishat Agriculture Farming (Private) Limited	Common directorship	No	No	None
Nishat Dairy (Private) Limited	Common directorship and shareholding	Yes	Yes	12.24
Nishat Sutas Dairy Limited	Common directorship and shareholding	Yes	Yes	49.10
Nishat Hotels and Properties Limited	Common directorship and shareholding	Yes	Yes	6.08
Nishat (Raiwind) Hotels and Properties Limited	Common directorship	No	No	None
Nishat (Aziz Avenue) Hotels and Properties Limited	Common directorship	Yes	Yes	None
Security General Insurance Company Limited	Common directorship and shareholding	Yes	Yes	15.02
Nishat Energy Limited	Shareholding	No	No	75
Lalpir Limited (Formerly: Lalpir Power Limited)	Common directorship and shareholding	Yes	Yes	39.27
Nishat Chunian Power Limited	Common directorship and shareholding	Yes	Yes	24.13
Nishat Packaging Limited	Common directorship and shareholding	No	No	25
Pakistan Aviators and Aviation (Private) Limited	Common directorship	Yes	Yes	None
Nishat Developers (Private) Limited	Common directorship	No	No	None
Nishat Real Estates Development Company (Private) Limited	Common directorship	Yes	Yes	None
Hyundai Nishat Motor (Private) Limited	Common directorship and shareholding	Yes	Yes	12
D.G. Khan Cement Company Limited	Common directorship and shareholding	Yes	Yes	31.40
DG Cement USA LLC	Wholly owned subsidiary of associated company	No	No	None
Adamjee Life Assurance Company Limited	Common directorship	Yes	Yes	None
Adamjee Insurance Company Limited	Common directorship and shareholding	Yes	Yes	0.03
MCB Bank Limited	Common directorship and shareholding	Yes	Yes	8.03
MCB Islamic Bank Limited	Wholly owned subsidiary of associated company	Yes	Yes	None
MCB Investment Management Limited	Subsidiary of associated company	No	No	None
MCB Exchange Company (Private) Limited	Subsidiary of associated company	No	No	None
MCB Non-Bank Credit Organization Closed Joint Stock Company	Subsidiary of associated company	No	No	None
Nishat Agrotech Farms Supplies (Private) Limited	Common directorship	No	No	None
National Textile Foundation	Common directorship	No	No	None
Sanifa Agri Services Limited	Associate of wholly owned subsidiary company	No	No	None
Nishat Mills Employees Provident Fund Trust	Post-employment benefit plan	Yes	Yes	None
Nexgen Auto (Private) Limited	Common directorship	Yes	No	(Note 20.5)
Rafhan Maize Products Company Limited	(Note 48.3)	Yes	No	(Note 48.3)
Golf View Land (Private) Limited	Spouse of chief executive officer of the Company is director in Golf View Land (Private) Limited	No	No	None
Emporium Properties (Private) Limited	Spouse of director of the Company is director in Emporium Properties (Private) Limited	No	No	None

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year ended		Percentage of shareholding
		2026	2025	
Mr. Mian Umer Mansha	Chief Executive Officer	Yes	Yes	None
Mr. Mian Hassan Mansha	Chairman	Yes	Yes	None
Mr. Farid Noor Ali Fazal	Director	Yes	Yes	None
Mr. Mahmood Akhtar	Director	Yes	Yes	None
Mr. Syed Zahid Hussain	Director	Yes	Yes	None
Mrs. Sara Aqeel	Director	Yes	Yes	None
Mrs. Mehak Adil	Director	Yes	Yes	None

48.3 The Group holds 24.37% interest in Rafhan Maize Products Company Limited, comprising direct holding of 3.31% by the Holding Company, 14.36% held by Nishat Power Limited - Subsidiary Company and 6.69% held by Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. Further, subsequent to the reporting period, two directors of the Group have been appointed as directors of Rafhan Maize Products Company Limited with effect from 8 July 2026. Consequently, Rafhan Maize Products Company Limited has become associated company of the Group.

49 PROVIDENT FUNDS

49.1 Nishat Mills Limited - Holding Company and Nishat Linen (Private) Limited - Subsidiary Company

As at the reporting date, the Nishat Mills Employees Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

49.2 Nishat Power Limited - Subsidiary Company and Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company

The investments by the provident fund in collective investment schemes, listed equity and debt securities have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

	2026	2025
50 NUMBER OF EMPLOYEES		
Number of employees as on 30 June	29,366	29,357
Average number of employees during the year	29,430	28,880

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		2026	2025
		(Figures in thousand)	
51 PLANT CAPACITY AND ACTUAL PRODUCTION			
a) Holding Company - Nishat Mills Limited			
Spinning			
100% plant capacity converted to 20s count based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	(Kgs.)	101,007	108,045
Actual production converted to 20s count based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	(Kgs.)	89,938	93,273
Weaving			
100% plant capacity at 50 picks based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	(Sq. Mtr.)	374,896	382,249
Actual production converted to 50 picks based on 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	(Sq. Mtr.)	357,489	359,981
Dyeing and Finishing			
Production capacity for 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	(Mtr.)	56,400	56,400
Actual production for 3 shifts per day for 1,095 shifts (2025: 1,095 shifts)	(Mtr.)	40,872	43,690
Power Plant			
Generation capacity	(MWH)	1,411	1,381
Actual generation	(MWH)	230	428
Denim			
Production capacity based on 3 shifts per day for 1,095 shifts (2025: 720 shifts)	(Mtr.)	14,400	9,600
Actual production for 3 shifts per day for 1,095 shifts (2025: 480 shifts)	(Mtr.)	10,402	3,225
Work Wear			
Production capacity based on 3 shifts per day for 1,095 shifts (2025: 777 shifts)	(Mtr.)	14,400	10,218
Actual production for 3 shifts per day for 1,095 shifts (2025: 381 shifts)	(Mtr.)	4,777	2,819

Processing, Stitching, Apparel and Terry

The plant capacity of these divisions is indeterminable due to multi product plants involving varying processes of manufacturing and run length of order lots.

b) Subsidiary Company - Nishat Power Limited			
Installed capacity [Based on 8,760 hours (2025: 8,760 hours)]	MWH	1,711	1,711
Actual energy delivered	MWH	193	87

51.1 REASON FOR LOW PRODUCTION

a) Under utilization of available capacity for spinning, weaving, dyeing and finishing is mainly due to normal maintenance. Actual power generation in comparison to installed is low due to periodical, scheduled and unscheduled maintenance and low demand. The actual production of Denim and Work wear is according to the market demand.

b) Output produced by the plant of Nishat Power Limited - Subsidiary Company is dependent on the load demanded by power purchaser and plant availability.

52 SEGMENT INFORMATION

	Spinning		Weaving		Dyeing		Denim		Workwear		Home Textile and Terry		Garments		Power Generation		Hotel		Investment		Elimination of inter-segment transactions		Total - Group	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees in thousand)																							
Revenue																								
External	53,744,811	57,740,504	34,376,559	35,081,766	22,738,753	27,988,642	6,256,771	1,713,067	1,895,643	1,076,642	66,868,167	60,293,139	16,552,124	15,565,516	11,197,417	7,264,722	-	451,257	-	-	-	-	213,630,245	207,175,255
Intersegment	20,441,337	17,055,141	23,458,103	22,548,144	2,957,156	3,442,660	171,830	49,009	436,525	313,508	751,024	526,011	5,801,762	7,244	21,361,481	19,048,397	-	-	-	-	(75,379,218)	(62,990,114)	-	-
	74,186,148	74,795,645	57,834,662	57,629,910	25,695,909	31,431,302	6,428,601	1,762,076	2,332,168	1,390,150	67,619,191	60,819,150	22,353,886	15,572,760	32,558,898	26,313,119	-	451,257	-	-	(75,379,218)	(62,990,114)	213,630,245	207,175,255
Cost of sales	(67,426,609)	(68,448,646)	(53,082,126)	(55,603,444)	(24,189,023)	(28,926,031)	(6,938,637)	(2,549,657)	(2,894,139)	(1,872,682)	(53,286,705)	(40,429,337)	(20,994,220)	(16,251,784)	(31,135,763)	(23,644,667)	-	(277,792)	-	-	75,379,218	62,990,114	(184,568,004)	(175,013,926)
Gross profit / (loss)	6,759,539	6,346,999	4,752,536	2,026,466	1,506,886	2,505,271	(510,036)	(787,581)	(561,971)	(482,532)	14,332,486	20,389,813	1,359,666	(679,024)	1,423,135	2,668,452	-	173,465	-	-	-	-	29,062,241	32,161,329
Distribution cost	(1,120,256)	(1,088,711)	(1,422,793)	(1,538,216)	(1,669,685)	(1,709,398)	(526,919)	(285,173)	(176,001)	(150,700)	(8,635,963)	(8,325,971)	(1,518,025)	(1,086,560)	(122)	(86)	-	-	-	-	-	-	(15,069,764)	(14,184,815)
Administrative expenses	(831,417)	(775,378)	(692,259)	(646,247)	(317,010)	(323,140)	(186,882)	(153,817)	(57,760)	(44,011)	(1,741,191)	(1,524,953)	(405,885)	(377,169)	(816,049)	(725,228)	-	(57,889)	(24,588)	-	-	-	(5,073,041)	(4,627,832)
	(1,951,673)	(1,864,089)	(2,115,052)	(2,184,463)	(1,986,695)	(2,032,538)	(713,801)	(438,990)	(233,761)	(194,711)	(10,377,154)	(9,850,924)	(1,923,910)	(1,463,729)	(816,171)	(725,314)	-	(57,889)	(24,588)	-	-	-	(20,142,805)	(18,812,647)
Profit / (loss) before taxation, levy and unallocated income and expenses	4,807,866	4,482,910	2,637,484	(157,997)	(479,809)	472,733	(1,223,837)	(1,226,571)	(795,732)	(677,243)	3,955,332	10,538,889	(564,244)	(2,142,753)	606,964	1,943,138	-	115,576	(24,588)	-	-	-	8,919,436	13,348,682
Unallocated income and expenses:																								
Other expenses																							(4,052,876)	(279,120)
Other income																							12,616,985	9,844,658
Finance cost																							(7,028,391)	(9,026,462)
Adjustments to balance payable by CPPA-G																							-	(3,850,458)
Share of net profit of associates accounted for using the equity method																							7,495,341	1,758,825
Profit before levy and taxation																							17,950,495	11,796,125
Levy																							(2,394,349)	(2,351,305)
Profit before taxation																							15,556,146	9,444,820
Taxation																							62,228	(4,706,378)
Profit after taxation																							15,618,374	4,738,442

52.1 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Dyeing		Denim		Workwear		Home Textile and Terry		Garments		Power Generation		Hotel		Investment		Total - Group	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	(Rupees in thousand)																					
Total assets for reportable segments	37,030,341	39,451,293	22,506,039	21,460,474	16,774,141	18,174,468	16,885,791	15,803,159	5,988,541	4,824,331	46,701,082	42,943,351	10,092,710	12,464,600	29,023,840	24,100,839	-	-	5,211,408	-	190,213,893	179,222,515
Unallocated assets:																						
Long term investments																					125,590,768	85,408,552
Short term investment																					9,170,465	18,106,520
Other receivables																					11,131,648	9,707,042
Cash and bank balances																					2,848,798	3,150,836
Other corporate assets																					5,687,273	4,673,412
Total assets as per statement of financial position																					344,642,845	300,268,877
Total liabilities for reportable segments	4,288,592	4,107,315	3,904,150	3,383,678	2,478,993	2,403,319	422,130	343,908	201,929	96,223	6,919,471	6,027,469	1,554,411	1,345,728	3,397,425	3,036,061	-	-	225,165	-	23,392,266	20,743,701
Unallocated liabilities:																						
Deferred liabilities																					9,734,762	10,314,427
Other corporate liabilities																					103,419,187	98,972,436
Total liabilities as per statement of financial position																					136,546,215	130,030,564

52.2 Geographical information

The Group revenue from external customers by geographical locations is detailed below:

	2026	2025
	(Rupees in thousand)	
Europe	45,469,155	46,716,336
America	28,808,518	20,310,878
Asia, Africa, Australia	30,147,473	33,999,384
Pakistan	109,205,099	106,148,657
	213,630,245	207,175,255

52.3 Significant non-current assets of the Group as at reporting dates are located and operating in Pakistan.

52.4 Revenue from major customers

Nishat Power Limited - Subsidiary Company sells electricity only to NTDCL whereas the Group's revenue from other segments is earned from a large mix of customers.

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53 INTERESTS IN OTHER ENTITIES

53.1 Non-controlling interest (NCI)

Set out below is summarised financial information for Nishat Power Limited - Subsidiary Company and Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company that has non-controlling interest that is material to the Group. The amount disclosed for Subsidiary Companies are before inter-company eliminations.

	Nishat Power Limited - Subsidiary Company		Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company	
	2026	2025	2026	2025
	(Rupees in thousand)			
Summarised statement of financial position				
Current assets	12,591,000	21,522,327	10,475,945	-
Current liabilities	5,434,947	1,175,198	225,165	-
Net current assets	7,156,053	20,347,129	10,250,780	-
Non-current assets	22,925,933	7,628,039	6,829,069	-
Non-current liabilities	185,683	-	-	-
Net non-current assets	22,740,250	7,628,039	6,829,069	-
Net assets	29,896,303	27,975,168	17,079,849	-
Accumulated non-controlling interest	14,645,796	13,704,614	7,076,182	-
Summarised statement of comprehensive income*				
Revenue	11,017,700	7,057,714	-	-
Profit / (loss) for the year	2,482,575	(746,782)	(101,961)	-
Other comprehensive loss	(30,307)	-	1,714	-
Total comprehensive income / (loss)	2,452,268	(746,782)	(100,247)	-
Profit / (loss) allocated to non-controlling interest	1,216,213	(365,849)	(42,242)	-
Other Comprehensive income / (loss) allocated to non-controlling interest	(14,847)	-	710	-
Total comprehensive income / (loss) allocated to non-controlling interest	1,201,366	(365,849)	(41,532)	-
Dividend paid to non-controlling interest	260,184	1,908,148	-	-
Summarised cash flows*				
Cash (used in) / flows from operating activities	(4,950,716)	12,336,995	5,894,999	-
Cash from / (used in) investing activities	1,316,207	(12,388,225)	(6,056,661)	-
Cash used in financing activities	(530,398)	(3,892,202)	-	-
Net decrease in cash and cash equivalents	(4,164,907)	(3,943,432)	(161,662)	-

* Summarized statement of comprehensive income and summarized cashflows figures represent the post-acquisition results of the Subsidiary Companies from the date on which control was obtained.

54 FINANCIAL RISK MANAGEMENT

54.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the finance departments of the Holding Company and Subsidiary Companies under the policies approved by their respective Board of Directors. The Holding Company and Subsidiary Companies' finance departments evaluates and hedge financial risks. The Board of each Group Company 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, Bangladeshi Taka (BDT), Arab Emirates Dirham (AED), Japanese Yen (JPY), Great British Pound (GBP), Danish Krone (DKK) and Chinese yuan (CNY). Currently, the Group's foreign exchange risk exposure is restricted to cash and bank balances, short term borrowings, margin against bank guarantee and the amounts receivable / payable from / to the foreign entities. The Group's exposure to currency risk was as follows:

	2026	2025
Cash in hand and at banks - USD	749,755	1,278,713
Cash in hand and at banks - BDT	2,468,917	-
Cash in hand and at banks - AED	27,101,832	9,990,065
Cash in hand and at banks - DKK	2,816,637	1,995,648
Cash in hand and at banks - Euro	971	2,255
Trade debts - USD	45,343,570	57,053,108
Trade debts - AED	14,955,023	6,566,512
Trade debts - Euro	5,818,386	5,404,892
Trade debts - GBP	290,099	86,706
Trade debts - DKK	6,631,849	8,171,125
Short term borrowings - USD	(54,975,359)	(57,503,297)
Payable to Lars Lauridsen Holding ApS - USD	(814,726)	(1,123,295)
Margin against bank guarantee - USD	810,021	1,111,583
Trade and other payables - USD	(2,410,259)	(351,644)
Trade and other payables - AED	(1,438,642)	(6,094,559)
Trade and other payables - Euro	(381,115)	(6,642)
Trade and other payables - JPY	(1,608,645)	(1,371,670)
Trade and other payables - CNY	-	(28,935)
Trade and other payables - DKK	(8,510,595)	(11,595,736)
Net exposure - USD	(11,296,998)	465,168
Net exposure - BDT	2,468,917	-
Net exposure - AED	40,618,213	10,462,018
Net exposure - Euro	5,438,242	5,400,505
Net exposure - JPY	(1,608,645)	(1,371,670)
Net exposure - CNY	-	(28,935)
Net exposure - DKK	937,891	(1,428,963)
Net exposure - GBP	290,099	86,706

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	2026	2025
The following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	281.02	279.98
Reporting date rate	279.00	285.35
Rupees per BDT		
Average rate	2.29	-
Reporting date rate	2.27	-
Rupees per Euro		
Average rate	327.63	304.51
Reporting date rate	318.55	333.60
Rupees per AED		
Average rate	76.48	75.97
Reporting date rate	75.90	77.65
Rupees per JPY		
Average rate	1.80	1.97
Reporting date rate	1.71	2.06
Rupees per CNY		
Average rate	39.64	38.33
Reporting date rate	38.85	39.19
Rupees per GBP		
Average rate	376.99	362.93
Reporting date rate	368.52	391.50
Rupees per DKK		
Average rate	43.58	40.15
Reporting date rate	43.35	43.36

Sensitivity Analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro, AED, JPY, GBP, CNY,BDT and DKK with all other variables held constant, the impact on profit before taxation and levy for the year would have been Rupees 90.692 million (2025: Rupees 135.737 million) 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 not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

Sensitivity Analysis

The table below summarises the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on Group's other comprehensive income (fair value reserve) for the year. The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

Index	Impact on statement of comprehensive income (fair value reserve)	
	2026	**2025**
	(Rupees in thousand)	
PSX (5% increase)	3,000,430	1,376,789
PSX (5% decrease)	(3,000,430)	(1,376,789)

Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as fair value through other comprehensive income.

