



HALF YEARLY REPORT
DECEMBER 31, 2025

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CONTENTS

Company Information	-----	4
Director's Report(English)	-----	5
Director's Report(Urdu)	-----	6
Independent auditor's Review Report	-----	7-8
Condensed Interim Statement Of Financial Position	-----	9
Condensed Interim Statement Of Profit Or Loss	-----	10
Condensed Interim Statement Of Other Comprehensive Income	-----	11
Condensed Interim Statement Of Cash Flows	-----	12
Condensed Interim Statement Of Changes In Equity	-----	13
Notes To The Condensed Interim Financial Information	-----	14-16

COMPANY INFORMATION

BOARD OF DIRECTORS	MR. SHAHID MAZHAR (Chief Executive) MRS. GHAZALA SHAHID (Chairperson) MR. AHMED BIN SHAHID MR. MUHAMMAD AFNAN SHAHID MR. MUHAMMAD AKHTAR MR. NADEEM BHATTI MR. HAMID BASIR
AUDITORS	MUSHTAQ & COMPANY CHARTERED ACCOUNTANTS
LEGAL ADVISOR	MR. FAZAL MAHMOOD (ADVOCATE)
AUDIT COMMITTEE	MR. NADEEM BHATTI (Chairman) MRS. GHAZALA SHAHID (Member) MR. MUHAMMAD AKHTAR (Member)
H.R. AND REMUNERATION COMMITTEE	MR. HAMID BASIR (Chairman) MR. AHMED BIN SHAHID (Member) MR. MUHAMMAD AFNAN SHAHID (Member)
CHIEF FINANCIAL OFFICER	MR. MUHAMMAD AKHTAR
COMPANY SECRETARY	MR. KHURRAM SHAHZAD
BANKERS	ALLIED BANK LIMITED SONERI BANK LIMITED THE BANK OF PUNJAB HABIB BANK LIMITED MEEZAN BANK LIMITED
REGISTERED OFFICE	3.5 KM FEROZE WATOAN WARBURTON ROAD KOT SHAH MUHAMMAD NEAR CHANDI KOT TEHSIL & DISTRICT NANKANA SAHIB TEL: 056-3731270-72
HEAD OFFICE	3.5 KM FEROZE WATOAN WARBURTON ROAD KOT SHAH MUHAMMAD NEAR CHANDI KOT TEHSIL & DISTRICT NANKANA SAHIB TEL: 056-3731270-72
SHARE REGISTRAR	M/S HAMEED MAJEED ASSOCIATES (PVT.) LTD. H.M.HOUSE, 7-BANK SQUARE LAHORE. TEL: 042-37235081-82 FAX: 042-37358817
MILLS	3.5 KM FEROZE WATOAN WARBURTON ROAD KOT SHAH MUHAMMAD NEAR CHANDI KOT TEHSIL & DISTRICT NANKANA SAHIB TEL: 056-3731270-72
URL	WWW.SHADMAN.COM.PK

DIRECTORS' REPORT

Dear Shareholders,

The Directors are pleased to present the un-audited condensed interim financial statements of the company for the half year and the quarter ended December 31, 2025.

During the six months under review, the net turnover of the company is Rs. 263.691 million as compared to net turnover of Rs.268.653 million of corresponding period of previous year. During the first half after tax loss of the company is Rs. (4.744) million as compared to after tax profit of Rs. 2.609 million. Loss per share is Rs.(0.27) as compared to profit per share of Rs.0.15 of the corresponding period of the previous year.

During the period under review the company utilized the apparel division manufacturing process and also adopted alternative strategies to keep up the project.

Manufacturing Industry in Pakistan is facing the economic challenges such as high rate of inflation, high fuel & energy prices and high income taxes, all these factors causing high cost. However, in spite of all these challenges, the management of the company is mainly focusing on other segments of the company. We anticipate positive financial performance during the remaining period of current financial year.

We remain committed to the difficult task to improve the financial results. We would like to highlight the hard work put in by the member of corporate family. We look forward to same dedication and cooperation in the days ahead.