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's interest rate risk mainly arises from long term financing, short term borrowings, margin against bank guarantee, payable to Lars Lauridsen Holding ApS, loans to employees, overdue trade debts, advance to associated company, bank balances in saving accounts and term deposit receipts. Financial instruments at variable rates expose the Group to cash flow interest rate risk. Financial instruments at fixed rate expose the Group to fair value interest rate risk.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	2026	**2025**
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Loans to employees	63,135	50,663
Term deposit receipts	1,508,833	1,201,274
Margin against bank guarantee	225,996	317,191
Trade debts - overdue	6,540,700	1,661,908
Financial liabilities		
Long term financing	7,383,776	7,334,064
Payable to Lars Lauridsen Holding ApS	227,473	321,431
Short term borrowings	29,834,091	25,082,205
Lease liabilities	4,024,515	3,494,042
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	227,538	146,407
Advance to Sanifa Agri Services Limited - associated company	182,250	182,250
Financial liabilities		
Long term financing	23,496,614	21,338,148
Short term borrowings	35,963,529	36,712,319

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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 profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before taxation and levy for the year would have been Rupees 590.504 million (2025: Rupees 577.218 million) lower / higher mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amount of financial instruments outstanding at reporting date were outstanding for the whole year.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2026	2025
	(Rupees in thousand)	
Long term investments	60,008,599	27,535,773
Loans and advances	1,467,626	1,202,844
Deposits	1,027,462	1,010,648
Trade debts	35,578,440	28,277,755
Other receivables	217,229	77,569
Accrued interest	513	5,174
Short term investments	9,170,465	18,106,520
Bank balances	2,756,401	3,078,368
	110,226,735	79,294,651

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2026	2025
	Short term	Long term	Agency	(Rupees in thousand)	
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	6,722	3,891
Allied Bank Limited	A1+	AAA	PACRA	1,701	387,346
Askari Bank Limited	A1+	AA+	PACRA	6,910	26
Bank Alfalah Limited	A1+	AAA	PACRA	90,619	94,624
Faysal Bank Limited	A1+	AA+	PACRA	8,604	783
Habib Bank Limited	A1+	AAA	VIS	63,397	205,379
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	642	16,455
JS Bank Limited	A1+	AA	PACRA	357	-
MCB Bank Limited	A1+	AAA	PACRA	2,041,390	1,756,148
Samba Bank Limited	A1+	AA	PACRA	379	491
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	VIS	81,943	134,876
United Bank Limited	A1+	AAA	VIS	9,714	5,864
Al Baraka Bank (Pakistan) Limited	A1	AA-	VIS	675	1,131
Citi Bank N.A	P-2	A3	MOODY'S	92	79
Bank Islami Pakistan Limited	A1	AA-	PACRA	6,532	3,191
Meezan Bank Limited	A1+	AAA	VIS	42,082	15,601
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	64,832	36,719
The Bank of Punjab	A1+	AA+	PACRA	1,210	2,401
Soneri Bank Limited	A1+	AA-	PACRA	16,773	16,527
Industrial and Commercial Bank of China	P-2	A3	MOODY'S	19	19
MCB Islamic Bank Limited	A1	A+	PACRA	38,633	119,301
HAB Bank		Unknown		47,811	27,844
Bank of China	P-1	A1	MOODY'S	1,923	26,218
Habib Bank AG Zurich		Unknown		52,622	128,911
ICBC Standard Bank	P-2	Baa1	MOODY'S	17,008	7,488
Jyske Bank	P-1	Aa3	MOODY'S	-	-
Svenska Handelsbanken AB	P-1	Aa1	MOODY'S	956	6,941
Bank Al-Habib Limited	A1+	AAA	PACRA	117	455
Spar Nord Bank	P-1	Aa3	MOODY'S	114,848	74,274
JP Morgan Chase Bank, N.A.	F1+	AA-	Fitch Ratings Inc.	28,905	5,251
Eastern Bank PLC	NP	B2	MOODY'S	5,598	-
Mynt AB		Unknown		3,149	-
The Bank of Khyber	A1	AA-	PACRA	238	134
				2,756,401	3,078,368
Investments					
Adamjee Insurance Company Limited	-	AA++(ifs)	PACRA	8,230	5,142
MCB Bank Limited	A1+	AAA	PACRA	38,574,403	27,428,529
Rafhan Maize Products Company Limited		Unknown	-	21,425,966	-
Pakistan Petroleum Limited		Unknown	-	-	102,102
Alhamra Cash Management Optimizer		AA(f)	PACRA	2,410,000	-
MCB Cash Management Optimizer		AA+(f)	PACRA	2,499,336	3,954,815
MCB Pakistan Sovereign Fund		AA-(f)	PACRA	2,418,913	3,163,445
MCB Government Securities Plan I		AA(f)	PACRA	1,813,820	6,535,493
MCB Investment Savings Plan I		Unknown	-	-	4,422,623
				69,150,668	45,612,149
				71,907,069	48,690,517

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The Group's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 25.

Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. Accordingly the credit risk is minimal.

Trade debts

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts other than those due from Government of Pakistan.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Group has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2026 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product, Unemployment, Interest and the inflation Index to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2026, the Group had Rupees 65,729.295 million (2025: Rupees 64,096.167 million) available borrowing / financing limits from financial institutions and Rupees 2,848.798 million (2025: Rupees 3,150.836 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 June 2026:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	(Rupees in thousand)					
Non-derivative financial liabilities						
Long term financing	30,880,390	43,867,872	3,067,872	3,339,444	6,266,836	31,193,720
Security deposits	369,957	369,957	-	-	-	369,957
Payable to Lars Lauridsen Holding Aps	227,473	251,280	125,640	-	125,640	-
Trade and other payables	17,708,249	17,708,249	17,708,249	-	-	-
Lease liabilities	4,024,515	4,923,088	901,565	860,240	1,429,799	1,731,484
Unclaimed dividend	287,832	287,832	287,832	-	-	-
Short term borrowings	65,797,620	68,131,376	67,368,198	763,178	-	-
Accrued mark-up	1,171,583	1,171,583	1,171,583	-	-	-
Derivative financial liabilities						
Fair value of forward exchange contracts	761	761	761	-	-	-
	120,468,380	136,711,998	90,631,700	4,962,862	7,822,275	33,295,161

Contractual maturities of financial liabilities as at 30 June 2025:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	More than 2 Years
	(Rupees in thousand)					
Non-derivative financial liabilities						
Long term financing	28,672,212	40,962,742	3,030,955	2,918,487	5,804,368	29,208,932
Security deposits	357,660	357,660	-	-	-	357,660
Trade and other payables	16,175,694	16,175,694	16,175,694	-	-	-
Payable to Lars Lauridsen Holding Aps	321,431	386,304	128,768	-	128,768	128,768
Lease liabilities	3,494,042	4,483,890	938,560	886,599	1,393,271	1,265,460
Unclaimed dividend	148,922	148,922	148,922	-	-	-
Short term borrowings	61,794,524	73,647,782	72,253,339	1,394,443	-	-
Accrued mark-up	1,135,594	1,135,594	1,135,594	-	-	-
Derivative financial liabilities						
Fair value of forward exchange contracts	60,510	60,510	60,510	-	-	-
	112,160,589	137,359,098	93,872,342	5,199,529	7,326,407	30,960,820

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 / markup have been disclosed in note 6, 7, 9 and note 12 to these consolidated financial statements.

54.2 Financial instruments by categories

	FVTPL	Amortized cost	FVTOCI	Total
	(Rupees in thousand)			
As at 30 June 2026				
Assets as per consolidated statement of financial position				
Long term investments	-	-	60,008,599	60,008,599
Loans and advances	-	1,467,626	-	1,467,626
Deposits	-	1,027,462	-	1,027,462
Trade debts	-	35,578,440	-	35,578,440
Other receivables	64,508	152,721	-	217,229
Accrued interest	-	513	-	513
Short term investments	9,170,465	-	-	9,170,465
Cash and bank balances	-	2,848,798	-	2,848,798
	9,234,973	41,075,560	60,008,599	110,319,132

	FVTPL	Amortized cost	Total
	(Rupees in thousand)		
Liabilities as per consolidated statement of financial position			
Long term financing	-	30,880,390	30,880,390
Security deposits	-	369,957	369,957
Trade and other payables	761	17,708,249	17,709,010
Lease liabilities	-	4,024,515	4,024,515
Unclaimed dividend	-	287,832	287,832
Short term borrowings	-	65,797,620	65,797,620
Accrued mark-up	-	1,171,583	1,171,583
	761	120,240,146	120,240,907

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	FVTPL	Amortized cost	FVTOCI	Total
	(Rupees in thousand)			
As at 30 June 2025				
Assets as per consolidated statement of financial position				
Long term investments	-	-	27,535,773	27,535,773
Loans and advances	-	1,202,844	-	1,202,844
Deposits	-	1,010,648	-	1,010,648
Trade debts	-	28,277,755	-	28,277,755
Other receivables	-	77,569	-	77,569
Accrued interest	-	5,174	-	5,174
Short term investments	18,106,520	-	-	18,106,520
Cash and bank balances	-	3,150,836	-	3,150,836
	18,106,520	33,724,826	27,535,773	79,367,119

	FVTPL	Amortized cost	Total
	(Rupees in thousand)		
Liabilities as per consolidated statement of financial position			
Long term financing	-	28,672,212	28,672,212
Security deposits	-	357,660	357,660
Trade and other payables	60,510	16,175,694	16,236,204
Lease liabilities	-	3,494,042	3,494,042
Unclaimed dividend	-	148,922	148,922
Short term borrowings	-	61,794,524	61,794,524
Accrued mark-up	-	1,135,594	1,135,594
	60,510	111,778,648	111,839,158

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

	2026		
	Financial assets	Non-financial assets	Assets as per consolidated statement of financial position
	(Rupees in thousand)		
Assets			
Long term investments	60,008,599	65,582,169	125,590,768
Loans and advances	1,467,626	610,078	2,077,704
Deposits and prepayments	1,027,462	346,100	1,373,562
Trade debts	35,578,440	-	35,578,440
Other receivables	217,229	10,914,419	11,131,648
Accrued interest	513	-	513
Short term investments	9,170,465	-	9,170,465
Cash and bank balances	2,848,798	-	2,848,798
	110,319,132	77,452,766	187,771,898

	2026		
	Financial liabilities	**Non-financial liabilities**	**Liabilities as per consolidated statement of financial position**
	(Rupees in thousand)		
Liabilities			
Long term financing	30,880,390	-	30,880,390
Security deposits	369,957	-	369,957
Trade and other payables	17,709,010	4,945,287	22,654,297
Short term borrowings	65,797,620	-	65,797,620
Lease liabilities	4,024,515	-	4,024,515
Unclaimed dividend	287,832	-	287,832
Accrued mark-up	1,171,583	-	1,171,583
	120,240,907	4,945,287	125,186,194

	2025		
	Financial assets	**Non-financial assets**	**Assets as per consolidated statement of financial position**
	(Rupees in thousand)		
Assets			
Long term investments	27,535,773	57,872,779	85,408,552
Loans and advances	1,202,844	424,563	1,627,407
Deposits and prepayments	1,010,648	367,944	1,378,592
Trade debts	28,277,755	-	28,277,755
Other receivables	77,569	9,629,473	9,707,042
Accrued interest	5,174	-	5,174
Short term investments	18,106,520	-	18,106,520
Cash and bank balances	3,150,836	-	3,150,836
	79,367,119	68,294,759	147,661,878

	2025		
	Financial liabilities	**Non-financial liabilities**	**Liabilities as per consolidated statement of financial position**
	(Rupees in thousand)		
Liabilities			
Long term financing	28,672,212	-	28,672,212
Security deposits	357,660	-	357,660
Trade and other payables	16,236,204	4,203,173	20,439,377
Short term borrowings	61,794,524	-	61,794,524
Lease liabilities	3,494,042	-	3,494,042
Unclaimed dividend	148,922	-	148,922
Accrued mark-up	1,135,594	-	1,135,594
	111,839,158	4,203,173	116,042,331

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54.4 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 6 and note 12 respectively. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'.

		2026	2025
Borrowings	Rupees in thousand	96,678,010	90,466,736
Total equity	Rupees in thousand	208,096,630	170,238,313
Total capital employed	Rupees in thousand	304,774,640	260,705,049
Gearing ratio	Percentage	31.72	34.70

55 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 consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2026	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets				
Fair value through other comprehensive income	60,008,599	-	-	60,008,599
Fair value through profit or loss	9,170,465	-	-	9,170,465
Derivative financial assets	-	64,508	-	64,508
Total financial assets	69,179,064	64,508	-	69,243,572
Financial liabilities				
Derivative financial liabilities	-	761	-	761
Total financial liabilities	-	761	-	761

Recurring fair value measurements At 30 June 2025	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Financial assets				
Fair value through other comprehensive income	27,535,773	-	-	27,535,773
Fair value through profit or loss	18,106,520	-	-	18,106,520
Total financial assets	45,642,293	-	-	45,642,293
Financial liabilities				
Derivative financial liabilities	-	60,510	-	60,510
Total financial liabilities	-	60,510	-	60,510

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 out of level 3 measurements.

The Group'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 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 maximise 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 or dealer quotes for similar instruments.

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55.1 FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

i) Fair value hierarchy

Judgements and estimates are made for non-financial assets not measured at fair value in these consolidated financial statements but for which the fair value is described in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company has classified its non-financial assets into the following three levels.

At 30 June 2026	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Investment properties				
Freehold land	-	742,924	-	742,924
Buildings on freehold land and air strip	-	-	140,542	140,542
Total non-financial assets	-	742,924	140,542	883,466

At 30 June 2025	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Investment properties				
Freehold land	-	-	-	-
Buildings on freehold land and air strip	-	-	-	-
Total non-financial assets	-	-	-	-

The Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary 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 Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company obtains independent valuations for its investment properties at least annually. At the end of each reporting period, 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 freehold land is current prices in an active market for similar lands. The best evidence of fair value of buildings and air strip is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building and air strip.

Valuation processes

The Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company engages external, independent and qualified valuer to determine the fair value of the Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company's investment property at the end of every financial year of the Pakgen Limited (Formerly: Pakgen Power Limited) - Subsidiary Company. As at 31 December 2025, the fair value of the investment property was determined by Hamid Mukhtar and Company (Private) Limited.

Changes in fair values are analyzed at the end of each year during the valuation discussion between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

56 DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS ACTIVITIES

	Note	2026	2025
		(Rupees in thousand)	
Description			
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode			
Long term financing	6	16,162,123	12,961,131
Short term borrowings	12	21,998,873	15,470,855
Interest or mark-up accrued on any conventional loan or advance	11	646,158	758,550
Long-term and short-term Shariah compliant Investments			
Long term investments	20	76,049,727	36,661,988
Short term investments	30	2,410,694	-
Shariah-compliant bank deposits, bank balances, and TDRs	31	249,275	180,658
Revenue earned from a Shariah-compliant business segment	33	213,630,245	207,175,255
Break-up of late payments or liquidated damages		-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates			
Dividend income	38.1	-	4,579
Share of net profit of associates accounted for using the equity method	20.2	6,604,621	1,758,825
Unrealized gain on re-measurement of investments at FVTOCI	20	14,721	40,750
Realized gain on sale of investments	5.2	52,414	116,059
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs			
Profit on deposits with banks	38	375	24,020
Exchange gain earned from actual currency		345,783	511,249
Exchange gains earned using conventional derivative financial instruments		231,883	180,101
Profit paid on islamic mode of financing		2,972,391	3,038,912
Total Interest earned on any conventional loan or advance	38	52,313	317,476
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non-compliant income	38		
Shariah-compliant:			
Dividend income		-	4,579
Gain on sale of property, plant and equipment		111,914	124,063
Scrap sales		562,545	524,993
Rental income		156,142	168,856
Gain on disposal of investment		33,310	116,696
Profit on deposits with banks		375	24,020
Net exchange gain		345,783	511,249
Reversal of allowance for expected credit loss against trade debts		-	7,064
Commission income		36,483	102,495

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	Note	2026	2025
		(Rupees in thousand)	
Non-shariah compliant income:			
Dividend income		3,428,117	3,448,379
Profit on deposits with banks		49,830	291,358
Gain on disposal of Pakistan Investment Bonds		-	714
Net exchange gain		231,883	180,101
Gain on termination of leases		16,148	23,375
Gain on disposal of investment		1,633,521	1,192,346
Bargain purchase on acquisition of further shareholding in investee companies under equity method		479,113	-
Bargain purchase gain on initial recognition of further shareholding in Pakgen Limited (Formerly: Pakgen Power Limited) as subsidiary company	1	5,453,532	3,035,624
Interest income on loans to employees		2,108	2,098
Interest on short term loan		1,491	-
Interest income on advance to associated company		32,976	90
Unrealized gain on remeasurement of investments at fair value through profit or loss		-	30,144
Reversal of fair value adjustment on margin against bank guarantee		41,714	56,414

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Name	Relationship
Habib Bank Limited	Bank balance
Standard Chartered Bank (Pakistan) Limited (Saadiq Islamic Banking)	Bank balance
MCB Islamic Bank Limited	Bank balance and long term financing
Bank Islami Pakistan Limited	Bank balance and short term borrowings
Dubai Islamic Bank Pakistan Limited	Bank balance and short term borrowings
The Bank of Punjab (Taqwa Islamic Banking)	Bank balance and short term borrowings
Al Baraka Bank (Pakistan) Limited	Bank balance and short term borrowings
The Bank of Khyber - Raast Islamic Banking	Bank balance and short term borrowings
United Bank Limited - Ameen Islamic Banking	Bank balance and short term borrowings
Meezan Bank Limited	Bank balance, short term borrowings and long term financing
Faysal Bank Limited (Barkat Islami)	Bank balance, short term borrowings and long term financing
Allied Bank Limited	Long term financing
Askari Bank Limited - Ikhlas Islamic Banking	Long term financing
Habib Bank AG Zurich	Bank Balance

57 UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2026	2025	2026	2025
	(Rupees in thousand)			
Total facilities of the Holding Company	25,786,151	23,693,440	152,099,000	138,274,000
Utilized at the end of the year relating to Holding Company	15,013,903	12,613,409	102,669,120	97,593,812
Unutilized at the end of the year relating to Holding Company	10,772,248	11,080,031	49,429,880	40,680,188

58 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 30 September 2026 by the Board of Directors.

59 CORRESPONDING FIGURES

As explained in note 1 to the consolidated financial statements, the Holding Company obtained control over Pakgen Limited (formerly Pakgen Power Limited) during the year. Accordingly, the current year's figures include the financial information of Pakgen Limited from the date on which control was obtained. Consequently, the corresponding figures for the prior year are not comparable with those of the current year.

60 GENERAL

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

Pattern of Holding

of the Shares held by the Shareholders of Nishat Mills Limited as at June 30, 2026

Number of Shareholders	Having Shares		Shares Held	Percentage
	From	To		
10,749	1	100	392,077	0.11
8,593	101	500	2,352,087	0.67
3,231	501	1,000	2,566,434	0.73
3,767	1,001	5,000	8,803,490	2.50
656	5,001	10,000	4,934,266	1.40
215	10,001	15,000	2,727,584	0.78
106	15,001	20,000	1,914,620	0.54
70	20,001	25,000	1,624,236	0.46
45	25,001	30,000	1,270,515	0.36
32	30,001	35,000	1,055,427	0.30
35	35,001	40,000	1,349,265	0.38
12	40,001	45,000	513,760	0.15
28	45,001	50,000	1,380,610	0.39
17	50,001	55,000	889,631	0.25
5	55,001	60,000	284,392	0.08
12	60,001	65,000	747,485	0.21
6	65,001	70,000	408,200	0.12
4	70,001	75,000	296,293	0.08
8	75,001	80,000	629,696	0.18
6	80,001	85,000	496,232	0.14
6	85,001	90,000	534,900	0.15
4	90,001	95,000	368,944	0.10
12	95,001	100,000	1,193,060	0.34
6	100,001	105,000	611,134	0.17
4	105,001	110,000	431,380	0.12
2	110,001	115,000	225,149	0.06
3	115,001	120,000	355,533	0.10
4	120,001	125,000	493,545	0.14
2	125,001	130,000	255,181	0.07
3	135,001	140,000	415,303	0.12
1	140,001	145,000	141,968	0.04
7	145,001	150,000	1,046,660	0.30
2	150,001	155,000	306,500	0.09
3	155,001	160,000	475,957	0.14
1	160,001	165,000	160,555	0.05
1	165,001	170,000	170,000	0.05
1	170,001	175,000	175,000	0.05
2	175,001	180,000	352,071	0.10
1	185,001	190,000	187,250	0.05
2	190,001	195,000	390,000	0.11
4	195,001	200,000	794,500	0.23
1	200,001	205,000	205,000	0.06
1	205,001	210,000	207,000	0.06
2	215,001	220,000	438,575	0.12
1	225,001	230,000	225,451	0.06
2	230,001	235,000	470,000	0.13
1	235,001	240,000	237,500	0.07
1	240,001	245,000	241,000	0.07
3	245,001	250,000	750,000	0.21
1	255,001	260,000	260,000	0.07

Pattern of Holding

of the Shares held by the Shareholders of Nishat Mills Limited as at June 30, 2026

Number of Shareholders	Having Shares		Shares Held	Percentage
	From	To		
1	265,001	270,000	269,080	0.08
1	270,001	275,000	271,266	0.08
1	280,001	285,000	282,000	0.08
3	295,001	300,000	900,000	0.26
3	305,001	310,000	921,364	0.26
2	320,001	325,000	644,547	0.18
1	330,001	335,000	333,000	0.09
1	340,001	345,000	343,266	0.10
1	345,001	350,000	350,000	0.10
1	350,001	355,000	351,500	0.10
3	365,001	370,000	1,099,689	0.31
1	385,001	390,000	387,874	0.11
1	395,001	400,000	396,661	0.11
2	400,001	405,000	808,500	0.23
1	430,001	435,000	433,685	0.12
1	435,001	440,000	440,000	0.13
3	445,001	450,000	1,344,650	0.38
1	460,001	465,000	460,817	0.13
1	470,001	475,000	474,571	0.14
1	475,001	480,000	478,019	0.14
3	495,001	500,000	1,500,000	0.43
1	505,001	510,000	509,280	0.14
1	520,001	525,000	524,278	0.15
1	535,001	540,000	535,444	0.15
2	545,001	550,000	1,096,963	0.31
1	585,001	590,000	586,530	0.17
1	635,001	640,000	638,442	0.18
1	665,001	670,000	667,563	0.19
1	730,001	735,000	734,775	0.21
1	740,001	745,000	742,773	0.21
1	795,001	800,000	800,000	0.23
1	815,001	820,000	815,990	0.23
1	820,001	825,000	823,800	0.23
1	825,001	830,000	830,000	0.24
1	920,001	925,000	925,000	0.26
1	925,001	930,000	928,641	0.26
1	990,001	995,000	991,365	0.28
4	995,001	1,000,000	3,999,077	1.14
1	1,025,001	1,030,000	1,027,743	0.29
1	1,045,001	1,050,000	1,050,000	0.30
1	1,060,001	1,065,000	1,061,285	0.30
1	1,080,001	1,085,000	1,082,100	0.31
1	1,145,001	1,150,000	1,145,276	0.33
1	1,245,001	1,250,000	1,250,000	0.36
1	1,335,001	1,340,000	1,339,000	0.38
1	1,395,001	1,400,000	1,400,000	0.40
1	1,490,001	1,495,000	1,494,876	0.43
1	1,620,001	1,625,000	1,625,000	0.46
2	1,700,001	1,705,000	3,406,563	0.97
1	1,825,001	1,830,000	1,827,707	0.52

Number of Shareholders	Having Shares		Shares Held	Percentage
	From	To		
1	1,995,001	2,000,000	2,000,000	0.57
1	2,045,001	2,050,000	2,049,624	0.58
1	2,225,001	2,230,000	2,227,793	0.63
1	2,260,001	2,265,000	2,264,341	0.64
1	2,395,001	2,400,000	2,399,074	0.68
1	2,425,001	2,430,000	2,427,897	0.69
1	2,430,001	2,435,000	2,433,389	0.69
1	2,785,001	2,790,000	2,787,513	0.79
1	2,935,001	2,940,000	2,939,871	0.84
1	3,745,001	3,750,000	3,746,699	1.07
1	4,245,001	4,250,000	4,250,000	1.21
2	4,495,001	4,500,000	9,000,000	2.56
1	4,880,001	4,885,000	4,885,000	1.39
1	5,000,001	5,005,000	5,000,397	1.42
1	6,070,001	6,075,000	6,073,899	1.73
1	7,995,001	8,000,000	8,000,000	2.28
1	9,945,001	9,950,000	9,949,358	2.83
1	12,345,001	12,350,000	12,346,063	3.51
1	26,245,001	26,250,000	26,248,841	7.47
1	29,225,001	29,230,000	29,228,216	8.31
1	29,570,001	29,575,000	29,571,909	8.41
1	44,290,001	44,295,000	44,292,572	12.60
1	44,370,001	44,375,000	44,372,016	12.62
27,772	**Total**		**351,599,848**	**100.00**

Sr. No.	Categories of Shareholders	Shares Held	Percentage
1.	DIRECTORS, CEO, THEIR SPOUSE AND MINOR CHILDREN	88,667,588	25.22
2.	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	31,220,212	8.88
3.	NIT AND ICP	85,203	0.02
4.	Banks, Development Financial Institutions, Non-banking Financial Institutions	17,554,395	4.99
5.	Insurance Companies	1,200,131	0.34
6.	Modarabas and Mutual Funds	44,530,095	12.66
7.	Shareholders Holding 5% or above	177,714,710	50.54
8.	General Public		
	Local	126,893,695	36.09
	Foreign	6,497,527	1.85
9.	Others		
	Foreign Companies	925,778	0.26
	Investment Companies	116,879	0.03
	Joint Stock Companies	23,102,232	6.57
	Provident / Pension Funds and Miscellaneous	10,806,113	3.07

Information Under Listing Regulation No. 5.19.11 (X) of Pakistan Stock Exchange Limited Rule Book as on June 30, 2026

Sr. No.	Categories of Shareholders	Shares Held	Percentage
I)	**ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES**		
	D. G. KHAN CEMENT COMPANY LIMITED	30,289,501	8.61
	ADAMJEE INSURANCE COMPANY LIMITED	2,050	0.00
	SECURITY GENERAL INSURANCE COMPANY LIMITED	396,661	0.11
	NISHAT (AZIZ AVENUE) HOTELS AND PROPERITIES LIMITED	405,000	0.10
	NISHAT REAL ESTATES DEVELOPMENT COMPANY (PRIVATE) LIMITED	127,000	0.04
II)	**MUTUAL FUNDS:**		
	PRUDENTIAL STOCKS FUND LIMITED	110	-
	SAFEWAY MUTUAL FUND LIMITED	13	-
	CDC - TRUSTEE JS LARGE CAP. FUND	586,530	0.17
	CDC - TRUSTEE ATLAS STOCK MARKET FUND	6,073,899	1.73
	CDC - TRUSTEE JS ISLAMIC FUND	77,800	0.02
	CDC - TRUSTEE UNIT TRUST OF PAKISTAN	321,588	0.09
	CDC - TRUSTEE AKD INDEX TRACKER FUND	60,482	0.02
	CDC - TRUSTEE AKD OPPORTUNITY FUND	175,000	0.05
	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	450,000	0.13
	CDC - TRUSTEE MEEZAN ISLAMIC FUND	1,827,707	0.52
	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	2,433,389	0.69
	CRESCENT STANDARD BUSINESS MANAGEMENT (PVT) LIMITED	1	-
	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1,702,479	0.48
	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	2,227,793	0.63
	CDC - TRUSTEE NBP STOCK FUND	9,949,358	2.83
	CDC - TRUSTEE NBP BALANCED FUND	187,250	0.05
	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	350,000	0.10
	CDC - TRUSTEE APF-EQUITY SUB FUND	351,500	0.10
	CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	41,900	0.01
	CDC - TRUSTEE HBL - STOCK FUND	197,000	0.06
	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND	387,874	0.11
	CDC - TRUSTEE APIF - EQUITY SUB FUND	271,266	0.08
	MC FSL - TRUSTEE JS GROWTH FUND	815,990	0.23
	CDC - TRUSTEE HBL MULTI - ASSET FUND	9,000	0.00
	CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY SUB FUND	18,900	0.01
	FIRST PRUDENTIAL MODARABA	525	0.00
	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	2,264,341	0.64
	CDC - TRUSTEE ABL STOCK FUND	928,641	0.26
	CDC - TRUSTEE AL HABIB STOCK FUND	2,399,074	0.68
	CDC - TRUSTEE NBP SARMAYA IZAFA FUND	146,660	0.04
	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	839	0.00
	CDC - TRUSTEE HBL ISLAMIC STOCK FUND	153,500	0.04
	CDC - TRUSTEE HBL EQUITY FUND	300,000	0.09
	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	85,000	0.02
	CDC - TRUSTEE HBL PF EQUITY SUB FUND	36,530	0.01
	CDC - TRUSTEE KSE MEEZAN INDEX FUND	509,280	0.14
	CDC - TRUSTEE AL HABIB ISLAMIC STOCK FUND	1,625,000	0.46
	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	667,563	0.19
	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	15,000	0.00
	CDC - TRUSTEE AWT ISLAMIC STOCK FUND	638,442	0.18
	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	2,049,624	0.58
	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	20,000	0.01
	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	1,704,084	0.48
	CDC - TRUSTEE AWT ISLAMIC ASSET ALLOCATION FUND	7,200	0.00
	CDC - TRUSTEE NITPF EQUITY SUB-FUND	9,500	0.00
	CDC - TRUSTEE NBP SAVINGS FUND - MT	483	0.00
	ABA ALI HABIB SECURITIES (PVT) LIMITED - MF	300	0.00
	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	52,000	0.01
	CDC - TRUSTEE ALFALAH MTS FUND - MT	12,558	0.00
	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	80,906	0.02
	CDC - TRUSTEE AL HABIB ASSET ALLOCATION FUND	195,000	0.06
	DCCL - TRUSTEE AKD ISLAMIC STOCK FUND	150,000	0.04
	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	123,157	0.04
	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	175,298	0.05
	CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND	9,200	0.00
	CDC - TRUSTEE NIT ASSET ALLOCATION FUND	20,000	0.01
	CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND	322,959	0.09
	CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND	23,300	0.01
	CDC - TRUSTEE PAK QATAR IPF - EQUITY SUB FUND	12,000	0.00
	CDC - TRUSTEE MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND	103,671	0.03
	CDC - TRUSTEE LUCKY ISLAMIC STOCK FUND	742,773	0.21
	DCCL - TRUSTEE JS ISLAMIC SARMAYA MEHFOOZ FUND PLAN-I	110,678	0.03
	DCCL - TRUSTEE JS ISLAMIC SARMAYA MEHFOOZ FUND PLAN-2 2020	17,200	0.00
	CDC - TRUSTEE BMA STOCK FUND	11,000	0.00
	CDC - TRUSTEE LIPF-EQUITY SUB FUND	34,700	0.01

Information Under Listing Regulation No. 5.19.11 (X) of Pakistan Stock Exchange Limited Rule Book as on June 30, 2026

Sr. No.	Categories of Shareholders		Shares Held	Percentage
III)	**DIRECTORS, CEO, THEIR SPOUSE AND MINOR CHILDREN**			
1.	MR. UMER MANSHA	DIRECTOR / CHIEF EXECUTIVE OFFICER	44,292,572	12.60
2.	MR. HASSAN MANSHA	DIRECTOR / CHAIRMAN	44,372,016	12.62
3.	MR. MAHMOOD AKHTAR	DIRECTOR	500	0.00
4.	MR. FARID NOOR ALI FAZAL	DIRECTOR	500	0.00
5.	MRS. SARA AQEEL	DIRECTOR	1,500	0.00
6.	MRS. MEHAK ADIL	DIRECTOR	500	0.00
IV)	**EXECUTIVES**			
	MR. MAQSOOD AHMAD		335	0.00
V)	**PUBLIC SECTOR, COMPANIES AND CORPORATIONS**			
	JOINT STOCK COMPANIES		23,102,232	6.57
VI)	**SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE LISTED COMPANY**			
1.	MRS NAZ MANSHA	SHAREHOLDER	29,188,712	8.30
2.	MR. RAZA MANSHA	SHAREHOLDER	29,571,909	8.41
3.	MR. UMER MANSHA	DIRECTOR / CHIEF EXECUTIVE OFFICER	44,292,572	12.60
4.	MR. HASSAN MANSHA	DIRECTOR / CHAIRMAN	44,372,016	12.62
5.	D. G. KHAN CEMENT COMPANY LIMITED	ASSOCIATED COMPANY	30,289,501	8.61
VII)	**BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, TAKAFUL,MODARABAS AND PENSION FUNDS**			
1.	INVESTMENT COMPANIES		116,879	0.03
2.	INSURANCE COMPANIES		1,200,131	0.34
3.	FINANCIAL INSTITUTIONS		17,554,395	4.99
4.	MODARABAS COMPANIES		255,280	0.07
5.	PENSION / PROVIDENT FUNDS		10,806,113	3.07

INFORMATION UNDER LISTING REGULATION NO. 5.19.11 (XII) OF PAKISTAN STOCK EXCHANGE LIMITED RULE BOOK AS ON JUNE 30, 2026

There was no trading in the shares of the Company, carried out by its Directors, Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary, their spouses and minor children and other employees of the Company for whom the Board of Directors have set the threshold.