For and on behalf of the Board

For and on behalf of the Board



(Chief Executive)



Director

Lahore: February 26, 2026

ڈائریکٹرز کی رپورٹ

پیارے شیئر ہولڈرز،

ڈائریکٹرز 31 دسمبر 2025 کو ختم ہونے والی چھ ماہی اور سہ ماہی کے لیے کمپنی کے غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی گوشواروں کو پیش کرنے پر خوش ہیں۔

زیر نظر پہلی چھ ماہی کے دوران، کمپنی کا خالص کاروبار 263.691 ملین روپے ہے پچھلے سال کی اسی مدت کے مقابلے میں خالص کاروبار 268.653 ملین تھا۔ پہلی نصف کے دوران کمپنی کا بعد از ٹیکس نقصان (4.744) ملین روپے ہے پچھلے سال کی اسی مدت کا بعد از ٹیکس منافع 2.609 ملین تھا فی حصص نقصان (0.27) روپے ہے۔ پچھلے سال کی اسی مدت کا فی حصص منافع 0.15 تھا

زیر جائزہ مدت کے دوران کمپنی نے ملبوسات کی تقسیم کے مینوفیکچرنگ کے عمل کو استعمال کیا اور اس منصوبے کو جاری رکھنے کے لیے متبادل حکمت عملی بھی اپنائی۔

پاکستان میں مینوفیکچرنگ انڈسٹری کو معاشی چیلنجز کا سامنا ہے جیسے مہنگائی کی بلند شرح، ایندھن اور توانائی کی بلند قیمتیں اور زیادہ انکم ٹیکس، یہ تمام عوامل زیادہ لاگت کا باعث بنتے ہیں۔ تاہم، ان تمام چیلنجوں کے باوجود، کمپنی کی انتظامیہ بنیادی طور پر کمپنی کے دیگر طبقات پر توجہ مرکوز کر رہی ہے۔ ہم رواں مالی سال کی بقیہ مدت کے دوران مثبت مالی کارکردگی کی توقع کرتے ہیں۔

ہم مالیاتی نتائج کو بہتر بنانے کے لیے مشکل کام کے لیے پرعزم ہیں۔ ہم کارپوریٹ فیملی کے ممبر کی طرف سے کی گئی محنت کو اجاگر کرنا چاہیں گے۔ ہم آنے والے دنوں میں اسی لگن اور تعاون کے منتظر ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



(ڈائریکٹر)



(چیف ایگزیکٹو)

لاہور: 26 فروری 2026

Independent auditor's review report to the members of Shadman Cotton Mills Limited

Report on the Review of the Interim Financial Statements

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

1. Trade and other payables include liability amounting to Rs. 18.316 million payable to Excise and Taxation Officer (ETO) Government of Sindh. Company had filed the suit against ETO in Sindh High Court against this levy. No copy of suit filed provided to us neither legal advisor confirmed this suit in his direct confirmation. We were also unable to verify the bank guarantees issued in favor of Excise and Taxation Officer (ETO) Government of Sindh.
2. Trade debts include an amount receivable from LESCO of Rs. 16.198 million, this receivable is past due since June 30, 2011. The balance is not directly confirmed by the party as the said balance is also under litigation. In our opinion, this past due balance has been impaired but no loss allowance in respect of this receivable balance has been made in the financial statements. The Company is also in litigation which is fully disclosed in Note 4.1.3 of these financial statements.
3. As disclosed in Note 4.1.4, a suit has been filed by the Meezan bank limited before the banking court, Lahore, against recovery of outstanding balance of ijarah rentals amounting to Rs. 51.419 million. Suit decreed by Banking Court for Rs. 28.544 million. Appeal of said decree has been filed in Lahore High Court. Bank's execution is also pending before Banking Court Lahore. We do not receive bank confirmation for this Rental Payable.
4. The Company entered into a restructuring agreement with the Bank of Punjab under which, subject to no default, the Bank agreed to waive off previous and current mark-up. In accordance with IFRS 9 Financial Instruments, the restructured loan should have been measured at amortised cost. However, the Company continues to carry

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the loan at its face value of Rs. 245.115 million, instead of the amortised cost of Rs. 151.722 million as at December 31, 2025. Had the requirements of IFRS 9 been applied, the loan balance and total liabilities would have been lower by Rs. 93.393 million, and accumulated losses would have been reduced by the same amount.