ڈائریکٹرز کی مجموعی مالی حسابات پر رپورٹ

ڈائریکٹرز 30 جون 2026 کو اختتام شدہ سال کیلئے نشاط ملز لمیٹڈ (''ہولڈنگ کمپنی'') اور اس کی ذیلی کمپنیوں (مجموعی گروپ طور پر) کے مجموعی مالیاتی گوشواروں کے ساتھ اپنی رپورٹ پیش کرنے پر خوش ہیں۔ مجموعی مالیاتی گوشوارے نشاط ملز لمیٹڈ، نشاط پاور لمیٹڈ، نشاط لینن (پرائیویٹ) لمیٹڈ، پاک جین لمیٹڈ (سابقہ: پاک جین پاور لمیٹڈ)، نشاط یو ایس اے انک، نشاط انٹرنیشنل ایف زیڈ ای، چائنا گوانگ ژو نشاط گلوبل کمپنی لمیٹڈ، نشاط کموڈیٹیز (پرائیویٹ) لمیٹڈ، ورنر فیلٹ اے/ایس، ورنر فیلٹ سویڈن اے بی اور نشاط یو کے (پرائیویٹ) لمیٹڈ کے مالی گوشواروں پر مشتمل ہیں۔

سال کے دوران، پاک جین لمیٹڈ نے ہولڈنگ کمپنی کے علاوہ اپنے دیگر حصص داروں سے 179,932,988 حصص خرید کر منسوخ کر دیے۔ اس کے نتیجے میں، ہولڈنگ کمپنی کی پاک جین لمیٹڈ میں حصص داری (30.25%) سے بڑھ کر (58.57%) ہوگئی، حالانکہ ہولڈنگ کمپنی نے اضافی حصص حاصل نہیں کیے۔ چنانچہ، ہولڈنگ کمپنی نے پاک جین لمیٹڈ پر کنٹرول حاصل کر لیا۔

ہولڈنگ کمپنی نے بین الاقوامی مالیاتی رپورٹنگ کے اسٹینڈرڈ اینڈ کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق اپنے علیحدہ مالیاتی گوشواروں کے ساتھ اپنے مشترکہ مالیاتی گوشوارے بھی منسلک کیے ہیں۔ ڈائریکٹرز کی رپورٹ، جس میں 30 جون 2026 کو ختم ہونے والے سال کے دوران نشاط ملز لمیٹڈ کی کارکردگی پر تبصرہ شامل ہے، علیحدہ طور پر پیش کی گئی ہے۔ اس رپورٹ میں ہولڈنگ کمپنی کی تمام ذیلی کمپنیوں کا مختصر تعارف بھی شامل ہے۔

مندرجہ ذیل کنسولیڈیٹڈ کھاتوں کی اہم جھلکیاں ہیں:

مالی جھلکیاں	2026 روپے (ملین)	2025 روپے (ملین)
آمدنی	213,630	207,175
مجموعی منافع	29,062	32,161
بعد از ٹیکس منافع	15,618	4,738

منجانب بورڈ آف ڈائریکٹرز

Um mansha

میاں عمر منشاء
چیف ایگزیکٹو آفیسر

David Fazal

فرید نور علی فضل
ڈائریکٹر

لاہور
30 ستمبر 2026ء

داخلی مالی کنٹرولز کی مہارت

کمپنی نے اپنے اثاثوں کی حفاظت، دھوکہ دہی کو روکنے اور ان کا پتہ لگانے اور تمام قانونی تقاضوں کی تعمیل کو یقینی بنانے کے لئے اندرونی اور مالی کنٹرول کا ایک موثر نظام قائم کیا ہے۔ اندرونی کنٹرول ڈھانچے کا باقاعدگی سے جائزہ لیا جاتا ہے اور بورڈ کے قائم کردہ اندرونی آڈٹ کے ذریعہ نگرانی کی جاتی ہے۔ آڈٹ کمیٹی اپنے (Terms of reference) کے مطابق سہ ماہی کے حساب سے اندرونی کنٹرول سسٹم کا جائزہ لیتی ہے۔

ڈائریکٹرز کا مشاہرہ

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کی معاوضہ پالیسی کی منظوری دے دی ہے۔ پالیسی کی بنیادی خصوصیات مندرجہ ذیل ہیں۔

* کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز سمیت آزاد ڈائریکٹرز کو بورڈ اور کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے علاوہ معاوضہ ادا نہیں کرے گی۔
* کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے سلسلے میں ڈائریکٹرز کے سفر اور رہائش کے اخراجات کا معاوضہ یا ان کے اخراجات ادا کرے گی۔
* ڈائریکٹرز کی معاوضہ پالیسی کا وقتاً فوقتاً جائزہ لیا جائے گا اور بورڈ آف ڈائریکٹرز کے ذریعہ اس کی منظوری دی جائے گی۔

کمپنی کے چیف ایگزیکٹو آفیسر اور ڈائریکٹرز کے معاوضے کے لیے کمپنی کے مالیاتی بیانات میں درج نوٹ 42 ملاحظہ کریں۔

شیئر ہولڈنگ کا مراسلہ

30 جون 2026 تک شیئر ہولڈنگ کا بیان، جسے رپورٹنگ فریم ورک کے تحت ظاہر کرنا ضروری ہے، اس رپورٹ سے منسلک ہے۔

اظہار تشکر

ڈائریکٹرز کمپنی کے لیے مسلسل محنت اور وابستگی دکھانے پر ملازمین کے مشکور اور خوش ہیں۔

منجانب بورڈ آف ڈائریکٹرز

Umar Mansha

میاں عمر منشاء
چیف ایگزیکٹو آفیسر

David Fazal

فرید نور علی فضل
ڈائریکٹر

لاہور
30 ستمبر 2026ء

متعلقہ فریقین کے ساتھ لین دین

کمپنی نے متعلقہ فریقین کے ساتھ تمام لین دین انجام دیتے وقت کمپنیز (ریلیٹڈ پارٹی ٹرانزیکشنز اینڈ مینٹیننس آف ریلیٹڈ ریکارڈز) ریگولیشنز 2018 میں درج ٹرانسفر پرائسنگ کی بہترین پریکٹسز پر مکمل طور پر عمل کیا ہے۔ بورڈ کی جانب سے دورانِ سال منظور شدہ لین دین کے انتظامات کی تفصیل، جو معمول کے کاروباری عمل سے ہٹ کر ہیں، درج ذیل ہے:

۱۔ سال کے دوران، پاک جین لمیٹڈ (سابقہ: پاک جین پاور لمیٹڈ) نے اپنے دیگر شیئر ہولڈرز سے 179,932,988 حصص واپس خرید کر منسوخ کر دیے۔ اس کے نتیجے میں، پاک جین لمیٹڈ (سابقہ: پاک جین پاور لمیٹڈ) میں کمپنی کی حصص داری (30.25%) سے بڑھ کر (58.57%) ہوگئی، حالانکہ کمپنی نے مزید کوئی اضافی حصص حاصل نہیں کیے۔

۲۔ سال کے دوران، لال پیر لمیٹڈ (سابقہ: لال پیر پاور لمیٹڈ) نے اپنے دیگر شیئر ہولڈرز سے 100,000,000 حصص واپس خرید کر منسوخ کر دیے۔ اس کے نتیجے میں، لال پیر لمیٹڈ (سابقہ: لال پیر پاور لمیٹڈ) میں کمپنی کی حصص داری (28.93%) سے بڑھ کر (39.27%) ہوگئی، حالانکہ کمپنی نے مزید کوئی اضافی حصص حاصل نہیں کیے۔

آڈیٹرز

ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، موجودہ آڈیٹرز، کمپنی کی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ وہ اہل ہیں اور انہوں نے 30 جون 2027 کو ختم ہونے والے مالی سال کے لیے دوبارہ تعیناتی کے لیے اپنی رضامندی ظاہر کی ہے۔ آڈٹ کمیٹی کی سفارشات کے مطابق، بورڈ آف ڈائریکٹرز نے ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی تجویز آئندہ سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری کے لیے پیش کی ہے۔

ضمنی واقعات

30 ستمبر 2026ء کو ہونے والی میٹنگ میں کمپنی کے بورڈ آف ڈائریکٹرز نے 2 روپے فی حصص نقد ڈیویڈینڈ دینے کی سفارش کی ہے۔ رپورٹنگ مدت کے بعد، کمپنی کے بورڈ آف ڈائریکٹرز نے اپنی میٹنگ جو 19 اگست 2026ء کو ہوئی، میں نشاط سوطاس ڈیری لمیٹڈ - جو کمپنی کی مشترکہ منصوبہ شراکت دار، Sütas Süt Ürünleri A.S، ترکیہ، میں کمپنی کی تمام شیئر ہولڈنگ فروخت کرنے کی منظوری دی، تجویز کردہ قیمت فی شیئر 5 روپے رکھی گئی۔ کمپنی کے شیئر ہولڈرز نے اپنی میٹنگ جو 23 ستمبر 2026ء کو ہوئی، میں اس تجویز شدہ فروخت کی منظوری دی۔

مستقبل کے امکانات

عالمی ٹیکسٹائل کا ماحول مسلسل جغرافیائی و سیاسی غیر یقینی صورتحال، عالمی افراطِ زر کے دباؤ اور مقامی پیداوار کی بڑھتی ہوئی لاگت، بالخصوص توانائی اور مارک اَپ کی بلند شرحوں کے باعث آئندہ بھی مشکل رہنے کی توقع ہے، جو آپریٹنگ مارجنز پر مسلسل دباؤ ڈال رہی ہیں۔ امریکہ کی بدلتی ہوئی تجارتی اور ٹیرف (Tarrif) پالیسیوں کے باعث بین الاقوامی خریدار محتاط رویہ اختیار کیے ہوئے ہیں، جس سے مارکیٹ میں غیر یقینی صورتحال پیدا ہو رہی ہے۔ اسی دوران، یورپ اور برطانیہ کی اہم مارکیٹس کے ساتھ بھارت کے آزاد تجارتی معاہدوں (Free Trade Agreements) میں پیش رفت علاقائی برآمد کنندگان کے درمیان قیمتوں کے مقابلے کو مزید بڑھا رہی ہے۔ مزید برآں، شپنگ روٹس میں مسلسل رکاوٹیں اور ٹرانزٹ شیڈولز میں غیر متوقع تبدیلیاں لاجسٹکس اور انوینٹری (Inventory) مینجمنٹ کے لیے مستقل چیلنجز کا باعث بن رہی ہیں۔

ان چیلنجز سے نمٹنے کے لیے، انتظامیہ ویلیو ایڈیشن، آپریشنل ایکسیلنس اور مارکیٹ میں تنوع پر توجہ مرکوز کرتے ہوئے حکمتِ عملی کی منصوبہ بندی اور اس پر عمل درآمد کر رہی ہے۔ کمپنی صرف قیمت کی بنیاد پر مقابلہ کرنے کے بجائے زیادہ قدر رکھنے والی اور منفرد مصنوعات کے شعبوں کی جانب منتقل ہو رہی ہے، جبکہ بنیادی بین الاقوامی برانڈز کے ساتھ تعلقات کو مزید مضبوط بنانا اولین ترجیح ہے۔ کمپنی سپلائی چین میں ٹریس ایبلٹی (Traceability) کو بہتر بنانے کے لیے بھی پُرعزم ہے۔ مزید برآں، پائیداری (Sustainability) کو پائیدار کپڑوں کی مارکیٹنگ کے لیے ایک بنیادی محرک کے طور پر اپنایا جا رہا ہے۔

کمپنی اپنی پیداوار کی صلاحیت کو بڑھانے کے لئے فعال طور پر کام کر رہی ہے تاکہ اپنی لاگت میں مقابلہ اور عملی پائیداری کو برقرار رکھا جا سکے۔ اس میں جدید Tsudakoma اور Toyoda ویونگ لومز خریدنے جیسے پروجیکٹس سے لے کر قابل تجدید توانائی کے منصوبوں کا نفاذ شامل ہے، جیسے کہ شمسی توانائی کی پیداوار میں توسیع، بیٹری انرجی اسٹوریج سسٹمز (BESS)، اور گرڈ کنکشنز تاکہ توانائی کے بہترین امتزاج کو حاصل کیا جا سکے۔

کمپنی کی انتظامیہ پُرامید ہے کہ ان اسٹریٹجک سرمایہ کاریوں، مسلسل مصنوعات کی جدت اور منظم لاگت کے انتظام کی بدولت اپنے مارکیٹ شیئر کو برقرار رکھنے اور طویل مدتی پائیدار ترقی حاصل کرنے میں کامیاب رہے گی۔

اجلاسوں میں حاضری کی پوزیشن درج ذیل تھی:

نمبر شمار	ڈائریکٹر کا نام	شرکت کردہ اجلاس کی تعداد
1	مسز مہک عادل (رکن/چیئرپرسن)	4
2	سید زاہد حسین (رکن)	4
3	جناب فرید نور فضل (رکن)	4

انسانی وسائل اور مشاہرہ (HR&R) کمیٹی

انسانی وسائل و مشاہرہ کمیٹی، بورڈ آف ڈائریکٹرز کی طے کردہ شرائط کے مطابق اپنے فرائض سرانجام دے رہی ہے۔ زیرِ غور سال کے دوران، انسانی وسائل و مشاہرہ کمیٹی کا ایک اجلاس ہوا، حاضری کی پوزیشن اس طرح تھی:

نمبر شمار	ڈائریکٹر کا نام	شرکت کردہ اجلاس کی تعداد
1	مسز سارہ عقیل (رکن/چیئرپرسن)	1
2	میاں عمر منشاء (رکن)	1
3	جناب محمود اختر (رکن)	1

ڈائریکٹرز کا بیان

کارپوریٹ اور مالی رپورٹنگ کے فریم ورک سے متعلق ڈائریکٹرز کا بیان مندرجہ ذیل ہے:

1۔ کمپنی کے زیرِ انتظام تیار کردہ مالی حسابات، اس کے امور کی منصفانہ حیثیت، اس کے آپریشن، نقد بہاؤ اور ایکویٹی میں بدلاؤ کو منصفانہ طور پر پیش کرتے ہیں۔

2۔ کمپنی کے اکاؤنٹ کی کتابیں صحیح طور پر بنائی گئی ہیں۔

3۔ مالی بیانات کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو کی گئی ہیں اور محاسبہ کا تخمینہ معقول اور سمجھداری پر مبنی ہے۔

4۔ بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جو پاکستان میں قابل اطلاق ہیں، کے مطابق مالی گوشواروں کی تیاری پر عمل کیا گیا ہے۔

5۔ اندرونی کنٹرول کا نظام مستحکم ہے اور اس کے موثر انداز میں نفاذ اور نگرانی کی جارہی ہے۔

6۔ کمپنی کے کام جاری رکھنے کی اہلیت پر کوئی شبہات نہیں ہیں۔

7۔ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے۔

8۔ ریٹائرمنٹ بینیفٹ فنڈ کے سلسلے میں سرمایہ کاری کی قیمت: پروویڈنٹ فنڈ: (30 جون، 2026 کو ان آڈٹ شدہ 10,915.223 ملین روپے)، (2025 میں 8,728.262 ملین روپے آڈٹ شدہ)

پائیداری کے خطرات اور مواقع سے نمٹنے میں بورڈ کا کردار

بورڈ آف ڈائریکٹرز پائیداری سے متعلق ایسے خطرات اور مواقع کی نشاندہی، جائزہ اور انتظام کی فعال نگرانی کرتا ہے جو کمپنی کے آپریشنز، کارکردگی اور طویل مدتی قدر میں اضافے کو متاثر کرسکتے ہیں۔ بورڈ کمپنی کی پائیداری کی حکمتِ عملی اور اہداف مقرر کرتے وقت متعلقہ ماحولیاتی، سماجی اور گورننس (ESG) امور کو مدنظر رکھتا ہے۔ بعدازاں، بورڈ انتظامیہ کی جانب سے شناخت شدہ خطرات کے انتظام اور تدارک کے لیے کیے گئے اقدامات کا جائزہ لیتا ہے۔

بورڈ کمپنی کی تنوع، مساوات اور شمولیت (DE&I) سے متعلق پالیسیوں اور طریقہ کار کی بھی نگرانی کرتا ہے۔ کمپنی صنفی مساوات اور مساوی مواقع کے فروغ کے لیے پُرعزم ہے۔ اس مقصد کے لیے کمپنی نے ادارے کے مختلف سطحوں، بشمول بورڈ، انتظامیہ اور افرادی قوت میں خواتین کی شرکت اور نمائندگی کی حوصلہ افزائی کے لیے عملی اقدامات کیے ہیں۔ ان اقدامات کو مناسب پالیسیوں اور طریقہ کار کے ذریعے تقویت دی جاتی ہے تاکہ ایک جامع اور شمولیتی کام کا ماحول تشکیل دیا جاسکے، جہاں کیریئر میں ترقی کے مساوی مواقع میسر ہوں اور افرادی قوت اور قیادت کے عہدوں پر خواتین کی زیادہ سے زیادہ شرکت ممکن ہو۔

بورڈ پائیداری سے متعلق پیش رفت اور انتظامیہ کی جانب سے شناخت شدہ خطرات کو کم کرنے اور دستیاب مواقع سے فائدہ اٹھانے کے لیے کیے گئے اقدامات کی مؤثریت کی مسلسل نگرانی کرتا ہے، تاکہ کمپنی میں ** تنوع، مساوات اور شمولیت (DE&I) کو فروغ دیا جاسکے۔

کارپوریٹ گورننس

بہترین کارپوریٹ طرزِ عمل

ڈائریکٹرز اچھے کارپوریٹ گورننس کے پابند ہیں اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تقاضوں پر عمل کرتے ہیں۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ساتھ مطابقت کا بیان منسلک ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل

بورڈ آف ڈائریکٹرز کی تشکیل درج ذیل ہے:

ڈائریکٹرز کی کل تعداد:

1) مرد:	5
2) خواتین:	2

تشکیل:

(i) آزاد ڈائریکٹرز:	2
(ii) نان ایگزیکٹو ڈائریکٹرز:	4
(iii) ایگزیکٹو ڈائریکٹر:	1

بورڈ آف ڈائریکٹرز کے اجلاس

زیر جائزہ سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس پاکستان میں منعقد ہوئے، جبکہ پاکستان سے باہر کوئی اجلاس منعقد نہیں ہوا۔ سال کے دوران بورڈ میں کوئی عارضی نشست خالی نہیں ہوئی۔

اجلاسوں میں حاضری کی صورتحال درج ذیل تھی:

نمبر شمار	ڈائریکٹر کا نام	شرکت کردہ اجلاس کی تعداد
1	میاں عمر منشاء (چیف ایگزیکٹو آفیسر)	5
2	میاں حسن منشاء (چیئرمین)	5
3	سید زاہد حسین	5
4	جناب محمود اختر	5
5	جناب فرید نور علی فضل	5
6	مسز سارہ عقیل	4
7	مسز مہک عادل	5

جو ڈائریکٹر بورڈ کے اجلاس میں شرکت نہ کر سکے، انہیں غیر حاضری کی اجازت دے دی تھی۔

سال کے دوران ڈائریکٹرز کے انتخابات کے انعقاد اور کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کے مطابق، بورڈ آف ڈائریکٹرز کی ازسرِ نو تشکیل کی گئی۔

نتیجتاً، درج ذیل بورڈ کمیٹیوں کی بھی ازسرِ نو تشکیل کی گئی:

آڈٹ کمیٹی

آڈٹ کمیٹی بورڈ آف ڈائریکٹرز کی جانب سے طے کردہ دائرہ کار (Terms of Reference) کے مطابق اپنی ذمہ داریاں انجام دے رہی ہے۔ زیرِ جائزہ سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔

6۔ چائنہ گوانگ ڈونشاط گلوبل کمپنی لمیٹڈ

چائنہ گوانگ ڈونشاط گلوبل کمپنی لمیٹڈ جمہوریہ چین کی غیر ملکی سرمایہ دارانہ کاروباری اداروں کے متعلقہ قوانین وضوابط کے مطابق غیر ملکی سرمایہ کاری کمرشل انٹرپرائزز "FICE" کے نام سے چین کے گوانگ ژو ضلع یوسیسو میں انکارپوریٹڈ ہے۔

چائنہ گوانگ ڈونشاط گلوبل کمپنی لمیٹڈ نشاط انٹرنیشنل ایف زیڈ ای کا مکمل ملکیتی ماتحت ادارہ ہے، جو نشاط ملز لمیٹڈ کی مکمل ملکیت میں ماتحت ادارہ ہے۔ ماتحت ادارہ کا بنیادی کاروبار بلک فروشی (Wholesale)، کمیشن ایجنسی (نیلامی کو چھوڑ کر)، ٹیکسٹائل مصنوعات اور خواتین فیشن لوازمات کی درآمد اور برآمد ہے۔ ذیلی ادارہ نے اپنی تجارتی کاروائی جنوری 2014 میں شروع کی تھی۔

7۔ نشاط یو ایس اے انکارپوریٹڈ

ماتحت ادارہ ایک کارپوریشن سروس کمپنی ہے جو ریاست نیویارک میں ہے۔ یہ کمپنی کا مکمل ملکیتی ذیلی ادارہ ہے اور اسے 01 اکتوبر 2008 کو کمپنی نے حاصل کیا تھا۔ کارپوریشن کمپنی کے مارکیٹنگ ڈیپارٹمنٹ کا ایک رابطہ دفتر ہے جو امریکی مارکیٹ سے متعلق رسائی، معلومات اور دیگر خدمات مہیا کرتا ہے۔ اس کے ساتھ ساتھ یہ ادارہ پورے امریکہ میں ٹیکسٹائل اور متعلقہ مصنوعات کی فروخت میں بھی مصروف عمل ہے، جو امریکی ای۔ کامرس پلیٹ فارم، فل فلمنٹ سینٹرز اور ریٹیل آپریشنز کے ذریعے انجام دی جاتی ہے۔

8۔ ورنر فیلٹ اے/ایس

ورنر فیلٹ اے/ایس ایک پبلک لمیٹڈ کمپنی ہے جو ڈنمارک کے قوانین کے تحت قائم اور موجود ہے، اور اس کا مرکزی کاروباری مقام ایزجیوتیج 10، 8500 گرینا، ڈنمارک میں واقع ہے۔ یہ کمپنی کی مکمل ملکیتی ذیلی کمپنی ہے جسے کمپنی نے 24 جون 2024 کو حاصل کیا۔ ورنر فیلٹ اے/ایس کو قائم ہوئے 90 سال سے زیادہ عرصہ گزر چکا ہے اور یہ ذاتی تحفظ اور ورک ویئر کے لیے اعلیٰ معیار کے کپڑوں کی تیاری اور فراہمی میں وسیع تجربہ اور علم رکھتی ہے۔

9۔ ورنر فیلٹ سویرج اے بی

ورنر فیلٹ سویرج اے بی ایک لمیٹڈ کمپنی ہے جو سویڈن کے قوانین کے تحت قائم اور موجود ہے، اور اس کا مرکزی کاروباری مقام بوروس، سکارابورگس ویگن 3A، SE-506 30 بوروس، سویڈن میں واقع ہے۔ ورنر فیلٹ سویرج اے بی، ورنر فیلٹ اے/ایس کی مکمل ملکیتی ذیلی کمپنی ہے، جبکہ ورنر فیلٹ اے/ایس نشاط ملز لمیٹڈ کی مکمل ملکیتی ذیلی کمپنی ہے۔ ورنر فیلٹ سویرج اے بی کا بنیادی کاروبار ٹیکسٹائل کی فروخت اور اس سے متعلقہ سرگرمیوں کا انعقاد ہے۔

10۔ نشاط یو کے (پرائیویٹ) لمیٹڈ

نشاط یو کے (پرائیویٹ) لمیٹڈ ایک پرائیویٹ لمیٹڈ کمپنی ہے جو 15 اکتوبر 2024 کو انگلینڈ اور ویلز میں قائم کی گئی۔ یہ نشاط انٹرنیشنل ایف زی ای کی مکمل ملکیتی ذیلی کمپنی ہے، جبکہ نشاط انٹرنیشنل ایف زی ای نشاط ملز لمیٹڈ کی مکمل ملکیتی ذیلی کمپنی ہے۔ نشاط یو کے (پرائیویٹ) لمیٹڈ کا بنیادی کام انگلینڈ اور ویلز میں یو کے بیسڈ ای کامرس پلیٹ فارم، تکمیلاتی مرکز، اور ریٹیل آپریشنز کے ذریعے ٹیکسٹائل اور اس سے متعلقہ مصنوعات کی فروخت ہے۔ نشاط یو کے (پرائیویٹ) لمیٹڈ کا رجسٹرڈ آفس 19 پیومنٹ اسکوائر، کروئیڈن، انگلینڈ، CR0 6TL پر واقع ہے۔

11۔ پاک جین لمیٹڈ (سابقہ: پاک جین پاور لمیٹڈ)

کمپنی اس ذیلی کمپنی کے (58.57 %) حصص کی مالک ہے اور اس پر کنٹرول رکھتی ہے۔ یہ کمپنی 08 مئی 1994 کو پاکستان میں سابقہ کمپنیز آرڈیننس، 1984 (موجودہ کمپنیز ایکٹ، 2017) کے تحت قائم کی گئی تھی۔ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے 17 جون 2026 کو (Certificate of Incorporation on Change of Company Name) جاری کیے جانے کے بعد (Pakgen Power Limited) کا نام تبدیل کر کے (Pakgen Limited) کر دیا گیا ہے۔ یہ ذیلی کمپنی پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ ذیلی کمپنی کی بنیادی سرگرمی کسی بھی قسم کے مالیاتی دستاویزات (Financial Instruments)، خواہ وہ قرض (Debt) ہوں یا ایکویٹی (Equity)، خریدنا، فروخت کرنا، اپنے پاس رکھنا یا کسی اور طریقے سے حاصل کرنا یا ان میں سرمایہ کاری کرنا ہے۔ ان میں کمپنیوں کے حصص، اسٹاکس، ڈبینچرز، ڈبینچر اسٹاکس، بانڈز، میوچل فنڈ سرٹیفکیٹس، مشارکہ سرٹیفکیٹس، مضاربہ سرٹیفکیٹس، شکوک، پارٹیسپیشن ٹرم سرٹیفکیٹس (PTCs)، ٹرم فنانس سرٹیفکیٹس، یونٹ ٹرسٹ سرٹیفکیٹس اور کسی بھی قسم کی دیگر قابلِ فروخت سیکیورٹیز اور/یا سرٹیفکیٹس، نیز پاکستان کی حکومت کی جانب سے جاری کردہ یا ضمانت شدہ ذمہ داریاں اور سیکیورٹیز شامل ہیں۔

مؤثر استعمال والی مشینری کو اپنانا اور مختلف آپریشنز میں خودکاری (Process Automation) شامل ہیں۔ کمپنی نے ویسٹ ہیٹ ریکوری سسٹمز، بائیو ماس بوائلرز، بھاپ کے تحفظ کے اقدامات اور جدید واشنگ و پیداواری آلات کے ذریعے توانائی کی کارکردگی میں بھی بہتری لائی ہے۔ ان اقدامات کا مقصد پانی، بھاپ اور بجلی کے استعمال کو کم کرنا ہے۔ ان اقدامات سے نہ صرف آپریٹنگ اخراجات میں کمی آئی ہے بلکہ وسائل کے بہتر استعمال کے ساتھ ساتھ کاربن کے اخراج میں کمی لانے میں بھی مدد ملی ہے۔

صارفین کے تحفظ کے اقدامات

صارفین کے تحفظ کو کمپنی کی پوری ویلیو چین میں شامل کیا گیا ہے، جو خام مال کے حصول سے لے کر پیداوار، ٹیسٹنگ اور تیار مصنوعات کی حتمی ترسیل تک جاری رہتا ہے۔ کمپنی اس بات کو یقینی بنا کر صارفین کے تحفظ کے لیے پُرعزم ہے کہ اس کی مصنوعات مینوفیکچرنگ کے پورے عمل کے دوران بین الاقوامی معیار، حفاظتی اور تعمیری تقاضوں پر پورا اتریں۔ اس عزم کو بین الاقوامی سطح پر تسلیم شدہ سرٹیفکیشنز کے ذریعے مزید تقویت ملتی ہے، جن میں کسٹمز-ٹریڈ پارٹنرشپ اگینسٹ ٹیررازم (C-TPAT)، OEKO-TEX® Standard 100، WRAP Platinum SA, 8000 اور SEDEX شامل ہیں۔ یہ سرٹیفکیشنز مصنوعات کی حفاظت، سپلائی چین کی سیکیورٹی، اخلاقی کاروباری طریقہ کار اور سماجی ذمہ داری کے تقاضوں کی پاسداری میں معاون ہیں۔ مزید برآں، مصنوعات کے معیار کی مؤثر یقین دہانی، ٹیسٹنگ، کیمیکلز سے متعلق قوانین کی پاسداری کے تقاضوں کی جانچ اور صارفین کی شکایات سے نمٹنے کے مضبوط نظام پورے کاروباری آپریشنز میں نافذ کیے گئے ہیں تاکہ مصنوعات کی قابلِ اعتماد کارکردگی اور صارفین کے اطمینان کو مزید بہتر بنایا جا سکے۔ یہ اقدامات صارفین کے اعتماد کو مضبوط کرتے ہیں اور محفوظ، قابلِ اعتماد اور ذمہ دارانہ طریقے سے تیار کردہ اعلیٰ معیار کی مصنوعات فراہم کرنے کے لیے کمپنی کے عزم کا اظہار کرتے ہیں۔

سبسڈیری کمپنیاں

کمپنی نے بین الاقوامی مالیاتی رپورٹنگ معیارات اور کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق علیحدہ اور مجتمع شدہ مالی گوشوارے بھی منسلک کر دیے ہیں۔ نشاط ملز لمیٹڈ کی تمام ذیلی کمپنیوں کی ایک مختصر وضاحت ذیل میں ہے۔

1۔ نشاط پاور لمیٹڈ

کمپنی اس ماتحت ادارہ کے 51.01% حصص کی مالک ہے اور اسے کنٹرول کرتی ہے۔ ذیلی ادارہ پاکستان سٹاک ایکسچینج لمیٹڈ میں درج ہے۔ ماتحت ادارہ کا بنیادی کاروبار یہ ہے کہ جمبر کلاں، تحصیل پتوکی، ضلع قصور، پنجاب، پاکستان میں ایندھن سے چلنے والے 200 میگاواٹ پاور سٹیشن کی تعمیر کرے، اس کو استعمال میں لائے اور اس کی دیکھ بھال ہے۔ ماتحت ادارہ نے اپنی کمرشل پیداوار کا آغاز 09 جون 2010 کو کیا۔

2۔ نشاط لینن (پرائیویٹ) لمیٹڈ

یہ کمپنی کا مکمل ملکیتی ماتحت ادارہ ہے۔ ماتحت ادارہ کے مقاصد ٹیکسٹائل اور دیگر مصنوعات کی فروخت کے لئے ریٹیل دکانوں کو چلانے اور ٹیکسٹائل کی مینوفیکچرنگ سہولیات میں ٹیکسٹائل کی اشیاء تیار کر کے فروخت کرنا ہیں۔ ذیلی ادارہ نے اپنی کاروباری سرگرمیاں جولائی 2011 میں شروع کی تھیں اور اس وقت پاکستان میں ای اسٹورز سمیت 109 ریٹیل شاپس کام کر رہی ہیں۔

3۔ نشاط کموڈیٹیز (پرائیویٹ) لمیٹڈ

یہ کمپنی کا مکمل ملکیتی ماتحت ادارہ ہے۔ ذیلی ادارہ کا مقصد یہ ہے کہ پاکستان میں کسی بھی شکل یا حالت میں ایندھن، کوئلے، بلڈنگ میٹریل سمیت اجناس کی تجارت کا کاروبار جاری رکھے۔ ماتحت ادارہ نے مارچ 2016 میں اپنی کاروائیاں شروع کیں۔

4۔ نشاط لینن ٹریڈنگ ایل ایل سی

نشاط لینن ٹریڈنگ ایل ایل سی دبئی، متحدہ عرب امارات میں قائم ایک لمیٹڈ لائیبلیٹی کمپنی ہے۔ یہ کمپنی کا مکمل ملکیتی ماتحت ادارہ ہے۔ ذیلی ادارہ بنیادی طور پر ٹیکسٹائل مصنوعات جیسے کمبل، تولیے، کپڑے، ریڈی میڈ گارمنٹس، گارمنٹس کے لوازمات اور چمڑے کی مصنوعات کی تجارت کے ساتھ ساتھ متحدہ عرب امارات میں ریٹیل آؤٹ لیٹس اور گوداموں کے ذریعہ تجارت میں مصروف ہے۔ ذیلی ادارہ نے اپنی تجارتی سرگرمیاں مئی 2011 میں شروع کی تھی اور اس وقت متحدہ عرب امارات میں 12 ریٹیل دکانیں چل رہی ہیں۔

5۔ نشاط انٹرنیشنل ایف زیڈ ای

یہ نشاط ملز لمیٹڈ کا مکمل ملکیتی ماتحت ادارہ ہے۔ متحدہ عرب امارات کے قوانین کے مطابق جبل علی فری زون، دبئی میں اسے فری زون اسٹیبلشمنٹ لمیٹڈ لائیبلیٹی کمپنی کے طور پر قائم کیا گیا تھا۔ اس کو 07 فروری، 2013 کو ایف زیڈ ای کے رجسٹر میں درج کیا گیا ہے۔ سبسڈیری کمپنی کی بنیادی سرگرمی ٹیکسٹائل کی مصنوعات جیسے کمبل، تولیے اور کپڑے، ریڈی میڈ گارمنٹس، گارمنٹس کے لوازمات اور چمڑے کی مصنوعات جیسے جوتے، ہینڈ بیگ اور اس طرح کی تمام ذیلی تجارت کرنا ہے۔

کمیونٹی ویلفیئر سکیمیں

کمپنی اپنے ملازمین اور ان علاقوں کی کمیونٹیز کی فلاح و بہبود کو بہتر بنانے کے لیے مختلف فلاحی اور سماجی ترقی کے پروگرامز کا انتظام کرتی ہے۔ کمپنی نشاط کیئر ہائی اسکول کے ذریعے تعلیم کی سہولت فراہم کرتی ہے۔ اس کے علاوہ، طلبہ اور نوجوان پیشہ ور افراد کو عملی تربیت اور مہارتوں میں ترقی کے مواقع فراہم کرنے کے لیے انٹرن شپ اور اپرنٹس شپ پروگرامز بھی منعقد کیے جاتے ہیں، جو انہیں مستقبل کے کیریئر کے لیے بہتر طور پر تیار کرنے میں معاون ثابت ہوتے ہیں۔ کمپنی ملازمین کو بروقت طبی سہولیات فراہم کرنے کے لیے مفت اور مکمل طور پر فعال ڈسپنسریاں بھی قائم رکھتی ہے، جہاں مستند طبی عملہ اور فارمیسی کی سہولت دستیاب ہوتی ہے۔ مزید برآں، باقاعدگی سے طبی معائنے، ریورس اوسموسس (RO) پلانٹس کے ذریعے صاف پینے کے پانی کی فراہمی، خون کے عطیہ کے پروگرامز، ڈینگی سے بچاؤ کے اقدامات اور کمیونٹی کی صحت سے متعلق معاون سرگرمیاں عوامی صحت اور فلاح و بہبود کے فروغ کے لیے انجام دی جاتی ہیں۔ ان اقدامات کے ذریعے کمپنی تعلیم، صحت کی سہولیات اور مہارتوں کی ترقی کے فروغ میں مسلسل اپنا کردار ادا کر رہی ہے، جس سے نہ صرف ملازمین بلکہ وسیع تر کمیونٹی پر بھی مثبت اور دیرپا اثرات مرتب ہو رہے ہیں۔