Qualified Conclusion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 in the financial statements, which indicates that the company incurred loss for the year ended December 31, 2025 of Rs. 4.744 million (December 31, 2024: profit of Rs. 2.610 million). As of that date, the Company reported accumulated losses of Rs. 355.103 million as at December 31, 2025 (June 30, 2025: Rs. 353.331 million) against the issued, subscribed and paid-up capital of Rs. 176.367 million (June 30, 2025: Rs. 176.367 million). The current liabilities exceed the current assets by Rs. 39.571 million as at December 31, 2025 (June 30, 2025: Rs. 67.815 million). These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the company be unable to continue as a going concern. However, the enclosed financial statements have been prepared on going concern basis for the reasons and mitigating factors mentioned in the aforesaid note. Our conclusion is not modified in respect of this matter.

Other Matter Paragraph

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

The engagement partner on review resulting in this independent auditor's review report is **Nouman Arshad, ACA**.

Mushtaq & Co.

MUSHTAQ & CO.
Chartered Accountants
Lahore.



Dated: February 26, 2026
UDIN: RR202510724DIwxGtieM

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Shadman Cotton Mills Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited) AS AT DECEMBER 31, 2025

	Note	December 31, 2025 Rupees (Un-Audited)	June 30, 2025 Rupees (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
18,000,000 (June 30, 2025: 18,000,000) ordinary shares of Rs. 10 each		180,000,000	180,000,000
Issued, subscribed and paid-up capital		176,367,190	176,367,190
Share premium reserve		53,218,752	53,218,752
Accumulated losses		(355,102,859)	(353,330,974)
Director's loan		247,336,000	210,000,000
Surplus on revaluation of property, plant and equipment		712,904,182	715,876,562
TOTAL EQUITY		834,723,265	802,131,530
NON-CURRENT LIABILITIES			
Long term finances - <i>secured</i>		196,090,384	215,700,384
Long term payable		-	-
Employee retirement obligation		9,657,357	9,451,429
Deferred taxation		61,609,316	62,629,080
		267,357,057	287,780,893
CURRENT LIABILITIES			
Trade and other payables		97,536,065	100,942,687
Short term borrowings		117,586,317	154,862,317
Current portion of non-current liabilities		49,025,000	49,025,000
Ijara rentals payable		28,544,690	28,544,690
Provision for taxation		13,968,390	19,506,774
		306,660,462	352,881,468
TOTAL LIABILITIES		574,017,519	640,662,361
CONTINGENCIES AND COMMITMENTS			
	4		
TOTAL EQUITY AND LIABILITIES		1,408,740,784	1,442,793,891
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,004,616,707	1,019,099,301
Intangibles	6	2,428,387	2,698,208
Investment property	7	104,543,412	105,866,746
Long term deposits - <i>unsecured, considered good</i>		30,062,794	30,062,794
Long term Loan to Employees- <i>unsecured, considered good</i>		-	-
		1,141,651,300	1,157,727,049
CURRENT ASSETS			
Stores, spares and loose tools		6,026,613	11,455,261
Stock in trade		68,331,331	44,107,838
Trade debts - <i>unsecured</i>		16,415,672	40,285,414
Loans and advances		9,591,517	5,924,921
Trade deposits and short term prepayments		3,710,303	4,145,939
Other receivables		5,852,845	2,788,061
Tax refunds due from Government		45,646,872	39,487,065
Short term investments	8	85,000,000	109,500,000
Cash and bank balances		26,514,331	27,372,343
		267,089,484	285,066,842
TOTAL ASSETS		1,408,740,784	1,442,793,891

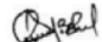
The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Shadman Cotton Mills Limited

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	Rupees	Rupees	Rupees	Rupees
Turnover - net	263,691,739	268,653,814	188,332,154	141,354,724
Cost of sales	(308,740,694)	(257,979,156)	(219,512,747)	(111,346,130)
Gross profit / (loss)	(45,048,955)	10,674,658	(31,180,593)	30,008,594
Selling and distribution expenses	(1,320,772)	(7,776,548)	(772,151)	(2,464,860)
Administrative and general expenses	(18,905,944)	(42,387,449)	(10,662,769)	(25,377,376)
	(20,226,716)	(50,163,997)	(11,434,920)	(27,842,236)
	(65,275,671)	(39,489,339)	(42,615,513)	2,166,358
Other income	64,751,917	38,860,778	28,098,234	21,751,347
Operating profit / (loss)	(523,754)	(628,561)	(14,517,279)	23,917,705
Finance cost	(1,412,306)	(488,703)	(32,833)	(96,854)
Other Expenses	(2,645,545)	(1,549,189)	(455,297)	(870,556)
Profit / (loss) before levies and taxation	(4,581,605)	(2,666,453)	(15,005,409)	22,950,295
Levies	(3,296,147)	(3,358,173)	(2,354,152)	(3,358,173)
Profit / (loss) Before taxation	(7,877,752)	(6,024,626)	(17,359,561)	19,592,122
Taxation	3,133,487	8,634,198	3,133,487	10,293,125
Profit after taxation	(4,744,265)	2,609,572	(14,226,074)	29,885,247
Earning per share - basic and diluted	(0.27)	0.15	(0.81)	1.69

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Shadman Cotton Mills Limited

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	(4,744,265)	2,609,572	(14,226,074)	29,885,247
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit obligation	-	-	-	-
Total comprehensive income	(4,744,265)	2,609,572	(14,226,074)	29,885,247

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Shadman Cotton Mills Limited

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half year ended	
	December 31, 2025	December 31, 2024
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before levies and taxation	(4,581,605)	(2,666,453)
Adjustments for non-cash items		
Depreciation	10,199,514	11,387,978
Amortization	269,821	-
Provision for employees retirement benefits	1,665,928	1,648,657
Rental Income	(49,730,862)	-
Gain on disposal of property, plant and equipment	(8,775,546)	(892,705)
Changes in fair value of investments at fair value through profit or loss	-	(7,499)
Finance cost	1,412,306	488,703
	(44,958,839)	12,625,134
Operating profit /(loss) before changes in working capital	(49,540,444)	9,958,681
Changes in working capital		
Stores, spares and loose tools	5,428,648	42,599,480
Stock in trade	(24,223,493)	12,367,935
Trade debts	23,869,742	30,680,829
Advances, prepayments and other receivables	(12,930,160)	23,142,939
Trade and other payables	(3,406,622)	(53,719,116)
	(11,261,885)	55,072,067
Net cash generated from / (used in) operations	(60,802,329)	65,030,748
Payments for		
Finance cost	(1,412,306)	(488,703)
Income tax	(6,246,199)	(733,953)
Long Term Loan	-	(8,611,751)
Employees retirement benefits	(1,460,000)	(310,000)
Net cash generated from / (used in) operating activities	(69,920,834)	54,886,341
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(18,568,980)	21,136,455
Proceeds from disposal of property, plant and equipment	32,950,940	(29,020,446)
Rental Income	49,730,862	-
Short term investment	24,500,000	(50,000,000)
Net cash generated from / (used in) investing activities	88,612,822	(57,883,991)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loan	(19,610,000)	(19,610,000)
Net increase / (decrease) in short term borrowings	60,000	5,946,000
Net cash generated from / (used in) financing activities	(19,550,000)	(13,664,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(858,012)	(16,661,650)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	27,372,343	28,453,912
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	26,514,331	11,792,262