مساوی مواقع فراہم کرنے والا آجر

کمپنی روزگار کے مساوی مواقع فراہم کرتی ہے اور ایک متنوع اور جامع کام کا ماحول فراہم کرتی ہے جہاں تمام ملازمین کے ساتھ مساوی سلوک، وقار اور احترام کے ساتھ پیش آیا جاتا ہے۔ انتظامیہ کا ماننا ہے کہ افرادی قوت میں تنوع اسے مزید مضبوط بناتا ہے، جو کاروبار کی طویل مدتی کامیابی کے لیے نہایت اہم ہے۔ اسی مناسبت سے، کمپنی اپنی تمام پیداواری سہولیات میں صنفی تنوع اور شمولیت کو فروغ دیتی ہے، جبکہ معذور افراد اور معاشرے کے دیگر محروم طبقات کے لیے روزگار کے مواقع فراہم کرنے کا سلسلہ بھی جاری رکھتی ہے۔ کمپنی کام کی جگہ پر رسائی کو آسان بنانے کے اقدامات کی بھی حمایت کرتی ہے اور ایسا ماحول فراہم کرتی ہے جو تمام ملازمین کو مؤثر انداز میں حصہ لینے اور اپنی مکمل صلاحیتوں کے مطابق کارکردگی دکھانے کے قابل بناتا ہے۔ کمپنی کی صنفی اجرت کے فرق کی شرح (11.38%) اوسط اور (6.76%) میڈین پر رکارڈ کی گئی ہے۔

پیشہ ورانہ حفاظت اور صحت

کمپنی کے لیے اپنے ملازمین کی صحت، حفاظت اور فلاح و بہبود اولین ترجیح ہے۔ کمپنی اپنی تمام پیداواری سہولیات میں محفوظ اور صحت مند کام کا ماحول فراہم کرنے کے لیے پُرعزم ہے۔ ملازمین میں آگاہی بڑھانے اور کام کی جگہ پر حفاظتی کلچر کو مزید مضبوط بنانے کے لیے پیشہ ورانہ صحت اور حفاظت (HSE) کی باقاعدہ تربیت کا انعقاد کیا جاتا ہے۔ کمپنی کے پاس فائر فائٹنگ کے لیے مختص شعبے موجود ہیں، جن میں تربیت یافتہ عملہ اور ہنگامی حالات سے نمٹنے کے نظام موجود ہیں۔ یہ سہولیات مختلف پیداواری یونٹس میں تعینات کی گئی ہیں تاکہ کسی بھی ہنگامی صورتحال کی صورت میں فوری کارروائی کو یقینی بنایا جا سکے۔ کمپنی نے کام کی جگہ پر موجود خطرات کو مؤثر طریقے سے منظم کرنے اور اعلیٰ حفاظتی معیارات برقرار رکھنے کے لیے حفاظتی آڈٹس، خطرات کا جائزہ (Risk Assessments)، حادثات کی تحقیقات کے طریقہ کار اور صفائی و حفظانِ صحت کے معائنے بھی نافذ کیے ہیں۔ مزید برآں، بروقت طبی امداد فراہم کرنے کے لیے مکمل سہولیات سے آراستہ ڈسپنسریاں، ابتدائی طبی امداد (First Aid) کی سہولیات اور تربیت یافتہ فرسٹ ریسپانڈرز دستیاب ہیں۔ تمام ملازمین کے لیے محفوظ، پُرامن اور صحت مند کام کی جگہ کو یقینی بنانے کے لیے کمپنی باقاعدگی سے نظر کے معائنے کے لیے طبی کیمپ، ویکسینیشن پروگرامز، جراثیم کش اسپرے (Fumigation) اور ڈینگی سے بچاؤ کے اقدامات بھی کرتی ہے۔

ماحولیاتی تحفظ

کمپنی پائیدار ٹیکنالوجیز میں مسلسل سرمایہ کاری اور وسائل کے ذمہ دارانہ انتظام کے طریقہ کار کے ذریعے ماحولیاتی تحفظ کو یقینی بناتی ہے۔ کمپنی کی مجموعی نصب شدہ سولر انرجی کی صلاحیت تقریباً 41.61 میگاواٹ تک پہنچ چکی ہے، جو قابلِ تجدید توانائی کے حصول اور استعمال کی جانب ایک اہم قدم ہے۔ کمپنی ماحولیاتی تقاضوں کے مطابق آلودہ پانی کے مؤثر ٹریٹمنٹ، ری سائیکلنگ اور محفوظ تلفی کو یقینی بنانے کے لیے افلوئنٹ ٹریٹمنٹ پلانٹس (ETPs)، ویسٹ واٹر ریکوری سسٹمز اور اندرونِ خانہ ٹیسٹنگ کی سہولیات بھی چلاتی ہے۔ مزید برآں، ماحولیاتی اثرات کو کم کرنے کے لیے متعدد اقدامات کیے گئے ہیں، جن میں بارش کے پانی کو ذخیرہ کرنا (Rainwater Harvesting)، ریورس اوسموسس (RO) پلانٹس، پانی کے تحفظ اور نگرانی کے نظام، زیرِ زمین پانی کی سطح کو دوبارہ بحال کرنے کے لیے انڈکشن ویلز، پانی کے اخراج اور رساؤ کو کنٹرول کرنے کے اقدامات، بائیو ماس بوائلرز، ماحولیاتی نگرانی اور ٹیسٹنگ، خطرناک فضلے کا انتظام، اور ماحول دوست کیمیکلز اور پیداواری ٹیکنالوجیز کا استعمال شامل ہیں۔ یہ تمام اقدامات اور دیگر متعدد ماحولیاتی اقدامات اس عزم کی عکاسی کرتے ہیں کہ کمپنی اپنے ماحولیاتی اثرات (Environmental Footprint) کو کم کرنے اور پائیدار صنعتی ترقی کو فروغ دینے کے لیے مسلسل کوشاں ہے۔

توانائی کا تحفظ

جدید ٹیکنالوجیز کا حصول اور وسائل کے مؤثر استعمال پر مبنی آپریشنز میں سرمایہ کاری کمپنی کی حکمتِ عملی کا اہم حصہ ہے۔ انتظامیہ نے توانائی کے استعمال میں کمی اور قابلِ تجدید توانائی کے فروغ کے لیے مختلف اقدامات کیے ہیں۔ ان منصوبوں میں سولر پاور اور ایل ای ڈی لائٹنگ سسٹمز میں مزید سرمایہ کاری، ویری ایبل فریکوئنسی ڈرائیوز (VFDs) کی تنصیب، توانائی کے

ریگولیٹری اور مارکیٹ تک رسائی کے خطرات

محصولاتی (Tariff) تغیرات اور خریداروں کے لیبر اسٹینڈرڈز کے مطابق قانونی تقاضے، ماحولیاتی اقدامات اور کیمیائی تحفظ سے متعلق تعمیل کی ضروریات قیمتوں اور مارکیٹ تک رسائی پر نمایاں اثر ڈال سکتی ہیں۔ ان خطرات کو کم کرنے کے لیے کمپنی تمام مطلوبہ منظور شدہ اہلیت (Certifications) برقرار رکھتی ہے، تجارتی اداروں اور ریگولیٹری حکام کے ساتھ فعال تعلقات قائم رکھتی ہے، اور اپنی مارکیٹس اور صارفین کی بنیاد کو متنوع بنانے کا عمل جاری رکھتی ہے۔

توانائی کی دستیابی اور لاگت

مسابقتی نرخوں پر توانائی کی دستیابی ایک ٹیکسٹائل مینوفیکچرر کے لیے اپنی مسابقتی حیثیت برقرار رکھنے کے لیے نہایت اہم ہے، خصوصاً ان علاقائی ٹیکسٹائل صنعتکار، جیسے بھارت اور بنگلہ دیش کے مقابلے میں، جو نسبتاً سستی توانائی سے فائدہ اٹھاتے ہیں۔ اس خطرے سے نمٹنے کے لیے کمپنی نے اپنی توانائی کے ذرائع میں تنوع پیدا کیا ہے، جن میں کوئلہ، فرنس آئل، بائیوماس، ڈیزل اور سولر شامل ہیں؛ توانائی کی بچت کے جامع اقدامات نافذ کیے ہیں؛ تمام اہم مقامات پر کیپٹیو پاور پلانٹس نصب کیے ہیں؛ اور جہاں ممکن ہو، گرڈ کنکشنز لگائے ہیں۔ قابل تجدید توانائی کی پیداوار اور توانائی کی کارکردگی میں بہتری کے اقدامات کی مسلسل توسیع طویل مدتی لاگت کو مستحکم کرنے اور مسابقتی حیثیت کو محفوظ بنانے کے لیے مرکزی ترجیح بنی ہوئی ہے۔

مالی خطرات (Financial Risks)

کمپنی کے بورڈ آف ڈائریکٹرز مالی رسک مینجمنٹ کی پالیسیاں مرتب کرنے کے لیے ذمہ دار ہیں، جو کمپنی کے محکمہ خزانہ کے ذریعے نافذ کی جاتی ہیں۔ کمپنی کو مندرجہ ذیل مالی خطرات درپیش ہیں:

کرنسی کا خطرہ: کمپنی کو امریکی ڈالر (USD)، عرب اماراتی درہم (AED)، یورو (EURO)، جاپانی ین (JPY)، ڈینش کرون (DKK)، پاؤنڈ اسٹرلنگ (GBP) اور بنگلادیشی ٹکہ (BDT) میں قابل وصول اور قابل ادائیگی رقوم سے پیدا ہونے والے غیر ملکی رقوم کے تبادلے کے خطرات کا سامنا ہے۔ ان خطرات کو کرنسی میچنگ، جہاں تجارتی طور پر مناسب ہو قلیل مدتی بچاؤ (Short-term Hedging) اور زرِ خیرہ زر کی درست انداز میں نگرانی کے ذریعے منظم کیا جاتا ہے۔

شرح سود کا خطرہ: شرح سود میں اتار چڑھاؤ مالی اخراجات کو متاثر کرتا ہے۔ کمپنی اس خطرے کو مدِ نظر رکھتے ہوئے مالی اعانت کے آپشنز کا جائزہ لے کر منظم کرتی ہے۔

کریڈٹ کا خطرہ: تجارتی قابل وصول رقوم کو حدِ قرضہ (Credit Limits) اور مدت وار واجبات کے معائینہ کے ذریعے نگرانی میں رکھا جاتا ہے۔ تاریخی طور پر طویل المدتی خریداروں کے تعلقات متوقع کریڈٹ نقصانات کو کم کرتے ہیں۔

لیکویڈیٹی کا خطرہ: مشکل حالات میں مناسب نقدی صلاحیت (Liquidity) کو یقینی بنانے کے لیے بینک کی طے شدہ مالی سہولیات، محتاط کیش فلو کا تخمینہ، اور ورکنگ کیپیٹل کنٹرولز برقرار رکھے جاتے ہیں۔

سرمایہ کا خطرہ: سرمایہ جاتی ڈھانچے کو اس طرح منظم کیا جاتا ہے کہ ادارے کی مستقل بقا برقرار رہے اور سرمائے کی لاگت کو بہترین سطح پر رکھا جا سکے۔

مواقع

ایک نمایاں اور عمودی طور پر مربوط ٹیکسٹائل گروپ کے طور پر، ہم متعدد مواقع سے فائدہ اٹھانے کی پوزیشن میں ہیں:

- دنیا بھر میں علاقائی طور پر متنوع صارفین کا نیٹ ورک برآمدات میں پائیدار نمو فراہم کرتا ہے اور کسی ایک مارکیٹ پر انحصار کو کم کرتا ہے۔
- متنوع مصنوعات کا مجموعہ کمپنی کو بین الاقوامی ٹیکسٹائل خریداروں کی ایک وسیع رینج کی توجہ حاصل کرنے اور برقرار رکھنے کے قابل بناتا ہے۔
- فعال مقامی اور بین الاقوامی ذیلی کمپنیاں ہماری مصنوعات کی طلب میں اضافہ کرتی ہیں اور برانڈ کی موجودگی کو مضبوط بناتی ہیں۔
- عمودی انضمام کمپنی کو آپریشنل ہم آہنگی سے فائدہ اٹھانے، ویلیو چین میں معیار پر قابو پانے اور آرڈر کی تکمیل کے وقت کو کم کرنے کے قابل بناتا ہے۔
- پاکستان میں تیز آبادیاتی اضافہ موزوں افرادی قوت کی مستقل فراہمی یقینی بناتا ہے اور مقامی ٹیکسٹائل مصنوعات کی مانگ کو بھی ابھارتا ہے۔
- ویلیو ایڈڈ شعبہ جات جیسے پریمیم ہوم ٹیکسٹائل، ملبوسات اور ٹیری مصنوعات میں توسیع زیادہ منافع اور طویل مدتی صارفین کی وابستگی فراہم کرتی ہے۔
- توانائی کے ذرائع کی منتقلی، پیداوار کے اخراجات کم کرنے، پائیداری کی ساکھ بڑھانے اور خریداروں کی ESG توقعات کو پورا کرنے کا موقع فراہم کرتے ہیں۔

کارپوریٹ سماجی ذمہ داری

کمپنی کی طرف سے کارپوریٹ سماجی ذمہ داری کے اقدام کا مختصر خلاصہ درج ذیل ہے:

میں (59.7%) اور صنعتی ویلیو ایڈیشن میں (24.2%) فیصد حصہ ڈالتا ہے۔ ٹیکسٹائل کا شعبہ ایک عمودی طور پر مربوط ویلیو چین پر مشتمل ہے، جس میں جننگ، اسپننگ، ویونگ، فیبرک پروسیسنگ اور ملبوسات کی تیاری شامل ہیں۔ یہ شعبہ پاکستان کی زرعی کپاس کی پیداوار کو صنعتی پروسیسنگ اور بین الاقوامی تجارت سے جوڑنے میں اہم کردار ادا کرتا ہے۔ مالی سال 2025-26 کے دوران پاکستان کی ٹیکسٹائل برآمدات کافی حد تک مستحکم رہیں اور معمولی 0.26 فیصد اضافے کے ساتھ 17.93 ارب امریکی ڈالر تک پہنچ گئیں۔

سال کے دوران اس شعبے کو نمایاں چیلنجز کا سامنا رہا۔ توانائی کے نرخوں میں تیزی سے اضافے، ایندھن کی بلند قیمتوں اور زیادہ مالی لاگت نے علاقائی صنعت کار کے مقابلے میں مقامی صنعت کار کی قیمتوں کی مسابقتی حیثیت کو بری طرح متاثر کیا۔ نتیجتاً، پیداواری لاگت میں مسلسل اضافے کے باعث آپریٹنگ مارجن میں کمی واقع ہوئی۔ اس کے علاوہ، مقامی کپاس کی فصل میں (45%) کمی کے باعث خام مال کی دستیابی بھی محدود رہی۔ مقامی کپاس کی پیداوار صرف 5.60 ملین بیلز رہی، جبکہ سرکاری ہدف 10.20 ملین بیلز کا تھا۔ نتیجتاً، صنعت کو مہنگی درآمدی کپاس پر نمایاں حد تک انحصار کرنا پڑا۔ مزید برآں، جغرافیائی سیاسی تنازعات نے غیر یقینی صورتحال پیدا کی، جس کے نتیجے میں ترسیل کے دورانیے میں اضافہ، انوینٹری (Inventory) رکھنے کی زیادہ لاگت اور نقدی کے بہاؤ پر اضافی دباؤ پیدا ہوا۔ مزید یہ کہ یورپی یونین اور برطانیہ کے ساتھ بھارت کے آزاد تجارتی معاہدوں (Free Trade Agreements) پر پیش رفت کے بعد اہم مغربی برآمدی مارکیٹس میں قیمتوں کے مقابلے میں مزید شدت آ گئی۔

ان چیلنجز کے باوجود، ٹیکسٹائل شعبے نے مضبوطی کا مظاہرہ کرتے ہوئے اپنی برآمدی موجودگی کو برقرار رکھا۔ اس کارکردگی کو متنوع اور عمودی طور پر مربوط ویلیو چین، عالمی سطح پر مستحکم صارفین کے نیٹ ورک اور بدلتے ہوئے کاروباری ماحول کے مطابق خود کو ڈھالنے کی صلاحیت سے تقویت ملی۔

خطرات اور مواقع

کمپنی کی انتظامیہ خطرات کا مسلسل جائزہ لیتی اور ان کی نگرانی کرتی ہے تاکہ فریقین کے مفادات کا تحفظ کیا جا سکے اور قابل عمل مواقع سے فائدہ اٹھایا جا سکے۔ اہم خطرات اور غیر یقینی صورتحال درج ذیل ہیں:۔

اسٹریٹجک خطرات

مصنوعات اور مارکیٹ میں تنوع کمپنی کی مسابقتی حیثیت برقرار رکھنے کے لیے نہایت اہم ہے، کیونکہ صارفین کی بڑھتی ہوئی توقعات کے پیش نظر اعلیٰ معیار کی جدید مصنوعات کم وقت میں فراہم کرنا ضروری ہے۔ ڈویژنز کے سربراہان باقاعدگی سے ملاقات کرتے ہیں تاکہ حکمت عملی اور آپریشنز میں ہم آہنگی قائم کی جا سکے، اور نئے منصوبوں، بزنس ماڈرنائزیشن ورسپلیسمنٹ (BMR)، اور صارفین کے ساتھ فعال رابطے کو مضبوط بنانے میں مخصوص سرمایہ کاری کے ذریعے اسٹریٹجک خطرات کو مؤثر انداز میں کم کیا جا سکے۔

کاروباری خطرات

کپاس کی قیمت اور سپلائی

موسمی حالات کی خرابی اور فصل کی پیداوار میں اتار چڑھاؤ کے باعث کپاس کی دستیابی اور اس کی قیمت ایک اہم کاروباری خطرہ بنتی ہے۔ کپاس کی کمی اور قیمتوں میں اتار چڑھاؤ فروخت شدہ اشیاء کی لاگت میں نمایاں اضافہ اور پیداوار میں خلل ڈال سکتی ہے۔ اس خطرے سے نمٹنے کے لیے کمپنی مرحلہ وار خریداری کے طریقہ کار کو اپناتی ہے، جس میں اسپلائرز کی تنوع، سخت کوالٹی کنٹرولز، اور متبادل فائبر کے امتزاج کا مسلسل جائزہ شامل ہے۔ یہ اقدامات خریداری کی لاگت کو ہموار کرنے، رسدی تسلسل کو یقینی بنانے، اور نفع کے مارجن کو محفوظ رکھنے کے لیے ڈیزائن کیے گئے ہیں۔

برآمدات کی طلب اور قیمت

کمپنی کا کاروبار برآمدات پر مبنی ہے۔ اس لیے یہ عالمی طلب میں اتار چڑھاؤ، خریداروں کی حکمت عملی میں تبدیلی، اور ملک کے اندرونی و بیرونی کم قیمت دینے والے صنعتکار سے مقابلے کے خطرات سے دوچار رہتی ہے۔ ان خطرات کو کم کرنے کے لیے کمپنی بین الاقوامی خریداروں کے ساتھ تعلقات کو مضبوط کرتی ہے، بہتر منافع والی مصنوعات کی ویلیو چین (Value Chain) کو بڑھاتی ہے، مصنوعات کے تعقب اور تعمیل کو مضبوط بناتی ہے، اور نئی جغرافیائی مارکیٹس میں قدم رکھ کر کسٹمر اور مارکیٹ کی توجہ کو کم کرتی ہے۔

سائبر سکیورٹی اور معلوماتی نظام کے خطرات

کمپنی اپنے آپریشنز اور مالیاتی نظام کے انتظام کے لیے کمپیوٹرائزڈ نظام پر انحصار کرتی ہے، جس سے اسے سائبر سکیورٹی کے خطرات لاحق ہو سکتے ہیں۔ سائبر حملے مالی نقصان، پیداوار میں رکاوٹ، حساس معلومات کے افشاں اور صارفین کے اعتماد میں کمی کا سبب بن سکتے ہیں۔ ان خطرات کو کم کرنے کے لیے کمپنی نے متعدد سطحی حفاظتی اقدامات نافذ کیے ہیں، عملے کو باقاعدہ آگاہی اور تربیت فراہم کی جاتی ہے، اور حادثاتی جواب دینے کے طریقہ کار برقرار رکھے گئے ہیں۔

ورک ویئر (Workwear)

گزشتہ سال پیداوار کے آغاز کے بعد، ورک ویئر ڈویژن نے 30 جون 2026 کو ختم ہونے والے سال کے دوران اپنی آمدنی میں دوگنا اضافہ کیا۔ ڈویژن نے یہ نمایاں ترقی پیداواری لاگت میں اضافے کے باوجود حاصل کی، بالخصوص پولیسٹر اور نائیلون کی قیمتوں میں اضافے کے باعث، جو ورک ویئر فیبرکس کے اہم خام مال ہیں۔ موجودہ مشکل کاروباری ماحول میں ڈویژن لاگت پر قابو پانے اور آپریشنل کارکردگی میں بہتری کے لیے پُرعزم ہے۔

ڈویژن زیادہ قدر رکھنے والی مصنوعات کی تیاری پر بھی بھرپور توجہ دے رہی ہے، جس میں بالخصوص فلیم ریزسٹنٹ، اسٹریچ اور (Multi-Norm) کے مطابق تیار کیے جانے والے فیبرکس شامل ہیں۔ اگرچہ ان مصنوعات کے لیے سخت معیار کے تقاضوں کو پورا کرنے کی غرض سے اضافی ٹیسٹنگ، سرٹیفکیشن اور صارفین کی منظوری درکار ہوتی ہے، تاہم یہ مصنوعات زیادہ قدر پر مبنی کاروبار کو فروغ دینے اور صارفین کے ساتھ طویل مدتی تعلقات قائم کرنے کے مواقع فراہم کرتی ہیں۔

گھریلو ٹیکسٹائل اور ٹیری (Home Textile and Terry)

ہوم ٹیکسٹائل اور ٹیری ڈویژن نے سال کے دوران تسلی بخش کارکردگی کا مظاہرہ کیا۔ ڈویژن نے فروخت کے حجم میں نمو حاصل کی اور مؤثر قیمتوں کی حکمتِ عملی، مصنوعات کی مسلسل ترقی اور صارفین کے ساتھ مضبوط تعلقات کے ذریعے اپنی منافع بخش کارکردگی کو برقرار رکھا۔ اگرچہ خام مال اور دیگر پیداواری لاگت میں اضافے نے، خصوصاً سال کے آخری حصے میں، منافع کے مارجن کو متاثر کیا، تاہم ڈویژن نے اپنی اچھی کارکردگی جاری رکھی اور مارکیٹ میں اپنی پوزیشن کو مزید مضبوط کیا۔

یہ امر قابلِ ذکر ہے کہ ڈویژن نے بہتر پیداواری منصوبہ بندی، مینوفیکچرنگ کی کارکردگی میں بہتری اور دستیاب وسائل کے مؤثر استعمال کے ذریعے معیار پر مفاہمت کیے بغیر پیداوار میں اضافہ کیا۔ نتیجتاً، ڈویژن نے سال کے دوران زیادہ فروخت کی۔ ڈویژن آپریشنل کارکردگی کو مزید بہتر بنانے، منافع بخش کارکردگی کو مضبوط کرنے اور طویل مدتی کاروباری ترقی میں معاونت کے لیے پیداواری صلاحیت میں بہتری اور پائیدار مینوفیکچرنگ کے طریقہ کار پر اپنی توجہ برقرار رکھے گا۔

گارمنٹس

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران گارمنٹس ڈویژن کی فروخت میں گزشتہ مالی سال کے مقابلے میں 20.69% اضافہ ہوا۔ تاہم، مالی سال کی دوسری ششماہی کے دوران اہم جغرافیائی سیاسی اور سپلائی چین میں پیدا ہونے والی رکاوٹوں کے باعث منافع کے مارجن میں کمی واقع ہوئی۔

انتظامیہ نے آپریشنل کارکردگی اور پیداواری صلاحیت میں بہتری کے ذریعے اخراجات میں کمی کے لیے مختلف اقدامات کیے، جس نے خام مال اور دیگر پیداواری لاگت میں اضافے کے اثرات کو کافی حد تک متوازن کیا۔ مستقبل کے پیشِ نظر، ڈویژن کی حکمتِ عملی میں اپنی مصنوعات کے دائرہ کار اور جغرافیائی مارکیٹس کو وسعت دینا شامل ہے، جس میں صارفین کی تعداد اور بنیاد کو مزید وسیع کرنے پر خصوصی توجہ دی جائے گی۔ مزید برآں، انتظامیہ پائیدار کاروباری طریقہ کار پر عمل درآمد کو بھی ترجیح دے رہی ہے تاکہ بین الاقوامی خریداروں کی بڑھتی ہوئی ضروریات کو پورا کیا جا سکے، جس میں خصوصاً خام مال اور مصنوعات کی ٹریس ایبلیٹی (Traceability)، تیز ترسیل اور پائیدار مینوفیکچرنگ جیسے شعبے شامل ہیں۔

پاور جنریشن

توانائی کی بڑھتی ہوئی قیمتیں کمپنی کے لیے سب سے بڑا چیلنج ہیں۔ چنانچہ کمپنی بجلی کے گرڈ کنکشنز، سولر توانائی کے منصوبوں میں توسیع، بیٹری انرجی اسٹوریج سسٹمز (BESS) اور متبادل تھرمل ایندھن کے ذریعے اپنے توانائی کے ذرائع میں تنوع پیدا کرنے کے لیے فعال طور پر اقدامات کر رہی ہے۔

لاگت میں کمی کے علاوہ، کمپنی ایندھن کے استعمال سے پیدا ہونے والے ماحولیاتی اثرات کو کم کرنے کے لیے بھی پُرعزم ہے۔ کمپنی کے سولر منصوبوں کی نصب شدہ مجموعی صلاحیت 41.61 میگاواٹ ہے، جبکہ مزید 4.21 میگاواٹ کا منصوبہ تنصیب کے مرحلے میں ہے۔ سولر توانائی کی کارکردگی کو مزید بہتر بنانے کے لیے کمپنی فیروز وٹواں اور بھکی کے مقامات پر 20 میگاواٹ کے مجموعی سولر پاور پلانٹ لگانے کی منصوبہ بندی کر رہی ہے، جسے 35 میگاواٹ کے مجموعی بیٹری انرجی اسٹوریج سسٹم (BESS) کے ساتھ مربوط کیا جائے گا۔ اس نظام کے ذریعے دن کے اوقات میں حاصل ہونے والی سولر توانائی کو ذخیرہ کیا جائے گا تاکہ اسے رات کے مہنگے پیک ٹیرف (Peak Tariff) اوقات میں استعمال کیا جا سکے۔ یہ اقدامات نہ صرف توانائی کی لاگت میں کمی لائیں گے بلکہ توانائی کی فراہمی کے قابلِ اعتماد نظام کو بہتر بنا کر کمپنی کی توانائی کے تحفظ (Energy Security) کو بھی مضبوط کریں گے اور روایتی ایندھن پر انحصار کم کرنے میں مدد دیں گے۔

ٹیکسٹائل کی صنعت کا جائزہ

پاکستان کی صنعتی معیشت میں ٹیکسٹائل کا شعبہ ایک اہم ستون کی حیثیت رکھتا ہے اور یہ ملک کا سب سے بڑا مینوفیکچرنگ اور روزگار فراہم کرنے والا شعبہ ہے۔ یہ شعبہ ملکی مجموعی برآمدات

سیگمنٹ رپورٹنگ (Segment Analysis)

کتائی (Spinning)

مالی سال 26-2025 کے دوران کمپنی کی جانب سے خام کپاس کی بروقت اور فعال خریداری کی حکمتِ عملی نے مناسب مقدار میں کپاس کی دستیابی کو یقینی بنایا اور مسابقتی لاگت برقرار رکھنے میں مدد دی۔ خصوصاً چوتھی سہ ماہی کے دوران کپاس کی قیمتوں میں اضافے کے خدشات، کپاس کی متوقع کم پیداوار اور محدود رسد کے باعث، اس حکمتِ عملی نے قیمتوں میں اضافے کے خطرے کو کم کرنے میں اہم کردار ادا کیا۔ عالمی سطح پر کمزور طلب، علاقائی مسابقت اور برآمدی یارن (Yarn) کی قیمتوں پر دباؤ کے باوجود، مقامی مارکیٹ نسبتاً معاون رہی، جس کے نتیجے میں پیداواری صلاحیت اور منافع برقرار رہا۔ صارفین کے ساتھ بہتر تعلقات، آپریشنل کارکردگی میں بہتری اور اخراجات کے منظم انتظام نے اسپننگ ڈویژن کی مالی کارکردگی کو مثبت رکھنے میں معاونت کی، حالانکہ بین الاقوامی مارکیٹ کے حالات چیلنجنگ رہے۔

مستقبل میں اسپننگ ڈویژن مارکیٹ کی طلب کے مطابق پروڈکٹ ڈویلپمنٹ، ویلیو ایڈڈ یارنز کی تیاری، بین الاقوامی برانڈز کے ساتھ تعلقات کو مزید مضبوط بنانے، خام مال کی ٹریس ایبلیٹی (Traceability) اور پائیدار ذرائع سے خام مال کے حصول کی صلاحیتوں کو بہتر بنانے پر توجہ مرکوز کرے گی۔

بنائی (Weaving)

خام مال کی قیمتوں میں غیر معمولی اضافے کے باعث ڈویژن کے منافع کے مارجن پر اثر پڑا۔ قیمتوں میں ہونے والے اس اضافے کے اثرات کو سپلائی چین کے ذریعے مکمل طور پر صارف کو منتقل نہیں کیا جا سکا، کیونکہ موجودہ جغرافیائی سیاسی صورتحال اور کمزور طلب نے مارکیٹ میں غیر یقینی صورتحال پیدا کر دی تھی۔ خریداروں نے قیمت میں اس اضافے کو عارضی تصور کیا اور توقع کی کہ مشرقِ وسطیٰ کی صورتحال بہتر ہونے کے بعد قیمتیں دوبارہ معمول پر آ جائیں گی۔ ان چیلنجز کے باوجود، ڈویژن نے سالانہ فروخت اور منافع کے اہداف کامیابی سے حاصل کیے۔

گزشتہ سال میں ریکارڈ کیے گئے رجحان کے مطابق، ٹیکنیکل فیبرک کے کاروبار نے نمایاں ترقی کا سلسلہ جاری رکھا۔ ڈویژن نے آٹوموٹیو، فلٹریشن، سن پروٹیکشن، فوجی لباس، اسکرِ مز اور پرفارمنس فیبرکس جیسے شعبوں میں اپنی موجودگی کو مزید وسعت دی۔ نئے قائم کیے گئے ورک ویئر ڈویژن کی حوصلہ افزا ترقی اور ڈائیمنگ ڈویژن کے کورڈ یورائے کٹنگ کاروبار میں ہونے والی پیش رفت سے گرے کلاتھ کی طلب میں مزید اضافہ متوقع ہے۔

رنگائی (Dyeing)

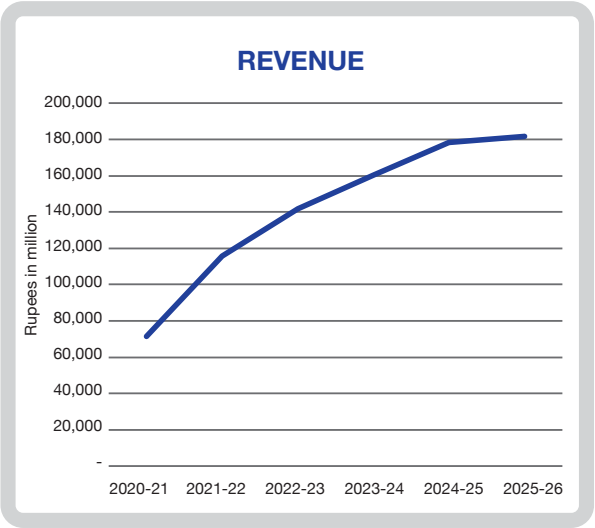
موجودہ مالی سال کے دوران ڈائیمنگ ڈویژن کی مجموعی فروخت گزشتہ مالی سال کی اسی مدت کے مقابلے میں 20.40% کم رہی۔ اس کی بنیادی وجوہات میں عالمی معاشی صورتحال میں مسلسل غیر یقینی، بیشتر برآمدی مارکیٹس میں طلب میں کمی، اور علاقائی سطح پر شدید مسابقت شامل ہیں۔ مقامی پیداواری لاگت میں اضافے، بالخصوص توانائی کے نرخوں، ایندھن اور خام مال کی بڑھتی ہوئی قیمتوں کے باعث آپریٹنگ مارجن اور برآمدی قیمتوں کی مسابقتی حیثیت شدید متاثر ہوئی۔ جغرافیائی سیاسی صورتحال کے باعث شپنگ میں پیدا ہونے والی رکاوٹوں اور سمندری مال برداری کے بلند نرخوں نے بھی کپڑے کی برآمدات کے لیے مسلسل مشکلات پیدا کیں۔