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Shadman Cotton Mills Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Share capital	Capital Reserve	Revenue Reserve	Equity	Revaluation Surplus	
	Issued, subscribed and paid-up capital	Share premium reserve	Accumulated losses	Director's loan	Revaluation Surplus on Property, plant and equipment	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2024 - Audited	176,367,190	53,218,752	(383,752,398)	210,000,000	762,183,007	818,016,551
Profit after taxation for the period	-	-	2,609,572	-	-	2,609,572
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income	-	-	2,609,572	-	-	2,609,572
Incremental Depreciation-net of deferred tax	-	-	3,048,595	-	(3,048,595)	-
Balance as at December 31, 2024 - Un-audited	<u>176,367,190</u>	<u>53,218,752</u>	<u>(378,094,231)</u>	<u>210,000,000</u>	<u>759,134,412</u>	<u>820,626,123</u>
Balance as at July 01, 2025 - Audited	176,367,190	53,218,752	(353,330,974)	210,000,000	715,876,562	802,131,530
Profit after taxation for the period	-	-	(4,744,265)	-	-	(4,744,265)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income	-	-	(4,744,265)	-	-	(4,744,265)
Director Loan	-	-	-	37,336,000	-	37,336,000
Incremental depreciation- net off deferred tax	-	-	2,972,380	-	(2,972,380)	-
Balance as at December 31, 2025 - Un-audited	<u>176,367,190</u>	<u>53,218,752</u>	<u>(355,102,859)</u>	<u>247,336,000</u>	<u>712,904,182</u>	<u>834,723,265</u>

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1 THE COMPANY AND ITS OPERATIONS

Shadman Cotton Mills Limited ('the Company') was incorporated in Pakistan as a public limited company on November 24, 1979 under the then Companies Act, 1973 (now the Companies Act 2017) and is listed on Pakistan Stock Exchange Limited. The Company is engaged in the manufacturing and sale of yarn and apparels. The registered office, the manufacturing facilities and land covering 285 kanals 7 marlas of the company is located at 3.5 KM Feroze Watoan Warburton Road, Kot Shah Mohammad, Near Chandi Kot Tehsil & District Nankana Sahib.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the IAS 34 Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017 as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2025.

These condensed interim financial statements comprise of condensed interim statement of financial position, condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes for the half year ended December 31, 2025 which have been subject to a review but not audited. These condensed interim financial statements also include the condensed interim income statement for the quarter ended December 31, 2025.

Where the provision of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.1 Going Concern Assumption

The company incurred loss for the year ended December 31, 2025 of Rs. 4.744 million (December 31, 2024: profit of Rs. 2.610 million) and as of that date, reported accumulated losses of Rs. 355.103 million as at December 31, 2025 (June 30, 2025: Rs. 353.331 million) against the issued, subscribed and paid up capital of Rs. 176.367 million (June 30, 2025: Rs. 176.367 million). The current liabilities exceeds the current assets by Rs.39.571 million (June 30, 2025: Rs. 67.815 million). These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future.

The Company is exploring new international markets to enhance export revenues, while the directors have committed to inject funds as and when required to support working capital and debt obligations.

2.2 Accounting convention

The condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments at fair value, certain financial liabilities at amortized cost and employees retirement benefits at present value. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2025.

4 CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

4.1.1 Shadman Cotton Mills Limited had filed a suit (COS No. 26/2012) against Bank of Punjab (BOP) which included various claims, with a total recovery amounting to Rs. 744.348 million. However, the suit was withdrawn on January 30, 2023, following an amicable settlement between the company and the bank. As a result of this settlement, there is no risk of financial loss to the company related to this case.

4.1.2 The Bank of Punjab (BOP) had filed a suit (COS No. 23/2012) against Shadman Cotton Mills Limited and other parties for the recovery of Rs. 577.391 million. The suit was decreed by consent on February 10, 2023, following a settlement agreement between the parties. The amount involved in the case has been settled with the bank, and no further financial liability is expected for the company.

4.1.3 A dispute arose between Shadman Cotton Mills Limited and Lahore Electric Supply Company (LESCO) regarding payments due to the company. The matter was referred to arbitration, and an award was announced on January 12, 2016, entitling the company to Rs. 16.198 millions. Shadman Cotton Mills Limited has filed a petition to have the award made a rule of court, and the case is currently pending before the Civil Court, Lahore. There is no financial loss to the company, as it holds a valid claim against LESCO.

4.1.4 Meezan Bank filed a suit against Shadman Cotton Mills Limited and others for the recovery of Rs. 51.419 million. The suit was decreed by the Banking Court No. VI, Lahore, for Rs. 28.544 million. An appeal against this decree has been filed in the Lahore High Court (RFA No. 7837/2019), and the execution of the decree is also pending before the Banking Court. The amount involved in this case is the decretal sum of Rs. 28.544 million.