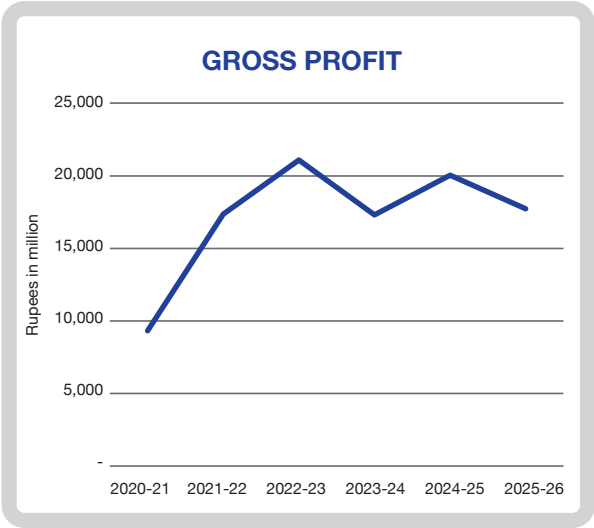
ان چیلنجز سے نمٹنے کے لیے ڈائیمنگ ڈویژن مصنوعات، صارفین اور علاقائی مارکیٹس میں تنوع پیدا کرنے پر توجہ مرکوز کر رہا ہے۔ ڈویژن نئی جغرافیائی مارکیٹس کو فعال طور پر تلاش کر رہی ہے اور اپنے صارفین کے دائرہ کار کو وسعت دے رہی ہے۔ تاکہ بیرونی و نظامی نوعیت کے اثرات سے پیدا ہونے والے خطرات کو کم کیا جا سکے۔ توقع ہے کہ اس حکمتِ عملی سے پیداواری صلاحیت کے استعمال میں بہتری آئے گی، فروخت کے حجم میں استحکام پیدا ہوگا اور ڈویژن کی طویل مدتی منافع بخش کارکردگی اور مضبوطی کو یقینی بنائے گی۔

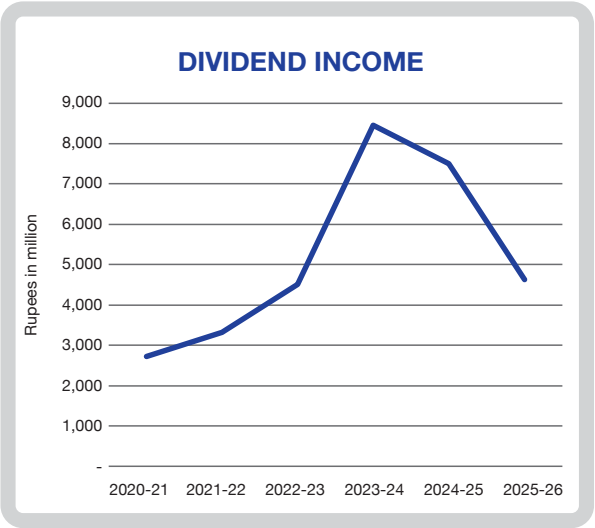
ڈینم (Denim)

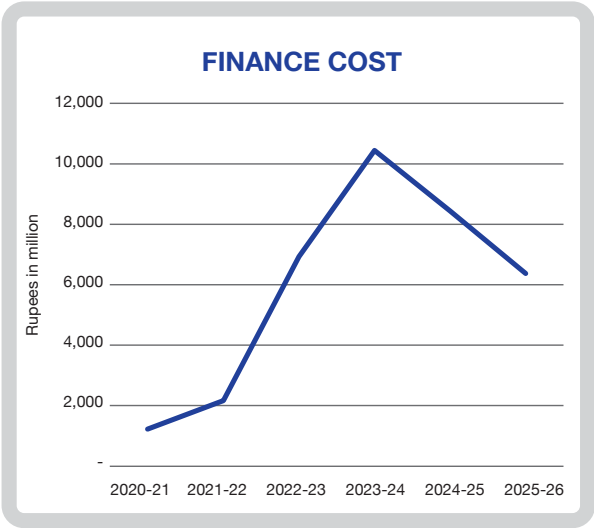
کمپنی کی جانب سے اپنی مصنوعات کے دائرہ کار کو ڈینم تک وسعت دینے کے لیے اختیار کیا گیا اسٹریٹجک اقدام مؤثر ثابت ہوا ہے۔ موجودہ مالی سال کے دوران ڈینم ڈویژن نے مجموعی فروخت میں نمایاں اضافہ ریکارڈ کیا، کاروبار نے مسلسل ترقی کی رفتار برقرار رکھی، جبکہ مالی سال کے اختتام پر کارکردگی میں مزید بہتری دیکھنے میں آئی، جو مؤثر انتظامی حکمتِ عملی اور صارفین کے اعتماد کی عکاسی کرتی ہے۔ ڈویژن معیار، قابلِ اعتماد کارکردگی اور صارفین کی بدلتی ہوئی ضروریات کے مطابق فوری ردِعمل کے ذریعے مارکیٹ میں اپنی پوزیشن کو مزید مضبوط بنانے پر توجہ مرکوز کیے ہوئے ہے۔

صارفین کی بڑھتی ہوئی طلب کے پیشِ نظر، کمپنی نے ڈینم کی پیداواری صلاحیت میں مزید اضافے کے لیے سرمایہ کاری کرنے کا منصوبہ بنایا ہے۔ اس اقدام سے پائیدار ترقی کو فروغ ملے گا اور ساتھ ہی ڈینم کے شعبے میں کمپنی کی مسابقتی پوزیشن مزید مضبوط ہوگی۔









موجودہ تناسب (Current Ratio) 1.24 گنا پر مستحکم رہا، جو اس بات کی نشاندہی کرتا ہے کہ کمپنی نے اپنے قلیل مدتی واجبات کو اپنے موجودہ اثاثوں کے ذریعے پورا کرنے کی صلاحیت برقرار رکھی۔ فوری اثاثہ تناسب (Quick Ratio) گزشتہ سال کے 0.55 گنا کے مقابلے میں بہتر ہو کر 0.61 گنا ہو گیا، جو زیادہ آسانی سے نقد رقم میں تبدیل ہونے والے اثاثے کے ذریعے قلیل مدتی واجبات کی بہتر ادائیگی کی صلاحیت اور ورکنگ کیپیٹل کے انتظام میں بہتری کی عکاسی کرتا ہے۔

کمپنی کا گیئرنگ تناسب (Gearing Ratio) مالی سال 2025 میں (38.08%) سے بہتر ہو کر مالی سال 2026 میں (36.94%) ہو گیا۔ اس بہتری کی بنیادی وجہ کمپنی کے ایکویٹی بیس (Equity Base) کے مقابلے میں قرض کے ذریعے فنانسنگ پر انحصار میں کمی ہے۔ یہ بہتری کمپنی کے محتاط مالیاتی انتظام اور متوازن سرمایہ جاتی ڈھانچہ (Balanced Capital Structure) برقرار رکھنے کے عزم کی عکاسی کرتی ہے۔ توسیع، جدید کاری اور قابلِ تجدید توانائی (Renewable Energy) کے منصوبوں میں مسلسل سرمایہ کاری کے باوجود، کمپنی اپنی مالیاتی پوزیشن کو کامیابی سے بہتر بنانے میں کامیاب رہی ہے۔ اس بہتری کے نتیجے میں کمپنی کو مستقبل کی ترقی میں معاونت کے لیے زیادہ مالیاتی وسعت (Financial Flexibility) حاصل ہوئی ہے، جبکہ مالیاتی خطرات (Financial Risks) کو مؤثر طریقے سے منظم کرنے کی صلاحیت بھی برقرار رہی ہے۔

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران دیگر آمدنی (Dividend Income) نے کمپنی کے منافع میں ایک بار پھر نمایاں کردار ادا کیا۔ کمپنی نے 4.620 ارب روپے کی ڈویڈنڈ آمدن حاصل کی، جبکہ گزشتہ سال یہ آمدن 7.496 ارب روپے تھی۔ اگرچہ سال کے دوران ڈویڈنڈ آمدنی میں کمی واقع ہوئی، تاہم کمپنی کی طویل مدتی سرمایہ کاری کی حکمتِ عملی نے مستحکم منافع فراہم کرنے اور شیئر ہولڈرز کی قدر میں اضافے میں اپنا کردار جاری رکھا۔ گزشتہ چھ سالوں کا جائزہ کمپنی کے سرمایہ کاری پورٹ فولیو کے استحکام کو ظاہر کرتا ہے، جو معیشت کے بڑے اور اہم شعبوں کا احاطہ کرتا ہے۔ بالخصوص پچھلے سالوں میں ڈویڈنڈ آمدنی اور کیپیٹل گینز (Capital Gains) نے کمپنی کے مجموعی منافع میں نمایاں حصہ ڈالا۔

کمپنی کے مالیاتی اخراجات میں 2.054 ارب روپے (24.36%) کی کمی واقع ہوئی۔ جو پچھلے سال میں 8.432 ارب روپے سے کم ہو کر موجودہ سال کے اختتام پر 6.378 ارب روپے پر آ گئے۔ یہ کمی بنیادی طور پر سال کے دوران اوسط قرض لینے کی لاگت (Average Borrowing Cost) میں کمی کے باعث ہوئی۔ یہ کمی کمپنی کی توسیع، جدت، کاروباری تنوع کے منصوبوں میں مزید سرمایہ کاری کے باوجود حاصل کی گی۔ گزشتہ چھ سالوں کا جائزہ ظاہر کرتا ہے کہ کمپنی نے اپنی مالیاتی حکمتِ عملی کو مؤثر انداز میں منظم کیا، جس کے نتیجے میں مالیاتی اخراجات کاروباری سرگرمیوں کے حجم اور طویل مدتی ترقی کے اہداف کے مقابلے میں مقررہ حدود کے اندر رہے۔

فروخت پر بعد از ٹیکس منافع (Profit After Taxation to Sales) کا تناسب گزشتہ سال (3.38%) سے کم ہو کر 30 جون 2026 کو ختم ہونے والے سال کے دوران (3.02%) رہ گیا۔ اس کمی کی بنیادی وجوہات کاروباری سرگرمیوں کی لاگت میں اضافہ اور دیگر آمدنی (Other Income) میں کمی تھی۔ گزشتہ چھ سالوں کے تجزیے سے ظاہر ہوتا ہے کہ کمپنی نے منافع بخش کارکردگی کو ایک مستحکم سطح پر برقرار رکھنے کی صلاحیت کا مظاہرہ کیا ہے۔ مسلسل منافع بخش کارکردگی کمپنی کی کاروباری استحکام، استقامت اور اس کے کاروباری بنیادی اصولوں کی مضبوطی کی عکاسی بھی کرتی ہے۔

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران کمپنی نے طویل مدتی اثاثہ جات (CAPEX) کی مد میں 7.846 ارب روپے خرچ کیے۔ معمول کے بی ایم آر (BMR) کے علاوہ، قابلِ تجدید توانائی کے منصوبوں میں ایک اہم سرمایہ کاری کی گئی۔

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران کمپنی نے فی حصص (EPS) 15.59 روپے کی حوصلہ افزا آمدنی حاصل کی، جو گزشتہ سال ریکارڈ کیے گئے 17.10 روپے فی حصص کے مقابلے میں کم تھی۔ تاہم، گزشتہ چھ سالوں کے رجحان سے کمپنی کی مضبوط آمدنی پیدا کرنے کی صلاحیت اور مختلف معاشی و صنعتی حالات کے باوجود اس کی کاروباری استقامت واضح ہوتی ہے۔ گزشتہ برسوں کے دوران مسلسل مثبت آمدنی اس بات کی عکاسی کرتی ہے کہ انتظامیہ نے پائیدار ترقی، آپریشنل کارکردگی اور شیئر ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے پر بھرپور توجہ مرکوز رکھی ہے۔

تخصیصات (Appropriations)

کمپنی کے بورڈ آف ڈائریکٹرز نے 20% کیش ڈیویڈنڈ (2025: 20%) کی تجویز دی ہے اور جنرل ریزرو میں 7,836 ملین روپے (2025: 5,431 ملین روپے) منتقل کرنے کی سفارش کی ہے۔

ڈائریکٹرز کی رپورٹ

نشاط ملز لمیٹڈ (کمپنی) کے ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ کے ساتھ مالی بیانات اور اس پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالی کارکردگی

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران کمپنی کے بعد از ٹیکس منافع میں 30 جون 2025 کو ختم ہونے والے مالی سال کے مقابلے میں کمی واقع ہوئی۔ یہ کمی بنیادی طور پر عالمی سطح پر طلب میں کمی، پیداواری لاگت میں اضافے اور ڈیونڈنڈ آمدنی (Dividend Income) میں کمی کے باعث ہوئی۔ تاہم، سال کے دوران کم مالی اخراجات اور ٹیکس کے مثبت نتائج نے ان عوامل کے اثر کو جزوی طور پر کم کر دیا۔

مندرجہ ذیل اہم غیر ضم شدہ (Unconsolidated) جھلکیاں ہیں:

مالی جھلکیاں	2026 روپے (ملین)	2025 روپے (ملین)
آمدنی	181,645	178,167
مجموعی منافع	17,737	20,025
EBITDA	19,341	23,768
فرسودگی (Depreciation)	6,136	4,629
مالی لاگت	6,378	8,432
دیگر آمدنی	7,192	10,204
قبل از ٹیکس اور لیوی منافع	6,828	10,707
بعد از ٹیکس منافع	5,483	6,014

30 جون 2026 کو ختم ہونے والے سال کے دوران کمپنی کی آمدنی میں 30 جون 2025 کو ختم ہونے والے سال کے مقابلے میں 3.478 ارب روپے (1.95%) کا اضافہ ہوا۔ یہ اضافہ بنیادی طور پر برآمدات میں 4.284 ارب روپے (4.46%) کے اضافے کی وجہ سے ہوا۔ برآمدات گزشتہ سال 343.455 ملین امریکی ڈالر سے بڑھ کر موجودہ سال 355.136 ملین امریکی ڈالر ہو گئیں۔ کمپنی نے اپنی ترقی کا تسلسل برقرار رکھا اور اپنی تاریخ کی بلند ترین آمدنی ریکارڈ کی، جو گزشتہ چھ سالوں کے دوران کاروباری سرگرمیوں میں مسلسل توسیع کی عکاسی کرتی ہے۔

30 جون 2026 کو ختم ہونے والے سال کے دوران کمپنی کے مجموعی منافع میں 30 جون 2025 کو ختم ہونے والے سال کے مقابلے میں 2.288 ارب روپے (11.43%) کی کمی واقع ہوئی۔ یہ کمی بنیادی طور پر خام مال، توانائی اور پیداواری لاگت میں اضافے کے باعث ہوئی، تجمیناً فروخت کی لاگت میں اضافہ آمدنی میں اضافے کے مقابلے زیادہ رہا۔ چنانچہ سال کے دوران مجموعی منافع کا مارجن 11.24% سے کم ہو کر 9.76% رہ گیا۔ تاہم، گزشتہ چھ سال کے رجحان کا جائزہ لینے سے ظاہر ہوتا ہے کہ مارکیٹ کے حالات کے باوجود کمپنی نے مسلسل بہتر مجموعی منافع کمایا ہے۔

Form of Proxy

I /We _____

of _____

being a member of Nishat Mills Limited, hereby appoint _____

_____

of _____

or failing him/her _____

of _____

member(s) of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on October 28, 2026 (Wednesday) at 11:30 A.M. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore.

Please affix revenue stamp Rs. 50

Signed by the said member _____

as witness may hand this _____ day of _____ 2026

Signature of witness .....

Name .....

Address .....

.....

CNIC # .....

Signature of witness .....

Name .....

Address .....

.....

CNIC # .....

Folio No.	Shares held	CDC A/C. No.

Important: This instrument appointing a proxy, duly completed, must be received at the Registered Office of the Company at Nishat House, 53-A, Lawrence Road, Lahore not later than 48 hours before the time to holding the annual general meeting.

AFFIX
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The Company Secretary

NISHAT MILLS LIMITED
Nishat House,
53-A, Lawrence Road, Lahore.
Tel: 042 - 36360154
UAN: 042 - 111 113 333

پراکسی فارم

میں/ہم مسمی/مسماۃ_____ساکن_____ضلع_____

بحیثیت ممبر کمپنی، مسمی/مسماۃ_____ساکن_____کمپنی ممبر یا اُسکی عدم موجودگی کی صورت میں

مسمی/مسماۃ_____ساکن_____کمپنی ممبر کو بطور مختار (پراکسی) مقرر کرتا/کرتی ہوں تا کہ وہ میری/ہماری جگہ اور میری/ہماری طرف سے کمپنی کے سالانہ اجلاس عام جو کہ بتاریخ ۲۸ اکتوبر ۲۰۲۶ء (بدھ) بوقت صبح 11:30 بجے امپوریم مال، دی نشاط ہوٹل، ٹریڈ اینڈ فنانس سنٹر بلاک، نزد ایکسپو سنٹر، عبدالحق روڈ، جوہر ٹاؤن، لاہور میں منعقد ہو رہا ہے میں بول سکے اور ووٹ ڈال سکے۔

دستخط بتاریخ_____ دن_____2026ء

پچاس روپے کی ریونیو سٹمپ
چسپاں کریں

گواہ کوائف

دستخط:_____

نام:_____

پتہ:_____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:_____

گواہ کوائف

دستخط:_____

نام:_____

پتہ:_____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:_____

فولیو نمبر:_____

سی ڈی سی کھاتہ نمبر:_____

حصص کی تعداد:_____

دستخط:_____

(دستخط کمپنی میں موجود رجسٹرڈ دستخط کے مطابق ہونے چاہئیں)

اہم: پراکسی فارم، کمپنی کے رجسٹرڈ آفس، نشاط ہاؤس، 53-A، لارنس روڈ، لاہور، میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل جمع کرانا لازمی ہے۔ بصورت دیگر وہ قابل قبول نہ ہوگا۔

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The Company Secretary

NISHAT MILLS LIMITED
Nishat House,
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NISHAT

REGISTERED OFFICE:
Nishat House, 53-A, Lawrence Road, Lahore
Tel: 042-36360154, 042-111 113 333
nishat@nishatmills.com
www.nishatmillsltd.com

VERSATILE Ph: +92 42 3717 3282