4.2 Commitments

4.2.1 Outstanding commitments related to letter of credit-raw material at the end of period equivalent to Rs. 87.733 million (June 30, 2025: Rs. 89.905 million).

Shadman Cotton Mills Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	December 31, 2025	June 30, 2025
		Rupees (Un-Audited)	Rupees (Audited)
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,004,616,707	1,019,099,301
Capital work in progress		-	-
		1,004,616,707	1,019,099,301
	Note	December 31, 2025	June 30, 2025
		Rupees (Un-Audited)	Rupees (Audited)
5.1 Operating fixed assets			
Assets owned by the Company	5.1.1	1,004,616,707	1,019,099,301
		1,004,616,707	1,019,099,301
5.1.1 Assets owned by the Company			
Net book value at the beginning of the period/year		1,019,099,301	1,030,857,841
Additions during the period/year		18,568,980	54,667,999
Adjustments during the period/year-net		-	(19,885,236)
Revaluation additions during the period/year- net		-	-
Net book value of assets disposed during the period/year		(24,175,394)	(26,297,632)
Depreciation for the period/year		(8,876,180)	(20,243,671)
Net book value at end of the period/year		1,004,616,707	1,019,099,301
		December 31, 2025	June 30, 2025
6 INTANGIBLES		Rupees (Un-Audited)	Rupees (Audited)
Carrying value as at July 01		2,698,208	2,943,500
Addition		-	-
Amortization charged during the period		(269,821)	(245,292)
Net book value as at June 30		2,428,387	2,698,208
Gross carrying value as at June 30			
Cost		2,943,500	2,943,500
Accumulated Amortization		(515,113)	(245,292)
		2,428,387	2,698,208
Amortization is charged straight line method at the rate % per annum		20%	20%
		December 31, 2025	June 30, 2025
		Rupees (Un-Audited)	Rupees (Audited)
7 INVESTMENT PROPERTY - At Cost			
Net carrying value as at July 01		105,866,746	108,581,278
Depreciation charged to other operating expenses during the period/year		(1,323,334)	(2,714,532)
Net book value as at close of period		104,543,412	105,866,746
Gross carrying value			
Cost		122,267,095	122,267,095
Accumulated Depreciation		(17,723,683)	(16,400,349)
Net book value		104,543,412	105,866,746
7.1 Depreciation is charged by reducing balance method at the rate % per annum		2.5%	2.5%
7.2 Depreciation charge for the period has been allocated as follows:			
Other operating expenses		(1,323,334)	(2,714,532)

Shadman Cotton Mills Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	December 31, 2025	June 30, 2025
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
8 SHORT TERM INVESTMENTS		
Term Deposit Certificates	85,000,000	109,500,000
Investment in Shares	-	-
	<u>85,000,000</u>	<u>109,500,000</u>

9 SHARIAH COMPLIANT DISCLOSURE

Statement of Financial Position

Cash at Banks

Current accounts-local Islamic	17,112,640	16,386,242
Current accounts-foreign Islamic	6,901,651	7,926,768

Other Receivables

Return on Term Deposit Receipts - Islamic	60,512	333,165
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Statement of Profit or Loss

Return on Term Deposit Receipts - Islamic	5,049,829	10,009,308
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Relationship With Shariah compliant Financial Institutions

The company maintains its bank deposits and has Investments in Shariah-Compliant TDRs of Bank Islami.

10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and undertakings and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. Details of transactions and balances with related parties is as follows:

	<i>Note</i>	December 31, 2025	December 31, 2024
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
10.1 Transactions with related parties			
Nature of relationship	Nature of transactions		
Directors	Short term borrowings obtained	10,835,000	20,175,000
	Short term borrowings repaid	10,775,000	14,229,000

		December 31, 2025	June 30, 2025
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
10.2 Balances with related parties			
Nature of relationship	Nature of balances		
Directors	Equity	247,336,000	210,000,000
	Short term borrowings	117,586,317	154,862,317

11 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require adjustment of and/or disclosure in this condensed interim financial information.

12 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved and authorized for issue on February 26,2026 by the Board of Directors of the Company.

13 GENERAL

Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR